

## QUARTERLY REPORT: JANUARY - MARCH 2018

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): QUARTERLY FINANCIAL REPORT FOR JANUARY – MARCH 2018

### 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. BACKGROUND

Section 52(d) of the MFMA requires that:

The Mayor of a 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 : JANUARY – MARCH 2018

The financial results for the period ended 31 March 2018 are summarized as follows:

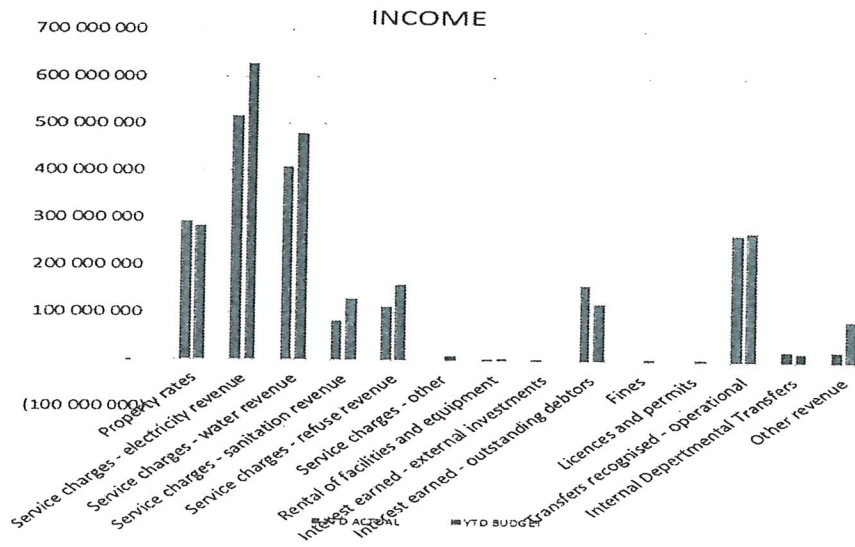
#### Statement of Financial Performance (SFP)

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

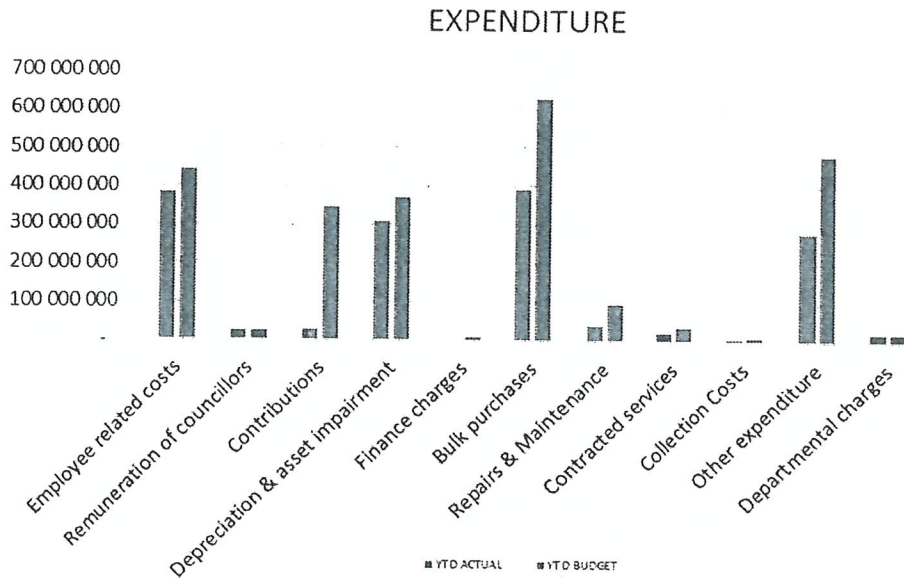
The summary report indicates the following:

<b>Summary statement of Financial Performance</b>				
<b>Description</b>	<b>YTD Budget 2017/18</b>	<b>3rd QUARTER ACTUAL 2017/18</b>	<b>YTD Actual 2017/18</b>	<b>Variance (Favourable) Unfavourable</b>
Total Revenue By Source	(2,216,830,980)	(615,642,754)	(1,836,936,481)	(379,894,499)
Total Operating Expenditure	2,457,763,500	471,294,522	1,448,107,726	1,009,655,774
<b>(SURPLUS)/ DEFICIT</b>	<b>240,932,520</b>	<b>(144,348,232)</b>	<b>(388,828,755)</b>	<b>629,761,275</b>

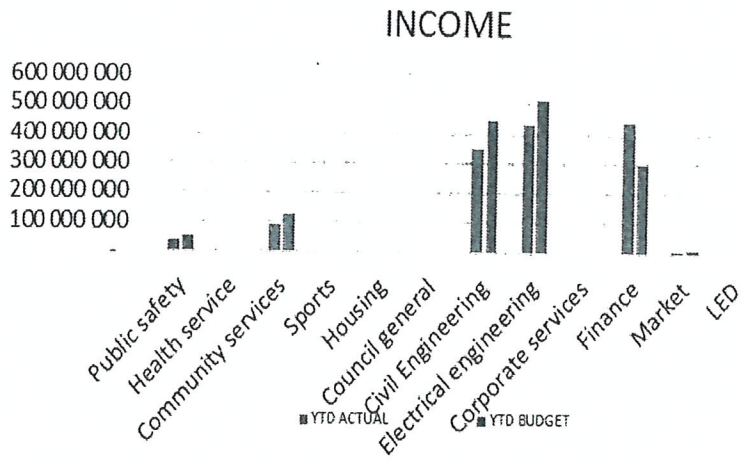
## YTD Actual Income vs YTD Budget Income



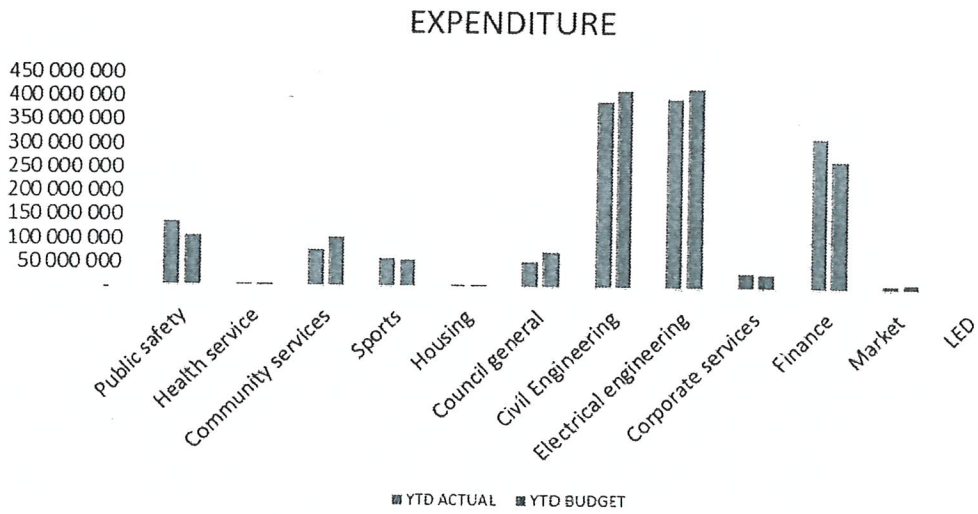
## YTD Actual Expenditure vs YTD Budget Expenditure



## YTD Actual Income vs YTD Budget Income



## YTD Actual Expenditure vs YTD Budget Expenditure



## GRANTS AND SUBSIDIES

### Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	3 <sup>rd</sup> QUARTER RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	88,594,000	353,136,000	99.65%
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	1,684,000	2,246,000	100%
<b>TOTAL</b>	<b>364,259,613</b>	<b>90,278,000</b>	<b>358,725,000</b>	<b>98.48%</b>

### Operational Grant spending

DESCRIPTION	BUDGET 201718	3rd Quarter Spending 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	88,387,417	265,575,918	74.94%
Finance Management grant	2,145,000	306,599	708,636	33.04%
Improvement of Library services	1,200,000	49,909	84,858	7.07%
PMU	4,291,613	740,030	2,198,863	51.24%
EPWP	2,246,000	763,374	1,486,853	66.20
<b>TOTAL</b>	<b>364,259,613</b>	<b>90,247,328</b>	<b>270,055,128</b>	<b>74.14%</b>



### CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	3rd Quarter RECEIVED 2017/18	YTD ACTUAL RECEIVED	YTD%
MIG	84,588,950	70,384,000	130,041,000	153.73%
NDPG	75,000,000	8,755,000	48,755,000	65.01%
INEP	14,000,000	7,500,000	19,500,000	139.29
PMU	160,435	0	0	
<b>TOTAL</b>	<b>173,749,385</b>	<b>86,639,000</b>	<b>198,296,000</b>	<b>114.13%</b>

DESCRIPTION	BUDGET	3rd Quarter SPENDING 2017/18	YTD ACTUAL	YTD%
NDPG	75,000,000	6,324,328	35,249,677	47%
INEP	14,000,000	610,709	5,936,925	42.41%
PMU	160,435	0	0	0%

### Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 228.9 million, for the quarter ended of 31 March 2018.

Grants received for this quarter (Jan – March 2018)

Equitable share of R88,594,000

EPWP of R1,684,000

MIG of R70,384,000

NDGP of R8,755,000

INER of 7,500,000

- Total cash payments indicate an amount of R 110.5 million for the quarter ended of 31 March 2018.

**Capital expenditure report (Annexure C)**

- The summary report indicates the following:

<b>Summary statement of Capital Expenditure</b>				
<b>Description</b>	<b>YTD Budget</b>	<b>3rd Quarter 2017/18</b>	<b>YTD Actual</b>	<b>Variance Favourable (Unfav)</b>
Total Capital Expenditure	160,310,250	20,298,543	90,675,030	(69,635,220)
<b>Capital funding</b>				
National government	130,310,250	20,217,760	90,594,246	(39,716,004)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	22,500,000	0		(22,500,000)
Internal Generated fund	7,500,000	80,783	80,783	(7,419,217)
<b>Financial Total</b>	<b>160,310,250</b>	<b>20,298,543</b>	<b>90,675,030</b>	<b>(69,635,220)</b>

- Capital spending of 42.42% is lower than the 75% pro-rata.

**MIG Spending**

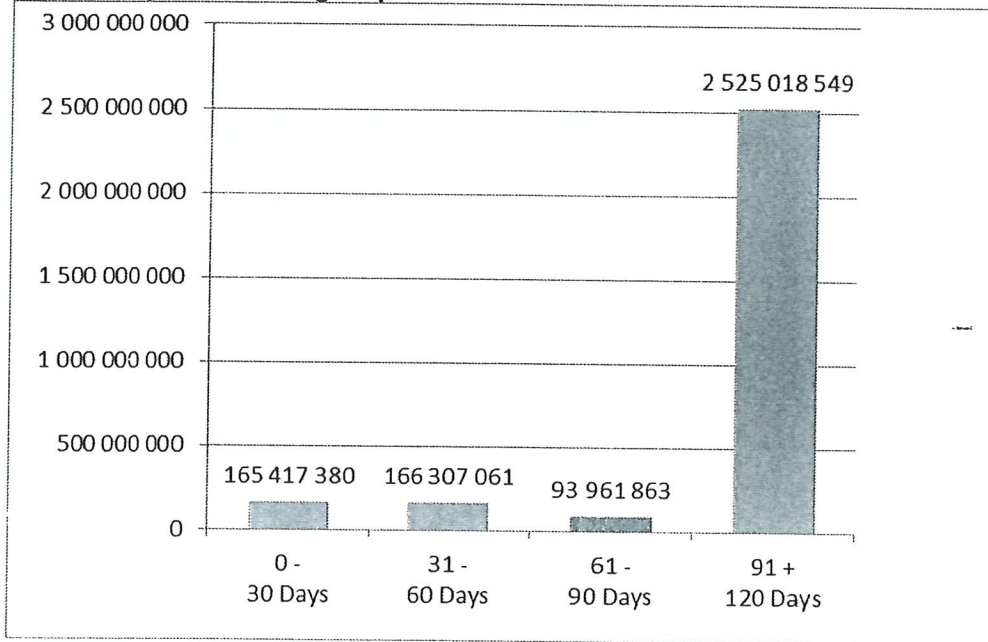
<b>BUDGET</b>	<b>3rd Quarter RECEIVED</b>	<b>SPENDING YTD</b>	<b>YTD RECEIVED</b>	<b>%SPENDING</b>
84,588,950	70,384,000	47,600,188	130,041,000	56.27%

### 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 March 2018 amounts to R 2.785 billion.

A detailed Age Analysis is on annexure D.

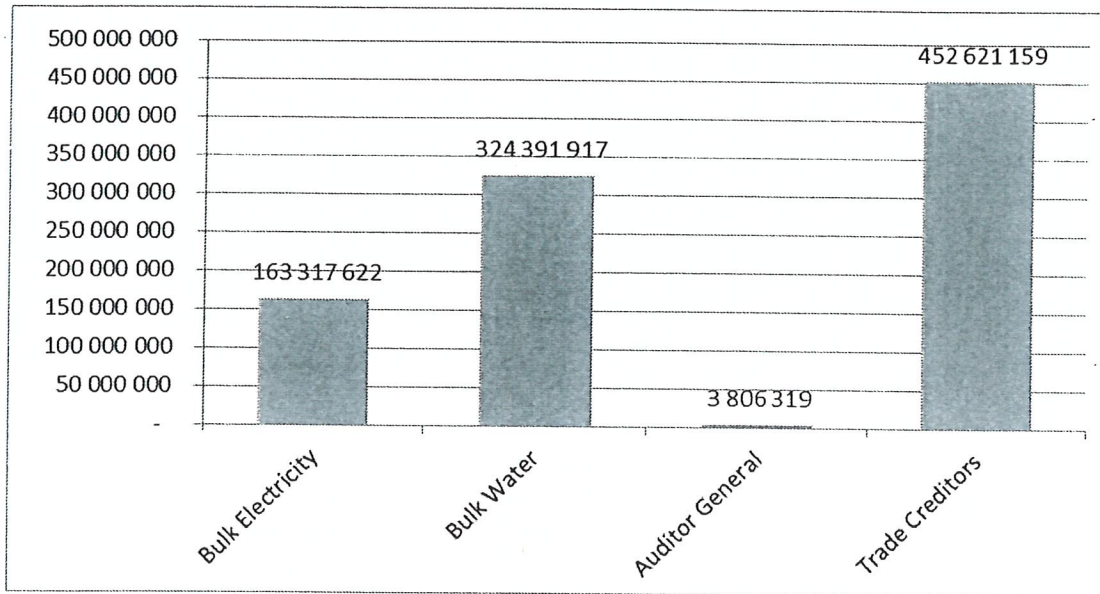
**Debtors by Customer group – 31 March 2018**



- Debtors' book has increased by R108 million as compared to the previous month

**Outstanding Creditors report (Annexure E)**

This graph provides an extended aged analysis, as well as creditor's type. The detailed Age Analysis are on Annexure E.



Outstanding creditors has increased by R 6.3 million compared to the previous months.

**Investment Portfolio (Annexure F)**

The table indicates the status of the investment portfolio which amounts to R 262,831,137 as at 31 March 2018.

	Investments				
	Fixed	Call	Long Term	Collateral	Total
Institution	R	R	R	R	R
ABSA		226,797,744			226,797,744
FNB			108,774		108,774
Investec		5,865,590			5,865,590
Nedcor				21,697,304	21,697,304
Sanlam (Policy)	8,361,725				8,361,725
	<b>8,361,725</b>	<b>232,663,334</b>	<b>108,774</b>	<b>21,697,304</b>	<b>262,831,137</b>

## **ANNEXURE G (BORROWINGS)**

The total amount outstanding on external loans at the end of March 2018 amount to R57,610,369.96.

## **ANNEXURE I**

### **RATIOS**

### **FINANCIAL IMPLICATIONS**

The report covers the period from 1 July 2017 to 31 March 2018. 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 1,837 billion is less than projected of R 2,217 billion YTD budget (Pro-rata) and vary by R379,9 million. Year to date actual expenditure of R 1,448 billion is less than projected expenditure of R2,458 billion YTD budget (Pro-rata) and vary by R 1,009 billion.

### **RECOMMENDATION**

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



ANNEXURE A - FINANCIAL PERFORMANCE

Budgeted Financial Performance (revenue and expenditure) - March 2018

Current Year 2017/18

Description	Original Budget	January Actual 2017/18	February Actual 2017/18	March Actual	3rd QUARTER 17/18	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
<b>Revenue By Source</b>										
Property rates	(378 837 000)	(27 635 215)	(24 680 768)	(25 729 317)	(78 045 300)	(292 599 425)	-284 127 750	(8 471 675)	77.24	2.98
Service charges - electricity revenue	(838 331 000)	(62 625 017)	(56 149 352)	(55 304 430)	(174 078 800)	(516 695 890)	-628 748 250	112 052 360	61.63	(17.82)
Service charges - water revenue	(639 296 000)	(42 217 778)	(54 890 954)	(46 084 043)	(143 192 775)	(408 343 348)	-479 472 000	71 128 652	63.87	(14.83)
Service charges - sanitation revenue	(173 694 000)	(9 422 588)	(9 419 210)	(9 421 498)	(28 263 295)	(84 753 126)	-130 270 500	45 517 374	48.79	(34.94)
Service charges - refuse revenue	(215 011 000)	(12 710 361)	(12 725 159)	(12 714 275)	(38 149 795)	(114 315 291)	-161 258 250	46 942 959	53.17	(29.11)
Service charges - other	(15 000 000)	16 113	(3 394)	697	13 415	35 316	-11 250 000	11 285 316	(0.24)	-
Rental of facilities and equipment	(6 586 640)	(476 646)	(194 112)	(403 453)	(1 074 211)	(3 717 674)	-4 939 980	1 222 306	56.44	(24.74)
Interest earned - external investments	(2 500 000)	(270)	(3 734 888)	-	(3 735 158)	(3 735 158)	-1 875 000	(1 860 159)	149.41	99.21
Interest earned - outstanding debtors	(161 884 000)	(17 646 204)	(18 378 875)	(20 686 290)	(56 711 370)	(160 984 565)	-121 413 000	(39 571 565)	99.44	32.59
Fines	(7 452 000)	(40 352)	(331 688)	(41 455)	(413 495)	(1 049 762)	-5 589 000	4 539 238	14.09	(81.22)
Licences and permits	(7 529 000)	(51 299)	(168 974)	(91 070)	(311 343)	(670 280)	-5 646 750	4 976 470	8.90	(88.13)
Transfers recognised - operational	(364 262 000)	(29 570 542)	(25 711 780)	(30 712 184)	(85 994 506)	(267 950 776)	-273 196 500	5 245 724	73.56	(1.92)
Internal Departmental Transfers	(26 505 731)	(2 538 063)	(3 124 971)	(2 672 702)	(8 335 737)	(24 338 533)	-19 879 298	(4 459 235)	91.82	22.43
Other revenue	(118 886 269)	(3 710 120)	(2 740 735)	(1 758 747)	(8 209 602)	(23 326 749)	-89 164 702	65 837 952	19.62	(73.84)
Gains on disposal of PPE	-	-	-	-	-	-	0	-	-	-
<b>Total Revenue</b>	<b>(2 955 774 640)</b>	<b>(208 628 342)</b>	<b>(212 254 860)</b>	<b>(205 618 769)</b>	<b>(626 501 971)</b>	<b>(1 902 445 261)</b>	<b>(2 216 830 980)</b>	<b>314 385 719</b>	<b>64.36</b>	<b>(14.18)</b>
<b>Expenditure By Type</b>										
Employee related costs	586 853 000	47 997 783	45 338 094	46 212 080	139 547 957	383 524 045	440 139 750	56 615 705	65.35	12.86
Remuneration of councillors	31 657 000	4 244 227	2 766 928	2 762 606	9 773 761	24 872 776	23 742 750	(1 130 026)	78.57	(4.76)
Contributions	462 621 000	-	-	-	-	28 192 685	346 965 750	318 773 065	6.09	91.87
Depreciation & asset impairment	492 000 000	34 212 995	34 212 995	34 212 995	102 638 985	307 916 954	369 000 000	61 083 046	62.58	16.55
Finance charges	11 000 000	222 505	492 942	(222 505)	492 942	4 341 132	8 250 000	3 908 868	39.46	47.38
Bulk purchases	837 563 000	9 685 533	88 817 773	12 307 104	110 810 411	391 915 577	628 172 250	236 256 673	46.79	37.61
Repairs & Maintenance	126 791 000	4 524 037	2 982 841	5 759 764	13 266 642	41 224 972	95 093 250	53 868 278	32.51	56.65
Contracted services	48 250 824	440 340	5 022 407	834 578	6 297 324	22 474 604	36 188 118	13 713 514	46.58	37.90
Collection Costs	13 500 000	1 151 498	228 188	1 031 321	2 411 007	6 239 860	10 125 000	3 885 140	46.22	38.37
Other expenditure	640 276 448	33 882 729	21 231 440	36 713 822	91 827 990	281 844 427	480 207 336	198 362 909	44.02	41.31
Departmental charges	26 505 728	2 536 289	2 550 432	-	5 086 721	21 069 474	19 879 296	(1 190 178)	79.49	(5.99)
Internal recoveries (amount charge out)	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>3 277 018 000</b>	<b>138 897 935</b>	<b>203 644 039</b>	<b>1 39 611 765</b>	<b>482 153 739</b>	<b>1 513 616 506</b>	<b>2 457 763 500</b>	<b>944 146 994</b>	<b>46.19</b>	<b>38.41</b>
(Surplus)/Deficit	321 243 360	(69 730 408)	(8 610 821)	(66 007 003)	(144 348 232)	(388 828 755)	240 932 520	(629 761 275)		
<b>TOTAL REVENUE</b>	<b>(2 955 774 640)</b>	<b>(208 628 342)</b>	<b>(212 254 860)</b>	<b>(205 618 769)</b>	<b>(626 501 971)</b>	<b>(1 902 445 261)</b>	<b>(2 216 830 980)</b>	<b>(314 385 719)</b>	<b>64.36</b>	<b>14.18</b>
<b>LESS REVENUE FOREGONE</b>	<b>-</b>	<b>3 619 673</b>	<b>3 619 559</b>	<b>3 619 985</b>	<b>10 859 217</b>	<b>65 508 780</b>	<b>-</b>	<b>(65 508 780)</b>		
Income forgone on assessment rate	43 528 512	3 619 673	3 619 559	3 619 985	10 859 217	65 508 780	32 646 384	(32 862 396)	150.50	(100.66)
Income forgone on other	-	-	-	-	-	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>(2 955 774 640)</b>	<b>(205 008 669)</b>	<b>(208 635 301)</b>	<b>(201 998 784)</b>	<b>(615 642 754)</b>	<b>(1 836 936 481)</b>	<b>(2 216 830 980)</b>	<b>(379 894 499)</b>	<b>62.15</b>	<b>17.14</b>
Total expenditure after deduct revenue	3 277 018 000	135 278 262	200 024 480	135 991 780	471 294 522	1 448 107 726	2 457 763 500	1 009 655 774	44.19	41.08
<b>(Surplus)/Deficit for the year</b>	<b>321 243 360</b>	<b>(69 730 408)</b>	<b>(8 610 821)</b>	<b>(66 007 003)</b>	<b>(144 348 232)</b>	<b>(388 828 755)</b>	<b>240 932 520</b>	<b>629 761 275</b>	<b>-121.04</b>	<b>7.85</b>

OPERATING INCOME PER DEPARTMENT AS AT MARCH 2018

DESCRIPTION	BUDGET	3rd Quarter	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	95 330 893	4 021 419	9 971 766	71 498 170	(61 526 403)	-86.05	10.46
Health service	-	-	5 500	-	5 500	-	-
Community services	220 391 330	36 746 807	116 467 939	165 293 498	(48 825 559)	-29.54	52.85
Sports	2 232 079	256 993	569 842	1 674 059	(1 104 217)	-65.96	25.53
Housing	2 166 080	265 610	787 610	1 624 560	(836 950)	-51.52	36.36
Council general	3 203 182	219 188	585 803	2 402 387	(1 816 584)	-75.62	18.29
Civil Engineering	826 495 380	174 298 445	504 867 129	619 871 535	(115 004 406)	-18.55	61.09
Electrical engineering	861 685 278	180 402 572	537 186 815	646 263 959	(109 077 143)	-16.88	62.34
Corporate services	4 492 179	136 440	243 423	3 369 134	(3 125 711)	-92.77	5.42
Finance	918 209 218	217 354 622	660 033 605	688 656 914	(28 623 308)	-4.16	71.88
Market	21 569 021	1 940 556	6 216 467	16 176 766	(9 960 299)	-61.57	28.82
LED	-	100	583	-	583	-	-
<b>TOTAL</b>	<b>2 955 774 640</b>	<b>614 792 600</b>	<b>1 836 936 481</b>	<b>2 216 830 980</b>	<b>(379 894 499)</b>	<b>-17.14</b>	<b>62.15</b>

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	3rd Quarter	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	211 969 544	36 242 021	102 008 261	158 977 158	(56 968 897)	-35.83	48.12
Health service	9 649 658	1 515 110	4 483 667	7 237 244	(2 753 577)	-38.05	46.46
Community services	216 166 471	44 161 237	117 200 094	162 124 853	(44 924 759)	-27.71	54.22
Sports	114 357 160	26 439 167	77 478 826	85 767 870	(8 289 044)	-9.66	67.75
Housing	11 321 100	2 572 873	7 885 682	8 490 825	(605 143)	-7.13	69.65
Council general	169 956 453	35 655 816	93 502 388	127 467 340	(33 964 952)	-26.65	55.02
Civil Engineering	948 642 258	165 942 829	449 133 275	711 481 694	(262 348 418)	-36.87	47.34
Electrical engineering	859 939 220	110 248 369	446 207 125	644 954 415	(198 747 290)	-30.82	51.89
Corporate services	62 609 135	12 028 076	34 911 662	46 956 851	(12 045 189)	-25.65	55.76
Finance	632 554 006	33 932 028	98 093 560	474 415 505	(376 321 945)	-79.32	15.51
Market	25 050 555	1 222 556	12 994 761	18 787 916	(5 793 155)	-30.83	51.87
LED	14 802 440	1 334 740	4 208 423	11 101 830	(6 893 407)	-62.09	28.43
<b>TOTAL</b>	<b>3 277 018 000</b>	<b>471 294 821</b>	<b>1 448 107 726</b>	<b>2 457 763 500</b>	<b>(1 009 655 774)</b>	<b>-41.08</b>	<b>44.19</b>
<b>Surplus/Deficit</b>	<b>(321 243 360)</b>	<b>143 497 779</b>	<b>388 828 755</b>	<b>(240 932 520)</b>	<b>629 761 275</b>		

**Operational allocation/grant received**

	<b>BUDGET</b>	<b>3rd Quarter</b>	<b>YTD</b>	<b>YTD%</b>
Equitable shares grants	354 377 000	88 594 000	353 136 000	99.65
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	1 684 000	2 246 000	100.00
		-	-	-
	<b>364 259 613</b>	<b>90 278 000</b>	<b>358 727 000</b>	<b>98.48</b>
<b>CAPITAL GRANT RECEIVED</b>				
MIG	84 588 950	70 384 000	130 041 000	153.73
NDPG	75 000 000	8 755 000	48 755 000	65.01
DME/INER	14 000 000	7 500 000	19 500 000	139.29
PMU	160 435	-	-	-
	<b>173 749 385</b>	<b>86 639 000</b>	<b>198 296 000</b>	<b>114.13</b>

**GRANTS AND SUBSIDIES - MARCH 2018**

**Operational allocation/grant spending**

	<b>BUDGET</b>	<b>3rd Quarter</b>	<b>YTD</b>	<b>YTD%</b>
Equitable shares grants	354 377 000	88 387 417	265 575 918	74.94
Finance Management Grant	2 145 000	306 599	708 636	33.04
Improvement of library services	1 200 000	49 909	84 858	7.07
PMU	4 291 613	740 030	2 198 863	51.24
EPWP (arbour week)	2 246 000	763 374	1 486 853	66.20
		-	-	-
	<b>364 259 613</b>	<b>90 247 328</b>	<b>270 055 128</b>	<b>74.14</b>
<b>CAPITAL GRANT EXPENDITURE</b>				
MIG	84 588 950	13 282 726	47 600 188	56.27
NDPG	75 000 000	6 324 328	35 249 677	47.00
DME/INER	14 000 000	610 709	5 936 925	42.41
PMU	160 435	-	-	-
	<b>173 749 385</b>	<b>20 217 763</b>	<b>88 786 790</b>	<b>51.10</b>



## ANNEXURE B

## Cash Flow Statement for the month of March 2018

<b>Cash Receipts by Source</b>	<b>February 2018</b>	<b>March 2018</b>
Property rates	6 954 430	8 790 170
Service charges - electricity revenue	14 698 352	24 334 220
Service charges - water revenue	8 340 575	9 490 354
Service charges - sanitation revenue	1 849 398	2 059 934
Service charges - refuse revenue	1 794 295	1 755 362
Service charges - other	15 566 200	10 658 306
Rental of facilities and equipment	86 400	45 994
Interest earned - external investments	-	-
Interest earned - outstanding debtors	-	-
Fines	336 507	42 734
Licences and permits	168 974	91 070
Transfer receipts - operational grants	674 000	88 594 000
Other revenue	47 005 385	6 911 609
<b>Cash Receipts by Source</b>	<b>97 474 516</b>	<b>152 773 753</b>
Transfer receipts - capital grants	10 755 000	75 884 000
Proceeds on disposal of PPE	-	-
<b>Total Cash Receipts by Source</b>	<b>108 229 516</b>	<b>228 657 753</b>
Proceeds on disposal of PPE	-	-
Short term loan	-	-
Borrowing long term/ Refinancing	-	168 908
Increase (decrease) in consumer deposits	-	29 921
Decrease (increase) in non - current debtors	-	-
Decrease (increase) in non - current	-	-
Decrease (increase) in non- current investment	-	2 190
<b>Total Cash Receipts by Source</b>	<b>108 229 516</b>	<b>228 858 772</b>
<b>Cash Payments by Type</b>		
Employee related costs	45 338 094	46 212 080
Remuneration of councillors	2 766 928	2 762 606
Collection costs	90 198	713 525
Interest paid	199 399	1 256 054
Bulk purchases - Electricity	902 791	-
Bulk purchases - Water	18 459 889	-
Repairs and maintenance	1 533 359	1 742 692
Contracted services	3 033 745	36 668
General expenses	16 877 116	45 375 427
<b>Cash Payments by Type</b>	<b>89 201 519</b>	<b>98 099 052</b>
<b>Other Cash Flows/Payments by Type</b>		
Capital assets	11 663 928	8 206 794
Repayment of borrowing	391 412	4 203 392
<b>Other Cash Flows/Payments</b>	<b>12 055 340</b>	<b>12 410 186</b>
Investment	-	-
<b>Total Cash Payments by Type</b>	<b>101 256 859</b>	<b>110 509 238</b>
<b>Net increase/(decrease) in cash held</b>	<b>6 972 657</b>	<b>118 349 534</b>
<b>Cash/ cash equivalent at the month begin</b>	<b>115 188 566</b>	<b>122 161 223</b>
<b>Cash/ cash equivalent at the month end</b>	<b>122 161 223</b>	<b>240 510 757</b>

NW403 City Of Matlosana - Budgeted Capital Expenditure - March 2018

	Original Budget	3rd Quarter 2017/18	YTD Actual	YTD Budget	Variance	YTD %
<b>Capital Expenditure</b>						
<i>Council General</i>	35 000 000	80 783	80 783	26 250 000	(26 169 217)	0.23
Council General Admin	35 000 000	80 783	80 783	26 250 000	(26 169 217)	0.23
<i>Municipal &amp; Environmental Services</i>	10 952 000	-	-	8 214 000	(8 214 000)	-
Community and social services	-	-	-	-	-	-
Sport and recreation	10 952 000	-	-	8 214 000	(8 214 000)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetary	-	-	-	-	-	-
<i>Finance</i>	5 000 000	-	-	3 750 000	(3 750 000)	-
ICT Hard/software	5 000 000	-	-	3 750 000	(3 750 000)	-
<i>Macro city planning &amp; Development</i>	-	-	-	-	-	0
Market	-	-	-	-	-	0
<i>Civil Services &amp; Human Settlement</i>	140 891 000	19 607 051	82 709 706	105 668 250	(22 958 544)	58.70
Water	42 187 000	12 615 309	42 467 718	31 640 250	10 827 468	100.67
Waste water management(Sewer)	7 484 000	667 415	2 027 201	5 613 000	(3 585 799)	27.09
Roads	91 220 000	6 324 328	38 214 787	68 415 000	(30 200 213)	41.89
Housing	-	-	-	-	-	-
PMU Unit	-	-	-	-	-	-
umping side	-	-	-	-	-	-
<i>Electrical &amp; Mechanical Engineering</i>	21 904 000	610 709	7 884 541	16 428 000	(8 543 459)	36.00
Electrical	21 904 000	610 709	7 884 541	16 428 000	(8 543 459)	36.00
<b>Total Capital Expenditure</b>	<b>213 747 000</b>	<b>20 298 543</b>	<b>90 675 030</b>	<b>160 310 250</b>	<b>(69 635 220)</b>	<b>42.42</b>

**CAPITAL FUNDING**

National government	173 747 000	20 217 760	90 594 246	130 310 250	(39 716 004)	52.14
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	30 000 000	-	-	22 500 000	(22 500 000)	-
Internal Generated funds	10 000 000	80 783	80 783	7 500 000	(7 419 217)	0.81
<b>Financing Total</b>	<b>213 747 000</b>	<b>20 298 543</b>	<b>90 675 029</b>	<b>160 310 250</b>	<b>(69 635 221)</b>	<b>42.42</b>



**ANNEXURE D**  
**DEBTOR'S AGE ANALYSIS - March 2018**

Detail	0 -	31 -	61 -	91 +	Total
	30 Days	60 Days	90 Days	120 Days	
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	43 242 798	46 547 894	28 278 083	842 920 570	960 989 345
Electricity Tariffs	47 535 611	34 702 446	17 544 631	210 209 557	309 992 245
Rates (Property Rates)	20 761 541	14 935 882	8 764 058	156 321 551	200 783 032
Sewerage/ Sanitation	7 610 160	6 434 420	4 659 833	184 018 879	202 723 292
Refuse Removal Tariffs	9 708 649	8 563 624	6 961 094	255 504 948	280 738 315
Other	36 558 621	55 122 795	27 754 164	876 043 044	995 478 624
<b>Total By Income Source</b>	<b>165 417 380</b>	<b>166 307 061</b>	<b>93 961 863</b>	<b>2 525 018 549</b>	<b>2 950 704 853</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	5 638 022	5 008 616	4 498 432	40 384 611	55 529 681
Business	45 115 986	32 733 101	18 383 472	272 097 418	368 329 977
Households	112 097 960	127 169 623	70 512 533	2 163 664 119	2 473 444 235
Other	2 565 413	1 395 720	567 426	48 872 402	53 400 961
<b>Total By Customer Group</b>	<b>165 417 380</b>	<b>166 307 061</b>	<b>93 961 863</b>	<b>2 525 018 549</b>	<b>2 950 704 853</b>

**ANNEXURE D**  
**DEBTOR'S AGE ANALYSIS - February 2018**

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	49 056 319	31 480 963	27 664 031	820 187 603	928 388 916
Electricity Tariffs	43 733 028	25 796 378	14 267 608	204 135 384	287 932 398
Rates (Property Rates)	18 003 558	12 581 549	6 293 400	152 376 054	189 254 561
Sewerage/ Sanitation	6 916 665	5 396 901	4 295 839	144 662 801	161 272 206
Refuse Removal Tariffs	9 085 141	7 602 594	6 629 255	249 625 482	272 942 472
Other	57 346 836	29 662 095	26 371 175	889 249 304	1 002 629 410
<b>Total By Income Source</b>	<b>184 141 547</b>	<b>112 520 480</b>	<b>85 521 308</b>	<b>2 460 236 628</b>	<b>2 842 419 963</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	5 133 135	4 653 950	4 315 006	39 215 097	53 317 188
Business	43 736 282	26 181 090	15 826 548	264 326 510	350 070 430
Households	133 863 086	81 083 727	64 863 040	2 107 942 669	2 387 752 522
Other	1 409 043	601 713	516 714	48 752 352	51 279 822
<b>Total By Customer Group</b>	<b>184 141 547</b>	<b>112 520 480</b>	<b>85 521 308</b>	<b>2 460 236 628</b>	<b>2 842 419 963</b>

ANNEXURE E  
 OUTSTANDING CREDITORS STATEMENT - March 2018

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	39,044,627	44,590,011	-	-	79,682,984	163,317,622
Bulk Water	42,173,144	2,068,357	38,015,500	-	242,134,916	324,391,917
Auditor General	243,677	79,010	1,279,911	-	2,203,721	3,806,319
Trade Creditors	349,274,249	541,308	4,830,703	-	97,974,899	452,621,159
<b>Total</b>	<b>430,735,697</b>	<b>47,278,686</b>	<b>44,126,114</b>	<b>-</b>	<b>421,996,520</b>	<b>944,137,017</b>

ANNEXURE E  
 OUTSTANDING CREDITORS STATEMENT - FEBRUARY 2018

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	44 590 011	-	46 797 067	-	72 682 984	164 070 062
Bulk Water	33 370 660	2 068 357	38 015 500	8 111 636	234 023 281	315 589 433
Auditor General	209 645	104 002	1 295 670	1 257 987	1 136 036	4 003 339
Trade Creditors	349 274 249	-	541 308	4 830 702	99 525 520	454 171 779
<b>Total</b>	<b>427 444 566</b>	<b>2 172 358</b>	<b>86 649 545</b>	<b>14 200 324</b>	<b>407 367 820</b>	<b>937 834 613</b>

**ANNEXURE F**

**Investment Portfolio: 31 March 2018**  
**City of Matlosana**

INSTITUTION	INTEREST RATE	PERIOD	FEBRUARY 2018	MARCH 2018	MATURITY DATE	EXPLANATION
<b>Call Investment</b>						
ABSA: 3854	3.73%		12 276.00	12 196.96		
ABSA: 5047	4.70%		11 514 702.70	17 050 352.89		INEP
ABSA: 6177	6.75%		23 656 161.60	89 705 847.30		MIG
ABSA: 2264	4.70%		4 627 803.61	4 643 601.54		
ABSA: 4682	6.65%		30 424 027.17	30 533 483.43		NDPG
ABSA: 4063	1.55%		173 857.41	174 030.79		
ABSA: 1223	6.75%		42 458 329.67	84 678 231.48		
INVESTEC	6.80%		5 833 259.03	5 865 589.67		
<b>TOTAL Call Investment</b>			<b>118 700 417.19</b>	<b>232 663 334.06</b>		
<b>Collateral</b>						
SANLAM	Policy	Guaranteed Capital	7 837 616.22	7 837 616.22	2018/12/01	Policy
SANLAM	Policy	Guaranteed Capital	524 109.04	524 109.04	2019/08/01	Policy
NEDCOR	Minimum 5%		21 697 304.00	21 697 304.00	30/06/2019	Security
<b>TOTAL</b>			<b>30 059 029.26</b>	<b>30 059 029.26</b>		
<b>Long Term Investment</b>						
FNB	10.00%	1 YEAR	94 773.77	94 773.77		Housing Collateral
FNB	9.50%	1 YEAR	14 000.00	14 000.00		Housing Collateral
<b>TOTAL</b>			<b>108 773.77</b>	<b>108 773.77</b>		
<b>TOTAL INVESTMENTS</b>			<b>148 868 220.22</b>	<b>262 831 137.09</b>		

Withdraw R28 000 000 from ABSA call - 02 March 2018  
Invest R5 000 000 with ABSA on call - 07 March 2018  
Invest R5 000 000 with ABSA on call - 08 March 2018  
Invest R5 000 000 with ABSA on call - 09 March 2018  
Withdraw R642 162 from ABSA call (MIG) - 13 March 2018  
Invest R10 000 000 with ABSA on call - 13 March 2018  
Withdraw R600 673 from ABSA call (MIG) - 14 March 2018  
Invest R5 000 000 with ABSA on call - 14 March 2018  
Invest R5 500 000 with ABSA on call (INEP) - 16 March 2018  
Invest R5 000 000 with ABSA on call - 16 March 2018  
Invest R40 000 000 with ABSA on call - 20 March 2018  
Invest R5 000 000 with ABSA on call - 23 March 2018  
Withdraw R4 150 208 from ABSA call (MIG) - 26 March 2018  
Invest R70 384 000 with ABSA on call (MIG) - 26 March 2018  
Invest R6 000 000 with ABSA on call - 29 March 2018  
Withdraw R3 245 913 from ABSA call (MIG) - 29 March 2018

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

**NB:** 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



Annexure B as at 31 March 2018

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2015	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 31/03/2018	Redemption 2017/2018
ANNUITY LOANS													
NW10959	1/10/1997	30/09/2017	20	7436371	Development Bank of SA	Provision of Infrastructure	15	41 755,96	555 219,59	555 219,59	0,00	0,00	555 219,59
NW11182	1/10/1998	30/09/2018	20	7435456	Development Bank of SA	Provision of Infrastructure	15,25	208 663,94	1 613 677,16	1 036 316,74	0,00	577 650,44	1 036 316,74
NW13837	1/10/2000	30/09/2020	20	3951600	Development Bank of SA	Provision of Infrastructure	15,6	259 422,66	1 760 005,32	412 498,93	0,00	1 347 506,39	412 498,92
NW13874/1	1/10/2001	30/09/2019	18	1000000	Development Bank of SA	Combination	14,75	76 365,16	1 111 111,11	277 777,77	0,00	833 333,34	555 555,54
NW13874/2	1/7/2001	30/06/2019	18	14898125	Development Bank of SA	Combination	14,75	1 122 231,22	14 998 125,00	0,00	0,00	14 998 125,00	555 555,54
NW101297/1	1/7/2004	30/06/2019	15	28879000	Development Bank of SA	Combination	11,2	385 643,91	6 830 358,54	1 568 551,40	0,00	5 261 807,14	3 229 308,10
NW101297/2	1/7/2004	30/06/2019	15	37000000	Development Bank of SA	Combination	11,2	482 961,84	8 546 927,00	1 962 751,18	0,00	6 584 175,82	4 040 860,20
NW10387/1	1/1/2010	31/3/2018	15	35289878	Development Bank of SA	Provision of Infrastructure	14,75	1 996 029,89	25 781 177,28	1 520 893,49	0,00	24 259 283,79	2 071 048,18
10565	31/3/1998	31/3/2018	20	13369746	Development Bank of SA	Provision of Infrastructure	15	208 321,08	1 820 874,49	1 820 874,49	0,00	0,00	1 820 874,49
10906	30/09/1999	30/09/2019	20	5857000	Development Bank of SA	Provision of Infrastructure	15,25	225 375,97	1 613 133,45	575 346,47	0,00	1 037 786,98	575 346,47
10912	30/09/1999	30/09/2019	20	7477000	Development Bank of SA	Provision of Infrastructure	15,25	333 623,76	2 386 978,41	852 065,70	0,00	1 536 912,71	652 065,70
10913	30/09/1999	30/09/2019	20	5700000	Development Bank of SA	Provision of Infrastructure	15,25	266 771,29	1 839 662,02	655 786,67	0,00	1 182 875,35	655 786,67
TOTAL ANNUITIES								5 597 766,28	68 639 460,30	11 248 064,43	0,00	57 610 395,96	15 804 902,60

# Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	2018 MARCH 31	MUNICIPALITY	REMARKS
<b>1. FINANCIAL POSITION</b>				
<b>A. Asset Management/Utilisation</b>				
1 Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	6% 1 448 107 726 90 675 030 0	6%	The ratio will increasing as capital expenditure accelerates.
<b>D. Liability Management</b>				
1 Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	0.002997797 4 341 132 1 448 107 726	0.0030	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	0.022740646 57 610 369 2 260 169 000 -273 196 500	0.023	
<b>2. FINANCIAL PERFORMANCE</b>				
1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.35929226 2 260 169 000 1 448 107 726	0.3593	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
<b>D. Expenditure Management</b>				
1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	214.2540162 944 137 017 1 608 417 976	214.25	Still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.320337011 463 882 500 1 448 107 726	0.32	Below NT norm
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.015519981		The proposed lower ratio is a product of a change to create in

22 474 604  
1 448 107 726

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	0.089090679	There should be an increase in the ratio as the current capital spending accelerates.
		0	
		80 783	
		90 675 030	
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	0.95	
		1 836 936 481	
		88 727 650	
		0	

**3. BUDGET IMPLEMENTATION**

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.42421662	0.42 Should be at 75%.
		90 675 030	
		213 747 000	
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.589197344	0.59
		1 448 107 726	
		2 457 763 500	
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.828631726	0.83
		1 836 936 481	
		2 216 830 980	