

CITY OF MATLOSANA

Attached hereto an item to be submitted to the _____ Committee to be held

on _____, Author of the item: NALEDI MOELERIS

HEAD OF DIVISION: H.S. Rossouw
 SIGNED: [Signature]
 DATE: 2019/11/18

DELEGATED TO: _____
 NUMBER: _____

Received by Deputy Director: Administration

Date and Time: _____
 Signature _____

[Signature]

Member of the Mayoral Committee _____ Date _____

COMMENTS:

Director: Corporate Services _____ Date _____

COMMENTS:

[Signature] _____ Date 21/01/2019
 Chief Financial Officer _____ Date _____

COMMENTS:

Director: Civil Services & Human Settlements _____ Date _____

COMMENTS:

Director: Electrical Engineering _____ Date _____

COMMENTS:

Director: Municipal & Environmental Services _____ Date _____

COMMENTS:

Director: Macro City Planning & Dev _____ Date _____

COMMENTS:

Director: Strategic Plan, Mon & Control _____ Date _____

COMMENTS:

Municipal Manager _____ Date _____

DEPUTY DIRECTOR: CORPORATE SERVICES

DATE

ALL MANAGERS: Ensure that your report contains comments of relevant Departments implied in your report for inclusion in the agenda, failing which same report will be excluded from the agenda.

QUARTERLY REPORT: OCTOBER - DECEMBER 2018

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

The financial results for the period ended 31 December 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 2018/19	2nd QUARTER ACTUAL 2018/19	YTD ACTUAL 2018/19	VARIANCE (FAVOURABLE) UNFAVOURABLE
Total Revenue By Source	(1,444,764,788)	(666,197,518)	(1,215,073,095)	229,691,693
Total Operating Expenditure	1,559,539,162	690,527,819	928,860,905	630,678,257
(SURPLUS)/ DEFICIT	114,774,374	24,330,301	(286,212,190)	(400,986,564)

Reason for under collection

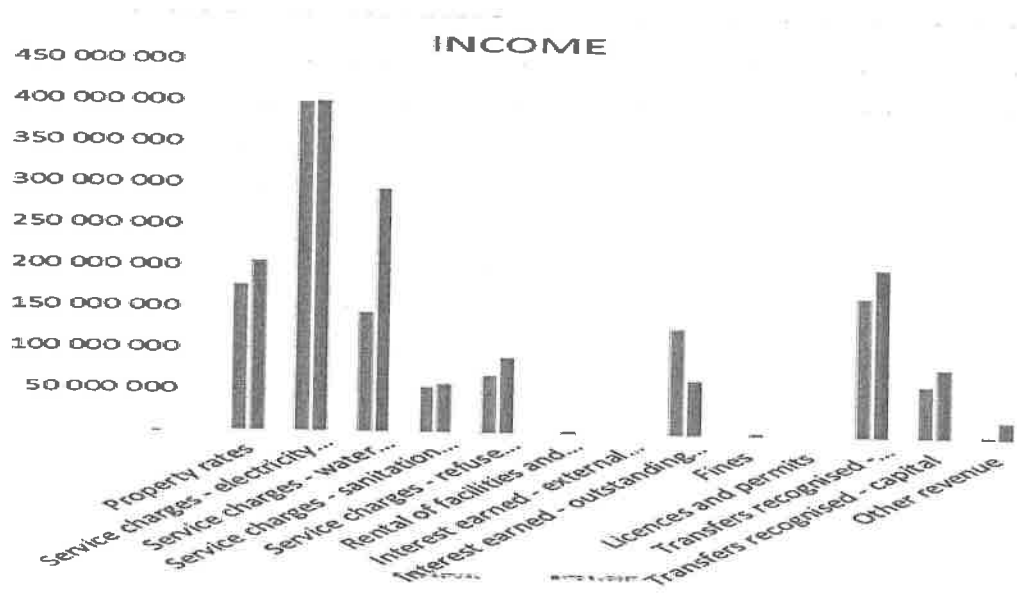
- Service charges: Water – less registered indigents than anticipated.
- Service charges: Sewer – Less registered indigents than anticipated.
- Service charges: Refuse – Less registered indigents than anticipated.

- Interest on debtors – High percentage due to under collection. Council appointed three debt collectors, which will assist in collection of outstanding debtors, and gradually decreasing the high percentage of interest on outstanding debtors.
- Fines – Plans are in place to appoint traffic management system that will assist to collect traffic fines.
- Interest earned on external investments -Mostly materialise in fourth quarter when long term interest is capitalized.

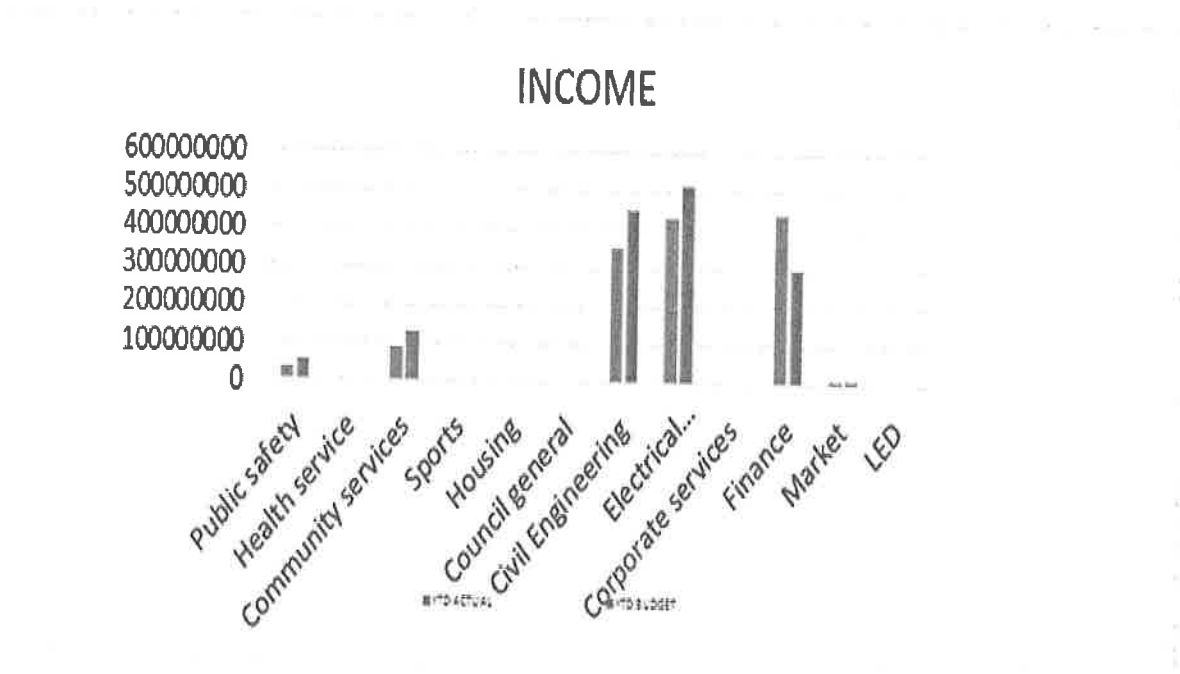
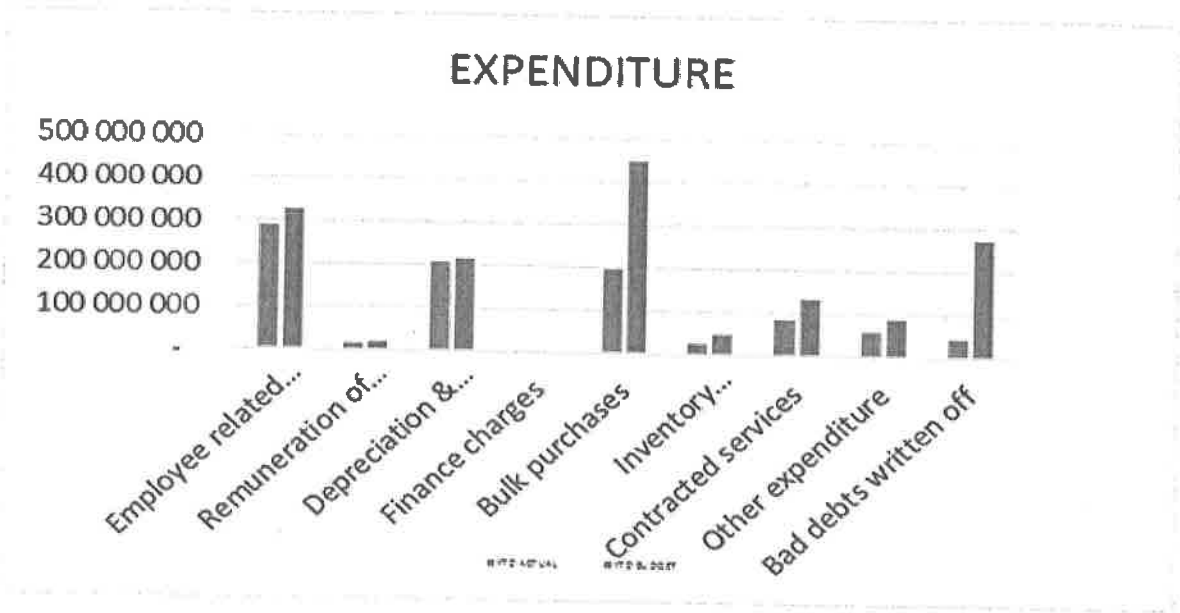
Reason for under collection

Depreciation – shows high expenditure in December month due to the journal of R207.7 million.

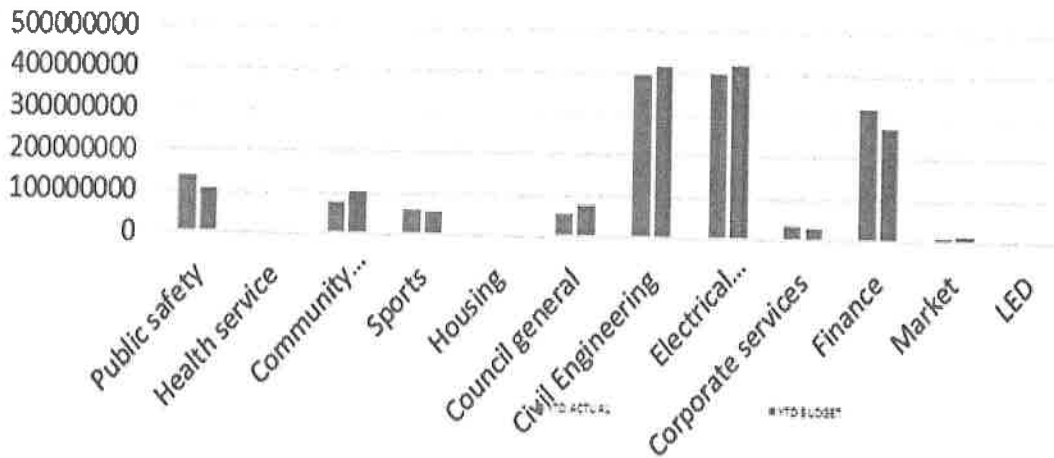
YTD Actual Income vs YTD Budget Income



YTD Actual Expenditure vs YTD Budget Expenditure



EXPENDITURE



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2018/19	2 nd QUARTER RECEIVED 2018/19	YTD ACTUAL RECEIVED 2018/19	YTD%
Equitable shares grants	392,856,000	130,586,000	294,276,000	74.91%
Finance Management grant	2,215,000	0	2,215,000	100%
Improvement of Library services	716,000	716,000	716,000	100%
PMU	4,284,000	0	0	0%
EPWP	2,037,000	916,000	1,426,000	70%
Energy efficiency & demand side	7,000,000	2,000,000	5,000,000	71.43%
TOTAL	409,108,000	134,218,000	303,633,000	74.22%

Operational Grant spending

DESCRIPTION	BUDGET 2018/19	2nd QUARTER SPENDING 2018/19	YTD ACTUAL 2018/19	YTD%
Equitable shares grants	392,856,000	100,000,000	267,690,000	68.14%
Finance Management grant	2,215,000	370,004	743,862	33.48%
Improvement of Library services	716,000	44,420	44,420	6.20%
PMU	4,284,000	848,461	1,577,680	36.83%
EPWP	2,037,000	310,839	931,888	45.75%
Energy efficiency & demand side	7,000,000	0	0	0
TOTAL	409,108,000	101,573,723	270,987,849	66.24%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	2nd QUARTER RECEIVED 2018/19	YTD ACTUAL RECEIVED	YTD%
MIG	81,405,000	19,500,000	71,853,000	88.27%
NDPG	48,485,000	8,400,000	40,520,000	83.57%
INEP	22,000,000	6,000,000	16,000,000	72.73%
PMU	0	0	0	0
Water service infrastructure grant	17,000,000	0	10,000,000	58.82
TOTAL	168,890,000	33,900,000	138,373,000	81.93%

CAPITAL GRANT SPENDING

DESCRIPTION	BUDGET	2nd QUARTER SPENDING 2018/19	YTD ACTUAL	YTD%
MIG	81,405,000	28,666,002	46,796,823	57.49%
NDPG	48,485,000	25,020,763	25,020,763	51.61%
DME/INER	22,000,000	7,275,803	7,275,803	33.07%
PMU	0	0	0	0
Water service infrastructure grants	17,000,000	0	0	0
Total	168,890,000	60,962,567	79,093,388	46.83%

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R262,9 million, for the month of December 2018 includes the following grant:
Equitable share R130,586,000
MIG R19,500,000
- Total cash payments indicate an amount of R229,7 million, for the month of December 2018.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD BUDGET	2nd QUARTER 2018/19	YTD ACTUAL	VARIANCES FAVOURABLE (UNFAV)
Total Capital Expenditure	110,194,775	70,162,515	87,386,100	(22,808,675)
Capital funding				
National government	84,444,775	69,255,335	86,478,920	(2,034,145)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	15,000,000	-	-	(15,000,000)
Internal Generated fund	10,750,000	907,180	907,180	(9,842,820)
Financial Total	110,194,775	70,162,515	87,386,100	(22,808,675)

- Capital spending of 39.65% is lower than the 50% pro-rata.
- Non spending on borrowing due to new loan not yet acquired.
- Internal Funding – Low spending due to cash flow constraints.

MIG Spending

BUDGET	2nd QUARTER RECEIVED	2nd QUARTER SPENDING	SPENDING YTD	YTD RECEIVED	%SPENDING
81,405,000	19,500,000	28,666,002	46,796,823	71,853,000	57.49%

MIG ROLL OVER 17/18

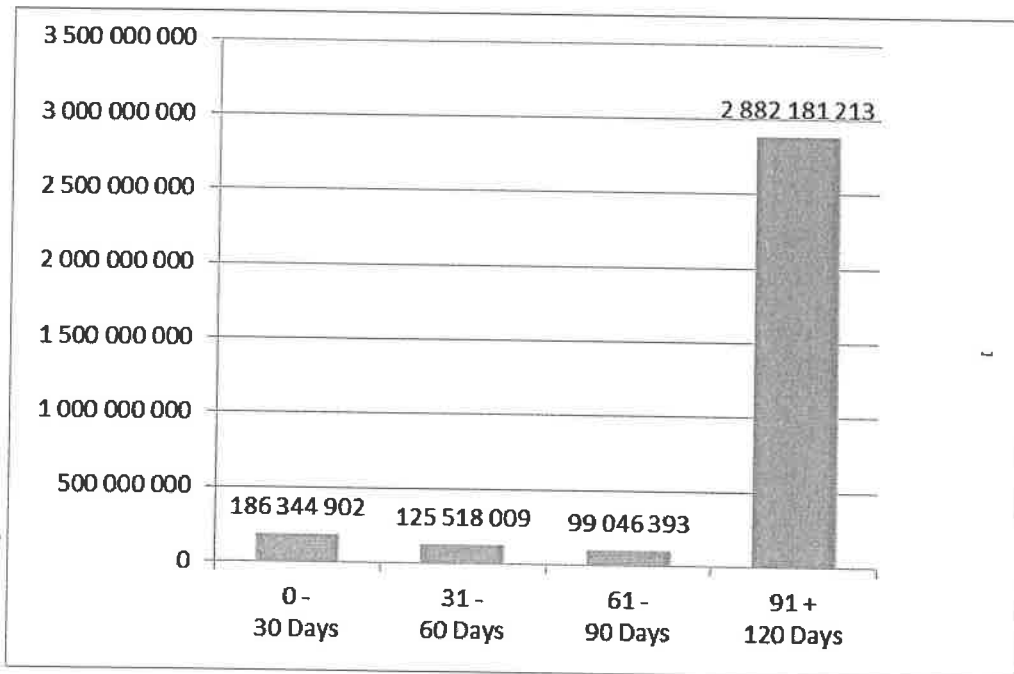
BUDGET	2nd QUARTER SPENDING	SPENDING YTD	%SPENDING
20,200,000	12,197,197	12,197,197	60%

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 2018 amounts to R 3,106.7 billion.

A detailed Age Analysis is on annexure D.

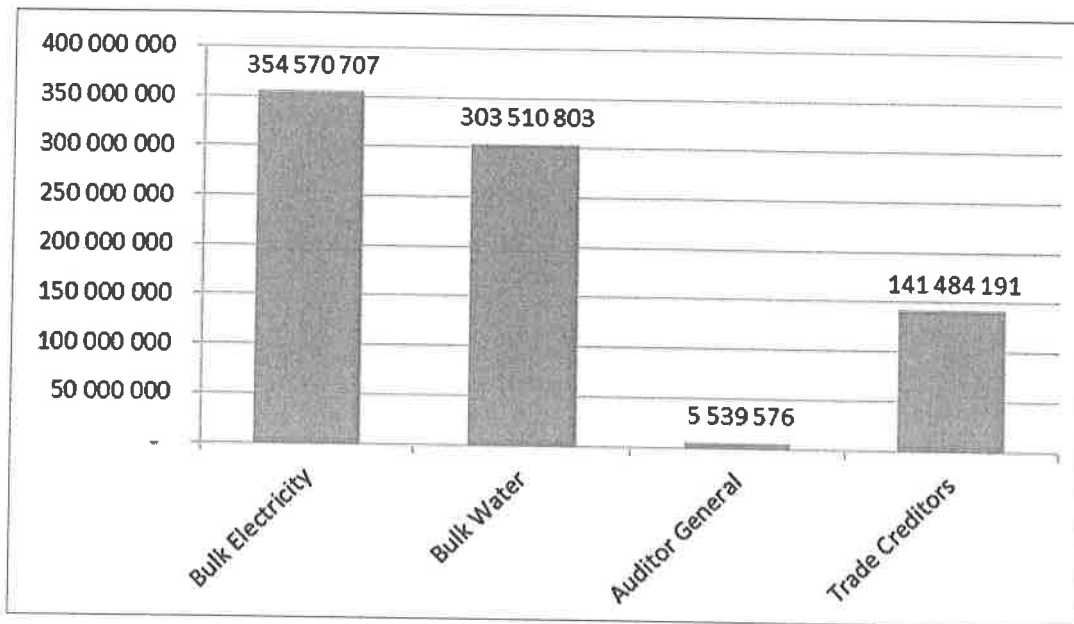
Debtors by Customer group – 31 December 2018



- Debtors' book has decreased by R79,5 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 R55 million compared to the previous month.

Council appointed three debt collectors, which will assist in collection of outstanding debtors, this will enable the municipality to pay its creditors.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to **R 311,982,561** as at 31 December 2018.

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		273,555,905			273,555,905
FNB			108,774		108,774
Investec		6,151,585			6,151,585
Nedcor				23,099,799	23,099,799
Sanlam (Policy)	9,066,499				9,066,499
	9,066,499	279,707,490	108,774	23,099,799	311,982,561

BORROWING MONITORING

The total amount outstanding on external loans at the end of December 2018 amount to R45,758,468.83

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2018 to 31 December 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 1,215 million is less than projected of R 1,445 million YTD budget (Pro-rata) and vary by R229.7 million. Year to date actual expenditure of R928,8 million is less than projected expenditure of R1,559 million YTD budget (Pro-rata) and vary by R630,6 million.

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) - December 2018

Current Year 2018/19

Description	Original Budget	SECOND QUARTER 2018/19	YTD Actual	YTD Budget	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(413 697 037)	(72 725 963)	(177 844 198)	-206 848 519	29 004 320	42.99	(14.02)
Service charges - electricity revenue	(804 515 536)	(188 190 486)	(399 509 253)	-402 257 768	2 748 515	49.66	(0.68)
Service charges - water revenue	(591 843 746)	(19 756 250)	(145 418 624)	-295 921 873	150 503 249	24.57	(50.86)
Service charges - sanitation revenue	(119 074 195)	(29 525 935)	(55 019 893)	-59 537 098	4 517 204	46.21	(7.59)
Service charges - refuse revenue	(185 155 654)	(38 909 466)	(70 594 947)	-92 577 827	21 982 880	38.13	(23.75)
Rental of facilities and equipment	(6 792 927)	(914 285)	(1 491 942)	-3 396 464	1 904 522	21.96	(56.07)
Interest earned - external investments	(2 632 500)	-	(13 846)	-1 316 250	1 302 404	0.53	(98.95)
Interest earned - outstanding debtors	(135 549 561)	(80 151 424)	(129 351 568)	-67 774 781	(61 576 787)	95.43	90.86
Fines	(8 640 384)	(143 525)	(456 145)	-4 320 192	3 864 047	5.28	(89.44)
Licences and permits	(1 279 265)	1 599	(255 362)	-639 633	384 270	19.96	(60.08)
Transfers recognised - operational	(409 108 000)	(169 293 475)	(169 293 475)	-204 554 000	35 260 525	41.38	(17.24)
Transfers recognised - capital	(168 889 550)	(64 188 333)	(62 922 081)	-84 444 775	21 522 694	-	-
Other revenue	(42 351 220)	(2 399 976)	(2 901 760)	-21 175 610	18 273 850	6.85	(86.30)
Gains on disposal of PPE	-	-	-	0	-	-	-
Total Revenue	(2 889 529 575)	(666 197 518)	(1 215 073 095)	(1 444 764 788)	229 691 693	42.05	(15.90)
Expenditure By Type							
Employee related costs	652 667 779	149 660 196	289 168 030	326 333 890	37 165 859	44.31	11.39
Remuneration of councillors	33 907 256	8 287 819	16 575 637	16 953 628	377 991	48.89	2.23
Depreciation & asset impairment	428 189 005	207 706 852	207 706 852	214 094 503	6 387 650	48.51	2.98
Finance charges	11 000 000	1 456 789	2 906 575	5 500 000	2 593 425	26.42	47.15
Bulk purchases	897 899 615	165 284 908	195 290 246	448 949 808	253 659 562	21.75	56.50
Inventory (Repair&maintenance)	99 001 516	20 575 054	27 201 748	49 500 758	22 299 010	27.48	45.05
Contracted services (Outsource, Const.	269 504 563	64 076 045	84 416 931	134 752 282	50 335 351	31.32	37.35
Other expenditure	175 908 589	35 202 314	60 636 043	87 954 295	27 318 252	34.47	31.06
Bad debts written off	551 000 000	38 277 843	44 958 842	275 500 000	230 541 158	8.16	83.68
Total Expenditure	3 119 078 323	690 527 819	928 860 905	1 559 539 162	630 678 257	29.78	40.44
(Surplus)/Deficit	229 548 748	24 330 301	(286 212 190)	114 774 374	(400 986 564)		

OPERATING INCOME PER DEPARTMENT AS AT DECEMBER 2018

DESCRIPTION	BUDGET	2nd QUARTER	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	17 836 466	215 597	800 078	8 918 233	(8 118 155)	-91.03	4.49
Health service	-	-	-	-	-	-	-
Community services	217 465 957	57 602 072	99 605 416	108 732 979	(9 127 562)	-8.39	45.80
Sports	11 802 780	1 680 476	1 617 472	5 901 390	(4 283 918)	-72.59	13.70
Housing	3 586 707	877 567	1 575 406	1 793 354	(217 947)	-12.15	43.92
Council general	3 400 859	241 528	276 518	1 700 430	(1 423 912)	-83.74	8.13
Civil Engineering	862 710 545	113 619 821	282 334 672	431 355 273	(149 020 600)	-34.55	32.73
Electrical engineerin	901 480 386	212 964 614	430 247 866	450 740 193	(20 492 327)	-4.55	47.73
Corporate services	1 018 264	484 400	477 200	509 132	(31 932)	-6.27	46.86
Finance	838 788 416	264 474 576	384 098 312	419 394 208	(35 295 896)	-8.42	45.79
Market	31 439 195	13 598 822	13 602 109	15 719 598	(2 117 489)	-13.47	43.26
LED	-	-	-	-	-	-	-
TOTAL	2 889 529 575	665 759 474	1 214 635 050	1 444 764 788	(230 129 737)	-15.93	42.04

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	2nd QUARTER	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	173 756 154	35 068 588	63 448 584	86 878 077	(23 429 493)	-26.97	36.52
Health service	10 857 663	2 093 723	3 641 809	5 428 832	(1 787 023)	-32.92	33.54
Community services	269 152 867	69 763 923	104 696 278	134 576 434	(29 880 156)	-22.20	38.90
Sports	87 693 833	29 951 218	40 411 563	43 846 917	(3 435 353)	-7.83	46.08
Housing	13 888 203	3 032 525	5 123 368	6 944 102	(1 820 733)	-26.22	36.89
Council general	145 659 167	36 932 266	68 624 172	72 829 584	(4 205 412)	-5.77	47.11
Civil Engineering	1 006 314 488	253 957 935	297 009 807	503 157 244	(206 147 437)	-40.97	29.51
Electrical engineerin	1 029 708 146	198 221 559	249 311 708	514 854 073	(265 542 365)	-51.58	24.21
Corporate services	70 347 376	17 125 052	29 222 666	35 173 688	(5 951 022)	-16.92	41.54
Finance	268 544 229	35 143 024	53 681 458	134 272 115	(80 590 656)	-60.02	19.99
Market	24 265 571	6 126 689	9 264 329	12 132 786	(2 868 456)	-23.64	38.18
LED	18 890 626	2 672 586	3 986 433	9 445 313	(5 458 880)	-57.79	21.10
TOTAL	3 119 078 323	690 089 089	928 422 176	1 559 539 162	(631 116 986)	-40.47	29.77
Surplus/Deficit	(229 548 748)	(24 329 615)	286 212 874	(114 774 374)	400 987 248		

Operational allocation/grant received

	BUDGET	2nd Quarter	YTD	YTD%
Equitable shares grants	392 856 000	130 586 000	294 276 000	74.91
Finance Management Grant	2 215 000	-	2 215 000	100.00
Improvement of library services	716 000	716 000	716 000	100.00
PMU	4 284 000	-	-	-
EPWP (arbour week)	2 037 000	916 000	1 426 000	70.00
Energy efficiency & demand side	7 000 000	2 000 000	5 000 000	71.43
	409 108 000	134 218 000	303 633 000	74.22

CAPITAL GRANT RECEIVED

MIG	81 405 000	19 500 000	71 853 000	88.27
NDPG	48 485 000	8 400 000	40 520 000	83.57
DME/INER	22 000 000	6 000 000	16 000 000	72.73
PMU	-	-	-	-
Water service infrastructure grant	17 000 000	-	10 000 000	58.82
	168 890 000	33 900 000	138 373 000	81.93

GRANTS AND SUBSIDIES - DECEMBER 2018

Operational allocation/grant spending

	BUDGET	2nd Quarter 2018/19	YTD	YTD%
Equitable shares grants	392 856 000	100 000 000	267 690 000	68.14
Finance Management Grant	2 215 000	370 004	743 862	33.58
Improvement of library services	716 000	44 420	44 420	6.20
PMU	4 284 000	848 461	1 577 680	36.83
EPWP (arbour week)	2 037 000	310 839	931 888	45.75
Energy efficiency & demand side	7 000 000	-	-	-
	409 108 000	101 573 723	270 987 849	66.24

CAPITAL GRANT EXPENDITURE

MIG	81 405 000	28 666 002	46 796 823	57.49
NDPG	48 485 000	25 020 763	25 020 763	51.61
DME/INER	22 000 000	7 275 803	7 275 803	33.07
PMU	-	-	-	-
Water services infrastructure grants	17 000 000	-	-	-
	168 890 000	60 962 567	79 093 388	46.83

ROLL OVER 17/18

BUDGET	2nd Quarter	YTD Actual	YTD %
20 200 000	12 197 197	12 197 197	60

ANNEXURE B
Cash Flow Statement for the month of December 2018

Cash Receipts by Source	October 2018	November 2018	December 2018
Property rates	35 932 639	52 909 232	27 354 816
Service charges - electricity revenue	74 319 323	53 707 983	48 391 647
Service charges - water revenue	23 309 081	22 704 447	19 637 124
Service charges - sanitation revenue	3 411 309	2 844 177	2 479 083
Service charges - refuse revenue	5 019 370	4 589 248	3 844 938
Service charges - other	-	-	-
Rental of facilities and equipment	15 757	8 318	10 325
Interest earned - external investments	-	-	-
Interest earned - outstanding debtors	-	-	-
Fines	100 251	97 581	56 764
Licences and permits	-	-	-
Transfer receipts - operational grants	-	3 632 000	130 586 000
Other revenue	48 829 349	116 284 028	11 001 674
Cash Receipts by Source	190 937 079	256 777 014	243 362 371
Transfer receipts - capital grants	6 000 000	8 400 000	19 500 000
Proceeds on disposal of PPE	-	-	-
Total Cash Receipts by Source	196 937 079	265 177 014	262 862 371
Cash Payments by Type			
Employee related costs	48 898 488	51 694 357	49 067 351
Remuneration of councillors	2 762 606	2 762 606	2 762 606
Collection costs	-	-	-
Interest paid	207 852	199 445	1 049 492
Bulk purchases - Electricity	40 000 000	20 000 000	80 000 000
Bulk purchases - Water	32 305 163	24 228 873	16 152 582
Repairs and maintenance	2 284 350	5 711 790	3 811 355
Contracted services	15 262 267	21 436 273	18 530 850
General expenses	60 151 538	7 052 360	39 866 948
Cash Payments by Type	201 872 264	133 085 704	211 241 184
Other Cash Flows/Payments by Type			
Capital assets	29 552 238	27 598 314	13 011 963
Repayment of borrowing	391 412	391 412	5 453 391
Other Cash Flows/Payments	29 943 650	27 989 726	18 465 354
Total Cash Payments by Type	231 815 914	161 075 430	229 706 538
Net Increase/(decrease) In cash held	(34 878 835)	104 101 584	33 155 833
Cash/ cash equivalent at the month be	184 611 403	149 732 568	253 834 152
Cash/ cash equivalent at the month en	149 732 568	253 834 152	286 989 985

ANNEXURE C

NW403 City Of Matlosana - Budgeted Capital Expenditure - December 2018

	Original Budget	2nd Quarter 2017/18	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
Council General	38 900 000	907 180	907 180	19 450 000	(18 542 820)	2.33
Council General Admin	38 900 000	907 180	907 180	19 450 000	(18 542 820)	2.33
Municipal & Environmental Services	16 000 000	307 170	1 686 437	8 000 000	(6 313 563)	10.54
Community and social services	-	-	-	-	-	-
Sport and recreation	12 000 000	307 170	1 686 437	6 000 000	(4 313 563)	14.05
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetary	-	-	-	-	-	-
Housing	4 000 000	-	-	2 000 000	(2 000 000)	-
Finance	5 600 000	-	-	2 800 000	(2 800 000)	-
ICT Hard/software	5 600 000	-	-	2 800 000	(2 800 000)	-
Macro city planning & Development	-	-	-	-	-	0
Market	-	-	-	-	-	0
Civil Services & Human Settlement	115 068 628	48 336 785	64 181 103	57 534 314	6 646 789	55.78
Water	62 669 408	33 848 336	46 807 505	31 334 704	15 472 801	74.69
Waste water management(Sewer)	33 461 431	5 049 017	5 575 401	16 730 716	(11 155 314)	16.66
Roads	18 937 789	9 439 431	11 798 197	9 468 895	2 329 302	62.30
PMU Unit	-	-	-	-	-	-
Dumping side	-	-	-	-	-	-
Electrical & Mechanical Engineering	44 820 922	20 611 380	20 611 380	22 410 461	(1 799 081)	45.99
Electrical	44 820 922	20 611 380	20 611 380	22 410 461	(1 799 081)	45.99
Total Capital Expenditure	220 389 550	70 162 515	87 386 100	110 194 775	(22 808 675)	39.65
CAPITAL FUNDING						
National government	168 889 550	69 255 335	86 478 920	84 444 775	2 034 145	51.20
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	30 000 000	-	-	15 000 000	(15 000 000)	-
Internal Generated funds	21 500 000	907 180	907 180	10 750 000	(9 842 820)	4.22
Financing Total	220 389 550	70 162 515	87 386 100	110 194 775	(22 808 675)	39.65

ANNEXURE D
DEBTOR'S AGE ANALYSIS - DECEMBER 2018

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	49 987 556	43 240 797	33 748 242	971 755 194	1 098 731 789
Electricity Tariffs	51 371 412	22 020 396	13 094 372	228 308 557	314 794 737
Rates (Property Rates)	21 312 317	8 187 833	6 177 104	181 532 148	217 209 402
Sewerage/ Sanitation	8 479 378	5 957 532	5 026 212	165 618 961	185 082 083
Refuse Removal Tariffs	11 417 300	8 922 539	8 267 073	287 942 140	316 549 052
Other	43 776 939	37 188 912	32 733 390	1 047 024 213	1 160 723 454
Total By Income Source	186 344 902	125 518 009	99 046 393	2 882 181 213	3 293 090 517
Debtors Age Analysis By Customer Group					
Government	6 714 233	8 105 226	5 451 807	47 513 586	67 784 852
Business	45 977 135	17 010 554	10 190 122	218 647 910	291 825 721
Households	133 032 978	99 901 443	82 978 631	2 592 073 380	2 907 986 432
Other	620 556	500 785	425 833	23 946 338	25 493 512
Total By Customer Group	186 344 902	125 518 009	99 046 393	2 882 181 213	3 293 090 517

ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - DECEMBER 2018

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days/Arreas	Total
Bulk Electricity	253 316 455	-	53 969 808	-	47 284 444	354 570 707
Bulk Water	67 907 462	2 358 993	9 053 627	-	224 190 721	303 510 803
Auditor General	3 335 121	1 811 222	245 875	-	147 358	5 539 576
Trade Creditors	19 009 952	13 026 062	14 379 655	-	95 068 522	141 484 191
Total	343 568 990	17 196 277	77 648 965	-	366 691 045	805 105 277

ANNEXURE F

Investment Portfolio: 31 December 2018
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	NOVEMBER 2018	DECEMBER 2018	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.73%		10 131 912.91	10 160 655.30		WSIG
ABSA: 5047	4.70%		14 770 659.65	14 397 156.78		INEP
ABSA: 6177	6.75%		40 502 756.44	48 886 332.95		MIG
ABSA: 2264	4.70%		1 067 544.19	31 720 039.22		EQS
ABSA: 4682	6.65%		33 433 002.24	33 614 731.22		NDPG
ABSA: 4063	1.55%		3 183 581.57	3 186 612.51		EEDSM
ABSA: 1223	6.75%		21 656 443.58	131 590 377.00		OWN
INVESTEC	6.80%		6 117 552.52	6 151 584.55		
TOTAL Call Investment			130 863 453.10	279 707 489.53		
Collateral						
SANLAM	Policy	Guaranteed Capital	8 498 396.65	8 498 396.65	2018/12/01	Policy
SANLAM	Policy	Guaranteed Capital	568 102.34	568 102.34	2019/08/01	Policy
NEDCOR	Minimum 5%		23 099 799.00	23 099 799.00	30/06/2019	Security
TOTAL			32 166 297.99	32 166 297.99		
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			163 138 524.86	311 982 561.29		

Invest R119 357 295 with ABSA on call (Own) - 04 December 2018
Invest R130 586 000 with ABSA on call (EQS) - 04 December 2018
Withdraw R3 842 307.53 from ABSA call (MIG) - 06 November 2018
Withdraw R1 475 613.17 from ABSA call (MIG) - 06 November 2018
Withdraw R502 299.68 from ABSA call (MIG) - 06 November 2018
Invest R19 500 000 with ABSA on call (MIG) - 07 November 2018
Withdraw R2 000 000 from ABSA call (Own) - 07 December 2018
Withdraw R428 023.28 from ABSA call (INEP) - 07 December 2018
Withdraw R100 000 000 from ABSA call (Own) - 07 December 2018
Invest R10 000 000 with ABSA on call (OWN) - 10 December 2018
Invest R10 000 000 with ABSA on call (OWN) - 11 December 2018
Withdraw R8 308 252.21 from ABSA call (Own) - 12 December 2018
Invest R15 000 000 with ABSA on call (OWN) - 18 December 2018
Withdraw R600 397.72 from ABSA call (MIG) - 20 December 2018
Withdraw R30 000 000 from ABSA call (OWN) - 20 December 2018
Withdraw R5 447 715.31 from ABSA call (OWN) - 21 December 2018
Withdraw R688 691.20 from ABSA call (MIG) - 21 December 2018
Withdraw R1 500 000 from ABSA call (OWN) - 21 December 2018
Withdraw R2 400 000 from ABSA call (OWN) - 21 December 2018
Withdraw R7 000 000 from ABSA call (OWN) - 28 December 2018
Invest R7 000 000 with ABSA on call (Own) - 28 December 2018
Withdraw R4 284 893.87 from ABSA call (MIG) - 28 December 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 (except ABSA account no. 40 8611 1223) 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 G

See attached loan schedule as at 31 Desember 2018

nr	Start	End	Term	Time Remaining	Lender	Original Loan	Purpose	Balance 31/12/2018
1	1/10/2000	30/09/2020	20	20 months	DBSA	3 951 600,00	Jouberton Retigulation Phase 4	1 117 369,82
2	1/10/2001	30/09/2019	18	9 months	DBSA	10 000 000,00	Refinancing of Klerksdorp phase1	277 777,78
3	1/7/2001	30/06/2019	18	6 months	DBSA	14 998 125,00	Refinancing of Klerksdorp phase1	14 998 125,00
4	1/7/2004	30/06/2019	15	6 months	DBSA	28 070 000,00	Refinancing of Urban Infrastructure in various areas	1 851 370,70
5	1/7/2004	30/06/2019	15	6 months	DBSA	37 000 000,00	Refinancing of Urban Infrastructure in various areas	2 316 647,08
6	1/11/2010	1/11/2025	15	82 months	DBSA	35 269 878,00	Upgrading of Urainville and Doringkruin Substations	22 599 923,59
7	30/09/1999	30/09/2019	20	9 months	DBSA	5 587 000,00	Jouberton/Alabama water pump stations and ring main	717 322,42
8	30/09/1999	30/09/2019	20	9 months	DBSA	7 477 000,00	Upgrading of Orkney Sewer plant and pump stations	1 062 322,80
9	30/09/1999	30/09/2019	20	9 months	DBSA	5 780 000,00	Orkney 20ml Reservoir and Pump Station	817 609,64
						148133603		45 758 468,83

The following loans were financed by the Development Bank of Southern Africa (DBSA)

- Loan nr 1 start 1 October 2000 and end 30 September 2020 with a balance of end of July of R 1117369,82
- Loan nr 2 start 1 October 2001 and end 30 September 2019 with a balance of end of July of R 277777,78
- Loan nr 3 start 1 July 2001 and end 30 June 2019 with a balance of end of July of R 149981125,00
- Loan nr 4 start 1 July 2004 and end 30 June 2019 with a balance of end of July of R 1851370,70
- Loan nr 5 start 1 July 2004 and end 30 June 2019 with a balance of end of July of R 2316647,08
- Loan nr 6 start 1 November 2010 and end 1 November 2025 with a balance of end of July of R 22599923,59
- Loan nr 7 start 30 September 1999 and end 30 September 2019 with a balance of end of July of R 717322,42
- Loan nr 8 start 30 September 1999 and end 30 September 2019 with a balance of end of July of R 1062322,80
- Loan nr 9 start 30 September 1999 and end 30 September 2019 with a balance of end of July of R 817609,64

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	2018-DECEMBER-31	UNIFORM FINANCIAL RATIOS
-------	---------	------------------	--------------------------

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	928 860 905 87 386 100 0	9% 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	0.003129182 2 906 575 928 860 905	0.0031
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	0.01937681 47 758 469 2 260 169 000 -204 554 000	0.019

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.589030331 2 260 169 000 928 860 905	0.5890
--------------------------------	---	---	--------

D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	282.8177852 805 105 277 1 039 055 680	282.82 Still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.369579036 343 287 518 928 860 905	0.37 Below NT norm

2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.090882209
		84 416 931
		928 860 905

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	17.16520143
		0
		15 000 000
		87 386 100
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	1.07
		(1 215 073 095)
		88 727 650
		0

3. BUDGET IMPLEMENTATION

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.396507455	0.40 Should be at 50%.
		87 386 100	
		220 389 550	
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.595599603	0.60
		928 860 905	
		1 559 539 162	
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.841017933	0.84
		-1 215 073 095	
		-1 444 764 788	



CITY OF
MATLOSANA

QUALITY CERTIFICATE

I **THEETSI ROGER NKHUMISE** the accounting officer of **City of Matlosana NW403** hereby certify that –

The monthly budget statement

Quarterly report

Mid – year budget & performance assessment

For the quarter ended on 31 December 2018 has been prepared in accordance with the Municipal Finance Management Act and regulations made under Act.

Print name T. S. R. NKHUMISE

Accounting officer of **City of Matlosana NW403**

Signature *T. S. R. NKHUMISE*

Date 28/01/2019

