

# **SOL PLAATJE MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT: JANUARY 2012**

**14 FEBRUARY 2012**

**TO: MUNICIPAL MANAGER  
EXECUTIVE MAYOR**

SUBMISSION

**FINANCIAL SERVICES DEPARTMENT:  
MUNICIPAL FINANCE MANAGEMENT ACT (MFMA):  
IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD  
ENDING 31 January 2012**

1. PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor containing certain financial particulars, as legislated.

2. VISION OF SOL PLAATJE MUNICIPALITY

“Sol Plaatje, a dynamic municipality that provides a comprehensive range of affordable services to all its residents”

3. BACKGROUND

Section 71 of the MFMA and in terms 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.

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

Further, Section 71 of the MFMA requires 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 national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.”

For the reporting period ending 31 January 2012, the ten working day reporting limit expires on **14 February 2012**.

#### 4. EXECUTIVE SUMMARY

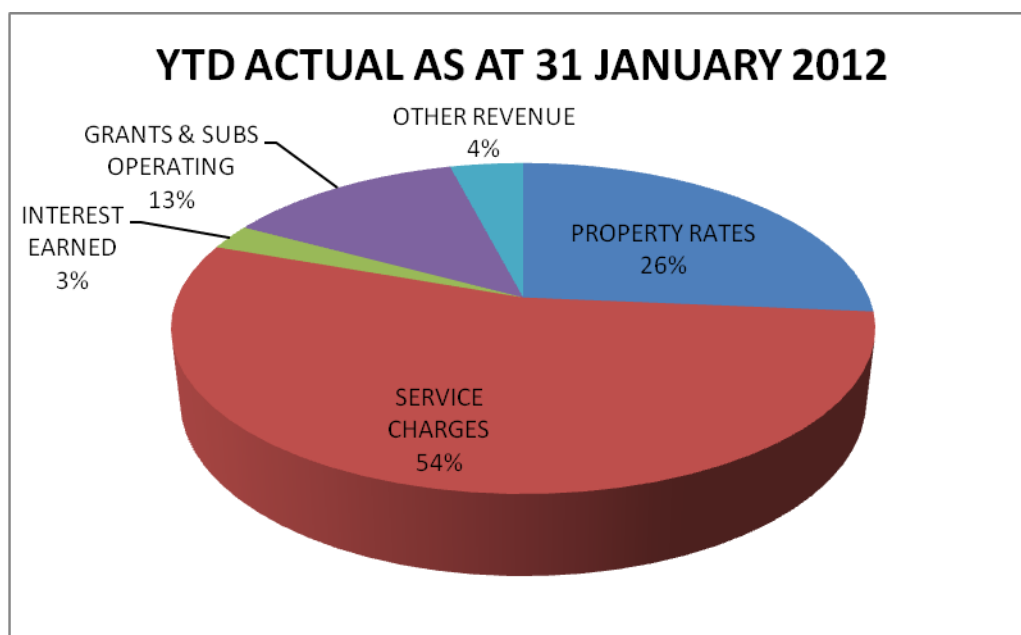
The SFP shown in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by type. The summary report indicates the following:

<b>Summary Statement of Financial Performance:</b>			
<b>Description R thousand</b>	<b>January YTD Budget</b>	<b>January YTD Actual</b>	<b>Variance Favourable (Unfavourable)</b>
Total Operating Revenue	708,843	772,866	64,023
Total Operating Expenditure	683,487	641,456	42,031
<b>Surplus (Deficit)</b>	<b>25,355</b>	<b>131,410</b>	<b>106,054</b>

The major operating revenue variances against budget projections indicated in Table C1 of Annexure A herewith attached, are:

- Property Rates (favourable)
- Investment Revenue (unfavourable);
- Fines (unfavourable).

Indicated in the chart below is a breakdown of billed Revenue per Source as a percentage of total revenue as at 31 January 2012.

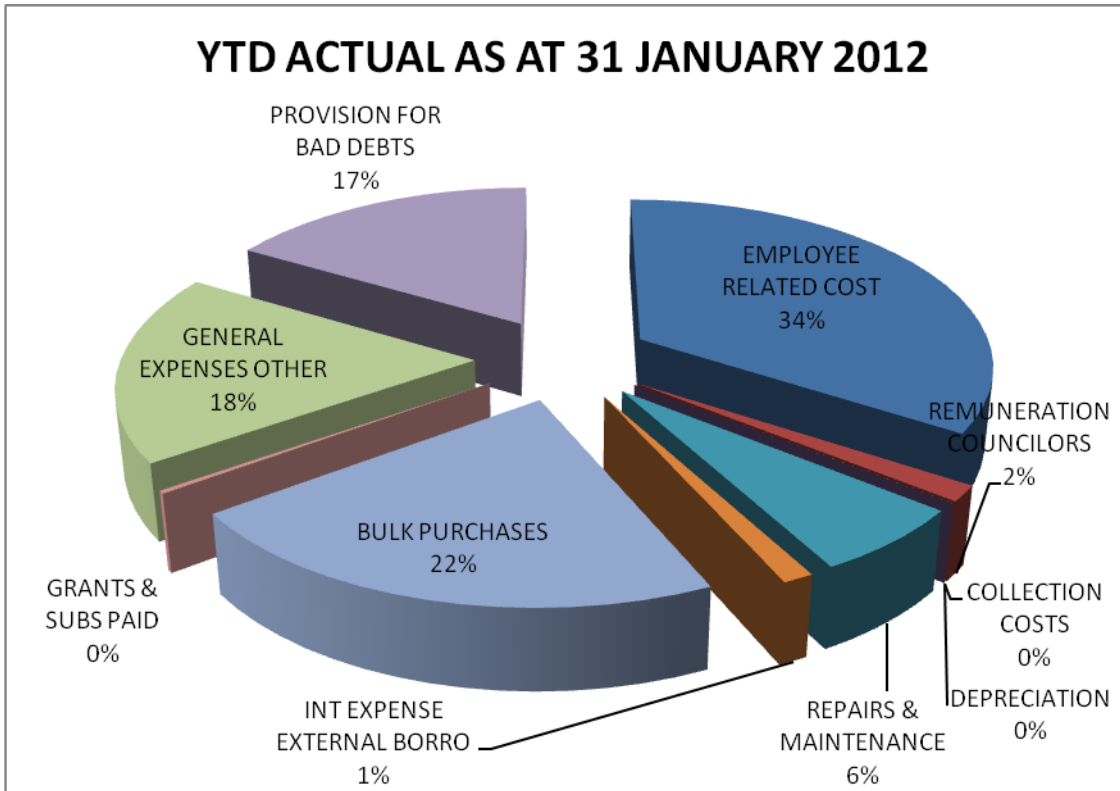


The major operating expenditure variances against budget projections cited in Table C1 of Annexure A herewith attached, are:

- Repairs and Maintenance (unfavourable); and
- Provision for bad debts fully provided for (unfavourable).

The reasons for variances per source group are cited in Annexure A, Table SC1 of this report.

Indicated in the chart below is a breakdown of Expenditure by Type as a percentage of total expenditure as at 31 January 2012.



The Capital expenditure report shown in Annexure A, Table C5 has been prepared on the basis of the format required to be lodged electronically with National Treasury, and is categorised by municipal vote. The summary report indicates the following:

<b>Summary Statement of Capital Expenditure:</b>			
<b>Description R thousand</b>	<b>January YTD Budget</b>	<b>January YTD Actual</b>	<b>Variance Favourable (Unfavourable)</b>
Total Capital Expenditure	96,580	53,210	(43,370)
Total Capital Financing	96,580	53,210	(43,370)

The major variance of year-to-date capital expenditure, compared to the departmental Service Delivery Budget Implementation Plan (SDBIP) targets for the municipal vote as indicated in Annexure A, Table C5 are:

- Infrastructure Services

The reasons for variances per strategic unit are captured in Annexure A, Table SC1 of this report.

## 5. IN-YEAR BUDGET STATEMENT TABLES: JANUARY 2012 REPORT

The financial results for the period ended 31 January 2012 are attached consisting of the following tables, in Annexure A:

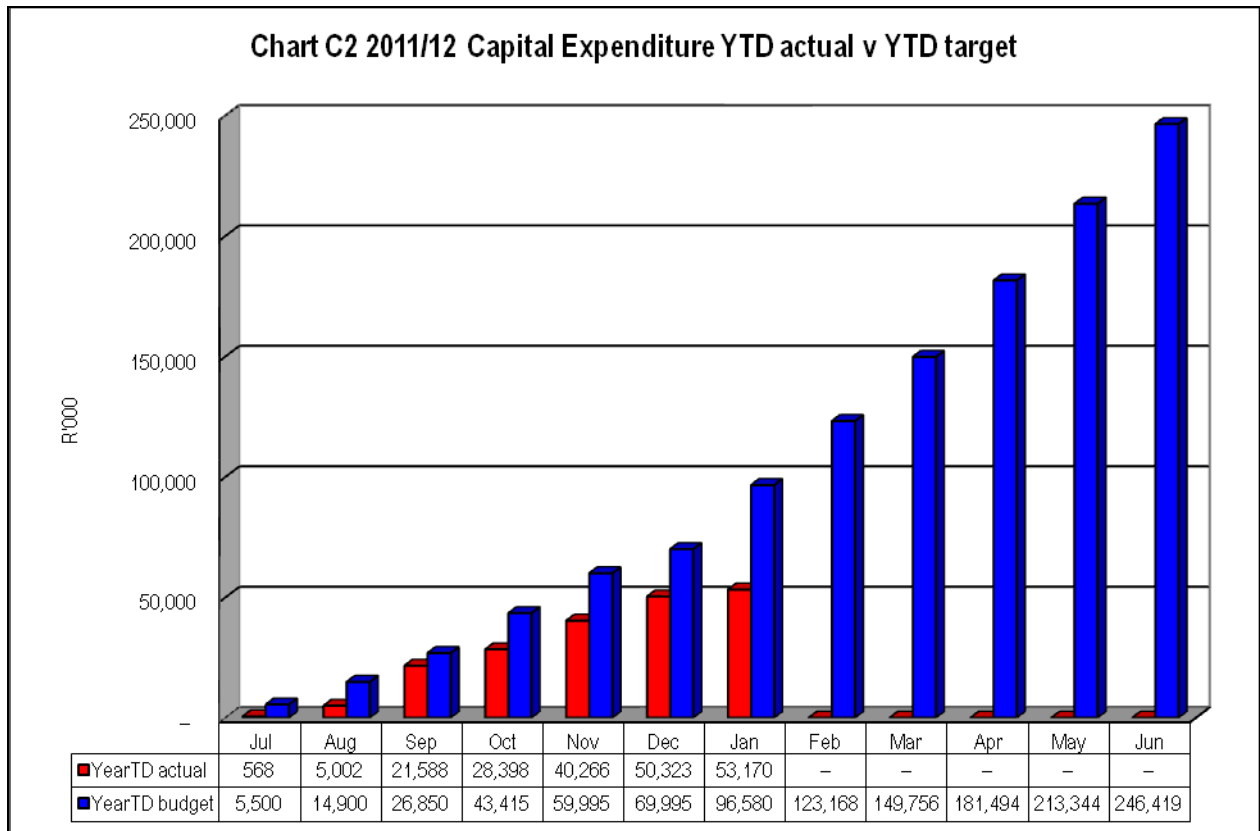
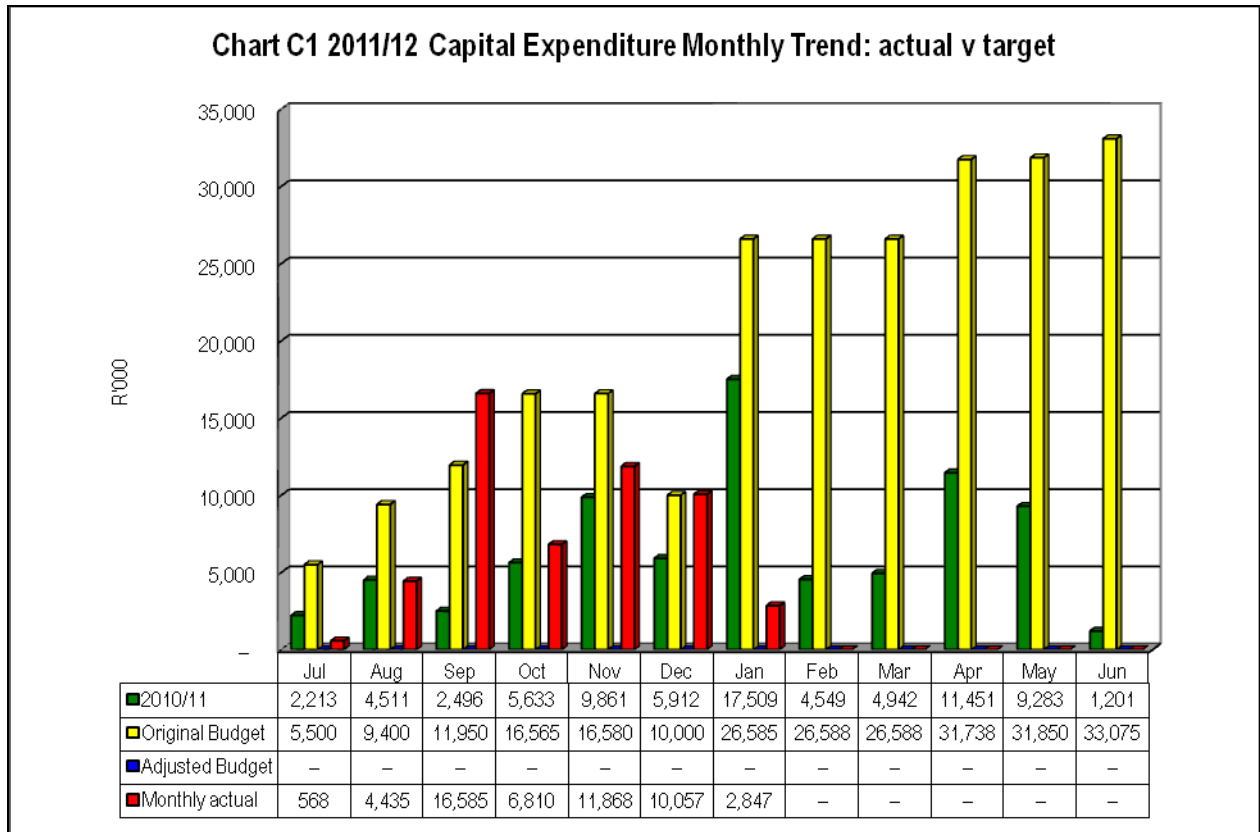
### *Part 1*

- Table C1: Consolidated Monthly Budget Statement – Summary
- Table C2: Consolidated Monthly Budget Statement – Financial Performance (standard Classification)
- Table C3: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure by Municipal vote)
- Table C4: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure)
- Table C5: Consolidated Monthly Budget Statement – Capital Expenditure by vote, standard classification and funding
- Table C6: Consolidated Monthly Budget Statement – Financial Position
- Table C7: Consolidated Monthly Budget Statement – Cash Flow

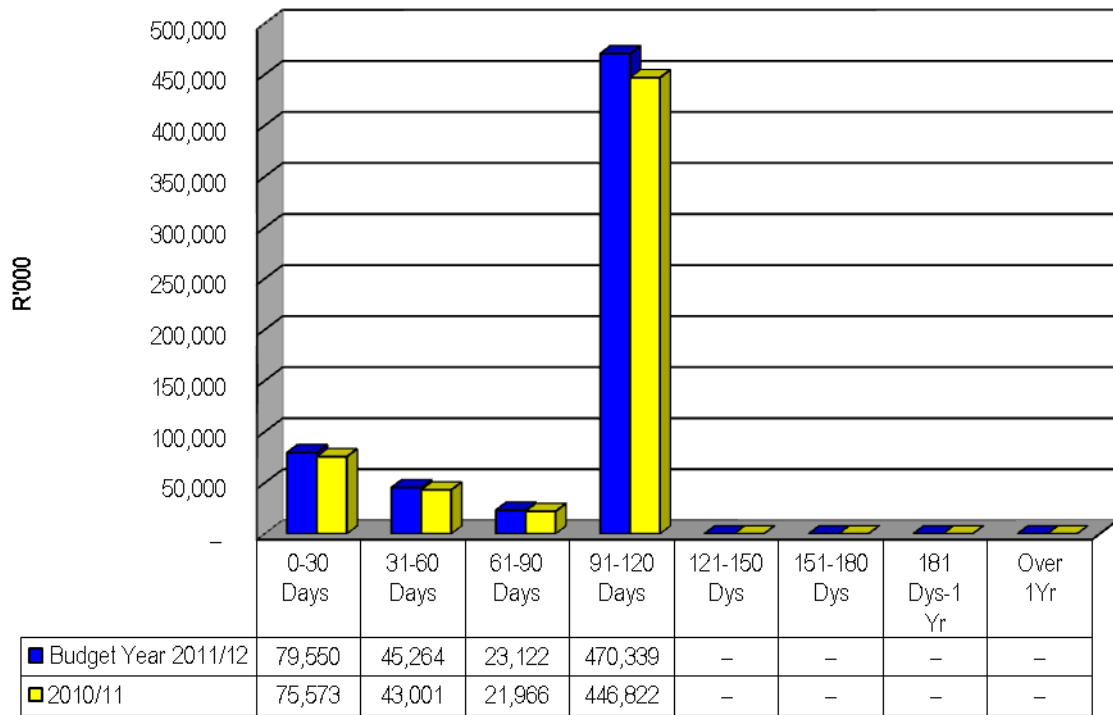
### *Part 2*

- Table SC1: Material variance explanations
- Table SC2: Monthly Budget Statement – Performance Indicators
- Table SC3: Monthly Budget Statement – Aged Debtors
- Table SC4: Monthly Budget Statement – Aged Creditors
- Table SC5: Monthly Budget Statement – Investment Portfolio
- Table SC6: Monthly Budget Statement – Transfers and grant receipts
- Table SC7: Monthly Budget Statement – Transfers and grant expenditures
- Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
- Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
- Table SC10: Monthly Budget Statement – Parent Municipality Financial Performance (Revenue and Expenditure) **Not required**
- Table SC11: Monthly Budget Statement – Summary of Municipal Entities **Not required**
- Table SC12: Monthly Budget Statement – Capital Expenditure Trend
- Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class
- Table SC13b: Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
- Table SC13c: Monthly Budget Statement – Capital expenditure on repairs and maintenance by asset class
- Municipal manager's quality certification

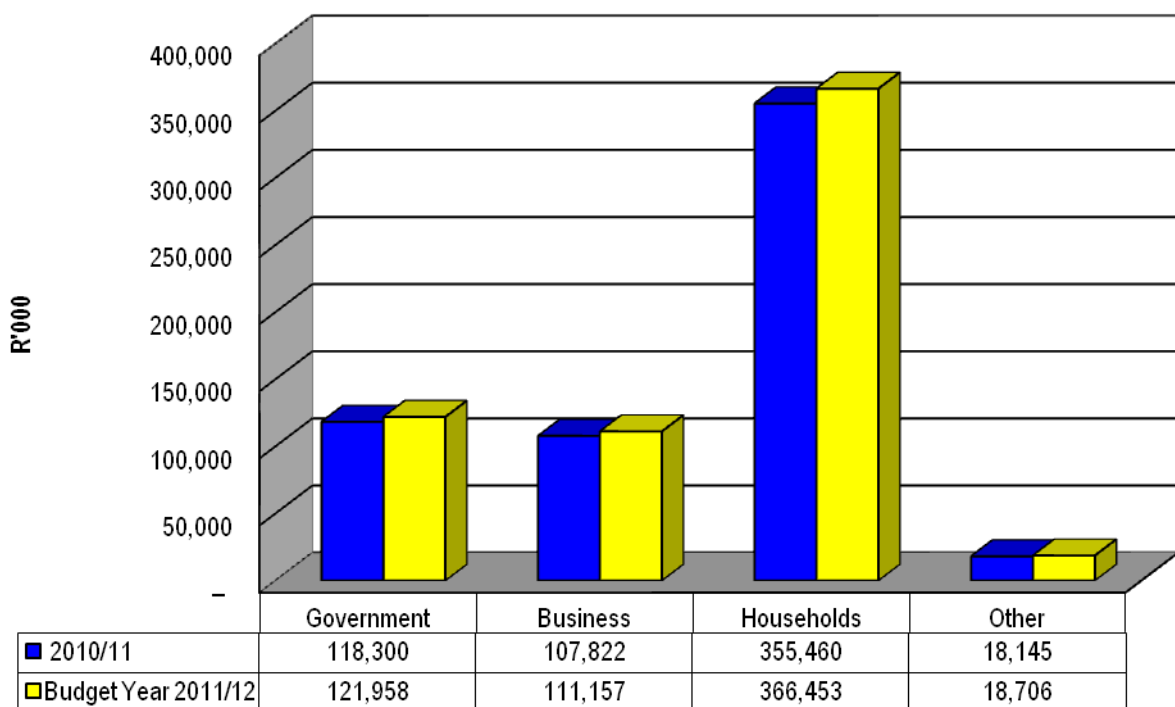
## 6. IN-YEAR BUDGET STATEMENT CHARTS: JANUARY 2012 REPORT

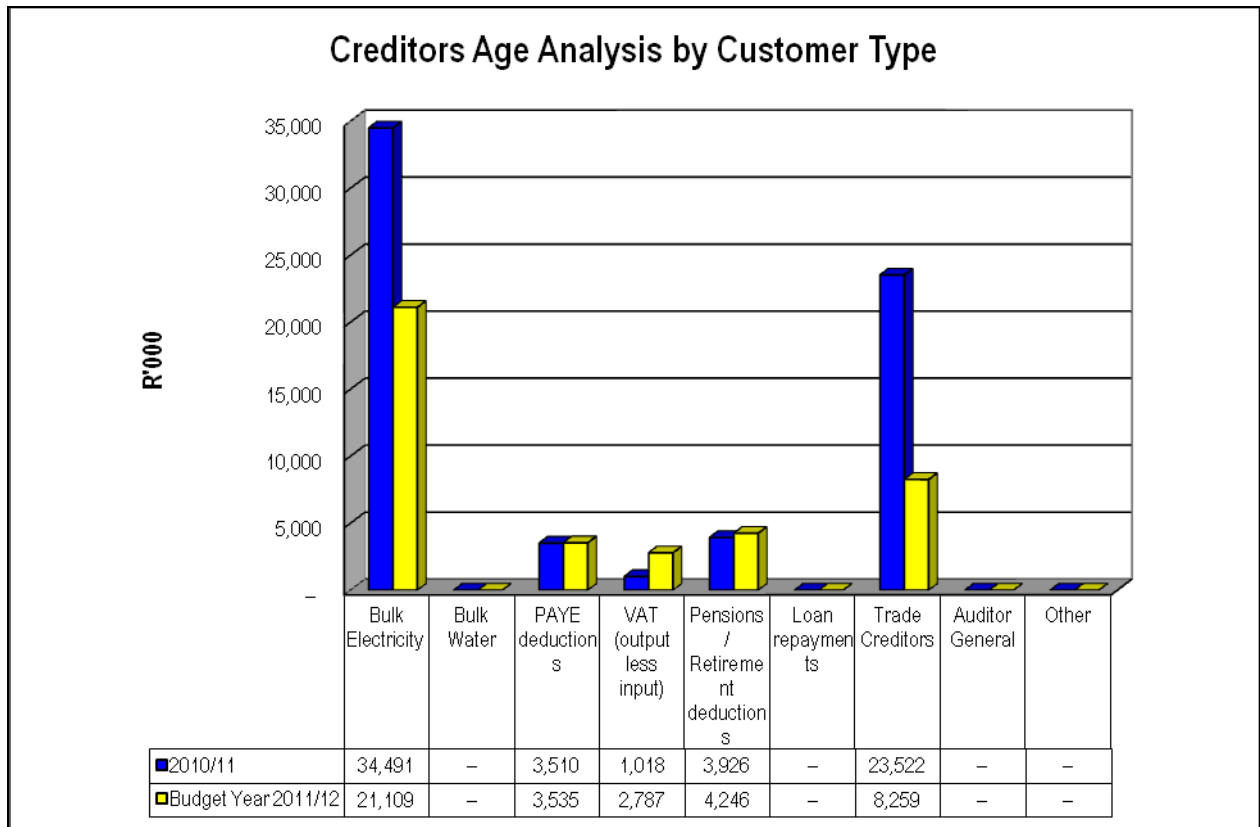


### Debtors Age Analysis by Revenue Source



### Debtors Age Analysis by Customer Category





7. INTERDEPARTMENTAL AND CLUSTER IMPACT

None

8. COMMENTS OF THE HEAD: LEGAL SERVICES

The abovementioned report as such does not call for legal clarification.

9. IMPLICATIONS

- Human Resources

Not applicable.

- Finances (budget and value for money)

This report incorporates the financial status for the period ended 31 January 2012. Upon receipt of the statement or report submitted by the Accounting Officer to the Executive Mayor in terms of Section 71 of the MFMA, the Executive Mayor is obliged to take certain steps with regard to “budgetary control and early identification of financial problems” as determined in Section 54 of the MFMA. Furthermore, the Accounting Officer of the Municipality must report in writing to the Municipal Council with regard to impending shortfalls, overspending, and overdrafts in terms of Section 70 of the MFMA.

- Constitution and legal factors



The implication of approval of this report is compliance to legislative requirements (Sections 52(d) and 71 of the MFMA) and NT regulations GG 32141 of 17 April 2009.

- Communication

In compliance to legislative requirements (Section 71 of the MFMA) this document is provided to all stakeholders by placing it on the Sol Plaatje website.

## 10. CONCLUSION

This report meets the MFMA requirement for the Executive Mayor to receive a Section 71 'monthly budget statement' within 10 working days after the end of the month.

### ANNEXURES:

Annexure A – Prescribed tables in terms of GG 32141 of 17 April 2009.

### RECOMMENDED

That, in compliance with Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations":

- (1) The Accounting Officer submits to the Executive Mayor this statement reflecting the financial status for the month ending 31 January 2012; and
- (2) In order to comply with Section 71(4) of the MFMA, the Accounting Officer ensure that this statement be submitted to National Treasury and the Provincial Treasury, in both a signed document format and in electronic format.

### Explanation of legal requirements

Section 71 of the MFMA requires that the monthly report should contain:

- (a) actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on-
  - (i) its share of the local government equitable share; and
  - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of-
  - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

- (ii) any material variances from the service delivery and budget implementation plan;
- (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

The statement must also include:

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

Further, in terms of Government Notice 27431 dated 1 April 2005, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Investment Regulations: the following is applicable:

Reporting requirements:

- 9.(1) The accounting officer of a municipality or municipal entity must within 10 working days after the end of each month, as part of the section 71 report required by the Act, submit to the mayor of the municipality or the board of directors of the municipal entity a report describing in accordance with generally recognised accounting practice the investment portfolio of that municipality or municipal entity as at the end of the month.
- (2) The report referred to in sub regulation (1) must set out at least –
  - (a) the market value of each investment as at the beginning of the reporting period;
  - (b) any changes to the investment portfolio during the reporting period;
  - (c) the market value of each investment as at the end of the reporting period; and
  - (d) fully accrued interest and yield for the reporting period.

[Highlighted requirements are further explained below].

Certain 'prescribed' municipalities are required to provide their financial reports to the National Treasury, in lieu of the Provincial Treasury. This includes the SPM. National Treasury have indicated that they wish to continue to directly monitor municipalities that have a significant impact on the South African economy. For this purpose the required electronic return forms were progressively lodged with the National Treasury by or on 14 February 2012, (ten working day limit). These return forms are:

- Statement of Financial Performance (OSA)
- Capital expenditure report (CAA)
- Cash Flow Statement (CFA)
- Outstanding Debtors report (AD)
- Outstanding Creditors report (AC)
- Statement of Financial Position (BSAC)
- Repairs and Maintenance (RME)

It should be noted that no current creditor was raised for bulk purchases water as we have not received the outstanding invoice/s at the time of submission. Also we have not fully resolved the issue with the outstanding invoices of DWA, especially the issue pertaining to the interest raised on the account. Also there are payments that were made in prior years of which the allocation from DWA's side needs to be verified.

The specific format for the report required to be submitted to the Executive Mayor, as referred to in section 71(1), has now been prescribed in terms of Government Gazette No 32141 of 17 April 2009 but the receipt of electronic submission have not been replaced. Therefore, this report is based upon the content and format of the monthly electronic return forms provided to National Treasury. The information provided to National Treasury is published quarterly; therefore it is prudent that the Executive Mayor's report be prepared on a similar basis to ensure alignment.

Section 71(1)(e) refers to a requirement to report on 'allocations' received. The term 'allocations', refers to government grants received from other spheres of government. These are reported upon in the Statement of Financial Performance.

The definition of a revenue 'vote' has been determined by National Treasury. Annexure A contains this information. However, each municipality may determine the vote format for its expenditure, provided it also supplies Government Financial Statistical (GFS) analysis. The information provided in the monthly financial report to Council is in accordance with the SPM vote structure. However, this report is prepared in accordance with the National Treasury standard, which will assist with benchmarking performance with other municipalities.

The market value of the investment portfolio at the time of preparation of this report had not been obtained. Hence the contractual/ cost price of the investment portfolio has been utilized. For the period ending 31 January 2012 the value of total investments was R139,9 m.

**Municipal Manager’s quality certification**

I, **G H AKHARWARAY**, the Municipal Manager of Sol Plaatje Municipality, hereby certify that -

- the monthly budget statement

For the month of **January 2012** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: GH AKHARWARAY

Municipal Manager of Sol Plaatje (NC091)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M07 January

Description	2010/11	Budget Year 2011/12							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	209,351	233,301	-	12,685	203,873	136,092	67,781	50%	233,301
Service charges	571,406	703,986	-	70,208	417,768	410,659	7,109	2%	703,986
Investment revenue	36,084	39,000	-	2,974	19,242	22,750	(3,508)	-15%	39,000
Transfers recognised - operational	190,807	164,026	-	(236)	100,907	95,682	5,225	5%	164,026
Other own revenue	49,277	58,541	-	4,365	31,076	34,149	(3,073)	-9%	58,541
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,056,925</b>	<b>1,198,854</b>	-	<b>89,996</b>	<b>772,866</b>	<b>699,332</b>	<b>73,534</b>	<b>11%</b>	<b>1,198,854</b>
Employee costs	364,340	387,948	-	30,258	219,406	226,303	(6,897)	-3%	387,948
Remuneration of Councillors	13,331	15,866	-	1,368	9,643	9,255	388	4%	15,866
Depreciation & asset impairment	38,593	36,900	-	-	-	21,525	(21,525)	-100%	36,900
Finance charges	14,697	44,725	-	10	33	26,090	(26,057)	-100%	44,725
Materials and bulk purchases	285,380	356,755	-	29,871	180,137	208,107	(27,970)	-13%	356,755
Transfers and grants	3,191	3,550	-	90	1,807	2,071	(264)	-	3,550
Other expenditure	310,514	353,110	-	25,629	230,430	205,981	24,449	12%	353,110
<b>Total Expenditure</b>	<b>1,030,046</b>	<b>1,198,854</b>	-	<b>87,226</b>	<b>641,456</b>	<b>699,332</b>	<b>(57,875)</b>	<b>-8%</b>	<b>1,198,854</b>
<b>Surplus/(Deficit)</b>	<b>26,878</b>	-	-	<b>2,770</b>	<b>131,409</b>	-	<b>131,409</b>	<b>#DIV/0!</b>	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>26,878</b>	-	-	<b>2,770</b>	<b>131,409</b>	-	<b>131,409</b>	<b>#DIV/0!</b>	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>26,878</b>	-	-	<b>2,770</b>	<b>131,409</b>	-	<b>131,409</b>	<b>#DIV/0!</b>	-
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>79,196</b>	<b>246,419</b>	-	<b>2,887</b>	<b>53,210</b>	<b>143,744</b>	<b>(90,535)</b>	<b>-63%</b>	<b>246,419</b>
Capital transfers recognised	59,322	84,819	-	2,486	20,317	49,478	(29,160)	-59%	84,819
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	6,669	149,600	-	320	31,877	87,267	(55,390)	-63%	149,600
Internally generated funds	13,205	12,000	-	80	1,015	7,000	(5,985)	-85%	12,000
<b>Total sources of capital funds</b>	<b>79,196</b>	<b>246,419</b>	-	<b>2,887</b>	<b>53,210</b>	<b>143,744</b>	<b>(90,535)</b>	<b>-63%</b>	<b>246,419</b>
<b>Financial position</b>									
Total current assets	380,924	422,751	-	-	423,803	-	-	-	422,751
Total non current assets	910,392	1,002,200	-	-	963,602	-	-	-	1,002,200
Total current liabilities	199,066	237,585	-	-	96,608	-	-	-	237,585
Total non current liabilities	264,670	403,617	-	-	320,405	-	-	-	403,617
<b>Community wealth/Equity</b>	<b>827,581</b>	<b>783,749</b>	-	-	<b>970,392</b>	-	-	-	<b>783,749</b>
<b>Cash flows</b>									
Net cash from (used) operating	76,266	123,045	-	11,123	103,379	71,776	31,603	44%	123,045
Net cash from (used) investing	(79,559)	(246,419)	-	(2,887)	(53,209)	(143,744)	90,535	-63%	(246,419)
Net cash from (used) financing	37,706	141,842	-	(3,443)	33,070	82,741	(49,671)	-60%	141,842
<b>Cash/cash equivalents at the month/year end</b>	<b>60,584</b>	<b>83,468</b>	-	-	<b>143,824</b>	<b>75,773</b>	<b>68,051</b>	<b>90%</b>	<b>79,052</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Revenue Source	79,550	45,264	23,122	470,339	-	-	-	-	618,274
<b>Creditors Age Analysis</b>									
Total Creditors	39,937	-	-	-	-	-	-	-	39,937

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>447,550</b>	<b>453,094</b>	-	<b>16,282</b>	<b>332,814</b>	<b>264,305</b>	68,509	26%	<b>453,094</b>
Executive and council		225,266	199,891	-	2,825	121,677	116,603	5,074	4%	199,891
Budget and treasury office		219,531	238,432	-	13,348	208,877	139,085	69,792	50%	238,432
Corporate services		2,753	14,771	-	109	2,260	8,617	(6,357)	-74%	14,771
<b>Community and public safety</b>		<b>23,908</b>	<b>26,279</b>	-	<b>1,829</b>	<b>10,946</b>	<b>15,329</b>	(4,383)	-29%	<b>26,279</b>
Community and social services		10,564	10,492	-	707	5,701	6,120	(419)	-7%	10,492
Sport and recreation		3,714	5,341	-	537	1,579	3,116	(1,536)	-49%	5,341
Public safety		337	980	-	3	19	572	(552)	-97%	980
Housing		6,947	7,061	-	579	4,005	4,119	(114)	-3%	7,061
Health		2,346	2,405	-	2	(359)	1,403	(1,762)	-126%	2,405
<b>Economic and environmental services</b>		<b>6,601</b>	<b>7,456</b>	-	<b>1,570</b>	<b>6,709</b>	<b>4,350</b>	2,359	54%	<b>7,456</b>
Planning and development		2,089	1,495	-	202	1,105	872	233	27%	1,495
Road transport		4,513	5,962	-	1,368	5,604	3,478	2,126	61%	5,962
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		<b>574,975</b>	<b>707,377</b>	-	<b>70,309</b>	<b>420,556</b>	<b>412,637</b>	7,919	2%	<b>707,377</b>
Electricity		360,008	465,914	-	43,479	270,365	271,783	(1,418)	-1%	465,914
Water		132,851	156,163	-	19,040	95,159	91,095	4,063	4%	156,163
Waste water management		46,520	48,856	-	4,425	31,544	28,499	3,045	11%	48,856
Waste management		35,596	36,444	-	3,366	23,488	21,259	2,229	10%	36,444
<b>Other</b>	4	<b>3,890</b>	<b>4,647</b>	-	<b>5</b>	<b>1,841</b>	<b>2,711</b>	<b>(870)</b>	<b>-32%</b>	<b>4,647</b>
<b>Total Revenue - Standard</b>	2	<b>1,056,925</b>	<b>1,198,854</b>	-	<b>89,996</b>	<b>772,866</b>	<b>699,331</b>	<b>73,534</b>	<b>11%</b>	<b>1,198,854</b>

**NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January**

<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		<b>352,124</b>	<b>383,360</b>	-	<b>21,412</b>	<b>191,116</b>	<b>223,626</b>	(32,511)	15%	<b>383,360</b>
Executive and council		251,751	261,757	-	12,777	124,219	152,692	(28,472)	19%	261,757
Budget and treasury office		57,107	67,706	-	4,725	35,067	39,495	(4,429)	11%	67,706
Corporate services		43,265	53,896	-	3,910	31,830	31,440	390	1%	53,896
<b>Community and public safety</b>		<b>131,877</b>	<b>146,227</b>	-	<b>12,032</b>	<b>80,342</b>	<b>85,299</b>	(4,957)	-6%	<b>146,227</b>
Community and social services		43,071	51,147	-	5,583	37,010	29,836	7,174	24%	51,147
Sport and recreation		30,384	33,027	-	3,015	17,741	19,266	(1,524)	-8%	33,027
Public safety		29,317	32,816	-	1,133	7,841	19,143	(11,301)	59%	32,816
Housing		15,990	12,901	-	1,213	9,272	7,525	1,746	23%	12,901
Health		13,115	16,336	-	1,088	8,478	9,529	(1,051)	11%	16,336
<b>Economic and environmental services</b>		<b>62,352</b>	<b>60,193</b>	-	<b>6,791</b>	<b>43,014</b>	<b>35,113</b>	7,901	23%	<b>60,193</b>
Planning and development		17,398	20,121	-	2,398	11,707	11,737	(30)	0%	20,121
Road transport		44,954	40,072	-	4,392	31,307	23,375	7,932	34%	40,072
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>476,812</b>	<b>602,517</b>	-	<b>46,422</b>	<b>322,518</b>	<b>351,468</b>	(28,950)	-8%	<b>602,517</b>
Electricity		305,243	406,053	-	25,791	226,802	236,864	(10,062)	-4%	406,053
Water		102,657	114,611	-	13,338	52,009	66,856	(14,848)	22%	114,611
Waste water management		32,537	45,409	-	4,447	21,209	26,488	(5,279)	20%	45,409
Waste management		36,375	36,444	-	2,847	22,498	21,259	1,239	6%	36,444
<b>Other</b>		<b>6,882</b>	<b>6,558</b>	-	<b>569</b>	<b>4,466</b>	<b>3,825</b>	<b>640</b>	<b>17%</b>	<b>6,558</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>1,030,046</b>	<b>1,198,854</b>	-	<b>87,226</b>	<b>641,456</b>	<b>699,331</b>	<b>(57,875)</b>	<b>-8%</b>	<b>1,198,854</b>
<b>Surplus/ (Deficit) for the year</b>		<b>26,878</b>	<b>(0)</b>	-	<b>2,770</b>	<b>131,409</b>	<b>(0)</b>	<b>131,410</b>		<b>(0)</b>

**NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January**

Vote Description  [Insert departmental structure etc 3.] <b>R thousands</b>	R e f	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Revenue by Vote</b>	1									
Vote 1 - EXECUTIVE AND COUNCIL		35	-	-	-	18	-	18	#DIV/0!	-
Vote 2 - MUNICIPAL AND GENERAL		223,672	198,514	-	2,727	121,371	115,800	5,572	4.8%	198,514
Vote 3 - MUNICIPAL MANAGER		1,559	1,377	-	98	287	803	(516)	-64.3%	1,377
Vote 4 - CORPORATE SERVICES		2,553	4,838	-	92	1,945	2,822	(878)	-31.1%	4,838
Vote 5 - COMMUNITY SERVICES		21,006	24,755	-	2,576	12,151	14,440	(2,289)	-15.9%	24,755
Vote 6 - FINANCIAL SERVICES		219,531	244,423	-	13,348	208,877	142,580	66,298	46.5%	244,423
Vote 7 - STRATEGY ECONOMIC DEVELOPMENT AND PLANNING		6,179	10,085	-	225	3,261	5,883	(2,621)	-44.6%	10,085
Vote 8 - INFRASTRUCTURE AND SERVICES		582,390	714,863	-	70,930	424,954	417,003	7,951	1.9%	714,863
<b>Total Revenue by Vote</b>	2	<b>1,056,925</b>	<b>1,198,854</b>	-	<b>89,996</b>	<b>772,866</b>	<b>699,332</b>	<b>73,534</b>	<b>10.5%</b>	<b>1,198,854</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - EXECUTIVE AND COUNCIL		29,262	30,001	-	2,829	19,741	17,501	2,240	12.8%	30,001
Vote 2 - MUNICIPAL AND GENERAL		212,523	217,482	-	9,037	97,570	126,864	(29,295)	-23.1%	217,482
Vote 3 - MUNICIPAL MANAGER		9,967	14,274	-	911	6,909	8,327	(1,418)	-17.0%	14,274
Vote 4 - CORPORATE SERVICES		35,355	44,483	-	3,359	27,033	25,949	1,084	4.2%	44,483
Vote 5 - COMMUNITY SERVICES		108,199	126,668	-	10,314	67,506	73,890	(6,384)	-8.6%	126,668
Vote 6 - FINANCIAL SERVICES		63,598	74,752	-	5,139	38,855	43,605	(4,750)	-10.9%	74,752
Vote 7 - STRATEGY ECONOMIC DEVELOPMENT AND PLANNING		25,699	29,047	-	3,104	17,181	16,944	237	1.4%	29,047
Vote 8 - INFRASTRUCTURE AND SERVICES		545,444	662,147	-	52,533	366,662	386,252	(19,591)	-5.1%	662,147
<b>Total Expenditure by Vote</b>	2	<b>1,030,046</b>	<b>1,198,854</b>	-	<b>87,226</b>	<b>641,456</b>	<b>699,332</b>	<b>(57,875)</b>	<b>-8.3%</b>	<b>1,198,854</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>26,878</b>	-	-	<b>2,770</b>	<b>131,409</b>	-	<b>131,409</b>	<b>#DIV/0!</b>	-



**NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January**

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		209,351	233,301		12,685	203,873	136,092	67,781	50%	233,301
Property rates - penalties & collection charges		-	-		-	-	-	-		-
Service charges - electricity revenue		360,485	465,906		43,688	269,705	271,779	(2,073)	-1%	465,906
Service charges - water revenue		132,727	156,162		19,032	94,984	91,095	3,889	4%	156,162
Service charges - sanitation revenue		45,180	47,989		4,367	31,073	27,994	3,080	11%	47,989
Service charges - refuse revenue		32,932	33,564		3,121	22,004	19,579	2,425	12%	33,564
Service charges - other		81	365		-	1	213	(212)	-100%	365
Rental of facilities and equipment		12,740	14,207		1,264	7,100	8,287	(1,187)	-14%	14,207
Interest earned - external investments		4,802	4,000		131	1,024	2,333	(1,310)	-56%	4,000
Interest earned - outstanding debtors		31,283	35,000		2,843	18,218	20,417	(2,198)	-11%	35,000
Dividends received							-	-		-
Fines		3,635	6,432		519	3,063	3,752	(689)	-18%	6,432
Licences and permits		3,125	2,530		503	1,838	1,476	362	25%	2,530
Agency services		3,489	3,200		961	3,298	1,867	1,432	77%	3,200
Transfers recognised - operational		190,807	164,026		(236)	100,907	95,682	5,225	5%	164,026
Other revenue		26,288	32,172		1,117	15,777	18,767	(2,990)	-16%	32,172
Gains on disposal of PPE							-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,056,925</b>	<b>1,198,854</b>	<b>-</b>	<b>89,996</b>	<b>772,866</b>	<b>699,332</b>	<b>73,534</b>	<b>11%</b>	<b>1,198,854</b>
<b>Expenditure By Type</b>										
Employee related costs		364,340	387,948		30,258	219,406	226,303	(6,897)	-3%	387,948
Remuneration of councillors		13,331	15,866		1,368	9,643	9,255	388	4%	15,866
Debt impairment		97,383	106,000		-	106,000	61,833	44,167	71%	106,000
Depreciation & asset impairment		38,593	36,900		-	-	21,525	(21,525)	-100%	36,900
Finance charges		14,697	44,725		10	33	26,090	(26,057)	-100%	44,725
Bulk purchases		234,315	308,000		23,539	139,556	179,667	(40,111)	-22%	308,000
Other materials		51,065	48,755		6,332	40,581	28,440	12,141	43%	48,755
Contracted services			-		-	-	-	-		-
Transfers and grants		3,191	3,550		90	1,807	2,071	(264)	-13%	3,550
Other expenditure		213,131	247,110		25,629	124,430	144,148	(19,717)	-14%	247,110
Loss on disposal of PPE							-	-		-
<b>Total Expenditure</b>		<b>1,030,046</b>	<b>1,198,854</b>	<b>-</b>	<b>87,226</b>	<b>641,456</b>	<b>699,332</b>	<b>(57,875)</b>	<b>-8%</b>	<b>1,198,854</b>

**NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January**

<b>Surplus/(Deficit)</b>	26,878	-	-	2,770	131,409	-	131,409	#DIV/0!	-
Transfers recognised - capital							-		
Contributions recognised - capital							-		
Contributed assets							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	26,878	-	-	2,770	131,409	-			-
Taxation							-		
<b>Surplus/(Deficit) after taxation</b>	26,878	-	-	2,770	131,409	-			-
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	26,878	-	-	2,770	131,409	-			-
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	26,878	-	-	2,770	131,409	-			-

**NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M07 January**

Vote Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - EXECUTIVE AND COUNCIL		106	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL AND GENERAL		396	-	-	-	-	-	-	-	-
Vote 3 - MUNICIPAL MANAGER		36	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		271	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		7,689	3,800	-	18	841	2,217	(1,376)	-62%	3,800
Vote 6 - FINANCIAL SERVICES		1,948	850	-	65	337	496	(159)	-32%	850
Vote 7 - STRATEGY ECONOMIC DEVELOPMENT AND PLANNING		1,354	17,831	-	110	3,821	10,401	(6,581)	-63%	17,831
Vote 8 - INFRASTRUCTURE AND SERVICES		67,397	223,938	-	2,693	48,211	130,631	(82,420)	-63%	223,938
<b>Total Capital Multi-year expenditure</b>	4,7	79,196	246,419	-	2,887	53,210	143,744	(90,535)	-63%	246,419
<b>Total Capital Expenditure</b>		79,196	246,419	-	2,887	53,210	143,744	(90,535)	-63%	246,419
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		1,948	850	-	65	337	496	(159)	-32%	850
Executive and council								-		
Budget and treasury office								-		
Corporate services		1,948	850	-	65	337	496	(159)	-32%	850
<b>Community and public safety</b>		7,689	3,800	-	18	971	2,217	(1,246)	-56%	3,800
Community and social services		7,689	3,800	-	18	971	2,217	(1,246)	-56%	3,800
Sport and recreation								-		
Public safety								-		
Housing								-		
Health								-		

**NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M07 January**

<b>Economic and environmental services</b>		13,710	17,831	-	1,682	9,883	10,401	(518)	-5%	17,831
Planning and development		1,354	9,831		110	3,821	5,735	(1,914)	-33%	9,831
Road transport		12,356	3,000		1,572	6,062	1,750	4,312	246%	3,000
Environmental protection			5,000		-		2,917	(2,917)	100%	5,000
<b>Trading services</b>		50,505	223,938	-	1,121	42,018	130,631	(88,612)	-68%	223,938
Electricity		8,210	88,503		53	14,817	51,627	(36,810)	-71%	88,503
Water		7,001	27,800		320	7,887	16,217	(8,329)	-51%	27,800
Waste water management		34,203	105,785		748	19,314	61,708	(42,394)	-69%	105,785
Waste management		1,090	1,850				1,079	(1,079)	100%	1,850
<b>Other</b>		5,345						-		
<b>Total Capital Expenditure - Standard Classification</b>	3	79,196	246,419	-	2,887	53,210	143,744	(90,535)	-63%	246,419
<b>Funded by:</b>										
National Government		43,457	78,988		2,376	18,278	46,076	(27,799)	-60%	78,988
Provincial Government		11,297	5,831		110	2,040	3,401	(1,362)	-40%	5,831
District Municipality		1,563			-	-	-	-		
Other transfers and grants		3,005			-	-	-	-		
<b>Transfers recognised - capital Public contributions &amp; donations</b>	5	59,322	84,819	-	2,486	20,317	49,478	(29,160)	-59%	84,819
<b>Borrowing</b>	6	6,669	149,600		320	31,877	87,267	(55,390)	-63%	149,600
<b>Internally generated funds</b>		13,205	12,000		80	1,015	7,000	(5,985)	-85%	12,000
<b>Total Capital Funding</b>		79,196	246,419	-	2,887	53,210	143,744	(90,535)	-63%	246,419

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2010/11	Budget Year 2011/12			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		-	-		10,582	
Call investment deposits		70,003	87,000		139,971	87,000
Consumer debtors		157,918	318,803		230,480	318,803
Other debtors		133,417	94		20,193	94
Current portion of long-term receivables					-	-
Inventory		19,586	16,854		22,578	16,854
<b>Total current assets</b>		<b>380,924</b>	<b>422,751</b>	<b>-</b>	<b>423,803</b>	<b>422,751</b>
<b>Non current assets</b>						
Long-term receivables					-	
Investments					-	
Investment property		115,350	57,459		115,350	57,459
Investments in Associate					-	-
Property, plant and equipment		792,557	940,928		845,767	940,928
Agricultural					-	-
Biological assets					-	-
Intangible assets		2,486	3,813		2,486	3,813
Other non-current assets					-	-
<b>Total non current assets</b>		<b>910,392</b>	<b>1,002,200</b>	<b>-</b>	<b>963,602</b>	<b>1,002,200</b>
<b>TOTAL ASSETS</b>		<b>1,291,316</b>	<b>1,424,951</b>	<b>-</b>	<b>1,387,405</b>	<b>1,424,951</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		9,418	18,074		-	18,074
Borrowing		17,897	44,357		-	44,357
Consumer deposits		11,857	11,489		13,180	11,489
Trade and other payables		155,125	157,710		26,062	157,710
Provisions		4,768	5,955		57,366	5,955
<b>Total current liabilities</b>		<b>199,066</b>	<b>237,585</b>	<b>-</b>	<b>96,608</b>	<b>237,585</b>
<b>Non current liabilities</b>						
Borrowing		96,758	233,270		147,725	233,270
Provisions		167,912	170,347		172,679	170,347
<b>Total non current liabilities</b>		<b>264,670</b>	<b>403,617</b>	<b>-</b>	<b>320,405</b>	<b>403,617</b>
<b>TOTAL LIABILITIES</b>		<b>463,735</b>	<b>641,202</b>	<b>-</b>	<b>417,013</b>	<b>641,202</b>
<b>NET ASSETS</b>	2	<b>827,581</b>	<b>783,749</b>	<b>-</b>	<b>970,392</b>	<b>783,749</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		798,884	756,589		941,695	756,589
Reserves		28,697	27,160		28,697	27,160
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>827,581</b>	<b>783,749</b>	<b>-</b>	<b>970,392</b>	<b>783,749</b>

**NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M07 January**

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		741,164	883,354		68,228	507,711	515,290	(7,579)	-1%	883,354
Government - operating		138,963	164,026		12	102,163	95,682	6,481	7%	164,026
Government - capital		51,844	84,819		30,098	60,986	49,478	11,508	23%	84,819
Interest		36,084	34,800		472	6,297	20,300	(14,003)	-69%	34,800
Dividends					-	-		-		
<b>Payments</b>										
Suppliers and employees		(873,901)	(999,228)		(87,587)	(571,938)	(582,883)	(10,945)	2%	(999,228)
Finance charges		(14,697)	(44,726)		(10)	(33)	(26,090)	(26,058)	100%	(44,726)
Transfers and Grants		(3,191)			(90)	(1,807)		1,807	#DIV/0!	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>76,266</b>	<b>123,045</b>	<b>-</b>	<b>11,123</b>	<b>103,379</b>	<b>71,776</b>	<b>31,603</b>	<b>44%</b>	<b>123,045</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		(79,559)	(246,419)		(2,887)	(53,209)	(143,744)	(90,535)	63%	(246,419)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(79,559)</b>	<b>(246,419)</b>	<b>-</b>	<b>(2,887)</b>	<b>(53,209)</b>	<b>(143,744)</b>	<b>(90,535)</b>	<b>63%</b>	<b>(246,419)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing		39,818	149,600		-	36,548	87,267	(50,719)	-58%	149,600
Increase (decrease) in consumer deposits			650				379	(379)	-100%	650
<b>Payments</b>										
Repayment of borrowing		(2,112)	(8,408)		(3,443)	(3,478)	(4,905)	(1,426)	29%	(8,408)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>37,706</b>	<b>141,842</b>	<b>-</b>	<b>(3,443)</b>	<b>33,070</b>	<b>82,741</b>	<b>49,671</b>	<b>60%</b>	<b>141,842</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>34,413</b>	<b>18,468</b>	<b>-</b>	<b>4,793</b>	<b>83,240</b>	<b>10,773</b>			<b>18,468</b>
Cash/cash equivalents at beginning:		26,171	65,000			60,584	65,000			60,584
Cash/cash equivalents at month/year end:		60,584	83,468			143,824	75,773			79,052

**NC091 Sol Plaatje - Supporting Table SC1 Material variance explanations - M07 January**

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>Revenue By Source</b>			
	Property rates	50%	Annual Billing of government debtors and businesses	
	Property rates - penalties & collection charges			
	Service charges - electricity revenue	-1%	Within allowable 10% variance	
	Service charges - water revenue	4%	Within allowable 10% variance	
	Service charges - sanitation revenue	11%	Positive	
	Service charges - refuse revenue	12%	Positive	
	Service charges - other	-100%	Billed water from Emergency Services Dept. Revenue is not materialising. Accounts are raised but poorer residents cannot afford bill and it is eventually written off.	Needs to be investigated
	Rental of facilities and equipment	-14%	Below target. Will possibly increase during summer period	
	Interest earned - external investments	-56%	Realised at year-end	
	Interest earned - outstanding debtors	-11%		
	Dividends received			
	Fines	-18%	It is being monitored.	User department to investigate
	Licences and permits	25%	Acceptable	
	Agency services	77%	Increased transactions. Transfer to Province made in February amounting to R1,574,938.37	
	Transfers recognised - operational	5%	Second tranche of equitable share received in December 2011	
	Other revenue	-16%	Acceptable	
	Gains on disposal of PPE			
2	<b>Expenditure By Type</b>			
	Employee related costs	-3%	Annual Salary increases factored in	
	Remuneration of councillors	4%	Acceptable	
	Debt impairment	71%	Provided for annually	
	Depreciation & asset impairment	-100%	Provided for annually	
	Finance charges	-100%	Paid bi-annually	
	Bulk purchases	-22%	Bulk Purchases Water not fully resolved with DWA. Invoices for Jan 2012 still outstanding	Payment will be made as soon as matter is resolved
	Other materials	43%	Expenditure on R&M a concern. Addressed in Adjustments budgets	Investigate over expenditure
	Contracted services			
	Transfers and grants	-13%	Transfers to other institutions not yet made.	
	Other expenditure	-14%	Acceptable. Expenditure on General Expenses controlled	
3	<b>Capital Expenditure</b>			
	Vote 5 - COMMUNITY SERVICES	-62%	Expenditure on roll-over project included here. To be adjusted in February during Adjustment Budget. Expenditure on this project will only reflect when units are delivered and inspected Water tanker - Still awaiting required documented from contract section in order to place official order. Refuse Compactor - All bids received non-responsive	
	Vote 6 - FINANCIAL SERVICES	-32%	25/1/2012 Additional Disk Storage - Started testing. We might need to upgrade the network to be able to do the backups in the available time frames.	
	Vote 7 - STRATEGY ECONOMIC DEVELOPMENT AND PLANNING	-63%	Procure environmental control system Equipment in testing phase - Awaiting maintenance to delivery a Progress on roll over projects not as desired. National Treasury has declined to approve project plan of project due to its huge bulk infrastructure demands and the weak leverage or counter-funding from the Municipality.	
	Vote 8 - INFRASTRUCTURE AND SERVICES	-63%	Electricity and waste water management make up bulk of the capital budget. Progress on projects slow, with regard to the implementation of the Homevale WWTW the delay is attributable to Civil contract on hold till end-February 2012. M&E designs and drawings in progress but installation dependent on Civil contract	

**NC091 Sol Plaatje - Supporting Table SC1 Material variance explanations - M07 January**

4	<b>Financial Position</b>			
	Current assets	(1,052)	Investment increased and consumer below budgeted target	
	Non- current assets	38,598	Capital expenditure not materialising	
	Current liabilities	140,977	No short-term loans and trade & other payables below budget	
	Non -current liabilities	83,212	Long-term borrowing below budget target	
5	<b>Cash Flow</b>			
	NET CASH FROM/(USED) OPERATING ACTIVITIES	44%	Positive YTD receipts exceeds YTD cash payment	
	NET CASH FROM/(USED) INVESTING ACTIVITIES	63%	Progress on capital not as desired	
	NET CASH FROM/(USED) FINANCING ACTIVITIES	60%	Long-term borrowing used to finance capital projects not materialising	
6	<b>Measureable performance</b>			
			To be adjusted during adjustment budget	
7	<b>Municipal Entities</b>			
			Not Applicable	