



"People's power in action"

MFMA SECTION 71 REPORT
MONTH ENDING 30 November 2016

Municipal Manager
Executive Mayor

Revenue analysis for the month ending 30 November 2016

Revenue types	November 2016								Fifth Month Ending 30 November 2016					
	Annual Budget 2016/2017	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	65,709,288	5,142,873	3,994,222	78%	4,208,410	105%	1,139,413	5,133,635	29,709,177	27,824,199	94%	30,262,740	16,215,248	58%
Electricity - conventional	207,684,108	15,516,624	15,108,715	97%	13,622,003	90%	-55,685	15,053,030	84,710,576	78,777,363	93%	78,519,323	47,813,537	61%
Water	95,884,000	7,233,562	7,888,394	109%	3,900,952	49%	434,901	8,323,295	37,260,274	31,821,593	85%	32,375,144	9,824,675	31%
Sanitation	33,709,682	2,809,140	3,516,206	125%	1,477,931	42%	7,048	3,523,254	14,045,700	17,580,973	125%	17,612,522	4,917,666	28%
Refuse	27,801,000	2,316,750	2,370,785	102%	1,012,592	43%	4,344	2,375,129	11,583,750	11,847,504	102%	11,868,617	3,561,706	30%
Total Direct Services	430,788,078	33,018,949	32,878,322	100%	24,221,888	74%	1,530,021	34,408,343	177,309,477	167,851,632	95%	170,638,346	82,332,832	49%
Other revenue	38,910,000	3,242,500	1,734,638	53%	567,446	33%	884,348	2,618,986	16,212,500	9,624,691	59%	15,417,755	1,363,477	14%
Indigent Contribution					3,567,916								17,194,342	
Income Forgone					1,076,363								5,291,728	
Revenue from levied services	469,698,078	36,261,449	34,612,960	95%	29,433,613	85%	2,414,369	37,027,329	193,521,977	177,476,323	92%	186,056,101	106,182,379	60%
Electricity - prepaid	102,397,266	7,148,668	-		6,694,480				37,981,703	-			34,506,076	
Revenue before operational	572,095,344	43,410,117	34,612,960		36,128,093				231,503,680	177,476,323			140,688,455	
Operational grants and subsidies	2,448,951								2,448,951				1,810,000	74%
Equitable share	158,519,001								66,049,000				66,049,000	100%
Total Revenue	733,063,296	43,410,117	34,612,960		36,128,093	-			300,001,631	177,476,323			208,547,455	-

Comments for November 2016 Section 71 Report.

Collection rate for Nov 2016 on the levied services is 85%.

Collection rate for sanitation and refuse for the month is 42% and 43% against levies respectively.

The collection rate for the month on Property rates is 105%.

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 November is 90%

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

Total direct services collection rate against levies is 74%.

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%
Oct	26,146,953	18,026,740	69%	5,873,794	3,402,200	58%	750,167	310,599	41%
Nov	27,398,287	20,684,908	75%	6,184,492	3,719,999	60%	794,943	384,428	48%
Total	140,782,954	90,044,809	64%	31,067,068	16,739,246	54%	3,894,019	1,701,590	44%

PRE-PAID ELECTRICITY SALES

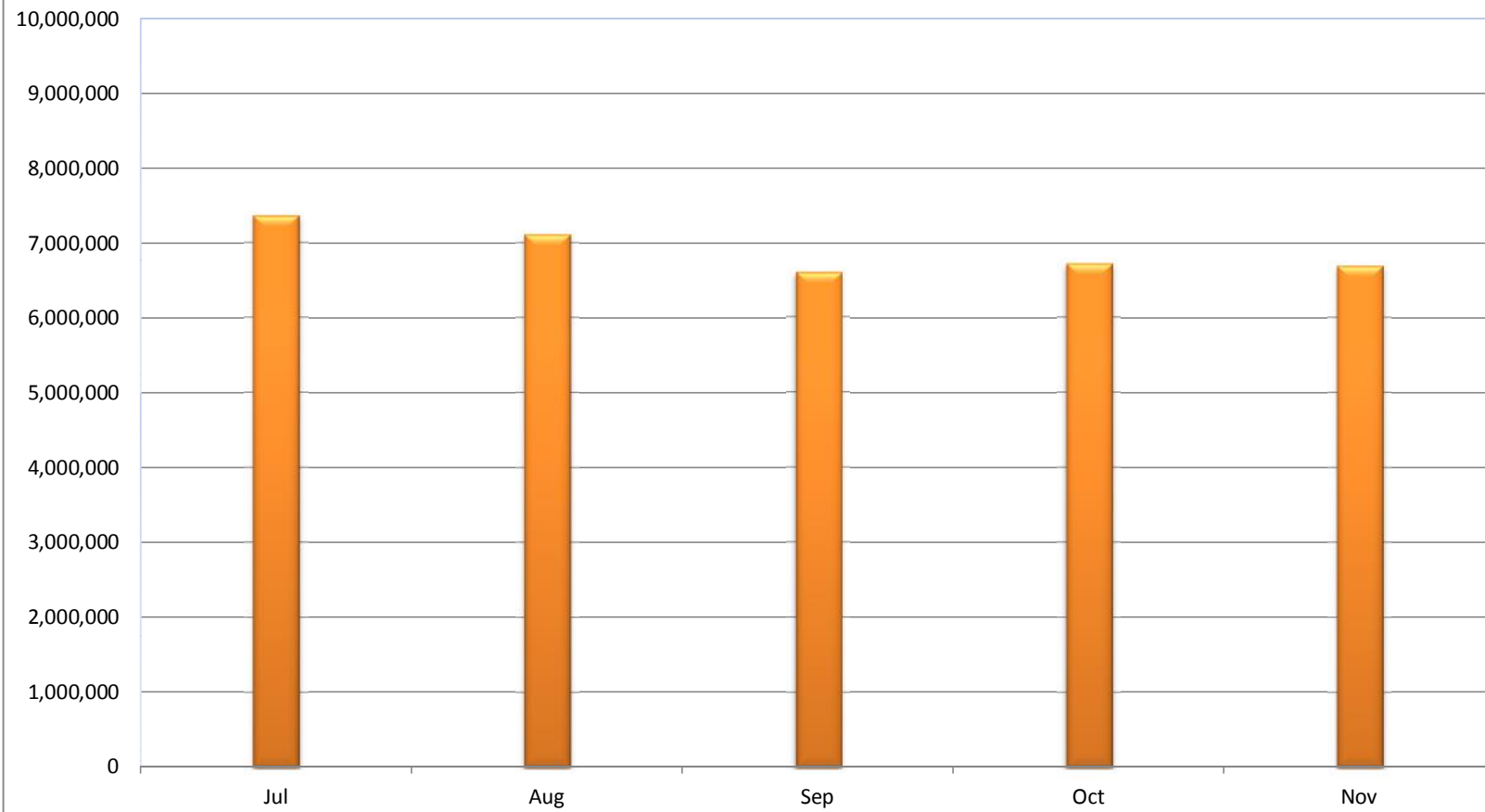
Month	Transactions	Units	Unit Value	Free Units	Avg Val/trans	Total
Jul	112561	6224756	7365732	444550	75	7,365,732
Aug	111019	5987752	7115537	453350	73	7,115,537
Sep	100443	5601131	6606044	465400	75	6,606,044
Oct	101,786	5,674,148	6,724,283	463,050	75	6,724,283
Nov	98,926	5,647,936	6,694,480	465,550	77	6,694,480
						34,506,076

The average collection rate for Kroonstad/Maokeng for Nov is 75% ,Viljoenskroon/Rammulutsi is 60% ,& Steynsrus/Matlwangtlwang is 48% against the levy.

Kroonstad/Maokeng generated a revenue of R20.6m for Nov, Viljoenskroon/Rammolutsi's R3.7m & Steynsrus/Matlwangtlwang generated R384 428.

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 November 2016

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Debtors Age Analysis By Income					
Water Tariffs	7,846,994	4,613,081	3,477,697	183,297,594	199,235,366
Electricity Tariffs	13,145,444	1,761,431	1,691,567	24,237,327	40,835,769
Rates (Property Rates)	2,676,153	1,052,992	745,468	26,144,915	30,619,528
Sewerage / Sanitation Tariffs	2,448,067	1,632,209	1,480,952	44,318,823	49,880,051
Refuse Removal Tariffs	1,651,193	1,096,000	988,071	31,061,086	34,796,350
Other	2,186,826	2,572,766	2,039,411	69,923,361	76,722,364
Total By Income Source	29,954,677	12,728,479	10,423,166	378,983,106	432,089,428
Debtors Age Analysis By Customer Group					
Government	4,946,999	1,623,232	1,527,532	9,370,216	17,467,979
Business	12,787,931	1,045,225	571,706	12,250,248	26,655,110
Households	9,997,289	6,653,943	6,207,610	192,480,311	215,339,153
Other	2,222,458	3,406,079	2,116,318	164,882,331	172,627,186
Total By Customer Group	29,954,677	12,728,479	10,423,166	378,983,106	432,089,428

Highlights	Sep	Oct	Nov
Services			
Councillors' debt	R 378,470	R 377,847	R 354,138
Officials debt	R 1,455,310	R 1,506,803	R 1,537,660
Sundry debtors			
Telephones (Officials & Councillors)	R 361,281	R 362,370	R 362,474
Study loans	R 100,125	R 100,991	R 101,857
<i>Indigents</i>	R 108,329,390	R 111,834,463	R 115,040,942
Total Debt 90 Days +	R 366,415,083	R 374,051,610	R 378,983,106

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	19,597,826	18,598,478	18,426,925	32,134,455	61,995,551	-	-	-	150,753,235
Loan repayments	1,600,000	-	-	-	-	-	-	-	1,600,000
Trade Creditors	4,408,285	1,478,850	351,841	3,220,049	-	-	-	-	9,459,025
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
WSSA	246,728	246,728	493,456	493,456	-	-	-	-	1,480,368
OTHER CREDITORS	7,000,000	-	-	-	-	-	-	-	7,000,000
Total	33,108,509	20,765,514	21,065,703	35,847,960	61,995,551	-	6,308,672	12,804,215	191,896,124

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 30-Nov-16	YTD 30-Nov-16	Variance	% Exp
EMPLOYEE RELATED COSTS	214,457,853	18,637,162	91,393,324	123,064,529	43%
REMUNERATION OF COUNCILLORS	18,543,429	1,370,330	6,666,898	11,876,531	36%
BULK PURCHASES	234,531,398	254,245	29,277,947	205,253,451	12%
CONTRACTED SERVICES	29,773,803	923,417	8,397,173	21,376,630	28%
TOTAL REPAIR AND MAINTENANCE	69,050,955	4,457,552	19,848,051	49,202,904	29%
DEPRECIATION ON ASSETS	8,712,372	726,031	3,630,155	5,082,217	42%
CONTRIBUTIONS TO BAD DEBTS	5,897,840	491,487	2,457,433	3,440,407	42%
GENERAL EXPENSES	126,135,622	10,361,891	51,255,484	74,880,138	41%
TOTAL EXPENDITURE (NETT)	707,103,272	37,222,114	212,926,466	494,176,806	30%

CONTRACTED SERVICES

Description	Annual Budget 2016/2017	Actual 30-Nov-16	YTD 30-Nov-16	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	531,302	31,921	170,741	360,561	32%
INTERNAL AUDIT	2,835,500	242,761	242,761	2,592,739	9%
PERFORMANCE MANAGEMENT	700,000	110,870	339,850	360,150	49%
METER READING FEES	2,051,200	150,238	438,294	1,612,906	21%
RAILWAY SIDING	727,890	338,204	466,055	261,835	64%
SECURITY (MONITORING OF ALARMS)	727,911	49,423	122,483	605,428	17%
SECURITY SERVICES	22,200,000		6,616,988	15,583,012	30%
CONTRACTED SERVICES	29,773,803	923,417	8,397,173	21,376,630	28%

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 30-Nov-16	YTD 30-Nov-16	Variance	% Exp
ABET TRAINING	58,300	-	-	58,300	0%
ACTIVITIES DISABILITIES	100,000	3,375	3,375	96,625	3%
ACTIVITIES YOUTH OFFICER	872,020	176,900	176,900	695,120	20%
ADVERTISEMENTS	356,629	29,376	98,063	258,566	27%
ANNUAL REPORT & IDP PREPARATIONS	300,000	-	87,000	213,000	29%
AUDIT FEES (EXTERNAL)	4,839,822	-	1,253,338	3,586,484	26%
BANK CHARGES	2,251,492	174,961	912,108	1,339,384	41%
BIOLOGICAL RISK ASSESSMENT	150,000	-	-	150,000	0%
BOOKS & MAGAZINES	44,075	-	-	44,075	0%
CHEMICALS	6,727,054	127,694	816,647	5,910,407	12%
CIVIC FUNERALS	210,000	-	-	210,000	0%
CLEANING CAMPAIGN	105,000	-	103,713	1,287	99%
CLEANING MATERIALS	445,471	45,156	187,124	258,347	42%
CLIMATE CHANGE/DISASTER MNG	450,000	-	68,007	381,993	15%
COMMISSION PAID	4,488,772	378,132	1,578,467	2,910,305	35%
COMMITTEES AUDIT	347,750	-	72,677	275,073	21%
COMMITTEES CHILDCARE	55,968	-	-	55,968	0%
COMMITTEES HIC/AIDS	250,000	35,000	35,000	215,000	14%
COMMITTEES LOCAL SPORT	55,000	11,846	25,416	29,584	46%
COMMITTEES OLD AGE	55,968	-	3,450	52,518	6%
COMMITTEES WARDS	1,457,500	15,360	455,360	1,002,140	31%
COMMONAGE	40,000	-	25,272	14,728	63%
CONFERENCES/SEMINARS/MEETINGS	2,806,268	654,278	1,122,289	1,683,979	40%
COOPERATIVES DEVELOPMENT	100,000	-	-	100,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 30-Nov-16	YTD 30-Nov-16	Variance	% Exp
PROFESSIONAL FEES	4,001,834	-	2,763,440	1,238,394	69%
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	1,442	4,182	127,618	3%
ENTERTAINMENT COST	546,373	17,805	212,848	333,525	39%
EVENTS LOGISTICS	15,000	7,056	7,056	7,944	47%
FUEL & LUBRICANTS	7,406,287	340,324	1,808,672	5,597,615	24%
FUNERAL ATTENDANCE	6,537	-	-	6,537	0%
GRAVE - NUMBERS	7,420	1,436	1,436	5,984	19%
IDP/LDO PROCESS	20,000	-	-	20,000	0%
INDIGENT - CONTRIBUTIONS	24,900,617	3,567,916	17,194,342	7,706,275	69%
INSURANCE GENERAL	3,800,000	652,899	1,490,227	2,309,773	39%
INSURANCE GENERAL EXCESS	350,000	18,292	63,713	286,287	18%
INTERNSHIP & EXPERIENTAL TRAINING	21,200	-	-	21,200	0%
INTERIM SURVEY OF ERVIN	5,966	-	-	5,966	0%
KEURSKRIF PURCHASES	3,500	-	-	3,500	0%
LABORATORY CONSUMABLES	52,399	5,834	7,422	44,977	14%
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	106,478	1,923,588	76,412	96%
LICENSES OTHER	3,910,342	701,423	2,387,949	1,522,393	61%
LICENCES PUBLIC	3,816	-	-	3,816	0%
LICENSES VEHICLES	591,812	18,711	254,024	337,788	43%
MEDICAL EXAMINATIONS	500,000	-	259,978	240,022	52%
MEDICINES	4,269	-	1,787	2,482	42%
MEMBERSHIP FEES	13,910	-	4,646	9,264	33%
M SOLAR/SCOA PROJECT	250,000	-	-	250,000	0%
PENSIONERS GRANT	8,565	750	2,925	5,640	34%
PERFORMANCE EVALUATION COMMITTEE	21,000	-	-	21,000	0%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,153,044	120,266	592,147	560,897	51%
POSTOFFICE & EASYPAY COMMISSION	411,756	31,302	211,600	200,156	51%
PRE-PAID METERS	2,200,000	-	113,616	2,086,384	5%
PRINTING & STATIONERY	2,551,168	53,851	466,100	2,085,068	18%
PRODUCTIONS,SHOWS & MARKETING	150,000	-	-	150,000	0%
RECREATION	20,000	-	-	20,000	0%
RECRUITMENT FEES	17,490	-	-	17,490	0%
RENT - OFFICE EQUIPMENT & OTHER	1,495,149	67,813	228,109	1,267,040	15%
RENT - VEHICLES	2,360,120	798	798	2,359,322	0%
RETIREE AWARDS	5,300	-	-	5,300	0%
RURAL DEVELOPMENT	200,000	-	-	200,000	0%
SALGA MEMBERSHIP FEES	2,371,987	-	1,963,916	408,071	83%
SKILLS DEVELOPMENT LEVY	1,390,508	158,930	790,389	600,119	57%
SMME DEVELOPMENT	80,000	-	16,000	64,000	20%
SOCIAL PROGRAMS	864,583	103,950	395,086	469,497	46%
SPORTS,ARTS & CULTURE PROGRAMME	400,000	-	-	400,000	0%
STOCK AND MATERIAL	355,840	16,685	101,142	254,698	28%
SUBSCRIPTION FEES	5,460	-	-	5,460	0%
SUPPLEMENTARY VALUATIONS	165,950	14,000	56,000	109,950	34%
TELEPHONE & FAX	2,231,000	100,682	645,839	1,585,161	29%
TOURISM	300,000	-	-	300,000	0%
TOWN PLANNING COST	700,000	-	-	700,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 30-Nov-16	YTD 30-Nov-16	Variance	% Exp
TRAFFIC SIGNS	329,443	1,657	54,491	274,952	17%
TRAINING STAFF	250,000	145,722	204,817	45,183	82%
TRAINING COUNCILLORS	300,000	-	-	300,000	0%
VALUATION ROLL	2,700,000	228,070	456,140	2,243,860	17%
WEED KILLERS / PEST CONTROL	350,000	-	-	350,000	0%
WINDEED	47,954	2,839	12,896	35,058	27%
WORKMENS COMPENSATION	952,300	-	-	952,300	0%
	105,377,126	8,358,128	42,814,197	62,562,929	41%

CASH FLOW ANALYSIS FOR THE MONTH ENDING

Detail

Nov-16

Cash Receipts by Source

Property rates	4,207,739
Service charges - electricity revenue	21,219,678
Service charges - water revenue	4,012,391
Service charges - sanitation revenue	1,396,061
Service charges - refuse revenue	1,154,353
Service charges - other	-
Interest earned - outstanding debtors	121,820
Fines	-
Transfer receipts - operational	2,706,324
Other revenue	5,008,821
Cash Receipts by Source	39,827,187

Other Cash Flows/Receipts by Source

Transfer receipts - capital	-
Borrowing long term/refinancing	-

Total Cash Receipts by Source **39,827,187**

Cash Payments by Type

Employee related costs	18,659,058
Remuneration of councillors	1,370,329
Bulk purchases - Electricity	-
Contracted services	891,496
General expenses	6,954,584
Cash Payments by Type	27,875,467

Other Cash Flows/Payments by Type

Capital assets	10,190,068
Repayment of borrowing	

Total Cash Payments by Type **38,065,535**

Net Increase/(Decrease) in Cash Held	1,761,652
Cash/cash equivalents at the month/year begin:	4,943,510
Cash/cash equivalents at the month/year end:	6,705,162

Municipal Investments

Regulation 9(1) of Government Gazette 27431 states:

That the accounting officer of a municipality or municipal entity must within 10 working days of the end of each month, as part of the Section 71 report required by the Act, submit to the mayor of the municipality or the board of directors of the municipal entity a report describing in accordance with the generally recognised accounting practice the investment portfolio of that municipality or municipal entity at the end of the month.

Detail	Bank Acc num	Type of investment	Vote num
ABSA - 1	20-7531-4898	Fixed Deposit	9100045050401
ABSA - 2	20-5824-7882	Fixed Deposit	9100045050301
ABSA - 3	91-3190-1443	Call Account	9100045060301

	20-7531-4898	20-5824-7882	91-3190-1443	
	ABSA - 1	ABSA - 2	ABSA - 3	Total
Balance 01-Jul- 2016	3,671.12	69,808.87	6,271,061.97	6,344,541.96
Balance at 31-Oct-2016	3,710.21	69,808.87	2,636,916.88	2,710,435.96
	55.78	4,725.01	14,054.90	18,835.69
Invested	-	-	-	-
Withdrawn	-	-	-	-
Interest earned	55.78	4,725.01	14,054.90	18,835.69
Interest accrued	-	-	-	-
Balance at 30-Nov-2015	3,765.99	74,533.88	2,650,971.78	2,729,271.65
INTEREST EARNED	150.65	9,450.02	379,909.81	389,510.48
INTEREST ACCRUED	-	-	-	-

**Report on conditional grants at
Municipality:**

**30-Nov-16
FS201 Moqhaka**

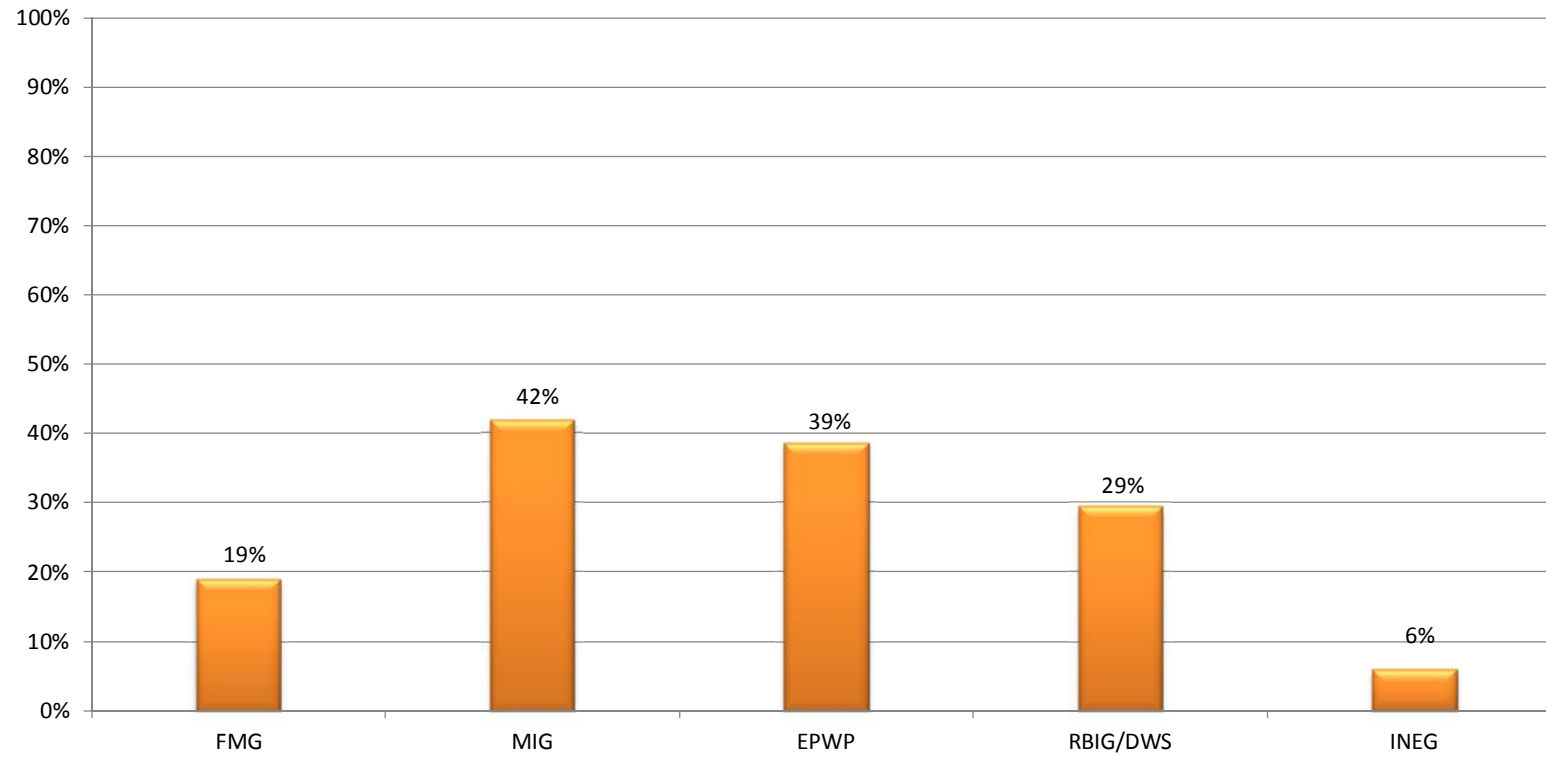
Financial Accounting for Grant Funds Received and Expended

	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	1,810,000	14,780,000	250,000	-	2,186,000
Received This Month	-	7,985,000	210,000	19,070,797	959,000
Total Funds Received	1,810,000	22,765,000	460,000	19,070,797	3,145,000
Spent Prior Months	272,978	16,066,896	444,070	15,208,008	418,010
Spent This Month	71,427	-	-	-	-
Total Funds Spent	344,405	16,066,896	444,070	15,208,008	418,010
Total funds Received and Not Spent	1,465,595	6,698,104	15,930	3,862,789	6,581,990
Percentage of Funds Spent	19%	42%	39%	29%	6%
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



30 November 2016

REPORT ON STAFF BENEFITS: Staff costs analysis for the month (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	1,456,168	6,045,660	62%
HOUSING SUBSIDY	1,367,650	101,801	516,369	38%
OTHER ALLOWANCES	914,965	98,308	617,294	67%
OVERTIME	13,995,187	1,332,831	6,770,601	48%
TELEPHONE ALLOWANCE	558,154	32,936	165,458	30%
SALARIES & WAGES BASIC	132,247,907.00	11,199,363	54,922,052	42%
STANDBY ALLOWANCE	1,727,737.00	143,334	676,408	39%
VEHICLE ALLOWANCE	10,875,300.00	792,461	4,161,369	38%
SUB-TOTAL EMPLOYEE COSTS	171,469,160	15,157,202	73,875,210	43%
GROUP LIFE INSURANCE GENERAL	2,063,483	136,075	676,956	33%
INDUSTRIAL COUNCIL LEVY	146,448	7,135	35,835	24%
INSURANCE UNEMPLOYMENT	1,428,407	118,446	598,473	42%
MEDICAL AID SCHEME	13,365,865	1,032,151	5,242,979	39%
PENSION FUNDS	23,012,023	1,900,068	9,560,670	42%
POST-RETIREMENT MEDICAL BENEFITS	2,972,467	286,086	1,403,201	47%
SUB-TOTAL SOCIAL CONTRIBUTION	42,988,693	3,479,960	17,518,113	41%
TOTAL EMPLOYEE COSTS	214,457,853	18,637,162	91,393,324	43%

Analysis of overtime per department

Description	30-Sep		31-Oct		30-Nov	
	Hours	Cost	Hours	Cost	Hours	Cost
Municipal Manager	-	-	-	-	-	-
Corporate Services	90	6,056	5	506	20	1,825
Financial Services	165	19,773	149	16,774	192	22,911
Technical Services	7,680	791,271	5,995	624,090	7,489	756,145
Community Services	5,496	580,480	5,379	544,880	4,416	460,679
Total	13,431	1,397,580	11,528	1,186,249	12,117	1,241,560

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.

