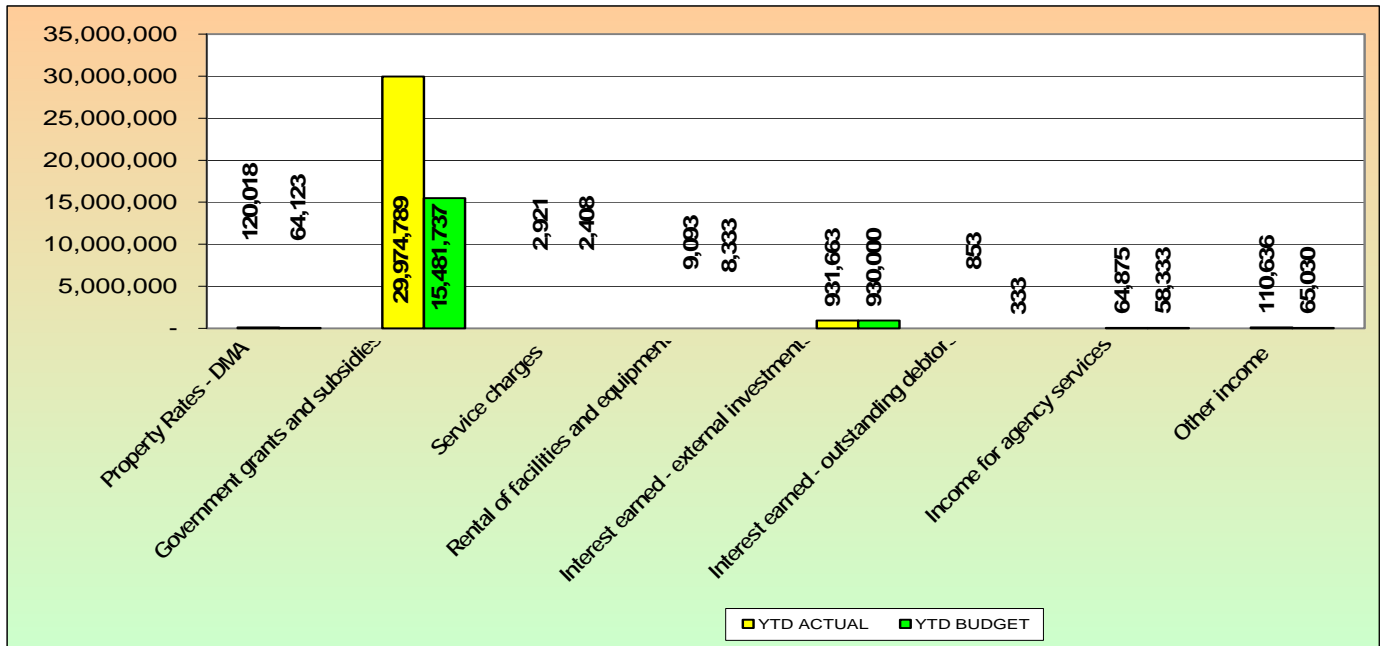


1. FINANCIAL POSITION

FRANCES BAARD DISTRICT MUNICIPALITY			
STATEMENT OF FINANCIAL POSITION	31 August 2010	Jun-10	
	R	R	
<u>NET ASSETS AND LIABILITIES</u>			
Net Assets	86,099,158	65,661,937	
Capital Replacement Reserve	3,652,491	3,652,491	
Revaluation Reserve	6,013,465	6,013,465	
Accumulated Surplus / (Deficit)	76,433,202	55,995,981	
Non-current Liabilities	33,074,523	33,074,523	
Borrowings	14,136,733	14,136,733	
Non-Current Provisions	18,937,790	18,937,790	
Current Liabilities	23,282,544	18,565,463	
Provisions	4,828,161	4,828,161	
Trade Payables	4,701,368	6,063,088	
Unspent Conditional Grants and Receipts	12,623,151	6,544,350	
Operating Lease Liability	-	-	
Current Portion of Long-term Liabilities	1,129,864	1,129,864	
Cash and Cash Equivalents	-	-	
TOTAL: NET ASSETS AND LIABILITIES	142,456,224	117,301,922.40	
<u>ASSETS</u>			
Non-current Assets	45,691,278	45,516,401	
Property, Plant and Equipment	45,679,742	45,504,865	
Non-Current Assets Held for Sale	-	-	
Investment Property	-	-	
Intangible Assets	-	-	
Investments	11,536	11,536	
Long-term Receivables	-	-	
Current Assets	96,764,946	71,785,521	
Taxes	2,087,020	2,226,349	
Trade Receivables from Exchange Transactions	1,317	491	
Trade Receivables from Non-Exchange Transactions	3,605,694	3,405,873	
Operating Lease Asset	11,954	11,954	
Inventory	285,009	273,545	
Current Portion of Long-term Receivables	-	-	
Cash and Cash Equivalents	90,773,953	65,867,308	
TOTAL: ASSETS	142,456,224	117,301,922.40	

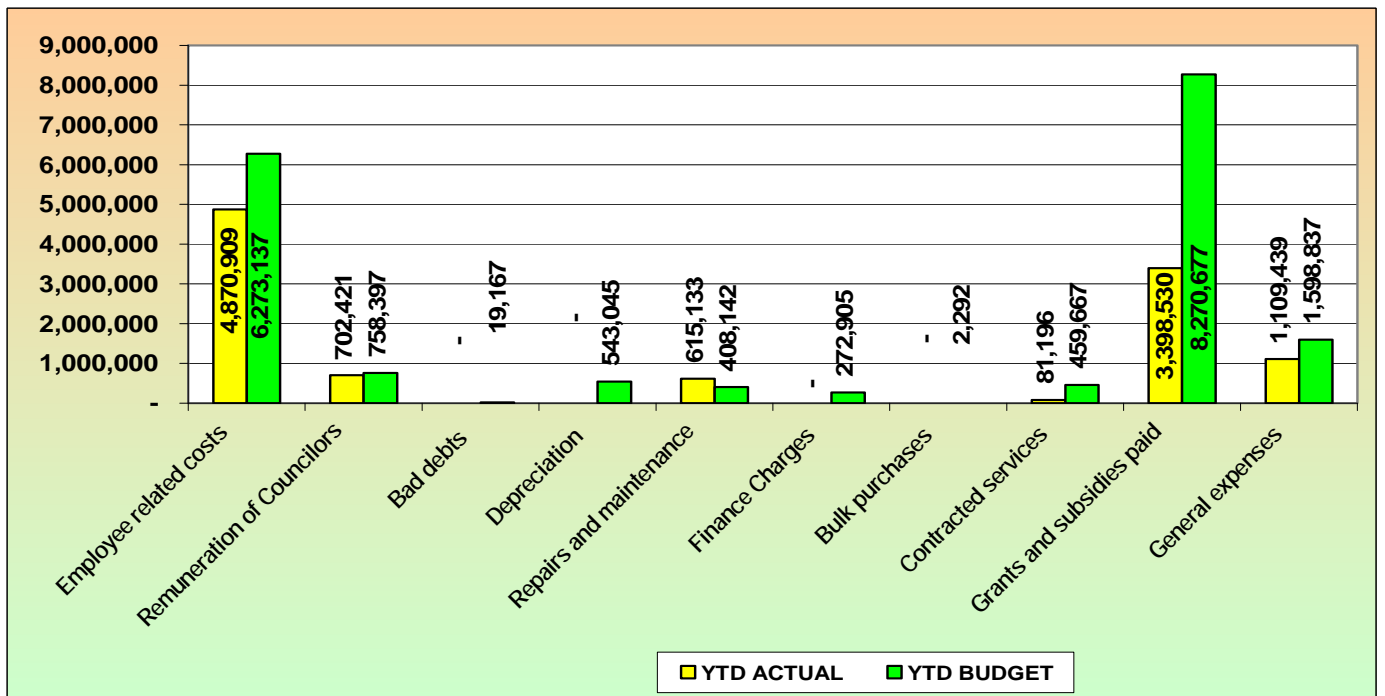
2. **FINANCIAL PERFORMANCE**

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 first four months 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:

SALARIES & ALLOWANCES

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	5,573,330	7,031,533	-1,458,204	-7%
Councillors Remuneration	702,421	758,397	-55,976	-7%
Post-Service Benefits	212,615	232,498	-19,883	-9%
Personnel Remuneration	4,658,294	6,040,638	-1,382,344	-23%
<i>Employee Related Costs</i>	<i>3,911,193</i>	<i>5,001,542</i>	<i>-1,090,349</i>	<i>-22%</i>
<i>Social Contributions</i>	<i>703,076</i>	<i>904,970</i>	<i>-201,894</i>	<i>-22%</i>
<i>Compulsory Levies</i>	<i>44,025</i>	<i>134,127</i>	<i>-90,101</i>	<i>-67%</i>

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 included in the capital budget are depreciated for the full year, while actual purchases have not occurred accordingly. Deviation on depreciation is due to the new I-Chain Asset System. The implementation and integration to E-Venus has taken place. FBDM will however use the E-Venus system to calculate depreciation and will use I-Chain for Asset stock take during this financial year-end.

Repairs and Maintenance: Apart from standard service contracts, no significant planned or expected maintenance costs have been incurred during this financial year.

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

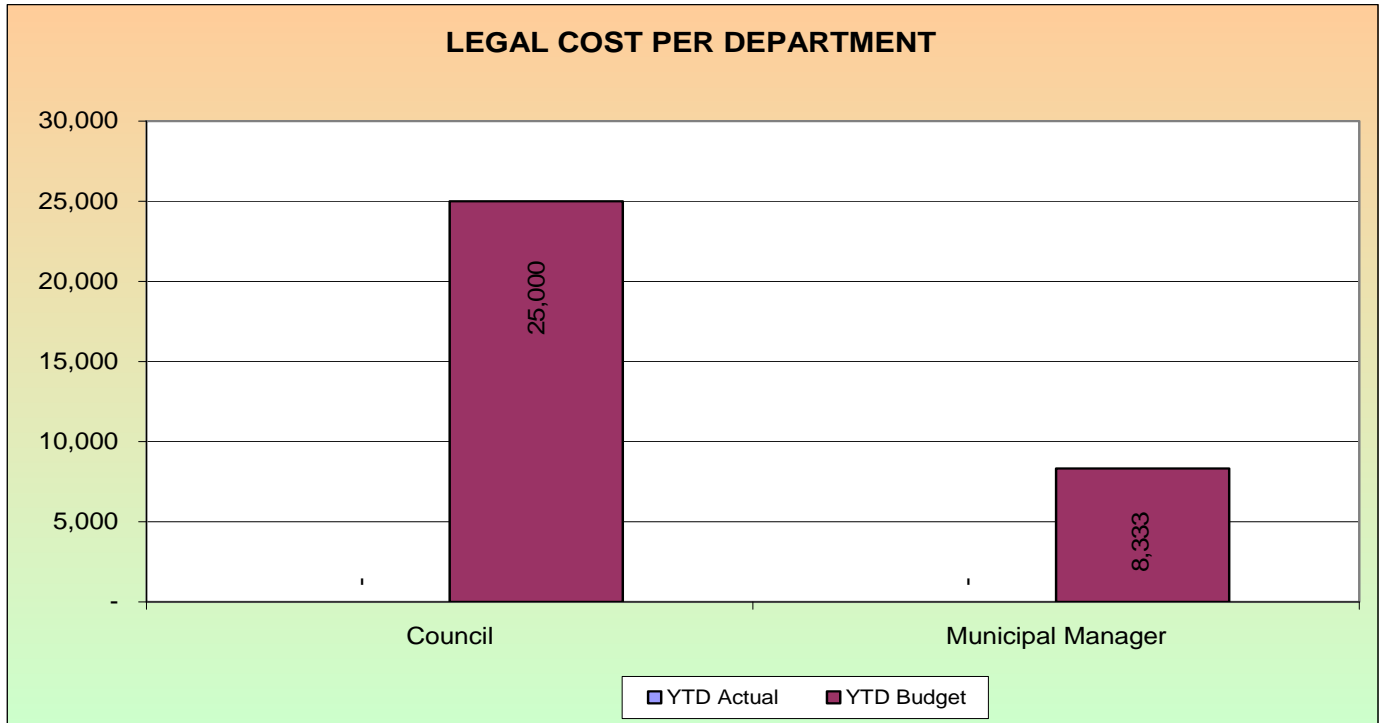
Projects that were not completed during the previous year-end have been rolled over to the new financial year for completion from the accumulated surplus / deficit or applicable unspent grant funding accounts.

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

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
Grants & Subsidies	3,398,530	8,270,677	-4,872,147	-59%
<i>Internal / Administration</i>	<i>785,701</i>	<i>1,353,370</i>	<i>-567,669</i>	<i>-42%</i>
<i>External Beneficiaries</i>	<i>2,612,829</i>	<i>6,917,307</i>	<i>-4,304,478</i>	<i>-62%</i>
<i>State Funded Grants</i>	<i>2,295,736</i>	<i>5,538,640</i>	<i>-3,242,904</i>	<i>-59%</i>
<i>Reserve Funded Grants</i>	<i>317,093</i>	<i>1,347,000</i>	<i>-1,029,907</i>	<i>-76%</i>
<i>Revenue Funded Grants</i>	<i>-</i>	<i>31,667</i>	<i>-31,667</i>	<i>-100%</i>

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 2010/11 financial year is R 200 000.

Projected Operating Results:

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

Continued on next page

Revenue & Expenditure per classification	YTD Actual 31 August 2010	Estimated Projection:	Approved Budget 2010/11	Projected Variance	Projected Variance
<i>REVENUE BY SOURCE:</i>					
Service charges	2,921	14,450	14,450	-	0.00%
Assessment Rates	120,018	384,740	384,740	-	0.00%
Interest Earned - External Investments	931,663	5,500,000	5,580,000	(80,000)	-1.43%
Interest Earned - Outstanding Debtors	853	9,383	2,000	7,383	369.15%
Other	110,636	500,000	559,000	(59,000)	-10.55%
Rental of Facilities & Equipment	9,093	54,561	589,320	(534,759)	-90.74%
Income for Agency Services	64,875	350,000	350,000	-	0.00%
Government Grants & Subsidies	29,974,789	103,097,420	99,505,000	3,592,420	3.61%
Transfers From Reserves	-	-	8,513,220	(8,513,220)	
Gain on disposal of property plant and equipment	-	90,000	90,000	-	0.00%
Total Revenue:	31,214,848	110,000,554	115,587,730	(5,587,176)	-17.90%
<i>EXPENDITURE PER VOTE:</i>					
<i>Executive and Council</i>					
Council	1,451,077	8,199,271	8,176,740	22,531	0.28%
Office of the Municipal Manager	1,056,270	8,072,829	8,889,020	(816,191)	-9.18%
<i>Finance & Administration</i>					
Budget & Treasury Office	1,049,117	14,296,063	14,376,200	(80,137)	-0.56%
Corporate Services	1,900,057	12,825,966	14,161,110	(1,335,144)	-9.43%
<i>Planning & Development</i>					
Planning & Development	1,251,762	10,285,300	14,429,190	(4,143,890)	-28.72%
Technical Services	3,157,898	33,786,373	40,876,580	(7,090,207)	-17.35%
Health	217,319	2,453,914	2,501,870	(47,956)	-1.92%
Community & Social Services	90,075	722,480	1,025,820	(303,340)	-29.57%
Public Safety	248,871	3,119,629	3,695,800	(576,171)	-15.59%
Water Services: Koopmansfontein	2,795	43,507	51,610	(8,103)	-15.70%
Electricity Services: Koopmansfontein	476	7,600	13,800	(6,200)	-44.93%
Sanitation Services: Koopmansfontein	-	24,500	26,220	(1,720)	-6.56%
Refuse Removal Services: Koopmansfontein	-	5,220	13,000	(7,780)	-59.85%
Housing	351,910	3,037,259	3,314,620	(277,361)	-8.37%
Total Expenditure:	10,777,627	96,879,911	111,551,580	(14,671,669)	-13.15%
Transfer to Capital Replacement Reserve	-	2,987,600	2,987,600	-	
Prior year Revenue & Expenditure	-	-	-	-	
NET OPERATING RESULT:- SURPLUS / (DEFICIT)	20,437,221	10,133,043	1,048,550	9,084,493	

EXPENDITURE PER VOTE:

Anticipated expenditure projected per approved business plans and budget for the financial year under review:

- ***Executive and Council:***

The annual increase for Councilors' is still awaited in terms of the remuneration of Public Office Bearers Act, 1998 in respect of the 2010/2011 financial year which has been budgeted for the full year.

- ***Finance & Administration:***

A number of new and approved vacant positions in the Department of Finance and Administration have been budgeted for the full year, but are not filled yet.

The expenditure projections for Finance & Administration are likely to change and be based on more realistic projections as the financial year progresses.

- **Planning & Development:**

A number of new and approved vacant positions in the section of Tourism & LED have been budgeted for the full year, appointments will take place in September.

Projects allocated to Category B municipalities in the new financial year have yet to commence. Expenditure is mainly for ongoing projects from the previous year and other State or Provincial initiatives.

- **Community & Social Services:**

The expenditure projections for Community & Social Services are likely to change and be based on more realistic projections as the financial year progresses.

- **Public Safety:**

The expenditure projections for Public Safety are likely to change and be based on more realistic projections as the financial year progresses.

- **Housing:**

The expenditure projections for Housing are likely to change and be based on more realistic projections as the financial year progresses.

- **Water and Electricity Services – Koopmansfontein:**

The expenditure projections for Water and Electricity Services are likely to change and be based on more realistic projections as the financial year progresses.

- **Sanitation and Refuse Removal – Koopmansfontein**

The expenditure projections for Sanitation and Refuse Removal are likely to change and be based on more realistic projections as the financial year progresses.

Projected Capital Expenditure Results:

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

Capital Expenditure per vote	YTD Actual	Estimated Projection: 2010/11	Approved Budget 2010/11	Projected Variance R	Projected Variance %
<u>CAPITAL EXPENDITURE PER VOTE:</u>					
Executive and Council	7,747	113,547	117,600	-4,053	-3.45%
Finance & Administration	-	1,392,500	1,392,500	-	0.00%
Planning & Development	153,461	949,500	949,500	-	0.00%
Housing	6,279	6,279	12,000	-5,722	0.00%
Health	-	-	-	-	0.00%
Community & Social Services	-	-	-	-	0.00%
Public Safety	7,391	503,391	516,000	-12,610	-2.44%
Water Services: Koopmansfontein	-	-	-	-	0.00%
Total Capital Expenditure:	174,877	2,965,216	2,987,600	-22,384	-0.75%

The following capital items have been procured for the year to date:

Asset Acquisitions		174,877
Computer	Council & Executive	6,168.00
Security Door	Council & Executive	789.46
Step Ladder	Council & Executive	789.46
Printer	Planning & Development	7,390.50
Upgrade Building - Alterations	Infrastructure Services	92,241.61
Air Conditioners Replacement	Infrastructure Services	21,192.00
Building - Parking Area Upgrade	Project Management Advisory Service	40,027.42
Computer	Housing	4,116.50
Digital Camera	Housing	2,162.00

Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from September 2010.

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	-	31,824,108	27,971,931	3,852,177
Financial Management Grant	-	1,000,000	139,396	860,604
Municipal Systems Improvement Grant	511,947	-	-	511,947
Municipal Infrastructure Grant	99,596	1,800,000	1,689,474	210,122
DWAF - Sanitation (Mvula Trust)	3,275,455	-	-	3,275,455
NCPA - Housing Accreditation Grant	-	1,409,607	172,074	1,237,533
District Aids Council	19,596	-	1,914	17,682
NEAR Control Centre	-	-	-	-
Firefighting Equipment	239,206	-	-	239,206
Eradication of Bucket System	-	-	-	-
SETA Skills Grant	-	19,875	-	19,875
Vuna Awards	1,500,000	-	-	1,500,000
EPW: Lerato Park	316,959	-	-	316,959
Environmental Health Recycling Project	581,591	-	-	581,591
Total	6,544,350	36,053,590	29,974,789	12,623,151

3. CASH AND INVESTMENT

CASH FLOW REPORT	30-Jun-10	Aug-10
OPERATING FLOWS	(87,860,971)	(9,972,535)
- Salaries, wages and allowances	(33,364,052)	(6,310,163)
- Cash and creditor payments	(71,947,006)	(8,262,835)
- Statutory Payments (incl VAT)	(2,608,019)	-
- Other payments	(649,234)	(1,000,544)
- Revenue receipts	-	-
- Statutory Receipts (incl VAT)	8,656,230	3,712,884
- Capital payments	6,215,892	725,785
- Other revenues	5,835,217	1,162,338
INVESTMENT FLOWS	1,800,000	(25,000,000)
- Investments made-OUT	(62,300,000)	(30,000,000)
- Investments redeemed	64,100,000	5,000,000
FINANCING FLOW	86,283,932	38,379,180
- External loans repaid	-	-
- External loans received	-	-
- Utilisation of Overdraft Facility	-	-
- Grants and subsidies	86,283,932	38,379,180
Nett Cash Generated from operating activities	222,961	3,406,644
Increase / (Decrease) in investment activities	(4,800,000)	21,500,000
Nett increase / (Decrease) in cash and cash investments	-4,577,039	24,906,644
 CASH AND CASH EQUIVALENTS		
Balance at the end of the Year	65,867,308	90,773,953
Balance at the beginning of the Year	70,444,347	65,867,308
Net increase / (Decrease) in cash and cash equivalents	-4,577,039	24,906,644

Cash Flow Statement

Cash flow for the period ended 31 August 2010 reflects a positive amount of R24.9m as the Equitable Share Grant was received in advance for the quarter ending on 30 September 2010.

Cash Balances:

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

BANK RECONCILIATION

August-10

Bank Statement	+	4,971,197
Outstanding Payments		
Plus Unreconciled Deposits	-	
Minus Outstanding Deposits		
Minus Unreconciled Payments	-	1,000,544
Project payments		
Salary Payments		
Creditors Payment		
Investments		
Cash Book Balance	+	3,970,653
Adjustment to Bank	-	
Adjusted Cash Book Balance	+	3,970,653

* None > 3 Months

SURPLUS CASH INVESTED

Absa	36,500,000
Standard Bank	-
First Rand	23,000,000
Nedcor	24,500,000
Absa [Collateral security - Due 30 June 2011]	500,000
Standard Bank [Leave reserve Due 30 June 2011]	2,300,000
Total Cash Investments	86,800,000

Petty Cash float 3,300

Total Cash on Hand 90,773,953

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 five 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,
- Consumer debtors at Koopmansfontein for the rendering of water, sanitation and refuse services.
- Assessment Rates Debtors.

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***

The roads agency account is behind with their subsidy payment in terms of the prescripts of the service level agreement which will be followed up after the submission of monthly report to them on or before 15th of each month.

- ***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.

- ***Sundry Debtors***

No difficulties are experienced due to the fact that strict credit control procedures are applied in terms of Council's Credit Control Policy. The only outstanding debts reflected for more than 90 days as at 31 August 2010 is Business Connexion R3 147.41 and H P O Duvenhage R1 783-58 (requested road to be scraped).

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

- ***Water Service Debtors – Koopmansfontein***

The supply of water services at Koopmansfontein started in December 2004 and the first account to consumers was submitted in February 2005. About 90% of the people have been registered as indigent and therefore receive the 6kl free basic water services as per Council's indigent policy.

Most of the residents' water consumption is well managed within the 6kl free basic water allocation. The outstanding debtors for more than 90 days will be dealt with in terms of the approved Debt Collection Policy of Council whereby the water consumption will be restricted to 6kl of water only until such time that the full outstanding debt has been settled. There is no consumer that is in the 90days + zone for the month of August 2010 and the total balance outstanding is R107.45.

- ***Property Rates***

Council has adopted a Property Rates Policy which has also been implemented as from 01 July 2009. The challenge being experienced due to the many subdivisions of property is that we have difficulty in obtaining addresses to which statements need to be posted. The issue is being addressed and as progress is made, it will be reported on as soon as the information is available from the Deeds Office. Outstanding debt that is in the 90days + zone amounts to R84 729.27 as at 31 August 2010.

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 for staff have been implemented at the end of July 2010.

Trade Creditors:

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

PAYMENTS

Total value of all payments **R 8,073,559**

Electronic transfers	195
Cheques issued	38

STORES

Value of Stores issued	82,858
------------------------	--------

SALARIES

Number of salary beneficiaries **181**

Councillors	25
Employees	152
Pensioners	4

Total remuneration paid 2,554,397

Councillors	316,988
Employees	2,231,471
Pensioners	5,938

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 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 August 2010:

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.

- *Training of Supply Chain Management Officials*

No training for the month of August 2010.

- *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 August 2010, one contract (R200 000+) was awarded by the Bid Adjudication Committee.

- Fidelity Security Services has been replaced by Batsha Ba Tirong Security for the monthly amount of R30 172.12 including VAT over a 3 year period with a yearly escalation of 10%

For the period of August 2010, one written price quotation (R30 000-R200 000) was awarded by the Municipal Manager.

- Supply and installation of fire suppression system: Interconnect Systems - R111 382.57 excluding VAT

The value of orders issued for the period ending 31 August 2010 total R 1406 160.47
(See Annexure “A”)

Orders per department

Council and Executive	R 28 059.18
Municipal Manager	R 318 422.37
Finance	R 104 025.25
Administration	R 311 414.22
Planning and Development	R 235 701.15
Technical Service	R 243 965.31
Road Agency	R 173 572.99

- *Disposal Management*

No disposals

- Deviations

The following deviations were approved by the Municipal Manager:

1. Internal Audit Software: CQS Technologies – R53 375.00 excluding VAT. Reason - Extra risk model on existing software
2. Fence at Koopmansfontein: Matsapa Trading – R199 345.70 including VAT. Extension of Bid 16/09
3. Munadmin training: Muncop Systems – R31 432.00 excluding VAT. Reason - Existing service provider
4. GIS Server: Environmental System Institute – R59 150.00 excluding VAT. Reason- Sole service provider

Total orders issued total R82 857.71

Issues per department

Council and Executive	R 62.79
Municipal Manager	R 0.00
Finance	R 7 065.87
Administration	R 16 476.38
Planning and Development	R 1 042.89
Technical Service	R 33 960.77
Roads Agency	R19 128.25
Stores	R 5 120.76

- List of accredited service providers

The supplier's database is updated daily.

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 2010.

Asset Inventory:

TAT I-Chain Asset Management System has been implemented. There are still challenges regarding the printing of inventory lists that needs attention.

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, and is in progress of finalization (signing off). A monthly calendar (on the last working day of each month) and financial (a few days after month end to accommodate financial transactions pertaining to the month closed) backup 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 18 vehicles as part of its routine activities.

Statistical information regarding the year-to-date utility for August 2010 is as follows:

DEPARTMENT FINANCE

MONTHLY REPORT – AUGUST 2010

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Year End Km Reading	Current Km Reading	YTD Utility
1	Nissan LDV	Community Development	2006	BVC 831 NC	105,000	2010/07/31	86,004	98,685	12,681
2	Toyota Hilux	PMU	2004	BRF 837 NC	100,000	2011/02/28	95,234	97,642	2,408
3	Toyota LDV 4x4	Environmental Health	2002	BMT 234 NC	145,000	2011/01/31	136,151	138,023	1,872
4	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	120,000	2011/04/30	105,954	111,755	5,801
5	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	120,000	2010/07/31	117,266	119,151	1,885
6	Ford Bantam	Finance	2004	BRD 836 NC	90,000	2011/01/31	74,027	74,407	380
7	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	135,000	2011/02/28	121,812	127,349	5,537
8	Toyota Condor	Tourism Centre	2001	BLR 461 NC	160,000	2011/06/30	150,667	155,424	4,757
9	Toyota Corolla	Pool	2009	BZP 439 NC	30,000	2010/09/30	19,615	25,519	5,904
10	Toyota Corolla	Pool	2009	BZP 440 NC	45,000	2010/09/30	25,228	30,977	5,749
11	Toyota Corolla	Office Support	2004	BRF 721 NC	210,000	2011/02/28	198,362	201,631	3,269
12	Isuzu 2.4	Housing	2009	CBD 761 NC	15,000	2011/02/28	5,907	12,738	6,831
13	Toyota Corolla	Pool	2008	BXL 799 NC	90,000	2011/02/28	78,387	83,997	5,610
14	Volkswagen Microbus	Pool	2001	BMG 088 NC	135,000	2010/09/30	126,676	130,659	3,983
15	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	175,000	2011/04/30	158,143	162,060	3,917
16	Citi Golf	Pool	2005	BSM 014 NC	75,000	2011/04/30	62,440	64,183	1,743
17	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	75,000	2011/04/30	64,557	68,850	4,293
18	Mercedes Benz	Council	2006	FBDM 1 NC	45,000	2010/09/30	36,254	37,956	1,702
YEAR TO DATE UTILITY - FULL FLEET									78,322

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	-	67,967	(67,967)	-100.00%
Insurance	11,463	7,500	3,963	52.84%
MV Administration Levy	1,243	583	659	113.03%
Fuel	30,261	46,667	(16,406)	-35.16%
Licence	828	997	(169)	-16.92%
Repairs and Maintenance	3,933	6,187	(2,254)	-36.43%
Tyres	-	5,860	(5,860)	-100.00%
TOTAL	47,727	135,760	(88,033)	-64.84%

- Motor Vehicle Damage Report**

No vehicles were damaged for the period August 2010.

7. FINANCIAL REPORTING AND BUDGETING

Budget Process:

AUGUST 2010

The budget process plan in respect of the 2010/11 financial year has been submitted to the Executive Mayor for approval on 26 July 2010.

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 2010

The Annual Financial Statements for the year ended 30 June 2010 was submitted to the Audit Committee on 30 August and to the Auditor General on 31 August 2010 for Auditing.

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*

Phokwane Municipality requested assistance from FBDM Support unit. A meeting was held between FBDM and Phokwane on 19 July 2010.

Assistance was requested on the backlog on debtors. Prepaid information from Andalusia Park and Midas had to be journalized to the Debtors side. Journals for the prepaid transactions had been compiled by the support staff and given to Phokwane on an Ascii file. This file needs to be imported by Phokwane staff with the assistance from BCX. Income journals for July 2009, August 2009 and September 2009 has been compiled and also need to be imported by Phokwane with the assistance from BCX. The support staff has completed the reconciliation of the debtor's integration to the Ledger, per month for the previous financial year.

9. PERSONNEL

Personnel Attendances:

Personnel attendance in the workplace for August 2010 averages 76%. The reason for the deviations is mainly due to, conference and courses, annual, family, sick, study leave and special leave for SAMSRA games.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
Number of Members	1	4	3	17
Leave	0	11	3	9
Sick Leave	0	1	6	5
Courses / Seminar	1	1	0	25
Meetings	1	0	0	5
Study leave	0	0	0	0
Maternity Leave	0	0	0	21
Family Responsibility	0	1	5	6
Overtime	0	0	0	0
Absent	0	0	0	0
Special Leave (SAMSRA)	0	0	0	20
No. of Workdays Attended	19	70	49	245
Total Workdays	21	84	63	336
Percentage attendance per Group Average	90%	83%	78%	73%

Personnel Development:

The following personnel attended training for the month of August 2010

<u>BUDGET & TREASURY</u>		
Andrews K	23-27/08/2010	Municipal Finance Management Programme
Mashodi T	23-27/08/2010	Municipal Finance Management Programme
Matlhoko N	23-27/08/2010	Municipal Finance Management Programme
Mohajane J	23-27/08/2010	Municipal Finance Management Programme
Tharage R	23-27/08/2010	Municipal Finance Management Programme

11. 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 regularly 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.

All Interns are assisting with the year end process. They have assisted with the scheduled asset stock take.

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

CONCLUSION

According to the results presented above for the period ending 31 August 2010, Council maintains a healthy financial position with respect to its cash and reserves.

DIRECTOR: FINANCE