



Dawid Kruiper Municipality

Monthly Budget Monitoring Report (Section 71 of MFMA)

FEBRUARY 2017

To The Mayor

In accordance with Section 71(1) of the Municipal Finance Management Act, I submit the required statement on the state of Dawid Kruiper Municipality's budget reflecting the particulars up until the end of February 2017.

Section 54(1) of the MFMA requires the Mayor of a municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

It must be noted that the Operational Income and Expenditure, as well as the Capital Expenditure for the financial year 2016/2017 will only become final when the Financial Statements for 2016/2017 are audited.

**DE NGXANGA
MUNICIPAL MANAGER**

13 March 2017

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Glossary

Adjustments budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement - A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DoRA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - The Municipal Finance Management Act - No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MIG - Municipal Infrastructure Grant.

MTREF - Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure - Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - Generally, is spending without, or in excess of, an approved budget.

Virement - A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget. In Dawid Kruiper Municipality this means at directorate level.

PART 1 - IN-YEAR REPORT

Section 1 - Mayor's Report

1.1 In-Year Report - Monthly Budget Statement

1.1.1 Implementation of budget in terms of SDBIP

This monthly report has been completed for legislative compliance.

1.1.2 Financial problems or risks facing the municipality

Currently the Dawid Kruiper Municipality is experiencing cash flow problems. A turnaround strategy was adopted by Council. The turnaround strategy has not been fully implemented.

1.1.3 Other information

An adjustment budget was approved on the 28th February 2017. Quill is still in the process of combining and importing transactions captured on SAMRAS (Mier Municipality's financial system) to BIQ. Once all the transactions and ledgers are imported and reconciled the Section 71 reports will be compared and resubmitted to correct differences. The effective date of the merger was confirmed as the 6th of August 2016.

Section 2 - Resolutions

IN-YEAR REPORTS 2016/2017

These are the resolutions that will be presented to Council when this In-Year Report is tabled:

RECOMMENDATION:

That Council notes the monthly budget statement and supporting documentation for February 2017.

Section 3 - Executive Summary

3.1 Introduction

Section 71(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the municipality's budget for that month and for the financial year up to the end of that month.

3.2 Consolidated performance

3.2.1 Actuals against annual budget (original approved and latest adjustments)

Revenue

The year-to-date actual reflects an achievement of 67% of the year-to-date budget and a negative variance of 1%. The budgeted amount for property rates are R 60.9 million and the actual figure billed is R 60.6 million. The amount that is received is less which attributed to our cash flow problems.

Operating expenditure

For the year-to-date all expenditure items that show a positive variance indicates an overspending on that specific expenditure item and where they show a negative variance it indicates a saving on that specific expenditure item. Expenditure items such as the provision for bad debt are being recorded at the end of the financial year. Refer to Section 4 - Table C4 for further details on revenue and expenditure.

Capital expenditure

It is noted that year-to-date capital expenditure shows a 40% negative variance of the year-to-date budget. This is due to capital projects that are in the implementation phase of the tenders and therefore awaiting the first invoices for services rendered

All the CRR funding is budgeted under the Municipal Manager's vote. Before capital expenditure is incurred, the Head of Department writes a memo requesting funding for the purchase of a capital item. The memo should be supported with at least three quotations. The Municipal Manager will consider the request and on approval thereof the virement of the funds from the Municipal Manager's vote to the other vote will follow in terms of the approved Virement Policy. Thereafter the normal SCM processes will follow. No unauthorised capital expenditure is allowed.

Cash Flow

The municipality started the year with total cash/cash equivalents of 15.7 million (Cashbook balance of negative R 5.7 million and cash and cash equivalents of R 21.4 million).

Cash and cash equivalents amounted to a positive balance of R 36.5 million at month end.

Conditional grants received are invested. It should be noted that these funds are only available to pay capital projects which is funded by MIG, INEP, EPWP, etc. in terms of an approved business plan. These funds may not be used for operational expenditure and therefore it is critical that the Municipality levy and collect sufficient funds to pay for operational expenditure.

3.3 Remedial or corrective steps

Due to the cash flow problems experienced by the municipality, payments to creditors are being prioritised. Sale of erven and development thereof is one of the priorities of the municipality to ensure sustainability.

Management are also implementing cost saving procedures in expenditure management.

Section 4 - In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: S71 Monthly Budget Statement Summary

NC087 Dawid Kruiper - Table C1 Monthly Budget Statement Summary - M08 February

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	77 873	84 201	84 201	5 787	60 569	60 868	(300)	0%	84 201
Service charges	242 448	368 044	368 044	38 536	263 140	254 956	8 184	3%	368 044
Investment revenue	4 176	600	600	237	1 266	1 123	143	13%	600
Transfers recognised - operational	69 715	73 477	73 477	417	55 710	63 900	(8 190)	-13%	73 477
Other own revenue	133 559	49 433	49 433	2 169	27 129	30 310	(3 181)	-10%	49 433
Total Revenue (excluding capital transfers and contributions)	527 771	575 755	575 755	47 146	407 815	411 158	(3 343)	-1%	575 755
Employee costs	207 690	219 953	219 953	19 149	160 672	162 605	(1 933)	-1%	219 953
Remuneration of Councillors	7 962	8 621	8 621	815	6 103	6 378	(275)	-4%	8 621
Depreciation & asset impairment	82 252	82 680	82 680	-	48 230	56 728	(8 498)	-15%	82 680
Finance charges	14 658	14 978	14 978	724	8 126	8 666	(540)	-6%	14 978
Materials and bulk purchases	183 019	206 825	206 825	14 198	107 816	111 999	(4 183)	-4%	206 825
Transfers and grants	785	110	110	14	124	129	(5)	-4%	110
Other expenditure	91 356	79 346	79 346	7 083	50 911	56 864	(5 953)	29%	79 346
Total Expenditure	587 722	612 513	612 513	41 983	381 982	403 369	(21 387)	-5%	612 513
Surplus/(Deficit)	(59 951)	(36 758)	(36 758)	5 163	25 832	7 788	18 044	232%	(36 758)
Transfers recognised - capital	25 339	31 819	31 819	1 117	15 899	20 926	(5 027)	-24%	31 819
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(34 612)	(4 939)	(4 939)	6 279	41 732	28 714	13 018	45%	(4 939)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(34 612)	(4 939)	(4 939)	6 279	41 732	28 714	13 018	45%	(4 939)
Capital expenditure & funds sources									
Capital expenditure	40 136	69 818	69 818	1 239	19 818	32 839	(13 022)	-40%	69 818
Capital transfers recognised	25 339	31 819	31 819	998	16 818	21 756	(4 938)	-23%	31 819
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 797	37 998	37 998	241	3 000	11 084	(8 084)	-73%	37 998
Total sources of capital funds	40 136	69 818	69 818	1 239	19 818	32 839	(13 022)	-40%	69 818
Financial position									
Total current assets	103 515	84 392	84 392	-	148 163	-	-	-	84 392
Total non current assets	1 773 156	1 777 548	1 777 548	-	1 743 468	-	-	-	1 777 548
Total current liabilities	132 687	92 123	92 123	-	111 832	-	-	-	92 123
Total non current liabilities	228 211	196 138	196 138	-	182 807	-	-	-	196 138
Community wealth/Equity	1 515 773	1 573 679	1 573 679	-	1 596 993	-	-	-	1 573 679
Cash flows									
Net cash from (used) operating	23 252	67 106	67 106	7 111	40 202	41 536	(1 334)	-3%	67 106
Net cash from (used) investing	(5 879)	(51 611)	(51 611)	(963)	(10 830)	(22 179)	11 349	-51%	(51 611)
Net cash from (used) financing	3 485	(9 383)	(9 383)	(547)	(8 505)	(8 385)	(120)	-	(9 383)
Cash/cash equivalents at the month/year end	15 667	11 112	11 112	-	36 533	27 310	9 223	34%	11 112
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	41 750	5 829	3 390	6 344	4 262	1 588	4 305	42 518	109 985
Creditors Age Analysis									
Total Creditors	13 665	2 449	1 009	3	0	1	-	3 385	20 512

4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

NC087 Dawid Kruiper - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Standard									
Governance and administration	180 243	230 458	250 796	8 202	145 181	159 742	(14 561)	-9.1%	250 796
Executive and council	1 624	150	3	–	1	1	(0)	-48.4%	3
Budget and treasury office	172 919	207 219	227 899	8 002	134 639	146 889	(12 250)	-8.3%	227 899
Corporate services	5 699	23 089	22 894	200	10 541	12 852	(2 310)	-18.0%	22 894
Community and public safety	25 403	24 020	17 961	905	10 426	11 209	(783)	-7.0%	17 961
Community and social services	4 802	3 080	3 765	18	1 594	2 014	(420)	-20.9%	3 765
Sport and recreation	6 414	12 587	5 621	270	3 777	3 930	(153)	-3.9%	5 621
Public safety	13 095	6 236	6 458	618	5 055	4 841	214	4.4%	6 458
Housing	1 092	650	650	–	–	130	(130)	-100.0%	650
Health	–	1 467	1 467	–	–	293	(293)	-100.0%	1 467
Economic and environmental services	7 501	19 538	6 848	544	4 472	4 512	(40)	-0.9%	6 848
Planning and development	7 253	5 828	6 608	525	4 372	4 400	(27)	-0.6%	6 608
Road transport	248	13 710	240	20	100	112	(12)	-10.9%	240
Trading services	339 963	371 598	383 008	38 611	263 635	256 621	7 014	2.7%	383 008
Electricity	244 222	268 214	275 486	28 457	191 164	185 263	5 901	3.2%	275 486
Water	47 022	51 653	54 521	5 831	36 884	35 747	1 137	3.2%	54 521
Waste water management	27 288	28 385	30 461	2 517	20 410	20 407	3	0.0%	30 461
Waste management	21 431	23 347	22 540	1 807	15 177	15 204	(27)	-0.2%	22 540
Other	0	1	–	–	0	0	0	25.0%	–
Total Revenue - Standard	553 110	645 615	658 612	48 263	423 714	432 084	(8 369)	-1.9%	658 612
Expenditure - Standard									
Governance and administration	146 379	127 326	144 406	11 677	94 370	95 036	(666)	-0.7%	144 406
Executive and council	39 728	36 062	33 032	2 020	15 751	17 591	(1 840)	-10.5%	33 032
Budget and treasury office	57 037	36 278	53 207	3 098	29 447	31 721	(2 274)	-7.2%	53 207
Corporate services	49 614	54 986	58 167	6 559	49 172	45 724	3 448	7.5%	58 167
Community and public safety	68 014	73 511	77 706	4 930	46 595	48 835	(2 240)	-4.6%	77 706
Community and social services	8 601	9 733	12 342	686	6 389	6 992	(603)	-8.6%	12 342
Sport and recreation	29 402	33 239	33 447	2 113	20 201	21 159	(959)	-4.5%	33 447
Public safety	23 295	25 959	27 653	1 908	17 794	18 240	(445)	-2.4%	27 653
Housing	3 297	3 409	3 165	175	1 725	1 873	(148)	-7.9%	3 165
Health	3 420	1 172	1 100	47	486	571	(85)	-14.9%	1 100
Economic and environmental services	51 540	78 021	62 236	2 460	38 053	40 922	(2 869)	-7.0%	62 236
Planning and development	12 599	20 912	20 000	1 579	13 530	13 561	(31)	-0.2%	20 000
Road transport	38 941	57 109	42 235	880	24 524	27 362	(2 838)	-10.4%	42 235
Trading services	320 366	366 854	370 767	22 776	201 723	217 311	(15 588)	-7.2%	370 767
Electricity	208 318	231 428	232 037	16 975	141 207	145 793	(4 586)	-3.1%	232 037
Water	54 778	62 453	61 634	2 957	30 850	34 641	(3 791)	-10.9%	61 634
Waste water management	33 355	42 047	41 842	1 547	16 664	20 462	(3 798)	-18.6%	41 842
Waste management	23 916	30 926	35 255	1 298	13 002	16 415	(3 412)	-20.8%	35 255
Other	1 423	1 819	1 927	141	1 240	1 265	(25)	-1.9%	1 927
Total Expenditure - Standard	587 722	647 531	657 042	41 983	381 982	403 369	(21 387)	-5.3%	657 042
Surplus/ (Deficit) for the year	(34 612)	(1 916)	1 570	6 279	41 732	28 714	13 018	45.3%	1 570

4.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The operating expenditure budget is approved by Council on the municipal vote level.

The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Municipal Manager; Corporate Services; Budget & Treasury Office; Community Services, Electro Mechanical Services, Civil Engineering Services and Development and Planning Services.

NC087 Dawid Kruiper - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Municipal Manager	1 890	150	3	-	1	1	(0)	-48.4%	3
Vote 2 - Corporate Services	5 643	23 079	22 891	200	10 541	12 851	(2 310)	-18.0%	22 891
Vote 3 - Budget & Treasury Office	172 919	220 648	227 899	8 002	134 639	146 889	(12 250)	-8.3%	227 899
Vote 4 - Community Services	40 409	35 262	35 539	2 483	23 030	23 546	(516)	-2.2%	35 539
Vote 6 - Electro Mech Services	244 278	274 354	275 486	28 457	191 164	185 264	5 901	3.2%	275 486
Vote 7 - Civil Engineering Services	74 558	80 318	85 222	8 367	57 417	56 284	1 133	2.0%	85 222
Vote 8 - Development and Planning Services	13 413	11 803	11 571	754	6 922	7 249	(327)	-4.5%	11 571
Total Revenue by Vote	553 110	645 615	658 612	48 263	423 714	432 084	(8 369)	-1.9%	658 612
Expenditure by Vote									
Vote 1 - Municipal Manager	39 930	36 062	33 032	2 020	15 751	17 591	(1 840)	-10.5%	33 032
Vote 2 - Corporate Services	25 585	36 003	37 247	3 031	28 323	27 683	640	2.3%	37 247
Vote 3 - Budget & Treasury Office	57 037	50 707	53 207	3 098	29 447	31 721	(2 274)	-7.2%	53 207
Vote 4 - Community Services	96 501	114 517	119 804	6 966	64 396	69 905	(5 509)	-7.9%	119 804
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	217 356	234 585	235 408	19 170	151 319	152 801	(1 482)	-1.0%	235 408
Vote 7 - Civil Engineering Services	125 094	152 852	153 769	6 102	78 282	88 459	(10 177)	-11.5%	153 769
Vote 8 - Development and Planning Services	19 189	22 804	24 575	1 596	14 464	15 209	(745)	-4.9%	24 575
Total Expenditure by Vote	580 692	647 531	657 042	41 983	381 982	403 369	(21 387)	-5.3%	657 042
Surplus/ (Deficit) for the year	(27 582)	(1 916)	1 570	6 279	41 732	28 714	13 018	45.3%	1 570

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote(s) were overspent.

Certain votes are operating with deficits which cannot be afforded by the municipality. Council should ensure that functions like the Eiland Holiday Resort and other essential services make a profit or break even as per Circular 74. Environmental Health was transferred to ZFM District Municipality on the 1st of July 2016.

The fact that there is a budgeted amount for expenditure does not necessarily mean that there are funds available to pay for the expenditure incurred. Therefore, the incurrence of expenditure should be considered carefully.

Virements are allowed in terms of the approved Virement Policy. This is an internal control measure to prevent unauthorised expenditure. The unauthorised expenditure will be disclosed in the 2016/2017 annual financial statements.

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

4.1.4.1 Revenue

The annual budget is approved for 'Total Revenue by Source'.

The year to date actual reflects an achievement of 67% of the year to date adjustment budget of R 613.1 million and a negative variance of 1%.

The following revenue sources have positive variances in excess of 5% -

- Interest Earned - External Investments (13%) - Conditional funding being invested resulted in more interest earned;
- Fines (8%): The calculated payment ratio of fines issued being paid for 2015/2016 was 7%. The increase can be due to more fines being issued or an increase in the actual payment ratio; and
- Agency Services (6%) - Increase in renewal fees resulted in more income received; and

It is noted that some revenue sources have negative variances in excess of 5% -

- Gain on disposal of PPE (19%) - Disposal of Eiland Resort budgeted for, but disposal did not realise.
- Other Revenue (15%) - Council resolution to lower the tariff for consent usage resulted in less income being levied;
- Transfers Recognised - Operational (13%) - grants not transferred according the payment schedule; and
- Rental of Facilities and Equipment (7%) - bi-annual billing of commonage farmers

4.1.4.2 Expenditure

For the year-to-date all expenditure items that show negative variances, indicate a saving on that specific expenditure item and where they show positive variances, an overspending is indicated on that specific expenditure item.

Salaries and wages paid to employees and councillors represent 40.9% of actual revenue levied for the year to date. This attributes to the fact that our monthly fixed cost increases above 50% of our actual expenditure and will be even more against the actual income received. **This is a big concern for the municipality.** At this stage the ongoing increase in employee related costs are contributing to the following:

- tariff increases beyond inflation rates;
- unaffordability of loan raised;
- compromising of repairs and maintenance of assets which result in impairment losses due to assets not maintained; and
- non-payment of creditors which results in accounts being closed and the credibility of the municipality, within the community, being questioned.

The following expenditure sources have negative variances in excess of 5% -

- Debt Impairment (100%) - Pro-rata journal to be processed. The actual amount will only be recognised in the 2016/2017 AFS;
- Loss on Disposal of PPE (100%) - The actual amount will only be recognised in the 2016/2017 AFS;
- Contracted Services (25%) - Due to cost containment; resulting in less expenditure;
- Other Materials (22%) - Due to cost containment; resulting in less expenditure;
- Depreciation and Asset Impairment (15%) - Journal to be processed; and
- Finance Charges (6%) - Finance charges are being paid during December and June. Restructuring of DBSA loans are resulting in less finance charges being paid.

NC087 Dawid Kruiper - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	77 873	85 437	85 213	5 787	60 569	60 868	(300)	0%	85 213
Service charges - electricity revenue	242 448	267 694	268 916	28 382	190 719	183 653	7 066	4%	268 916
Service charges - water revenue	46 977	51 647	54 446	5 831	36 834	35 692	1 142	3%	54 446
Service charges - sanitation revenue	27 288	28 335	30 460	2 517	20 409	20 406	3	0%	30 460
Service charges - refuse revenue	21 398	23 347	22 540	1 807	15 177	15 204	(27)	0%	22 540
Rental of facilities and equipment	9 144	10 075	9 309	458	5 374	5 795	(421)	-7%	9 309
Interest earned - external investments	1 090	1 250	1 500	237	1 266	1 123	143	13%	1 500
Interest earned - outstanding debtors	3 087	3 000	3 500	334	2 474	2 412	62	3%	3 500
Fines	6 800	541	636	84	471	437	34	8%	636
Licences and permits	1 566	1 583	1 584	129	1 041	1 047	(6)	-1%	1 584
Agency services	4 111	4 307	3 657	353	3 103	2 931	172	6%	3 657
Transfers recognised - operational	69 715	96 722	98 328	417	55 710	63 900	(8 190)	-13%	98 328
Other revenue	13 174	13 337	14 549	808	6 100	7 143	(1 043)	-15%	14 549
Gains on disposal of PPE	3 101	18 664	18 474	3	8 567	10 546	(1 979)	-19%	18 474
Total Revenue (excluding capital transfers and contributions)	527 771	605 938	613 112	47 146	407 815	411 158	(3 343)	-1%	613 112
Expenditure By Type									
Employee related costs	207 690	233 826	246 934	19 149	160 672	162 605	(1 933)	-1%	246 934
Remuneration of councillors	7 962	10 781	10 737	815	6 103	6 378	(275)	-4%	10 737
Debt impairment	21 160	5 000	5 000	-	-	1 000	(1 000)	-100%	5 000
Depreciation & asset impairment	82 252	90 719	90 719	-	48 230	56 728	(8 498)	-15%	90 719
Finance charges	14 658	15 002	13 721	724	8 126	8 666	(540)	-6%	13 721
Bulk purchases	170 416	188 887	185 525	14 198	107 816	111 999	(4 183)	-4%	185 525
Other materials	12 603	19 037	19 850	1 145	6 421	8 191	(1 770)	-22%	19 850
Contracted services	7 770	8 226	11 139	274	3 745	5 005	(1 260)	-25%	11 139
Transfers and grants	785	110	205	14	124	129	(5)	-4%	205
Other expenditure	62 427	75 942	73 182	5 665	40 745	42 663	(1 918)	-4%	73 182
Loss on disposal of PPE	-	-	29	-	-	6	(6)	-100%	29
Total Expenditure	587 722	647 531	657 042	41 983	381 982	403 369	(21 387)	-5%	657 042
Surplus/(Deficit)	(59 951)	(41 592)	(43 930)	5 163	25 832	7 788	18 044	232%	(43 930)
Transfers recognised - capital	25 339	39 676	45 500	1 117	15 899	20 926	(5 027)	-24%	45 500
Surplus/(Deficit) after capital transfers & contributions	(34 612)	(1 916)	1 570	6 279	41 732	28 714			1 570
Taxation	-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation	(34 612)	(1 916)	1 570	6 279	41 732	28 714			1 570
Attributable to minorities	-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	(34 612)	(1 916)	1 570	6 279	41 732	28 714			1 570
Share of surplus/ (deficit) of associate	-	-	-	-	-	-			-
Surplus/ (Deficit) for the year	(34 612)	(1 916)	1 570	6 279	41 732	28 714			1 570

4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

Year-to-date capital expenditure shows a 40% negative variance of the year-to-date budget.

NC087 Dawid Kruiper - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08 February

Vote Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Budget Year 2016/17
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Municipal Manager	571	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	13	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	-	118	-	(52)	24	(76)	-323%	118
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	-	-	14 753	-	1 730	2 951	(1 221)	-41%	14 753
Vote 7 - Civil Engineering Services	1 438	-	-	-	-	-	-	-	-
Vote 8 - Development and Planning Services	2 859	12 577	20 901	981	10 999	12 008	(1 009)	-8%	20 901
Total Capital Multi-year expenditure	4 881	12 577	35 772	981	12 676	14 982	(2 229)	-15%	35 772
Single Year expenditure appropriation									
Vote 1 - Municipal Manager	6	1 500	609	9	25	134	(109)	-81%	609
Vote 2 - Corporate Services	1 591	-	1 135	34	554	644	(90)	-14%	1 135
Vote 3 - Budget & Treasury Office	1 713	-	21	7	16	(31)	47	-152%	21
Vote 4 - Community Services	84	-	1 426	29	680	806	(126)	-16%	1 426
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	25 146	37 799	25 996	16	4 350	10 050	(5 701)	-57%	25 996
Vote 7 - Civil Engineering Services	5 104	22 229	24 705	164	1 346	6 003	(4 657)	-78%	24 705
Vote 8 - Development and Planning Services	1 611	3 570	217	-	171	251	(80)	-32%	217
Total Capital single-year expenditure	35 255	65 098	54 109	258	7 141	17 858	(10 716)	-60%	54 109
Total Capital Expenditure	40 136	77 675	89 881	1 239	19 818	32 839	(12 946)	-39%	89 881
Capital Expenditure - Standard Classification									
Governance and administration	3 977	22 552	3 025	50	594	1 030	(436)	-42%	3 025
Executive and council	577	7 614	419	9	25	96	(71)	-74%	419
Budget and treasury office	1 713	-	413	7	7	47	(40)	-84%	413
Corporate services	1 687	14 938	2 193	34	561	886	(325)	-37%	2 193
Community and public safety	149	-	10 844	199	3 042	2 673	369	14%	10 844
Community and social services	9	-	727	-	-	145	(145)	-100%	727
Sport and recreation	107	-	5 899	196	3 019	1 654	1 365	83%	5 899
Public safety	34	-	4 218	4	23	874	(851)	-97%	4 218
Economic and environmental services	4 642	16 147	13 579	611	7 347	10 751	(3 404)	-32%	13 579
Planning and development	4 404	16 147	4	-	-	8 036	(8 036)	-100%	4
Road transport	238	-	13 575	611	7 347	2 715	4 632	171%	13 575
Trading services	31 368	38 976	62 433	379	8 835	18 385	(9 550)	-52%	62 433
Electricity	25 063	16 747	26 378	2	6 028	10 096	(4 068)	-40%	26 378
Water	5 916	7 877	10 691	164	1 252	3 005	(1 753)	-58%	10 691
Waste water management	389	14 352	19 397	213	1 535	4 075	(2 540)	-62%	19 397
Waste management	-	-	5 967	-	20	1 209	(1 189)	-98%	5 967
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	40 136	77 675	89 881	1 239	19 818	32 839	(13 022)	-40%	89 881
Funded by:									
National Government	22 556	36 168	37 795	998	16 217	19 734	(3 517)	-18%	37 795
Provincial Government	2 783	3 509	7 105	-	9	1 428	(1 419)	-99%	7 105
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	599	-	592	594	(1)	100%	599
Transfers recognised - capital	25 339	39 676	45 500	998	16 818	21 756	(4 938)	-23%	45 500
Internally generated funds	14 797	37 998	44 381	241	3 000	11 084	(8 084)	-73%	44 381
Total Capital Funding	40 136	77 675	89 881	1 239	19 818	32 839	(13 022)	-40%	89 881

New internal controls have been implemented before tenders are rewarded. Projects are

4.1.6 Table C6: Monthly Budget Statement - Financial Position**NC087 Dawid Kruiper - Table C6 Monthly Budget Statement - Financial Position - M08 February**

Description	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	21 360	18 821	18 821	38 682	18 821
Consumer debtors	66 252	58 589	58 589	102 194	58 589
Other debtors	4 882	17 488	5 488	1 449	5 488
Current portion of long-term receivables	8	5	5	8	5
Inventory	11 013	7 845	7 845	5 830	7 845
Total current assets	103 515	102 749	90 749	148 163	90 749
Non current assets					
Long-term receivables	9	5	5	4	5
Investment property	202 345	240 625	579 041	217 638	579 041
Property, plant and equipment	1 567 633	1 874 796	1 714 259	1 522 454	1 714 259
Intangible assets	3 168	3 755	5 167	3 372	5 167
Total non current assets	1 773 156	2 119 180	2 298 472	1 743 468	2 298 472
TOTAL ASSETS	1 876 671	2 221 930	2 389 221	1 891 631	2 389 221
LIABILITIES					
Current liabilities					
Bank overdraft	5 693	3 000	6 000	2 149	6 000
Borrowing	11 314	8 674	8 912	11 314	8 912
Consumer deposits	10 916	11 500	12 500	10 921	12 500
Trade and other payables	99 346	71 768	90 919	82 848	90 919
Provisions	5 417	9 750	12 750	4 600	12 750
Total current liabilities	132 687	104 692	131 081	111 832	131 081
Non current liabilities					
Borrowing	113 064	88 780	104 655	104 554	104 655
Provisions	115 147	125 060	141 120	78 252	141 120
Total non current liabilities	228 211	213 841	245 774	182 807	245 774
TOTAL LIABILITIES	360 898	318 533	376 856	294 639	376 856
NET ASSETS	1 515 773	1 903 397	2 012 366	1 596 993	2 012 366
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1 515 773	1 903 397	2 012 366	1 596 993	2 012 366
TOTAL COMMUNITY WEALTH/EQUITY	1 515 773	1 903 397	2 012 366	1 596 993	2 012 366

It should be noted that our current assets exceed our current liabilities with R 36.3 million (January 2017: R 31.8 million). The norm for the liquidity ratio is 2:1, to ensure sufficient assets (cash) is available to pay liabilities. Dawid Kruiper Municipality's ratio is: 1.32:1 (January 2017: 1.31:1). This will result in a going concern matter in the 2016/2017 audit report. However, there is systematic improvement in the ratio.

The under collection of debtors has resulted in non-payment of creditors and cash flow problems.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

Table C7 provides a comprehensive picture of the cash position of the municipality which includes non-current investments and commitments against available cash resources. Table C7 includes all cash and cash equivalents (cashbook balances, petty cash balances and short-term investment deposits).

NC087 Dawid Kruiper - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	47 988	70 689	98 769	5 720	41 395	48 294	(6 899)	-14%	98 769
Service charges	242 448	371 023	376 362	29 503	235 798	240 309	(4 511)	-2%	376 362
Other revenue	128 297	24 843	24 735	2 417	18 047	17 452	596	3%	24 735
Government - operating	69 715	96 722	98 328	417	55 846	64 008	(8 163)	-13%	98 328
Government - capital	25 339	39 676	45 500	1 117	15 899	20 926	(5 027)	-24%	45 500
Interest	4 176	4 250	5 000	571	3 740	3 535	205	6%	5 000
Payments									
Suppliers and employees	(479 269)	(515 577)	(559 454)	(31 896)	(322 274)	(344 193)	(21 919)	6%	(559 454)
Finance charges	(785)	(15 002)	(13 721)	(724)	(8 126)	(8 666)	(540)	6%	(13 721)
Transfers and Grants	(14 658)	(110)	(205)	(14)	(124)	(129)	(5)	4%	(205)
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 252	76 515	75 313	7 111	40 202	41 536	(46 262)	-111%	75 313
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3 101	18 664	18 445	3	8 567	10 540	(1 973)	-19%	18 445
Decrease (increase) other non-current receivables	6	6	7	1	5	5	1	12%	7
Payments									
Capital assets	(9 281)	(77 675)	(89 881)	(967)	(19 402)	(32 723)	(13 322)	41%	(89 881)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 879)	(59 005)	(71 428)	(963)	(10 830)	(22 179)	(11 349)	51%	(71 428)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	2 176	500	1 460	3	4	293	(289)	-99%	1 460
Payments									
Repayment of borrowing	1 309	(10 084)	(11 552)	(549)	(8 509)	(8 679)	(169)	2%	(11 552)
NET CASH FROM/(USED) FINANCING ACTIVITIES	3 485	(9 584)	(10 092)	(547)	(8 505)	(8 385)	120	-1%	(10 092)
NET INCREASE/ (DECREASE) IN CASH HELD	20 564	7 926	(6 207)	5 601	20 867	10 971			(6 207)
Cash/cash equivalents at beginning:	(4 897)	7 896	19 028		15 667	16 339			19 028
Cash/cash equivalents at month/year end:	15 667	15 821	12 821		36 533	27 310			12 821

The municipality had a cash inflow of R 5.6 million. This means that more money was received than spent.

PART 2 - SUPPORTING DOCUMENTATION

Section 5 - Debtors' analysis**5.1 Supporting Table SC3****Debtor's age analysis**

The value reflected in the Financial Position will not reconcile to the Debtors Age Analysis shown on Supporting Table SC3. The financial position includes the total annual billing to date and some debtor classifications which do not form part of the consumer debtors, whereas the age analysis only includes those consumer amounts which have become due and not the 'future' amounts which will only fall due in coming months.

NC087 Dawid Kruiper - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2016/17									Total over 90 days	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	5 089	852	529	284	288	208	163	6 034	13 446	6 976	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	19 157	1 097	49	29	22	51	25	835	21 265	962	
Receivables from Non-exchange Transactions - Property Rates	1400	5 070	490	356	321	288	253	2 739	10 598	20 114	14 198	
Receivables from Exchange Transactions - Waste Water Management	1500	2 317	468	301	207	178	160	151	2 865	6 647	3 562	
Receivables from Exchange Transactions - Waste Management	1600	2 230	672	481	390	323	302	275	5 644	10 317	6 934	
Receivables from Exchange Transactions - Property Rental Debtors	1700	465	242	202	178	164	141	120	1 071	2 584	1 675	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	7 422	2 008	1 471	4 936	2 997	473	833	15 471	35 611	24 710	
Total By Income Source	2000	41 750	5 829	3 390	6 344	4 262	1 588	4 305	42 518	109 985	59 017	
2015/16 - totals only		29 663	(8 167)	3 143	2 724	1 297	3 029	9 004	13 473	54 167	29 528	
Debtors Age Analysis By Customer Group												
Organs of State	2200	7 284	1 192	106	76	20	15	8	814	9 514	932	
Commercial	2300	16 195	686	321	249	254	249	721	5 746	24 421	7 218	
Households	2400	16 365	2 977	2 191	1 667	1 461	1 243	3 172	23 596	52 672	31 139	
Other	2500	1 905	973	771	4 352	2 526	81	405	12 362	23 378	19 727	
Total By Customer Group	2600	41 750	5 829	3 390	6 344	4 262	1 588	4 305	42 518	109 985	59 017	

The total outstanding debtors for February 2017 are R 110.0 million and R 54.2 million for February 2016. Non-collection of outstanding debtors results in cash flow problems.

The write off of bad debts are not encouraged, as it may result in unauthorised expenditure and possible tariff increases above inflation in future. The debt collection unit must ensure that all outstanding debt of employees are collected and monitored.

No hand over of debtors was done during the month of February 2017.

5.2 Additional debtors information

5.2.1 Payment level

Collection Rates (payment levels) reflect the total income collected for the period 18 January 2017 - 17 February 2017. The budgeted collection rate is 98%, thus any collection rate below 98% will therefore result in cash flow problems.

The table below reflects the total income billed and received per ward. The higher the collection rate the better collection of the service charges billed.

Ward	Billed	Received	Dep journals	Indigent subs	Tot payments	Cash col rate	Nett col rate	Non payment	Corrections	Total Received	Coll Rate
Ward 1	657 787	369 435	20 475	248 994	638 904	56%	97%	18 883	62 564	701 468	107%
Ward 2	660 731	527 449	0	196 317	723 766	80%	110%	-63 035	121 246	845 012	128%
Ward 3	891 285	742 576	9 567	107 762	859 905	83%	96%	31 380	92 256	952 161	107%
Ward 4	4 501 487	1 613 040	1 802 120	118 530	3 533 689	36%	79%	967 797	103 501	3 637 191	81%
Ward 5	623 740	654 153	4 205	117 338	775 696	105%	124%	-151 956	275 465	1 051 161	169%
Ward 6	451 116	301 235	4 983	108 630	414 848	67%	92%	36 268	354 776	769 624	171%
Ward 7	2 053 755	2 394 205	0	81 423	2 475 628	117%	121%	-421 873	378 292	2 853 920	139%
Ward 8	12 817 460	14 166 843	16 613	49 896	14 233 351	111%	111%	-1 415 892	-13 115	14 220 237	111%
Ward 9	5 758 865	5 882 735	0	13 186	5 895 921	102%	102%	-137 057	11 024	5 906 945	103%
Ward 10	1 680 879	1 717 747	1 933	182 797	1 902 476	102%	113%	-221 597	210 549	2 113 025	126%
Ward 11	1 757 228	1 360 768	373 072	44 755	1 778 595	77%	101%	-21 367	145 973	1 924 567	110%
Ward 12	614 380	633 253	700	54 293	688 246	103%	112%	-73 866	51 463	739 709	120%
Ward 13	1 904 174	2 393 859	0	123 770	2 517 628	126%	132%	-613 454	316 459	2 834 088	149%
Ward 14	191 661	134 462	0	29 501	163 963	70%	86%	27 698	-1 365	162 598	85%
Not specified	2 029 758	2 042 870	19 878	106 305	2 169 053	101%	107%	-139 294	-4 931	2 164 122	107%
Total	36 594 305	34 934 630	2 253 543	1 583 496	38 771 669	95%	106%	-2 177 364	2 104 159	40 875 828	112%

The table below reflects the total income billed and received per service group.

Service group	Billed	Received	Dep journals	Indigent subs	Tot payments	Cash col rate	Nett col rate	Non payment	Corrections	Total Received	Coll Rate
Property tax	6 463 943	7 324 985	0	244 668	7 569 653	113%	117%	-1 105 709	-790 656	6 778 996	105%
Electricity	18 374 538	16 834 518	1 835 046	413	18 669 977	92%	102%	-295 439	639 841	19 309 819	105%
Water	5 608 880	5 000 535	398 095	166 153	5 564 782	89%	99%	44 098	687 742	6 252 524	111%
Sewage	2 718 421	2 129 189	10 998	502 615	2 642 802	78%	97%	75 619	365 136	3 007 938	111%
Refuse Removal	2 286 918	1 732 040	9 002	574 346	2 315 388	76%	101%	-28 470	399 344	2 714 733	119%
Other	1 141 604	1 913 363	402	95 302	2 009 067	168%	176%	-867 463	802 751	2 811 818	246%
Total	36 594 305	34 934 630	2 253 543	1 583 496	38 771 669	95%	106%	-2 177 364	2 104 159	40 875 828	112%

The table below reflects the total income billed and received per district group.

District group	Billed	Received	Dep journals	Indigent subs	Tot payments	Cash col rate	Nett col rate	Non payment	Corrections	Total Received	Coll Rate
Keidebees	1 696 406	1 768 343	76	1 786	1 770 205	104%	104%	-73 800	2 741	1 772 946	105%
Middelpos	1 265 079	1 146 538	0	34	1 146 572	91%	91%	118 507	11 174	1 157 746	92%
Oosterville	1 790 161	1 974 630	0	2 295	1 976 925	110%	110%	-186 764	-18 785	1 958 140	109%
Blydeveld	874 252	871 578	76	34	871 687	100%	100%	2 565	-605	871 082	100%
Akademia	471 704	532 308	0	10 599	542 908	113%	115%	-71 204	33 605	576 513	122%
Florapark	518 410	551 838	0	3 170	555 008	106%	107%	-36 598	-286 322	268 686	52%
Die Rand	3 740 172	3 727 458	388	3 241	3 731 086	100%	100%	9 086	86 293	3 817 380	102%
Town Centre / Business Area	7 342 699	7 956 144	7 407	9 429	7 972 981	108%	109%	-630 283	110 453	8 083 434	110%
Riverside	1 758 474	1 097 879	3 629	11 344	1 112 853	62%	63%	645 621	40 891	1 153 744	66%
Progress	1 048 433	767 778	9 786	252 159	1 029 723	73%	98%	18 710	238 016	1 267 739	121%
Bellvue	535 174	467 053	0	34 805	501 858	87%	94%	33 316	14 181	516 039	96%
Morning Glory	530 853	464 835	0	127 839	592 674	88%	112%	-61 821	82 921	675 595	127%
Rosedale	1 422 690	914 985	22 039	439 850	1 376 874	64%	97%	45 815	289 121	1 665 995	117%
Paballelo	1 356 330	982 476	4 983	313 898	1 301 357	72%	96%	54 973	1 008 927	2 310 284	170%
Dakotaweg	78 011	39 094	0	19 598	58 692	50%	75%	19 319	-109	58 583	75%
Kameelmond / Lemoendraai	166 909	128 589	193	5 681	134 464	77%	81%	32 445	30 069	164 533	99%
Industrial Areas	4 799 373	5 999 411	18 982	0	6 018 393	125%	125%	-1 219 020	68 302	6 086 695	127%
Commonage	3 563 546	1 986 695	2 166 269	0	4 152 964	56%	117%	-589 418	-8 425	4 144 538	116%
Karos	49 210	17 954	0	11 867	29 821	36%	61%	19 389	-30	29 791	61%
Lambrechtsdrift	23 722	3 606	0	5 397	9 002	15%	38%	14 719	0	9 002	38%
Leerkrans	30 372	3 479	0	12 344	15 823	11%	52%	14 549	-22	15 801	52%
Raaswater	-39 449	25 891	700	31 721	58 311	-66%	-148%	-97 760	16 369	74 680	-189%
Sesbrugge / Klippunt	181 886	297 350	0	0	297 350	163%	163%	-115 464	-6	297 344	163%
Kalksloot	112 126	66 183	142	33 473	99 799	59%	89%	12 327	84 723	184 522	165%
Louisvale Dorp	637 845	724 025	76	12 796	736 896	114%	116%	-99 051	14 152	751 048	118%
Leseding	16 774	448	0	799	1 247	3%	7%	15 527	5 177	6 423	38%
Ntsekelelo	255	1	0	0	1	0%	0%	255	0	1	0%
Louisvaleweg	307 249	308 059	4 205	129 700	441 964	100%	144%	-134 715	225 205	667 169	217%
Uppington Farming Areas	330 478	328 077	150	2 594	330 821	99%	100%	-343	-289	330 533	100%
Gordonia Farming Areas	509 795	368 587	0	84	368 671	72%	72%	141 124	-3 071	365 599	72%
Karos Farming Areas	21 278	25 144	0	0	25 144	118%	118%	-3 866	-1 001	24 143	113%
Kenhart Farming Areas	551 813	616 217	0	0	616 217	112%	112%	-64 404	7 336	623 553	113%
Olyvenhoutsdrift Farming Areas	525 130	654 531	14 442	0	668 973	125%	127%	-143 843	56 499	725 472	138%
Vaalkoppies Farming Areas	25 410	32 938	0	0	32 938	130%	130%	-7 528	0	32 938	130%
Melkstream	11 181	3 257	0	3 605	6 862	29%	61%	4 319	-32	6 831	61%
Not specified	340 558	81 253	0	103 355	184 608	24%	54%	155 950	-3 301	181 306	53%
Total	36 594 305	34 934 630	2 253 543	1 583 496	38 771 669	95%	106%	-2 177 364	2 104 159	40 875 828	112%

5.2.2 Debtor arrear summaries

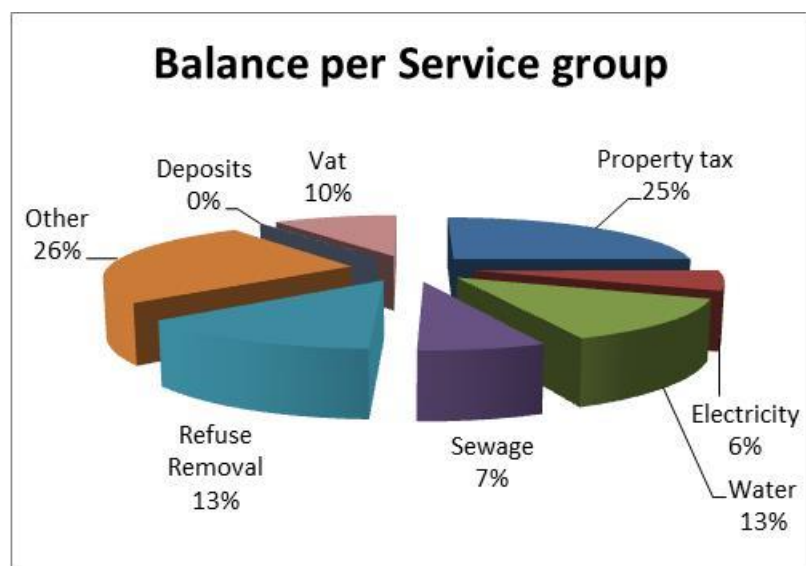
The arrear summaries that follow are not prescriptive in terms of the MFMA or the MBRR. They are included to provide further information on debtors arrears based on various classifications.

All debtors' information is coded on the financial database in terms of the following:

- Suburb; e.g. Keidebees, Progress, Pabalello
- Consumer type; e.g. Business, Household (Domestic), Government

Additional Table SC3-6: Arrears by Service Group

Service group	Current	31 - 60 days	61 - 90 days	91 - 120 days	120 days +	Total	Credits	% Arrears of Total
Property tax	814 494	378 505	329 762	308 952	11 924 843	13 756 555	(6 635 602)	25%
Electricity	1 998 870	753 577	53 083	23 174	463 738	3 292 442	(455 138)	6%
Water	1 171 226	585 638	333 435	313 674	4 653 283	7 057 256	(272 527)	13%
Sewage	643 541	349 771	229 234	189 635	2 327 061	3 739 243	(76 175)	7%
Refuse Removal	801 302	543 787	430 509	345 602	5 380 373	7 501 573	(60 098)	14%
Other	913 455	880 893	3 771 073	537 795	8 246 953	14 350 168	(114 143)	26%
Deposits	5 345	-	-	-	29 627	34 971	(1 730)	0%
Vat	768 142	417 824	292 093	250 557	3 713 182	5 441 798	(128 580)	10%
Total	7 116 376	3 909 996	5 439 188	1 969 388	36 739 059	55 174 007	(7 743 993)	100%



The table indicates the total outstanding debt per service group.

Additional Table SC3-7: Arrears by suburb

District group	Current	31 - 60 days	61 - 90 days	91 - 120 days	120 days +	Total	Credits	31 - 120 days +	% of Arrears of 31 - 120 days +	% of Arrears of 31 - 120 days + as % of total
Keidebees	229 116	62 579	27 574	17 312	126 679	463 260	(287 544)	234 143	51%	0%
Middelpos	248 618	108 400	92 200	27 642	65 737	542 597	(163 531)	293 979	54%	1%
Oosterville	129 768	53 405	20 925	13 196	55 847	273 141	(319 339)	143 373	52%	0%
Blydeveld	123 644	56 384	37 986	38 730	631 869	888 614	(135 196)	764 970	86%	2%
Akademia	318 564	109 179	98 453	99 179	836 320	1 461 695	(42 535)	1 143 131	78%	2%
Florapark	102 198	23 412	9 947	10 008	43 047	188 612	(349 000)	86 414	46%	0%
Die Rand	257 419	92 584	53 029	25 537	131 110	559 679	(298 666)	302 260	54%	1%
Town Centre / Business Area	631 366	131 820	3 263 950	32 633	560 228	4 619 998	(658 385)	3 988 632	86%	8%
Riverside	1 210 550	835 837	58 175	23 074	1 945 421	4 073 058	(92 229)	2 862 507	70%	6%
Progress	382 878	193 003	141 929	112 423	1 687 020	2 517 254	(129 182)	2 134 376	85%	4%
Bellvue	140 532	67 884	33 739	27 356	170 738	440 249	(17 604)	299 717	68%	1%
Morning Glory	170 636	83 448	60 958	51 807	699 491	1 066 340	(44 122)	895 704	84%	2%
Rosedale	650 330	382 585	281 183	235 088	2 711 695	4 260 881	(234 812)	3 610 551	85%	8%
Paballelo	736 170	496 201	435 343	341 376	4 686 997	6 696 087	(355 640)	5 959 917	89%	12%
Dakotaweg	46 140	27 703	22 261	20 570	65 866	182 540	(8 731)	136 400	75%	0%
Kameelmond / Lemoendraai	67 279	21 075	11 147	9 418	115 179	224 098	(9 689)	156 818	70%	0%
Industrial Areas	273 259	128 883	29 415	31 440	2 063 518	2 526 515	(2 536 764)	2 253 256	89%	5%
Commonage	53 591	22 316	5 864	21 176	1 099 459	1 202 406	(558 819)	1 148 815	96%	2%
Karos	44 620	44 652	43 087	48 762	863 226	1 044 347	(8 970)	999 727	96%	2%
Lambrechtsdrift	24 291	23 808	23 070	28 209	580 739	680 118	(549)	655 827	96%	1%
Leerkrans	21 351	21 424	24 011	21 988	451 309	540 083	(20 015)	518 732	96%	1%
Raaswater	158 975	157 032	139 046	157 920	2 413 263	3 026 236	(10 064)	2 867 261	95%	6%
Sesbrugge / Klippunt	13 338	4 408	1 786	1 574	43 864	64 971	(2 389)	51 633	79%	0%
Kalksloot	63 306	42 599	32 769	27 115	473 879	639 668	(7 867)	576 362	90%	1%
Louisvale Dorp	19 979	39 329	20 188	12 092	265 120	356 708	(10 936)	336 729	94%	1%
Leseding	17 837	1 298	1 073	1 056	10 900	32 164	(201)	14 327	45%	0%
Ntsekelelo	511	510	499	387	1 473	3 381	(0)	2 870	85%	0%
Louisvaleweg	207 925	115 999	81 358	70 272	991 424	1 466 978	(67 041)	1 259 053	86%	3%
Upington Farming Areas	51 457	17 247	6 286	4 009	43 766	122 765	(32 156)	71 308	58%	0%
Gordonia Farming Areas	194 540	162 567	139 931	171 218	7 510 977	8 179 234	(727 252)	7 984 693	98%	17%
Karos Farming Areas	13 653	12 651	11 358	12 670	550 059	600 391	(25 937)	586 738	98%	1%
Kenhart Farming Areas	85 887	16 666	11 699	11 615	189 108	314 974	(47 711)	229 088	73%	0%
Olyvenhoutsdrift Farming Ar	83 790	32 207	14 256	9 042	110 280	249 575	(117 659)	165 784	66%	0%
Vaalkoppies Farming Areas	8 008	7 032	6 875	8 177	218 265	248 356	(87 199)	240 348	97%	1%
Melkstroom	9 652	8 734	6 728	5 705	4 452	35 271	(1 862)	25 620	73%	0%
Not specified	325 197	305 134	191 090	239 607	4 320 734	5 381 763	(334 397)	5 056 566	94%	11%
Total	7 116 376	3 909 996	5 439 188	1 969 388	36 739 059	55 174 007	(7 743 993)	48 057 631	87%	100%

The table indicates the total outstanding debt per suburb; this includes current and outstanding debt in excess of 1 year. The table below summarises the 30 highest consumer accounts based on the outstanding debt in excess of 30 days. As at 28 February 2017 the 30 highest accounts represent R 15.0 million or 30% of all arrear accounts in access of 31 days.

Additional Table SC3-8: Age Analyses of 30 highest consumer accounts

Account no	Name	Account group	Ward	Current	31 - 60 days	61 - 90 days	91 - 120 days	120 days +	Total	31 - 120 days +
0115805	NASIONALE REGERING RSA	DOMESTIC	0	0	0	0	0	3 419 010	3 419 010	3 419 010
010000489000014	PROPRAIL EIENDOMME BK		8	3 152	29 489	3 225 180	0	0	3 257 821	3 254 669
010021936000008	EIMAN,G		11	2 027	16 677	0	0	1 762 694	1 781 398	1 779 371
010000001073018	ZELPY (1756) PROPRIETARY LIMITED	BUSINESS	0	14 114	18 267	2 575	4 829	976 422	1 016 207	1 002 093
010002942000015	DR HARRY SURTIE HOSPITAAL	National: Health	4	1 022 854	739 255	5 194	5 379	5 200	1 777 882	755 028
010020083000014	AVEST (EDMS) BPK	DOMESTIC	8	5 985	0	0	0	728 162	734 147	728 162
010020084000018	AVEST (EDMS) BPK	DOMESTIC	8	5 072	0	0	0	617 108	622 180	617 108
100720959993	DART PLANT SERVICES CC	INDUSTRY	8	6 448	6 600	6 380	8 980	411 047	439 455	433 007
230000058000008	MOHLOTSANA,MAMOKEBE	DOMESTIC	12	7 086	7 198	7 002	9 096	316 283	346 664	339 577
010014977001012	SHOW TIME MEDIA	BUSINESS	8	8 315	8 420	8 211	10 311	311 443	346 700	338 385
0121013	ASKHAM KAMEELDUIN KLEINVEE BOERE COMMUNAL PROPERTY	BUSINESS	0	0	0	0	0	313 440	313 440	313 440
0115771	REPUBLIEK VAN SUID AFRICA	DOMESTIC	0	0	0	0	0	186 643	186 643	186 643
0116208	TRUSTEES SCHOOL DISTRICT GORDONIA & RSA	BUSINESS	0	0	0	0	0	177 572	177 572	177 572
070000110021	GORDONIA HOSPITAAL	National: Health	9	50 847	72 137	80 100	17 380	630	221 094	170 247
0003109	PAGE (GROOT MIER WINKELKOMPLEKS),CHARL H	MUNICIPAL	0	437	437	437	437	157 371	159 118	158 681
0121020	BLINK BELEG TWAALF PTY LTD	BUSINESS	0	0	0	0	0	156 720	156 720	156 720
310251023000009	NATIONAL GOVERNMENT OF RSA	National: Public Works	11	1 125	1 125	1 085	1 121	146 495	150 951	149 827
100362639998	DART PLANT SERVICES CC	INDUSTRY	8	1 795	1 850	1 778	2 682	142 154	150 258	148 464
010012943001029	DAWID KRUIPER MUNISIPALITEIT	MUNICIPAL	13	20 155	22 007	16 981	16 981	92 369	168 494	148 338
310326000000003	MIER MUNISIPALITEIT	OTHER	11	4 885	4 913	4 818	5 595	112 734	132 945	128 060
310251021000003	NATIONAL GOVERNMENT OF RSA	OTHER	11	4 445	4 474	4 384	5 141	108 371	126 815	122 371
310251094000001	MIER MUNISIPALITEIT	OTHER	11	4 718	4 745	4 653	5 393	107 462	126 970	122 252
310251020000008	REP VAN SUID-AFRIKA	OTHER	11	4 408	4 437	4 348	5 099	107 513	125 804	121 397
310251015000008	MIER MUNISIPALITEIT	OTHER	11	4 521	4 547	4 459	5 168	102 916	121 610	117 089
010001791000011	COMMISSION FOR CHILDREN	BUSINESS	8	2 037	2 076	2 014	2 719	108 660	117 505	115 468
310251112000014	NATIONAL GOVERNMENT OF RSA	DOMESTIC	11	4 197	4 224	4 140	4 842	99 758	117 161	112 964
310251077000006	THEUNIS JACOBS FAMILIE TRUST	OTHER	11	4 418	4 440	4 356	5 009	91 680	109 904	105 486
310251104000005	B&S MARITZ FAMILIE TRUST	OTHER	11	748	748	722	746	92 387	95 351	94 603
310373000000018	NATIONAL GOVERNMENT OF RSA	National: Public Works	11	657	657	634	655	84 764	87 367	86 710
310178000000004	FJ VAN ZYL & SEUNS BOERDERY PTY LTD	OTHER	11	3 462	3 478	3 414	3 909	69 799	84 062	80 600

Section 6 - Creditors' analysis

6.1 Supporting Table C4

NC087 Dawid Kruiper - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description R thousands	NT Code	Budget Year 2016/17									Prior year totals for chart (same period)	
		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		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	5 761	2 449	1 009	3	0	1	-	3 385	12 608	25 958	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	7 904	-	-	-	-	-	-	-	7 904	8 755	
Total By Customer Type	1000	13 665	2 449	1 009	3	0	1	-	3 385	20 512	34 713	

The municipality is experiencing cash flow problems which results in the non-payment or creditor payments in excess of 30 days, which is a non-compliance in terms of Section 65 (2)(e) of the MFMA. The outstanding creditors for February 2017 are R 20.5 million and R 34.7 million for February 2016. This implicates a decrease of R 14.2 million. The municipality should ensure that the non-payment of creditors do not result in the local businesses being left bankrupt that will result in work losses within Dawid Kruiper Municipality and the local communities.

Non-payment of creditors can also result in creditors levying interest and possibly taking legal action against the municipality, therefore resulting in additional legal costs. Furthermore local creditors might refuse to deliver a service to the municipality that may result in that services must be obtained from outside the municipal jurisdiction which could lead to additional costs and delivery time. This also means that money will “leave” our municipal jurisdiction.

Section 7 - Investment portfolio analysis

7.1 Supporting Table C5

The municipality's investments as at 28 February 2017 are set out in Table SC5 below. The municipality started the beginning of the month with a market value of R 0. These investments however qualify as cash and cash equivalents. Therefore our total Market value at month end is R 0.

NC087 Dawid Kruiper - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

Investments by maturity Name of institution & investment ID R thousands	Type of Investment	Accrued interest for the month	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality					
Dawid Kruiper	Savings	0	26	-	27
Mier Municipality - Interest Only	Call Account	-	(3 613)	-	(3 613)
Dawid Kruiper	Smart Rate on Call	184	33 303	-	41 986
Minus: Investments qualifying as cash and cash equivalents		-	(29 716)	-	(38 400)
Municipality sub-total		184	-	-	-
Entities					
Entities sub-total		-	-	-	-
TOTAL INVESTMENTS AND INTEREST		184	-	-	-

Conditional grants received are invested. It should be noted that these funds are only available to pay capital projects which is funded by MIG, INEP, EPWP, etc. in terms of an approved business plan. These funds may not be used for operational expenditure. It should be noted that all our unspent grants are cash backed at this stage.

Section 8 - Allocation and grant receipts and expenditure

8.1 Supporting Table C6

The municipality's position with regard to grant allocations received and the actual expenditure on the grant allocations received are set out in the table below. The municipality started at the beginning of the month with conditional grants to the value of R 23.4 million. Grants to the value of R 8.5 million were received during February 2017 and expenditure of R 1.5 million was transferred to revenue. Therefore, unspent conditional grants amounted to R 31.1 million and unpaid grants to R 662 thousand. **It should be noted that our unspent grants were cash backed as at 28 February 2017.**

GRANT REGISTER FROM 1 FEBRUARY 2017 - 28 FEBRUARY 2017						
Account	Description	Opening Balance - 1 February 2017	Total Received	Expenditure Transferred to Revenue	Correction / Withheld	Closing Balance - 28 February 2017
INEP	Integrated Nationale Electrification Programme (INEP)	(3 000 000)	(2 000 000)	-	-	(5 000 000)
NDR100	Township Establishment (COGHSTA)	(2 925 281)	-	-	-	(2 925 281)
NDR102	Cultural Festival	(39 204)	-	-	-	(39 204)
NDR104	EPWP - DoRA Allocation	(480 754)	(1 500 000)	685 887	-	(1 294 867)
NDR105	Department of Water Affairs (DWA)	-	-	-	-	-
NDR110	Amalgamation Grant	(8 058 000)	-	-	-	(8 058 000)
NDR111	Community Development Grant (Directo Signs)	(50 000)	-	-	-	(50 000)
NDR112	Northern Cape Provincial Treasury	-	(4 000 000)	-	-	(4 000 000)
NDR1605	Finance Management Grant (FMG)	(2 096 413)	-	-	-	(2 096 413)
NDR49	Municipal Infrastructure Grant (MIG)	(955 759)	-	846 222	-	(109 538)
NDR59	Housing Accreditation	(650 000)	-	-	-	(650 000)
NDR86	Energy Efficiency Demand Management	(5 850 000)	(1 000 000)	-	-	(6 850 000)
NDR87	National Lotteries Board	(2 358)	-	2 000	-	(358)
NDR92	Extended Public Works Programme (EPWP)	662 079	-	-	-	662 079
Total (Unspent) / Unpaid Grants		(23 445 690)	(8 500 000)	1 534 109	-	(30 411 582)

Section 9 - Expenditure on councillor and board members allowances and employee benefits

9.1 Supporting Table C8

Employee related costs for the year ended 28 February 2017 is set out below.

EMPLOYEE RELATED COSTS FOR THE MONTH ENDED 28 FEBRUARY 2017					
National Treasury Line Item	2016/2017 Adjustment Budget	2016/2017 Year to Date	February 2017	February 2017 as % of Adjustment Budget	Year to Date as % of Adjustment Budget
Bargaining Council Contribution	79 046	51 963	6 735	9%	66%
Bonus	11 263 478	11 224 961	(38 503)	0%	100%
Contributions to Medical Aid	13 133 488	8 583 362	1 147 142	9%	65%
Contributions to Pension	26 275 977	17 344 710	2 221 116	8%	66%
Contributions to UIF	1 421 208	918 556	115 166	8%	65%
Contributions to WCA	1 508 160	–	–	0%	0%
Group Life Insurance	1 570 166	1 041 522	131 373	8%	66%
Housing Benefits	1 695 965	1 122 324	140 732	8%	66%
Less: Employee Costs Capitalised	(974 560)	(754 010)	(248 376)	25%	77%
Overtime	18 863 051	11 254 883	1 552 225	8%	60%
Performance Bonus	1 102 400	–	–	0%	0%
Post Retirement Obligations	1 658 600	–	–	0%	0%
Salaries and Wages	155 597 664	100 537 202	12 845 095	8%	65%
Training Levies	1 986 281	1 344 539	158 470	8%	68%
Travel, Motor car, Accom & Other allowances	11 753 264	8 002 119	1 118 289	10%	68%
TOTAL OVERTIME	246 934 188	160 672 132	19 149 465	8%	65%

Employee related cost is in excess of the acceptable norm of 35 - 40% of total expenditure. Employee related cost (including councillors) as a percentage of total expenditure, excluding non-cash items, for February 2017 is 47.6% (Year to date: 50.0%) and employee related cost as a percentage of total revenue for February 2017 is 42.3% (Year to date: 40.9%). It could be that employees of the municipality are not working productively, which results in the need of temporary employees to perform the tasks / duties of permanent employees.

Employee related cost (including councillors) as a percentage of total expenditure, excluding depreciation and bulk purchases on electricity should be 50.0% or less. Dawid Kruiper Municipality's ratio is 71.5% for February 2017 (Year to date: 73.2%). If the excess year to date percentage is expressed as an amount the actual figure will be R 6.0 million for February 2017 (Year to date: R 53.5 million).

It should be noted that due to cost constraints expenditure on operational costs have decreased leading to a proposed increase in the percentage of employee related cost as a percentage of total expenditure, excluding non-cash items. Therefore it seems that too much employees are employed by the municipality. Appointments should be carefully considered.

In the overtime per function table below overtime paid per function is compared with the approved budget allocations. Overtime worked by employees (specifically water distribution, streets & storm water and sewerage distribution) is normally to repair the networks (water, storm / water, sewerage) in emergency situations and normally takes place after hours. Overtime paid for February 2017 was R 1.5 million (January 2017: R 1.8 million. Overtime performed by parks, electricity department and civil services could be part of employee cost capitalised - refer to table C8, page 28.

OVERTIME FOR THE MONTH ENDED 28 FEBRUARY 2017					
National Treasury Line Item	2016/2017 Adjustment Budget	2016/2017 Year to Date	February 2017	February 2017 as % of Adjustment Budget	Year to Date as % of Adjustment Budget
Administration	329 438	193 353	18 191	6%	59%
Libraries	65 202	65 202	—	0%	100%
Tourism & Marketing	610	609	—	0%	100%
Financial Services	307 740	198 146	24 999	8%	64%
Municipal Manager	—	49 064	49 064	100%	100%
Housing and Development	—	—	—	100%	100%
IDP	—	10 970	10 970	100%	100%
Traffic Services	479 020	316 686	21 487	4%	66%
Fire Brigade Services	1 135 682	571 979	72 064	6%	50%
Security Services	1 413 644	550 922	71 764	5%	39%
Environmental Health Services	40 679	8 336	616	2%	20%
Sanitation Services	1 218 382	795 261	170 365	14%	65%
Refuse Removal Services	3 139 890	1 518 720	209 389	7%	48%
Vacuum Tank Services	52 082	43 694	13 144	25%	84%
Primary Health Care	—	—	—	100%	100%
Information Technology	116 476	57 233	3 719	3%	49%
Civil Engineering Services	35 520	6 735	—	0%	19%
Streets and Storm water drainage	653 762	537 109	32 960	5%	82%
Workshop	185 256	121 839	18 372	10%	66%
Sewerage Purification Plant	801 988	505 327	30 810	4%	63%
Building Construction Unit	43 942	22 411	4 735	11%	51%
Sewerage Distribution Networks	1 135 892	830 490	95 405	8%	73%
Parks	686 012	318 444	71 878	10%	46%
Island Holiday Resort	814 489	425 455	50 611	6%	52%
Swimming Pools	226 319	103 217	26 131	12%	46%
Sport Grounds	126 126	89 059	12 108	10%	71%
Cemetries	186 621	109 179	19 506	10%	59%
Electricity Administration	19 311	13 956	2 424	13%	72%
Electricity Maintenance	613 595	324 447	50 016	8%	53%
Electricity Distribution	1 062 986	736 319	121 902	11%	69%
Water Production	1 969 107	782 926	103 746	5%	40%
Water Distribution	—	1 510 437	211 433	100%	100%
Client Services	—	—	—	100%	100%
Community Services and Overtime	488 541	223 559	33 859	7%	46%
Masinedane Library Project	35 000	—	—	0%	0%
Sundry Donations / Projects	—	11 627	—	100%	100%
Parks: Temporary Workers	—	—	—	100%	100%
Paving Projects	4 481	5 040	560	12%	112%
LED - Temporary Workers	2 794	2 793	—	0%	100%
Refuse Removal - Temporary	194 339	194 338	—	0%	100%
TOTAL OVERTIME	17 584 926	11 254 883	1 552 225	9%	64%

Section 10 - Capital programme performance

10.1 Supporting Table C12

NC087 Dawid Kruiper - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	15	6 473	365	365	365	365	-		0%
August	797	6 473	3 631	3 631	3 996	3 996	-		5%
September	2 232	6 473	4 874	4 874	8 870	8 870	-		11%
October	373	6 473	1 336	1 336	10 206	10 206	-		13%
November	1 129	6 473	3 513	3 513	13 719	13 719	-		18%
December	720	6 473	3 718	3 718	17 437	17 437	-		22%
January	427	6 473	1 142	1 142	18 579	18 579	-		24%
February	1 396	6 473	14 260	1 239	19 818	32 839	13 022	39.7%	26%
March	1 446	6 473	14 260	-	19 818	47 100	27 282	57.9%	26%
April	3 588	6 473	14 260	-	19 818	61 360	41 542	67.7%	26%
May	9 185	6 473	14 260	-	19 818	75 620	55 803	73.8%	26%
June	18 827	6 473	14 260	-	19 818	89 881	70 063	78.0%	26%
Total Capital expenditure	40 136	77 675	89 881	19 818					

The municipality spent 26% of the 2016/2017 original capital budget and 22% of the 2016/2017 adjustment budget.

Several of the tenders have been awarded and consultants were appointed. Expenditure on multi-year projects will continue.

10.2 Supporting Table C13**10.2.1 Supporting Table C13a**

The table reflects capital expenditure on new assets.

NC083 //Khara Hais - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M08 February

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	28 411	44 371	34 657	230	8 140	18 609	714	3.8%	34 657
Infrastructure - Road transport	1 819	3 741	50	-	-	5 398	5 398	100.0%	50
<i>Roads, Pavements & Bridges</i>	1 819	3 741	50	-	-	5 398	5 398	100.0%	50
Infrastructure - Electricity	19 375	16 697	23 600	-	5 959	9 435	3 476	36.8%	23 600
<i>Transmission & Reticulation</i>	19 375	16 697	23 600	-	5 959	9 435	3 476	36.8%	23 600
Infrastructure - Water	5 199	6 877	8 008	17	944	2 356	1 412	60.0%	8 008
<i>Dams & Reservoirs</i>	5	-	-	-	-	-	-	-	-
<i>Reticulation</i>	5 193	6 877	8 008	17	944	2 356	1 412	60.0%	8 008
Infrastructure - Sanitation	332	17 056	2 881	213	1 290	1 438	148	10.3%	2 881
<i>Reticulation</i>	332	17 056	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	2 881	213	1 290	1 438	148	10.3%	2 881
Infrastructure - Other	1 686	-	118	-	(52)	(18)	34	-184.4%	118
<i>Other</i>	1 686	-	118	-	(52)	(18)	34	-184.4%	118
Community	2 674	9 119	5 008	182	2 413	2 786	373	13.4%	5 008
Parks & gardens	1 633	5 813	3 158	182	1 863	1 976	113	5.7%	3 158
Sportsfields & stadia	1 041	3 306	1 850	-	550	810	260	32.1%	1 850
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	2 481	1 550	6 756	27	370	1 692	1 322	78.1%	6 756
Specialised vehicles	-	-	3 661	-	-	732	-	-	3 661
Plant & equipment	268	1 000	1 046	20	83	285	202	70.8%	1 046
Computers - hardware/equipment	299	-	368	-	237	299	62	20.7%	368
Furniture and other office equipment	870	-	211	7	49	81	32	39.5%	211
Other Buildings	474	-	558	-	-	112	112	100.0%	558
Other Land	571	-	-	-	-	-	-	-	-
Other	-	-	381	-	-	76	76	100.0%	381
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	30	-	25	-	25	25	-	-	25
Computers - software & programming	30	-	25	-	25	25	-	-	25
Total Capital Expenditure on new assets	33 596	55 040	46 445	439	10 948	23 112	12 164	52.6%	46 445
Specialised vehicles			3 661			732			3 661
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	3 661	-	-	732	-	-	3 661
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

10.2.2 Supporting Table C13b

The table reflects capital expenditure on renewal assets.

NC087 Dawid Kruiper - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M08 February

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets									
by Asset Class/Sub-class									
Infrastructure	6 353	6 747	30 606	740	7 871	6 476	(1 395)	-21.5%	30 606
Infrastructure - Road transport	27	-	13 398	611	7 346	2 680	(4 667)	-174.2%	13 398
<i>Roads, Pavements & Bridges</i>	27		13 398	611	7 346	2 680	(4 667)	-174.2%	13 398
Infrastructure - Electricity	5 688	6 164	1 757	2	69	457	387	84.8%	1 757
<i>Transmission & Reticulation</i>	5 688	6 164	1 757	2	69	457	387	84.8%	1 757
Infrastructure - Water	581	-	997	127	214	257	42	16.4%	997
<i>Reticulation</i>	581		555	127	214	168	(46)	-27.5%	555
Infrastructure - Sanitation	57	583	14 453	-	241	3 084	2 842	92.2%	14 453
<i>Reticulation</i>	36	133	-	-	-	-	-	-	-
<i>Sewerage purification</i>	21	450	14 453	-	241	3 084	2 842	92.2%	14 453
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Community	-	-	592	-	592	592	0	0.0%	592
Sportsfields & stadia	-	-	592	-	592	592	0	0.0%	592
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	187	15 888	12 197	60	406	2 650	2 244	84.7%	12 197
General vehicles	-	10 525	3 288	-	-	658	658	100.0%	3 288
Specialised vehicles	-	3 509	6 991	-	-	1 398	1 398	100.0%	6 991
Plant & equipment	2	354	1 104	29	64	223	159	71.4%	1 104
Computers - hardware/equipment	99		234	11	290	234	(56)	-23.9%	234
Furniture and other office equipment	80		580	20	52	137	85	61.9%	580
Other Buildings	6		-	-	-	-	-	-	-
Other	-	1 500	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-		41	-	-	8	8	100.0%	41
Total Capital Expenditure on renewal of existing assets	6 540	22 635	43 435	800	8 870	9 727	857	8.8%	43 435
Specialised vehicles	-	3 509	6 991	-	-	1 398	1 398	0	6 991
Refuse	-		6 991	-	-	1 398	1 398	0	6 991
Fire	-	3 509	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

This means existing assets that should have been replaced. If the capital expenditure on the renewal of assets is too high it raises concerns about whether assets are sufficiently maintained and safe guarded.

10.2.3 Supporting Table C13c

The table reflects repairs and maintenance by asset class.

NC083 //Khara Hais - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08 February

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	2 831	8 353	10 079	280	1 038	2 622	1 584	60.4%	10 079
Infrastructure - Road transport	735	1 177	1 069	74	233	341	108	100.0%	1 069
<i>Roads, Pavements & Bridges</i>	295	1 177	1 069	8	92	281	189	-6.1%	1 069
<i>Storm water</i>	440	-	-	67	141	59	(81)	-6.1%	-
Infrastructure - Electricity	982	2 905	5 499	98	349	1 301	952	73.2%	5 499
<i>Transmission & Reticulation</i>	982	2 905	5 499	98	349	1 301	952	73.2%	5 499
Infrastructure - Water	739	2 435	2 024	107	442	673	231	34.3%	2 024
<i>Dams & Reservoirs</i>	25	-	-	6	12	5	(7)	-157.2%	-
<i>Reticulation</i>	714	2 435	2 024	101	431	669	238	35.6%	2 024
Infrastructure - Sanitation	358	1 765	1 435	-	10	295	285	96.5%	1 435
<i>Reticulation</i>	355	207	174	-	10	43	33	77.0%	174
<i>Sewerage purification</i>	4	1 558	1 261	-	0	253	252	99.8%	1 261
Infrastructure - Other	15	71	51	2	4	12	8	66.1%	51
<i>Waste Management</i>	-	51	51	-	-	10	10	100.0%	51
<i>Other</i>	15	20	-	2	4	2	(2)	-98.8%	-
Community	228	1 308	1 227	34	213	389	176	45.2%	1 227
Parks & gardens	98	223	210	12	74	92	18	19.2%	210
Sportsfields & stadia	103	222	215	10	88	105	17	16.3%	215
Swimming pools	-	133	155	-	-	31	31	100.0%	155
Libraries	-	55	9	-	-	2	2	100.0%	9
Recreational facilities	22	561	522	10	45	132	87	65.7%	522
Fire, safety & emergency	-	69	69	-	-	14	14	100.0%	69
Security and policing	-	16	16	-	-	3	3	100.0%	16
Clinics	-	-	-	-	-	-	-	-	-
Cemeteries	5	29	33	2	5	9	4	43.4%	33
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	9 545	9 376	8 544	830	5 170	5 180	11	0.2%	8 544
General v vehicles	7 302	6 495	6 427	940	3 714	3 504	(210)	-6.0%	6 427
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	659	85	4	(163)	273	350	77	21.9%	4
Computers - hardware/equipment	139	363	421	23	132	171	39	23.0%	421
Other Buildings	1 123	1 102	1 035	27	881	891	9	1.0%	1 035
Other	321	1 330	657	3	170	265	95	35.9%	657
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	12 603	19 037	19 850	1 145	6 421	8 191	1 770	21.6%	19 850

The norm for total repairs and maintenance as a percentage of total book value (written down value) is 5% - 8%. Dawid Kruijer Municipality's ratio is 0.1% due to the implementation of GRAP 17 with the higher DRC values.

Section 11 - Other supporting documentation

11.1 Other information

Monthly Budget Statement as per Statement of Financial Performance (Actuals)

NC087 Dawid Kruiper - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February

Description	Budget Year 2016/17								2016/17 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands											
Cash Receipts By Source											
Property rates	3 115	8 064	7 692	3 201	1 287	6 198	6 119	5 720	73 612	75 152	78 179
Service charges - electricity revenue	20 620	20 175	22 029	19 144	22 490	16 389	25 690	19 716	253 027	262 271	278 007
Service charges - water revenue	3 395	3 238	3 989	3 837	3 887	5 149	5 145	5 483	48 401	52 164	55 863
Service charges - sanitation revenue	2 479	2 516	2 719	2 536	2 550	2 506	2 507	2 505	33 127	32 892	35 195
Service charges - refuse	1 951	1 804	2 071	1 860	1 955	1 826	1 839	1 798	29 098	31 731	34 589
Rental of facilities and equipment	255	295	422	512	549	1 829	1 055	458	7 467	10 369	11 283
Interest earned - external investments	83	119	145	148	177	164	194	237	580	636	674
Interest earned - outstanding debtors	250	271	284	290	307	350	388	334	3 000	2 544	2 697
Fines	42	48	54	40	56	59	88	84	521	457	484
Licences and permits	142	164	140	146	118	96	116	131	1 523	1 709	1 811
Agency services	393	431	423	363	394	390	356	353	3 450	3 657	3 876
Transfer receipts - operating	9 272	17 990	500	1 769	688	23 696	1 513	417	68 135	70 948	76 844
Other revenue	361	1 028	3 265	1 019	(244)	644	581	1 391	10 721	9 168	9 718
Cash Receipts by Source	42 357	56 142	43 734	34 864	34 214	59 297	45 592	38 628	532 661	553 696	589 222
Other Cash Flows by Source											
Transfer receipts - capital	-	208	2 811	3 933	1 277	3 394	3 159	1 117	27 043	20 326	22 151
Proceeds on disposal of PPE	341	1 279	1 622	646	4 323	67	286	3	60 932	1 211	2 011
Increase in consumer deposits	161	646	354	55	(379)	206	(1 042)	3	2 000	500	500
Receipt of non-current receivables	0	(3)	3	1	2	1	(1)	1	7	6	6
Total Cash Receipts by Source	42 859	58 272	48 525	39 498	39 437	62 966	47 993	39 752	622 644	575 739	613 890
Cash Payments by Type											
Employee related costs	17 525	17 037	19 174	18 672	30 069	19 391	19 638	19 143	204 706	184 740	197 672
Remuneration of councillors	664	726	789	790	789	774	775	821	8 133	9 138	9 777
Interest paid	708	785	709	722	756	3 075	646	724	7 706	12 070	11 414
Bulk purchases - Electricity	(2)	19 874	19 666	11 920	12 503	13 814	14 121	14 075	170 000	190 740	214 010
Bulk purchases - Water & Sewer	-	-	487	554	-	680	-	123	5 164	5 525	5 912
Other materials	185	765	896	1 170	783	963	410	1 137	16 308	19 884	21 077
Contracted services	102	140	563	275	619	1 556	217	274	8 748	12 707	13 744
Grants and subsidies paid - other	26	5	33	13	6	-	28	14	21 490	23 107	24 493
General expenses	31 845	(830)	409	16 081	3 140	(4 537)	2 274	(1 176)	102 964	66 615	56 451
Cash Payments by Type	51 052	38 501	42 725	50 198	48 664	35 717	38 109	35 135	545 218	524 525	554 550
Other Cash Flows/Payments by Type											
Capital assets	365	3 631	4 874	1 336	3 513	3 718	997	967	51 098	22 566	24 280
Repayment of borrowing	968	947	1 023	1 010	1 041	1 956	1 014	549	16 430	10 837	7 394
Other Cash Flow s/Payments	(3 766)	(429)	(359)	(1 566)	2 726	(1 550)	(2 132)	(2 501)	-	-	-
Total Cash Payments by Type	48 620	42 649	48 264	50 978	55 944	39 841	37 988	34 151	612 746	557 929	586 224
NET INCREASE/(DECREASE) IN CASH HELD	(5 761)	15 623	261	(11 480)	(16 507)	23 125	10 005	5 601	9 897	17 811	27 666
Cash/cash equivalents at the month/year beginning:	15 667	9 906	25 529	25 790	14 310	(2 197)	20 927	30 932	(4 897)	5 000	22 811
Cash/cash equivalents at the month/year end:	9 906	25 529	25 790	14 310	(2 197)	20 927	30 932	36 533	5 000	22 811	50 476

The table indicates the monthly cash flow position of the municipality. For July 2016 - June 2017 actual cash flow figures are indicated.

11.2 Loan Register

The municipality's position with regard to non-current borrowings is set out in the table below. The municipality started at the beginning of the month with external loans to the value of R 117.7 million. This amount includes instalments payable within one year (current borrowings). An instalment to the value of R 549 thousand was paid during February 2017. Therefore, non-current borrowings amounted to R 117.1 million at 28 February 2017.

EXTERNAL LOANS	OPENING BALANCE 01/02/2017	CAPITAL REDEEMED	ACCRUED INTEREST	NEW LOANS TAKEN-UP	CLOSING BALANCE 28/02/2017
SBSA-VOERTUIE	15 845	-	-	-	15 845
SBSA- INFRASTRUKTUUR	42 124 208	-	-	-	42 124 208
Development Bank of South Africa Loan 101 / 61003172	7 331 697	(102 422)	-	-	7 229 275
Development Bank of South Africa NC102952.3 / 61000766	232 097	(89 854)	-	-	142 243
Development Bank of South Africa NC102952.1 / 61000764	39 093 589	(136 219)	-	-	38 957 370
Development Bank of South Africa NC102952.2 / 61000765	28 259 664	(220 823)	-	-	28 038 841
Development Bank of South Africa NC102356 Prepaid Meters	594 750	-	-	-	594 750
TOTAL	117 651 851	(549 319)	-	-	117 102 532

All instalments were paid timeously.

Section 12 - Municipal manager's quality certification

QUALITY CERTIFICATE

I, Dalixolo Eric Ngxanga, the municipal manager of Dawid Kruiper Municipality, hereby certify that:

(mark as appropriate)

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state of affairs of the municipality
- mid-year budget and performance assessment

for the month of February 2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

DE Ngxanga

Municipal Manager of Dawid Kruiper Municipality (NC087)

13 March 2017