



Dawid Kruiper Municipality

Monthly Budget Monitoring Report (Section 71 of MFMA)

JANUARY 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 January 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 February 2017

Table of Contents

Table of Contents	3
Glossary	4
PART 1 - IN-YEAR REPORT	6
Section 1 - Mayor's Report	6
Section 2 - Resolutions	6
Section 3 - Executive Summary	7
Section 4 - In-year budget statement tables	9
PART 2 - SUPPORTING DOCUMENTATION	18
Section 5 - Debtors' analysis.....	18
Section 6 - Creditors' analysis	24
Section 7 - Investment portfolio analysis	25
Section 8 - Allocation and grant receipts and expenditure	26
Section 9 - Expenditure on councillor and board members allowances and employee benefits.....	27
Section 10 - Capital programme performance	29
Section 11 - Other supporting documentation	33
Section 12 - Municipal manager's quality certification	35

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

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 January 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 63% of the year-to-date budget and a positive variance of 7%. The budgeted amount for property rates are R 49.1 million and the actual figure billed is R 54.8 million. This is due to annual property rates levies that are only payable during October of each year. It should be noted that the amount for service charges in Table C4 are the actual amount billed / levied and not the amount that is received. 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 54% 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 30.9 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 - M07 January

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	6 136	54 782	49 117	5 665	12%	84 201
Service charges	242 448	368 044	368 044	35 479	224 604	214 692	9 912	5%	368 044
Investment revenue	4 176	600	600	194	1 029	350	679	194%	600
Transfers recognised - operational	69 715	73 477	73 477	1 510	55 293	42 861	12 432	29%	73 477
Other own revenue	133 559	49 433	49 433	3 095	24 960	28 836	(3 876)	-13%	49 433
Total Revenue (excluding capital transfers and contributions)	527 771	575 755	575 755	46 415	360 669	335 857	24 812	7%	575 755
Employee costs	207 690	219 953	219 953	19 641	141 523	128 306	13 216	10%	219 953
Remuneration of Councillors	7 962	8 621	8 621	771	5 289	5 029	260	5%	8 621
Depreciation & asset impairment	82 252	82 680	82 680	6 890	48 230	48 230	(0)	0%	82 680
Finance charges	14 658	14 978	14 978	646	7 402	8 737	(1 336)	-15%	14 978
Materials and bulk purchases	183 019	206 825	206 825	14 121	93 618	110 184	(16 566)	-15%	206 825
Transfers and grants	785	110	110	28	110	64	46	72%	110
Other expenditure	91 356	79 346	79 346	6 749	43 780	56 749	(12 969)	-62%	79 346
Total Expenditure	587 722	612 513	612 513	48 847	339 951	357 299	(17 348)	-5%	612 513
Surplus/(Deficit)	(59 951)	(36 758)	(36 758)	(2 432)	20 718	(21 442)	42 160	-197%	(36 758)
Transfers recognised - capital	25 339	31 819	31 819	3 159	14 783	18 561	(3 779)	-20%	31 819
Surplus/(Deficit) after capital transfers & contributions	(34 612)	(4 939)	(4 939)	726	35 500	(2 881)	38 381	-1332%	(4 939)
Surplus/ (Deficit) for the year	(34 612)	(4 939)	(4 939)	726	35 500	(2 881)	38 381	-1332%	(4 939)
Capital expenditure & funds sources									
Capital expenditure	40 136	69 818	69 818	1 142	18 579	40 727	(22 148)	-54%	69 818
Capital transfers recognised	25 339	31 819	31 819	1 163	15 820	18 561	(2 742)	-15%	31 819
Internally generated funds	14 797	37 998	37 998	(21)	2 759	22 166	(19 406)	-88%	37 998
Total sources of capital funds	40 136	69 818	69 818	1 142	18 579	40 727	(22 148)	-54%	69 818
Financial position									
Total current assets	103 515	84 392	84 392		134 553				84 392
Total non current assets	1 773 156	1 777 548	1 777 548		1 742 502				1 777 548
Total current liabilities	132 687	92 123	92 123		102 713				92 123
Total non current liabilities	228 211	196 138	196 138		183 629				196 138
Community wealth/Equity	1 515 773	1 573 679	1 573 679		1 590 713				1 573 679
Cash flows									
Net cash from (used) operating	23 252	67 106	67 106	12 774	33 091	39 145	(6 054)	-15%	67 106
Net cash from (used) investing	(5 879)	(51 611)	(51 611)	(713)	(9 867)	(30 107)	20 240	-67%	(51 611)
Net cash from (used) financing	3 485	(9 383)	(9 383)	(2 056)	(7 959)	(5 473)	(2 485)		(9 383)
Cash/cash equivalents at the month/year end	15 667	11 112	11 112	-	30 932	6 482	24 451	377%	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	35 622	6 388	3 467	3 831	2 922	4 338	5 393	34 886	96 848
Creditors Age Analysis									
Total Creditors	11 958	2 564	1 984	30	37	0	-	3 385	19 958

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) - M07 January

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	201 093	201 093	11 744	136 978	117 304	19 674	16.8%	201 093
Executive and council	1 624	150	150	-	1	88	(87)	-99.4%	150
Budget and treasury office	172 919	179 868	179 868	11 374	126 636	104 923	21 713	20.7%	179 868
Corporate services	5 699	21 075	21 075	370	10 341	12 294	(1 952)	-15.9%	21 075
Community and public safety	25 403	23 324	23 324	1 578	9 521	13 606	(4 085)	-30.0%	23 324
Community and social services	4 802	2 384	2 384	16	1 576	1 390	186	13.4%	2 384
Sport and recreation	6 414	12 587	12 587	929	3 507	7 342	(3 835)	-52.2%	12 587
Public safety	13 095	6 236	6 236	634	4 437	3 638	800	22.0%	6 236
Housing	1 092	650	650	-	-	379	(379)	-100.0%	650
Health	-	1 467	1 467	-	-	856	(856)	-100.0%	1 467
Economic and environmental services	7 501	14 538	14 538	719	3 928	8 480	(4 553)	-53.7%	14 538
Planning and development	7 253	5 828	5 828	713	3 847	3 399	448	13.2%	5 828
Road transport	248	8 710	8 710	5	80	5 081	(5 000)	-98.4%	8 710
Trading services	339 963	368 619	368 619	35 532	225 024	215 028	9 996	4.6%	368 619
Electricity	244 222	268 214	268 214	25 615	162 707	156 458	6 249	4.0%	268 214
Water	47 022	51 238	51 238	5 550	31 054	29 889	1 165	3.9%	51 238
Waste water management	27 288	27 024	27 024	2 519	17 893	15 764	2 129	13.5%	27 024
Waste management	21 431	22 144	22 144	1 848	13 704	12 917	453	3.5%	22 144
Other	0	1	1	0	0	0	0	28.9%	1
Total Revenue - Standard	553 110	607 574	607 574	49 573	375 452	354 418	21 033	5.9%	607 574
Expenditure - Standard									
Governance and administration	146 379	112 709	112 709	12 640	82 694	65 747	16 946	25.8%	112 709
Executive and council	39 728	32 275	32 275	1 914	13 731	18 827	(5 097)	-27.1%	32 275
Budget and treasury office	57 037	30 891	30 891	4 905	26 349	18 020	8 329	46.2%	30 891
Corporate services	49 614	49 543	49 543	5 821	42 614	28 900	13 714	47.5%	49 543
Community and public safety	68 014	72 866	72 866	5 647	41 617	42 505	(888)	-2.1%	72 866
Community and social services	8 601	9 425	9 425	749	5 655	5 498	157	2.8%	9 425
Sport and recreation	29 402	32 902	32 902	2 545	18 087	19 193	(1 106)	-5.8%	32 902
Public safety	23 295	25 958	25 958	2 084	15 887	15 142	744	4.9%	25 958
Housing	3 297	3 409	3 409	185	1 550	1 988	(439)	-22.1%	3 409
Health	3 420	1 172	1 172	85	439	683	(244)	-35.8%	1 172
Economic and environmental services	51 540	68 567	68 567	4 736	35 594	39 997	(4 403)	-11.0%	68 567
Planning and development	12 599	17 458	17 458	1 704	11 951	10 184	1 767	17.3%	17 458
Road transport	38 941	51 109	51 109	3 032	23 643	29 813	(6 170)	-20.7%	51 109
Trading services	320 366	356 552	356 552	25 681	178 947	207 989	(29 042)	-14.0%	356 552
Electricity	208 318	231 428	231 428	18 621	124 232	135 000	(10 767)	-8.0%	231 428
Water	54 778	57 234	57 234	3 466	27 893	33 387	(5 494)	-16.5%	57 234
Waste water management	33 355	37 976	37 976	1 967	15 117	22 153	(7 035)	-31.8%	37 976
Waste management	23 916	29 913	29 913	1 627	11 704	17 449	(5 745)	-32.9%	29 913
Other	1 423	1 819	1 819	142	1 099	1 061	39	3.6%	1 819
Total Expenditure - Standard	587 722	612 513	612 513	48 847	339 951	357 299	(17 348)	-4.9%	612 513
Surplus/ (Deficit) for the year	(34 612)	(4 939)	(4 939)	726	35 500	(2 881)	38 381	-1332.2%	(4 939)

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) - M07 January

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	150	-	1	88	(87)	-99.4%	150
Vote 2 - CORPORATE SERVICES	5 643	21 065	21 065	370	10 341	12 288	(1 947)	-15.8%	21 065
Vote 3 - FINANCIAL SERVICES	172 919	179 868	179 868	11 374	126 636	104 923	21 713	20.7%	179 868
Vote 4 - COMMUNITY SERVICES	40 409	33 363	33 363	2 762	20 548	19 461	1 086	5.6%	33 363
Vote 6 - ELECTRO MECHANICAL SERVICES	244 278	274 354	274 354	25 615	162 708	160 040	2 668	1.7%	274 354
Vote 7 - CIVIL ENGINEERING SERVICES	74 558	86 972	86 972	8 074	49 050	50 734	(1 684)	-3.3%	86 972
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	13 413	11 803	11 803	1 378	6 168	6 885	(717)	-10.4%	11 803
Total Revenue by Vote	553 110	607 574	607 574	49 573	375 452	354 418	21 033	5.9%	607 574
Expenditure by Vote									
Vote 1 - MUNICIPAL MANAGER	39 930	32 275	32 275	1 914	13 731	18 827	(5 097)	-27.1%	32 275
Vote 2 - CORPORATE SERVICES	25 585	30 560	30 560	3 285	25 292	17 826	7 465	41.9%	30 560
Vote 3 - FINANCIAL SERVICES	57 037	30 891	30 891	4 905	26 349	18 020	8 329	46.2%	30 891
Vote 4 - COMMUNITY SERVICES	96 501	109 892	109 892	7 816	57 430	64 103	(6 673)	-10.4%	109 892
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	217 356	234 585	234 585	19 796	132 150	136 841	(4 692)	-3.4%	234 585
Vote 7 - CIVIL ENGINEERING SERVICES	132 125	151 506	151 506	9 324	72 132	88 378	(16 247)	-18.4%	151 506
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	19 189	22 804	22 804	1 807	12 868	13 302	(435)	-3.3%	22 804
Total Expenditure by Vote	587 722	612 513	612 513	48 847	339 951	357 299	(17 348)	-4.9%	612 513
Surplus/ (Deficit) for the year	(34 612)	(4 939)	(4 939)	726	35 500	(2 881)	38 381	-1332.2%	(4 939)

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 63% of the year to date budget of R 575.8 million and a positive variance of 7%.

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

- Interest Earned - External Investments (194%) - Conditional funding being invested resulted in more interest earned;
- Transfers Recognised - Operational (29%) - Equitable Share, FMG and Transitional Almagamation funding received during August 2016 and December 2016;
- Fines (23%): 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.
- Interest Earned - Outstanding Debtors (22%) - Increase in outstanding debtors resulted in more interest being levied;
- Service Charges - Sanitation Revenue (14%) - Additional income due to informal settlements being levied and other developments;
- Property Rates (12%) - Annual Property Rates being levied on the 1st of July 2016;
- Agency Services (9%) - Increase in renewal fees resulted in more income received; and

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

- Other Revenue (32%) - Council resolution to lower the tariff for consent usage resulted in less income being levied;
- Gain on disposal of PPE (19%) - Disposal of Eiland Resort budgeted for, but disposal did not realise.

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 44.0% 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;
- Other Materials (50%) - Due to cost containment; resulting in less expenditure;
- Contracted Services (17%) - Due to cost containment; resulting in less expenditure;
- Bulk Purchases (15%) - Not all invoices are captured on the financial system;
- Finance Charges (15%) - Finance charges are being paid during December and June. Restructuring of DBSA loans are resulting in less finance charges being paid; and
- Other Expenditure (11%) - Due to cost containment; resulting in less expenditure;

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

- Transfer and Grants (72%) - Donations are being given by the Mayor based on discretion; and
- Employee Related Cost (10%) - Additional employees employed by the municipality;

NC087 Dawid Kruiper - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

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	84 201	84 201	6 136	54 782	49 117	5 665	12%	84 201
Service charges - electricity revenue	242 448	267 694	267 694	25 569	162 338	156 155	6 183	4%	267 694
Service charges - water revenue	46 977	51 232	51 232	5 543	31 003	29 886	1 118	4%	51 232
Service charges - sanitation revenue	27 288	26 974	26 974	2 519	17 893	15 735	2 158	14%	26 974
Service charges - refuse revenue	21 398	22 144	22 144	1 848	13 370	12 917	453	4%	22 144
Rental of facilities and equipment	9 144	8 538	8 538	1 055	4 917	4 981	(64)	-1%	8 538
Interest earned - external investments	1 090	600	600	194	1 029	350	679	194%	600
Interest earned - outstanding debtors	3 087	3 000	3 000	388	2 140	1 750	390	22%	3 000
Fines	6 800	541	541	88	387	316	71	23%	541
Licences and permits	1 566	1 583	1 583	114	913	923	(11)	-1%	1 583
Agency services	4 111	4 307	4 307	356	2 750	2 512	237	9%	4 307
Transfers recognised - operational	69 715	73 477	73 477	1 510	55 293	42 861	12 432	29%	73 477
Other revenue	13 174	13 264	13 264	809	5 291	7 737	(2 446)	-32%	13 264
Gains on disposal of PPE	3 101	18 200	18 200	286	8 564	10 617	(2 053)	-19%	18 200
Total Revenue (excluding capital transfers and contributions)	527 771	575 755	575 755	46 415	360 669	335 857	24 812	7%	575 755
Expenditure By Type									
Employee related costs	207 690	219 953	219 953	19 641	141 523	128 306	13 216	10%	219 953
Remuneration of councillors	7 962	8 621	8 621	771	5 289	5 029	260	5%	8 621
Debt impairment	21 160	5 000	5 000	-	-	2 917	(2 917)	-100%	5 000
Depreciation & asset impairment	82 252	82 680	82 680	6 890	48 230	48 230	(0)	0%	82 680
Finance charges	14 658	14 978	14 978	646	7 402	8 737	(1 336)	-15%	14 978
Bulk purchases	170 416	188 887	188 887	14 121	93 618	110 184	(16 566)	-15%	188 887
Other materials	12 603	17 937	17 937	419	5 276	10 463	(5 187)	-50%	17 937
Contracted services	7 770	7 169	7 169	217	3 471	4 182	(710)	-17%	7 169
Transfers and grants	785	110	110	28	110	64	46	72%	110
Other expenditure	62 427	67 178	67 178	6 114	35 033	39 187	(4 154)	-11%	67 178
Total Expenditure	587 722	612 513	612 513	48 847	339 951	357 299	(17 348)	-5%	612 513
Surplus/(Deficit)	(59 951)	(36 758)	(36 758)	(2 432)	20 718	(21 442)	42 160	-197%	(36 758)
Transfers recognised - capital	25 339	31 819	31 819	3 159	14 783	18 561	(3 779)	-20%	31 819
Surplus/(Deficit) after capital transfers & contributions	(34 612)	(4 939)	(4 939)	726	35 500	(2 881)			(4 939)
Taxation	-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation	(34 612)	(4 939)	(4 939)	726	35 500	(2 881)			(4 939)
Attributable to minorities	-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality	(34 612)	(4 939)	(4 939)	726	35 500	(2 881)			(4 939)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(34 612)	(4 939)	(4 939)	726	35 500	(2 881)			(4 939)

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

Year-to-date capital expenditure shows a 54% negative variance of the year-to-date budget.

NC087 Dawid Kruiper - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M07

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 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES	-	-	-	2	134	-	134	100%	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 7 - CIVIL ENGINEERING SERVICES	1 438	-	-	-	146	-	146	100%	-
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	2 859	9 290	9 290	519	9 784	5 419	4 365	81%	9 290
Total Capital Multi-year expenditure	4 881	9 290	9 290	521	10 064	5 419	4 645	86%	9 290
Single Year expenditure appropriation									
Vote 1 - MUNICIPAL MANAGER	6	1 500	1 500	-	16	875	(859)	-98%	1 500
Vote 2 - CORPORATE SERVICES	1 591	-	-	(27)	521	-	521	100%	-
Vote 3 - FINANCIAL SERVICES	1 713	-	-	-	(44)	-	(44)	100%	-
Vote 4 - COMMUNITY SERVICES	84	-	-	-	517	-	517	100%	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	25 146	37 799	37 799	39	6 064	22 049	(15 985)	-72%	37 799
Vote 7 - CIVIL ENGINEERING SERVICES	5 104	21 229	21 229	609	1 182	12 384	(11 201)	-90%	21 229
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	1 611	-	-	-	259	-	259	100%	-
Total Capital single-year expenditure	35 255	60 528	60 528	621	8 515	35 308	(26 793)	-76%	60 528
Total Capital Expenditure	40 136	69 818	69 818	1 142	18 579	40 727	(22 148)	-54%	69 818
Capital Expenditure - Standard Classification									
Governance and administration	3 977	22 552	22 552	(27)	531	13 155	(12 624)	-96%	22 552
Executive and council	577	7 614	7 614	-	16	4 442	(4 426)	-100%	7 614
Budget and treasury office	1 713	-	-	-	(44)	-	(44)	100%	-
Corporate services	1 687	14 938	14 938	(27)	559	8 714	(8 154)	-94%	14 938
Community and public safety	149	-	-	2	631	-	631	100%	-
Sport and recreation	107	-	-	2	592	-	592	100%	-
Public safety	34	-	-	-	38	-	38	100%	-
Economic and environmental services	4 642	9 290	9 290	519	10 044	5 419	4 625	85%	9 290
Planning and development	4 404	9 290	9 290	519	10 044	5 419	4 625	85%	9 290
Trading services	31 368	37 976	37 976	648	7 374	22 153	(14 779)	-67%	37 976
Electricity	25 063	16 747	16 747	39	6 026	9 769	(3 743)	-38%	16 747
Water	5 916	6 877	6 877	609	1 083	4 012	(2 929)	-73%	6 877
Waste water management	389	14 352	14 352	-	245	8 372	(8 127)	-97%	14 352
Waste management	-	-	-	-	20	-	20	100%	-
Total Capital Expenditure - Standard Classification	40 136	69 818	69 818	1 142	18 579	40 727	(22 148)	-54%	69 818
Funded by:									
National Government	22 556	28 311	28 311	1 161	15 219	16 514	(1 296)	-8%	28 311
Provincial Government	2 783	3 509	3 509	-	9	2 047	(2 038)	-100%	3 509
Other transfers and grants	-	-	-	2	592	-	592	100%	-
Transfers recognised - capital	25 339	31 819	31 819	1 163	15 820	18 561	(2 742)	-15%	31 819
Internally generated funds	14 797	37 998	37 998	(21)	2 759	22 166	(19 406)	-88%	37 998
Total Capital Funding	40 136	69 818	69 818	1 142	18 579	40 727	(22 148)	-54%	69 818

Capital projects are still in the planning phase. Some of the tenders have been awarded and consultants were appointed. Expenditure on multi-year projects will continue.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

NC087 Dawid Kruiper - Table C6 Monthly Budget Statement - Financial Position - M07 January

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	14 112	14 112	30 932	14 112
Consumer debtors	66 252	56 425	56 425	95 816	56 425
Other debtors	4 882	7 200	7 200	1 382	7 200
Current portion of long-term receivables	8	5	5	8	5
Inventory	11 013	6 650	6 650	6 416	6 650
Total current assets	103 515	84 392	84 392	134 553	84 392
Non current assets					
Long-term receivables	9	5	5	5	5
Investment property	202 345	224 138	224 138	217 638	224 138
Property, plant and equipment	1 567 633	1 550 033	1 550 033	1 521 487	1 550 033
Intangible assets	3 168	3 372	3 372	3 372	3 372
Total non current assets	1 773 156	1 777 548	1 777 548	1 742 502	1 777 548
TOTAL ASSETS	1 876 671	1 861 940	1 861 940	1 877 055	1 861 940
LIABILITIES					
Current liabilities					
Bank overdraft	5 693	3 000	3 000	-	3 000
Borrowing	11 314	8 473	8 473	11 314	8 473
Consumer deposits	10 916	11 500	11 500	10 918	11 500
Trade and other payables	99 346	59 400	59 400	75 881	59 400
Provisions	5 417	9 750	9 750	4 600	9 750
Total current liabilities	132 687	92 123	92 123	102 713	92 123
Non current liabilities					
Borrowing	113 064	88 283	88 283	105 104	88 283
Provisions	115 147	107 854	107 854	78 525	107 854
Total non current liabilities	228 211	196 138	196 138	183 629	196 138
TOTAL LIABILITIES	360 898	288 261	288 261	286 342	288 261
NET ASSETS	1 515 773	1 573 679	1 573 679	1 590 713	1 573 679
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1 515 773	1 573 679	1 573 679	1 590 713	1 573 679
TOTAL COMMUNITY WEALTH/EQUITY	1 515 773	1 573 679	1 573 679	1 590 713	1 573 679

It should be noted that our current assets exceed our current liabilities with R 31.8 million (December 2016: R 26.5 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: 1.31:1 (December 2016: 1.25:1). 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 - M07 January

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	77 516	77 516	6 119	35 675	45 218	(9 543)	-21%	77 516
Service charges	242 448	368 044	368 044	35 182	206 295	214 692	(8 397)	-4%	368 044
Other revenue	128 297	23 233	23 233	2 196	15 631	13 553	2 078	15%	23 233
Government - operating	69 715	73 477	73 477	1 513	55 428	42 861	12 567	29%	73 477
Government - capital	25 339	31 819	31 819	3 159	14 783	18 561	(3 779)	-20%	31 819
Interest	4 176	3 600	3 600	582	3 169	2 100	1 069	51%	3 600
Payments									
Suppliers and employees	(479 269)	(495 495)	(495 495)	(35 303)	(290 378)	(289 039)	1 339	0%	(495 495)
Finance charges	(785)	(14 978)	(14 978)	(646)	(7 402)	(8 737)	(1 336)	15%	(14 978)
Transfers and Grants	(14 658)	(110)	(110)	(28)	(110)	(64)	46	-72%	(110)
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 252	67 106	67 106	12 774	33 091	39 145	(5 955)	-15%	67 106
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3 101	18 200	18 200	286	8 564	10 617	(2 053)	-19%	18 200
Decrease (increase) other non-current receivables	6	6	6	(1)	4	4	0	5%	6
Payments									
Capital assets	(9 281)	(69 818)	(69 818)	(997)	(18 434)	(40 727)	(22 293)	55%	(69 818)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 879)	(51 611)	(51 611)	(713)	(9 867)	(30 107)	(20 240)	67%	(51 611)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	2 176	500	500	(1 042)	2	292	(290)	-99%	500
Payments									
Repayment of borrowing	1 309	(9 883)	(9 883)	(1 014)	(7 960)	(5 765)	2 195	-38%	(9 883)
NET CASH FROM/(USED) FINANCING ACTIVITIES	3 485	(9 383)	(9 383)	(2 056)	(7 959)	(5 473)	2 485	-45%	(9 383)
NET INCREASE/ (DECREASE) IN CASH HELD	20 564	6 112	6 112	10 005	15 266	3 565			6 112
Cash/cash equivalents at beginning:	(4 897)	5 000	5 000		15 667	2 917			5 000
Cash/cash equivalents at month/year end:	15 667	11 112	11 112		30 932	6 482			11 112

The municipality had a cash inflow of R 10.0 thousand. 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 - M07 January

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	3 477	682	319	231	242	351	1 131	5 167	11 600	7 122
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 379	299	119	50	44	32	182	690	15 793	997
Receivables from Non-exchange Transactions - Property Rates	1400	4 968	495	353	1 508	1 205	343	712	8 868	18 452	12 636
Receivables from Exchange Transactions - Waste Water Management	1500	2 001	392	264	224	196	240	679	2 227	6 223	3 565
Receivables from Exchange Transactions - Waste Management	1600	1 906	608	466	385	354	361	900	4 970	9 949	6 969
Receivables from Exchange Transactions - Property Rental Debtors	1700	312	262	208	169	160	150	144	1 045	2 449	1 667
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	8 579	3 651	1 739	1 265	721	2 861	1 646	11 920	32 383	18 413
Total By Income Source	2000	35 622	6 388	3 467	3 831	2 922	4 338	5 393	34 886	96 848	51 371
2015/16 - totals only		260	27 406	4 549	3 136	2 557	3 185	3 481	21 955	66 530	34 314
Debtors Age Analysis By Customer Group											
Organs of State	2200	3 582	154	57	18	322	8	6	493	4 641	848
Commercial	2300	14 876	652	1 329	827	765	307	197	5 160	24 113	7 256
Households	2400	12 555	2 988	1 961	2 547	1 769	1 719	1 770	22 366	47 676	30 171
Other	2500	4 609	2 593	121	439	65	2 305	3 420	6 866	20 418	13 095
Total By Customer Group	2600	35 622	6 388	3 467	3 831	2 922	4 338	5 393	34 886	96 848	51 371

The total outstanding debtors for January 2017 are R 96.8 million and R 66.5 million for January 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 January 2017.

5.2 Additional debtors information

5.2.1 Payment level

Collection Rates (payment levels) reflect the total income collected for the period 18 December 2016 - 17 January 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	679 775	379 013	20 683	246 279	645 975	56%	95%	33 801	(6 779)	639 196	94%
Ward 2	672 147	398 182	-	196 103	594 285	59%	88%	77 862	(618)	593 667	88%
Ward 3	888 075	851 392	9 894	107 219	968 504	96%	109%	(80 430)	(2 816)	965 689	109%
Ward 4	3 797 534	2 075 186	1 580 304	118 525	3 774 015	55%	99%	23 519	(7 648)	3 766 367	99%
Ward 5	746 156	547 288	5 656	116 193	669 137	73%	90%	77 019	(1 208)	667 929	90%
Ward 6	475 221	267 177	6 037	108 260	381 474	56%	80%	93 747	(6 422)	375 052	79%
Ward 7	2 084 102	1 944 291	4 610	81 320	2 030 221	93%	97%	53 881	157	2 030 378	97%
Ward 8	12 666 729	12 031 425	17 386	48 868	12 097 679	95%	96%	569 049	(791 868)	11 305 812	89%
Ward 9	5 813 374	5 448 769	-	13 186	5 461 955	94%	94%	351 419	(24 328)	5 437 627	94%
Ward 10	1 753 622	1 318 745	1 878	180 789	1 501 412	75%	86%	252 209	(2 129)	1 499 283	85%
Ward 11	1 787 164	956 797	388 906	44 675	1 390 378	54%	78%	396 786	13 225	1 403 603	79%
Ward 12	790 263	460 795	795	54 466	516 056	58%	65%	274 208	(70)	515 985	65%
Ward 13	1 921 961	1 759 168	-	122 442	1 881 611	92%	98%	40 351	916	1 882 527	98%
Ward 14	178 063	103 502	1 177	29 654	134 334	58%	75%	43 729	(1 139)	133 194	75%
Not specified	2 029 131	1 652 423	17 537	106 992	1 776 952	81%	88%	252 179	(7 179)	1 769 773	87%
Total	36 283 316	30 194 155	2 054 864	1 574 969	33 823 989	83%	93%	2 459 328	(837 907)	32 986 081	91%

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	6 295 055	6 076 448	-	243 228	6 319 676	97%	100%	(24 621)	(1 022 657)	5 297 019	84%
Electricity	18 219 941	15 336 786	1 700 689	102	17 037 576	84%	94%	1 182 364	459 693	17 497 269	96%
Water	5 457 638	4 500 133	333 773	165 257	4 999 163	82%	92%	458 476	80 380	5 079 543	93%
Sewage	2 720 905	1 958 098	10 999	500 227	2 469 324	72%	91%	251 581	87 616	2 556 939	94%
Refuse Removal	2 391 147	1 660 214	9 002	572 131	2 241 347	69%	94%	149 801	43 615	2 284 962	96%
Other	1 198 631	662 476	402	94 025	756 904	55%	63%	441 727	(486 554)	270 349	23%
Total	36 283 316	30 194 155	2 054 864	1 574 969	33 823 989	83%	93%	2 459 328	(837 907)	32 986 081	91%

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	1 666 060	1 664 479	76	1 786	1 666 341	100%	100%	(281)	(17 843)	1 648 499	99%
Middelpos	1 263 337	1 157 273	-	34	1 157 307	92%	92%	106 030	(1 028)	1 156 279	92%
Oosterville	1 750 827	1 690 750	-	1 983	1 692 733	97%	97%	58 094	(6 940)	1 685 793	96%
Blydeveld	788 928	727 270	76	34	727 380	92%	92%	61 548	417	727 797	92%
Akademia	440 266	254 496	-	10 176	264 672	58%	60%	175 594	(62)	264 611	60%
Florapark	585 015	551 739	-	3 175	554 915	94%	95%	30 100	(1 425)	553 490	95%
Die Rand	3 593 756	3 555 095	160	3 229	3 558 484	99%	99%	35 273	(4 323)	3 554 161	99%
Town Centre / Business Area	7 148 523	6 643 195	5 016	9 429	6 657 641	93%	93%	490 882	(21 154)	6 636 487	93%
Riverside	1 577 138	1 519 341	3 629	11 344	1 534 315	96%	97%	42 823	16 497	1 550 812	98%
Progress	1 028 265	707 079	10 114	252 677	969 870	69%	94%	58 395	(997)	968 872	94%
Bellvue	526 482	596 399	-	34 188	630 587	113%	120%	(104 105)	(1 622)	628 965	119%
Morning Glory	541 972	358 404	-	127 177	485 581	66%	90%	56 392	(500)	485 081	90%
Rosedale	1 431 958	906 142	22 193	435 126	1 363 461	63%	95%	68 497	(8 727)	1 354 733	95%
Paballelo	1 249 005	874 948	10 647	312 097	1 197 693	70%	96%	51 312	(5 154)	1 192 538	95%
Dakotaweg	69 421	34 133	-	19 310	53 443	49%	77%	15 977	(181)	53 262	77%
Kameelmond / Lemoendraai	148 809	120 174	194	5 664	126 032	81%	85%	22 777	(512)	125 520	84%
Industrial Areas	5 003 630	5 538 622	22 377	-	5 560 999	111%	111%	(557 369)	(763 594)	4 797 405	96%
Commonage	3 278 093	681 649	1 957 945	-	2 639 594	21%	81%	638 499	(7 200)	2 632 393	80%
Karos	51 130	38 648	773	11 986	51 406	76%	101%	(276)	(85)	51 321	100%
Lambrechtsdrift	23 861	14 823	-	5 397	20 219	62%	85%	3 642	(0)	20 219	85%
Leerkrans	35 465	1 817	405	12 378	14 600	5%	41%	20 865	(43)	14 556	41%
Raaswater	154 036	9 557	795	31 778	42 130	6%	27%	111 905	(78)	42 052	27%
Sesbrugge / Klippunt	160 078	35 723	-	-	35 723	22%	22%	124 355	(17)	35 706	22%
Kalksloot	115 767	60 106	142	33 428	93 676	52%	81%	22 092	(75)	93 600	81%
Louisvale Dorp	679 945	545 349	76	12 905	558 329	80%	82%	121 615	(288)	558 041	82%
Leseding	2 097	676	-	799	1 475	32%	70%	622	(0)	1 475	70%
Ntsekelelo	255	0	-	-	0	0%	0%	254	-	0	0%
Louisvaleweg	469 098	271 180	5 656	128 560	405 396	58%	86%	63 703	(1 264)	404 132	86%
Upington Farming Areas	324 348	301 984	150	2 577	304 711	93%	94%	19 636	(139)	304 573	94%
Gordonia Farming Areas	506 453	195 911	-	84	195 994	39%	39%	310 459	(12)	195 983	39%
Karos Farming Areas	17 623	12 411	-	-	12 411	70%	70%	5 212	(1 010)	11 401	65%
Kenhart Farming Areas	585 687	525 840	-	-	525 840	90%	90%	59 846	247	526 087	90%
Olyvenhoutsdrift Farming Areas	671 321	541 720	14 442	-	556 162	81%	83%	115 159	(3 647)	552 515	82%
Vaalkoppies Farming Areas	18 816	8 690	-	-	8 690	46%	46%	10 126	(0)	8 690	46%
Melkstroom	11 107	2 267	-	3 605	5 871	20%	53%	5 236	(32)	5 839	53%
Not specified	364 746	46 266	-	104 041	150 307	13%	41%	214 439	(7 115)	143 192	39%
Total	36 283 316	30 194 155	2 054 864	1 574 969	33 823 989	83%	93%	2 459 328	(837 907)	32 986 082	91%

5.2.2 Debtor arrear summaries

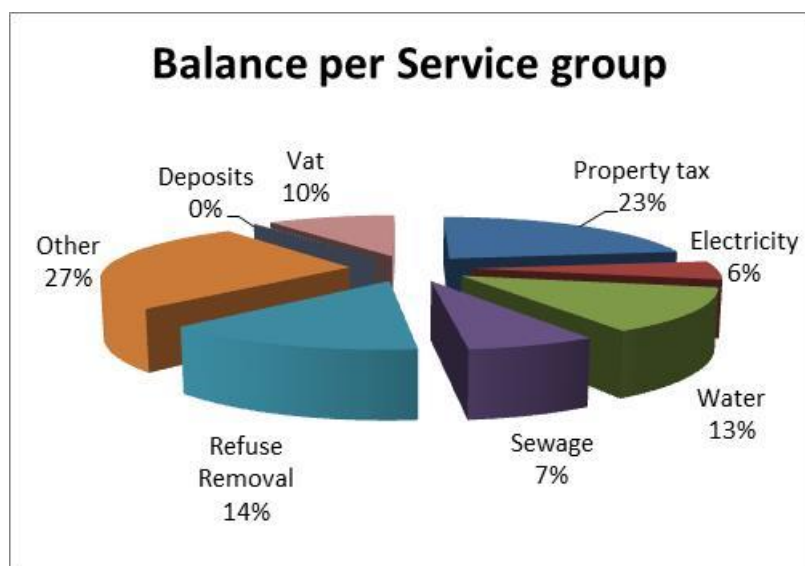
The arrear summaries that follow are not prescriptive in terms of the MFMA or the MBRR. They are included to provide further information on debtors arrears based on various classifications.

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	1 025 513	453 660	375 400	327 351	11 983 594	14 165 518	(6 715 558)	24%
Electricity	3 178 791	271 302	68 844	62 105	543 959	4 125 001	(352 417)	7%
Water	1 463 523	477 719	442 029	264 131	5 039 126	7 686 529	(258 155)	13%
Sewage	738 927	333 409	251 002	224 558	2 471 759	4 019 654	(67 069)	7%
Refuse Removal	875 695	573 824	432 120	380 223	5 664 396	7 926 258	(56 968)	13%
Other	1 748 287	3 993 245	825 163	328 071	9 096 571	15 991 336	(85 096)	27%
Deposits	6 466	-	-	-	33 149	39 614	(4 516)	0%
Vat	1 005 155	402 093	328 277	217 754	3 920 767	5 874 046	(131 735)	10%
Total	10 042 355	6 505 252	2 722 836	1 804 193	38 753 320	59 827 957	(7 671 516)	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	308 898	53 911	31 668	20 477	126 074	541 027	(282 977)	232 129	43%	0%
Middelpos	215 553	110 524	38 549	16 305	70 142	451 073	(190 571)	235 520	52%	0%
Oosterville	196 256	27 573	16 619	12 407	49 583	302 438	(160 420)	106 182	35%	0%
Blydeveld	164 892	45 929	42 179	28 791	613 752	895 543	(142 345)	730 651	82%	1%
Akademia	296 233	239 036	116 520	99 894	832 087	1 583 770	(45 624)	1 287 537	81%	3%
Florapark	122 541	17 001	12 748	9 829	40 663	202 782	(604 729)	80 241	40%	0%
Die Rand	292 703	79 983	47 978	32 189	168 673	621 526	(270 954)	328 823	53%	1%
Town Centre / Business Area	1 093 936	3 412 542	143 893	61 409	632 612	5 344 391	(599 910)	4 250 455	80%	9%
Riverside	973 302	102 349	73 937	32 335	2 181 058	3 362 980	(105 018)	2 389 679	71%	5%
Progress	416 540	210 364	146 902	116 555	1 875 242	2 765 604	(127 889)	2 349 064	85%	5%
Bellvue	146 579	48 072	36 431	20 486	171 872	423 441	(24 287)	276 861	65%	1%
Morning Glory	238 703	92 836	71 790	57 487	764 362	1 225 179	(37 951)	986 476	81%	2%
Rosedale	640 797	403 628	312 117	232 372	2 948 936	4 537 850	(241 102)	3 897 053	86%	8%
Paballelo	809 736	576 269	543 376	360 857	5 457 374	7 747 612	(334 351)	6 937 876	90%	14%
Dakotaweg	40 792	26 576	23 616	3 314	66 459	160 758	(8 972)	119 966	75%	0%
Kameelmond / Lemoendraai	49 727	17 150	14 562	11 419	130 826	223 685	(11 306)	173 958	78%	0%
Industrial Areas	1 183 958	47 763	45 120	21 010	2 080 853	3 378 704	(2 050 608)	2 194 746	65%	4%
Commonage	743 357	69 970	29 471	3 093	1 097 436	1 943 325	(643 013)	1 199 969	62%	2%
Karos	46 672	44 488	49 878	36 553	845 434	1 023 025	(8 938)	976 353	95%	2%
Lambrechtsdrift	24 219	23 264	28 450	18 940	569 224	664 097	(549)	639 878	96%	1%
Leerkrans	22 810	24 721	22 491	16 243	441 370	527 635	(23 213)	504 825	96%	1%
Raaswater	176 086	149 522	168 208	117 306	2 543 863	3 154 985	(6 647)	2 978 899	94%	6%
Sesbrugge / Klippunt	146 729	2 148	2 018	1 057	43 739	195 690	(2 311)	48 961	25%	0%
Kalksloot	67 717	50 027	36 839	79 002	490 093	723 678	(9 242)	655 961	91%	1%
Louisvale Dorp	354 146	41 085	13 997	8 754	275 971	693 952	(190 103)	339 807	49%	1%
Leseding	1 598	1 285	1 208	887	15 766	20 744	(200)	19 145	92%	0%
Ntsekelelo	510	507	421	336	1 341	3 115	-	2 605	84%	0%
Louisvaleweg	234 622	147 130	109 765	83 205	1 276 158	1 850 880	(43 238)	1 616 258	87%	3%
Upington Farming Areas	69 272	9 647	8 860	3 121	41 821	132 721	(38 726)	63 449	48%	0%
Gordonia Farming Areas	221 308	151 871	175 017	122 501	7 521 782	8 192 479	(859 385)	7 971 171	97%	16%
Karos Farming Areas	13 650	11 692	13 032	8 780	560 588	607 742	(30 423)	594 092	98%	1%
Kenhart Farming Areas	122 563	19 062	13 493	11 746	217 186	384 050	(44 797)	261 487	68%	1%
Olyvenhoutsdrift Farming Areas	222 128	35 083	62 701	17 610	133 891	471 412	(120 298)	249 284	53%	1%
Vaalkoppies Farming Areas	17 022	7 609	8 601	5 816	216 976	256 024	(86 250)	239 002	93%	0%
Melkstroom	10 116	8 535	6 315	4 709	-	29 676	(1 269)	19 560	66%	0%
Not specified	356 686	196 100	254 069	127 398	4 250 112	5 184 365	(323 900)	4 827 679	93%	10%
Total	10 042 355	6 505 252	2 722 836	1 804 193	38 753 320	59 827 957	(7 671 516)	49 785 601	83%	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 31 December 2016 the 30 highest accounts represent R 10.5 million or 24% (December 2015: R 6.0 million or 19%) of all arrear accounts in excess 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	29 489	3 235 775	0	0	0	3 265 264	3 235 775
010021936000008	EIMAN,G		11	17 730	18 189	33 747	1 053	1 981 952	2 052 671	2 034 941
010000001073018	ZELPY (1756) PROPRIETARY LIMITED	BUSINESS	0	27 373	19 596	10 524	0	976 422	1 033 915	1 006 542
010020083000014	AVEST (EDMS) BPK	DOMESTIC	8	0	0	0	0	728 162	728 162	728 162
010020084000018	AVEST (EDMS) BPK	DOMESTIC	8	0	0	0	0	617 108	617 108	617 108
100720959993	DART PLANT SERVICES CC	INDUSTRY	8	6 600	6 380	8 980	3 688	407 359	433 007	426 407
230000058000008	MOHLOTSANA,MAMOKEBE	DOMESTIC	12	7 198	7 002	9 096	4 788	311 494	339 577	332 380
010014977001012	SHOW TIME MEDIA	BUSINESS	8	8 420	8 211	10 311	5 963	305 480	338 385	329 965
0121013	ASKHAM KAMEELDUIN KLEINVEE BOERE COMMUNAL PROPERTY	BUSINESS	0	0	0	0	0	313 440	313 440	313 440
141020520005	SIYAVUKA LAUNDRY AND DRY CLEANING PRIMARY PTY(LTD)	BUSINESS	7	7 712	6 887	7 221	5 733	167 965	195 519	187 806
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
0003109	PAGE (GROOT MIER WINKELKOMPLEKS),CHARL H	MUNICIPAL	0	437	437	437	237	157 134	158 681	158 245
0121020	BLINK BELEG TWAALF PTY LTD	BUSINESS	0	0	0	0	0	156 720	156 720	156 720
310251023000009	REP VAN SUID-AFRIKA	National: Public Works	11	1 125	1 085	1 121	724	145 771	149 827	148 702
100362639998	DART PLANT SERVICES CC	INDUSTRY	8	1 850	1 778	2 682	853	141 301	148 464	146 614
010012943001029	DAWID KRUIPER MUNISIPALITEIT	MUNICIPAL	13	22 007	16 981	16 981	8 262	84 107	148 338	126 332
310326000000003	MIER MUNISIPALITEIT	OTHER	11	4 913	4 818	5 595	3 943	108 791	128 060	123 146
030325919956	NORTHERN CAPE RURAL FET COLLEGE	National: Basic Education	9	139 324	119 658	1 366	0	0	260 348	121 024
310251021000003	REP VAN SUID-AFRIKA	OTHER	11	4 474	4 384	5 141	3 539	104 833	122 371	117 897
310251094000001	MIER MUNISIPALITEIT	OTHER	11	4 745	4 653	5 393	3 818	103 644	122 252	117 508
310251020000008	REP VAN SUID-AFRIKA	OTHER	11	4 437	4 348	5 099	3 509	104 004	121 397	116 960
010001791000011	COMMISSION FOR CHILDREN	BUSINESS	8	2 076	2 014	2 719	1 277	107 396	115 482	113 406
310251015000008	MIER MUNISIPALITEIT	OTHER	11	4 547	4 459	5 168	3 659	99 257	117 089	112 542
310251112000014	REP VAN SUID-AFRIKA	DOMESTIC	11	4 224	4 140	4 842	3 355	96 404	112 964	108 740
310251077000006	THEUNIS JACOBS FAMILIE TRUST	OTHER	11	4 440	4 356	5 009	3 614	88 066	105 486	101 046
070000110021	GORDONIA HOSPITAAL	National: Health	9	72 137	80 100	17 380	630	0	170 247	98 110
310251104000005	B&S MARITZ FAMILIE TRUST	OTHER	11	748	722	746	349	92 039	94 603	93 855
310373000000018	REP VAN SUID-AFRIKA	National: Public Works	11	657	634	655	409	84 355	86 710	86 053

Section 6 - Creditors' analysis

6.1 Supporting Table C4

NC087 Dawid Kruiper - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

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	4 100	2 559	1 984	30	37	0	-	3 385	12 094	27 250	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	7 858	5	-	-	-	-	-	-	7 864	7 053	
Total By Customer Type	1000	11 958	2 564	1 984	30	37	0	-	3 385	19 958	34 303	

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 January 2017 are R 20.0 million and R 34.4 million for January 2016. This implicates a decrease of R 14.4 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 31 January 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 - M07 January

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
<u>Municipality</u>					
Dawid Kruiper	Savings	0	25	-	26
Mier Municipality - Interest Only	Call Account	-	33	-	(3 613)
Dawid Kruiper	Smart Rate on Call	146	27 510	-	33 303
Minus: Investments qualifying as cash and cash equivalents		-	(27 569)	-	(29 716)
Municipality sub-total		146	-	-	-
<u>Entities</u>					
Entities sub-total		-	-	-	-
TOTAL INVESTMENTS AND INTEREST		146	-	-	-

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 26.1 million. Grants to the value of R 2.0 million were received during January 2017 and expenditure of R 4.7 million was transferred to revenue. Therefore, unspent conditional grants amounted to R 24.1 million and unpaid grants to R 662 thousand. It should be noted that our unspent grants were cash backed as at 31 January 2017.

GRANT REGISTER FROM 1 JANUARY 2017 - 31 JANUARY 2017						
Account	Description	Opening Balance - 1 January 2017	Total Received	Expenditure Transferred to Revenue	Correction / Withheld	Closing Balance - 31 January 2017
INEP	Integrated Nationale Electrification Programme (INEP)	(1 000 000)	(2 000 000)	-	-	(3 000 000)
NDR100	Township Establishment (COGHSTA)	(2 925 281)	-	-	-	(2 925 281)
NDR102	Cultural Festival	(39 204)	-	-	-	(39 204)
NDR104	EPWP - DoRA Allocation	(498 612)	-	17 857	-	(480 754)
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)
NDR1605	Finance Management Grant (FMG)	(3 085 188)	-	988 775	-	(2 096 413)
NDR49	Municipal Infrastructure Grant (MIG)	(4 617 393)	-	3 661 633	-	(955 759)
NDR59	Housing Accreditation	(650 000)	-	-	-	(650 000)
NDR86	Energy Efficiency Demand Management	(5 850 000)	-	-	-	(5 850 000)
NDR87	National Lotteries Board	(2 358)	-	-	-	(2 358)
NDR92	Extended Public Works Programme (EPWP)	662 079	-	-	-	662 079
Total (Unspent) / Unpaid Grants		(26 113 957)	(2 000 000)	4 668 266	-	(23 445 690)

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

9.1 Supporting Table C8

Employee related costs for the year ended 31 January 2017 is set out below.

EMPLOYEE RELATED COSTS FOR THE MONTH ENDED 31 JANUARY 2017					
National Treasury Line Item	2016/2017 Original Budget	2016/2017 Year to Date	January 2017	January 2017 as % of Original Budget	Year to Date as % of Original Budget
Bargaining Council Contribution	73 363	45 228	6 758	9%	62%
Bonus	10 428 579	11 263 464	55 440	1%	108%
Contributions to Medical Aid	12 275 099	7 436 220	1 139 449	9%	61%
Contributions to Pension	23 853 744	15 123 595	2 230 472	9%	63%
Contributions to UIF	1 274 487	803 390	119 088	9%	63%
Contributions to WCA	1 503 160	–	–	0%	0%
Group Life Insurance	1 486 479	910 149	132 000	9%	61%
Housing Benefits	1 796 158	981 592	142 874	8%	55%
Less: Employee Costs Capitalised	(984 771)	(505 633)	(81 296)	8%	51%
Overtime	13 760 665	9 702 658	1 828 619	13%	71%
Performance Bonus	1 102 400	–	–	0%	0%
Salaries and Wages	143 104 353	87 692 106	12 934 067	9%	61%
Training Levies	1 754 487	1 186 069	160 038	9%	68%
Travel, Motor car, Accom & Other allowances	8 525 251	6 883 830	973 878	11%	81%
TOTAL OVERTIME	219 953 454	141 522 667	19 641 387	9%	64%

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 January 2017 is 48.7% (Year to date: 50.3%) and employee related cost as a percentage of total revenue for January 2017 is 44.0% (Year to date: 40.7%). 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 73.3% for January 2017 (Year to date: 73.5%). If the excess year to date percentage is expressed as an amount the actual figure will be R 6.5 million for January 2017 (Year to date: R 47.0 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 January 2017 was R 1.8 million (December 2016: R 1.6 million). It should be noted that overtime has increased with R 400 thousand when compared to November 2016. 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 31 JANUARY 2017					
National Treasury Line Item	2016/2017 Original Budget	2016/2017 Year to Date	January 2017	January 2017 as % of Original Budget	Year to Date as % of Original Budget
Administration	325 743	175 162	30 855	9%	54%
Libraries	3 564	65 202	–	0%	1829%
Tourism & Marketing	–	609	–	100%	100%
Financial Services	330 035	173 147	26 919	8%	52%
Municipal Manager	14 076	–	–	0%	0%
Housing and Development	3 307	–	–	0%	0%
Traffic Services	415 050	295 199	36 764	9%	71%
Fire Brigade Services	931 947	499 915	127 153	14%	54%
Security Services	1 142 864	479 159	186 897	16%	42%
Environmental Health Services	–	7 720	6 592	100%	100%
Sanitation Services	831 045	624 896	118 697	14%	75%
Refuse Removal Services	1 687 253	1 309 331	366 112	22%	78%
Vacuum Tank Services	32 112	30 550	4 306	13%	95%
Primary Health Care	13 408	–	–	0%	0%
Information Technology	132 128	53 515	12 592	10%	41%
Civil Engineering Services	–	6 735	5 757	100%	100%
Streets and Storm water drainage	898 276	504 150	28 146	3%	56%
Workshop	145 626	103 467	18 134	12%	71%
Sewerage Purification Plant	437 481	474 517	65 494	15%	108%
Building Construction Unit	–	17 676	5 253	100%	100%
Sewerage Distribution Networks	1 000 135	735 085	80 161	8%	73%
Parks	544 951	246 566	87 889	16%	45%
Island Holiday Resort	519 035	374 844	87 929	17%	72%
Swimming Pools	224 307	77 086	29 846	13%	34%
Sport Grounds	120 590	76 952	9 835	8%	64%
Cemetries	161 783	89 673	19 389	12%	55%
Electricity Administration	43 873	11 532	1 556	4%	26%
Electricity Maintenance	332 544	274 431	67 833	20%	83%
Electricity Distribution	649 575	614 417	89 714	14%	95%
Water Production	929 499	679 180	119 789	13%	73%
Water Distribution	1 871 994	1 299 004	134 020	7%	69%
Client Services	1 139	–	–	0%	0%
Community Services and Overtime	–	189 700	59 768	100%	100%
Sundry Donations / Projects	–	11 627	1 218	100%	100%
Parks: Temporary Workers	17 325	–	–	0%	0%
Paving Projects	–	4 480	–	100%	100%
LED - Temporary Workers	–	2 793	–	100%	100%
Refuse Removal - Temporary	–	194 338	–	100%	100%
TOTAL OVERTIME	13 760 665	9 702 658	1 828 619	13%	71%

Section 10 - Capital programme performance

10.1 Supporting Table C12

NC087 Dawid Kruiper - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

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	5 818	5 818	365	365	5 818	5 453	93.7%	1%
August	797	5 818	5 818	3 631	3 996	11 636	7 640	65.7%	6%
September	2 232	5 818	5 818	4 874	8 870	17 454	8 584	49.2%	13%
October	373	5 818	5 818	1 336	10 206	23 273	13 066	56.1%	15%
November	1 129	5 818	5 818	3 513	13 719	29 091	15 372	52.8%	20%
December	720	5 818	5 818	3 718	17 437	34 909	17 472	50.1%	25%
January	427	5 818	5 818	1 142	18 579	40 727	22 148	54.4%	27%
February	1 396	5 818	5 818	-	18 579	46 545	27 966	60.1%	27%
March	1 446	5 818	5 818	-	18 579	52 363	33 784	64.5%	27%
April	3 588	5 818	5 818	-	18 579	58 181	39 602	68.1%	27%
May	9 185	5 818	5 818	-	18 579	64 000	45 421	71.0%	27%
June	18 827	5 818	5 818	-	18 579	69 818	51 239	73.4%	27%
Total Capital expenditure	40 136	69 818	69 818	18 579					

The municipality spent 27% of the 2016/2017 original capital budget.

Several of the tenders have been awarded and consultants were appointed. Expenditure on multi-year projects will continue. Expenditure is being expected to increase as from January 2017.

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 - M07 January

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	36 514	36 514	1 200	14 598	21 300	714	3.4%	36 514
Infrastructure - Road transport	1 819	171	171	395	6 736	100	(6 636)	-6664.9%	171
<i>Roads, Pavements & Bridges</i>	1 819	171	171	395	6 736	100	(6 636)	-6664.9%	171
Infrastructure - Electricity	19 375	16 697	16 697	39	5 894	9 740	3 846	39.5%	16 697
<i>Transmission & Reticulation</i>	19 375	16 697	16 697	39	5 894	9 740	3 846	39.5%	16 697
Infrastructure - Water	5 199	5 877	5 877	642	943	3 428	2 485	72.5%	5 877
<i>Dams & Reservoirs</i>	5			(20)	-	-	-		
<i>Reticulation</i>	5 193	5 877	5 877	662	943	3 428	2 485	72.5%	5 877
Infrastructure - Sanitation	332	13 769	13 769	124	1 077	8 032	6 954	86.6%	13 769
<i>Reticulation</i>	332	13 769	13 769	-	-	8 032	8 032	100.0%	13 769
<i>Sewerage purification</i>	-			124	1 077	-	(1 077)	100.0%	
Infrastructure - Other	1 686	-	-	-	(52)	-	52	100.0%	-
<i>Other</i>	1 686			-	(52)	-	52	100.0%	
Community	2 674	9 119	9 119	-	2 231	5 319	3 088	58.1%	9 119
Parks & gardens	1 633	5 813	5 813	-	1 681	3 391	1 710	50.4%	5 813
Sportsfields & stadia	1 041	3 306	3 306	-	550	1 928	1 378	71.5%	3 306
Recreational facilities	-	-	-	-	-	-	-		-
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Other assets	2 481	1 550	1 550	14	426	904	479	52.9%	1 550
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment	268	1 000	1 000	21	95	583	488	83.7%	1 000
Computers - hardware/equipment	299			(7)	282	-	(282)	100.0%	
Furniture and other office equipment	870			-	49	-	(49)	100.0%	
Other Buildings	474			-	-	-	-		
Other Land	571			-	-	-	-		
Agricultural assets	-	-	-	-	-	-	-		-
Biological assets	-	-	-	-	-	-	-		-
Intangibles	30	-	-	-	25	-	-		-
Computers - software & programming	30			-	25	-	-		
Total Capital Expenditure on new assets	33 596	47 183	47 183	1 214	17 279	27 523	10 244	37.2%	47 183

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 - M07 January

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	6 747	(54)	444	3 936	3 492	88.7%	6 747
Infrastructure - Road transport	27	-	-	-	-	-	-		-
<i>Roads, Pavements & Bridges</i>	27								
Infrastructure - Electricity	5 688	6 164	6 164	-	132	3 596	3 464	96.3%	6 164
<i>Transmission & Reticulation</i>	5 688	6 164	6 164	-	132	3 596	3 464	96.3%	6 164
Infrastructure - Water	581	-	-	(54)	71	-	(71)	100.0%	-
<i>Reticulation</i>	581			(54)	71		(71)	100.0%	
Infrastructure - Sanitation	57	583	583	-	241	340	99	29.1%	583
<i>Reticulation</i>	36	133	133	-	-	78	78	100.0%	133
<i>Sewerage purification</i>	21	450	450	-	241	263	21	8.1%	450
Infrastructure - Other	-	-	-	-	-	-	-		-
Community	-	-	-	2	592	-	(592)	100.0%	-
Sportsfields & stadia	-	-	-	2	592	-	(592)	100.0%	-
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Housing development	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
Other assets	187	15 888	15 888	(20)	263	9 268	9 004	97.2%	15 888
General vehicles	-	10 525	10 525	-	-	6 140	6 140	100.0%	10 525
Specialised vehicles	-	3 509	3 509	-	-	2 047	2 047	100.0%	3 509
Plant & equipment	2	354	354	-	3	207	204	98.6%	354
Computers - hardware/equipment	99			(20)	234	-	(234)	100.0%	
Furniture and other office equipment	80			-	26	-	(26)	100.0%	
Other Buildings	6			-	-	-	-		
Other	-	1 500	1 500	-	-	875	875	100.0%	1 500
Agricultural assets	-	-	-	-	-	-	-		-
Biological assets	-	-	-	-	-	-	-		-
Intangibles	-	-	-	-	-	-	-		-
Total Capital Expenditure on renewal of existing assets	6 540	22 635	22 635	(72)	1 300	13 204	11 904	90.2%	22 635

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 - M07 January

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	7 895	7 895	53	758	4 606	3 848	83.5%	7 895
Infrastructure - Road transport	735	1 032	1 032	-	159	602	443	100.0%	1 032
<i>Roads, Pavements & Bridges</i>	295	1 032	1 032	-	84	602	518	-6.1%	1 032
<i>Storm water</i>	440			-	74	-	(74)	-6.1%	
Infrastructure - Electricity	982	3 201	3 201	13	251	1 867	1 616	86.6%	3 201
<i>Transmission & Reticulation</i>	982	3 201	3 201	13	251	1 867	1 616	86.6%	3 201
Infrastructure - Water	739	1 980	1 980	39	335	1 155	820	71.0%	1 980
<i>Dams & Reservoirs</i>	25			-	6	-	(6)	#DIV/0!	
<i>Reticulation</i>	714	1 980	1 980	39	330	1 155	825	71.5%	1 980
Infrastructure - Sanitation	358	1 635	1 635	-	10	954	944	98.9%	1 635
<i>Reticulation</i>	355	176	176	-	10	102	93	90.4%	176
<i>Sewerage purification</i>	4	1 460	1 460	-	0	851	851	99.9%	1 460
Infrastructure - Other	15	48	48	-	3	28	25	90.5%	48
<i>Waste Management</i>	-	38	38	-	-	22	22	100.0%	38
<i>Other</i>	15	10	10	-	3	6	3	54.9%	10
Community	228	1 486	1 486	7	179	867	688	79.4%	1 486
Parks & gardens	98	284	284	3	62	166	104	62.5%	284
Sportsfields & stadia	103	218	218	2	78	127	50	38.9%	218
Swimming pools	-	126	126	-	-	73	73	100.0%	126
Libraries	-	38	38	-	-	22	22	100.0%	38
Recreational facilities	22	471	471	-	35	275	239	87.2%	471
Fire, safety & emergency	-	257	257	-	-	150	150	100.0%	257
Security and policing	-	40	40	-	-	23	23	100.0%	40
Clinics	-	25	25	-	-	15	15	100.0%	25
Cemeteries	5	26	26	3	4	15	12	77.1%	26
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	9 545	8 634	8 634	358	4 339	5 036	697	13.8%	8 634
General v vehicles	7 302	6 495	6 495	250	2 774	3 789	1 015	26.8%	6 495
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	659	85	85	11	436	50	(386)	-776.8%	85
Computers - hardware/equipment	139	363	363	8	109	212	103	48.8%	363
Other Buildings	1 123	1 075	1 075	82	855	627	(227)	-36.3%	1 075
Other	321	615	615	7	167	359	192	53.6%	615
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	12 603	17 937	17 937	419	5 276	10 463	5 187	49.6%	17 937

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 - M07 January

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	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	73 612	75 152	78 179
Service charges - electricity revenue	20 620	20 175	22 029	19 144	22 490	16 389	25 690	253 027	262 271	278 007
Service charges - water revenue	3 395	3 238	3 989	3 837	3 887	5 149	5 145	48 401	52 164	55 863
Service charges - sanitation revenue	2 479	2 516	2 719	2 536	2 550	2 506	2 507	33 127	32 892	35 195
Service charges - refuse	1 951	1 804	2 071	1 860	1 955	1 826	1 839	29 098	31 731	34 589
Rental of facilities and equipment	255	295	422	512	549	1 829	1 055	7 467	10 369	11 283
Interest earned - external investments	83	119	145	148	177	164	194	580	636	674
Interest earned - outstanding debtors	250	271	284	290	307	350	388	3 000	2 544	2 697
Fines	42	48	54	40	56	59	88	521	457	484
Licences and permits	142	164	140	146	118	96	116	1 523	1 709	1 811
Agency services	393	431	423	363	394	390	356	3 450	3 657	3 876
Transfer receipts - operating	9 272	17 990	500	1 769	688	23 696	1 513	68 135	70 948	76 844
Other revenue	361	1 028	3 265	1 019	(244)	644	581	10 721	9 168	9 718
Cash Receipts by Source	42 357	56 142	43 734	34 864	34 214	59 297	45 592	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	27 043	20 326	22 151
Proceeds on disposal of PPE	341	1 279	1 622	646	4 323	67	286	60 932	1 211	2 011
Increase in consumer deposits	161	646	354	55	(379)	206	(1 042)	2 000	500	500
Receipt of non-current receivables	0	(3)	3	1	2	1	(1)	7	6	6
Total Cash Receipts by Source	42 859	58 272	48 525	39 498	39 437	62 966	47 993	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	204 706	184 740	197 672
Remuneration of councillors	664	726	789	790	789	774	775	8 133	9 138	9 777
Interest paid	708	785	709	722	756	3 075	646	7 706	12 070	11 414
Bulk purchases - Electricity	(2)	19 874	19 666	11 920	12 503	13 814	14 121	170 000	190 740	214 010
Bulk purchases - Water & Sewer	-	-	487	554	-	680	-	5 164	5 525	5 912
Other materials	185	765	896	1 170	783	963	410	16 308	19 884	21 077
Contracted services	102	140	563	275	619	1 556	217	8 748	12 707	13 744
Grants and subsidies paid - other	26	5	33	13	6	-	28	21 490	23 107	24 493
General expenses	31 845	(830)	409	16 081	3 140	(4 537)	2 274	102 964	66 615	56 451
Cash Payments by Type	51 052	38 501	42 725	50 198	48 664	35 717	38 109	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	51 098	22 566	24 280
Repayment of borrowing	968	947	1 023	1 010	1 041	1 956	1 014	16 430	10 837	7 394
Other Cash Flows/Payments	(3 766)	(429)	(359)	(1 566)	2 726	(1 550)	(2 132)	-	-	-
Total Cash Payments by Type	48 620	42 649	48 264	50 978	55 944	39 841	37 988	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	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	(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	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 118.7 million. This amount includes instalments payable within one year (current borrowings). An instalment to the value of R 1.0 million was paid during January 2017. Therefore, non-current borrowings amounted to R 117.7 million at 31 January 2017.

EXTERNAL LOANS	OPENING BALANCE 01/01/2017	CAPITAL REDEEMED	ACCRUED INTEREST	NEW LOANS TAKEN-UP	CLOSING BALANCE 31/01/2017
SBSA-VOERTUIE	627 651	(611 806)	-	-	15 845
SBSA- INFRASTRUKTUUR	42 124 208	-	-	-	42 124 208
Development Bank of South Africa Loan 101 / 61003172	7 419 635	(87 937)	-	-	7 331 697
Development Bank of South Africa NC102952.3 / 61000766	276 607	(44 510)	-	-	232 097
Development Bank of South Africa NC102952.1 / 61000764	39 165 029	(71 440)	-	-	39 093 589
Development Bank of South Africa NC102952.2 / 61000765	28 458 435	(198 771)	-	-	28 259 664
Development Bank of South Africa NC102356 Prepaid Meters	594 750	-	-	-	594 750
TOTAL	118 666 315	(1 014 464)	-	-	117 651 851

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 January 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 February 2017