



"People's power in action"

MFMA SECTION 71 REPORT
MONTH ENDING 31 August 2016

Municipal Manager
Executive Mayor

Revenue analysis for the month ending 31 August 2016

Revenue types	31 August 2016							Two Month Ending 31 August 2016					
	Annual Budget 2016/2017	Budget	(BP-602) Actual Levies	Levies vs Budget	(BM-310) Actual Income	Income vs Levies	(GS-560) Total Levies	Budget	Actual Levies	Levies vs Budget	(GS-560) YTD Levies	Actual Income	Income vs Levies
Property rates	65,709,288	5,142,873	7,274,734	141%	2,620,649	36%	5,118,922	14,280,558	15,834,144	111%	14,848,939	4,956,148	31%
Electricity - conventional	207,684,108	18,078,278	15,811,686	87%	10,750,900	68%	15,697,136	35,545,817	31,997,403	90%	31,838,179	22,185,493	69%
Water	95,884,000	7,571,125	4,351,020	57%	2,046,925	47%	4,028,467	14,050,237	11,018,818	78%	10,739,015	4,514,738	41%
Sanitation	33,709,682	2,809,140	3,502,735	125%	1,209,192	35%	3,508,299	5,618,280	7,047,229	125%	7,060,158	2,213,715	31%
Refuse	27,801,000	2,316,750	2,368,021	102%	866,068	37%	2,372,164	4,633,500	4,737,676	102%	4,748,003	1,635,402	35%
Total Direct Services	430,788,078	35,918,166	33,308,196	93%	17,493,734	53%	30,724,988	74,128,392	70,635,270	95%	69,234,294	35,505,496	50%
Other revenue	38,910,000	3,242,500	1,707,243	53%	405,488	24%	1,398,609	6,485,000	1,707,243	26%	4,193,221	713,162	42%
Indigent Contribution					3,389,782							6,886,430	
Income Forgone					1,042,538							2,032,947	
Revenue from levied services	469,698,078	39,160,666	35,015,439	89%	22,331,542	64%	32,123,597	80,613,392	72,342,513	90%	73,427,515	45,138,035	62%
Electricity - prepaid	102,397,266	8,028,978	-		7,115,537			16,286,080	-			14,481,269	
Revenue before operational grants	572,095,344	47,189,644	35,015,439		29,447,079			96,899,472	72,342,513			59,619,304	
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	113,238,644	35,015,439		95,496,079	-		165,397,423	72,342,513			125,668,304	-

Comments for August 2016 Section 71 Report.

Collection rate for Aug 2016 on the levied services is 64%.

Collection rate for sanitation and refuse for the month is 35% and 37% against levies respectively.

The total collection rate from levied services for January 2013 is 81% from 68% in December 2012.

The collection rate for the month on Property rates is 36% .

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 August is 68%.

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)

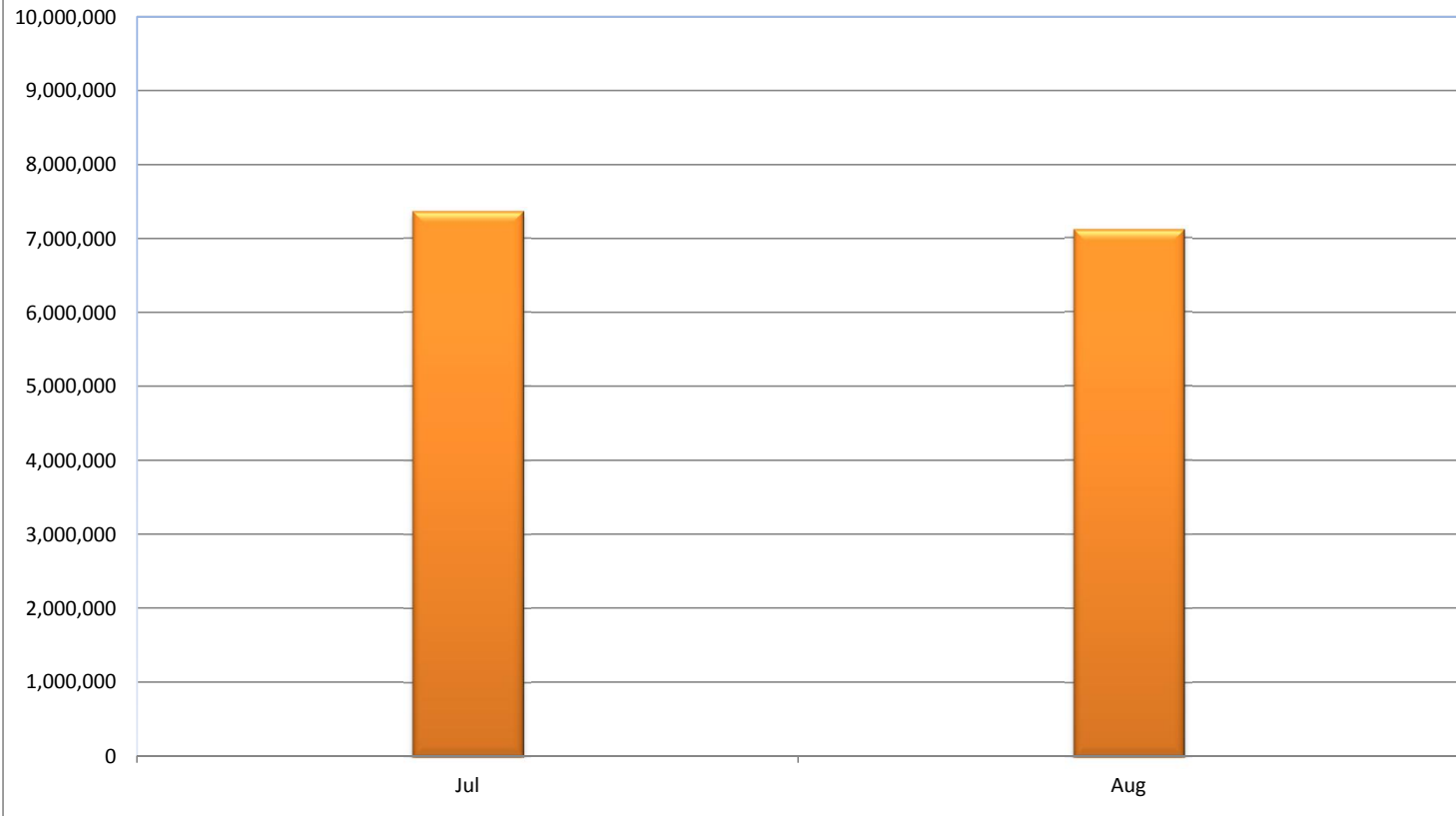
Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing	Revenue	Percentage	Billing	Revenue	Percentage	Billing	Revenue	Percentage
Jul	31,203,153	15,092,910	48%	7,204,366	2,893,109	40%	831,328	333,417	40%
Aug	28,331,554	14,345,088	51%	5,677,300	3,262,571	57%	756,305	291,562	39%
Total	59,534,707	29,437,998	50%	12,881,666	6,155,680	49%	1,587,633	624,979	39%

PRE-PAID ELECTRICITY SALES

Month	Transactions	Units	Unit Value	Free Units	Avg Val/trans	Total
Jul	112561	6224756	7365732	444550	75	7,365,732
Aug	111019	5987752	7115537	453350	73	7,115,537
						14,481,269

The average collection rate for Kroonstad/Maokeng for Aug is 51% ,Viljoenskroon/Rammulutsi is 57% ,& Steynsrus/Matlwangtlwang also 39% against the levy. Kroonstad/Maokeng generated a revenue of R14.3m for Aug,Viljoenskroon/Rammolutsi's R3.2m & Steynsrus/Matlwangtlwang generated R291 562. The revenue generated through prepaid electricity for the month is R7.1m. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales 2016-17



Analysis of Debtors as at 31 August 2016

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Debtors Age Analysis By Income					
Water Tariffs	4,692,096	5,021,821	3,081,326	176,829,130	189,624,373
Electricity Tariffs	15,543,384	2,257,039	1,218,064	21,369,797	40,388,284
Rates (Property Rates)	3,554,790	6,321,650	740,524	25,557,940	36,174,904
Sewerage / Sanitation Tariffs	2,553,795	1,687,647	966,990	41,797,439	47,005,871
Refuse Removal Tariffs	1,728,143	1,098,971	765,955	29,351,834	32,944,903
Other	1,780,628	2,277,028	1,761,856	66,995,495	72,815,007
Total By Income Source	29,852,836	18,664,156	8,534,715	361,901,635	418,953,342
Debtors Age Analysis By Customer Group					
Government	5,227,059	6,942,862	1,348,501	5,486,315	19,004,737
Business	13,024,440	1,661,308	462,823	11,497,560	26,646,131
Households	9,334,655	7,215,243	4,452,438	188,022,040	209,024,376
Other	2,266,682	2,844,743	2,270,953	156,895,720	164,278,098
Total By Customer Group	29,852,836	18,664,156	8,534,715	361,901,635	418,953,342

Highlights	JUL	AUG
Services		
Councillors' debt	R 118,938	R 119,800
Officials debt	R 1,525,068	R 1,540,223
Sundry debtors		
Telephones (Officials & Councillors)	R 360,327	R 358,736
Study loans	R 98,612	R 99,369
<i>Indigents</i>	R 105,768,158	R 108,253,659
Total Debt 90 Days +	R 356,332,658	R 361,901,635

Creditors	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	32,134,455	32,039,019	29,956,532	-	-	-	-	-	94,130,006
Loan repayments	800,000	-	-	-	-	-	-	-	800,000
Trade Creditors	4,193,903	5,275,475	14,605	-	-	-	-	-	9,483,983
Auditor General	651,629	-	-	-	-	-	-	-	651,629
DWAS	56582.88	248,793	1,625,095	-	-	-	-	12,773,514	14,703,985
GOVERNMENT GARAGE	199,087	192,665	199,087	-	-	-	6,308,672	-	6,899,511
OTHER CREDITORS	4,000,000	-	-	-	-	-	-	-	4,000,000
Total	42,035,657	37,755,952	31,795,319	-	-	-	6,308,672	12,773,514	130,669,114

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 31-Aug-16	YTD 31-Aug-16	Variance	% Exp
EMPLOYEE RELATED COSTS	214,457,853	17,814,519	37,183,126	177,274,727	17%
REMUNERATION OF COUNCILLORS	18,543,429	1,165,447	2,639,965	15,903,464	14%
BULK PURCHASES	234,531,398	28,079,796	28,118,960	206,412,438	12%
CONTRACTED SERVICES	29,773,803	2,173,552	2,365,568	27,408,235	8%
TOTAL REPAIR AND MAINTENANCE	69,070,955	3,458,107	5,318,576	63,752,379	8%
DEPRECIATION ON ASSETS	8,712,372	726,031	1,452,062	8,712,372	17%
CONTRIBUTIONS TO BAD DEBTS	5,897,840	491,487	982,973	5,897,840	17%
GENERAL EXPENSES	126,315,622	10,748,386	16,942,874	109,372,748	13%
TOTAL EXPENDITURE (NETT)	707,303,272	64,657,326	95,004,103	614,734,205	13%

CONTRACTED SERVICES

Description	Annual Budget 2016/2017	Actual 31-Aug-16	YTD 31-Aug-16	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	531,302	35,279	71,191	460,111	13%
INTERNAL AUDIT	2,835,500	-	-	2,835,500	0%
PERFORMANCE MANAGEMENT	700,000	-	89,720	610,280	13%
METER READING FEES	2,051,200	-	-	2,051,200	0%
RAILWAY SIDING	727,890	-	47,300	680,590	6%
SECURITY (MONITORING OF ALARMS)	727,911	-	19,083	708,828	3%
SECURITY SERVICES	22,200,000	2,138,273	2,138,273	20,061,727	10%
CONTRACTED SERVICES	29,773,803	2,173,552	2,365,568	27,408,235	8%

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 31-Aug-16	YTD 31-Aug-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	9,480	22,965	333,664	6%
ANNUAL REPORT & IDP PREPARATIONS	300,000	-	-	300,000	0%
AUDIT FEES (EXTERNAL)	4,839,822	-	-	4,839,822	0%
BANK CHARGES	2,251,492	166,743	356,377	1,895,115	16%
BIOLOGICAL RISK ASSESSMENT	150,000	-	-	150,000	0%
BOOKS & MAGAZINES	44,075	-	-	44,075	0%
CHEMICALS	6,747,054	25,952	25,952	6,721,102	0%
CIVIC FUNERALS	210,000	-	-	210,000	0%
CLEANING CAMPAIGN	105,000	99,613	103,713	1,287	99%
CLEANING MATERIALS	425,471	21,412	56,486	368,985	13%
CLIMATE CHANGE/DISASTER MNG	450,000	-	68,007	381,993	15%
COMMISSION PAID	4,488,772	426,232	426,232	4,062,540	9%
COMMITTEES AUDIT	347,750	28,000	28,000	319,750	8%
COMMITTEES CHILDCARE	55,968	-	-	55,968	0%
COMMITTEES HIC/AIDS	250,000	-	-	250,000	0%
COMMITTEES LOCAL SPORT	55,000	12,940	12,940	42,060	24%
COMMITTEES OLD AGE	55,968	3,450	3,450	52,518	6%
COMMITTEES WARDS	1,457,500	-	440,000	1,017,500	30%
COMMONAGE	40,000	25,272	25,272	14,728	63%
CONFERENCES/SEMINARS/MEETINGS	2,628,288	86,981	137,531	2,490,757	5%
COOPERATIVES DEVELOPMENT	100,000	-	-	100,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Aug-16	YTD 31-Aug-16	Variance	% Exp
PROFESSIONAL FEES	4,001,834	1,206,452	1,206,452	2,795,382	30%
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	2,740	2,740	129,060	2%
ENTERTAINMENT COST	496,373	72,950	81,134	415,239	16%
EVENTS LOGISTICS	15,000	-	-	15,000	0%
FUEL & LUBRICANTS	7,406,287	328,060	456,558	6,949,729	6%
FUNERAL ATTENDANCE	6,537	-	-	6,537	0%
GRAVE - NUMBERS	7,420	-	-	7,420	0%
GRANT EXP - FMG	1,810,000	83,333	83,333	1,726,667	5%
GRANT EXP - LG SETA MANDATORY	638,951	-	-	638,951	0%
IDP/LDO PROCESS	20,000	-	-	20,000	0%
INDIGENT - CONTRIBUTIONS	24,900,617	3,389,782	6,886,430	18,014,187	28%
INSURANCE GENERAL	3,800,000	20,077	804,166	2,995,834	21%
INSURANCE GENERAL EXCESS	350,000	16,595	10,396	339,604	3%
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	387,018	387,018	-352,018	1106%
LEANER SHIP	21,200	-	-	21,200	0%
LEGAL FEES	2,000,000	328,853	345,392	1,654,608	17%
LICENSES OTHER	3,910,342	1,594,820	1,594,820	2,315,522	41%
LICENCES PUBLIC	3,816	-	-	3,816	0%
LICENSES VEHICLES	571,812	59,104	145,982	425,830	26%
MEDICAL EXAMINATIONS	500,000	-	-	500,000	0%
MEDICINES	4,269	1,612	1,612	2,657	38%
MEMBERSHIP FEES	13,910	1,546	1,546	12,364	11%
M SOLAR/SCOA PROJECT	450,000	-	-	450,000	0%
PAUPER BURIALS	60,000	3,500	5,000	55,000	8%
PENSIONERS GRANT	8,565	750	675	7,890	8%
PERFORMANCE EVALUATION COMMITTEE	21,000	-	-	21,000	0%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,153,044	107,765	107,765	1,045,279	9%
POSTOFFICE & EASYPAY COMMISSION	411,756	29,664	143,193	268,563	35%
PRE-PAID METERS	2,200,000	-	-	2,200,000	0%
PRINTING & STATIONERY	2,556,168	58,083	87,165	2,469,003	3%
PRODUCTIONS,SHOWS & MARKETING	150,000	-	-	150,000	0%
PROTECTIVE CLOTHING	2,279,107	232	232	2,278,875	0%
RECREATION	20,000	-	-	20,000	0%
RECRUITMENT FEES	17,490	-	-	17,490	0%
RENT - OFFICE EQUIPMENT & OTHER	1,495,149	69,233	75,046	1,420,103	5%
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	156,290	322,674	1,067,834	23%
SMME DEVELOPMENT	80,000	-	-	80,000	0%
SOCIAL PROGRAMS	864,583	280,750	291,050	573,533	34%
SPORTS,ARTS & CULTURE PROGRAMME	400,000	-	-	400,000	0%
STOCK AND MATERIAL	355,840	22,815	27,537	328,303	8%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Aug-16	YTD 31-Aug-16	Variance	% Exp
SUBSCRIPTION FEES	5,460	-	-	5,460	0%
SUPPLEMENTARY VALUATIONS	165,950	14,000	14,000	151,950	8%
TELEPHONE & FAX	2,231,000	169,146	226,958	2,004,042	10%
TOURISM	300,000	-	-	300,000	0%
TOWN PLANNING COST	700,000	-	-	700,000	0%
TRAFFIC SIGNS	329,443	1,122	1,122	328,321	0%
TRAINING STAFF	250,000	11,120	11,120	238,880	4%
TRAINING COUNCILLORS	300,000	-	-	300,000	0%
VALUATION ROLL	2,700,000	228,070	228,070	2,471,930	8%
WEED KILLERS / PEST CONTROL	350,000	-	-	350,000	0%
WINDEED	47,954	3,558	3,558	44,396	7%
WORKMENS COMPENSATION	952,300	-	-	952,300	0%
GENERAL EXPENSES	105,557,126	9,555,116	15,259,668	90,297,458	14%

CASH FLOW ANALYSIS FOR THE MONTH ENDING

Detail	Jul-16	Aug-16
Cash Receipts by Source		
Property rates	2,456,360	2,720,449
Service charges - electricity revenue	21,891,831	23,420,105
Service charges - water revenue	2,743,987	2,120,527
Service charges - sanitation revenue	1,186,685	1,253,216
Service charges - refuse revenue	912,189	1,021,358
Service charges - other	-	-
Interest earned - outstanding debtors	137,893	111,018
Fines	-	-
Transfer receipts - operational	66,473,000	2,472,000
Other revenue	1,445,145	4,751,166
Cash Receipts by Source	97,247,090	37,869,839
Other Cash Flows/Receipts by Source		
Transfer receipts - capital	14,780,000	-
Borrowing long term/refinancing	-	-
Total Cash Receipts by Source	112,027,090	37,869,839
Cash Payments by Type		
Employee related costs	19,368,605	17,814,519
Remuneration of councillors	1,474,517	1,165,447
Bulk purchases - Electricity	39,163	-
Contracted services	192,015	2,173,552
General expenses	87,491,332	15,452,639
Cash Payments by Type	108,565,632	36,606,157
Other Cash Flows/Payments by Type		
Capital assets	1,875,245	2,478,185
Repayment of borrowing	-	-
Total Cash Payments by Type	110,440,877	39,084,342
Net Increase/(Decrease) in Cash Held	1,586,213	-1,214,503
Cash/cash equivalents at the month/year begin:	5,063,141	6,649,354
Cash/cash equivalents at the month/year end:	6,649,354	5,434,851

Report on conditional grants at 31 August 2016

Municipality:

FS201 Moqhaka

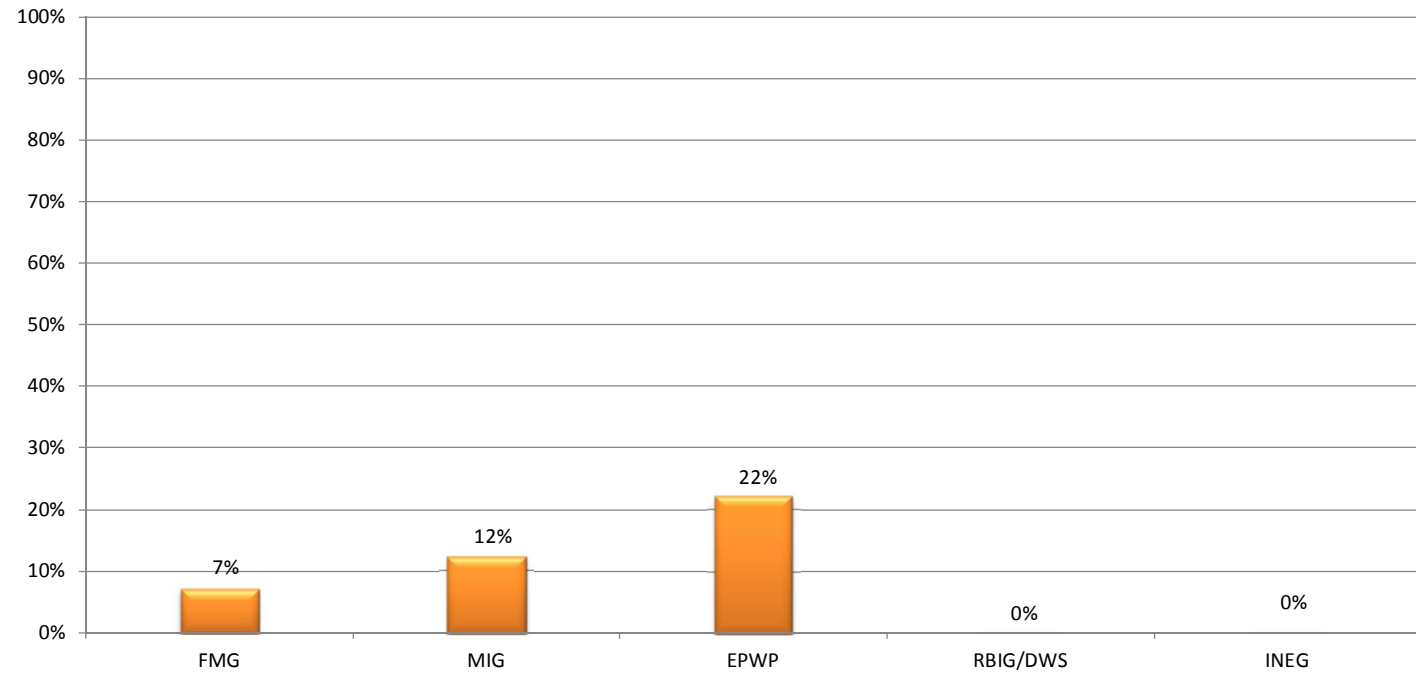
Financial Accounting for Grant Funds Received and Expended

	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 2016/17	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	250,000	-	424,000
Total Funds Received	-	14,780,000	250,000	-	424,000
Spent Prior Months	41,667	2,494,723	110,000	-	-
Spent This Month	83,333	2,135,893	110,000	-	-
Total Funds Spent	125,000	4,630,616	220,000	-	-
Total funds Received and Not Spent	-125,000	10,149,384	30,000	-	7,000,000
Percentage of Funds Spent	7%	12%	22%	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 August 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	821,056	2,988,101	31%
HOUSING SUBSIDY	1,367,650	105,115	204,356	15%
OTHER ALLOWANCES	914,965	114,748	194,465	21%
OVERTIME	13,995,187	1,293,533	2,612,998	19%
TELEPHONE ALLOWANCE	558,154	33,456	66,911	12%
SALARIES & WAGES BASIC	132,247,907.00	10,905,678	22,031,084	17%
STANDBY ALLOWANCE	1,727,737.00	123,139	264,245	15%
VEHICLE ALLOWANCE	10,875,300.00	851,728	1,695,142	16%
SUB-TOTAL EMPLOYEE COSTS	171,469,160	14,248,453	30,057,302	18%
GROUP LIFE INSURANCE GENERAL	2,063,483	134,461	268,732	13%
INDUSTRIAL COUNCIL LEVY	146,448	7,235	14,508	10%
INSURANCE UNEMPLOYMENT	1,428,407	118,798	243,788	17%
MEDICAL AID SCHEME	13,365,865	1,078,664	2,148,704	16%
PENSION FUNDS	23,012,023	1,933,391	3,878,904	17%
POST-RETIREMENT MEDICAL BENEFITS	2,972,467	293,518	571,188	19%
SUB-TOTAL SOCIAL CONTRIBUTION	42,988,693	3,566,066	7,125,824	17%
TOTAL EMPLOYEE COSTS	214,457,853	17,814,519	37,183,126	17%

Analysis of overtime per department

Description

Municipal Manager
 Corporate Services
 Financial Services
 Technical Services
 Community Services

	31-Jul		31-Aug	
	Hours	Cost	Hours	Cost
Municipal Manager	-	-	-	-
Corporate Services	50	3,651	8	1,562
Financial Services	226	30,293	178	23,856
Technical Services	7,582	730,023	7,118	714,053
Community Services	4,639	447,669	4,483	454,952
Total	12,496	1,211,636	11,787	1,194,423

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.

