



*"People's power in action"*

**MFMA SECTION 52 REPORT**  
**QUARTER ENDING 30 SEPTEMBER 2015**

**Municipal Manager**  
**Executive Mayor**

Revenue analysis for the month ending 30 September 2015

| Revenue types                            | 30 September 2015          |                   |                           |                     |                           |                        |                 |                          | First Quarter Ending 30 September 2015 |                    |                        |                        |                    |                        |
|--|----------------------------|-------------------|---------------------------|---------------------|---------------------------|------------------------|-----------------|--------------------------|--|--------------------|------------------------|------------------------|--------------------|------------------------|
|  | Annual Budget<br>2015/2016 | Budget            | (BP-602)<br>Actual Levies | Levies vs<br>Budget | (BM-310)<br>Actual Income | Income<br>vs<br>Levies | Other<br>Levies | (GS-560)<br>Total Levies | Budget                                 | Actual Levies      | Levies<br>vs<br>Budget | (GS-560) YTD<br>Levies | Actual Income      | Income<br>vs<br>Levies |
| Property rates                           | 61,895,055                 | 4,849,000         | 3,750,506                 | 77%                 | 6,315,191                 | 168%                   | 1,033,548       | 4,784,054                | 18,254,056                             | 15,467,340         | 85%                    | 18,634,037             | 12,866,542         | 83%                    |
| Electricity - conventional               | 184,220,100                | 17,187,735        | 15,476,688                | 90%                 | 15,851,780                | 102%                   | 1,355,683       | 16,832,371               | 49,813,115                             | 44,846,943         | 90%                    | 45,529,340             | 36,713,372         | 82%                    |
| Water                                    | 93,086,263                 | 8,520,892         | 8,736,518                 | 103%                | 4,165,266                 | 48%                    | -2,904,741      | 5,831,777                | 23,391,650                             | 23,659,400         | 101%                   | 20,738,135             | 11,612,417         | 49%                    |
| Sanitation                               | 25,950,000                 | 2,162,500         | 2,293,538                 | 106%                | 1,246,149                 | 54%                    | 2,988           | 2,296,526                | 6,487,500                              | 6,875,766          | 106%                   | 6,882,647              | 3,645,413          | 53%                    |
| Refuse                                   | 21,968,004                 | 1,830,667         | 1,842,148                 | 101%                | 906,059                   | 49%                    | 1,262           | 1,843,410                | 5,492,001                              | 5,523,748          | 101%                   | 5,528,360              | 2,615,768          | 47%                    |
| <b>Total Direct Services</b>             | <b>387,119,422</b>         | <b>34,550,794</b> | <b>32,099,398</b>         | <b>93%</b>          | <b>28,484,445</b>         | <b>89%</b>             | <b>-511,260</b> | <b>31,588,138</b>        | <b>103,438,322</b>                     | <b>96,373,197</b>  | <b>93%</b>             | <b>97,312,519</b>      | <b>67,453,512</b>  | <b>70%</b>             |
| Other revenue                            | 20,884,000                 | 1,740,333         | 1,375,333                 | 79%                 | 269,131                   | 20%                    | 710,006         | 2,085,339                | 5,220,999                              | 4,867,679          | 93%                    | 8,228,989              | 871,150            | 18%                    |
| Indigent Contribution                    |                            |                   |                           |                     | 2,209,949                 |                        |                 |                          |  |                    |                        |                        | 6,166,325          |                        |
| Income Forgone                           |                            |                   |                           |                     | 941,135                   |                        |                 |                          |  |                    |                        |                        | 2,836,933          |                        |
| <b>Revenue from levied services</b>      | <b>408,003,422</b>         | <b>36,291,127</b> | <b>33,474,731</b>         | <b>92%</b>          | <b>31,904,660</b>         | <b>95%</b>             | <b>198,746</b>  | <b>33,673,477</b>        | <b>108,659,321</b>                     | <b>101,240,876</b> | <b>93%</b>             | <b>105,541,508</b>     | <b>77,327,920</b>  | <b>76%</b>             |
| Electricity - prepaid                    | 94,812,276                 | 7,594,463         | -                         |                     | 6,412,592                 |                        |                 |                          | 23,351,155                             | -                  |                        |                        | 20,567,984         |                        |
| <b>Revenue before operational grants</b> | <b>502,815,698</b>         | <b>43,885,590</b> | <b>33,474,731</b>         |                     | <b>38,317,252</b>         |                        |                 |                          | <b>132,010,476</b>                     | <b>101,240,876</b> |                        |                        | <b>97,895,904</b>  |                        |
| Operational grants and subsidies         | 2,617,000                  |                   |                           |                     | 2,605,000                 | 100%                   |                 |                          | 2,605,000                              |                    |                        |                        | 2,605,000          | 100%                   |
| Equitable share                          | 161,083,246                |                   | -                         |                     | 67,118,000                | 42%                    |                 |                          | 67,118,000                             |                    |                        |                        | 67,118,000         | 100%                   |
| <b>Total Revenue</b>                     | <b>666,515,944</b>         | <b>43,885,590</b> | <b>33,474,731</b>         |                     | <b>108,040,252</b>        | <b>-</b>               |                 |                          | <b>201,733,476</b>                     | <b>101,240,876</b> |                        |                        | <b>167,618,904</b> | <b>-</b>               |

**Comments for July - September 2015 Section 71 Report**

Collection rate for September 2015 on the levied services is 95% & 76% for the quarter, and levies are 92% for the month & 93% for the quarter against the budget.

Collection rate for sanitation and refuse in September is 54% and 49% against levies respectively. For the quarter is 53% & 47% respectively.

The collection rate for Property rates for the month is 168% against levies & 83% for the quarter due to the payment of Government claims.

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 102% & 82% 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 89% & 70% 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%        |
| <b>Total</b> | <b>83,784,589</b> | <b>57,836,313</b> | <b>69%</b> | <b>14,017,800</b> | <b>9,216,663</b> | <b>66%</b> | <b>2,525,955</b> | <b>1,271,687</b> | <b>51%</b> |

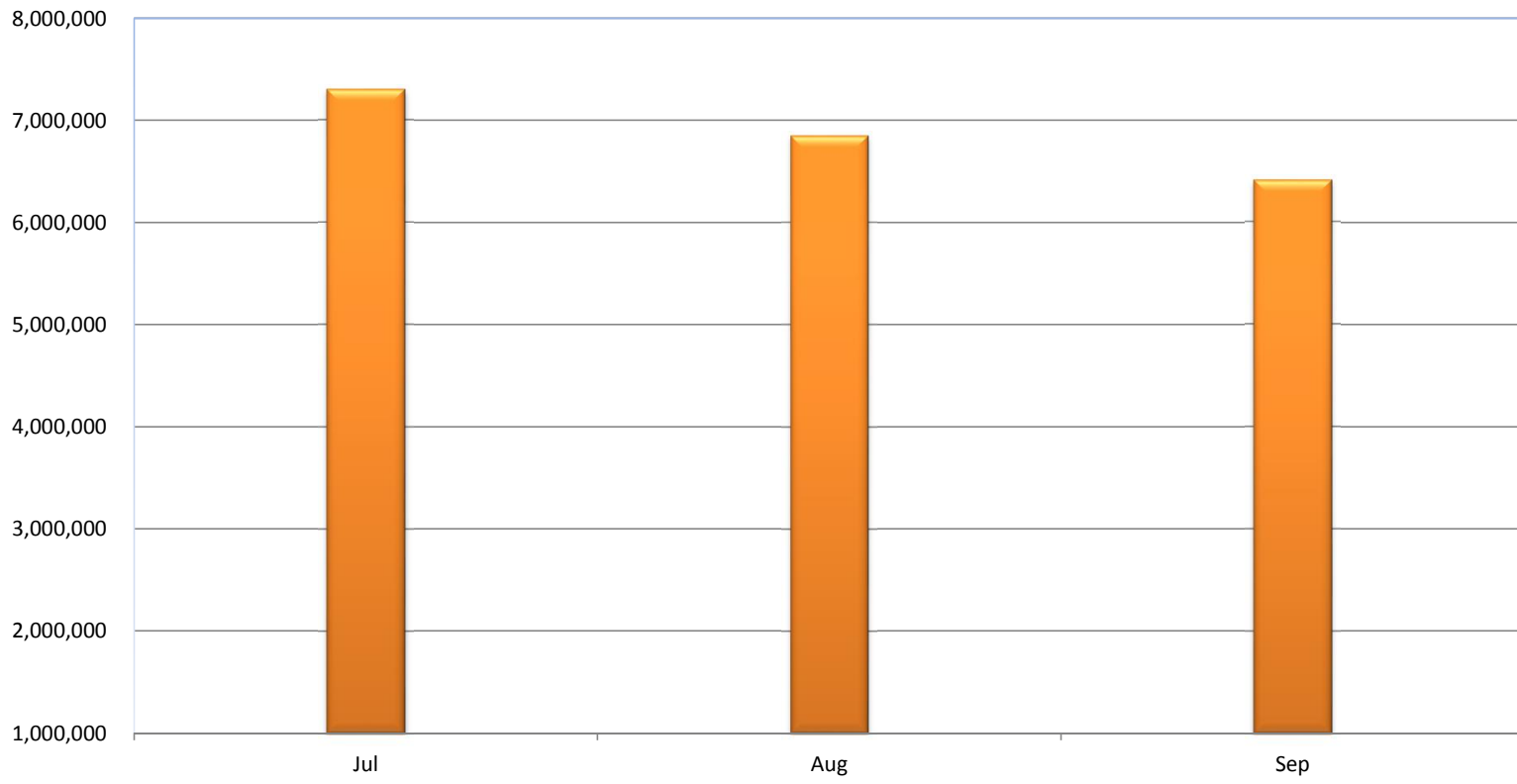
**PRE-PAID ELECTRICITY SALES**

| 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         |
|       |              |         |            |            |               | <b>20,567,984</b> |

The average collection rate for Kroonstad/Maokeng for Sep is 91% ,Viljoenskroon is 70% for the month & Steynsrus average collection is 43% .

Kroonstad/Maokeng generated a revenue of R24.9m in September ,Viljoenskroon/Rammolutsi's R3.3m ,& Steynsrus/Matlwangtlwang generated R437 976 .  
The revenue generated through prepaid electricity for September is R6.4m. The electricity vendors are contributing to these sales.

## Prepaid Electricity Sales 2015-16



**Analysis of Debtors as at 30 September 2015**

| <b>Detail</b>                                | <b>0 - 30 Days</b> | <b>31 - 60 Days</b> | <b>61 - 90 Days</b> | <b>91 - 120 Days</b> | <b>Total</b>       |
|--|--------------------|---------------------|---------------------|----------------------|--------------------|
| <b>Debtors Age Analysis By Income Source</b> |                    |                     |                     |                      |                    |
| Water Tariffs                                | 6,081,853          | 3,955,134           | 3,655,305           | 150,591,847          | 164,284,139        |
| Electricity Tariffs                          | 12,016,227         | 1,692,923           | 932,936             | 18,460,693           | 33,102,779         |
| Rates (Property Rates)                       | 2,774,723          | 997,533             | 1,181,507           | 23,363,474           | 28,317,237         |
| Sewerage / Sanitation Tariffs                | 1,784,921          | 937,074             | 858,659             | 37,221,409           | 40,802,063         |
| Refuse Removal Tariffs                       | 1,405,741          | 764,623             | 712,264             | 25,144,404           | 28,027,032         |
| Other  | 2,206,621          | 1,755,724           | 1,776,696           | 53,728,251           | 59,467,292         |
| <b>Total By Income Source</b>                | <b>26,270,086</b>  | <b>10,103,011</b>   | <b>9,117,367</b>    | <b>308,510,078</b>   | <b>354,000,542</b> |
| <b>Group</b>                                 |                    |                     |                     |                      |                    |
| Government                                   | 2,860,618          | 1,006,834           | 1,111,885           | 3,151,001            | 8,130,338          |
| Business                                     | 8,987,653          | 868,148             | 418,576             | 9,677,171            | 19,951,548         |
| Households                                   | 9,645,881          | 5,922,650           | 5,030,578           | 169,576,371          | 190,175,480        |
| Other  | 4,775,934          | 2,305,379           | 2,556,328           | 126,105,535          | 135,743,176        |
| <b>Total By Customer Group</b>               | <b>26,270,086</b>  | <b>10,103,011</b>   | <b>9,117,367</b>    | <b>308,510,078</b>   | <b>354,000,542</b> |

| <b>Highlights</b>                    | <b>JULY</b>          | <b>AUG</b>           | <b>SEP</b>           |
|--------------------------------------|----------------------|----------------------|----------------------|
| <b>Services</b>                      |                      |                      |                      |
| Councillors' debt                    | 117,639              | R 119,274            | R 117,916            |
| Officials debt                       | R 780,813            | R 785,990            | R 1,650,417          |
| <b>Sundry debtors</b>                |                      |                      |                      |
| Telephones (Officials & Councillors) | R 345,680            | R 336,667            | R 338,369            |
| Study loans                          | R 94,679             | R 95,463             | R 96,247             |
| <i>Indigents</i>                     | R 79,492,525         | R 85,183,859         | R 87,104,744         |
| <b>Total Debt 90 Days +</b>          | <b>R 289,253,981</b> | <b>R 303,839,850</b> | <b>R 308,510,078</b> |

**Creditors**

| <b>Detail</b>     | <b>0 - 30 Days</b> | <b>31 - 60 Days</b> | <b>61 - 90 Days</b> | <b>91 - 120 Days</b> | <b>121 - 150 Days</b> | <b>151 - 180 Days</b> | <b>181 Days - 1 Year</b> | <b>Over 1 Year</b> | <b>Total</b>      |
|-------------------|--------------------|---------------------|---------------------|----------------------|-----------------------|-----------------------|--------------------------|--------------------|-------------------|
| Bulk Electricity  | 16,404,747         | -                   | -                   | -                    | -                     | -                     | -                        | -                  | 16,404,747        |
| Loan repayments   | 800,000            | -                   | -                   | -                    | -                     | -                     | -                        | -                  | 800,000           |
| Trade Creditors   | 2,561,262          | 882,757             | 61,872              | 387                  | -                     | -                     | -                        | -                  | 3,506,278         |
| Auditor General   | 965,142            | -                   | -                   | -                    | -                     | -                     | -                        | -                  | 965,142           |
| DWAS              | -                  | -                   | -                   | -                    | -                     | -                     | -                        | 22,579,997         | 22,579,997        |
| SITA              | -                  | -                   | -                   | -                    | -                     | -                     | -                        | 1,223,163          | 1,223,163         |
| WSSA              | 246,728            | -                   | -                   | -                    | -                     | -                     | -                        | -                  | 246,728           |
| GOVERNMENT GARAGE | 590,000            | 590,000             | 2,060,216           | -                    | -                     | -                     | -                        | -                  | 3,240,216         |
| OTHER CREDITORS   | 3,600,000          | -                   | -                   | -                    | -                     | -                     | -                        | -                  | 3,600,000         |
| <b>Total</b>      | <b>25,167,879</b>  | <b>1,472,757</b>    | <b>2,122,088</b>    | <b>387</b>           | <b>-</b>              | <b>-</b>              | <b>-</b>                 | <b>23,803,160</b>  | <b>52,566,271</b> |

**OPERATING EXPENSES**

| DESCRIPTION                     | Annual Budget<br>2015/2016 | Actual<br>30-Sep-15 | YTD<br>30-Sep-15   | Variance           | % Exp      |
|---------------------------------|----------------------------|---------------------|--------------------|--------------------|------------|
| EMPLOYEE RELATED COSTS          | 197,333,280                | 16,465,851          | 46,712,240         | 150,621,040        | 24%        |
| REMUNERATION OF COUNCILLORS     | 17,341,403                 | 1,441,092           | 4,324,715          | 13,016,688         | 25%        |
| BULK PURCHASES                  | 215,267,977                | 24,647,549          | 52,260,258         | 163,007,719        | 24%        |
| CONTRACTED SERVICES             | 22,889,502                 | 312,744             | 3,873,423          | 19,016,079         | 17%        |
| TOTAL REPAIR AND MAINTENANCE    | 52,755,725                 | 2,764,169           | 6,893,589          | 45,862,136         | 13%        |
| DEPRECIATION ON ASSETS          | 25,344,000                 | 2,112,000           | 6,336,000          | 19,008,000         | 25%        |
| CONTRIBUTIONS TO BAD DEBTS      | 5,564,000                  | 463,667             | 1,391,000          | 4,173,000          | 25%        |
| GENERAL EXPENSES                | 117,283,088                | 7,687,723           | 25,070,074         | 92,213,014         | 21%        |
| <b>TOTAL EXPENDITURE (NETT)</b> | <b>653,778,975</b>         | <b>55,894,795</b>   | <b>146,861,300</b> | <b>506,917,675</b> | <b>22%</b> |

**CONTRACTED SERVICES**

| Description                         | Annual Budget<br>2015/2016 | Actual<br>30-Sep-15 | YTD<br>30-Sep-15 | Variance          | % Exp      |
|-------------------------------------|----------------------------|---------------------|------------------|-------------------|------------|
| CASH COLLECTION COST (DEPOSIT FEES) | 510,813                    | 37,856              | 68,638           | 442,175           | 13%        |
| METER READING FEES                  | 1,657,231                  | 101,762             | 202,775          | 1,454,456         | 12%        |
| RAILWAY SIDING                      | 686,689                    | -                   | -                | 686,689           | 0%         |
| SECURITY (MONITORING OF ALARMS)     | 364,349                    | 1,750               | 1,750            | 362,599           | 0%         |
| SECURITY SERVICES                   | 19,670,420                 | 1,656,223           | 3,287,516        | 16,382,904        | 17%        |
| <b>CONTRACTED SERVICES</b>          | <b>22,889,502</b>          | <b>1,797,591</b>    | <b>3,560,679</b> | <b>19,328,823</b> | <b>16%</b> |

**OPERATING EXPENSES**

| DESCRIPTION                   | Annual Budget<br>2015/2016 | Actual<br>30-Sep-15 | YTD<br>30-Sep-15 | Variance  | % Exp |
|-------------------------------|----------------------------|---------------------|------------------|-----------|-------|
| ABET TRAINING                 | 116,866.00                 | -                   | -                | 116,866   | 0%    |
| ACTIVITIES DISABILITIES       | 52,800.00                  | 35,000              | 35,000           | 17,800    | 66%   |
| ACTIVITIES YOUTH OFFICER      | 249,061.00                 | -                   | 4,400            | 244,661   | 2%    |
| ADVERTISEMENTS                | 336,442.00                 | 11,042              | 50,102           | 286,340   | 15%   |
| AUDIT FEES (EXTERNAL)         | 6,565,870.00               | 559,629             | 611,215          | 5,954,655 | 9%    |
| BANK CHARGES                  | 2,247,844.00               | 162,776             | 515,108          | 1,732,736 | 23%   |
| BANK OVERDRAFT INTEREST       | -                          | -                   | 3                | -3        | 0%    |
| BIOLOGICAL RISK ASSESSMENT    | 50,000.00                  | -                   | -                | 50,000    | 0%    |
| BOOKS & MAGAZINES             | 27,777.00                  | -                   | -                | 27,777    | 0%    |
| BURSARIES                     | 144,692.00                 | -                   | -                | 144,692   | 0%    |
| CHEMICALS                     | 6,762,855.00               | 17,150              | 629,952          | 6,132,903 | 9%    |
| CIVIC FUNERAL                 | 140,000.00                 | -                   | -                | 140,000   | 0%    |
| CLEANING CAMPAIGN             | 95,000.00                  | -                   | -                | 95,000    | 0%    |
| CLEANING MATERIALS            | 377,654.00                 | 51,889              | 123,126          | 254,528   | 33%   |
| COMMISSION PAID               | 4,734,691.00               | 376,937             | 761,560          | 3,973,131 | 16%   |
| COMMITTEES AUDIT              | 325,000.00                 | 55,350              | 92,456           | 232,544   | 28%   |
| COMMITTEES CHILDCARE          | 52,800.00                  | -                   | -                | 52,800    | 0%    |
| COMMITTEES HIC/AIDS           | 99,999.00                  | -                   | 9,500            | 90,499    | 10%   |
| COMMITTEES LOCAL SPORT        | 50,000.00                  | -                   | 3,960            | 46,040    | 8%    |
| COMMITTEES OLD AGE            | 52,800.00                  | 6,740               | 6,740            | 46,060    | 13%   |
| COMMITTEES WARDS              | 1,471,008.00               | 291,576             | 291,576          | 1,179,432 | 20%   |
| COMMONAGE                     | 10,560.00                  | -                   | -                | 10,560    | 0%    |
| CONFERENCES/SEMINARS/MEETINGS | 1,649,840.00               | 217,860             | 633,766          | 1,016,074 | 38%   |
| PROFESSIONAL FEES             | 3,696,000.00               | 156,680             | 250,957          | 3,445,043 | 7%    |
| DECORATION MATERIAL           | 20,000.00                  | -                   | -                | 20,000    | 0%    |
| DISASTER MATERIAL             | -                          | -                   | -                | -         | 0%    |

**OPERATING EXPENSES**

| DESCRIPTION                          | Annual Budget | Actual 30-Sep-15 | YTD 30-Sep-15 | Variance   | % Exp |
|--------------------------------------|---------------|------------------|---------------|------------|-------|
| DISCIPLINARY HEARINGS                | 10,580.00     | -                | -             | 10,580     | 0%    |
| EMPLOYMENT EQUITY                    | 11,130.00     | -                | -             | 11,130     | 0%    |
| EMPL ASST PROGRAMME                  | 159,500.00    | 307              | 307           | 159,193    | 0%    |
| ENTERTAINMENT COST                   | 308,226.00    | 15,092           | 41,812        | 266,414    | 14%   |
| EVENTS LOGISTICS                     | 30,000.00     | 3,650            | 3,650         | 26,350     | 12%   |
| FUEL & LUBRICANTS                    | 7,872,904.00  | 462,500          | 1,110,208     | 6,762,696  | 14%   |
| FUNERAL ATTENDANCE                   | 16,167.00     | -                | -             | 16,167     | 0%    |
| GRAVE - NUMBERS                      | 17,000.00     | -                | -             | 17,000     | 0%    |
| GRANT EXP - EPWP INCENTIVE           | -             | -                | -             | -          | 0%    |
| GRANT EXP - FMG                      | 1,650,000.00  | 14,489           | 204,256       | 1,445,744  | 12%   |
| GRANT EXP - LG SETA DISCRETIONAL     | -             | -                | -             | -          | 0%    |
| GRANT EXP - LG SETA MANDATORY        | -             | -                | 52,800        | -52,800    | 0%    |
| GRANT EXP - MSIG                     | 967,000.00    | 168,750          | 255,066       | 711,934    | 26%   |
| INDIGENT - CONTRIBUTIONS             | 22,147,027.00 | 2,209,949        | 6,166,325     | 15,980,702 | 28%   |
| INSURANCE GENERAL                    | 3,010,500.00  | 43,643           | 2,962,631     | 47,869     | 98%   |
| INSURANCE GENERAL EXCESS             | 578,007.00    | -                | 225,657       | 352,350    | 39%   |
| INTERNSHIP & EXPERIENTAL TRAINING    | 77,911.00     | -                | -             | 77,911     | 0%    |
| INTERVIEW EXPENSES                   | 5,290.00      | -                | -             | 5,290      | 0%    |
| INTEREST PAID - SARS                 | -             | -                | -             | -          | 0%    |
| INTERIM SURVEY OF ERVIN              | 5,628.00      | -                | -             | 5,628      | 0%    |
| LABORATORY CONSUMABLES               | 27,462.00     | 4,076            | 18,472        | 8,990      | 67%   |
| LABORATORY FEES                      | 2,387,783.00  | -                | -             | 2,387,783  | 0%    |
| LATE PAYMENT - CREDITORS             | 163,226.00    | -                | -             | 163,226    | 0%    |
| LEANER SHIP                          | 66,787.00     | -                | -             | 66,787     | 0%    |
| LEGAL FEES                           | 1,423,212.00  | 218,687          | 248,290       | 1,174,922  | 17%   |
| LICENSES OTHER                       | 1,802,789.00  | 1,360            | 41,854        | 1,760,935  | 2%    |
| LICENCES PUBLIC                      | 3,600.00      | 639              | 639           | 2,961      | 18%   |
| LICENSES VEHICLES                    | 521,721.00    | 3,963            | 74,907        | 446,815    | 14%   |
| MEDICAL EXAMINATIONS                 | 130,000.00    | 130,000          | 130,000       | -          | 100%  |
| MEDICINES                            | 11,727.00     | -                | -             | 11,727     | 0%    |
| MEMBERSHIP FEES                      | 9,000.00      | -                | -             | 9,000      | 0%    |
| PAUPER BURIALS                       | 73,000.00     | 12,460           | 19,211        | 53,790     | 26%   |
| PENALTIES - SARS                     | -             | -                | -             | -          | 0%    |
| PENSIONERS GRANT                     | 16,194.00     | 850              | 2,550         | 13,644     | 16%   |
| POSTAL SERVICES(POSTAGE & TELEGRAMS) | 1,640,962.00  | 107,140          | 304,837       | 1,336,125  | 19%   |
| POSTOFFICE & EASYPAY COMMISSION      | -             | 29,769           | 85,957        | -85,957    | 0%    |
| PRE-PAID METERS                      | 1,590,000.00  | -                | -             | 1,590,000  | 0%    |
| PRINTING & STATIONERY                | 2,274,914.00  | 259,347          | 757,386       | 1,517,528  | 33%   |
| PRODUCTIONS,SHOWS & MARKETING        | 100,000.00    | -                | -             | 100,000    | 0%    |
| PROTECTIVE CLOTHING                  | 2,220,865.00  | 45,949           | 56,373        | 2,164,492  | 3%    |
| PUBLICITY (MARKETING/BRANDING)       | 21,000.00     | -                | -             | 21,000     | 0%    |
| RECREATION                           | 2,000.00      | -                | -             | 2,000      | 0%    |
| RECRUITMENT FEES                     | 21,160.00     | -                | -             | 21,160     | 0%    |
| REMOVAL EXP                          | -             | -                | -             | -          | 0%    |
| RENT - OFFICE EQUIPMENT & OTHER      | 1,438,346.00  | 7,874            | 51,788        | 1,386,558  | 4%    |
| RENT - VEHICLES                      | 4,946,800.00  | -                | -             | 4,946,800  | 0%    |
| RETIREE AWARDS                       | 26,979.00     | -                | -             | 26,979     | 0%    |
| SALGA MEMBERSHIP FEES                | 1,973,791.00  | -                | 1,973,791     | -          | 100%  |
| SKILLS DEVELOPMENT LEVY              | 1,299,540.00  | 138,814          | 401,549       | 897,991    | 31%   |
| SOCIAL PROGRAMS                      | 431,061.00    | 115,994          | 241,462       | 189,599    | 56%   |
| STOCK AND MATERIAL                   | 555,646.00    | 31,741           | 78,475        | 477,171    | 14%   |
| SUBSCRIPTION FEES                    | 5,103.00      | -                | -             | 5,103      | 0%    |
| SUPPLEMENTARY VALUATIONS             | 158,048.00    | -                | 13,000        | 145,048    | 8%    |

**OPERATING EXPENSES**

| <b>DESCRIPTION</b>          | <b>Annual Budget</b> | <b>Actual 30-Sep-15</b> | <b>YTD 30-Sep-15</b> | <b>Variance</b>   | <b>% Exp</b> |
|-----------------------------|----------------------|-------------------------|----------------------|-------------------|--------------|
| TELEPHONE & FAX             | 961,000.00           | 149,756                 | 396,666              | 564,334           | 41%          |
| TOURISM                     | 106,000.00           | -                       | -                    | 106,000           | 0%           |
| TOWN PLANNING COST          | 230,000.00           | -                       | -                    | 230,000           | 0%           |
| TRAFFIC SIGNS               | 382,721.00           | -516                    | -                    | 382,721           | 0%           |
| TRAINING STAFF              | 101,000.00           |                         | 41,655               | 59,345            | 41%          |
| TRAINING COUNCILLORS        | 56,074.00            | -                       | -                    | 56,074            | 0%           |
| WEED KILLERS / PEST CONTROL | 300,528.00           | 870                     | 870                  | 299,658           | 0%           |
| WINDEED                     | 47,594.00            | 4,957                   | 8,117                | 39,477            | 17%          |
| WORKMENS COMPENSATION       | 1,170,829.00         | -                       | -                    | 1,170,829         | 0%           |
|                             |                      |                         |                      |                   |              |
| <b>GENERAL EXPENSES</b>     | <b>94,894,891</b>    | <b>6,124,737</b>        | <b>19,989,984</b>    | <b>74,904,907</b> | <b>21%</b>   |



## Analysis of capital expenditure as at 30 September 2015

| <b>CAPITAL EXPENDITURE</b>           | <b>Budget 2015/16</b> | <b>Expenditure</b> | <b>% of Budget Spent</b> |
|--------------------------------------|-----------------------|--------------------|--------------------------|
| <b>INFRASTRUCTURE</b>                |                       |                    |                          |
| Roads and Stormwater                 | 23,724,489            | 3,114,582          | 13%                      |
| Water Reservoirs & Reticulation      | 785,018               | -                  | 0%                       |
| Electricity Reticulation             | 9,000,000             | 206,856            | 2%                       |
| Sewerage Purification & Reticulation | 15,219,008            | 14,903,172         | 98%                      |
| Sport                                | 9,506,138             | -                  | 0%                       |
| Other                                | -                     | -                  | 0%                       |
|                                      | <b>58,234,653</b>     | <b>18,224,610</b>  | <b>31%</b>               |
| <b>SOURCE OF FINANCE</b>             |                       |                    |                          |
| Government Grants and Subsidies      | 40,050,000            | 3,321,438          | 8%                       |
| Other Ad-Hoc Financing Sources       | 18,184,653            | 14,903,172         | 82%                      |
| Other                                | -                     | -                  | 0%                       |
| <b>TOTAL FINANCING</b>               | <b>58,234,653</b>     | <b>18,224,610</b>  | <b>31%</b>               |

### Government grants and subsidies consist of the following:

|                                    |                   |
|------------------------------------|-------------------|
| Municipal Infrastructure Grant     | 38,899,000        |
| DWS                                | 18,184,653        |
| EPWP (Incentive)                   | 1,151,000         |
| Regional Bulk Infrastructure Grant | -                 |
| DoE (Department of Energy)         | -                 |
| <b>Total</b>                       | <b>58,234,653</b> |

**CASH FLOW ANALYSIS FOR THE MONTH ENDING**

| <b>Detail</b>   | <b>Jul-15</b>      | <b>Aug-15</b>     | <b>Sep-15</b>     |
|---|--------------------|-------------------|-------------------|
| <b>Cash Receipts by Source</b>                        |                    |                   |                   |
| Property rates  | 2,853,948          | 3,899,030         | 6,314,890         |
| Service charges - electricity revenue                 | 20,314,231         | 21,824,022        | 24,140,695        |
| Service charges - water revenue                       | 5,541,004          | 4,161,953         | 6,462,480         |
| Service charges - sanitation revenue                  | 1,382,159          | 1,424,440         | 1,032,907         |
| Service charges - refuse revenue                      | 948,842            | 1,046,861         | 1,420,609         |
| Service charges - other                               | -                  | -                 | -                 |
| Interest earned - outstanding debtors                 | 139,755            | 93,462            | 95,366            |
| Fines   | -                  | -                 | -                 |
| Transfer receipts - operational                       | 69,723,000         | 12,464,580        | -                 |
| Other revenue   | 1,178,496          | 3,581,499         | 20,809            |
| <b>Cash Receipts by Source</b>                        | <b>102,081,435</b> | <b>48,495,847</b> | <b>39,487,756</b> |
| <b>Other Cash Flows/Receipts by Source</b>            |                    |                   |                   |
| Transfer receipts - capital                           | 22,765,000         | -                 | 11,807,813        |
| Borrowing long term/refinancing                       | -                  | 35,000,000        | 5,000,000         |
| <b>Total Cash Receipts by Source</b>                  | <b>124,846,435</b> | <b>83,495,847</b> | <b>56,295,569</b> |
| <b>Cash Payments by Type</b>                          |                    |                   |                   |
| Employee related costs                                | 14,144,854         | 16,101,533        | 16,465,850        |
| Remuneration of councillors                           | 1,441,092          | 1,442,532         | 1,441,092         |
| Bulk purchases - Electricity                          | 27,249,746         | 27,594,290        | 24,647,549        |
| Contracted services                                   | 1,763,088          | 1,797,591         | 281,962           |
| General expenses                                      | 56,774,476         | 30,392,158        | 11,644,832        |
| <b>Cash Payments by Type</b>                          | <b>101,373,256</b> | <b>77,328,104</b> | <b>54,481,285</b> |
| <b>Other Cash Flows/Payments by Type</b>              |                    |                   |                   |
| Capital assets  | 5,984,405          | 2,988,929         | 3,763,366         |
| Repayment of borrowing                                | 24,000,000         | -                 | -                 |
| <b>Total Cash Payments by Type</b>                    | <b>131,357,661</b> | <b>80,317,033</b> | <b>58,244,651</b> |
| <b>Net Increase/(Decrease) in Cash Held</b>           | <b>-6,511,226</b>  | <b>3,178,814</b>  | <b>-1,949,082</b> |
| <b>Cash/cash equivalents at the month/year begin:</b> | <b>17,707,778</b>  | <b>11,196,552</b> | <b>14,375,366</b> |
| <b>Cash/cash equivalents at the month/year end:</b>   | <b>11,196,552</b>  | <b>14,375,366</b> | <b>12,426,284</b> |

Report on conditional grants at 30 September 2015

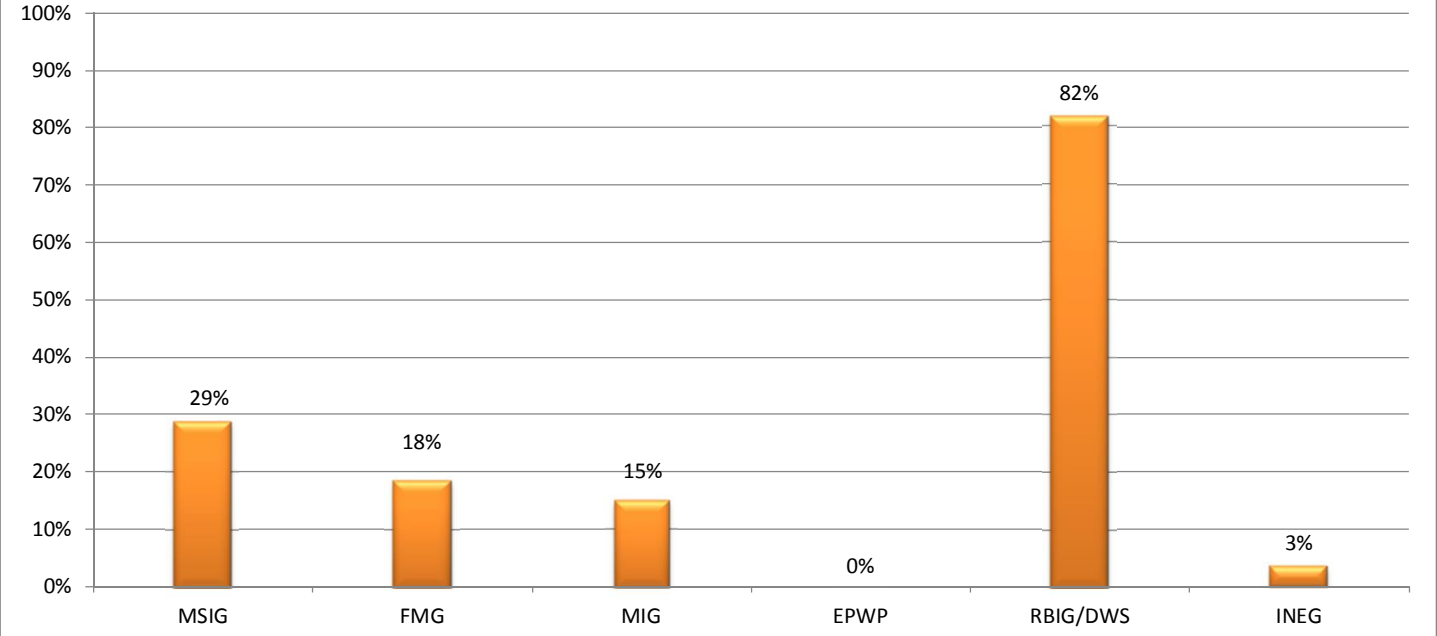
Municipality:

FS201 Moqhaka

Financial Accounting for Grant Funds Received and Expended

|  | Municipal<br>Systems<br>Improvement<br>Grant (MSIG) | Finance<br>Management<br>Grant (FMG) | Municipal<br>Infrastructure<br>Grant (MIG) | Extended<br>Public Works<br>Programme<br>(EPWP) | RBIG/DWS          | Integrated<br>National<br>Electrification<br>Programme<br>Grant (INEG) |
|--|---|--------------------------------------|--|---|-------------------|--|
| <b>DORA Allocation for the 2015/16</b>                   | 930,000   | 1,675,000                            | 38,899,000                                 | 1,151,000                                       | -                 | -  |
| <b>Unspent grants at beginning of the financial year</b> | -   | -                                    | -  | -   | -                 | 5,945,572  |
| Received Prior Months                                    | -   | -                                    | -  | -   | -                 | -  |
| Received This Month                                      | 930,000   | 1,675,000                            | 22,765,000                                 | 460,000   | 18,184,653        | -  |
| <b>Total Funds Received</b>                              | <b>930,000</b>                                      | <b>1,675,000</b>                     | <b>22,765,000</b>                          | <b>460,000</b>                                  | <b>18,184,653</b> | <b>5,945,572</b>   |
| Spent Prior Months                                       | 98,400  | 152,327                              | 3,114,582                                  | -   | 13,252,821        | -  |
| Spent This Month   | 168,750   | 155,586                              | 2,706,558                                  | -   | 1,650,351         | 206,856  |
| Total Funds Spent  | 267,150   | 307,913                              | 5,821,140                                  | -   | 14,903,172        | 206,856  |
| <b>Total funds Received and Not Spent</b>                | <b>662,850</b>                                      | <b>1,367,087</b>                     | <b>33,077,860</b>                          | <b>1,151,000</b>                                | <b>3,281,481</b>  | <b>5,738,716</b>   |
| <b>Percentage of Funds Spent</b>                         | <b>29%</b>  | <b>18%</b>                           | <b>15%</b>                                 | <b>0%</b>                                       | <b>82%</b>        | <b>3%</b>  |
| Funds Currently Committed but Not Spent                  | -   | -                                    | -  | -   | -                 | -  |
| Scheduled Transfers Withheld                             | -   | -                                    | -  | -   | -                 | -  |

### GRANTS SPENDING 2015/16



## REPORT ON STAFF BENEFITS: Staff costs analysis for the month of September 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          | 526,155           | 2,101,989         | 23%        |
| HOUSING SUBSIDY                      | 954,510            | 113,626           | 248,250           | 26%        |
| OTHER ALLOWANCES                     | 827,730            | 63,502            | 190,596           | 23%        |
| OVERTIME                             | 12,942,197         | 1,299,753         | 3,772,624         | 29%        |
| TELEPHONE ALLOWANCE                  | 487,098            | 31,367            | 95,028            | 20%        |
| SALARIES TEMPORARY STAFF             | 542,467            | -                 | -                 | 0%         |
| SALARIES & WAGES BASIC               | 123,015,104        | 10,514,930        | 29,318,914        | 24%        |
| STANDBY ALLOWANCE                    | 1,556,651          | 130,813           | 381,112           | 24%        |
| VEHICLE ALLOWANCE                    | 8,951,720          | 735,260           | 2,009,484         | 22%        |
| <b>SUB-TOTAL EMPLOYEE COSTS</b>      | <b>158,279,994</b> | <b>13,415,404</b> | <b>38,117,997</b> | <b>24%</b> |
| GROUP LIFE INSURANCE GENERAL         | 1,898,683          | 149,334.49        | 441,918.42        | 23%        |
| INDUSTRIAL COUNCIL LEVY              | 74,235             | 6,749.75          | 18,893.50         | 25%        |
| INSURANCE UNEMPLOYMENT               | 1,192,225          | 103,263.50        | 291,301.17        | 24%        |
| MEDICAL AID SCHEME                   | 12,380,552         | 833,997.37        | 2,430,253.75      | 20%        |
| PENSION FUNDS                        | 20,491,818         | 1,698,949.04      | 4,891,719.48      | 24%        |
| POST-RETIREMENT MEDICAL BENEFITS     | 3,015,773          | 258,152.64        | 520,157.08        | 17%        |
| <b>SUB-TOTAL SOCIAL CONTRIBUTION</b> | <b>39,053,286</b>  | <b>3,050,447</b>  | <b>8,594,243</b>  | <b>22%</b> |
| <b>TOTAL EMPLOYEE COSTS</b>          | <b>197,333,280</b> | <b>16,465,851</b> | <b>46,712,240</b> | <b>24%</b> |

### Analysis of overtime per department

| Description        | 31-Jul        |                  | 31-Aug        |                  | 30-Sep        |                  |
|--------------------|---------------|------------------|---------------|------------------|---------------|------------------|
|                    | Hours         | Cost             | Hours         | Cost             | Hours         | Cost             |
| Municipal Manager  | -             | -                | -             | -                | -             | -                |
| Corporate Services | 364           | 34,062           | 89            | 9,038            | 91.67         | 16,239.10        |
| Financial Services | 420           | 53,423           | 460           | 52,318           | 363.60        | 55,395.78        |
| Technical Services | 8,622         | 765,393          | 8,672         | 784,762          | 8,184.67      | 762,528.25       |
| Community Services | 3,795         | 353,666          | 3,100         | 301,237          | 3,886.82      | 398,177.46       |
| <b>Total</b>       | <b>13,201</b> | <b>1,206,544</b> | <b>12,320</b> | <b>1,147,355</b> | <b>12,527</b> | <b>1,232,341</b> |

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.

