



"People's power in action"

MFMA SECTION 71 REPORT

MONTH ENDING 31 July 2016

**Municipal Manager
Executive Mayor**

Revenue analysis for the month ending 31 July 2016

Revenue types	Annual Budget 2016/2017	31 July 2016						One Month Ending 31 July 2016				
		Budget	(BP-602) Actual Levies	Levies vs Budget	(BM-310) Actual Income	Income vs Levies	Other Levies	Budget	Actual Levies	Levies vs Budget	Actual Income	Income vs Levies
Property rates	65,709,288	9,137,685	8,599,410	94%	2,335,499	27%	1,130,606	9,137,685	8,599,410	94%	2,335,499	27%
Electricity - conventional	207,684,108	18,691,570	16,185,717	87%	11,434,593	71%	-44,675	18,691,570	16,185,717	87%	11,434,593	71%
Water	95,884,000	7,670,691	6,667,798	87%	2,467,813	37%	42,750	7,670,691	6,667,798	87%	2,467,813	37%
Sanitation	33,709,682	2,809,140	3,544,494	126%	1,004,523	28%	8,733	2,809,140	3,544,494	126%	1,004,523	28%
Refuse	27,801,000	2,316,750	2,369,655	102%	769,334	32%	6,184	2,316,750	2,369,655	102%	769,334	32%
Total Direct Services	430,788,078	40,625,836	37,367,074	92%	18,011,762	48%	1,143,598	40,625,836	37,367,074	92%	18,011,762	48%
Other revenue	38,910,000	3,242,500	2,110,361	65%	307,674	15%	684,251	3,242,500	2,110,361	65%	307,674	15%
Indigent Contribution					3,496,648						3,496,648	
Income Forgone					990,409						990,409	
Revenue from levied services	469,698,078	43,868,336	39,477,435	90%	22,806,493	58%	1,827,849	43,868,336	39,477,435	90%	22,806,493	58%
Electricity - prepaid	102,397,266	8,257,102	-		7,365,732			8,257,102	-		7,365,732	
Revenue before operational grants	572,095,344	52,125,438	39,477,435		30,172,225			52,125,438	39,477,435		30,172,225	
Operational grants and subsidies	2,448,951							2,448,951				0%
Equitable share	158,519,001	66,049,000			66,049,000			66,049,000			66,049,000	100%
Total Revenue	733,063,296	118,174,438	39,477,435		96,221,225	-		120,623,389	39,477,435		96,221,225	-

Comments for July 2016 Section 71 Report.

Collection rate for July 2016 on the levied services is 58% due to Nat Gov claims that are billed in July and receive payments in August or September.

Collection rate for sanitation and refuse for the month is 28% and 32% against levies respectively.

The collection rate for Property rates is 27% due to National Gov claims that are billed in July and only receive payments in August or September.

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 July is 71%.

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

Total direct services collection rate against levies is 48%.

BILLING & REVENUE PER TOWN 01/07/2016 - 30/06/2017 (Excluding Pre-paid Electricity)

Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing	Revenue	Percentage	Billing	Revenue	Percentage	Billing	Revenue	Percentage
Jul	31,203,153	15,092,910	48%	7,204,366	2,893,109	40%	831,328	333,417	40%
Total	31,203,153	15,092,910	48%	7,204,366	2,893,109	40%	831,328	333,417	40%

PRE-PAID ELECTRICITY SALES

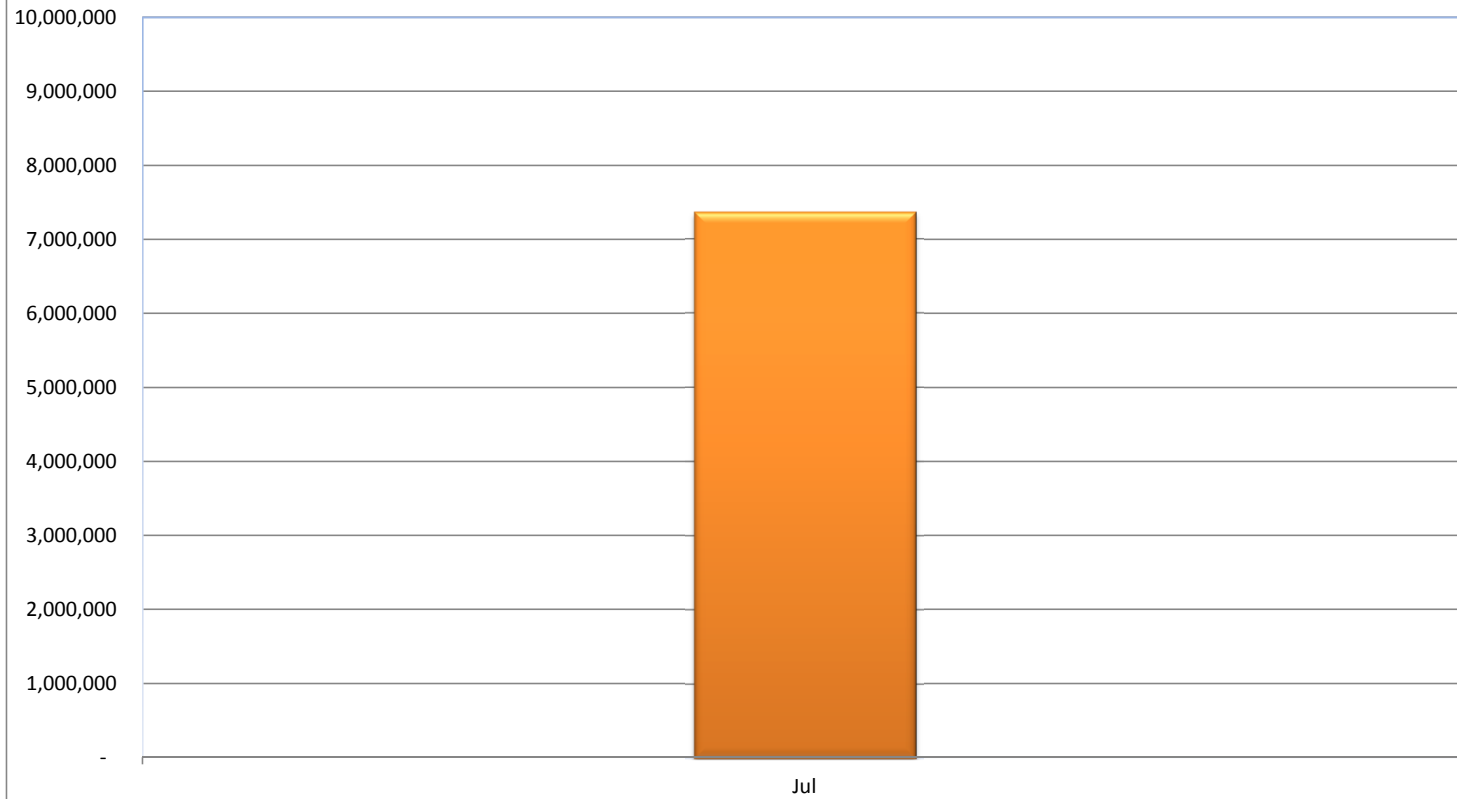
Month	Transactions	Units	Unit Value	Free Units	Avg Val/trans	Total
Jul	112561	6224756	7365732	444550	75	7,365,732
						7,365,732

The average collection rate for Kroonstad/Maokeng for July is 48% , Viljoenskroon/Rammulutsi is 40% , & Steynsrus/Matlwangtlwang also 40% against the levy.

Kroonstad/Maokeng generated a revenue of R15m for July, Viljoenskroon/Rammolutsi's R2.8m & Steynsrus/Matlwangtlwang generated R333 417.

The revenue generated through prepaid electricity for the month is R7.3m. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales 2016-17



Analysis of Debtors as at 31 July 2016

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Debtors Age Analysis By Income					
Water Tariffs	7,074,385	3,281,074	3,880,669	174,213,777	188,449,905
Electricity Tariffs	13,104,420	1,689,601	894,385	21,014,242	36,702,648
Rates (Property Rates)	8,120,140	976,601	713,972	25,288,721	35,099,434
Sewerage / Sanitation Tariffs	2,602,592	1,069,893	823,606	41,309,507	45,805,598
Refuse Removal Tariffs	1,733,542	846,299	663,892	28,927,839	32,171,572
Other	2,442,771	1,801,978	1,767,299	65,578,572	71,590,620
Total By Income Source	35,077,850	9,665,446	8,743,823	356,332,658	409,819,777
Debtors Age Analysis By Customer Group					
Government	9,178,626	1,446,879	751,324	5,120,678	16,497,507
Business	11,634,466	840,645	514,604	11,246,758	24,236,473
Households	10,834,849	5,050,895	4,848,181	186,451,873	207,185,798
Other	3,429,909	2,327,027	2,629,714	153,513,349	161,899,999
Total By Customer Group	35,077,850	9,665,446	8,743,823	356,332,658	409,819,777

Highlights	JUL
Services	
Councillors' debt	R 118,938
Officials debt	R 1,525,068
Sundry debtors	
Telephones (Officials & Councillors)	R 360,327
Study loans	R 98,612
<i>Indigents</i>	R 105,768,158
Total Debt 90 Days +	R 356,332,658

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	32,039,019	29,956,532	-	-	-	-	-	-	61,995,551
Loan repayments	800,000	-	-	-	-	-	-	-	800,000
Trade Creditors	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-
DWAS	-	148,467	266,256	212,752	233,826	-	-	17,793,513	18,654,813
SITA	-	-	-	-	-	-	-	1,223,162	1,223,162
WSSA	-	-	-	-	-	-	-	-	-
GOVERNMENT GARAGE	2,300,000	4,599,511	-	-	-	-	-	-	6,899,511
OTHER CREDITORS	6,000,000	-	-	-	-	-	-	-	6,000,000
Total	41,139,019	34,704,510	266,256	212,752	233,826	-	-	19,016,675	95,573,037

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 31-Jul-16	YTD 31-Jul-16	Variance	% Exp
EMPLOYEE RELATED COSTS	214,457,853	19,368,606	19,368,606	195,089,247	9%
REMUNERATION OF COUNCILLORS	18,543,429	1,474,517	1,474,517	17,068,912	8%
BULK PURCHASES	234,531,398	39,163	39,163	234,492,235	0%
CONTRACTED SERVICES	29,773,803	192,015	192,015	29,581,788	1%
TOTAL REPAIR AND MAINTENANCE	69,070,955	1,860,469	1,860,469	67,210,486	3%
DEPRECIATION ON ASSETS	8,712,372	726,031	726,031	7,986,341	8%
CONTRIBUTIONS TO BAD DEBTS	5,897,840	491,487	491,487	5,406,353	8%
GENERAL EXPENSES	126,315,622	6,194,488	6,194,488	120,121,134	5%
TOTAL EXPENDITURE (NETT)	707,303,272	30,346,777	30,346,777	676,956,495	4%

CONTRACTED SERVICES

Description	Annual Budget 2016/2017	Actual 31-Jul-16	YTD 31-Jul-16	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	531,302	35,912	35,912	495,390	7%
INTERNAL AUDIT	2,835,500	-	-	2,835,500	0%
PERFORMANCE MANAGEMENT	700,000	89,720	89,720	610,280	13%
METER READING FEES	2,051,200	-	-	2,051,200	0%
RAILWAY SIDING	727,890	47,300	47,300	680,590	6%
SECURITY (MONITORING OF ALARMS)	727,911	19,083	19,083	708,828	3%
SECURITY SERVICES	22,200,000	-	-	22,200,000	0%
CONTRACTED SERVICES	29,773,803	192,015	192,015	29,581,788	1%

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 31-Jul-16	YTD 31-Jul-16	Variance	% Exp
ABET TRAINING	58,300	-	-	58,300	0%
ACTIVITIES DISABILITIES	100,000	-	-	100,000	0%
ACTIVITIES YOUTH OFFICER	1,100,000	-	-	1,100,000	0%
ADVERTISEMENTS	356,629	13,485	13,485	343,144	4%
ANNUAL REPORT & IDP PREPARATIONS	300,000	-	-	300,000	0%
AUDIT FEES (EXTERNAL)	4,839,822	-	-	4,839,822	0%
BANK CHARGES	2,251,492	189,634	189,634	2,061,858	0%
BIOLOGICAL RISK ASSESSMENT	150,000	-	-	150,000	0%
BOOKS & MAGAZINES	44,075	-	-	44,075	0%
CHEMICALS	6,752,054	-	-	6,752,054	0%
CIVIC FUNERALS	210,000	-	-	210,000	0%
CLEANING CAMPAIGN	100,000	4,100	4,100	95,900	4%
CLEANING MATERIALS	425,471	35,074	35,074	390,397	8%
CLIMATE CHANGE/DISASTER MNG	450,000	68,007	68,007	381,993	15%
COMMISSION PAID	4,488,772	-	-	4,488,772	0%
COMMITTEES AUDIT	347,750	-	-	347,750	0%
COMMITTEES CHILDCARE	55,968	-	-	55,968	0%
COMMITTEES HIC/AIDS	250,000	-	-	250,000	0%
COMMITTEES LOCAL SPORT	55,000	-	-	55,000	0%
COMMITTEES OLD AGE	55,968	-	-	55,968	0%
COMMITTEES WARDS	1,457,500	440,000	440,000	1,017,500	30%
COMMONAGE	40,000	-	-	40,000	0%
CONFERENCES/SEMINARS/MEETINGS	2,628,288	50,550	50,550	2,577,738	2%
COOPERATIVES DEVELOPMENT	100,000	-	-	100,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Jul-16	YTD 31-Jul-16	Variance	% Exp
PROFESSIONAL FEES	4,001,834	-	-	4,001,834	0%
DECORATION MATERIAL	20,000	-	-	20,000	0%
DISCIPLINARY HEARINGS	5,300	-	-	5,300	0%
EMPLOYMENT EQUITY	5,300	-	-	5,300	0%
EMPL ASST PROGRAMME	131,800	-	-	131,800	0%
ENTERTAINMENT COST	496,373	8,184	8,184	488,189	2%
EVENTS LOGISTICS	15,000	-	-	15,000	0%
FUEL & LUBRICANTS	7,406,287	128,497	128,497	7,277,790	2%
FUNERAL ATTENDANCE	6,537	-	-	6,537	0%
GRAVE - NUMBERS	7,420	-	-	7,420	0%
GRANT EXP - FMG	1,810,000	-	-	1,810,000	0%
GRANT EXP - LG SETA MANDATORY	638,951	-	-	638,951	0%
IDP/LDO PROCESS	20,000	-	-	20,000	0%
INDIGENT - CONTRIBUTIONS	24,900,617	3,496,648	3,496,648	21,403,969	14%
INSURANCE GENERAL	3,800,000	784,089	784,089	3,015,911	21%
INSURANCE GENERAL EXCESS	350,000	-6,199	-6,199	356,199	-2%
INTERNSHIP & EXPERIENTAL TRAINING	21,200	-	-	21,200	0%
INTERVIEW EXPENSES	8,480	-	-	8,480	0%
INTERIM SURVEY OF ERVIN	5,966	-	-	5,966	0%
KEURSKRIF PURCHASES	3,500	-	-	3,500	0%
LABORATORY CONSUMABLES	52,399	-	-	52,399	0%
LABORATORY FEES	990,000	-	-	990,000	0%
LATE PAYMENT - CREDITORS	35,000	-	-	35,000	0%
LEANER SHIP	21,200	-	-	21,200	0%
LEGAL FEES	2,000,000	16,539	16,539	1,983,461	-100%
LICENSES OTHER	3,910,342	-	-	3,910,342	0%
LICENCES PUBLIC	3,816	-	-	3,816	0%
LICENSES VEHICLES	570,312	86,878	86,878	483,434	15%
MEDICAL EXAMINATIONS	500,000	-	-	500,000	0%
MEDICINES	4,269	-	-	4,269	0%
MEMBERSHIP FEES	13,910	-	-	13,910	0%
M SOLAR/SCOA PROJECT	450,000	-	-	450,000	0%
PAUPER BURIALS	60,000	1,500	1,500	58,500	3%
PENSIONERS GRANT	8,565	-75	-75	8,640	-1%
PERFORMANCE EVALUATION COMMITTEE	21,000	-	-	21,000	0%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,153,044	-	-	1,153,044	0%
POSTOFFICE & EASYPAY COMMISSION	411,756	113,529	113,529	298,227	28%
PRE-PAID METERS	2,200,000	-	-	2,200,000	0%
PRINTING & STATIONERY	2,557,668	29,082	29,082	2,528,586	1%
PRODUCTIONS,SHOWS & MARKETING	150,000	-	-	150,000	0%
PROTECTIVE CLOTHING	2,279,107	-	-	2,279,107	0%
RECREATION	20,000	-	-	20,000	0%
RECRUITMENT FEES	17,490	-	-	17,490	0%
RENT - OFFICE EQUIPMENT & OTHER	1,495,149	5,813	5,813	1,489,336	0%
RENT - VEHICLES	2,360,120	-	-	2,360,120	0%
RETIREE AWARDS	5,300	-	-	5,300	0%
RURAL DEVELOPMENT	200,000	-	-	200,000	0%
SALGA MEMBERSHIP FEES	2,371,987	-	-	2,371,987	0%
SKILLS DEVELOPMENT LEVY	1,390,508	166,383	166,383	1,224,125	12%
SMME DEVELOPMENT	80,000	-	-	80,000	0%
SOCIAL PROGRAMS	864,583	10,300	10,300	854,283	1%
SPORTS,ARTS & CULTURE PROGRAMME	400,000	-	-	400,000	0%
STOCK AND MATERIAL	355,840	4,722	4,722	351,118	1%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Jul-16	YTD 31-Jul-16	Variance	% Exp
SUBSCRIPTION FEES	5,460	-	-	5,460	0%
SUPPLEMENTARY VALUATIONS	165,950	-	-	165,950	0%
TELEPHONE & FAX	2,231,000	57,812	57,812	2,173,188	3%
TOURISM	300,000	-	-	300,000	0%
TOWN PLANNING COST	700,000	-	-	700,000	0%
TRAFFIC SIGNS	329,443	-	-	329,443	0%
TRAINING STAFF	250,000	-	-	250,000	0%
TRAINING COUNCILLORS	300,000	-	-	300,000	0%
VALUATION ROLL	2,700,000	-	-	2,700,000	0%
WEED KILLERS / PEST CONTROL	350,000	-	-	350,000	0%
WINDEED	47,954	-	-	47,954	0%
WORKMENS COMPENSATION	952,300	-	-	952,300	0%
GENERAL EXPENSES	105,557,126	5,704,552	5,704,552	99,852,574	5%

CASH FLOW ANALYSIS FOR THE MONTH ENDING

Detail

Jul-16

Cash Receipts by Source

Property rates	2,456,360
Service charges - electricity revenue	21,891,831
Service charges - water revenue	2,743,987
Service charges - sanitation revenue	1,186,685
Service charges - refuse revenue	912,189
Service charges - other	-
Interest earned - outstanding debtors	137,893
Fines	-
Transfer receipts - operational	66,473,000
Other revenue	1,445,145
Cash Receipts by Source	97,247,090

Other Cash Flows/Receipts by Source

Transfer receipts - capital	14,780,000
Borrowing long term/refinancing	-

Total Cash Receipts by Source 112,027,090

Cash Payments by Type

Employee related costs	19,368,605
Remuneration of councillors	1,474,517
Bulk purchases - Electricity	39,163
Contracted services	192,015
General expenses	87,491,332
Cash Payments by Type	108,565,632

Other Cash Flows/Payments by Type

Capital assets	1,875,245
Repayment of borrowing	-

Total Cash Payments by Type 110,440,877

Net Increase/(Decrease) in Cash Held	1,586,213
Cash/cash equivalents at the month/year begin:	5,063,141
Cash/cash equivalents at the month/year end:	6,649,354

Report on conditional grants at 31 July 2016

Municipality:

FS201 Moqhaka

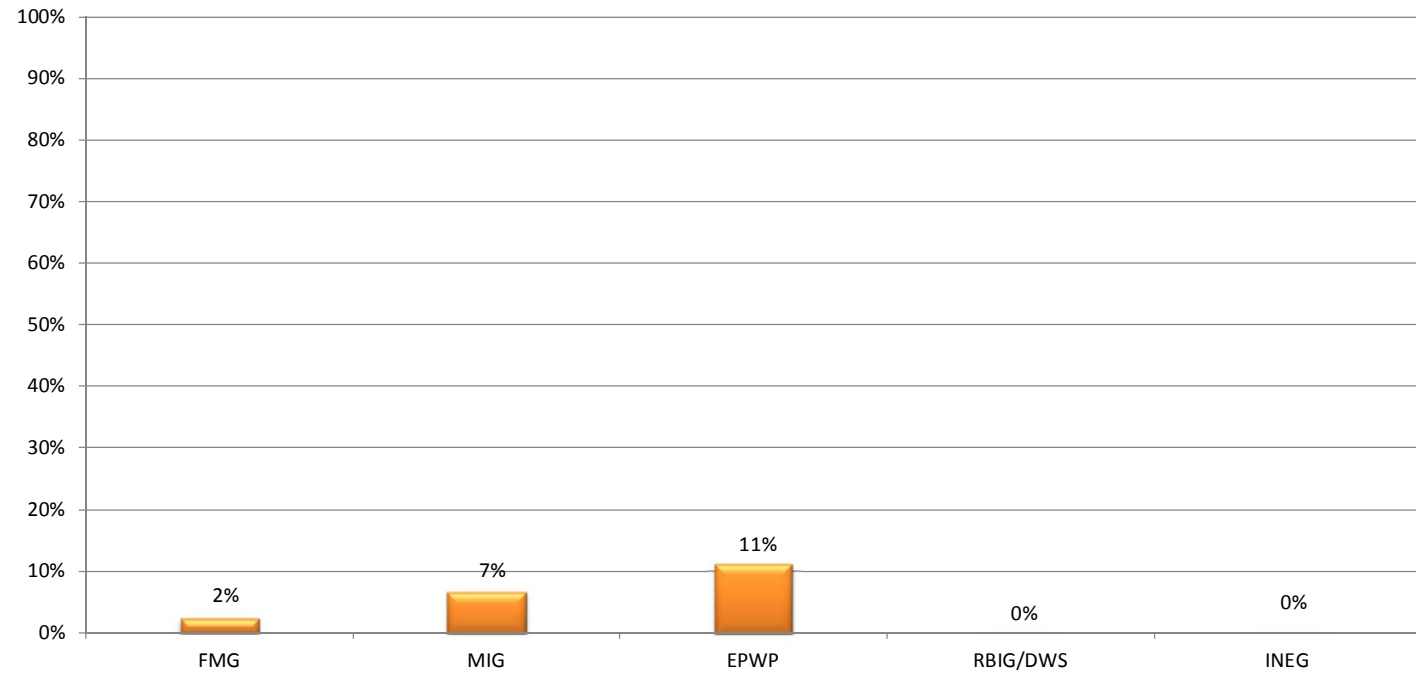
Financial Accounting for Grant Funds Received and Expended

	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	1,810,000	38,349,000	1,000,000	-	7,000,000
Unspent grants at beginning of the financial year	-	-	-	-	-
Received Prior Months	-	-	-	-	-
Received This Month	-	14,780,000	-	-	424,000
Total Funds Received	-	14,780,000	-	-	424,000
Spent Prior Months	-	-	-	-	-
Spent This Month	41,667	2,494,723	110,000	-	-
Total Funds Spent	41,667	2,494,723	110,000	-	-
Total funds Received and Not Spent	-41,667	12,285,277	-110,000	-	7,000,000
Percentage of Funds Spent	2%	7%	11%	0%	0%
Funds Currently Committed but Not Spent	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-

Capital Government grants and subsidies consist of the following:

Municipal Infrastructure Grant	38,349,000
DWS (Regional Bulk Infrastructure Grant)	40,000,000
EPWP (Incentive)	1,000,000
DoE (Department of Energy)	7,000,000
Total	<u>86,349,000</u>

GRANTS SPENDING 2016/17



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

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

DESCRIPTION	Budget 2016/17	Actual	YTD	% Exp
ANNUAL BONUS	9,782,260	2,167,045	2,167,045	22%
HOUSING SUBSIDY	1,367,650	99,241	99,241	7%
OTHER ALLOWANCES	914,965	79,716	79,716	9%
OVERTIME	13,995,187	1,319,465	1,319,465	9%
TELEPHONE ALLOWANCE	558,154	33,456	33,456	6%
SALARIES & WAGES BASIC	132,247,907.00	11,125,406	11,125,406	8%
STANDBY ALLOWANCE	1,727,737.00	141,106	141,106	8%
VEHICLE ALLOWANCE	10,875,300.00	843,414	843,414	8%
SUB-TOTAL EMPLOYEE COSTS	171,469,160	15,808,849	15,808,849	9%
GROUP LIFE INSURANCE GENERAL	2,063,483	134,271	134,271	7%
INDUSTRIAL COUNCIL LEVY	146,448	7,273	7,273	5%
INSURANCE UNEMPLOYMENT	1,428,407	124,990	124,990	9%
MEDICAL AID SCHEME	13,365,865	1,070,041	1,070,041	8%
PENSION FUNDS	23,012,023	1,945,513	1,945,513	8%
POST-RETIREMENT MEDICAL BENEFITS	2,972,467	277,670	277,670	9%
SUB-TOTAL SOCIAL CONTRIBUTION	42,988,693	3,559,758	3,559,758	8%
TOTAL EMPLOYEE COSTS	214,457,853	19,368,606	19,368,606	9%

Analysis of overtime per department

Description

Municipal Manager
 Corporate Services
 Financial Services
 Technical Services
 Community Services

31-Jul	
Hours	Cost
-	-
50	3,651
226	30,293
7,582	730,023
4,639	447,669
12,496	1,211,636

Total

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.

