



"People's power in action"

MFMA SECTION 71 REPORT
MONTH ENDING 31 October 2016

Municipal Manager
Executive Mayor

Revenue analysis for the month ending 31 October 2016

Revenue types	Annual	31 October 2016						Fourth Month Ending 31 October 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	3,995,952	78%	3,883,178	97%	5,148,861	24,566,304	23,829,977	97%	25,129,105	16,215,248	68%
Electricity - conventional	207,684,108	15,957,181	14,208,042	89%	12,475,162	88%	14,255,990	69,193,952	63,668,648	92%	63,548,117	47,813,537	75%
Water	95,884,000	7,760,336	7,188,215	93%	2,786,941	39%	7,385,831	30,026,712	23,933,199	80%	24,051,849	9,824,675	41%
Sanitation	33,709,682	2,809,140	3,512,643	125%	1,333,821	38%	3,517,339	11,236,560	14,064,767	125%	14,087,984	4,917,666	35%
Refuse	27,801,000	2,316,750	2,370,737	102%	933,030	39%	2,373,249	9,267,000	9,476,719	102%	9,493,488	3,561,706	38%
Total Direct Services	430,788,078	33,986,280	31,275,589	92%	21,412,132	68%	32,681,270	144,290,528	134,973,310	94%	136,310,543	82,332,832	61%
Other revenue	38,910,000	3,242,500	2,302,836	71%	327,407	14%	3,004,252	12,970,000	7,890,053	61%	12,347,375	1,363,477	17%
Indigent Contribution					3,208,184							13,626,426	
Income Forgone					1,159,729							4,215,364	
Revenue from levied services	469,698,078	37,228,780	33,578,425	90%	26,107,452	78%	35,685,522	157,260,528	142,863,363	91%	148,657,918	101,538,099	71%
Electricity - prepaid	102,397,266	7,338,571	-		6,724,283			30,833,035	-			27,811,596	
Revenue before operational grants	572,095,344	44,567,351	33,578,425		32,831,735			188,093,563	142,863,363			129,349,695	
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	44,567,351	33,578,425		32,831,735	-		256,591,514	142,863,363			197,208,695	-

Comments for October 2016 Section 71 Report.

Collection rate for Oct 2016 on the levied services is 78%.

Collection rate for sanitation and refuse for the month is 38% and 39% against levies respectively.

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 October is 88%

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

Total direct services collection rate against levies is 68%.

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)

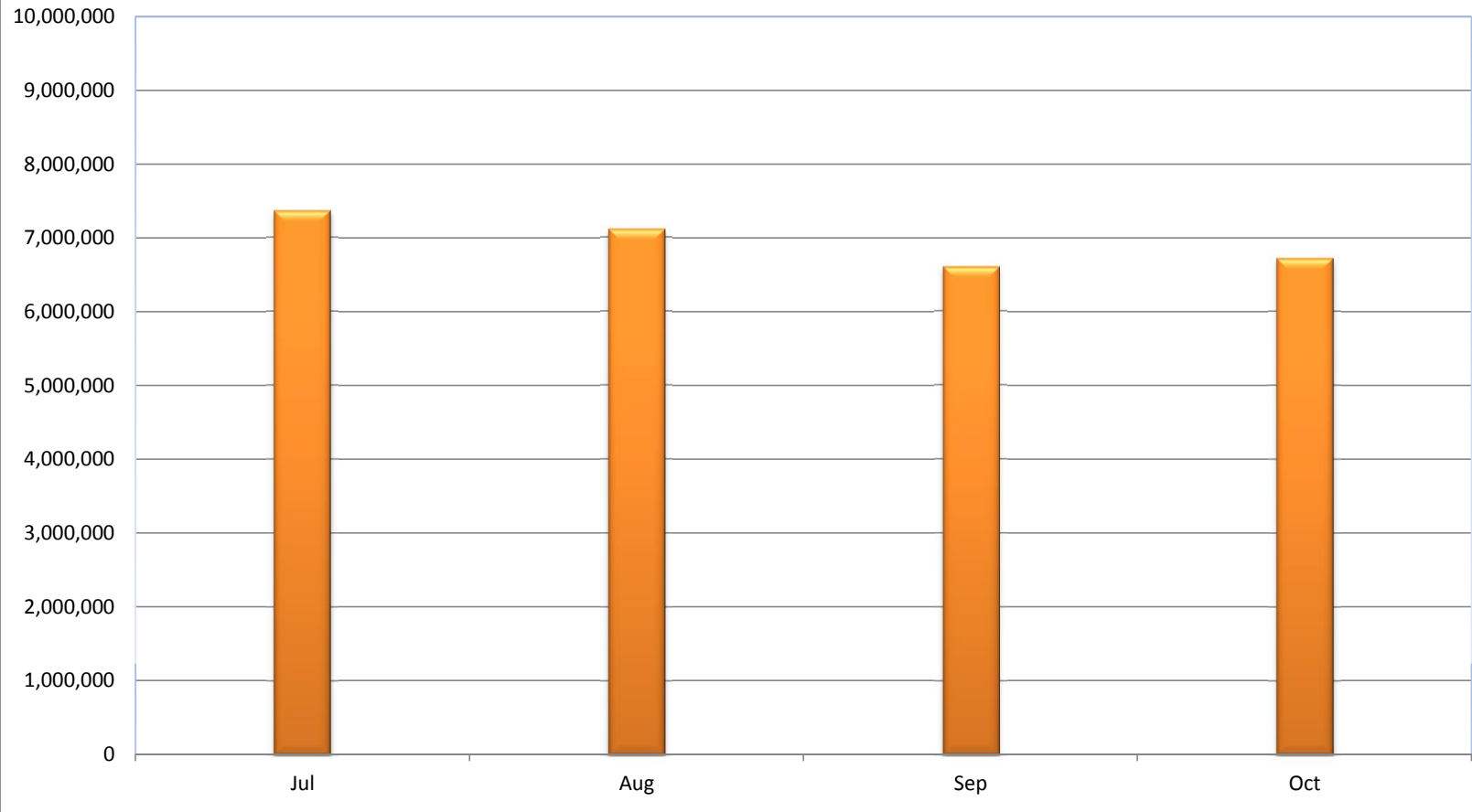
Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing	Revenue	Percentage	Billing	Revenue	Percentage	Billing	Revenue	Percentage
Jul	31,203,153	15,092,910	48%	7,204,366	2,893,109	40%	831,328	333,417	40%
Aug	28,331,554	14,345,088	51%	5,677,300	3,262,571	57%	756,305	291,562	39%
Sep	27,703,007	21,895,163	79%	6,127,116	3,461,367	56%	761,276	381,584	50%
Oct	26,146,953	18,026,740	69%	5,873,794	3,402,200	58%	750,167	310,599	41%
Total	113,384,667	69,359,901	62%	24,882,576	13,019,247	53%	3,099,076	1,317,162	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
Oct	101,786	5,674,148	6,724,283	463,050	75	6,724,283
						27,811,596

The average collection rate for Kroonstad/Maokeng for Oct is 69% , Viljoenskroon/Rammulutsi is 58% ,& Steynsrus/Matlwangtlwang is 41% against the levy. Kroonstad/Maokeng generated a revenue of R18m for Oct, Viljoenskroon/Rammulutsi's R3.4m & Steynsrus/Matlwangtlwang generated R310 599. The revenue generated through prepaid electricity for the month is R6.7m. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales 2016-17



Analysis of Debtors as at 31 October 2016

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Debtors Age Analysis By Income					
Water Tariffs	7,704,917	3,943,412	2,721,105	181,700,462	196,069,896
Electricity Tariffs	14,491,880	2,899,988	1,879,512	23,243,782	42,515,162
Rates (Property Rates)	3,705,667	1,797,499	787,770	26,057,392	32,348,328
Sewerage / Sanitation Tariffs	2,615,084	1,696,798	1,473,193	43,350,078	49,135,153
Refuse Removal Tariffs	1,774,880	1,122,938	982,817	30,426,002	34,306,637
Other	2,815,795	2,156,694	1,633,166	69,273,894	75,879,549
Total By Income Source	33,108,223	13,617,329	9,477,563	374,051,610	430,254,725
Debtors Age Analysis By Customer Group					
Government	5,422,195	2,647,432	1,764,161	7,877,841	17,711,629
Business	13,318,430	1,587,450	760,839	12,344,040	28,010,759
Households	10,144,479	7,176,759	5,283,478	191,951,993	214,556,709
Other	4,223,119	2,205,688	1,669,085	161,877,736	169,975,628
Total By Customer Group	33,108,223	13,617,329	9,477,563	374,051,610	430,254,725

Highlights

Services

	AUG	SEP	Oct
Councillors' debt	R 119,800	R 378,470	R 377,847
Officials debt	R 1,540,223	R 1,455,310	R 1,506,803

Sundry debtors

	AUG	SEP	Oct
Telephones (Officials & Councillors)	R 358,736	R 361,281	R 362,370
Study loans	R 99,369	R 100,125	R 100,991

Indigents

	AUG	SEP	Oct
Total Debt 90 Days +	R 361,901,635	R 366,415,083	R 374,051,610

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	18,598,477	18,426,925	32,134,455	61,995,551	-	-	-	-	131,155,408
Loan repayments	1,600,000	-	-	-	-	-	-	-	1,600,000
Trade Creditors	6,404,744	639,663	1,559,042	1,940,787	-	-	-	-	10,544,236
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	986,913	-	-	-	-	-	1,480,369
OTHER CREDITORS	6,000,000	-	-	-	-	-	-	-	6,000,000
Total	33,105,619	19,754,774	36,473,891	63,936,338	-	-	6,308,672	12,804,215	172,383,509

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 31-Oct-16	YTD 31-Oct-16	Variance	% Exp
EMPLOYEE RELATED COSTS	214,457,853	18,073,070	72,756,162	141,701,691	34%
REMUNERATION OF COUNCILLORS	18,543,429	1,366,043	5,296,569	13,246,860	29%
BULK PURCHASES	234,531,398	355,563	29,023,702	205,507,696	12%
CONTRACTED SERVICES	29,773,803	2,503,785	7,473,756	22,300,047	25%
TOTAL REPAIR AND MAINTENANCE	69,070,955	4,990,962	15,390,499	53,680,456	22%
DEPRECIATION ON ASSETS	8,712,372	726,031	2,904,124	5,808,248	33%
CONTRIBUTIONS TO BAD DEBTS	5,897,840	491,487	1,965,947	3,931,893	33%
GENERAL EXPENSES	126,315,622	10,474,022	40,893,594	85,222,028	32%
TOTAL EXPENDITURE (NETT)	707,303,272	38,980,961	175,704,352	531,398,920	25%

CONTRACTED SERVICES

Description	Annual Budget 2016/2017	Actual 31-Oct-16	YTD 31-Oct-16	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	531,302	35,279	138,821	392,481	26%
INTERNAL AUDIT	2,835,500			2,835,500	0%
PERFORMANCE MANAGEMENT	700,000	139,260	228,980	471,020	33%
METER READING FEES	2,051,200	144,883	288,056	1,763,144	14%
RAILWAY SIDING	727,890		127,851	600,039	18%
SECURITY (MONITORING OF ALARMS)	727,911	13,482	73,060	654,851	10%
SECURITY SERVICES	22,200,000	2,170,881	6,616,988	15,583,012	30%
CONTRACTED SERVICES	29,773,803	2,503,785	7,473,756	22,300,047	25%

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 31-Oct-16	YTD 31-Oct-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	22,131	68,687	287,942	19%
ANNUAL REPORT & IDP PREPARATIONS	300,000	87,000	87,000	213,000	29%
AUDIT FEES (EXTERNAL)	4,839,822	639,010	1,253,338	3,586,484	26%
BANK CHARGES	2,251,492	173,928	737,147	1,514,345	33%
BIOLOGICAL RISK ASSESSMENT	150,000	-	-	150,000	0%
BOOKS & MAGAZINES	44,075	-	-	44,075	0%
CHEMICALS	6,727,054	82,750	688,953	6,038,101	10%
CIVIC FUNERALS	210,000	-	-	210,000	0%
CLEANING CAMPAIGN	105,000	-	103,713	1,287	99%
CLEANING MATERIALS	425,471	41,043	141,967	283,504	33%
CLIMATE CHANGE/DISASTER MNG	450,000	-	68,007	381,993	15%
COMMISSION PAID	4,488,772	360,185	1,200,335	3,288,437	27%
COMMITTEES AUDIT	347,750	-	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	-	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	115,249	468,011	2,110,277	18%
COOPERATIVES DEVELOPMENT	100,000	-	-	100,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Oct-16	YTD 31-Oct-16	Variance	% Exp
PROFESSIONAL FEES	4,001,834	50,000	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	-	2,740	129,060	2%
ENTERTAINMENT COST	546,373	51,822	195,043	351,330	36%
EVENTS LOGISTICS	15,000	-	-	15,000	0%
FUEL & LUBRICANTS	7,406,287	368,453	1,468,348	5,937,939	20%
FUNERAL ATTENDANCE	6,537	-	-	6,537	0%
GRAVE - NUMBERS	7,420	-	-	7,420	0%
IDP/LDO PROCESS	20,000	-	-	20,000	0%
INDIGENT - CONTRIBUTIONS	24,900,617	3,208,184	13,626,427	11,274,190	55%
INSURANCE GENERAL	3,800,000	21,579	837,328	2,962,672	22%
INSURANCE GENERAL EXCESS	350,000	22,200	45,421	304,579	13%
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	812	1,588	50,811	3%
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	604,396	1,817,110	182,890	91%
LICENSES OTHER	3,910,342	3,031	1,686,526	2,223,816	43%
LICENCES PUBLIC	3,816	-	-	3,816	0%
LICENSES VEHICLES	591,812	13,281	235,313	356,499	40%
MEDICAL EXAMINATIONS	500,000	259,978	259,978	240,022	52%
MEDICINES	4,269	175	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	2,175	6,390	25%
PERFORMANCE EVALUATION COMMITTEE	21,000	-	-	21,000	0%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,153,044	118,072	471,881	681,163	41%
POSTOFFICE & EASYPAY COMMISSION	411,756	32,468	180,298	231,458	44%
PRE-PAID METERS	2,200,000	113,616	113,616	2,086,384	5%
PRINTING & STATIONERY	2,551,168	71,508	412,249	2,138,919	16%
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	48,438	160,296	1,334,853	11%
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	1,963,916	1,963,916	408,071	83%
SKILLS DEVELOPMENT LEVY	1,390,508	156,950	631,459	759,049	45%
SMME DEVELOPMENT	80,000	16,000	16,000	64,000	20%
SOCIAL PROGRAMS	864,583	250	291,136	573,447	34%
SPORTS,ARTS & CULTURE PROGRAMME	400,000	-	-	400,000	0%
STOCK AND MATERIAL	355,840	32,550	84,456	271,384	24%
SUBSCRIPTION FEES	5,460	-	-	5,460	0%
SUPPLEMENTARY VALUATIONS	165,950	14,000	42,000	123,950	25%
TELEPHONE & FAX	2,231,000	169,020	545,157	1,685,843	24%
TOURISM	300,000	-	-	300,000	0%
TOWN PLANNING COST	700,000	-	-	700,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Oct-16	YTD 31-Oct-16	Variance	% Exp
TRAFFIC SIGNS	329,443	51,712	52,834	276,609	16%
TRAINING STAFF	250,000	-	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	4,099	10,057	37,897	21%
WORKMENS COMPENSATION	952,300	-	-	952,300	0%
	105,357,126	9,227,932	34,456,069	70,901,057	33%

CASH FLOW ANALYSIS FOR THE MONTH ENDING

Detail

Oct-16

Cash Receipts by Source

Property rates	3,882,967
Service charges - electricity revenue	20,464,788
Service charges - water revenue	2,787,035
Service charges - sanitation revenue	1,281,008
Service charges - refuse revenue	1,063,653
Service charges - other	-
Interest earned - outstanding debtors	102,746
Fines	-
Transfer receipts - operational	-
Other revenue	5,430,814
Cash Receipts by Source	35,013,011

Other Cash Flows/Receipts by Source

Transfer receipts - capital	547,000
Borrowing long term/refinancing	-

Total Cash Receipts by Source **35,560,011**

Cash Payments by Type

Employee related costs	18,073,069
Remuneration of councillors	1,366,042
Bulk purchases - Electricity	-
Contracted services	2,503,785
General expenses	962,401
Cash Payments by Type	22,905,297

Other Cash Flows/Payments by Type

Capital assets	13,558,721
Repayment of borrowing	

Total Cash Payments by Type **36,464,018**

Net Increase/(Decrease) in Cash Held	-904,007
Cash/cash equivalents at the month/year begin:	5,847,517
Cash/cash equivalents at the month/year end:	4,943,510

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 30-Sep-2016	3,710.21	69,808.87	13,569,485.34	13,643,004.42
	-	-	-10,932,568.46	-10,932,568.46
Invested	-	-	-	-
Withdrawn	-	-	-11,000,000.00	-11,000,000.00
Interest earned	-	-	67,431.54	67,431.54
Interest accrued	-	-	-	-
Balance at 31-Oct-2016	3,710.21	69,808.87	2,636,916.88	2,710,435.96
	-	-	-	-
INTEREST EARNED	39.09	-	365,854.91	365,894.00
INTEREST ACCRUED	-	-	-	-

Report on conditional grants at 31 October 2016

Municipality:

FS201 Moqhaka

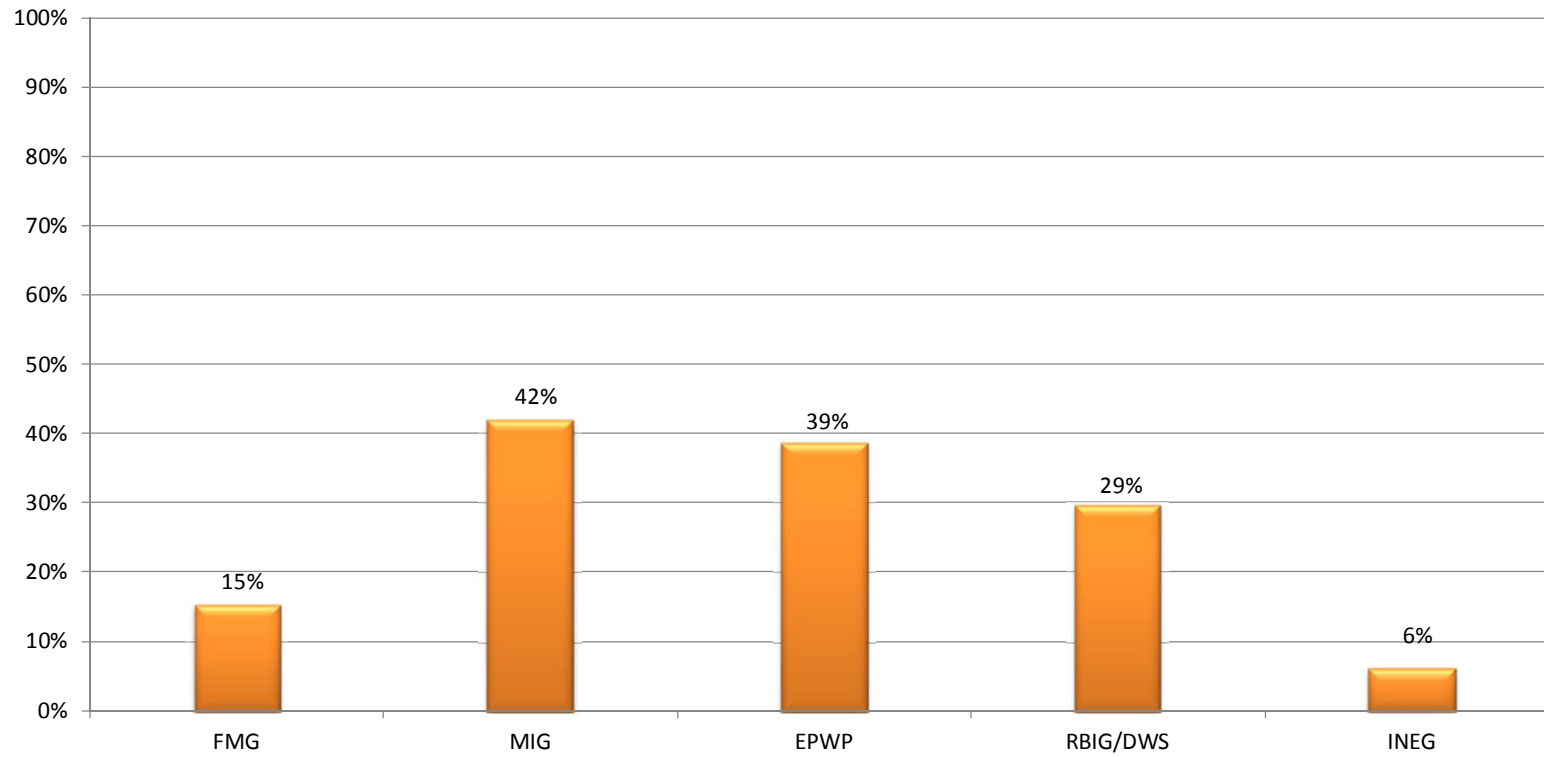
Financial Accounting for Grant Funds Received and Expended

	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	-	2,186,000
Received This Month	1,810,000	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	230,681	12,695,004	334,070	14,903,172	206,856
Spent This Month	42,297	3,371,892	110,000	304,836	211,154
Total Funds Spent	272,978	16,066,896	444,070	15,208,008	418,010
Total funds Received and Not Spent	1,537,022	6,698,104	15,930	3,862,789	6,581,990
Percentage of Funds Spent	15%	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	86,349,000

GRANTS SPENDING 2016/17



REPORT ON STAFF BENEFITS: Staff costs analysis for the month of October 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	1,039,028	4,589,492	47%
HOUSING SUBSIDY	1,367,650	104,027	414,567	30%
OTHER ALLOWANCES	914,965	117,977	518,987	57%
OVERTIME	13,995,187	1,297,283	5,437,771	39%
TELEPHONE ALLOWANCE	558,154	33,306	132,522	24%
SALARIES & WAGES BASIC	132,247,907.00	10,988,928	43,722,689	33%
STANDBY ALLOWANCE	1,727,737.00	127,530	533,074	31%
VEHICLE ALLOWANCE	10,875,300.00	920,036	3,368,907	31%
SUB-TOTAL EMPLOYEE COSTS	171,469,160	14,628,115	58,718,008	34%
GROUP LIFE INSURANCE GENERAL	2,063,483	136,075	540,882	26%
INDUSTRIAL COUNCIL LEVY	146,448	7,150	28,700	20%
INSURANCE UNEMPLOYMENT	1,428,407	119,621	480,027	34%
MEDICAL AID SCHEME	13,365,865	1,017,002	4,210,828	32%
PENSION FUNDS	23,012,023	1,895,779	7,660,602	33%
POST-RETIREMENT MEDICAL BENEFITS	2,972,467	269,329	1,117,115	38%
SUB-TOTAL SOCIAL CONTRIBUTION	42,988,693	3,444,956	14,038,153	33%
TOTAL EMPLOYEE COSTS	214,457,853	18,073,070	72,756,162	34%

Analysis of overtime per department

Description

Municipal Manager
 Corporate Services
 Financial Services
 Technical Services
 Community Services
Total

	31-Aug		30-Sep		31-Oct	
	Hours	Cost	Hours	Cost	Hours	Cost
Municipal Manager	-	-	-	-	-	-
Corporate Services	8	1,562	90	6,056	5	506
Financial Services	178	23,856	165	19,773	149	16,774
Technical Services	7,118	714,053	7,680	791,271	5,995	624,090
Community Services	4,483	454,952	5,496	580,480	5,379	544,880
Total	11,787	1,194,423	13,431	1,397,580	11,528	1,186,249

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.

