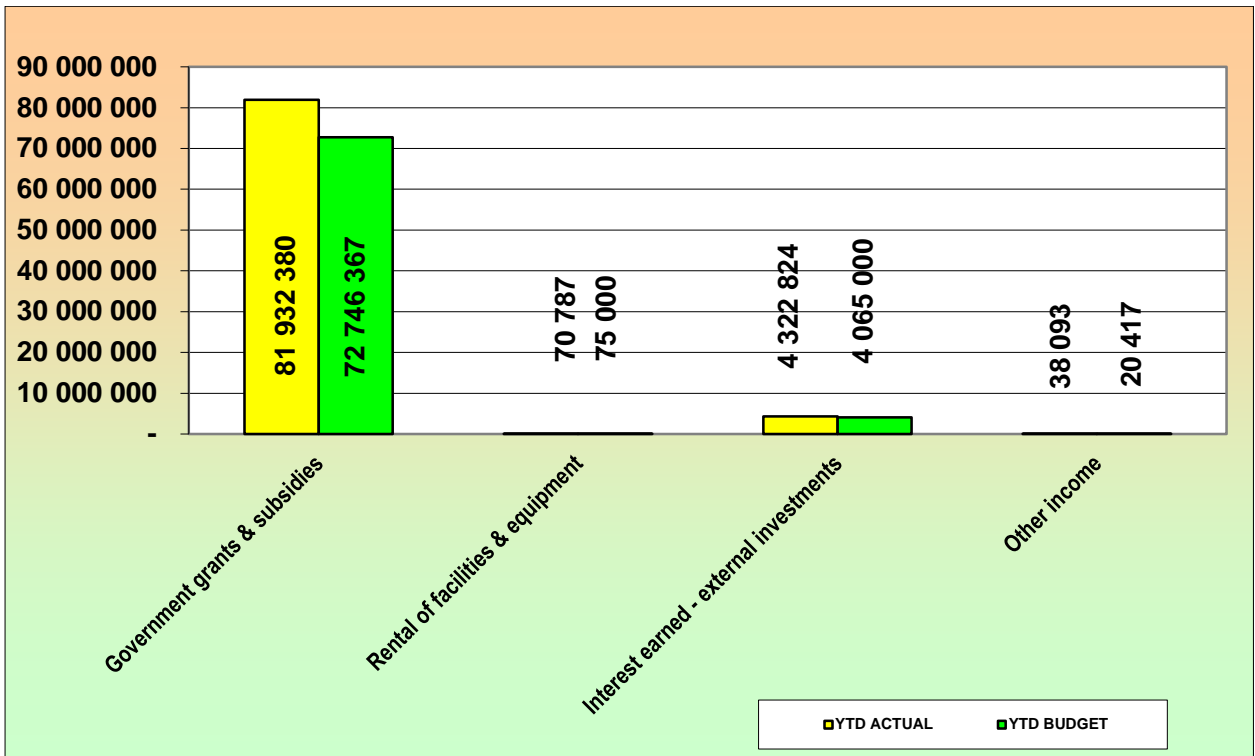


1. FINANCIAL POSITION

FRANCES BAARD DISTRICT MUNICIPALITY			
STATEMENT OF FINANCIAL POSITION	30 April 2012	Jun-11	
	R	R	
<u>NET ASSETS AND LIABILITIES</u>			
Net Assets	114,041,682	86,187,966	
Capital Replacement Reserve	2,571,553	4,411,867	
Revaluation Reserve	5,828,305	5,828,305	
Accumulated Surplus / (Deficit)	105,641,823	75,947,793	
Non-current Liabilities	32,350,388	32,913,606	
Long-Term Liabilities	12,251,709	12,814,927	
Employee Benefits	20,098,679	20,098,679	
Current Liabilities	15,173,523	13,516,295	
Current Employee Benefits	4,781,340	5,228,584	
Trade Payables	1,837,025	2,267,558	
Unspent Conditional Grants and Receipts	7,262,388	4,727,383	
Operating Lease Liability	-	-	
Current Portion of Long-term Liabilities	1,292,770	1,292,770	
TOTAL: NET ASSETS AND LIABILITIES	161,565,593	132,617,866.71	
<u>ASSETS</u>			
Non-current Assets	50,515,074	52,185,456	
Property, Plant and Equipment	49,903,923	51,574,304	
Non-Current Assets Held for Sale	-	-	
Investment Property	-	-	
Intangible Assets	611,151	611,151	
Financial Assets	-	-	
Long-term Receivables	-	-	
Current Assets	111,050,518	80,432,411	
Taxes	147,003	1,489,596	
Trade Receivables from Exchange Transactions	-	-	
Trade Receivables from Non-Exchange Transactions	1,968,052	2,184,489	
Operating Lease Asset	9,383	9,383	
Inventory	355,919	370,274	
Current Portion of Long-term Receivables	-	-	
Discontinued Operations	-	344,298	
Current Financial Assets	-	6,218	
Term Deposits	2,900,000	2,900,000	
Cash and Cash Equivalents	105,670,161	73,128,152	
TOTAL: ASSETS	161,565,593	132,617,867	

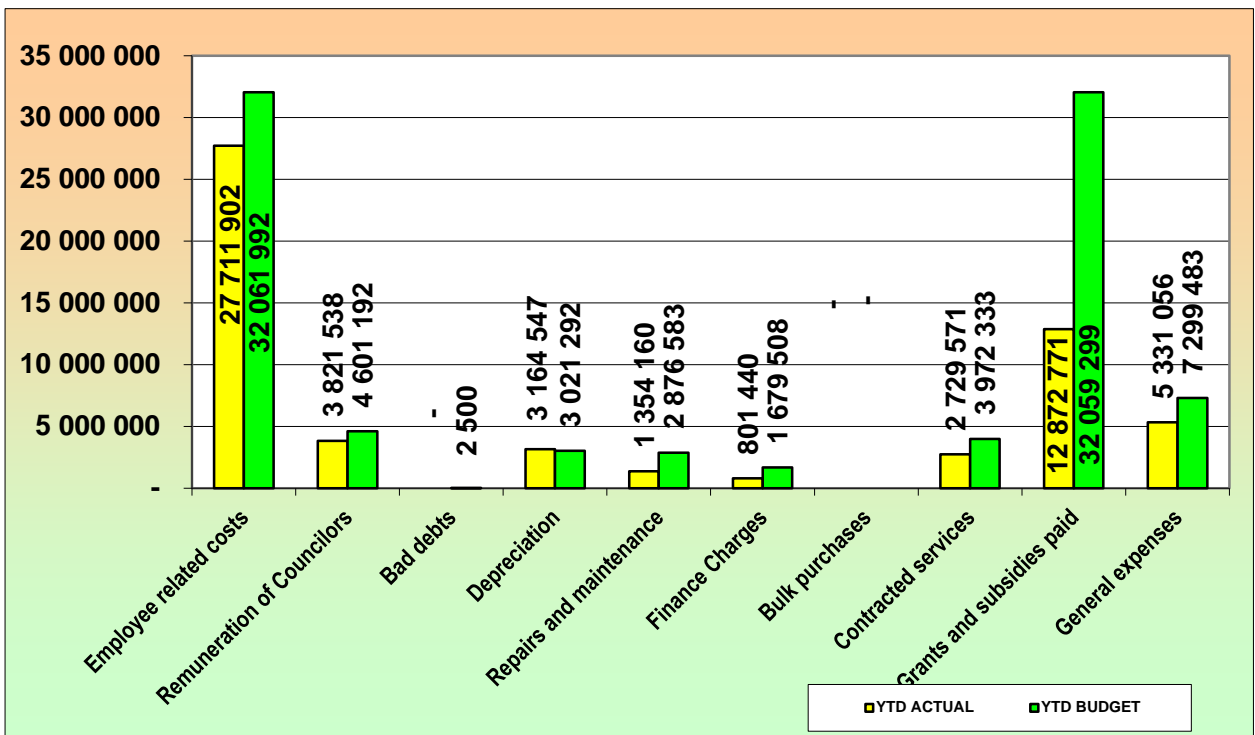
2. **FINANCIAL PERFORMANCE**

Revenue by Source (YTD):



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

Expenditure per classification (YTD):



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

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

<i>Salaries & Allowances</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	31,533,440	36,663,183	5,129,743	14%
Councillors Remuneration	3,821,538	4,601,192	779,654	17%
Post-Service Benefits	543,228	662,492	119,264	18%
Personnel Remuneration	27,168,674	31,399,500	4,230,826	13%
<i>Employee Related Costs</i>	22,683,000	26,165,567	3,482,567	13%
<i>Social Contributions</i>	3,901,241	4,418,825	517,584	12%
<i>Compulsory Levies</i>	584,433	815,108	230,675	28%

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

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

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

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

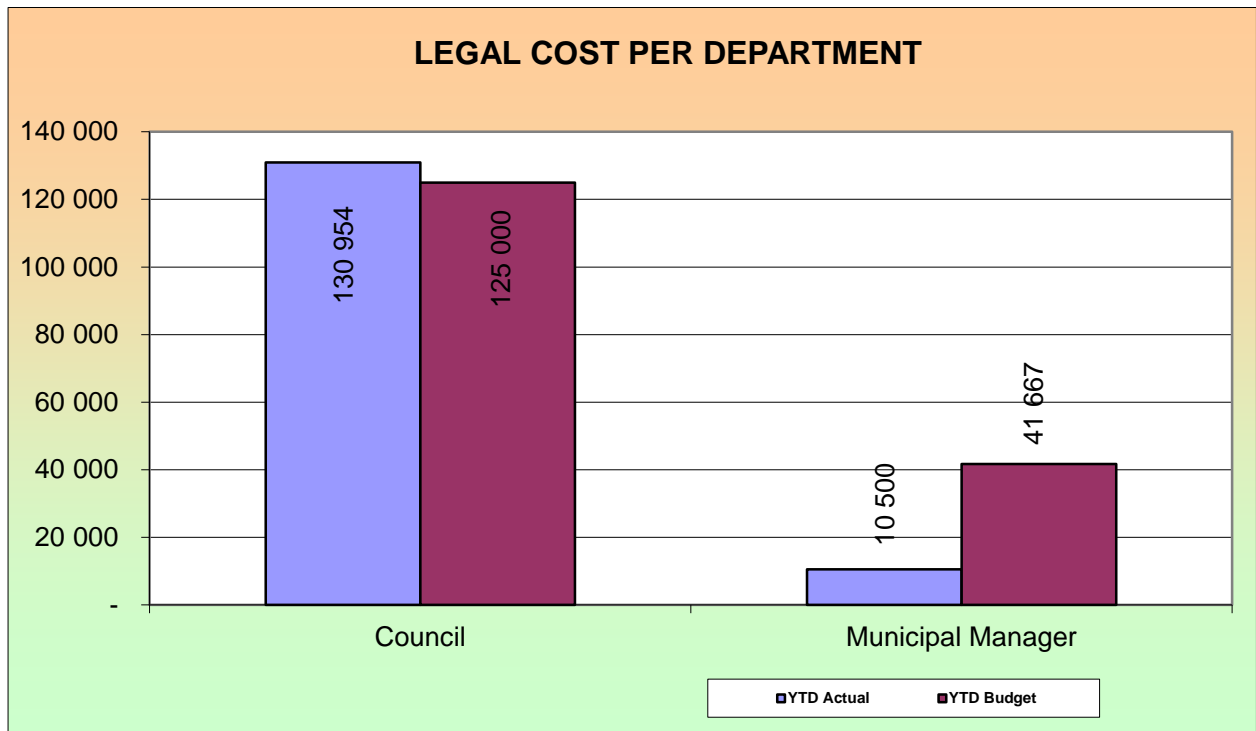
Projects that were not completed during the previous year-end have been rolled over to the new financial year for completion from the accumulated surplus / deficit or applicable unspent grant funding accounts.

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

<i>Grants & Subsidies</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	12,872,771	32,042,633	19,169,861	60%
<i>Internal / Administration</i>	5,316,438	8,626,899	3,310,462	38%
<i>External Beneficiaries</i>	7,556,334	23,415,733	15,859,400	68%
<i>State Funded Grants</i>	6,995,638	16,600,733	9,605,095	58%
<i>Reserve Funded Grants</i>	531,077	6,785,000	6,253,923	92%
<i>Revenue Funded Grants</i>	29,618	30,000	382	1%

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

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



The actual spending on legal costs reflects mainly for spending needs identification. The total budget allocation for the 2011/12 financial year is R 200 000 with the year to date budgeted amount being R166 667. Reflected on the graph is the actual year to date versus the projected budget amount to end April 2012.

Projected Operating Results:

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

Please refer to next page

Revenue & Expenditure per classification	YTD Actual 30 April 2012	Estimated Projection: 2011/12	Approved Budget 2011/12	Projected Variance R	Projected Variance %
REVENUE BY SOURCE:					
Interest Earned - External Investments	4,322,824	4,878,000	4,878,000	-	0.00%
Interest Earned - Outstanding Debtors	-	-	-	-	-
Other	38,093	24,500	24,500	-	0.00%
Rental of Facilities & Equipment	70,787	90,000	90,000	-	0.00%
Income for Agency Services	-	-	-	-	-
Government Grants & Subsidies	81,932,380	101,947,910	101,947,910	-	0.00%
Transfers From Reserves	-	-	2,214,680	2,214,680	-
Gain on disposal of property plant and equipment	-	80,000	80,000	-	0.00%
Total Revenue:	86,364,084	107,020,410	109,235,090	2,214,680	2.56%
EXPENDITURE PER VOTE:					
Executive and Council	11,020,290	13,486,032	17,074,430	3,588,398	26.61%
Council	6,530,652	7,503,886	8,799,100	1,295,214	-
Office of the Municipal Manager	4,489,638	5,982,146	8,275,330	2,293,184	-
Finance & Administration	19,549,487	26,123,548	30,416,120	4,292,572	16.43%
Budget & Treasury Office	9,749,168	13,251,245	15,143,070	1,891,825	-
Corporate Services	9,800,319	12,872,303	15,273,050	2,400,747	-
Planning & Development	20,120,097	35,067,180	38,443,790	3,376,610	9.63%
Planning & Development	7,975,599	13,928,548	15,042,110	1,113,563	-
Technical Services	12,144,498	21,138,632	23,401,680	2,263,048	-
Health	2,706,792	3,327,667	3,983,090	655,423	16.46%
Community & Social Services	5	-	-	-	-
Public Safety	2,531,082	3,217,814	3,359,340	141,526	4.21%
Housing	2,331,022	3,523,185	4,408,680	885,495	20.09%
Total Expenditure:	58,258,775	84,745,426	97,685,450	12,940,024	13.25%
Transfer to Capital Replacement Reserve	-	1,185,000	1,185,000	-	-
Prior year Revenue & Expenditure	-	-	-	-	-
NET OPERATING RESULT:- SURPLUS / (DEFICIT)	28,105,309	21,089,984	10,364,640	(10,725,344)	

EXPENDITURE PER VOTE:

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

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

- **Executive and Council:**

- o Expenditure of Council and Executive was less than the budget by 26.61% primarily in the areas of:

- Consultancy, legal services - expenditure is needs driven
- Councillor training
- Vacant post of Office Manager in the office of the Municipal Manager.

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

- **Finance & Administration:**

Expenditure of Finance & Administration is less than the projected budget by 16.43% primarily in the areas of interest on external loan; maintenance of software, buildings, office equipment grounds & fencing; development of IT governance & service management framework; computer software; Employee Assistance Programme; advertising recruitment; relocation costs and training.

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

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

- **Planning & Development:**

Expenditure of Planning & Development is less than the projected budget by 9.63% primarily in the areas of computer software maintenance, advertisement general notices, special projects and implementation of the IDP.

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

- **Spatial Planning**

The establishment of a township has yet to start. A service provider has been appointed for the Environmental Impact Assessment and the Bulk Service Report. Additional funding was requested for the bio-diversity study.

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

- **GIS**

A new service provider has been appointed for the capturing of water infrastructure data.

Remedy: All planned activities are on schedule and the project is likely to be completed before the end of the financial year.

- **Local Economic Development**

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

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

- **Project Management & Advisory Services**

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

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

- **Health:**

Expenditure of health is less than the projected budget by 16.46%.

IWMP awareness programmes are in progress.

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

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

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

- **Public Safety:**
Expenditure of public safety is less than the projected budget by 4.21% primarily in the areas of maintenance of emergency, radio and office equipment as well as special projects.

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

- **Housing:**
Expenditure of housing is less than the budget by 20.09% primarily in the areas of consultancy and special projects.

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

EXPENDITURE ON SPECIAL PROJECTS PER VOTE:

- **Council & Executive**

	YTD Actual	Budget	% Spending	Remarks
<u>Council</u>				
District Aids Council Grant	44,500	-		
Goodwill Fund Projects: Executive Mayor	1,892	4,000	47.31%	
Commemorative Days	26,609	50,000	53.22%	
11/12: Contribution Maloof Money Cup SA	126,500	126,500		Completed
Total	199,501	180,500	110.53%	
<u>Communications</u>				
CFS System	-	4,430	0.00%	Amount paid in full - 2 year contract
PAIA Management	6,941	12,000	57.85%	Training for the year is completed. No new posters will be printed
Branding	9,901	20,000	49.50%	Branding to be rolled out in full now that the visual standards manual is completed
Total	16,842	36,430	46.23%	
	YTD Actual	Budget	% Spending	Remarks
<u>Committee & Administration Services</u>				
2011: Spec Proj - Youth Unit	29,618	30,000	98.73%	Completed
Total	29,618	30,000	98.73%	

- **Finance & Administration**

	YTD Actual	Budget	% Spending	Remarks
<u>Finance: Directorate</u>				
Financial System Support (3) LM	448,052	450,000	99.57%	Ongoing
Total	448,052	450,000	99.57%	
<u>Finance: Budget Office</u>				
Capacity Building & BTO Operation	102,774	180,000	57.10%	Ongoing
Total	102,774	180,000	57.10%	
	YTD Actual	Budget	% Spending	Remarks
<u>Information Communication & Technology</u>				
Develop IT Governance Framework	-	380,000	0.00%	A service provider has been appointed
Total	-	380,000	0.02%	

	YTD Actual	Budget	% Spending	Remarks
<i>Human Resource Management</i>				
Employee Assistance Programme	4,073	100,000	4.07%	Needs driven
Employee Wellness	432,981	495,000	87.47%	Ongoing
HIV VIP Primer	216,760	200,000	108.38%	Needs driven
Total	653,813	795,000	82.24%	

- ***Environmental Health***

	YTD Actual	Budget	% Spending	Remarks
<i>Environmental Health</i>				
Waste Recycling Project	1,477,522	1,546,000	95.57%	Project completed
Awareness Program - Sanitation, HIV and Enviro Days	19,455	50,000	38.91%	Spending according to programmes
Awareness Program IWMP & EMF	3,400	25,000	13.60%	Spending according to programmes
Maint Recycling Project	-	500,000	0.00%	Operation will start in June 2012
Air Quality Management Plan	20,500	95,000	21.58%	Workshop rescheduled for 05 June 2012
Total	1,520,877	2,216,000	68.63%	

- ***Planning & Development***

	YTD Actual	Budget	% Spending	Remarks
<i>Planning & Development Directorate</i>				
Dikgatlong Town Plan	61,403	300,000	20.47%	Service provider has been appointed and a partial payment was done in March.
Review District Management Plan	-	300,000	0.00%	In consultation phase
Preparation of By-Laws	112,675	200,000	56.34%	Service provider has been appointed and a partial payment was done in March.
Establish Water Infrastructure System	-	400,000	0.00%	Project in progress
Total	174,077	1,200,000	14.51%	

	YTD Actual	Budget	% Spending	Remarks
<i>HOUSING</i>				
Housing Consumer Education	8,272	22,000	37.60%	In process
Housing HDD Field Workers	101,153	147,860	68.41%	In process
REV. Housing Chapters	67,968	350,000	19.42%	In process
Development Housing Strategy	-	19,500	0.00%	Completed in-house: savings
Housing Register Contractors	-	40,600	0.00%	In consultation with NHBRC
Total	177,393	579,960	30.59%	

	YTD Actual	Budget	% Spending	Remarks
<i>GIS</i>				
GIS - Capture Water Infrastructure	77,305	847,020	9.13%	Tender awarded
Township Establishment	38,226	1,003,160	3.81%	Busy with surveying of the area
Total	115,531	1,850,180	6.24%	

Please refer to next page

	YTD Actual	Budget	% Spending	Remarks
LED / Tourism				
LED Capacity Building	-	16,000	0.00%	In process - 4th quarter
LED Social Responsibility / Miners	2,600	7,000	37.14%	In process - 4th quarter
LED Agency	-	70,000	0.00%	In process - 4th quarter
LED Forums	17,538	20,000	87.69%	In process
LED - NCTA Support	135,000	135,000	100.00%	Spending completed
TOUR Business Plan Competition	195,711	270,000	72.49%	In process
LED Phokwane Vegetable Plant	80,000	90,000	88.89%	In process - awaiting final document
LED Entrepreneur Program	89,666	156,000	57.48%	Awaiting appointment of candidates
LED Bokomoto Dikgatlong	78,000	80,000	97.50%	To be completed in 4th quarter
LED Kgolosego Phokwane	-	150,000	0.00%	To be completed in 4th quarter
LED SMME Development	209,428	109,530	191.21%	In process
LED EXPO	238,616	450,000	53.03%	In process
LED Phokwane vegetable Plant	24,816	60,000	41.36%	In process
TOUR Marketing Brochure	-	200,000	0.00%	A service provider has been appointed
TOUR SAN Community Culture Village	150,000	150,000	100.00%	Spending completed
TOUR Wildebeestkuil Rock Art	100,000	100,000	100.00%	Spending completed
TOUR SMME Registration & Grading	3,396	100,000	3.40%	In process
TOUR Tourism Guide Training	189,025	250,000	75.61%	In process
TOUR Capacity Building	3,609	120,000	3.01%	In process - 4th quarter
TOUR Capacity Building Phokwane	-	100,000	0.00%	In process - 4th quarter
TOUR Product Owners Meeting Grading	71,751	100,000	71.75%	In process
TOUR Indaba Trade EXPO	45,000	120,000	37.50%	In process
TOUR Know Your Region Campaign	20,144	60,000	33.57%	In process
TOUR N12 Treasure Route	20,000	20,000	100.00%	Spending completed
TOUR NCTA Marketing Meetings	6,664	15,000	44.43%	Awaiting invitations
TOUR Association Meetings	4,695	10,000	46.95%	In process
TOUR Advertising	52,986	270,000	19.62%	In process
TOUR NAT Tourism Day Celebrations	10,000	10,000	100.00%	Spending completed
TOUR PROV Tourism Month Celebration	10,000	10,000	100.00%	Spending completed
TOUR N12 Information Boards	87,826	100,000	87.83%	In process - 4th quarter
TOUR N12 Promotion	50,000	50,000	100.00%	Spending completed
TOUR Contribution Gariep Festival	100,000	100,000	100.00%	Spending completed
TOUR / LED SMME EXPO	29,683	85,000	34.92%	In process
Contribution to Doring Fees	100,000	100,000	100.00%	Spending completed
Total	2,126,154	3,683,530	57.72%	

Please refer to next page

	YTD Actual	Budget	% Spending	Remarks
<u>PROJECT & ADVISORY SERVICES</u>				
EQS 11/12 - Magareng: MNT Water Treatment Works	31,512	300,000	10.50%	Assessment
EQS 11/12 - Magareng: MNT Waste Treatment Works	56,580	300,000	18.86%	Implementation
EQS 11/12 - Magareng: MNT Electricity Network	-	300,000	0.00%	Procurement
EQS 11/12 - Magareng: MNT Water and Sewer Network	8,820	250,000	3.53%	Implementation
EQS 11/12 - Magareng: MNT Street & Stormwater	155,200	1,650,000	9.41%	Procurement
EQS 11/12 - Phokwane: MNT Water Treatment Works	398,519	400,000	99.63%	Implementation - estimated completion June 2012
EQS 11/12 - Phokwane: MNT Water Treatment Works	399,540	500,000	79.91%	Procurement - estimated completion May 2012
EQS 11/12 - Phokwane: MNT Electricity Network	493,600	500,000	98.72%	Implementation - estimated completion June 2012
EQS 11/12 - Phokwane: MNT Water and Sewer Network	250,000	250,000	100.00%	Spending completed
EQS 11/12 - Phokwane: MNT Street & Stormwater	130,000	400,000	32.50%	Implementation - estimated completion June 2012
EQS 11/12 - Dikgatlong: MNT Water Treatment Works	251,157	550,000	45.66%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Waste Treatment Works	121,981	400,000	30.50%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Electricity Network	-	150,000	0.00%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Water and Sewer Network	59,875	62,000	96.57%	Assessment & Procurement
EQS 11/12 : Service Private Owned Land Rural	676,979	1,000,000	67.70%	Implementation - estimated completion June 2012
EPWP Unallocated	-	9,882,000	0.00%	
DWAF: 11/12 SANITATION MVULA TRUST	1,429,960	1,429,960	100.00%	Completed
10/11: DWA ASSESS W/W TREATMENT WORKS	68,260	68,260	100.00%	Completed
EPWP 11/12 : Bush Clearance	78,452	185,420	42.31%	Implementation - Roll-over 2012/13 Financial Year
RES: DMA 11/12 - Electricity Selfbuild Roll Over	1,491,170	2,192,330	68.02%	Contractor appointed - estimated completion June 2012
RES 11/12 : Phokwane: Pave Roads	611,011	1,400,000	43.64%	Bid adjudication - estimated completion June 2012
REVF 11/12 - SOL: MNT Streets and Stormwater	265,804	650,000	40.89%	Implementation - estimated completion June 2012
REVF 11/12 - SOL: MNT Platfontein Sewer	-	100,000	0.00%	Implementation - estimated completion June 2012
REVF 11/12 - Dikgatlong: MNT Water and Sewer Network	50,822	238,000	21.35%	Procurement stage
REVF 11/12 - Dikgatlong: MNT Street & Stormwater	212,983	700,000	30.43%	Procurement stage
REVF 09/10: 11/12: Phokwane: Pave Roads	-	2,312,000	0.00%	Bid adjudication - estimated completion June 2012
REVF 09/10: 11/12: Magareng Refuse Truck	-	1,600,000	0.00%	Bid stage - nominated bidders - Adjustment Budget
REVF 09/10: 11/12: Dikgatlong: Water Treatment Works	1,468	1,412,000	0.10%	Consultant appointed
REVF 09/10: 11/12: Magareng: Electricity Masterplan	-	270,000	0.00%	Consultant appointed
REVF 09/10: 11/12: Dikgatlong: Electricity MasterPlan	-	300,000	0.00%	Planning - advert postponed to include other requirements
11/12: MALOOF SKATEPARK-ABLUTION BLOCKS	-	500,000	0.00%	Roll-over 2012/13 Financial Year
Total	7,243,693	30,251,970	23.94%	

FIRE FIGHTING / DISASTER MANAGEMENT

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

Projected Capital Expenditure Results:

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

Capital Expenditure per vote	YTD Actual	Estimated Projection: 2011/12	Approved Budget 2011/12	Projected Variance R	Projected Variance %
<u>CAPITAL EXPENDITURE PER VOTE:</u>					
Executive and Council	136,066	189,060	189,060	-	0.00%
Council	-	-	-	-	-
Office of the Municipal Manager	136,066	189,060	189,060	-	0.00%
Finance & Administration	555,206	702,428	794,780	92,352	11.62%
Budget & Treasury Office	287,272	281,798	282,600	802	0.28%
Corporate Services	267,934	420,630	512,180	91,550	17.87%
Planning & Development	1,248,742	1,427,550	1,429,500	-1,950	-0
Planning & Development	19,500	75,500	75,500	-	0.00%
Technical Services	1,229,242	1,352,050	1,354,000	-1,950	-0.14%
Housing	24,561	53,088	55,000	1,912	0.00%
Health	-	-	-	-	0.00%
Community & Social Services	-	-	-	-	0.00%
Public Safety	-	1,600,000	1,600,000	-	0.00%
Total Capital Expenditure:	1,964,575	3,972,126	4,068,340	92,314	2.27%

Expenditure on capital acquisition is 48% as compared to the full year budget, with 0.30% being committed at the period of reporting.

Computer Equipment

- 58% of computer equipment has been acquired to date as compared to the full year capital budget resulting in an under spending of R289 310.

Office Equipment

- 63% of office equipment has been acquired to date as compared to the full year capital budget resulting in an under spending of R2 167.54

Furniture and Fittings

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

Motor Vehicles

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

Plant & Equipment

- 2% plant & equipment has been acquired to date resulting in an under spending of R1 634 481. Procurement to occur before end of June 2012.

Buildings & Facilities

- 90% of buildings & facilities has been spent to date on alteration and renovations resulting in an under spending of R123 617. Alteration of the recreational hall is in progress.

Grant Funding:

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

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

A summary of grant fund movements is set out below:

EXTERNAL FUNDING	Balance Fwd	Received	Applied	Balance
Equitable Share	-	79,281,000	75,302,763	3,978,237
Financial Management Grant	-	1,250,000	1,001,136	248,864
Municipal Systems Improvement Grant	-	1,200,000	174,077	1,025,923
Municipal Infrastructure Grant	-	-	-	-
DWAF - Sanitation (Mvula Trust)	1,489,217	-	1,489,217	-
Expanded Public Works Program Grant	-	-	-	-
NCPA - Housing Accreditation Grant	1,077,953	2,473,799	2,367,903	1,183,849
District Aids Council	114,682	-	44,500	70,182
NEAR Control Centre	-	-	-	-
Firefighting Equipment	352,364	-	-	352,364
SETA Skills Grant	-	46,586	46,586	-
Vuna Awards	-	-	-	-
NC TOURISM	-	200,000	-	200,000
EPW: Lerato Park	185,421	-	78,452	106,969
Environmental Health Recycling Project	1,427,746	-	1,427,746	-
Koopmansfontein Self Build Scheme	80,000	16,000	-	96,000
Total	4,727,383	84,467,385	81,932,380	7,262,388

Please refer to next page

3. CASH AND INVESTMENT

CASH FLOW REPORT	30-Jun-11	Apr-12
OPERATING FLOWS	(82,575,159)	(51,964,136)
- Salaries, wages and allowances	(39,731,307)	(32,717,933)
- Cash and creditor payments	(55,129,658)	(22,602,302)
- Statutory Payments (incl VAT)	(2,561,407)	(4,761,045)
- Other payments	(122,395)	-
- Revenue receipts	(1,607,683)	(2,205,272)
- Statutory Receipts (incl VAT)	7,376,480	4,343,788
- Capital payments	6,534,246	3,591,126
- Other revenues	2,666,564	2,387,503
INVESTMENT FLOWS	(11,600,000)	(34,000,000)
- Investments made-OUT	(86,500,000)	(116,500,000)
- Investments redeemed	74,900,000	82,500,000
FINANCING FLOW	96,237,132	84,506,145
- External loans repaid	(1,051,524)	(766,440)
- External loans received	-	-
- Utilisation of Overdraft Facility	-	-
- Grants and subsidies	97,288,656	85,272,585
Nett Cash Generated from operating activities	2,061,973	-1,457,991
Increase / (Decrease) in investment activities	10,100,000	34,000,000
Nett increase / (Decrease) in cash and cash investments	12,161,973	32,542,009
CASH AND CASH EQUIVALENTS		
Balance at the end of the Year	76,028,152	108,570,161
Balance at the beginning of the Year	63,866,179	76,028,152
Net increase / (Decrease) in cash and cash equivalents	12,161,973	32,542,009

Cash Flow Statement

Cash flow for the period ended 30 April 2012 reflects a positive amount of R32.5m as a result of receiving Equitable Share Grant for third quarter ending 30 April 2012.

Cash Balances:

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

Bank Statement			+	1,465,156
Plus: Unreconciled Cheques				298,295
Minus Unreconciled Direct Payments				
Minus: Cancelled Cheques				
Plus: Unreconciled Deposits				
Minus Unreconciled Direct Payments				
Salary Payments				
Creditors Payment				
Investments				
Cash Book Balance			+	1,166,861
Adjustment to Bank			-	
Adjusted Cash Book Balance			+	1,166,861
* None > 3 Months				
SURPLUS CASH INVESTED				
Absa				20,250,000
Standard Bank				34,750,000
First Rand				15,750,000
Nedcor				33,750,000
Absa [Collateral security - Due 30 June 2011]				500,000
Standard Bank[Leave reserve Due 30 June 2011]				2,400,000
Total Cash Investments				107,400,000
Petty Cash float				3,300
Total Cash on Hand				108,570,161

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

4. REVENUE AND DEBT COLLECTION MANAGEMENT

- ***Sundry Debtors:***

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

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

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

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

Dikgatlong Municipality is in arrears with an amount of R15 732.75 for free basic electricity and street lights which the District Municipality previously paid to Eskom for Koopmansfontein indigent households.

- ***Post-Service Benefits***

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

- ***Sundry Debtors***

No difficulties are experienced due to the fact that strict credit control procedures are applied in terms of Council's Credit Control Policy. The only outstanding debts reflected for more than 90 days as at 30 April 2012 is Department of Transport, Roads and Public Works R415 951.80 and Scholtz SC R874.80 for medical aid payments, R247 301.91 for furniture for the Council house, R5 002.90 Jansen van Vuuren for crashing into the main entrance gate, Shell Ultra R3 469.02 refund of incorrect fuel refill and Icentric PSS R12 852.08 for damages caused to the VIP System.

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

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

5. EXPENDITURE MANAGEMENT

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

Salary Payment:

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

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

Trade Creditors:

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

Please refer to next page

PAYMENTS	
Total value of all payments	R 6,179,091
Electronic transfers	162
Cheques issued	29
STORES	
Value of Stores issued	48,086
SALARIES	
Number of salary beneficiaries	160
Councillors	26
Employees	130
Pensioners	4
Total remuneration paid	
	2,575,502
Councillors	362,943
Employees	2,203,958
Pensioners	8,600

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

6. Supply Chain Management:

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

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

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

Implementation of the Approved Supply Chain Management Policy:

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

Implementation of the Supply Chain Management Process:

- Supply Chain Management Training

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 April 2012, two contracts (R200 000+) were awarded by the Bid Adjudication Committee.

1. IT Governance: Price Waterhouse Cooper – R347 230.00 VAT inclusive.
2. Fire fighting vehicle: Fire Raiders – R1 769 227.72 VAT inclusive.

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

1. Bulk service report: Worley Parsons – R189 110.00
2. Razor Mesh fencing: Emmang Mmogo Industries – R59 845.00
3. Tourism Brochure: Computer Artworks – R185 250.00
4. Printing of Rebua Mmogo: Tsaole Investments CC – R50 000

The value of orders issued for the period ending 30 April 2012 total R2 426 529.31 (*See Annexure "A"*)

Orders per department

Council and Executive	R90 245.91
Municipal Manager	R15 702.21
Finance	R6 043.66
Administration	R69 810.40
Planning and Development	R1 137 050.26
Technical Service	R1 083 296.88
Stores	R24 379.99

- Disposal Management

Dikgatlong Municipality collected the redundant equipment as written off by Council resolution.

- Deviations

No deviation was approved by the Acting Municipal Manager

- Issues from Stores

Total orders issued R48 085.54

Issues per department

Council and Executive	R4 319.76
Municipal Manager	R443.00
Finance	R5 057.80
Administration	R25 602.42
Planning and Development	R2 119.60
Technical Service	R10 542.96

- List of accredited service providers

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

Internal Provisions:

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

ASSET AND RISK MANAGEMENT

Insurance:

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

Asset Inventory:

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

Information Backup:

All shared data on the internet system (*O & P drives only*) is backed up on the server with a further daily tape backup kept on the premises. System users are responsible for ensuring that data backup and maintenance is carried out with regard to their specific usage. General ledger and associated financial system data is backed up on the network server tape system.

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

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

Motor Vehicles - Utilization Statistics:

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

Statistical information regarding the year-to-date utility for April 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	135,000	9/30/2012	55,526	131,256	75,730
2	Citi Golf	Pool	2005	BSM 014 NC	90,000	4/30/2012	73,975	83,089	9,114
3	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	210,000	4/30/2012	188,465	202,504	14,039
4	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	45,000	9/30/2012	17,529	44,336	26,807
5	Chevrolet Opel Corsa	Disaster Management	2010	CBY 227 NC	30,000	9/30/2012	8,433	23,603	15,170
6	Chevrolet Captiva	Pool	2011	CDM 296 NC	30,000	11/30/2012	68	15,062	14,994
7	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	165,000	7/31/2012	136,339	152,715	16,376
8	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	150,000	4/30/2012	129,226	143,619	14,393
9	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	105,000	4/30/2012	83,245	97,979	14,734
10	Toyota Corolla	Pool	2009	BZP 439 NC	75,000	9/30/2012	44,715	68,096	23,381
11	Toyota Corolla	Pool	2009	BZP 440 NC	60,000	9/30/2012	50,068	57,190	7,122
12	Toyota Condor	Tourism Centre	2001	BLR 461 NC	200,000	6/30/2012	171,370	190,136	18,766
13	Isuzu 2.4	Housing	2009	CBD 761 NC	60,000	2013/02/29	32,138	54,050	21,912
14	Toyota Corolla	Pool	2008	BXL 799 NC	120,000	2013/02/29	97,169	110,949	13,780
15	Nissan LDV	Community Development	2006	BVC 831 NC	120000	7/31/2012	103,365	114,758	11,393
16	Ford Bantam	Finance	2004	BRD 836 NC	90000	1/31/2013	76,985	81,281	4,296
17	Toyota Hilux	PMU	2004	BRF 837 NC	120000	2013/02/29	110,175	118,814	8,639
18	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	15000	9/30/2012	2,241	9,854	7,613
19	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	15000	9/30/2012	1,703	10,118	8,415
20	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	160000	2013/02/29	142,110	157,082	14,972
YEAR TO DATE UTILITY - FULL FLEET									341,646

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

Motor Vehicle: Operating Cost

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

VEHICLE OPERATING COST	ACTUAL	BUDGET	VARIANCE	VAR %
Depreciation: Motor Vehicles	-	428,317	(428,317)	-100.00%
Insurance	4,470	45,833	(41,364)	-90.25%
MV Administration Levy	16,801	13,333	3,468	26.01%
Fuel	413,455	325,000	88,455	27.22%
Licence	5,854	10,542	(4,688)	-44.47%
Repairs and Maintenance	58,655	75,000	(16,345)	-21.79%
Tyres	23,367	53,833	(30,467)	-56.59%
TOTAL	522,603	951,858	(429,256)	-45.10%

- ***Motor Vehicle Damage Report***

Mazda Double Cab, registration number BSM 137 NC was involved in an accident on Tuesday 17 April 2012. The front left fender, radiator and bonnet were damaged in the process. The incident has been reported to the asset management unit as well as the insurance company.

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

Motor Vehicle Tracker System

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

7. FINANCIAL REPORTING AND BUDGETING

Budget Process:

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

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

Adjustment Budget 2011/2012:

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

Monthly Reporting

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

Financial Statements for the Year-ended 30 June 2011

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

8. MFMA IMPLEMENTATION OVERSIGHT

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

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

- *Support to Local Municipalities*

No support was rendered to local municipalities.

9. PERSONNEL**Personnel Attendances:**

Personnel attendance in the workplace for April 2012 averages 80%. The reason for the deviations is mainly due to study, annual, sick leave and special three days leave granted by council to all employees.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
Number of Members	1	4	3	17
Leave	5	18	4	23
Sick Leave	0	5	0	6
Courses / Seminar	0	0	0	15
Meetings	0	0	0	2
Family Responsibility	0	2	0	1
Study	0	0	0	0
Maternity Leave	0	0	0	0
Union Matters	0	0	0	0
Absent	0	0	0	0
Special Leave (SAMSRA)	0	0	0	0
No. of Workdays Attended	13	47	32	223
Total Workdays	18	72	36	270
Percentage attendance per Group	72%	65%	89%	83%
Average	80%			

Personnel Development:

No training was attended during April 2012.

10. INTERNSHIP PROGRAMME

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

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

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

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

All Interns have attended the Municipal Finance Management Programme and they have completed the MFMA DVD learning programme. The Municipal Finance Management Programme was completed on 20 April 2012. Therefore, the Internship contract that was to end on 29 February 2012 has been further extended to 31 July 2012 to give them practical exposure.

CONCLUSION

According to the results presented above for the period ending 30 April 2012, Council maintains a healthy financial position with respect to its cash and reserves.

DIRECTOR: FINANCE