



*"People's power in action"*

**MFMA SECTION 71 REPORT**  
**MONTH ENDING 31 JULY 2015**

**Municipal Manager**  
**Executive Mayor**

Revenue analysis for the month ending 31 July 2015

Revenue types	Annual	31 July 2015							First Month Ending 31 July 2015					
	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	8,556,056	7,962,919	93%	2,651,222	33%	1,089,922	9,052,841	8,556,056	7,962,919	93%	9,052,841	2,651,222	33%
Electricity - conventional	184,220,100	15,142,892	13,852,067	91%	8,735,983	63%	-628,074	13,223,993	15,142,892	13,852,067	91%	13,223,993	8,735,983	63%
Water	93,086,263	6,725,587	6,419,019	95%	3,665,059	57%	-14,497	6,404,522	6,725,587	6,419,019	95%	6,404,522	3,665,059	57%
Sanitation	25,950,000	2,162,500	2,289,092	106%	1,149,755	50%	1,312	2,290,404	2,162,500	2,289,092	106%	2,290,404	1,149,755	50%
Refuse	21,968,004	1,830,667	1,839,550	100%	791,410	43%	1,534	1,841,084	1,830,667	1,839,550	100%	1,841,084	791,410	43%
<b>Total Direct Services</b>	<b>387,119,422</b>	<b>34,417,702</b>	<b>32,362,647</b>	<b>94%</b>	<b>16,993,429</b>	<b>53%</b>	<b>450,197</b>	<b>32,812,844</b>	<b>34,417,702</b>	<b>32,362,647</b>	<b>94%</b>	<b>32,812,844</b>	<b>16,993,429</b>	<b>53%</b>
Other revenue	20,884,000	1,740,333	1,896,499	109%	249,916	13%	1,105,197	3,001,696	1,740,333	1,896,499	109%	3,001,696	249,916	13%
Indigent Contribution					1,878,412								1,878,412	
Income Forgone					969,130								969,130	
<b>Revenue from levied services</b>	<b>408,003,422</b>	<b>36,158,035</b>	<b>34,259,146</b>	<b>95%</b>	<b>20,090,887</b>	<b>59%</b>	<b>1,555,394</b>	<b>35,814,540</b>	<b>36,158,035</b>	<b>34,259,146</b>	<b>95%</b>	<b>35,814,540</b>	<b>20,090,887</b>	<b>59%</b>
Electricity - prepaid	94,812,276	7,930,836	-		7,304,098								7,304,098	
<b>Revenue before operational grants</b>	<b>502,815,698</b>	<b>44,088,871</b>	<b>34,259,146</b>		<b>27,394,985</b>				<b>36,158,035</b>	<b>34,259,146</b>			<b>27,394,985</b>	
Operational grants and subsidies	2,617,000				2,605,000	100%			2,617,000				2,605,000	100%
Equitable share	161,083,246				67,118,000	42%			161,083,246				67,118,000	42%
<b>Total Revenue</b>	<b>666,515,944</b>	<b>44,088,871</b>	<b>34,259,146</b>		<b>97,117,985</b>	<b>-</b>			<b>199,858,281</b>	<b>34,259,146</b>			<b>97,117,985</b>	<b>-</b>

Comments for July 2015 Section 71 Report

Collection rate for July 2015 on the levied services is 59% and levies are 95% against the budget. This is due to Government claims billed in July, but only receiving payment in August.

Collection rate for sanitation and refuse in July is 50% and 43% against levies respectively.

The collection rate for Property rates for the month is 33% against levies due to Government claims.

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 63%.

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

Total direct services collection rate against levies is 53%.

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

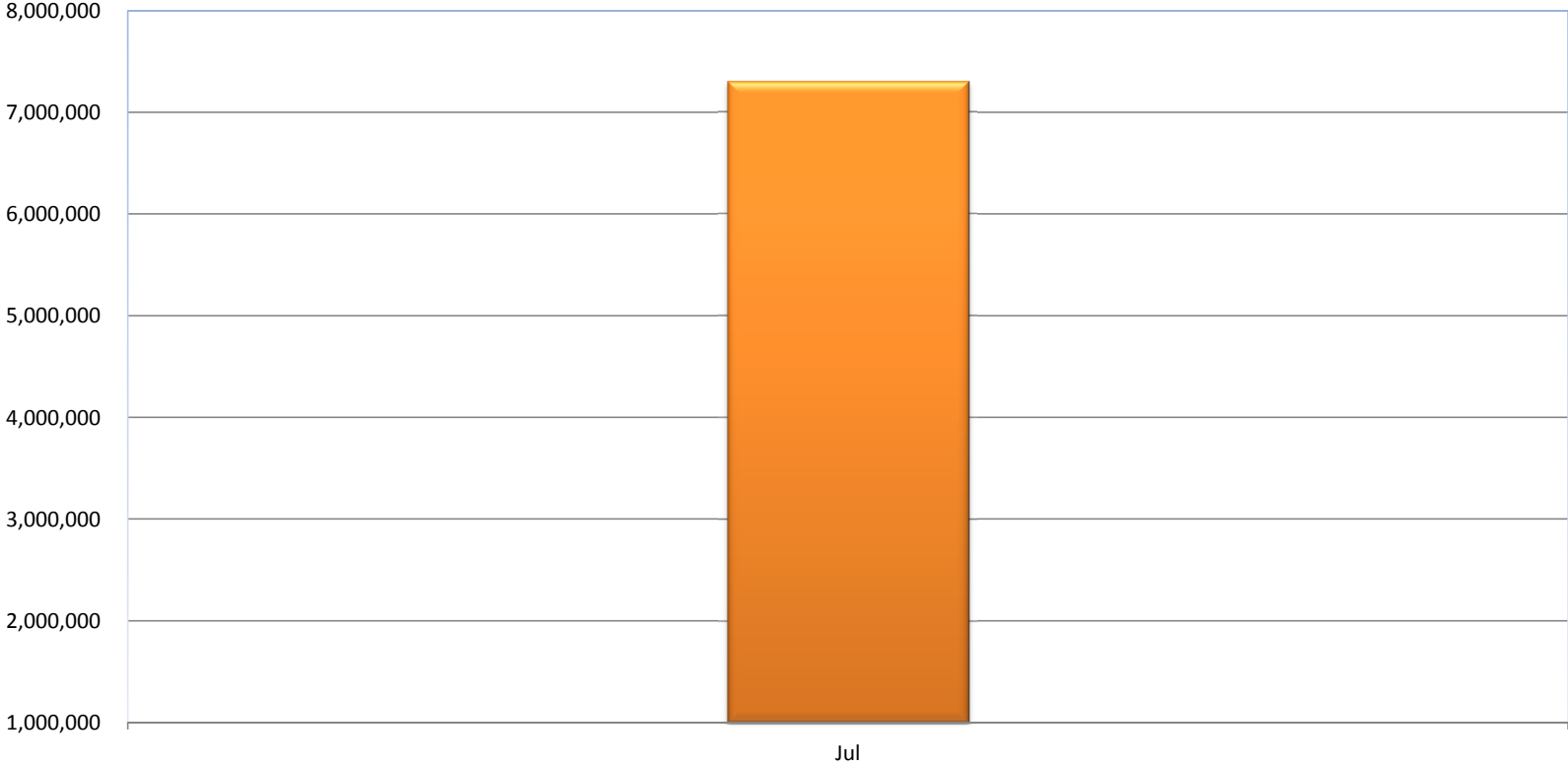
Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing	Revenue	Percentage	Billing	Revenue	Percentage	Billing	Revenue	Percentage
July	28,808,012	14,036,083	49%	4,479,816	2,759,329	62%	724,775	447,933	62%
<b>Total</b>	<b>28,808,012</b>	<b>14,036,083</b>	<b>49%</b>	<b>4,479,816</b>	<b>2,759,329</b>	<b>62%</b>	<b>724,775</b>	<b>447,933</b>	<b>62%</b>

**PRE-PAID ELECTRICITY SALES**

Month	Transactions	Units	Unit Value	Free Units	Avg Val/trans	Total
Jul	115378	6524987	7304098	221500	72	7,304,098
						<b>7,304,098</b>

The average collection rate for Kroonstad/Maokeng for July is 49% , Viljoenskroon is 62% for the month & Steynsrus average collection is also 62% . Kroonstad/Maokeng generated a revenue of R14m in July , Viljoenskroon/Rammolutsi's R2.7m , & Steynsrus/Matlwangtlwang generated R447 933 . The revenue generated through prepaid electricity for July is R7.3m. The electricity vendors are contributing to these sales.

### Prepaid Electricity Sales 2014-15



**Analysis of Debtors as at 31 July 2015**

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	5,462,535	3,781,503	3,718,393	146,119,263	159,081,694
Electricity Tariffs	11,880,379	1,812,641	718,590	17,930,122	32,341,732
Rates (Property Rates)	7,538,415	880,949	662,197	23,061,525	32,143,086
Sewerage / Sanitation Tariffs	1,792,293	934,677	837,266	36,431,117	39,995,353
Refuse Removal Tariffs	1,424,265	606,049	552,538	24,634,728	27,217,580
Other	2,040,689	1,779,907	1,678,968	51,298,643	56,798,207
<b>Total By Income Source</b>	<b>30,138,576</b>	<b>9,795,726</b>	<b>8,167,952</b>	<b>299,475,398</b>	<b>347,577,652</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	7,433,542	1,216,691	203,509	2,862,860	11,716,602
Business	10,428,230	827,982	497,096	9,513,713	21,267,021
Households	9,088,330	5,610,894	5,175,020	170,467,850	190,342,094
Other	3,188,474	2,140,159	2,292,327	116,630,975	124,251,935
<b>Total By Customer Group</b>	<b>30,138,576</b>	<b>9,795,726</b>	<b>8,167,952</b>	<b>299,475,398</b>	<b>347,577,652</b>

**Highlights**

**Services**

Councillors' debt

Officials debt

**Sundry debtors**

Telephones (Officials & Councillors)

Study loans

*Indigents*

**Total Debt 90 Days +**

JULY
117,639
R 780,813
R 345,680
R 94,679
R 79,492,525
<b>R 289,253,981</b>

**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	31,064,711	-	-	-	-	-	-	-	31,064,711
Loan repayments	800,000	-	-	-	-	-	-	-	800,000
Trade Creditors	1,197,414	826,696	-	-	-	-	-	-	2,024,110
Auditor General	21,783	-	-	-	-	-	-	-	21,783
DWAS	-	-	-	-	-	-	-	21,524,822	21,524,822
SITA	-	-	-	-	-	-	-	1,200,000	1,200,000
WSSA	246,728	-	-	-	-	-	-	-	246,728
GOVERNMENT GARAGE	343,326	278,609	251,230	1,782,357	-	-	-	4,798,710	7,454,232
OTHER CREDITORS	3,000,000	-	-	-	-	-	-	-	3,000,000
<b>Total</b>	<b>36,673,962</b>	<b>1,105,305</b>	<b>251,230</b>	<b>1,782,357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,523,532</b>	<b>67,336,386</b>

**OPERATING EXPENSES**

DESCRIPTION	Annual Budget 2015/2016	Actual 31-Jul-15	YTD 31-Jul-15	Variance	% Exp
EMPLOYEE RELATED COSTS	197,333,280	14,144,855	14,144,855	183,188,425	7%
REMUNERATION OF COUNCILLORS	17,341,403	1,441,092	1,441,092	15,900,311	8%
BULK PURCHASES	215,267,977	17,051	17,051	215,250,926	0%
CONTRACTED SERVICES	22,889,502	1,763,088	1,763,088	21,126,414	8%
TOTAL REPAIR AND MAINTENANCE	52,755,725	610,748	610,748	52,144,977	1%
DEPRECIATION ON ASSETS	25,344,000	2,112,000	2,112,000	23,232,000	8%
CONTRIBUTIONS TO BAD DEBTS	5,564,000	463,667	463,667	5,100,333	8%
GENERAL EXPENSES	117,283,088	8,367,183	8,367,183	108,915,905	7%
<b>TOTAL EXPENDITURE (NETT)</b>	<b>653,778,975</b>	<b>28,919,684</b>	<b>28,919,684</b>	<b>624,859,291</b>	<b>4%</b>

**CONTRACTED SERVICES**

Description	Annual Budget 2015/2016	Actual 31-Jul-15	YTD 31-Jul-15	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	510,813	30,783	30,783	480,030	6%
METER READING FEES	1,657,231	101,013	101,013	1,556,218	6%
RAILWAY SIDING	686,689	-	-	686,689	0%
SECURITY (MONITORING OF ALARMS)	364,349	-	-	364,349	0%
SECURITY SERVICES	19,670,420	1,631,292	1,631,292	18,039,128	8%
<b>CONTRACTED SERVICES</b>	<b>22,889,502</b>	<b>1,763,088</b>	<b>1,763,088</b>	<b>21,126,414</b>	<b>8%</b>

**OPERATING EXPENSES**

DESCRIPTION	Annual Budget 2015/2016	Actual 31-Jul-15	YTD 31-Jul-15	Variance	% Exp
ABET TRAINING	116,866	-	-	116,866	0%
ACTIVITIES DISABILITIES	52,800	-	-	52,800	0%
ACTIVITIES YOUTH OFFICER	249,061	-	-	249,061	0%
ADVERTISEMENTS	336,442	32,724	32,724	303,718	10%
AUDIT FEES (EXTERNAL)	6,565,870	-	-	6,565,870	0%
BANK CHARGES	2,247,844	172,934	172,934	2,074,910	8%
BIOLOGICAL RISK ASSESSMENT	50,000	-	-	50,000	0%
BOOKS & MAGAZINES	27,777	-	-	27,777	0%
BURSARIES	144,692	-	-	144,692	0%
CHEMICALS	6,762,855	20,625	20,625	6,742,230	0%
CIVIC FUNERAL	140,000	-	-	140,000	0%
CLEANING CAMPAIGN	95,000	-	-	95,000	0%
CLEANING MATERIALS	377,654	26,099	26,099	351,555	7%
COMMISSION PAID	4,734,691	-	-	4,734,691	0%
COMMITTEES AUDIT	325,000	-	-	325,000	0%
COMMITTEES CHILDCARE	52,800	-	-	52,800	0%
COMMITTEES HIC/AIDS	99,999	-	-	99,999	0%
COMMITTEES LOCAL SPORT	50,000	3,960	3,960	46,040	8%
COMMITTEES OLD AGE	52,800	-	-	52,800	0%
COMMITTEES WARDS	1,471,008	-	-	1,471,008	0%
COMMONAGE	10,560	-	-	10,560	0%
CONFERENCES/SEMINARS/MEETINGS	1,649,840	304,647	304,647	1,345,193	18%
PROFESSIONAL FEES	3,696,000	-	-	3,696,000	0%
DECORATION MATERIAL	20,000	-	-	20,000	0%
DISASTER MATERIAL	-	-	-	-	0%
DISCIPLINARY HEARINGS	10,580	-	-	10,580	0%

**OPERATING EXPENSES**

DESCRIPTION	Annual Budget	Actual 31-Jul-15	YTD 31-Jul-15	Variance	% Exp
EMPLOYMENT EQUITY	11,130	-	-	11,130	0%
EMPL ASST PROGRAMME	159,500	-	-	159,500	0%
ENTERTAINMENT COST	308,226	7,161	7,161	301,065	2%
EVENTS LOGISTICS	30,000	-	-	30,000	0%
FUEL & LUBRICANTS	7,872,904	385,669	385,669	7,487,235	5%
FUNERAL ATTENDANCE	16,167	-	-	16,167	0%
GRAVE - NUMBERS	17,000	-	-	17,000	0%
GRANT EXP - EPWP INCENTIVE	-	-	-	-	0%
GRANT EXP - FMG	1,650,000	-923	-923	1,650,923	0%
GRANT EXP - LG SETA DISCRETIONAL	-	-	-	-	0%
GRANT EXP - LG SETA MANDATORY	-	-	-	-	0%
GRANT EXP - MSIG	967,000	-	-	967,000	0%
INDIGENT - CONTRIBUTIONS	22,147,027	1,878,412	1,878,412	20,268,615	8%
INSURANCE GENERAL	3,010,500	2,693,605	2,693,605	316,895	89%
INSURANCE GENERAL EXCESS	578,007	-	-	578,007	0%
INTERNSHIP & EXPERIENTAL TRAINING	77,911	-	-	77,911	0%
INTERVIEW EXPENSES	5,290	-	-	5,290	0%
INTEREST PAID - SARS	-	-	-	-	0%
INTERIM SURVEY OF ERVIN	5,628	-	-	5,628	0%
LABORATORY CONSUMABLES	27,462	-	-	27,462	0%
LABORATORY FEES	2,387,783	-	-	2,387,783	0%
LATE PAYMENT - CREDITORS	163,226	-	-	163,226	0%
LEANER SHIP	66,787	-	-	66,787	0%
LEGAL FEES	1,423,212	29,164	29,164	1,394,048	2%
LICENSES OTHER	1,802,789	-	-	1,802,789	0%
LICENCES PUBLIC	3,600	-	-	3,600	0%
LICENSES VEHICLES	521,721	26,729	26,729	494,992	5%
MEDICAL EXAMINATIONS	130,000	-	-	130,000	0%
MEDICINES	11,727	-	-	11,727	0%
MEMBERSHIP FEES	9,000	-	-	9,000	0%
PAUPER BURIALS	73,000	2,000	2,000	71,000	3%
PENALTIES - SARS	-	-	-	-	0%
PENSIONERS GRANT	16,194	850	850	15,344	5%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,640,962	84,208	84,208	1,556,754	5%
POSTOFFICE & EASYPAY COMMISSION	-	27,225	27,225	-27,225	-100%
PRE-PAID METERS	1,590,000	-	-	1,590,000	0%
PRINTING & STATIONERY	2,274,914	222,262	222,262	2,052,652	10%
PRODUCTIONS,SHOWS & MARKETING	100,000	-	-	100,000	0%
PROTECTIVE CLOTHING	2,220,865	6,929	6,929	2,213,936	0%
PUBLICITY (MARKETING/BRANDING)	21,000	-	-	21,000	0%
RECREATION	2,000	-	-	2,000	0%
RECRUITMENT FEES	21,160	-	-	21,160	0%
REMOVAL EXP	-	-	-	-	0%
RENT - OFFICE EQUIPMENT & OTHER	1,438,346	6,858	6,858	1,431,488	0%
RENT - VEHICLES	4,946,800	-	-	4,946,800	0%
RETIREE AWARDS	26,979	-	-	26,979	0%
SALGA MEMBERSHIP FEES	1,973,791	-	-	1,973,791	0%
SKILLS DEVELOPMENT LEVY	1,299,540	120,275	120,275	1,179,265	9%
SOCIAL PROGRAMS	431,061	2,548	2,548	428,513	1%
STOCK AND MATERIAL	555,646	2,493	2,493	553,153	0%
SUBSCRIPTION FEES	5,103	-	-	5,103	0%
SUPPLEMENTARY VALUATIONS	158,048	-	-	158,048	0%
TELEPHONE & FAX	961,000	107,950	107,950	853,050	11%

**OPERATING EXPENSES**

<b>DESCRIPTION</b>	<b>Annual Budget</b>	<b>Actual 31-Jul-15</b>	<b>YTD 31-Jul-15</b>	<b>Variance</b>	<b>% Exp</b>
TOURISM	106,000	-	-	106,000	0%
TOWN PLANNING COST	230,000	-	-	230,000	0%
TRAFFIC SIGNS	382,721	-	-	382,721	0%
TRAINING STAFF	101,000	1,255	1,255	99,745	1%
TRAINING COUNCILLORS	56,074	-	-	56,074	0%
WEED KILLERS / PEST CONTROL	300,528	-	-	300,528	0%
WINDEED	47,594	-	-	47,594	0%
WORKMENS COMPENSATION	1,170,829	236,691	236,691	934,138	20%
<b>GENERAL EXPENSES</b>	<b>94,894,891</b>	<b>6,402,349</b>	<b>6,402,349</b>	<b>88,492,542</b>	<b>7%</b>



**Analysis of capital expenditure as at 31 July 2015**

<b>CAPITAL EXPENDITURE</b>	<b>Budget 2015/16</b>	<b>Expenditure</b>	<b>% of Budget Spent</b>
<b>INFRASTRUCTURE</b>			
Roads and Stormwater	23,724,489	-	0%
Water Reservoirs & Reticulation	785,018	-	0%
Electricity Reticulation	9,000,000	-	0%
Sewerage Purification & Reticulation	15,219,008	-	0%
Sport	9,506,138	-	0%
Other	-	-	0%
	<b>58,234,653</b>	<b>-</b>	<b>0%</b>
<b>SOURCE OF FINANCE</b>			
Government Grants and Subsidies	40,050,000	-	0%
Other Ad-Hoc Financing Sources	18,184,653	-	0%
Other	-	-	0%
<b>TOTAL FINANCING</b>	<b>58,234,653</b>	<b>-</b>	<b>0%</b>

**Government grants and subsidies consist of the following:**

Municipal Infrastructure Grant	38,899,000
DWS	18,184,653
EPWP (Incentive)	1,151,000
Regional Bulk Infrastructure Grant	-
DoE (Department of Energy)	-
<b>Total</b>	<b>58,234,653</b>

**CASH FLOW ANALYSIS FOR THE MONTH ENDING****Detail****Jul-15****Cash Receipts by Source**

Property rates	2,853,948
Service charges - electricity revenue	20,314,231
Service charges - water revenue	5,541,004
Service charges - sanitation revenue	1,382,159
Service charges - refuse revenue	948,842
Service charges - other	-
Interest earned - outstanding debtors	139,755
Fines	-
Transfer receipts - operational	69,723,000
Other revenue	1,178,496
<b>Cash Receipts by Source</b>	<b>102,081,435</b>

**Other Cash Flows/Receipts by Source**

Transfer receipts - capital	22,765,000
Borrowing long term/refinancing	-

**Total Cash Receipts by Source****124,846,435****Cash Payments by Type**

Employee related costs	14,144,854
Remuneration of councillors	1,441,092
Bulk purchases - Electricity	27,249,746
Contracted services	1,763,088
General expenses	56,774,476
<b>Cash Payments by Type</b>	<b>101,373,256</b>

**Other Cash Flows/Payments by Type**

Capital assets	5,984,405
Repayment of borrowing	24,000,000

**Total Cash Payments by Type****131,357,661****Net Increase/(Decrease) in Cash Held****-6,511,226****Cash/cash equivalents at the month/year begin:****17,707,778****Cash/cash equivalents at the month/year end:****11,196,552**

Report on conditional grants at 31 July 2015

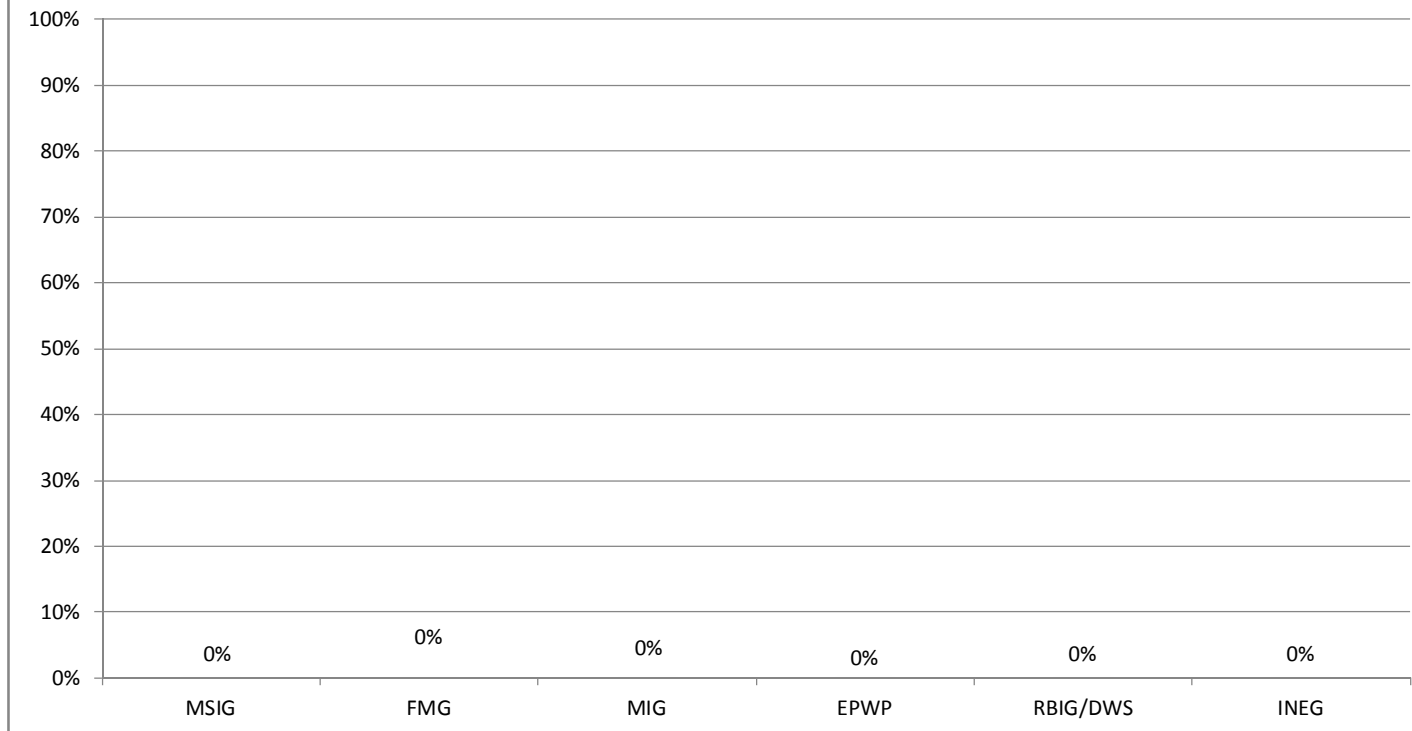
Municipality:

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)
<b>DORA Allocation for the 2015/16</b>	930,000	1,675,000	38,899,000	1,151,000	-	-
<b>Unspent grants at beginning of the financial year</b>	-	-	-	-	-	5,945,572
Received Prior Months	-	-	-	-	-	-
Received This Month	930,000	1,675,000	22,765,000	-	18,184,653	-
<b>Total Funds Received</b>	<b>930,000</b>	<b>1,675,000</b>	<b>22,765,000</b>	<b>-</b>	<b>18,184,653</b>	<b>5,945,572</b>
Spent Prior Months	-	-	-	-	-	-
Spent This Month	-	-	-	-	-	-
Total Funds Spent	-	-	-	-	-	-
<b>Total funds Received and Not Spent</b>	<b>930,000</b>	<b>1,675,000</b>	<b>38,899,000</b>	<b>1,151,000</b>	<b>-</b>	<b>5,945,572</b>
<b>Percentage of Funds Spent</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>#DIV/0!</b>	<b>0%</b>
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

### GRANTS SPENDING 2014/15



**REPORT ON STAFF BENEFITS: Staff costs analysis for the month of July 2015 (MFMA Section 66)**

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

<b>DESCRIPTION</b>	<b>Budget 2015/16</b>	<b>Actual</b>	<b>YTD</b>	<b>% Exp</b>
ANNUAL BONUS	9,002,517	825,755	825,755	9%
HOUSING SUBSIDY	954,510	68,206	68,206	7%
OTHER ALLOWANCES	827,730	59,737	59,737	7%
OVERTIME	12,942,197	1,265,376	1,265,376	10%
TELEPHONE ALLOWANCE	487,098	31,906	31,906	7%
SALARIES TEMPORARY STAFF	542,467			0%
SALARIES & WAGES BASIC	118,825,825	8,351,070	8,351,070	7%
STANDBY ALLOWANCE	1,556,651	121,324	121,324	8%
VEHICLE ALLOWANCE	8,951,720	638,070	638,070	7%
<b>SUB-TOTAL EMPLOYEE COSTS</b>	<b>154,090,715</b>	<b>11,361,443</b>	<b>11,361,443</b>	<b>7%</b>
GROUP LIFE INSURANCE GENERAL	1,898,683	141,693	141,693	7%
INDUSTRIAL COUNCIL LEVY	74,235	5,496	5,496	7%
INSURANCE UNEMPLOYMENT	1,192,225	86,952	86,952	7%
MEDICAL AID SCHEME	12,380,552	796,971	796,971	6%
PENSION FUNDS	20,491,818	1,496,457	1,496,457	7%
POST-RETIREMENT MEDICAL BENEFITS	3,015,773	255,842	255,842	8%
<b>SUB-TOTAL SOCIAL CONTRIBUTION</b>	<b>39,053,286</b>	<b>2,783,411</b>	<b>2,783,411</b>	<b>7%</b>
<b>TOTAL EMPLOYEE COSTS</b>	<b>193,144,001</b>	<b>14,144,855</b>	<b>14,144,855</b>	<b>7%</b>

## Analysis of overtime per department

### Description

Municipal Manager  
 Corporate Services  
 Financial Services  
 Technical Services  
 Community Services  
**Total**

31-Jul	
Hours	Cost
-	-
364	34,062
420	53,423
8,622	765,393
3,795	353,666
<b>13,201</b>	<b>1,206,544</b>

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.

