

FRANCES BAARD DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT

28 FEBRUARY 2014

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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” reflecting certain details for that month and for the financial year up to the end of that month.

“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 compiles the section 71 monthly report in the prescribed format as per the Municipal Budget and Reporting Regulations. All variances are calculated against the approved adjustment budget. The format consists of seven financial statements and thirteen tables consisting of supporting documentation.

Budget Process:

The budget process plan in respect of the 2013/14 financial year was submitted to the Executive Mayor for approval on 24 July 2013 and has also been provided to National Treasury.

A strategic planning session was held on 04 and 05 December 2013 and the budget preparation guidelines were sent to the various managers providing detailed information for the preparation of the 2014/15 budget and the medium term revenue and expenditure budget for the two outer

years (2015/16 and 2016/17) in terms of guidelines received from National Treasury and requirements as per Municipal Finance Management Act No.56 of 2003 (MFMA).

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 2013:

The Annual Financial Statements for the year ended 30 June 2013 was submitted to the Audit Committee on 28 August 2013 for their input and to the Office of the Auditor General on 30 August 2013 for auditing.

The District Municipality received an **Unqualified Audit Opinion** for the 2012/13 Financial Year with one matter of emphasis which is: **Findings on the Annual Performance Report**

➤ **Programme 1 - Basic Service Delivery**

Significantly, important targets with respect to the basic service delivery programme were materially misstated and not reliable when compared to the source information. Adequate documentation supporting the reported performance information could not be provided for audit purposes.

➤ **Programme 3 - Municipal Institutional Development and Transformation**

Significantly, important targets with respect to the municipal financial viability management programme were materially misstated and not reliable when compared to the source information. Adequate documentation supporting the reported performance information could not be provided for audit purposes.

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 during month of February 2014.

3. COUNCIL RESOLUTIONS

This is the resolution that will be presented to Council when the In-Year Report is tabled.

Recommendation:

(a) That Council notes the Mid-year budget and performance assessment report and supporting documentation for the period ended 28 February 2014.

4. EXECUTIVE SUMMARY

All variances are calculated against the approved adjustment budget figures.

4.1 Statement of Financial Performance**Consolidated performance against annual budget (Projected Operating Results) – Statement of Financial Performance – (Annexure A - Table C4)****Revenue by source**

Year-to-date accrued revenue is R71, 380 million as compared to the year-to-date budget projections of R66, 360 million for February 2014. The source of revenue that is above budget is interest on investments, levy replacement grant and other income.

Operating expenditure by type

To date, R55, 308 million has been spent compared to the operational approved budget of R121, 904 million. This does not include non-cash items such as depreciation & impairment. The main areas where expenditure is less than the budget is employee related costs, depreciation, amortization, actuarial losses, repairs & maintenance, finance charges (employee benefits), DBSA loan repayment, contracted services, grants and subsidies paid as well as general expenses. Expenditure will gain momentum as the financial year progresses.

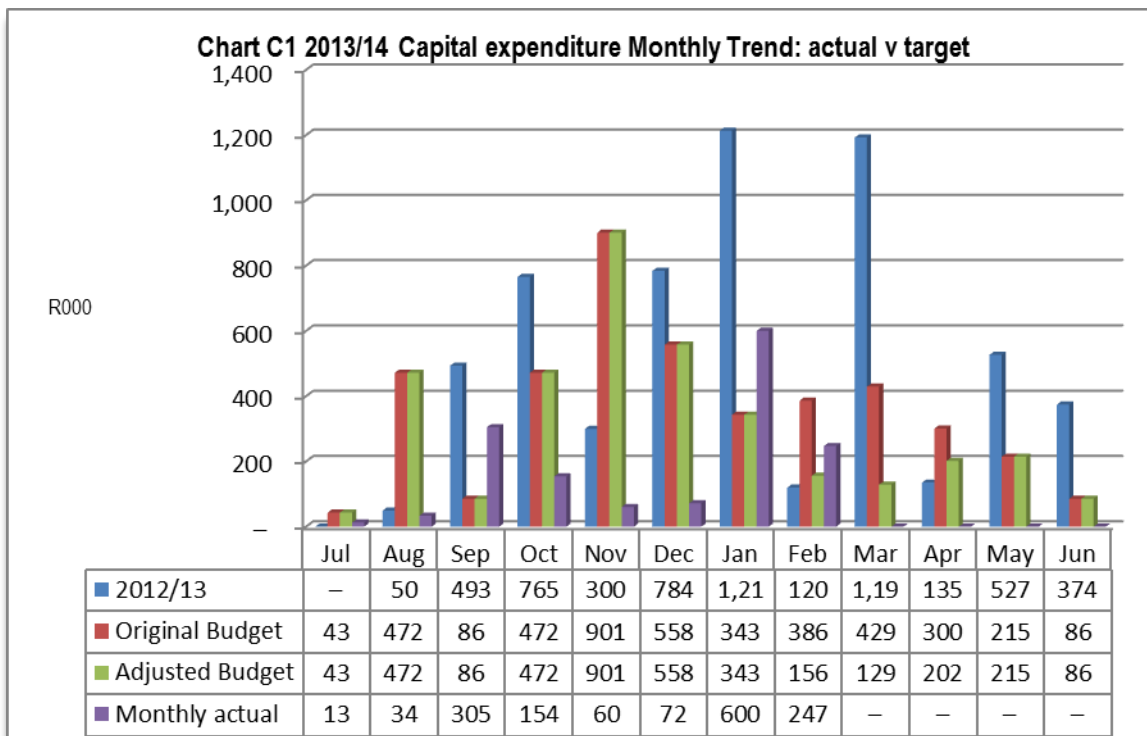
Refer to Annexure A, Table SC1 for further explanation for material variances on both revenue by source and expenditure by type. The summary statement of financial performance in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and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

Capital Expenditure

Year-to-date expenditure on capital amounts to R1, 486 million or 40.58% of the total adjusted budget of R3, 662million. R0.244 million or 6.14% of the total adjustment budget is committed at the period of reporting. As per the policy, all capital projects / purchases should be completed / finalized by 31 March of each financial year. Expenditure is expected to gain momentum as the financial year progresses.

Please refer to Annexure A, Table C5 for further details.

Capital Expenditure Monthly Trend: Actual vs Target



Cash Flows

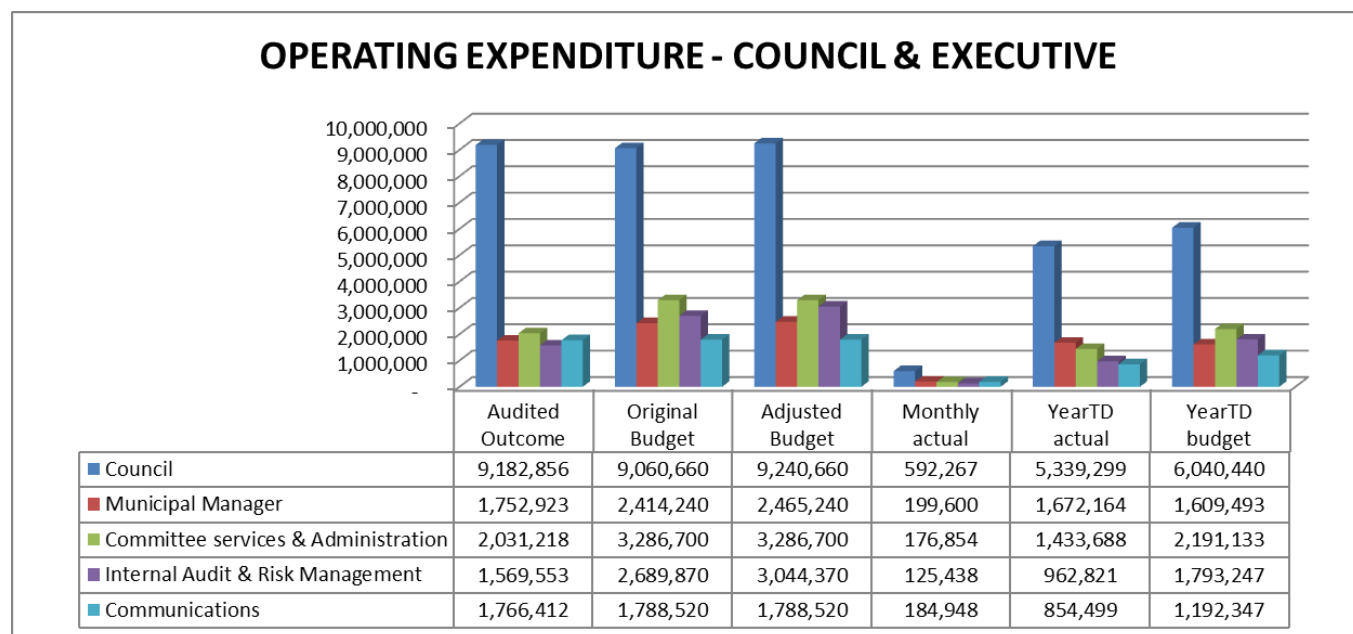
The Municipality started the year with a total cash and cash equivalents of R83, 564 million. For the month of February 2014, the cash and cash equivalents amount to R98, 387 million. The net increase of R14, 823 million is as a result of receiving two thirds of the equitable share grant allocation for the 2013/14 financial year.

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

Consolidated performance of year-to-date expenditure against year-to-date budget (per municipal vote)

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 depict the financial performance as per Municipal vote according to the approved organogram of council:



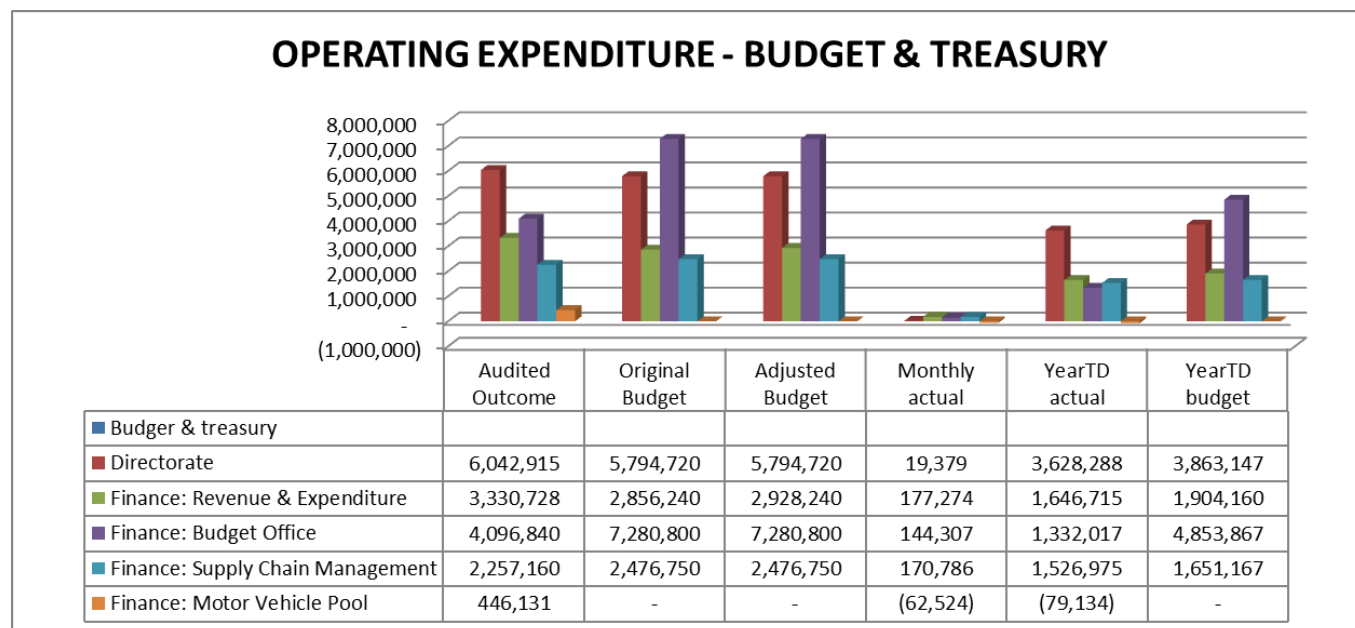
Actual operating expenditure of Council & Executive is 80.01% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: salaries and allowances, consultancy, repairs and maintenance, legal services, special projects and general expenses.

Approved vacant posts of Administrative Officer and Special Programmes Officer have to be filled.

Consolidated performance of year-to-date expenditure on special projects against full year budget (Council & Executive)

<u>COMMITTEE & ADMINISTRATION SERVICES</u>				
	YTD Actual	Budget	% Spending	Remarks
Youth Unit Special Projects	38,800	100,000	38.80%	Project in process
Commemorative Days	29,844	100,000	29.84%	Project in process
Total	68,644	200,000	34.32%	
<u>INTERNAL AUDIT</u>				
Fraud Prevention Plan	-	350,000	0.00%	Functionality meeting held on 29 January 2014 for evaluation.
Total	-	350,000	0.00%	Remarks
<u>COMMUNICATIONS</u>				
CFS System	-	5,000	0.00%	Contract renewed annually
Branding	-	10,000	0.00%	Branding material to be acquired in March 2014
PAIA Management	-	15,000	0.00%	Training and branding to be scheduled
Total	-	30,000	0.00%	

Actual spending on special projects of Council & Executive is 11.84% as compared to the approved budget. Projects will gain momentum as the financial year progresses.



Actual operating expenditure of Budget & Treasury office is 65.63% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: employee related costs, finance charges on external borrowings and employee benefits, consultancy, repairs and maintenance, audit fees, actuarial losses, special projects and general expenses.

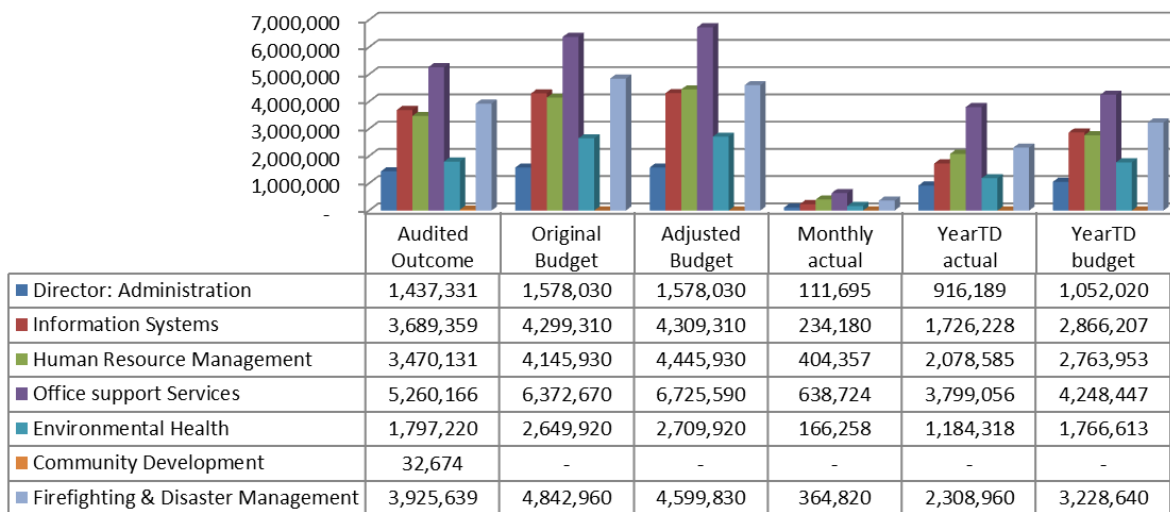
Approved vacant post of Accountant: Budget Office has to be filled.

Consolidated performance of year-to-date expenditure on special projects against full year budget (Budget & Treasury)

	YTD Actual	Budget	% Spending	Remarks
<i>FINANCE: DIRECTORATE</i>				
Capacity Building & BTO Operations	263	120,000	0.22%	Training to be provided during the financial year
Operation Clean Audit	200,000	500,000	40.00%	Will be utilised during the financial year
AFS Quality Control	30,000	80,000	37.50%	To be utilised last quarter of the financial year
Staff Benefits Actuarial Evaluations	50,000	50,000	100.00%	Project complete
Financial System Support (2) LM	100,000	300,000	33.33%	Awaiting claims from local municipalities
Total	380,263	1,050,000	36.22%	

Actual spending on special projects of Budget & Treasury Office is 36.22% as compared to the approved budget. Projects will gain momentum as the financial year progresses.

OPERATING EXPENDITURE - CORPORATE SERVICES



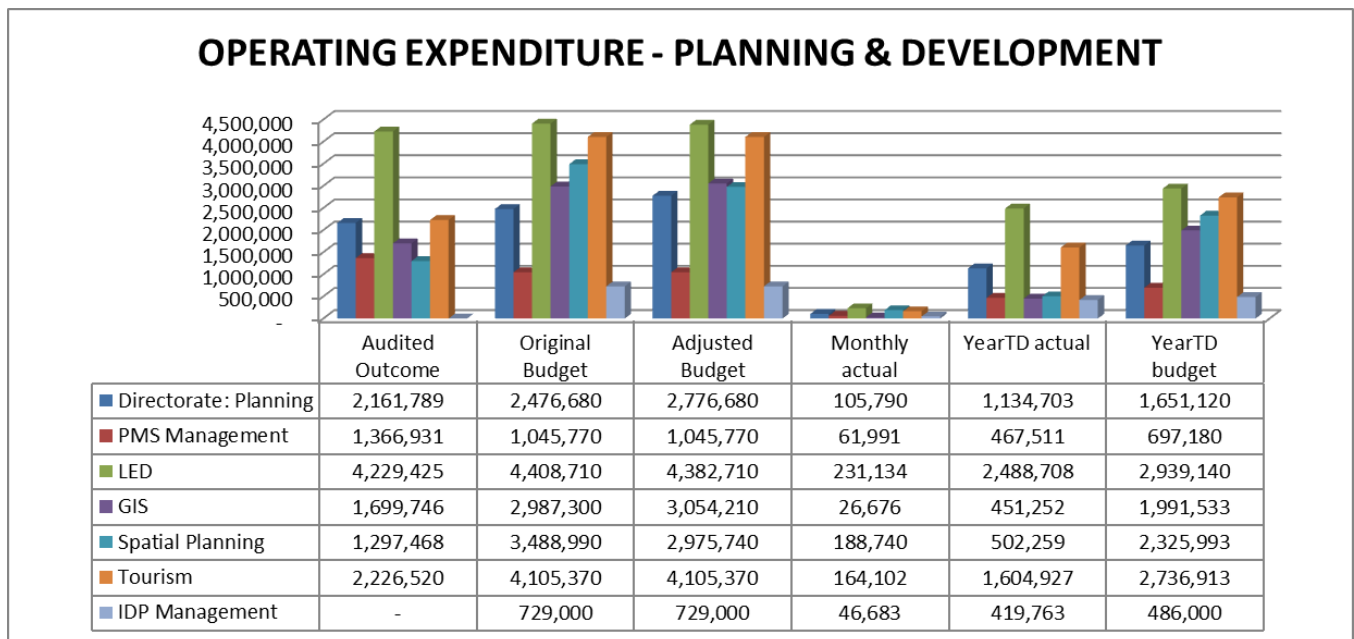
Actual operating expenditure of Corporate Services is 75.43% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: maintenance of computer hardware, software, printers, networks and telephone system, consultancy, special projects, training, and general expenses.

Consolidated performance of year-to-date expenditure on special projects against full year budget (Corporate Services)

CORPORATE SERVICES				
	YTD Actual	Budget	% Spending	Remarks
<u>INFORMATION COMMUNICATION & TECHNOLOGY</u>				
ICT District Forum Meetings	-	14,000	0.00%	Meetings scheduled for 3rd & 4th quarter of the financial year
Total	-	14,000	0.00%	
<u>HUMAN RESOURCE MANAGEMENT</u>				
Employee Assistance Programme	13,251	100,000	13.25%	Project is needs driven
Employee Wellness	220,959	300,000	73.65%	Project is needs driven
Total	234,210	400,000	58.55%	
<u>ENVIRONMENTAL HEALTH</u>				
Environment. Toilet for disabled persons	7,990	8,000	99.87%	Project complete
Environment Waste Recycle	-	52,000	0.00%	Project in progress
Awareness Programme - HIV, TB & STI	4,420	6,000	73.67%	As per operational plan
Awareness Programme - Sanitation	3,191	6,000	53.18%	As per operational plan
Implementation of Recycling Project	10,000	40,000	25.00%	Project in progress
Air Quality Projects	1,052	190,000	0.55%	Submission for appointment of interns not yet completed
Awareness Programme - Air Quality	838	16,000	5.24%	Still liaising with the Department of Environmental Affairs for the campaign
Implement Air Quality Plan	336	216,000	0.16%	Busy with the terms of reference for workshop
Waste Management Campaigns	-	2,000	0.00%	Campaign to be held during March 2014
EMI Internship Programme - Air Quality	-	196,200	0.00%	Awaiting response from Department of Environment & Nature Conservation.
Total	27,826	732,200	3.80%	

	YTD Actual	Budget	% Spending	Remarks
<u>FIRE FIGHTING / DISASTER MANAGEMENT.</u>				
Fire Fighting - Volunteers Training	-	30,000	0.00%	Awating Training Programme
Fire Fighting - Volunteers Stipend	-	58,850	0.00%	Awating Training Programme
Fire Fighting - Volunteers Insurance	-	10,490	0.00%	Awating Training Programme
Contingency Fund	196,591	250,000	78.64%	Needs driven and as per request
Disaster Management Forum	491	8,800	5.58%	Forum meeting to take place during the 3rd quarter
Develop Risk REC & RESP Strategy	59,635	229,000	26.04%	Need to be evaluated and adjudicated
Total	256,717	587,140	43.72%	

Actual spending on special projects of Corporate Services is 29.47% as compared to the approved budget - projects will gain momentum as the financial year progresses.



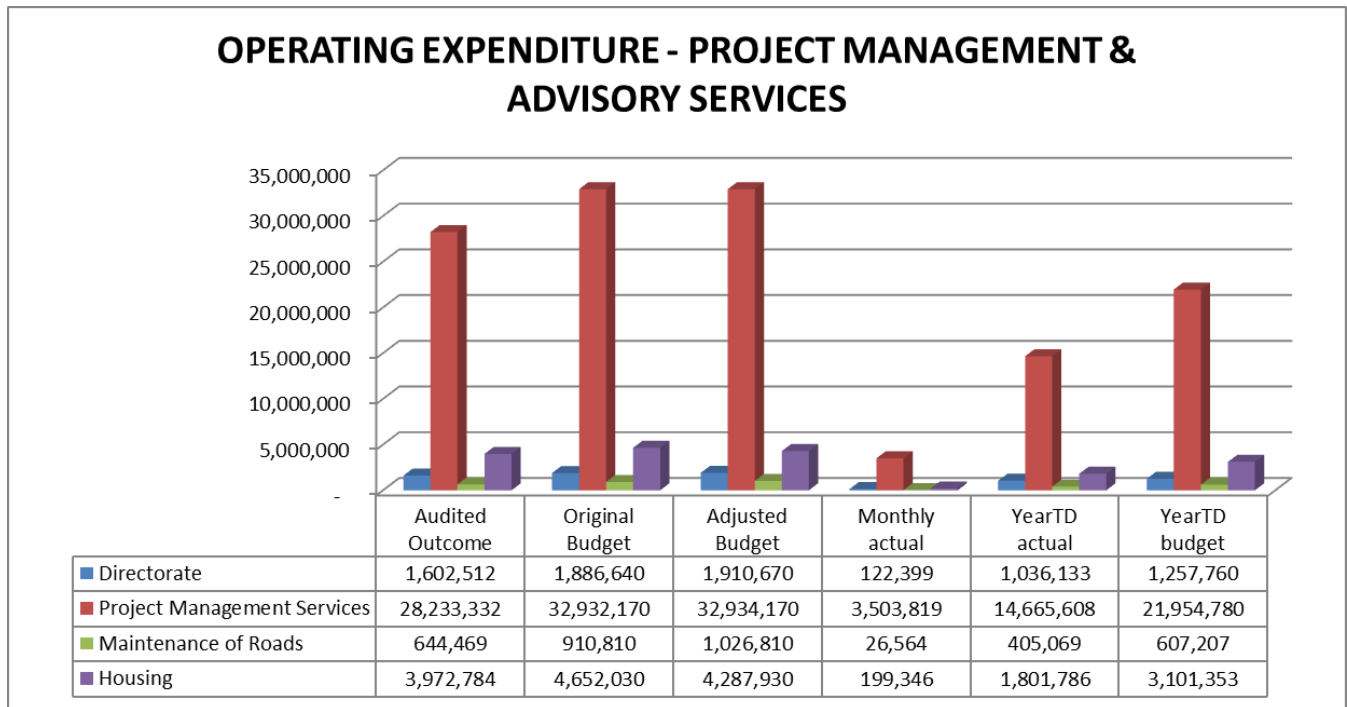
Actual operating expenditure of Planning & Development is 55.63% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: depreciation, repairs & maintenance, consultancy, special projects, advertisement general notices and general expenses.

Consolidated performance of year-to-date expenditure on special projects against full year budget (Planning & Development)

	YTD Actual	Budget	% Spending	Remarks
<u>PLANNING & DEVELOPMENT</u>				
<u>DIRECTORATE</u>				
Review of Institutional Plan	225,491	300,000	75.16%	Project in progress
Review LED Strategy	-	290,000	0.00%	Project on planning phase
Review DGDS Strategy	-	350,000	0.00%	Project on planning phase
Integrated Rezoning Scheme	-	250,000	0.00%	Project on planning phase
Total	225,491	1,190,000	18.95%	

	YTD Actual	Budget	% Spending	Remarks
<u>LED</u>				
LED SMME Development	168,150	200,000	84.08%	Project in progress
LED Cooperative Registration	42,900	42,900	100.00%	Project in progress
LED Promotion of SMME'S	116,311	200,000	58.16%	Project in progress
LED Emerging Farmer Support	-	120,000	0.00%	An MOU has being signed awaiting processing of payment
LED Small Miner Support	-	100,000	0.00%	Service provider appointed - Summit in April 2014
LED EPWP Support	-	10,000	0.00%	Provincial Launch has been postponed - Awaiting the Launch
LED Training for Graduates	-	360,000	0.00%	Functionality process to unfold
LED Phokwane Processing Plant	-	40,000	0.00%	Awaiting Council resolution for the sale
LED EXPO	434,900	500,000	86.98%	Project in progress
LED BIO-Mass Dikgatlong	-	20,000	0.00%	Awaiting List of Corporate members
KBY HUB	153,032	450,000	34.01%	Project in progress
LED Develop Incentive Policies	17,661	40,000	44.15%	Project in progress
LED Coordinate Structure and Institutional Support	8,253	86,000	9.60%	Project in progress
Total	941,206	2,168,900	43.40%	
	YTD Actual	Budget	% Spending	Remarks
<u>GIS</u>				
GIS: Verify Water Infrastructure	-	600,000	0.00%	Third and fourth quarter project
Financial Data Cleansing	998	1,200,000	0.08%	Awaiting claims from the service provider
Total	998	1,800,000	0.06%	
<u>SPATIAL PLANNING</u>				
Surveying of Erven Dikgatlong	-	397,010	0.00%	Project in progress
Zoning Scheme Phokwane	115,641	165,520	69.87%	Project in progress
Spatial Development Framework (FBDM)	3,631	276,500	1.31%	Project in progress
Spatial Development Framework (LM)	402	526,500	0.08%	Project in progress
Environmental Impact Assessment - Dikgatlong	-	36,600	0.00%	Project in progress
Total	119,674	1,402,130	8.54%	
	YTD Actual	Budget	% Spending	Remarks
<u>TOURISM</u>				
Diamonds & Dorings Support	300,000	300,000	100.00%	Project complete
TOUR - Contribution . NCTA Support	135,000	135,000	100.00%	Project complete
TOUR - N12 Promotion	50,000	50,000	100.00%	Project complete
TOUR - N12 Treasury Route Support	20,000	20,000	100.00%	Project complete
TOUR - Business Plan Competition	338,894	360,000	94.14%	Support workshop scheduled for May 2014
Indaba Trade EXPO	24,271	275,180	8.82%	In process of appointing service provider for branding of stand
12/13: TOUR - Website	-	97,100	0.00%	TOR developed. Closing date for proposal 10 March 2014
12/13: TOUR - Route Feasibility & Business Plan	7,175	316,800	2.26%	In process of identifying most viable route
TOUR - Advertising & Promotion	58,954	140,000	42.11%	In process of appointing a service provider for the branded marketing material
TOUR - Association	1,699	8,500	19.99%	In process of finalizing 4th quarter meeting scheduled for april 2014
TOUR - FBDM Arts and Craft Centre	71,550	210,000	34.07%	Deliverable due on 28 March 2014
TOUR - Marketing Brochure	-	90,000	0.00%	Advert for the appointment of suitable service provider
Community Awareness Campaigns	130,403	160,000	81.50%	Campaign held September 2013 - Savings
Gong-Gong Feasibility Study	-	263,250	0.00%	TOR finalized. To be advertised 10 March 2014
Maloof 2013 Exhibition	1,066	28,430	3.75%	Exhibition held September 2014
Total	1,139,012	2,454,260	46.41%	
	YTD Actual	Budget	% Spending	Remarks
<u>IDP MANAGEMENT</u>				
IDP Steering Committee Meeting	1,749	7,600	23.02%	Project in progress
Total	1,749	7,600	23.02%	

Actual spending on special projects of Planning & Development is 26.91% as compared to the approved budget - projects will gain momentum as the financial year progresses.



Actual operating expenditure of Project Management & Advisory Services is 66.52% 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.

Consolidated performance of year-to-date expenditure on special projects against full year budget (Project Management & Advisory Services)

	YTD Actual	Budget	% Spending	Remarks
<i>PROJECT & ADVISORY SERVICES</i>				
District Technical Forum Meetings	1,686	8,000	21.07%	Project in progress
EQS: O&M Phokwane - Maintenance Water & Waste Infrastructure	1,693,886	1,812,000	93.48%	Project in progress
EQS: O&M Magareng - Maintenance Electricity Infrastructure	160,534	500,000	32.11%	Project on schedule as planned
EQS: O&M Magareng - Maintenance Water & Wastewater Infrastructure	5,980	1,000,000	0.60%	Project on schedule as planned
EQS: O&M Magareng - Maintenance Street & Storm Water	300,732	1,000,000	30.07%	Project in progress
EQS: O&M Sol Plaatje - Maintenance Platfontein Sewer System	219,200	500,000	43.84%	Project in progress
EQS: O&M Phokwane - Maintenance Electricity Infrastructure	548,071	550,000	99.65%	Project complete
EQS: O&M Sol Plaatje - Maintenance Street & Storm Water	1,000,000	1,000,000	100.00%	Project complete
EQS: O&M Phokwane - Maintenance Street & Storm Water	692,466	700,000	98.92%	Project complete
EQS: O&M Dikgatlong - Maintenance Water & Waste Infrastructure	691,410	1,550,000	44.61%	Project in progress
EQS: O&M Dikgatlong - Maintenance Electricity Infrastructure	93,031	550,000	16.91%	Project in progress

EQS: O&M Dikgatlong - Maintenance Street & Storm Water	61,996	500,000	12.40%	Project in progress
CAP - Magareng: Provision of Water Reticulation	2,347,824	2,355,000	99.70%	Project complete
CAP - Magareng: Upgrade of Water Network	1,837,487	1,899,000	96.76%	Project in progress
CAP - Phokwane: Electricity Masterplan	215,557	450,000	47.90%	Project in progress
CAP - Phokwane: Gangspan Bulk Water Support	468,650	1,200,000	39.05%	Project in progress
CAP - Phokwane: Sewer Truck	-	2,000,000	0.00%	Project on schedule as planned
CAP - Phokwane: Electricity	-	450,000	0.00%	Project on schedule as planned
CAP - Phokwane: Install Water Meters	-	550,000	0.00%	Project on schedule as planned
CAP - Magareng: Water Reticulation Warrenvale	523,221	1,500,000	34.88%	Project in progress
CAP - Magareng: Sewer Reticulation Warrenvale	-	1,200,000	0.00%	Project on schedule as planned
CAP Magareng: Upgrade Water Network	720,943	1,500,000	48.06%	Project in progress
CAP - Sol Plaatje: Water & Sanitation	1,782,318	3,000,000	59.41%	Project on schedule as planned
CAP - Dikgatlong: Refuse Truck	-	2,000,000	0.00%	Project on schedule as planned
CAP - Dikgatlong: Upgrade Electricity Network	-	1,500,000	0.00%	Project on schedule as planned
CAP - Dikgatlong: Waste Water Operating Room	41,200	650,000	6.34%	Project in progress
Total	13,406,189	29,924,000	44.80%	
	YTD Actual	Budget	% Spending	Remarks
HOUSING				
Housing Field Workers	-	-		
Special Project: Women's Month	-	15,000	0.00%	Savings
Special Project: Mandela Month	15,000	15,000	100.00%	Project completed
Housing Consumer Education	8,753	40,000	21.88%	Ongoing
Housing Field Workers	15,948	30,000	53.16%	Ongoing
Housing Steering Committee Meeting	3,732	20,000	18.66%	Ongoing
Total	43,434	120,000	36.19%	

Actual spending on special projects of Project Management & Advisory Services is 44.77% as compared to the approved budget - projects will gain momentum as the financial year progresses.

Please refer to next page

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

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	5,672	4,619	4,619	486	3,523	3,079	444	14%	2,619
Transfers recognised - operational	94,579	93,815	94,175	2,176	67,353	62,584	4,770	8%	94,175
Other own revenue	1,670	1,045	1,045	13	504	697	(193)	-28%	504
Total Revenue (excluding capital transfers and contributions)	101,921	99,479	99,840	2,675	71,380	66,360	5,021	8%	97,298
Employee costs	39,423	47,498	47,498	2,907	25,145	31,665	(6,521)	-21%	27,941
Remuneration of Councillors	5,160	5,679	5,679	416	3,398	3,786	(388)	-10%	3,429
Depreciation & asset impairment	3,429	5,050	5,050	-	-	3,367	(3,367)	-100%	5,050
Finance charges	2,318	2,215	2,215	-	631	1,477	(845)	-57%	1,631
Materials and bulk purchases	2,569	3,983	4,528	514	2,033	2,656	(622)	-23%	2,489
Transfers and grants	35,437	42,937	42,430	3,757	16,845	28,625	(11,780)	-41%	28,343
Other expenditure	11,189	13,798	14,503	731	7,256	9,198	(1,943)	-21%	8,981
Total Expenditure	99,524	121,161	121,904	8,326	55,308	80,774	(25,465)	-32%	77,865
Surplus/(Deficit)	2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)	30,486	-212%	19,433
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)	30,486	-212%	19,433
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)	30,486	-212%	19,433
Capital expenditure & funds sources									
Capital expenditure	5,953	4,290	3,662	247	1,486	2,860	(1,374)	-48%	2,392
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	5,953	4,290	3,662	247	1,486	2,860	(1,374)	-48%	2,392
Total sources of capital funds	5,953	4,290	3,662	247	1,486	2,860	(1,374)	-48%	2,392
Financial position									
Total current assets	86,488	86,488	86,488		99,986				86,488
Total non current assets	63,332	63,332	63,332		64,817				63,332
Total current liabilities	12,802	12,802	12,964		11,714				12,964
Total non current liabilities	33,042	33,042	32,881		33,042				32,881
Community wealth/Equity	103,975	77,802	103,975		120,047				103,975
Cash flows									
Net cash from (used) operating	6,112	(11,892)	(11,892)	(7,173)	17,554	2,529	15,025	594%	(17,312)
Net cash from (used) investing	(7,463)	(3,861)	(3,861)	(612)	(2,033)	(1,341)	(692)	52%	(3,761)
Net cash from (used) financing	(1,299)	(1,606)	(1,606)	-	(698)	(569)	(129)	23%	(1,139)
Cash/cash equivalents at the month/year end	83,564	59,959	59,959	98,387	98,387	77,936	20,451	26%	61,353
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Revenue Source	1,973	1,301	3	1	1	0	1	12	1,319
Creditors Age Analysis									
Total Creditors	1,948	5,508	-	-	20	-	-	-	5,527

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

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		85,301	85,750	85,750	570	62,492	57,166	5,325	9%	83,844
Executive and council		3,318	3,716	3,716	-	2,477	2,477	0	0%	3,716
Budget and treasury office		81,983	82,034	82,034	570	60,014	54,689	5,325	10%	80,128
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		3,272	600	600	417	417	400	17	4%	1,017
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2,288	600	600	-	-	400	(400)		600
Housing		983	-	-	417	417	-	417	#DIV/0!	417
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13,348	13,130	13,490	1,689	8,472	8,793	(322)	-4%	12,438
Planning and development		10,342	10,130	10,430	1,689	6,464	6,753	(289)	-4%	10,430
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		3,006	3,000	3,060	-	2,008	2,040	(32)	-2%	2,008
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	101,921	99,479	99,840	2,675	71,380	66,360	5,021	8%	97,298
Expenditure - Standard										
<i>Governance and administration</i>		46,334	54,044	55,365	3,117	26,837	36,030	(9,192)	-26%	35,581
Executive and council		16,303	19,240	19,825	1,279	10,262	12,827	(2,564)	-20%	11,495
Budget and treasury office		16,174	18,409	18,481	449	8,055	12,272	(4,217)	-34%	13,889
Corporate services		13,857	16,396	17,059	1,389	8,520	10,931	(2,411)	-22%	10,197
<i>Community and public safety</i>		7,931	9,495	8,888	564	4,111	6,330	(2,219)	-35%	4,881
Community and social services		33	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3,926	4,843	4,600	365	2,309	3,229	(920)	-28%	2,926
Housing		3,973	4,652	4,288	199	1,802	3,101	(1,300)	-42%	1,955
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45,259	57,621	57,651	4,644	24,360	38,414	(14,054)	-37%	37,403
Planning and development		43,462	54,971	54,941	4,478	23,176	36,648	(13,472)	-37%	35,847
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		1,797	2,650	2,710	166	1,184	1,767	(582)	-33%	1,556
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	99,524	121,161	121,904	8,326	55,308	80,774	(25,465)	-32%	77,865
Surplus/ (Deficit) for the year		2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)	30,486	-212%	19,433

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

Vote Description [Insert departmental structure etc 3.]	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council & Executive		3,318	3,716	3,716	-	2,477	2,477	0	0.0%	3,716
Vote 2 - Budget & Treasury		81,983	82,034	82,034	570	60,014	54,689	5,325	9.7%	80,128
Vote 3 - Corporate Services		5,294	3,600	3,660	-	2,008	2,440	(432)	-17.7%	2,608
Vote 4 - Planning & Development		733	890	1,190	-	225	593	(368)	-62.0%	1,190
Vote 5 - Project Management & Advisory Services		10,593	9,240	9,240	2,105	6,655	6,160	495	8.0%	9,656
Total Revenue by Vote	2	101,921	99,479	99,840	2,675	71,380	66,360	5,021	7.6%	97,298
Expenditure by Vote	1									
Vote 1 - Council & Executive		16,303	19,240	19,825	1,279	10,262	12,827	(2,564)	-20.0%	11,495
Vote 2 - Budget & Treasury		16,174	18,409	18,481	449	8,055	12,272	(4,217)	-34.4%	13,889
Vote 3 - Corporate Services		19,613	23,889	24,369	1,920	12,013	15,926	(3,913)	-24.6%	14,679
Vote 4 - Planning & Development		12,982	19,242	19,069	825	7,069	12,828	(5,759)	-44.9%	11,123
Vote 5 - Project Management & Advisory Services		34,453	40,382	40,160	3,852	17,909	26,921	(9,013)	-33.5%	26,679
Total Expenditure by Vote	2	99,524	121,161	121,904	8,326	55,308	80,774	(25,465)	-31.5%	77,865
Surplus/ (Deficit) for the year	2	2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)	30,486	-211.5%	19,433

Please refer to next page

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

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		-	-	-	-	-	-	-	-	-
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		596	961	961	6	437	641	(204)	-32%	437
Interest earned - external investments		5,672	4,619	4,619	486	3,523	3,079	444	14%	2,619
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		94,579	93,815	94,175	2,176	67,353	62,584	4,770	8%	94,175
Other revenue		1,073	24	24	7	66	16	50	314%	66
Gains on disposal of PPE		-	60	60	-	1	40	(39)	-99%	1
Total Revenue (excluding capital transfers and contributions)		101,921	99,479	99,840	2,675	71,380	66,360	5,021	8%	97,298
Expenditure By Type										
Employee related costs		39,423	47,498	47,498	2,907	25,145	31,665	(6,521)	-21%	27,941
Remuneration of councillors		5,160	5,679	5,679	416	3,398	3,786	(388)	-10%	3,429
Debt impairment		-	3	3	-	-	2	(2)	-100%	3
Depreciation & asset impairment		3,429	5,050	5,050	-	-	3,367	(3,367)	-100%	5,050
Finance charges		2,318	2,215	2,215	-	631	1,477	(845)	-57%	1,631
Bulk purchases		-	-	-	-	-	-	-	-	-
Other materials		2,569	3,983	4,528	514	2,033	2,656	(622)	-23%	2,489
Contracted services		212	-	-	-	-	-	-	-	-
Transfers and grants		35,437	42,937	42,430	3,757	16,845	28,625	(11,780)	-41%	28,343
Other expenditure		9,926	13,595	14,300	731	7,256	9,063	(1,807)	-20%	8,778
Loss on disposal of PPE		1,050	200	200	-	-	133	(133)	-100%	200
Total Expenditure		99,524	121,161	121,904	8,326	55,308	80,774	(25,465)	-32%	77,865
Surplus/ (Deficit) for the year		2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)	30,486	(0)	19,433
Transfers recognised - capital										
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)			19,433
Taxation										
Surplus/(Deficit) after taxation		2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)			19,433
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)			19,433
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		2,396	(21,681)	(22,064)	(5,650)	16,072	(14,414)			19,433

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

Vote Description	Ref	Budget Year 2013/14								
		2012/13 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Council & Executive		-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 5 - Project Management & Advisory Services		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Council & Executive		57	82	82	40	46	55	(8)	-15%	66
Vote 2 - Budget & Treasury		1,853	862	757	-	611	575	36	6%	690
Vote 3 - Corporate Services		874	2,593	2,072	207	668	1,729	(1,060)	-61%	1,022
Vote 4 - Planning & Development		2,558	141	141	-	21	94	(73)	-78%	139
Vote 5 - Project Management & Advisory Services		611	611	609	-	139	407	(268)	-66%	475
Total Capital single-year expenditure	4	5,953	4,290	3,662	247	1,486	2,860	(1,374)	-48%	2,392
Total Capital Expenditure		5,953	4,290	3,662	247	1,486	2,860	(1,374)	-48%	2,392
Capital Expenditure - Standard Classification										
Governance and administration		2,784	2,092	1,445	247	802	1,395	(593)	-43%	1,179
Executive and council		57	82	82	40	46	55	(8)	-15%	66
Budget and treasury office		1,853	862	757	-	611	575	36	6%	690
Corporate services		874	1,148	606	207	145	766	(621)	-81%	423
Community and public safety		3,006	1,476	1,479	-	597	984	(387)	-39%	612
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2,470	1,385	1,406	-	524	923	(399)	-43%	539
Housing		535	91	74	-	73	61	12	21%	73
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		163	721	737	-	87	481	(394)	-82%	601
Planning and development		163	661	677	-	87	441	(354)	-80%	541
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	60	60	-	-	40	(40)	-100%	60
Trading services		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	5,953	4,290	3,662	247	1,486	2,860	(1,374)	-48%	2,392
Funded by:										
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		5,953	4,290	3,662	247	1,486	2,860	(1,374)	-48%	2,392
Total Capital Funding		5,953	4,290	3,662	247	1,486	2,860	(1,374)	-48%	2,392

Table C6 Monthly Budget Statement - Financial Position

Description	Ref	2012/13 Audited Outcome	Budget Year 2013/14			
			Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		364	959	364	3,637	364
Call investment deposits		83,200	59,000	83,200	94,750	83,200
Consumer debtors		-	-	-	-	-
Other debtors		2,658	1,400	2,658	1,319	2,658
Current portion of long-term receivables		-	-	-	-	-
Inventory		266	300	266	280	266
Total current assets		86,488	61,659	86,488	99,986	86,488
Non current assets						
Long-term receivables		10,612	-	10,612	10,612	10,612
Investments		3,800	3,000	3,800	3,800	3,800
Investment property		-	-	-	-	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		48,071	48,087	47,786	49,556	47,786
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		849	2,163	1,134	849	1,134
Other non-current assets		-	-	-	-	-
Total non current assets		63,332	53,250	63,332	64,817	63,332
TOTAL ASSETS		149,820	114,909	149,820	164,804	149,820
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		1,444	1,606	1,606	746	1,606
Consumer deposits		-	-	-	-	-
Trade and other payables		4,499	3,035	4,499	5,527	4,499
Provisions		6,860	6,024	6,860	5,441	6,860
Total current liabilities		12,802	10,665	12,964	11,714	12,964
Non current liabilities						
Borrowing		10,041	8,470	9,880	10,041	9,880
Provisions		23,001	17,971	23,001	23,001	23,001
Total non current liabilities		33,042	26,442	32,881	33,042	32,881
TOTAL LIABILITIES		45,845	37,107	45,845	44,757	45,845
NET ASSETS	2	103,975	77,802	103,975	120,047	103,975
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		75,967	54,541	75,967	92,039	75,967
Reserves		28,008	23,261	28,008	28,008	28,008
TOTAL COMMUNITY WEALTH/EQUITY	2	103,975	77,802	103,975	120,047	103,975

1.4.7 Table C7 Monthly Budget Statement - Cash Flow

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		9,655	72	72	1,763	4,459	499	3,960	793%	668
Government - operating		92,105	93,815	93,815	-	71,977	58,597	13,380	23%	92,592
Government - capital		-	-	-	-	-	-	-	-	-
Interest		5,575	4,619	4,619	486	4,319	3,327	992	30%	4,708
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(61,273)	(67,427)	(67,427)	(5,176)	(42,868)	(41,620)	1,248	-3%	(67,226)
Finance charges		(1,360)	(1,215)	(1,215)	-	(631)	(549)	82	-15%	(2,362)
Transfers and Grants		(38,589)	(41,756)	(41,756)	(4,246)	(19,701)	(17,725)	1,976	-11%	(45,692)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6,112	(11,892)	(11,892)	(7,173)	17,554	2,529	15,025	594%	(17,312)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	100
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(900)	-	-	-	-	-	-	-	-
Payments										
Capital assets		(6,563)	(3,861)	(3,861)	(612)	(2,033)	(1,341)	692	-52%	(3,861)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7,463)	(3,861)	(3,861)	(612)	(2,033)	(1,341)	692	-52%	(3,761)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(1,299)	(1,606)	(1,606)	-	(698)	(569)	129	-23%	(1,139)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,299)	(1,606)	(1,606)	-	(698)	(569)	129	-23%	(1,139)
NET INCREASE/ (DECREASE) IN CASH HELD		(2,650)	(17,358)	(17,358)	(7,785)	14,823	619			(22,211)
Cash/cash equivalents at beginning:		86,214	77,317	77,317	106,172	83,564	77,317			83,564
Cash/cash equivalents at month/year end:		83,564	59,959	59,959	98,387	98,387	77,936			61,353

5. SUPPORTING DOCUMENTATION

Table SC1 Material variance explanations

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Government grants & subsidies	8%	Equitable Share Grant received in advanced	Acceptable - No remedial steps required
	Rental of facilities and equipment	-31.80%	Low demand for rental services. Rental of grader to local municipalities only charged for the 1st and 2nd quarter of the financial year.	The Grader operations will gain momentum as the financial year progresses.
	Interest earned - external investments	14.41%	Interest earned on external investment is more than year-to-date budget.	Acceptable and dependant on the market yield.
	Other income	314.23%	Revenue generated is more than the full year budget .	Acceptable
2	Expenditure By Type			
	Salaries	-20.59%	Approved vacant posts not filled according to the organogram	Most vacant post were advertised and will be filled shortly .
	Depreciation	-100.00%	A new program is being developed to link it to the Financial System	Busy verifying and updating data of the previous financial year.
	Other Materials	-23.44%	All maintenance projects are needs driven. The District does not have any major infrastructure assets to maintain except for its administrative building	All maintenance projects are needs driven as and when required.
	Transfers and grants	-41.15%	Most projects are in the planning phase of implementation as per the procurement plan.	Most projects have not started, Implementation will gain momentum as the financial year progresses.
	Other expenditure	-19.94%	Under spending and GRAP related issues only accounted for at year end.	Expenditure will gain momentum as the financial year progresses.
3	Capital Expenditure			
	Capital expenditure	-48.05%	As per the policy , all capital projects / purchases should have been completed / finalized by 31 March of each year	Most capital projects will gain momentum as the financial year progresses.
4	Financial Position			
	Reserves	R 4,746,335	Under budgeted	Acceptable
	Property , plant & equipment	R 1,469,286	Under budgeted	Acceptable
5	Cash Flow			
	Net cash from operating / (used) Operating Activities	594.22%	RSC Levy Replacement Grant Receipts	Acceptable
	Net cash from operating / (used) Investing Activities	-51.63%	Capital Expenditure not materialising per SDBIP	There is a need to accelerate this spending
	Net cash from operating / (used) Financing Activities	-22.64%	Repayment of borrowing	Bi-Annual DBSA Loan Repayment
6	Measureable performance			
7	Municipal Entities			

More detail on operating variances is available on pages 04 to 12 of this report.

Table SC2 Monthly Budget Statement - performance indicators

Description of financial indicator	Basis of calculation	Ref	2012/13	Budget Year 2013/14			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Percentage							
Borrowing Management							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		6.7%	7.4%	6.6%	6.1%	0.0%
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		5.8%	6.0%	6.0%	1.1%	6.5%
Borrowed funding of capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	16.9%	15.4%	13.6%	15.4%
Gearing	Long Term Borrowing/ Funds & Reserves		35.9%	36.4%	35.3%	35.9%	35.3%
Liquidity							
Current Ratio 1	Current assets/current liabilities	1	675.6%	578.1%	667.1%	853.5%	667.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		682.4%	590.3%	673.9%	872.3%	673.9%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		13.0%	1.4%	13.3%	16.7%	13.6%
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%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		100.0%	100.0%			
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0.0%	0.0%		0.0%	0.0%
Other Indicators							
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		38.7%	47.7%	47.6%	35.2%	28.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.5%	4.0%	4.5%	0.7%	2.1%
Interest & Depreciation	I&D/Total Revenue - capital revenue		5.6%	7.3%	7.3%	0.9%	5.2%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		203.5%	148.2%	0.0%	539.9%	139.6%
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		11.8	2.1	2.1	3.1	2.2

The above ratios indicate that the municipality is financially stable and adequately funded to continue with its operations. The year-to-date ratio of employee costs as compared to the total revenue – capital revenue for the year to date is 35.6%. The level of employee costs should be monitored and managed effectively as it must not exceed the national norm of 35 %.

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 2013/14									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	Total		
R thousands												
Debtors Age Analysis By Revenue Source												
Rates	1200											
Electricity	1300											
Water	1400											
Sewerage / Sanitation	1500											
Refuse Removal	1600											
Housing (Rental Revenue)	1700											
Other	1900	1,301	3	1	1	1	0	1	12	1,319		15
Total By Revenue Source	2000	1,301	3	1	1	1	0	1	12	1,319	-	15
2011/12 - totals only		1,236	3	1	1	1	0	1	11	1,253		14
Debtors Age Analysis By Customer Category												
Government	2200	268	2	3	-	-	-	-	-	272		
Business	2300	-	-	-	-	-	-	-	-	-		
Households	2400	-	-	-	-	-	-	-	-	-		
Other	2500	1,034	1	(2)	1	1	395.00	1	12	1,047		
Total By Customer Category	2600	1,301	3	1	1	1	0	1	12	1,319	-	

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**

The only outstanding debt for more than 90 days as at 28 February 2014 in respect of Provincial and Local Governments department is:

- Dikgatlong Municipality R2 577.44 payment for street lighting at Koopmansfontein.

- **Post-Service Benefits**

The only outstanding debts reflected for more than 90 days as at 28 February 2014 is:

- Payne ME R7 210.60, Benson SC R3 484.70, Maritz AJ R147.80 and Benson SC R3 484.70 for post medical-aid. The long outstanding debtors will be handed over to Council's attorneys to recover the debt.

- **Sundry Debtors**

The only outstanding debt reflected for more than 90 days as at 28 February 2014 for sundry debtors is:

- Maribe BM R1 900.00 for traffic fines.

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

Table SC4 Monthly Budget Statement - aged creditors

Description	NT Code	Budget Year 2013/14									Total	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			
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	5,508	-	-	20	-	-	-	-	-	-	5,527
Total By Customer Type	2600	5,508	-	-	20	-	-	-	-	-	-	5,527

The expenditure section continues 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 6.4% for staff has been implemented in July 2013.

The annual increase for Councilors' in terms of the remuneration of Public Office Bearers Act, 1998 was implemented in January 2014 back-dated from July 2013.

Trade Creditors:

Council purchases and payments to creditors are under adequate control. Expenditure statistics for the month of February 2014 is listed below:

PAYMENTS	
Total value of all payments	R 10,015,423
Electronic transfers	192
Cheques issued	21
STORES	
Value of Stores issued	16,235
SALARIES	
Number of salary beneficiaries	146
Councillors	24
Employees	120
Pensioners	2
Total remuneration paid	
	2,677,026
Councillors	397,055
Employees	2,277,131
Pensioners	2,841

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 January 2013.

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. The Supply Chain Management Policy is currently being reviewed. It will be submitted to Council and once approved will be effective from the date of approval.

Implementation of the Supply Chain Management Process:

- Supply Chain Management Training

No training was offered or attended by officials for supply chain management.

- 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 February 2014, 5 contracts (R200 000 +) was awarded by the Bid Adjudication Committee.

1. Review of LED strategy: Bopa Lesedi – R263 625.00
2. Review of Magareng Spatial Development Framework: Bopa Lesedi – R298 115.70
3. The review of FBDM District Growth and Development Strategy: Bopa Lesedi – R341 658.00
4. Fraud prevention strategy: Morar Incorporated – R95 760.00
5. Architect for Disaster Centre: Ikamva Architects – R610 470.00

For the period of February 2014 one written price quotation (R30 000-R200 000) was awarded by the Municipal Manager.

1. Printing of travel guide: African Compass – R85 100.00

The value of orders issued for the period ended 28 February 2014 total R796 196.20 (*See Annexure “C”*)

Orders per department

Council and Executive	R48 908.98
Municipal Manager	R61 449.75
Finance	R109 233.55
Administration	R358 187.47
Planning and Development	R163 926.38
Technical Service	R23 272.11
Stores	R31 937.96

- Disposal Management

The following vehicles were disposed as per council resolution of June 2013 during the month of January 2014:

- Dikgatlong Local Municipality: Isuzu 2.4 LDV - BTT 339 NC and Toyota Corolla - BXL 799 NC.
- Magareng Local Municipality: Isuzu 2.4 LDV - BVC 305 NC

The disposal of these vehicles is still in process.

- Deviations

No deviation was approved by the Municipal Manager for the month of February 2014.

- Issues from Stores

Total orders issued amount to R16 234.99 for all departments.

Council and Executive	R3998.35
Municipal Manager	R2 245.23
Finance	R748.04
Administration	R8 648.20
Planning and Development	R349.13
Technical Services	R246.04

- Orders outstanding more than 30 days and over for February 2014

COMPANY	60 DAYS	90 DAYS	COMMENT
The drain surgery		R2 502.98	Invoice not received yet
Humelani Water Servicer		R276 606.58	Project not completed
Ikamva Resource		R117 472.00	Order to be cancel
Independent newspaper		R2 556.54	Invoice not received yet
Lasec		R748.06	Invoice not received yet
Leboa it solutions		R319.20	Invoice not received yet
Maxi's catering		R2 700.00	Order to be cancel
MC Gross Logistics		R23 745	Invoice not received yet
Masilakhe Management		R273 600	Project not completed
National health lab		R451.32	Invoice not received yet
OG Media		R28 500.00	Service not render yet
Rennies Travel		R4 997.92	Invoice not received yet
Sure Astra	R3 186.04	R25 343.48	Invoice not received yet
UFS Centre for Business		R345 000.00	Project not completed

- 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.

The next Procurement Plan report will be available during the third quarter of the financial year as annexure "D" outlining details in respect of the 2013/14 financial year.

Table SC5 Monthly Budget Statement - investment portfolio

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	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
		Yrs/Months							
Municipality									
STANDARD BANK		363	Fixed	22-Jun-14	17	5.8%	3,800		3,800
STANDARD BANK		119	Notice	7-Mar-14	33	5.4%	8,000		8,000
NEDCOR		119	Notice	7-Mar-14	26	5.6%	6,000		6,000
NEDCOR		120	Notice	11-Mar-14	64	5.6%	15,000		15,000
ABSA		119	Notice	11-Mar-14	29	5.4%	7,000		7,000
ABSA		119	Notice	14-Mar-14	20	5.5%	4,750		4,750
STANDARD BANK		120	Notice	1-Apr-14	75	5.5%	18,000		18,000
NEDCOR		120	Notice	1-Apr-14	17	5.6%	4,000		4,000
ABSA		120	Notice	1-Apr-14	33	5.5%	8,000		8,000
ABSA		120	Notice	3-Apr-14	29	5.5%	7,000		7,000
NEDCOR		120	Notice	3-Apr-14	21	5.5%	5,000		5,000
RMB		119	Notice	3-Apr-14	25	5.4%	6,000		6,000
STANDARD BANK		119	Notice	3-Apr-14	25	5.5%	6,000		6,000
									-
									-
TOTAL INVESTMENTS AND INTEREST					415		98,550	-	98,550
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				415		98,550	-	98,550

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 2013/14								
		2012/13 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		90,692	93,130	93,430	2,317	70,633	72,163	(1,530)	-2.1%	91,330
Local Government Equitable Share		10,391	10,329	10,329	1,717	6,962	6,886	76	1.1%	10,329
Special Contribution: Councillor Remuneration		3,318	3,716	3,716	-	2,477	2,477	0	0.0%	3,716
Levy replacement	3	73,733	75,945	75,945	-	58,054	59,993	(1,940)	-3.2%	74,811
Finance Management Grant		1,250	1,250	1,250	-	1,250	1,250	-		1,250
Municipal Systems Improvement		1,000	890	1,190	-	890	890	-		890
Extended Public Works Programme		1,000	1,000	1,000	600	1,000	667	333	50.0%	333
Water Affairs		-	-	-	-	-	-	-		-
Provincial Government:		2,558	600	660	417	415	400	15	3.8%	600
Housing	4	270	-	-	417	415	-	415		-
Near Grant		1,176	300	300	-	-	200	(200)	-100.0%	300
Fire Fighting Equipment Grant		1,112	300	300	-	-	200	(200)	-100.0%	300
NC Tourism		-	-	-	-	-	-	-		-
Environmental Health Recycling Grant		-	-	60	-	-	-	-		-
District Aids Programme		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		175	85	85	52	66	57	10	16.8%	180
SETA Skills Grant		175	85	85	52	66	57	10	16.8%	180
Koopmansfontein Self Build Sceme		-	-	-	-	-	-	-		-
ABSA		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	93,425	93,815	94,175	2,786	71,114	72,620	(1,506)	-2.1%	92,110
Capital Transfers and Grants										
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)		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-		-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	93,425	93,815	94,175	2,786	71,114	72,620	(1,506)	-2.1%	92,110

Table SC7 Monthly Budget Statement - transfers and grant expenditure

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		90,532	93,130	93,430	1,707	66,862	62,087	4,776	7.7%	89,987
Local Government Equitable Share		10,391	10,329	10,329	1,717	6,962	6,886	76	1.1%	9,796
Special Contribution: Councillor Remuneration		3,318	3,716	3,716	-	2,477	2,477	0	0.0%	3,318
Levy replacement		73,733	75,945	75,945	-	55,687	50,630	5,057	10.0%	73,733
Finance Management Grant		1,250	1,250	1,250	19	623	833	(210)	-25.2%	1,250
Municipal Systems Improvement		733	890	1,190	-	225	593	(368)	-62.0%	890
Extended Public Works Programme		1,107	1,000	1,000	(28)	888	667	221	33.2%	1,000
Water Affairs		-	-	-	-	-	-	-	-	-
Provincial Government:		3,277	600	660	417	425	400	25	6.2%	600
Housing		983	-	-	417	417	-	417	#DIV/0!	-
Near Grant		1,176	300	300	-	-	200	(200)	-	300
Fire Fighting Equipment Grant		1,112	300	300	-	-	200	(200)	-	300
NC Tourism		-	-	-	-	-	-	-	-	-
Environmental Health Recycling Grant		6	-	60	-	8	-	8	#DIV/0!	-
District Aids Programme		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		769	85	85	52	66	57	10	-	180
Koopmansfontein Self Build Scheme		595	-	-	-	-	-	-	-	-
ABSA		-	-	-	-	-	-	-	-	-
SETA Skills Grant		175	85	85	52	66	57	10	-	180
Total operating expenditure of Transfers and Grants:		94,579	93,815	94,175	2,176	67,353	62,543	4,810	7.7%	90,767
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Municipal Infrastructure (MIG)		-	-	-	-	-	-	-	-	-
Water Affairs		-	-	-	-	-	-	-	-	-
EPWP		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
ESCOM (Electricity on Farms)		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		94,579	93,815	94,175	2,176	67,353	62,543	4,810	7.7%	90,767

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 Councilor remuneration	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Salary		3,670	3,833	3,833	287	2,362	2,555	(193)	-8%	2,362
Pension Contributions		165	174	174	14	110	116	(6)	-5%	110
Medical Aid Contributions		17	19	19	1	12	13	(1)	-10%	12
Motor vehicle allowance		994	1,315	1,315	93	740	876	(137)	-16%	740
Cell phone and other allowances		314	307	328	21	175	204			206
Workmen's Compensation		-	21	21	-	-	14			21
Unemployment Insurance		-	11	11	-	-	7			11
Sub Total - Councillors		5,160	5,679	5,700	416	3,398	3,786	(388)	-10%	3,429
% increase	4		10.1%	10.5%						-33.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		2,295	4,407	4,407	317	634	2,938	(2,304)	-78%	2,336
Pension and UIF Contributions		225	630	630	19	39	420	(381)	-91%	334
Medical Aid Contributions		68	146	146	5	10	97	(88)	-90%	73
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	584	584	-	-	389	(389)	-100%	309
Motor Vehicle Allowance		195	530	530	44	88	354	(265)	-75%	286
Cellphone Allowance		48	96	96	8	16	64	(48)	-75%	52
Housing Allowances		18	36	36	3	6	24	(18)	-74%	19
Other benefits and allowances		24	139	139	3	7	93	(86)	-92%	75
Payments in lieu of leave		-	98	98	-	-	65	(65)	-100%	53
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,872	6,666	6,666	400	800	4,444	(3,644)	-82%	3,538
% increase	4		132.1%	132.1%						23.2%
Other Municipal Staff										
Basic Salaries and Wages		24,934	29,252	29,252	1,713	17,799	19,501	(1,702)	-9%	17,500
Pension and UIF Contributions		4,002	4,672	4,672	322	2,878	3,115	(237)	-8%	2,583
Medical Aid Contributions		1,202	1,300	1,300	114	888	867	21	2%	824
Overtime		54	-	-	13	54	-	54	#DIV/0!	-
Performance Bonus		366	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2,108	2,090	2,090	149	1,540	1,393	147	11%	1,342
Cellphone Allowance		144	134	134	6	108	90	19	21%	73
Housing Allowances		395	442	442	13	135	295	(159)	-54%	122
Other benefits and allowances		977	1,256	1,256	46	426	837	(412)	-49%	739
Payments in lieu of leave		1,121	659	659	-	-	439	(439)	-100%	704
Long service awards		209	206	206	-	11	137	(126)	-92%	11
Post-retirement benefit obligations	2	1,038	821	821	132	506	547	(42)	-8%	506
Sub Total - Other Municipal Staff		36,551	40,832	40,832	2,507	24,344	27,221	(2,877)	-11%	24,403
% increase	4		11.7%	11.7%						-33.2%
Total Parent Municipality		44,583	53,177	53,198	3,323	28,543	35,451	(6,909)	-19%	31,370

PERSONNEL ATTENDANCES:

Personnel attendance in the workplace for February 2014 averages 91%. The reason for the deviations is mainly due to, annual, sick, courses and special annual leave.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
Number of Members	1	4	7	11
Annual Leave	0	1	8	3
Sick Leave	0	9	5	4
Courses / Seminar	0	0	0	6
Meetings	0	0	0	0
Family Responsibility	0	0	0	0
Study	0	0	0	0
Maternity Leave	0	0	0	0
Union Matters	0	0	0	0
Absent	0	0	0	0
Special Annual Leave	0	1	1	0
No. of Workdays Attended	20	69	106	167
Total Workdays	20	80	120	180
Percentage attendance per Group	100%	86%	88%	93%
Average	91%			

Personnel Development:

One finance official attended a workshop on Mentoring and Coaching during for the month of February 2014.

INTERNSHIP PROGRAMME

As per National Treasury regulations, five Finance Interns were appointed (three on 19 December 2012, one on 03 December 2012 and one on 02 May 2013). Three vacant posts of Finance Interns were advertised due to resignations 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.

The three Finance Interns have been registered and have started the Municipal Finance Management Programme with Deloitte. They are also receiving on the job training.

Please refer to next page

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

Description	Ref	Budget Year 2013/14												2013/14 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	2013/14	+1 2014/15	+2 2015/16
Cash Receipts by Source																
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		-	-	-	-	-	-	-	-	-	-	-	-			
Interest earned - external investments		447	980	508	511	361	471	556	486	-	-	-	-	4,619	4,850	5,044
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-			
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-			
Fines		-	-	-	-	-	-	-	-	-	-	-	-			
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-			
Agency services		-	-	-	-	-	-	-	-	-	-	-	-			
Transfer receipts - operating		38,903	-	1,707	117	29,997	-	-	1,252	-	-	-	-	93,815	100,419	106,938
Other revenue		87	361	278	528	293	450	1,950	510	-	-	-	-	72	72	74
Cash Receipts by Source		39,437	1,341	2,493	1,156	30,651	921	2,506	2,249					98,506	105,341	112,056
Other Cash Flows by Source																
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		-	-	-	-	-	-	-	-	-	-	-	-			
Total Cash Receipts by Source		39,437	1,341	2,493	1,156	30,651	921	2,506	2,249					98,506	105,341	112,056
Cash Payments by Type																
Employee related costs		3,380	3,167	3,265	3,292	4,951	3,092	2,979	3,399	-	-	-	-	44,698	45,692	48,860
Remuneration of councillors		437	429	418	425	419	435	418	416	-	-	-	-	5,508	5,784	6,073
Interest paid		-	-	-	-	-	631	-	-	-	-	-	-	1,215	1,053	874
Bulk purchases - Electricity		-	-	-	-	-	-	-	-	-	-	-	-			
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-			
Other materials		698	381	389	257	407	125	89	343	-	-	-	-	3,784	3,926	4,011
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-			
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	41,791	26,920	28,636
Grants and subsidies paid - other		2,550	1,156	3,192	1,404	2,878	3,746	530	4,246	-	-	-	-			
General expenses		1,121	741	1,274	1,075	1,781	1,500	747	1,018	-	-	-	-	13,436	13,788	14,006
Cash Payments by Type		8,186	5,874	8,538	6,453	10,436	9,529	4,763	9,422					110,433	97,164	102,459
Other Cash Flows/Payments by Type																
Capital assets		256	373	346	174	61	73	138	612	-	-	-	-	3,861	7,218	1,559
Repayment of borrowing		-	-	-	-	-	698	-	-	-	-	-	-	1,606	1,785	1,985
Other Cash Flows/Payments																
Total Cash Payments by Type		8,442	6,247	8,884	6,627	10,497	10,300	4,901	10,034					115,899	106,168	106,004
NET INCREASE/(DECREASE) IN CASH HELD		30,995	(4,906)	(6,392)	(5,471)	20,154	(9,379)	(2,394)	(7,785)					(17,393)	(827)	6,052
Cash/cash equivalents at the monthly/year beginning:		83,564	114,559	109,653	103,262	97,791	117,945	108,566	106,172	-	-	-	-	77,317	59,925	59,098
Cash/cash equivalents at the monthly/year end:		114,559	109,653	103,262	97,791	117,945	108,566	106,172	98,387	-	-	-	-	59,925	59,098	65,150

Table SC12 Monthly Budget Statement - capital expenditure trend

Month	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
Monthly expenditure performance trend									
July		43	43	13	13	43	30	70.1%	0%
August	50	472	472	34	47	515	468		1%
September	493	86	86	305	352	601	249	41.4%	8%
October	765	472	472	154	506	1,073	566	52.8%	12%
November	300	901	901	60	566	1,973	1,407	71.3%	13%
December	784	558	558	72	638	2,531	1,893	74.8%	15%
January	1,213	343	343	600	1,239	2,874	1,636	56.9%	29%
February	120	386	156	247	1,486	3,030	1,545	51.0%	35%
March	1,192	429	129				-		
April	135	300	202				-		
May	527	215	215				-		
June	374	86	86				-		
Total Capital expenditure	5,953	4,290	3,662	1,486					

Please refer to next page

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

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
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										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		4,223	2,290	2,199	482	662	1,527	865	56.6%	1,145
General vehicles		3,063	595	591	446	484	397	(87)	-22.0%	298
Specialised vehicles										
Plant & equipment		402								
Computers - hardware/equipment		121	432	307		69	288	219	76.1%	216
Furniture and other office equipment		52	81	83		18	54	36	66.5%	41
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		584	1,182	1,218	36	91	788	697	88.4%	591
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		319	60	60			40	40	100.0%	30
Computers - software & programming		319	60	60			40	40	100.0%	30
Other										
Total Capital Expenditure on new assets	1	4,541	2,350	2,259	482	662	1,567	905	57.7%	1,175

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

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
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										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		1,412	1,940	1,403	(235)	824	1,293	470	36.3%	1,217
General vehicles		714	800	650	-	596	533	(63)	-11.8%	467
Specialised vehicles										
Plant & equipment		4								
Computers - hardware/equipment		439	859	472	(276)	104	573	469	81.9%	573
Furniture and other office equipment			81	81	40	58	54	(4)	-7.4%	52
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		248	200	200		66	133	67	50.4%	125
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		7								
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other										
Total Capital Expenditure on renewal of existing ass	1	1,412	1,940	1,403	(235)	824	1,293	470	36.3%	1,217

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

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
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										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		1,395	2,769	2,283	71	921	1,846	926	50.1%	2,027
General vehicles		348	477	502	12	184	318	134	42.1%	404
Specialised vehicles										
Plant & equipment		221	53	53	3	4	35	31	88.2%	55
Computers - hardware/equipment		513	883	885	31	361	589	228	38.6%	810
Furniture and other office equipment		27	132	132	8	45	88	43	49.1%	127
Abattoirs										
Markets										
Civic Land and Buildings		286	584	593	12	293	389	96	24.8%	482
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other - Emergency Equipment			640	118	5	33	427	393	92.2%	149
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		1,174	1,814	2,245	443	1,113	1,209	97	8.0%	1,616
Computers - software & programming		1,174	1,814	2,245	443	1,113	1,209	97	8.0%	1,616
Other										
Total Repairs and Maintenance Expenditure		2,569	4,583	4,528	514	2,033	3,056	1,022	33.5%	3,642

Table SC13d Monthly Budget Statement - depreciation 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										
Repairs and maintenance expenditure by Asset Class/Sub-class											
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-	-
<u>Community</u>		125	200	200	-	-	133	133	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		125	200	200	-	-	133	133	100.0%	200	
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-	
Buildings											
Other											
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-	
Housing development											
Other											
<u>Other assets</u>		3,162	4,600	4,600	-	-	3,067	3,067	100.0%	4,098	
General vehicles		624	600	600	-	-	400	400	100.0%	550	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment		302	680	680	-	-	453	453	100.0%	645	
Computers - hardware/equipment		760	850	850	-	-	567	567	100.0%	650	
Furniture and other office equipment		767	970	970	-	-	647	647	100.0%	853	
Abattoirs											
Markets											
Civic Land and Buildings		-									
Other Buildings		588	1,500	1,500	-	-	1,000	1,000	100.0%	1,400	
Other Land		-									
Surplus Assets - (Investment or Inventory)											
Other		121									
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-	
List sub-class											
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-	
List sub-class											
<u>Intangibles</u>		141	250	250	-	-	167	167	100.0%	200	
Computers - software & programming		141	250	250	-	-	167	167	100.0%	200	
Other											
Total Repairs and Maintenance Expenditure		3,429	5,050	5,050	-	-	3,367	3,367	100.0%	4,498	

Depreciation will be run after the verification and update of the asset data and the development of a new asset management program that is linked to the Financial System.

ASSET AND RISK MANAGEMENT**Insurance:**

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

Asset Inventory:

TAT I-Chain Asset Management System was implemented. However, due to various problems experienced with the service provider, the contract was ended June 2012. BCX is currently developing a program to link asset management with eVenus – FBDM will be a pilot site.

The asset register and its management have in the meantime continued. The asset stock take took place during the second and third week of May 2013. Reconciliation of items that do not appear on the asset system is being verified and was completed prior to submitting the annual financial statements to the Auditor General in August 2013.

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 “e-Venus” financial system was implemented on 1 July 2009. A daily backup is done as well as a day end procedure to integrate daily 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:

VEHICLE OPERATING COST	ACTUAL	BUDGET	VARIANCE	VAR %
Depreciation: Motor Vehicles	-	400,000	(400,000)	-100.00%
Insurance	79,091	55,333	23,758	42.94%
MV Administration Levy	11,491	13,333	(1,843)	-13.82%
Fuel	236,324	384,393	(148,069)	-38.52%
Licence	8,886	8,067	819	10.16%
Repairs and Maintenance	42,165	61,467	(19,301)	-31.40%
Tyres	20,529	52,667	(32,138)	-61.02%
TOTAL	398,486	975,260	(576,774)	-59.14%

Motor Vehicles - Utilization Statistics:

Council operates a pool of 23 vehicles as part of its routine activities.

Statistical information regarding the year-to-date utility for February 2014 is as follows:

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Previous Km Reading	Current Km Reading	December Utility
									-
1	Citi Golf	Pool	2005	BSM 014 NC	105,000	2014/04/30	96,764	97,462	698
2	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	105,000	2014/09/30	96,877	98,055	1,178
3	Chevrolet Opel Corsa 1.4 i	Disaster Management	2010	CBY 227 NC	60,000	2014/09/30	46,540	47,004	464
4	Chevrolet Captiva	Pool	2011	CDM 296 NC	60,000	2014/09/30	49,599	50,674	1,075
5	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	180,000	2014/07/31	178,220	178,220	-
6	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	180,000	2014/04/30	173,802	173,802	-
7	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	120,000	2014/04/30	119,253	119,841	588
8	Toyota Corolla	Pool	2009	BZP 439 NC	120,000	2014/09/30	112,447	113,426	979
9	Toyota Corolla	Pool	2009	BZP 440 NC	105,000	2014/09/30	100,985	104,028	3,043
10	Chevrolet Trailblazer	Pool	2013	CGR 575 NC	15,000	2014/12/31	11,490	12,244	754
11	Isuzu KB 250	Housing	2013	CGR 572 NC	30,000	2014/12/31	17,219	17,835	616
12	Isuzu KB 250	Housing	2013	CGR 576 NC	30,000	2014/12/31	18,070	20,309	2,239
13	Hyundai HI	Tourism Centre	2013	CGY 587 NC	15,000	2015/02/28	10,739	11,952	1,213
14	Isuzu 2.4	Housing	2009	CBD 761 NC	105,000	2015/02/28	101,037	103,390	2,353
15	Toyota Corolla	Pool	2008	BXL 799 NC	150,000	2015/02/28	151,492	151,492	-
16	Nissan LDV	Community Development	2006	BVC 831 NC	135,000	2014/07/31	132,594	134,096	1,502
17	Ford Bantam	Finance	2004	BRD 836 NC	90,000	2015/01/31	85,662	85,956	294
18	Toyota Hilux	PMU	2004	BRF 837 NC	140,000	2015/02/28	135,631	136,927	1,296
19	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	30,000	2014/09/30	27,367	29,911	2,544
20	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	30,000	2014/09/30	24,829	26,728	1,899
21	Isuzu D/Cab	Pool	2013	CGR 974 NC	30,000	2014/12/31	18,744	20,434	1,690
22	Audi Q7	Council	2013	FBDM 1 NC	75,000	2014/12/31	59,668	61,262	1,594
23	Isuzu Fire Engine	Disaster Management	2013	CHM 958 NC	15,000	2014/06/30	2,001	2,001	-
24	Toyota Etios	Pool	2014	CJG 979 NC	15,000	2014/12/31	48	2,092	2,044
25	Nissan NP 200	Environmental Health	2014	CJJ 262 NC	15,000	2014/12/31	32	764	732
26	Nissan Hardbody	Environmental Health	2014	CJJ 263 NC	15,000	2014/12/31	27	238	211
	UTILITY FEBRUARY 2014 FULL FLEET								
									29,006

Motor Vehicle Damage Report:

No accidents or incidents took place during the month of February 2014.

Outstanding:

The rear bumper of Chevrolet Captiva registration number CDM 296 NC was scratched during the loading of a machine. The incident has been reported to the Asset Management Unit. A report is awaited from the LED Manager.

Toyota corolla registration number BXL 799 NC left front bumper was dented when the driver reversed into one of the poles at the parking lot. The vehicle will not be repaired as it was written off by council and is being transferred non-current assets held for sale.

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 January 2014 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 10 March 2014

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- the monthly budget statement
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ZM Bogatsu
Municipal Manager: Frances Baard District Municipality

Signature



Date

10 March 2014