

# FRANCES BAARD DISTRICT MUNICIPALITY



## **MONTHLY BUDGET STATEMENT**

**December 2012**

**TABLE OF CONTENTS**

1. Introduction.....3

2. Mayor’s Report.....4-5

3. Council Resolutions.....5

4. Executive Summary.....6-8

5. In-Year Budget Statement Tables (Annexure A).....9-16

6. Supporting Documents.....17-35

7. Municipal Manager’s Quality Certification.....36

## 1. INTRODUCTION

### 1.1 PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in Government Gazette No 32141 of 17 April 2009 (Municipal budgeting and reporting requirements).

### 1.2 STRATEGIC OBJECTIVE

“To comply with MFMA priorities as well as MFMA implementation plan”

### 1.3 BACKGROUND

Section 71 of the MFMA and Section 28 of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

“Section 71(1) of the MFMA states that, The accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the implementation of the municipality’s approved budget”.

“Section 28 of the Government Notice 32141, the monthly budget statement of a municipality must be in the format specified in Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act”.

## **2. MAYOR'S REPORT**

Frances Baard District Municipality developed its own reporting format and reported on all matters prescribed in section 71 of the MFMA and continued to do so after the Budget and Reporting regulations become effective in 2009. This however contradicts the Municipal Budget and Reporting Regulations and it became necessary to comply to the applicable legislation in this regard.

The prescribed format of the monthly report is comprehensive and it was not possible to comply to the new format at once. The completion of the report was therefore phased in over a period of four months. The format consists of seven financial statements and thirteen tables consisting of supporting documentation.

The implementation was phased in as follows.

- |   |                  |
|---|------------------|
| • Table C 1 Monthly Budget Statement Summary  | 31 July 2012     |
| • Table C2 Monthly Budget Statement - Financial Performance (Standard classification)                           | 31 July 2012     |
| • Table C3 Monthly Budget Statement - Financial Performance (Revenue and expenditure by municipal vote)         | 31 July 2012     |
| • Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure)                           | 31 July 2012     |
| • Table C5 Monthly Budget Statement - Capital Expenditure (Municipal vote, standard classification and funding) | 31 July 2012     |
| • Table C6 Monthly Budget Statement - Financial Position  | 31 July 2012     |
| • Table C7 Monthly Budget Statement - Cash Flow   | 31 August 2012   |
| • Supporting Table SC1 Material variance explanations   | 31 December 2012 |
| • Supporting Table SC2 Monthly Budget Statement - Performance indicators  | 31 December 2012 |
| • Supporting Table SC3 Monthly Budget Statement - aged debtors  | 31 July 2012     |
| • Supporting Table SC4 Monthly Budget Statement - aged creditors  | 31 July 2010     |
| • Supporting Table SC5 Monthly Budget Statement - Investment portfolio  | 31 December 2012 |
| • Supporting Table SC6 Monthly Budget Statement - Transfers and grant receipts                                  | 31 December 2012 |
| • Supporting Table SC7 Monthly Budget Statement - Transfers and grant expenditure                               | 31 December 2012 |
| • Supporting Table SC8 Monthly Budget Statement - Councillor and staff benefits                                 | 31 August 2012   |
| • Supporting Table SC9 Monthly Budget Statement - Actuals and revised targets for cash receipts                 | 31 August 2011   |
| • Supporting Table SC12 Monthly Budget Statement - Capital expenditure trend                                    | 31 December 2012 |
| • Supporting Table SC13a Monthly Budget Statement - Capital expenditure on new assets by asset class            | 31 December 2012 |

- Supporting Table SC13b Monthly Budget Statement
  - Capital expenditure on renewal of existing assets by asset class 31 December 2012
- Supporting Table SC13c Monthly Budget Statement
  - Expenditure on repairs and maintenance by asset class

**Budget Process:**

The budget process plan in respect of the 2013/14 financial year was submitted to the Executive Mayor for approval on 25 July 2012 and has also been provided to National Treasury.

**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 2012:**

The Annual Financial Statements for the year ended 30 June 2012 were submitted to the Audit Committee on 30 August 2012 and to the Office of the Auditor General on 31 August 2012 for Auditing. The District Municipality received an **Unqualified Audit Opinion** for the 2011/12 Financial Year with two matters of emphasis which are:

- **Procurement and Contract Management** – Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by Supply Chain Management regulation 13(c).
- **Internal Audit** – The internal audit did not audit the performance measurements on a continuous basis, as required by Municipal Planning and Performance Management Regulation 14(1) (c).

**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 requested or offered to local Municipalities.

### **3. COUNCIL RESOLUTIONS**

Council Resolutions will be included after council meetings.

### **4. EXECUTIVE SUMMARY**

#### **4.1 Statement of Financial Performance**

##### **Consolidated performance against annual budget (Projected Operating Results)**

###### **Revenue by source**

Year-to-date accrued revenue is R65, 492 million compared to the year-to-date budget projections of R63 827 million for December 2012. This is as a result of receiving equitable share in advance for the quarter ended 31 December 2012. The main sources of revenue that are below budget are transfer of operational government grants and rental of facilities and equipment.

###### **Operating expenditure by type**

To date, a total of R39, 375 million has been spent compared to the operational approved budget of R120, 075 million. This does not include non-cash items such as depreciation & impairment, amortization and actuarial losses. The main areas where expenditure is less than the budget is employee related costs, repairs & maintenance, finance charges, contracted services, grants and subsidies paid as well as general expenses.

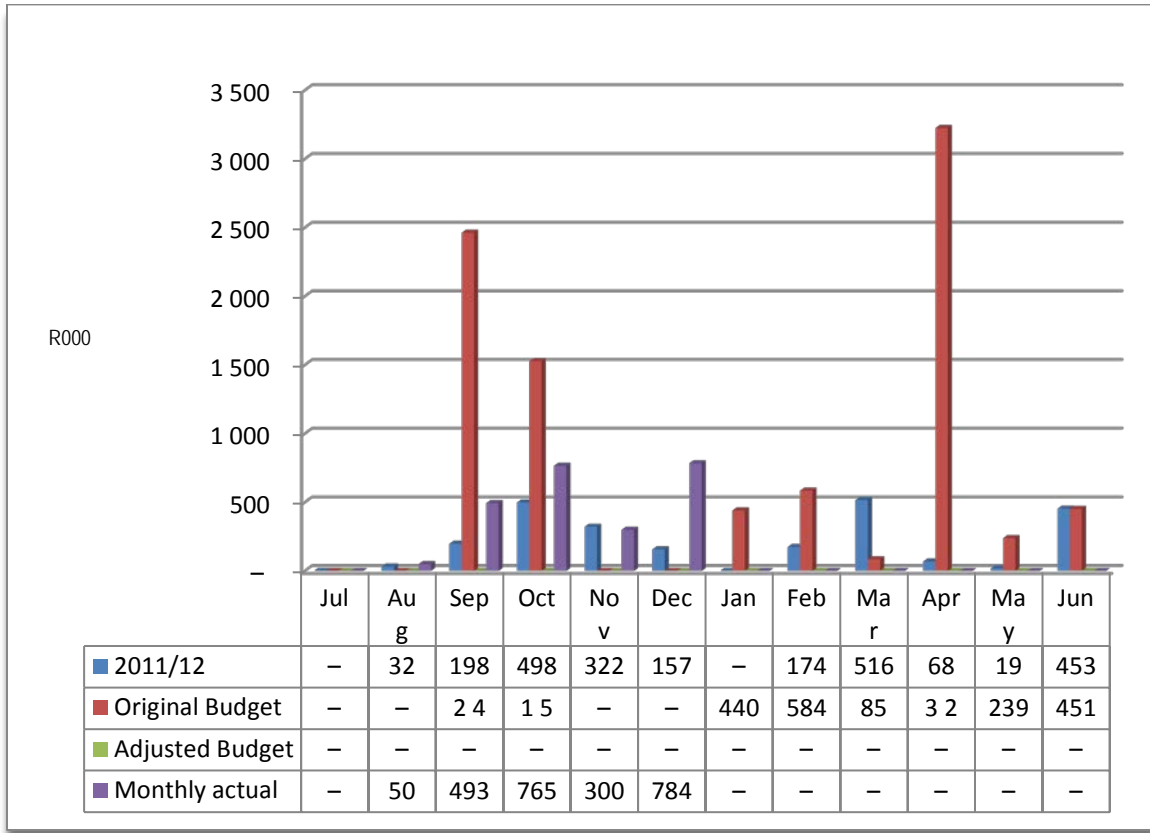
Refer to Annexure A, Table SC1 for further explanation for material variances on both revenue by source and expenditure by type. The summary statement of financial performance in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type.

###### **Capital Expenditure**

Year-to-date expenditure on capital amounts to R2, 391million or 27% of the total original budget of R9, 013 million. Departments are encouraged to start spending their allocated amounts as this remains a concern especially with late commencement or delayed implementation of capital projects resulting in projects being rolled over to the next financial year. Please refer to Annexure A, Table C5 for further details.

*Please refer to next page*

**Capital Expenditure Monthly Trend: Actual vs Target**



**Cash Flows**

The Municipality started the year with a total cash and cash equivalents of R89, 114 million. For December 2012, the cash and cash equivalents amounts to R113, 243 million. The net increase of R24, 129 million is as a result of receiving Equitable Share Grant in advance for the second quarter ending 31 December 2012.

Table C7 includes all cash and cash equivalents (cashbook balances, petty cash balances and short and long term deposits)

*Please refer to next page*

5. IN-YEAR BUDGET STATEMENT TABLES (ANNEXURE: A)**Table C1: Monthly Budget Statement Summary**

Description	2011/12	Budget Year 2012/13							
	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	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	5,491	4,708	-	30	2,685	2,354	331	14%	5,373
Transfers recognised - operational	88,914	92,592	-	1,347	62,588	61,145	1,444	2%	92,592
Other own revenue	840	756	-	152	218	328	(110)	-33%	537
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>95,246</b>	<b>98,056</b>	<b>-</b>	<b>1,530</b>	<b>65,492</b>	<b>63,827</b>	<b>1,665</b>	<b>3%</b>	<b>98,502</b>
Employee costs	33,909	42,556	-	2,942	17,760	21,278	(3,518)	-17%	37,987
Remuneration of Councillors	4,595	5,357	-	394	2,419	2,679	(260)	-10%	4,868
Depreciation & asset impairment	22,562	4,498	-	-	-	2,249	(2,249)	-100%	4,498
Finance charges	3,259	2,362	-	703	703	548	155	28%	2,408
Materials and bulk purchases	2,314	4,362	-	116	858	2,181	(1,322)	-61%	3,845
Transfers and grants	26,382	45,692	-	4,814	12,126	14,850	(2,724)	-18%	44,943
Other expenditure	13,497	15,248	-	618	5,508	7,598	(2,089)	-27%	12,991
<b>Total Expenditure</b>	<b>106,517</b>	<b>120,075</b>	<b>-</b>	<b>9,585</b>	<b>39,375</b>	<b>51,382</b>	<b>(12,007)</b>	<b>-23%</b>	<b>111,539</b>
<b>Surplus/(Deficit)</b>	<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>	<b>13,672</b>	<b>110%</b>	<b>(13,037)</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>	<b>13,672</b>	<b>110%</b>	<b>(13,037)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>	<b>13,672</b>	<b>110%</b>	<b>(13,037)</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	2,382	9,013	-	784	2,392	707	1,684	238%	8,785
Capital transfers recognised	42	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2,340	9,013	-	784	2,392	707	1,684	238%	8,785
<b>Total sources of capital funds</b>	<b>2,382</b>	<b>9,013</b>	<b>-</b>	<b>784</b>	<b>2,392</b>	<b>707</b>	<b>1,684</b>	<b>238%</b>	<b>8,785</b>
<b>Financial position</b>									
Total current assets	89,442	49,924	-	-	112,857	-	-	-	47,024
Total non current assets	50,401	58,291	-	-	52,792	-	-	-	61,191
Total current liabilities	14,905	8,051	-	-	15,221	-	-	-	8,051
Total non current liabilities	34,012	23,607	-	-	33,386	-	-	-	23,607
<b>Community wealth/Equity</b>	<b>90,926</b>	<b>76,558</b>	<b>-</b>	<b>-</b>	<b>117,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,558</b>
<b>Cash flows</b>									
Net cash from (used) operating	16,751	(17,312)	-	(10,903)	27,431	6,003	21,428	357%	(17,312)
Net cash from (used) investing	(2,375)	(8,913)	-	(965)	(2,675)	(957)	(1,718)	179%	(8,913)
Net cash from (used) financing	(1,289)	(1,139)	-	(626)	(626)	(569)	(57)	10%	(1,139)
<b>Cash/cash equivalents at the month/year end</b>	<b>86,214</b>	<b>45,454</b>	<b>-</b>	<b>110,344</b>	<b>110,344</b>	<b>77,294</b>	<b>33,050</b>	<b>43%</b>	<b>58,851</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 Revenue Source	1,157	72	66	68	66	73	493	-	1,995
<b>Creditors Age Analysis</b>									
Total Creditors	11,710	2	-	-	-	-	-	-	11,712



**Table C2 Monthly Budget Statement - Financial Performance (standard classification)**

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		76,734	83,215	-	172	59,237	53,872	5,366	10%	119,425
Executive and council		1,763	3,318	-	12	2,212	2,212	-		4,424
Budget and treasury office		74,972	79,897	-	160	57,025	51,660	5,366	10%	115,001
Corporate services		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		3,149	1,200	-	-	713	600	113	19%	1,200
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		3,149	1,200	-	-	713	600	113	19%	1,200
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		15,363	13,641	-	1,358	5,541	9,355	(3,814)	-41%	12,943
Planning and development		10,301	9,941	-	1,358	3,475	7,355	(3,880)	-53%	8,811
Road transport		-	-	-	-	-	-	-		-
Environmental protection		5,062	3,700	-	-	2,066	2,000	66	3%	4,132
<i>Trading services</i>		-	-	-	-	-	-	-		-
Electricity		-	-	-	-	-	-	-		-
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>	4	-	-	-	-	-	-	-		-
<b>Total Revenue - Standard</b>	2	95,246	98,056	-	1,530	65,492	63,827	1,665	3%	133,568
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		43,569	54,868	-	4,095	19,736	27,434	(7,698)	-28%	50,936
Executive and council		12,613	19,497	-	1,124	7,228	9,748	(2,520)	-26%	17,655
Budget and treasury office		18,493	18,302	-	2,142	6,684	9,151	(2,466)	-27%	17,961
Corporate services		12,462	17,069	-	829	5,824	8,535	(2,711)	-32%	15,320
<i>Community and public safety</i>		6,519	9,172	-	477	3,399	3,386	13	0%	9,060
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		3,352	4,584	-	264	2,051	2,292	(241)	-11%	4,713
Housing		3,168	4,588	-	212	1,348	1,094	254	23%	4,348
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		56,429	56,035	-	5,013	16,240	20,562	(4,322)	-21%	51,822
Planning and development		52,738	53,040	-	4,893	15,346	19,065	(3,718)	-20%	48,934
Road transport		-	-	-	-	-	-	-		-
Environmental protection		3,691	2,995	-	120	894	1,498	(604)	-40%	2,888
<i>Trading services</i>		-	-	-	-	-	-	-		-
Electricity		-	-	-	-	-	-	-		-
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
<b>Total Expenditure - Standard</b>	3	106,517	120,075	-	9,585	39,375	51,382	(12,007)	-23%	111,819
<b>Surplus/ (Deficit) for the year</b>		(11,272)	(22,019)	-	(8,056)	26,116	12,444	13,672	110%	21,749

This table reflects the operating budget (Financial Performance) in the standard classifications which are Government Finance Statistics Functions and Sub-functions.

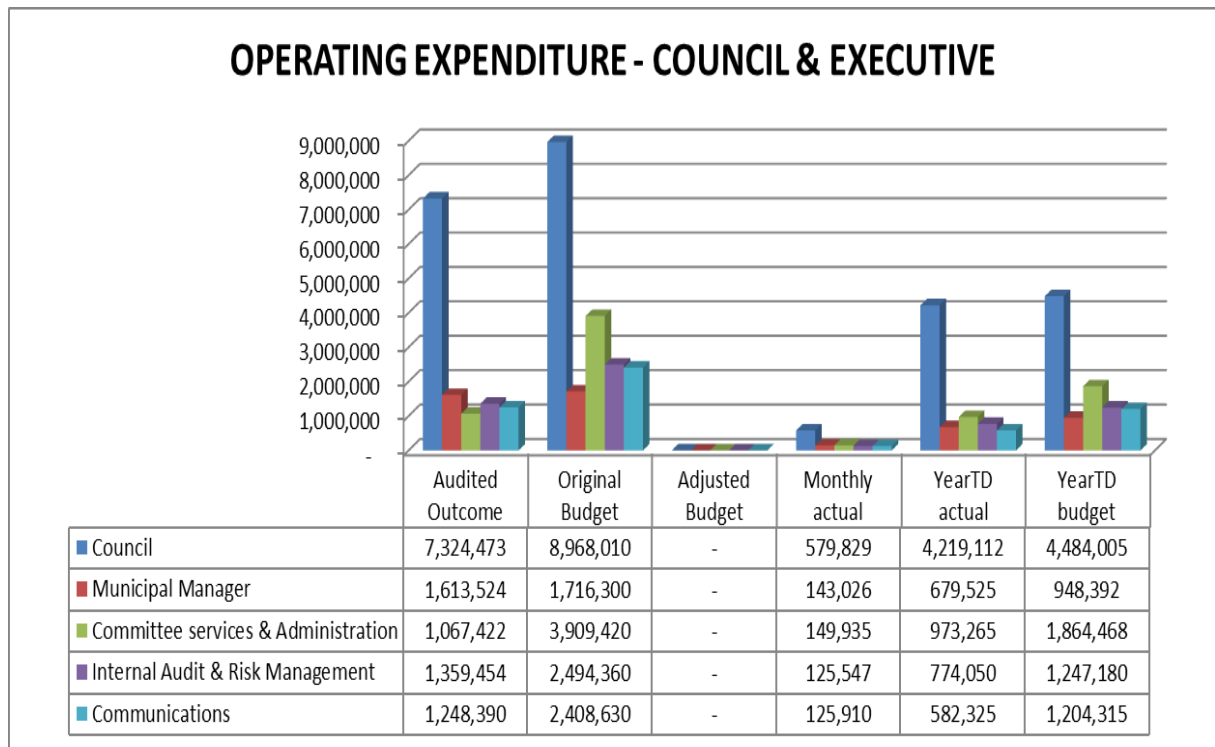
The aim of revenue and expenditure per standard classification is to provide a breakdown of the activities of Council to specific services.

**Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)**

Vote Description [Insert departmental structure etc. 3.]	Ref	2011/12	Budget Year 2012/13							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Council & Executive		1,763	3,318	-	12	2,212	2,212	-		4,424
Vote 2 - Budget & Treasury		74,972	79,897	-	160	57,025	51,660	5,366	10.4%	115,001
Vote 3 - Corporate Services		5,062	3,700	-	-	2,066	2,000	66	3.3%	4,132
Vote 4 - Planning & Development		1,200	1,000	-	-	-	-	-		1,000
Vote 5 - Project Management & Advisory Services		12,250	10,141	-	1,358	4,188	7,955	(3,767)	-47.4%	9,011
<b>Total Revenue by Vote</b>	2	<b>95,246</b>	<b>98,056</b>	<b>-</b>	<b>1,530</b>	<b>65,492</b>	<b>63,827</b>	<b>1,665</b>	<b>2.6%</b>	<b>133,568</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Council & Executive		12,613	19,497	-	1,124	7,228	9,748	(2,520)	-25.9%	17,655
Vote 2 - Budget & Treasury		18,493	18,302	-	2,142	6,684	9,151	(2,466)	-27.0%	17,961
Vote 3 - Corporate Services		16,154	20,064	-	949	6,717	10,032	(3,315)	-33.0%	18,208
Vote 4 - Planning & Development		14,939	22,015	-	1,226	7,057	7,571	(514)	-6.8%	20,635
Vote 5 - Project Management & Advisory Services		44,318	40,197	-	4,144	11,689	14,880	(3,191)	-21.4%	37,360
<b>Total Expenditure by Vote</b>	2	<b>106,517</b>	<b>120,075</b>	<b>-</b>	<b>9,585</b>	<b>39,375</b>	<b>51,382</b>	<b>(12,007)</b>	<b>-23.4%</b>	<b>111,819</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>	<b>13,672</b>	<b>109.9%</b>	<b>21,749</b>

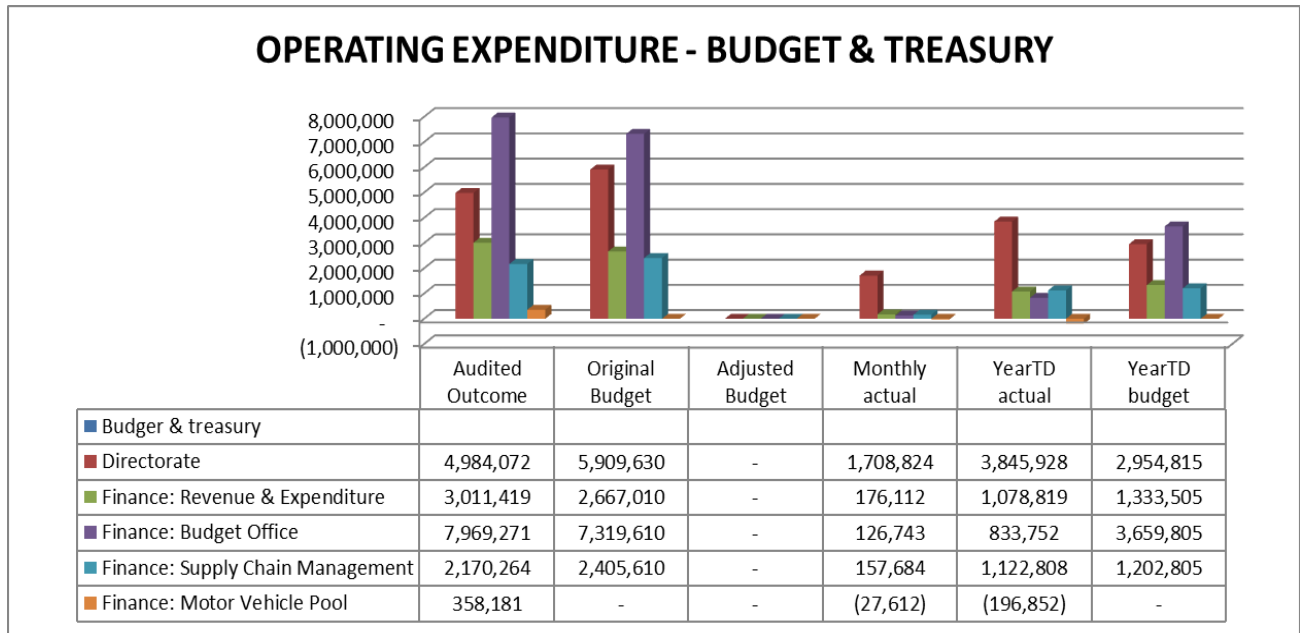
The municipal vote reflects the organisational structure of the municipality which is made up of the following directorates: Council & Executive, Budget & Treasury, Corporate Services, Planning & development and Project Management & Advisory Services.

The following charts will depict the financial performance as per Municipal vote according to the approved organogram of council.



Actual operating expenditure of Council & Executive is 74.15% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: consultancy, repairs and maintenance, legal services, special projects and general expenses.

An approved vacant post of Office Manager in the office of the Municipal Manager has to be filled, and was advertised in December 2012.

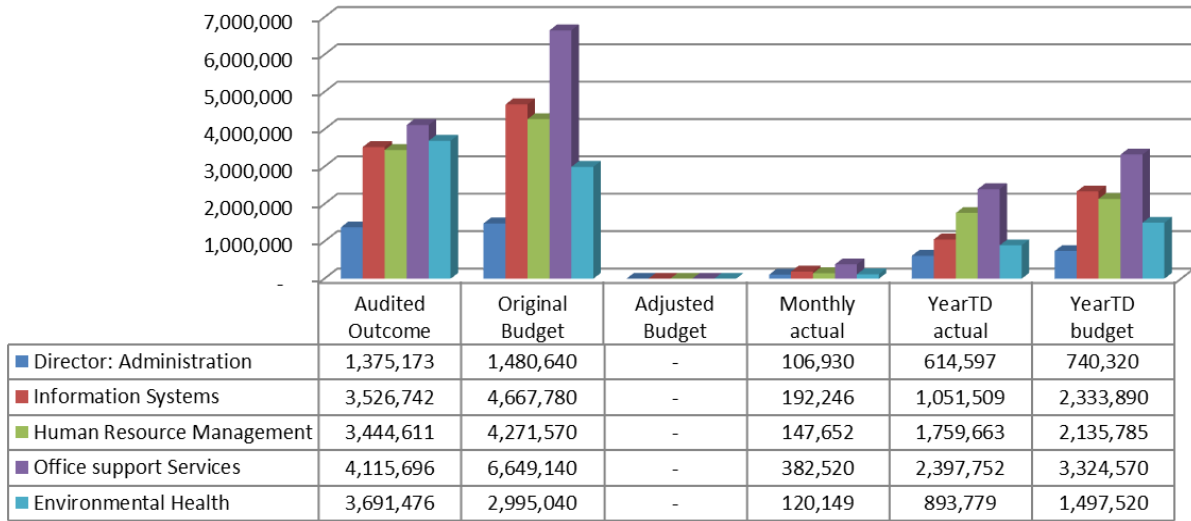


Actual operating expenditure of Budget & Treasury office is 73.05% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: interest on external borrowings, audit fees, consultancy, repairs and maintenance, special projects and general expenses.

Approved vacant posts of Assistant Accountant and 1 x intern still have to be filled. Both were advertised in December 2012.

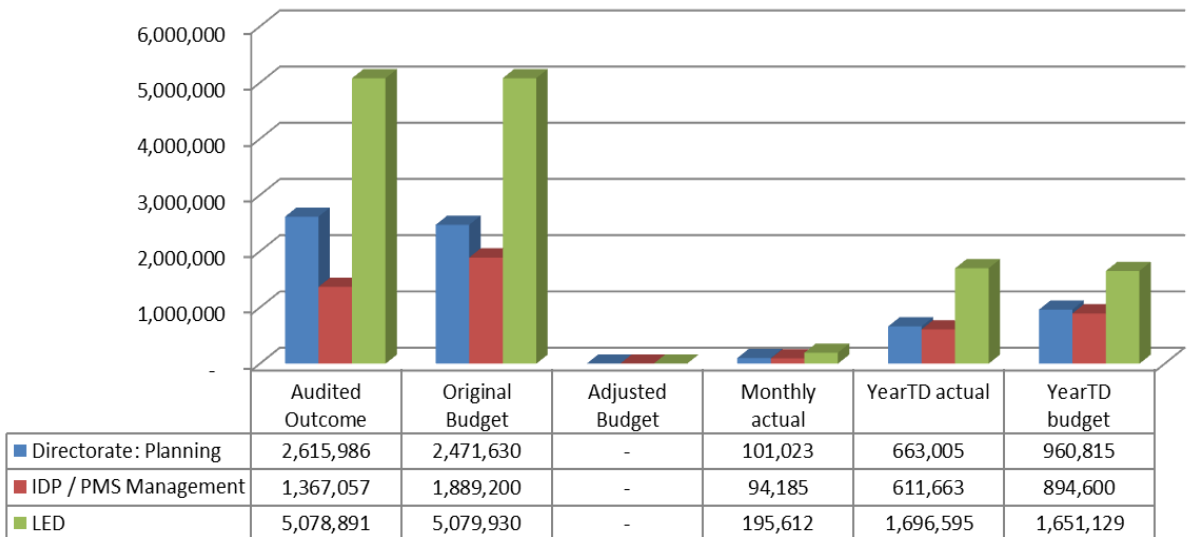
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**OPERATING EXPENDITURE - CORPORATE SERVICES**

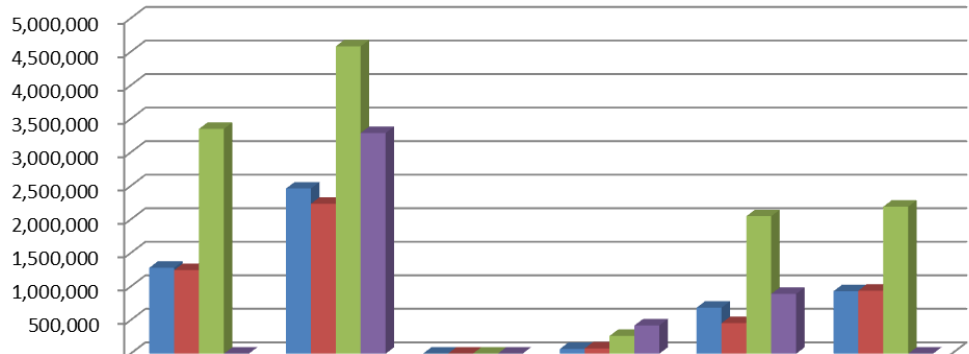


Actual operating expenditure of Corporate Services is 66.96% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: maintenance of computer hardware, software, printers, networks and telephone system, consultancy, special projects, training, study bursaries and general expenses.

**OPERATING EXPENDITURE - PLANNING & DEVELOPMENT**



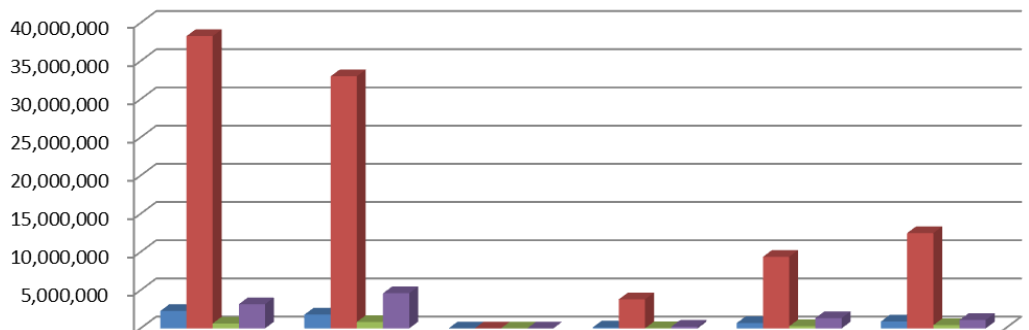
**OPERATING EXPENDITURE - PLANNING & DEVELOPMENT  
CONTINUED**



	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget
■ GIS	1,280,346	2,463,230	-	70,616	686,777	931,615
■ Spatial Planning	1,245,258	2,236,620	-	78,942	456,347	941,054
■ Firefighting & Disaster Management	3,351,664	4,583,770	-	264,488	2,050,622	2,191,885
■ Tourism	-	3,290,930	-	421,437	891,678	-

Actual operating expenditure of Planning & Development is 100.51% of the year-to-date budget projections. The main areas where expenditure is more than YTD budgets are: LED and Tourism. Some of the LED and Tourism projects are 100% completed.

**OPERATING EXPENDITURE - PROJECT MANAGEMENT &  
ADVISORY SERVICES**



	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget
■ Directorate	2,262,487	1,789,370	-	112,203	698,280	894,685
■ Project Management Services	38,250,073	32,988,060	-	3,801,341	9,368,611	12,475,288
■ Maintenance of Roads	637,784	831,180	-	17,868	273,452	415,590
■ Housing	3,167,549	4,588,320	-	212,215	1,348,305	1,094,160

Actual operating expenditure of Project Management & Advisory Services is 78.55% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: consultancy, maintenance and provision of infrastructure projects and general expenses.

**Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)**

Description	Ref	2011/12	Budget Year 2012/13							
		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		-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		507	632	-	149	184	316	(132)	-42%	368
Interest earned - external investments		5,491	4,708	-	30	2,685	2,354	331	14%	5,373
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		88,914	92,592	-	1,347	62,588	61,145	1,444	2%	92,592
Other revenue		333	25	-	3	34	12	22	178%	68
Gains on disposal of PPE		-	100	-	-	-	-	-	-	100
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>95,246</b>	<b>98,056</b>	<b>-</b>	<b>1,530</b>	<b>65,492</b>	<b>63,827</b>	<b>1,665</b>	<b>3%</b>	<b>98,502</b>
<b>Expenditure By Type</b>										
Employee related costs		33,909	42,556	-	2,942	17,760	21,278	(3,518)	-17%	37,987
Remuneration of councillors		4,595	5,357	-	394	2,419	2,679	(260)	-10%	4,868
Debt impairment		-	3	-	-	-	-	-	-	3
Depreciation & asset impairment		22,562	4,498	-	-	-	2,249	(2,249)	-100%	4,498
Finance charges		3,259	2,362	-	703	703	548	155	28%	2,408
Bulk purchases		-	-	-	-	-	-	-	-	-
Other materials		2,314	4,362	-	116	858	2,181	(1,322)	-61%	3,845
Contracted services		2,512	-	-	-	-	-	-	-	-
Transfers and grants		26,382	45,692	-	4,814	12,126	14,850	(2,724)	-18%	44,943
Other expenditure		10,369	15,195	-	618	5,508	7,598	(2,089)	-27%	12,938
Loss on disposal of PPE		615	50	-	-	-	-	-	-	50
<b>Total Expenditure</b>		<b>106,517</b>	<b>120,075</b>	<b>-</b>	<b>9,585</b>	<b>39,375</b>	<b>51,382</b>	<b>(12,007)</b>	<b>-23%</b>	<b>111,539</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>	<b>13,672</b>	<b>0</b>	<b>(13,037)</b>
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>			<b>(13,037)</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>			<b>(13,037)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>			<b>(13,037)</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(11,272)</b>	<b>(22,019)</b>	<b>-</b>	<b>(8,056)</b>	<b>26,116</b>	<b>12,444</b>			<b>(13,037)</b>

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

Vote Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Council & Executive		-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 5 - Project Management & Advisory Services		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Council & Executive		138	127	-	-	0	60	(60)	-100%	127
Vote 2 - Budget & Treasury		295	1,826	-	714	718	324	394	122%	1,504
Vote 3 - Corporate Services		593	1,412	-	70	387	196	191	97%	1,506
Vote 4 - Planning & Development		49	4,794	-	-	1,234	68	1,166	1715%	4,794
Vote 5 - Project Management & Advisory Services		1,307	855	-	-	53	59	(7)	-11%	855
<b>Total Capital single-year expenditure</b>	4	2,382	9,013	-	784	2,392	707	1,684	238%	8,785
<b>Total Capital Expenditure</b>		2,382	9,013	-	784	2,392	707	1,684	238%	8,785
<b>Capital Expenditure - Standard Classification</b>										
<i>Governance and administration</i>		1,026	3,362	-	784	1,104	580	524	90%	3,134
Executive and council		138	127	-	-	0	60	(60)	-100%	127
Budget and treasury office		295	1,826	-	714	718	324	394	122%	1,504
Corporate services		593	1,409	-	70	387	196	191	97%	1,503
<i>Community and public safety</i>		43	5,315	-	-	1,200	39	1,160	2945%	5,315
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1	4,672	-	-	1,147	-	1,147	#DIV/0!	4,672
Housing		42	643	-	-	53	39	13	34%	643
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1,313	337	-	-	88	88	(1)	-1%	337
Planning and development		1,313	334	-	-	88	88	(1)	-1%	334
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	3	-	-	-	-	-	-	3
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	2,382	9,013	-	784	2,392	707	1,684	238%	8,785
<b>Funded by:</b>										
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		42	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		42	-	-	-	-	-	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2,340	9,013	-	784	2,392	707	1,684	238%	8,785
<b>Total Capital Funding</b>		2,382	9,013	-	784	2,392	707	1,684	238%	8,785

**Table C6 Monthly Budget Statement - Financial Position**

Description	Ref	2011/12	Budget Year 2012/13			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		2,714	454		2,844	454
Call investment deposits		83,500	47,800		107,500	44,900
Consumer debtors		-	-		-	-
Other debtors		2,878	1,300		2,161	1,300
Current portion of long-term receivables		-	-		-	-
Inventory		350	370		352	370
<b>Total current assets</b>		<b>89,442</b>	<b>49,924</b>	<b>-</b>	<b>112,857</b>	<b>47,024</b>
<b>Non current assets</b>						
Long-term receivables		-	-		-	-
Investments		2,900	-		2,900	2,900
Investment property		-	-		-	-
Investments in Associate		-	-		-	-
Property, plant and equipment		46,606	58,291		48,997	58,291
Agricultural		-	-		-	-
Biological assets		-	-		-	-
Intangible assets		895	-		895	-
Other non-current assets		-	-		-	-
<b>Total non current assets</b>		<b>50,401</b>	<b>58,291</b>	<b>-</b>	<b>52,792</b>	<b>61,191</b>
<b>TOTAL ASSETS</b>		<b>139,843</b>	<b>108,216</b>	<b>-</b>	<b>165,649</b>	<b>108,216</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-		-	-
Borrowing		1,333	1,444		1,333	1,444
Consumer deposits		-	-		-	-
Trade and other payables		7,547	1,778		8,858	1,778
Provisions		6,024	4,828		5,030	4,828
<b>Total current liabilities</b>		<b>14,905</b>	<b>8,051</b>	<b>-</b>	<b>15,221</b>	<b>8,051</b>
<b>Non current liabilities</b>						
Borrowing		11,486	10,058		10,859	10,058
Provisions		22,526	13,549		22,526	13,549
<b>Total non current liabilities</b>		<b>34,012</b>	<b>23,607</b>	<b>-</b>	<b>33,386</b>	<b>23,607</b>
<b>TOTAL LIABILITIES</b>		<b>48,917</b>	<b>31,657</b>	<b>-</b>	<b>48,606</b>	<b>31,657</b>
<b>NET ASSETS</b>	2	<b>90,926</b>	<b>76,558</b>	<b>-</b>	<b>117,042</b>	<b>76,558</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		64,025	66,176		90,141	66,176
Reserves		26,901	10,382		26,901	10,382
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>90,926</b>	<b>76,558</b>	<b>-</b>	<b>117,042</b>	<b>76,558</b>

**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. Provisions are properly backed by cash reserves where applicable.



## 1.4.7 Table C7 Monthly Budget Statement - Cash Flow

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		1,637	668	-	399	3,869	382	3,487	912%	668
Government - operating		86,365	92,592	-	-	68,727	47,597	21,130	44%	92,592
Government - capital		-	-	-	-	-	-	-	-	-
Interest		5,491	4,708	-	350	2,915	2,278	637	28%	4,708
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(48,845)	(67,226)	-	(6,276)	(36,269)	(31,577)	4,692	-15%	(67,226)
Finance charges		(1,516)	(2,362)	-	-	(703)	(549)	154	-28%	(2,362)
Transfers and Grants		(26,382)	(45,692)	-	(5,376)	(11,107)	(12,128)	(1,021)	8%	(45,692)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>16,751</b>	<b>(17,312)</b>	<b>-</b>	<b>(10,903)</b>	<b>27,431</b>	<b>6,003</b>	<b>21,428</b>	<b>357%</b>	<b>(17,312)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	100	-	-	-	-	-	-	100
Decrease (Increase) in non-current debtors		6	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(2,382)	(9,013)	-	(965)	(2,675)	(957)	1,718	-179%	(9,013)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(2,375)</b>	<b>(8,913)</b>	<b>-</b>	<b>(965)</b>	<b>(2,675)</b>	<b>(957)</b>	<b>1,718</b>	<b>-179%</b>	<b>(8,913)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		(1,289)	(1,139)	-	(626)	(626)	(569)	57	-10%	(1,139)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1,289)</b>	<b>(1,139)</b>	<b>-</b>	<b>(626)</b>	<b>(626)</b>	<b>(569)</b>	<b>57</b>	<b>-10%</b>	<b>(1,139)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>13,086</b>	<b>(27,364)</b>	<b>-</b>	<b>(12,494)</b>	<b>24,130</b>	<b>4,476</b>			<b>(27,364)</b>
Cash/cash equivalents at beginning:		73,128	72,817	-	122,838	86,214	72,817			86,214
Cash/cash equivalents at month/year end:		86,214	45,454	-	110,344	110,344	77,294			58,851

*Please refer to next page*

## 6. SUPPORTING DOCUMENTATION

### Table SC1 Material variance explanations

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
1	<b>Revenue By Source</b>			
	Government grants & subsidies	2%	Equitable share grant for the quarter ended 31 December 2012	Acceptable
	Rental of facilities and equipment	-41.66%	Rental of grader to municipalities did not pick up as fast as expected regarding maintenance of roads	None - projects will gain momentum as the year progresses.
	Interest earned - external investments	14.07%	Interest earned is more than expected	Will be adjusted upwards with the adjustment budget scheduled for January 2013
	Other income	178.24%	Revenue generated is more than the budget	Acceptable
2	<b>Expenditure By Type</b>			
	Salaries	-16.53%	Vacant Posts: Manager in office of the Municipal Manager, Accountant, Assistant Accountant, building inspector and HSS clerk	The vacant posts were advertised in November and will be filled shortly. The vacant post of Municipal Manager was only filled in November 2012.
	Depreciation	-100.00%	No depreciation runs has been done for new financial year - Error on the system	Will be done as soon as the system is up and running
	Other Materials	-60.64%	All maintenance projects not yet implemented. FBDM does not have infrastructure assets to maintain	Maintenance programmes will gain momentum as the financial year gains momentum
	Transfers and grants	-18.34%	Most projects are in the planning phases and expenditure will gain momentum as the financial year progresses	
	Other expenditure	-27.50%	Underspending occurred on payment of municipal services, audit fees and motor vehicle usage.	Expenditure will gain momentum as the financial year progresses
3	<b>Capital Expenditure</b>			
	Capital expenditure	238.10%	Expenditure on capital projects will pick up as the year progresses. Actual expenditure is ahead of monthly budgeted projections due to improved budget implementation procedures.	Acceptable
4	<b>Financial Position</b>			
	Reserves	R 16,519,248	The R16 m increase in reserves relates to the revaluation of councils land & buildings.	Will be adjusted in the adjustment budget
	Property, plant & equipment	R 9,294,006	The decrease of R10 m is due to the impairment of the council chambers that occurred during the revaluation process.	
5	<b>Cash Flow</b>			
	Net cash from operating / (used) Operating Activities	356.98%	RSC Levy Replacement Grant Receipts	Acceptable
	Net cash from operating / (used) Investing Activities	-179.49%	Capital Expenditure not materialising per SDBIP	Departments are urged to spent their budget allocations
	Net cash from operating / (used) Financing Activities	-10.04%	Repayment of borrowing	Bi-Annual DBSA Loan Repayment
6	<b>Measureable performance</b>			
7	<b>Municipal Entities</b>			

More detail on operating variances is available on pages 10 to 13 of this report.

Table SC2 Monthly Budget Statement - performance indicators

Description of financial indicator	Basis of calculation	Ref	2011/12	Budget Year 2012/13			Full Year Forecast
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
Percentage							
<b>Borrowing Management</b>							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		8.2%	9.3%	0.0%	6.6%	0.0%
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		24.2%	5.7%	0.0%	1.8%	6.5%
Borrowed funding of capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		22.4%	17.3%	0.0%	18.0%	17.3%
Gearing	Long Term Borrowing/ Funds & Reserves		42.7%	96.9%	0.0%	40.4%	96.9%
<b>Liquidity</b>							
Current Ratio 1	Current assets/current liabilities	1	600.1%	620.1%	0.0%	741.5%	584.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		597.9%	599.4%	0.0%	744.0%	599.4%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		3.0%	1.3%	0.0%	3.3%	1.3%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		100.0%	100.0%			
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0.0%	0.0%		0.0%	0.0%
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		35.6%	43.4%	0.0%	27.1%	38.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.4%	4.4%	0.0%	0.2%	0.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		27.1%	7.0%	0.0%	1.1%	7.4%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		139.2%	143.6%	0.0%	142.6%	275.2%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		11.5	2.6	-	4.4	1.5

The above ratios indicate that the municipality is financially stable and adequately funded to continue with its operations. The level of employee costs for the year to date is 38% which indicates that it should be monitored and managed effectively.

The municipality still depends on grant funding of over 95% to fund its operations.

All council's provisions and the Capital Replacement Reserve are cash backed and the cash and cash equivalents are sufficient to cover outstanding debt.

Table SC3 Monthly Budget Statement - aged debtors

Description	NT Code	Budget Year 2012/13									Total	Bad Debts	>90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
<b>R thousands</b>													
<b>Debtors Age Analysis By Revenue Source</b>													
Rates	1200												
Electricity	1300												
Water	1400												
Sewerage / Sanitation	1500												
Refuse Removal	1600												
Housing (Rental Revenue)	1700												
Other	1900	1,157	72	66	68	66	73	493	-	1,995			700
<b>Total By Revenue Source</b>	<b>2000</b>	<b>1,157</b>	<b>72</b>	<b>66</b>	<b>68</b>	<b>66</b>	<b>73</b>	<b>493</b>	<b>-</b>	<b>1,995</b>	<b>-</b>	<b>-</b>	<b>700</b>
<b>2011/12 - totals only</b>		<b>1,099</b>	<b>69</b>	<b>62</b>	<b>65</b>	<b>62</b>	<b>69</b>	<b>469</b>	<b>-</b>	<b>1,895</b>	<b>-</b>	<b>-</b>	<b>665</b>
<b>Debtors Age Analysis By Customer Category</b>													
Government	2200	294	59	64	66	64	64	490	-	1,100			
Business	2300	-	-	-	-	-	-	-	-	-			
Households	2400	(1)	-	-	-	-	-	-	-	(1)			
Other	2500	864	14	2	3	2	8	4	-	895			
<b>Total By Customer Category</b>	<b>2600</b>	<b>1,157</b>	<b>72</b>	<b>66</b>	<b>68</b>	<b>66</b>	<b>73</b>	<b>493</b>	<b>-</b>	<b>1,995</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 R11 940.57 for free basic electricity and street lights which the District Municipality previously paid to Eskom for Koopmansfontein indigent households.

- ***Post-Service Benefits***

The only outstanding debts reflected for more than 90 days as at 31 December is Meyer PJ R959.90, Van Niekerk J R999.20, Oosthuizen HJ R646.00, Payne ME R5 461.00 and former employees of Frances Baard District Municipality who were transferred to Department of Roads and Public Works R803 974.97 for post service medical aid. 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 December is Department of Health R1 710.00 for hiring of the Lecture Rooms and M.L. Mokoena R8 676.00 study bursary not recovered from his final salary – the matter is being pursued.

Outstanding debts are a concern for the District Municipality and the lack of co-operation remains a challenge. Debts are continuously monitored and reviewed and adequate controls are in place according to approved policies.

**Table SC4 Monthly Budget Statement - aged creditors**

Description	NT Code	Budget Year 2012/13									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700										-	
Auditor General	0800										-	
Other	0900	11 710	2	-	-	-	-	-	-	-	11 712	
<b>Total By Customer Type</b>	<b>2600</b>	<b>11 710</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 712</b>	<b>-</b>

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 occur according to approved policies and agreement in terms of the Bargaining Council. Salary increases of 6.5% for staff has been implemented in August 2012 back-dated to July 2012.

The annual increase for Councilors' in terms of the remuneration of Public Office Bearers Act, 1998, was 5% and has been implemented in December 2012 back-dated to July 2012.

### Trade Creditors:

Council purchases and payments to creditors are under adequate control. Expenditure statistics for the month of December 2012 is listed below:

*Please refer to next page*

<b>PAYMENTS</b>	
Total value of all payments	<b>R 37,198,820</b>
Electronic transfers	190
Cheques issued	27
<b>STORES</b>	
Value of Stores issued	11,495
<b>SALARIES</b>	
Number of salary beneficiaries	<b>161</b>
Councillors	18
Employees	141
Pensioners	2
<b>Total remuneration paid</b>	<b>2,795,748</b>
Councillors	375,513
Employees	2,417,542
Pensioners	2,693

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.

#### **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 December 2012.

***Implementation of the Approved Supply Chain Management Policy:***

The approved Supply Chain Management Policy of 30 December 2005 as amended on 27 December 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*

No training was offered or attended by supply chain management personnel.

- *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 December 2012, 2 contracts (R200 000+) were awarded by the Bid Adjudication Committee.

1. 2 x Sanitation Trucks for Dikgatlong Municipality: Magnis Trucks – R1 611 390.00 including VAT.
2. Fleet Vehicles: Premier Auto – R1 167 558.00 including VAT.

For the period of December 2012 one written price quotation (R30 000-R200 000) was awarded by the Municipal Manager.

1. Supply and Deliver of Desktops: ITEC – R128 464.00 including VAT.

The value of orders issued for the period ending 31 December 2012 total R1 480 262.81 (*See Annexure “C”*)

**Orders per department**

Council and Executive	R22 313.49
Municipal Manager	R43 095.95
Finance	R719 256.80
Administration	R140 787.41
Planning and Development	R9 199.56
Technical Service	R525 134.22
Stores	R20 475.38

- Disposal Management

No disposals for December 2012.

- Deviations

No deviation was approved by the Municipal Manager.

- Issues from Stores

Total orders issued R11 494.69. Issues per department

Council and Executive	R0.00
Municipal Manager	R465.00
Finance	R4 635.67
Administration	R5 769 .48
Planning and Development	R555.12
Technical Services	R69.42

- List of accredited service providers

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

*Please refer to next page*



Table SC5 Monthly Budget Statement - investment portfolio

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands									
<b>Municipality</b>									
ABSA		3	Term Deposit	8-Feb-13	43	0%	10,000		10,000
ABSA		4	Term Deposit	28-Mar-13	21	0%	5,000		5,000
ABSA		3	Term Deposit	18-Feb-13	60	0%	14,000		14,000
ABSA		4	Term Deposit	5-Apr-13	25	0%	6,000		6,000
FIRST RAND		1	Call Deposit	Call		0%	5,000		5,000
FIRST RAND		4	Term Deposit	28-Mar-13	25	0%	6,000		6,000
FIRST RAND		4	Term Deposit	28-Mar-13	26	0%	6,000		6,000
NEDCOR		1	Call Deposit	Call		0%	2,000		2,000
NEDCOR		4	Term Deposit	7-Mar-13	38	0%	9,000		9,000
NEDCOR		4	Term Deposit	28-Mar-13	26	0%	6,000		6,000
NEDCOR		4	Term Deposit	20-Mar-13	20	0%	4,750		4,750
NEDCOR		4	Term Deposit	5-Apr-13	26	0%	6,000		6,000
STANDARD BANK		4	Term Deposit	7-Mar-13	21	0%	5,000		5,000
STANDARD BANK		4	Term Deposit	13-Mar-13	30	0%	7,000		7,000
STANDARD BANK		4	Term Deposit	20-Mar-13	20	0%	4,750		4,750
STANDARD BANK		4	Term Deposit	28-Mar-13	21	0%	5,000		5,000
STANDARD BANK		4	Term Deposit	15-May-13	25	0%	6,000		6,000
STANDARD BANK		12 Months	Investment	28-Jun-13		0%	2,900		2,900
<b>TOTAL INVESTMENTS AND INTEREST</b>					427		110,400	-	110,400
<b>Entities</b>									
Entities sub-total									
<b>TOTAL INVESTMENTS AND INTEREST</b>					427		110,400	-	110,400

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

Table SC6 Monthly Budget Statement - transfers and grant receipts

Description	Ref	Budget Year 2012/13								
		2011/12 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		81,731	90,692	-	-	69,855	31,897	37,957	119.0%	90,692
Local Government Equitable Share		10,012	10,391	-	-	10,606	4,330	6,276	145.0%	10,391
Special Contribution: Councillor Remuneration		1,624	3,318	-	-	2,212	1,383	830	60.0%	3,318
Levy replacement	3	67,645	73,733	-	-	53,977	23,735	30,242	127.4%	73,733
Finance Management Grant		1,250	1,250	-	-	1,250	1,250	-		1,250
Municipal Systems Improvement		1,200	1,000	-	-	1,000	1,000	-		1,000
Extended Public Works Programme		-	1,000	-	-	810	200	610	305.0%	1,000
Water Affairs		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Provincial Government:		4,424	1,900	-	-	-	733	(500)	-68.2%	1,900
Housing	4	2,784	1,200	-	-	-	500	(500)	-100.0%	1,200
Near Grant		569	-	-	-	-	-	-		-
Fire Fighting Equipment Grant		371	-	-	-	-	-	-		-
NC Tourism		-	-	-	-	-	-	-		-
Environmental Health Recycling Grant		700	700	-	-	-	233	-		700
District Aids Programme		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Other grant providers:		210	-	-	-	87	-	87	#DIV/0!	-
SETA Skills Grant		170	-	-	-	87	-	87	#DIV/0!	-
Koopmansfontein Self Build Scheme		16	-	-	-	-	-	-		-
ABSA		24	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	5	86,365	92,592	-	-	69,941	32,631	37,544	115.1%	92,592
<b>Capital Transfers and Grants</b>										
National Government:		-	-	-	-	-	-	-		-
Municipal Infrastructure (MIG)		-	-	-	-	-	-	-		-
Water Affairs		-	-	-	-	-	-	-		-
EPWP		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Other capital transfers [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
ESCOM (Electricity on Farms)		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
<b>Total Capital Transfers and Grants</b>	5	-	-	-	-	-	-	-		-
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	86,365	92,592	-	-	69,941	32,631	37,544	115.1%	92,592

Table SC7 Monthly Budget Statement - transfers and grant expenditure

Description	Ref	2011/12	Budget Year 2012/13							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		83,299	90,692	-	1,335	61,722	45,346	16,376	36.1%	90,692
Local Government Equitable Share		9,897	10,391	-	1,215	5,225	5,196	30	0.6%	10,391
Special Contribution: Councillor Remuneration		1,739	3,318	-	-	2,212	1,659	553	33.3%	3,318
Levy replacement		67,645	73,733	-	-	53,977	36,867	17,111	46.4%	73,733
Finance Management Grant		1,250	1,250	-	121	202	625	(423)	-67.7%	1,250
Municipal Systems Improvement		1,200	1,000	-	-	-	500	(500)	-100.0%	1,000
Extended Public Works Programme		78	1,000	-	-	-	500	(500)	-100.0%	1,000
Water Affairs		1,489	-	-	-	106	-	106	#DIV/0!	-
<b>Provincial Government:</b>		5,325	1,900	-	(10)	769	950	(171)	-18.0%	1,900
Housing		3,149	1,200	-	-	713	600	113	18.9%	1,200
Near Grant		-	-	-	-	-	-	-	-	-
Fire Fighting Equipment Grant		-	-	-	-	-	-	-	-	-
NC Tourism		-	-	-	-	-	-	-	-	-
Environmental Health Recycling Grant		2,062	700	-	-	66	350	(284)	-81.1%	700
District Aids Programme		115	-	-	(10)	(10)	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		290	-	-	-	87	-	87	#DIV/0!	-
Koopmansfontein Self Build Scheme		96	-	-	-	-	-	-	-	-
ABSA		24	-	-	-	-	-	-	-	-
<i>SETA Skills Grant</i>		170	-	-	-	87	-	87	#DIV/0!	-
<b>Total operating expenditure of Transfers and Grants:</b>		88,914	92,592	-	1,325	62,578	46,296	16,292	35.2%	92,592
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	-	-	-
Municipal Infrastructure (MIG)		-	-	-	-	-	-	-	-	-
Water Affairs		-	-	-	-	-	-	-	-	-
EPWP		0	-	-	-	-	-	-	-	-
Other capital transfers (insert description)		0	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
ESCOM (Electricity on Farms)		0	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		88,914	92,592	-	1,325	62,578	46,296	16,292	35.2%	92,592

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.

Table SC8 Monthly Budget Statement - councilor and staff benefits

Summary of Employee and Councillor remuneration	Ref	Budget Year 2012/13								
		2011/12 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Salary		3,139	3,871	-	283	1,756	1,935	(179)	-9%	3,513
Pension Contributions		156	164	-	13	78	82	(4)	-5%	156
Medical Aid Contributions		17	18	-	1	9	9	(0)	-5%	17
Motor vehicle allowance		1,043	1,240	-	78	467	620	(153)	-25%	933
Cell phone and other allowances		240	64	-	18	109	32			248
Housing allowance		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>4,595</b>	<b>5,357</b>	<b>-</b>	<b>394</b>	<b>2,419</b>	<b>2,679</b>	<b>(260)</b>	<b>-10%</b>	<b>4,868</b>
% increase	4		16.6%							5.9%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		3,233	3,654	-	596	1,699	1,218	481	39%	2,997
Pension and UIF Contributions		366	619	-	45	179	206	(27)	-13%	507
Medical Aid Contributions		134	195	-	11	56	65	(9)	-13%	160
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		209	464	-	-	-	155	(155)	-100%	381
Motor Vehicle Allowance		358	476	-	41	154	159	(5)	-3%	390
Cellphone Allowance		72	72	-	8	40	24	16	67%	59
Housing Allowances		33	43	-	3	15	14	1	5%	35
Other benefits and allowances		14	121	-	6	18	40	(23)	-56%	100
Payments in lieu of leave		-	81	-	-	-	27	(27)	-100%	66
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4,420</b>	<b>5,726</b>	<b>-</b>	<b>711</b>	<b>2,161</b>	<b>1,909</b>	<b>252</b>	<b>13%</b>	<b>4,695</b>
% increase	4		29.5%							6.2%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		20,897	26,198	-	1,528	11,248	13,576	(2,328)	-17%	24,561
Pension and UIF Contributions		3,358	4,176	-	304	1,850	2,088	(238)	-11%	3,424
Medical Aid Contributions		954	1,127	-	91	522	563	(42)	-7%	924
Overtime		58	79	-	2	18	39	(21)	-53%	65
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1,534	1,883	-	148	917	941	(25)	-3%	1,544
Cellphone Allowance		109	99	-	8	54	50	4	9%	81
Housing Allowances		495	524	-	31	192	262	(70)	-27%	430
Other benefits and allowances		758	1,082	-	43	288	541	(253)	-47%	887
Payments in lieu of leave		883	619	-	-	74	309	(235)	-76%	507
Long service awards		141	180	-	20	101	90	11	12%	148
Post-retirement benefit obligations	2	304	864	-	56	336	432	(96)	-22%	709
<b>Sub Total - Other Municipal Staff</b>		<b>29,489</b>	<b>36,831</b>	<b>-</b>	<b>2,230</b>	<b>15,600</b>	<b>18,893</b>	<b>(3,293)</b>	<b>-17%</b>	<b>33,280</b>
% increase	4		24.9%							12.9%
<b>Total Parent Municipality</b>		<b>38,504</b>	<b>47,914</b>	<b>-</b>	<b>3,335</b>	<b>20,179</b>	<b>23,480</b>	<b>(3,301)</b>	<b>-14%</b>	<b>42,842</b>

**PERSONNEL ATTENDANCES:**

Personnel attendance in the workplace for December 2012 averages 67%. The reason for the deviations is mainly due to study, courses, annual, sick leave and special annual leave granted by council to all staff.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
<b>Number of Members</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>17</b>
Annual Leave	3	7	5	22
Sick Leave	0	0	0	2
Courses / Seminar	0	0	0	0
Meetings	0	0	0	0
Family Responsibility	2	0	0	0
Study	0	0	0	0
Maternity Leave	0	0	0	4
Union Matters	0	0	0	0
Absent	0	0	0	0
Special Annual Leave	4	16	8	68
<b>No. of Workdays Attended</b>	<b>9</b>	<b>49</b>	<b>23</b>	<b>210</b>
<b>Total Workdays</b>	<b>18</b>	<b>72</b>	<b>36</b>	<b>306</b>
<b>Percentage attendance per Group</b>	<b>50%</b>	<b>68%</b>	<b>64%</b>	<b>69%</b>
<b>Average</b>	<b>67%</b>			

### **Personnel Development:**

No training was attended during December 2012.

### **INTERNSHIP PROGRAMME**

As per National Treasury regulations, Four Finance Interns were appointed (three on 19 December 2012 and one on 03 December 2012). The vacant post of one finance intern was re-advertised due to technical errors and will be filled shortly. 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.

*Please refer to next page*

Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

Description	Ref	Budget Year 2012/13												2012/13 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
<b>Cash Receipts By Source</b>																
Property rates			-	-	-	-										
Property rates - penalties & collection charges			-	-	-	-										
Service charges - electricity revenue			-	-	-	-										
Service charges - water revenue			-	-	-	-										
Service charges - sanitation revenue			-	-	-	-										
Service charges - refuse			-	-	-	-										
Service charges - other			-	-	-	-										
Rental of facilities and equipment			-	-	-	-						90	90	95	98	
Interest earned - external investments		571	509	259	710	516	350					1,963	4,878	5,122	5,327	
Interest earned - outstanding debtors		-	-	-	-	-	-					-	-	-	-	
Dividends received		-	-	-	-	-	-					-	-	-	-	
Fines		-	-	-	-	-	-					-	-	-	-	
Licences and permits		-	-	-	-	-	-					-	-	-	-	
Agency services		-	-	-	-	-	-					-	-	-	-	
Transfer receipts - operating		37,707	1,400	410	-	29,210	-					30,321	99,048	108,167	108,070	
Other revenue		1,635	208	183	662	782	399					(3,003)	865	654	682	
<b>Cash Receipts by Source</b>		<b>39,913</b>	<b>2,117</b>	<b>852</b>	<b>1,372</b>	<b>30,507</b>	<b>749</b>					<b>29,371</b>	<b>104,881</b>	<b>114,037</b>	<b>114,178</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital																
Contributions & Contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase in consumer deposits																
Receipt of non-current debtors																
Receipt of non-current receivables																
Change in non-current investments																
<b>Total Cash Receipts by Source</b>		<b>39,913</b>	<b>2,117</b>	<b>852</b>	<b>1,372</b>	<b>30,507</b>	<b>749</b>					<b>29,371</b>	<b>104,881</b>	<b>114,037</b>	<b>114,178</b>	
<b>Cash Payments by Type</b>																
Employee related costs		2,805	2,884	2,953	3,048	4,230	3,237					19,317	38,475	42,544	44,604	
Remuneration of councillors		397	412	395	409	411	394					3,103	5,521	5,798	6,087	
Interest paid							703					1,312	2,015	1,976	1,825	
Bulk purchases - Electricity																
Bulk purchases - Water & Sewer																
Other materials		548	148	155	146	262	200					1,967	3,427	4,046	4,201	
Contracted services		-	-	-	-	-	-					-	-	-	-	
Grants and subsidies paid - other municipalities		-	-	-	-	-	-					40,811	40,811	24,176	26,279	
Grants and subsidies paid - other		1,856	2,730	2,432	2,234	1,855	5,376					(16,482)				
General expenses		727	1,056	1,569	1,312	1,452	1,742					7,009	14,866	14,416	13,946	
<b>Cash Payments by Type</b>		<b>6,334</b>	<b>7,230</b>	<b>7,503</b>	<b>7,149</b>	<b>8,211</b>	<b>11,652</b>					<b>57,037</b>	<b>105,116</b>	<b>92,956</b>	<b>96,943</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		-	124	502	959	125	965					1,991	4,666	3,380	900	
Repayment of borrowing		-	-	-	-	-	626					512	1,139	1,277	1,429	
Other Cash Flows/Payments		-	-	-	-	-	-					-	-	-	-	
<b>Total Cash Payments by Type</b>		<b>6,334</b>	<b>7,354</b>	<b>8,005</b>	<b>8,108</b>	<b>8,337</b>	<b>13,243</b>					<b>59,540</b>	<b>110,920</b>	<b>97,614</b>	<b>99,272</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>33,579</b>	<b>(5,237)</b>	<b>(7,153)</b>	<b>(6,735)</b>	<b>22,171</b>	<b>(12,494)</b>					<b>(30,169)</b>	<b>(6,039)</b>	<b>16,424</b>	<b>14,906</b>	
Cash/cash equivalents at the monthly year beginning:		86,214	119,793	114,556	107,403	100,668	122,838	110,344	110,344	110,344	110,344	110,344	86,214	80,175	96,599	
Cash/cash equivalents at the monthly year end:		119,793	114,556	107,403	100,668	122,838	110,344	110,344	110,344	110,344	110,344	80,175	80,175	96,599	111,505	

Table SC12 Monthly Budget Statement - capital expenditure trend

Month	2011/12	Budget Year 2012/13							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands									%
<u>Monthly expenditure performance trend</u>									
July		-	-	-	-	-	-	-	0%
August	32	-	-	50	50	-	(50)	#DIV/0!	1%
September	198	2,462	-	493	543	2,462	1,919	77.9%	6%
October	498	1,527	-	765	1,308	3,989	2,681	67.2%	15%
November	322	-	-	300	1,608	3,989	2,382	59.7%	18%
December	157	-	-	784	2,392	3,989	1,597	40.0%	27%
January	-	440	-	-	2,392	4,429	2,037	46.0%	27%
February	174	584	-	-	2,392	5,013	2,622	52.3%	27%
March	516	85	-	-	2,392	5,098	2,707	53.1%	27%
April	68	3,225	-	-	2,392	8,323	5,932	71.3%	0
May	19	239	-	-	2,392	8,562	6,170	72.1%	0
June	453	451	-	-	2,392	9,013	6,622	73.5%	0
Total Capital expenditure	2,437	9,013	-	2,392					

*Please refer to next page*

Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-
<u>Community</u>		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<u>Other assets</u>		-	6,432	-	146	1,387	228	(1,159)	-508.3%	6,432
General vehicles		-	1,590	-	-	-	-	-	-	1,590
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	3,103	-	6	1,188	128	(1,060)	-828.5%	3,103
Computers - hardware/equipment		-	358	-	-	10	20	10	48.2%	358
Furniture and other office equipment		-	283	-	60	108	80	(28)	-35.1%	283
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	1,097	-	80	80	-	(80)	#DIV/0!	1,097
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<u>Intangibles</u>		-	310	-	-	55	-	(55)	#DIV/0!	310
Computers - software & programming		-	310	-	-	55	-	(55)	#DIV/0!	310
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>-</b>	<b>6,742</b>	<b>-</b>	<b>146</b>	<b>1,442</b>	<b>228</b>	<b>(1,214)</b>	<b>-532.5%</b>	<b>6,742</b>



**Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class**

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	2,272	-	154	166	300	134	44.8%	2,322
General vehicles			1,200				300	300	100.0%	1,200
Specialised vehicles										
Plant & equipment			627		154	154		(154)	#DIV/0!	677
Computers - hardware/equipment			445			12		(12)	#DIV/0!	445
Furniture and other office equipment			-							
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land			-							
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other										
<b>Total Capital Expenditure on renewal of existing assets</b>	1	-	2,272	-	154	166	300	134	44.8%	2,322

Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	1,944	-	34	480	486	6	1.2%	1,944
General vehicles			414		7	131	103	(28)	-26.9%	414
Specialised vehicles			-		-	-	-	-		-
Plant & equipment			486		2	33	122	89	72.8%	486
Computers - hardware/equipment			574		22	196	143	(52)	-36.3%	574
Furniture and other office equipment			149		1	1	37	36	97.2%	149
Abattoirs			-		-	-	-	-		-
Markets			-		-	-	-	-		-
Civic Land and Buildings			322		2	119	80	(39)	-48.2%	322
Other Buildings			-		-	-	-	-		-
Other Land			-		-	-	-	-		-
Surplus Assets - (Investment or Inventory)			-		-	-	-	-		-
Other			-		-	-	-	-		-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	2,418	-	82	378	604	226	37.4%	2,418
Computers - software & programming			2,418		82	378	604	226	37.4%	2,418
Other			-		-	-	-	-		-
<b>Total Repairs and Maintenance Expenditure</b>		-	4,362	-	116	858	1,090	232	21.3%	4,362

Table SC13d Monthly Budget Statement - depreciation by asset class

Description	Ref	2011/12	Budget Year 2012/13							Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
R thousands	1										
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>											
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-	-
<u>Community</u>		-	200	-	-	-	67	67	100.0%		200
Parks & gardens											
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other			200				67	67	100.0%		200
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-	-
Buildings											
Other											
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-	-
Housing development											
Other											
<u>Other assets</u>		-	4,098	-	-	-	1,366	1,366	100.0%		4,098
General vehicles			550				183	183	100.0%		550
Specialised vehicles			-				-	-			-
Plant & equipment			645				215	215	100.0%		645
Computers - hardware/equipment			650				217	217	100.0%		650
Furniture and other office equipment			853				284	284	100.0%		853
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings			1,400				467	467	100.0%		1,400
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-	-
List sub-class											
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-	-
List sub-class											
<u>Intangibles</u>		-	200	-	-	-	67	67	100.0%		200
Computers - software & programming			200				67	67	100.0%		200
Other											
<b>Total Repairs and Maintenance Expenditure</b>		-	4,498	-	-	-	1,499	1,499	100.0%		4,498

**ASSET AND RISK MANAGEMENT****Insurance:**

All Council assets are adequately insured with Lateral Unison for a period of three (3) years period. The insurance portfolio / costing was reviewed and implemented in July 2012.

**Asset Inventory:**

TAT I-Chain Asset Management System has been implemented. The next asset stock take is re-scheduled for the second week of January 2013 due to technical problems that occurred with the system.

**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.

**Motor Vehicle Operating Cost:**

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

<b>VEHICLE OPERATING COST</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR %</b>
Depreciation: Motor Vehicles	-	275,000	(275,000)	-100.00%
Insurance	10,058	28,875	(18,817)	-65.17%
MV Administration Levy	8,155	10,000	(1,845)	-18.45%
Fuel	192,369	250,000	(57,631)	-23.05%
Licence	4,140	6,325	(2,185)	-34.55%
Repairs and Maintenance	37,916	50,000	(12,084)	-24.17%
Tyres	12,000	31,500	(19,500)	-61.90%
<b>TOTAL</b>	<b>264,638</b>	<b>651,700</b>	<b>(387,062)</b>	<b>-59.39%</b>

**Motor Vehicles - Utilization Statistics:**

Council operates a pool of 21 vehicles as part of its routine activities.

Statistical information regarding the year-to-date utility for December 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	195 000	9/30/2013	144,741	185,076	40,335
2	Citi Golf	Pool	2005	BSM 014 NC	90,000	4/30/2013	84,222	87,004	2,782
3	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	225,000	4/30/2013	202,504	210,749	8,245
4	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	75,000	9/30/2013	50,031	63,621	13,590
5	Chevrolet Opel Corsa	Disaster Management	2010	CBY 227 NC	60,000	9/30/2013	26,446	34,656	8,210
6	Chevrolet Captiva	Pool	2011	CDM 296 NC	45,000	11/30/2013	20,388	36,177	15,789
7	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	165,000	7/31/2013	156,944	164,555	7,611
8	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	165,000	4/30/2013	148,190	159,100	10,910
9	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	120,000	4/30/2013	100,571	110,349	9,778
10	Toyota Corolla	Pool	2009	BZP 439 NC	90,000	9/30/2013	73,235	88,243	15,008
11	Toyota Corolla	Pool	2009	BZP 440 NC	75,000	9/30/2013	63,210	71,969	8,759
12	Toyota Condor	Tourism Centre	2001	BLR 461 NC	200,000	6/30/2013	191,842	198,601	6,759
13	Isuzu 2.4	Housing	2009	CBD 761 NC	75,000	2013/02/29	32,138	72,147	40,009
14	Toyota Corolla	Pool	2008	BXL 799 NC	135,000	2013/02/29	116,888	131,262	14,374
15	Nissan LDV	Community Development	2006	BVC 831 NC	135000	7/31/2013	117,594	120,652	3,058
16	Ford Bantam	Finance	2004	BRD 836 NC	90000	1/31/2013	81,748	82,433	685
17	Toyota Hilux	PMU	2004	BRF 837 NC	130000	2013/02/29	120,075	123,544	3,469
18	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	30000	9/30/2013	13,525	17,387	3,862
19	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	30000	9/30/2013	1,703	17,609	15,906
20	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	180000	2013/02/29	159,725	168,215	8,490
21	Audi Q7	Council	2013	EKG 368 NC	15000	41297	-	1,839	1,839
<b>YEAR TO DATE UTILITY - FULL FLEET</b>									<b>239,468</b>

**Motor Vehicle Damage Report:**

Mercedes Benz, registration number FBDM 1 was damaged +-15km from Warrenton to Kimberley. A wild goat ran onto the road in front of the vehicle damaging the front grill of the vehicle. The incident has been reported to the asset management unit and the insurance company. The estimated value of the repairs is R22 904.85 which will be covered from Council's insurance. The vehicle has been taken in for repairs.

The right mirror of Chevrolet Cruze registration number CBY 226 NC was damaged due to a minor accident on the N14 road from Hartswater to Carletonville. The incident has been reported to the asset management unit and the insurance company. The mirror has been repaired.

**2.14 Quality Certificate**

I, ZM Bogatsu, the Municipal Manager of Frances Baard District Municipality, hereby certify that-

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state affairs of the municipality
- mid-year budget and performance assessment

for the month of December 2012 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that act.

**ZM Bogatsu**  
**Municipal Manager: Frances Baard District Municipality**

Signature  \_\_\_\_\_

Date 16 January 2013