



# **Dawid Kruiper Municipality**

## **Monthly Budget Monitoring Report (Section 71 of MFMA)**

### **DECEMBER 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 December 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**

13 January 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**

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

### **Section 2 - Resolutions**

#### ***IN-YEAR REPORTS 2016/2017***

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

#### ***RECOMMENDATION:***

That Council notes the monthly budget statement and supporting documentation for December 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 55% of the year-to-date budget and a positive variance of 9%. The budgeted amount for property rates are R 42.1 million and the actual figure billed is R 48.6 million. This is due to annual property rates levies that are only payable during October of each year. It should be noted that the amount for service charges in Table C4 are the actual amount billed / levied and not the amount that is received. The amount that is received is less which attributed to our cash flow problems.

##### Operating expenditure

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

##### Capital expenditure

It is noted that year-to-date capital expenditure shows a 50% 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 20.9 million at month end.

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

**3.3 Remedial or corrective steps**

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

Management are also implementing cost saving procedures in expenditure management.



## Section 4 - In-year budget statement tables

### 4.1 Monthly budget statements

#### 4.1.1 Table C1: S71 Monthly Budget Statement Summary

NC087 Dawid Kruiper - Table C1 Monthly Budget Statement Summary - M06 December

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	77 873	84 201	84 201	6 044	48 646	42 101	6 545	16%	84 201
Service charges	242 448	368 044	368 044	35 773	189 125	184 022	5 103	3%	368 044
Investment revenue	4 176	600	600	164	835	300	535	178%	600
Transfers recognised - operational	69 715	73 477	73 477	23 696	53 783	36 738	17 045	46%	73 477
Other own revenue	133 559	49 433	49 433	3 404	21 865	24 717	(2 851)	-12%	49 433
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>527 771</b>	<b>575 755</b>	<b>575 755</b>	<b>69 081</b>	<b>314 254</b>	<b>287 877</b>	<b>26 377</b>	<b>9%</b>	<b>575 755</b>
Employee costs	207 690	219 953	219 953	19 394	121 881	109 977	11 905	11%	219 953
Remuneration of Councillors	7 962	8 621	8 621	771	4 518	4 310	207	5%	8 621
Depreciation & asset impairment	82 252	82 680	82 680	6 890	41 340	41 340	(0)	0%	82 680
Finance charges	14 658	14 978	14 978	3 075	6 756	7 489	(733)	-10%	14 978
Materials and bulk purchases	183 019	206 825	206 825	14 495	79 497	94 444	(14 947)	-16%	206 825
Transfers and grants	785	110	110	-	82	55	27	49%	110
Other expenditure	91 356	79 346	79 346	8 480	37 083	48 642	(11 559)	-44%	79 346
<b>Total Expenditure</b>	<b>587 722</b>	<b>612 513</b>	<b>612 513</b>	<b>53 105</b>	<b>291 157</b>	<b>306 256</b>	<b>(15 100)</b>	<b>-5%</b>	<b>612 513</b>
<b>Surplus/(Deficit)</b>	<b>(59 951)</b>	<b>(36 758)</b>	<b>(36 758)</b>	<b>15 976</b>	<b>23 098</b>	<b>(18 379)</b>	<b>41 477</b>	<b>-226%</b>	<b>(36 758)</b>
Transfers recognised - capital	25 339	31 819	31 819	3 394	11 624	15 910	(4 286)	-27%	31 819
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(34 612)</b>	<b>(4 939)</b>	<b>(4 939)</b>	<b>19 370</b>	<b>34 722</b>	<b>(2 469)</b>	<b>37 191</b>	<b>-1506%</b>	<b>(4 939)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(34 612)</b>	<b>(4 939)</b>	<b>(4 939)</b>	<b>19 370</b>	<b>34 722</b>	<b>(2 469)</b>	<b>37 191</b>	<b>-1506%</b>	<b>(4 939)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>40 136</b>	<b>69 818</b>	<b>69 818</b>	<b>3 718</b>	<b>17 437</b>	<b>34 909</b>	<b>(17 472)</b>	<b>-50%</b>	<b>69 818</b>
Capital transfers recognised	25 339	31 819	31 819	3 159	14 657	15 910	(1 253)	-8%	31 819
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 797	37 998	37 998	559	2 780	18 999	(16 219)	-85%	37 998
<b>Total sources of capital funds</b>	<b>40 136</b>	<b>69 818</b>	<b>69 818</b>	<b>3 718</b>	<b>17 437</b>	<b>34 909</b>	<b>(17 472)</b>	<b>-50%</b>	<b>69 818</b>
<b>Financial position</b>									
Total current assets	103 515	84 392	84 392	-	133 337	-	-	-	84 392
Total non current assets	1 773 156	1 777 548	1 777 548	-	1 748 393	-	-	-	1 777 548
Total current liabilities	132 687	92 123	92 123	-	106 857	-	-	-	92 123
Total non current liabilities	228 211	196 138	196 138	-	184 885	-	-	-	196 138
<b>Community wealth/Equity</b>	<b>1 515 773</b>	<b>1 573 679</b>	<b>1 573 679</b>	-	<b>1 589 987</b>	-	-	-	<b>1 573 679</b>
<b>Cash flows</b>									
Net cash from (used) operating	23 252	67 106	67 106	28 524	20 317	33 553	(13 235)	-39%	67 106
Net cash from (used) investing	(5 879)	(51 611)	(51 611)	(3 650)	(9 154)	(25 806)	16 652	-65%	(51 611)
Net cash from (used) financing	3 485	(9 383)	(9 383)	(1 750)	(5 903)	(4 691)	(1 211)	-	(9 383)
<b>Cash/cash equivalents at the month/year end</b>	<b>15 667</b>	<b>11 112</b>	<b>11 112</b>	<b>-</b>	<b>20 927</b>	<b>5 556</b>	<b>15 372</b>	<b>277%</b>	<b>11 112</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	35 622	6 388	3 467	3 831	2 922	4 338	5 393	34 886	96 848
<b>Creditors Age Analysis</b>									
Total Creditors	3 935	2 734	2 156	682	-	-	-	3 385	12 892

### 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) - M06 December

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
<b>R thousands</b>									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	180 243	201 093	201 093	34 457	125 234	100 546	24 687	24.6%	201 093
Executive and council	1 624	150	150	-	1	75	(74)	-99.3%	150
Budget and treasury office	172 919	179 868	179 868	33 580	115 262	89 934	25 328	28.2%	179 868
Corporate services	5 699	21 075	21 075	877	9 971	10 538	(567)	-5.4%	21 075
<i>Community and public safety</i>	25 403	23 324	23 324	1 681	7 943	11 662	(3 719)	-31.9%	23 324
Community and social services	4 802	2 384	2 384	15	1 560	1 192	368	30.9%	2 384
Sport and recreation	6 414	12 587	12 587	1 069	2 579	6 294	(3 715)	-59.0%	12 587
Public safety	13 095	6 236	6 236	597	3 804	3 118	686	22.0%	6 236
Housing	1 092	650	650	-	-	325	(325)	-100.0%	650
Health	-	1 467	1 467	-	-	734	(734)	-100.0%	1 467
<i>Economic and environmental services</i>	7 501	14 538	14 538	398	3 209	7 269	(4 060)	-55.9%	14 538
Planning and development	7 253	5 828	5 828	383	3 134	2 914	220	7.6%	5 828
Road transport	248	8 710	8 710	14	75	4 355	(4 280)	-98.3%	8 710
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	339 963	368 619	368 619	35 940	189 492	184 310	5 183	2.8%	368 619
Electricity	244 222	268 214	268 214	26 104	137 093	134 107	2 986	2.2%	268 214
Water	47 022	51 238	51 238	5 482	25 504	25 619	(115)	-0.4%	51 238
Waste water management	27 288	27 024	27 024	2 518	15 374	13 512	1 862	13.8%	27 024
Waste management	21 431	22 144	22 144	1 835	11 522	11 072	450	4.1%	22 144
<i>Other</i>	0	1	1	-	0	0	(0)	-58.3%	1
<b>Total Revenue - Standard</b>	<b>553 110</b>	<b>607 574</b>	<b>607 574</b>	<b>72 475</b>	<b>325 878</b>	<b>303 787</b>	<b>22 091</b>	<b>7.3%</b>	<b>607 574</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	146 379	112 709	112 709	13 080	70 053	56 355	13 699	24.3%	112 709
Executive and council	39 728	32 275	32 275	2 089	11 817	16 138	(4 321)	-26.8%	32 275
Budget and treasury office	57 037	30 891	30 891	4 796	21 444	15 446	5 999	38.8%	30 891
Corporate services	49 614	49 543	49 543	6 195	36 793	24 771	12 021	48.5%	49 543
<i>Community and public safety</i>	68 014	72 866	72 866	5 743	36 022	36 433	(411)	-1.1%	72 866
Community and social services	8 601	9 425	9 425	823	4 958	4 713	245	5.2%	9 425
Sport and recreation	29 402	32 902	32 902	2 583	15 543	16 451	(908)	-5.5%	32 902
Public safety	23 295	25 958	25 958	2 107	13 802	12 979	823	6.3%	25 958
Housing	3 297	3 409	3 409	176	1 365	1 704	(339)	-19.9%	3 409
Health	3 420	1 172	1 172	55	354	586	(231)	-39.5%	1 172
<i>Economic and environmental services</i>	51 540	68 567	68 567	5 925	30 858	34 283	(3 426)	-10.0%	68 567
Planning and development	12 599	17 458	17 458	1 847	10 246	8 729	1 517	17.4%	17 458
Road transport	38 941	51 109	51 109	4 078	20 611	25 554	(4 943)	-19.3%	51 109
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	320 366	356 552	356 552	28 212	153 266	178 276	(25 011)	-14.0%	356 552
Electricity	208 318	231 428	231 428	19 744	105 611	115 714	(10 103)	-8.7%	231 428
Water	54 778	57 234	57 234	4 861	24 427	28 617	(4 190)	-14.6%	57 234
Waste water management	33 355	37 976	37 976	2 103	13 150	18 988	(5 838)	-30.7%	37 976
Waste management	23 916	29 913	29 913	1 505	10 077	14 957	(4 879)	-32.6%	29 913
<i>Other</i>	1 423	1 819	1 819	145	958	909	48	5.3%	1 819
<b>Total Expenditure - Standard</b>	<b>587 722</b>	<b>612 513</b>	<b>612 513</b>	<b>53 105</b>	<b>291 157</b>	<b>306 256</b>	<b>(15 100)</b>	<b>-4.9%</b>	<b>612 513</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(34 612)</b>	<b>(4 939)</b>	<b>(4 939)</b>	<b>19 370</b>	<b>34 722</b>	<b>(2 469)</b>	<b>37 191</b>	<b>-1506.1%</b>	<b>(4 939)</b>

### 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) - M06  
December

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
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 1 - MUNICIPAL MANAGER	1 890	150	150	–	1	75	(74)	-99.3%	150
Vote 2 - CORPORATE SERVICES	5 643	21 065	21 065	877	9 971	10 533	(562)	-5.3%	21 065
Vote 3 - FINANCIAL SERVICES	172 919	179 868	179 868	33 580	115 262	89 934	25 328	28.2%	179 868
Vote 4 - COMMUNITY SERVICES	40 409	33 363	33 363	2 979	17 786	16 681	1 105	6.6%	33 363
Vote 6 - ELECTRO MECHANICAL SERVICES	244 278	274 354	274 354	26 104	137 093	137 177	(84)	-0.1%	274 354
Vote 7 - CIVIL ENGINEERING SERVICES	74 558	86 972	86 972	8 016	40 976	43 486	(2 510)	-5.8%	86 972
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	13 413	11 803	11 803	919	4 790	5 901	(1 111)	-18.8%	11 803
<b>Total Revenue by Vote</b>	<b>553 110</b>	<b>607 574</b>	<b>607 574</b>	<b>72 475</b>	<b>325 878</b>	<b>303 787</b>	<b>22 091</b>	<b>7.3%</b>	<b>607 574</b>
<b>Expenditure by Vote</b>									
Vote 1 - MUNICIPAL MANAGER	39 930	32 275	32 275	2 089	11 817	16 138	(4 321)	-26.8%	32 275
Vote 2 - CORPORATE SERVICES	25 585	30 560	30 560	4 041	22 006	15 280	6 727	44.0%	30 560
Vote 3 - FINANCIAL SERVICES	57 037	30 891	30 891	4 796	21 444	15 446	5 999	38.8%	30 891
Vote 4 - COMMUNITY SERVICES	96 501	109 892	109 892	7 758	49 614	54 946	(5 332)	-9.7%	109 892
Vote 5 - TECHNICAL DIRECTOR	–	–	–	–	–	–	–	–	–
Vote 6 - ELECTRO MECHANICAL SERVICES	217 356	234 585	234 585	20 611	112 354	117 293	(4 939)	-4.2%	234 585
Vote 7 - CIVIL ENGINEERING SERVICES	132 125	151 506	151 506	11 876	62 860	75 753	(12 893)	-17.0%	151 506
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	19 189	22 804	22 804	1 934	11 061	11 402	(341)	-3.0%	22 804
<b>Total Expenditure by Vote</b>	<b>587 722</b>	<b>612 513</b>	<b>612 513</b>	<b>53 105</b>	<b>291 157</b>	<b>306 256</b>	<b>(15 100)</b>	<b>-4.9%</b>	<b>612 513</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(34 612)</b>	<b>(4 939)</b>	<b>(4 939)</b>	<b>19 370</b>	<b>34 722</b>	<b>(2 469)</b>	<b>37 191</b>	<b>-1506.1%</b>	<b>(4 939)</b>

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 1<sup>st</sup> 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 55% 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% -

- Other Revenue (32%) - Council resolution to lower the tariff for consent usage resulted in less income being levied;
- Rental of facilities and equipment (10%) - Commonage Farmers are being billed bi annually; and
- Gain on disposal of PPE (9%) - Disposal of Eiland Resort budgeted for, but disposal did not realise.

##### 4.1.4.2 Expenditure

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

Salaries and wages paid to employees and councillors represent 43.3% of actual revenue levied for the year to date. This attributes to the fact that our monthly fixed cost increases above 50% of our actual expenditure and will be even more against the actual income received. **This is a big concern for the municipality.** At this stage the ongoing increase in employee related costs are contributing to the following:

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

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

- Debt Impairment (100%) - Pro-rata journal to be processed. The actual amount will only be recognised in the 2016/2017 AFS;
- Other Materials (46%) - Due to cost containment; resulting in less expenditure;
- Bulk Purchases (16%) - Not all invoices are captured on the financial system;
- Other Expenditure (14%) - Due to cost containment; resulting in less expenditure;
- Finance Charges (10%) - Finance charges are being paid during December and June. Restructuring of DBSA loans are resulting in less finance charges being paid; and
- Contracted Services (9%) - Due to cost containment; resulting in less expenditure;

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

- Transfer and Grants (49%) - Donations are being given by the Mayor based on discretion; and
- Employee Related Cost (11%) - Additional employees employed by the municipality;

## NC087 Dawid Kruiper - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	77 873	84 201	84 201	6 044	48 646	42 101	6 545	16%	84 201
Service charges - electricity revenue	242 448	267 694	267 694	25 938	136 768	133 847	2 922	2%	267 694
Service charges - water revenue	46 977	51 232	51 232	5 482	25 461	25 616	(156)	-1%	51 232
Service charges - sanitation revenue	27 288	26 974	26 974	2 518	15 374	13 487	1 887	14%	26 974
Service charges - refuse revenue	21 398	22 144	22 144	1 835	11 522	11 072	450	4%	22 144
Rental of facilities and equipment	9 144	8 538	8 538	1 829	3 862	4 269	(407)	-10%	8 538
Interest earned - external investments	1 090	600	600	164	835	300	535	178%	600
Interest earned - outstanding debtors	3 087	3 000	3 000	350	1 752	1 500	252	17%	3 000
Fines	6 800	541	541	59	299	271	28	10%	541
Licences and permits	1 566	1 583	1 583	96	799	791	7	1%	1 583
Agency services	4 111	4 307	4 307	390	2 394	2 154	240	11%	4 307
Transfers recognised - operational	69 715	73 477	73 477	23 696	53 783	36 738	17 045	46%	73 477
Other revenue	13 174	13 264	13 264	614	4 482	6 632	(2 150)	-32%	13 264
Gains on disposal of PPE	3 101	18 200	18 200	67	8 277	9 100	(823)	-9%	18 200
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>527 771</b>	<b>575 755</b>	<b>575 755</b>	<b>69 081</b>	<b>314 254</b>	<b>287 877</b>	<b>26 377</b>	<b>9%</b>	<b>575 755</b>
<b>Expenditure By Type</b>									
Employee related costs	207 690	219 953	219 953	19 394	121 881	109 977	11 905	11%	219 953
Remuneration of councillors	7 962	8 621	8 621	771	4 518	4 310	207	5%	8 621
Debt impairment	21 160	5 000	5 000	-	-	2 500	(2 500)	-100%	5 000
Depreciation & asset impairment	82 252	82 680	82 680	6 890	41 340	41 340	(0)	0%	82 680
Finance charges	14 658	14 978	14 978	3 075	6 756	7 489	(733)	-10%	14 978
Bulk purchases	170 416	188 887	188 887	14 495	79 497	94 444	(14 947)	-16%	188 887
Other materials	12 603	17 937	17 937	1 009	4 858	8 969	(4 111)	-46%	17 937
Contracted services	7 770	7 169	7 169	1 556	3 254	3 584	(330)	-9%	7 169
Transfers and grants	785	110	110	-	82	55	27	49%	110
Other expenditure	62 427	67 178	67 178	5 915	28 971	33 589	(4 618)	-14%	67 178
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>587 722</b>	<b>612 513</b>	<b>612 513</b>	<b>53 105</b>	<b>291 157</b>	<b>306 256</b>	<b>(15 100)</b>	<b>-5%</b>	<b>612 513</b>
<b>Surplus/(Deficit)</b>	<b>(59 951)</b>	<b>(36 758)</b>	<b>(36 758)</b>	<b>15 976</b>	<b>23 098</b>	<b>(18 379)</b>	<b>41 477</b>	<b>-226%</b>	<b>(36 758)</b>
Transfers recognised - capital	25 339	31 819	31 819	3 394	11 624	15 910	(4 286)	-27%	31 819
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(34 612)</b>	<b>(4 939)</b>	<b>(4 939)</b>	<b>19 370</b>	<b>34 722</b>	<b>(2 469)</b>			<b>(4 939)</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>(34 612)</b>	<b>(4 939)</b>	<b>(4 939)</b>	<b>19 370</b>	<b>34 722</b>	<b>(2 469)</b>			<b>(4 939)</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(34 612)</b>	<b>(4 939)</b>	<b>(4 939)</b>	<b>19 370</b>	<b>34 722</b>	<b>(2 469)</b>			<b>(4 939)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(34 612)</b>	<b>(4 939)</b>	<b>(4 939)</b>	<b>19 370</b>	<b>34 722</b>	<b>(2 469)</b>			<b>(4 939)</b>

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

Year-to-date capital expenditure shows a 50% negative variance of the year-to-date budget.

NC087 Dawid Kruiper - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06  
December

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
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - MUNICIPAL MANAGER	571	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES	13	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES	-	-	-	-	132	-	132	100%	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 7 - CIVIL ENGINEERING SERVICES	1 438	-	-	-	146	-	146	100%	-
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	2 859	9 290	9 290	3 060	9 265	4 645	4 620	99%	9 290
<b>Total Capital Multi-year expenditure</b>	<b>4 881</b>	<b>9 290</b>	<b>9 290</b>	<b>3 060</b>	<b>9 543</b>	<b>4 645</b>	<b>4 898</b>	<b>105%</b>	<b>9 290</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - MUNICIPAL MANAGER	6	1 500	1 500	-	16	750	(734)	-98%	1 500
Vote 2 - CORPORATE SERVICES	1 591	-	-	121	548	-	548	100%	-
Vote 3 - FINANCIAL SERVICES	1 713	-	-	1	(44)	-	(44)	100%	-
Vote 4 - COMMUNITY SERVICES	84	-	-	8	517	-	517	100%	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	25 146	37 799	37 799	465	6 025	18 900	(12 875)	-68%	37 799
Vote 7 - CIVIL ENGINEERING SERVICES	5 104	21 229	21 229	64	573	10 615	(10 041)	-95%	21 229
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	1 611	-	-	-	259	-	259	100%	-
<b>Total Capital single-year expenditure</b>	<b>35 255</b>	<b>60 528</b>	<b>60 528</b>	<b>658</b>	<b>7 894</b>	<b>30 264</b>	<b>(22 370)</b>	<b>-74%</b>	<b>60 528</b>
<b>Total Capital Expenditure</b>	<b>40 136</b>	<b>69 818</b>	<b>69 818</b>	<b>3 718</b>	<b>17 437</b>	<b>34 909</b>	<b>(17 472)</b>	<b>-50%</b>	<b>69 818</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	<b>3 977</b>	<b>22 552</b>	<b>22 552</b>	<b>132</b>	<b>558</b>	<b>11 276</b>	<b>(10 718)</b>	<b>-95%</b>	<b>22 552</b>
Executive and council	577	7 614	7 614	-	16	3 807	(3 791)	-100%	7 614
Budget and treasury office	1 713	-	-	1	(44)	-	(44)	100%	-
Corporate services	1 687	14 938	14 938	131	587	7 469	(6 882)	-92%	14 938
<b>Community and public safety</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>629</b>	<b>-</b>	<b>629</b>	<b>100%</b>	<b>-</b>
Community and social services	9	-	-	-	-	-	-	-	-
Sport and recreation	107	-	-	-	591	-	591	100%	-
Public safety	34	-	-	8	38	-	38	100%	-
<b>Economic and environmental services</b>	<b>4 642</b>	<b>9 290</b>	<b>9 290</b>	<b>3 060</b>	<b>9 524</b>	<b>4 645</b>	<b>4 880</b>	<b>105%</b>	<b>9 290</b>
Planning and development	4 404	9 290	9 290	3 060	9 524	4 645	4 880	105%	9 290
Road transport	238	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>31 368</b>	<b>37 976</b>	<b>37 976</b>	<b>518</b>	<b>6 725</b>	<b>18 988</b>	<b>(12 263)</b>	<b>-65%</b>	<b>37 976</b>
Electricity	25 063	16 747	16 747	454	5 986	8 374	(2 387)	-29%	16 747
Water	5 916	6 877	6 877	43	474	3 439	(2 964)	-86%	6 877
Waste water management	389	14 352	14 352	21	245	7 176	(6 931)	-97%	14 352
Waste management	-	-	-	-	20	-	20	100%	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard Classification</b>	<b>40 136</b>	<b>69 818</b>	<b>69 818</b>	<b>3 718</b>	<b>17 437</b>	<b>34 909</b>	<b>(17 472)</b>	<b>-50%</b>	<b>69 818</b>
<b>Funded by:</b>									
National Government	22 556	28 311	28 311	3 159	14 058	14 155	(98)	-1%	28 311
Provincial Government	2 783	3 509	3 509	-	9	1 754	(1 746)	-100%	3 509
Other transfers and grants	-	-	-	-	591	-	591	100%	-
<b>Transfers recognised - capital</b>	<b>25 339</b>	<b>31 819</b>	<b>31 819</b>	<b>3 159</b>	<b>14 657</b>	<b>15 910</b>	<b>(1 253)</b>	<b>-8%</b>	<b>31 819</b>
<b>Internally generated funds</b>	<b>14 797</b>	<b>37 998</b>	<b>37 998</b>	<b>559</b>	<b>2 780</b>	<b>18 999</b>	<b>(16 219)</b>	<b>-85%</b>	<b>37 998</b>
<b>Total Capital Funding</b>	<b>40 136</b>	<b>69 818</b>	<b>69 818</b>	<b>3 718</b>	<b>17 437</b>	<b>34 909</b>	<b>(17 472)</b>	<b>-50%</b>	<b>69 818</b>

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 - M06 December**

Description	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash	21 360	14 112	14 112	28 953	14 112
Consumer debtors	66 252	56 425	56 425	96 817	56 425
Other debtors	4 882	7 200	7 200	1 364	7 200
Current portion of long-term receivables	8	5	5	8	5
Inventory	11 013	6 650	6 650	6 194	6 650
<b>Total current assets</b>	<b>103 515</b>	<b>84 392</b>	<b>84 392</b>	<b>133 337</b>	<b>84 392</b>
<b>Non current assets</b>					
Long-term receivables	9	5	5	4	5
Investment property	202 345	224 138	224 138	217 638	224 138
Property, plant and equipment	1 567 633	1 550 033	1 550 033	1 527 379	1 550 033
Intangible assets	3 168	3 372	3 372	3 372	3 372
<b>Total non current assets</b>	<b>1 773 156</b>	<b>1 777 548</b>	<b>1 777 548</b>	<b>1 748 393</b>	<b>1 777 548</b>
<b>TOTAL ASSETS</b>	<b>1 876 671</b>	<b>1 861 940</b>	<b>1 861 940</b>	<b>1 881 730</b>	<b>1 861 940</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Bank overdraft	5 693	3 000	3 000	8 026	3 000
Borrowing	11 314	8 473	8 473	11 314	8 473
Consumer deposits	10 916	11 500	11 500	11 960	11 500
Trade and other payables	99 346	59 400	59 400	70 957	59 400
Provisions	5 417	9 750	9 750	4 600	9 750
<b>Total current liabilities</b>	<b>132 687</b>	<b>92 123</b>	<b>92 123</b>	<b>106 857</b>	<b>92 123</b>
<b>Non current liabilities</b>					
Borrowing	113 064	88 283	88 283	106 118	88 283
Provisions	115 147	107 854	107 854	78 767	107 854
<b>Total non current liabilities</b>	<b>228 211</b>	<b>196 138</b>	<b>196 138</b>	<b>184 885</b>	<b>196 138</b>
<b>TOTAL LIABILITIES</b>	<b>360 898</b>	<b>288 261</b>	<b>288 261</b>	<b>291 743</b>	<b>288 261</b>
<b>NET ASSETS</b>	<b>1 515 773</b>	<b>1 573 679</b>	<b>1 573 679</b>	<b>1 589 987</b>	<b>1 573 679</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)	1 515 773	1 573 679	1 573 679	1 589 987	1 573 679
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1 515 773</b>	<b>1 573 679</b>	<b>1 573 679</b>	<b>1 589 987</b>	<b>1 573 679</b>

It should be noted that our current assets exceed our current liabilities with R 26.5 million (November 2016: R 6.1 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: 1.25:1 (November 2016: 1.06:1). 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 - M06 December**

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
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	47 988	77 516	77 516	6 198	29 557	38 758	(9 202)	-24%	77 516
Service charges	242 448	368 044	368 044	25 871	171 113	184 022	(12 909)	-7%	368 044
Other revenue	128 297	23 233	23 233	3 018	13 435	11 617	1 818	16%	23 233
Government - operating	69 715	73 477	73 477	23 696	53 915	36 738	17 177	47%	73 477
Government - capital	25 339	31 819	31 819	3 394	11 624	15 910	(4 286)	-27%	31 819
Interest	4 176	3 600	3 600	513	2 587	1 800	787	44%	3 600
<b>Payments</b>									
Suppliers and employees	(479 269)	(495 495)	(495 495)	(31 091)	(255 075)	(247 748)	7 328	-3%	(495 495)
Finance charges	(785)	(14 978)	(14 978)	(3 075)	(6 756)	(7 489)	(733)	10%	(14 978)
Transfers and Grants	(14 658)	(110)	(110)	-	(82)	(55)	27	-49%	(110)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>23 252</b>	<b>67 106</b>	<b>67 106</b>	<b>28 524</b>	<b>20 317</b>	<b>33 553</b>	<b>8</b>	<b>0%</b>	<b>67 106</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	3 101	18 200	18 200	67	8 277	9 100	(823)	-9%	18 200
Decrease (increase) other non-current receivables	6	6	6	1	5	3	2	70%	6
<b>Payments</b>									
Capital assets	(9 281)	(69 818)	(69 818)	(3 718)	(17 437)	(34 909)	(17 472)	50%	(69 818)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(5 879)</b>	<b>(51 611)</b>	<b>(51 611)</b>	<b>(3 650)</b>	<b>(9 154)</b>	<b>(25 806)</b>	<b>(16 652)</b>	<b>65%</b>	<b>(51 611)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Increase (decrease) in consumer deposits	2 176	500	500	206	1 043	250	793	317%	500
<b>Payments</b>									
Repayment of borrowing	1 309	(9 883)	(9 883)	(1 956)	(6 946)	(4 941)	2 004	-41%	(9 883)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>3 485</b>	<b>(9 383)</b>	<b>(9 383)</b>	<b>(1 750)</b>	<b>(5 903)</b>	<b>(4 691)</b>	<b>1 211</b>	<b>-26%</b>	<b>(9 383)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>20 564</b>	<b>6 112</b>	<b>6 112</b>	<b>23 125</b>	<b>5 261</b>	<b>3 056</b>			<b>6 112</b>
Cash/cash equivalents at beginning:	(4 897)	5 000	5 000		15 667	2 500			5 000
Cash/cash equivalents at month/year end:	15 667	11 112	11 112		20 927	5 556			11 112

The municipality had a cash inflow of R 23.1 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 - M06 December

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	
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	1200	3 477	682	319	231	242	351	1 131	5 167	11 600
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 379	299	119	50	44	32	182	690	15 793
Receivables from Non-exchange Transactions - Property Rates	1400	4 968	495	353	1 508	1 205	343	712	8 868	18 452
Receivables from Exchange Transactions - Waste Water Management	1500	2 001	392	264	224	196	240	679	2 227	6 223
Receivables from Exchange Transactions - Waste Management	1600	1 906	608	466	385	354	361	900	4 970	9 949
Receivables from Exchange Transactions - Property Rental Debtors	1700	312	262	208	169	160	150	144	1 045	2 449
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	8 579	3 651	1 739	1 265	721	2 861	1 646	11 920	32 383
<b>Total By Income Source</b>	<b>2000</b>	<b>35 622</b>	<b>6 388</b>	<b>3 467</b>	<b>3 831</b>	<b>2 922</b>	<b>4 338</b>	<b>5 393</b>	<b>34 886</b>	<b>96 848</b>
<b>2015/16 - totals only</b>		<b>32 420</b>	<b>3 939</b>	<b>1 819</b>	<b>3 382</b>	<b>3 469</b>	<b>2 097</b>	<b>1 125</b>	<b>17 094</b>	<b>65 346</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2200	3 582	154	57	18	322	8	6	493	4 641
Commercial	2300	14 876	652	1 329	827	765	307	197	5 160	24 113
Households	2400	12 555	2 988	1 961	2 547	1 769	1 719	1 770	22 366	47 676
Other	2500	4 609	2 593	121	439	65	2 305	3 420	6 866	20 418
<b>Total By Customer Group</b>	<b>2600</b>	<b>35 622</b>	<b>6 388</b>	<b>3 467</b>	<b>3 831</b>	<b>2 922</b>	<b>4 338</b>	<b>5 393</b>	<b>34 886</b>	<b>96 848</b>

The total outstanding debtors for December 2016 are R 96.8 million and R 65.3 million for December 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 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 December 2016.

## 5.2 Additional debtors information

### 5.2.1 Payment level

Collection Rates (payment levels) reflect the total income collected for the period 18 November 2016 - 17 December 2016. 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	658 971	400 534	14 778	243 848	659 160	61%	100%	(189)	398	659 558	100%
Ward 2	647 030	374 764	-	195 507	570 272	58%	88%	76 759	(632)	569 640	88%
Ward 3	848 834	635 856	7 305	106 568	749 729	75%	88%	99 104	(9 195)	740 534	87%
Ward 4	3 589 529	1 971 561	1 590 013	117 765	3 679 339	55%	103%	(89 810)	(9 403)	3 669 936	102%
Ward 5	756 246	573 655	4 326	115 046	693 026	76%	92%	63 219	8 119	701 145	93%
Ward 6	459 998	269 808	4 453	107 393	381 655	59%	83%	78 344	(8 002)	373 652	81%
Ward 7	1 888 780	1 806 097	4 262	80 141	1 890 500	96%	100%	(1 720)	355	1 890 855	100%
Ward 8	11 641 108	12 519 729	21 914	49 385	12 591 029	108%	108%	(949 921)	(3 899 353)	8 691 676	75%
Ward 9	5 279 918	5 045 496	-	12 510	5 058 006	96%	96%	221 912	59 581	5 117 587	97%
Ward 10	1 633 099	1 452 125	1 775	177 180	1 631 081	89%	100%	2 019	(7 768)	1 623 313	99%
Ward 11	1 689 121	1 049 968	368 044	42 647	1 460 659	62%	86%	228 462	(1 389)	1 459 270	86%
Ward 12	644 055	547 957	403	49 811	598 171	85%	93%	45 884	147	598 318	93%
Ward 13	1 929 108	1 185 863	-	120 797	1 306 660	61%	68%	622 447	(197)	1 306 463	68%
Ward 14	160 354	87 490	1 242	29 654	118 387	55%	74%	41 967	(507)	117 879	74%
Not specified	2 042 130	1 705 754	17 697	106 304	1 829 755	84%	90%	212 375	4 306	1 834 061	90%
<b>Total</b>	<b>33 868 281</b>	<b>29 626 658</b>	<b>2 036 214</b>	<b>1 554 556</b>	<b>33 217 428</b>	<b>87%</b>	<b>98%</b>	<b>650 853</b>	<b>(3 863 540)</b>	<b>29 353 888</b>	<b>87%</b>

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	6 390 519	6 120 123	-	241 565	6 361 688	96%	100%	28 831	(408 164)	5 953 524	93%
Electricity	16 741 831	14 733 782	1 670 500	102	16 404 384	88%	98%	337 447	(27 517)	16 376 867	98%
Water	4 260 161	3 081 147	345 312	162 595	3 589 053	72%	84%	671 108	44 945	3 633 999	85%
Sewage	2 734 450	1 944 594	10 998	497 565	2 453 157	71%	90%	281 293	11 799	2 464 956	90%
Refuse Removal	2 532 561	1 666 023	9 002	565 764	2 240 789	66%	88%	291 772	18 898	2 259 686	89%
Other	1 208 760	2 080 989	402	86 966	2 168 357	172%	179%	(959 597)	(3 503 500)	(1 335 143)	-110%
<b>Total</b>	<b>33 868 281</b>	<b>29 626 658</b>	<b>2 036 214</b>	<b>1 554 556</b>	<b>33 217 428</b>	<b>87%</b>	<b>98%</b>	<b>650 853</b>	<b>(3 863 540)</b>	<b>29 353 888</b>	<b>87%</b>

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	1 506 516	1 392 489	76	1 781	1 394 345	92%	93%	112 170	3 664	1 398 010	93%
Middelpos	1 163 166	1 088 054	-	34	1 088 088	94%	94%	75 078	60 542	1 148 630	99%
Oosterville	1 543 701	1 530 459	-	1 983	1 532 442	99%	99%	11 258	(13 746)	1 518 697	98%
Blydeveld	753 225	764 998	76	34	765 108	102%	102%	(11 883)	8 777	773 885	103%
Akademia	409 873	434 806	-	10 222	445 028	106%	109%	(35 155)	391	445 418	109%
Florapark	486 685	443 441	-	3 170	446 611	91%	92%	40 074	(881)	445 729	92%
Die Rand	3 487 755	3 365 014	418	3 229	3 368 662	96%	97%	119 093	5 287	3 373 949	97%
Town Centre / Business Area	6 531 003	6 773 769	6 499	9 464	6 789 731	104%	104%	(258 728)	(3 494 239)	3 295 492	50%
Riverside	1 504 587	1 647 822	3 629	11 344	1 662 796	110%	111%	(158 209)	(4 385)	1 658 411	110%
Progress	973 717	603 622	7 525	251 301	862 448	62%	89%	111 270	(18 994)	843 454	87%
Bellvue	508 826	446 395	-	34 154	480 549	88%	94%	28 277	302	480 851	95%
Morning Glory	518 379	312 772	-	126 581	439 353	60%	85%	79 026	(696)	438 657	85%
Rosedale	1 378 361	877 889	16 185	429 087	1 323 161	64%	96%	55 200	(6 782)	1 316 379	96%
Paballelo	1 379 275	802 203	8 716	308 407	1 119 325	58%	81%	259 949	(7 929)	1 111 396	81%
Dakotaweg	71 046	32 505	-	19 759	52 264	46%	74%	18 782	(146)	52 118	73%
Kameelmond / Lemoendraai	142 187	134 941	193	5 681	140 816	95%	99%	1 372	(318)	140 498	99%
Industrial Areas	4 569 649	4 905 671	25 166	-	4 930 837	107%	108%	(361 188)	(410 606)	4 520 231	99%
Commonage	3 048 123	1 022 991	1 946 950	-	2 969 941	34%	97%	78 182	3 343	2 973 283	98%
Karos	42 599	3 978	773	11 986	16 736	9%	39%	25 862	(84)	16 652	39%
Lambrechtsdrift	23 498	2 089	-	5 397	7 485	9%	32%	16 013	-	7 485	32%
Leerkrans	31 601	2 828	470	12 378	15 676	9%	50%	15 926	(423)	15 253	48%
Raaswater	152 783	9 676	403	25 501	35 580	6%	23%	117 203	2	35 582	23%
Sesbrugge / Klippunt	123 758	157 200	-	-	157 200	127%	127%	(33 442)	-	157 200	127%
Kalksloot	112 763	65 558	142	31 583	97 282	58%	86%	15 481	606	97 888	87%
Louisvale Dorp	694 466	681 480	76	12 796	694 351	98%	100%	115	(1 583)	692 768	100%
Leseding	2 044	751	-	799	1 550	37%	76%	493	-	1 550	76%
Ntsekelelo	251	0	-	-	0	0%	0%	251	-	0	0%
Louisvaleweg	444 354	257 398	4 326	127 425	389 148	58%	88%	55 206	217	389 365	88%
Upington Farming Areas	288 721	309 337	150	2 560	312 047	107%	108%	(23 327)	275	312 323	108%
Gordonia Farming Areas	517 694	363 204	-	84	363 288	70%	70%	154 406	126	363 413	70%
Karos Farming Areas	19 800	45 797	-	-	45 797	231%	231%	(25 997)	-	45 797	231%
Kenhart Farming Areas	483 663	520 826	-	-	520 826	108%	108%	(37 163)	-	520 826	108%
Olyvenhoutsdrift Farming Areas	577 590	544 325	14 442	-	558 767	94%	97%	18 823	9 678	568 445	98%
Vaalkoppies Farming Areas	15 179	8 406	-	-	8 406	55%	55%	6 773	-	8 406	55%
Melkstroom	11 039	5 438	-	2 929	8 367	49%	76%	2 672	-	8 367	76%
Not specified	350 406	68 527	-	104 891	173 418	20%	49%	176 988	4 062	177 480	51%
<b>Total</b>	<b>33 868 281</b>	<b>29 626 658</b>	<b>2 036 214</b>	<b>1 554 556</b>	<b>33 217 428</b>	<b>87%</b>	<b>98%</b>	<b>650 853</b>	<b>(3 863 540)</b>	<b>29 353 888</b>	<b>87%</b>

### 5.2.2 Debtor arrear summaries

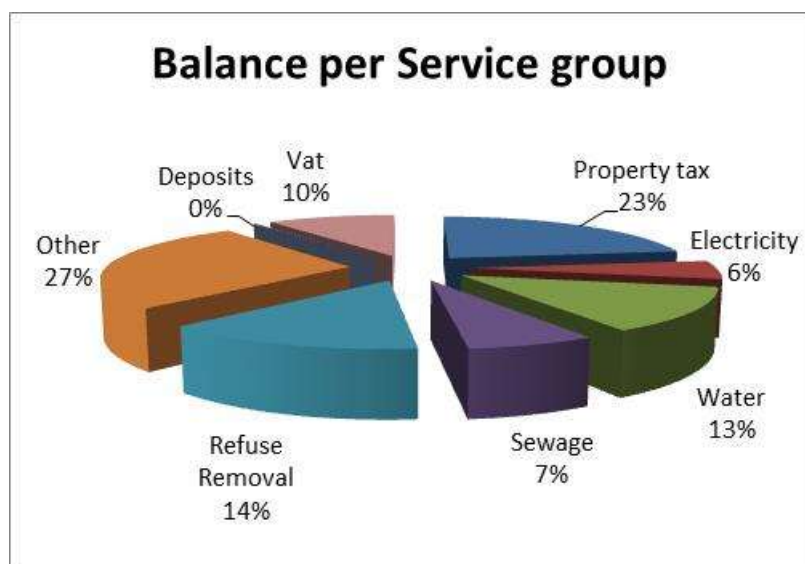
The arrear summaries that follow are not prescriptive in terms of the MFMA or the MBRR. They are included to provide further information on debtors arrears based on various classifications.

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	945 896	409 326	347 379	306 038	10 472 922	12 481 561	(7 375 502)	23%
Electricity	2 348 317	99 482	68 534	46 141	503 523	3 065 998	(16 085)	6%
Water	1 143 738	546 676	297 267	230 891	4 988 452	7 207 024	(156 746)	13%
Sewage	648 504	310 897	251 021	219 754	2 372 102	3 802 278	(12 733)	7%
Refuse Removal	855 334	536 900	436 978	382 043	5 565 940	7 777 196	(14 091)	14%
Other	4 130 345	962 475	387 760	1 546 224	7 987 741	15 014 545	(40 121)	27%
Deposits	7 721	-	-	-	35 188	42 909	(820)	0%
Vat	891 733	394 824	242 259	215 221	3 858 000	5 602 037	(52 998)	10%
<b>Total</b>	<b>10 971 588</b>	<b>3 260 581</b>	<b>2 031 200</b>	<b>2 946 312</b>	<b>35 783 867</b>	<b>54 993 548</b>	<b>(7 669 097)</b>	<b>100%</b>



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	307 392	46 052	27 752	44 438	95 667	521 301	(276 611)	213 909	41%	0%
Middelpos	205 170	43 130	18 311	13 363	63 116	343 091	(205 884)	137 920	40%	0%
Oosterville	142 408	23 475	15 724	10 013	43 054	234 674	(164 171)	92 267	39%	0%
Blydeveld	105 270	48 945	34 235	38 887	592 096	819 433	(132 175)	714 163	87%	2%
Akademia	266 694	130 468	108 477	114 942	765 356	1 385 937	(41 125)	1 119 243	81%	3%
Florapark	88 948	19 453	15 820	8 863	50 946	184 030	(619 651)	95 082	52%	0%
Die Rand	260 678	66 347	44 617	27 496	155 901	555 038	(248 297)	294 360	53%	1%
Town Centre / Business Area	3 974 120	189 097	68 389	43 785	602 614	4 878 005	(652 350)	903 884	19%	2%
Riverside	998 874	90 369	38 740	39 435	2 152 948	3 320 366	(87 671)	2 321 492	70%	5%
Progress	429 544	185 813	130 687	134 939	1 821 814	2 702 797	(132 666)	2 273 252	84%	5%
Bellvue	228 483	60 850	34 353	19 718	191 039	534 442	(17 900)	305 959	57%	1%
Morning Glory	202 421	89 837	67 117	63 380	734 517	1 157 272	(35 121)	954 851	83%	2%
Rosedale	646 765	397 332	277 668	249 358	2 901 416	4 472 539	(257 135)	3 825 774	86%	9%
Paballelo	826 487	639 005	406 251	462 400	5 317 329	7 651 472	(299 267)	6 824 985	89%	16%
Dakotaweg	40 036	29 713	4 499	3 522	61 987	139 757	(9 760)	99 721	71%	0%
Kameelmond / Lemoendraai	34 260	21 887	15 240	12 311	121 470	205 168	(17 498)	170 909	83%	0%
Industrial Areas	889 897	67 617	21 852	24 990	883 325	1 887 681	(2 034 955)	997 784	53%	2%
Commonage	107 691	42 916	3 251	979 988	117 799	1 251 645	(671 819)	1 143 953	91%	3%
Karos	47 943	52 830	39 409	45 310	839 938	1 025 430	(9 410)	977 487	95%	2%
Lambrechtsdrift	24 547	29 447	19 782	23 193	563 474	660 443	(549)	635 895	96%	1%
Leerkrans	25 628	22 802	16 515	18 734	427 891	511 571	(29 885)	485 943	95%	1%
Raaswater	153 930	178 971	119 073	140 176	2 438 738	3 030 886	(6 962)	2 876 957	95%	7%
Sesbrugge / Klippunt	6 093	3 057	1 057	759	43 701	54 666	(3 249)	48 574	89%	0%
Kalksloot	65 400	44 588	84 156	31 556	475 892	701 592	(11 983)	636 192	91%	1%
Louisvale Dorp	46 763	17 084	10 117	11 598	266 686	352 249	(14 541)	305 485	87%	1%
Leseding	1 658	1 426	1 003	1 056	14 910	20 053	(200)	18 395	92%	0%
Ntsekelelo	507	438	360	354	1 192	2 851	-	2 344	82%	0%
Louisvaleweg	241 657	131 853	92 552	84 947	1 231 670	1 782 679	(46 040)	1 541 022	86%	4%
Uppington Farming Areas	54 188	13 367	3 859	3 888	43 181	118 482	(41 379)	64 294	54%	0%
Gordonia Farming Areas	170 964	180 073	126 374	117 388	7 444 814	8 039 613	(1 018 265)	7 868 650	98%	18%
Karos Farming Areas	12 753	13 881	9 574	11 133	551 211	598 551	(27 455)	585 799	98%	1%
Kenhart Farming Areas	58 836	19 936	12 730	13 725	203 599	308 827	(36 318)	249 990	81%	1%
Olyvenhoutsdrift Farming Areas	77 159	82 004	18 025	16 593	118 774	312 555	(95 488)	235 396	75%	1%
Vaalkoppies Farming Areas	14 312	8 601	5 816	6 237	210 741	245 707	(86 354)	231 395	94%	1%
Melkstroom	9 910	8 209	5 137	-	-	23 257	(877)	13 346	57%	0%
Not specified	204 202	259 708	132 679	127 837	4 235 063	4 959 488	(336 082)	4 755 286	96%	11%
<b>Total</b>	<b>10 971 588</b>	<b>3 260 581</b>	<b>2 031 200</b>	<b>2 946 312</b>	<b>35 783 867</b>	<b>54 993 548</b>	<b>(7 669 097)</b>	<b>44 021 959</b>	<b>80%</b>	<b>100%</b>

The table indicates the total outstanding debt per suburb; this includes current and outstanding debt in excess of 1 year. The table below summarises the 30 highest consumer accounts based on the outstanding debt in excess of 30 days. As at 31 December 2016 the 30 highest accounts represent R 10.5 million or 24% (December 2015: R 6.0 million or 19%) of all arrear accounts in excess of 31 days.

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

Name	Account group	Ward	Current	31 - 60 days	61 - 90 days	91 - 120 days	120 days +	Total	31 - 120 days +
NASIONALE REGERING RSA	DOMESTIC	0	0	0	0	0	3 419 010	3 419 010	3 419 010
EIMAN,G	OTHER	11	18 189	33 747	1 053	17 647	1 964 306	2 034 941	2 016 752
ZELPY (1756) PROPRIETARY LIMITED	BUSINESS	0	19 596	22 904	0	976 422	0	1 018 922	999 326
DART PLANT SERVICES CC	INDUSTRY	8	6 380	8 980	3 688	6 376	400 983	426 407	420 027
MOHLOTSANA,MAMOKEBE	DOMESTIC	12	7 002	9 096	4 788	6 954	304 541	332 380	325 378
SHOW TIME MEDIA	BUSINESS	8	8 211	10 311	5 963	8 135	297 346	329 965	321 754
ASKHAM KAMEELDUIN KLEINVEE BOERE COMMUNAL PROPERTY	BUSINESS	0	0	0	0	0	313 440	313 440	313 440
REPUBLIEK VAN SUID AFRICA	DOMESTIC	0	0	0	0	0	186 643	186 643	186 643
SIYAVUKA LAUNDRY AND DRY CLEANING PRIMARY PTY(LTD)	BUSINESS	7	6 887	7 221	5 733	5 955	162 010	187 807	180 919
TRUSTEES SCHOOL DISTRICT GORDONIA & RSA	BUSINESS	0	0	0	0	0	177 572	177 572	177 572
PAGE (GROOT MIER WINKELKOMPLEKS),CHARL H	MUNICIPAL	0	437	437	237	18 679	138 455	158 245	157 808
BLINK BELEG TWAALF PTY LTD	BUSINESS	0	0	0	0	0	156 720	156 720	156 720
REP VAN SUID-AFRIKA	National: Public Works	11	1 085	1 121	724	749	145 022	148 702	147 617
DART PLANT SERVICES CC	INDUSTRY	8	1 778	2 682	853	1 787	139 514	146 614	144 836
MIER MUNISIPALITEIT	OTHER	11	4 818	5 595	3 943	4 828	103 962	123 146	118 328
REP VAN SUID-AFRIKA	OTHER	11	4 384	5 141	3 539	4 322	100 510	117 897	113 513
MIER MUNISIPALITEIT	OTHER	11	4 653	5 393	3 818	4 663	98 981	117 508	112 855
REP VAN SUID-AFRIKA	OTHER	11	4 348	5 099	3 509	4 287	99 717	116 960	112 612
COMMISSION FOR CHILDREN	BUSINESS	8	2 014	2 719	1 277	2 006	105 404	113 420	111 406
DAWID KRUIPER MUNISIPALITEIT	MUNICIPAL	13	16 981	16 981	8 262	5 741	78 366	126 332	109 350
MIER MUNISIPALITEIT	OTHER	11	4 459	5 168	3 659	4 468	94 789	112 542	108 084
REP VAN SUID-AFRIKA	DOMESTIC	11	4 140	4 842	3 355	4 081	92 323	108 740	104 600
THEUNIS JACOBS FAMILIE TRUST	OTHER	11	4 356	5 009	3 614	4 289	83 777	101 046	96 690
B&S MARITZ FAMILIE TRUST	OTHER	11	722	746	349	360	91 678	93 855	93 133
DUNDAN,SADIQ,YUSSUF	DOMESTIC	8	934	84 645	166	249	5 668	91 662	90 728
KALIYAMURTHY,SURESH	DOMESTIC	8	779	1 052	0	0	86 366	88 197	87 418
KALIYAMURTHY,SURESH	DOMESTIC	8	779	1 052	0	0	86 366	88 197	87 418
REP VAN SUID-AFRIKA	National: Public Works	11	634	655	409	423	83 932	86 053	85 419
FJ VAN ZYL & SEUNS BOERDERY PTY LTD	OTHER	11	3 414	3 909	2 848	3 360	63 590	77 122	73 708
SEPTEMBER,FRANK,MATTHEWS	DOMESTIC	5	1 401	1 957	826	1 347	68 657	74 188	72 787

## Section 6 - Creditors' analysis

### 6.1 Supporting Table C4

NC087 Dawid Kruiper - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

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		
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	3 935	2 734	2 156	682	-	-	-	3 385	12 892	31 407	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	7 355	
<b>Total By Customer Type</b>	<b>1000</b>	<b>3 935</b>	<b>2 734</b>	<b>2 156</b>	<b>682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 385</b>	<b>12 892</b>	<b>38 762</b>	

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 December 2016 are R 12.9 million and R 38.8 million for December 2015. This implicates a decrease of R 25.9 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 December 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 - M06 December

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
<b>Municipality</b>					
Dawid Kruiper	Savings	0	25	-	25
Mier Municipality - Interest Only	Call Account	0	33	-	33
Dawid Kruiper	Smart Rate on Call	99	14 161	-	27 510
Minus: Investments qualifying as cash and cash equivalents		-	(14 219)	-	(27 569)
<b>Municipality sub-total</b>		99	-	-	-
<b>Entities</b>					
<b>Entities sub-total</b>		-	-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>		99	-	-	-

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 13.9 million. Grants to the value of R 16.8 million were received during December 2016 and expenditure of R 4.0 million was transferred to revenue. Therefore, unspent conditional grants amounted to R 26.8 million and unpaid grants to R 662 thousand. It should be noted that our unspent grants were cash backed as at 31 December 2016.

GRANT REGISTER FROM 1 DECEMBER 2016 - 31 DECEMBER 2016						
Account	Description	Opening Balance - 1 December 2016	Total Received	Expenditure Transferred to Revenue	Correction / Withheld	Closing Balance - 31 December 2016
INEP	Integrated Nationale Electrification Programme (INEP)	(1 000 000)	-	-	-	(1 000 000)
NDR100	Township Establishment (COGHSTA)	(2 925 281)	-	-	-	(2 925 281)
NDR102	Cultural Festival	(39 204)	-	-	-	(39 204)
NDR104	EPWP - DoRA Allocation	(498 612)	-	-	-	(498 612)
NDR105	Department of Water Affairs (DWA)	-	-	-	-	-
NDR11	Amalgamation Grant	(2 686 000)	(5 372 000)	-	-	(8 058 000)
NDR111	Community Development Grant (Directo Signs)	(50 000)	-	-	-	(50 000)
NDR1605	Finance Management Grant (FMG)	(3 092 787)	-	7 599	-	(3 085 188)
NDR49	Municipal Infrastructure Grant (MIG)	171 501	(8 412 000)	3 623 107	-	(4 617 393)
NDR59	Housing Accreditation	(650 000)	-	-	-	(650 000)
NDR86	Energy Efficiency Demand Management	(3 000 000)	(3 000 000)	150 000	-	(5 850 000)
NDR87	National Lotteries Board	(176 838)	-	174 480	-	(2 358)
NDR92	Extended Public Works Programme (EPWP)	662 079	-	-	-	662 079
<b>Total (Unspent) / Unpaid Grants</b>		<b>(13 885 501)</b>	<b>(16 784 000)</b>	<b>3 955 185</b>	<b>-</b>	<b>(26 113 957)</b>

## 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 December 2016 is set out below.

<b>EMPLOYEE RELATED COSTS FOR THE MONTH ENDED 31 DECEMBER 2016</b>					
<b>National Treasury Line Item</b>	<b>2016/2017 Original Budget</b>	<b>2016/2017 Year to Date</b>	<b>December 2016</b>	<b>December 2016 as % of Original Budget</b>	<b>Year to Date as % of Original Budget</b>
Bargaining Council Contribution	73 363	38 469	6 735	9%	52%
Bonus	10 428 579	11 208 024	21 473	0%	107%
Contributions to Medical Aid	12 275 099	6 296 770	1 039 375	8%	51%
Contributions to Pension	23 853 744	12 893 123	2 212 935	9%	54%
Contributions to UIF	1 274 487	684 302	117 541	9%	54%
Contributions to WCA	1 503 160	–	–	0%	0%
Group Life Insurance	1 486 479	778 149	131 013	9%	52%
Housing Benefits	1 796 158	838 718	147 158	8%	47%
Less: Employee Costs Capitalised	(984 771)	(424 337)	(99 153)	10%	43%
Overtime	13 760 665	7 874 039	1 600 276	12%	57%
Performance Bonus	1 102 400	–	–	0%	0%
Salaries and Wages	143 104 353	74 758 040	12 972 465	9%	52%
Training Levies	1 754 487	1 026 031	156 977	9%	58%
Travel, Motor car, Accom & Other allowances	8 525 251	5 909 952	1 087 089	13%	69%
<b>TOTAL OVERTIME</b>	<b>219 953 454</b>	<b>121 881 280</b>	<b>19 393 884</b>	<b>9%</b>	<b>55%</b>

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 December 2016 is 43.6% (Year to date: 50.6%) and employee related cost as a percentage of total revenue for December 2016 is 29.2% (Year to date: 40.2%). Equitable share received during December 2016 has a negative impact on this 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 Kruiper Municipality's ratio is 62.2% for December 2016 (Year to date: 73.5%). If the excess year to date percentage is expressed as an amount the actual figure will be R 4.0 million for December 2016 (Year to date: R 40.4 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 December 2016 was R 1.6 million (November 2016: R 1.4 million). Overtime performed by parks, electricity department and civil services could be part of employee cost capitalised - refer to table C8, page 28.

<b>OVERTIME FOR THE MONTH ENDED 31 DECEMBER 2016</b>					
<b>National Treasury Line Item</b>	<b>2016/2017 Original Budget</b>	<b>2016/2017 Year to Date</b>	<b>December 2016</b>	<b>December 2016 as % of Original Budget</b>	<b>Year to Date as % of Original Budget</b>
Administration	325 743	144 307	29 704	9%	44%
Libraries	3 564	65 202	63 816	1791%	1829%
Tourism & Marketing	–	609	–	100%	100%
Financial Services	330 035	146 229	22 124	7%	44%
Municipal Manager	14 076	–	–	0%	0%
Housing and Development	3 307	–	–	0%	0%
Traffic Services	415 050	258 435	56 194	14%	62%
Fire Brigade Services	931 947	372 761	42 843	5%	40%
Security Services	1 142 864	292 262	54 675	5%	26%
Environmental Health Services	–	1 129	1 129	100%	100%
Sanitation Services	831 045	506 199	118 077	14%	61%
Refuse Removal Services	1 687 253	943 220	265 377	16%	56%
Vacuum Tank Services	32 112	26 243	6 786	21%	82%
Primary Health Care	13 408	–	–	0%	0%
Information Technology	132 128	40 922	4 409	3%	31%
Civil Engineering Services	–	978	–	100%	100%
Streets and Storm water drainage	898 276	476 003	87 473	10%	53%
Workshop	145 626	85 333	16 963	12%	59%
Sewerage Purification Plant	437 481	409 022	84 494	19%	93%
Building Construction Unit	–	12 423	3 765	100%	100%
Sewerage Distribution Networks	1 000 135	654 924	103 925	10%	65%
Parks	544 951	158 677	61 502	11%	29%
Island Holiday Resort	519 035	286 915	83 212	16%	55%
Swimming Pools	224 307	47 240	16 284	7%	21%
Sport Grounds	120 590	67 117	11 705	10%	56%
Cemetries	161 783	70 284	16 696	10%	43%
Electricity Administration	43 873	9 977	5 851	13%	23%
Electricity Maintenance	332 544	206 599	58 564	18%	62%
Electricity Distribution	649 575	524 703	104 862	16%	81%
Water Production	929 499	559 391	88 408	10%	60%
Water Distribution	1 871 994	1 164 983	160 990	9%	62%
Client Services	1 139	–	–	0%	0%
Community Services and Overtime	–	129 932	24 556	100%	100%
Sundry Donations / Projects	–	10 409	1 414	100%	100%
Parks: Temporary Workers	17 325	–	–	0%	0%
Paving Projects	–	4 480	4 480	100%	100%
LED - Temporary Workers	–	2 793	–	100%	100%
Refuse Removal - Temporary	–	194 338	–	100%	100%
<b>TOTAL OVERTIME</b>	<b>13 760 665</b>	<b>7 874 039</b>	<b>1 600 276</b>	<b>12%</b>	<b>57%</b>

## Section 10 - Capital programme performance

### 10.1 Supporting Table C12

NC087 Dawid Kruiper - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

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									
<b>Monthly expenditure performance trend</b>									
July	15	5 818	5 818	365	365	5 818	5 453	93.7%	1%
August	797	5 818	5 818	3 631	3 996	11 636	7 640	65.7%	6%
September	2 232	5 818	5 818	4 874	8 870	17 454	8 584	49.2%	13%
October	373	5 818	5 818	1 336	10 206	23 273	13 066	56.1%	15%
November	1 129	5 818	5 818	3 513	13 719	29 091	15 372	52.8%	20%
December	720	5 818	5 818	3 718	17 437	34 909	17 472	50.1%	25%
January	427	5 818	5 818	-	17 437	40 727	23 290	57.2%	25%
February	1 396	5 818	5 818	-	17 437	46 545	29 108	62.5%	25%
March	1 446	5 818	5 818	-	17 437	52 363	34 926	66.7%	25%
April	3 588	5 818	5 818	-	17 437	58 181	40 745	70.0%	25%
May	9 185	5 818	5 818	-	17 437	64 000	46 563	72.8%	25%
June	18 827	5 818	5 818	-	17 437	69 818	52 381	75.0%	25%
<b>Total Capital expenditure</b>	<b>40 136</b>	<b>69 818</b>	<b>69 818</b>	<b>17 437</b>					

The municipality spent 25% of the 2016/2017 original capital budget.

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

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

The table reflects capital expenditure on new assets.

NC087 Dawid Kruiper - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

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
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>28 411</b>	<b>36 514</b>	<b>36 514</b>	<b>2 954</b>	<b>13 397</b>	<b>18 257</b>	<b>714</b>	<b>3.9%</b>	<b>36 514</b>
<b>Infrastructure - Road transport</b>	<b>1 819</b>	<b>171</b>	<b>171</b>	<b>2 134</b>	<b>6 341</b>	<b>85</b>	<b>(6 256)</b>	<b>-7329.8%</b>	<b>171</b>
<i>Roads, Pavements &amp; Bridges</i>	1 819	171	171	2 134	6 341	85	(6 256)	-7329.8%	171
<b>Infrastructure - Electricity</b>	<b>19 375</b>	<b>16 697</b>	<b>16 697</b>	<b>454</b>	<b>5 855</b>	<b>8 349</b>	<b>2 494</b>	<b>29.9%</b>	<b>16 697</b>
<i>Transmission &amp; Reticulation</i>	19 375	16 697	16 697	454	5 855	8 349	2 494	29.9%	16 697
<b>Infrastructure - Water</b>	<b>5 199</b>	<b>5 877</b>	<b>5 877</b>	<b>18</b>	<b>301</b>	<b>2 939</b>	<b>2 637</b>	<b>89.8%</b>	<b>5 877</b>
<i>Dams &amp; Reservoirs</i>	5			-	20	-	(20)	100.0%	
<i>Reticulation</i>	5 193	5 877	5 877	18	281	2 939	2 658	90.4%	5 877
<b>Infrastructure - Sanitation</b>	<b>332</b>	<b>13 769</b>	<b>13 769</b>	<b>348</b>	<b>953</b>	<b>6 884</b>	<b>5 931</b>	<b>86.2%</b>	<b>13 769</b>
<i>Reticulation</i>	332	13 769	13 769	-	-	6 884	6 884	100.0%	13 769
<i>Sewerage purification</i>	-			348	953	-	(953)	100.0%	
<b>Infrastructure - Other</b>	<b>1 686</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52)</b>	<b>-</b>	<b>52</b>	<b>100.0%</b>	<b>-</b>
<i>Other</i>	1 686			-	(52)	-	52	100.0%	
<b>Community</b>	<b>2 674</b>	<b>9 119</b>	<b>9 119</b>	<b>578</b>	<b>2 231</b>	<b>4 559</b>	<b>2 328</b>	<b>51.1%</b>	<b>9 119</b>
Parks & gardens	1 633	5 813	5 813	578	1 681	2 907	1 226	42.2%	5 813
Sportsfields & stadia	1 041	3 306	3 306	-	550	1 653	1 103	66.7%	3 306
Recreational facilities	-	-	-	-	-	-	-		-
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Other assets</b>	<b>2 481</b>	<b>1 550</b>	<b>1 550</b>	<b>143</b>	<b>412</b>	<b>775</b>	<b>363</b>	<b>46.9%</b>	<b>1 550</b>
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment	268	1 000	1 000	10	74	500	426	85.1%	1 000
Computers - hardware/equipment	299			121	289	-	(289)	100.0%	
Furniture and other office equipment	870			12	49	-	(49)	100.0%	
Other Buildings	474			-	-	-	-		-
Other Land	571			-	-	-	-		-
Other	-			-	-	-	-		-
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Intangibles</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>		<b>-</b>
Computers - software & programming	30			-	25	-	-		-
<b>Total Capital Expenditure on new assets</b>	<b>33 596</b>	<b>47 183</b>	<b>47 183</b>	<b>3 675</b>	<b>16 065</b>	<b>23 591</b>	<b>7 526</b>	<b>31.9%</b>	<b>47 183</b>

**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 - M06 December

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
<b>R thousands</b>									
<b>Capital expenditure on renewal of existing assets</b>									
<b>by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	6 353	6 747	6 747	43	498	3 374	2 876	85.2%	6 747
Infrastructure - Road transport	27	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges	27	-	-	-	-	-	-	-	-
Infrastructure - Electricity	5 688	6 164	6 164	-	132	3 082	2 950	95.7%	6 164
Transmission & Reticulation	5 688	6 164	6 164	-	132	3 082	2 950	95.7%	6 164
Infrastructure - Water	581	-	-	25	125	-	(125)	100.0%	-
Reticulation	581	-	-	25	125	-	(125)	100.0%	-
Infrastructure - Sanitation	57	583	583	17	241	292	50	17.3%	583
Reticulation	36	133	133	-	-	67	67	100.0%	133
Sewerage purification	21	450	450	17	241	225	(16)	-7.2%	450
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<b>Community</b>	-	-	-	-	591	-	(591)	100.0%	-
Sportsfields & stadia	-	-	-	-	591	-	(591)	100.0%	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	187	15 888	15 888	-	284	7 944	7 660	96.4%	15 888
General vehicles	-	10 525	10 525	-	-	5 263	5 263	100.0%	10 525
Specialised vehicles	-	3 509	3 509	-	-	1 754	1 754	100.0%	3 509
Plant & equipment	2	354	354	-	3	177	174	98.3%	354
Computers - hardware/equipment	99	-	-	-	255	-	(255)	100.0%	-
Furniture and other office equipment	80	-	-	-	26	-	(26)	100.0%	-
Other Buildings	6	-	-	-	-	-	-	-	-
Other	-	1 500	1 500	-	-	750	750	100.0%	1 500
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	6 540	22 635	22 635	43	1 372	11 318	9 946	87.9%	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 - M06  
December

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
<b>R thousands</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>2 831</b>	<b>7 895</b>	<b>7 895</b>	<b>124</b>	<b>705</b>	<b>3 948</b>	<b>3 243</b>	<b>82.1%</b>	<b>7 895</b>
<b>Infrastructure - Road transport</b>	<b>735</b>	<b>1 032</b>	<b>1 032</b>	<b>10</b>	<b>159</b>	<b>516</b>	<b>357</b>	<b>100.0%</b>	<b>1 032</b>
<i>Roads, Pavements &amp; Bridges</i>	295	1 032	1 032	8	84	516	432	-6.1%	1 032
<i>Storm water</i>	440			3	74	-	(74)	-6.1%	
<b>Infrastructure - Electricity</b>	<b>982</b>	<b>3 201</b>	<b>3 201</b>	<b>40</b>	<b>238</b>	<b>1 600</b>	<b>1 363</b>	<b>85.2%</b>	<b>3 201</b>
<i>Transmission &amp; Reticulation</i>	982	3 201	3 201	40	238	1 600	1 363	85.2%	3 201
<b>Infrastructure - Water</b>	<b>739</b>	<b>1 980</b>	<b>1 980</b>	<b>68</b>	<b>296</b>	<b>990</b>	<b>694</b>	<b>70.1%</b>	<b>1 980</b>
<i>Dams &amp; Reservoirs</i>	25			2	6	-	(6)	100.0%	
<i>Reticulation</i>	714	1 980	1 980	65	290	990	700	70.7%	1 980
<b>Infrastructure - Sanitation</b>	<b>358</b>	<b>1 635</b>	<b>1 635</b>	<b>6</b>	<b>10</b>	<b>818</b>	<b>807</b>	<b>98.7%</b>	<b>1 635</b>
<i>Reticulation</i>	355	176	176	5	10	88	78	88.8%	176
<i>Sewerage purification</i>	4	1 460	1 460	0	0	730	729	99.9%	1 460
<b>Infrastructure - Other</b>	<b>15</b>	<b>48</b>	<b>48</b>	<b>-</b>	<b>3</b>	<b>24</b>	<b>21</b>	<b>89.0%</b>	<b>48</b>
<i>Waste Management</i>	-	38	38	-	-	19	19	100.0%	38
<i>Other</i>	15	10	10	-	3	5	2	47.4%	10
<b>Community</b>	<b>228</b>	<b>1 486</b>	<b>1 486</b>	<b>12</b>	<b>171</b>	<b>743</b>	<b>571</b>	<b>76.9%</b>	<b>1 486</b>
Parks & gardens	98	284	284	3	60	142	82	58.0%	284
Sportsfields & stadia	103	218	218	6	76	109	33	30.6%	218
Swimming pools	-	126	126	-	-	63	63	100.0%	126
Libraries	-	38	38	-	-	19	19	100.0%	38
Recreational facilities	22	471	471	3	35	235	200	85.0%	471
Fire, safety & emergency	-	257	257	-	-	129	129	100.0%	257
Security and policing	-	40	40	-	-	20	20	100.0%	40
Clinics	-	25	25	-	-	13	13	100.0%	25
Cemeteries	5	26	26	-	1	13	12	94.6%	26
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other assets</b>	<b>9 545</b>	<b>8 634</b>	<b>8 634</b>	<b>874</b>	<b>3 981</b>	<b>4 317</b>	<b>336</b>	<b>7.8%</b>	<b>8 634</b>
General vehicles	7 302	6 495	6 495	406	2 524	3 248	723	22.3%	6 495
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	659	85	85	198	425	43	(382)	-897.1%	85
Computers - hardware/equipment	139	363	363	15	101	182	81	44.7%	363
Other Buildings	1 123	1 075	1 075	188	772	538	(235)	-43.6%	1 075
Other	321	615	615	67	160	307	148	48.1%	615
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Repairs and Maintenance Expenditure</b>	<b>12 603</b>	<b>17 937</b>	<b>17 937</b>	<b>1 009</b>	<b>4 858</b>	<b>8 969</b>	<b>4 111</b>	<b>45.8%</b>	<b>17 937</b>

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 - M06 December

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
<b>R thousands</b>												
<b>Cash Receipts By Source</b>												
Property rates	3 115	8 064	7 692	3 201	1 287	6 198	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	20 620	20 175	22 029	19 144	22 490	16 389	-	-	-	-	-	-
Service charges - water revenue	3 395	3 238	3 989	3 837	3 887	5 149	-	-	-	-	-	-
Service charges - sanitation revenue	2 479	2 516	2 719	2 536	2 550	2 506	-	-	-	-	-	-
Service charges - refuse	1 951	1 804	2 071	1 860	1 955	1 826	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	255	295	422	512	549	1 829	-	-	-	-	-	-
Interest earned - external investments	83	119	145	148	177	164	-	-	-	-	-	-
Interest earned - outstanding debtors	250	271	284	290	307	350	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fines	42	48	54	40	56	59	-	-	-	-	-	-
Licences and permits	142	164	140	146	118	96	-	-	-	-	-	-
Agency services	393	431	423	363	394	390	-	-	-	-	-	-
Transfer receipts - operating	9 272	17 990	500	1 769	688	23 696	-	-	-	-	-	-
Other revenue	361	1 028	3 265	1 019	(244)	644	-	-	-	-	-	-
<b>Cash Receipts by Source</b>	<b>42 357</b>	<b>56 142</b>	<b>43 734</b>	<b>34 864</b>	<b>34 214</b>	<b>59 297</b>	-	-	-	-	-	-
<b>Other Cash Flows by Source</b>												
Transfer receipts - capital	-	208	2 811	3 933	1 277	3 394	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	341	1 279	1 622	646	4 323	67	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	161	646	354	55	(379)	206	-	-	-	-	-	-
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	0	(3)	3	1	2	1	-	-	-	-	-	-
Change in non-current investments	(0)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>42 859</b>	<b>58 272</b>	<b>48 525</b>	<b>39 498</b>	<b>39 437</b>	<b>62 966</b>	-	-	-	-	-	-
<b>Cash Payments by Type</b>												
Employee related costs	17 525	17 037	19 174	18 672	30 069	19 391	-	-	-	-	-	-
Remuneration of councillors	664	726	789	790	789	774	-	-	-	-	-	-
Interest paid	708	785	709	722	756	3 075	-	-	-	-	-	-
Bulk purchases - Electricity	(2)	19 874	19 666	11 920	12 503	13 814	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	487	554	-	680	-	-	-	-	-	-
Other materials	185	765	896	1 170	783	963	-	-	-	-	-	-
Contracted services	102	140	563	275	619	1 556	-	-	-	-	-	-
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	26	5	33	13	6	-	-	-	-	-	-	-
General expenses	31 845	(830)	409	16 081	3 140	(4 537)	-	-	-	-	-	-
<b>Cash Payments by Type</b>	<b>51 052</b>	<b>38 501</b>	<b>42 725</b>	<b>50 198</b>	<b>48 664</b>	<b>35 717</b>	-	-	-	-	-	-
<b>Other Cash Flows/Payments by Type</b>												
Capital assets	365	3 631	4 874	1 336	3 513	3 718	-	-	-	-	-	-
Repayment of borrowing	968	947	1 023	1 010	1 041	1 956	-	-	-	-	-	-
Other Cash Flows/Payments	(3 766)	(429)	(359)	(1 566)	2 726	(1 550)	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>48 620</b>	<b>42 649</b>	<b>48 264</b>	<b>50 978</b>	<b>55 944</b>	<b>39 841</b>	-	-	-	-	-	-
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(5 761)</b>	<b>15 623</b>	<b>261</b>	<b>(11 480)</b>	<b>(16 507)</b>	<b>23 125</b>	-	-	-	-	-	-
Cash/cash equivalents at the monthly year beginning:	15 667	9 906	25 529	25 790	14 310	(2 197)	20 927	20 927	20 927	20 927	20 927	20 927
Cash/cash equivalents at the monthly year end:	9 906	25 529	25 790	14 310	(2 197)	20 927	20 927	20 927	20 927	20 927	20 927	20 927

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 120.1 million. This amount includes instalments payable within one year (current borrowings). An instalment to the value of R 2.0 million was paid during December 2016. Therefore, non-current borrowings amounted to R 118.0 million at 31 December 2016.

EXTERNAL LOANS	OPENING BALANCE 01/12/2016	INSTALMENT	INTEREST ACCRUED	LOANS RAISED	CLOSING BALANCE 31/12/2016
SBSA-VOERTUIG	1 231 303	606 985	-	-	<b>624 318</b>
SBSA- INFRASTRUKTUUR	42 554 134	906 300	-	-	<b>41 647 835</b>
Development Bank of South Africa Loan 101 / 61003172	7 566 218	171 378	-	-	<b>7 394 840</b>
Development Bank of South Africa NC102952.3 / 61000766	241 597	(33 787)	-	-	<b>275 384</b>
Development Bank of South Africa NC102952.1 / 61000764	39 167 058	97 385	-	-	<b>39 069 672</b>
Development Bank of South Africa NC102952.2 / 61000765	28 628 467	208 128	-	-	<b>28 420 340</b>
Development Bank of South Africa NC102356 Prepaid Meters	686 251	91 500	-	-	<b>594 750</b>
<b>TOTAL</b>	<b>120 075 028</b>	<b>2 047 888</b>	-	-	<b>118 027 139</b>

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 December 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)

13 January 2017