

FRANCES BAARD DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT

31 MAY 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).

The draft annual budget for the 2014 /15 financial year was submitted to Council on 26 March 2014 for approval as prescribed in the Municipal Finance Management Act (MFMA) and in terms of guidelines received from National Treasury per MFMA Circulars. The final annual budget for the 2014 /15 financial year was submitted and approved by Council on 28 May 2014.

The budget for the 2014/15 financial year has been drawn up in terms of chapter 4 of the Municipal Finance Management Act of 2003 (MFMA) and the Municipal Systems Act of 2000 (MSA) on matters specifically related to the budget as well as direction from National Treasury on policy guidelines (MFMA Circular no: 28,42,45,48,51,54,55,58,59, 66,67,70 &72).

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 May 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 30 May 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 R99, 168 million as compared to the year-to-date budget projections of R100, 577 million for May 2014. The source of revenue that is below the budget is rental of facilities and equipment and the proceeds from the sale of movable assets.

Operating expenditure by type

To date, R83, 027 million has been spent compared to the operational approved budget of R122, 004 million. This includes non-cash items such as depreciation & amortization. The main areas where expenditure is less than the budget is employee related costs, 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 comes to end.

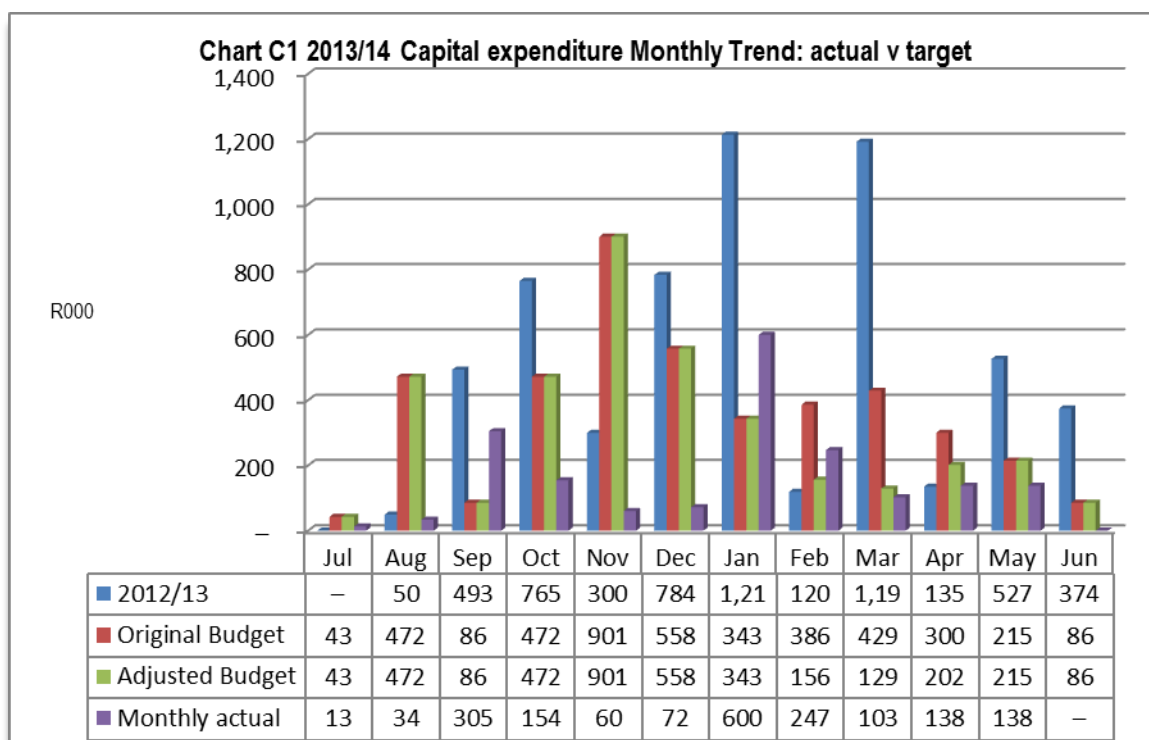
Refer to Annexure A, Table SC1 for further explanation for material variances on both revenue by source and expenditure by type. The summary statement of financial performance in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and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

Capital Expenditure

Year-to-date expenditure on capital amounts to R1, 742 million or 47.58% of the total adjusted budget of R3, 662million. R0, 723 million or 19, 76% of the total 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 comes to an end.

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

Capital Expenditure Monthly Trend: Actual vs Target



Cash Flows

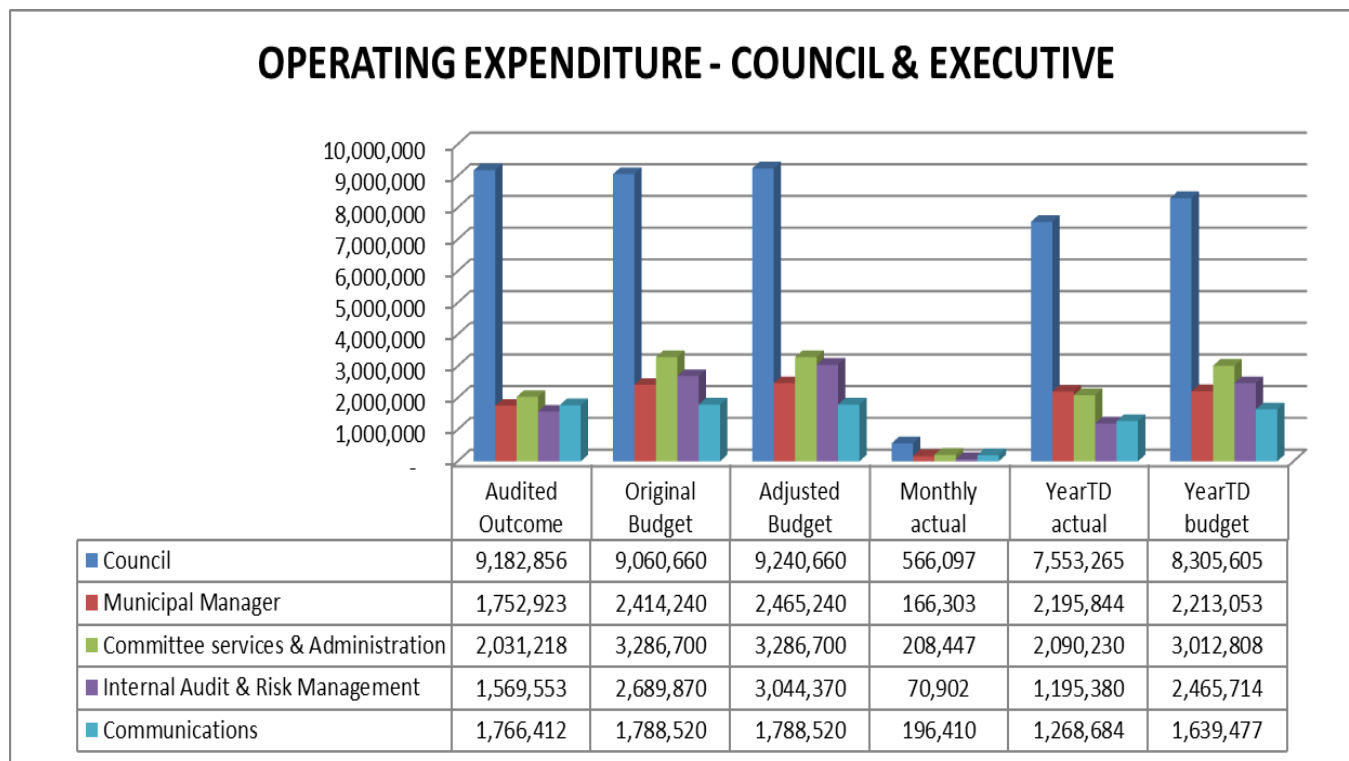
The Municipality started the year with a total cash and cash equivalents of R83, 564 million. For the month of May 2014, the cash and cash equivalents amount to R98, 376 million. The net increase in cash and cash equivalent for the month of May 2014 is R14, 812 million.

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 81.10% 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.

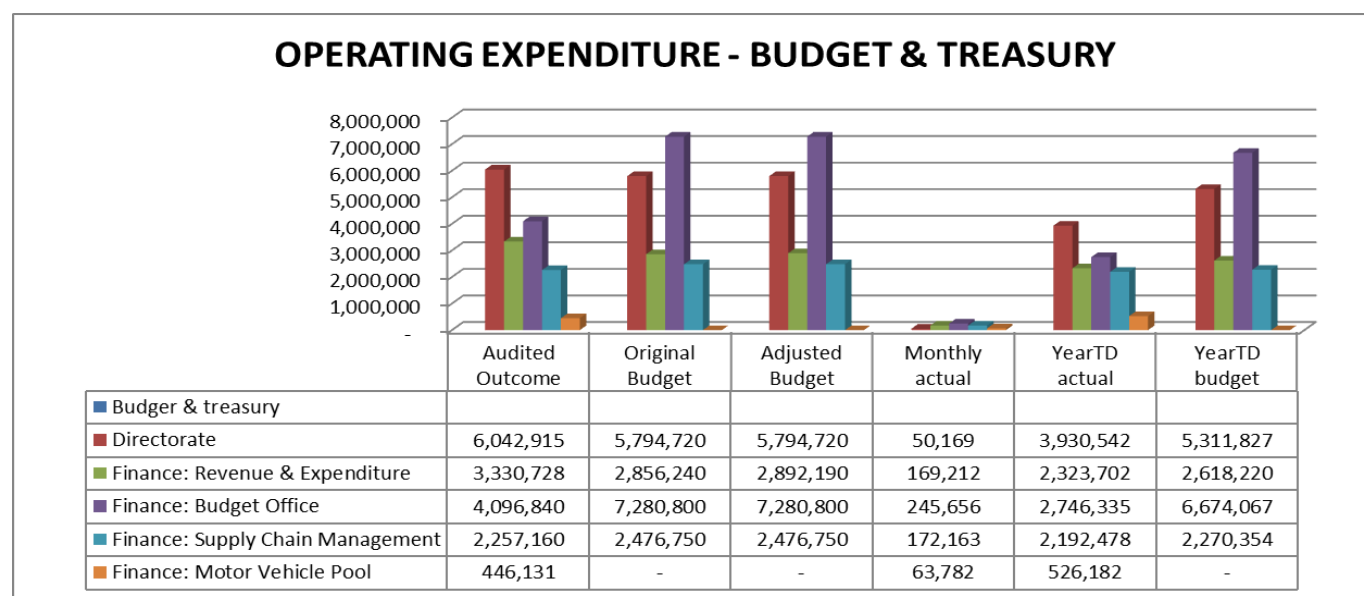
An approved vacant post of Internal Audit Manager, Administrative Officer and Special Programmes Officer still has to be filled.

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

	YTD Actual	Budget	% Spending	Remarks
<u>COMMITTEE & ADMINISTRATION SERVICES</u>				
Youth Unit Special Projects	42,000	100,000	42.00%	Project in progress
Commemorative Days	29,844	100,000	29.84%	Project in progress
Total	71,844	200,000	35.92%	
	YTD Actual	Budget	% Spending	Remarks
<u>INTERNAL AUDIT</u>				
Fraud Prevention Plan	-	350,000	0.00%	Service provider has been appointed and the project will be completed before financial year end.
Total	-	350,000	0.00%	Remarks
<u>COMMUNICATIONS</u>				
CFS System	-	5,000	0.00%	Contract renewed annually
Branding	-	10,000	0.00%	SCM process delayed due high prices of bidding service providers
PAIA Management	-	15,000	0.00%	Training provided for officials and councillors did not take place this year as it was deemed to be too close to previous training - Savings
Total	-	30,000	0.00%	

Actual spending on special projects of Council & Executive is 12.39% as compared to the approved budget. Projects will gain momentum as the financial year comes to an end.



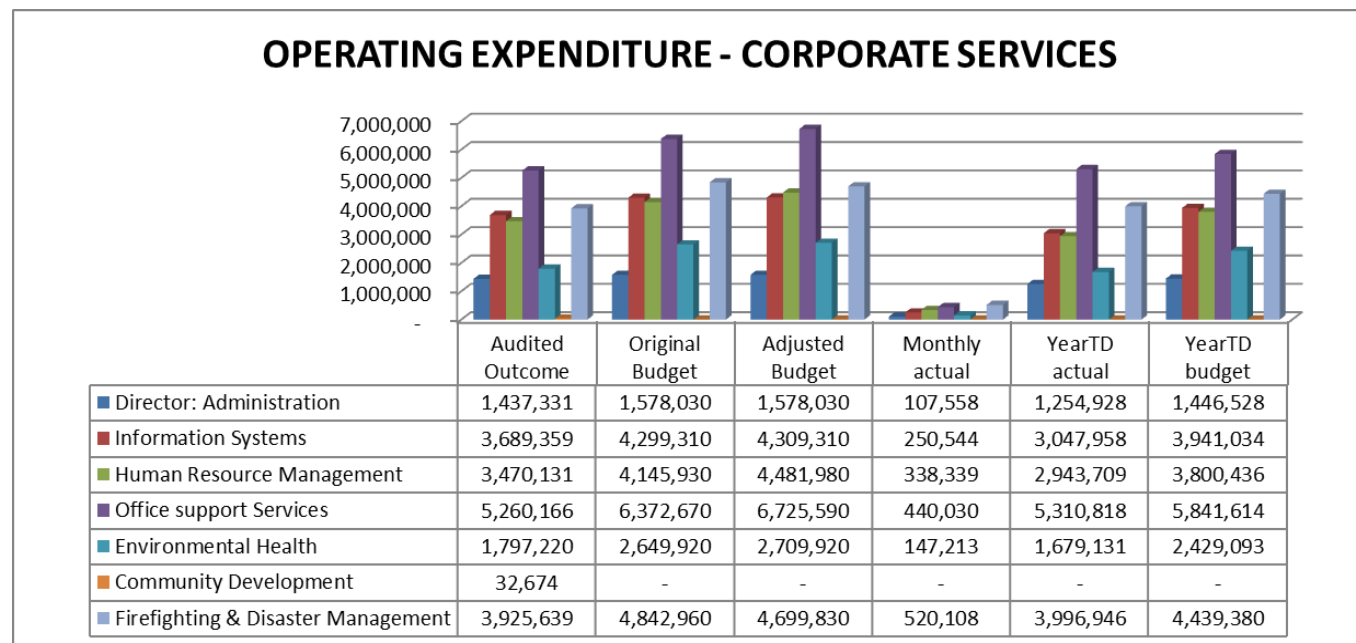
Actual operating expenditure of Budget & Treasury office is 69.45% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: employee related costs, finance charges on external borrowings and employee benefits, consultancy, repairs and maintenance, audit fees, actuarial losses, special projects and general expenses.

Approved vacant post of Accountant: Budget Office, Assistant Director and Finance Intern have 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%	Awaiting claims from the service provider - funds committed
Operation Clean Audit	328,484	500,000	65.70%	Awaiting claims from local municipalities
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	508,747	1,050,000	48.45%	

Actual spending on special projects of Budget & Treasury Office is 48.45% as compared to the approved budget. Projects will gain momentum as the financial year comes to an end.



Actual operating expenditure of Corporate Services is 83.27% 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.

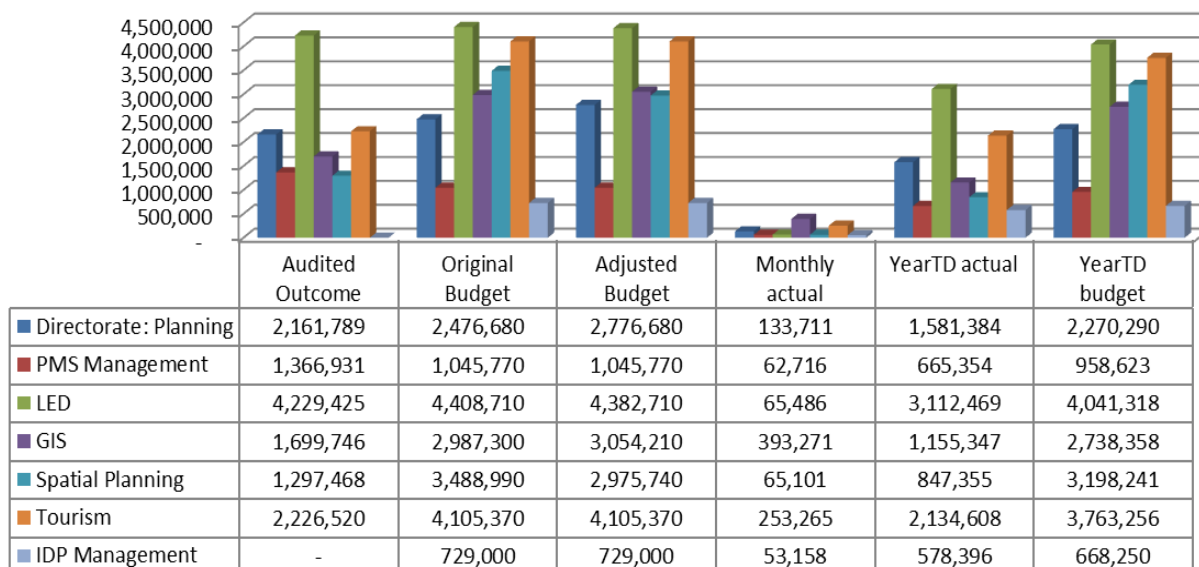
Approved vacant post of Human Resource Manager, Assistant Personnel Officer and Labour Relations Practitioner has to be filled.

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 4th quarter of the financial year
Total	-	14,000	0.00%	
	YTD Actual	Budget	% Spending	Remarks
<u>HUMAN RESOURCE MANAGEMENT</u>				
Employee Assistance Programme	23,409	100,000	23.41%	Project is needs driven
Employee Wellness	222,459	300,000	74.15%	Project is needs driven
Total	245,868	400,000	61.47%	
	YTD Actual	Budget	% Spending	Remarks
<u>ENVIRONMENTAL HEALTH</u>				
Environment. Toilet for disabled persons	7,990	8,000	99.87%	Project complete
Environment Waste Recycle	-	52,000	0.00%	Awaiting the appointment of a service provider
Awareness Programme - HIV, TB & STI	5,911	6,000	98.52%	As per operational plan
Awareness Programme - Sanitation	5,189	6,000	86.48%	As per operational plan
Implementation of Recycling Project	10,000	40,000	25.00%	Awaiting Change of Banking Details from the service provider
Air Quality Projects	1,052	190,000	0.55%	Submission for appointment of interns not yet completed
Awareness Programme - Air Quality	973	16,000	6.08%	Campaign to take place in June 2014
Implement Air Quality Plan	13,938	216,000	6.45%	Workshop to took place on 21 May 2014 - possible savings
Waste Management Campaigns	-	2,000	0.00%	Campaign to be held during June 2014
EMI Internship Programme - Air Quality	-	196,200	0.00%	Awaiting response from Department of Environment & Nature Conservation - possible savings.
Total	45,052	732,200	6.15%	
	YTD Actual	Budget	% Spending	Remarks
<u>FIRE FIGHTING / DISASTER MANAGEMENT.</u>				
Fire Fighting - Volunteers Training	-	30,000	0.00%	Awaiting Training Programme
Fire Fighting - Volunteers Stipend	-	58,850	0.00%	Awaiting Training Programme
Fire Fighting - Volunteers Insurance	-	10,490	0.00%	Awaiting Training Programme
Contingency Fund	292,565	350,000	83.59%	Needs driven and as per request
Disaster Management Forum	491	8,800	5.58%	Forum meeting to take place during the 4th quarter
Develop Risk REC & RESP Strategy	175,244	229,000	76.53%	Project in progress
Total	468,300	687,140	68.15%	

Actual spending on special projects of Corporate Services is 41.41% as compared to the approved budget - projects will gain momentum as the financial year comes to an end.

OPERATING EXPENDITURE - PLANNING & DEVELOPMENT



Actual operating expenditure of Planning & Development is 57.12% 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.

Approved vacant post of GIS Manager has to be filled.

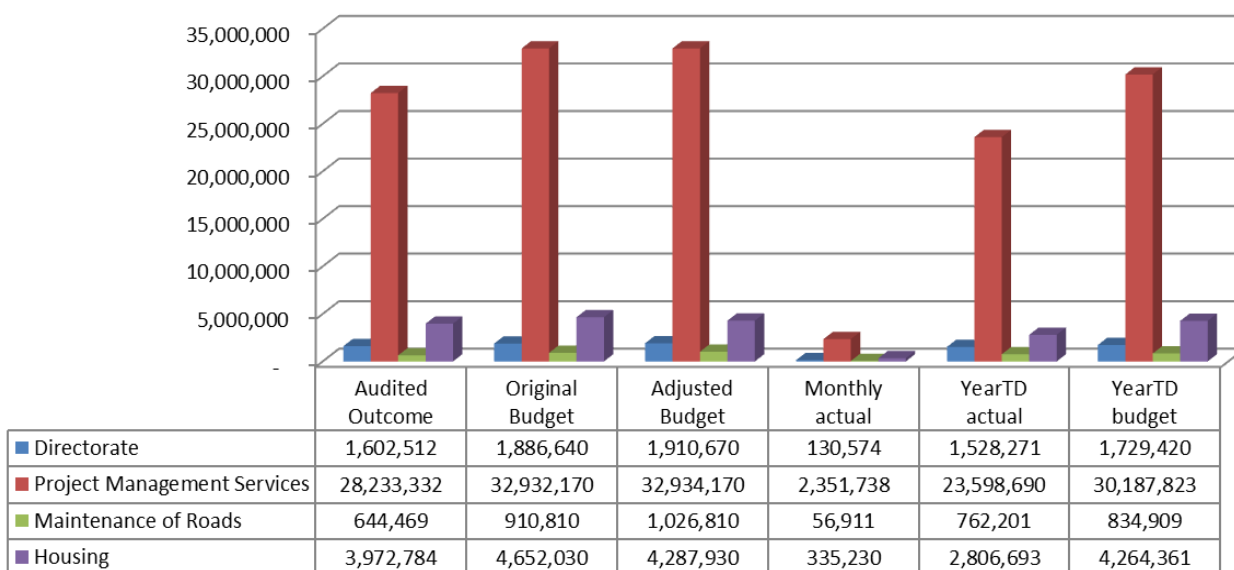
Consolidated performance of year-to-date expenditure on special projects against full year budget (Planning & Development)

PLANNING & DEVELOPMENT				
	YTD Actual	Budget	% Spending	Remarks
<u>PLANNING & DEVELOPMENT</u>				
<u>DIRECTORATE</u>				
Review of Institutional Plan	225,491	300,000	75.16%	Balance committed to be paid out on completion and receipt of the upgraded document.
Review LED Strategy	-	290,000	0.00%	Project in progress - Awaiting claims from the service provider
Review DGDS Strategy	74,032	350,000	21.15%	Project in progress and payments have started as claims were submitted
Integrated Rezoning Scheme	-	250,000	0.00%	The first phase of the project has been completed successfully and awaiting processing of payment
Total	299,523	1,190,000	25.17%	

	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 completed
LED Promotion of SMME'S	146,525	200,000	73.26%	Project in progress
LED Emerging Farmer Support	-	120,000	0.00%	An MOU has being signed awaiting processing of payment
LED Small Miner Support	7,314	100,000	7.31%	Service provider appointed - Summit to take place in June 2014
LED EPWP Support	-	10,000	0.00%	Provincial Launh has been re-schedule for June 2014
LED Training for Graduates	-	360,000	0.00%	Awaiting adjudication for the appointment of a service provider
LED Phokwane Processing Plant	-	40,000	0.00%	Awaiting Council resolution for the sale of land
LED EXPO	284,900	500,000	56.98%	Project in progress
LED BIO-Mass Dikgatlong	-	20,000	0.00%	Awaiting List of Corporative members
KBY HUB	302,765	450,000	67.28%	Project in progress
LED Develop Incentive Policies	17,661	40,000	44.15%	Project in progress
LED Coordinate Structure and Institutional Support	10,689	86,000	12.43%	Project in progress
Total	980,903	2,168,900	45.23%	
	YTD Actual	Budget	% Spending	Remarks
<u>GIS</u>				
GIS: Verify Water Infrastructure	-	600,000	0.00%	Project will be roll-over to the 14/15 financial year
Financial Data Clensing	512,338	1,200,000	42.69%	Awaiting claims from the service provider
Total	512,338	1,800,000	28.46%	
<u>SPATIAL PLANNING</u>				
Surveying of Erven Dikgatlong	41,607	397,010	10.48%	Balance will be roll-over to the 14/15 financial year
Zoning Scheme Phokwane	147,615	165,520	89.18%	Project in progress
Spatial Development Framework (FBDM)	3,631	276,500	1.31%	Balance will be roll-over to the 14/15 financial year
Spatial Development Framework (LM)	26,468	526,500	5.03%	Project in progress
Environmental Impact Assessment - Dikgatlong	-	36,600	0.00%	Project will be roll-over to the 14/15 financial year
Total	219,320	1,402,130	15.64%	
	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	338,990	360,000	94.16%	Support workshop scheduled for May 2014
Indaba Trade EXPO	153,643	275,180	55.83%	Project in progress
12/13: TOUR - Website	-	97,100	0.00%	Service provider appointed
12/13: TOUR - Route Feasibility & Business Plan	7,437	316,800	2.35%	Project in progress
TOUR - Advertising & Promotion	96,662	140,000	69.04%	Project in progress
TOUR - Association	1,699	8,500	19.99%	Project in progress
TOUR - FBDM Arts and Craft Centre	158,715	210,000	75.58%	Project in progress
TOUR - Marketing Brochure	-	90,000	0.00%	Advert for the appointment of suitable service provider
Community Awareness Campaigns	153,203	160,000	95.75%	Campaign held September 2013 - Savings
Gong-Gong Feasibility Study	470	263,250	0.18%	TOR finalized. Project in progress
Maloof 2013 Exhibition	1,066	28,430	3.75%	Project in progress
Total	1,416,884	2,454,260	57.73%	
	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 38.02% as compared to the approved budget - projects will gain momentum as the financial year comes to an end.

OPERATING EXPENDITURE - PROJECT MANAGEMENT & ADVISORY SERVICES



Actual operating expenditure of Project Management & Advisory Services is 77.52% 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	389,274	500,000	77.85%	Project in progress
EQS: O&M Magareng - Maintenance Water & Wastewater Infrastructure	58,174	700,000	8.31%	Project in progress
EQS: O&M Magareng - Maintenance Street & Storm Water	928,067	1,300,000	71.39%	Project in progress
EQS: O&M Sol Plaatje - Maintenance Platfontein Sewer System	358,267	500,000	71.65%	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	1,377,408	1,550,000	88.87%	Project in progress
EQS: O&M Dikgatlong - Maintenance Electricity Infrastructure	282,701	550,000	51.40%	Project in progress

EQS: O&M Dikgatlong - Maintenance				
Street & Storm Water	386,935	500,000	77.39%	Project in progress
CAP - Magareng: Provision of Water Reticulation	2,353,623	2,355,000	99.94%	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	1,196,305	1,200,000	99.69%	Project complete
CAP - Phokwane: Sewer Truck	1,570,408	2,000,000	78.52%	Project in progress
CAP - Phokwane: Electricity	450,000	450,000	100.00%	Project complete
CAP - Phokwane: Install Water Meters	445,500	550,000	81.00%	Project in progress
CAP - Magareng: Water Reticulation Warrenvale	682,016	1,500,000	45.47%	Project in progress
CAP - Magareng: Sewer Reticulation Warrenvale	350,595	1,200,000	29.22%	Project in progress
CAP Magareng: Upgrade Water Network	750,462	1,500,000	50.03%	Project in progress
CAP - Sol Plaatje: Water & Sanitation	1,782,318	3,000,000	59.41%	Project in progress
CAP - Dikgatlong: Refuse Truck	1,984,090	2,000,000	99.20%	Project complete
CAP - Dikgatlong: Upgrade Electricity Network	-	1,500,000	0.00%	Project on schedule as planned
CAP - Dikgatlong: Waste Water Operating Room	123,600	650,000	19.02%	Project in progress
Total	21,458,893	29,924,000	71.71%	
	YTD Actual	Budget	% Spending	Remarks
<u>HOUSING</u>				
Housing Field Workers	-	-		
Special Project: Women's Month	8,932	15,000	59.55%	Savings
Special Project: Mandela Month	15,000	15,000	100.00%	Project completed
Housing Consumer Education	15,696	40,000	39.24%	Ongoing
Housing Field Workers	20,640	30,000	68.80%	Ongoing
Housing Steering Committee Meeting	6,602	20,000	33.01%	Ongoing
Total	66,871	120,000	55.73%	

Actual spending on special projects of Project Management & Advisory Services is 71.65% as compared to the approved budget - projects will gain momentum as the financial year comes to an end.

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	390	4,657	4,234	422	10%	5,080
Transfers recognised - operational	94,579	93,815	94,175	1,211	93,896	95,384	(1,488)	-2%	94,175
Other own revenue	1,670	1,045	1,045	(146)	615	958	(343)	-36%	925
Total Revenue (excluding capital transfers and contributions)	101,921	99,479	99,840	1,455	99,168	100,577	(1,409)	-1%	100,181
Employee costs	39,423	47,498	47,498	3,196	35,295	43,540	(8,245)	-19%	38,504
Remuneration of Councillors	5,160	5,679	5,679	437	4,968	5,206	(237)	-5%	5,420
Depreciation & asset impairment	3,429	5,050	5,050	381	4,059	4,629	(570)	-12%	4,428
Finance charges	2,318	2,215	2,215	-	631	2,031	(1,399)	-69%	2,215
Materials and bulk purchases	2,569	3,983	4,492	197	2,555	3,651	(1,097)	-30%	2,787
Transfers and grants	35,437	42,937	42,530	2,579	26,296	39,359	(13,063)	-33%	31,626
Other expenditure	11,189	13,798	14,540	824	9,222	12,648	(3,426)	-27%	10,061
Total Expenditure	99,524	121,161	122,004	7,614	83,027	111,064	(28,037)	-25%	95,040
Surplus/(Deficit)	2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)	26,629	-254%	5,140
Transfers recognised - capital	-	-	-	-	-	-	-		-
Contributions & Contributed assets	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)	26,629	-254%	5,140
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)	26,629	-254%	5,140
Capital expenditure & funds sources									
Capital expenditure	5,953	4,290	3,662	138	1,742	3,356	(1,614)	-48%	1,900
Capital transfers recognised	-	-	-	-	-	-	-		-
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	5,953	4,290	3,662	138	1,742	3,356	(1,614)	-48%	1,900
Total sources of capital funds	5,953	4,290	3,662	138	1,742	3,356	(1,614)	-48%	1,900
Financial position									
Total current assets	86,488	86,488	86,488		100,187				91,348
Total non current assets	63,332	63,332	63,332		60,535				61,337
Total current liabilities	12,802	12,802	12,964		8,043				8,774
Total non current liabilities	33,042	33,042	32,881		33,042				33,042
Community wealth/Equity	103,975	77,802	103,975		119,637				110,869
Cash flows									
Net cash from (used) operating	6,112	(11,892)	(11,892)	(7,041)	18,246	6,895	11,351	165%	14,207
Net cash from (used) investing	(7,463)	(3,861)	(3,861)	(158)	(2,736)	(1,970)	(766)	39%	(3,461)
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	98,376	98,376	81,673	16,703	20%	93,172
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	1,364	72	70	2	1	1	13	1,523
Creditors Age Analysis									
Total Creditors	1,948	2,008	-	-	-	-	-	-	2,008

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	343	85,304	85,750	(446)	-1%	85,750
Executive and council		3,318	3,716	3,716	-	3,716	3,716	-		3,716
Budget and treasury office		81,983	82,034	82,034	343	81,588	82,034	(446)	-1%	82,034
Corporate services		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		3,272	600	600	600	1,600	600	1,000	167%	1,600
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		2,288	600	600	600	600	600	-		600
Housing		983	-	-	-	1,000	-	1,000	#DIV/0!	1,000
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		13,348	13,130	13,490	512	12,264	14,227	(1,963)	-14%	12,831
Planning and development		10,342	10,130	10,430	512	9,256	11,167	(1,911)	-17%	9,831
Road transport		-	-	-	-	-	-	-		-
Environmental protection		3,006	3,000	3,060	-	3,008	3,060	(52)	-2%	3,000
<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	1,455	99,168	100,577	(1,409)	-1%	100,181
Expenditure - Standard										
<i>Governance and administration</i>		46,334	54,044	55,365	3,046	38,580	49,541	(10,961)	-22%	42,087
Executive and council		16,303	19,240	19,825	1,208	14,303	17,637	(3,333)	-19%	15,604
Budget and treasury office		16,174	18,409	18,444	701	11,719	16,874	(5,155)	-31%	12,785
Corporate services		13,857	16,396	17,095	1,136	12,557	15,030	(2,472)	-16%	13,699
<i>Community and public safety</i>		7,931	9,495	8,988	847	6,709	8,704	(1,994)	-23%	7,422
Community and social services		33	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		3,926	4,843	4,700	512	3,903	4,439	(537)	-12%	4,360
Housing		3,973	4,652	4,288	335	2,807	4,264	(1,458)	-34%	3,062
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		45,259	57,621	57,651	3,722	37,738	52,820	(15,082)	-29%	45,531
Planning and development		43,462	54,971	54,941	3,575	36,058	50,390	(14,332)	-28%	43,699
Road transport		-	-	-	-	-	-	-		-
Environmental protection		1,797	2,650	2,710	147	1,679	2,429	(750)	-31%	1,832
<i>Trading services</i>		-	-	-	-	-	-	-		-
Electricity		-	-	-	-	-	-	-		-
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
Total Expenditure - Standard	3	99,524	121,161	122,004	7,614	83,027	111,064	(28,037)	-25%	95,040
Surplus/ (Deficit) for the year		2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)	26,629	-254%	5,140

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

Vote Description		2012/13	Budget Year 2013/14							
[Insert departmental structure etc 3.]	Ref	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	-	3,716	3,716	-		3,716
Vote 2 - Budget & Treasury		81,983	82,034	82,034	343	81,588	82,034	(446)	-0.5%	82,034
Vote 3 - Corporate Services		5,294	3,600	3,660	600	3,608	3,660	(52)	-1.4%	3,600
Vote 4 - Planning & Development		733	890	1,190	-	300	1,190	(890)	-74.8%	831
Vote 5 - Project Management & Advisory Services		10,593	9,240	9,240	512	9,957	9,977	(20)	-0.2%	10,000
Total Revenue by Vote	2	101,921	99,479	99,840	1,455	99,168	100,577	(1,409)	-1.4%	100,181
Expenditure by Vote	1									
Vote 1 - Council & Executive		16,303	19,240	19,825	1,208	14,303	17,637	(3,333)	-18.9%	15,604
Vote 2 - Budget & Treasury		16,174	18,409	18,444	701	11,719	16,874	(5,155)	-30.6%	12,785
Vote 3 - Corporate Services		19,613	23,889	24,505	1,804	18,233	21,898	(3,665)	-16.7%	19,891
Vote 4 - Planning & Development		12,982	19,242	19,069	1,027	10,075	17,638	(7,563)	-42.9%	10,991
Vote 5 - Project Management & Advisory Services		34,453	40,382	40,160	2,874	28,696	37,017	(8,321)	-22.5%	35,770
Total Expenditure by Vote	2	99,524	121,161	122,004	7,614	83,027	111,064	(28,037)	-25.2%	95,040
Surplus/ (Deficit) for the year	2	2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)	26,629	-253.9%	5,140

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	12	693	881	(188)	-21%	756
Interest earned - external investments		5,672	4,619	4,619	390	4,657	4,234	422	10%	5,080
Interest earned - outstanding debtors		-	-	-	-	-	-	-		-
Dividends received		-	-	-	-	-	-	-		-
Fines		-	-	-	-	-	-	-		-
Licences and permits		-	-	-	-	-	-	-		-
Agency services		-	-	-	-	-	-	-		-
Transfers recognised - operational		94,579	93,815	94,175	1,211	93,896	95,384	(1,488)	-2%	94,175
Other revenue		1,073	24	24	(157)	(78)	22	(100)	-454%	169
Gains on disposal of PPE		-	60	60	-	1	55	(54)	-99%	1
Total Revenue (excluding capital transfers and contributions)		101,921	99,479	99,840	1,455	99,168	100,577	(1,409)	-1%	100,181
Expenditure By Type										
Employee related costs		39,423	47,498	47,498	3,196	35,295	43,540	(8,245)	-19%	38,504
Remuneration of councillors		5,160	5,679	5,679	437	4,968	5,206	(237)	-5%	5,420
Debt impairment		-	3	3	-	-	3	(3)	-100%	
Depreciation & asset impairment		3,429	5,050	5,050	381	4,059	4,629	(570)	-12%	4,428
Finance charges		2,318	2,215	2,215	-	631	2,031	(1,399)	-69%	2,215
Bulk purchases		-	-	-	-	-	-	-		
Other materials		2,569	3,983	4,492	197	2,555	3,651	(1,097)	-30%	2,787
Contracted services		212	-	-	-	-	-	-		
Transfers and grants		35,437	42,937	42,530	2,579	26,296	39,359	(13,063)	-33%	31,626
Other expenditure		9,926	13,595	14,337	824	9,222	12,462	(3,240)	-26%	10,061
Loss on disposal of PPE		1,050	200	200	-	-	183	(183)	-100%	
Total Expenditure		99,524	121,161	122,004	7,614	83,027	111,064	(28,037)	-25%	95,040
Surplus/ (Deficit) for the year		2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)	26,629	(0)	5,140
Transfers recognised - capital								-		
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)			5,140
Taxation								-		
Surplus/(Deficit) after taxation		2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)			5,140
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)			5,140
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		2,396	(21,681)	(22,164)	(6,159)	16,141	(10,487)			5,140

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

Vote 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									
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	-	59	75	(16)	-22%	64
Vote 2 - Budget & Treasury		1,853	862	757	-	614	694	(80)	-12%	670
Vote 3 - Corporate Services		874	2,593	2,072	61	817	1,899	(1,083)	-57%	891
Vote 4 - Planning & Development		2,558	141	141	-	21	129	(108)	-84%	23
Vote 5 - Project Management & Advisory Services		611	611	609	77	231	558	(327)	-59%	252
Total Capital single-year expenditure	4	5,953	4,290	3,662	138	1,742	3,356	(1,614)	-48%	1,900
Total Capital Expenditure		5,953	4,290	3,662	138	1,742	3,356	(1,614)	-48%	1,900
Capital Expenditure - Standard Classification										
Governance and administration		2,784	2,092	1,445	61	951	1,325	(374)	-28%	1,038
Executive and council		57	82	82	-	59	75	(16)	-22%	64
Budget and treasury office		1,853	862	757	-	614	694	(80)	-12%	670
Corporate services		874	1,148	606	61	278	556	(277)	-50%	304
Community and public safety		3,006	1,476	1,479	-	612	1,356	(744)	-55%	667
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		2,470	1,385	1,406	-	538	1,289	(750)	-58%	587
Housing		535	91	74	-	73	67	6	9%	80
Health		-	-	-	-	-	-	-		-
Economic and environmental services		163	721	737	77	179	675	(496)	-73%	196
Planning and development		163	661	677	77	179	620	(441)	-71%	196
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	60	60	-	-	55	(55)	-100%	-
Trading services		-	-	-	-	-	-	-		-
Electricity		-	-	-	-	-	-	-		-
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Standard Classification	3	5,953	4,290	3,662	138	1,742	3,356	(1,614)	-48%	1,900
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	138	1,742	3,356	(1,614)	-48%	1,900
Total Capital Funding		5,953	4,290	3,662	138	1,742	3,356	(1,614)	-48%	1,900

Table C6 Monthly Budget Statement - Financial Position

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		364	959	364	2,816	3,072
Call investment deposits		83,200	59,000	83,200	95,560	86,300
Consumer debtors		-	-			-
Other debtors		2,658	1,400	2,658	1,523	1,661
Current portion of long-term receivables		-				
Inventory		266	300	266	289	315
Total current assets		86,488	61,659	86,488	100,187	91,348
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	45,275	46,000
Agricultural						
Biological assets						
Intangible assets		849	2,163	1,134	849	926
Other non-current assets		-		-	-	-
Total non current assets		63,332	53,250	63,332	60,535	61,337
TOTAL ASSETS		149,820	114,909	149,820	160,723	152,685
LIABILITIES						
Current liabilities						
Bank overdraft		-	-			
Borrowing		1,444	1,606	1,606	746	814
Consumer deposits						
Trade and other payables		4,499	3,035	4,499	2,008	2,190
Provisions		6,860	6,024	6,860	5,289	5,770
Total current liabilities		12,802	10,665	12,964	8,043	8,774
Non current liabilities						
Borrowing		10,041	8,470	9,880	10,041	10,041
Provisions		23,001	17,971	23,001	23,001	23,001
Total non current liabilities		33,042	26,442	32,881	33,042	33,042
TOTAL LIABILITIES		45,845	37,107	45,845	41,086	41,817
NET ASSETS	2	103,975	77,802	103,975	119,637	110,869
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		75,967	54,541	75,967	93,507	82,363
Reserves		28,008	23,261	28,008	26,130	28,505
TOTAL COMMUNITY WEALTH/EQUITY	2	103,975	77,802	103,975	119,637	110,869

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	629	6,716	679	6,038	889%	6,736
Government - operating		92,105	93,815	93,815	11	95,068	94,103	965	1%	95,533
Government - capital		-			-	-		-		-
Interest		5,575	4,619	4,619	415	5,478	4,473	1,005	22%	5,708
Dividends		-	-	-				-		-
Payments										
Suppliers and employees		(61,273)	(67,427)	(67,427)	(5,004)	(56,541)	(56,548)	(7)	0%	(58,402)
Finance charges		(1,360)	(1,215)	(1,215)	-	(631)	(549)	82	-15%	(2,215)
Transfers and Grants		(38,589)	(41,756)	(41,756)	(3,091)	(31,844)	(35,263)	(3,420)	10%	(33,153)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6,112	(11,892)	(11,892)	(7,041)	18,246	6,895	11,351	165%	14,207
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
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)	(158)	(2,736)	(1,970)	766	-39%	(3,461)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7,463)	(3,861)	(3,861)	(158)	(2,736)	(1,970)	766	-39%	(3,461)
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)	(7,199)	14,812	4,356			9,608
Cash/cash equivalents at beginning:		86,214	77,317	77,317	105,575	83,564	77,317			83,564
Cash/cash equivalents at month/year end:		83,564	59,959	59,959	98,376	98,376	81,673			93,172

5. SUPPORTING DOCUMENTATION

Table SC1 Material variance explanations

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<u>Revenue By Source</u>			
	Government grants & subsidies	-2%	Equitable Share Grant received in advanced	Acceptable - No remedial steps required
	Rental of facilities and equipment	-21.38%	Low demand for rental grader services.	Acceptable - No remedial steps required
	Interest earned - external investments	9.98%	Interest earned on external investment is more than year-to-date budget.	Acceptable and dependant on the market yield.
	Other income	-454.06%	Incorrect Allocation of Vote Number	Incorrect allocation - To be Journalised in June 2014
2	<u>Expenditure By Type</u>			
	Salaries	-18.94%	Approved vacant posts not filled according to the organogram	Most vacant post were advertised and will be filled shortly.
	Depreciation	-12.32%	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	-30.04%	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	-33.19%	Most projects are on schedule as per the procurement plan.	Spending on projects will gain momentum during the 4th quarter of the financial year.
	Other expenditure	-26.00%	Under spending and GRAP related issues only accounted for at year end.	Expenditure will gain momentum as the financial year progresses.
3	<u>Capital Expenditure</u>			
	Capital expenditure	-48.10%	As per the policy, all capital projects / purchases should have been completed / finalized by 31 March of each year	Procurement of capital assets will be accompanied by the relevant invoices after 31 March of each year for payment.
4	<u>Financial Position</u>			
	Reserves	R 2,868,491	Under budgeted	Acceptable
	Property, plant & equipment	R -2,812,520	Under budgeted	Acceptable
5	<u>Cash Flow</u>			
	Net cash from operating / (used) Operating Activities	164.64%	RSC Levy Replacement Grant Receipts	Acceptable
	Net cash from operating / (used) Investing Activities	-38.90%	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	<u>Measureable performance</u>			
7	<u>Municipal Entities</u>			

More detail on operating variances is available on pages 04 to 13 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							
<u>Borrowing Management</u>							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		6.7%	7.4%	6.6%	6.2%	0.0%
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		5.8%	6.0%	6.0%	0.8%	6.7%
Borrowed funding of capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	16.9%	15.4%	10.7%	10.7%
Gearing	Long Term Borrowing/ Funds & Reserves		35.9%	36.4%	35.3%	38.4%	38.4%
<u>Liquidity</u>							
Current Ratio 1	Current assets/current liabilities	1	675.6%	578.1%	667.1%	1245.6%	1245.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		682.4%	590.3%	673.9%	1270.3%	1270.3%
<u>Revenue Management</u>							
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%	12.2%	12.2%
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%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		100.0%	100.0%			
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0.0%	0.0%		0.0%	0.0%
<u>Other Indicators</u>							
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%	35.6%	35.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.5%	4.0%	4.5%	0.2%	2.4%
Interest & Depreciation	I&D/Total Revenue - capital revenue		5.6%	7.3%	7.3%	0.6%	5.6%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		203.5%	148.2%	0.0%	706.9%	398.0%
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		12.9	2.1	2.1	2.3	1.6

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									Total	Bad Debts	>90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
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	1,364	72	70	2	0	1	1	13	1,523		17	
Total By Revenue Source	2000	1,364	72	70	2	0	1	1	13	1,523	-	17	
2011/12 - totals only		1,296	68	66	2	0	1	1	12	1,446		16	
Debtors Age Analysis By Customer Category													
Government	2200	246	-	-	6	-	-	-	-	251			
Business	2300	-	-	-	-	-	-	-	-	-			
Households	2400	-	-	-	-	-	-	-	-	-			
Other	2500	1,118	72	70	(4)	0	912.00	1	13	1,271			
Total By Customer Category	2600	1,364	72	70	2	0	1	1	13	1,523	-		

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 31 May 2014 in respect of Provincial and Local Governments department is:

- Dikgatlong Municipality R3 882.97 payment for street lighting at Koopmansfontein.
- Phokwane Municipality R1 862.95 for printing of their debtor statements.

- ***Post-Service Benefits***

The only outstanding debts reflected for more than 90 days as at 31 May 2014 is:

- Payne ME R7 210.60, Benson SC R3 484.70 and Maritz AJ R1 190.30 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 31 May 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									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700									-	
Auditor General	0800									-	
Other	0900	2,008	-	-	-	-	-	-	-	2,008	
Total By Customer Type	2600	2,008	-	-	-	-	-	-	-	2,008	-

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 6.84% for staff has been implemented in July 2013.

The Task Grading System was implemented in May 2014 by Council Resolution of March 2014 and some employees were paid back-dated pay from 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 May 2014 is listed below:

PAYMENTS		
Total value of all payments		R 8,174,369
Electronic transfers		151
Cheques issued		11
STORES		
Value of Stores issued		22 966.66
SALARIES		
Number of salary beneficiaries		142
Councillors		16
Total Councillors	27	
* Councillors Position - Vacant	0	
* Councillors with Remuneration	16	
* Councillors without Remuneration	11	
Employees		126
* Remunerated Employee's	122	
* Remunerated Terminated Employees		
<i>Manake HK</i>		
<i>Manake BT</i>	2	
Pensioners	2	
Total remuneration paid		3,065,830
Councillors		417,054
Employees		2,645,935
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 May 2014.

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 May 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 May 2014, one contract (R200 000 +) was awarded by the Bid Adjudication Committee.

1. Internal audit services: Enslins Kimberley – R198 774.00

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

1. Installation of air-conditions: S & F Services – R118 440.00

The value of orders issued for the period ended 31 May 2014 total R1 578 650.85 (*See Annexure "C"*)

Orders per department

Council and Executive	R41 223.49
Municipal Manager	R27 069.78
Finance	R3 298.80
Administration	R657 878.56
Planning and Development	R104 329.05
Technical Service	R713 534.90
Stores	R31 316.27

- Disposal Management

No disposal of redundant goods was awarded.

- Deviations

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

- Issues from Stores

Total orders issued amount to R22 966.66 for all departments.

Council and Executive	R0.00
Municipal Manager	R864.60
Finance	R1 342.66
Administration	R17 927.38
Planning and Development	R2 636.40
Technical Services	R195.62

Orders outstanding more than 60 days and over

COMPANY	60 DAYS	90 DAYS	COMMENT
Altech Netstar		R9 781.20	Invoice not received yet
African compass	R85 100.00		Invoice not received yet
Business connection		R114 228.00	Invoice not received yet
Bondvantage	R268 781.22		Invoice not received yet
Ecopartners	R33 424.80		Project not complete yet

Heerengracht guest house		R745.00	Invoice not received yet
Hamba nathi	R16 797.00		Invoice not received yet
Humelani Water Servicer		R240 210.36	Project not completed
J & B communications	R5 200.68		Invoice not received yet
Lasec		R748.06	To be cancelled
Leruo's guesthouse	R4 200.00		Invoice not received yet
MC Gross Logistics		R23 130.00	Invoice not received yet
Metgovis	R750 765.44		Project not complete yet
National health lab		R2 983.32	Invoice not received yet
Northern Cape Chamber		R25 092.52	Invoice not received yet
OG Media		R28 500.00	Service not render yet
Pick n Pay	R962.10	R1 677.64	Invoice not received yet
Pro print	R1 260.00		Invoice not received yet
Rennies	R70 276.44	R61 077.27	Invoice not received yet
Sure Astra	R27 230.14	R27 480.20	Invoice not received yet
Sedibeng water	R10 439.55	R23 867.84	Invoice not received yet
University of Free state		R8 387.02	Invoice not receive yet

• 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 at the fourth quarter of the 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
R thousands		Yrs/Months							
Municipality									
STANDARD BANK		363	Fixed	22-Jun-14	19	5.8%	3,800		3,800
STANDARD BANK		119	Notice	4-Jul-14	20	6.0%	4,000		4,000
NEDCOR		31	CALL	31-May-14	13	5.1%	3,000		3,000
NEDCOR		119	Notice	4-Jul-14	15	6.0%	3,000		3,000
NEDCOR		120	Notice	9-Jul-14	76	6.0%	15,000		15,000
ABSA		120	Notice	9-Jul-14	25	6.0%	5,000		5,000
ABSA		31	CALL	31-May-14	8	5.0%	2,000		2,000
ABSA		31	CALL	31-May-14	5	5.0%	1,060		1,060
ABSA		90	Notice	24-Jun-14	21	5.6%	4,500		4,500
NEDCOR		90	Notice	24-Jun-14	22	5.8%	4,500		4,500
STANDARD BANK		90	Notice	24-Jun-14	22	5.7%	4,500		4,500
RMB		90	Notice	24-Jun-14	22	5.7%	4,500		4,500
STANDARD BANK		120	Notice	30-Jul-14	77	6.1%	15,000		15,000
ABSA		90	Notice	30-Jun-14	20	5.8%	4,000		4,000
NEDCOR		61	Notice	3-Jun-14	25	5.8%	5,000		5,000
ABSA		61	Notice	3-Jun-14	35	5.8%	7,000		7,000
RMB		90	Notice	2-Jul-14	29	5.7%	6,000		6,000
STANDARD BANK		61	Notice	3-Jun-14	29	5.7%	6,000		6,000
ABSA		31	CALL	31-May-14	6	5.1%	1,500		1,500
TOTAL INVESTMENTS AND INTEREST					490		99,360	-	99,360
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				490		99,360	-	99,360

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	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									%	
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		90,692	93,130	93,430	1,112	92,211	93,347	(1,136)	-1.2%	100,594
Local Government Equitable Share		10,391	10,329	10,329	1,112	10,329	9,468	861	9.1%	11,268
Special Contribution: Councillor Remuneration		3,318	3,716	3,716	-	3,716	3,716	-	-	4,054
Levy replacement	3	73,733	75,945	75,945	-	75,945	76,806	(861)	-1.1%	82,849
Finance Management Grant		1,250	1,250	1,250	-	909	1,250	(341)	-27.3%	991
Municipal Systems Improvement		1,000	890	1,190	-	300	1,190	(890)	-74.8%	327
Extended Public Works Programme		1,000	1,000	1,000	-	1,013	917	96	10.5%	1,105
Water Affairs		-	-	-	-	-	-	-	-	-
Provincial Government:		2,558	600	360	601	1,608	550	1,058	192.4%	1,754
Housing	4	270	-	-	1	1,000	-	1,000	-	1,091
Near Grant		1,176	300	-	300	300	275	25	9.1%	327
Fire Fighting Equipment Grant		1,112	300	300	300	300	275	25	9.1%	327
NC Tourism		-	-	-	-	-	-	-	-	-
Environmental Health Recycling Grant		-	-	60	-	8	-	8	#DIV/0!	9
District Aids Programme		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		175	85	85	11	77	102	(25)	-24.7%	84
SETA Skills Grant		175	85	85	11	77	102	(25)	-24.7%	84
Koopmansfontein Self Build Scheme		-	-	-	-	-	-	-	-	-
ABSA		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	93,425	93,815	93,875	1,724	93,896	93,999	(103)	-0.1%	102,432
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	93,875	1,724	93,896	93,999	(103)	-0.1%	102,432

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	1,200	92,211	85,369	6,842	8.0%	100,594
Local Government Equitable Share		10,391	10,329	10,329	1,112	10,329	9,468	861	9.1%	11,268
Special Contribution: Councillor Remuneration		3,318	3,716	3,716	-	3,716	3,406	310	9.1%	4,054
Levy replacement		73,733	75,945	75,945	-	75,945	69,616	6,329	9.1%	82,849
Finance Management Grant		1,250	1,250	1,250	89	909	1,146	(237)	-20.7%	991
Municipal Systems Improvement		733	890	1,190	-	300	816	(516)	-63.3%	327
Extended Public Works Programme		1,107	1,000	1,000	-	1,013	917	96	10.5%	1,105
Water Affairs		-	-	-	-	-	-	-	-	-
Provincial Government:		3,277	600	360	-	1,608	550	1,058	192.4%	1,754
Housing		983	-	-	-	1,000	-	1,000	#DIV/0!	1,091
Near Grant		1,176	300	-	-	300	275	25		327
Fire Fighting Equipment Grant		1,112	300	300	-	300	275	25		327
NC Tourism		-	-	-	-	-	-	-		-
Environmental Health Recycling Grant		6	-	60	-	8	-	8	#DIV/0!	9
District Aids Programme		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[Insert description]		-	-	-	-	-	-	-		-
Other grant providers:		769	85	85	11	77	78	(1)		84
Koopmansfontein Self Build Scheme		595	-	-	-	-	-	-		-
ABSA		-	-	-	-	-	-	-		-
SETA Skills Grant		175	85	85	11	77	78	(1)		84
Total operating expenditure of Transfers and Grants:		94,579	93,815	93,875	1,211	93,896	85,997	7,899	9.2%	102,432
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	93,875	1,211	93,896	85,997	7,899	9.2%	102,432

External funding account balances reflect transfers to revenue adequate to cover the relevant operating or capital expenditure for which the funds have been received. Grant funding is reflected as unspent grants where relevant, with revenue transferred to the income statement as expenditure is incurred.

Table SC8 Monthly Budget Statement - councilor and staff benefits

Summary of Employee and Councillor remuneration	Ref	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	A	B	C					%	D
Councillors (Political Office Bearers plus Other)										
Salary		3,670	3,833	3,833	294	3,376	3,514	(137)	-4%	3,683
Pension Contributions		165	174	174	14	159	159	(1)	0%	173
Medical Aid Contributions		17	19	19	1	16	18	(2)	-10%	17
Motor vehicle allowance		994	1,315	1,315	103	1,086	1,205	(119)	-10%	1,185
Cell phone and other allowances		314	307	307	24	271	281	(10)	-4%	296
Workmen's Compensation		-	21	21	-	60	19	41	212%	66
Unemployment Insurance		-	11	11	-	-	10	(10)	-100%	-
Sub Total - Councillors		5,160	5,679	5,679	437	4,968	5,206	(237)	-5%	5,420
% increase	4		10.1%	10.1%						5.0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2,295	4,407	4,407	332	3,687	4,040	(353)	-9%	4,022
Pension and UIF Contributions		225	630	630	41	496	578	(81)	-14%	541
Medical Aid Contributions		68	146	146	8	102	134	(32)	-24%	112
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	584	584	-	-	535	(535)	-100%	-
Motor Vehicle Allowance		195	530	530	34	412	486	(74)	-15%	449
Cellphone Allowance		48	96	96	7	76	88	(13)	-14%	82
Housing Allowances		18	36	36	-	10	33	(23)	-70%	11
Other benefits and allowances		24	139	139	3	42	127	(86)	-67%	46
Payments in lieu of leave		-	98	98	-	-	90	(90)	-100%	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,872	6,666	6,666	426	4,825	6,111	(1,286)	-21%	5,263
% increase	4		132.1%	132.1%						83.3%
Other Municipal Staff										
Basic Salaries and Wages		24,934	29,252	29,252	1,985	21,828	26,814	(4,986)	-19%	23,813
Pension and UIF Contributions		4,002	4,672	4,672	331	3,567	4,283	(715)	-17%	3,892
Medical Aid Contributions		1,202	1,300	1,300	120	1,170	1,192	(22)	-2%	1,276
Overtime		54	-	-	9	66	-	66	#DIV/0!	72
Performance Bonus		366	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2,108	2,090	2,090	180	1,860	1,916	(56)	-3%	2,029
Cellphone Allowance		144	134	134	8	92	123	(31)	-25%	101
Housing Allowances		395	442	442	16	180	405	(225)	-56%	196
Other benefits and allowances		977	1,256	1,256	53	988	1,151	(163)	-14%	1,078
Payments in lieu of leave		1,121	659	659	-	-	604	(604)	-100%	-
Long service awards		209	206	206	-	11	188	(178)	-94%	12
Post-retirement benefit obligations	2	1,038	821	821	67	707	752	(45)	-6%	772
Sub Total - Other Municipal Staff		36,551	40,832	40,832	2,770	30,470	37,429	(6,959)	-19%	33,240
% increase	4		11.7%	11.7%						-9.1%
Total Parent Municipality		44,583	53,177	53,177	3,633	40,263	48,746	(8,482)	-17%	43,924

PERSONNEL ATTENDANCES:

Personnel attendance in the workplace for May 2014 averages 66%. 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	3	5	32
Sick Leave		1	0	3	6
Courses / Seminar		0	0	6	0
Meetings		0	0	0	0
Family Responsibility		0	0	0	0
Study		0	0	0	5
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		19	57	126	137
Total Workdays		20	60	140	180
Percentage attendance per Group		95%	95%	90%	76%
Average		85%			

Personnel Development:

Two finance officials attended the CPMD training programme during the month of May 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 two were filled in March 2014. 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 two Finance Interns have been registered and have started the Municipal Finance Management Programme with Deloitte and the other two will be registered in the new financial year. 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	Budget Year	Budget Year
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	359	385	415	-	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	23,080	-	11	-	93,815	100,419	106,938
Other revenue		87	361	278	528	293	450	1,950	510	926	703	629	-	72	72	74
Cash Receipts by Source		39,437	1,341	2,493	1,156	30,651	921	2,506	2,249	24,365	1,088	1,054	-	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	24,365	1,088	1,054	-	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	3,120	4,193	3,376	-	44,698	45,692	48,860
Remuneration of councillors		437	429	418	425	419	435	418	416	603	531	437	-	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	267	163	227	-	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	3,801	5,251	3,091	-			
General expenses		1,121	741	1,274	1,075	1,781	1,500	747	1,018	821	(1,030)	964	-	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	8,612	9,108	8,095	-	110,433	97,164	102,459
Other Cash Flows/Payments by Type																
Capital assets		256	373	346	174	61	73	138	612	530	15	158	-	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	9,142	9,123	8,254	-	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)	15,223	(8,034)	(7,199)	-	(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	98,387	113,610	105,575	-	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	113,610	105,575	98,376	-	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	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
<u>Monthly expenditure performance trend</u>									
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	103	1,589	3,159	1,571	49.7%	37%
April	135	300	202	16	1,604	3,361	1,757	52.3%	37%
May	527	215	215	138	1,742	3,576	1,834	51.3%	41%
June	374	86	86				-		
Total Capital expenditure	5,953	4,290	3,662	1,742					

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	3	709	2,015	1,307	64.8%	773
General vehicles		3,063	595	591		484	542	58	10.7%	528
Specialised vehicles										
Plant & equipment		402								
Computers - hardware/equipment		121	432	307		96	281	185	65.9%	105
Furniture and other office equipment		52	81	83	3	38	76	38	50.3%	41
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		584	1,182	1,218		91	1,116	1,025	91.8%	99
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class										
Biological assets		-	-	-	-	-	-	-		-
List sub-class										
Intangibles		319	60	60			55	55	100.0%	
Computers - software & programming		319	60	60			55	55	100.0%	
Other										
Total Capital Expenditure on new assets	1	4,541	2,350	2,259	3	709	2,070	1,362	65.8%	773

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	135	1,033	1,286	253	19.6%	1,127
General vehicles		714	800	650	-	598	596	(2)	-0.4%	653
Specialised vehicles			-	-	-	-	-	-		
Plant & equipment		4	-	-	-	-	-	-		
Computers - hardware/equipment		439	859	472	58	235	433	198	45.8%	256
Furniture and other office equipment		-	81	81	-	58	74	16	21.9%	63
Abattoirs		-	-	-	-	-	-	-		
Markets		-	-	-	-	-	-	-		
Civic Land and Buildings		-	-	-	-	-	-	-		
Other Buildings		248	200	200	77	143	183	41	22.2%	156
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	135	1,033	1,286	253	19.6%	1,127

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	108	1,244	2,077	833	40.1%	1,357
General vehicles		348	477	502	16	240	358	118	33.0%	261
Specialised vehicles			-	-	-	-	-	-		
Plant & equipment		221	53	53	-	5	40	35	88.1%	5
Computers - hardware/equipment		513	883	885	41	549	663	114	17.2%	599
Furniture and other office equipment		27	132	132	8	54	99	44	45.0%	59
Abattoirs		-	-	-	-	-	-	-		
Markets		-	-	-	-	-	-	-		
Civic Land and Buildings		286	584	593	41	360	438	78	17.9%	392
Other Buildings			-	-			-	-		
Other Land			-	-			-	-		
Surplus Assets - (Investment or Inventory)			-	-			-	-		
Other - Emergency Equipment			640	118	1	37	480	443	92.3%	40
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class								-		
								-		
Biological assets		-	-	-	-	-	-	-		-
List sub-class								-		
								-		
Intangibles		1,174	1,814	2,209	90	1,311	1,361	50	3.7%	1,430
Computers - software & programming		1,174	1,814	2,209	90	1,311	1,361	50	3.7%	1,430
Other								-		
Total Repairs and Maintenance Expenditure		2,569	4,583	4,492	197	2,555	3,438	883	25.7%	2,787

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										
Infrastructure		-	-	-	-	-	-	-		-
Community		125	200	200	221	3,900	183	(3,716)	-2027.0%	4,254
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	221	3,900	183	(3,716)	-2027.0%	4,254
Heritage assets		-	-	-	-	-	-	-		-
Buildings								-		
Other								-		
Investment properties		-	-	-	-	-	-	-		-
Housing development								-		
Other								-		
Other assets		3,162	4,600	4,600	160	160	4,217	4,057	96.2%	174
General vehicles		624	600	600	-	-	550	550	100.0%	-
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment		302	330	330	160	160	303	143	47.3%	174
Computers - hardware/equipment		760	850	850	-	-	779	779	100.0%	-
Furniture and other office equipment		767	970	970	-	-	889	889	100.0%	-
Abattoirs								-		
Markets								-		
Civic Land and Buildings		-						-		
Other Buildings		588	1,500	1,500	-	-	1,375	1,375	100.0%	-
Other Land		-			-	-	-	-		-
Surplus Assets - (Investment or Inventory)					-	-	-	-		-
Other		121	350	350	-	-	321	321		-
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class								-		-
								-		-
Biological assets		-	-	-	-	-	-	-		-
List sub-class								-		-
								-		-
Intangibles		141	250	250	-	-	229	229	100.0%	-
Computers - software & programming		141	250	250	-	-	229	229	100.0%	-
Other								-		-
Total Repairs and Maintenance Expenditure		3,429	5,050	5,050	381	4,059	4,629	570	12.3%	4,428

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 will place during the second and third week of May 2014.

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	-	500,000	(500,000)	-100.00%
Insurance	79,091	69,167	9,925	14.35%
MV Administration Levy	16,193	16,667	(474)	-2.84%
Fuel	373,298	480,492	(107,193)	-22.31%
Licence	9,901	10,083	(182)	-1.81%
Repairs and Maintenance	51,185	76,833	(25,649)	-33.38%
Tyres	27,150	65,833	(38,684)	-58.76%
TOTAL	556,818	1,219,075	(662,257)	-54.32%

Motor Vehicles - Utilization Statistics:

Council operates a pool of 25 vehicles as part of its routine activities.

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

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Previous Km Reading	Current Km Reading	May Utility
1	Citi Golf	Pool	2005	BSM 014 NC	105,000	4/30/2015	98,300	98,932	632
2	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	105,000	9/30/2014	101,288	102,889	1,601
3	Chevrolet Opel Corsa	Disaster Management	2010	CBY 227 NC	60,000	9/30/2014	49,633	50,778	1,145
4	Chevrolet Captiva	Pool	2011	CDM 296 NC	60,000	9/30/2014	51,691	53,965	2,274
5	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	135,000	4/30/2015	119,876	120,773	897
6	Toyota Corolla	Pool	2009	BZP 439 NC	135,000	9/30/2014	117,235	119,713	2,478
7	Toyota Corolla	Pool	2009	BZP 440 NC	120,000	9/30/2014	106,995	109,789	2,794
8	Chevrolet Trailblazer	Pool	2013	CGR 575 NC	15,000	12/31/2014	12,516	12,740	224
9	Isuzu KB 250	Housing	2013	CGR 572 NC	30,000	12/31/2014	20,344	23,784	3,440
10	Isuzu KB 250	Housing	2013	CGR 576 NC	30,000	12/31/2014	24,111	25,500	1,389
11	Hyundai H1	Tourism Centre	2013	CGY 587 NC	15,000	2/28/2015	12,103	14,435	2,332
12	Isuzu 2.4	Housing	2009	CBD 761 NC	120,000	2/28/2015	105,506	107,084	1,578
13	Nissan LDV	Community Development	2006	BVC 831 NC	150,000	7/31/2014	136,102	136,249	147
14	Ford Bantam	Finance	2004	BRD 836 NC	90,000	1/31/2015	86,603	86,720	117
15	Toyota Hilux	PMU	2004	BRF 837 NC	150,000	2/28/2015	139,045	140,369	1,324
16	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	45,000	9/30/2014	31,459	31,685	226
17	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	30,000	9/30/2014	26,880	27,956	1,076
18	Isuzu D/Cab	Pool	2013	CGR 974 NC	30000	12/31/2014	22,975	25,027	2,052
19	Audi Q7	Council	2013	FBDM 1 NC	75000	12/31/2014	66,867	69,153	2,286
20	Isuzu Fire Engine	Disaster Management	2013	CHM 958 NC	15000	6/30/2014	2,001	2,001	-
21	Toyota Etios	Pool	2014	CJG 979 NC	15000	12/31/2014	4,386	5,898	1,512
22	Nissan NP 200	Environmental Health	2014	CJJ 262 NC	15000	12/31/2014	3,811	5,289	1,478
23	Nissan Hardbody	Environmental Health	2014	CJJ 263 NC	15000	42004	1,196	1,801	605
24	Nissan NP 200	Environmental Health	2014	CJJ 258 NC	1500	42004	2,281	3,214	933
25	toyota Land Cruiser	Disaster Management	2014	CJL 363 NC	10000	42004	1,558	2,468	910
UTILITY FOR May 2014 - FULL FLEET									33,450

Motor Vehicle Damage Report:

No accidents took place during the month of May 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.

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 May 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 09 June 2014

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ZM Bogatsu
Municipal Manager: Frances Baard District Municipality

Signature



Date

09 June 2014