



baviaans
PARTICIPATION FOR DEVELOPMENT

umasipala
local municipality
plaaslike munisipaliteit

BAVIAANS LOCAL MUNICIPALITY

SECTION 71 REPORT

FOR THE MONTH ENDING 31 OCTOBER 2015

SUMMARY OF OVERALL FINANCIAL PERFORMANCE

1. BUDGET PERFORMANCE – SUMMARY

1.1 OPERATING BUDGET PERFORMANCE

Table 1: Operating Budget performance for the period ending 31 October 2015

DESCRIPTION	October Actual	Actual to date	Total budget 2015/16	YTD Budget	YTD Variance	% YTD Variance	Variance Total Budget	%Variance Total Budget
Total Direct Operating Revenue	1 949	24 602	92 825	30 942	-6 340	-20	-68 223	-73
Total Operating Expenditure	4 608	20 594	78 002	26 001	-5 407	21	-57 408	74
Operating Surplus / (Deficit)	-2 658	4 008	14 824	4 941	-933	-19	-10 815	-73

Explanation and reason for variances:

Revenue was R6.34 million (%) less than anticipated as at 31 October 2015, with total revenue of R 1.949 million being recorded for October 2015. The grants received during July 2015 and annual rates levied during July 2015 boosted the year to date figures. The low revenue for October was as expected and will continue until the next Equitable Share tranche is received in November.

The details of the individual revenue items are discussed in more detail under paragraph 2.3

Expenditure was R 5.407 million (%) less than anticipated for the year to date, with expenditure of R 4.608 million being incurred during October 2015.

The following contributing factors should be taken into consideration:

- Annual bonus only payable in November 2015
- Depreciation not calculated for the year to date

The details of the individual expenditure items are discussed in more detail under paragraph 2.2

1.2 CAPITAL BUDGET PERFORMANCE

Table 2: Capital Budget performance for the period ending 31 October 2015

Total Budget	YTD Budget	YTD Actual	Variance YTD budget	% Variance YTD budget	% Variance Total budget
31 450 420	7 862 605	14 101 272	3 617 798	46	55

Explanation and reason for variance:

Capital expenditure for the year to date 31 October 2015 was R 14.1 million and it was R 3.6 million more than anticipated. The expenditure for October 2015 amounted to R 4.447 million.

The following projects were spent on during October 2015:

	OCTOBER	YTD
LED REFUSE PROJECT	18 700	48 700
RIETBRON WATER METERS		225 125
RIETBRON HIGH MAST LIGHT	55 782	79 059
STEYTLERVILLE WATER	2 996 137	10 731 064
STREETS AND STORMWATER	822 296	1 322 883
UPGRADING OF SPORTSFIELDS		37 091
WASTE WATER TREATMENT WORKS	554 566	1 657 351
TOTAL	4 447 480	14 101 272

1.3 CASH FLOW POSITION AS AT 31 OCTOBER 2015

Table 3: Summary of Cash flow position (Primary Bank Account) as at 31 October 2015

CASH BALANCE B/F FROM 1 OCTOBER 2015	(1 675 079)
CASH RECEIVED FOR THE PERIOD	10 633 505
CASH PAYMENTS MADE THE FOR PERIOD	(11 394 991)
CASH BALANCE AS AT 31 OCTOBER 2015	(2 430 878)

The bank balance ended on R 2 430 878 in overdraft as at 31 October 2015. The following grants were received during October 2015:

- Regional Bulk Infrastructure Grant - R 9 586 915

1.4 BANK BALANCE, INVESTMENTS, AND BORROWINGS IN TERMS OF S.71 (1)(b)

Table 4: Key Treasury Information as at 31 October 2015

	OPENING BALANCE	MOVEMENT DURING THE PERIOD	CLOSING BALANCE
CURRENT ACCOUNT			
Absa	(1 906 292)	(772 729)	(2 679 021)
Standard bank	168 166	(44 559)	212 725
INVESTMENTS	5 867 890	(2 112 654)	3 755 236
EXTERNAL BORROWING			
Finance leases	537 757	(48 393)	489 364
Repayment of Conditional Grants	742 616		742 616

1.4.1 Cash management

The cash flow is managed on a daily basis and the CFO and all senior managers are informed of the daily current account balances.

The municipality has an approved overdraft facility of R3 million which will be repaid as follows:

- R 1 800 000 on 1 December 2015
- R 1 200 000 on 1 April 2016

The Bank reconciliation as well as the cash flow statement for the month are attached as part of Annexure A.

1.4.2 Investments

Regulation 9 of the Investment regulations requires that the Accounting officer of a municipality must within 10 working days of the end of each month, as part of the section 71 report submit to the Mayor a report describing in accordance with generally recognized accounting practice the investment portfolio of the municipality as at the end of the month.

The report must contain at least:

- (i) the market value of each investment at the beginning of the period
- (ii) any changes to the investment portfolio during the reporting period
- (iii) the market value of each investment at the end of the period
- (iv) fully accrued interest and yield for the reporting period.

Investments consist of short term deposits made from conditional grants received.

Attached as part of Annexure A is a schedule reflecting all investments for the period ending 31 October 2015.

1.4.3 Borrowings

Finance leases consist of finance leases for photocopiers (Xerox) and vehicles (ABSA). The average lease term is over a period of 3 years.

Repayment of Conditional grants relates to the unsuccessful application for rollover on the unspent conditional grants for 2012/13 which needs to be repaid to the National Treasury. R2 169 000 has been deducted from the Equitable Share disbursement for July 2015.

1.5 PERFORMANCE ON REVENUE COLLECTION

Table 5: Collection Rate

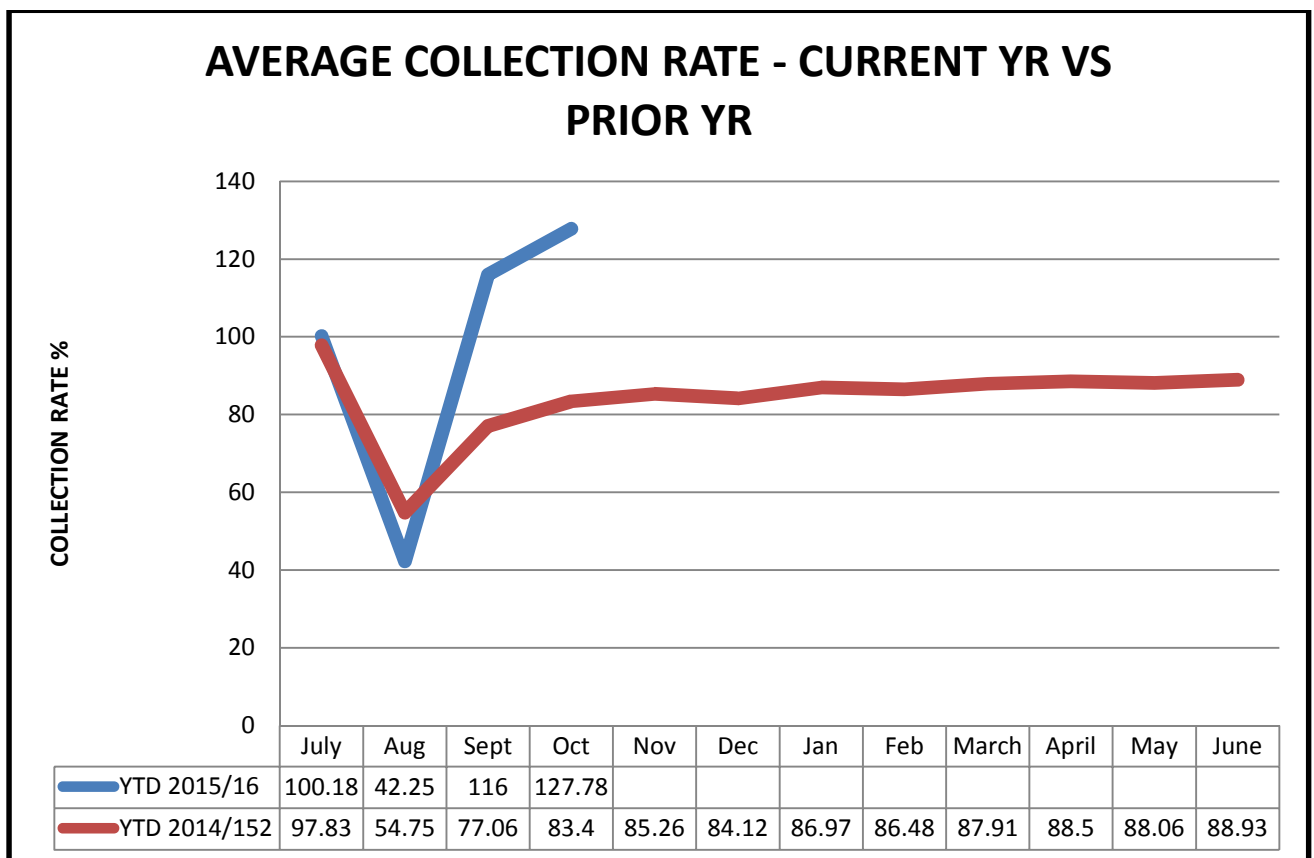
MONTH	AMOUNTS BILLED	CASH RECEIVED (CURRENT ACC) – TO DATE	ALLOCATED TO ARREAR ACCOUNTS TO DATE	COLLECTION RATE FOR THE MONTH	AVERAGE COLLECTION RATE YEAR TO DATE
	R'000	R'000	R'000		
October 2015	906	379	780	41.78	127.78

Average collection ended on 127.78% year to date. The monthly collection rate for October 2015 was recorded as 41.78% (refer to annexure) and this is as a result of the yearly rates being received being allocated to arrear accounts. The average collection rate increased from the 42% recorded in August 2015 (%).

The collection of Property rates is currently on 47.87%.

The credit control policy is being implemented and electricity is blocked on a monthly basis when accounts are in arrears. All indigents approved by Council are receiving their subsidies.

Revco has collected an amount of R 62 507 during October 2015. According to their report the number of recurring payments increased from 71 to 92. The aim is to increase recurring payments. There are 125 customers with payment arrangements (promise to pay) but only 48 customers honoured their commitments. 10 Customer made a promise to pay in November 2015. 67 account holders defaulted on their arrangements of which 14 were businesses, 9 were farms and trust and 44 were residential accounts holders.



2. OPERATING BUDGET PERFORMANCE - DETAIL

2.1 OPERATING REVENUE BY REVENUE SOURCE IN TERMS OF S.71(1)(a)

DESCRIPTION	OctoberActual	Actual to date	Total budget 2015/16	YTD Budget	YTD Variance	% YTD Variance	Variance Total Budget	%Variance Total Budget
OPERATING REVENUE								
Property Rates	-10 378	4 835 045	4 814 169	1 604 723	3 230 322	201	20 876	0
Service Charges	1 707 838	7 018 609	22 930 388	7 643 463	-624 853	-8	-15 911 779	-69
Rent Of Facilities And Equipment	57 962	72 878	252 615	84 205	-11 327	-13	-179 737	-71
Interest Earned - External Investments	812	12 882	121 000	40 333	-27 451	-68	-108 118	-89
Interest Earned - Outstanding Debtors	29 026	93 788	529 876	176 625	-82 837	-47	-436 088	-82
Dividends Received	-	-	-	-	-	-	-	-
Fines	-	709	2 000	667	42	6	-1 292	-65
Licenses and Permits	64 829	241 718	831 897	277 299	-35 581	-13	-590 179	-71
Agency Services	78 079	252 565	755 700	251 900	665	0	-503 135	-67
Transfers Recognised - Operating	-	12 002 978	28 083 499	9 361 166	2 641 811	28	-16 080 522	-57
Transfers Recognised - Capital	-	-	34 050 500	11 350 167	-11 350 167	-100	-34 050 500	-100
Other Revenue	21 107	71 020	453 713	151 238	-80 218	-53	-382 693	-84
Gain On Disposal Of Property, Plant & Equipment	-	-	-	-	-	-	-	-
Total Direct Operating Revenue	1 949 276	24 602 192	92 825 357	30 941 786	-6 339 593	-20	-68 223 165	-73

**Table 6: Operating Revenue for the period ended 31 October 2015 by Source.
Explanations:**

Property Rates were levied during July for the full year.

Service charges were 8 % less than anticipated. The discrepancy seems to be with water which is 16% less than budgeted for and electricity which were 7 % less than budgeted for. The previously reported lower than expected sewerage tank removal income appears to have stabilised as there is only an under-collection vs. the budget of R 13 396. The discrepancies in water and electricity usage are season and weather related.

Rental of properties was only 13 % less than anticipated, an improvement against the 76% of the prior month.

Investment income was 68 % less than anticipated. The creditors outstanding as at 30 June 2015 impacted on the ability of the Municipality to retain investments on non-conditional grants.

Interest on debtors was 47% less than anticipated. Council wrote off bad debt during June 2015 and as such interest on outstanding accounts is less than original budgeted for.

Transfers recognised – Operating was 28% more than anticipated. The full FMG and MSIG grant was received during July 2015 as well as the first quarter tranche of Equitable share.

Transfers recognised – Capital is showing at 100% less than anticipated as the journals recognising the revenue from capital grants will only be done later in the financial year.

2.2 OPERATING EXPENDITURE BY TYPE

Table 7: Operating expenditure by type for the period ending 31 October 2015

DESCRIPTION	October Actual	Actual to date	Total budget 2015/16	YTD Budget	YTD Variance	% YTD Variance	Variance Total Budget	%Variance Total Budget
OPERATING EXPENDITURE								
Employee Related Costs - Wages & Salaries	1 517 879	6 098 104	20 945 116	6 981 705	-883 601	-13	-14 847 012	71
Employee Related Costs - Social Contributions	290 238	1 162 661	3 885 073	1 295 024	-132 363	-10	-2 722 412	70
Remuneration Of Councillors	146 096	518 286	1 858 644	619 548	-101 262	-16	-1 340 358	72
Debt Impairment		-	-	-	-	-	-	-
Collection Costs		-	-	-	-	-	-	-
Depreciation and Asset Impairment		-	16 000 000	5 333 333	-5 333 333	-100	-16 000 000	100
Interest Expense - External Borrowings	77 836	308 520	1 305 000	435 000	-126 480	-29	-996 480	76
Bulk Purchases	787 862	4 301 297	10 620 000	3 540 000	761 297	22	-6 318 703	59
Other Materials		-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-
Grants and Subsidies	511 873	2 677 985	7 327 966	2 442 655	235 330	10	-4 649 981	63
Other Expenditure	1 275 871	5 526 873	16 059 964	5 353 321	173 552	3	-10 533 091	66
Loss On Disposal Of Property, Plant & Equipment		-	-	-	-	-	-	-
Contributions To/(From) Provisions		-	-	-	-	-	-	-
Total Direct Operating Expenditure	4 607 655	20 593 726	78 001 759	26 000 588	-5 406 862	-21	-57 408 033	74

Explanation:

Employee cost –Salaries & Employee costs - Social contributions were 13% and 10% respectively, less than budgeted for. Contributing reasons for this is the strike action from earlier in the year, and the no-work-no-pay rule being implemented. The vacant position of the CFO also contributed to the savings, despite the fact that the annual increases and back-pay was implemented in September.

Remuneration of councillors was 16% less than budgeted for – increase in councillors remuneration has not yet been gazetted and will only be finalised towards December 2015/January 2016.

Depreciation on assets needs to be calculated for July to October 2015 and will be finalised upon the full implementation of the SAMRAS Asset module after the finalisation of the 2014/2015 audit.

Interest expense was 29% less than anticipated. This relates to the interest paid on creditors as well as on finance leases and the bank overdraft facility.

Bulk purchases were 22% more than budgeted for. This is due to seasonal fluctuations. Consumption during winter months is more than during summer months and penalties for exceeding the allocated load are then incurred. This should even out during the year.

Grants and subsidies paid were 10% more than budgeted for. This variance is due to the fact that the full subsidy for the year on rates was recorded when rates were levied during July 2015, the effect of the rates subsidy should even out over the year.

2.3 OPERATING REVENUE AND EXPENDITURE BY VOTE INTERMS OF S.71 (1)(c)

Table 8: Operating Expenditure for the period ending 31 October 2015 by Vote (department).

VOTE	ACTUAL OCTOBER	ACTUAL YTD	YTD BUDGET	TOTAL BUDGET	%YTD
VOTE 1 - EXECUTIVE & COUNCIL	251 983	1 021 422	1 309 157	3 927 470	78.02
1.1 Council General Expenses	160 515	640 351	891 923	2 675 770	71.79
1.2 Accounting Officer	91 467	381 072	417 233	1 251 700	91.33
VOTE 2 - CORPORATE SERVICES	444 026	2 245 421	1 997 133	5 991 400	112.43
2.1 Administration	405 394	2 097 931	1 787 467	5 362 400	117.37
2.2 Municipal Grounds & Buildings	38 632	147 489	209 667	629 000	70.34
VOTE 3 - BUDGET & TREASURY	667 493	4 144 406	3 326 667	9 980 000	124.58
3.1 Property Rates	61 654	964 391	328 167	984 500	293.87
3.2 Finance	605 838	3 180 015	2 998 500	8 995 500	106.05
VOTE 4 - TECHNICAL SERVICES	2 805 955	11 572 893	16 981 967	50 945 900	68.15
4.1 - Electricity	1 066 521	5 046 162	5 046 667	15 140 000	99.99
4.2 - Water	494 410	1 868 460	3 517 133	10 551 400	53.12
4.3 - Sanitation/ Sewerage	285 089	1 158 853	1 956 367	5 869 100	59.23
4.4 - Roads & Public Works	577 016	2 033 168	4 793 600	14 380 800	42.41
4.5 - Refuse	328 237	1 247 471	1 426 033	4 278 100	87.48
4.6 - Town planning	54 683	218 779	242 167	726 500	90.34
4.7 - Housing					
VOTE 5 - COMMUNITY SERVICES	431 027	1 609 334	2 385 667	7 157 000	67.46
5.1 - Cemetry and Parks			52 600	157 800	-
5.2 - Library	69 175	263 237	320 233	960 700	82.20
5.3 - Administration	88 784	361 431	655 033	1 965 100	55.18
5.4 - TOURISM	62 824	227 638	307 000	921 000	74.15
5.5 - Youth Development	53 642	198 406	163 933	491 800	121.03
5.8 - Traffic	96 557	316 943	515 733	1 547 200	61.45
5.9 - Fire Services	38 813	151 679	204 200	612 600	74.28
5.7 - LED	21 233	90 000	166 933	500 800	53.91
TOTAL	4 600 484	20 593 476	26 000 590	78 001 770	79.20

Explanation for major variances:

Corporate services indicates over expenditure due to insurance paid in full for the financial year and legal cost more than anticipated due to cost associated with legal action against Demarcation Board, the costs will be recovered from the Demarcation Board. Expenditure is closely monitored and only essential items are expensed on.

Table 9: Operating Revenue for the period ending 31 October 2015 by Vote (department)

VOTE	ACTUAL OCTOBER	ACTUAL YTD	YTD BUDGET	TOTAL BUDGET	% YTD
VOTE 1 - EXECUTIVE & COUNCIL	-	-	342 000	1 368 000	-
1.1 Council General Expenses	-		342 000	1 368 000	-
1.2 Accounting Officer	-		-		
VOTE 2 - CORPORATE SERVICES	61 187	102 957	65 655	262 619	156.82
2.1 Administration	3 225	30 079	15 327	61 308	196.25
2.2 Municipal Grounds & Buildings	57 962	72 878	50 328	201 311	144.81
VOTE 3 - BUDGET & TREASURY	21 317	16 537 975	3 693 034	14 772 135	447.82
3.1 Property Rates	-10 378	4 835 045	2 939 293	11 757 173	164.50
3.2 Finance	31 695	11 702 930	753 741	3 014 963	1 552.65
VOTE 4 - TECHNICAL SERVICES	1 707 896	7 446 287	16 958 521	67 834 086	43.91
4.1 - Electricity	906 733	3 908 370	3 752 873	15 011 493	104.14
4.2 - Water	315 459	1 184 849	8 425 883	33 703 531	14.06
4.3 - Sanitation/ Sewerage	225 358	882 264	1 955 845	7 823 378	45.11
4.4 - Roads & Public Works		423 404	1 427 550	5 710 200	29.66
4.5 - Refuse	260 346	1 043 360	1 392 819	5 571 274	74.91
4.6 - Town planning		4 040	3 553	14 210	113.72
VOTE 5 - COMMUNITY SERVICES	158 876	514 974	2 147 129	8 588 514	23.98
5.1 - Cemetry and Parks	1 421	4 356	335 650	1 342 600	1.30
5.2 - Library			75 825	303 300	-
5.3 - Administration			1 072 129	4 288 517	-
5.4 - TOURISM	14 546	15 626	31 225	124 900	50.04
5.8 - Traffic	142 909	494 992	411 424	1 645 697	120.31
5.9 - Fire Services			62 500	250 000	-
5.7 - LED			158 375	633 500	-
TOTAL	1 949 276	24 602 193	23 206 339	92 825 355	106.01

Explanation for major variances:

Property rates - Property rates have been billed for the full year in July and thus revenue is more than anticipated for year to date

Finance – Full FMG and full MSIG as well as the Equitable Share tranche received in July was brought to book in full.

Municipal grounds and buildings showed an income of R 57 962 for the month, mainly due to rentals received from cellular networks.

The Technical department and Community services shows an under recovery of income and this is due to the capital grants that had not yet been recognised as revenue.

3. CAPITAL BUDGET PERFORMANCE- MFMA – S.71 (1) (d) (e) & (f)

3.1 CAPITAL EXPENDITURE BY VOTE IN TERMS OF S.71 (1)(d)

Table 10: Capital Expenditure for the period ended 31 October 2015 by Vote.

EC107 Baviaans - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M04 October 2015)						
Department	Total Budget	YTD Budget	YTD Actual	Variance YTD budget	% Variance YTD budget	% Variance Total budget
Vote 1 - Executive & Council	792 087	198 022		(264 029)	(133)	100
1.1 Council	792 087	264 029		(264 029)	(100)	100
Vote 2 - Corporate services	-	-		-	-	-
2.1 Administration		-		-	-	-
Vote 3 - Budget & Treasury	789 474	197 368		(263 158)	(133)	100
3.1 Budget & Treasury	789 474	263 158		(263 158)	(100)	100
Vote 4 - Technical Services	28 312 719	7 078 180	14 015 481	4 577 908	65	50
4.1 Roads & Public Works	3 510 965	1 170 322	1 322 883	152 561	13	62
4.2 Housing	-	-		-	-	-
4.3 Waste Water Management	1 929 825	643 275	1 657 351	1 014 076	158	14
4.4 Waste management		-		-	-	-
4.5 Water	22 696 491	7 565 497	10 956 189	3 390 692	45	52
4.6 Electricity	175 439	58 480	79 059	20 579	35	55
Vote 5 - Community services	1 556 140	389 035	85 791	(432 922)	(111)	94
5.1 Administration	-	-		-	-	-
5.2 Local Economic Dev	389 035	129 678	48 700	(80 978)	-	-
5.3 Sports & Recreation	1 167 105	389 035	37 091	(351 944)	(90)	97
Total	31 450 420	7 862 605	14 101 272	3 617 798	46	55
Funded by:						
National Government	30 658 333	7 664 583	14 101 272	(6 436 689)	(84)	54
Provincial Government		-		-	-	-
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers recognised - capital	30 658 333	7 664 583	14 101 272	-6 436 689	(84)	54
Public contributions & donations	-	-	-	-	-	-
Borrowing	792 087	198 022	-	198 022	100	100
Internally generated funds	-	-	-	-	-	-
Total Capital Funding	31 450 420	7 862 605	14 101 272	-6 238 667	(79)	55

Explanation:

Capital expenditure for the period ending 31 October 2015 was recorded at R 14.1 million and was R 6.239 million more than anticipated mainly due to the increased spending on the RBIG project.

4. UTILISATION OF GRANT FUNDING – MFMA SEC 71 (1)(e) & (f)

**Table11: Grants received and expenditure on grant funding
(Schedule SC6 of monthly Schedule C report)**

Grant	Amount gazetted	Amount Received	Expenditure YTD	% spent of allocation received
MIG	8 870 000	5 743 000	3 728 437	65%
Equitable Share	23 452 000	9 052 000	9 052 000	100%
FMG	1 600 000	1 600 000	842 630	53%
MSIG	930 000	930 000	275 468	30%
EPWP	1 018 000	407 000	332 689	82%
RBIG	23 808 000	12 233 411	12 233 411	100%
Library	300 000		263 237	(100%)
Fire subsidy	250 000		151 678	(100%)
ACIP	1 816 000	256 642	256 642	100%
Cacadu – Rietbron crafters	132 000	132 000	Nil	0%
Sarah Baartman –LED/Tourism (Roll over amount)	63 251	63 251	3 650	6%

5. CASH FLOW POSITION

The cash flow position for the year to date is given in Annexure A which reflects the movement in the cash more clearly.

5.1 RECEIPTS PER AREA FOR THE MONTH OF OCTOBER 2015

AREA	AMOUNT RECEIPTED	AMOUNT BANKED	COMMENTS
WILLOWMORE	574 560	603 382	The receipts of the last day of every month is only deposited in the next month
STEYTLERVILLE	126 624	128 119	The receipts of the last day of every month is only deposited in the next month
RIETBRON	8 989	8 957	The receipts of the last day of every month is only deposited in the next month

6. OUTSTANDING DEBTORS (AMOUNTS OWED TO MUNICIPALITY)

6.1 AGE ANALYSIS – ALL TRADE DEBTORS

Table12: Age analysis for period ending 31 October 2015

	Current Amount	30 days	60 days	90 days	120 + days	Total
	R	R	R	R	R	R
Water	290 992.58	146 454.51	56 935.47	61 175.62	233 710.52	789 268.70
Electricity	173 963.29	26 712.90	9 424.59	5 580.77	15 146.11	230 827.66
Sewerage	87 137.72	41 555.02	38 576.17	36 248.82	60 575.38	264 093.11
Refuse	107 010.43	53 235.53	42 560.23	39 913.36	63 674.44	306 393.99
Rates	90 473.19	34 729.20	32 232.77	818 286.86	1 500 957.64	2 476 679.66
Other	-180 789.55	3 570.61	1 546.84	1 433.99	12 708.19	-161 529.92
TOTAL	568 787.66	306 257.77	181 276.07	962 639.42	1 886 772.28	3 905 733.20

Explanations:

Total debt outstanding on 31 October 2015 was R 3 905 733.20, a decrease from the R 4 007 192 outstanding as at 30 September 2015.

Annual Rates were levied during July 2015 and was payable before 30 September 2015. The annual rates accounts not paid by the end of October 2015 will be handed over to REVCO for collection.

Spot checks on meter readings are performed on a regular basis and accounts which were blocked are followed up to ensure that illegal connections do not occur.

The monthly blocking of arrear accounts were blocked on 26 October 2015.

7.2 AGE ANALYSIS BY SERVICE TYPE AS AT 31 OCTOBER 2015 (Schedule SC3 of monthly Schedule C report)

EC107 Baviaans - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

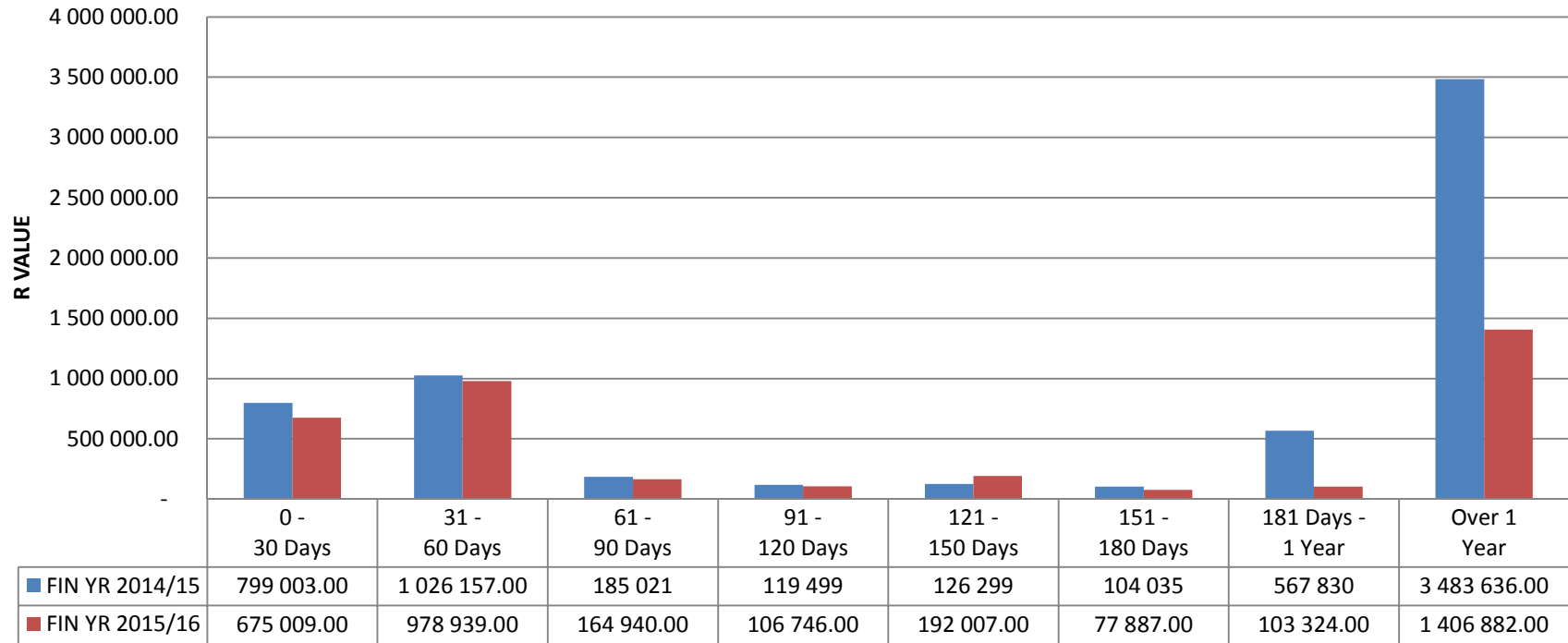
R thousands	Budget Year 2015/16								Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
	875	979	165	107	192	78	103	1 407	3 906

Table 14: Age analysis per customer group

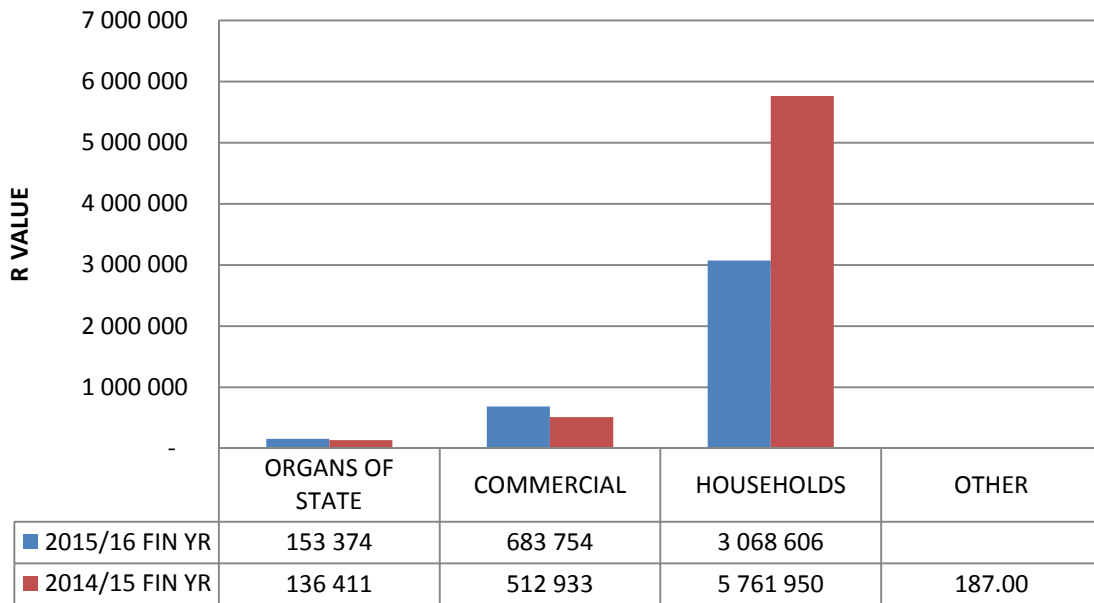
EC107 Baviaans - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	Budget Year 2015/16								Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
R thousands									
Debtors Age Analysis By Customer Group									
Organs of State	131	8	4	2	2	1	2	3	153
Commercial	70	315	1	2	3	3	5	286	684
Households	675	656	160	102	187	75	96	1 118	3 069
Other	-	-	-	-	-	-	-	-	-
Total By Customer Group	875	979	165	107	192	78	103	1 407	3 906

DEBTORS AGE ANALYSIS

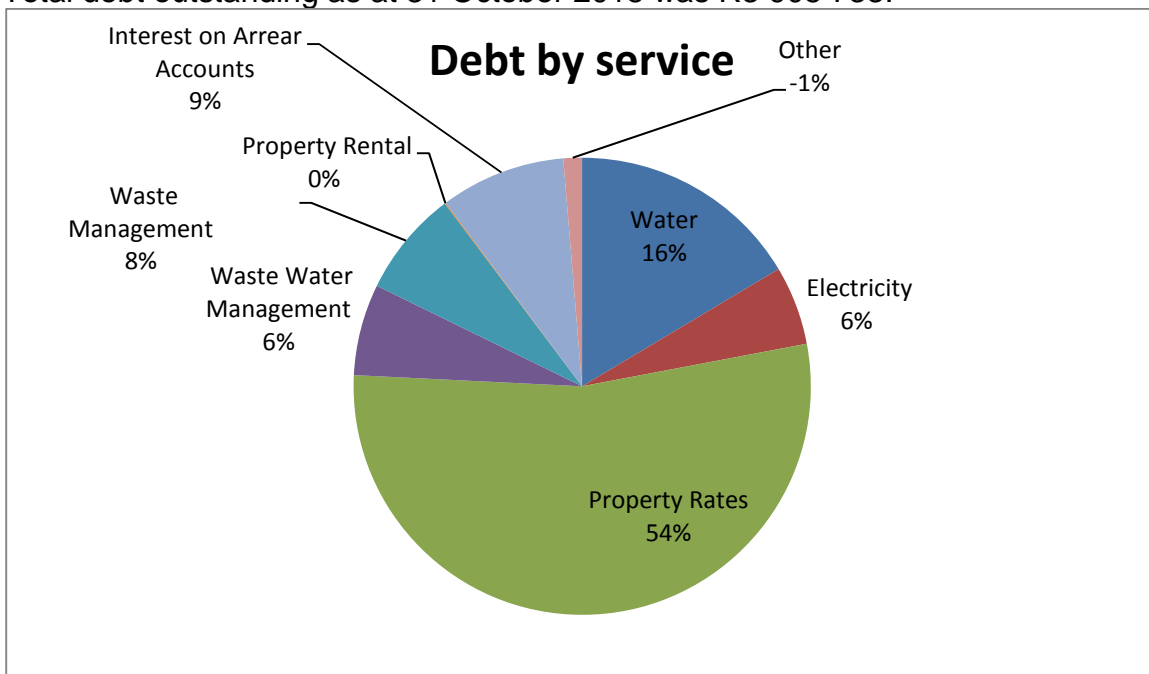


DEBTORS BY CONSUMER CATEGORY



As at 31 October 2015 Organs of state owed the municipality R 153 374 compared to R 136 411 at the same time in the previous financial year, whilst businesses owes the municipality R 683 754 compared to R 512 933 in the previous financial year. Arrear accounts have been handed over for debt collection. The municipality is in constant contact with government departments to ensure accounts are paid.

Total debt outstanding as at 31 October 2015 was R3 905 733.



8. STAFF BENEFITS

Section 66 of the MFMA requires disclosure of the Municipality's expenditure on staff benefit as follows:

The accounting officer of a municipality must, in the format and for the periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

- a) Salaries and wages
- b) Contributions for pensions and medical aid
- c) Travel, motor car, accommodation, subsistence and other allowances
- d) Housing benefits and allowance
- e) Overtime payments
- f) Loans and advances
- g) Any type of benefit or allowance related to staff

Attached as part of annexure A is a schedule detailing the required information for the month of October 2015.

9. CREDITORS

9.1 CREDITORS AGE ANALYSIS

Table 15 – Creditors age analysis as at 31 October 2015

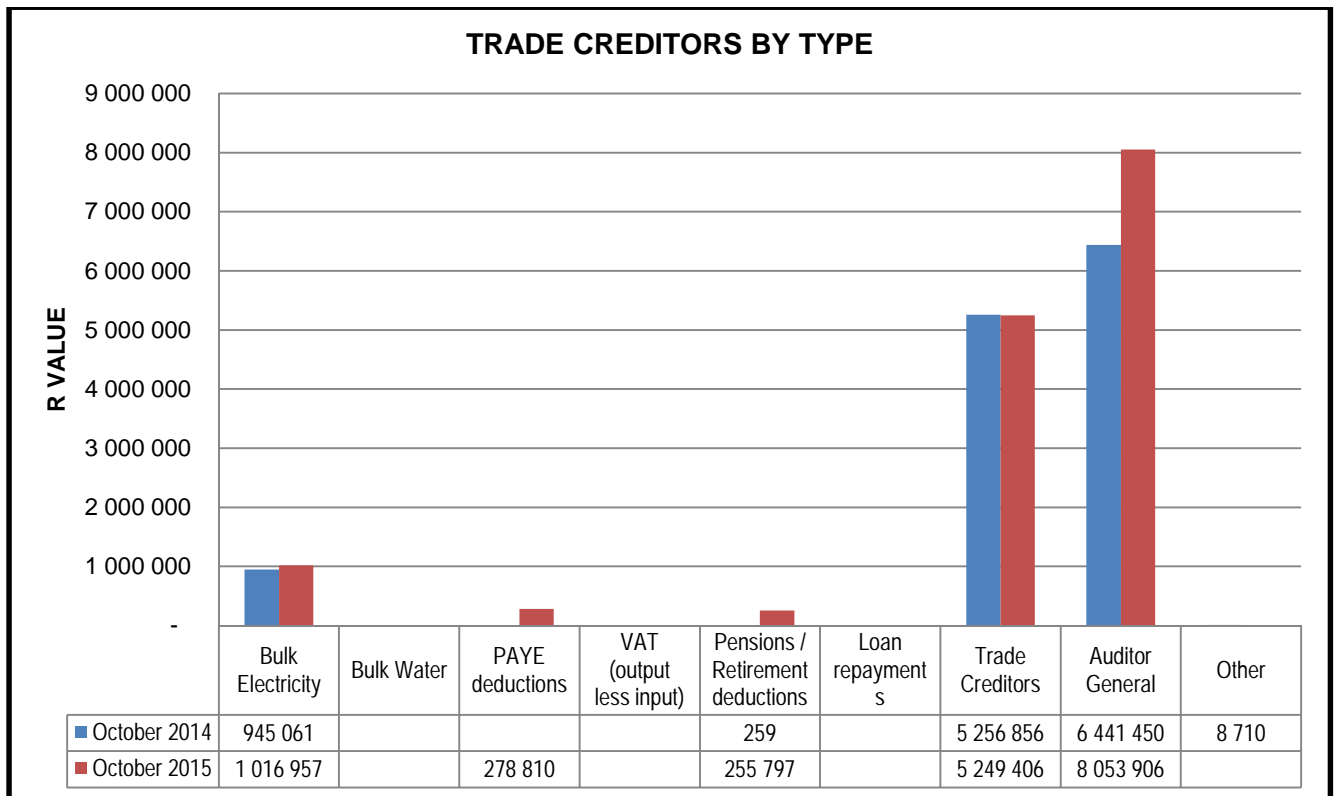
Description	Budget Year 2015/16								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands									
Total By Customer Type	2 040	486	249	589	87	597	2 330	8 478	14 855

Creditors decreased from R 16 337 162 as at 30 September 2015 to R14 854 876 as at 31 October 2015. The municipality is experiencing serious cash flow problems and creditors cannot be paid within the legislatively required 30 days.

Table 16 – Top ten creditors’ age analysis as at 31 October 2015

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 -
UDITEUR-GENERAAL	-	161 006	174 307	135 431	-	57 524	1 084 189	6 441 449	8 053 906
SALGA	-	-	-	-	-	-	500 000	1 521 100	2 021 100
BYTES UNIVERSAL SYSTEMS A DIVI	-	3 188	7 652	333 785	37 822	355 114	742 179	507 271	1 987 011
ESKOM	1 016 957	-	-	-	-	-	-	-	1 016 957
SOUTH AFRICAN REVENUE SERVICES	278 810	-	-	-	-	-	-	-	278 810
VERGOEDINGSKOMMISSARIS	-	-	-	-	-	146 375	-	-	146 375
CONLOG (PTY) LTD	-	130 780	-	-	-	-	-	-	130 780
KPMG SERVICES (PTY) LTD	-	-	51 069	37 945	3 955	27 650	-	-	120 619
DEPARTEMENT VAN VERVOER	108 305	-	-	-	-	-	-	-	108 305
CAPE RETIREMENT FUND	107 529	-	-	-	-	-	-	-	107 529
Total	1 511 601	294 974	233 028	507 161	41 777	586 663	2 326 368	8 469 820	13 971 392

The municipality is in talks with the Auditor-General regarding a suitable ring fencing agreement relating to the outstanding debt. A proposal has been submitted to the Auditor-General and the Municipality is awaiting feedback.



10. OTHER ANALYSIS

10.1 ELECTRICITY ANALYSIS

Electricity Statistics Steytlerville				
Month	Kwh Sold	Kwh Bought	Difference	Difference
			Kwh	%
Average	581 349	834 257	252 907	30.32

Electricity Statistics Willowmore				
Month	Kwh Sold	Kwh Bought	Difference	Difference
			Kwh	%
Average	1 963 493	2 383 674	420 181	17.63

Electricity Statistics Bavians				
Month	Kwh Sold	Kwh Bought	Difference	Difference
			Kwh	%
Jul-15	731 756	877 117	145 361	16.57
Aug-15	652 755	838 111	185 356	22.12
Sep-15	603 773	750 787	147 014	19.58
Oct-15	556 559	751 916	195 357	25.98
Average	2 544 843	3 217 931	673 088	20.92

There was an increase of 6.4 % in electricity losses from September 2015 to October 2015. Electricity losses are at 25.98% for the month of October 2015.

The average losses for the year to date amounts to 20.92 %.

The losses are mainly due to technical losses. Regular checks are done for illegal connections and people whose electricity has been blocked is followed up on a regular basis to see if reconnection fees have been paid.

10.2 WATER ANALYSIS

Water Statistics Steytlerville				
Month	Water pump to Town	Water sold/ to Town	Loss Kl.	Loss %
Jul-15	17 580	13 192	4 388	24.96
Aug-15	20 320	10 689	9 631	47.40
Sep-15	20 280	17 815	2 465	12.15
Oct-15	20 630	15 356	5 274	25.56

Water Statistics Willowmore				
Month	Water pump to Town	Water sold to Town	Loss Kl.	Loss %
Jul-15	18 945	25 092	-6 147	-32.45
Aug-15	23 661	14 349	9 312	39.36
Sep-15	23 418	20 561	2 857	12.20
Oct-15	29 209	17 909	11 300	38.69

Willowmore in July indicated a negative water loss as a result of incorrect water readings subsequently corrected.

Water reticulation losses for Rietbron could not be calculated as the pump readings had not been received for August to October 2015.

11. MATTERS ARISING FROM CCRC AND SCM WORKING GROUP MEETINGS

The CCRC and SCM working group had a meeting on 22 October 2015.

Attached as Annexure B are the following reports for notification:

- SCM purchase reports for the month of September 2015
- SCM procurement reports for the month of September 2015
- SCM deviation reports for the month of September 2015
- Indigent Water leakages from 15 September to 14 October 2015

ANNEXURES A – FINANCIAL INFORMATION

- Bank recons
- Cash flow
- Debtors age analysis and payment ratio
- List of councillors & staff with arrear debtors accounts
- List of businesses with arrear debtors accounts
- List of Churches with arrear debtors accounts
- List of LED projects with arrear accounts
- Income & Expenditure main class
- Income & Expenditure per item
- Income & Expenditure per vote
- Capital expenditure
- Salaries & wages
- Overtime
- Electricity and water losses
- Investments
- Age analysis of creditors

ANNEXURE B – REPORTS FROM WORKING GROUPS

- SCM purchase reports for the month of September 2015
- SCM procurement reports for the month of September 2015
- SCM deviation reports for the month of September 2015
- Indigent Water leakages from 15 September to 14 October 2015

ANNEXURE C – SCHEDULE C TABLES

- C1 – Summary
- C2 – Financial performance – Standard chart
- C3 – Financial performance per Vote
- C4 – Financial performance per source
- C5 – Capital expenditure
- C6 – Financial Position
- C7 – Cash flow

- SC3 – Debtors
- SC4 – Creditors
- SC 5 – Investment portfolio
- SC6 – Grant receipts
- SC 7 – Expenditure on grants
- SC8 – Staff benefits
- SC13a – Capital expenditure on new assets
- SC13b – Capital expenditure on renewal assets
- SC13c – Repairs and maintenance
- SC13d – Depreciation