



Dawid Kruiper Municipality

Monthly Budget Monitoring Report (Section 71 of MFMA)

MAY 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 May 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.

J E KOCK
ACTING MUNICIPAL MANAGER

12 June 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

The 2017/2018 budget was approved by Council on the 30th of May 2017. The administration is busy with preparations for the 2016/2017 audit.

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 May 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 90% of the year-to-date budget and a negative variance of 2%. The budgeted amount for property rates are R 79.1 million and the actual figure billed is R 78.3 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 57% 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 44.5 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 - M11 May

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	5 867	78 301	79 127	(826)	-1%	84 201
Service charges	242 448	368 044	368 044	31 436	358 430	346 010	12 419	4%	368 044
Investment revenue	4 176	600	600	433	2 306	1 406	900	64%	600
Transfers recognised - operational	69 715	73 477	73 477	5 287	79 067	89 721	(10 653)	-12%	73 477
Other own revenue	133 559	49 433	49 433	1 373	34 724	46 359	(11 635)	-25%	49 433
Total Revenue (excluding capital transfers and contributions)	527 771	575 755	575 755	44 395	552 828	562 623	(9 795)	-2%	575 755
Employee costs	207 690	219 953	219 953	20 404	209 262	225 852	(16 590)	-7%	219 953
Remuneration of Councillors	7 962	8 621	8 621	796	8 457	9 648	(1 190)	-12%	8 621
Depreciation & asset impairment	82 252	82 680	82 680	6 851	75 621	82 221	(6 600)	-8%	82 680
Finance charges	14 658	14 978	14 978	724	10 248	12 458	(2 209)	-18%	14 978
Materials and bulk purchases	183 019	206 825	206 825	12 116	149 375	167 144	(17 769)	-11%	206 825
Transfers and grants	785	110	110	4	459	186	273	147%	110
Other expenditure	91 356	79 346	79 346	10 415	77 566	96 116	(18 550)	-101%	79 346
Total Expenditure	587 722	612 513	612 513	51 310	530 989	593 624	(62 635)	-11%	612 513
Surplus/(Deficit)	(59 951)	(36 758)	(36 758)	(6 916)	21 839	(31 000)	52 840	-170%	(36 758)
Transfers recognised - capital	25 339	31 819	31 819	849	20 102	39 356	(19 254)	-49%	31 819
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(34 612)	(4 939)	(4 939)	(6 067)	41 941	8 356	33 585	402%	(4 939)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(34 612)	(4 939)	(4 939)	(6 067)	41 941	8 356	33 585	402%	(4 939)
Capital expenditure & funds sources									
Capital expenditure	40 136	69 818	69 818	5 450	32 611	75 620	(43 009)	-57%	69 818
Capital transfers recognised	25 339	31 819	31 819	4 986	28 674	39 564	(10 890)	-28%	31 819
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 797	37 998	37 998	464	3 937	36 056	(32 119)	-89%	37 998
Total sources of capital funds	40 136	69 818	69 818	5 450	32 611	75 620	(43 009)	-57%	69 818
Financial position									
Total current assets	103 515	84 392	84 392		140 560				84 392
Total non current assets	1 773 156	1 777 548	1 777 548		1 728 851				1 777 548
Total current liabilities	132 687	92 123	92 123		99 825				92 123
Total non current liabilities	228 211	196 138	196 138		180 641				196 138
Community wealth/Equity	1 515 773	1 573 679	1 573 679		1 588 946				1 573 679
Cash flows									
Net cash from (used) operating	23 252	67 106	67 106	(5 304)	61 428	66 869	(5 440)	-8%	67 106
Net cash from (used) investing	(5 879)	(51 611)	(51 611)	(5 881)	(22 516)	(59 116)	36 600	-62%	(51 611)
Net cash from (used) financing	3 485	(9 383)	(9 383)	(755)	(10 060)	(9 665)	(394)		(9 383)
Cash/cash equivalents at the month/year end	15 667	11 112	11 112	-	44 520	16 444	28 076	171%	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	29 027	4 759	3 579	7 745	1 892	1 832	1 835	41 715	92 383
Creditors Age Analysis									
Total Creditors	8 176	1 394	79	0	-	-	-	3 385	13 034

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) - M11 May

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									
<i>Governance and administration</i>	180 243	230 458	250 796	8 528	190 962	228 032	(37 071)	-16.3%	250 796
Executive and council	1 624	150	3	1	1	2	(1)	-58.4%	3
Budget and treasury office	172 919	207 219	227 899	8 738	177 888	207 647	(29 759)	-14.3%	227 899
Corporate services	5 699	23 089	22 894	(211)	13 073	20 383	(7 310)	-35.9%	22 894
<i>Community and public safety</i>	25 403	24 020	17 961	1 083	13 415	16 273	(2 857)	-17.6%	17 961
Community and social services	4 802	3 080	3 765	21	1 647	3 327	(1 681)	-50.5%	3 765
Sport and recreation	6 414	12 587	5 621	260	4 701	5 198	(497)	-9.6%	5 621
Public safety	13 095	6 236	6 458	802	7 068	6 054	1 014	16.7%	6 458
Housing	1 092	650	650	-	-	520	(520)	-100.0%	650
Health	-	1 467	1 467	-	-	1 174	(1 174)	-100.0%	1 467
<i>Economic and environmental services</i>	7 501	19 538	6 848	484	5 702	6 264	(562)	-9.0%	6 848
Planning and development	7 253	5 828	6 608	477	5 570	6 056	(486)	-8.0%	6 608
Road transport	248	13 710	240	7	132	208	(76)	-36.4%	240
<i>Trading services</i>	339 963	371 598	383 008	35 148	362 850	351 411	11 439	3.3%	383 008
Electricity	244 222	268 214	275 486	26 686	263 780	252 930	10 849	4.3%	275 486
Water	47 022	51 653	54 521	4 100	50 325	49 828	498	1.0%	54 521
Waste water management	27 288	28 385	30 461	2 484	27 879	27 947	(68)	-0.2%	30 461
Waste management	21 431	23 347	22 540	1 879	20 866	20 706	160	0.8%	22 540
<i>Other</i>	0	1	-	-	0	0	0	400.0%	-
Total Revenue - Standard	553 110	645 615	658 612	45 243	572 930	601 980	(29 050)	-4.8%	658 612
Expenditure - Standard									
<i>Governance and administration</i>	146 379	127 326	144 406	14 457	130 377	132 063	(1 686)	-1.3%	144 406
Executive and council	39 728	36 062	33 032	1 985	21 490	29 172	(7 682)	-26.3%	33 032
Budget and treasury office	57 037	36 278	53 207	4 257	39 481	47 835	(8 354)	-17.5%	53 207
Corporate services	49 614	54 986	58 167	8 215	69 406	55 056	14 350	26.1%	58 167
<i>Community and public safety</i>	68 014	73 511	77 706	5 531	60 899	70 489	(9 589)	-13.6%	77 706
Community and social services	8 601	9 733	12 342	765	8 230	11 004	(2 774)	-25.2%	12 342
Sport and recreation	29 402	33 239	33 447	2 240	26 781	30 375	(3 594)	-11.8%	33 447
Public safety	23 295	25 959	27 653	2 217	23 003	25 299	(2 296)	-9.1%	27 653
Housing	3 297	3 409	3 165	286	2 239	2 842	(603)	-21.2%	3 165
Health	3 420	1 172	1 100	22	646	968	(322)	-33.2%	1 100
<i>Economic and environmental services</i>	51 540	78 021	62 236	4 569	52 064	56 907	(4 844)	-8.5%	62 236
Planning and development	12 599	20 912	20 000	1 845	18 335	18 390	(55)	-0.3%	20 000
Road transport	38 941	57 109	42 235	2 724	33 728	38 517	(4 788)	-12.4%	42 235
<i>Trading services</i>	320 366	366 854	370 767	26 600	286 070	332 403	(46 333)	-13.9%	370 767
Electricity	208 318	231 428	232 037	17 089	197 187	210 476	(13 289)	-6.3%	232 037
Water	54 778	62 453	61 634	5 192	46 393	54 885	(8 492)	-15.5%	61 634
Waste water management	33 355	42 047	41 842	2 665	24 603	36 497	(11 893)	-32.6%	41 842
Waste management	23 916	30 926	35 255	1 653	17 886	30 545	(12 659)	-41.4%	35 255
<i>Other</i>	1 423	1 819	1 927	154	1 579	1 761	(183)	-10.4%	1 927
Total Expenditure - Standard	587 722	647 531	657 042	51 310	530 989	593 624	(62 635)	-10.6%	657 042
Surplus/ (Deficit) for the year	(34 612)	(1 916)	1 570	(6 067)	41 941	8 356	33 585	401.9%	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) - M11 May

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	2	(1)	-58.4%	3
Vote 2 - Corporate Services	5 643	23 079	22 891	(211)	13 073	20 381	(7 309)	-35.9%	22 891
Vote 3 - Budget & Treasury Office	172 919	220 648	227 899	8 738	177 888	207 647	(29 759)	-14.3%	227 899
Vote 4 - Community Services	40 409	35 262	35 539	2 710	30 859	32 541	(1 682)	-5.2%	35 539
Vote 6 - Electro Mech Services	244 278	274 354	275 486	26 686	263 780	252 931	10 849	4.3%	275 486
Vote 7 - Civil Engineering Services	74 558	80 318	85 222	6 591	78 361	77 987	374	0.5%	85 222
Vote 8 - Development and Planning Services	13 413	11 803	11 571	729	8 969	10 490	(1 522)	-14.5%	11 571
Total Revenue by Vote	553 110	645 615	658 612	45 243	572 930	601 980	(29 050)	-4.8%	658 612
Expenditure by Vote									
Vote 1 - Municipal Manager	39 930	36 062	33 032	1 985	21 490	29 172	(7 682)	-26.3%	33 032
Vote 2 - Corporate Services	25 585	36 003	37 247	4 033	39 608	34 856	4 752	13.6%	37 247
Vote 3 - Budget & Treasury Office	57 037	50 707	53 207	4 257	39 481	47 835	(8 354)	-17.5%	53 207
Vote 4 - Community Services	96 501	114 517	119 804	7 836	85 269	107 329	(22 060)	-20.6%	119 804
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	217 356	234 585	235 408	19 988	213 016	214 756	(1 740)	-0.8%	235 408
Vote 7 - Civil Engineering Services	125 094	152 852	153 769	11 540	113 341	137 442	(24 100)	-17.5%	153 769
Vote 8 - Development and Planning Services	19 189	22 804	24 575	1 671	18 782	22 234	(3 451)	-15.5%	24 575
Total Expenditure by Vote	580 692	647 531	657 042	51 310	530 989	593 624	(62 635)	-10.6%	657 042
Surplus/ (Deficit) for the year	(27 582)	(1 916)	1 570	(6 067)	41 941	8 356	33 585	401.9%	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 90% 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 (64%) - Conditional funding being invested resulted in more interest earned;
- Agency Services (26%) - The service was supposed to be transferred to the Post Office on the 1st of April, therefore the budget was decreased; and
- Fines (7%): 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.

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

- Gain on disposal of PPE (41%) - Disposal of Eiland Resort budgeted for, but disposal did not realise;
- Other Revenue (38%) - Council resolution to lower the tariff for consent usage resulted in less income being levied;
- Transfers Recognised - Operational (12%) - Slower spending on grants due to tenders not yet awarded;
- Rental of Facilities and Equipment (10%) - Decrease in rental income due to less venues being rented; and
- Interest on Outstanding Debtors (7%) - Reversal of interest incorrectly levied on sundry debtor account of Mier Municipality.

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 39.4% 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;
- Other Materials (27%) - Due to cost containment; resulting in less expenditure;
- Contracted Services (25%) - Due to cost containment; resulting in less expenditure;
- Finance Charges (18%) - Finance charges are being paid during December and June. Restructuring of DBSA loans are resulting in less finance charges being paid;
- Other Expenditure (12%) - Due to cost containment and virements of budgeted amounts to other line items;
- Remuneration of Councillors (12%) - Upper limits received and back pay to be calculated;
- Bulk Purchases (11%) - Outstanding invoices from DWA;
- Depreciation and Asset Impairment (8%) - pro-rata journal needs to be processed; and
- Employee Related Costs (7%) - Due to cost containment.

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

- Transfers and Grants (147%) - Discretionary donations made by the Executive Mayor.

NC087 Dawid Kruiper - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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	5 867	78 301	79 127	(826)	-1%	85 213
Service charges - electricity revenue	242 448	267 694	268 916	22 981	259 427	247 600	11 827	5%	268 916
Service charges - water revenue	46 977	51 647	54 446	4 092	50 258	49 758	500	1%	54 446
Service charges - sanitation revenue	27 288	28 335	30 460	2 484	27 879	27 947	(68)	0%	30 460
Service charges - refuse revenue	21 398	23 347	22 540	1 879	20 866	20 706	160	1%	22 540
Rental of facilities and equipment	9 144	10 075	9 309	430	7 628	8 431	(803)	-10%	9 309
Interest earned - external investments	1 090	1 250	1 500	433	2 306	1 406	900	64%	1 500
Interest earned - outstanding debtors	3 087	3 000	3 500	10	2 995	3 228	(233)	-7%	3 500
Fines	6 800	541	636	51	627	586	40	7%	636
Licences and permits	1 566	1 583	1 584	181	1 504	1 450	55	4%	1 584
Agency services	4 111	4 307	3 657	534	4 387	3 476	911	26%	3 657
Transfers recognised - operational	69 715	96 722	98 328	5 287	79 067	89 721	(10 653)	-12%	98 328
Other revenue	13 174	13 337	14 549	601	7 928	12 697	(4 770)	-38%	14 549
Gains on disposal of PPE	3 101	18 664	18 474	(433)	9 656	16 492	(6 836)	-41%	18 474
Total Revenue (excluding capital transfers and contributions)	527 771	605 938	613 112	44 395	552 828	562 623	(9 795)	-2%	613 112
Expenditure By Type									
Employee related costs	207 690	233 826	246 934	20 404	209 262	225 852	(16 590)	-7%	246 934
Remuneration of councillors	7 962	10 781	10 737	796	8 457	9 648	(1 190)	-12%	10 737
Debt impairment	21 160	5 000	5 000	-	-	4 000	(4 000)	-100%	5 000
Depreciation & asset impairment	82 252	90 719	90 719	6 851	75 621	82 221	(6 600)	-8%	90 719
Finance charges	14 658	15 002	13 721	724	10 248	12 458	(2 209)	-18%	13 721
Bulk purchases	170 416	188 887	185 525	12 116	149 375	167 144	(17 769)	-11%	185 525
Other materials	12 603	19 037	19 850	2 846	12 396	16 935	(4 539)	-27%	19 850
Contracted services	7 770	8 226	11 139	1 468	7 224	9 606	(2 382)	-25%	11 139
Transfers and grants	785	110	205	4	459	186	273	147%	205
Other expenditure	62 427	75 942	73 182	6 101	57 946	65 552	(7 606)	-12%	73 182
Loss on disposal of PPE	-	-	29	-	-	23	(23)	-100%	29
Total Expenditure	587 722	647 531	657 042	51 310	530 989	593 624	(62 635)	-11%	657 042
Surplus/(Deficit)	(59 951)	(41 592)	(43 930)	(6 916)	21 839	(31 000)	52 840	-170%	(43 930)
Transfers recognised - capital	25 339	39 676	45 500	849	20 102	39 356	(19 254)	-49%	45 500
Surplus/(Deficit) after capital transfers & contributions	(34 612)	(1 916)	1 570	(6 067)	41 941	8 356			1 570
Taxation	-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation	(34 612)	(1 916)	1 570	(6 067)	41 941	8 356			1 570
Attributable to minorities	-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	(34 612)	(1 916)	1 570	(6 067)	41 941	8 356			1 570
Share of surplus/ (deficit) of associate	-	-	-	-	-	-			-
Surplus/ (Deficit) for the year	(34 612)	(1 916)	1 570	(6 067)	41 941	8 356			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 57% negative variance of the year-to-date budget.

NC087 Dawid Kruiper - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M11 May

Vote Description	2015/16	Budget Year 2016/17							Budget Year 2016/17
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Municipal Manager	571	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	13	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	-	118	-	(52)	94	(147)	-156%	118
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	-	-	14 753	-	1 730	11 802	(10 072)	-85%	14 753
Vote 7 - Civil Engineering Services	1 438	-	-	-	-	-	-	-	-
Vote 8 - Development and Planning Services	2 859	12 577	20 901	328	14 321	18 678	(4 357)	-23%	20 901
Total Capital Multi-year expenditure	4 881	12 577	35 772	328	15 998	30 574	(14 429)	-47%	35 772
Single Year expenditure appropriation									
Vote 1 - Municipal Manager	6	1 500	609	7	45	490	(446)	-91%	609
Vote 2 - Corporate Services	1 591	-	1 135	32	600	1 012	(412)	-41%	1 135
Vote 3 - Budget & Treasury Office	1 713	-	21	10	26	8	18	238%	21
Vote 4 - Community Services	84	-	1 426	3	715	1 271	(556)	-44%	1 426
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	25 146	37 799	25 996	4 426	12 603	22 010	(9 407)	-43%	25 996
Vote 7 - Civil Engineering Services	5 104	22 229	24 705	618	2 416	20 030	(17 614)	-88%	24 705
Vote 8 - Development and Planning Services	1 611	3 570	217	26	209	225	(17)	-7%	217
Total Capital single-year expenditure	35 255	65 098	54 109	5 122	16 613	45 046	(28 433)	-63%	54 109
Total Capital Expenditure	40 136	77 675	89 881	5 450	32 611	75 620	(42 862)	-57%	89 881
Capital Expenditure - Standard Classification									
Governance and administration	3 977	22 552	3 025	49	670	2 526	(1 857)	-73%	3 025
Executive and council	577	7 614	419	7	45	339	(294)	-87%	419
Budget and treasury office	1 713	-	413	10	17	321	(304)	-95%	413
Corporate services	1 687	14 938	2 193	32	607	1 866	(1 259)	-67%	2 193
Community and public safety	149	-	10 844	(510)	3 718	8 801	(5 084)	-58%	10 844
Community and social services	9	-	727	1	1	582	(581)	-100%	727
Sport and recreation	107	-	5 899	(511)	3 668	4 838	(1 170)	-24%	5 899
Public safety	34	-	4 218	-	49	3 382	(3 333)	-99%	4 218
Economic and environmental services	4 642	16 147	13 579	892	9 213	12 872	(3 658)	-28%	13 579
Planning and development	4 404	16 147	4	3	4	2 012	(2 008)	-100%	4
Road transport	238	-	13 575	889	9 209	10 860	(1 651)	-15%	13 575
Trading services	31 368	38 976	62 433	5 018	19 011	51 421	(32 410)	-63%	62 433
Electricity	25 063	16 747	26 378	4 366	14 222	22 308	(8 086)	-36%	26 378
Water	5 916	7 877	10 691	635	2 029	8 769	(6 741)	-77%	10 691
Waste water management	389	14 352	19 397	17	2 740	15 566	(12 826)	-82%	19 397
Waste management	-	-	5 967	-	20	4 778	(4 758)	-100%	5 967
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	40 136	77 675	89 881	5 450	32 611	75 620	(43 009)	-57%	89 881
Funded by:									
National Government	22 556	36 168	37 795	4 520	27 607	33 280	(5 673)	-17%	37 795
Provincial Government	2 783	3 509	7 105	466	475	5 686	(5 211)	-92%	7 105
Other transfers and grants	-	-	599	-	592	598	(6)	100%	599
Transfers recognised - capital	25 339	39 676	45 500	4 986	28 674	39 564	(10 890)	-28%	45 500
Internally generated funds	14 797	37 998	44 381	464	3 937	36 056	(32 119)	-89%	44 381
Total Capital Funding	40 136	77 675	89 881	5 450	32 611	75 620	(43 009)	-57%	89 881

Expenditure for capital projects will increase during the last quarter. The variance is due to counter funding (CRR) for a RBIG project, acquisition of vehicles and other assets that is still in process.

4.1.6 Table C6: Monthly Budget Statement - Financial Position**NC087 Dawid Kruiper - Table C6 Monthly Budget Statement - Financial Position - M11 May**

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	46 581	18 821
Consumer debtors	66 252	58 589	58 589	87 246	58 589
Other debtors	4 882	17 488	5 488	1 484	5 488
Current portion of long-term receivables	8	5	5	8	5
Inventory	11 013	7 845	7 845	5 241	7 845
Total current assets	103 515	102 749	90 749	140 560	90 749
Non current assets					
Long-term receivables	9	5	5	(1)	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	1 507 842	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	1 728 851	2 298 472
TOTAL ASSETS	1 876 671	2 221 930	2 389 221	1 869 412	2 389 221
LIABILITIES					
Current liabilities					
Bank overdraft	5 693	3 000	6 000	2 061	6 000
Borrowing	11 314	8 674	8 912	11 314	8 912
Consumer deposits	10 916	11 500	12 500	10 883	12 500
Trade and other payables	99 346	71 768	90 919	72 007	90 919
Provisions	5 417	9 750	12 750	3 559	12 750
Total current liabilities	132 687	104 692	131 081	99 825	131 081
Non current liabilities					
Borrowing	113 064	88 780	104 655	103 038	104 655
Provisions	115 147	125 060	141 120	77 603	141 120
Total non current liabilities	228 211	213 841	245 774	180 641	245 774
TOTAL LIABILITIES	360 898	318 533	376 856	280 466	376 856
NET ASSETS	1 515 773	1 903 397	2 012 366	1 588 946	2 012 366
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1 515 773	1 903 397	2 012 366	1 588 946	2 012 366
TOTAL COMMUNITY WEALTH/EQUITY	1 515 773	1 903 397	2 012 366	1 588 946	2 012 366

It should be noted that our current assets exceed our current liabilities with R 40.7 million (April 2017: R 54.5 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: 1.41:1 (April 2017: 1.50:1). 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 - M11 May

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	18 863	74 035	86 151	(12 115)	-14%	98 769
Service charges	242 448	371 023	376 362	30 078	325 454	342 349	(16 895)	-5%	376 362
Other revenue	128 297	24 843	24 735	2 101	24 561	22 914	1 647	7%	24 735
Government - operating	69 715	96 722	98 328	5 351	79 267	89 748	(10 481)	-12%	98 328
Government - capital	25 339	39 676	45 500	849	20 102	39 356	(19 254)	-49%	45 500
Interest	4 176	4 250	5 000	443	5 301	4 634	667	14%	5 000
Payments									
Suppliers and employees	(479 269)	(515 577)	(559 454)	(62 261)	(456 586)	(505 639)	(49 054)	10%	(559 454)
Finance charges	(785)	(15 002)	(13 721)	(724)	(10 248)	(12 458)	(2 209)	18%	(13 721)
Transfers and Grants	(14 658)	(110)	(205)	(4)	(459)	(186)	273	-147%	(205)
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 252	76 515	75 313	(5 304)	61 428	66 869	(107 421)	-161%	75 313
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3 101	18 664	18 445	(433)	9 656	16 469	(6 813)	-41%	18 445
Decrease (increase) other non-current receivables	6	6	7	3	10	7	3	48%	7
Decrease (increase) in non-current investments	-	-	-	-	(0)	(0)	(0)	400%	-
Payments									
Capital assets	(9 281)	(77 675)	(89 881)	(5 450)	(32 181)	(75 591)	(43 410)	57%	(89 881)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 879)	(59 005)	(71 428)	(5 881)	(22 516)	(59 116)	(36 600)	62%	(71 428)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	2 176	500	1 460	(174)	(34)	1 169	(1 202)	-103%	1 460
Payments									
Repayment of borrowing	1 309	(10 084)	(11 552)	(581)	(10 026)	(10 834)	(808)	7%	(11 552)
NET CASH FROM/(USED) FINANCING ACTIVITIES	3 485	(9 584)	(10 092)	(755)	(10 060)	(9 665)	394	-4%	(10 092)
NET INCREASE/ (DECREASE) IN CASH HELD	20 564	7 926	(6 207)	(11 939)	28 853	(1 912)			(6 207)
Cash/cash equivalents at beginning:	(4 897)	7 896	19 028		15 667	18 356			19 028
Cash/cash equivalents at month/year end:	15 667	15 821	12 821		44 520	16 444			12 821

The municipality had a cash outflow of R 11.9 million. This means that more money was spent than received.

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 - M11 May

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	3 389	859	587	1 390	381	348	216	5 772	12 943	8 108
Trade and Other Receivables from Exchange Transactions - Electricity	1300	12 458	465	173	294	45	27	19	847	14 328	1 232
Receivables from Non-exchange Transactions - Property Rates	1400	4 603	529	339	458	271	270	252	11 732	18 454	12 983
Receivables from Exchange Transactions - Waste Water Management	1500	1 903	509	342	773	220	192	148	2 835	6 923	4 168
Receivables from Exchange Transactions - Waste Management	1600	1 801	806	704	2 164	335	305	279	5 433	11 828	8 517
Receivables from Exchange Transactions - Property Rental Debtors	1700	318	257	242	386	157	141	134	1 134	2 770	1 953
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	4 554	1 334	1 193	2 278	482	548	787	13 961	25 137	18 056
Total By Income Source	2000	29 027	4 759	3 579	7 745	1 892	1 832	1 835	41 715	92 383	55 018
2015/16 - totals only		33 385	10 030	2 944	1 628	1 906	1 764	1 770	18 300	71 727	25 368
Debtors Age Analysis By Customer Group											
Organs of State	2200	2 975	212	131	98	20	35	30	740	4 241	923
Commercial	2300	13 314	821	450	392	260	228	191	6 476	22 132	7 546
Households	2400	11 638	3 600	2 678	6 139	1 548	1 423	1 204	22 546	50 777	32 860
Other	2500	1 100	126	320	1 116	65	145	410	11 953	15 233	13 688
Total By Customer Group	2600	29 027	4 759	3 579	7 745	1 892	1 832	1 835	41 715	92 383	55 018

The total outstanding debtors for May 2017 are R 92.4 million and R 71.7 million for May 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 May 2017.

5.2 Additional debtors information

5.2.1 Payment level

Collection Rates (payment levels) reflect the total income collected for the period 18 April 2017 - 17 May 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	664 547	482 915	20 241	254 734	757 891	73%	114%	(93 344)	(10 325)	747 566	112%
Ward 2	648 106	531 456	-	198 378	729 834	82%	113%	(81 728)	(50 341)	679 493	105%
Ward 3	838 881	799 970	8 990	108 902	917 862	95%	109%	(78 981)	(16 594)	901 268	107%
Ward 4	3 950 677	2 419 201	1 539 458	117 092	4 075 751	61%	103%	(125 074)	(52 080)	4 023 671	102%
Ward 5	770 031	792 086	4 880	116 419	913 385	103%	119%	(143 354)	(40 841)	872 543	113%
Ward 6	525 081	314 442	5 426	112 009	431 877	60%	82%	93 204	(12 493)	419 384	80%
Ward 7	2 270 167	2 955 308	1 010	83 412	3 039 730	130%	134%	(769 564)	(291 633)	2 748 097	121%
Ward 8	12 349 889	17 040 392	25 994	51 691	17 118 077	138%	139%	(4 768 188)	(525 954)	16 592 123	134%
Ward 9	5 580 446	6 738 978	-	13 677	6 752 656	121%	121%	(1 172 210)	118 611	6 871 267	123%
Ward 10	1 588 920	2 185 258	1 743	191 222	2 378 224	138%	150%	(789 303)	(1 635)	2 376 588	150%
Ward 11	1 585 937	1 361 337	401 680	45 667	1 808 684	86%	114%	(222 747)	(27 664)	1 781 020	112%
Ward 12	372 699	692 204	3 206	60 517	755 927	186%	203%	(383 228)	(1 085)	754 842	203%
Ward 13	1 446 774	1 351 585	-	128 324	1 479 908	93%	102%	(33 134)	27 572	1 507 481	104%
Ward 14	192 019	86 284	649	29 426	116 359	45%	61%	75 660	29 466	145 825	76%
Not specified	2 010 271	1 862 320	10 318	113 115	1 985 753	93%	99%	24 519	(13 280)	1 972 472	98%
Total	34 794 445	39 613 735	2 023 596	1 624 584	43 261 915	114%	124%	(8 467 470)	(868 275)	42 393 640	122%

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	6 171 876	8 655 963	-	246 285	8 902 248	140%	144%	(2 730 372)	(1 606 769)	7 295 479	118%
Electricity	17 286 047	20 639 518	1 612 450	102	22 252 069	119%	129%	(4 966 022)	453 701	22 705 770	131%
Water	4 902 069	5 143 573	390 444	173 076	5 707 093	105%	116%	(805 024)	(98 829)	5 608 264	114%
Sewage	2 696 679	2 556 415	10 998	511 054	3 078 467	95%	114%	(381 788)	22 500	3 100 966	115%
Refuse Removal	2 476 894	2 036 241	9 302	580 516	2 626 059	82%	106%	(149 165)	85 862	2 711 921	109%
Other	1 260 880	582 026	402	113 551	695 979	46%	55%	564 901	275 260	971 240	77%
Total	34 794 445	39 613 735	2 023 596	1 624 584	43 261 915	114%	124%	(8 467 470)	(868 275)	42 393 640	122%

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	1 666 787	2 019 460	76	1 190	2 020 725	121%	121%	(353 938)	(15 269)	2 005 457	120%
Middelpos	1 191 953	1 455 867	-	34	1 455 902	122%	122%	(263 949)	116	1 456 018	122%
Oosterville	1 581 573	1 867 522	-	1 983	1 869 506	118%	118%	(287 933)	(34 493)	1 835 013	116%
Blydeveld	796 183	920 071	76	34	920 181	116%	116%	(123 998)	(14 092)	906 089	114%
Akademia	428 213	687 142	-	12 164	699 306	160%	163%	(271 093)	(14 206)	685 100	160%
Florapark	578 555	726 172	-	2 680	728 852	126%	126%	(150 297)	(5 868)	722 984	125%
Die Rand	3 594 389	3 879 744	76	3 235	3 883 054	108%	108%	(288 665)	137 541	4 020 595	112%
Town Centre / Business Area	7 001 526	9 738 462	5 312	9 978	9 753 751	139%	139%	(2 752 225)	(54 880)	9 698 872	139%
Riverside	1 513 859	1 883 020	3 629	11 143	1 897 792	124%	125%	(383 933)	(23 890)	1 873 903	124%
Progress	1 004 879	810 203	9 210	254 048	1 073 461	81%	107%	(68 582)	(73 921)	999 540	99%
Bellvue	488 794	525 755	-	34 312	560 066	108%	115%	(71 272)	(7 286)	552 780	113%
Morning Glory	519 778	470 397	-	129 003	599 400	90%	115%	(79 622)	(16 843)	582 557	112%
Rosedale	1 399 961	1 081 013	21 617	454 015	1 556 645	77%	111%	(156 683)	(6 631)	1 550 014	111%
Paballelo	1 436 952	989 758	6 436	323 895	1 320 088	69%	92%	116 864	(91 243)	1 228 845	86%
Dakotaweg	74 444	41 121	-	20 648	61 769	55%	83%	12 675	(645)	61 124	82%
Kameelmond / Lemoendraai	146 690	155 413	193	5 878	161 485	106%	110%	(14 795)	(1 761)	159 725	109%
Industrial Areas	4 757 990	7 129 237	30 774	-	7 160 011	150%	150%	(2 402 021)	(611 103)	6 548 908	138%
Commonage	2 993 040	858 021	1 922 653	-	2 780 674	29%	93%	212 366	5 983	2 786 657	93%
Karos	59 591	3 629	309	11 867	15 806	6%	27%	43 785	23 631	39 437	66%
Lambrechtsdrift	30 227	2 432	-	5 397	7 829	8%	26%	22 398	5 070	12 899	43%
Leerkrans	35 130	2 299	340	12 268	14 907	7%	42%	20 223	850	15 758	45%
Raaswater	(127 746)	19 406	3 206	30 138	52 750	-15%	-41%	(180 496)	2 156	54 906	-43%
Sesbrugge / Klippunt	116 100	226 325	-	-	226 325	195%	195%	(110 225)	(417)	225 908	195%
Kalksloot	109 367	70 957	142	34 407	105 506	65%	96%	3 860	(10 915)	94 592	86%
Louisvale Dorp	684 416	1 228 660	76	13 087	1 241 823	180%	181%	(557 407)	4 289	1 246 112	182%
Leseding	29 982	11 027	-	6 352	17 379	37%	58%	12 603	886	18 265	61%
Ntsekelelo	369	0	-	-	0	0%	0%	368	-	0	0%
Louisvaleweg	424 985	323 786	4 880	129 080	457 746	76%	108%	(32 761)	(15 987)	441 759	104%
Uppington Farming Areas	265 276	333 513	150	1 780	335 444	126%	126%	(70 168)	(594)	334 850	126%
Gordonia Farming Areas	489 149	473 819	-	-	473 819	97%	97%	15 329	(1 215)	472 605	97%
Karos Farming Areas	18 468	4 889	-	-	4 889	26%	26%	13 579	-	4 889	26%
Kenhart Farming Areas	451 668	637 780	-	-	637 780	141%	141%	(186 112)	(11 361)	626 419	139%
Olyvenhoutsdrift Farming Areas	637 272	792 764	14 442	-	807 206	124%	127%	(169 935)	(24 302)	782 904	123%
Vaalkoppies Farming Areas	18 453	52 453	-	-	52 453	284%	284%	(34 000)	(40)	52 412	284%
Melkstroom	11 671	717	-	4 131	4 847	6%	42%	6 823	(10)	4 837	41%
Not specified	364 503	190 901	-	111 835	302 736	52%	83%	61 767	(11 828)	290 909	80%
Total	34 794 445	39 613 735	2 023 596	1 624 584	43 261 915	114%	124%	(8 467 470)	(868 275)	42 393 640	122%

5.2.2 Debtor arrear summaries

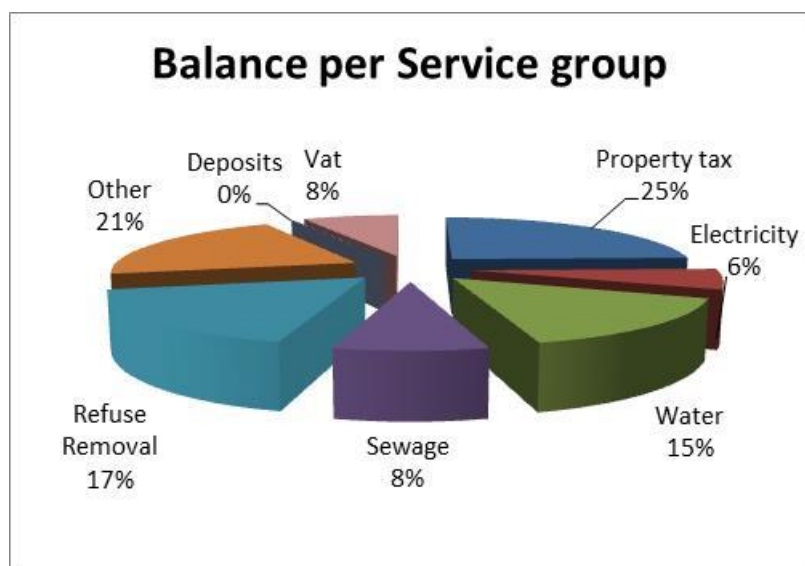
The arrear summaries that follow are not prescriptive in terms of the MFMA or the MBRR. They are included to provide further information on debtors arrears based on various classifications.

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	858 962	397 085	324 964	289 783	10 802 358	12 673 151	(4 412 193)	25%
Electricity	2 208 671	278 532	103 354	50 174	487 717	3 128 449	(579 886)	6%
Water	1 331 900	662 847	779 680	429 836	4 691 740	7 896 003	(133 586)	15%
Sewage	702 232	401 863	471 233	238 707	2 392 088	4 206 122	(72 653)	8%
Refuse Removal	948 230	775 487	1 728 247	372 388	5 234 760	9 059 112	(46 333)	18%
Other	1 141 425	656 705	815 250	462 716	7 618 808	10 694 904	(27 803)	21%
Deposits	5 626	9 100	2 728	-	10 112	27 566	(3 059)	0%
Vat	982 367	308 013	749 394	141 861	1 751 405	3 933 040	(376 862)	8%
Total	8 179 412	3 489 631	4 974 851	1 985 465	32 988 987	51 618 347	(5 652 374)	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	263 431	61 462	56 939	33 725	150 066	565 622	(307 667)	302 192	53%	1%
Middelpos	206 562	111 687	33 180	18 855	85 360	455 643	(200 403)	249 081	55%	1%
Oosterville	162 771	38 266	33 436	15 637	45 127	295 237	(311 386)	132 466	45%	0%
Blydeveld	163 531	63 824	55 573	37 287	709 682	1 029 898	(129 020)	866 367	84%	2%
Akademia	119 947	77 156	85 792	63 424	679 839	1 026 158	(95 598)	906 211	88%	2%
Florapark	86 331	22 233	20 046	12 775	33 300	174 685	(342 310)	88 354	51%	0%
Die Rand	303 588	101 376	80 480	39 203	162 125	686 772	(344 335)	383 184	56%	1%
Town Centre / Business Area	543 576	162 964	71 740	35 835	584 349	1 398 464	(521 731)	854 888	61%	2%
Riverside	1 082 263	113 204	134 469	39 527	1 787 475	3 156 939	(91 180)	2 074 675	66%	5%
Progress	462 558	195 174	259 661	112 819	1 601 686	2 631 898	(125 540)	2 169 340	82%	5%
Bellvue	199 136	52 322	49 266	18 614	176 467	495 805	(27 495)	296 669	60%	1%
Morning Glory	223 646	133 009	146 711	53 618	641 907	1 198 890	(43 865)	975 244	81%	2%
Rosedale	638 457	382 303	528 972	214 921	2 532 422	4 297 075	(268 703)	3 658 618	85%	8%
Paballelo	1 106 329	582 016	942 980	340 853	4 466 350	7 438 528	(326 357)	6 332 199	85%	15%
Dakotaweg	47 186	30 052	30 148	28 892	105 591	241 868	(9 685)	194 682	80%	0%
Kameelmond / Lemoendraai	50 567	27 612	22 924	26 201	129 388	256 693	(13 085)	206 125	80%	0%
Industrial Areas	522 466	48 320	52 277	36 672	880 066	1 539 801	(604 981)	1 017 335	66%	2%
Commonage	366 269	61 685	29 703	13 054	136 487	607 198	(560 488)	240 928	40%	1%
Karos	79 064	61 552	86 916	40 150	876 712	1 144 394	(8 162)	1 065 331	93%	2%
Lambrechtsdrift	36 091	25 209	36 623	22 769	617 570	738 262	(698)	702 170	95%	2%
Leerkrans	26 479	18 028	21 228	19 388	497 792	582 915	(10 261)	556 436	95%	1%
Raaswater	181 771	124 071	260 738	138 049	2 330 605	3 035 235	(8 952)	2 853 464	94%	7%
Sesbrugge / Klippunt	7 416	2 645	3 643	2 363	37 718	53 786	(2 775)	46 370	86%	0%
Kalksloot	84 251	46 218	83 825	30 055	461 510	705 859	(14 718)	621 608	88%	1%
Louisvale Dorp	48 349	16 853	23 287	11 362	310 361	410 212	(19 411)	361 863	88%	1%
Leseding	25 910	23 584	6 549	16 649	3 351	76 044	(418)	50 134	66%	0%
Ntsekelelo	626	553	579	482	2 147	4 386	(0)	3 761	86%	0%
Louisvaleweg	223 587	119 872	171 222	72 381	920 453	1 507 515	(67 368)	1 283 928	85%	3%
Upington Farming Areas	44 959	18 378	16 938	6 741	42 420	129 436	(55 622)	84 477	65%	0%
Gordonia Farming Areas	232 848	134 868	133 440	151 362	7 596 686	8 249 204	(314 407)	8 016 356	97%	18%
Karos Farming Areas	14 670	10 471	22 037	12 305	561 043	620 526	(22 227)	605 856	98%	1%
Kenhart Farming Areas	106 766	43 133	21 143	20 307	178 287	369 636	(49 383)	262 870	71%	1%
Olyvenhoutsdrift Farming Areas	100 101	34 596	51 471	22 008	125 172	333 348	(338 245)	233 247	70%	1%
Vaalkoppies Farming Areas	9 085	6 180	7 098	6 984	238 910	268 258	(95 332)	259 173	97%	1%
Melkstroom	10 098	8 818	7 558	6 733	20 921	54 128	(1 071)	44 030	81%	0%
Not specified	398 726	529 937	1 386 258	263 466	3 259 643	5 838 029	(319 498)	5 439 304	93%	13%
Total	8 179 412	3 489 631	4 974 851	1 985 465	32 988 987	51 618 347	(5 652 374)	43 438 935	84%	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 May 2017 the 30 highest accounts represent R 9.1 million or 21% 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
010021936000008	EIMAN,G	LAND DISPOSAL	11	4 325	20 642	0	0	1 596 084	1 621 051	1 616 727
100720959993	DART PLANT SERVICES CC	INDUSTRY	8	9 450	3 688	8 300	6 448	430 999	458 885	449 435
010014977001012	SHOW TIME MEDIA	BUSINESS	8	11 328	6 759	8 204	8 315	338 385	372 991	361 663
0121013	ASKHAM KAMEELDUIN KLEINVEE BOERE COMMUNAL PROPERTY	BUSINESS	0	0	0	0	0	313 440	313 440	313 440
010012943001029	DAWID KRUIPER MUNISIPALITEIT	MUNICIPAL	13	16 340	9 143	19 716	20 155	148 338	213 692	197 352
0115771	REPUBLIEK VAN SUID AFRICA	DOMESTIC	0	0	0	0	0	186 643	186 643	186 643
0003109	PAGE (GROOT MIER WINKELKOMPLEKS),CHARL H	MUNICIPAL	0	437	437	437	437	158 681	160 428	159 991
0121020	BLINK BELEG TWAALF PTY LTD	BUSINESS	0	0	0	0	0	156 720	156 720	156 720
0116208	TRUSTEES SCHOOL DISTRICT GORDONIA & RSA	BUSINESS	0	0	0	0	0	149 612	149 612	149 612
100362639998	DART PLANT SERVICES CC	INDUSTRY	8	6 752	853	9 694	1 755	136 598	155 652	148 901
310326000000003	MIER MUNISIPALITEIT	OTHER	11	6 020	3 943	4 853	4 885	128 059	147 760	141 740
310251094000001	MIER MUNISIPALITEIT	OTHER	11	5 804	3 818	4 687	4 718	122 252	141 280	135 476
310251021000003	NATIONAL GOVERNMENT OF RSA	OTHER	11	5 525	3 539	4 411	4 445	122 371	140 290	134 765
310251020000008	REP VAN SUID-AFRIKA	OTHER	11	5 480	3 509	4 375	4 408	121 397	139 168	133 688
310251015000008	MIER MUNISIPALITEIT	OTHER	11	5 561	3 659	4 492	4 521	117 089	135 322	129 761
310251077000006	THEUNIS JACOBS FAMILIE TRUST	OTHER	11	5 396	3 614	4 392	4 418	105 486	123 306	117 909
010001791000011	COMMISSION FOR CHILDREN	BUSINESS	8	6 513	4 975	7 853	1 956	102 313	123 610	117 097
310251112000014	NATIONAL GOVERNMENT OF RSA	DOMESTIC	11	5 205	3 355	4 167	4 197	103 194	120 118	114 913
310251104000005	B&S MARITZ FAMILIE TRUST	OTHER	11	724	748	676	748	94 603	97 498	96 774
070000110021	GORDONIA HOSPITAAL	National: Health	9	48 863	52 714	3 484	324	35 650	141 035	92 172
310178000000004	FJ VAN ZYL & SEUNS BOERDERY PTY LTD	OTHER	11	6 631	2 848	3 443	3 462	80 600	96 985	90 354
0116837	STRAUSS,GERT,MARTIN	DOMESTIC	0	6 764	47 349	0	0	42 939	97 052	90 288
310373000000018	NATIONAL GOVERNMENT OF RSA	National: Public Works	11	636	657	593	657	86 710	89 253	88 617
310318001000012	NATIONAL GOVERNMENT OF RSA	DOMESTIC	11	4 053	2 719	3 301	3 320	76 962	90 355	86 302
0007518	MOLOPO KALAHARI LODGE,JEAN LAMBRECHT	BUSINESS	0	2 178	2 037	3 485	2 037	70 444	80 181	78 003
310251078000008	THEUNIS JACOBS FAMILIE TRUST	OTHER	11	3 324	2 226	2 705	2 721	64 978	75 955	72 631
100362559999	DART PLANT SERVICES CC	INDUSTRY	8	1 605	690	1 227	1 126	68 234	72 882	71 277
010001454000008	BOTHA,CHRISTINE	DOMESTIC	8	4 352	3 365	5 855	2 229	57 217	73 018	68 665
310251023000009	NATIONAL GOVERNMENT OF RSA	National: Public Works	11	400	1 125	1 016	1 125	64 669	68 334	67 934

Section 6 - Creditors' analysis

6.1 Supporting Table C4

NC087 Dawid Kruiper - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

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	6 768	1 393	79	0	-	-	-	3 385	11 625	24 616	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	1 408	0	-	-	-	-	-	-	1 409	1 128	
Total By Customer Type	1000	8 176	1 394	79	0	-	-	-	3 385	13 034	25 744	

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 May 2017 are R 13.0 million and R 25.7 million for May 2016. This implicates a decrease of R 12.7 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 May 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 - M11 May

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	26	-	26
Mier Municipality - Interest Only	Call Account	-	2 078	-	2 078
Dawid Kruiper	Smart Rate on Call	317	54 745	-	49 459
Minus: Investments qualifying as cash and cash equivalents		-	(51 159)	-	(51 564)
Municipality sub-total		317	5 691	-	-
<u>Entities</u>					
Entities sub-total		-	-	-	-
TOTAL INVESTMENTS AND INTEREST		317	5 691	-	-

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 47.2 million. No funding was received during May 2017 and expenditure of R 6.1 million was transferred to revenue. Therefore, unspent conditional grants amounted to R 41.7 million and unpaid grants to R 662 thousand. It should be noted that our unspent grants were cash backed as at 31 May 2017.

GRANT REGISTER FROM 1 MAY 2017 - 31 MAY 2017						
Account	Description	Opening Balance - 1 May 2017	Total Received	Expenditure Transferred to Revenue	Correction / Withheld	Closing Balance - 31 May 2017
INEP	Integrated Nationale Electrification Programme (INEP)	(5 000 000)	-	-	-	(5 000 000)
NDR100	Township Establishment (COGHSTA)	(2 925 281)	-	-	-	(2 925 281)
NDR1004	Masinedane Project (Library Grant)	(2 430 833)	-	-	-	(2 430 833)
NDR102	Cultural Festival	(39 204)	-	-	-	(39 204)
NDR104	EPWP - DoRA Allocation	(1 227 409)	-	-	-	(1 227 409)
NDR105	Department of Water Affairs (DWA)	-	-	-	-	-
NDR110	Amalgamation Grant	(13 412 787)	-	177 801	-	(13 234 986)
NDR111	Community Development Grant (Directo Signs)	(50 000)	-	-	-	(50 000)
NDR112	Northern Cape Provincial Treasury	(4 000 000)	-	-	-	(4 000 000)
NDR113	Homestay	(137 829)	-	-	-	(137 829)
NDR118	Project Nala	(2 866 226)	-	-	-	(2 866 226)
NDR119	Project Bloodhound	(3 639)	-	-	-	(3 639)
NDR1605	Finance Management Grant (FMG)	(2 096 413)	-	698 304	-	(1 398 109)
NDR49	Municipal Infrastructure Grant (MIG)	(6 303 031)	-	1 080 331	-	(5 222 701)
NDR60	Municipal System Improvement Grant (MSIG)	0	-	-	-	0
NDR70	Department of Water Affairs (DWA)	(4 344)	-	-	-	(4 344)
NDR86	Energy Efficiency Demand Management	(6 706 000)	-	4 179 271	-	(2 526 730)
NDR87	National Lotteries Board	(358)	-	-	-	(358)
NDR92	Extended Public Works Programme (EPWP)	662 079	-	-	-	662 079
Total (Unspent) / Unpaid Grants		(47 191 275)	-	6 135 707	-	(41 055 569)

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 May 2017 is set out below.

EMPLOYEE RELATED COSTS FOR THE MONTH ENDED 31 MAY 2017					
National Treasury Line Item	2016/2017 Adjustment Budget	2016/2017 Year to Date	May 2017	May 2017 as % of Adjustment Budget	Year to Date as % of Adjustment Budget
Bargaining Council Contribution	79 046	72 660	7 273	9%	92%
Bonus	11 263 478	31 732	—	0%	0%
Contributions to Medical Aid	13 133 488	12 012 100	1 146 010	9%	91%
Contributions to Pension	26 275 977	24 187 355	2 372 916	9%	92%
Contributions to UIF	1 421 208	1 275 734	119 146	8%	90%
Contributions to WCA	1 508 160	—	—	0%	0%
Group Life Insurance	1 570 166	1 439 077	134 081	9%	92%
Housing Benefits	1 695 965	1 559 998	154 732	9%	92%
Less: Employee Costs Capitalised	(974 560)	(1 069 503)	(105 165)	11%	110%
Overtime	18 863 051	16 438 995	2 021 297	11%	87%
Performance Bonus	1 102 400	—	—	0%	0%
Post Retirement Obligations	1 658 600	—	—	0%	0%
Salaries and Wages	155 597 664	140 608 971	13 444 428	9%	90%
Training Levies	1 986 281	1 828 827	170 890	9%	92%
Travel, Motor car, Accom & Other allowances	11 753 264	10 876 414	938 828	8%	93%
TOTAL OVERTIME	246 934 188	209 262 359	20 404 435	8%	85%

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 May 2017 is 47.7% (Year to date: 47.8%) and employee related cost as a percentage of total revenue for May 2017 is 47.8% (Year to date: 39.4%). 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. Bonuses are reclassified as a provision resulting in a negative balance.

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 64.1% for May 2017 (Year to date: 70.2%). If the excess year to date percentage is expressed as an amount the actual figure will be R 4.7 million for May 2017 (Year to date: R 62.6 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 May 2017 was R 2.0 million (April 2017: R 1.6 million. Overtime performed by parks, electricity department and civil services could be part of employee cost capitalised - refer to table C8, page 27.

OVERTIME FOR THE MONTH ENDED 31 MAY 2017					
National Treasury Line Item	2016/2017 Adjustment Budget	2016/2017 Year to Date	May 2017	May 2017 as % of Adjustment Budget	Year to Date as % of Adjustment Budget
Administration	329 438	293 488	46 790	14%	89%
Libraries	65 202	65 202	—	0%	100%
Tourism & Marketing	610	609	—	0%	100%
Financial Services	307 740	295 290	41 602	14%	96%
Municipal Manager	—	49 064	—	100%	100%
IDP	—	10 970	—	100%	100%
Traffic Services	479 020	479 184	65 486	14%	100%
Fire Brigade Services	1 135 682	817 388	103 047	9%	72%
Security Services	1 413 644	896 636	151 819	11%	63%
Environmental Health Services	40 679	13 822	—	0%	34%
Sanitation Services	1 218 382	1 161 819	93 795	8%	95%
Refuse Removal Services	3 139 890	2 275 675	274 220	9%	72%
Vacuum Tank Services	52 082	60 942	—	0%	117%
Information Technology	116 476	71 671	8 861	8%	62%
Director: Community Services	—	5 087	5 087	100%	100%
Director: Corporate Services	—	342	342	100%	100%
Civil Engineering Services	35 520	106 752	71 967	203%	301%
Streets and Storm water drainage Workshop	653 762	890 607	151 502	23%	136%
Sewerage Purification Plant	185 256	192 618	37 573	20%	104%
Building Construction Unit	801 988	731 002	107 333	13%	91%
Sewerage Distribution Networks	43 942	30 271	—	0%	69%
Parks	1 135 892	1 123 026	112 498	10%	99%
Island Holiday Resort	686 012	435 354	34 742	5%	63%
Swimming Pools	814 489	612 127	40 801	5%	75%
Sport Grounds	226 319	163 144	10 343	5%	72%
Cemeteries	126 126	142 987	15 577	12%	113%
Electricity Administration	186 621	163 690	21 734	12%	88%
Electricity Maintenance	19 311	29 197	4 261	22%	151%
Electricity Distribution	613 595	419 252	43 390	7%	68%
Water Production	1 062 986	1 033 163	136 091	13%	97%
Water Distribution	1 278 125	1 086 213	82 581	6%	85%
Community Services and Overtime	1 969 107	2 260 216	332 527	100%	100%
	488 541	302 563	27 330	6%	62%
Masinedane Library Project	35 000	—	—	0%	0%
EEDSM	—	11 627	—	100%	100%
Parks: Temporary Workers	—	—	—	100%	100%
Paving Projects	4 481	5 040	—	0%	112%
LED - Temporary Workers	2 794	8 619	—	0%	309%
Refuse Removal - Temporary	194 339	194 338	—	0%	100%
TOTAL OVERTIME	18 863 051	16 438 995	2 021 297	11%	87%

Section 10 - Capital programme performance

10.1 Supporting Table C12

NC087 Dawid Kruiper - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 May

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	2 712	22 530	47 100	24 570	52.2%	29%
April	3 588	6 473	14 260	4 632	27 161	61 360	34 199	55.7%	35%
May	9 185	6 473	14 260	5 450	32 611	75 620	43 009	56.9%	42%
June	18 827	6 473	14 260	-	32 611	89 881	57 269	63.7%	42%
Total Capital expenditure	40 136	77 675	89 881	32 611					

The municipality spent 42% of the 2016/2017 original capital budget and 36.3% 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.

NC087 Dawid Kruiper - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M11 May

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									
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	28 411	44 371	34 657	4 699	17 651	30 645	714	2.3%	34 657
Infrastructure - Road transport	1 819	3 741	50	-	-	1 387	1 387	100.0%	50
<i>Roads, Pavements & Bridges</i>	1 819	3 741	50	-	-	1 387	1 387	100.0%	50
Infrastructure - Electricity	19 375	16 697	23 600	4 192	13 974	20 059	6 085	30.3%	23 600
<i>Transmission & Reticulation</i>	19 375	16 697	23 600	4 192	13 974	20 059	6 085	30.3%	23 600
Infrastructure - Water	5 199	6 877	8 008	508	1 562	6 595	5 034	76.3%	8 008
<i>Dams & Reservoirs</i>	5	-	-	-	-	-	-	-	-
<i>Reticulation</i>	5 193	6 877	8 008	508	1 562	6 595	5 034	76.3%	8 008
Infrastructure - Sanitation	332	17 056	2 881	-	2 168	2 520	352	14.0%	2 881
<i>Reticulation</i>	332	17 056	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	2 881	-	2 168	2 520	352	14.0%	2 881
Infrastructure - Other	1 686	-	118	-	(52)	84	136	162.7%	118
<i>Other</i>	1 686	-	118	-	(52)	84	136	162.7%	118
<u>Community</u>	2 674	9 119	5 008	(534)	3 026	4 453	1 427	32.0%	5 008
Parks & gardens	1 633	5 813	3 158	(534)	2 476	2 862	387	13.5%	3 158
Sportsfields & stadia	1 041	3 306	1 850	-	550	1 590	1 040	65.4%	1 850
Recreational facilities	-	-	-	-	-	-	-	-	-
<u>Heritage assets</u>	-	-	-	-	-	-	-	-	-
<u>Investment properties</u>	-	-	-	-	-	-	-	-	-
<u>Other assets</u>	2 481	1 550	6 756	70	456	5 490	5 034	91.7%	6 756
Specialised vehicles	-	-	3 661	-	-	2 929	-	-	3 661
Plant & equipment	268	1 000	1 046	20	107	856	749	87.5%	1 046
Computers - hardware/equipment	299	-	368	1	238	351	113	32.1%	368
Furniture and other office equipment	870	-	211	4	56	178	122	68.4%	211
Other Buildings	474	-	558	44	55	447	392	87.7%	558
Other Land	571	-	-	-	-	-	-	-	-
Other	-	-	381	-	-	305	305	100.0%	381
<u>Agricultural assets</u>	-	-	-	-	-	-	-	-	-
<u>Biological assets</u>	-	-	-	-	-	-	-	-	-
<u>Intangibles</u>	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	4 235	21 158	40 612	19 454	47.9%	46 445

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 - M11 May

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	1 128	10 318	24 573	14 255	58.0%	30 606
Infrastructure - Road transport	27	-	13 398	889	9 208	10 718	1 510	14.1%	13 398
<i>Roads, Pavements & Bridges</i>	27		13 398	889	9 208	10 718	1 510	14.1%	13 398
Infrastructure - Electricity	5 688	6 164	1 757	175	248	1 432	1 184	82.7%	1 757
<i>Transmission & Reticulation</i>	5 688	6 164	1 757	175	248	1 432	1 184	82.7%	1 757
Infrastructure - Water	581	-	997	64	310	812	502	61.8%	997
<i>Reticulation</i>	581		555	64	310	459	148	32.4%	555
Infrastructure - Sanitation	57	583	14 453	-	551	11 611	11 059	95.3%	14 453
<i>Reticulation</i>	36	133	-	-	-	-	-		-
<i>Sewerage purification</i>	21	450	14 453	-	551	11 611	11 059	95.3%	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	87	543	9 810	9 267	94.5%	12 197
General vehicles	-	10 525	3 288	-	-	2 631	2 631	100.0%	3 288
Specialised vehicles	-	3 509	6 991	-	-	5 593	5 593	100.0%	6 991
Plant & equipment	2	354	1 104	60	124	884	760	86.0%	1 104
Computers - hardware/equipment	99		234	-	290	234	(56)	-24.0%	234
Furniture and other office equipment	80		580	27	129	469	340	72.5%	580
Other Buildings	6		-	-	-	-	-		-
Other	-	1 500	-	-	-	-	-		-
Agricultural assets	-	-	-	-	-	-	-		-
Biological assets	-	-	-	-	-	-	-		-
Intangibles	-		41	-	-	32	32	100.0%	41
Total Capital Expenditure on renewal of existing assets	6 540	22 635	43 435	1 215	11 454	35 008	23 555	67.3%	43 435

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.

NC087 Dawid Kruiper - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 May

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	1 642	4 059	8 215	4 155	50.6%	10 079
Infrastructure - Road transport	735	1 177	1 069	92	409	887	478	100.0%	1 069
<i>Roads, Pavements & Bridges</i>	295	1 177	1 069	15	124	872	748	-6.1%	1 069
<i>Storm water</i>	440		-	77	285	4 273	3 988	-6.1%	-
Infrastructure - Electricity	982	2 905	5 499	1 329	2 736	4 450	1 713	38.5%	5 499
<i>Transmission & Reticulation</i>	982	2 905	5 499	1 329	2 736	4 450	1 713	38.5%	5 499
Infrastructure - Water	739	2 435	2 024	220	893	1 686	794	47.1%	2 024
<i>Dams & Reservoirs</i>	25		-	91	106	1	(105)	-9224.1%	-
<i>Reticulation</i>	714	2 435	2 024	129	786	1 685	899	53.3%	2 024
Infrastructure - Sanitation	358	1 765	1 435	1	16	1 150	1 134	98.6%	1 435
<i>Reticulation</i>	355	207	174	1	15	141	127	89.5%	174
<i>Sewerage purification</i>	4	1 558	1 261	-	1	1 009	1 008	99.9%	1 261
Infrastructure - Other	15	71	51	1	5	41	36	87.8%	51
<i>Waste Management</i>	-	51	51	-	-	41	41	100.0%	51
<i>Other</i>	15	20	-	1	5	1	(5)	-865.0%	-
Community	228	1 308	1 227	14	784	1 017	234	23.0%	1 227
Parks & gardens	98	223	210	3	603	180	(422)	-234.6%	210
Sportsfields & stadia	103	222	215	6	108	187	80	42.5%	215
Swimming pools	-	133	155	-	-	124	124	100.0%	155
Libraries	-	55	9	-	-	7	7	100.0%	9
Recreational facilities	22	561	522	2	65	424	359	84.7%	522
Fire, safety & emergency	-	69	69	-	-	55	55	100.0%	69
Security and policing	-	16	16	-	-	13	13	100.0%	16
Clinics	-	-	-	-	-	-	-	-	-
Cemeteries	5	29	33	3	8	27	18	68.7%	33
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	9 545	9 376	8 544	1 190	7 553	7 703	150	1.9%	8 544
General vehicles	7 302	6 495	6 427	928	5 607	5 696	89	1.6%	6 427
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	659	85	4	76	359	90	(269)	-298.1%	4
Computers - hardware/equipment	139	363	421	8	163	359	196	54.6%	421
Other Buildings	1 123	1 102	1 035	133	1 185	999	(186)	-18.7%	1 035
Other	321	1 330	657	45	238	559	321	57.4%	657
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	12 603	19 037	19 850	2 846	12 396	16 935	4 539	26.8%	19 850

The norm for total repairs and maintenance as a percentage of total book value (written down value) is 5% - 8%. Dawid Kruiper 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 - M11 May

Description	Budget Year 2016/17											
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Outcome
R thousands												
Cash Receipts By Source												
Property rates	3 115	8 064	7 692	3 201	1 287	6 198	6 119	5 720	14 518	(740)	18 863	-
Service charges - electricity revenue	20 620	20 175	22 029	19 144	22 490	16 389	25 690	19 716	21 444	20 796	21 999	-
Service charges - water revenue	3 395	3 238	3 989	3 837	3 887	5 149	5 145	5 483	4 177	4 406	3 737	-
Service charges - sanitation revenue	2 479	2 516	2 719	2 536	2 550	2 506	2 507	2 505	2 510	2 454	2 473	-
Service charges - refuse	1 951	1 804	2 071	1 860	1 955	1 826	1 839	1 798	1 904	1 887	1 869	-
Rental of facilities and equipment	255	295	422	512	549	1 829	1 055	458	676	1 148	430	-
Interest earned - external investments	83	119	145	148	177	164	194	237	277	329	433	-
Interest earned - outstanding debtors	250	271	284	290	307	350	388	334	300	211	10	-
Fines	42	48	54	40	56	59	88	84	62	44	51	-
Licences and permits	142	164	140	146	118	96	116	131	190	93	181	-
Agency services	393	431	423	363	394	390	356	353	470	280	534	-
Transfer receipts - operating	9 272	17 990	500	1 769	688	23 696	1 513	417	17 691	379	5 351	-
Other revenue	361	1 028	3 265	1 019	(244)	644	581	1 391	1 331	119	906	-
Cash Receipts by Source	42 357	56 142	43 734	34 864	34 214	59 297	45 592	38 628	65 550	31 406	56 836	-
Other Cash Flows by Source												
Transfer receipts - capital	-	208	2 811	3 933	1 277	3 394	3 159	1 117	998	2 356	849	-
Proceeds on disposal of PPE	341	1 279	1 622	646	4 323	67	286	3	1	1 521	(433)	-
Increase in consumer deposits	161	646	354	55	(379)	206	(1 042)	3	250	(114)	(174)	-
Receipt of non-current receivables	0	(3)	3	1	2	1	(1)	1	1	1	3	-
Total Cash Receipts by Source	42 859	58 272	48 525	39 498	39 437	62 966	47 993	39 752	66 800	35 170	57 081	-
Cash Payments by Type												
Employee related costs	17 525	17 037	19 174	18 672	30 069	19 391	19 638	19 143	19 735	8 436	20 397	-
Remuneration of councillors	664	726	789	790	789	774	775	821	794	779	804	-
Interest paid	708	785	709	722	756	3 075	646	724	787	610	724	-
Bulk purchases - Electricity	(2)	19 874	19 666	11 920	12 503	13 814	14 121	14 075	13 786	14 250	11 380	-
Bulk purchases - Water & Sewer	-	-	487	554	-	680	-	123	1 408	-	736	-
Other materials	185	765	896	1 170	783	963	410	1 137	1 918	1 201	2 843	-
Contracted services	102	140	563	275	619	1 556	217	274	1 125	886	1 468	-
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	26	5	33	13	6	-	28	14	25	307	4	-
General expenses	31 845	(830)	409	16 081	3 140	(4 537)	2 274	(1 176)	(456)	8 891	25 270	-
Cash Payments by Type	51 052	38 501	42 725	50 198	48 664	35 717	38 109	35 135	39 121	35 359	63 626	-
Other Cash Flows/Payments by Type												
Capital assets	365	3 631	4 874	1 336	3 513	3 718	997	967	2 712	4 617	5 450	-
Repayment of borrowing	968	947	1 023	1 010	1 041	1 956	1 014	549	433	502	581	-
Other Cash Flows/Payments	(3 766)	(429)	(359)	(1 566)	2 726	(1 550)	(2 132)	(2 501)	(881)	181	(637)	-
Total Cash Payments by Type	48 620	42 649	48 264	50 978	55 944	39 841	37 988	34 151	41 385	40 659	69 020	-
NET INCREASE/(DECREASE) IN CASH HELD	(5 761)	15 623	261	(11 480)	(16 507)	23 125	10 005	5 601	25 415	(5 489)	(11 939)	-
Cash/cash equivalents at the month/year beginning:	15 667	9 906	25 529	25 790	14 310	(2 197)	20 927	30 932	36 533	61 948	56 459	44 520
Cash/cash equivalents at the month/year end:	9 906	25 529	25 790	14 310	(2 197)	20 927	30 932	36 533	61 948	56 459	44 520	44 520

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 116.4 million. This amount includes instalments payable within one year (current borrowings). An instalment to the value of R 507 thousand was paid during May 2017 and R 183 thousand was reallocated for a loan of Mier Municipality already paid during the financial year. Therefore, non-current borrowings amounted to R 115.7 million at 31 May 2017.

EXTERNAL LOANS	OPENING BALANCE 01/05/2017	CAPITAL REDEEMED	REALLOCATIONS	ACCRUED INTEREST	NEW LOANS TAKEN-UP	CLOSING BALANCE 31/05/2017
SBSA-VOERTUIE	15 845	-		-	-	15 845
SBSA- INFRASTRUKTUUR	42 124 208	-		-	-	42 124 208
Development Bank of South Africa Loan 101 / 61003172	7 135 327	(195 308)		-	-	6 940 019
Development Bank of South Africa NC102952.3 / 61000766	54 512	(50 659)		-	-	3 852
Development Bank of South Africa NC102952.1 / 61000764	38 742 248	(62 660)		-	-	38 679 587
Development Bank of South Africa NC102952.2 / 61000765	27 609 373	(198 697)		-	-	27 410 677
Development Bank of South Africa NC102356 Prepaid Meters	686 545	-	(183 000)	-	-	503 545
TOTAL	116 368 059	(507 325)	(183 000)	-	-	115 677 734

All instalments were paid timeously.

Section 12 - Municipal manager's quality certification

QUALITY CERTIFICATE

I, Johan Edwin Kock, the acting 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 May 2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

J E Kock

Acting Municipal Manager of Dawid Kruiper Municipality (NC087)

12 June 2017