



"People's power in action"

MFMA SECTION 71 REPORT
MONTH ENDING 31 December 2015

Municipal Manager
Executive Mayor

Revenue analysis for the month ending 31 December 2015

Revenue types	Annual	31 December 2015					Second Quarter Ending 31 December 2015							
	Annual Budget 2015/2016	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	61,895,055	4,849,000	3,756,643	77%	3,071,252	82%	1,059,632	4,816,275	14,547,000	11,268,621	77%	14,458,181	9,527,168	85%
Electricity - conventional	184,220,100	14,013,258	13,491,858	96%	9,399,400	70%	-24,321	13,467,537	44,630,639	41,828,354	94%	41,483,869	31,133,622	74%
Water	93,086,263	7,446,901	7,116,489	96%	2,321,075	33%	93,706	7,210,195	23,612,121	22,894,637	97%	22,957,958	10,499,850	46%
Sanitation	25,950,000	2,162,500	2,295,395	106%	879,334	38%	2,470	2,297,865	6,487,500	6,884,571	106%	6,893,000	3,359,458	49%
Refuse	21,968,004	1,830,667	1,843,915	101%	679,527	37%	2,195	1,846,110	5,492,001	5,530,839	101%	5,538,921	2,507,577	45%
Total Direct Services	387,119,422	30,302,326	28,504,300	94%	16,350,588	57%	1,133,682	29,637,982	94,769,261	88,407,022	93%	91,331,929	57,027,675	65%
Other revenue	20,884,000	1,740,333	2,057,050	118%	180,582	9%	929,528	2,986,578	5,220,999	4,835,465	93%	9,164,100	783,049	16%
Indigent Contribution					2,360,898								6,868,924	
Income Forgone					937,912								2,823,563	
Revenue from levied services	408,003,422	32,042,659	30,561,350	95%	19,829,980	65%	2,063,210	32,624,560	99,990,260	93,242,487	93%	100,496,029	67,503,211	72%
Electricity - prepaid	94,812,276	7,505,837	-	-	7,024,965	-	-	-	23,292,081	-	-	-	19,963,080	-
Revenue before operational grants	502,815,698	39,548,496	30,561,350		26,854,945				123,282,341	93,242,487			87,466,291	
Operational grants and subsidies	2,617,000	-	-	-	-	-	-	-	2,605,000	-	-	-	2,605,000	100%
Equitable share	161,083,246	-	-	-	-	-	-	-	120,812,000	-	-	-	120,812,000	100%
Total Revenue	666,515,944	39,548,496	30,561,350		26,854,945				246,699,341	93,242,487			210,883,291	

Comments for December 2015 Section 71 & 52(d)Report

Collection rate for December 2015 on the levied services is 65% & 72% for the quarter.

Collection rate for sanitation and refuse in December is 38% and 37% against levies respectively, for the quarter is 49% & 45% respectively.

The collection rate for Property rates for the month is 82% against levies & 85% for the quarter.

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 70% & 74% for the quarter.

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

Total direct services collection rate against levies is 57% for the month & 65% for the quarter.

BILLING & REVENUE PER TOWN 01/07/2015 - 30/06/2016 (Excluding Pre-paid Electricity)

Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing	Revenue	Percentage	Billing	Revenue	Percentage	Billing	Revenue	Percentage
July	28,808,012	14,036,083	49%	4,479,816	2,759,329	62%	724,775	447,933	62%
Aug	27,500,716	18,825,687	68%	4,776,596	3,116,276	65%	782,005	385,778	49%
Sep	27,475,861	24,974,543	91%	4,761,388	3,341,058	70%	1,019,175	437,976	43%
Oct	36,185,705	13,393,801	37%	5,084,477	2,794,632	55%	735,480	325,495	44%
Nov	25,060,434	21,061,558	84%	4,971,454	3,291,188	66%	652,795	412,882	63%
Dec	24,507,940	13,492,180	55%	4,616,807	2,778,788	60%	610,738	260,201	43%
Total	169,538,668	105,783,852	64%	28,690,538	18,081,271	63%	4,524,968	2,270,265	51%

PRE-PAID ELECTRICITY SALES

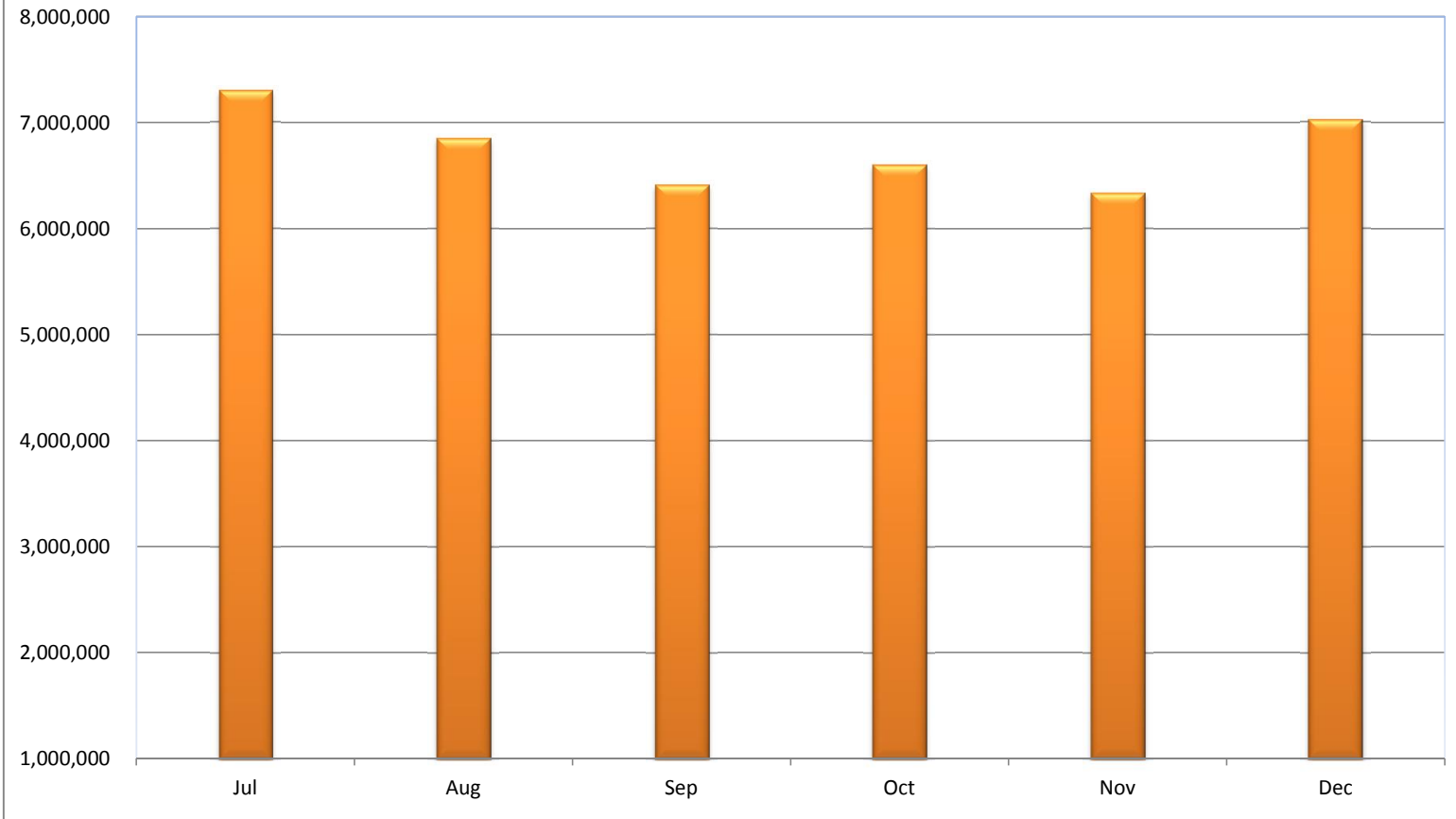
Month	Transactions	Units	Unit Value	Free Units	Avg Val/trans	Total
Jul	115378	6524987	7304098	221500	72	7,304,098
Aug	105562	6144302	6851294	403000	74	6,851,294
Sep	98292	5773132	6412592	409750	74	6,412,592
Oct	102,281	5,922,578	6,602,515	368,822	74	6,602,515
Nov	95,663	5,692,102	6,335,600	417,450	75	6,335,600
Dec	94,369	6,233,506	7,024,965	377,072	85	7,024,965
						40,531,064

The average collection rate for Kroonstad/Maokeng for Dec is 55%, Viljoenskroon/Rammulutsi is 60% and Steynsrus/Matlwangtlwang is 43% against the levy.

Kroonstad/Maokeng generated a revenue of R13.4m in December, Viljoenskroon/Rammolutsi's R2.7m, & Steynsrus/Matlwangtlwang generated R260 201.

The revenue generated through prepaid electricity for December is R7m. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales 2015-16



Analysis of Debtors as at 31 December 2015

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Debtors Age Analysis By Income					
Water Tariffs	7,715,741	4,768,535	4,778,767	158,590,451	175,853,494
Electricity Tariffs	13,403,956	1,996,623	1,615,633	20,792,390	37,808,602
Rates (Property Rates)	2,834,575	1,073,265	722,980	24,028,654	28,659,474
Sewerage / Sanitation Tariffs	1,835,269	1,157,246	843,723	38,608,095	42,444,333
Refuse Removal Tariffs	1,443,277	905,982	692,257	26,437,648	29,479,164
Other	2,499,531	1,578,724	1,665,665	57,829,184	63,573,104
Total By Income Source	29,732,349	11,480,375	10,319,025	326,286,422	377,818,171
Debtors Age Analysis By Customer Group					
Government	4,855,482	1,665,024	1,460,056	5,370,569	13,351,131
Business	11,775,914	1,164,073	544,435	10,120,816	23,605,238
Households	9,314,842	6,183,740	5,704,890	175,896,309	197,099,781
Other	3,786,111	2,467,538	2,609,644	134,898,728	143,762,021
Total By Customer Group	29,732,349	11,480,375	10,319,025	326,286,422	377,818,171

Highlights
Services

Councillors' debt

	OCT	NOV	DEC
Councillors' debt	R 119,435	R 119,727	R 120,927
Officials debt	R 1,665,122	R 1,618,493	R 1,671,692
Sundry debtors			
Telephones (Officials & Councillors)	R 345,189	R 323,310	R 329,926
Study loans	R 94,841	R 95,610	R 96,380
<i>Indigents</i>	R 86,405,718	R 88,520,187	R 90,266,473
Total Debt 90 Days +	R 314,176,012	R 318,946,660	R 326,286,422

Officials debt

Sundry debtors

Telephones (Officials & Councillors)

Study loans

Indigents
Total Debt 90 Days +
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	16,075,287	-	-	-	-	-	-	-	16,075,287
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	565,325	3,378,225	620,507	331,582	-	-	-	-	4,895,639
Auditor General	1,331,252	-	-	-	-	-	-	-	1,331,252
DWAS	-	-	-	-	-	-	-	19,344,848	19,344,848
SITA	-	-	-	-	-	-	-	1,223,163	1,223,163
WSSA	2,694,166	-	-	-	-	-	-	-	2,694,166
GOVERNMENT GARAGE	249,134	249,134	249,134	2,341,120	-	-	-	-	3,088,522
OTHER CREDITORS	4,000,000	-	-	-	-	-	-	-	4,000,000
Total	24,915,164	3,627,359	869,641	2,672,702	-	-	-	20,568,011	52,652,877

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2015/2016	Actual 31-Dec-15	YTD 31-Dec-15	Variance	% Exp
EMPLOYEE RELATED COSTS	197,333,280	17,647,880	97,827,102	99,506,178	50%
REMUNERATION OF COUNCILLORS	17,341,403	1,441,092	8,650,681	8,690,722	50%
BULK PURCHASES	215,267,977	14,298,488	96,226,043	119,041,934	45%
CONTRACTED SERVICES	22,889,502	2,240,194	10,527,905	12,361,597	46%
TOTAL REPAIR AND MAINTENANCE	52,755,725	6,058,727	23,988,358	28,766,767	45%
DEPRECIATION ON ASSETS	25,344,000	12,672,000	12,672,000	12,672,000	50%
CONTRIBUTIONS TO BAD DEBTS	5,564,000	2,782,000	2,782,000	2,782,000	50%
GENERAL EXPENSES	117,283,088	10,033,412	56,115,833	61,167,255	48%
TOTAL EXPENDITURE (NETT)	653,778,975	67,173,793	308,789,921	344,988,454	47%

CONTRACTED SERVICES

Description	Annual Budget 2015/2016	Actual 31-Dec-15	YTD 31-Dec-15	Variance	% Exp
CASH COLLECTION COST (DEPOSIT FEES)	510,813	32,237	200,419	310,394	39%
METER READING FEES	1,657,231	98,872	604,282	1,052,949	36%
RAILWAY SIDING	686,689			686,689	0%
SECURITY (MONITORING OF ALARMS)	364,349	1,050	95,414	268,935	26%
SECURITY SERVICES	19,670,420	2,108,035	9,627,790	10,042,630	49%
CONTRACTED SERVICES	22,889,502	2,240,194	10,527,905	12,361,597	46%

OPERATING EXPENSES

DESCRIPTION	Annual Budget 2015/2016	Actual 31-Dec-15	YTD 31-Dec-15	Variance	% Exp
ABET TRAINING	116,866	-	-	116,866	0%
ACTIVITIES DISABILITIES	52,800	-	35,000	17,800	66%
ACTIVITIES YOUTH OFFICER	249,061	92,280	140,907	108,154	57%
ADVERTISEMENTS	336,442	108,129	209,491	126,951	62%
AUDIT FEES (EXTERNAL)	6,565,870	-	3,115,976	3,449,894	47%
BANK CHARGES	2,247,844	165,915	1,015,051	1,232,793	45%
BANK OVERDRAFT INTEREST	-	-11	-5	5	-100%
BIOLOGICAL RISK ASSESSMENT	50,000	-	-	50,000	0%
BOOKS & MAGAZINES	27,777	-	1,129	11,368	4%
BURSARIES	144,692	-	-	144,692	0%
CHEMICALS	6,762,855	173,025	1,485,107	5,277,748	22%
CIVIC FUNERAL	140,000	-	-	140,000	0%
CLEANING CAMPAIGN	95,000	1,748	1,748	93,252	2%
CLEANING MATERIALS	377,654	11,973	209,914	167,740	56%
COMMISSION PAID	4,734,691	342,429	1,792,445	2,942,246	38%
COMMITTEES AUDIT	325,000	-	95,421	229,579	29%
COMMITTEES CHILDCARE	52,800	12,600	12,600	40,200	24%
COMMITTEES HIC/AIDS	99,999	36,650	46,150	53,849	46%
COMMITTEES LOCAL SPORT	50,000	1,540	31,580	18,420	63%
COMMITTEES OLD AGE	52,800	-	35,090	17,710	66%
COMMITTEES WARDS	1,471,008	68,700	619,856	851,152	42%
COMMONAGE	10,560	-	-	10,560	0%
CONFERENCES/SEMINARS/MEETINGS	1,660,840	81,799	1,100,905	586,135	66%
PROFESSIONAL FEES	3,696,000	2,135,882	4,337,877	-741,877	117%
DECORATION MATERIAL	20,000	-	-	20,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Dec-15	YTD 31-Dec-15	Variance	% Exp
DISCIPLINARY HEARINGS	10,580	-	-	10,580	0%
EMPLOYMENT EQUITY	11,130	-	-	11,130	0%
EMPL ASST PROGRAMME	159,500	33,912	34,219	125,281	21%
ENTERTAINMENT COST	308,226	96,847	186,694	210,612	61%
EVENTS LOGISTICS	30,000	-	3,650	26,350	12%
FUEL & LUBRICANTS	7,872,904	747,447	2,484,349	5,388,555	32%
FUNERAL ATTENDANCE	16,167	-	-	16,167	0%
GRAVE - NUMBERS	17,000	4,382	5,856	11,144	34%
GRANT EXP - FMG	1,650,000	218,581	649,741	1,000,259	39%
GRANT EXP - LG SETA MANDATORY	-	-	52,800	-52,800	-100%
GRANT EXP - MSIG	967,000	165,000	665,154	301,846	69%
INDIGENT - CONTRIBUTIONS	22,147,027	2,360,898	13,035,249	9,111,778	59%
INSURANCE GENERAL	3,010,500	32,085	3,063,368	-52,868	102%
INSURANCE GENERAL EXCESS	578,007	9,854	267,776	310,231	46%
INTERNSHIP & EXPERIENTAL TRAINING	77,911	-	-	77,911	0%
INTERVIEW EXPENSES	5,290	-	4,942	348	93%
INTERIM SURVEY OF ERVIN	5,628	-	-	5,628	0%
LABORATORY CONSUMABLES	27,462	-	20,569	6,893	75%
LABORATORY FEES	2,387,783	-	-	2,347,783	0%
LATE PAYMENT - CREDITORS	163,226	2,644	3,433	159,793	2%
LEANER SHIP	66,787	-	142	66,645	0%
LEGAL FEES	1,423,212	606,348	990,245	432,967	70%
LICENSES OTHER	1,802,576	25,228	658,454	1,184,122	37%
LICENCES PUBLIC	3,600	-	639	2,961	18%
LICENSES VEHICLES	521,721	46,260	163,447	358,275	31%
MEDICAL EXAMINATIONS	130,000	-	229,376	-99,376	176%
MEDICINES	11,727	-	1,596	10,131	14%
MEMBERSHIP FEES	9,000	-	-	9,000	0%
PAUPER BURIALS	73,000	-	28,787	44,214	39%
PENSIONERS GRANT	16,194	-210	4,040	12,154	25%
POSTAL SERVICES(POSTAGE & TELEGRAMS)	1,640,962	107,273	628,255	1,012,707	38%
POSTOFFICE & EASYPAY COMMISSION	-	27,279	150,829	-150,829	-100%
PRE-PAID METERS	1,590,000	-	822,336	767,664	52%
PRINTING & STATIONERY	2,264,914	246,570	1,217,805	1,047,109	54%
PRODUCTIONS,SHOWS & MARKETING	100,000	-	-	100,000	0%
PROTECTIVE CLOTHING	2,220,865	273,674	537,773	1,683,092	24%
PUBLICITY (MARKETING/BRANDING)	21,000	-	740	20,260	4%
RECREATION	2,000	-	-	2,000	0%
RECRUITMENT FEES	21,160	-	4,195	16,965	20%
RENT - OFFICE EQUIPMENT & OTHER	1,438,346	5,528	215,220	1,223,126	15%
RENT - VEHICLES	4,946,800	51,315	808,673	4,138,127	16%
RETIREE AWARDS	26,979	-	-	26,979	0%
SALGA MEMBERSHIP FEES	1,973,791	-	2,216,810	-243,019	112%
SKILLS DEVELOPMENT LEVY	1,299,540	150,900	836,661	462,879	64%
SOCIAL PROGRAMS	431,061	59,400	594,411	-163,350	138%
STOCK AND MATERIAL	554,859	16,733	125,078	429,781	23%
SUBSCRIPTION FEES	5,103	-	-	5,103	0%
SUPPLEMENTARY VALUATIONS	158,048	13,000	65,000	93,048	41%
TELEPHONE & FAX	961,000	139,230	926,069	34,931	96%
TOURISM	106,000	-	23,002	82,998	22%
TOWN PLANNING COST	230,000	-	-	230,000	0%

OPERATING EXPENSES

DESCRIPTION	Annual Budget	Actual 31-Dec-15	YTD 31-Dec-15	Variance	% Exp
TRAFFIC SIGNS	382,721	35,446	80,611	302,110	21%
TRAINING STAFF	101,000	-	43,636	57,364	43%
TRAINING COUNCILLORS	56,074	10,560	10,560	45,514	19%
WEED KILLERS / PEST CONTROL	300,528	-	870	299,658	0%
WINDEED	47,594	2,811	18,365	29,229	39%
WORKMENS COMPENSATION	1,170,829	-	-	1,170,829	0%
GENERAL EXPENSES	94,894,891	8,721,652	46,167,666	48,727,225	49%

Analysis of capital expenditure as at 31 December 2015

CAPITAL EXPENDITURE	Budget 2015/16	Expenditure	% of Budget Spent
INFRASTRUCTURE			
Roads and Stormwater	23,724,489	4,550,275	19%
Water Reservoirs & Reticulation	27,246,414	7,957,630	29%
Electricity Reticulation	5,000,000	5,524,386	110%
Sewerage Purification & Reticulation	30,051,626	33,776,442	112%
Sport	9,506,138	12,247,862	129%
Other	1,151,000	968,836	0%
	96,679,667	65,025,431	67%
SOURCE OF FINANCE			
Government Grants and Subsidies	45,050,000	26,746,295	59%
Other Ad-Hoc Financing Sources	51,629,667	38,279,136	74%
Other	-	-	0%
TOTAL FINANCING	96,679,667	65,025,431	67%

Government grants and subsidies consist of the following:

Municipal Infrastructure Grant	38,899,000
DWS	51,629,667
EPWP (Incentive)	1,151,000
Regional Bulk Infrastructure Grant	-
DoE (Department of Energy)	5,000,000
Total	96,679,667

CASH FLOW ANALYSIS FOR THE MONTH ENDING

Detail

Dec-15

Cash Receipts by Source

Property rates	3,070,735
Service charges - electricity revenue	16,125,500
Service charges - water revenue	2,538,994
Service charges - sanitation revenue	1,002,439
Service charges - refuse revenue	774,660
Service charges - other	-
Interest earned - outstanding debtors	78,436
Fines	-
Transfer receipts - operational	-
Other revenue	6,768,562
Cash Receipts by Source	30,359,326

Other Cash Flows/Receipts by Source

Transfer receipts - capital	11,500,422
Borrowing long term/refinancing	-

Total Cash Receipts by Source

41,859,748

Cash Payments by Type

Employee related costs	17,647,878
Remuneration of councillors	1,441,091
Bulk purchases - Electricity	14,298,488
Contracted services	2,240,193
General expenses	30,184,143
Cash Payments by Type	65,811,793

Other Cash Flows/Payments by Type

Capital assets	12,370,729
Repayment of borrowing	-

Total Cash Payments by Type

78,182,522

Net Increase/(Decrease) in Cash Held

-36,322,774

Cash/cash equivalents at the month/year begin:

67,589,654

Cash/cash equivalents at the month/year end:

31,266,880

Report on conditional grants at 31 December 2015

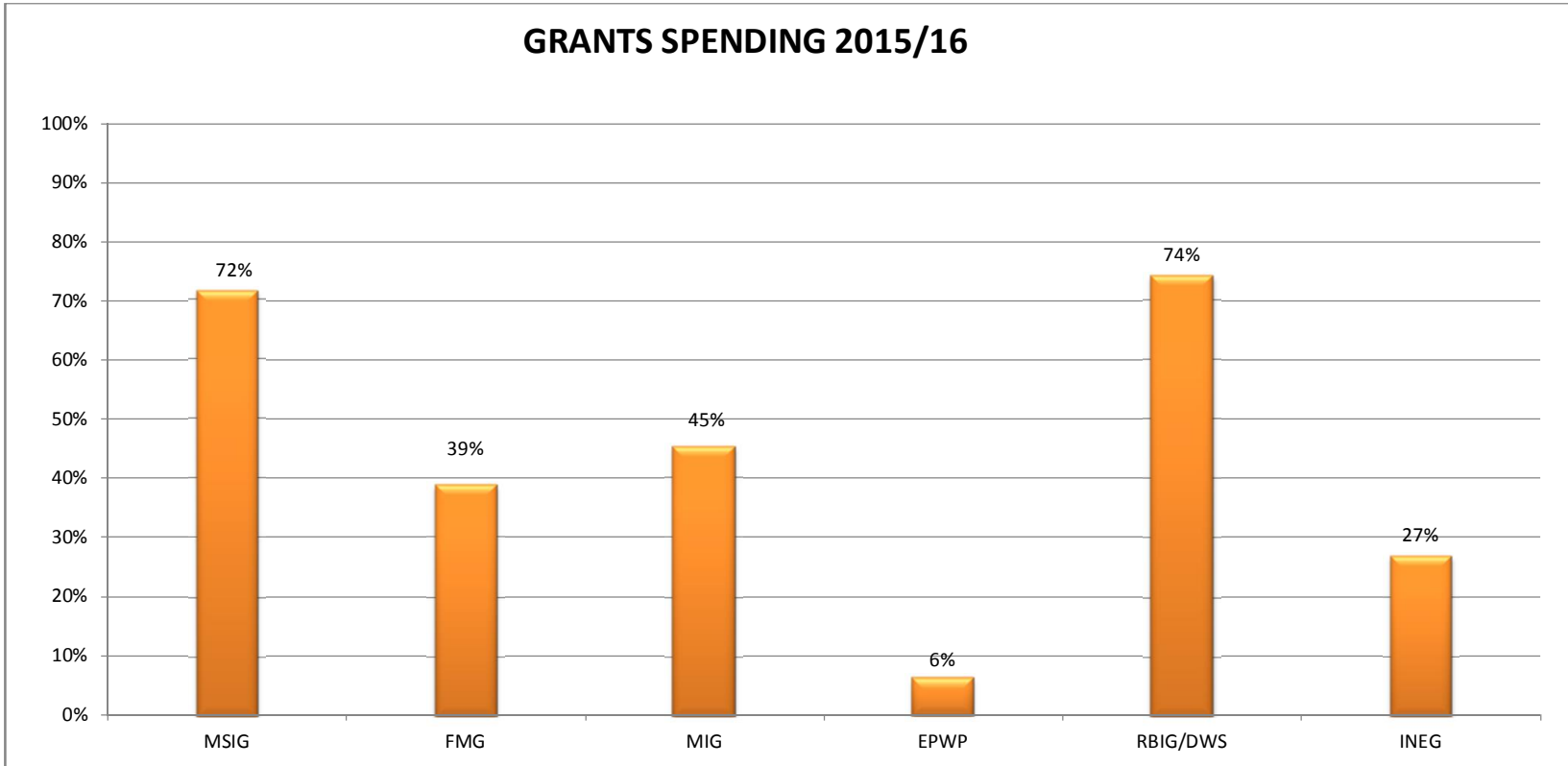
Municipality:

FS201 Moqhaka

Financial Accounting for Grant Funds Received and Expended

	Municipal Systems Improvement Grant (MSIG)	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 2015/16	930,000	1,675,000	38,899,000	1,151,000	-	-
Unspent grants at beginning of the financial year	-	-	-	-	-	5,000,000
Received Prior Months	-	-	22,765,000	-	26,326,810	-
Received This Month	930,000	1,675,000	8,786,000	460,000	25,302,857	-
Total Funds Received	930,000	1,675,000	31,551,000	460,000	51,629,667	5,000,000
Spent Prior Months	500,154	431,161	10,022,286	19,815	26,326,810	206,856
Spent This Month	165,000	218,581	7,565,289	50,595	11,952,326	1,132,924
Total Funds Spent	665,154	649,742	17,587,575	70,410	38,279,136	1,339,780
Total funds Received and Not Spent	264,846	1,025,258	21,311,425	1,080,590	13,350,531	3,660,220
Percentage of Funds Spent	72%	39%	45%	6%	74%	27%
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

GRANTS SPENDING 2015/16



REPORT ON STAFF BENEFITS: Staff costs analysis for the month of December 2015 (MFMA Section 66)

Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

DESCRIPTION	Budget 2015/16	Actual	YTD	% Exp
ANNUAL BONUS	9,002,517	1,433,256	5,560,662	62%
HOUSING SUBSIDY	954,510	83,453	498,455	52%
OTHER ALLOWANCES	827,730	83,149	396,476	48%
OVERTIME	12,942,197	1,237,335	7,051,814	54%
TELEPHONE ALLOWANCE	487,098	35,906	196,444	40%
SALARIES TEMPORARY STAFF	542,467	-	-	0%
SALARIES & WAGES BASIC	123,015,104	10,629,554	60,816,366	49%
STANDBY ALLOWANCE	1,556,651	126,443	756,902	49%
VEHICLE ALLOWANCE	8,951,720	798,107	4,344,923	49%
SUB-TOTAL EMPLOYEE COSTS	158,279,994	14,427,203	79,622,040	50%
GROUP LIFE INSURANCE GENERAL	1,898,683	149,520.75	890,480.67	47%
INDUSTRIAL COUNCIL LEVY	74,235	6,619.25	38,860.00	52%
INSURANCE UNEMPLOYMENT	1,192,225	106,817.64	609,497.57	51%
MEDICAL AID SCHEME	12,380,552	917,003.48	5,141,196.53	42%
PENSION FUNDS	20,491,818	1,795,587.63	10,269,396.77	50%
POST-RETIREMENT MEDICAL BENEFITS	3,015,773	245,128.00	1,255,629.70	42%
SUB-TOTAL SOCIAL CONTRIBUTION	39,053,286	3,220,677	18,205,061	47%
TOTAL EMPLOYEE COSTS	197,333,280	17,647,880	97,827,102	50%

Analysis of overtime per department

Description	31-Oct		30-Nov		31-Dec	
	Hours	Cost	Hours	Cost	Hours	Cost
Municipal Manager	-	-	-	-	-	-
Corporate Services	-	-	144.85	9,731.87	140	16,094
Financial Services	264.30	33,196.93	283.50	34,891.46	318	40,254
Technical Services	6,627.85	620,096.39	6,213.13	570,884.46	7,074	624,821
Community Services	3,119.28	311,204.82	3,358.62	326,280.34	5,179	478,520
Total	10,011	964,498	10,000	941,788	12,712	1,159,689

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.

