



"People's power in action"

MFMA SECTION 71 REPORT
MONTH ENDING 31 December 2016

Municipal Manager
Executive Mayor

Revenue analysis for the month ending 31 December 2016

Revenue types	December 2016								Second Quarter Ending 31 December 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	3,994,363	78%	2,964,191	74%	1,139,389	5,133,752	15,428,619	11,984,537	78%	15,416,248	11,055,779	92%
Electricity - conventional	207,684,108	14,013,258	15,245,616	109%	11,016,143	72%	21,075	15,266,691	45,487,063	44,562,373	98%	44,575,711	37,113,308	83%
Water	95,884,000	8,062,170	8,034,256	100%	3,469,967	43%	286,279	8,320,535	23,056,068	23,110,865	100%	24,029,661	10,157,860	44%
Sanitation	33,709,682	2,809,140	3,519,963	125%	1,182,147	34%	3,502	3,523,465	8,427,420	10,548,812	125%	10,564,058	3,993,899	38%
Refuse	27,801,000	2,316,750	2,372,325	102%	812,918	34%	2,467	2,374,792	6,950,250	7,113,847	102%	7,123,170	2,758,540	39%
Total Direct Services	430,788,078	32,344,191	33,166,523	103%	19,445,366	59%	1,452,712	34,619,235	99,349,420	97,320,434	98%	101,708,848	65,079,386	67%
Other revenue	38,910,000	3,242,500	1,806,981	56%	203,232	11%	3,579,974	5,386,955	9,727,500	5,844,455	60%	11,010,193	1,098,085	19%
Indigent Contribution					4,148,760								10,924,860	
Income Forgone					1,214,060								3,450,152	
Revenue from levied services	469,698,078	35,586,691	34,973,504	98%	25,011,418	72%	5,032,686	40,006,190	109,076,920	103,164,889	95%	112,719,041	80,552,483	78%
Electricity - prepaid	102,397,266	7,662,961	-		7,397,510				22,150,200	-			20,816,273	
Revenue before operational grants	572,095,344	43,249,652	34,973,504		32,408,928				131,227,120	103,164,889			101,368,756	
Operational grants and subsidies	2,448,951								2,448,951				1,810,000	74%
Equitable share	158,519,001	52,840,000			52,840,000				52,840,000				52,840,000	100%
Total Revenue	733,063,296	96,089,652	34,973,504		85,248,928	-			186,516,071	103,164,889			156,018,756	-

Comments for December 2016 Section 71 Report.

Collection rate for Dec 2016 on the levied services is 72% for the month.

Collection rate for sanitation and refuse for the month is 34% against levies respectively.

The collection rate for the month on Property rates is 74%.

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 December is 72%.

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

Total direct services collection rate against levies is 59% for the month.

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

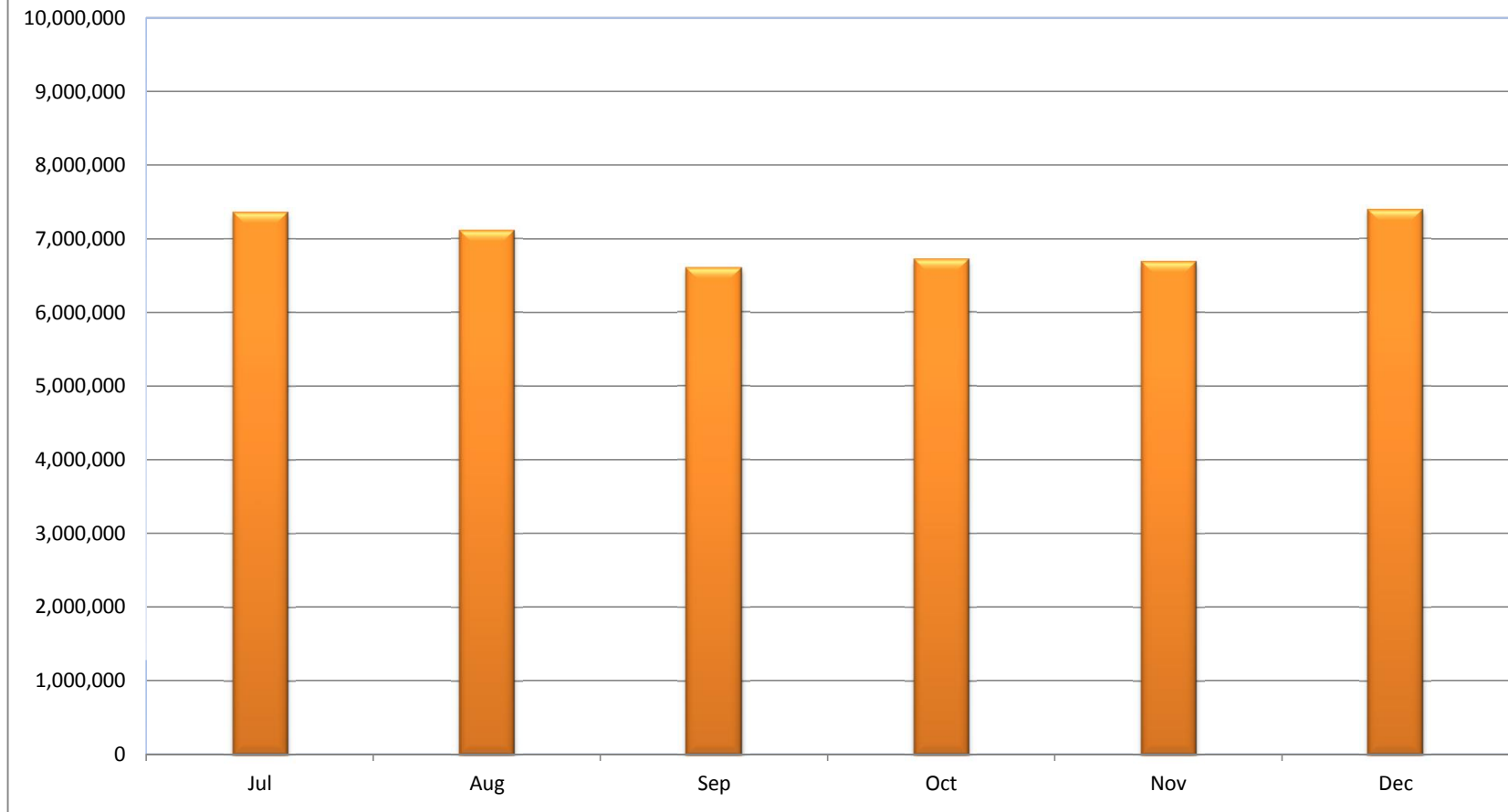
Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing	Revenue	Percentage	Billing	Revenue	Percentage	Billing	Revenue	Percentage
Jul	31,203,153	15,092,910	48%	7,204,366	2,893,109	40%	831,328	333,417	40%
Aug	28,331,554	14,345,088	51%	5,677,300	3,262,571	57%	756,305	291,562	39%
Sep	27,703,007	21,895,163	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%
Nov	27,398,287	20,684,908	75%	6,184,492	3,719,999	60%	794,943	384,428	48%
Dec	28,116,697	16,427,263	58%	5,836,480	2,966,623	51%	755,796	254,713	34%
Total	168,899,651	106,472,072	63%	36,903,548	19,705,869	54%	4,649,815	1,956,303	42%

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
Dec	96,555	6,178,768	7,397,510	465,100	87	7,397,510
						41,903,586

The average collection rate for Kroonstad/Maokeng for Dec is 58%. Viljoenskroon/Rammulutsi is 51% for Dec, & Steynsrus/Matlwangtlwang is 34% for the month against the levies. Kroonstad/Maokeng generated a revenue of R16.4m for Dec. Viljoenskroon/Rammolutsi's R2.9m for the month. Steynsrus/Matlwangtlwang generated R254 713 for the month. The revenue generated through prepaid electricity for the month is R7.3m for the month. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales 2016-17



Analysis of Debtors as at 31 December 2016

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Debtors Age Analysis By Income					
Water Tariffs	8,439,394	4,655,559	4,404,034	186,026,885	203,525,872
Electricity Tariffs	14,195,230	1,967,764	1,466,944	25,604,601	43,234,539
Rates (Property Rates)	3,612,800	1,156,626	806,873	26,596,902	32,173,201
Sewerage / Sanitation Tariffs	2,594,955	1,695,149	1,493,449	45,505,426	51,288,979
Refuse Removal Tariffs	1,757,129	1,125,812	1,001,182	31,856,684	35,740,807
Other	5,358,088	2,113,838	2,549,270	71,735,337	81,756,533
Total By Income Source	35,957,596	12,714,748	11,721,752	387,325,835	447,719,931
Debtors Age Analysis By Customer Group					
Government	5,368,694	1,661,461	1,588,504	10,742,730	19,361,389
Business	13,171,982	1,300,078	736,678	12,421,139	27,629,877
Households	10,569,966	6,989,057	5,913,687	195,912,864	219,385,574
Other	6,846,954	2,764,152	3,482,883	168,249,102	181,343,091
Total By Customer Group	35,957,596	12,714,748	11,721,752	387,325,835	447,719,931

Highlights

Services

Councillors' debt (>90 days)

Officials debt (>90 days)

Sundry debtors

Telephones (Officials & Councillors)

Study loans

Indigents

Total Debt 90 Days +

	Oct	Nov	Dec
	R 377,847	R 354,138	R 364,335
	R 1,506,803	R 1,537,660	R 1,539,532
	R 362,370	R 362,474	R 364,851
	R 100,991	R 101,857	R 102,723
	R 111,834,463	R 115,040,942	R 117,371,704
	R 366,415,083	R 374,051,610	R 387,325,835

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	18,860,588	19,597,825	18,598,477	82,562,442	-	-	-	-	139,619,332
Loan repayments	1,600,000	-	-	-	-	-	-	-	1,600,000
Trade Creditors	4,022,341	1,519,201	940,302	1,060,208	-	-	-	-	7,542,052
Auditor General	654,855	2,787,978	-	-	-	-	-	-	3,442,833
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	1,233,642	-	-	-	-	-	1,727,098
OTHER CREDITORS	5,000,000	-	-	-	-	-	-	-	5,000,000
Total	30,640,182	24,593,190	22,565,902	83,622,650	-	-	6,308,672	12,804,215	180,534,811

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 31-Dec-16	YTD 31-Dec-16	Variance	% Exp
EMPLOYEE RELATED COSTS	214,457,853	18,835,821	110,229,144	104,228,709	51%
REMUNERATION OF COUNCILLORS	18,543,429	1,366,409	8,033,308	10,510,121	43%
BULK PURCHASES	234,531,398	309,825	29,587,772	204,943,626	13%
CONTRACTED SERVICES	29,773,803	4,351,847	12,749,020	17,024,783	43%
TOTAL REPAIR AND MAINTENANCE	69,050,955	5,317,518	25,165,569	43,875,386	36%
DEPRECIATION ON ASSETS	8,712,372	726,031	4,356,186	4,356,186	50%
CONTRIBUTIONS TO BAD DEBTS	5,897,840	491,487	2,948,920	2,948,920	50%
GENERAL EXPENSES	126,135,622	11,787,834	63,043,318	63,102,304	50%
TOTAL EXPENDITURE (NETT)	707,103,272	43,186,771	256,113,237	450,990,035	36%

CONTRACTED SERVICES

Description	Annual Budget 2016/2017	Actual 31-Dec-16	YTD 31-Dec-16	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	531,302	41,827	212,568	318,734	40%
INTERNAL AUDIT	2,835,500	-	242,761	2,592,739	9%
PERFORMANCE MANAGEMENT	700,000	-	339,850	360,150	49%
METER READING FEES	2,051,200	-	438,294	1,612,906	21%
RAILWAY SIDING	727,890	-	466,055	261,835	64%
SECURITY (MONITORING OF ALARMS)	727,911	108,793	231,277	496,634	32%
SECURITY SERVICES	22,200,000	4,201,227	10,818,214	11,381,786	49%
CONTRACTED SERVICES	29,773,803	4,351,847	12,749,020	17,024,783	43%

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2016/2017	Actual 31-Dec-16	YTD 31-Dec-16	Variance	% Exp
ABET TRAINING	58,300	-	-	58,300	0%
ACTIVITIES DISABILITIES	100,000	32,900	36,275	63,725	36%
ACTIVITIES YOUTH OFFICER	872,020	-	176,900	695,120	20%
ADVERTISEMENTS	356,629	26,000	124,063	232,566	35%
ANNUAL REPORT & IDP PREPARATIONS	300,000	-	87,000	213,000	29%
AUDIT FEES (EXTERNAL)	4,839,822	1,641,280	2,894,618	1,945,204	60%
BANK CHARGES	2,251,492	193,664	1,105,772	1,145,720	49%
BIOLOGICAL RISK ASSESSMENT	50,000	-	-	50,000	0%
BOOKS & MAGAZINES	44,075	-	-	44,075	0%
CHEMICALS	6,727,054	761,957	1,578,604	5,148,450	23%
CIVIC FUNERALS	210,000	-	-	210,000	0%
CLEANING CAMPAIGN	105,000	-	103,713	1,287	99%
CLEANING MATERIALS	445,471	35,677	222,801	222,670	50%
CLIMATE CHANGE/DISASTER MNG	450,000	-	68,007	381,993	15%
COMMISSION PAID	4,488,772	349,285	1,927,752	2,561,020	43%
COMMITTEES AUDIT	347,750	-	72,677	275,073	21%
COMMITTEES CHILDCARE	55,968	-	-	55,968	0%
COMMITTEES HIC/AIDS	250,000	-	35,000	215,000	14%
COMMITTEES LOCAL SPORT	55,000	7,280	32,696	22,304	59%
COMMITTEES OLD AGE	55,968	-	3,450	52,518	6%
COMMITTEES WARDS	1,457,500	-	455,360	1,002,140	31%
COMMONAGE	40,000	-	25,272	14,728	63%
CONFERENCES/SEMINARS/MEETINGS	2,661,268	53,310	1,175,599	1,485,669	44%
COOPERATIVES DEVELOPMENT	100,000	-	-	100,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Dec-16	YTD 31-Dec-16	Variance	% Exp
PROFESSIONAL FEES	4,001,834	395,546	3,158,986	842,848	79%
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	3,440	7,622	124,178	6%
ENTERTAINMENT COST	566,373	16,939	229,787	336,586	41%
EVENTS LOGISTICS	15,000	1,050	8,106	6,894	54%
FUEL & LUBRICANTS	7,406,287	393,205	2,201,878	5,204,409	30%
FUNERAL ATTENDANCE	6,537	-	-	6,537	0%
GRAVE - NUMBERS	7,420	-	1,436	5,984	19%
GRANT EXP - FMG	1,810,000	175,000	348,572	1,461,428	19%
GRANT EXP - LG SETA MANDATORY	638,951	-	312,478	326,473	49%
IDP/LDO PROCESS	20,000	-	-	20,000	0%
INDIGENT - CONTRIBUTIONS	24,900,617	4,148,760	21,343,102	3,557,515	86%
INSURANCE GENERAL	3,800,000	38,238	1,528,465	2,271,535	40%
INSURANCE GENERAL EXCESS	350,000	15,440	79,152	270,848	23%
INTERNSHIP & EXPERIENTAL TRAINING	21,200	-	-	21,200	0%
INTERVIEW EXPENSES	8,480	915	915	7,565	11%
INTERIM SURVEY OF ERVIN	5,966	-	-	5,966	0%
KEURSKRIF PURCHASES	3,500	-	-	3,500	0%
LABORATORY CONSUMABLES	52,399	610	8,032	44,367	15%
LABORATORY FEES	990,000	-	-	990,000	0%
LATE PAYMENT - CREDITORS	35,000	12	387,030	-352,030	1106%
LEANER SHIP	21,200	-	-	21,200	0%
LEGAL FEES	2,260,000	-	1,923,588	336,412	85%
LICENSES OTHER	3,908,342	670,734	3,058,683	849,659	78%
LICENCES PUBLIC	3,816	-	-	3,816	0%
LICENSES VEHICLES	593,812	60,879	314,902	278,910	53%
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%
PAUPER BURIALS	60,000	8,100	29,528	30,472	49%
PENSIONERS GRANT	8,565	750	3,675	4,890	43%
PERFORMANCE EVALUATION COMMITTEE	21,000	-	-	21,000	0%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,153,044	15	592,162	560,882	51%
POSTOFFICE & EASYPAY COMMISSION	411,756	31,829	243,429	168,327	59%
PRE-PAID METERS	2,200,000	-	113,616	2,086,384	5%
PRINTING & STATIONERY	2,516,168	18,716	484,816	2,031,352	19%
PRODUCTIONS,SHOWS & MARKETING	150,000	-	-	150,000	0%
PROTECTIVE CLOTHING	2,294,107	3,499	201,674	2,092,433	9%
RECREATION	20,000	-	-	20,000	0%
RECRUITMENT FEES	17,490	-	-	17,490	0%
RENT - OFFICE EQUIPMENT & OTHER	1,495,149	7,250	235,359	1,259,790	16%
RENT - VEHICLES	2,360,120	254,038	254,836	2,105,284	11%
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	161,179	951,568	438,940	68%
SMME DEVELOPMENT	80,000	-	16,000	64,000	20%
SOCIAL PROGRAMS	864,583	27,580	422,666	441,917	49%
SPORTS,ARTS & CULTURE PROGRAMME	400,000	-	-	400,000	0%
STOCK AND MATERIAL	355,840	33,490	134,632	221,208	38%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Dec-16	YTD 31-Dec-16	Variance	% Exp
SUBSCRIPTION FEES	5,460	-	-	5,460	0%
SUPPLEMENTARY VALUATIONS	165,950	14,000	70,000	95,950	42%
TELEPHONE & FAX	2,231,000	118,607	764,446	1,466,554	34%
TOURISM	300,000	-	-	300,000	0%
TOWN PLANNING COST	700,000	-	-	700,000	0%
TRAFFIC SIGNS	329,443	22,902	77,394	252,049	23%
TRAINING STAFF	250,000	-	204,817	45,183	82%
TRAINING COUNCILLORS	300,000	-	-	300,000	0%
VALUATION ROLL	2,700,000	-	456,140	2,243,860	17%
WEED KILLERS / PEST CONTROL	350,000	-	-	350,000	0%
WINDEED	47,954	3,791	16,688	31,266	35%
WORKMENS COMPENSATION	952,300	-	-	952,300	0%
	105,387,126	9,727,868	52,542,066	52,845,060	50%

CASH FLOW ANALYSIS FOR THE MONTH ENDING

Detail

Dec-16

Cash Receipts by Source

Property rates	2,964,011
Service charges - electricity revenue	19,148,355
Service charges - water revenue	3,599,437
Service charges - sanitation revenue	1,099,992
Service charges - refuse revenue	926,726
Service charges - other	-
Interest earned - outstanding debtors	85,985
Fines	-
Transfer receipts - operational	52,840,000
Other revenue	18,165,786
Cash Receipts by Source	98,830,292

Other Cash Flows/Receipts by Source

Transfer receipts - capital	13,041,000
Borrowing long term/refinancing	-

Total Cash Receipts by Source

111,871,292

Cash Payments by Type

Employee related costs	18,835,820
Remuneration of councillors	1,366,409
Bulk purchases - Electricity	29,956,532
Contracted services	4,351,846
General expenses	40,890,919
Cash Payments by Type	95,401,526

Other Cash Flows/Payments by Type

Capital assets	1,807,933
Repayment of borrowing	-

Total Cash Payments by Type

97,209,459

Net Increase/(Decrease) in Cash Held

14,661,833

Cash/cash equivalents at the month/year begin:

6,705,162

Cash/cash equivalents at the month/year end:

21,366,995

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-Nov-2015	3,765.99	74,533.88	2,643,900.24	2,722,200.11
	-	-	6,067,308.11	6,067,308.11
Invested	-	-	19,000,000.00	19,000,000.00
Withdrawn	-	-	-13,000,000.00	-13,000,000.00
Interest earned	-	-	67,308.11	67,308.11
Balance at 31-Dec-2015	3,765.99	74,533.88	8,711,208.35	8,789,508.22
INTEREST EARNED	94.87	4,725.01	447,217.92	452,037.80

Report on conditional grants at

Municipality:

31-Dec-16
FS201 Moqhaka

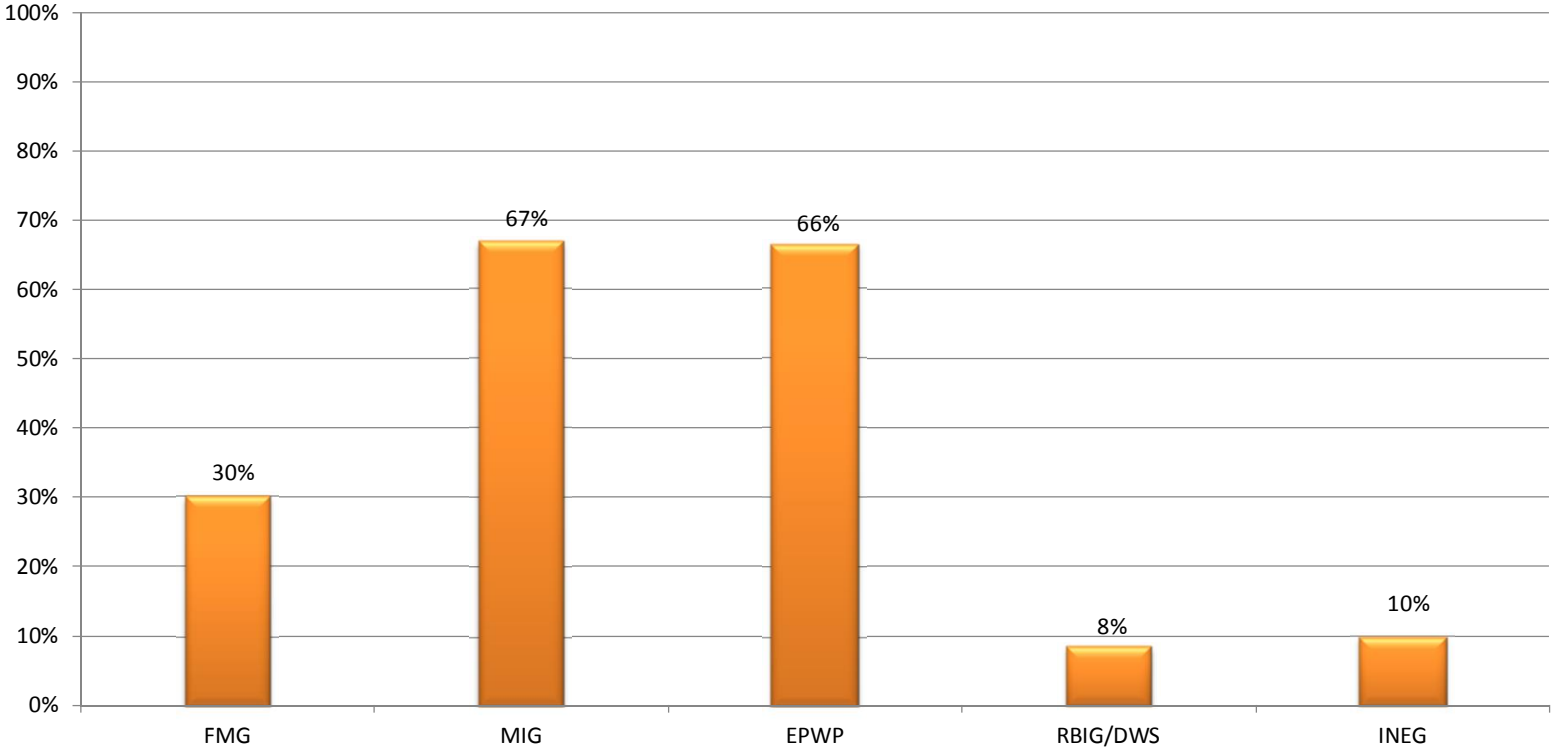
Financial Accounting for Grant Funds Received and Expended

	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	1,000,000	40,000,000	7,000,000
Unspent grants at beginning of the financial year	-	-	-	-	-
Received Prior Months	1,810,000	14,780,000	250,000	1,589,160	4,117,000
Received This Month	-	10,528,000	-	-	547,000
Total Funds Received	1,810,000	25,308,000	250,000	1,589,160	4,664,000
Spent Prior Months	302,739	16,278,465	554,070	2,343,372	418,010
Spent This Month	241,167	9,351,069	110,000	1,011,841	267,654
Total Funds Spent	543,906	25,629,534	664,070	3,355,213	685,664
Total funds Received and Not Spent	1,266,094	-321,534	-414,070	-1,766,053	6,314,336
Percentage of Funds Spent	30%	67%	66%	8%	10%
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



31 December 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	1,388,030	7,433,690	76%
HOUSING SUBSIDY	1,367,650	101,801	618,170	45%
OTHER ALLOWANCES	914,965	124,788	742,082	81%
OVERTIME	13,995,187	1,396,417	8,167,018	58%
TELEPHONE ALLOWANCE	558,154	33,216	198,674	36%
SALARIES & WAGES BASIC	132,247,907.00	11,295,686	66,217,738	50%
STANDBY ALLOWANCE	1,727,737.00	130,464	806,872	47%
VEHICLE ALLOWANCE	10,875,300.00	897,833	5,059,202	47%
SUB-TOTAL EMPLOYEE COSTS	171,469,160	15,368,236	89,243,446	52%
GROUP LIFE INSURANCE GENERAL	2,063,483	136,075	813,031	39%
INDUSTRIAL COUNCIL LEVY	146,448	7,119	42,954	29%
INSURANCE UNEMPLOYMENT	1,428,407	118,601	717,074	50%
MEDICAL AID SCHEME	13,365,865	1,037,561	6,280,539	47%
PENSION FUNDS	23,012,023	1,895,458	11,456,128	50%
POST-RETIREMENT MEDICAL BENEFITS	2,972,467	272,771	1,675,972	56%
SUB-TOTAL SOCIAL CONTRIBUTION	42,988,693	3,467,585	20,985,698	49%
TOTAL EMPLOYEE COSTS	214,457,853	18,835,821	110,229,144	51%

Analysis of overtime per department

Description	31-Oct		30-Nov		31-Dec	
	Hours	Cost	Hours	Cost	Hours	Cost
Municipal Manager	-	-	-	-	-	-
Corporate Services	5	506	20	1,825	62	5,467
Financial Services	149	16,774	192	22,911	172	19,810
Technical Services	5,995	624,090	7,489	756,145	6,791	715,571
Community Services	5,379	544,880	4,416	460,679	5,711	547,840
Total	11,528	1,186,249	12,117	1,241,560	12,736	1,288,688

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.

