



"People's power in action"

MFMA SECTION 71 REPORT
MONTH ENDING 31 January 2016

Municipal Manager
Executive Mayor

Revenue analysis for the month ending 31 January 2016

Revenue types	31 January 2016							Seven month ending 31 January 2016						
	Annual Budget 2015/2016	Budget	(BP-602) Actual Levies	Levies vs Budget	(BM-310) Actual Income	Income vs Levies	Other Levies	(GS-560) Total Levies	Budget	Actual Levies	Levies vs Budget	(GS-560) YTD Levies	Actual Income	Income vs Levies
Property rates	61,895,055	4,849,000	3,756,643	77%	2,847,859	76%	1,059,638	4,816,281	37,650,056	30,492,604	81%	37,908,500	25,241,569	83%
Electricity - conventional	184,220,100	15,013,938	14,093,460	94%	12,030,869	85%	-123,863	13,969,597	109,457,692	100,768,757	92%	100,123,830	79,877,863	79%
Water	93,086,263	7,630,795	7,843,904	103%	4,067,768	52%	-253,486	7,590,418	54,634,566	54,397,941	100%	51,276,102	26,180,035	48%
Sanitation	25,950,000	2,162,500	2,296,115	106%	1,160,617	51%	9,331	2,305,446	15,137,500	16,056,452	106%	16,081,094	8,165,488	51%
Refuse	21,968,004	1,830,667	1,844,694	101%	892,387	48%	6,555	1,851,249	12,814,669	12,899,281	101%	12,918,793	6,015,732	47%
Total Direct Services	387,119,422	31,486,900	29,834,816	95%	20,999,500	70%	698,175	30,532,991	229,694,483	214,615,035	93%	218,308,319	145,480,687	68%
Other revenue	20,884,000	1,740,333	1,448,712	83%	315,603	22%	1,007,605	2,456,317	12,182,331	11,151,856	92%	19,780,659	1,969,802	18%
Indigent Contribution					1,616,409								14,651,658	
Income Forgone					945,899								6,606,394	
Revenue from levied services	408,003,422	33,227,233	31,283,528	94%	23,877,411	76%	1,705,780	32,989,308	241,876,814	225,766,891	93%	238,088,978	168,708,541	75%
Electricity - prepaid	94,812,276	7,357,433	-		6,334,226				54,000,668	-			46,865,290	
Revenue before operational grants	502,815,698	40,584,666	31,283,528		30,211,637				295,877,482	225,766,891			215,573,831	
Operational grants and subsidies	2,617,000								2,605,000				2,605,000	100%
Equitable share	161,083,246								120,812,000				120,812,000	100%
Total Revenue	666,515,944	40,584,666	31,283,528		30,211,637	-			419,294,482	225,766,891			338,990,831	-

Comments for January 2016 Section 71 Report

Collection rate for January 2016 on the levied services is 76%.

Collection rate for sanitation and refuse in January is 51% and 48% against levies respectively.

The collection rate for Property rates for the month is 76% against levies.

Vat is not considered as part of income in this report since it will be paid over to SARS.

Deposits and payments in advance are also excluded from revenue collected for the month. Therefore reducing the collection rate.

Conventional electricity revenue for January is 85%.

YTD total is all levies excluding prepaid, grants and incentives on consumer accounts/income foregone.

Total direct services collection rate against levies is 70% for the month.

BILLING & REVENUE PER TOWN 01/07/2015 - 30/06/2016 (Excluding Pre-paid Electricity)

Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing	Revenue	Percentage	Billing	Revenue	Percentage	Billing	Revenue	Percentage
July	28,808,012	14,036,083	49%	4,479,816	2,759,329	62%	724,775	447,933	62%
Aug	27,500,716	18,825,687	68%	4,776,596	3,116,276	65%	782,005	385,778	49%
Sep	27,475,861	24,974,543	91%	4,761,388	3,341,058	70%	1,019,175	437,976	43%
Oct	25,727,578	13,393,801	52%	5,084,477	2,794,632	55%	735,480	325,495	44%
Nov	25,060,434	21,061,558	84%	4,971,454	3,291,188	66%	652,795	412,882	63%
Dec	24,507,940	13,492,180	55%	4,616,807	2,778,788	60%	610,738	260,201	43%
Jan	25,041,779	17,949,710	72%	4,937,428	3,072,521	62%	1,087,441	292,874	27%
Total	184,122,320	123,733,562	67%	33,627,966	21,153,792	63%	5,612,409	2,563,139	47%

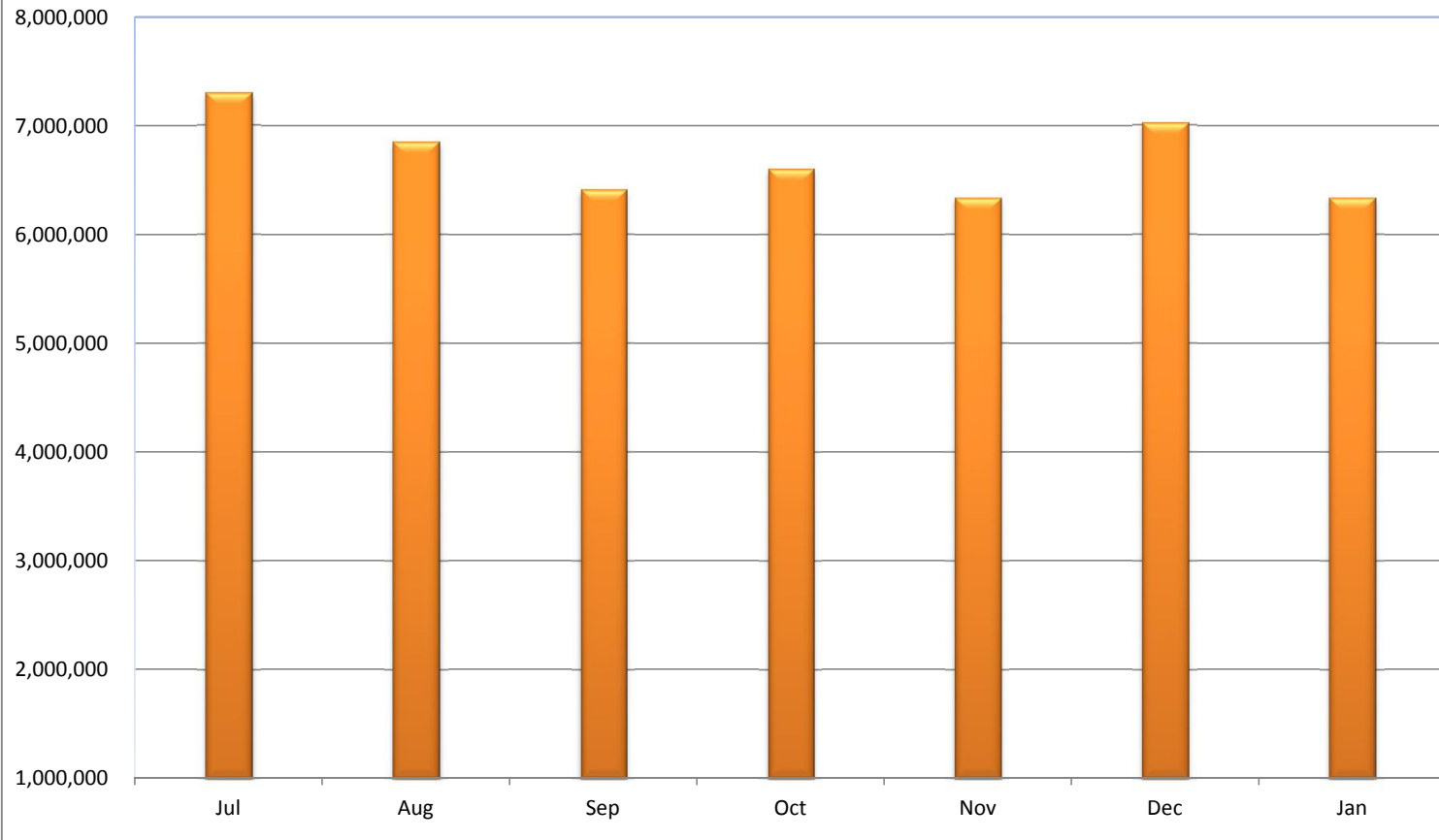
PRE-PAID ELECTRICITY SALES

Month	Transactions	Units	Unit Value	Free Units	Avg Val/trans	Total
Jul	115378	6524987	7304098	221500	72	7,304,098
Aug	105562	6144302	6851294	403000	74	6,851,294
Sep	98292	5773132	6412592	409750	74	6,412,592
Oct	102,281	5,922,578	6,602,515	368,822	74	6,602,515
Nov	95,663	5,692,102	6,335,600	417,450	75	6,335,600
Dec	94,369	6,233,506	7,024,965	377,072	85	7,024,965
Jan	97,836	6,590,464	6,334,226	420,350	74	6,334,226
						46,865,290

The average collection rate for Kroonstad/Maokeng for January is 72%, Viljoenskroon/Rammulutsi is 62% and Steynsrus/Matlwangtlwang is 27% against the levy. Kroonstad/Maokeng generated a revenue of R17.9m in January, Viljoenskroon/Rammulutsi's R3m, & Steynsrus/Matlwangtlwang generated R292 874.

The revenue generated through prepaid electricity for January is R6.3m. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales 2015-16



Analysis of Debtors as at 31 January 2016

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Debtors Age Analysis By Income					
Water Tariffs	7,921,629	4,283,201	4,422,197	162,216,220	178,843,247
Electricity Tariffs	13,274,702	1,629,319	1,336,714	21,820,597	38,061,332
Rates (Property Rates)	3,329,957	1,084,439	710,999	24,187,507	29,312,902
Sewerage / Sanitation Tariffs	1,794,795	1,112,675	1,010,298	38,997,575	42,915,343
Refuse Removal Tariffs	1,405,826	881,015	792,677	26,796,947	29,876,465
Other	1,637,318	2,399,116	1,554,198	59,133,653	64,724,285
Total By Income Source	29,364,227	11,389,765	9,827,083	333,152,499	383,733,574
Debtors Age Analysis By Customer Group					
Government	5,176,548	1,741,059	1,584,657	6,846,720	15,348,984
Business	11,756,129	771,217	459,842	10,299,192	23,286,380
Households	9,248,246	5,721,798	5,404,293	178,638,634	199,012,971
Other	3,183,304	3,155,691	2,378,291	137,367,953	146,085,239
Total By Customer Group	29,364,227	11,389,765	9,827,083	333,152,499	383,733,574

Highlights
Services

Councillors' debt

	NOV	DEC	JAN
Councillors' debt	R 119,727	R 120,927	R 119,176
Officials debt	R 1,618,493	R 1,671,692	R 1,609,886
Sundry debtors			
Telephones (Officials & Councillors)	R 323,310	R 329,926	R 320,496
Study loans	R 95,610	R 96,380	R 96,049
<i>Indigents</i>	R 88,520,187	R 90,266,473	R 92,164,044
Total Debt 90 Days +	R 318,946,660	R 326,286,422	R 333,152,499

Officials debt

Sundry debtors

Telephones (Officials & Councillors)

Study loans

Indigents
Total Debt 90 Days +
Creditors

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total -
Bulk Electricity	16,185,282	-	-	-	-	-	-	-	16,185,282
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	3,785,107	919,909	489,413	602,629	-	-	-	-	5,797,058
Auditor General	787,562	-	-	-	-	-	-	-	787,562
DWAS	-	-	-	-	-	-	-	19,344,848	19,344,848
SITA	-	-	-	-	-	-	-	1,223,163	1,223,163
WSSA	518,966	-	-	-	-	-	-	-	518,966
GOVERNMENT GARAGE	249,134	249,134	249,134	2,341,120	-	-	-	-	3,088,522
OTHER CREDITORS	4,000,000	-	-	-	-	-	-	-	4,000,000
Total	29,526,051	1,169,043	738,547	2,943,749	-	-	-	20,568,011	54,945,401

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2015/2016	Actual 31-Jan-16	YTD 31-Jan-16	Variance	% Exp
EMPLOYEE RELATED COSTS	197,333,280	16,726,838	114,553,939	82,779,341	58%
REMUNERATION OF COUNCILLORS	17,341,403	2,054,883	10,705,564	6,635,839	62%
BULK PURCHASES	215,267,977	14,385,035	110,611,077	104,656,900	51%
CONTRACTED SERVICES	22,889,502	3,308,282	13,836,186	9,053,316	60%
TOTAL REPAIR AND MAINTENANCE	52,755,725	3,388,760	27,377,118	25,378,007	52%
DEPRECIATION ON ASSETS	25,344,000	2,112,000	14,784,000	10,560,000	58%
CONTRIBUTIONS TO BAD DEBTS	5,564,000	463,667	3,245,667	2,318,333	58%
GENERAL EXPENSES	117,283,088	8,065,569	64,181,402	53,101,686	55%
TOTAL EXPENDITURE (NETT)	653,778,975	50,505,032	359,294,953	294,483,422	55%

CONTRACTED SERVICES

Description	Annual Budget 2015/2016	Actual 31-Jan-16	YTD 31-Jan-16	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	510,813	41,768	242,187	268,626	47%
INTERNAL AUDIT	-	873,302	873,302	-873,302	-100%
METER READING FEES	1,657,231	-	604,282	1,052,949	36%
RAILWAY SIDING	686,689	-	-	686,689	0%
SECURITY (MONITORING OF ALARMS)	364,349	94,381	189,795	174,554	52%
SECURITY SERVICES	19,670,420	2,298,830	11,926,620	7,743,800	61%
CONTRACTED SERVICES	22,889,502	3,308,282	13,836,186	9,053,316	60%

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2015/2016	Actual 31-Jan-16	YTD 31-Jan-16	Variance	% Exp
ABET TRAINING	116,866	-	-	116,866	0%
ACTIVITIES DISABILITIES	52,800	9,376	44,376	8,424	84%
ACTIVITIES YOUTH OFFICER	249,061	100,040	240,947	8,114	97%
ADVERTISEMENTS	336,442	5,884	215,375	121,067	64%
AUDIT FEES (EXTERNAL)	6,565,870	1,331,252	4,447,229	2,118,641	68%
BANK CHARGES	2,247,844	212,014	1,227,065	1,020,779	55%
BANK OVERDRAFT INTEREST	-	-	-5	5	-100%
BIOLOGICAL RISK ASSESSMENT	50,000	-	-	50,000	0%
BOOKS & MAGAZINES	12,497	-	1,129	11,368	9%
BURSARIES	144,692	-	-	144,692	0%
CHEMICALS	6,762,855	262,698	1,747,804	5,015,051	26%
CIVIC FUNERALS	140,000	105,912	105,912	34,088	76%
CLEANING CAMPAIGN	95,000	-	1,748	93,252	2%
CLEANING MATERIALS	377,654	20,359	230,273	147,381	61%
COMMISSION PAID	4,734,691	371,814	2,164,259	2,570,432	46%
COMMITTEES AUDIT	325,000	-	95,421	229,579	29%
COMMITTEES CHILDCARE	52,800	12,100	24,700	28,100	47%
COMMITTEES HIC/AIDS	99,999	-	46,150	53,849	46%
COMMITTEES LOCAL SPORT	50,000	-	31,580	18,420	63%
COMMITTEES OLD AGE	52,800	7,390	42,480	10,320	80%
COMMITTEES WARDS	1,471,008	11,700	631,556	839,452	43%
COMMONAGE	10,560	-	-	10,560	0%
CONFERENCES/SEMINARS/MEETINGS	1,687,040	60,320	1,161,225	525,815	69%
PROFESSIONAL FEES	3,596,000	-873,302	3,464,575	131,425	96%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Jan-16	YTD 31-Jan-16	Variance	% Exp
DECORATION MATERIAL	20,000	-	-	20,000	0%
DISCIPLINARY HEARINGS	10,580	-	-	10,580	0%
EMPLOYMENT EQUITY	11,130	-	-	11,130	0%
EMPL ASST PROGRAMME	159,500	2,750	36,969	122,531	23%
ENTERTAINMENT COST	397,306	84,540	271,234	126,072	68%
EVENTS LOGISTICS	30,000	-	3,650	26,350	12%
FUEL & LUBRICANTS	7,872,904	139,790	2,624,138	5,248,766	33%
FUNERAL ATTENDANCE	16,167	-	-	16,167	0%
GRAVE - NUMBERS	17,000	-	5,856	11,144	34%
GRANT EXP - FMG	1,650,000	274,232	923,973	726,027	56%
GRANT EXP - LG SETA MANDATORY	-	-	52,800	-52,800	-100%
GRANT EXP - MSIG	967,000	178,890	844,044	122,956	87%
INDIGENT - CONTRIBUTIONS	22,147,027	2,349,228	15,384,477	6,762,550	69%
INSURANCE GENERAL	3,010,500	7,077	3,070,445	-59,945	102%
INSURANCE GENERAL EXCESS	578,007	7,196	274,972	303,035	48%
INTERNSHIP & EXPERIENTAL TRAINING	77,911	-	-	77,911	0%
INTERVIEW EXPENSES	5,290	-	4,942	348	93%
INTERIM SURVEY OF ERVIN	5,628	-	-	5,628	0%
LABORATORY CONSUMABLES	27,462	480	21,049	6,413	77%
LABORATORY FEES	2,347,783	11,234	11,234	2,336,549	0%
LATE PAYMENT - CREDITORS	163,226	199	3,632	159,594	2%
LEANER SHIP	66,787	-	142	66,645	0%
LEGAL FEES	1,423,212	90,505	1,080,750	342,462	76%
LICENSES OTHER	1,842,576	53,211	711,665	1,130,911	39%
LICENCES PUBLIC	3,600	-	639	2,961	18%
LICENSES VEHICLES	521,721	10,782	174,229	347,493	33%
MEDICAL EXAMINATIONS	130,000	-	229,376	-99,376	176%
MEDICINES	11,727	-	1,596	10,131	14%
MEMBERSHIP FEES	9,000	-	-	9,000	0%
M SOLAR/SCOA PROJECT	-	25,728	25,728	-25,728	-100%
PAUPER BURIALS	73,000	850	29,637	43,364	41%
PENSIONERS GRANT	16,194	-	4,040	12,154	25%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,640,962	81,257	709,512	931,450	-100%
POSTOFFICE & EASYPAY COMMISSION	-	34,313	185,141	-185,141	-100%
PRE-PAID METERS	1,590,000	-	822,336	767,664	52%
PRINTING & STATIONERY	2,264,914	172,002	1,389,807	875,107	61%
PRODUCTIONS,SHOWS & MARKETING	100,000	-	-	100,000	0%
PROTECTIVE CLOTHING	2,220,865	31,054	568,827	1,652,038	26%
PUBLICITY (MARKETING/BRANDING)	21,000	-	740	20,260	4%
RECREATION	2,000	-	-	2,000	0%
RECRUITMENT FEES	21,160	9,428	13,623	7,537	64%
RENT - OFFICE EQUIPMENT & OTHER	1,438,346	15,353	230,573	1,207,773	16%
RENT - VEHICLES	4,946,800	424,750	1,233,423	3,713,377	25%
RETIREE AWARDS	26,979	-	-	26,979	0%
SALGA MEMBERSHIP FEES	1,973,791	-	2,216,810	-243,019	112%
SKILLS DEVELOPMENT LEVY	1,299,540	148,246	984,907	314,633	76%
SOCIAL PROGRAMS	431,061	11,947	606,358	-175,297	141%
STOCK AND MATERIAL	554,859	48,578	173,655	381,204	31%
SUBSCRIPTION FEES	5,103	-	-	5,103	0%
SUPPLEMENTARY VALUATIONS	158,048	13,000	78,000	80,048	49%
TELEPHONE & FAX	961,000	208,061	1,134,130	-173,130	118%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Jan-16	YTD 31-Jan-16	Variance	% Exp
TOURISM	106,000	-	23,002	82,998	22%
TOWN PLANNING COST	230,000	-	-	230,000	0%
TRAFFIC SIGNS	382,721	1,365	81,976	300,745	21%
TRAINING STAFF	101,000	-	43,636	57,364	43%
TRAINING COUNCILLORS	56,074	-	10,560	45,514	19%
WEED KILLERS / PEST CONTROL	300,528	-	870	299,658	0%
WINDEED	47,594	1,475	19,840	27,754	42%
WORKMENS COMPENSATION	1,170,829	-	-	1,170,829	0%
GENERAL EXPENSES	94,894,891	6,075,076	52,242,742	42,652,149	55%

Analysis of capital expenditure as at 31 January 2016

CAPITAL EXPENDITURE	Budget 2015/16	Expenditure	% of Budget Spent
INFRASTRUCTURE			
Roads and Stormwater	23,724,489	5,639,686	24%
Water Reservoirs & Reticulation	27,246,414	24,762,924	91%
Electricity Reticulation	5,000,000	2,889,354	58%
Sewerage Purification & Reticulation	30,051,626	29,240,730	97%
Sport	9,506,138	6,309,001	66%
Other	1,151,000	616,320	54%
	96,679,667	69,458,016	72%
SOURCE OF FINANCE			
Government Grants and Subsidies	45,050,000	31,178,880	69%
Other Ad-Hoc Financing Sources	51,629,667	38,279,136	74%
Other	-	-	0%
TOTAL FINANCING	96,679,667	69,458,016	72%

Government grants and subsidies consist of the following:

Municipal Infrastructure Grant	38,899,000
DWS	51,629,667
EPWP (Incentive)	1,151,000
Regional Bulk Infrastructure Grant	-
DoE (Department of Energy)	5,000,000
Total	96,679,667

CASH FLOW ANALYSIS FOR THE MONTH ENDING

Detail

Jan-16

Cash Receipts by Source

Property rates	2,844,322
Service charges - electricity revenue	21,115,846
Service charges - water revenue	4,487,622
Service charges - sanitation revenue	1,323,102
Service charges - refuse revenue	1,017,320
Service charges - other	-
Interest earned - outstanding debtors	101,127
Fines	-
Transfer receipts - operational	-
Other revenue	8,924,981
Cash Receipts by Source	39,814,320

Other Cash Flows/Receipts by Source

Transfer receipts - capital	346,000
Borrowing long term/refinancing	-

Total Cash Receipts by Source **40,160,320**

Cash Payments by Type

Employee related costs	16,726,837
Remuneration of councillors	2,054,882
Bulk purchases - Electricity	14,101,129
Contracted services	3,308,282
General expenses	17,330,547
Cash Payments by Type	53,521,677

Other Cash Flows/Payments by Type

Capital assets	8,024,796
Repayment of borrowing	-

Total Cash Payments by Type **61,546,473**

Net Increase/(Decrease) in Cash Held **-21,386,153**

Cash/cash equivalents at the month/year begin: **31,266,880**

Cash/cash equivalents at the month/year end: **9,880,727**

Report on conditional grants at 31 January 2016

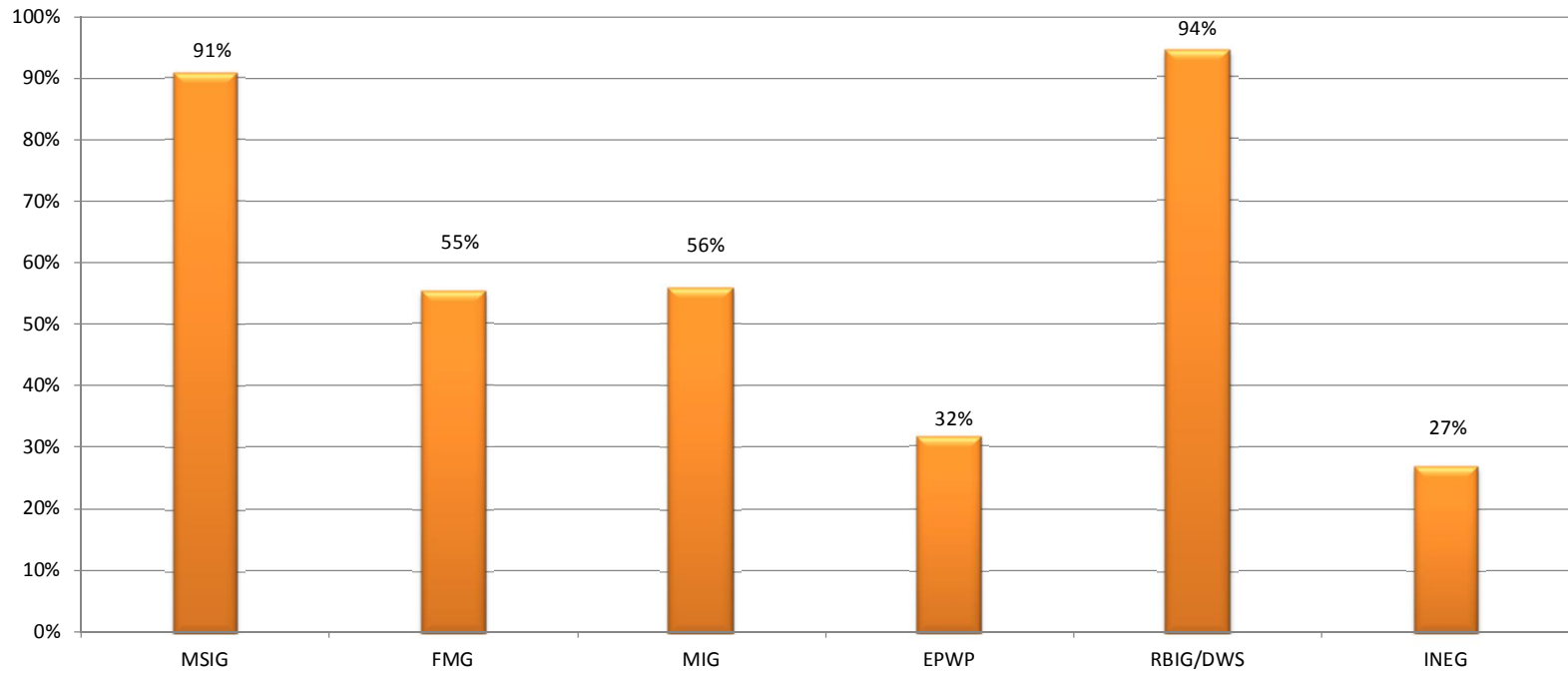
Municipality:

FS201 Moqhaka

Financial Accounting for Grant Funds Received and Expended

	Municipal Systems Improvement Grant (MSIG)	Finance Management Grant (FMG)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	RBIG/DWS	Integrated National Electrification Programme Grant (INEG)
DORA Allocation for the 2015/16	930,000	1,675,000	38,899,000	1,151,000	-	-
Unspent grants at beginning of the financial year	-	-	-	-	-	5,000,000
Received Prior Months	-	-	22,765,000	460,000	26,326,810	-
Received This Month	930,000	1,675,000	8,786,000	346,000	14,244,060	-
Total Funds Received	930,000	1,675,000	31,551,000	806,000	40,570,870	5,000,000
Spent Prior Months	665,154	649,742	17,587,575	70,410	26,326,810	1,339,780
Spent This Month	178,890	274,232	4,140,035	292,550	11,952,326	-
Total Funds Spent	844,044	923,974	21,727,610	362,960	38,279,136	1,339,780
Total funds Received and Not Spent	85,956	751,026	9,823,390	443,040	2,291,734	3,660,220
Percentage of Funds Spent	91%	55%	56%	32%	94%	27%
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

GRANTS SPENDING 2015/16



REPORT ON STAFF BENEFITS: Staff costs analysis for the month of JANUARY 2016 (MFMA Section 66)

Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

DESCRIPTION	Budget 2015/16	Actual	YTD	% Exp
ANNUAL BONUS	9,002,517	331,681	5,892,343	65%
HOUSING SUBSIDY	954,510	83,972	582,427	61%
OTHER ALLOWANCES	827,730	70,395	466,871	56%
OVERTIME	12,942,197	1,760,750	8,812,563	68%
TELEPHONE ALLOWANCE	487,098	33,806	230,249	47%
SALARIES TEMPORARY STAFF	542,467	-	-	0%
SALARIES & WAGES BASIC	123,015,104	10,222,840	71,039,206	58%
STANDBY ALLOWANCE	1,556,651	141,063	897,964	58%
VEHICLE ALLOWANCE	8,951,720	819,180	5,164,103	58%
SUB-TOTAL EMPLOYEE COSTS	158,279,994	13,463,686	93,085,727	59%
GROUP LIFE INSURANCE GENERAL	1,898,683	134,970.42	1,025,451.09	54%
INDUSTRIAL COUNCIL LEVY	74,235	6,525.00	45,385.00	61%
INSURANCE UNEMPLOYMENT	1,192,225	104,572.55	714,070.12	60%
MEDICAL AID SCHEME	12,380,552	1,007,557.01	6,148,753.54	50%
PENSION FUNDS	20,491,818	1,761,801.55	12,031,198.32	59%
POST-RETIREMENT MEDICAL BENEFITS	3,015,773	247,724.80	1,503,354.50	50%
SUB-TOTAL SOCIAL CONTRIBUTION	39,053,286	3,263,151	21,468,213	55%
TOTAL EMPLOYEE COSTS	197,333,280	16,726,838	114,553,939	58%

Analysis of overtime per department

Description	30-Nov		31-Dec		31-Jan	
	Hours	Cost	Hours	Cost	Hours	Cost
Municipal Manager	-	-	-	-	-	-
Corporate Services	144.85	9,731.87	140	16,094	44	3,102
Financial Services	283.50	34,891.46	318	40,254	1,115	123,655
Technical Services	6,213.13	570,884.46	7,074	624,821	9,335	895,676
Community Services	3,358.62	326,280.34	5,179	478,520	6,470	647,263
Total	10,000	941,788	12,712	1,159,689	16,964	1,669,696

The overtime needs to be administered and only real emergencies be attended to after hours, on weekends and on holidays.
 Each department needs to do proper planning to manage their own budget in order to avoid unnecessary expenditure, thus ensuring that they stay within the budget for the year, to avoid overspending.

