QUARTERLY BUDGET STATEMENT: OCTOBER - DECEMBER 2017

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): QUARTERLY FINANCIAL REPORT FOR SEPTEMBER - DECEMBER 2017 (QUARTERLY BUDGET STATEMENT)

1. PURPOSE

To comply with section 52(d) of the MFMA, by the provision of a statement to the Executive Mayor containing certain financial particulars, as legislated.

2. BACKGOUND

Section 52(d) of the MFMA requires that:

The Mayor of the Municipality must within **30 days** after the end of each quarter submit a report to the **Council** on the implementation of the budget and the financial state of affairs.

3. QUARTERLY REPORT : OCTOBER – DECEMBER 2017

The financial results for the second quarter ending 31 December are summarized as follows:

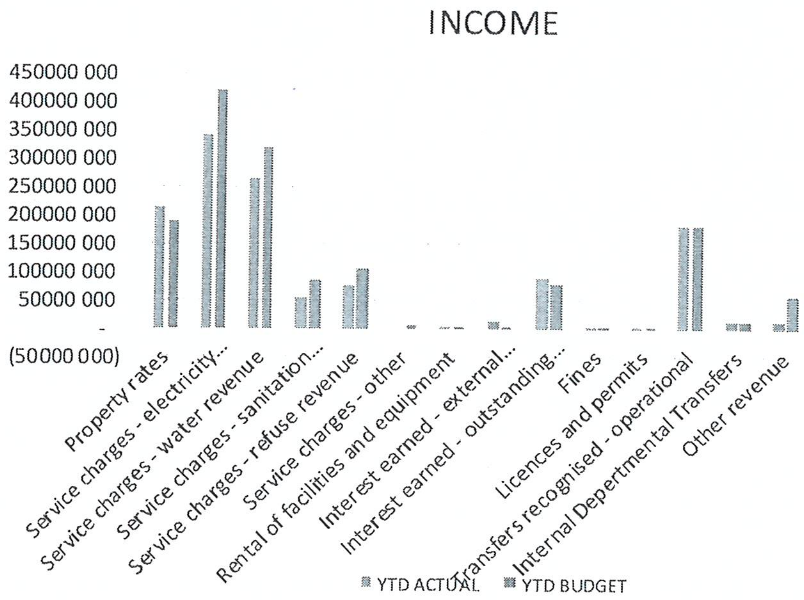
Statement of Financial Performance (SPF)

The SPF shown in Annexure A is prepared on the similar basis to the prescribed budget format, detailing revenue by source type and expenditure by category.

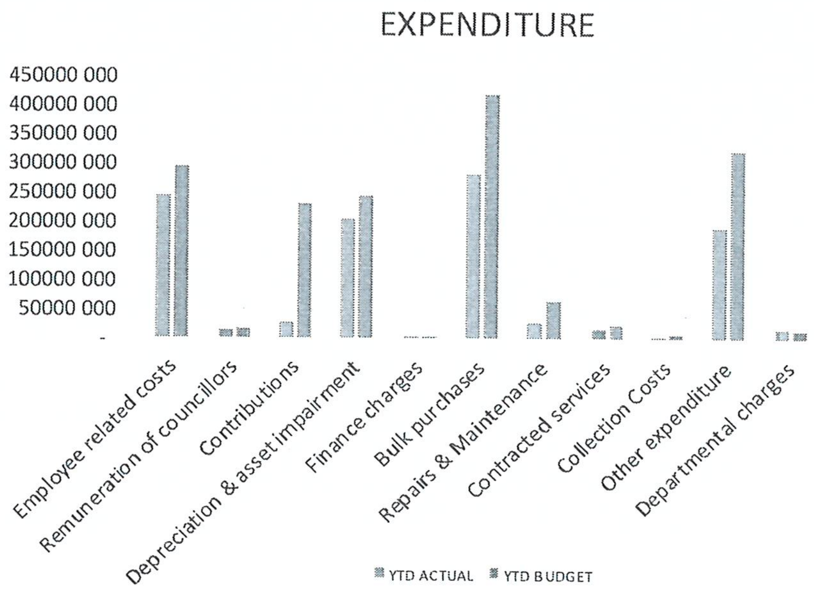
The summary report indicates the following:

Summary statement of Financial Performance				
Description	**YTD Budget 2017/18**	**Second Quarter 2017/18**	**YTD Actual 2017/18**	**Variance Favorable (Unfavorable)**
Total Revenue by Source Total Operating Expenditure	(1,477,887,320) 1,638,509,000	(589,392,967) 590,386,942	(1,221,293,727) 976,813,204	(256,593,593) 661,695,796
(SURPLUS)/ DEFICIT	**160,621,680**	**1,003975**	**(244,480,523)**	**405,102,203**

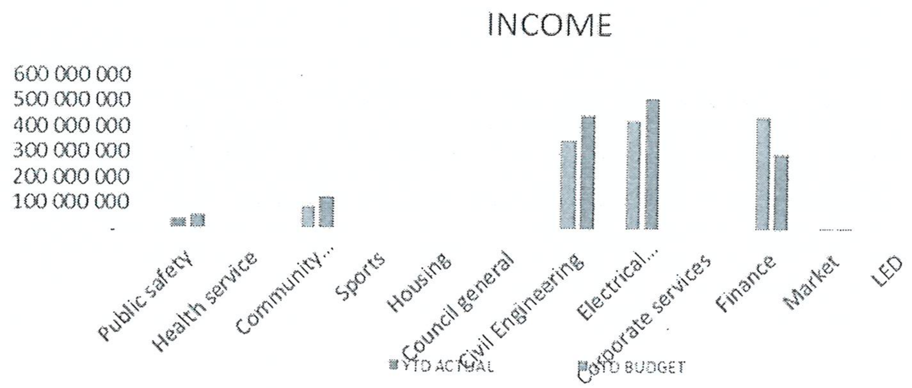
YTD Actual Income vs YTD Budget Income



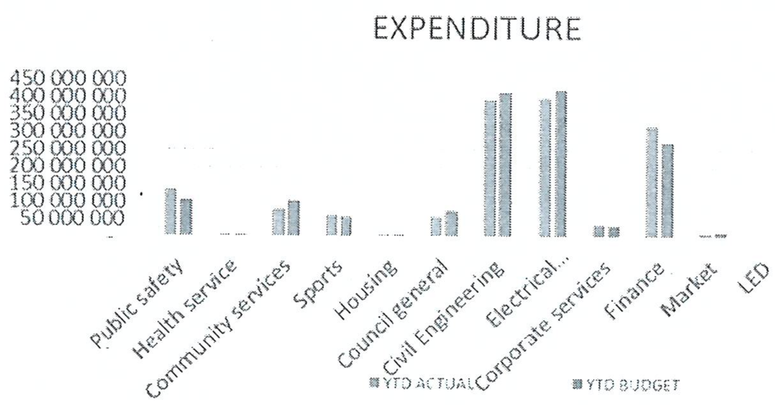
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	SECOND QUARTER RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	116,884,000	264,542,000	41.67%
Finance Management grant	2,145,000	0	2,145,000	100%
Improvement of Library services	1,200,000	0	1,200,000	100%
PMU	4,291,613	0	0	0%
EPWP	2,246,000	0	562,000	25.02%
TOTAL	**364,259,613**	**116,884,000**	**268,449,000**	**73.70%**

Operational Grant spending

DESCRIPTION	BUDGET 2017/18	SECOND QUARTER SPENDING 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	88,594,251	177,188,501	50%
Finance Management grant	2,145,000	233,205	402,037	18.74%
Improvement of Library services	1,200,000	32,097	34,949	2.91%
PMU	4,291,613	737,696	1,458,833	33.99%
EPWP	2,246,000	723,479	723,479	32.21%
TOTAL	**364,259,613**	**90,320,728**	**179,807,800**	**49.36%**

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	SECOND QUARTER RECEIVED 2017/18	YTD ACTUAL RECEIVED	YTD%
MIG	84,588,950	28,493,000	59,657,000	70.53%
NDPG	75,000,000	0	40,000,000	53.33%
INEP	14,000,000	12,000,000	12,000,000	85.71%
PMU	160,435	0	0	0%
PIG	22,000,000	0	14,808,404	67.31
TOTAL	**195,749,385**	**40,493,000**	**126,465,404**	**64.61%**

CAPITAL GRANT SPENT

DESCRIPTION	BUDGET	SECOND QUARTER SPENDING 2017/18	YTD ACTUAL	YTD%
NDPG	75,000,000	15,952,924	28,925,349	38.57%
INEP	14,000,000	3,582,777	7,273,832	51.96%
PMU	160,435	0	0	0%
PIG Sewer	22,000,000	14,808,403	14,808,403	67.31

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R229.2 million, for the month of December 2017.
- Total cash payments indicate an amount of R169.9 million for the month of December 2017.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	**YTD Budget**	**Second Quarter Actual 2017/18**	**YTD Actual**	**Variance Favourable (Unfav)**
Total Capital Expenditure	**106,873,500**	**25,887,665**	**70,668,655**	**(36,205,405)**
Capital funding				
National government	86,873,500	25,887,665	70,668,655	(16,205,405)
Provincial Government	-	-	-	-
	-	-	-	-
District Municipality	-	-	-	-
Borrowing	15,000,000	-	-	(15,000,000)
Internal Generated fund	5000,000	-	-	(5,000,000)
Financial Total	**106,873,500**	**25,887,665**	**70,668,095**	**(36,205,405)**

- Capital spending of 33.06% is lower than the 50% pro-rata.

MIG Spending

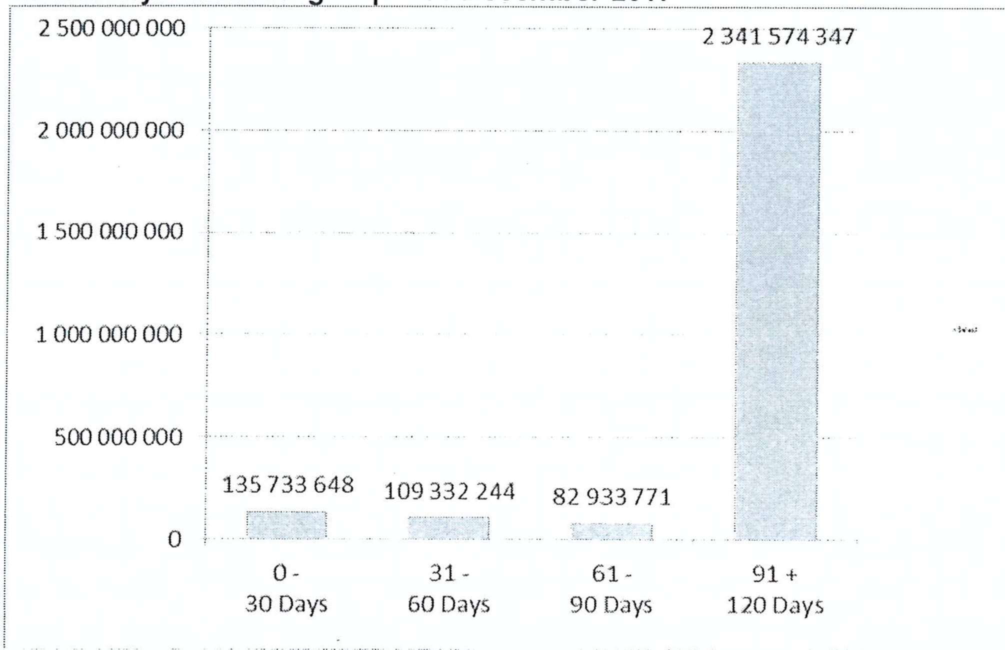
BUDGET	SECOND QUARTER RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
84,588,950	28,493,000	34,898,442	59,657,000	41.26%

Outstanding Debtors report (Annexure D)

This graph provides an extended aged analysis, as well as debtor's type. The summary report indicates that the debtor's greater than 30 days (31-90+days) balance as at 31 December 2017 amounts to R 2.533 billion.

A detailed Age Analysis is on annexure D.

Debtors by Customer group – 31 December 2017



- Debtors' book has increased by R105 million as compared to the previous month.

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of December 2017 amount to R58, 143,658.39.

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2017 to 31 December 2017.The actual income and expenditure that appears in "Annexure A" reflects details that relates to the actual expenditure, and actual revenue for that period. Year to date actual revenue of R 1.221 billion is less than projected of R 1.477 billion YTD budget (Pro-rata) and vary by R256.5 million.
Year to date actual expenditure of R 976.8 million is less than projected expenditure of R1.638 billion YTD budget (Pro-rata) and vary by R 661.6 million.

RECOMMENDATION

That the Executive Mayor submits to the Council this report as per section 52(d) of the MFMA.

ANNEXURE A - FINANCIAL PERFORMANCE

Budgeted Financial Performance (revenue and expenditure) - December 2017

Current Year 2017/18

Description	Original Budget	SECOND QUARTER	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(378 837 000)	-	(214 554 125)	-189 418 500	(25 135 625)	56.63	13.27
Service charges - electricity revenue	(838 331 000)	(158 310 896)	(342 617 091)	-419 165 500	76 548 409	40.87	(18.26)
Service charges - water revenue	(639 296 000)	(135 057 676)	(265 150 573)	-319 648 000	54 497 427	41.48	(17.05)
Service charges - sanitation revenue	(173 694 000)	(28 330 315)	(56 489 831)	-86 847 000	30 357 169	32.52	(34.95)
Service charges - refuse revenue	(215 011 000)	(38 163 247)	(76 165 496)	-107 505 500	31 340 004	35.42	(29.15)
Service charges - other	(15 000 000)	73 988	21 901	-7 500 000	7 521 901	(0.15)	-
Rental of facilities and equipment	(6 586 640)	(1 643 714)	(2 643 463)	-3 293 320	649 857	40.13	(19.73)
Interest earned - external investments	(2 500 000)	-	-	-1 250 000	1 250 000	-	(100.00)
Interest earned - outstanding debtors	(161 884 000)	(49 720 496)	(104 273 195)	-80 942 000	(23 331 195)	64.41	28.82
Fines	(7 452 000)	(193 430)	(636 267)	-3 726 000	3 089 733	8.54	(82.92)
Licences and permits	(7 529 000)	(358 937)	(358 937)	-3 764 500	3 405 563	4.77	(90.47)
Transfers recognised - operational	(364 262 000)	(93 228 620)	(181 956 270)	-182 131 000	174 730	49.95	(0.10)
Internal Depertmental Transfers	(26 505 731)	(7 934 577)	(16 002 796)	-13 252 866	(2 749 931)	60.37	20.75
Other revenue	(118 886 269)	(9 188 195)	(15 117 148)	-59 443 135	44 325 987	12.72	(74.57)
Gains on disposal of PPE	-	-	-	0	-	-	
Total Revenue	**(2 955 774 640)**	**(600 240 069)**	**(1 275 943 290)**	**(1 477 887 320)**	**201 944 030**	**43.17**	**(13.66)**
Expenditure By Type							
Employee related costs	586 853 000	137 865 568	243 976 088	293 426 500	49 450 412	41.57	16.85
Remuneration of councillors	31 657 000	7 547 008	15 099 015	15 828 500	729 485	47.70	4.61
Contributions	462 621 000	-	28 192 685	231 310 500	203 117 815	6.09	87.81
Depreciation & asset impairment	492 000 000	102 638 985	205 277 969	246 000 000	40 722 031	41.72	16.55
Finance charges	11 000 000	1 939 123	3 848 190	5 500 000	1 651 810	34.98	30.03
Bulk purchases	837 563 000	202 728 140	281 105 166	418 781 500	137 676 334	33.56	32.88
Repairs & Maintenance	126 791 000	19 511 314	27 958 330	63 395 500	35 437 170	22.05	55.90
Contracted services	48 250 824	13 070 003	16 177 280	24 125 412	7 948 132	33.53	32.95
Collection Costs	13 500 000	2 789 039	3 828 854	6 750 000	2 921 146	28.36	43.28
Other expenditure	640 276 448	105 229 274	190 016 437	320 138 224	130 121 787	29.68	40.65
Departmental charges	26 505 728	7 925 591	15 982 754	13 252 864	(2 729 890)	60.30	(20.60)
Internal recoveries(amount charge ou	-	-	-	-	-		
Total Expenditure	**3 277 018 000**	**601 244 044**	**1 031 462 767**	**1 638 509 000**	**607 046 233**	**31.48**	**37.05**
(Surplus)/Deficit	**321 243 360**	**1 003 975**	**(244 480 523)**	**160 621 680**	**(405 102 203)**		
TOTAL REVENUE	(2 955 774 640)	(600 240 069)	(1 275 943 290)	(1 477 887 320)	(201 944 030)	43.17	13.66
LESS REVENUE FOREGONE	-	10 857 102	54 649 563	-	(54 649 563)		
Income forgone on assessment rate	43 528 512	10 857 102	54 649 563	21 764 256	(32 885 307)	125.55	(151.10)
Income forgone on other	-	-	-	-	-		
TOTAL INCOME	**(2 955 774 640)**	**(589 382 967)**	**(1 221 293 727)**	**(1 477 887 320)**	**(256 593 593)**	**41.32**	**17.36**
Total expenditure after deduct reve	**3 277 018 000**	**590 386 942**	**976 813 204**	**1 638 509 000**	**661 695 796**	**29.81**	**40.38**
TOTAL EXPENDITURE	3 277 018 000	601 244 044	1 031 462 767	1 638 509 000	607 046 233	31.48	37.05
Revenue foregone	-	(10 857 102)	(54 649 563)	-	54 649 563	-	
(Surplus)/ Deficit for the year	**321 243 360**	**1 003 975**	**(244 480 523)**	**160 621 680**	**405 102 203**	**-76.10**	**5.23**

OPERATING INCOME PER DEPARTMENT AS AT DECEMBER 2017

DESCRIPTION	BUDGET	2nd QUARTER 2016/17	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	95 330 893	5 445 641	5 950 347	47 665 447	(41 715 100)	-87,52	6,24
Health service	-	-	5 500	-	5 500	-	-
Community services	220 391 330	40 190 044	79 721 132	110 195 665	(30 474 533)	-27,65	36,17
Sports	2 232 079	183 450	312 849	1 116 040	(803 190)	-71,97	14,02
Housing	2 166 080	303 892	522 000	1 083 040	(561 040)	-51,80	24,10
Council general	3 203 182	200 469	366 615	1 601 591	(1 234 976)	-77,11	11,45
Civil Engineering	826 495 380	170 092 505	330 568 684	413 247 690	(82 679 006)	-20,01	40,00
Electrical engineering	861 685 278	165 078 634	356 784 243	430 842 639	(74 058 396)	-17,19	41,41
Corporate services	4 492 179	55 735	106 983	2 246 090	(2 139 107)	-95,24	2,38
Finance	918 209 218	206 362 281	442 678 980	459 104 609	(16 425 629)	-3,58	48,21
Market	21 569 021	1 512 845	4 275 911	10 784 511	(6 508 600)	-60,35	19,82
LED	-	483	483	-	483	-	
TOTAL	2 955 774 640	589 425 977	1 221 293 726	1 477 887 320	(256 593 594)	-17,36	41,32

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	2nd QUARTER 2016/17	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	211 969 544	38 480 816	65 766 240	105 984 772	(40 218 532)	-37,95	31,03
Health service	9 649 658	1 592 711	2 968 557	4 824 829	(1 856 272)	-38,47	30,76
Community services	216 166 471	36 690 302	73 038 857	108 083 236	(35 044 378)	-32,42	33,79
Sports	114 357 160	20 562 043	51 039 659	57 178 580	(6 138 921)	-10,74	44,63
Housing	11 321 100	10 101 312	5 312 809	5 660 550	(347 741)	-6,14	46,93
Council general	169 956 453	32 900 433	57 846 572	84 978 227	(27 131 654)	-31,93	34,04
Civil Engineering	948 642 258	158 503 700	283 190 447	474 321 129	(191 130 682)	-40,30	29,85
Electrical engineering	859 939 220	228 039 121	335 958 756	429 969 610	(94 010 854)	-21,86	39,07
Corporate services	62 609 135	12 440 556	22 883 586	31 304 568	(8 420 981)	-26,90	36,55
Finance	632 554 006	41 980 904	64 161 831	316 277 003	(252 115 172)	-79,71	10,14
Market	25 050 555	7 457 169	11 772 206	12 525 278	(753 072)	-6,01	46,99
LED	14 802 440	1 694 739	2 873 684	7 401 220	(4 527 536)	-61,17	19,41
TOTAL	3 277 018 000	590 443 806	976 813 205	1 638 509 000	(661 695 795)	-40,38	29,81
Surplus/Deficit	(321 243 360)	(1 017 829)	244 480 521	(160 621 680)	405 102 201		

GRANTS AND SUBSIDIES - December 2017
Operational allocation/grant received

	BUDGET	2nd Quarter	YTD	YTD%
Equitable shares grants	354 377 000	116 884 000	264 542 000	74.65
Finance Management Grant	2 145 000	-	2 145 000	100.00
Improvement of library services	1 200 000	-	1 200 000	100.00
PMU	4 291 613	-	-	-
EPWP (arbour week)	2 246 000	-	562 000	25.02
				-
	364 259 613	**116 884 000**	**268 449 000**	**73.70**
CAPITAL GRANT RECEIVED				
MIG	84 588 950	28 493 000	59 657 000	70.53
NDPG	75 000 000	-	40 000 000	53.33
DME/INER	14 000 000	12 000 000	12 000 000	85.71
PMU	160 435		-	-
PIG Sewer	22 000 000		14 808 404	67.31
	195 749 385	**40 493 000**	**126 465 404**	**64.61**

GRANTS AND SUBSIDIES - DECEMBER 2017

Operational allocation/grant spending

	BUDGET	2nd Quarter 2016/17	YTD EXPENDITURE	YTD%
Equitable shares grants	354 377 000	88 594 251	177 188 501	50.00
Finance Management Grant	2 145 000	233 205	402 037	18.74
Improvement of library services	1 200 000	32 097	34 949	2.91
PMU	4 291 613	737 696	1 458 833	33.99
EPWP (arbour week)	2 246 000	723 479	723 479	32.21
				-
	364 259 613	**90 320 728**	**179 807 800**	**49.36**
CAPITAL GRANT EXPENDITURE				
MIG	84 588 950	6 060 355	34 898 442	41.26
NDPG	75 000 000	15 952 924	28 925 349	38.57
DME/INER	14 000 000	3 582 777	7 273 832	51.96
PMU	160 435	-	-	-
PIG Sewer	22 000 000	14 808 403	14 808 403	67.31
	195 749 385	**40 404 459**	**85 906 026**	**43.89**

ANNEXURE B

Cash Flow Statement for the month of December 2017

Cash Receipts by Source	**December 2017**
Property rates	4 492 347
Service charges - electricity revenue	8 588 086
Service charges - water revenue	4 190 752
Service charges - sanitation revenue	1 014 149
Service charges - refuse revenue	965 227
Service charges - other	14 003 101
Rental of facilities and equipment	34 847
Interest earned - external investments	
Interest earned - outstanding debtors	
Fines	46 682
Licences and permits	358 937
Transfer receipts - operational grants	116 884 000
Other revenue	44 226 309
Cash Receipts by Source	**194 804 437**
Transfer receipts - capital grants	34 493 000
Proceeds on disposal of PPE	-
Total Cash Receipts by Source	**229 297 437**
Proceeds on disposal of PPE	-
Short term loan	-
Borrowing long term/ Refinancing	
Increase (decrease) in consumer deposits	(3 976 711)
Decrease (increase) in non - current debtors	232 372
Decrease (increase) in non - current	8 658
Decrease (increase) in non- current investment	-
Total Cash Receipts by Source	**225 561 756**
Cash Payments by Type	
Employee related costs	44 387 419
Remuneration of councillors	2 515 669
Collection costs	1 219 264
Interest paid	1 490 074
Bulk purchases - Electricity	37 252 435
Bulk purchases - Water	-
Repairs and maintanance	7 791 585
Contracted services	5 318 186
General expenses	52 879 220
Cash Payments by Type	**152 853 852**
Other Cash Flows/Payments by Type	
Capital assets	11 643 064
Repayment of borrowing	5 466 785
Other Cash Flows/Payments	**17 109 849**
Investment	-
Total Cash Payments by Type	**169 963 701**
Net increase/(decrease) in cash held	**55 598 055**
Cash/ cash equivalent at the month begin	79 363 710
Cash/ cash equivalent at the month end	**134 961 765**

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - December 2017

	Original Budget	2nd Quarter 2017/18	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
Council General	**35 000 000**	**-**	**-**	**17 500 000**	**(17 500 000)**	-
Council General Admin	35 000 000	-	-	17 500 000	(17 500 000)	-
Municipal & Environmental Services	**10 952 000**	**696 824**	**696 824**	**5 476 000**	**(4 779 176)**	**6.36**
Community and social services	-	-	-	-	-	-
Sport and recreation	10 952 000	696 824	696 824	5 476 000	(4 779 176)	6.36
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetary	-	-	-	-	-	-
		-	-	-	-	-
Finance	5 000 000	**-**	**-**	**2 500 000**	**(2 500 000)**	**-**
ICT Hard/software	5 000 000	-	-	2 500 000	(2 500 000)	-
				-		
Macro city planning & Development	**-**	**-**	**-**	**-**	**-**	**0**
Market		-	-	-	-	0
				-		
Civil Services & Human Settlement	**140 891 000**	**21 608 064**	**62 697 439**	**70 445 500**	**(7 748 061)**	**44.50**
Water	42 187 000	2 193 863	29 852 409	21 093 500	8 758 909	70.76
Waste water management(Sewer)	7 484 000	1 359 786	1 359 786	3 742 000	(2 382 214)	18.17
Roads	91 220 000	17 762 807	31 193 635	45 610 000	(14 416 365)	34.20
Housing	-	-	-	-	-	-
MU Unit		291 608	291 608	-	291 608	-
Dumping side	-	-	-	-	-	-
Electrical & Mechanical Engineering	**21 904 000**	**3 582 777**	**7 273 833**	**10 952 000**	**(3 678 167)**	**33.21**
Electrical	21 904 000	3 582 777	7 273 833	10 952 000	(3 678 167)	33.21
				-		-
Total Capital Expenditure	**213 747 000**	**25 887 665**	**70 668 095**	**106 873 500**	**(36 205 405)**	**33.06**

CAPITAL FUNDING

National government	173 747 000	25 887 665	70 668 095	86 873 500	(16 205 405)	40.67
Provincial government	-		-	-	-	-
District municipality	-		-	-	-	-
Borrowing	30 000 000		-	15 000 000	(15 000 000)	-
Internal Generated funds	10 000 000	-	-	5 000 000	(5 000 000)	-
Financing Total	**213 747 000**	**25 887 665**	**70 668 095**	**106 873 500**	**(36 205 405)**	**33.06**

ANNEXURE D

DEBTOR'S AGE ANALYSIS - December 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total -
Debtors Age Analysis By Income Source					
Water Tariffs	37 284 128	29 738 033	26 705 883	779 598 304	873 326 348
Electricity Tariffs	36 714 605	22 957 240	10 414 884	196 130 407	266 217 136
Rates (Property Rates)	15 360 699	8 578 831	5 101 137	146 329 763	175 370 430
Sewerage/ Sanitation	6 207 692	4 983 612	4 092 671	138 513 620	153 797 595
Refuse Removal Tariffs	8 354 064	7 213 309	6 496 104	238 877 292	260 940 769
Other	31 812 460	35 861 219	30 123 092	842 124 961	939 921 732
Total By Income Source	135 733 648	109 332 244	82 933 771	2 341 574 347	2 669 574 010
Debtors Age Analysis By Customer Group					
Government	5 369 924	4 786 191	4 208 547	36 034 600	50 399 262
Business	38 809 307	29 194 368	12 100 288	299 503 379	379 607 342
Households	91 554 416	75 351 685	66 624 936	2 006 036 369	2 239 567 406
Other	713 462	667 865	1 031 497	48 902 129	51 314 953
Total By Customer Group	135 733 648	109 332 244	82 933 771	2 341 574 347	2 669 574 010

ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - DECEMBER 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	45 991 593	44 318 120		-	84 682 984	174 992 696
Bulk Water	38 015 500	8 111 636	32 375 220	31 370 029	170 381 956	280 254 341
Auditor General	1 295 670	1 257 987	1 386 036	389 731	30 802	4 360 226
Trade Creditors	63 577 653	-	-	-	-	63 577 653
Total	**148 880 416**	**53 687 742**	**33 761 256**	**31 759 760**	**255 095 742**	**523 184 915**

ANNEXURE F

Investment Portfolio: 30 December 2017
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	MATURITY DATE	EXPLANATION
Call Investment							
ABSA: 3854	3,73%		12 242,96	12 314,96	12 314,96		
ABSA: 5047	4,70%		5 140 058,36	3 450 475,19	9 450 475,79		INEP
ABSA: 6177	6,75%		11 827 444,57	4 512 958,03	28 799 328,03		MIG
ABSA: 2264	4,70%		5 660 992,74	4 574 667,19	4 593 019,80		
ABSA: 4682	6,65%		38 587 684,58	24 541 414,10	21 425 135,70		NDPG
ABSA: 4063	1,55%		173 097,85	173 288,97	173 474,13		
ABSA: 1223	6,75%		58 363 251,72	21 778 634,02	50 778 634,02		
INVESTEC	6,80%		5 709 217,34	5 740 053,90	5 771 995,90		
TOTAL Call Investment			**125 473 990,12**	**64 783 806,36**	**121 004 378,33**		
Collateral							
SANLAM	Policy	nteed Capital	7 837 616,22	7 837 616,22	7 837 616,22	2018/12/01	Policy
SANLAM	Policy	nteed Capital	524 109,04	524 109,04	524 109,04	2019/08/01	Policy
NEDCOR	nimum 5%		21 697 304,00	21 697 304,00	21 697 304,00	30/06/2019	Security
TOTAL			**30 059 029,26**	**30 059 029,26**	**30 059 029,26**		
Long Term Investment							
FNB	10,00%	1 YEAR	85 413,28	85 413,28	85 413,28		Housing Collateral
FNB	9,50%	1 YEAR	14 000,00	14 000,00	14 000,00		Housing Collateral
TOTAL			**99 413,28**	**99 413,28**	**99 413,28**		
TOTAL INVESTMENTS			**155 632 432,66**	**94 942 248,90**	**151 162 820,87**		

Withdraw R169 762 from ABSA call (NDPG) - 01 November 2017
Invest R2 000 000 with ABSA on call - 01 November 2017
Withdraw R94 068 from ABSA call (MIG) - 03 November 2017
Withdraw R4 000 000 from ABSA call - 03 November 2017
Withdraw R15 000 000 from ABSA call - 06 November 2017
Withdraw R189 421 from ABSA call (INEP) - 06 November 2017
Withdraw R344 156 from ABSA call (MIG) - 07 November 2017
Withdraw R873 522 from ABSA call - 07November 2017
Withdraw R1 515 374 from ABSA call (INEP) - 07 November 2017
Invest R10 000 000 with ABSA on call - 09 November 2017
Withdraw R204 194 from ABSA call (MIG) - 09 November 2017
Invest R5 000 000 with ABSA on call - 14 November 2017
Invest R8 000 000 with ABSA on call - 14 November 2017
Withdraw R5 417 576 from ABSA call (NDPG) - 15 November 2017
Withdraw R1 073 553 from ABSA call (MIG) - 15 November 2017
Invest R8 000 000 with ABSA on call - 16 November 2017
Withdraw R1 107 721 from ABSA call (MIG) - 23 November 2017
Withdraw R76 719 from ABSA call (MIG) - 23 November 2017
Withdraw R15 000 000 from ABSA call - 23 November 2017
Withdraw R4 766 634 from ABSA call (MIG) - 24 November 2017

Other changes are due to year end and Capitalisation of interest earned for the month

Council to take cognisance that the investments reflected are not as a result of excess funds but grants received for the financial year invested on short term to gain interest while processes on meeting conditions of the grants are unfolding, and to avoid charges once funds are kept on current account

These investments can only be withdrawn when funds are needed for the particular reason they were invested for

Template for Calculation of Uniform Financial Ratios and Norms

1. FINANCIAL POSITION				
A. Asset Management/Utilisation				
1 Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	[redacted] 976 813 204 70 668 095 0	7%	The ratio will increasing as capital expenditure accelerates.
D. Liability Management				
1 Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	0.003939535 3 848 190 976 813 204	0.0039	This do not indicate the capacity for further borrowing, rather the precorious situation where we cant afford the risk of commitment due to cashflow constraints.
2 Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	0.023806927 58 143 658 2 260 169 000 -182 131 000	0.024	
2. FINANCIAL PERFORMANCE				
1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	[redacted] 2 260 169 000 976 813 204	0.5678	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
D. Expenditure Management				
1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	176.215592 523 184 915 1 083 686 704	176.22	Still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.316595843 309 255 000 976 813 204	0.32	Below NT norm
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.016561283		The proposed lower ratio is a product of a change to create in

		16 177 280 976 813 204		inhouse capacity for many of the current outsourced services to improve the performance of the municipality.
E. Grant Dependency				
1 Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	0 0 0 70 668 095		There should be an increase in the ratio as the current capital spending accelerates.
2 Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	0.93 1 221 293 727 88 727 650 0		
3. BUDGET IMPLEMENTATION				
1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.33061561 70 668 095 213 747 000	0.33	Should be at 42%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.596159804 976 813 204 1 638 509 000	0.60	
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.826378108 1 221 293 727 1 477 887 320	0.83	