

QUARTERLY REPORT: APRIL - JUNE 2018

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

The financial results for the period ended 30 June 2018 are summarized as follows:

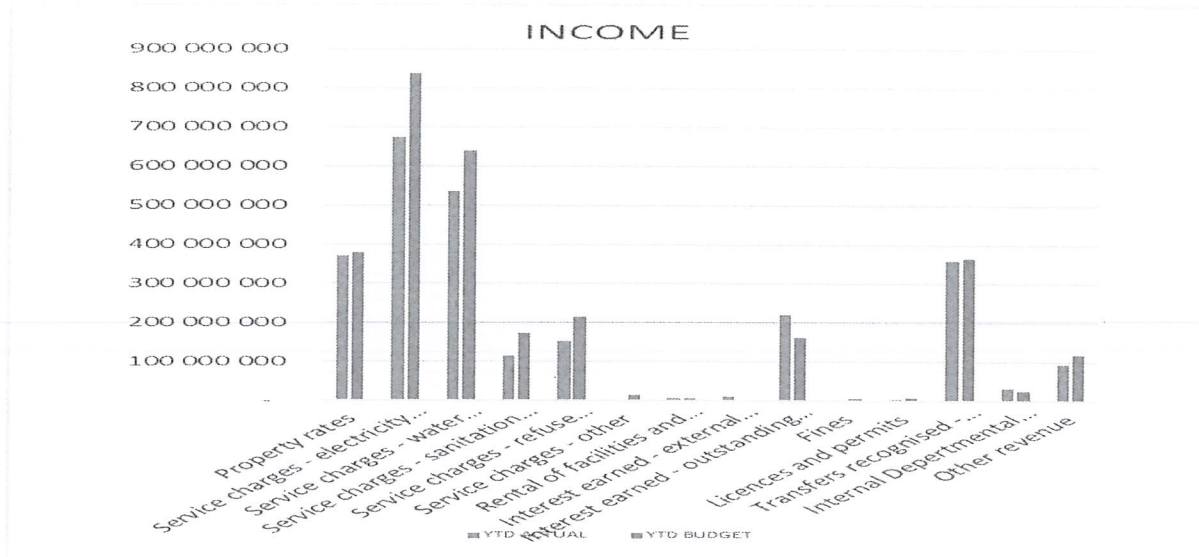
Statement of Financial Performance (SFP)

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.

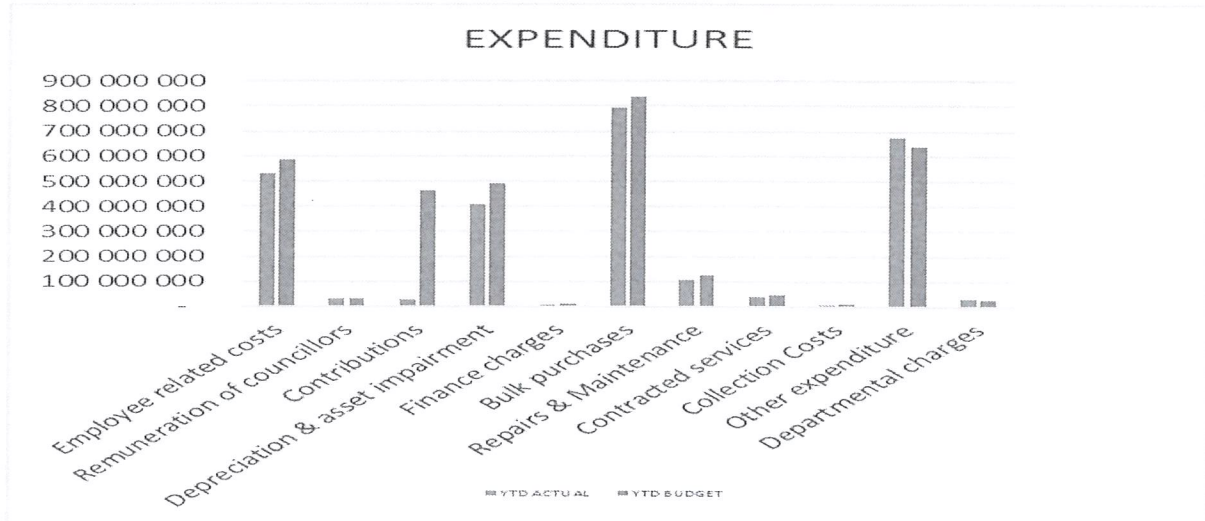
The summary report indicates the following:

Summary statement of Financial Performance				
DESCRIPTION	YTD BUDGET 2017/18	4th QUARTER ACTUAL 2017/18	YTD ACTUAL 2017/18	VARIANCE (FAVOURABLE) UNFAVOURABLE
Total Revenue By Source	(2,955,774,640)	(665,479,093)	(2,502,415,574)	(453,359,066)
Total Operating Expenditure	3,277,018,000	1,140,166,602	2,588,274,328	688,743,672
(SURPLUS)/ DEFICIT	321,243,360	(474,687,509)	(85,858,754)	235,384,606

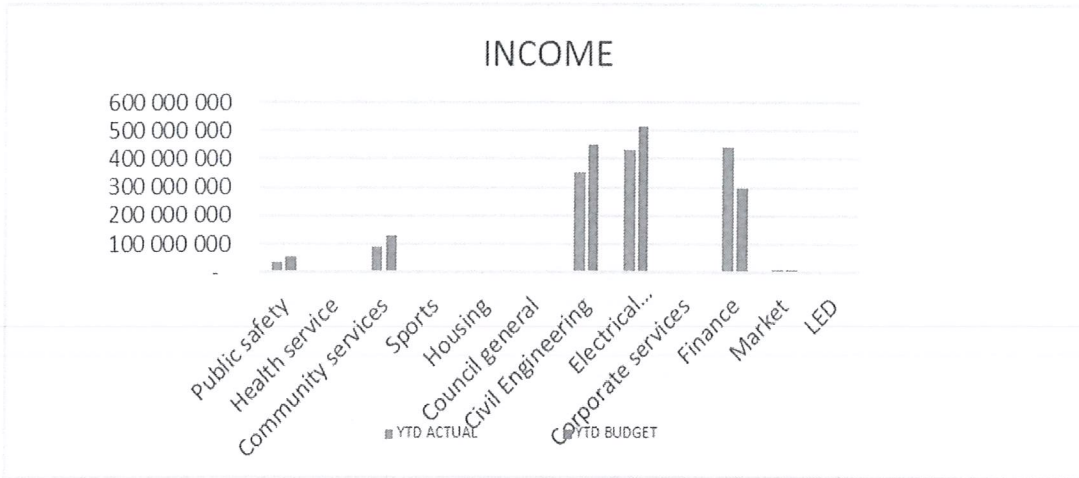
YTD Actual Income vs YTD Budget Income



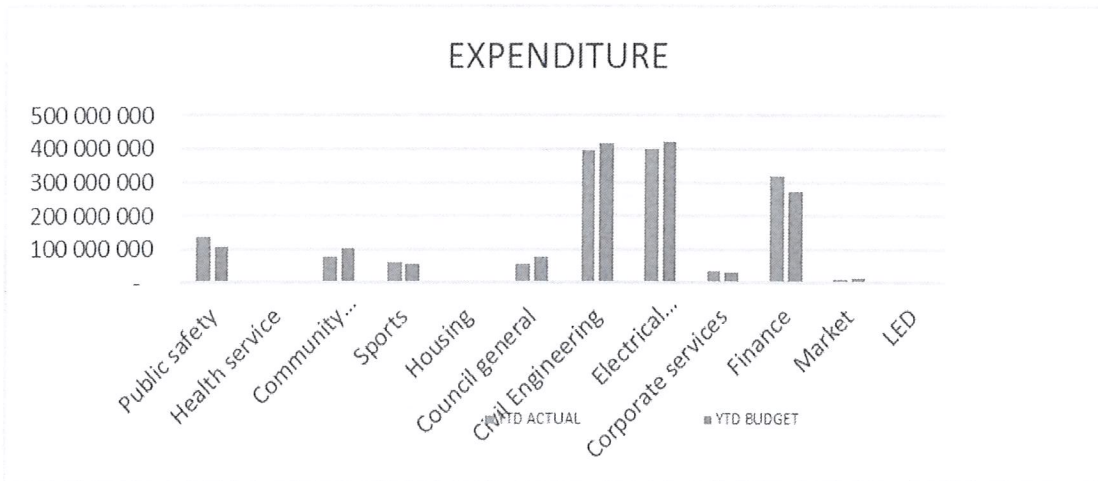
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	4th QUARTER RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	0	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	4,291,613	4,291,613	100%
EPWP	2,246,000	0	2,246,000	100%
TOTAL	364,259,613	4,291,613	363,018,613	99.66%

- Equitable share - received 99.65%, National Treasury offset R1,2 million due to unspent unconditional grant for 2016/17 financial year.
- The following unspent grants are as follows:
 - MIG – R166 000
 - FMG – R6 0000
 - INEP – R1.1million

Operational Grant spending

DESCRIPTION	BUDGET 2017/18	4th QUARTER SPENDING 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	58,649,166	324,225,084	91.49%
Finance Management grant	2,145,000	1,419,730	2,128,366	99.22%
Improvement of Library services	1,200,000	1,080,220	1,165,078	97.09%
PMU	4,291,613	750,955	2,949,818	68.73%
EPWP	2,246,000	621,046	2,107,899	93.85
TOTAL	364,259,613	62,521,118	332,576,246	91.30%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	ADJUSTED BUDGET	4th QUARTER RECEIVED 2017/18	YTD ACTUAL RECEIVED	YTD%
MIG	84,588,950	125,588,952	0	125,588,952	100%
NDPG	75,000,000	48,755,000	0	48,755,000	100%
INEP	14,000,000	19,500,000	0	19,500,000	100%
PMU	160,435	160,435	160,435	160,435	
TOTAL	173,749,385	194,004,387	160,435	194,004,387	100%

CAPITAL GRANT SPENDING

DESCRIPTION	BUDGET	ADJUSTED BUDGET	4 th QUARTER SPENDING 2017/18	YTD ACTUAL	YTD%
NDPG	75,000,000	48,755,000	13,490,458	48,740,134	99.97%
INEP	14,000,000	19,500,000	11,132,796	17,069,721	87.54%
PMU	160,435	160,435	29,415	29,415	18.33%

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R180 million, for the month of June 2018.
- Total cash payments indicate an amount of R481.5 million, for the month of June 2018.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD BUDGET	4 th QUARTER 2017/18	YTD ACTUAL	VARIANCES FAVOURABLE (UNFAV)
Total Capital Expenditure	204,258,748	82,466,591	173,141,620	(31,117,128)
Capital funding				
National government	194,258,748	80,662,639	171,256,886	(23,001,862)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	0	-	-	0
Internal Generated fund	10,000,000	1,803,951	1,884,734	(8,115,266)
Financial Total	204,258,748	82,466,591	173,141,620	(31,117,128)

- Capital spending of 84.77% is lower than the 100% pro-rata.

MIG Spending

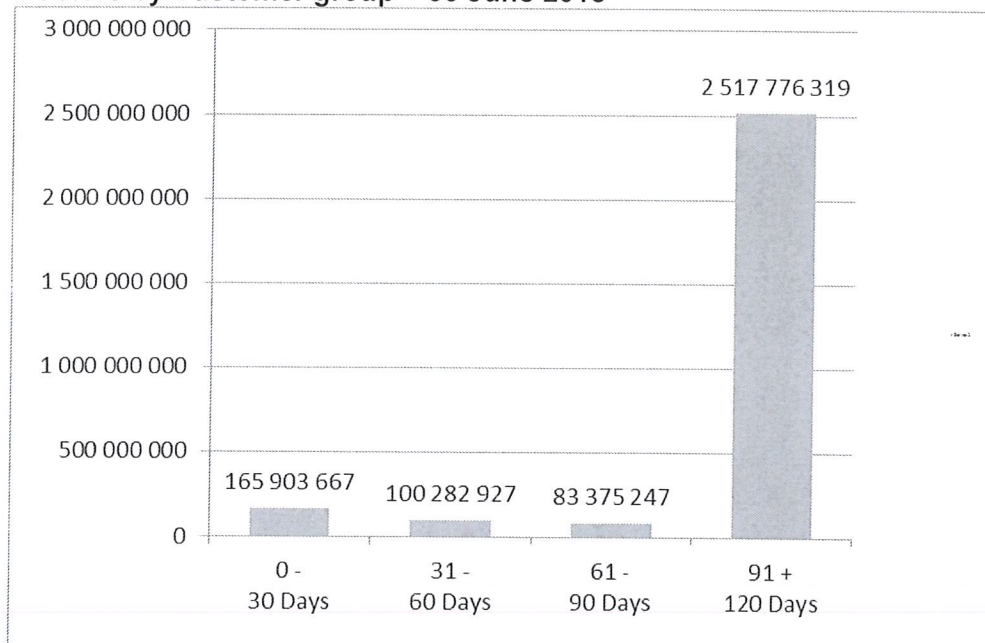
BUDGET	4th QUARTER RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
125,588,952	0	106,864,548	125,588,000	85%

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 30 June 2018 amounts to R 2.701billion.

A detailed Age Analysis is on annexure D.

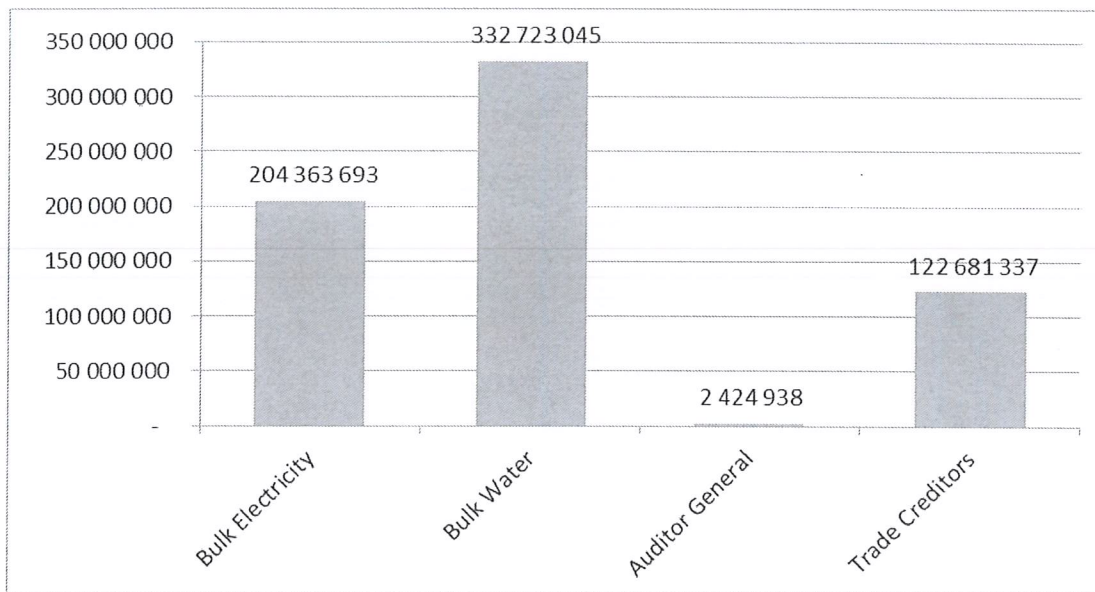
Debtors by Customer group – 30 June 2018



- Debtors' book has decreased by R19 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 98 million compared to the previous month.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to R 137,347,827 as at 30 June 2018.

	Investments				
	Fixed	Call	Long Term	Collateral	Total
Institution	R	R	R	R	R
ABSA		99,819,326			99,819,326
FNB			108,774		108,774
Investec		5,958,203			5,958,203
Nedcor				23,099,799	23,099,799
Sanlam (Policy)	8,361,725				8,361,725
	8,361,725	105,777,529	108,774	23,099,799	137,347,827

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of June 2018 amount to R53,053,546.46

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2017 to 30 June 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 2,502 billion is less than projected of R 2,956 billion YTD budget (Pro-rata) and vary by R453,4 million. Year to date actual expenditure of R 2,588 billion is less than projected expenditure of R3,277 billion YTD budget (Pro-rata) and vary by R 688.7 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) - June 2018

Current Year 2017/18

Description	Adjusted Budget	Fourth quarter	YTD Actual	YTD Budget	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(378 837 000)	(77 836 408)	(370 435 833)	-378 837 000	8 401 167	97.78	(2.22)
Service charges - electricity revenue	(838 331 000)	(156 425 344)	(673 121 234)	-838 331 000	165 209 766	80.29	(19.71)
Service charges - water revenue	(639 296 000)	(127 044 980)	(535 388 328)	-639 296 000	103 907 672	83.75	(16.25)
Service charges - sanitation revenue	(173 694 000)	(28 974 878)	(113 728 004)	-173 694 000	59 965 996	65.48	(34.52)
Service charges - refuse revenue	(215 011 000)	(38 130 905)	(152 446 197)	-215 011 000	62 564 803	70.90	(29.10)
Service charges - other	(15 000 000)	(3 419 407)	(3 384 090)	-15 000 000	11 615 910	22.56	-
Rental of facilities and equipment		(1 818 039)	(5 535 712)	-6 586 640	1 050 928	84.04	(15.96)
Interest earned - external investments	(6 586 640)	(6 850 279)	(10 585 437)	-2 500 000	(8 085 437)	423.42	323.42
Interest earned - outstanding debtors		(60 438 919)	(221 423 484)	-161 884 000	(59 539 484)	136.78	36.78
Fines	(7 452 000)	(183 987)	(1 233 749)	-7 452 000	6 218 251	16.56	(83.44)
Licences and permits		(4 801 398)	(5 471 678)	-7 529 000	2 057 322	72.67	(27.33)
Transfers recognised - operational		(90 619 233)	(358 570 009)	-364 262 000	5 691 991	98.44	(1.56)
Internal Departmental Transfers	(26 505 731)	(7 692 375)	(32 030 908)	-26 505 731	(5 525 177)	120.85	20.85
Other revenue		(72 108 479)	(95 435 228)	-118 886 269	23 451 041	80.27	(19.73)
Gains on disposal of PPE		-	-	0	-	-	-
Total Revenue	(2 300 713 371)	(676 344 630)	(2 578 789 891)	(2 955 774 640)	376 984 749	87.25	(12.75)
Expenditure By Type							
Employee related costs	586 853 000	146 668 819	530 192 863	586 853 000	56 660 137	90.35	9.65
Remuneration of councillors	31 657 000	8 283 497	33 156 273	31 657 000	(1 499 273)	104.74	(4.74)
Contributions	462 621 000	-	28 192 685	462 621 000	434 428 315	6.09	93.91
Depreciation & asset impairment	492 000 000	102 638 985	410 555 938	492 000 000	81 444 062	83.45	16.55
Finance charges	11 000 000	2 723 136	7 064 268	11 000 000	3 935 732	64.22	35.78
Bulk purchases	837 563 000	402 580 193	794 495 770	837 563 000	43 067 230	94.86	5.14
Repairs & Maintenance	126 791 000	64 091 575	105 316 547	126 791 000	21 474 453	83.06	16.94
Contracted services	48 250 824	16 782 816	39 257 420	48 250 824	8 993 404	81.36	18.64
Collection Costs	13 500 000	3 233 302	9 473 162	13 500 000	4 026 838	70.17	29.83
Other expenditure	640 276 448	393 622 299	675 466 726	640 276 448	(35 190 278)	105.50	(5.50)
Departmental charges	26 505 728	10 407 518	31 476 993	26 505 728	(4 971 265)	118.76	(18.76)
Internal recoveries(amount charge ou	-	-	-	-	-	-	-
Total Expenditure	3 277 018 000	1 151 032 139	2 664 648 645	3 277 018 000	612 369 355	81.31	18.69
(Surplus)/Deficit	976 304 629	474 687 509	85 858 754	321 243 360	(235 384 606)		
TOTAL REVENUE	(2 300 713 371)	(676 344 630)	(2 578 789 891)	(2 955 774 640)	(376 984 749)	87.25	12.75
LESS REVENUE FOREGONE	-	10 865 537	76 374 317	-	(76 374 317)		
Income forgone on assessment rate	43 528 512	10 865 537	76 374 317	43 528 512	(32 845 805)	175.46	(75.46)
Income forgone on other	-	-	-	-	-		
TOTAL INCOME	(2 300 713 371)	(665 479 093)	(2 502 415 574)	(2 955 774 640)	(453 359 066)	84.66	15.34
Total expenditure after deduct reve	3 277 018 000	1 140 166 602	2 588 274 328	3 277 018 000	688 743 672	78.98	21.02
(Surplus)/ Deficit for the year	976 304 629	474 687 509	85 858 754	321 243 360	235 384 606	26.73	32.90

OPERATING INCOME PER DEPARTMENT AS AT JUNE 2018

DESCRIPTION	BUDGET	4th Quarter	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	95 330 893	60 095 830	70 067 596	95 330 893	(25 263 297)	-26.50	73.50
Health service	-	-	5 500	-	5 500	-	-
Community services	220 391 330	39 132 990	155 600 928	220 391 330	(64 790 402)	-29.40	70.60
Sports	2 232 079	1 330 288	1 900 129	2 232 079	(331 950)	-14.87	85.13
Housing	2 166 080	315 205	1 102 815	2 166 080	(1 063 265)	-49.09	50.91
Council general	3 203 182	197 262	783 065	3 203 182	(2 420 117)	-75.55	24.45
Civil Engineering	826 495 380	159 356 874	664 224 003	826 495 380	(162 271 377)	-19.63	80.37
Electrical engineering	861 685 278	163 340 986	700 527 801	861 685 278	(161 157 477)	-18.70	81.30
Corporate services	4 492 179	304 061	547 484	4 492 179	(3 944 695)	-87.81	12.19
Finance	918 209 218	227 601 894	887 635 202	918 209 218	(30 574 016)	-3.33	96.67
Market	21 569 021	13 803 847	20 020 313	21 569 021	(1 548 708)	-7.18	92.82
LED	-	154	737	-	737	-	-
TOTAL	2 955 774 640	665 479 093	2 502 415 574	2 955 774 640	(453 359 066)	-15.34	84.66

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	4th Quarter	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	211 969 544	128 399 546	230 407 807	211 969 544	18 438 263	8.70	108.70
Health service	9 649 658	6 947 739	11 431 406	9 649 658	1 781 748	18.46	118.46
Community services	216 166 471	68 722 814	185 922 909	216 166 471	(30 243 562)	-13.99	86.01
Sports	114 357 160	27 662 494	105 141 320	114 357 160	(9 215 840)	-8.06	91.94
Housing	11 321 100	2 768 747	10 654 429	11 321 100	(666 671)	-5.89	94.11
Council general	169 956 453	47 571 560	141 073 948	169 956 453	(28 882 505)	-16.99	83.01
Civil Engineering	948 642 258	332 552 809	781 686 084	948 642 258	(166 956 174)	-17.60	82.40
Electrical engineering	859 939 220	277 095 177	723 302 302	859 939 220	(136 636 918)	-15.89	84.11
Corporate services	62 609 135	13 407 985	48 319 648	62 609 135	(14 289 487)	-22.82	77.18
Finance	632 554 006	222 749 472	320 843 032	632 554 006	(311 710 974)	-49.28	50.72
Market	25 050 555	8 707 147	21 701 908	25 050 555	(3 348 647)	-13.37	86.63
LED	14 802 440	3 581 113	7 789 536	14 802 440	(7 012 904)	-47.38	52.62
TOTAL	3 277 018 000	1 140 166 603	2 588 274 328	3 277 018 000	(688 743 672)	-21.02	78.98

Surplus/Deficit	(321 243 360)	(474 687 509)	(85 858 755)	(321 243 360)	235 384 605		
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Operational allocation/grant received

	BUDGET	ADJUSTED	4th Quarter	YTD	YTD%
Equitable shares grants	354 377 000	354 377 000	-	353 136 000	99.65
Finance Management Grant	2 145 000	2 145 000	-	2 145 000	100.00
Improvement of library services	1 200 000	1 200 000	-	1 200 000	100.00
PMU	4 291 613	4 291 613	4 291 613	4 291 613	100.00
EPWP (arbour week)	2 246 000	2 246 000	-	2 246 000	100.00
			-	-	-
	364 259 613	364 259 613	4 291 613	363 018 613	99.66

CAPITAL GRANT RECEIVED

MIG	84 588 950	125 588 952	-	125 588 952	100.00
NDPG	75 000 000	48 755 000	-	48 755 000	100.00
DME/INER	14 000 000	19 500 000	-	19 500 000	100.00
PMU	160 435	160 435	160 435	160 435	100.00
	173 749 385	194 004 387	160 435	194 004 387	100.00

GRANTS AND SUBSIDIES - JUNE 2018

Operational allocation/grant spending

	BUDGET	ADJUSTED	4th Quarter 2018	YTD	YTD%
Equitable shares grants	354 377 000	354 377 000	58 649 166	324 225 084	91.49
Finance Management Grant	2 145 000	2 145 000	1 419 730	2 128 366	99.22
Improvement of library services	1 200 000	1 200 000	1 080 220	1 165 078	97.09
PMU	4 291 613	4 291 613	750 955	2 949 818	68.73
EPWP (arbour week)	2 246 000	2 246 000	621 046	2 107 899	93.85
			-	-	-
	364 259 613	364 259 613	62 521 118	332 576 246	91.30

CAPITAL GRANT EXPENDITURE

MIG	84 588 950	125 588 952	59 264 360	106 864 548	85.09
NDPG	75 000 000	48 755 000	13 490 458	48 740 134	99.97
DME/INER	14 000 000	19 500 000	11 132 796	17 069 721	87.54
PMU	160 435	160 435	29 415	29 415	18.33
	173 749 385	194 004 387	83 917 028	172 703 818	89.02

ANNEXURE B

Cash Flow Statement for the month of June 2018

Cash Receipts by Source	May 2018	June 2018
Property rates	22 351 715	19 013 645
Service charges - electricity revenue	51 105 092	45 549 339
Service charges - water revenue	23 709 015	23 567 086
Service charges - sanitation revenue	5 591 144	6 062 196
Service charges - refuse revenue	5 184 080	5 153 390
Service charges - other	24 035 791	24 686 500
Rental of facilities and equipment	173 890	35 316
Interest earned - external investments	251	-
Interest earned - outstanding debtors	-	-
Fines	40 593	35 097
Licences and permits	3 480 849	486 365
Transfer receipts - operational grants	-	-
Other revenue	43 934 048	55 953 495
Cash Receipts by Source	179 606 468	180 542 429
Transfer receipts - capital grants	-	-
Proceeds on disposal of PPE	-	-
Total Cash Receipts by Source	179 606 468	180 542 429
Proceeds on disposal of PPE	-	-
Short term loan	-	-
Borrowing long term/ Refinancing	-	-
Increase (decrease) in consumer deposits	-	-
Decrease (increase) in non - current debtors	-	-
Decrease (increase) in non - current	-	-
Decrease (increase) in non- current investment	-	-
Total Cash Receipts by Source	179 606 468	180 542 429
Cash Payments by Type		
Employee related costs	47 366 722	49 531 425
Remuneration of councillors	2 758 285	2 762 606
Collection costs	357 727	1 296 110
Interest paid	425 811	1 256 694
Bulk purchases - Electricity	34 670 724	146 254 448
Bulk purchases - Water	26 535 976	123 496 706
Repairs and maintenance	4 479 067	24 693 322
Contracted services	3 305 152	9 706 588
General expenses	43 322 538	58 175 288
Cash Payments by Type	163 222 002	417 173 187
Other Cash Flows/Payments by Type		
Capital assets	20 969 836	58 903 482
Repayment of borrowing	391 412	5 457 382
Other Cash Flows/Payments	21 361 248	64 360 864
Investment		
Total Cash Payments by Type	184 583 250	481 534 051
Net increase/(decrease) in cash held	(4 976 782)	(300 991 622)
Cash/ cash equivalent at the month begin	198 052 217	193 075 435
Cash/ cash equivalent at the month end	193 075 435	(107 916 187)

ANNEXURE C

NW403 City Of Matlosana - Budgeted Capital Expenditure - June 2018

	Original Budget	Adjusted Budget	4th Quarter	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure							
Council General	35 000 000	5 000 000	1 803 951	1 884 734	5 000 000	(3 115 266)	37.69
Council General Admin	35 000 000	5 000 000	1 803 951	1 884 734	5 000 000	(3 115 266)	37.69
Municipal & Environmental Services	10 952 000	4 038 000	1 227 318	1 227 318	4 038 000	(2 810 682)	30.39
Community and social services	-	-	-	-	-	-	-
Sport and recreation	10 952 000	3 651 000	1 227 318	1 227 318	3 651 000	(2 423 682)	33.62
Refuse removal	-	-	-	-	-	-	-
Public Safety	-	387 000	-	-	387 000	(387 000)	-
Health	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Finance	5 000 000	5 000 000	-	-	5 000 000	(5 000 000)	-
ICT Hard/software	5 000 000	5 000 000	-	-	5 000 000	(5 000 000)	-
Macro city planning & Development	-	-	-	-	-	-	0
Market	-	-	-	-	-	-	0
Civil Services & Human Settlement	140 891 000	162 816 384	64 529 465	147 239 171	162 816 384	(15 577 213)	90.43
Water	42 187 000	80 970 155	31 830 888	74 298 606	80 970 155	(6 671 549)	91.76
Waste water management(Sewer)	7 484 000	21 118 229	3 833 900	5 861 101	21 118 229	(15 257 128)	27.75
Roads	91 220 000	60 728 000	28 864 677	67 079 464	60 728 000	6 351 464	110.46
Housing	-	-	-	-	-	-	-
PMU Unit	-	-	-	-	-	-	-
Dumping side	-	-	-	-	-	-	-
Electrical & Mechanical Engineering	21 904 000	27 404 364	14 905 856	22 790 396	27 404 364	(4 613 968)	83.16
Electrical	21 904 000	27 404 364	14 905 856	22 790 396	27 404 364	(4 613 968)	83.16
Total Capital Expenditure	213 747 000	204 258 748	82 466 591	173 141 620	204 258 748	(31 117 128)	84.77
CAPITAL FUNDING							
National government	173 747 000	194 258 748	80 662 639	171 256 886	194 258 748	(23 001 862)	88.16
Provincial government	-	-	-	-	-	-	-
District municipality	-	-	-	-	-	-	-
Borrowing	30 000 000	-	-	-	-	-	-
Internal Generated funds	10 000 000	10 000 000	1 803 951	1 884 734	10 000 000	(8 115 266)	18.85
Financing Total	213 747 000	204 258 748	82 466 591	173 141 620	204 258 748	(31 117 128)	84.77

ANNEXURE D
DEBTOR'S AGE ANALYSIS - June 2018

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total -
Debtors Age Analysis By Income Source					
Water Tariffs	40 388 633	33 022 635	26 330 963	853 893 516	953 635 747
Electricity Tariffs	45 881 815	15 756 745	11 515 535	200 027 533	273 181 628
Rates (Property Rates)	21 451 167	9 019 372	6 300 560	156 595 810	193 366 909
Sewerage/ Sanitation	7 859 095	4 706 873	4 016 928	147 903 900	164 486 796
Refuse Removal Tariffs	9 753 982	6 964 294	6 532 498	254 966 859	278 217 633
Other	40 568 975	30 813 008	28 678 763	904 388 701	1 004 449 447
Total By Income Source	165 903 667	100 282 927	83 375 247	2 517 776 319	2 867 338 160
Debtors Age Analysis By Customer Group					
Government	5 177 645	4 669 276	4 103 671	36 298 349	50 248 941
Business	43 189 343	12 609 625	9 275 293	179 624 051	244 698 312
Households	116 266 002	82 554 886	69 487 793	2 281 167 457	2 549 476 138
Other	1 270 677	449 139	508 491	20 686 462	22 914 769
Total By Customer Group	165 903 667	100 282 927	83 375 247	2 517 776 319	2 867 338 160

**ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - June 2018**

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	124 934 199	-	21 746 510	-	57 682 984	204 363 693
Bulk Water	52 803 820	4 816 105	2 326 982	-	272 776 138	332 723 045
Auditor General	90 170	28 449	52 980	-	2 253 339	2 424 938
Trade Creditors	120 108 490	-	-	-	2 572 847	122 681 337
Total	297 936 679	4 844 554	24 126 472	-	335 285 308	662 193 013

ANNEXURE F

Investment Portfolio: 31 July 2018
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	JUNE 2018	JULY 2018	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.73%		12 078.25	10 011 993.51		WSIG
ABSA: 5047	4.70%		8 860 683.94	15 057 348.92		INEP
ABSA: 6177	6.75%		37 982 809.63	86 204 944.13		MIG
ABSA: 2264	4.70%		4 693 510.28	104 709 712.53		EQS
ABSA: 4682	6.65%		22 930 572.26	45 714 923.25		NDPG
ABSA: 4063	1.55%		174 519.24	174 669.85		
ABSA: 1223	6.75%		25 165 152.36	4 789 316.70		
INVESTEC	6.80%		5 958 202.75	5 990 083.22		
TOTAL Call Investment			105 777 528.71	272 652 992.11		
Collateral						
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%		23 099 799.00	23 099 799.00	30/06/2019	Security
TOTAL			31 461 524.26	31 461 524.26		
Long Term Investment						
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
TOTAL			108 773.77	108 773.77		
TOTAL INVESTMENTS			137 347 826.74	304 223 290.14		

Withdraw R2 215 649.01 from ABSA call (NDPG) - 02 July 2018
 Withdraw R786 600 from ABSA call (INEP) - 05 July 2018
 Withdraw R4 486 679 from ABSA call (MIG) - 11 July 2018
 Invest R25 000 000 with ABSA on call (INEP) - 11 July 2018
 Invest R100 000 000 with ABSA on call (EQS) - 11 July 2018
 Withdraw R10 000 000 from ABSA call - 11 July 2018
 Invest R52 353 000 with ABSA on call (MIG)- 13 July 2018
 Withdraw R3 055 328.05 from ABSA call (INEP)- 13 July 2018
 Invest R13 000 000 with ABSA on call - 18 July 2018
 Invest R10 000 000 with ABSA on call (INEP) - 18 July 2018
 Invest R10 000 000 with ABSA on call (WSIG) - 20 July 2018
 Invest R2 500 000 with ABSA on call - 20 July 2018
 Withdraw R12 000 000 from ABSA call - 24 July 2018
 Withdraw R18 000 000 from ABSA call - 27 July 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

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	2018-JUNE-30	MUNICIPAL COMMENTS (#)
1. FINANCIAL POSITION			
A. Asset Management/Utilisation			
1 Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	6% 6% 2 588 274 328 173 141 620 0	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 100	0.002729335 7 064 268 2 588 274 328	0.0027 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	0.020215257 53 053 546 2 260 169 000 -364 262 000	0.020
2. FINANCIAL PERFORMANCE			
1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	-0.145168493 2 260 169 000 2 588 274 328	-0.1452 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) x 365	86.55240355 662 193 013 2 792 533 076	86.55 Still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.238966169 618 510 000 2 588 274 328	0.24 Below NT norm
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.015167411	The proposed lower ratio is a product of a change to create in

39 257 420
2 588 274 328

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	1.088550716	
		0	
		1 884 734	
		173 141 620	
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	0.96	
		2 502 415 574	
		88 727 650	
		0	

There should be an increase in the ratio as the current capital spending accelerates.

3. BUDGET IMPLEMENTATION

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.810030642	0.81 Should be at 100%.
		173 141 620	
		213 747 000	
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.789826094	0.79
		2 588 274 328	
		3 277 018 000	
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.846619204	0.85
		2 502 415 574	
		2 955 774 640	