



"People's power in action"

MFMA SECTION 71 REPORT
MONTH ENDING 30 September 2016

Municipal Manager
Executive Mayor

Revenue analysis for the month ending 30 September 2016

Revenue types	Annual Budget 2016/2017	30 September 2016						First Quarter Ending 30 September 2016					
		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	3,999,881	78%	7,375,922	184%	5,131,305	19,423,431	19,834,025	102%	19,980,244	12,332,070	62%
Electricity - conventional	207,684,108	17,690,954	17,463,203	99%	13,152,882	75%	17,514,449	53,236,771	49,460,606	93%	49,352,627	35,338,375	71%
Water	95,884,000	8,216,139	5,726,166	70%	2,522,996	44%	5,927,003	22,266,376	16,744,984	75%	16,666,019	7,037,734	42%
Sanitation	33,709,682	2,809,140	3,504,895	125%	1,370,130	39%	3,510,403	8,427,420	10,552,124	125%	10,571,929	3,583,845	34%
Refuse	27,801,000	2,316,750	2,368,306	102%	993,274	42%	2,372,236	6,950,250	7,105,982	102%	7,120,239	2,628,676	37%
Total Direct Services	430,788,078	36,175,856	33,062,451	91%	25,415,204	77%	34,455,396	110,304,248	103,697,721	94%	103,691,058	60,920,700	59%
Other revenue	38,910,000	3,242,500	1,769,613	55%	322,908	18%	3,953,460	9,727,500	5,587,217	57%	8,911,707	1,036,070	19%
Indigent Contribution					3,531,812							10,418,242	
Income Forgone					1,022,689							3,055,635	
Revenue from levied services	469,698,078	39,418,356	34,832,064	88%	30,292,613	87%	38,408,856	120,031,748	109,284,938	91%	112,602,765	75,430,647	69%
Electricity - prepaid	102,397,266	7,208,384	-		6,606,044			23,494,464	-			21,087,313	
Revenue before operational grants	572,095,344	46,626,740	34,832,064		36,898,657			143,526,212	109,284,938			96,517,960	
Operational grants and subsidies	2,448,951				1,810,000			2,448,951				1,810,000	74%
Equitable share	158,519,001	66,049,000			66,049,000			66,049,000				66,049,000	100%
Total Revenue	733,063,296	112,675,740	34,832,064		104,757,657	-		212,024,163	109,284,938			164,376,960	-

Comments for September 2016 Section 71 Report.

Collection rate for Sep 2016 on the levied services is 87%.

Collection rate for sanitation and refuse for the month is 39% and 42% against levies respectively.

The collection rate for the month on Property rates is 184%.

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 September is 75%.

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

Total direct services collection rate against levies is 77% for the month.

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

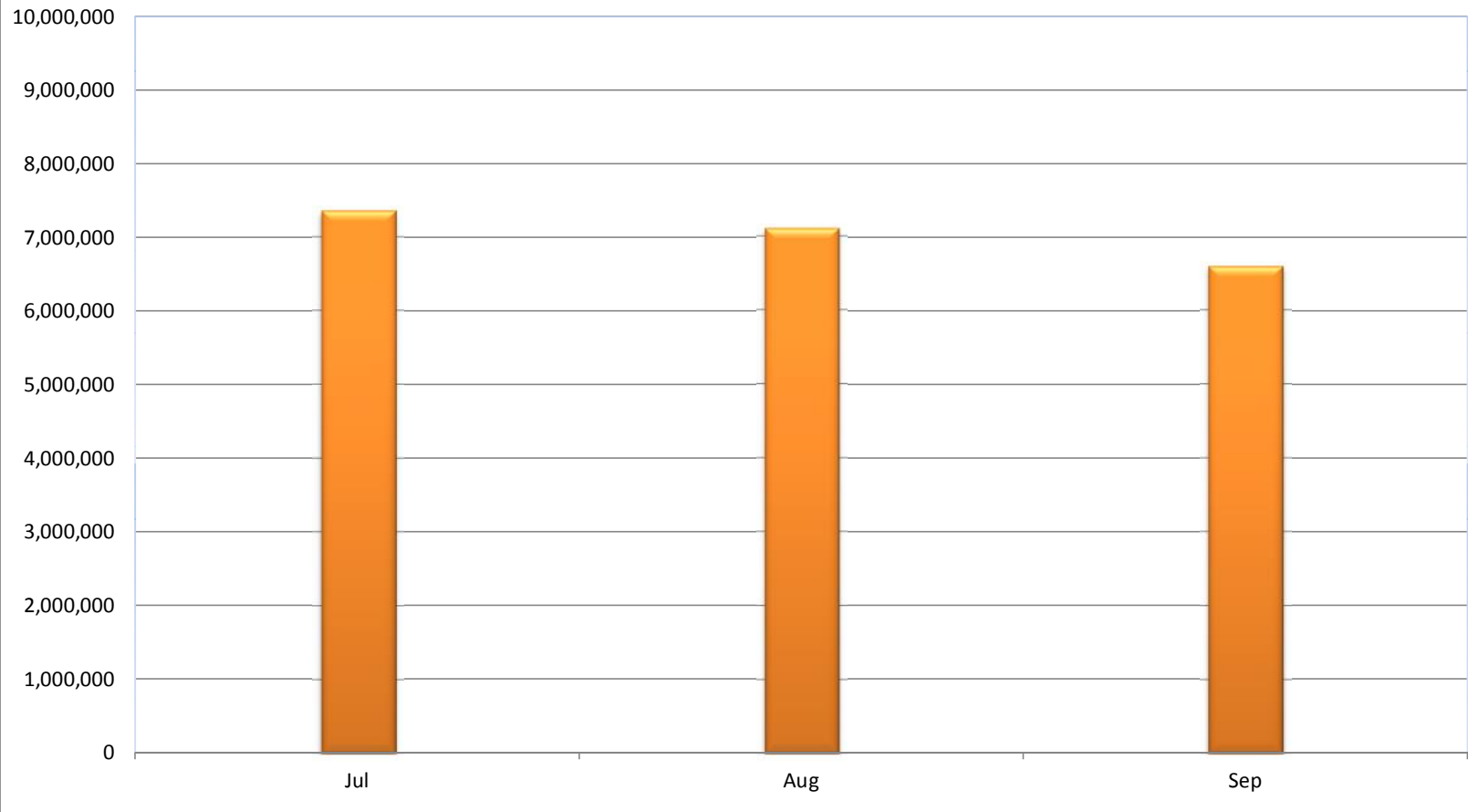
Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing	Revenue	Percentage	Billing	Revenue	Percentage	Billing	Revenue	Percentage
Jul	31,203,153	15,092,910	48%	7,204,366	2,893,109	40%	831,328	333,417	40%
Aug	28,331,554	14,345,088	51%	5,677,300	3,262,571	57%	756,305	291,562	39%
Sep	27,703,007	21,895,163	79%	6,127,116	3,461,367	56%	761,276	381,584	50%
Total	87,237,714	51,333,161	59%	19,008,782	9,617,047	51%	2,348,909	1,006,563	43%

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
Sep	100443	5601131	6606044	465400	75	6,606,044
						21,087,313

The average collection rate for Kroonstad/Maokeng for Sep is 79% , Viljoenskroon/Rammulutsi is 56% , & Steynsrus/Matlwangtlwang also 50% against the levy. Kroonstad/Maokeng generated a revenue of R21.8m for Sep, Viljoenskroon/Rammolutsi's R3.4m & Steynsrus/Matlwangtlwang generated R381 584. The revenue generated through prepaid electricity for the month is R6.6m. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales 2016-17



Analysis of Debtors as at 30 September 2016

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Debtors Age Analysis By Income					
Water Tariffs	6,013,393	3,099,006	4,557,185	178,451,156	192,120,740
Electricity Tariffs	15,919,180	2,632,608	1,700,356	21,915,757	42,167,901
Rates (Property Rates)	3,532,930	1,762,083	1,443,361	25,781,588	32,519,962
Sewerage / Sanitation Tariffs	2,560,284	1,688,608	1,494,956	42,315,398	48,059,246
Refuse Removal Tariffs	1,738,889	1,102,481	975,789	29,772,928	33,590,087
Other	2,356,406	1,651,191	2,103,265	68,178,256	74,289,118
Total By Income Source	32,121,082	11,935,977	12,274,912	366,415,083	422,747,054
Debtors Age Analysis By Customer Group					
Government	5,139,212	2,926,210	2,315,794	6,448,933	16,830,149
Business	13,845,623	1,146,245	1,095,401	11,562,088	27,649,357
Households	10,509,344	6,167,853	6,260,558	190,959,539	213,897,294
Other	2,626,903	1,695,669	2,603,159	157,444,523	164,370,254
Total By Customer Group	32,121,082	11,935,977	12,274,912	366,415,083	422,747,054

Highlights	JUL	AUG	SEP
Services			
Councillors' debt	R 118,938	R 119,800	R 378,470
Officials debt	R 1,525,068	R 1,540,223	R 1,455,310
Sundry debtors			
Telephones (Officials & Councillors)	R 360,327	R 358,736	R 361,281
Study loans	R 98,612	R 99,369	R 100,125
<i>Indigents</i>	R 105,768,158	R 108,253,659	R 108,329,390
Total Debt 90 Days +	R 356,332,658	R 361,901,635	R 366,415,083

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	18,426,925	32,134,455	32,039,019	29,956,532	-	-	-	-	112,556,931
Loan repayments	1,600,000	-	-	-	-	-	-	-	1,600,000
Trade Creditors	2,640,834	2,603,150	1,969,682	-	-	-	-	-	7,213,666
Auditor General	-	-	-	-	-	-	-	-	-
DWAS	56,583	248,793	1,594,394	-	-	-	-	12,804,215	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	26,923,429	35,179,063	35,802,182	29,956,532	-	-	6,308,672	12,804,215	146,974,093

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 30-Sep-16	YTD 30-Sep-16	Variance	% Exp
EMPLOYEE RELATED COSTS	214,457,853	17,499,966	54,683,091	159,774,762	25%
REMUNERATION OF COUNCILLORS	18,543,429	1,290,561	3,930,526	14,612,903	21%
BULK PURCHASES	234,531,398	549,180	28,668,140	205,863,258	12%
CONTRACTED SERVICES	29,773,803	2,604,404	4,969,972	24,803,831	17%
TOTAL REPAIR AND MAINTENANCE	69,070,955	5,080,962	10,399,537	58,671,418	15%
DEPRECIATION ON ASSETS	8,712,372	726,031	2,178,093	6,534,279	25%
CONTRIBUTIONS TO BAD DEBTS	5,897,840	491,487	1,474,460	4,423,380	25%
GENERAL EXPENSES	126,315,622	13,476,698	30,419,572	95,696,050	24%
TOTAL EXPENDITURE (NETT)	707,303,272	41,719,289	136,723,391	570,379,881	19%

CONTRACTED SERVICES

Description	Annual Budget 2016/2017	Actual 30-Sep-16	YTD 30-Sep-16	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	531,302	32,351	103,542	427,760	19%
INTERNAL AUDIT	2,835,500	-	-	2,835,500	0%
PERFORMANCE MANAGEMENT	700,000	-	89,720	610,280	13%
METER READING FEES	2,051,200	143,173	143,173	1,908,027	7%
RAILWAY SIDING	727,890	80,551	127,851	600,039	18%
SECURITY (MONITORING OF ALARMS)	727,911	40,495	59,579	668,332	8%
SECURITY SERVICES	22,200,000	2,307,834	4,446,107	17,753,893	20%
CONTRACTED SERVICES	29,773,803	2,604,404	4,969,972	24,803,831	17%

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 30-Sep-16	YTD 30-Sep-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	23,591	46,555	310,074	13%
ANNUAL REPORT & IDP PREPARATIONS	300,000	-	-	300,000	0%
AUDIT FEES (EXTERNAL)	4,839,822	614,328	614,328	4,225,494	13%
BANK CHARGES	2,251,492	206,843	563,220	1,688,272	25%
BIOLOGICAL RISK ASSESSMENT	150,000	-	-	150,000	0%
BOOKS & MAGAZINES	44,075	-	-	44,075	0%
CHEMICALS	6,727,054	580,251	606,203	6,120,851	9%
CIVIC FUNERALS	210,000	-	-	210,000	0%
CLEANING CAMPAIGN	105,000	-	103,713	1,287	99%
CLEANING MATERIALS	425,471	44,438	100,924	324,547	24%
CLIMATE CHANGE/DISASTER MNG	450,000	-	68,007	381,993	15%
COMMISSION PAID	4,488,772	413,918	840,150	3,648,622	19%
COMMITTEES AUDIT	347,750	44,677	72,677	275,073	21%
COMMITTEES CHILDCARE	55,968	-	-	55,968	0%
COMMITTEES HIC/AIDS	250,000	-	-	250,000	0%
COMMITTEES LOCAL SPORT	55,000	630	13,570	41,430	25%
COMMITTEES OLD AGE	55,968	-	3,450	52,518	6%
COMMITTEES WARDS	1,457,500	-	440,000	1,017,500	30%
COMMONAGE	40,000	-	25,272	14,728	63%
CONFERENCES/SEMINARS/MEETINGS	2,578,288	215,231	352,762	2,225,526	14%
COOPERATIVES DEVELOPMENT	100,000	-	-	100,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 30-Sep-16	YTD 30-Sep-16	Variance	% Exp
PROFESSIONAL FEES	4,001,834	1,506,988	2,713,440	1,288,394	68%
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	129,060	2%
ENTERTAINMENT COST	546,373	62,087	143,221	403,152	26%
EVENTS LOGISTICS	15,000	-	-	15,000	0%
FUEL & LUBRICANTS	7,406,287	643,337	1,099,895	6,306,392	15%
FUNERAL ATTENDANCE	6,537	-	-	6,537	0%
GRAVE - NUMBERS	7,420	-	-	7,420	0%
GRANT EXP - FMG	1,810,000	60,380	143,713	1,666,287	8%
GRANT EXP - LG SETA MANDATORY	638,951	-	-	638,951	0%
IDP/LDO PROCESS	20,000	-	-	20,000	0%
INDIGENT - CONTRIBUTIONS	24,900,617	3,531,812	10,418,242	14,482,375	42%
INSURANCE GENERAL	3,800,000	11,583	815,749	2,984,251	21%
INSURANCE GENERAL EXCESS	350,000	12,825	23,221	326,779	7%
INTERNSHIP & EXPERIENTIAL 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	776	776	51,623	1%
LABORATORY FEES	990,000	-	-	990,000	0%
LATE PAYMENT - CREDITORS	35,000	-	387,018	-352,018	1106%
LEANER SHIP	21,200	-	-	21,200	0%
LEGAL FEES	2,000,000	867,322	1,212,714	787,286	61%
LICENSES OTHER	3,910,342	88,675	1,683,495	2,226,847	43%
LICENCES PUBLIC	3,816	-	-	3,816	0%
LICENSES VEHICLES	591,812	76,051	222,033	369,779	38%
MEDICAL EXAMINATIONS	500,000	-	-	500,000	0%
MEDICINES	4,269	-	1,612	2,657	38%
MEMBERSHIP FEES	13,910	3,100	4,646	9,264	33%
M SOLAR/SCOA PROJECT	250,000	-	-	250,000	0%
PAUPER BURIALS	60,000	746	5,746	54,254	10%
PENSIONERS GRANT	8,565	750	1,425	7,140	17%
PERFORMANCE EVALUATION COMMITTEE	21,000	-	-	21,000	0%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,153,044	246,044	353,809	799,235	31%
POSTOFFICE & EASYPAY COMMISSION	411,756	4,637	147,830	263,926	36%
PRE-PAID METERS	2,200,000	-	-	2,200,000	0%
PRINTING & STATIONERY	2,556,168	253,576	340,741	2,215,427	13%
PRODUCTIONS,SHOWS & MARKETING	150,000	-	-	150,000	0%
PROTECTIVE CLOTHING	2,279,107	27,467	27,699	2,251,408	1%
RECREATION	20,000	-	-	20,000	0%
RECRUITMENT FEES	17,490	-	-	17,490	0%
RENT - OFFICE EQUIPMENT & OTHER	1,495,149	36,813	111,859	1,383,290	7%
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	151,835	474,509	915,999	34%
SMME DEVELOPMENT	80,000	-	-	80,000	0%
SOCIAL PROGRAMS	864,583	-164	290,886	573,697	34%
SPORTS,ARTS & CULTURE PROGRAMME	400,000	-	-	400,000	0%
STOCK AND MATERIAL	355,840	24,369	51,906	303,934	15%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 30-Sep-16	YTD 30-Sep-16	Variance	% Exp
SUBSCRIPTION FEES	5,460	-	-	5,460	0%
SUPPLEMENTARY VALUATIONS	165,950	14,000	28,000	137,950	17%
TELEPHONE & FAX	2,231,000	149,178	376,137	1,854,863	17%
TOURISM	300,000	-	-	300,000	0%
TOWN PLANNING COST	700,000	-	-	700,000	0%
TRAFFIC SIGNS	329,443	-	1,122	328,321	0%
TRAINING STAFF	250,000	47,975	59,095	190,905	24%
TRAINING COUNCILLORS	300,000	-	-	300,000	0%
VALUATION ROLL	2,700,000	-	228,070	2,471,930	8%
WEED KILLERS / PEST CONTROL	350,000	-	-	350,000	0%
WINDEED	47,954	2,400	5,958	41,996	12%
WORKMENS COMPENSATION	952,300	-	-	952,300	0%
GENERAL EXPENSES	105,357,126	9,968,469	25,228,137	80,128,989	24%

CASH FLOW ANALYSIS FOR THE MONTH ENDING

Detail

Sep-16

Cash Receipts by Source

Property rates	7,375,847
Service charges - electricity revenue	21,011,899
Service charges - water revenue	2,483,985
Service charges - sanitation revenue	1,329,036
Service charges - refuse revenue	1,132,332
Service charges - other	-
Interest earned - outstanding debtors	108,419
Fines	-
Transfer receipts - operational	-
Other revenue	5,685,430
Cash Receipts by Source	39,126,948

Other Cash Flows/Receipts by Source

Transfer receipts - capital	1,762,000
Borrowing long term/refinancing	-

Total Cash Receipts by Source **40,888,948**

Cash Payments by Type

Employee related costs	17,499,964
Remuneration of councillors	1,290,561
Bulk purchases - Electricity	-
Contracted services	2,575,411
General expenses	18,195,645
Cash Payments by Type	39,561,581

Other Cash Flows/Payments by Type

Capital assets	914,701
Repayment of borrowing	

Total Cash Payments by Type **40,476,282**

Net Increase/(Decrease) in Cash Held **412,666**

Cash/cash equivalents at the month/year begin: **5,434,851**

Cash/cash equivalents at the month/year end: **5,847,517**

Report on conditional grants at 30 September 2016

Municipality:

FS201 Moqhaka

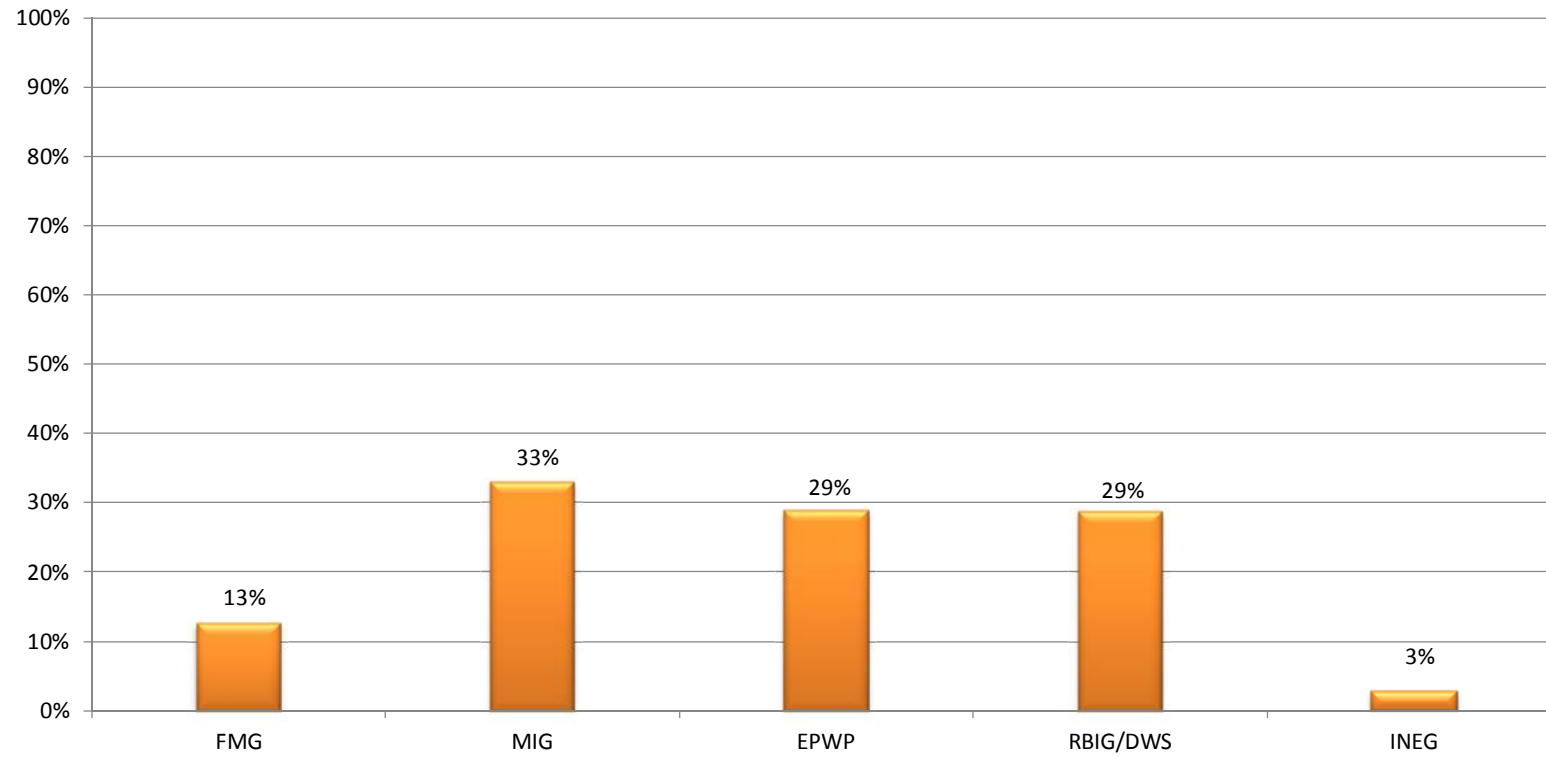
Financial Accounting for Grant Funds Received and Expended

	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	1,151,000	51,629,667	7,000,000
Unspent grants at beginning of the financial year	-	-	-	-	-
Received Prior Months	-	14,780,000	250,000	-	424,000
Received This Month	1,810,000	7,985,000	210,000	19,070,797	1,762,000
Total Funds Received	1,810,000	22,765,000	460,000	19,070,797	2,186,000
Spent Prior Months	125,000	4,630,616	220,000	-	-
Spent This Month	105,681	8,064,388	114,070	14,903,172	206,856
Total Funds Spent	230,681	12,695,004	334,070	14,903,172	206,856
Total funds Received and Not Spent	1,579,319	10,069,996	125,930	4,167,625	6,793,144
Percentage of Funds Spent	13%	33%	29%	29%	3%
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	86,349,000

GRANTS SPENDING 2016/17



REPORT ON STAFF BENEFITS: Staff costs analysis for the month of September 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	562,362	3,550,464	36%
HOUSING SUBSIDY	1,367,650	106,184	310,540	23%
OTHER ALLOWANCES	914,965	206,544	401,009	44%
OVERTIME	13,995,187	1,527,490	4,140,488	30%
TELEPHONE ALLOWANCE	558,154	32,306	99,217	18%
SALARIES & WAGES BASIC	132,247,907.00	10,702,677	32,733,761	25%
STANDBY ALLOWANCE	1,727,737.00	141,298	405,544	23%
VEHICLE ALLOWANCE	10,875,300.00	753,730	2,448,871	23%
SUB-TOTAL EMPLOYEE COSTS	171,469,160	14,032,592	44,089,894	26%
GROUP LIFE INSURANCE GENERAL	2,063,483	136,075	404,807	20%
INDUSTRIAL COUNCIL LEVY	146,448	7,043	21,550	15%
INSURANCE UNEMPLOYMENT	1,428,407	116,618	360,406	25%
MEDICAL AID SCHEME	13,365,865	1,045,122	3,193,826	24%
PENSION FUNDS	23,012,023	1,885,918	5,764,822	25%
POST-RETIREMENT MEDICAL BENEFITS	2,972,467	276,598	847,786	29%
SUB-TOTAL SOCIAL CONTRIBUTION	42,988,693	3,467,374	10,593,198	25%
TOTAL EMPLOYEE COSTS	214,457,853	17,499,966	54,683,091	25%

Analysis of overtime per department

Description

Municipal Manager
 Corporate Services
 Financial Services
 Technical Services
 Community Services
Total

	31-Aug		30-Sep	
	Hours	Cost	Hours	Cost
Municipal Manager	-	-	-	-
Corporate Services	8	1,562	90	6,056
Financial Services	178	23,856	165	19,773
Technical Services	7,118	714,053	7,680	791,271
Community Services	4,483	454,952	5,496	580,480
Total	11,787	1,194,423	13,431	1,397,580

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.

