



Dawid Kruiper Municipality

Monthly Budget Monitoring Report (Section 71 of MFMA)

SEPTEMBER 2016

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 September 2016.

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**

12 October 2016

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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 been fully implemented. The implementation of the Turnaround Strategy have also start to deliver results and resulting in improvement in the cash flow.

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 the all the transactions and ledgers are imported and reconciled the Section 71 reports will be compared and resubmitted to correct differences.

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 September 2016.

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 28% of the year-to-date budget and a positive variance of 10%. The budgeted amount for property rates are R 21.1.0 million and the actual figure billed is R 30.3 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 a overspending on that specific expenditure item and where they show negative variance it indicates a saving on that specific expenditure item. Expenditure items such as 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 49% 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 25.8 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. The Turn Around Strategy is fully effective and are starting to return results.

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 - M03 September

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	78 693	84 201	84 201	6 222	30 286	21 050	9 236	44%	84 201
Service charges	363 653	368 044	368 044	31 788	91 093	92 011	(918)	-1%	368 044
Investment revenue	580	600	600	145	347	150	197	131%	600
Transfers recognised - operational	68 135	73 477	73 477	500	27 682	18 369	9 313	51%	73 477
Other own revenue	89 114	49 433	49 433	3 537	8 969	12 358	(3 389)	-27%	49 433
Total Revenue (excluding capital transfers and contributions)	600 174	575 755	575 755	42 192	158 378	143 939	14 439	10%	575 755
Employee costs	204 706	219 953	219 953	19 176	53 740	54 988	(1 248)	-2%	219 953
Remuneration of Councillors	8 133	8 621	8 621	787	2 173	2 155	18	1%	8 621
Depreciation & asset impairment	108 519	82 680	82 680	20 670	20 670	20 670	(0)	0%	82 680
Finance charges	7 706	14 978	14 978	709	2 202	3 745	(1 542)	-41%	14 978
Materials and bulk purchases	191 472	206 825	206 825	20 153	40 025	47 222	(7 197)	-15%	206 825
Transfers and grants	21 490	110	110	33	63	28	35	128%	110
Other expenditure	65 824	79 346	79 346	6 350	15 397	24 321	(8 924)	-82%	79 346
Total Expenditure	607 850	612 513	612 513	67 877	134 271	153 128	(18 858)	-12%	612 513
Surplus/(Deficit)	(7 676)	(36 758)	(36 758)	(25 685)	24 107	(9 190)	33 296	-362%	(36 758)
Transfers recognised - capital	27 043	31 819	31 819	2 811	3 020	7 955	(4 935)	-62%	31 819
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	19 367	(4 939)	(4 939)	(22 873)	27 126	(1 235)	28 361	-2297%	(4 939)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	19 367	(4 939)	(4 939)	(22 873)	27 126	(1 235)	28 361	-2297%	(4 939)
Capital expenditure & funds sources									
Capital expenditure	51 098	69 818	69 818	4 874	8 870	17 454	(8 584)	-49%	69 818
Capital transfers recognised	26 977	31 819	31 819	3 807	6 827	7 955	(1 128)	-14%	31 819
Public contributions & donations	1	-	-	-	-	-	-	-	-
Internally generated funds	24 120	37 998	37 998	1 067	2 044	9 500	(7 456)	-78%	37 998
Total sources of capital funds	51 098	69 818	69 818	4 874	8 870	17 454	(8 584)	-49%	69 818
Financial position									
Total current assets	77 596	84 392	84 392		114 538				84 392
Total non current assets	1 785 415	1 777 548	1 777 548		1 760 501				1 777 548
Total current liabilities	94 237	92 123	92 123		103 123				92 123
Total non current liabilities	190 156	196 138	196 138		189 523				196 138
Community wealth/Equity	1 578 618	1 573 679	1 573 679		1 582 393				1 573 679
Cash flows									
Net cash from (used) operating	14 486	67 106	67 106	18 278	17 528	16 776	751	4%	67 106
Net cash from (used) investing	9 841	(51 611)	(51 611)	(2 354)	(5 627)	(12 903)	7 275	-56%	(51 611)
Net cash from (used) financing	(14 430)	(9 383)	(9 383)	(301)	(1 777)	(2 346)	568		(9 383)
Cash/cash equivalents at the month/year end	5 000	11 112	11 112	-	25 790	2 778	23 012	828%	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	30 043	3 184	2 261	4 466	5 533	7 355	1 401	29 879	91 486
Creditors Age Analysis									
Total Creditors	23 781	10 890	2 167	1 262	2	1	-	3 385	26 577

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) - M03 September

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>	185 291	201 093	201 093	11 778	65 490	50 273	15 216	30.3%	201 093
Executive and council	1 624	150	150	-	1	38	(37)	-98.6%	150
Budget and treasury office	177 674	179 868	179 868	9 938	61 796	44 967	16 829	37.4%	179 868
Corporate services	5 994	21 075	21 075	1 840	3 693	5 269	(1 576)	-29.9%	21 075
<i>Community and public safety</i>	25 403	23 324	23 324	934	3 056	5 831	(2 775)	-47.6%	23 324
Community and social services	4 802	2 384	2 384	16	424	596	(172)	-28.8%	2 384
Sport and recreation	6 414	12 587	12 587	249	639	3 147	(2 508)	-79.7%	12 587
Public safety	13 095	6 236	6 236	670	1 994	1 559	435	27.9%	6 236
Housing	1 092	650	650	-	-	163	(163)	-100.0%	650
Health	-	1 467	1 467	-	-	367	(367)	-100.0%	1 467
<i>Economic and environmental services</i>	7 501	14 538	14 538	498	1 657	3 634	(1 977)	-54.4%	14 538
Planning and development	7 253	5 828	5 828	485	1 620	1 457	163	11.2%	5 828
Road transport	248	8 710	8 710	12	37	2 177	(2 140)	-98.3%	8 710
<i>Trading services</i>	339 963	368 619	368 619	31 794	91 194	92 155	(961)	-1.0%	368 619
Electricity	244 222	268 214	268 214	22 660	66 024	67 053	(1 029)	-1.5%	268 214
Water	47 022	51 238	51 238	4 323	11 569	12 809	(1 240)	-9.7%	51 238
Waste water management	27 288	27 024	27 024	2 730	7 748	6 756	992	14.7%	27 024
Waste management	21 431	22 144	22 144	2 080	5 853	5 536	317	5.7%	22 144
<i>Other</i>	0	1	1	-	0	0	(0)	-16.6%	1
Total Revenue - Standard	558 159	607 574	607 574	45 004	161 397	151 894	9 503	6.3%	607 574
Expenditure - Standard									
<i>Governance and administration</i>	126 818	112 709	112 709	13 764	30 505	28 177	2 328	8.3%	112 709
Executive and council	39 728	32 275	32 275	1 995	5 443	8 069	(2 625)	-32.5%	32 275
Budget and treasury office	36 811	30 891	30 891	3 606	8 053	7 723	330	4.3%	30 891
Corporate services	50 279	49 543	49 543	8 163	17 008	12 386	4 622	37.3%	49 543
<i>Community and public safety</i>	68 014	72 866	72 866	6 373	16 019	18 216	(2 197)	-12.1%	72 866
Community and social services	8 601	9 425	9 425	818	2 174	2 356	(182)	-7.7%	9 425
Sport and recreation	29 402	32 902	32 902	2 997	6 725	8 226	(1 500)	-18.2%	32 902
Public safety	23 295	25 958	25 958	2 228	6 271	6 490	(219)	-3.4%	25 958
Housing	3 297	3 409	3 409	232	684	852	(168)	-19.7%	3 409
Health	3 420	1 172	1 172	98	165	293	(128)	-43.8%	1 172
<i>Economic and environmental services</i>	51 540	68 567	68 567	9 184	13 688	17 142	(3 454)	-20.1%	68 567
Planning and development	12 599	17 458	17 458	1 869	4 125	4 365	(239)	-5.5%	17 458
Road transport	38 941	51 109	51 109	7 315	9 563	12 777	(3 215)	-25.2%	51 109
<i>Trading services</i>	320 366	356 552	356 552	38 415	73 638	89 138	(15 500)	-17.4%	356 552
Electricity	208 318	231 428	231 428	26 529	51 981	57 857	(5 876)	-10.2%	231 428
Water	54 778	57 234	57 234	6 717	11 127	14 309	(3 181)	-22.2%	57 234
Waste water management	33 355	37 976	37 976	3 133	5 976	9 494	(3 518)	-37.1%	37 976
Waste management	23 916	29 913	29 913	2 036	4 553	7 478	(2 925)	-39.1%	29 913
<i>Other</i>	1 423	1 819	1 819	141	421	455	(34)	-7.5%	1 819
Total Expenditure - Standard	568 162	612 513	612 513	67 877	134 271	153 128	(18 858)	-12.3%	612 513
Surplus/ (Deficit) for the year	(10 003)	(4 939)	(4 939)	(22 873)	27 126	(1 235)	28 361	-2297.0%	(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; Financial Services; 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) - M03

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	38	(37)	-98.6%	150
Vote 2 - CORPORATE SERVICES	5 938	21 065	21 065	1 840	3 693	5 266	(1 573)	-29.9%	21 065
Vote 3 - FINANCIAL SERVICES	177 674	179 868	179 868	9 938	61 796	44 967	16 829	37.4%	179 868
Vote 4 - COMMUNITY SERVICES	40 409	33 363	33 363	2 795	8 317	8 341	(24)	-0.3%	33 363
Vote 6 - ELECTRO MECHANICAL SERVICES	244 278	274 354	274 354	22 660	66 024	68 588	(2 564)	-3.7%	274 354
Vote 7 - CIVIL ENGINEERING SERVICES	74 558	86 972	86 972	7 065	19 375	21 743	(2 368)	-10.9%	86 972
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	13 413	11 803	11 803	705	2 191	2 951	(760)	-25.7%	11 803
Total Revenue by Vote	558 159	607 574	607 574	45 004	161 397	151 894	9 503	6.3%	607 574
Expenditure by Vote									
Vote 1 - MUNICIPAL MANAGER	39 930	32 275	32 275	1 995	5 443	8 069	(2 625)	-32.5%	32 275
Vote 2 - CORPORATE SERVICES	25 585	30 560	30 560	4 598	9 554	7 640	1 914	25.1%	30 560
Vote 3 - FINANCIAL SERVICES	36 811	30 891	30 891	3 606	8 053	7 723	330	4.3%	30 891
Vote 4 - COMMUNITY SERVICES	96 501	109 892	109 892	8 886	21 916	27 473	(5 557)	-20.2%	109 892
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	218 022	234 585	234 585	28 829	55 980	58 646	(2 667)	-4.5%	234 585
Vote 7 - CIVIL ENGINEERING SERVICES	132 125	151 506	151 506	18 136	28 566	37 876	(9 311)	-24.6%	151 506
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	19 189	22 804	22 804	1 827	4 758	5 701	(943)	-16.5%	22 804
Total Expenditure by Vote	568 162	612 513	612 513	67 877	134 271	153 128	(18 858)	-12.3%	612 513
Surplus/ (Deficit) for the year	(10 003)	(4 939)	(4 939)	(22 873)	27 126	(1 235)	28 361	-2297.0%	(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. From July 2015 invoices are being sent to Provincial Departments for services rendered on behalf of them, also known as unfunded mandates. 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 28% of the year to date budget of R 575.8 million.

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

- Rental of facilities and equipment (54%): Commonage Farmers are being billed bi annually;
- Other Revenue (36%) - Council resolution to lower the tariff for consent usage resulted in less income being levied;
- Gains on disposal of PPE (29%): Disposal of the Eiland Resort still in process
- Service Charges - Water (10%): Water meters are being by passed and not all water meters are in a working condition; resulting in less revenue being billed;

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 47.3% of actual revenue billed / levied for the month. 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 resulted 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 (58%) - Due to amalgamation process less orders are being approved; resulting in less expenditure;
- Contracted Services (55%) - Due to amalgamation process less orders are being approved; resulting in less expenditure;
- Finance Charges (41%) - Finance charges are being paid during December and June. Restructuring of DBSA loans are resulting will have an impact on the finance charges;
- Other Expenditure (24%) - Due to amalgamation process less orders are being approved; resulting in less expenditure; and
- Bulk Purchases (15%) - Not all invoices are captured on the financial system.

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

- Transfer and Grants (128%) - Donations are being given by the Mayor base on discretion.

NC087 Dawid Kruiper - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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	6 222	30 286	21 050	9 236	44%	84 201
Service charges - electricity revenue	242 448	267 694	267 694	22 653	65 924	66 923	(1 000)	-1%	267 694
Service charges - water revenue	46 977	51 232	51 232	4 325	11 568	12 808	(1 240)	-10%	51 232
Service charges - sanitation revenue	27 288	26 974	26 974	2 730	7 748	6 744	1 004	15%	26 974
Service charges - refuse revenue	21 398	22 144	22 144	2 080	5 853	5 536	317	6%	22 144
Rental of facilities and equipment	9 144	8 538	8 538	422	972	2 135	(1 162)	-54%	8 538
Interest earned - external investments	1 090	600	600	145	347	150	197	131%	600
Interest earned - outstanding debtors	3 087	3 000	3 000	284	805	750	55	7%	3 000
Fines	6 800	541	541	55	145	135	9	7%	541
Licences and permits	1 566	1 583	1 583	139	440	396	44	11%	1 583
Agency services	4 111	4 307	4 307	423	1 247	1 077	170	16%	4 307
Transfers recognised - operational	69 715	73 477	73 477	500	27 682	18 369	9 313	51%	73 477
Other revenue	18 867	13 264	13 264	592	2 118	3 316	(1 198)	-36%	13 264
Gains on disposal of PPE	2 457	18 200	18 200	1 622	3 242	4 550	(1 308)	-29%	18 200
Total Revenue (excluding capital transfers and contributions)	532 820	575 755	575 755	42 192	158 378	143 939	14 439	10%	575 755
Expenditure By Type									
Employee related costs	207 690	219 953	219 953	19 176	53 740	54 988	(1 248)	-2%	219 953
Remuneration of councillors	7 962	8 621	8 621	787	2 173	2 155	18	1%	8 621
Debt impairment	6 907	5 000	5 000	-	-	1 250	(1 250)	-100%	5 000
Depreciation & asset impairment	83 349	82 680	82 680	20 670	20 670	20 670	(0)	0%	82 680
Finance charges	14 226	14 978	14 978	709	2 202	3 745	(1 542)	-41%	14 978
Bulk purchases	170 416	188 887	188 887	20 153	40 025	47 222	(7 197)	-15%	188 887
Other materials	12 603	17 937	17 937	896	1 868	4 484	(2 617)	-58%	17 937
Contracted services	7 770	7 169	7 169	563	805	1 792	(987)	-55%	7 169
Transfers and grants	785	110	110	33	63	28	35	128%	110
Other expenditure	56 454	67 178	67 178	4 891	12 724	16 794	(4 071)	-24%	67 178
Total Expenditure	568 162	612 513	612 513	67 877	134 271	153 128	(18 858)	-12%	612 513
Surplus/(Deficit)	(35 342)	(36 758)	(36 758)	(25 685)	24 107	(9 190)	33 296	-362%	(36 758)
Transfers recognised - capital	25 339	31 819	31 819	2 811	3 020	7 955	(4 935)	-62%	31 819
Surplus/(Deficit) after capital transfers & contributions	(10 003)	(4 939)	(4 939)	(22 873)	27 126	(1 235)			(4 939)
Taxation	-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation	(10 003)	(4 939)	(4 939)	(22 873)	27 126	(1 235)			(4 939)
Attributable to minorities	-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	(10 003)	(4 939)	(4 939)	(22 873)	27 126	(1 235)			(4 939)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-			-
Surplus/ (Deficit) for the year	(10 003)	(4 939)	(4 939)	(22 873)	27 126	(1 235)			(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 49% negative variance of the year-to-date budget.

NC087 Dawid Kruiper - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03

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	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	632	-	-	-	-	-	-	-	-
Vote 7 - CIVIL ENGINEERING SERVICES	9 571	-	-	-	-	-	-	-	-
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	6 182	9 290	9 290	1 684	2 805	2 322	482	21%	9 290
Total Capital Multi-year expenditure	16 385	9 290	9 290	1 684	2 805	2 322	482	21%	9 290
Single Year expenditure appropriation									
Vote 1 - MUNICIPAL MANAGER	200	1 500	1 500	-	-	375	(375)	-100%	1 500
Vote 2 - CORPORATE SERVICES	2 070	-	-	164	336	-	336	100%	-
Vote 3 - FINANCIAL SERVICES	8	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES	717	-	-	446	477	-	477	100%	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	23 929	37 799	37 799	2 345	4 588	9 450	(4 862)	-51%	37 799
Vote 7 - CIVIL ENGINEERING SERVICES	7 566	21 229	21 229	197	431	5 307	(4 876)	-92%	21 229
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	222	-	-	37	234	-	234	100%	-
Total Capital single-year expenditure	34 713	60 528	60 528	3 190	6 066	15 132	(9 066)	-60%	60 528
Total Capital Expenditure	51 098	69 818	69 818	4 874	8 870	17 454	(8 584)	-49%	69 818
Capital Expenditure - Standard Classification									
Governance and administration	3 947	22 552	22 552	164	336	5 638	(5 302)	-94%	22 552
Executive and council	577	7 614	7 614	-	-	1 904	(1 904)	-100%	7 614
Budget and treasury office	1 713	-	-	-	-	-	-	-	-
Corporate services	1 657	14 938	14 938	164	336	3 734	(3 399)	-91%	14 938
Community and public safety	149	-	-	444	457	-	457	100%	-
Community and social services	9	-	-	-	-	-	-	-	-
Sport and recreation	107	-	-	435	435	-	435	100%	-
Public safety	34	-	-	10	23	-	23	100%	-
Economic and environmental services	4 642	9 290	9 290	1 721	3 039	2 322	716	31%	9 290
Planning and development	4 404	9 290	9 290	1 721	3 039	2 322	716	31%	9 290
Road transport	238	-	-	-	-	-	-	-	-
Trading services	31 368	37 976	37 976	2 544	5 039	9 494	(4 455)	-47%	37 976
Electricity	25 063	16 747	16 747	2 345	4 588	4 187	401	10%	16 747
Water	5 916	6 877	6 877	(11)	223	1 719	(1 496)	-87%	6 877
Waste water management	389	14 352	14 352	208	208	3 588	(3 380)	-94%	14 352
Waste management	-	-	-	2	20	-	20	100%	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	40 106	69 818	69 818	4 874	8 870	17 454	(8 584)	-49%	69 818
Funded by:									
National Government	22 556	28 311	28 311	3 372	6 383	7 078	(694)	-10%	28 311
Provincial Government	2 783	3 509	3 509	-	9	877	(868)	-99%	3 509
Other transfers and grants	-	-	-	435	435	-	435	100%	-
Transfers recognised - capital	25 339	31 819	31 819	3 807	6 827	7 955	(1 128)	-14%	31 819
Internally generated funds	14 767	37 998	37 998	1 067	2 044	9 500	(7 456)	-78%	37 998
Total Capital Funding	40 106	69 818	69 818	4 874	8 870	17 454	(8 584)	-49%	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 - M03 September**

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	25 790	14 112
Consumer debtors	80 506	56 425	56 425	81 930	56 425
Other debtors	4 882	7 200	7 200	1 511	7 200
Current portion of long-term receivables	8	5	5	8	5
Inventory	14 811	6 650	6 650	5 300	6 650
Total current assets	121 566	84 392	84 392	114 538	84 392
Non current assets					
Long-term receivables	9	5	5	8	5
Investment property	205 335	224 138	224 138	217 638	224 138
Property, plant and equipment	1 578 997	1 550 033	1 550 033	1 539 482	1 550 033
Intangible assets	3 168	3 372	3 372	3 372	3 372
Total non current assets	1 787 510	1 777 548	1 777 548	1 760 501	1 777 548
TOTAL ASSETS	1 909 076	1 861 940	1 861 940	1 875 039	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	12 078	11 500
Trade and other payables	99 346	59 400	59 400	75 131	59 400
Provisions	5 417	9 750	9 750	4 600	9 750
Total current liabilities	132 687	92 123	92 123	103 123	92 123
Non current liabilities					
Borrowing	113 064	88 283	88 283	110 126	88 283
Provisions	115 147	107 854	107 854	79 397	107 854
Total non current liabilities	228 211	196 138	196 138	189 523	196 138
TOTAL LIABILITIES	360 898	288 261	288 261	292 646	288 261
NET ASSETS	1 548 178	1 573 679	1 573 679	1 582 393	1 573 679
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1 548 178	1 573 679	1 573 679	1 582 393	1 573 679
TOTAL COMMUNITY WEALTH/EQUITY	1 548 178	1 573 679	1 573 679	1 582 393	1 573 679

It should be noted with great concern that our current liabilities exceed our current assets with R 11.4 million (August 2016: R 19.8 million). The norm for the liquidity ratio is 2:1, to ensure sufficient assets (cash) is available to pay liabilities. Dawid Kruiper Municipality's ratio is: 1.11:1 (August 2016: 1.20:1). There is systematic improvement in the ratio. This will result in a going concern matter in the 2016/2017 audit report.

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 - M03 September

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	77 873	77 516	77 516	7 692	18 870	19 379	(509)	-3%	77 516
Service charges	338 111	368 044	368 044	30 807	86 984	92 011	(5 027)	-5%	368 044
Other revenue	2 059	23 233	23 233	4 305	7 464	5 808	1 656	29%	23 233
Government - operating	69 715	73 477	73 477	500	27 762	18 369	9 393	51%	73 477
Government - capital	25 339	31 819	31 819	2 811	3 020	7 955	(4 935)	-62%	31 819
Interest	4 176	3 600	3 600	429	1 152	900	252	28%	3 600
Payments									
Suppliers and employees	(479 304)	(495 495)	(495 495)	(41 625)	(125 459)	(123 874)	1 586	-1%	(495 495)
Finance charges	(785)	(14 978)	(14 978)	(709)	(2 202)	(3 745)	(1 542)	41%	(14 978)
Transfers and Grants	(14 226)	(110)	(110)	(33)	(63)	(28)	35	-128%	(110)
NET CASH FROM/(USED) OPERATING ACTIVITIES	22 958	67 106	67 106	4 178	17 528	16 776	908	5%	67 106
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	2 457	18 200	18 200	1 622	3 242	4 550	(1 308)	-29%	18 200
Decrease (increase) other non-current receivables	6	6	6	3	1	2	(1)	-45%	6
Decrease (increase) in non-current investments	-	-	-	-	(0)	-	(0)	100%	-
Payments									
Capital assets	(8 342)	(69 818)	(69 818)	(4 874)	(8 870)	(17 454)	(8 584)	49%	(69 818)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 879)	(51 611)	(51 611)	(3 249)	(5 627)	(12 903)	(7 275)	56%	(51 611)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	2 176	500	500	354	1 161	125	1 036	829%	500
Payments									
Repayment of borrowing	1 309	(9 883)	(9 883)	(1 023)	(2 938)	(2 471)	468	-19%	(9 883)
NET CASH FROM/(USED) FINANCING ACTIVITIES	3 485	(9 383)	(9 383)	(669)	(1 777)	(2 346)	(568)	24%	(9 383)
NET INCREASE/ (DECREASE) IN CASH HELD	20 564	6 112	6 112	261	10 123	1 528			6 112
Cash/cash equivalents at beginning:	(4 897)	5 000	5 000		15 667	1 250			5 000
Cash/cash equivalents at month/year end:	15 667	11 112	11 112		25 790	2 778			11 112

The municipality has a cash inflow of R 261 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 - M03 September

Description	NT Code	Budget Year 2016/17								Total
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	3 743	371	294	380	1 159	965	220	4 297	11 429
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 260	164	59	39	188	144	23	553	15 430
Receivables from Non-exchange Transactions - Property Rates	1400	5 231	464	1 723	362	728	1 282	149	8 933	18 872
Receivables from Exchange Transactions - Waste Water Management	1500	2 234	377	243	260	696	417	140	1 838	6 204
Receivables from Exchange Transactions - Waste Management	1600	1 989	572	406	363	895	501	260	4 179	9 165
Receivables from Exchange Transactions - Property Rental Debtors	1700	303	222	197	177	166	155	143	920	2 284
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	6 670	2 524	807	2 885	1 701	3 891	465	9 158	28 102
Total By Income Source	2000	34 429	4 694	3 730	4 466	5 533	7 355	1 401	29 879	91 486
2015/16 - totals only		28 929	6 355	3 932	1 347	1 712	1 104	1 115	17 445	61 941
Debtors Age Analysis By Customer Group										
Organs of State	2200	3 523	88	500	14	61	7	7	522	4 723
Commercial	2300	15 254	491	933	303	189	193	185	5 622	23 170
Households	2400	13 973	2 775	2 162	1 811	1 844	2 070	1 123	21 997	47 755
Other	2500	1 679	1 339	136	2 337	3 439	5 085	85	1 738	15 838
Total By Customer Group	2600	34 429	4 694	3 730	4 466	5 533	7 355	1 401	29 879	91 486

The total outstanding debtors for September 2016 are R 91.5 million and R 61.9 million for September 2015. 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 debtor department must ensure that all outstanding debt of employees are collected and monitored.

No hand over of debtors was done during the month of September 2016.

5.2 Additional debtors information

5.2.1 Payment level

Collection Rates (payment levels) reflect the total income collected for the period 18 August 2016 - 17 September 2016. The budgeted collection rate is 98%, thus any collection rate below 98% will therefore results 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	667 366	477 688	17 438	210 898	706 025	72%	106%	(38 658)	(1 195)	704 829	106%
Ward 2	639 578	531 413	-	175 064	706 477	83%	110%	(66 899)	(6 192)	700 285	109%
Ward 3	793 222	1 244 473	10 561	94 045	1 349 079	157%	170%	(555 856)	(3 590)	1 345 489	170%
Ward 4	3 354 393	4 649 992	1 313 602	107 506	6 071 101	139%	181%	(2 716 708)	(1 489)	6 069 612	181%
Ward 5	735 744	790 949	5 274	104 497	900 720	108%	122%	(164 977)	(6 160)	894 560	122%
Ward 6	470 965	369 545	3 855	98 559	471 959	78%	100%	(994)	(28)	471 931	100%
Ward 7	1 687 318	1 850 203	3 222	75 371	1 928 795	110%	114%	(241 478)	2 568	1 931 363	114%
Ward 8	10 879 588	14 386 159	18 340	45 736	14 450 235	132%	133%	(3 570 646)	(1 982 090)	12 468 144	115%
Ward 9	5 113 077	6 259 910	-	7 592	6 267 502	122%	123%	(1 154 425)	7 444	6 274 946	123%
Ward 10	1 286 579	1 368 809	1 940	157 641	1 528 390	106%	119%	(241 811)	1 869	1 530 259	119%
Ward 11	1 942 906	2 640 879	452 966	37 727	3 131 572	136%	161%	(1 188 666)	(76 310)	3 055 263	157%
Ward 12	575 108	648 731	847	48 000	697 578	113%	121%	(122 470)	(50 705)	646 873	112%
Ward 13	1 721 962	2 028 178	-	96 760	2 124 938	118%	123%	(402 975)	17 553	2 142 491	124%
Ward 14	200 891	306 633	736	29 079	336 447	153%	167%	(135 557)	(10 695)	325 752	162%
Not specified	1 598 711	1 448 260	18 771	1 329	1 468 360	91%	92%	130 351	(1 068 961)	399 399	25%
Total	31 667 409	39 001 821	1 847 554	1 289 803	42 139 178	123%	133%	(10 471 769)	(3 177 981)	38 961 197	123%

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	6 734 605	18 818 354	-	219 813	19 038 166	279%	283%	(12 303 561)	(8 022 627)	11 015 540	164%
Electricity	15 016 397	12 816 428	1 479 735	102	14 296 264	85%	95%	720 133	(28 943)	14 267 321	95%
Water	3 728 833	3 022 441	347 417	142 209	3 512 067	81%	94%	216 766	(12 777 085)	(9 265 018)	-248%
Sewage	2 682 955	1 977 686	10 998	400 907	2 389 591	74%	89%	293 364	11 133 133	13 522 724	504%
Refuse Removal	2 320 382	1 606 959	9 002	462 788	2 078 749	69%	90%	241 633	6 080 999	8 159 748	352%
Other	1 184 237	759 954	402	63 985	824 341	64%	70%	359 896	436 542	1 260 884	106%
Total	31 667 409	39 001 821	1 847 554	1 289 803	42 139 178	123%	133%	(10 471 769)	(3 177 981)	38 961 197	123%

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	1 424 415	1 440 977	76	1 763	1 442 816	101%	101%	(18 400)	5 938	1 448 754	102%
Middelpos	1 200 592	1 644 573	-	1 544	1 646 117	137%	137%	(445 525)	3 907	1 650 024	137%
Oosterville	1 540 510	1 785 844	-	1 983	1 787 828	116%	116%	(247 317)	1 850	1 789 677	116%
Blydeveld	680 314	663 160	76	34	663 270	97%	97%	17 044	(4 268)	659 002	97%
Akademia	386 317	430 354	-	8 695	439 049	111%	114%	(52 733)	(385)	438 664	114%
Florapark	446 557	1 191 132	-	2 262	1 193 394	267%	267%	(746 837)	(289 435)	903 959	202%
Die Rand	3 111 048	3 497 373	155	3 223	3 500 752	112%	113%	(389 704)	(201 537)	3 299 215	106%
Town Centre / Business Area	6 038 615	7 050 461	15 485	7 682	7 073 628	117%	117%	(1 035 012)	28 063	7 101 691	118%
Riverside	1 489 457	4 742 415	3 629	10 922	4 756 966	318%	319%	(3 267 510)	(734)	4 756 232	319%
Progress	965 384	998 243	14 067	226 553	1 238 863	103%	128%	(273 479)	2 651	1 241 513	129%
Bellvue	466 921	701 753	-	29 048	730 801	150%	157%	(263 880)	(2 703)	728 097	156%
Morning Glory	502 957	460 589	-	113 631	574 221	92%	114%	(71 263)	(6 119)	568 102	113%
Rosedale	1 101 906	1 031 857	19 011	374 609	1 425 477	94%	129%	(323 570)	(281)	1 425 196	129%
Paballelo	1 393 222	1 187 663	7 077	270 765	1 465 505	85%	105%	(72 283)	(12 370)	1 453 135	104%
Dakotaweg	48 953	30 372	-	18 839	49 211	62%	101%	(257)	45	49 256	101%
Kameelmond / Lemoendraai	136 097	142 169	193	5 574	147 936	104%	109%	(11 839)	(314)	147 622	108%
Industrial Areas	4 270 251	5 881 487	22 398	-	5 903 885	138%	138%	(1 633 634)	(1 483 975)	4 419 910	104%
Commonage	2 604 686	1 079 372	1 743 720	-	2 823 093	41%	108%	(218 406)	(1 009 948)	1 813 144	70%
Karos	48 032	3 066	496	11 986	15 547	6%	32%	32 485	-	15 547	32%
Lambrechtsdrift	23 240	1 221	-	5 292	6 512	5%	28%	16 728	-	6 512	28%
Leerkrans	30 441	42 912	240	11 908	55 060	141%	181%	(24 619)	(3 093)	51 967	171%
Raaswater	130 598	19 575	847	24 727	45 150	15%	35%	85 448	1	45 151	35%
Sesbrugge / Klippunt	72 773	31 488	-	-	31 488	43%	43%	41 285	172	31 659	44%
Kalksloot	103 457	58 714	142	27 365	86 221	57%	83%	17 235	74	86 295	83%
Louisvale Dorp	669 657	636 474	76	12 540	649 089	95%	97%	20 568	880	649 969	97%
Leseding	2 071	587	-	799	1 386	28%	67%	685	-	1 386	67%
Ntsekelelo	(494)	1	-	-	1	0%	0%	(494)	(0)	1	0%
Louisvaleweg	427 009	440 448	5 274	116 094	561 816	103%	132%	(134 807)	(131)	561 685	132%
Uppington Farming Areas	264 730	240 316	150	1 965	242 430	91%	92%	22 300	(7 320)	235 110	89%
Gordonia Farming Areas	703 655	1 918 627	-	-	1 918 627	273%	273%	(1 214 972)	(154 870)	1 763 757	251%
Karos Farming Areas	34 583	123 455	-	-	123 455	357%	357%	(88 872)	(9 624)	113 831	329%
Kenhart Farming Areas	471 619	711 902	-	-	711 902	151%	151%	(240 283)	(50 062)	661 840	140%
Olyvenhoutsdrift Farming Areas	602 992	702 754	14 442	-	717 196	117%	119%	(114 204)	(4 232)	712 964	118%
Vaalkoppies Farming Areas	29 487	46 932	-	-	46 932	159%	159%	(17 446)	-	46 932	159%
Melkstroam	76	0	-	-	0	0%	0%	76	-	0	0%
Not specified	245 282	63 557	-	-	63 557	26%	26%	181 725	19 840	83 397	34%
Total	31 667 409	39 001 821	1 847 554	1 289 803	42 139 178	123%	133%	(10 471 769)	(3 177 981)	38 961 197	123%

5.2.2 Debtor arrear summaries

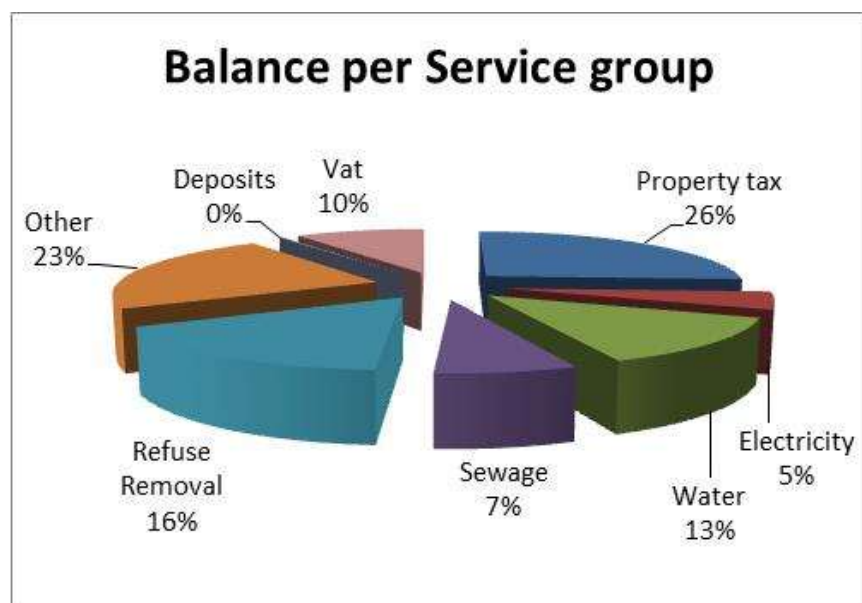
The arrear summaries that follow are not prescriptive in terms of the MFMA or the MBRR. They are included to provide further information on debtors arrears based on various classifications.

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	885 027	392 758	1 652 583	209 768	9 321 160	12 461 296	(9 021 554)	26%
Electricity	1 758 773	98 975	40 106	31 687	455 696	2 385 238	(11 972)	5%
Water	667 938	327 997	249 527	246 441	4 806 646	6 298 550	(127 908)	13%
Sewage	606 867	299 222	203 539	174 317	2 126 932	3 410 877	(17 600)	7%
Refuse Removal	752 840	496 886	336 219	290 545	6 102 508	7 978 998	(18 077)	17%
Other	1 829 378	1 098 589	649 254	489 031	6 861 939	10 928 192	(66 577)	23%
Deposits	33 330	11 373	3 056	-	53 485	101 244	(1 141)	0%
Vat	682 391	276 817	209 548	161 093	3 297 680	4 627 529	(31 373)	10%
Total	7 216 545	3 002 617	3 343 832	1 602 882	33 026 047	48 191 923	(9 296 204)	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	267 140	53 735	38 208	15 690	80 752	455 526	(327 610)	188 386	41%	0%
Middelpos	187 354	78 697	33 285	4 853	34 627	338 816	(187 673)	151 462	45%	0%
Oosterville	164 866	28 232	55 015	8 219	23 817	280 149	(179 685)	115 284	41%	0%
Blydeveld	112 912	49 350	19 306	16 312	593 871	791 752	(163 162)	678 840	86%	2%
Akademia	234 556	147 704	157 654	66 895	626 284	1 233 093	(42 954)	998 537	81%	2%
Florapark	80 440	21 452	41 366	7 968	31 796	183 021	(386 467)	102 581	56%	0%
Die Rand	187 543	52 421	61 834	21 314	96 757	419 868	(406 865)	232 325	55%	1%
Town Centre / Business Area	473 175	80 751	47 855	83 028	551 895	1 236 704	(532 167)	763 529	62%	2%
Riverside	932 414	98 255	74 618	34 299	2 054 023	3 193 610	(172 095)	2 261 196	71%	6%
Progress	324 509	174 315	188 607	115 922	1 689 711	2 493 065	(114 037)	2 168 556	87%	5%
Bellvue	87 328	38 501	31 417	17 000	177 180	351 426	(38 035)	264 098	75%	1%
Morning Glory	187 152	83 604	84 305	67 827	671 741	1 094 629	(34 746)	907 477	83%	2%
Rosedale	641 894	354 602	285 321	243 322	2 795 011	4 320 151	(289 042)	3 678 257	85%	9%
Paballelo	805 582	491 963	520 363	360 369	4 774 151	6 952 428	(216 936)	6 146 846	88%	15%
Dakotaweg	17 741	7 573	3 829	2 442	62 977	94 561	(9 814)	76 820	81%	0%
Kameelmond / Lemoendraai	33 698	17 174	42 986	8 827	90 638	193 323	(23 599)	159 625	83%	0%
Industrial Areas	228 643	402 941	31 433	27 420	651 277	1 341 714	(3 215 900)	1 113 071	83%	3%
Commonage	1 086 333	3 305	24 765	3 679	121 142	1 239 223	(82 750)	152 891	12%	0%
Karos	47 630	49 328	59 885	40 243	737 105	934 191	(1 246)	886 561	95%	2%
Lambrechtsdrift	24 343	23 632	21 331	21 357	512 348	603 010	(557)	578 667	96%	1%
Leerkrans	20 690	19 812	18 113	32 559	377 343	468 517	(35 945)	447 827	96%	1%
Raaswater	147 612	130 475	114 663	116 085	2 138 813	2 647 648	(7 160)	2 500 036	94%	6%
Sesbrugge / Klippunt	9 229	43 690	406	661	2 307	56 293	(96 841)	47 063	84%	0%
Kalksloot	65 253	103 562	38 648	35 869	462 195	705 526	(10 358)	640 274	91%	2%
Louisvale Dorp	38 209	14 130	10 516	32 650	231 991	327 495	(9 252)	289 286	88%	1%
Leseding	1 584	1 246	6 850	960	7 209	17 849	(200)	16 265	91%	0%
Ntsekelelo	417	372	329	223	901	2 243	-	1 825	81%	0%
Louisvaleweg	232 426	135 063	93 463	77 331	1 166 302	1 704 585	(52 675)	1 472 160	86%	4%
Uppington Farming Areas	63 729	39 057	5 476	2 351	15 960	126 574	(27 594)	62 845	50%	0%
Gordonia Farming Areas	183 593	168 886	800 175	104 268	6 683 297	7 940 219	(1 443 881)	7 756 626	98%	19%
Karos Farming Areas	23 905	11 637	192 486	9 326	410 819	648 172	(32 394)	624 268	96%	2%
Kenhart Farming Areas	52 563	20 015	103 654	8 165	113 456	297 853	(31 485)	245 289	82%	1%
Olyvenhoutsdrift Farming Areas	133 025	49 135	72 867	6 468	76 789	338 283	(102 787)	205 259	61%	1%
Vaalkoppies Farming Areas	8 891	8 002	38 514	8 979	174 720	239 106	(91 138)	230 215	96%	1%
Melkstroom	86	-	-	-	-	86	-	-	0%	0%
Not specified	110 080	0	24 290	0	4 786 841	4 921 212	(929 155)	4 811 132	98%	12%
Total	7 216 545	3 002 617	3 343 832	1 602 882	33 026 047	48 191 923	(9 296 204)	40 975 378	85%	100%

The table indicates the total outstanding debt per suburb; this includes current and outstanding debt in access of 1 year. The table below summarises the 30 highest consumer accounts based on the outstanding debt in access of 30 days. As at 30 September 2016 the 30 highest accounts represent R 9.5 million or 23.3% (September 2015: R 5.8 million or 20.4%) of all arrear accounts in access of 31 days.

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

Account no	Name	Account group	Ward	Current	31 - 60 days	61 - 90 days	91 - 120 days	120 days +	Total	31 - 120 days +
0115805	GORDONIA RD	DOMESTIC	0	-	-	-	-	3 419 010	3 419 010	3 419 010
010021936000008	EIMAN,G		0 11	17 647	18 155	18 077	16 568	1 911 505	1 981 953	1 964 306
100720959993	DART PLANT SERVICES CC	INDUSTRY	8	6 376	6 345	5 970	5 942	382 725	407 359	400 983
0121013	ASKHAM KAMEELDUIN KLEINVEE BOERE COMMUNAL PROPERTY	BUSINESS	0	-	-	-	-	313 440	313 440	313 440
230000058000008	MOHLOTSANA,MAMOKEBE	DOMESTIC	12	6 954	6 913	6 492	6 456	284 680	311 494	304 541
010014977001012	SHOW TIME MEDIA	BUSINESS	8	8 135	8 084	7 967	7 918	273 377	305 480	297 346
0115771	RIETFONTEIN 801999139	DOMESTIC	0	-	-	-	-	186 643	186 643	186 643
010020063000018	KALIYAMURTHY,SURESH	DOMESTIC	8	282	179 343	-	-	-	179 625	179 343
010020064000011	KALIYAMURTHY,SURESH	DOMESTIC	8	282	179 343	-	-	-	179 625	179 343
141020520005	SIYAVUKA LAUNDRY AND DRY CLEANING PRIMARY PTY(LTD)	BUSINESS	7	7 518	6 649	4 568	5 144	162 928	186 808	179 289
0116208	ASKHAM SCHOOL SITE 143000	BUSINESS	0	-	-	-	-	177 572	177 572	177 572
0121020	BLINK BELEG TWAALF PTY LTD	BUSINESS	0	-	-	-	-	156 720	156 720	156 720
310251023000009	REP VAN SUID-AFRIKA	National: Public Works	11	749	749	44 743	749	98 782	145 771	145 022
100362639998	DART PLANT SERVICES CC	INDUSTRY	8	1 787	1 780	1 687	1 680	134 366	141 301	139 514
0003109	PAGE (GROOT MIER WINKELKOMPLEKS),CHARL H	MUNICIPAL	0	18 679	-	12 298	-	125 957	156 934	138 256
310326000000003	MIER MUNISIPALITEIT	OTHER	11	4 828	4 795	4 477	4 447	99 866	118 414	113 586
310251094000001	MIER MUNISIPALITEIT	OTHER	11	4 663	4 630	4 323	4 294	95 027	112 936	108 274
010001791000011	COMMISSION FOR CHILDREN	BUSINESS	8	2 006	1 996	1 878	1 868	99 702	107 451	105 444
310251015000008	MIER MUNISIPALITEIT	OTHER	11	4 468	4 437	4 142	4 114	91 000	108 162	103 694
030325919956	NORTHERN CAPE RURAL FET COLLEGE	National: Basic Education	9	67 183	13 055	89 291	-	-	169 529	102 346
310251021000003	REP VAN SUID-AFRIKA	OTHER	11	4 322	4 292	4 008	3 980	88 230	104 833	100 510
310251020000008	REP VAN SUID-AFRIKA	OTHER	11	4 287	4 257	3 974	3 948	87 538	104 004	99 717
310251112000014	REP VAN SUID-AFRIKA	DOMESTIC	11	4 081	4 052	3 783	3 757	80 730	96 404	92 323
310251104000005	B&S MARITZ FAMILIE TRUST	OTHER	11	360	360	45 866	360	45 092	92 039	91 678
310373000000018	REP VAN SUID-AFRIKA	National: Public Works	11	423	423	27 829	423	55 258	84 355	83 932
310251077000006	THEUNIS JACOBS FAMILIE TRUST	OTHER	11	4 289	4 259	3 972	3 944	71 602	88 067	83 777
010012943001029	DAWID KRUIPER MUNISIPALITEIT	MUNICIPAL	13	5 741	6 029	7 057	11 755	53 524	84 107	78 366
170061010000	SEPTEMBER,FRANK,MATTHEWS	DOMESTIC	5	1 347	1 354	737	1 282	65 324	70 045	68 698
0007518	MOLOPO KALAHARI LODGE,JEAN LAMBRECHT	BUSINESS	0	1 909	-	-	-	64 016	65 925	64 016
310178000000004	FJ VAN ZYL & SEUNS BOERDERY PTY LTD	OTHER	11	3 360	3 336	3 111	3 109	54 034	66 951	63 590

Section 6 - Creditors' analysis

6.1 Supporting Table C4

NC087 Dawid Kruiper - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	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		
R thousands												
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	9 537	2 938	2 134	1 262	2	1	-	3 385	19 259	40 998	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	7 317	-	-	-	-	-	-	-	7 317	7 178	
Total By Customer Type	1000	16 855	2 938	2 134	1 262	2	1	-	3 385	26 577	48 176	

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 September 2016 are R 26.6 million and R 48.2 million for September 2015. This implicates a decrease of R 21.6 million. The municipality should ensure that the non-payment of creditors do not result in the local businesses being left bankrupt and therefore work losses within Dawid Kruiper Municipality and local communities.

Non-payment of creditors can also result in creditors levying interest and possibly taking legal actions against the municipality, therefore resulting in additional legal costs. Furthermore local creditors might refuse to deliver a service to the municipality, thus resulting 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 30 September 2016 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 - M03 September

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>					
//Khara Hais	Savings	0	25	-	25
//Khara Hais	Call Account	-	-	-	-
//Khara Hais	Smart Rate on Call	90	9 601	-	19 145
Minus: Investments qualifying as cash and cash equivalents		-	(9 626)	-	(19 170)
Municipality sub-total		90	-	-	-
<u>Entities</u>					
Entities sub-total		-	-	-	-
TOTAL INVESTMENTS AND INTEREST		90	-	-	-

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 7.6 million. Grants to the value of R 11.5 million were received during September 2016 and expenditure of R 3.3 million was transferred to revenue. Therefore, unspent conditional grants amounted to R 16.4 million and unpaid grants to R 665 thousand. It should be noted that our unspent grants were cash backed as at 30 September 2016.

GRANT REGISTER FROM 1 SEPTEMBER 2016 - 30 SEPTEMBER 2016						
Account	Description	Opening Balance - 1 September 2016	Total Received	Expenditure Transferred to Revenue	Correction / Withheld	Closing Balance - 30 September 2016
NDR100	Township Establishment (COGHSTA)	(2 925 281)	-	-	-	(2 925 281)
NDR102	Cultural Festival	(39 204)	-	-	-	(39 204)
NDR104	EPWP - DoRA Allocation	(170 916)	(500 000)	172 304	-	(498 612)
NDR105	Department of Water Affairs (DWA)	(7 206)	-	9 918	-	2 712
NDR11	Amalgamation Grant	(2 686 000)	-	-	-	(2 686 000)
NDR1605	Finance Management Grant (FMG)	(3 635 000)	-	25 155	-	(3 609 845)
NDR49	Municipal Infrastructure Grant (MIG)	2 552 802	(11 004 000)	3 103 987	-	(5 347 211)
NDR59	Housing Accreditation	(650 000)	-	-	-	(650 000)
NDR86	Energy Efficiency Demand Management	(0)	-	-	-	(0)
NDR87	National Lotteries Board	(672 339)	-	-	-	(672 339)
NDR92	Extended Public Works Programme (EPWP)	662 079	-	-	-	662 079
Total (Unspent) / Unpaid Grants		(7 571 065)	(11 504 000)	3 311 364	-	(15 763 701)

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

9.1 Supporting Table C8

Employee related costs for the year ended 30 September 2016 is set out below.

EMPLOYEE RELATED COSTS FOR THE MONTH ENDED 30 SEPTEMBER 2016					
National Treasury Line Item	2016/2017 Original Budget	2016/2017 Year to Date	September 2016	September 2016 as % of Original Budget	Year to Date as % of Original Budget
Bargaining Council Contribution	73 363	18 179	6 044	8%	25%
Bonus	10 428 579	130 924	103 247	1%	1%
Contributions to Medical Aid	12 275 099	3 149 494	1 054 700	9%	26%
Contributions to Pension	23 853 744	6 256 698	2 193 860	9%	26%
Contributions to UIF	1 274 487	320 759	114 142	9%	25%
Contributions to WCA	1 503 160	—	—	0%	0%
Group Life Insurance	1 486 479	387 043	130 980	9%	26%
Housing Benefits	1 796 158	395 144	141 044	8%	22%
Less: Employee Costs Capitalised	(984 771)	(162 592)	(81 296)	8%	17%
Overtime	13 760 665	3 775 560	1 412 233	10%	27%
Performance Bonus	1 102 400	—	—	0%	0%
Salaries and Wages	143 104 353	36 201 887	12 858 255	9%	25%
Training Levies	1 754 487	456 492	157 297	9%	26%
Travel, Motor car, Accom & Other allowances	8 525 251	2 810 661	1 085 310	13%	33%
TOTAL OVERTIME	219 953 454	53 740 248	19 175 816	9%	24%

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 September 2016 is 42.3% (Year to date: 49.2%) and employee related cost as a percentage of total revenue for September 2016 is 47.3% (Year to date: 35.3%). It should be noted that expenditure is being limited due to the amalgamation process and will therefore be less, resulting in a higher ratio. 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 Kruijer Municipality's ratio is 72.5% for September 2016 (Year to date: 75.5%). If the excess year to date percentage is expressed as an amount the actual figure will be R 6.2 million for September 2016 (Year to date: R 18.9 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.

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 September 2016 was R 1.4 million (August 2016: R 1.2 million). Overtime performed by parks, electricity department and civil services could be part of employee cost capitalised - refer to table C8, page 28.

OVERTIME FOR THE MONTH ENDED 30 SEPTEMBER 2016					
National Treasury Line Item	2016/2017 Original Budget	2016/2017 Year to Date	September 2016	September 2016 as % of Original Budget	Year to Date as % of Original Budget
Administration	325 743	64 973	8 703	3%	20%
Libraries	3 564	1 385	1 385	39%	39%
Financial Services	330 035	76 459	22 815	7%	23%
Municipal Manager	14 076	–	–	0%	0%
Housing and Development	3 307	–	–	0%	0%
Traffic Services	415 050	125 226	44 718	11%	30%
Fire Brigade Services	931 947	199 627	70 251	8%	21%
Security Services	1 142 864	147 455	60 762	5%	13%
Sanitation Services	831 045	249 466	113 302	14%	30%
Refuse Removal Services	1 687 253	377 978	138 714	8%	22%
Vacuum Tank Services	32 112	11 837	4 058	13%	37%
Primary Health Care	13 408	–	–	0%	0%
Information Technology	132 128	24 532	6 071	5%	19%
Streets and Storm water drainage Workshop	898 276	283 876	111 850	12%	32%
Sewerage Purification Plant	437 481	156 847	82 966	19%	36%
Building Construction Unit	–	5 682	3 156	100%	100%
Sewerage Distribution Networks	1 000 135	340 275	122 873	12%	34%
Parks	544 951	45 686	15 833	3%	8%
Island Holiday Resort	519 035	123 038	48 462	9%	24%
Swimming Pools	224 307	4 934	1 424	1%	2%
Sport Grounds	120 590	27 909	8 283	7%	23%
Cemetries	161 783	18 369	8 448	5%	11%
Electricity Administration	43 873	2 232	–	0%	5%
Electricity Maintenance	332 544	88 897	36 879	11%	27%
Electricity Distribution	649 575	254 855	108 097	17%	39%
Water Production	929 499	277 780	78 437	8%	30%
Water Distribution	1 871 994	608 408	207 328	11%	33%
Client Services	1 139	–	–	0%	0%
Community Services and Overtime	–	38 972	21 223	-100%	-100%
Sundry Donations / Projects	–	2 143	2 143	-100%	-100%
Parks: Temporary Workers	17 325	–	–	0%	0%
Refuse Removal - Temporary	–	194 338	75 758	0%	-100%
TOTAL OVERTIME	13 760 665	3 775 560	1 412 233	10%	27%

Section 10 - Capital programme performance

10.1 Supporting Table C12**NC087 Dawid Kruiper - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September**

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	-	8 870	23 273	14 402	61.9%	13%
November	1 129	5 818	5 818	-	8 870	29 091	20 220	69.5%	13%
December	720	5 818	5 818	-	8 870	34 909	26 039	74.6%	13%
January	427	5 818	5 818	-	8 870	40 727	31 857	78.2%	13%
February	1 396	5 818	5 818	-	8 870	46 545	37 675	80.9%	13%
March	1 446	5 818	5 818	-	8 870	52 363	43 493	83.1%	13%
April	3 588	5 818	5 818	-	8 870	58 181	49 311	84.8%	13%
May	9 185	5 818	5 818	-	8 870	64 000	55 129	86.1%	13%
June	30 083	5 818	5 818	-	8 870	69 818	60 948	87.3%	13%
Total Capital expenditure	51 392	69 818	69 818	8 870					

The municipality spent 13% of the 2016/2017 original capital budget.

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.

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 - Q1 First Quarter

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Budget Year 2016/17
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	28 411	36 514	36 514	6 898	6 898	9 128	714	7.8%	36 514
Infrastructure - Road transport	1 819	171	171	2 193	2 193	43	(2 150)	-5039.2%	171
<i>Roads, Pavements & Bridges</i>	1 819	171	171	2 193	2 193	43	(2 150)	-5039.2%	171
Infrastructure - Electricity	19 375	16 697	16 697	4 588	4 588	4 174	(413)	-9.9%	16 697
<i>Transmission & Reticulation</i>	19 375	16 697	16 697	4 588	4 588	4 174	(413)	-9.9%	16 697
Infrastructure - Water	5 199	5 877	5 877	118	118	1 469	1 352	92.0%	5 877
<i>Dams & Reservoirs</i>	5			-	-	-	-		
<i>Reticulation</i>	5 193	5 877	5 877	118	118	1 469	1 352	92.0%	5 877
Infrastructure - Sanitation	332	13 769	13 769	-	-	3 442	3 442	100.0%	13 769
<i>Reticulation</i>	332	13 769	13 769	-	-	3 442	3 442	100.0%	13 769
Infrastructure - Other	1 686	-	-	-	-	-	-	-	-
<i>Other</i>	1 686			-	-	-	-		
Community	2 674	9 119	9 119	868	868	2 280	1 412	61.9%	9 119
<i>Parks & gardens</i>	1 633	5 813	5 813	502	502	1 453	951	65.5%	5 813
<i>Sportsfields & stadia</i>	1 041	3 306	3 306	366	366	826	460	55.7%	3 306
<i>Recreational facilities</i>	-	-	-	-	-	-	-		-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	2 481	1 550	1 550	117	117	388	271	69.8%	1 550
<i>Specialised vehicles</i>	-	-	-	-	-	-	-		-
<i>Plant & equipment</i>	268	1 000	1 000	18	18	250	232	92.9%	1 000
<i>Computers - hardware/equipment</i>	299			81	81	-	(81)	#DIV/0!	
<i>Furniture and other office equipment</i>	870			18	18	-	(18)	#DIV/0!	
<i>Other Buildings</i>	474			-	-	-	-		
<i>Other Land</i>	571			-	-	-	-		
<i>Other</i>	-			-	-	-	-		
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<i>Computers - software & programming</i>	-			-	-	-	-		
Total Capital Expenditure on new assets	33 566	47 183	47 183	7 883	7 883	11 796	3 912	33.2%	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 - M03 September

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	224	285	1 687	1 401	83.1%	6 747
Infrastructure - Road transport	27	-	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	27	-	-	-	-	-	-	-	-
Infrastructure - Electricity	5 688	6 164	6 164	-	-	1 541	1 541	100.0%	6 164
<i>Transmission & Reticulation</i>	5 688	6 164	6 164	-	-	1 541	1 541	100.0%	6 164
Infrastructure - Water	581	-	-	16	77	-	(77)	100.0%	-
<i>Reticulation</i>	581	-	-	16	77	-	(77)	100.0%	-
Infrastructure - Sanitation	57	583	583	208	208	146	(63)	-42.9%	583
<i>Reticulation</i>	36	133	133	-	-	33	33	100.0%	133
<i>Sewerage purification</i>	21	450	450	208	208	113	(96)	-85.3%	450
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Community	-	-	-	435	435	-	(435)	100.0%	-
Sportsfields & stadia	-	-	-	435	435	-	(435)	100.0%	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	187	15 888	15 888	92	267	3 972	3 705	93.3%	15 888
General vehicles	-	10 525	10 525	-	-	2 631	2 631	100.0%	10 525
Specialised vehicles	-	3 509	3 509	-	-	877	877	100.0%	3 509
Plant & equipment	2	354	354	-	-	89	89	100.0%	354
Computers - hardware/equipment	99	-	-	90	255	-	(255)	100.0%	-
Furniture and other office equipment	80	-	-	2	13	-	(13)	100.0%	-
Other Buildings	6	-	-	-	-	-	-	-	-
Other	-	1 500	1 500	-	-	375	375	100.0%	1 500
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	6 540	22 635	22 635	751	987	5 659	4 672	82.6%	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.

NC087 Dawid Kruiper - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03
September

Description	2015/16	Budget Year 2015/16							
	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	127	368	1 974	1 606	81.3%	7 895
Infrastructure - Road transport	735	1 032	1 032	49	97	258	161	100.0%	1 032
<i>Roads, Pavements & Bridges</i>	295	1 032	1 032	26	51	258	207	-6.1%	1 032
<i>Storm water</i>	440			22	46	-	(46)	-6.1%	
Infrastructure - Electricity	982	3 201	3 201	46	168	800	(168)	79.0%	3 201
<i>Transmission & Reticulation</i>	982	3 201	3 201	46	168	800	632	79.0%	3 201
Infrastructure - Water	739	1 980	1 980	31	99	495	396	79.9%	1 980
<i>Dams & Reservoirs</i>	25			0	0	-	(0)	100.0%	
<i>Reticulation</i>	714	1 980	1 980	31	99	495	396	80.0%	1 980
Infrastructure - Sanitation	358	1 635	1 635	0	4	409	405	99.1%	1 635
<i>Reticulation</i>	355	176	176	0	4	44	40	91.9%	176
<i>Sewerage purification</i>	4	1 460	1 460	-	-	365	365	100.0%	1 460
Infrastructure - Other	15	48	48	-	-	12	12	100.0%	48
<i>Waste Management</i>	-	38	38	-	-	9	9	100.0%	38
<i>Other</i>	15	10	10	-	-	3	3	100.0%	10
Community	228	1 486	1 486	41	97	371	275	73.9%	1 486
Parks & gardens	98	284	284	21	45	71	26	36.9%	284
Sportsfields & stadia	103	218	218	4	36	55	19	34.1%	218
Swimming pools	-	126	126	-	-	31	31	100.0%	126
Libraries	-	38	38	-	-	10	10	100.0%	38
Recreational facilities	22	471	471	16	16	118	102	86.5%	471
Fire, safety & emergency	-	257	257	-	-	64	64	100.0%	257
Security and policing	-	40	40	-	-	10	10	100.0%	40
Clinics	-	25	25	-	-	6	6	100.0%	25
Cemeteries	5	26	26	-	-	7	7	100.0%	26
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	9 545	8 634	8 634	729	1 403	2 158	756	35.0%	8 634
General vehicles	7 302	6 495	6 495	465	937	1 624	686	42.3%	6 495
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	659	85	85	151	191	21	(170)	-795.6%	85
Computers - hardware/equipment	139	363	363	2	30	91	61	67.2%	363
Other Buildings	1 123	1 075	1 075	82	214	269	55	20.4%	1 075
Other	321	615	615	29	31	154	123	80.0%	615
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	12 603	17 937	17 937	896	1 868	4 484	2 617	58.4%	17 937

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 - M03 September

Description	Budget Year 2016/17											
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome
Cash Receipts By Source												
Property rates	3 115	8 064	7 692	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	20 620	20 175	22 029	-	-	-	-	-	-	-	-	-
Service charges - water revenue	3 395	3 238	3 989	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2 479	2 516	2 719	-	-	-	-	-	-	-	-	-
Service charges - refuse	1 951	1 804	2 071	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	255	295	422	-	-	-	-	-	-	-	-	-
Interest earned - external investments	83	119	145	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	250	271	284	-	-	-	-	-	-	-	-	-
Fines	42	48	54	-	-	-	-	-	-	-	-	-
Licences and permits	142	164	140	-	-	-	-	-	-	-	-	-
Agency services	393	431	423	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	9 272	17 990	500	-	-	-	-	-	-	-	-	-
Other revenue	361	1 028	3 265	-	-	-	-	-	-	-	-	-
Cash Receipts by Source	42 357	56 142	43 734	-	-	-	-	-	-	-	-	-
Other Cash Flows by Source												
Transfer receipts - capital	-	208	2 811	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	341	1 279	1 622	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	161	646	354	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	0	(3)	3	-	-	-	-	-	-	-	-	-
Change in non-current investments	(0)	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	42 859	58 272	48 525	-	-	-	-	-	-	-	-	-
Cash Payments by Type												
Employee related costs	17 525	17 037	19 174	-	-	-	-	-	-	-	-	-
Remuneration of councillors	664	726	789	-	-	-	-	-	-	-	-	-
Interest paid	708	785	709	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	(2)	19 874	19 666	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	487	-	-	-	-	-	-	-	-	-
Other materials	185	765	896	-	-	-	-	-	-	-	-	-
Contracted services	102	140	563	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	26	5	33	-	-	-	-	-	-	-	-	-
General expenses	31 845	(830)	409	-	-	-	-	-	-	-	-	-
Cash Payments by Type	51 052	38 501	42 725	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments by Type												
Capital assets	365	3 631	4 874	-	-	-	-	-	-	-	-	-
Repayment of borrowing	968	947	1 023	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	(3 766)	(429)	(359)	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	48 620	42 649	48 264	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(5 761)	15 623	261	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the monthly/year beginning:	15 667	9 906	25 529	25 790	25 790	25 790	25 790	25 790	25 790	25 790	25 790	25 790
Cash/cash equivalents at the monthly/year end:	9 906	25 529	25 790	25 790	25 790	25 790	25 790	25 790	25 790	25 790	25 790	25 790

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 123.1 million. This amount includes instalments payable within one year (current borrowings). An instalment to the value of R 1.0 million was paid during September 2016. The amount is for both interest and capital. Therefore, non-current borrowings amounted to R 123.1 million at 30 September 2016.

EXTERNAL LOANS	OPENING BALANCE 01/09/2016	MONTHLY INSTALMENT	ACCRUED INTEREST	NEW LOANS TAKEN-UP	CLOSING BALANCE 31/09/2016
SBSA-VOERTUIG	3 021 424	591 447	-	-	2 429 977
SBSA- INFRASTRUKTUUR	42 554 134	-	-	-	42 554 134
Development Bank of South Africa Loan 101 / 61003172	7 835 487	89 705	-	-	7 745 782
Development Bank of South Africa NC102952.3 / 61000766	371 376	42 850	-	-	328 526
Development Bank of South Africa NC102952.1 / 61000764	39 439 975	94 561	-	-	39 345 414
Development Bank of South Africa NC102952.2 / 61000765	29 240 675	204 731	-	-	29 035 944
Development Bank of South Africa NC102356 Prepaid Meters	686 251	-	-	-	686 251
TOTAL	123 149 322	1 023 294	-	-	122 126 028

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 September 2016 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)

12 October 2016

