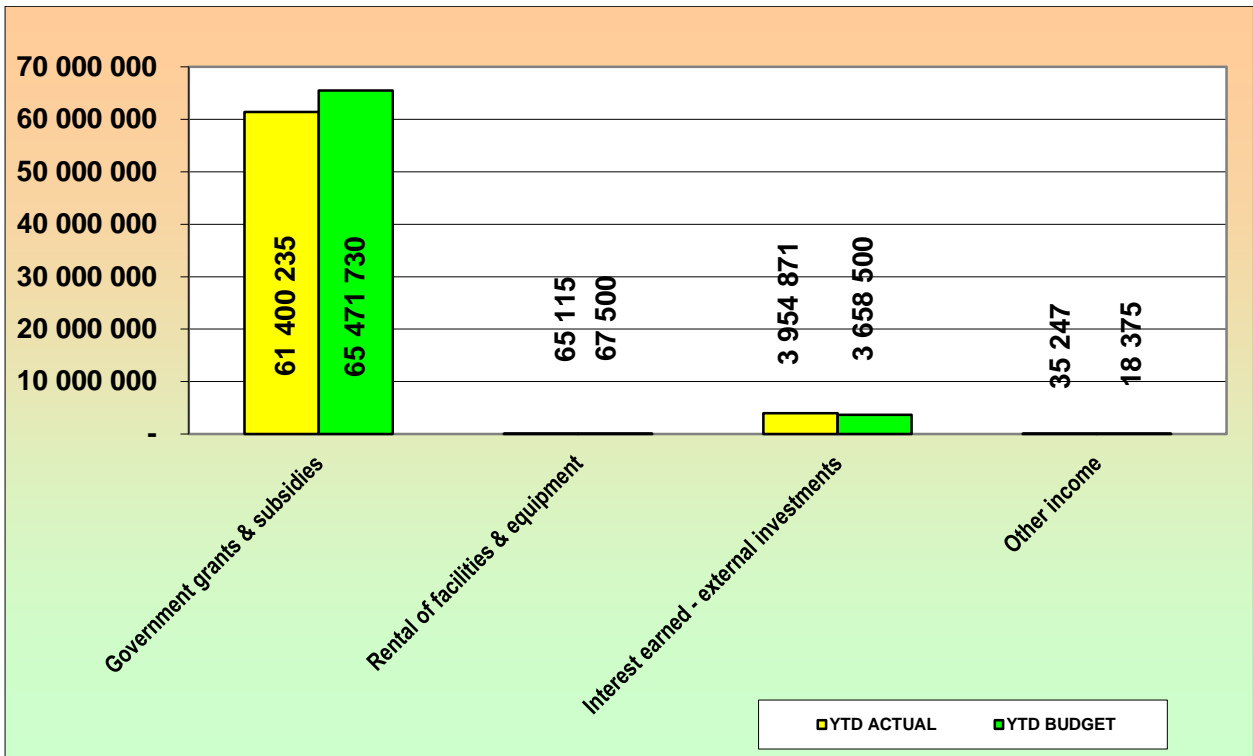


1. FINANCIAL POSITION

FRANCES BAARD DISTRICT MUNICIPALITY		
STATEMENT OF FINANCIAL POSITION	31 March 2012	Jun-11
	R	R
<u>NET ASSETS AND LIABILITIES</u>		
Net Assets	99,007,925	86,187,966
Capital Replacement Reserve	3,034,665	4,411,867
Revaluation Reserve	5,828,305	5,828,305
Accumulated Surplus / (Deficit)	90,144,955	75,947,793
Non-current Liabilities	32,350,388	32,913,606
Long-Term Liabilities	12,251,709	12,814,927
Employee Benefits	20,098,679	20,098,679
Current Liabilities	36,635,974	13,516,295
Current Employee Benefits	4,781,340	5,228,584
Trade Payables	1,982,131	2,267,558
Unspent Conditional Grants and Receipts	28,579,732	4,727,383
Operating Lease Liability	-	-
Current Portion of Long-term Liabilities	1,292,770	1,292,770
TOTAL: NET ASSETS AND LIABILITIES	167,994,287	132,617,866.71
<u>ASSETS</u>		
Non-current Assets	50,932,436	52,185,456
Property, Plant and Equipment	50,321,284	51,574,304
Non-Current Assets Held for Sale	-	-
Investment Property	-	-
Intangible Assets	611,151	611,151
Financial Assets	-	-
Long-term Receivables	-	-
Current Assets	117,061,852	80,432,411
Taxes	468,319	1,489,596
Trade Receivables from Exchange Transactions	-	-
Trade Receivables from Non-Exchange Transactions	2,528,912	2,184,489
Operating Lease Asset	9,383	9,383
Inventory	395,864	370,274
Current Portion of Long-term Receivables	-	-
Discontinued Operations	-	344,298
Current Financial Assets	-	6,218
Term Deposits	2,900,000	2,900,000
Cash and Cash Equivalents	110,759,373	73,128,152
TOTAL: ASSETS	167,994,287	132,617,867

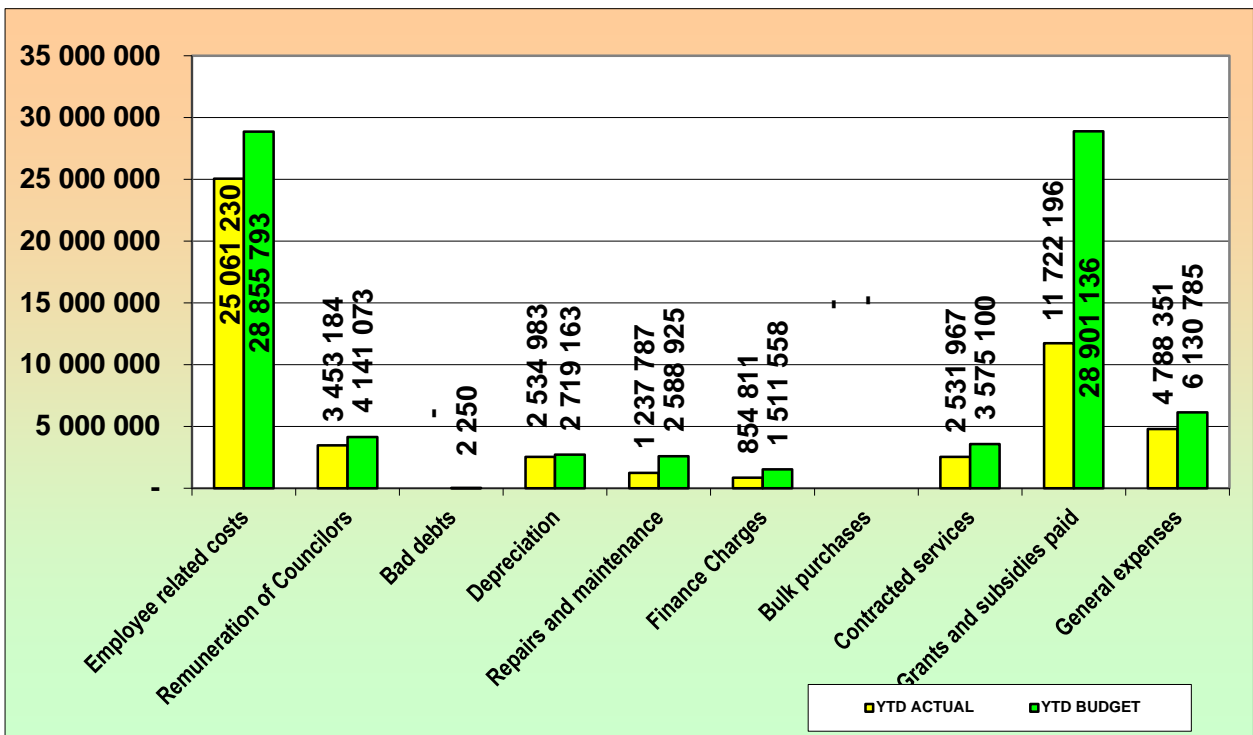
2. **FINANCIAL PERFORMANCE**

Revenue by Source (YTD):



The positive variance on Grants and Subsidies is mainly due to the receipt of the equitable share allocation in respect of the second quarter of the financial year.

Expenditure per classification (YTD):



For this financial year, expenditure is restricted to necessary activities per approved budget & service delivery plans, operating expenditure limit approved by Council and money that we realistically expect to collect. Adequate controls are in place to ensure that overspending does not occur.

Salaries: A summary of the actual salaries paid versus the approved budget allocation is as follows:

<i>Salaries & Allowances</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	28,514,414	31,681,035	3,166,621	10%
Councillors Remuneration	3,453,184	4,141,073	687,888	17%
Post-Service Benefits	483,649	596,243	112,594	19%
Personnel Remuneration	24,577,581	26,943,720	2,366,139	9%
<i>Employee Related Costs</i>	20,528,874	22,233,180	1,704,306	8%
<i>Social Contributions</i>	3,505,610	3,976,943	471,332	12%
<i>Compulsory Levies</i>	543,097	733,598	190,501	26%

The positive variance on budgeted remuneration is due mainly to the budgeted number of vacancies on the staff structure not filled accordingly.

Depreciation: The actual depreciation reflected for the financial year is based on true transaction and acquisition date of asset. Assets are depreciated in accordance with GRAP / GAMAP guidelines per asset type and calculated on cost, using the straight line method over the estimated useful life of assets. Asset acquisitions are included in the capital budget and are depreciated as the year progresses.

Repairs and Maintenance: Apart from standard service contracts, planned or expected maintenance costs incurred during this financial year are mainly in the area of computer software licenses renewal.

Grants and Subsidies: All project payments, whether capital infrastructure or community development in nature, whether funded internally or externally, are included.

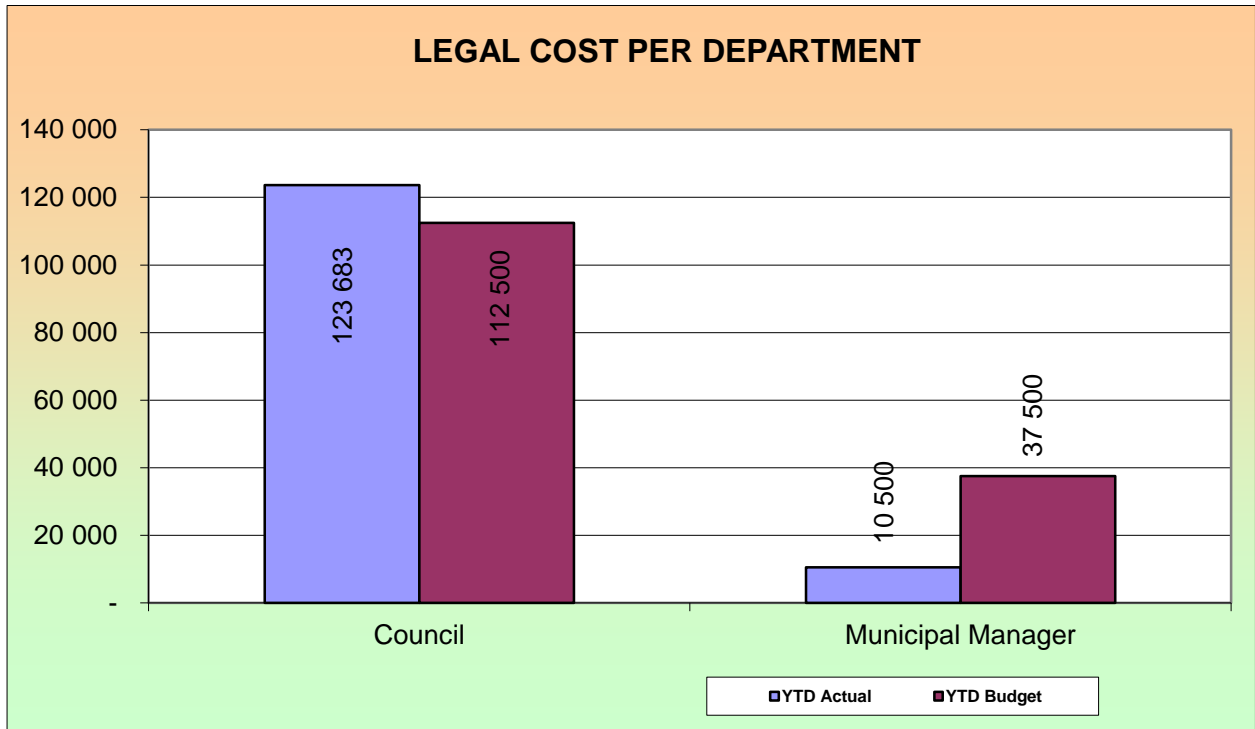
Projects that were not completed during the previous year-end have been rolled over to the new financial year for completion from the accumulated surplus / deficit or applicable unspent grant funding accounts.

Progress on actual expenditure on infrastructure and development projects, in comparison with the budget, is:

<i>Grants & Subsidies</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	11,722,196	28,908,636	17,186,440	59%
<i>Internal / Administration</i>	4,860,541	7,786,476	2,925,935	38%
<i>External Beneficiaries</i>	6,861,655	21,122,160	14,260,505	68%
<i>State Funded Grants</i>	6,369,507	14,955,660	8,586,153	57%
<i>Reserve Funded Grants</i>	462,529	6,136,500	5,673,971	92%
<i>Revenue Funded Grants</i>	29,618	30,000	382	1%

General Expenses: Actual expenses are expected to increase as planned activities per service delivery and budget plans gain momentum.

Legal Costs per Department: A summary of the actual legal costs paid versus the approved budget is as follows:



The actual spending on legal costs reflects mainly for spending needs identification. The total budget allocation for the 2011/12 financial year is R 200 000 with the year to date budgeted amount being R150 000. Reflected on the graph is the actual year to date versus the projected budget amount to end March 2012.

Projected Operating Results:

Explanation regarding any significant projected positive or negative variances more than 10% versus the approved budget:

Please refer to next page

Revenue & Expenditure per classification	YTD Actual 31 March 2012	Estimated Projection: 2011/12	Approved Budget 2011/12	Projected Variance R	Projected Variance %
REVENUE BY SOURCE:					
Interest Earned - External Investments	3,954,871	4,878,000	4,878,000	-	0.00%
Interest Earned - Outstanding Debtors	-	-	-	-	
Other	35,247	24,500	24,500	-	0.00%
Rental of Facilities & Equipment	65,115	90,000	90,000	-	0.00%
Income for Agency Services	-	-	-	-	
Government Grants & Subsidies	61,400,235	101,947,910	101,947,910	-	0.00%
Transfers From Reserves	-	-	2,214,680	2,214,680	
Gain on disposal of property plant and equipment		80,000	80,000	-	0.00%
Total Revenue:	65,455,469	107,020,410	109,235,090	2,214,680	3.38%
EXPENDITURE PER VOTE:					
Executive and Council	9,858,566	13,355,837	16,934,430	3,578,593	26.79%
Council	5,953,296	7,527,768	8,799,100	1,271,332	
Office of the Municipal Manager	3,905,270	5,828,069	8,135,330	2,307,261	
Finance & Administration	17,532,429	25,942,676	30,416,120	4,473,444	17.24%
Budget & Treasury Office	8,712,183	13,111,340	15,143,070	2,031,730	
Corporate Services	8,820,246	12,831,335	15,273,050	2,441,715	
Planning & Development	18,077,481	35,074,371	38,443,790	3,369,419	9.61%
Planning & Development	7,088,091	13,911,806	15,042,110	1,130,304	
Technical Services	10,989,390	21,162,565	23,401,680	2,239,115	
Health	2,508,697	3,332,085	3,983,090	651,005	16.34%
Community & Social Services	4	-	-	-	
Public Safety	2,305,391	3,242,167	3,359,340	117,173	3.49%
Housing	2,101,349	3,544,158	4,408,680	864,522	19.61%
Total Expenditure:	52,383,917	84,491,292	97,545,450	13,054,158	13.38%
Transfer to Capital Replacement Reserve		1,185,000	1,185,000	-	
Prior year Revenue & Expenditure	-		-	-	
NET OPERATING RESULT:- SURPLUS / (DEFICIT)	13,071,552	21,344,118	10,504,640	(10,839,478)	

EXPENDITURE PER VOTE:

Please note that as per direction from National Treasury, the current budget is based on an increase of 6% of spending capacity on the previous financial years' budget.

Interim results per approved business plans and budget for the financial year under review:

- **Executive and Council:**
 - o Expenditure of Council and Executive was less than the budget by 26.79% primarily in the areas of:
 - Consultancy, legal services - expenditure is needs driven
 - Councillor training
 - Vacant post of Office Manager in the office of the Municipal Manager.

The annual increase for Councilors' was decided in December 2011 and implemented in terms of the remuneration of Public Office Bearers Act, 1998 in respect of the 2011/2012 financial year which has been budgeted for the full year.

- **Finance & Administration:**

Expenditure of Finance & Administration is less than the projected budget by 17.24% primarily in the areas of interest on external loan; maintenance of software, buildings, office equipment grounds & fencing; development of IT governance & service management framework; computer software; Employee Assistance Programme; advertising recruitment; relocation costs and training.

Approved vacant posts of Assistant Accountant, Accountant and Records Manager have to be filled.

Remedy: Savings realized and shortfalls have been corrected with the adjustment budget.

- **Planning & Development:**

Expenditure of Planning & Development is less than the projected budget by 9.61% primarily in the areas of computer software maintenance, advertisement general notices, special projects and implementation of the IDP.

Remedy: All planned activities are on schedule and are likely to gain momentum as the financial year progresses.

- **Spatial Planning**

The establishment of a township has yet to start. Invitation to tender for the Environmental Impact Assessment and the Bulk Service Report will occur during the first week of April 2012. Additional funding was requested for the bio-diversity study.

Remedy: Appointment of a consultant for the valuation and transfer of property is in progress.

- **GIS**

Projects' relating to capturing of water infrastructure data has yet to start. There is a pending case against the consultant.

Remedy: The case has been referred to the District Municipality's lawyers for non-performance.

- **Local Economic Development**

Most LED & Tourism projects have not started yet and it is envisage that they will be completed on or before end of June 2012.

Remedy: All planned activities are on schedule and are likely to gain momentum as the financial year progresses.

- **Project Management & Advisory Services**

Most of the infrastructure projects have not yet started and it is estimated that they will be completed on or before end June 2012.

Remedy: All planned activities are on schedule and are likely to gain momentum as the financial year progresses.

- **Health:**

Expenditure of health is less than the projected budget by 16.34%.

IWMP awareness programmes are in progress.

The Air Quality Management Plan workshop will take place on 05 June 2012.

Only R50 000 for the maintenance of the recycling project will be needed out of an approved budget of R500 000 and the operation will start in June 2012.

Remedy: Shortfalls and savings have been corrected with the adjustment budget.

- **Public Safety:**

Expenditure of public safety is less than the projected budget by 3.49% primarily in the areas of maintenance of emergency, radio and office equipment as well as special projects.

Remedy: All planned activities are on schedule and are likely to gain momentum as the financial year progresses. Certain activities are needs driven.

- **Housing:**

Expenditure of housing is less than the budget by 19.47 primarily in the areas of consultancy and special projects.

Remedy: Expenditure of the housing unit is limited to the actual revenue received year-to-date.

EXPENDITURE ON SPECIAL PROJECTS PER VOTE:

- **Council & Executive**

	YTD Actual	Budget	% Spending	Remarks
<u>Council</u>				
District Aids Council Grant	20,500	-		
Goodwill Fund Projects: Executive Mayor	1,892	4,000	47.31%	
Commemorative Days	26,609	50,000	53.22%	
11/12: Contribution Maloof Money Cup SA	126,500	126,500		Completed
Total	175,501	180,500	97.23%	
<u>Communications</u>				
CFS System	-	4,430	0.00%	Amount paid in full - 2 year contract
PAIA Management	-	12,000	0.00%	Paia workshop planned for 12/04/2012
Branding	9,901	20,000	49.50%	Branding to be rolled out in full now that the visual standards manual is completed
Total	9,901	36,430	27.18%	
	YTD Actual	Budget	% Spending	Remarks
<u>Committee & Administration Services</u>				
2011: SPEC PROJ - YOUTH UNIT	29,618	30,000	98.73%	Completed
Total	29,618	30,000	98.73%	

- Finance & Administration

	YTD Actual	Budget	% Spending	Remarks
Finance: Directorate				
Finacial System Support (3) LM	448,052	450,000	99.57%	Ongoing
Total	448,052	450,000	99.57%	
Finance: Budget Office				
Capacity Building & BTO Operation	88,468	180,000	49.15%	Ongoing
Total	88,468	180,000	49.15%	
Information Communication & Technology				
Develop IT Governance Framework	-	380,000	0.00%	In Process - Evaluation Committee
Total	-	380,000	0.02%	

	YTD Actual	Budget	% Spending	Remarks
Human Resource Management				
Employee Assistance Programme	3,949	100,000	3.95%	Needs driven
Employee Wellness	429,667	495,000	86.80%	Ongoing
HIV VIP Primer	195,815	200,000	97.91%	Needs driven
Total	629,430	795,000	79.17%	

- Environmental Health

	YTD Actual	Budget	% Spending	Remarks
Environmental Health				
Waste Recycling Project	1,417,915	1,546,000	91.72%	Project completed
Awareness Program - Sanitation, HIV and Enviro Days	19,455	50,000	38.91%	Spending according to programmes
Awareness Program IWMP & EMF	3,400	25,000	13.60%	Spending according to programmes
Maint Recycling Project	-	500,000	0.00%	Operation will start in June 2012
Air Quality Management Plan	-	95,000	0.00%	Workshop rescheduled for 05 June 2012
Total	1,440,770	2,216,000	65.02%	

- Planning & Development

	YTD Actual	Budget	% Spending	Remarks
Planning & Development Directorate				
Dikgatlong Town Plan	-	300,000	0.00%	Project has been advertised, to be awarded soon
Review District Management Plan	-	300,000	0.00%	In consultation phase
Preparation of By-Laws	110,620	200,000	55.31%	Service provider has been appointed and a partial payment will be done in March due the progress of the project.
Establish Water Infrastructure System	-	400,000	0.00%	Project in progress
Total	110,620	1,200,000	9.22%	
IDP / PMS Management				
IDP Review and Implementation	-	38,660	0.00%	Will be spent in the 4th quarter of the financial year.
Total	-	38,660	0.00%	

	YTD Actual	Budget	% Spending	Remarks
HOUSING				
Housing Consumer Education	-	22,000	0.00%	In process
Housing HDD Field Workers	83,722	147,860	56.62%	In process
REV. Housing Chapters	58,176	350,000	16.62%	In process
Development Housing Strategy	-	19,500	0.00%	Development of Housing Strategy completed in-house: Savings
Housing Register Contractors	-	40,600	0.00%	In consultation with NHBRC
Total	141,898	579,960	24.47%	

DEPARTMENT FINANCE

MARCH 2012

	YTD Actual	Budget	% Spending	Remarks
GIS				
GIS - Capture Water Infrastructure	-	847,020	0.00%	Tender awarded
Township Establishment	38,226	1,003,160	3.81%	Busy with surveying of the area
Total	38,226	1,850,180	2.07%	

	YTD Actual	Budget	% Spending	Remarks
LED / Tourism				
LED Capacity Building	-	16,000	0.00%	In process - 4th quarter
LED Social Responsibility / Miners	-	7,000	0.00%	In process - 4th quarter
LED Agency	-	70,000	0.00%	In process - 4th quarter
LED Forums	17,538	20,000	87.69%	In process
LED - NCTA Support	135,000	135,000	100.00%	Spending completed
TOUR Business Plan Competition	195,711	270,000	72.49%	In process
LED Phokwane Vegetable Plant	80,000	90,000	88.89%	In process - awaiting final document
LED Entrepreneur Program	47,756	156,000	30.61%	Awaiting appointment of candidates
LED Bokomotoso Dikgatlong	78,000	80,000	97.50%	To be completed in 4th quarter
LED Kgololosego Phokwane	-	150,000	0.00%	To be completed in 4th quarter
LED SMME Development	199,894	109,530	182.50%	In process
LED EXPO	238,616	450,000	53.03%	In process
LED Phokwane vegetable Plant	18,950	60,000	31.58%	In process
TOUR Marketing Brochure	-	200,000	0.00%	In process - 4th quarter
TOUR SAN Community Culture Village	150,000	150,000	100.00%	Spending completed
TOUR Wildebeestkuil Rock Art	100,000	100,000	100.00%	Spending completed
TOUR SMME Registration & Grading	3,396	100,000	3.40%	In process
TOUR Tourism Guide Training	189,025	250,000	75.61%	In process
TOUR Capacity Building	3,609	120,000	3.01%	In process - 4th quarter
TOUR Capacity Building Phokwane	-	100,000	0.00%	In process - 4th quarter
TOUR Product Owners Meeting Grading	71,751	100,000	71.75%	In process
TOUR Indaba Trade EXPO	-	120,000	0.00%	In process
TOUR Know Your Region Campaign	13,144	60,000	21.91%	In process
TOUR N12 Treasure Route	20,000	20,000	100.00%	Spending completed
TOUR NCTA Marketing Meetings	3,764	15,000	25.09%	Awaiting invitations
TOUR Association Meetings	3,248	10,000	32.48%	In process
TOUR Advertising	51,885	270,000	19.22%	In process
TOUR NAT Tourism Day Celebrations	10,000	10,000	100.00%	Spending completed
TOUR PROV Tourism Month Celebration	10,000	10,000	100.00%	Spending completed
TOUR N12 Information Boards	87,826	100,000	87.83%	In process - 4th quarter
TOUR N12 Promotion	50,000	50,000	100.00%	Spending completed
TOUR Contribution Gariep Festival	100,000	100,000	100.00%	Spending completed
TOUR / LED SMME EXPO	29,683	85,000	34.92%	In process
Contribution to Doring Fees	-	100,000	0.00%	
Total	1,908,796	3,683,530	51.82%	

Please refer to next page

	YTD Actual	Budget	% Spending	Remarks
<u>PROJECT & ADVISORY SERVICES</u>				
EQS 11/12 - Magareng: MNT Water Treatment Works	31,512	300,000	10.50%	Assessment
EQS 11/12 - Magareng: MNT Waste Treatment Works	56,580	300,000	18.86%	Implementation
EQS 11/12 - Magareng: MNT Electricity Network	-	300,000	0.00%	Procurement
EQS 11/12 - Magareng: MNT Water and Sewer Network	8,820	250,000	3.53%	Implementation
EQS 11/12 - Magareng: MNT Street & Stormwater	103,524	1,650,000	6.27%	Procurement
EQS 11/12 - Phokwane: MNT Water Treatment Works	398,519	400,000	99.63%	Implementation - estimated completion June 2012
EQS 11/12 - Phokwane: MNT Water Treatment Works	399,540	500,000	79.91%	Procurement - estimated completion April 2012
EQS 11/12 - Phokwane: MNT Electricity Network	344,200	500,000	68.84%	Implementation - estimated completion June 2012
EQS 11/12 - Phokwane: MNT Water and Sewer Network	250,000	250,000	100.00%	Implementation - estimated completion June 2012
EQS 11/12 - Phokwane: MNT Street & Stormwater	99,840	400,000	24.96%	Implementation - estimated completion June 2012
EQS 11/12 - Dikgatlong: MNT Water Treatment Works	198,260	550,000	36.05%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Waste Treatment Works	114,305	400,000	28.58%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Electricity Network	-	150,000	0.00%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Water and Sewer Network	17,330	62,000	27.95%	Assessment & Procurement
EQS 11/12 : Service Private Owned Land Rural	676,979	1,000,000	67.70%	Implementation - estimated completion June 2012
EPWP Unallocated	-	9,882,000	0.00%	
DWAF: 11/12 SANITATION MVULA TRUST	1,429,960	1,429,960	100.00%	
10/11: DWA ASSESS W/W TREATMENT WORKS	68,260	68,260	100.00%	Completed
EPWP 11/12 : Bush Clearance	78,452	185,420	42.31%	To appoint a new contractor in April 2012
RES: DMA 11/12 - Electricity Selfbuild Roll Over	1,286,850	2,192,330	58.70%	Contractor appointed - estimated completion June 2012
RES 11/12 : Phokwane: Pave Roads	611,011	1,400,000	43.64%	Bid adjudication - estimated completion June 2012
REVF 11/12 - SOL: MNT Streets and Stormwater	265,804	650,000	40.89%	Implementation - estimated completion June 2012
REVF 11/12 - SOL: MNT Platfontein Sewer	-	100,000	0.00%	Implementation - estimated completion June 2012
REVF 11/12 - Dikgatlong: MNT Water and Sewer Network	50,822	238,000	21.35%	Procurement
REVF 11/12 - Dikgatlong: MNT Street & Stormwater	145,903	700,000	20.84%	Procurement
REVF 09/10: 11/12: Phokwane: Pave Roads	-	2,312,000	0.00%	Bid adjudication - estimated completion June 2012
REVF 09/10: 11/12: Magareng Refuse Truck	-	1,600,000	0.00%	Bid stage - nominated bidders - Adjustment Budget
REVF 09/10: 11/12: Dikgatlong: Water Treatment Works	-	1,412,000	0.00%	Consultant appointed
REVF 09/10: 11/12: Magareng: Electricity Masterplan	-	270,000	0.00%	Consultant appointed
REVF 09/10: 11/12: Dikgatlong: Electricity MasterPlan	-	300,000	0.00%	Planning - advert postponed to include other requirements
11/12: MALOOF SKATEPARK-ABLUTION BLOCKS	-	500,000	0.00%	
Total	6,636,471	30,251,970	21.94%	

FIRE FIGHTING / DISASTER MANAGEMENT

	YTD Actual	Budget	% Spending	Remarks
<u>FIRE FIGHTING / DISASTER MANAGEMENT.</u>				
Assit: Fire Fighting Equipment Maintenance	6,001	90,000	6.67%	Utilised as per request
Volunteers Training	-	62,500	0.00%	Training likley to occur during the beginning of the 4th Quarter
Volunteers Fire Equipment	1,120	49,380	2.27%	In Process
Equipment - FF Personnel	-	15,000	0.00%	Procurement likely to occur during the beginning of the 4th Quarter
Disaster Management Volunteers Project	57,325	180,000	31.85%	Expenditure as per request
Total	64,445	396,880	16.24%	

Projected Capital Expenditure Results:

A detailed projection of capital expenditure per vote as well as variances reflected in rand value and / or percentage follows:

Capital Expenditure per vote	YTD Actual	Estimated Projection: 2011/12	Approved Budget 2011/12	Projected Variance R	Projected Variance %
<u>CAPITAL EXPENDITURE PER VOTE:</u>					
Executive and Council	36,366	49,060	49,060	-	0.00%
Council	-	-	-	-	-
Office of the Municipal Manager	36,366	49,060	49,060	-	0.00%
Finance & Administration	555,206	702,428	794,780	92,352	11.62%
Budget & Treasury Office	287,272	281,798	282,600	802	0.28%
Corporate Services	267,934	420,630	512,180	91,550	17.87%
Planning & Development	1,186,279	1,427,550	1,429,500	-1,950	-0
Planning & Development	19,500	75,500	75,500	-	0.00%
Technical Services	1,166,779	1,352,050	1,354,000	-1,950	-0.14%
Housing	18,729	53,088	55,000	1,912	0.00%
Health	-	-	-	-	0.00%
Community & Social Services	-	-	-	-	0.00%
Public Safety	-	1,600,000	1,600,000	-	0.00%
Total Capital Expenditure:	1,796,580	3,832,126	3,928,340	92,314	2.35%

Expenditure on capital acquisition is 40% as compared to the full year projected budget, with 1.84% being committed at the period of reporting.

Computer Equipment

- 58% of computer equipment has been acquired to date as compared to the projected capital budget resulting in an under spending of R265 573.

Office Equipment

- No office equipment has been acquired to date resulting in an under spending of R4 400.

Furniture and Fittings

- 5% of the furniture and fittings have been acquired to date as compared to the projected capital budget resulting in an under spending to the value of R58 802. Procurement to occur before end of June 2012.

Motor Vehicles

- Procurement of a motor vehicle with a tow bar, caravan and sliding cover for the double cab is complete.

Plant & Equipment

- 3% plant & equipment has been acquired to date resulting in an under spending of R1 634 481. Procurement to occur before end of June 2012.

Buildings & Facilities

- 84% of buildings & facilities has been spent to date on alteration and renovations resulting in an under spending of R186 079. Alteration of the recreational hall is in progress.

Grant Funding:

External funding account balances reflect transfers to revenue adequate to cover the relevant operating or capital expenditure for which the funds have been received.

Grant funding is reflected as unspent grants where relevant, with revenue transferred to the income statement as expenditure is incurred.

A summary of grant fund movements is set out below:

EXTERNAL FUNDING	Balance Fwd	Received	Applied	Balance
Equitable Share	-	59,461,000	54,152,686	5,308,314
Financial Management Grant	-	1,250,000	927,213	322,787
Municipal Systems Improvement Grant	-	1,200,000	-	1,200,000
Municipal Infrastructure Grant	-	-	-	-
DWAF - Sanitation (Mvula Trust)	1,489,217	-	68,260	1,420,957
Expanded Public Works Program Grant	-	-	-	-
NCPA - Housing Accreditation Grant	1,077,953	2,408,196	1,692,547	1,793,602
District Aids Council	114,682	-	-	114,682
NEAR Control Centre	-	-	-	-
Firefighting Equipment	352,364	-	-	352,364
SETA Skills Grant	-	13,436	-	13,436
Vuna Awards	-	-	-	-
NC TOURISM	-	200,000	-	200,000
EPW: Lerato Park	185,421	-	78,452	106,969
Environmental Health Recycling Project	1,427,746	-	1,417,915	9,831
Koopmansfontein Self Build Scheme	80,000	16,000	-	96,000
Total	4,727,383	64,548,631	58,337,072	10,938,942

Please refer to next page

3. CASH AND INVESTMENT

CASH FLOW REPORT	30-Jun-11	Mar-12
OPERATING FLOWS	(82,575,159)	(46,874,923)
- Salaries, wages and allowances	(39,731,307)	(29,528,053)
- Cash and creditor payments	(55,129,658)	(20,394,557)
- Statutory Payments (incl VAT)	(2,561,407)	(4,253,612)
- Other payments	(122,395)	-
- Revenue receipts	(1,607,683)	(1,944,749)
- Statutory Receipts (incl VAT)	7,376,480	3,965,821
- Capital payments	6,534,246	3,124,445
- Other revenues	2,666,564	2,155,782
INVESTMENT FLOWS	(11,600,000)	(39,000,000)
- Investments made-OUT	(86,500,000)	(116,500,000)
- Investments redeemed	74,900,000	77,500,000
FINANCING FLOW	96,237,132	84,506,145
- External loans repaid	(1,051,524)	(766,440)
- External loans received	-	-
- Utilisation of Overdraft Facility	-	-
- Grants and subsidies	97,288,656	85,272,585
Nett Cash Generated from operating activities	2,061,973	-1,368,779
Increase / (Decrease) in investment activities	10,100,000	39,000,000
Nett increase / (Decrease) in cash and cash investments	12,161,973	37,631,221
CASH AND CASH EQUIVALENTS		
Balance at the end of the Year	76,028,152	113,659,373
Balance at the beginning of the Year	63,866,179	76,028,152
Net increase / (Decrease) in cash and cash equivalents	12,161,973	37,631,221

Cash Flow Statement

Cash flow for the period ended 31 March 2012 reflects a positive amount of R37.6m as a result of receiving Equitable Share Grant for third quarter ending 31 March 2012.

Cash Balances:

The following bank and investment balances were held at the reporting date:

Bank Statement			+	1,854,288
Plus: Unreconciled Cheques				591,758
Minus Unreconciled Direct Payments				6,457.22
Minus: Cancelled Cheques				
Plus: Unreconciled Deposits				
Minus Unreconciled Direct Payments				
Salary Payments				
Creditors Payment				
Investments				
Cash Book Balance			+	1,256,073
Adjustment to Bank			-	
Adjusted Cash Book Balance			+	1,256,073
* None > 3 Months				
SURPLUS CASH INVESTED				
Absa				22,250,000
Standard Bank				35,750,000
First Rand				15,750,000
Nedcor				35,750,000
Absa [Collateral security - Due 30 June 2011]				500,000
Standard Bank[Leave reserve Due 30 June 2011]				2,400,000
Total Cash Investments				112,400,000
Petty Cash float				3,300
Total Cash on Hand				113,659,373

Surplus cash is invested at approved banking institutions in accordance with current cash and investment policy.

4. REVENUE AND DEBT COLLECTION MANAGEMENT

- ***Sundry Debtors:***

Council's debtors consist of three main groups, namely:

- Provincial or Local government bodies for services rendered to or on behalf of these bodies,
- Ex-employees entitled to post-service benefits,
- Other entities by way of service delivery for which costs are to be recovered.

Matters reported below are in respect of debts outstanding in excess of 90 days on the effective reporting date.

- ***Provincial and Local Government - Department of Roads***

Dikgatlong Municipality is in arrears with an amount of R9 148.90 for free basic electricity and street lights which the District Municipality previously paid to Eskom for Koopmansfontein indigent households.

- ***Post-Service Benefits***

Debtors are being managed in terms of the approved credit control policy. No significant difficulties are evident at present. Management of these debtors has improved with the aggressive application of the credit control policy. A large portion of the post-service benefits will be recovered from Department of Roads and Public Works and the matter will be finalized in due course.

- ***Sundry Debtors***

No difficulties are experienced due to the fact that strict credit control procedures are applied in terms of Council's Credit Control Policy. The only outstanding debts reflected for more than 90 days as at 31 March 2012 is Department of Transport, Roads and Public Works R355 015.70 for medical aid payments, R 247 301.91 for furniture of the Council house and R 5002.90 Jansen van Vuuren for crashing into the main entrance gate.

Debts are continuously monitored and reviewed and adequate controls are in place according to approved policies.

The DMA has fallen away, transfer of the assets, revenue and expenditure linked to this occurred in October 2011.

5. EXPENDITURE MANAGEMENT

The expenditure section continued to administer, manage, assess and improve creditors, salaries and sundry payments subject to internal prescriptions.

Salary Payment:

Salary payments are under adequate control and take place according to approved policies and agreement in terms of the Bargaining Council.

Salary increases of 6.08% for staff have been implemented in August 2011 back-dated from July 2011. Staff annual bonuses have been paid at the end of November 2011.

Trade Creditors:

Council purchases and payments to creditors are under adequate control. There are no orders and invoices that are more than 30 days old and unpaid.

Please refer to next page

PAYMENTS	
Total value of all payments	R 22,690,274
Electronic transfers	187
Cheques issued	30
STORES	
Value of Stores issued	19,372
SALARIES	
Number of salary beneficiaries	173
Councillors	27
Employees	142
Pensioners	4
Total remuneration paid	
	2,558,038
Councillors	386,655
Employees	2,165,327
Pensioners	6,057

Expenditure controls are continuously being re-evaluated and tightened up to allow closer monitoring of daily purchases, order transactions and the extension of budgetary control over departmental activities.

6. Supply Chain Management:

Although council adopted a new procurement policy effective from 1 January 2008 a number of issues still impact negatively on the effective implementation of the mentioned policy. The following are some of the issues that still need attention in order to ensure full compliance as stipulated in the policy:

- The development and implementation of a new centralized procurement procedure has started and is in line with the SCM policy. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.
- Amendment and procedures with regard to the tender committee system (Specification, Evaluation and Adjudication Committees) still needs attention. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.
- Putting systems in place to monitor and report on supply chain management as required per approved policy has started as from 1 April 2008. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.

As Council reserves its right to maintain oversight over the implementation of the Supply Chain Management Policy and is empowered to make Supply Chain policy within the ambit of the applicable legislation, the following is hereby reported as stipulated in the SCM policy for the period March 2012.

Implementation of the Approved Supply Chain Management Policy:

The approved Supply Chain Management Policy of 30 November 2005 as amended on 27 November 2007 is implemented and is maintained by all relevant role players as from 01 April 2008.

Implementation of the Supply Chain Management Process:

- Supply Chain Management Training

Two supply chain personnel attended the PPPFA regulation course on 22 March 2012 in Cape Town.

- Demand Management

Bids and quotations were invited in accordance with the Supply Chain Management Policy. Bid documents used were customised, standard bid documents prescribed by National Treasury. All preconditions were enforced during the opening of bids including the verification on Tax Clearance Certificates issued by SARS.

- Acquisition Management

For the period of March 2012, no contract (R200 000+) was awarded by the Bid Adjudication Committee.

For the period of March 2012 eight written price quotations (R30 000-R200 000) were awarded by the Acting Municipal Manager.

1. Technical assistance banking service: Enslins – R170 886.00
2. Renovation & fencing: Woman on Edge Contractors – R170 487.00
3. Water treatment operation: C Pac Pumps – R96 991.20
4. Supply and delivery of air conditioners: NC Maintenance – R40 950
5. Training for Disaster management: ST Johns – R90 000
6. Printing of annual report: X Factor – R55 575.00
7. Training for Pebbles Project: Silver Solution – R78 000.00
8. Dumping road signs: Mojalefa Trading – R86 000.00

The value of orders issued for the period ending 31 March 2012 total R3 334 900.56 (*See Annexure "A"*)

Orders per department

Council and Executive	R39 634.83
Municipal Manager	R78 322.77
Finance	R79 530.90
Administration	R146 070.16
Planning and Development	R370 504.85
Technical Service	R2 603 851.04
Stores	R16 986.01

- Disposal Management

Letters were issued to Magareng, Phokwane and Dikgatlong Municipalities to confirm whether they are interested in the redundant equipment as written off by Council resolution.

- Deviations

One deviation was approved by the Acting Municipal Manager

- Wills Building: Repairing of houses – R805 200.00

- Issues from Stores

Total orders issued R19 371.93

Issues per department

Council and Executive	R851.07
Municipal Manager	R596.00
Finance	R998.92
Administration	R11 831.62
Planning and Development	R4 282.63
Technical Service	R811.69

- List of accredited service providers

The supplier's database is updated daily and the database is amended to make provision for the MBD4 and MBD9 forms as required by the Auditors General's report.

Internal Provisions:

Council has internal liabilities related to personnel bonuses, performance bonuses, leave, post-employment health care, pension and long service awards provisions. These liabilities are adequately provided for and are included under Provisions in the Statement of Financial Position and these provisions are properly backed by cash reserves where applicable.

ASSET AND RISK MANAGEMENT

Insurance:

All Council assets are adequately insured with Alexander Forbes over a 3 year period. The insurance portfolio / costing was reviewed and implemented in July 2011.

Asset Inventory:

TAT I-Chain Asset Management System has been implemented. The next asset stock take is scheduled for 3rd week of May 2012 as per requirement of Councils' Asset Management Policy.

Information Backup:

All shared data on the internet system (*O & P drives only*) is backed up on the server with a further daily tape backup kept on the premises. System users are responsible for ensuring that data backup

and maintenance is carried out with regard to their specific usage. General ledger and associated financial system data is backed up on the network server tape system.

The implementation and use of the new "e-Venus" financial system has started on 1 July 2009 with minor hiccups, but the problems identified are being attended to. A daily backup is done as well as a day end procedure to integrate the day's transactions. On the last working day of each month a monthly calendar and financial (a few days after month end to accommodate financial transactions pertaining to the month closed) backup and integration including closing of votes and opening thereof in the new month is done.

The Blueprint System has been fully implemented. The system is an aid to managing projects. Monitoring is enhanced and implementation of projects is accelerated. Because each project has been allocated with different vote numbers, each manager will be responsible for monitoring and reporting on the progress of projects within the ambit of his/her department. This is a total deviation as to the management of projects in the past.

Motor Vehicles - Utilization Statistics:

Council operates a pool of 20 vehicles as part of its routine activities.

Statistical information regarding the year-to-date utility for March 2012 is as follows:

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Year End Km Reading	Current Km Reading	YTD Utility
1	Mercedes Benz	Council	2006	FBDM 1 NC	120,000	9/30/2012	55,526	123,613	68,087
2	Citi Golf	Pool	2005	BSM 014 NC	90,000	4/30/2012	73,975	82,684	8,709
3	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	210,000	4/30/2012	188,465	202,068	13,603
4	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	45,000	11/30/2012	17,529	41,978	24,449
5	Chevrolet Opel Corsa	Disaster Management	2010	CBY 227 NC	30,000	11/30/2012	8,433	22,216	13,783
6	Chevrolet Captiva	Pool	2011	CDM 296 NC	15,000	11/30/2012	68	14,441	14,373
7	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	165,000	7/31/2012	136,339	151,618	15,279
8	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	150,000	4/30/2012	129,226	142,263	13,037
9	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	105,000	4/30/2012	83,245	94,186	10,941
10	Toyota Corolla	Pool	2009	BZP 439 NC	75,000	9/30/2012	44,715	66,414	21,699
11	Toyota Corolla	Pool	2009	BZP 440 NC	60,000	9/30/2012	50,068	55,422	5,354
12	Toyota Condor	Tourism Centre	2001	BLR 461 NC	190,000	6/30/2012	171,370	189,119	17,749
13	Isuzu 2.4	Housing	2009	CBD 761 NC	60,000	2013/02/29	32,138	51,870	19,732
14	Toyota Corolla	Pool	2008	BXL 799 NC	120,000	2013/02/29	97,169	110,219	13,050
15	Nissan LDV	Community Development	2006	BVC 831 NC	120000	7/31/2012	103,365	113,578	10,213
16	Ford Bantam	Finance	2004	BRD 836 NC	90000	1/31/2013	76,985	80,924	3,939
17	Toyota Hilux	PMU	2004	BRF 837 NC	120000	2013/02/29	110,175	118,310	8,135
18	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	15000	9/30/2012	2,241	9,109	6,868
19	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	15000	9/30/2012	1,703	9,013	7,310
20	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	160000	2013/02/29	142,110	156,336	14,226
YEAR TO DATE UTILITY - FULL FLEET									310,536

Volkswagen Microbus registration number BMG 088NC and Toyota LDV registration number BMT 234 NC has been transferred to Magareng Municipality.

Motor Vehicle: Operating Cost

The actual operating costs of Council motor vehicles incurred for the year to date as required in terms of the newly adopted motor vehicle fleet policy are set out below:

<i>VEHICLE OPERATING COST</i>	<i>ACTUAL</i>	<i>BUDGET</i>	<i>VARIANCE</i>	<i>VAR %</i>
Depreciation: Motor Vehicles	-	385,485	(385,485)	-100.00%
Insurance	4,470	41,250	(36,780)	-89.16%
MV Administration Levy	14,808	12,000	2,808	23.40%
Fuel	367,187	292,500	74,687	25.53%
Licence	4,186	9,488	(5,302)	-55.88%
Repairs and Maintenance	54,770	67,500	(12,730)	-18.86%
Tyres	17,733	48,450	(30,717)	-63.40%
TOTAL	463,153	856,673	(393,519)	-45.94%

- ***Motor Vehicle Damage Report***

Chev Cruze CBY226NC was damaged during March 2012. A report from the responsible person has been requested and is still outstanding.

Motor Vehicle Tracker System

A new vehicle tracker system was installed on 22 December 2010 in all council's pool vehicles by Altech Netstar. A presentation of the system by Altech was done during the joint management meeting held on 18 February 2011. All staff has been briefed about the system.

7. FINANCIAL REPORTING AND BUDGETING

Budget Process:

The budget process plan in respect of the 2012/13 financial year has been submitted to the Executive Mayor for approval on 27 July 2011 and has also been given to National Treasury. The strategic planning session took place one 02-03 February 2012 at Christiana. This has the following impact on the budget process plan:

DATE	ACTIVITY
17 February 2012	Returns from Managers re budget due
27 February 2012	Meet with Managers re budgets submitted
09 March 2012	Completion of Draft Budget (Budget Office)
15 & 16 March 2012	Draft Budget presented to Council
28 March 2012	Draft Budget to be approved by Council
18 to 20 April 2012	Review budgets with Managers & Budget Committee
08/09 May 2012	Budget consultation process
30 May 2012	Approval of Final budget 2012/2013

Adjustment Budget 2011/2012:

The adjustment budget was tabled and approved on 25 January 2012 at a Council meeting. The information reflected in this report is based on movements on the Adjustment Budget 2011/2012.

Monthly Reporting

Monthly financial reporting as per DoRA and MFMA requirements to Council, National & Provincial Departments and other stakeholders have been adequately adhered to for the month under review.

Financial Statements for the Year-ended 30 June 2011

The Annual Financial Statements for the year ended 30 June 2011 was submitted to the Audit Committee and to the Auditor General on 31 August 2011 for Auditing. Audit Committee meeting took place on 29 August 2011 to review and give input on the submission of the 2010/11 Financial Statements. The District Municipality received a **Qualified Audit Opinion** for the 2010/11 Financial Year Audit.

8. MFMA IMPLEMENTATION OVERSIGHT

Council's progress on the implementation of the MFMA proceeds according to set targets and due dates determined for a medium capacity municipality.

A comprehensive oversight report on the progress of implementation and compliance per MFMA requirements is attached as **Annexure "B"** to this report.

- *Support to Local Municipalities*

No support was rendered to local municipalities.

9. PERSONNEL**Personnel Attendances:**

Personnel attendance in the workplace for March 2012 averages 81%. The reason for the deviations is mainly due to conference and courses, study, annual, sick leave and family responsibility.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
Number of Members	1	4	3	17
Leave	0	0	13	26
Sick Leave	0	0	0	11
Courses / Seminar	0	5	0	28
Meetings	0	0	0	0
Family Responsibility	0	3	1	0
Study	0	0	0	3
Maternity Leave	0	0	0	0
Union Matters	0	0	0	0
Absent	0	0	0	0
Special Leave (SAMSRA)	0	0	0	0
No. of Workdays Attended	22	80	30	261
Total Workdays	22	88	44	330
Percentage attendance per Group	100%	91%	68%	79%
Average	81%			

Personnel Development:

No training was attended during March 2012.

10. INTERNSHIP PROGRAMME

As per National Treasury regulations, five Finance Interns were appointed (four on 15 February 2010 and one on 01 March 2010). The aim of the programme is to capacitate Finance graduates to eventually be able to fill CFO and other financial posts in municipalities. Their appointment is for a period of 24 to 36 months depending on completion of the programme.

They are being assisted in completing a personal development plan (PDP) and a Portfolio of Evidence (POE) as per NT guidelines. Meetings are held with Interns to discuss their progress and problems they may experience.

A training schedule has been drawn up. It is envisaged that they be exposed to all functions within a municipality.

Various financial reconciliations have to be done on an ongoing basis and the Interns have been given this task with various personnel responsible for these reconciliations, as their mentors.

All Interns are attending the Municipal Finance Management Programme and they have completed the MFMA DVD learning programme. The Municipal Finance Management Programme will be completed on 20 April 2012. Therefore, the Internship contract that was to end on 29 February 2012 has been extended to 30 April 2012.

CONCLUSION

According to the results presented above for the period ending 31 March 2012, Council maintains a healthy financial position with respect to its cash and reserves.

DIRECTOR: FINANCE