



MONTHLY BUDGET STATEMENT JULY 2021

To comply with section 71 of the MFMA and the requirements as promulgated in the MBRR Government Gazette No 32141 of 17 April 2009 by submitting the Monthly Budget Statement to the Executive Juneor, National and Provincial Treasury within 10 working days after the end of each month, containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month.

SOL PLAATJE LOCAL MUNICIPALITY

Address: Sol Plaatje Drive, Kimberley, 8301

Tel no: (053) 830 6533

Fax no: (086) 681 2135

Due date: 17 August 2021

Table of Contents

PART 1 – IN-YEAR REPORT

1. Purpose.....	2
2. Vision of Sol Plaatje Local Municipality.....	2
3. Background.....	3
4. Executive summary	3
4.1 Operating Revenue by Source	4
4.2 Operating Expenditure by Type	6
4.3 Capital expenditure	10
4.4 Cash flows.....	11
5. In-year budget statement tables	13

PART 2 - SUPPORTING DOCUMENTATION

6. Debtors' Analysis	14
7. Creditors' Analysis.....	24
8. Investment portfolio analysis	25
9. Allocation and grant receipts and expenditure	26
10. Councillor and board member allowances and employee benefits	29
11. Material variances to the service delivery and budget implementation plan	32
12. Capital programme performance	32
13. Other supporting documents	34
14. Conclusion	34
15. Annexures.....	34
16. Municipal Manager's quality certification	42

List of Tables

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget.....	3
Table 2: Consolidated summary: Statement of Financial Performance: Original Budget	4
Table 3: Table C4 Financial Performance (Revenue)	4
Table 4: Table C4 Financial Performance (Expenditure)	6
Table 5: Summary of YTD Bulk expenditure	9
Table 6: Summary of outstanding Bulk costs debt.....	9
Table 7: High level summary: Capital Expenditure	10
Table 8: Supporting Table SC3: Aged Debtors.....	14
Table 9: Month-on-month growth in outstanding debtors	17
Table 10: Monthly collection rate	20
Table 11: Revised Average collection rate	20
Table 12: BS566 report on receipts per service	21
Table 13: BS566 report on receipts per debtor type	22
Table 14: Supporting Table SC4: Aged Creditors	24
Table 15: Supporting Table SC5: Investment portfolio.....	25
Table 16: Supporting Table SC6: Transfers and grant receipts	26
Table 17: Supporting Table SC7(1): Transfers and grant expenditure	27
Table 18: Summary of expenditure per grant.....	27
Table 19: Supporting Table SC7(2) - Expenditure against approved rollovers.....	28
Table 20: Supporting Table SC8: Councillor and staff benefits.....	29
Table 21: Current YTD Overtime expenditure excl Night-shift allowance	30
Table 22: Detailed capital expenditure report	33
Table 23: Summary of capital expenditure per funding source	34

List of Charts

Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue	6
Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure	8
Chart 3: Total Capital expenditure	10
Chart 4: Call investment deposits and Cash & cash equivalents at year-end.....	11
Chart 5: Call investment deposits at month-end	12
Chart 6.1: Cash & cash equivalents at month-end.....	13
Chart 6.2: Cost coverage ratio.....	13
Chart 7: Debt over 90 days as a percentage of Total O/S Debt	15
Chart 8: Outstanding Debt by Income Source	16
Chart 9: Aged Consumer Debtor Analysis	18
Chart 10: Consumer Debtors (total by Debtor Customer Category)	18
Chart 11: Debtor's Age Analysis per Customer Group.....	19
Chart 12: Total billing receipts incl Prepaid Electricity.....	23
Chart 13: Aged Creditors Analysis.....	24
Chart 14: Capital Expenditure Monthly Trend: actual v target.....	32
Chart 15: Capital Expenditure: YTD actual vs YTD target.....	32

List of Abbreviations and Acronyms used in the MBS

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer
COGHSTA - Department of Co-operative Governance, Human Settlement and Traditional Affairs
DBSA - Development Bank of South Africa
DoRA - Division of Revenue Act
DPW – Department of Public Works
DSAC – Department of Sports, Arts and Culture
DWS - Department of Water and Sanitation
ED - Executive Director
EEDG - Energy Efficiency and Demand Side Management Grant
EPWP - Expanded Public Works Programme
FMG – Financial Management Grant
FY – Financial Year
GG – Government Gazette
GRAP - Generally Recognised Accounting Practices
GURP - Galeshewe Urban Renewal Programme
IDP - Integrated Development Plan
INEP - Integrated National Electrification Programme
ISDG - Infrastructure Skills Development Grant
IT - Information Technology
IUDG –Integrated Urban Development Grant
IYM – In-year Monitoring
KPA or KPI - Key Performance Area or Indicator
MBRR - Municipal Budget and Reporting Regulations (GG 32141 of 17 April 2009)
MBS – Monthly Budget Statement
MFMA - Municipal Finance Management Act (Act 56 of 2003)
MIG - Municipal Infrastructure Grant
MM - Municipal Manager
MSA - Municipal Systems Act
MSIG - Municipal Systems Improvement Grant
MTREF - Medium Term Revenue and Expenditure Framework
NDPG - Neighbourhood Development Partnership Grant
NERSA - National Energy Regulator of South Africa (“the Regulator”)
NT - National Treasury
OPEX – Operational Expenditure
O/S - Outstanding
PPE - Property, Plant and Equipment
R&M - Repairs and Maintenance
SALGA - South African Local Government Association
SCM - Supply Chain Management
SCOA – Standard Chart of Accounts
SDBIP - Service Delivery and Budget Implementation Plan
SEDP - Strategic Economic Development and Planning
SLA -Service Level Agreement
SMME - Small, Medium and Micro Enterprises
SPLM - Sol Plaatje Local Municipality
VAT – Value Added Tax
YTD – Year to date
WRM - Water Resource Management
WRL - Water Research Levy
WSIG – Water Services Infrastructure Grant

PART 1 – IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 JULY 2021

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 Juneor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

The Covid-19 pandemic did not bode well for the municipality's finances which was already under severe strain and further exposed the vulnerability of the municipality's cash position. The municipality would like to thank all our clients who still continued to settle their outstanding municipal accounts during this difficult period. The municipality realises once again, the critical importance of having a minimum 3 months cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on service delivery.

In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced, serious consideration should be given to the service delivery and financial implications of all decisions taken, ensure that acts, regulations and policies are adhered to diligently, enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money.

Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges. Ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.

2. Vision of Sol Plaatje Local Municipality

"Sol Plaatje Local Municipality, "Moving towards a leading and a modern city"

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 and the 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 July 2021**, the ten working day reporting limit expires on **17 August 2021**.

Retirement of the Budget reform returns. As per MFMA Budget Circular No. 94 "from 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings" which must be submitted before or on **17 August 2021**, (ten working day limit).

4. Executive summary

The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand (R'000)	YTD Budget July 2021	YTD Actual July 2021	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	197,143	304,001	106,859	154.2%	54.2%
Total Revenue (including capital transfers and contributions)	211,123	304,001	92,878	144.0%	44.0%
Total Operational Expenditure	195,416	80,802	(114,614)	41.3%	-58.7%

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget

As indicated in Table 1 above, as at 31 July 2021, the billed revenue excluding capital grants amounted to R304,001 million which resulted in a positive variance of 54.2% when compared to the YTD budget of R197,143 million. The billed revenue including capital resulted in a positive variance of 44% when compared to the YTD budget of R211,123 million. Capital grants will be recognised in the Statement of Financial Performance, once all conditions of the grant has been met and this will be finalised as part of year-end procedures. The Total Operational Expenditure resulted in a negative variance of minus 58.7%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual July 2021	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 91.67%
Total Revenue (excluding capital transfers and contributions)	2,365,711	304,001	106,859	12.9%	4.5%
Total Revenue (including capital transfers and contributions)	2,533,477	304,001	92,878	12.0%	3.7%
Total Operational Expenditure	2,344,984	80,802	(114,614)	3.4%	-4.9%

Table 2: Consolidated summary: Statement of Financial Performance: Original Budget

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 8.33% [calculated as follow: (100/12 months x 1 months of the year)] as at the end of July 2021, the Total operational revenue excluding capital grants versus the Original Budget resulted in an satisfactory variance of 4.5%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of minus 3.7%. Capital grants must still be recognised in the Statement of Financial Performance, once all conditions of the grant has been met and this will be finalised as part of year-end procedures. The Total Operational Expenditure resulted in a negative variance of minus 4.9%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category by 12. The capital projections were also done in the same fashion. Please note that variances within a 5% range are acceptable and need not necessarily be explained.

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - July 2021										
Revenue by Source	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	603,707	123,683	123,683	50,309	245.8%	73,374	145.8%	20.5%	73,374	12.2%
Service charges - electricity revenue	861,157	45,569	45,569	71,763	63.5%	(26,195)	-36.5%	5.3%	(26,195)	-3.0%
Service charges - water revenue	294,012	17,517	17,517	24,501	71.5%	(6,984)	-28.5%	6.0%	(6,984)	-2.4%
Service charges - sanitation revenue	76,648	7,036	7,036	6,387	110.2%	649	10.2%	9.2%	649	0.8%
Service charges - refuse revenue	59,567	5,348	5,348	4,964	107.7%	384	7.7%	9.0%	384	0.6%
Rental of facilities and equipment	13,145	1,010	1,010	1,095	92.2%	(85)	-7.8%	7.7%	(85)	-0.6%
Interest earned - external investments	9,000	(465)	(465)	750	-62.0%	(1,215)	-162.0%	-5.2%	(1,215)	-13.5%
Interest earned - outstanding debtors	157,200	9,399	9,399	13,100	71.7%	(3,701)	-28.3%	6.0%	(3,701)	-2.4%
Fines, penalties and forfeits	34,725	982	982	2,894	33.9%	(1,912)	-66.1%	2.8%	(1,912)	-5.5%
Licences and permits	6,500	1,191	1,191	542	219.9%	649	119.9%	18.3%	649	10.0%
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	230,640	91,894	91,894	19,220	478.1%	72,674	378.1%	39.8%	72,674	31.5%
Other revenue	19,411	837	837	1,618	51.7%	(781)	-48.3%	4.3%	(781)	-4.0%
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,365,711	304,001	304,001	197,143	154.2%	106,859	54.2%	12.9%	106,859	4.5%
Transfers and subsidies - capital	167,766	-	-	13,980	0.0%	(13,980)	-100.0%	0.0%	(13,981)	-8.3%
Total Revenue (including capital transfers and contributions)	2,533,477	304,001	304,001	211,123	144.0%	92,878	44.0%	12.0%	92,878	3.7%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive variance of 145.8%, as a result of the annual billing on predominantly government properties. There are businesses and households that opt to get billed annually.
- ❖ Service charges is performing satisfactorily for the month under review, however Service charges: Electricity is showing a negative variance of 36.5% and Services Charges Water: is showing a negative variance 28.5%. The variances will be investigated by the Billing section. Refuse removal and Sanitation charges is showing an over-recovery as result of increased billing. The contributing factors to this, should also be analysed by the Billing section.
- ❖ Interest earned – External investments shows a negative variance of minus 162%, as a result of accrued interest revenue that was recognised in the 2020/21 financial year. It should be noted that investments have been declining year-on-year, however for the YTD period, investment have remained relatively constant. However, due to financial constraints the municipality could not increase its investments which largely contributes to the lower interest earned. The reduced interest rate by the Reserve bank, also has a negative impact on Interest earned. The bulk of the interest is will be recognised at year-end.
- ❖ Interest earned on outstanding debtors is showing a negative variance of minus 28.3%. The Billing section will have to do a thorough investigation into the lower interest generated and ascertain that interest is being duly charged to all outstanding balances more than .
- ❖ Fines, penalties and forfeits is showing a negative variance of 66.1% as a result of the under-recovery of Law enforcements fines with a 0.09% achieved versus a target of R17,000 million. The unit is experiencing various challenges in terms of capacity and the process of the reconciliation of fines with the Department of Justice needs to improve. Penalties: Disconnection fees is performing poorly at zero percent achieved against an annual target of R16,000 million. The bulk blocking of prepaid meters, could not materialise as the municipality must remain cognisant of adhering to the Covid-19 regulations.
- ❖ Licences and permits is showing a positive variance of 119%, however there are possible outstanding payments due to the Department of Transport, Safety and Liaison. There is sometimes a delay in the timing of receipts and eventual transfer, especially towards month-end.
- ❖ Capital grants are recognised in the Statement of Financial Performance at year-end, once all conditions of the grant have been met. The municipality is busy finalising year-end procedures.

Comparison against Original Budget

Based on the IYM percentage of 8.33%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is showing an over-recovery, due to annual billing on Property rates.
- ❖ Service charges is performing satisfactorily.
- ❖ Interest from External Investments shows an unsatisfactory variance of 13.5%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on outstanding debtors is showing a satisfactory variance of 2.4%. Same factors are applicable as described in the paragraph above
- ❖ Fines, penalties and forfeits is showing a negative variance of 5.5%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 10%. Same factors are applicable as described in the paragraph above.
- ❖ The first tranche of the Equitable Share was received during July 2021, hence the over-recovery on Transfer and subsidies – operational.
- ❖ Transfers – recognised capital will be recognised in the Statement of Financial Performance at year-end, once all conditions of the grant have been met.

Also indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 July 2021. The main contributors of the municipality's revenue are Service Charges, Property Rates and Transfers and subsidies. The weighting per Revenue source is distorted due to the annual billing on Property rates and the receipt of the first tranche of the Equitable Share.

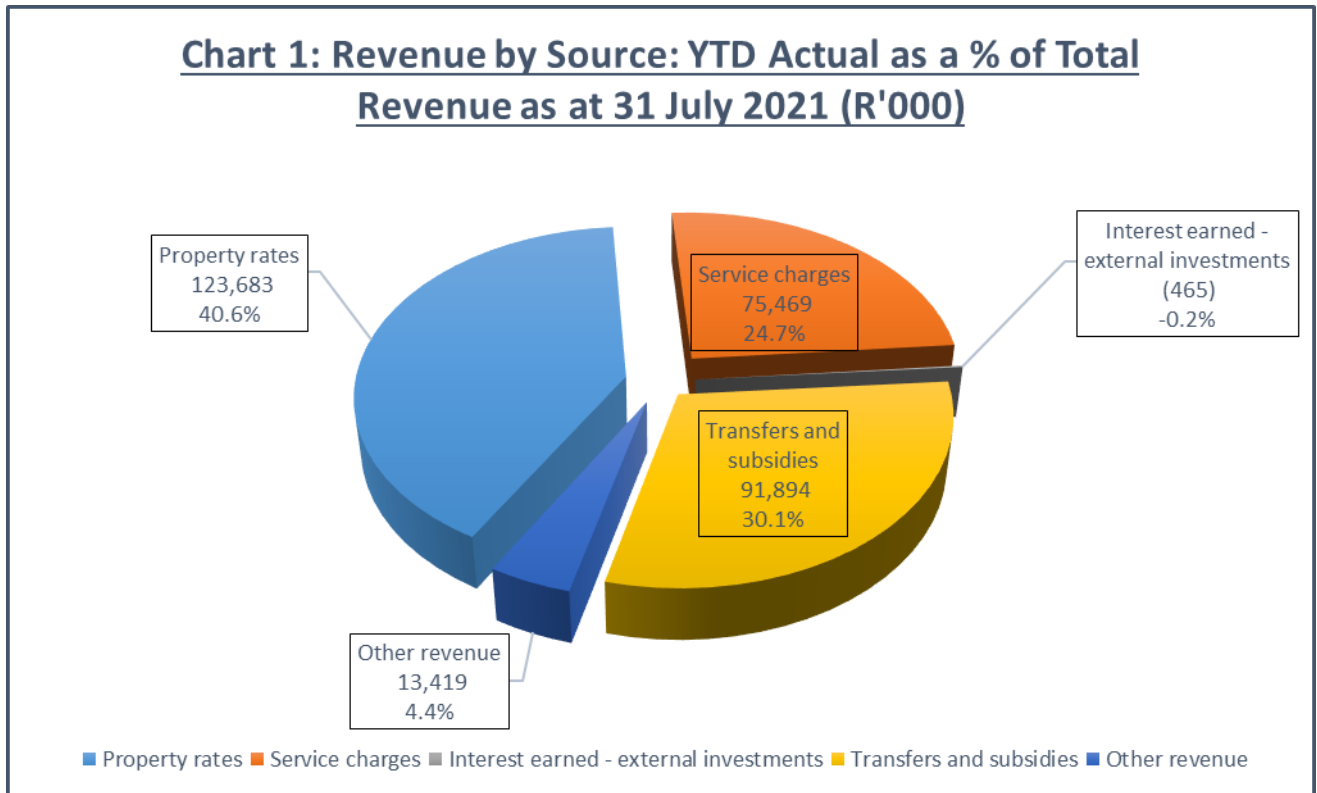


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - July 2021										
Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	836,388	59,499	59,499	69,699	85.4%	(10,200)	-14.6%	7.1%	(10,200)	-1.2%
Remuneration of councillors	34,547	2,507	2,507	2,879	87.1%	(372)	-12.9%	7.3%	(372)	-1.1%
Debt impairment	275,000	1	1	22,917	0.0%	(22,915)	-100.0%	0.0%	(22,915)	-8.3%
Depreciation & asset impairment	79,150	-	-	6,596	0.0%	(6,596)	-100.0%	0.0%	(6,596)	-8.3%
Finance charges	22,261	-	-	1,855	0.0%	(1,855)	-100.0%	0.0%	(1,855)	-8.3%
Bulk purchases - electricity	761,000	-	-	63,417	0.0%	(63,417)	-100.0%	0.0%	(63,417)	-8.3%
Inventory consumed	165,331	5,393	5,393	13,778	39.1%	(8,384)	-60.9%	3.3%	(8,384)	-5.1%
Contracted services	46,687	308	308	3,891	7.9%	(3,582)	-92.1%	0.7%	(3,582)	-7.7%
Transfers and subsidies	4,850	4	4	404	0.9%	(400)	-99.1%	0.1%	(400)	-8.3%
Other expenditure	119,770	13,089	13,089	9,981	131.1%	3,108	31.1%	10.9%	3,108	2.6%
Total Expenditure	2,344,984	80,802	80,802	195,416	41.3%	(114,614)	-58.7%	3.4%	(114,614)	-4.9%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 July 2021 current expenditure shows an unsatisfactory variance of minus 58.7%, the YTD actual which amounted to R80,802 million against the YTD budgeted SDBIP target of R195,416 million.

- ❖ Employee related costs shows an unsatisfactory variance of minus 14.6%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures. There is also a soft lock on the filling of vacancies for the past few months.
- ❖ Remuneration of councillors is showing an under-expenditure of 12.9%. It should be noted that the gazette on the Determination of upper limits of salaries, allowances and benefits of different members of municipal councils for 2021/2022 financial year has not been issued. The gazette is normally issued during December of each year.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures.
- ❖ Debt impairment is provided for quarterly. The journal for the first quarter will be processed during August 2021.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is zero percent spent versus a budget of R6,875 million. Prepaid Electricity Vendors is zero percent spent versus a budget of R23,500 million. It should be noted that the July 2021 invoices for Ontec (prepaid electricity vendor) is not yet captured on the system and is due on 31 August 2021. The total amount due to Ontec is R2,936 million.
- ❖ Bulk purchases is showing unsatisfactory variance of minus 100%. The July 2021 account amounting to R104 million is due on 31 August 2021 and has not been captured on the system. The municipality has insufficient cash available to settle the account in full and it will be included in the new debt agreement that the municipality envisages to conclude with ESKOM for the 2021/22 financial year. It should be noted that the budgeted amount for Bulk purchases: Electricity is R647 million. It should be noted that Bulk water with a budgeted R114 million is erroneously included under Bulk Purchases Electricity. This will be discussed with NT and corrected accordingly, if required.
- ❖ Transfers and subsidies shows a negative variance of 99.1%. Transfers to the SPCA is still pending.
- ❖ Finance charges is showing a negative variance of 100%. It should be noted that finance charges are paid bi-annually and the first instalment is due on or before 31 December 2021. Interest on overdue accounts will be addressed in the Adjustment budget. Corrections on the actuals pertaining to Interest paid on overdue accounts will be journalised on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statement.
- ❖ The expenditure on Other Materials is showing an unsatisfactory variance of 60.9%. Water inventory resorts under Other materials as per GRAP 12. There is a possible misallocation of the budget of Bulk water purchases, This will be taken up with NT and corrected if needed. It has been reiterated monthly that expenditure on Other materials needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively and also that funds will be fully spent at year-end.
- ❖ During the 2019/20 Mid-year Budget Assessment the following factors were identified by the municipality that negatively affects the expenditure on Other materials
The possible root causes can vary from poor preventative maintenance strategies, poor planning, vehicles being at the Workshop for longer periods which is hampered by the availability of suitable parts, procurement processes exacerbated by a lack of valid tenders being in place for which the user departments are responsible for, clamping down on deviations and major works still outstanding for which proper procurement processes needs to be adhered to, and then prioritisation as a result of the cash flow constraints. It is advised that management finalise maintenance plans and implement these plans within the current financial constraints, ensure that remedial action be taken to improve on preventative maintenance and spend funds cost-effectively

and efficiently to address service delivery issues and ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, overall personnel performance and productivity be monitored and improved.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of July 2021 is 8.33%. The total operational expenditure against the Original Budget is 3.4% spent, resulting in a variance of minus 4.9%.

- ❖ Employee costs is showing a satisfactory variance of 1.2% and Councillors remuneration is showing a satisfactory variance of 1.1%. Same factors are applicable as explained above.
- ❖ Depreciation will be provided for at year-end.
- ❖ Finance charges are paid bi-annually and show an unsatisfactory variance of minus 100%, same factors are applicable as explained above.
- ❖ Debt impairment is provided for on a quarterly basis.
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is unsatisfactory with a variance of minus 8.3%. The same factors are applicable as explained in the paragraph above.

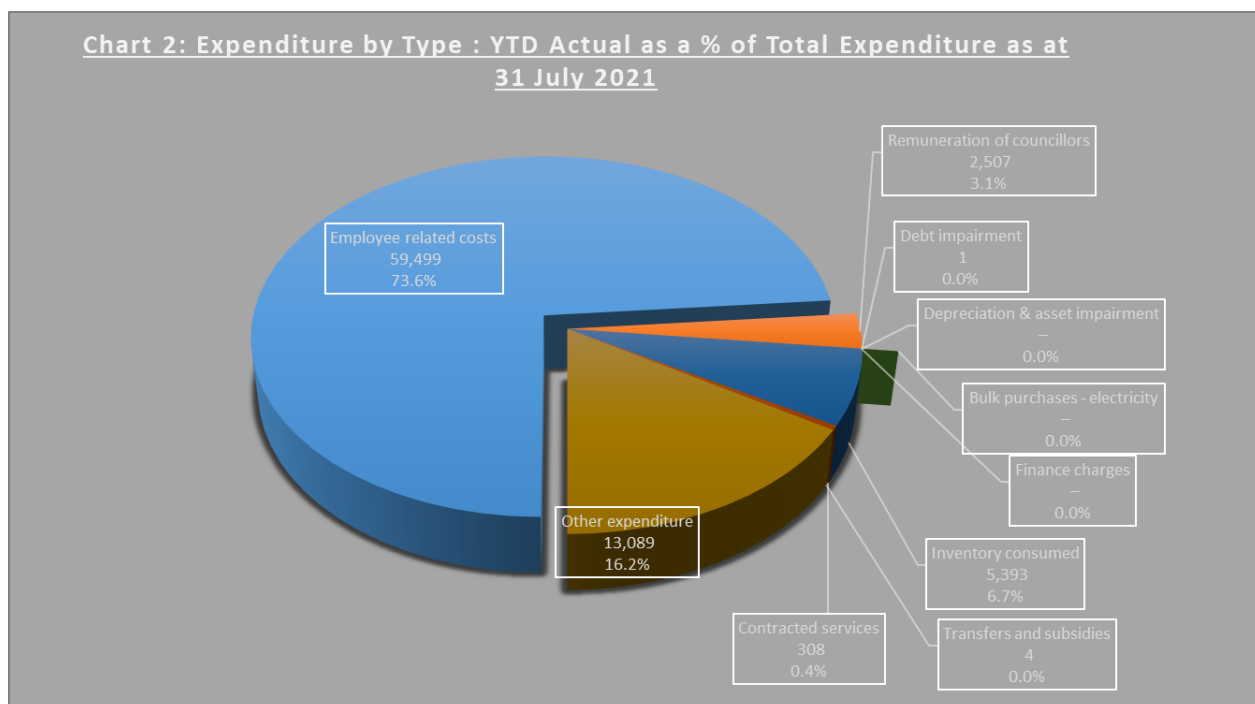


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 July 2021. The main cost drivers of the municipality are Employee Related Costs, Debt Impairment and Bulk Purchases. It should be noted that these percentages are distorted as a result of the following:

- ❖ The Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures. The softlock on filling of vacancies also plays a role.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ Debt impairment is provided for quarterly.
- ❖ Interest on external borrowing is paid bi-annually.
- ❖ Non-capturing of Electricity bulk purchases and Water for July 2021. The due date is end of August 2021. The municipality is still awaiting the July 2021 account from DWS.

Bulk Purchases and Inventory - Water

- ❖ Indicated in Table 5 below, is the YTD expenditure on Bulk Purchases Electricity and Inventory: Water. When compared to the IYM percentage of 8.33% as at end of July 2021, Bulk Purchases Electricity is showing a negative variance of 8.3% as a result of the July 2021 bulk electricity accounts not being captured on the system, due to the fact that the due date is end of August 2021. The municipality does not have sufficient cash reserves to settle this invoice in full.
- ❖ Inventory – Water is showing a negative variance of 8.3% when compared to the ideal percentage of 8.3%. Variance is attributable to the fact that the July 2021 invoice is only due at the end of August 2021. The municipality is awaiting the July 2021 bulk water invoice from DWS. The municipality does not have sufficient cash reserves to settle this invoice in full.

Description	Original Budget	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
Bulk Purchases: Electricity	647,000,000	647,000,000	-	-	0.0%	-8.3%
Bulk Purchases: Water	114,000,000	114,000,000	-	-	0.0%	-8.3%

Table 5: Summary of YTD Bulk expenditure

Organ of state	Principle debt 2020/21	Monthly Instalment	Amount paid to date	% of debt settled	Correction on arrear debt	Balance on Payment arrangement	Balance of unpaid invoices	Current Account due	Total Outstanding Debt	YTD Interest charged 2021/22
ESKOM	112,040,715.83	12,448,968.43	112,040,715.83	100%	-	-	144,023,147.09	104,399,671.88	248,422,818.97	2,165,013.02
DWS	61,179,514.18	5,000,000.00	33,794,899.49	55%	340,009.25	27,724,623.94	57,669,579.50		85,394,203.44	-
Grand Total	173,220,230.01	17,448,968.43	145,835,615.32	84%	340,009.25	27,724,623.94	201,692,726.59	104,399,671.88	333,817,022.41	2,165,013.02

Table 6: Summary of outstanding Bulk costs debt

Indicated in Table 6 above, is the total outstanding debt owed to ESKOM amounting to R248,423 million and DWS amounting to R85,394 million. It should be noted that the total debt due to DWS needs to be concurred with the department. The current account due to ESKOM is R104,399 million. The arrear debt of R144,023 million pertains to the balance of the April 2021 account amounting to R18m, the unpaid account of May and June 2021, amounting to R45 million and R79 million respectively. The municipality did not have sufficient cash to settle the outstanding accounts due to ESKOM. The municipality is awaiting the invoice from the DWS for July 2021. Challenges pertaining to the debt owed to DWS. Firstly, due to cash flow constraints, the municipality could not settle the December 2020 to March 2021 invoices. Secondly, the municipality also defaulted on the payment arrangement, due to insufficient cash available and the debt due to ESKOM took preference as a result of the intention of ESKOM to suspend electricity supply to the municipality. For the month of July to the first week of August, the municipality settled an amount of R12,795 million on the arrear debt owed to DWS. For the 2021/22 financial year, the total year to date interest charged on overdue accounts amounts to R2,165 million for ESKOM. Interest for DWS still needs to be confirmed with DWS. The municipality envisages to enter into a new debt agreement with ESKOM, once the billing for August 2021 has been finalized. The debt agreement for 2020/21 has been settled in full. The municipality also envisage to enter into a new debt agreement with DWS for the current financial year. The municipality managed to settle an amount of R33,795 million on the arrear debt owed to DWS, resulting in a revised balance of R27,725 million due a reconciliation error of R340 thousand recognized by the municipality.

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - July 2021										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	179,266	215	215	14,939	1.4%	(14,724)	-98.6%	0.1%	(14,724)	-8.2%
Funded by										
Capital transfers recognised	167,766	215	215	13,981	1.5%	(13,766)	-98.5%	0.1%	(13,766)	-8.2%
Internally generated funds	11,500	0	0	958	0.0%	(958)	-100.0%	0.0%	(958)	-8.3%
Weighting Capital transfer recognised	94%	100%	100%	94%						
Weighting Internally generated funds	6%	0%	0%	6%						

Table 7: High level summary: Capital Expenditure

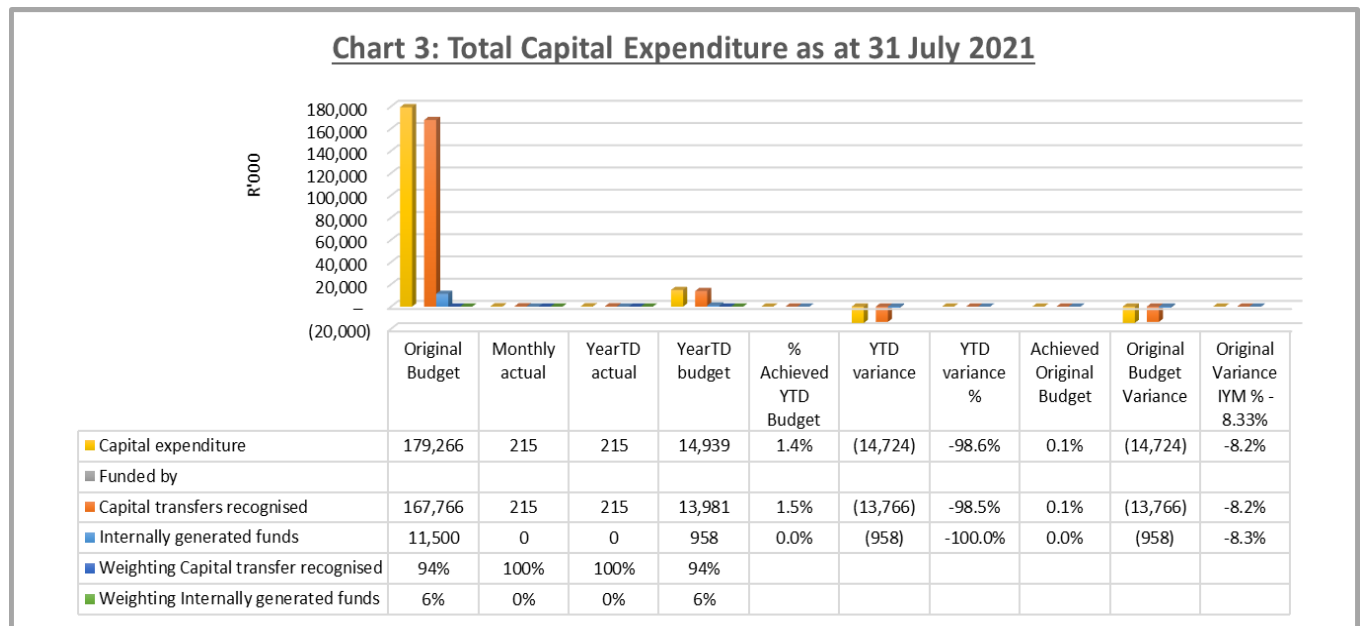


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of July 2021 amounted to R215 thousand and 1.4% spent when compared to the YTD budget of R14,939 million and 0.1% spent when compared to the Original Budget of R179,266 million. The total YTD capex is funded from Capital transfers R215 thousand (100%) and Internally generated funds zero Rand (0%). Capex is extremely low and this should improve going forward. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes. The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. The Project Management Unit (PMU) is not adequately staffed, resulting in a lack of qualified permanently appointed project managers. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

4.4 Cash flows

Chart 4: Current investment deposits and Cash & cash equivalents at year-end

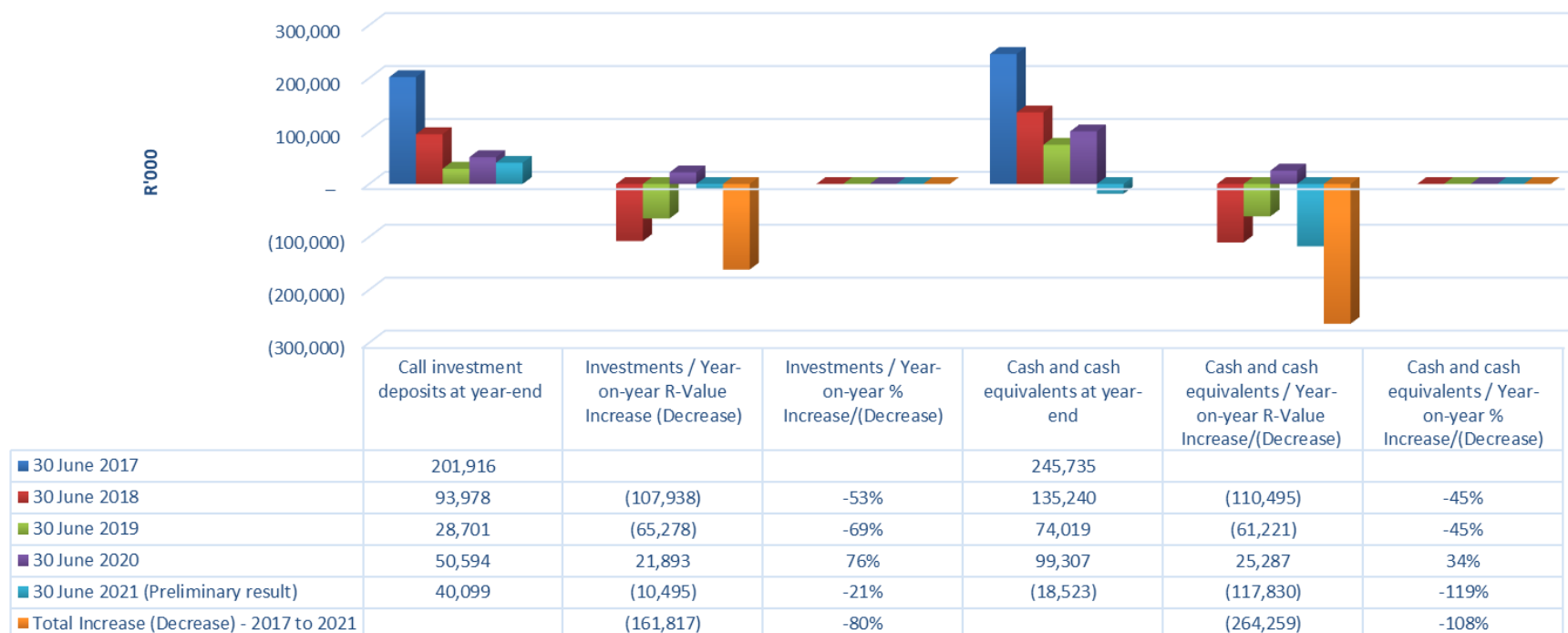


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

Investments decreased by R107,938 million or 53% from 2017 to 2018. Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. From 2016 to 2020, the total investments decreased by R161,817 million. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, non-implementation of the basic charge for 2018/19, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

Chart 5: Call investment deposits incl interest for the period ending 31 July 2021

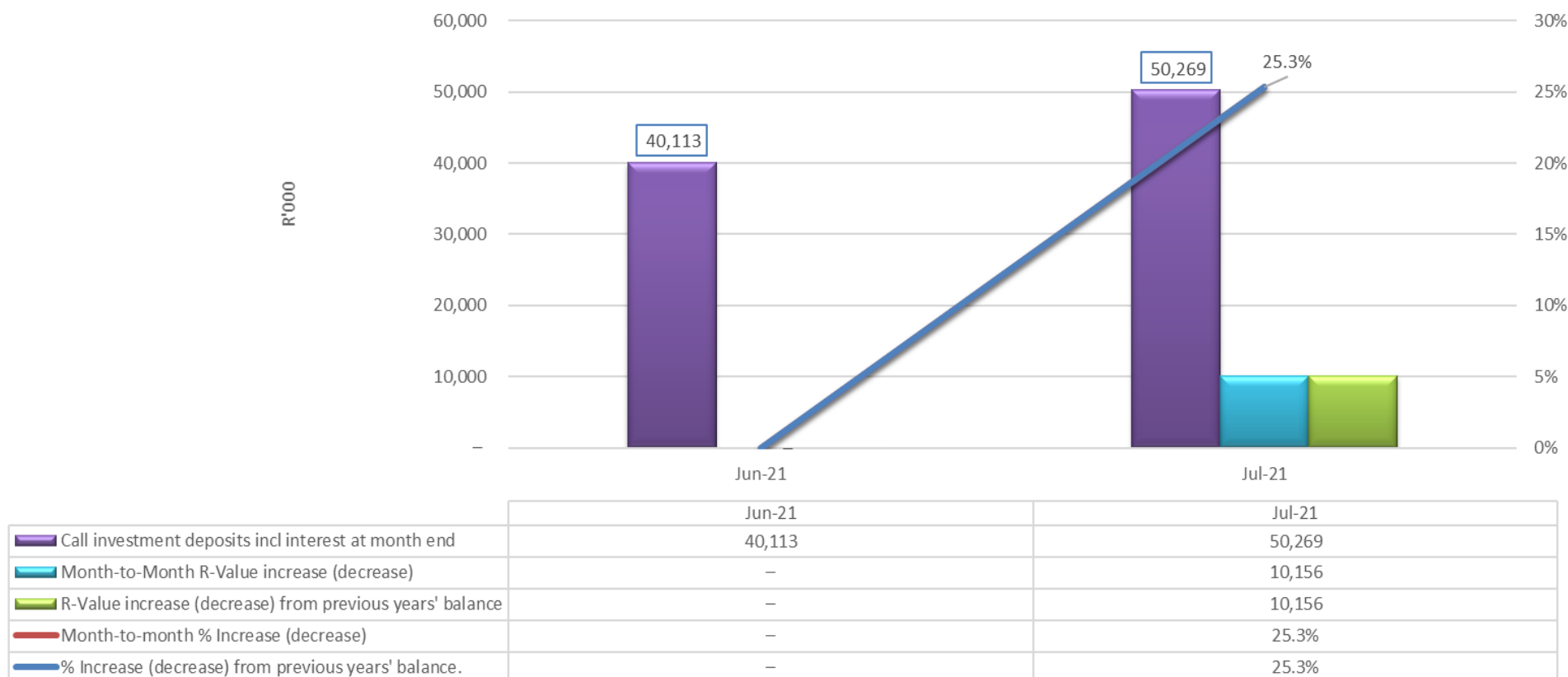


Chart 5: Call investment deposits at month-end

As indicated in the Chart 5 above from June 2021 to July 2021 investments incl interest increased by R10,156 million or 25.3%, in respect of the month-to-month comparison. Investments increased by R10,156 million or 25.3% when compared to the previous years' preliminary balance of R40,113 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments. The non-charging of the basic charge for 2018/19 for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

This chart could not be populated due to errors on the system pertaining to C6 (Statement of Financial Position) and C7 (Cash flow) that could not be resolved timeously..

Chart 6.1: Cash & cash equivalents at month-end

This chart could not be populated due to errors on the system pertaining to C6 (Statement of Financial Position) and C7 (Cash flow) that could not be resolved timeously.

Chart 6.2: Cost coverage ratio

The estimated average Cost coverage ratio is currently less than one week. Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a serious key indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage our relationship with service providers and further tarnishing the municipality's reputation. The only way to address these issues, is to work as a collective, enforce accountability within all departments and to collect outstanding debt. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

5. In-year budget statement tables

The financial results for the period under review are attached consisting of the following Tables, in Annexure A

- (a) Table C1: Summary
- (b) Table C2: Financial Performance (Functional Classification)
- (c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Financial Performance (Revenue and Expenditure)
- (e) Table C5: Capital Expenditure by vote, functional classification and funding
- (f) Table C6: Statement of Financial Position
- (g) Table C7: Cash Flow

PART 2 - SUPPORTING DOCUMENTATION

6. Debtors' Analysis`

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	42,387	14,182	15,510	421,121					493,201	421,121		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	64,949	11,083	14,791	166,994					257,816	166,994		
Receivables from Non-exchange Transactions - Property Rates	1400	131,075	13,102	12,397	583,766					740,341	583,766		
Receivables from Exchange Transactions - Waste Water Management	1500	11,703	4,062	3,883	130,121					149,768	130,121		
Receivables from Exchange Transactions - Waste Management	1600	8,999	3,068	2,893	100,027					114,986	100,027		
Receivables from Exchange Transactions - Property Rental Debtors	1700	552	515	492	39,633					41,192	39,633		
Interest on Arrear Debtor Accounts	1810	18,243	8,801	8,635	557,454					593,133	557,454		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-					-	-		
Other	1900	9,485	4,444	8,592	180,656					203,177	180,656		
Total By Income Source	2000	287,392	59,257	67,194	2,179,771	-	-	-	-	2,593,614	2,179,771	-	-
2020/21 - totals only		188,567	72,083	60,625	2,144,368					2,465,644	2,144,368		
Debtors Age Analysis By Customer Group													
Organs of State	2200	107,619	9,032	12,603	651,072					780,326	651,072		
Commercial	2300	79,418	15,070	16,128	326,434					437,050	326,434		
Households	2400	97,905	34,084	37,179	1,158,826					1,327,994	1,158,826		
Other	2500	2,451	1,070	1,283	43,439					48,243	43,439		
Total By Customer Group	2600	287,392	59,257	67,194	2,179,771	-	-	-	-	2,593,614	2,179,771	-	-

Table 8: Supporting Table SC3: Aged Debtors

Indicated in Table 8 above, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R2,594,614 billion as at the end of July 2021. The Credit control office implemented the following contingencies. In the light of current cash flow and very low cashier collection at points, we resumed disconnection and blocking of institutions, businesses and Government Departments without valid arrangements or not in discussions with, effective immediately. Bulk blocking of prepaid meters is hampered due to Covid-19 regulations. On a weekly basis, the municipality also focuses on the Top Ten accounts for all debtor groups. Water and lights (long outstanding queries and Interims), Rates (long outstanding Interims) are also dealt with. The Call Centre also do courtesy calls to the most paying customers, as a means to improve customer satisfaction.

Specific action – Covid-19

30% Discount for full settlement of arrear debt; 10% monthly early payment incentive (excluding Electricity sales); Radio interviews – customer education and awareness, invite indigent for registration; Blocking of non-residential dwellings: 30 % prepaid partial (non-indigent customers); 10 % prepaid partial (indigents customers) and 100% Commercial, Businesses, Gov, Staff, Cllrs, NGO, etc)

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt from June to July 2021 decreased from 87% to 84% for the period under review. Debt over 90 days increased by R35,403 million in respect of the month-to-month comparison. The month-on-month increase on Total O/S debtors amounted to R127,970 million. This is mainly attributable to the annual billing on Property rates. It is concerning that total debt over 90 days is hovering at an average of 85%. During the Original Budget funding assessment for 2019/20, NT advised that the municipality should consider writing off debtors that we know we are not realistically going to collect. To this end, the total amounts written off as uncollectable amounted to R403,262 million for the year ended 30 June 2020.

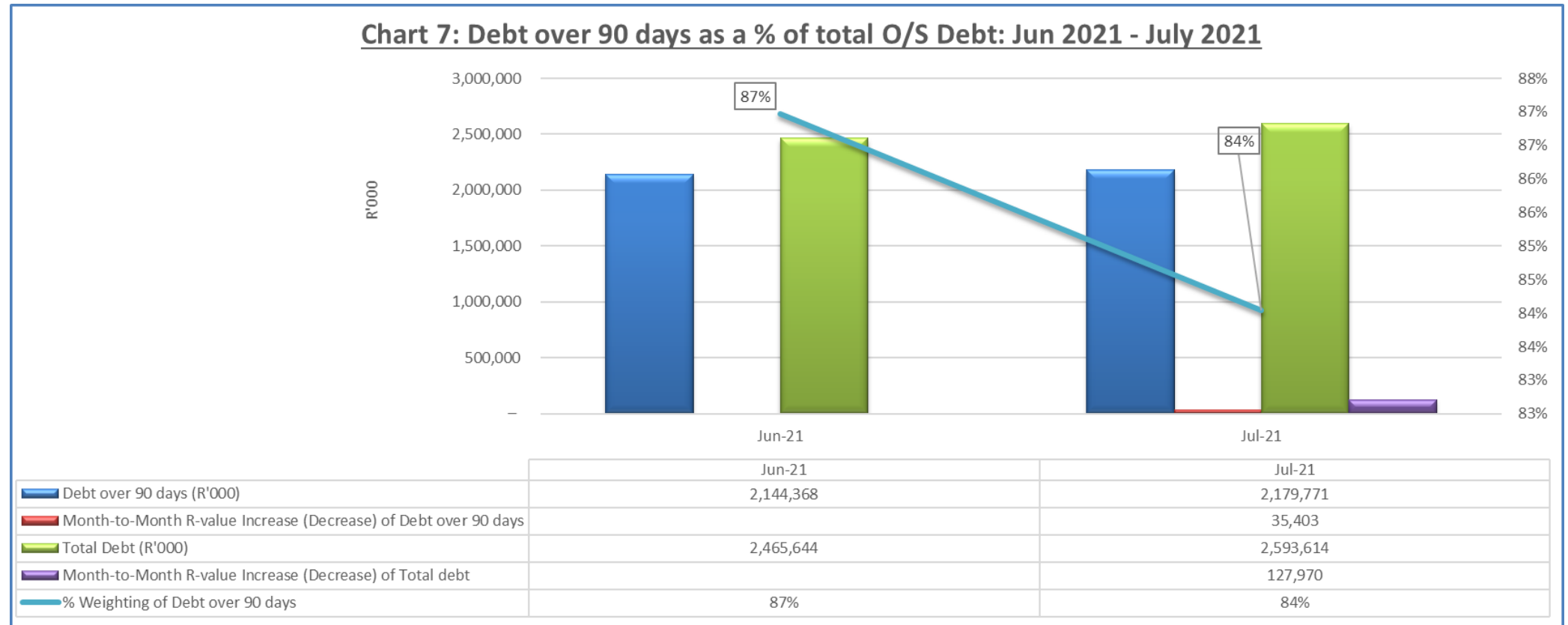


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

Chart 8: Outstanding Debt by Income Source as at 31 July 2021

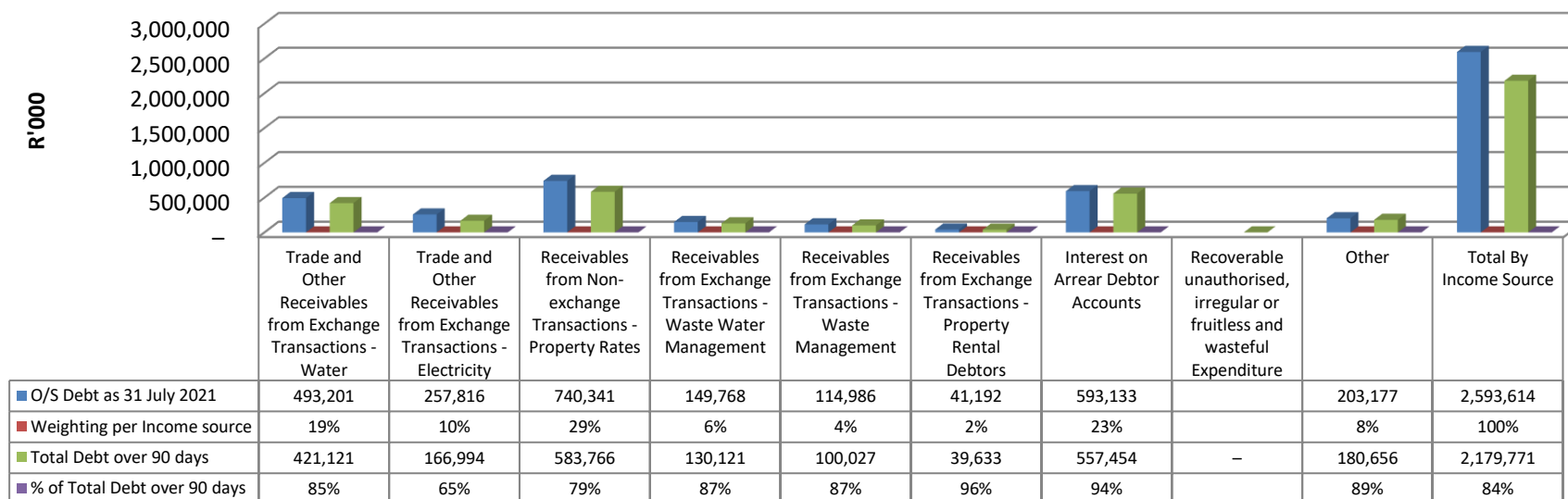


Chart 8: Outstanding Debt by Income Source

Indicated in Chart 8 above, is the total outstanding debt per Income Source, including the weighting and the percentage of Total Debt over 90 days as at the end of July 2021. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 29%
- ❖ Interest on Arrear Debtor Accounts 23%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19%

The highest percentage weighting of debt owed in excess of 90 days is attributable to:

- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 96%
- ❖ Interest on Arrear Debtor Accounts at 94%;
- ❖ Other 89% and

Debtors Age Analysis By Income Source	O/S Debt as 30 June 2021	O/S Debt as 31 July 2021	Percentage month-on-month Increase/(Decrease) in Debtors	R-Value Increase/(Decrease)	Weighting of Debt per Category as a % of Total O/S
Trade and Other Receivables from Exchange Transactions - Water	490,483,675	493,201,212	0.6%	2,717,537	19%
Trade and Other Receivables from Exchange Transactions - Electricity	238,718,044	257,815,899	7.4%	19,097,855	10%
Receivables from Non-exchange Transactions - Property Rates	649,839,510	740,340,659	12.2%	90,501,149	29%
Receivables from Exchange Transactions - Waste Water Management	146,615,029	149,768,126	2.1%	3,153,097	6%
Receivables from Exchange Transactions - Waste Management	112,593,595	114,986,197	2.1%	2,392,602	4%
Receivables from Exchange Transactions - Property Rental Debtors	40,762,907	41,191,582	1.0%	428,675	2%
Interest on Arrear Debtor Accounts	585,551,098	593,133,408	1.3%	7,582,310	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	201,080,220	203,176,925	1.0%	2,096,705	8%
Total By Income Source	2,465,644,078	2,593,614,008	4.9%	127,969,930	100%
Debtors Age Analysis By Customer Group					
Organs of State	703,154,905	780,326,051	9.9%	77,171,146	30%
Commercial	412,725,081	437,050,413	5.6%	24,325,332	17%
Households	1,302,408,843	1,327,994,444	1.9%	25,585,601	51%
Other	47,355,249	48,243,100	1.8%	887,851	2%
Total By Customer Group	2,465,644,078	2,593,614,008	4.9%	127,969,930	100%

Table 9: Month-on-month growth in outstanding debtors

Indicated in Table 9 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group from June to July 2021, the municipality's total O/S debt increased by 4.9% or R127,970 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 0.6%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity increased by 7.4%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 12.2%. This is attributable to the annual billing of Property rates that gets billed once-off during July of each year.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 2.1%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 2.1%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 1.0%;
- ❖ Interest on Arrear Debtor Accounts increased by 1.3%.
- ❖ Other increased by 1.0%.

O/S debt per Customer Group

- ❖ Organs of State increased by 9.9%, also as a result of the annual billing of Property rates.
- ❖ Commercial debtors increased by 5.6%.
- ❖ Debt owed by Households increased by 1.9%.
- ❖ Other Debt increased by 1.8%.

Weighting per Customer Group

- ❖ Government debt constitutes 30%, Businesses 17%, Households 51% and Other 2% of the total outstanding debt.

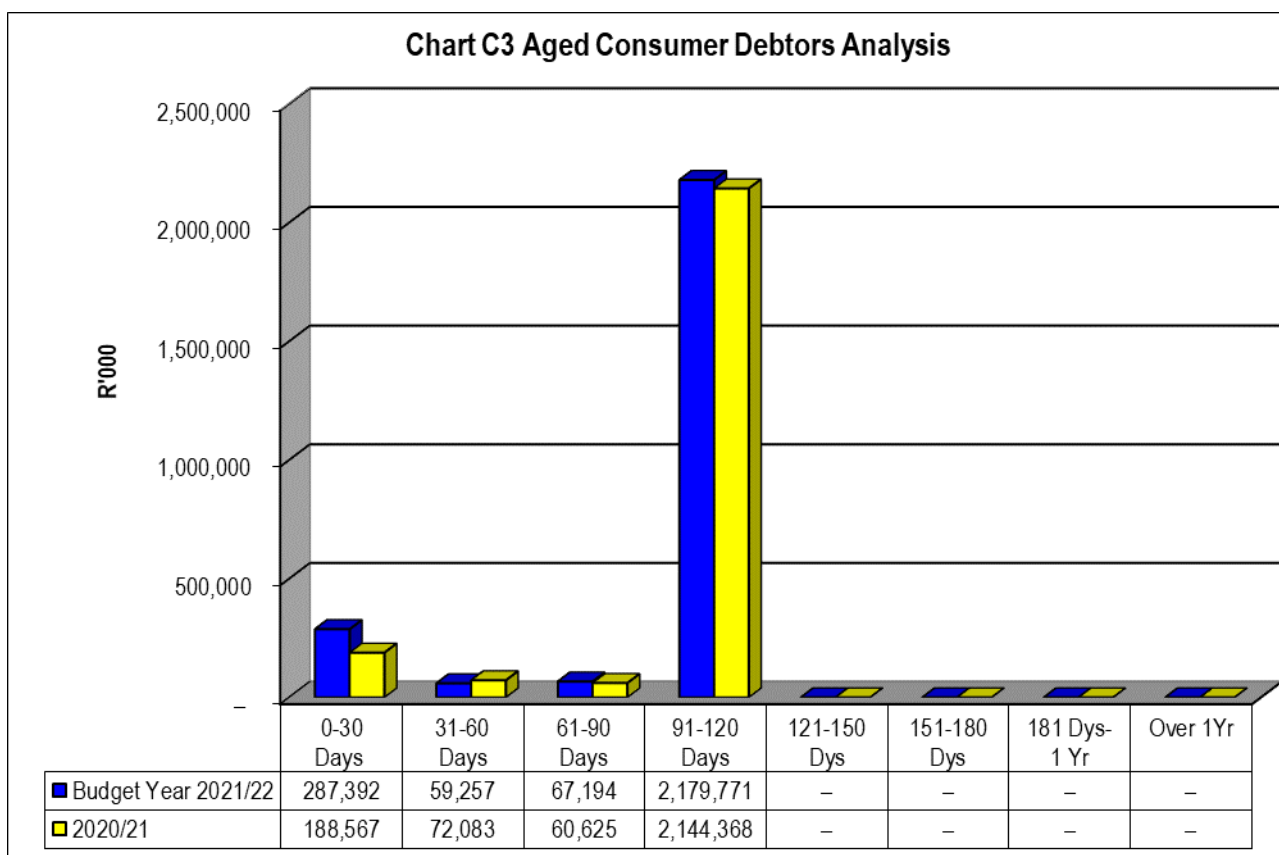


Chart 9: Aged Consumer Debtor Analysis

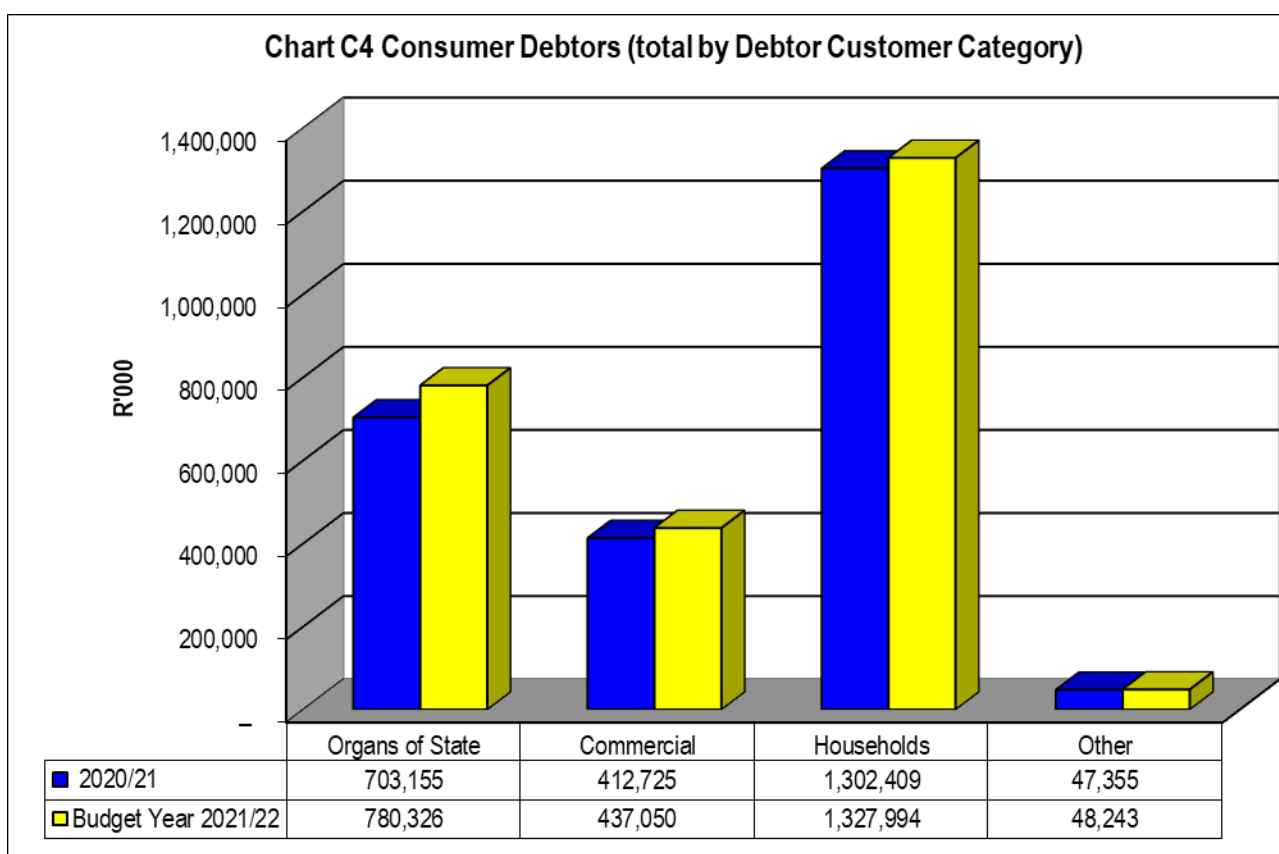


Chart 10: Consumer Debtors (total by Debtor Customer Category)

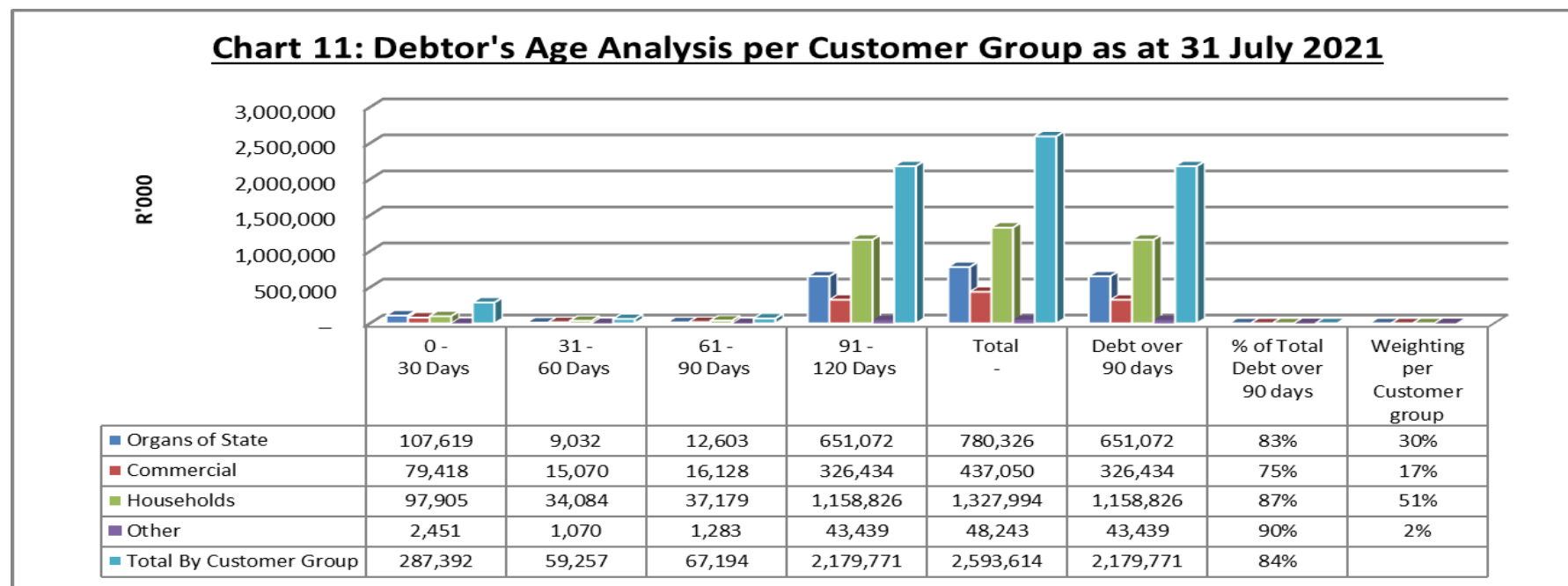


Chart 11: Debtor's Age Analysis per Customer Group

Chart 11 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 84%. An analysis revealed that the catalysts for this condition are the sheer volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. This is compounded by the large number of water leaks that go unreported which causes the accountholder's account to escalate beyond their means to pay. In addition to this, there is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. We have a backlog of processing this debt and submitting this to Council for approval to write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts. We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality. The Covid-19 pandemic also adversely affected consumer's ability to pay, this is evident by the average monthly collection rate of 69%. The municipality has been providing additional incentives to assist consumers to settle their arrear accounts.

Revised collection rate

As per Table 10 below, when taking into consideration what was billed in June 2021 and received in July 2021, the monthly collection rate is 74%. This is a slight improvement compared to prior months, where monthly collection rate on average was 69%. Indicated in Table 11 below is the revised average collection of 59.6% for the period under review. The average collection is distorted due to the annual billing of Property rates. The actual Rand-value could not be obtained timeously but this will be disclosed in the reporting period ending 31 August 2021. The annual billing is effectively deducted from the YTD billing on Property rates, to portray a more realistic picture of the average collection rate. When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 July to 31 July 2021. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September/ October 2021 to settle their outstanding accounts.

Monthly Collection Rate	Debits (Billed June 2021)	Credits (Received July 2021)	% Collected
PROPERTY RATES	42,968,054	26,473,598	62%
ELECTRICITY	34,728,620	27,925,829	80%
WATER	22,274,953	18,990,930	85%
SEWERAGE	8,167,046	3,918,160	48%
REFUSE	6,180,945	2,966,771	48%
OTHER	12,092,269	13,052,486	108%
Total	126,411,887	93,327,774	74%

<u>Monthly collection rate per service</u>		
Monthly Collection	Jul-21	Average
Property Rates	62%	62%
Electricity	80%	80%
Water	85%	85%
Sewerage	48%	48%
Refuse	48%	48%
Other	108%	108%
Monthly collection rate	74%	74%

Table 10: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL JULY 2021	YTD RECEIPTS	Rate
PROPERTY RATES	R 123,683,156	R 27,517,905	22.2%
SERVICE CHARGE ELECTRICITY	R 18,250,641	R 28,678,494	157.1%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 27,317,860	R 27,317,860	100.0%
SERVICE CHARGE WATER	R 17,516,611	R 16,345,682	93.3%
SERVICE CHARGE SANITATION	R 7,036,076	R 4,044,247	57.5%
SERVICE CHARGE REFUSE	R 5,347,886	R 3,067,780	57.4%
OTHER	R 12,092,269	R 13,045,927	107.9%
UNALLOCATED CREDITS		R 5,839,447	
REVISED AVERAGE COLLECTION RATE - JULY 2021	R 211,244,498	R 125,857,340	59.6%

Table 11: Revised Average collection rate

Indicated in the Tables 12 and 13 below, are the receipts per Service and per Debtor type as per the BS566 report

BS566 Payments per Service per Day/Period - Service			
Per Service	Tariff Code	Jul-20	TOTAL
PROPERTY RATES	VA	-	-
PROPERTY RATES	VA2010	98.54	98.54
PROPERTY RATES	VARESD	12,007,341.97	12,007,341.97
PROPERTY RATES	VASRA	679,537.02	679,537.02
PROPERTY RATES	VABCOM	12,149,403.43	12,149,403.43
PROPERTY RATES	VAIND	1,344,417.62	1,344,417.62
PROPERTY RATES	VAFAAG	100,199.84	100,199.84
PROPERTY RATES	VAFARE	23,064.20	23,064.20
PROPERTY RATES	VAMUN	570.12	570.12
PROPERTY RATES	VAGOVN	962,992.98	962,992.98
PROPERTY RATES	VARESV	219,155.37	219,155.37
PROPERTY RATES	VAGOVN	-	-
PROPERTY RATES	VAFABC	31,124.00	31,124.00
TOTAL ASSESSMENT RATES		27,517,905.09	27,517,905.09
BASIC ELECTRICITY	BE	467,974.35	467,974.35
ELECTRICITY	EL	28,210,519.51	28,210,519.51
PREPAID ELECTRICITY		27,317,859.54	27,317,859.54
TOTAL ELECTRICITY		55,996,353.40	55,996,353.40
BASIC WATER	BW	45,774.06	45,774.06
WATER CONSUMPTION	WA	16,299,907.56	16,299,907.56
TOTAL WATER		16,345,681.62	16,345,681.62
BASIC SEWERAGE	BS	245,124.26	245,124.26
SANITATION	SE	3,799,122.39	3,799,122.39
TOTAL SANITATION		4,044,246.65	4,044,246.65
REFUSE	BR	2,815,388.72	2,815,388.72
ADD REFUSE	RF	252,390.81	252,390.81
TOTAL REFUSE		3,067,779.53	3,067,779.53
INTEREST ON ARREARS	IN0001	34,721.11	34,721.11
INTEREST ON ARREARS	INBR	65,535.02	65,535.02
INTEREST ON ARREARS	INSE	89,478.44	89,478.44
INTEREST ON ARREARS	INWA	255,169.16	255,169.16
INTEREST ON ARREARS	INSU	51,029.35	51,029.35
INTEREST ON ARREARS	INBS	4,948.42	4,948.42
INTEREST ON ARREARS	INEL	326,905.24	326,905.24
INTEREST ON ARREARS	INBE	2,731.42	2,731.42
INTEREST ON ARREARS	INBW	4,757.82	4,757.82
INTEREST ON ARREARS	INRF	1,706.64	1,706.64
INTEREST ON ARREARS	INVA	255,616.54	255,616.54
TOTAL INTEREST ON ARREARS		1,092,599.16	1,092,599.16
DEPOSITS	DEWE	204,112.43	204,112.43
CREDITS NOT YET ALLOCATED	EX	10,745,412.33	10,745,412.33
SUNDRY DEBTORS	SU	818,020.20	818,020.20
HOUSE RENTALS	SU10	129,941.73	129,941.73
MISC 1	SU50	42,303.30	42,303.30
MISC 2	SU51	-	-
INFORMAL HOUSING	SU60	8,229.35	8,229.35
ARREARS MAGIC	SU70	1,598.50	1,598.50
SUNDRY COMMISSION	SUCOMM	1,583.93	1,583.93
COMM ON PNP	SUEASY	2,125.88	2,125.88
OTHER		11,953,327.65	11,953,327.65
VAT	VAT	7,861,034.92	7,861,034.92
TOTAL RECEIPTS		100,561,068.48	100,561,068.48
TOTAL RECEIPTS LESS VAT		92,700,033.56	92,700,033.56
TOTAL RECEIPTS INCL PREPAIDS		120,017,893.10	120,017,893.10

Table 12: BS566 report on receipts per service

BS566 Payments per Service per Day/Period - Debtor type			
Debtor Type Description	Debtor Type	Jul-20	TOTAL
BUSINESS KVA	BK	9,501,634.66	9,501,634.66
BUSINESS RESIDENTIAL	BR	792,204.29	792,204.29
BUSINESS	BU	28,016,684.19	28,016,684.19
CHURCHES	CH	86,323.44	86,323.44
COUNCILLOR	CL	31,186.52	31,186.52
COMMERCIAL	CO	2,090,027.46	2,090,027.46
DECEASED ESTATE	DE	-	-
GOVERNMENT - OTHER	GO	-	-
SCHOOLS	GS	1,696,524.31	1,696,524.31
INDIGENTS CANCELLED	IC	656,541.45	656,541.45
INDIGENTS	ID	1,314,980.60	1,314,980.60
INDIGENTS INFORMAL SETTLEMENT	IF	149,731.75	149,731.75
INDIGENT - LATE ESTATE	IL	1,536.92	1,536.92
INDIGENT PENDING	IP	400,782.73	400,782.73
INDUSTRIAL	IN	755,854.35	755,854.35
MUNICIPAL DEPARTMENTAL	MD	-	-
INDUSTRIAL	MI	-	-
MUNICIPAL	MU	314,158.78	314,158.78
NAT: POLICE	N3	10,168.40	10,168.40
NAT: DEFENCE AND MILITARY VETERA	ND	1,145.68	1,145.68
NAT: CORRECTIONAL SERVICES	NN	393,926.33	393,926.33
NAT: PUBLIC WORKS	NP	8,578,764.15	8,578,764.15
NON-STAFF ACCOUNTS PAID BY STAFF	NS	392,271.09	392,271.09
OPEN SPACE	OP	13,501.16	13,501.16
OTHER	OT	364,200.88	364,200.88
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,330.30	5,330.30
PROV: SOCIAL DEVELOPMENT	P1	463,687.08	463,687.08
PROV: HOUSING AND LOCAL GOVERNME	P2	176,797.83	176,797.83
PROV: OFFICE OF THE PREMIER	P3	8,053.84	8,053.84
PROV: OTHER DEPARTMENTS	P4	220,239.28	220,239.28
PROV: AGRICULTURE	PA	46,365.72	46,365.72
PROV: EDUCATION	PE	1,920,364.15	1,920,364.15
PROV: HEALTH	PH	1,587,041.92	1,587,041.92
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,974,807.82	1,974,807.82
PROV: SPORT, ARTS & CULTURE	PS	48,261.96	48,261.96
RESIDENTIAL	RE	30,000,326.47	30,000,326.47
SUNDRY DEBTOR	SD	3,641.12	3,641.12
STALE REFUNDS	SR	78.00	78.00
STAFF	ST	676,590.57	676,590.57
UNKNOWN	UN	230.00	230.00
EXCEPTIONAL CIRCUMSTANCES	IE	6,068.36	6,068.36
VAT	VAT	7,861,034.92	7,861,034.92
TOTAL RECEIPTS		100,561,068.48	100,561,068.48
TOTAL RECEIPTS LESS VAT		92,700,033.56	92,700,033.56

Table 13: BS566 report on receipts per debtor type

Chart 12: Total billing receipts incl Prepaid Electricity from Jun 2021 to Jul 2021

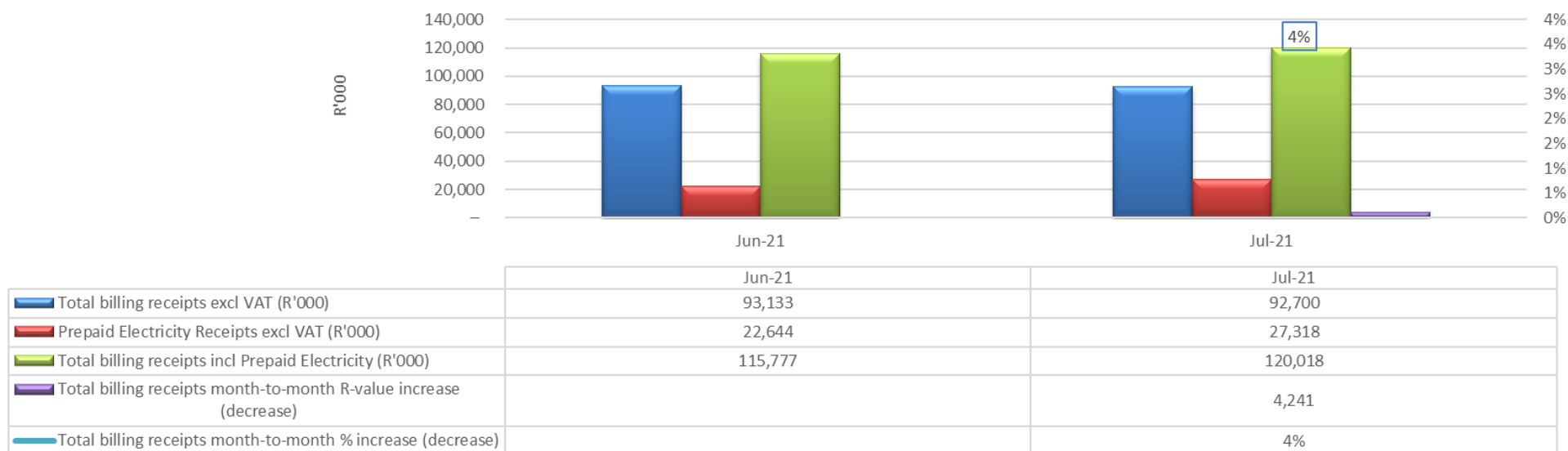


Chart 12: Total billing receipts incl Prepaid Electricity

As indicated in Chart 12 above, the total billing receipts including Prepaid Electricity amounted to R120,018 million which resulted in an increase of R4,241 million or 4% in respect of the month-to-month comparison. Unallocated billing receipts at month end amounted to R5,839 million.

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2021/22									Prior year
		0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total	totals for chart
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year		(same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	104,400	79,903	45,954	18,165	–	–	–	–	248,423	165,312
Bulk Water	0200	–	647	575	499	13,724	15,641	53,310	998	85,394	98,903
PAYE deductions	0300	9,391	–	–	–	–	–	–	–	9,391	8,752
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	7,371	–	–	–	–	–	–	–	7,371	7,355
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	2,438	141	–	–	–	–	–	–	2,579	27,512
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	775	5,535	59	78	–	–	–	–	6,447	4,801
Total By Customer Type	1000	124,374	86,227	46,589	18,742	13,724	15,641	53,310	998	359,605	312,634

Table 14: Supporting Table SC4: Aged Creditors

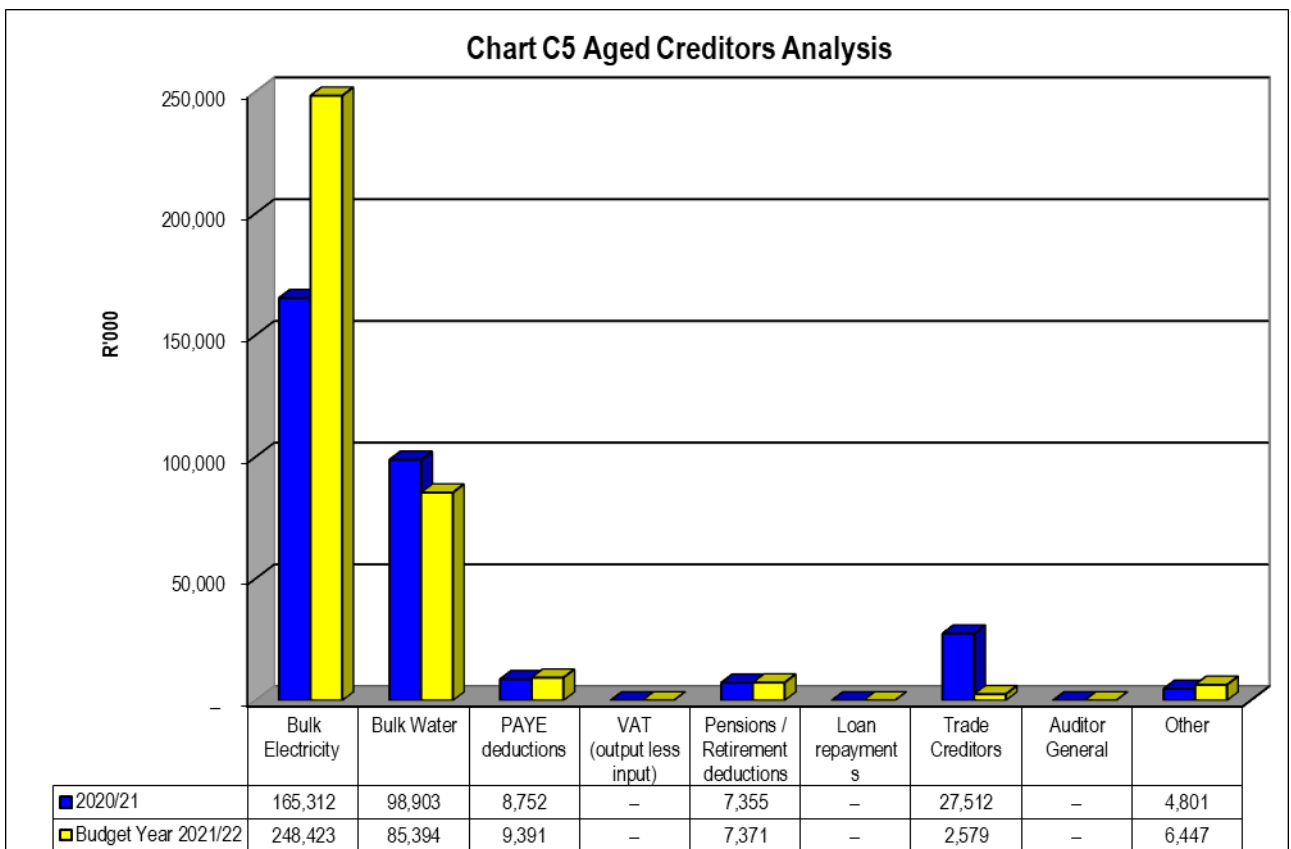


Chart 13: Aged Creditors Analysis

Bulk Electricity – As at the 31 July 2021, the outstanding debt owed to ESKOM amounted to R248,423 million. The municipality will conclude a new payment agreement with ESKOM for the 2021/22 financial year.

Bulk Water – The outstanding debt owed to DWS is R85,394 million. The Department did not submit the July 2021 invoices timeously. The municipality will conclude a new payment agreement with DWS for the 2021/22 financial year.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions.

VAT – after the monthly VAT reconciliation, an amount of R5,619 million will be claimed from SARS.

Trade creditors are all suppliers registered on the municipality's database and it is a prerequisite for these suppliers to be registered on the central supplier database (CSD). Debt pertains to all services rendered and goods received but not yet paid.

Auditor General – the total outstanding invoices due to AGSA has been settled.

Other creditors – includes Sundry creditors which were unpaid as at the reporting date.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 July 2021, the value of total investments made was R50,266 million including interest. Investments excluding interest amounted to R50,099 million. Part of investments made during the month where interest accrued which reflected an increase in investment and not as a result of increased revenue collection.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa Bank 20 -6295-4443		12 mths	Notice	YES	Fixed	04.85	0		28.06.2022	7,376	30			7,406
Standard Bank 048466271-084		20 days	Notice	YES	Fixed	4.475	0		28.07.2021			40,000	40,000	-
Standard Bank 048466271-080		12 mths	Notice	YES	Fixed	4.025	0		10.11.2021	20,970	72			21,042
First National Bank			Call a/c	YES	Variable	03.20	0			499	12		5,000	5,511
Absa Bank			Call a/c	YES	Variable	02.30	0			5,500	11			5,511
Investec			Call a/c	YES	Variable	03.30	0			614	2			616
Nedbank			Call a/c	YES	Variable	03.25				5,151	14			5,166
Standard Bank			Call a/c	YES	Variable	03.50	0			3	12		5,000	5,015
Municipality sub-total										40,113		40,000	50,000	50,266
TOTAL INVESTMENTS AND INTEREST	2									40,113		40,000	50,000	50,266

Table 15: Supporting Table SC5: Investment portfolio

9. Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2020/21	Budget Year 2021/22							
		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:		245,453	222,840	222,840	91,470	91,470	18,570	72,900	392.6%	222,840
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		234,642	212,328	212,328	88,470	88,470	17,694	70,776	400.0%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	-	-	280	(280)	-100.0%	3,362
Infrastructure Skills Development Grant		4,941	5,500	5,500	3,000	3,000	458	2,542	554.5%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	-	-	138	(138)	-100.0%	1,650
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		8,425	7,800	7,800	-	-	650	(650)	-100.0%	7,800
Capacity Building		-	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		7,800	7,800	7,800	-	-	650	(650)	-100.0%	7,800
Department of Economic Dev and Tourism (EPWP)		625	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		2,648	-	-	-	-	-	-	-	-
Environmental Health		2,000	-	-	-	-	-	-	-	-
Operations and maintenance		648	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	256,526	230,640	230,640	91,470	91,470	19,220	72,250	375.9%	230,640
Capital Transfers and Grants										
National Government:		109,046	167,766	167,766	25,753	25,753	13,980	11,773	84.2%	167,766
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		17,206	66,500	66,500	-	-	5,542	(5,542)	-100.0%	66,500
Integrated Urban Development Grant		50,955	66,266	66,266	13,253	13,253	5,522	7,731	140.0%	66,266
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		27,912	10,000	10,000	-	-	833	(833)	-100.0%	10,000
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		12,972	25,000	25,000	12,500	12,500	2,083	10,417	500.0%	25,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		3,600	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		3,600	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	112,646	167,766	167,766	25,753	25,753	13,980	11,773	84.2%	167,766
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	369,172	398,406	398,406	117,223	117,223	33,200	84,023	253.1%	398,406

Table 16: Supporting Table SC6: Transfers and grant receipts

The following Operational grant monies were received for the month under review.

Equitable share – R88,407 million for the first tranche of the 2021/22 allocation

ISDG – R3,000 million

The following Capital grant monies were received for the month under review.

IUDG – R13,253 million

WSIG – R12,500 million

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description		Ref	2020/21	Budget Year 2021/22							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
<u>EXPENDITURE</u>											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			245,190	222,840	222,840	8,138	8,138	8,471	(333)	-3.9%	222,840
Equitable Share			234,642	212,328	212,328	6,253	6,253	7,595	(1,341)	-17.7%	212,328
Expanded Public Works Programme Integrated Grant			4,170	3,362	3,362	1,517	1,517	280	1,237	441.6%	3,362
Infrastructure Skills Development Grant			4,661	5,500	5,500	325	325	458	(133)	-29.1%	5,500
Local Government Financial Management Grant			1,717	1,650	1,650	42	42	138	(96)	-69.5%	1,650
Municipal Disaster Relief Grant			–	–	–	–	–	–	–	–	–
Provincial Government:			8,207	7,800	7,800	2	2	650	(648)	-99.7%	7,800
Libraries; Archives and Museums			7,800	7,800	7,800	2	2	650	(648)	-99.7%	7,800
Department of Economic Dev and Tourism (EPWP)			407	–	–	–	–	–	–	–	–
Libraries; Archives and Museums			–	–	–	–	–	–	–	–	–
District Municipality:			5,862	–	–	–	–	–	–	–	–
Environmental Health			2,000	–	–	–	–	–	–	–	–
Operations and maintenance			3,862	–	–	–	–	–	–	–	–
Other grant providers:			–	–	–	–	–	–	–	–	–
European Union			–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:			259,260	230,640	230,640	8,139	8,139	9,121	(981)	-10.8%	230,640
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			101,564	167,766	167,766	215	215	13,981	(13,766)	-98.5%	167,766
Integrated National Electrification Programme Grant			16,182	66,500	66,500	70	70	5,542	(5,472)	-98.7%	66,500
Integrated Urban Development Grant			47,663	66,266	66,266	145	145	5,522	(5,377)	-97.4%	66,266
Municipal Infrastructure Grant			–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant			19,896	10,000	10,000	–	–	833	(833)	-100.0%	10,000
Regional Bulk Infrastructure Grant			–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant			17,822	25,000	25,000	–	–	2,083	(2,083)	-100.0%	25,000
Provincial Government:			–	–	–	–	–	–	–	–	–
Sports and Recreation			–	–	–	–	–	–	–	–	–
District Municipality:			–	–	–	–	–	–	–	–	–
Specify (Add grant description)			–	–	–	–	–	–	–	–	–
Other grant providers:			2,483	–	–	–	–	–	–	–	–
European Union			2,483	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants			104,047	167,766	167,766	215	215	13,981	(13,766)	-98.5%	167,766
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			363,307	398,406	398,406	8,354	8,354	23,101	(14,747)	-63.8%	398,406

Table 17: Supporting Table SC7(1): Transfers and grant expenditure

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is standing at R1,517 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted allocation for the EPWP is R3,362 million. In addition to this, the municipality budgeted R6,000 million for this programme. Management has been in a process of reviewing this programme. The YTD expenditure on operational grants is satisfactory. .

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	69,703	69,703	0.1%
INTERNALLY GENERATED FUNDS	11,500,000	264	264	0.0%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	145,102	145,102	0.2%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	-	-	0.0%
Grand Total	179,266,000	215,070	215,070	0.1%

Table 18: Summary of expenditure per grant

As indicated in Table 18 above, the YTD expenditure amounts to R215 thousand or 0.1% spent against the Original capital grant allocation of R179,266 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes. It should be noted that grant

expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Please refer to Section 4.3 in the Executive Summary which highlight some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

A rollover request, where applicable will be submitted to NT by the end of August 2021 as directed.

Table 19: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 19 is excluded due to the pending rollover submission and subsequent outcome by NT.

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		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)										
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		827	-	-	67	67	-	67	#DIV/0!	-
Medical Aid Contributions		339	-	-	25	25	-	25	#DIV/0!	-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		2,862	3,243	3,243	233	233	270	(37)	-14%	3,243
Housing Allowances		-	-	-	4	4	-	4	#DIV/0!	-
Other benefits and allowances		26,231	31,305	31,305	2,178	2,178	2,609	(430)	-16%	31,305
Sub Total - Councillors		30,260	34,547	34,547	2,507	2,507	2,879	(372)	-13%	34,547
% increase	4		14.2%	14.2%						14.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		11,637	8,600	8,600	672	672	717	(44)	-6%	8,600
Pension and UIF Contributions		984	1,108	1,108	89	89	92	(3)	-4%	1,108
Medical Aid Contributions		215	252	252	18	18	21	(3)	-13%	252
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		1,872	1,961	1,961	155	155	163	(9)	-5%	1,961
Cellphone Allowance		168	202	202	14	14	17	(3)	-17%	202
Housing Allowances		36	39	39	2	2	3	(1)	-32%	39
Other benefits and allowances		15	105	105	1	1	9	(7)	-85%	105
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		56	62	62	5	5	5	(0)	-8%	62
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		14,983	12,329	12,329	957	957	1,027	(71)	-7%	12,329
% increase	4		-17.7%	-17.7%						-17.7%
Other Municipal Staff										
Basic Salaries and Wages		396,493	450,593	450,412	33,306	33,306	37,534	(4,228)	-11%	450,412
Pension and UIF Contributions		63,864	76,857	76,857	5,284	5,284	6,405	(1,121)	-18%	76,857
Medical Aid Contributions		54,522	58,592	58,592	4,531	4,531	4,883	(352)	-7%	58,592
Overtime		5,493	4,146	4,146	360	360	345	15	4%	4,146
Performance Bonus		28,489	35,421	35,421	1,744	1,744	2,952	(1,208)	-41%	35,421
Motor Vehicle Allowance		38,476	51,621	51,621	3,553	3,553	4,302	(749)	-17%	51,621
Cellphone Allowance		1,296	1,499	1,499	160	160	125	35	28%	1,499
Housing Allowances		2,696	3,158	3,158	221	221	263	(42)	-16%	3,158
Other benefits and allowances		62,058	63,880	64,060	6,858	6,858	5,338	1,519	28%	64,060
Payments in lieu of leave		29,135	14,000	14,000	627	627	1,167	(540)	-46%	14,000
Long service awards		23,136	22,791	22,791	1,900	1,900	1,899	1	0%	22,791
Post-retirement benefit obligations	2	4,163	41,500	41,500	-	-	3,458	(3,458)	-100%	41,500
Sub Total - Other Municipal Staff		709,821	824,059	824,059	58,543	58,543	68,672	(10,129)	-15%	824,059
% increase	4		16.1%	16.1%						16.1%
Total Parent Municipality		755,064	870,935	870,935	62,007	62,007	72,578	(10,572)	-15%	870,935
TOTAL SALARY, ALLOWANCES & BENEFITS		755,064	870,935	870,935	62,007	62,007	72,578	(10,572)	-15%	870,935
% increase	4		15.3%	15.3%						15.3%
TOTAL MANAGERS AND STAFF		724,804	836,388	836,388	59,499	59,499	69,699	(10,200)	-15%	836,388

Table 20: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 19 above, Employee related costs is performing unsatisfactory with a variance of minus 15%. Post-retirement benefit obligations will be finalized as part of the year-end procedures. The variance is also attributable to the softlock on the filling of vacancies. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Councillors Remuneration is slightly under-performing at minus 13%, the annual increase has not been factored in, as the gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is normally issued in December of each year. Management started to address the issues on Overtime which is higher than the ideal IYM percentage of 8.33%, at 13% spent. There are early indicators that the Overtime controls is no longer as effective and the desired outcome to remain within budget, will not be achieved at year-end. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours

are limited to 30 hours per month within most departments. The Overtime policy was developed and approved by Council.

And indated in Table 21 below, is the YTD Overtime expenditure excluding Night-shift allowance per line item and also per Directorate as at end of July 2021.

Overtime excl Night shift	Original Budget	YTD Movement	% Spent Adj Budget
MS: OVERTIME - NON STRUCTURED	18,783,000	3,081,901	16.4%
MS: OVERTIME - STRUCTURED	12,237,841	940,292	7.7%
Total Overtime as at June 2021	31,020,841	4,022,193	13.0%
Directorate	Sum of Original Budget	Sum of YTD Movement	% Spent Adj Budget
20-EXECUTIVE AND COUNCIL	205,000	33,236	16.2%
21-MUNICIPAL AND GENERAL	-	-	
22-MUNICIPAL MANAGER	-	4,358	
23-CORPORATE SERVICES	1,760,000	80,053	4.5%
24-COMMUNITY SERVICES	11,741,441	1,954,523	16.6%
26-FINANCIAL SERVICES	453,000	78,733	17.4%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	259,000	47,601	18.4%
28-INFRASTRUCTURE SERVICES	16,602,400	1,823,688	11.0%
Grand Total	31,020,841	4,022,193	13.0%

Table 21: Current YTD Overtime expenditure excl Night-shift allowance

Overtime has been capped at 30 hours across most units within the municipality. The YTD Overtime expenditure is R4,022 million and 13% spent, resulting in a negative variance of 4.67%.

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible.
- Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is actually consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative in order to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies
- Approval of Overtime prior to it being incurred

- Inability to manage overtime proactively
- To remain within the budgeted Overtime
- Curbing / Limiting / Curtailing expenditure on Overtime
- Monitoring expenditure on Overtime
- Utilizing the available workforce optimally
- Unduly compromising or hampering service delivery, which basically means that work that could have been done during normal hours is deliberately delayed so that work can be finalized after hours
- Implementing an alternative method of compensation
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance
- Ensuring and enhancing the lifespan of Property, plant and equipment
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system
- Difficult to track departmental overtime on more than a monthly or even quarterly basis, by then it's too late to take meaningful action to minimize overtime costs

11. Material variances to the service delivery and budget implementation plan

Material variances are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 30 September 2021.

12. Capital programme performance

Please refer to notes on Capital Expenditure in the Executive Summary. Section 4.3.

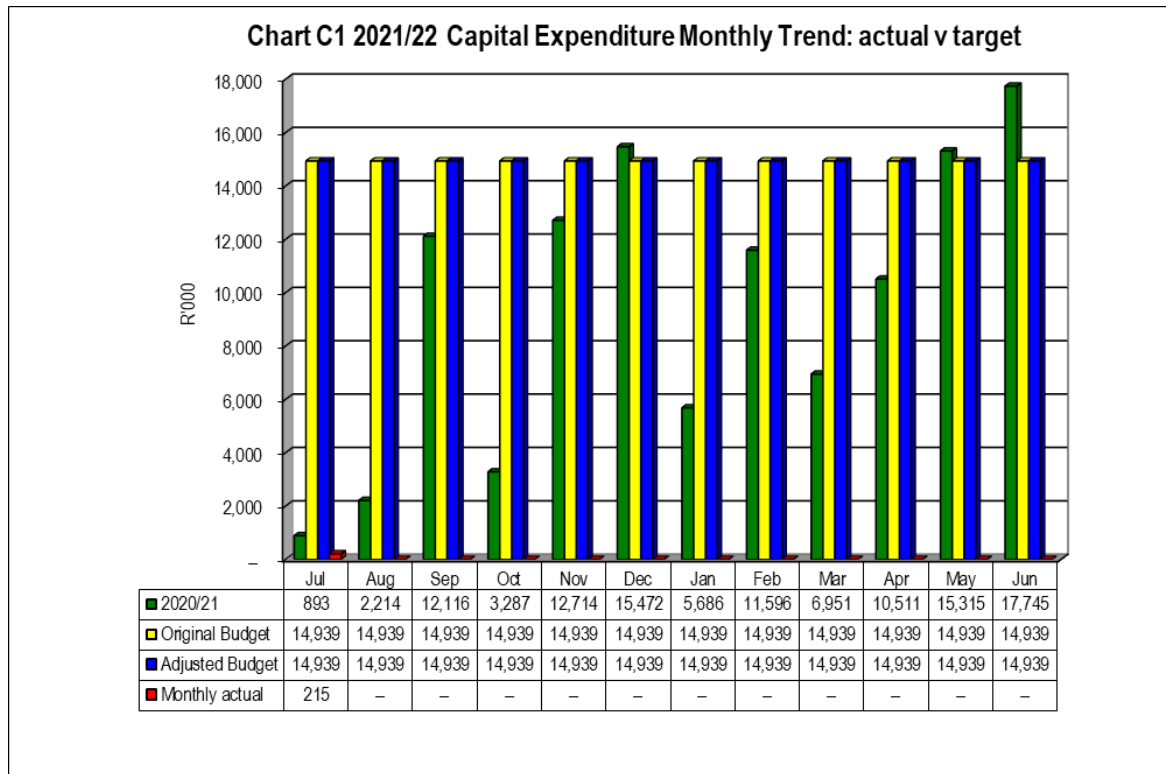


Chart 14: Capital Expenditure Monthly Trend: actual v target

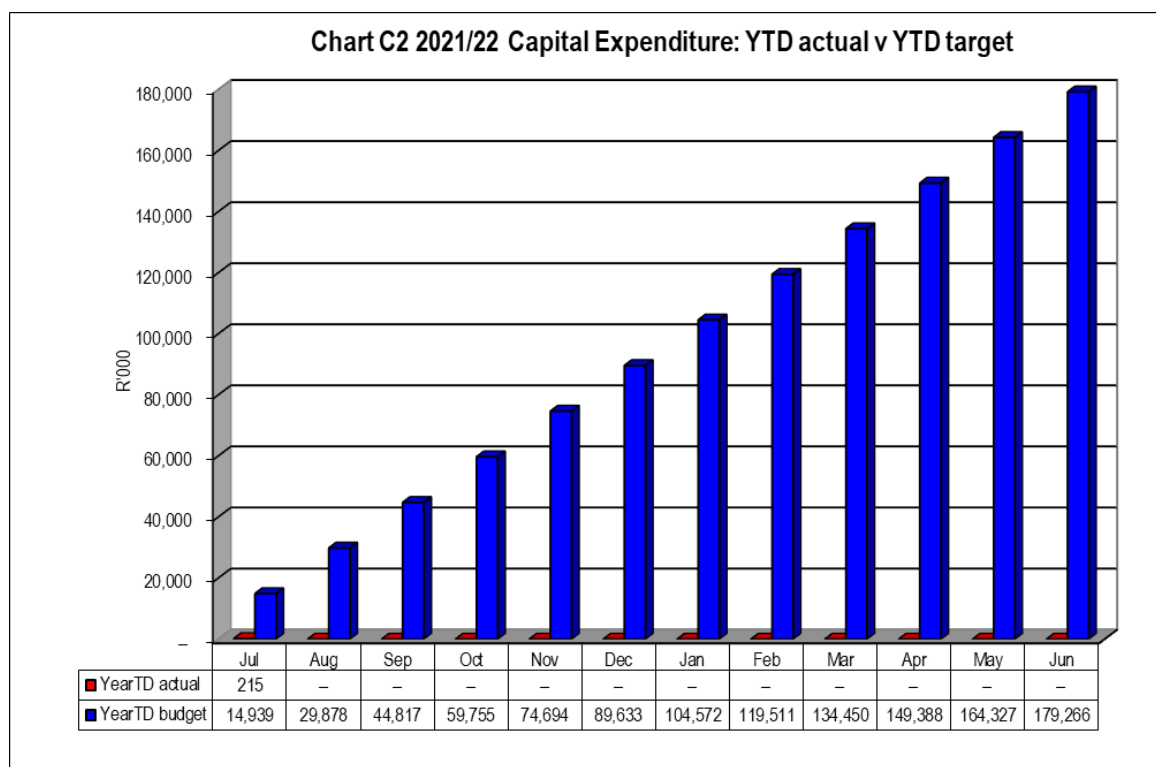


Chart 15: Capital Expenditure: YTD actual vs YTD target
Sol Plaatje (NC091): Monthly Budget Statement: July 2021

Indicated in Table 22 below, is a list of projects with the applicable funding source. The total capex is extremely slow during the start of the financial year. The actual monthly expenditure for July 2021 amounted to R215 thousand. The total YTD Capex amounted to R215 thousand. Total commitments amounts to R1,466 million. Please note that commitments are excluded from the YTD movement.

Description	Original Budget	Adj Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	% Adj Budget	Funding source
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	-	-	-	3,000,000	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	4,000,000	4,000,000	-	-	-	4,000,000	0.0%	-	INTERNALLY GENERATED FUNDS
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	2,000,000	-	-	-	2,000,000	0.0%	-	INTERNALLY GENERATED FUNDS
ACQ-COMPUTER EQUIPMENT REPLACEMENT	3,500,000	3,500,000	-	631,908	-	3,500,000	-	0.0%	INTERNALLY GENERATED FUNDS
RESEALING OF ROADS VARIOUS WARDS	13,000,000	13,000,000	-	-	-	13,000,000	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	10,000,000	10,000,000	-	-	-	10,000,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	10,000,000	10,000,000	145,102	718,354	145,102	9,854,898	1.5%	1.5%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	10,000,000	10,000,000	-	-	-	10,000,000	0.0%	0.0%	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT
CRAVEN STREET TRADE CENTRE	8,000,000	8,000,000	-	-	-	8,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	22,266,000	22,266,000	-	-	-	22,266,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000,000	25,000,000	-	-	-	25,000,000	-	-	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	1,000,000	1,000,000	264	64,960	264	999,736	0.0%	0.0%	INTERNALLY GENERATED FUNDS
UPGRADE HADISON PARK 66/11 KV SUBSTATION	1,500,000	1,500,000	-	-	-	1,500,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR MATHIBE	33,000,000	33,000,000	69,703	51,461	69,703	32,930,297	0.2%	0.2%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LETABO PARK	20,000,000	20,000,000	-	-	-	20,000,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFIC LERATO PARK LINK SERV NETWORK	12,000,000	12,000,000	-	-	-	12,000,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	1,000,000	1,000,000	-	-	-	1,000,000	-	0.0%	INTERNALLY GENERATED FUNDS
TOTAL	179,266,000	179,266,000	215,070	1,466,683	215,070	179,050,930	0.1%	0.1%	

Table 22: Detailed capital expenditure report

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	69,703	69,703	0.1%
INTERNALLY GENERATED FUNDS	11,500,000	264	264	0.0%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	145,102	145,102	0.2%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	-	-	0.0%
Grand Total	179,266,000	215,070	215,070	0.1%

Table 23: Summary of capital expenditure per funding source

Indicated in Table 23 above, is a summary of the capital expenditure per funding source compared to the Original budget. Overall spending on grants is extremely slow. The expenditure on IUDG (0.2%), NDPG (0%), INEP (0.1%) and WSIG (0%). Spending on Internally generated funds is close to 0% spent. Implementation of projects is possibly delayed by the finalization of procurement processes. Payment certificates are settled once work is completed.

13. Other supporting documents

No additional information or supporting documentation for July 2021. **All Audited outcomes are based on preliminary figures as at 30 June 2021.**

14. Conclusion

This report meets the MFMA requirement for the Executive Juneor to receive the Section 71 'Monthly Budget Statement' within 10 working days after the end of the month.

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 municipal website: www.solplaatje.org.za or can be viewed or downloaded from the following link: <http://www.solplaatje.org.za/Aboutus/Pages/Documents.aspx>

15. Annexures

Annexure A – Prescribed Tables in terms of GG 32141 of 17 June 2009

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M01 July

Description	2020/21	Budget Year 2021/22							
	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	590,792	603,707	603,707	123,683	123,683	50,309	73,374	146%	603,707
Service charges	1,072,780	1,291,383	1,291,383	75,469	75,469	107,615	(32,146)	-30%	1,291,383
Investment revenue	2,835	9,000	9,000	(465)	(465)	750	(1,215)	-162%	9,000
Transfers and subsidies	256,526	230,640	230,640	91,894	91,894	19,220	72,674	378%	230,640
Other own revenue	173,781	230,981	230,981	13,419	13,419	19,248	(5,829)	-30%	230,981
Total Revenue (excluding capital transfers and contributions)	2,096,714	2,365,711	2,365,711	304,001	304,001	197,143	106,859	54%	2,365,711
Employee costs	724,804	836,388	836,388	59,499	59,499	69,699	(10,200)	-15%	836,388
Remuneration of Councillors	30,260	34,547	34,547	2,507	2,507	2,879	(372)	-13%	34,547
Depreciation & asset impairment	220	79,150	79,150	–	–	6,596	(6,596)	-100%	79,150
Finance charges	27,108	22,261	22,261	–	–	1,855	(1,855)	-100%	22,261
Inventory consumed and bulk purchases	787,722	926,331	926,331	5,393	5,393	77,194	(71,801)	-93%	926,331
Transfers and subsidies	2,528	4,850	4,850	4	4	404	(400)	-99%	4,850
Other expenditure	434,358	441,457	441,457	13,398	13,398	36,788	(23,390)	-64%	441,457
Total Expenditure	2,007,001	2,344,984	2,344,984	80,802	80,802	195,416	(114,614)	-59%	2,344,984
Surplus/(Deficit)	89,713	20,727	20,727	223,200	223,200	1,726	221,473	12828%	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	167,766	167,766	–	–	13,980	###	-100%	167,766
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	###		–
Surplus/(Deficit) after capital transfers & contributions	89,713	188,493	188,493	223,200	223,200	15,707	207,493	1321%	188,493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	89,713	188,493	188,493	223,200	223,200	15,707	207,493	1321%	188,493
Capital expenditure & funds sources									
Capital expenditure	120,970	179,266	179,266	215	215	14,939	(14,724)	-99%	179,266
Capital transfers recognised	104,047	167,766	167,766	215	215	13,981	(13,766)	-98%	167,766
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	16,923	11,500	11,500	0	0	958	(958)	-100%	11,500
Total sources of capital funds	120,970	179,266	179,266	215	215	14,939	(14,724)	-99%	179,266
Financial position									
Total current assets	2,797,386	2,242,830	2,242,830		2,209,073				2,242,830
Total non current assets	2,153,939	2,225,894	2,225,894		2,154,154				2,225,894
Total current liabilities	1,077,823	725,335	725,335		719,483				725,335
Total non current liabilities	423,398	417,829	417,829		423,398				417,829
Community wealth/Equity	2,997,147	3,325,560	3,325,560		3,220,346				3,325,560
Cash flows									
Net cash from (used) operating	57,980	256,277	256,277	283,766	283,766	48,596	(235,169)	-484%	256,277
Net cash from (used) investing	(111,391)	(142,399)	(179,266)	(215)	(215)	(11,867)	(11,652)	98%	(142,399)
Net cash from (used) financing	(2,980)	(16,583)	(10,734)	346	(39,427)	(4,696)	34,731	-740%	(56,357)
Cash/cash equivalents at the month/year end	40,142	191,186	160,168	–	225,600	32,033	(193,566)	-604%	57,521
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 Income Source	287,392	59,257	67,194	2,179,771	–	–	–	–	2,593,614
Creditors Age Analysis									
Total Creditors	124,374	86,227	46,589	18,742	13,724	15,641	53,310	998	359,605

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		928,685	1,109,592	1,109,592	220,726	220,726	92,466	128,260	139%	1,109,592
Executive and council		307,000	478,759	478,759	96,023	96,023	39,897	56,126	141%	478,759
Finance and administration		621,685	630,833	630,833	124,703	124,703	52,569	72,134	137%	630,833
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		23,589	27,556	27,556	1,354	1,354	2,296	(943)	-41%	27,556
Community and social services		10,787	10,980	10,980	300	300	915	(615)	-67%	10,980
Sport and recreation		1,131	3,315	3,315	27	27	276	(249)	-90%	3,315
Public safety		(365)	760	760	22	22	63	(41)	-65%	760
Housing		11,967	12,401	12,401	996	996	1,033	(38)	-4%	12,401
Health		69	100	100	8	8	8	(0)	-1%	100
<i>Economic and environmental services</i>		8,365	23,286	23,286	381	381	1,940	(1,559)	-80%	23,286
Planning and development		4,927	5,166	5,166	267	267	430	(163)	-38%	5,166
Road transport		3,438	18,120	18,120	114	114	1,510	(1,396)	-92%	18,120
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		1,128,432	1,363,208	1,363,208	80,326	80,326	113,601	(33,275)	-29%	1,363,208
Energy sources		675,976	877,157	877,157	46,505	46,505	73,096	(26,591)	-36%	877,157
Water management		298,389	328,612	328,612	20,076	20,076	27,384	(7,308)	-27%	328,612
Waste water management		89,042	86,848	86,848	7,802	7,802	7,237	565	8%	86,848
Waste management		65,024	70,592	70,592	5,943	5,943	5,883	60	1%	70,592
<i>Other</i>	4	7,644	9,835	9,835	1,214	1,214	820	395	48%	9,835
Total Revenue - Functional	2	2,096,714	2,533,477	2,533,477	304,001	304,001	211,123	92,878	44%	2,533,477
Expenditure - Functional										
<i>Governance and administration</i>		587,135	683,100	683,100	38,011	38,011	56,925	(18,915)	-33%	683,100
Executive and council		340,578	405,549	405,549	19,587	19,587	33,796	(14,209)	-42%	405,549
Finance and administration		240,279	270,570	270,570	17,904	17,904	22,548	(4,644)	-21%	270,570
Internal audit		6,279	6,982	6,982	520	520	582	(62)	-11%	6,982
<i>Community and public safety</i>		166,387	183,469	183,469	13,876	13,876	15,289	(1,413)	-9%	183,469
Community and social services		40,245	42,230	42,230	3,317	3,317	3,519	(202)	-6%	42,230
Sport and recreation		47,183	55,822	55,822	3,668	3,668	4,652	(984)	-21%	55,822
Public safety		38,764	43,502	43,502	3,753	3,753	3,625	128	4%	43,502
Housing		22,526	23,480	23,480	1,622	1,622	1,957	(335)	-17%	23,480
Health		17,668	18,435	18,435	1,516	1,516	1,536	(20)	-1%	18,435
<i>Economic and environmental services</i>		123,749	139,819	139,819	8,395	8,395	11,652	(3,257)	-28%	139,819
Planning and development		41,046	48,172	48,172	3,040	3,040	4,014	(974)	-24%	48,172
Road transport		82,039	90,936	90,936	5,302	5,302	7,578	(2,276)	-30%	90,936
Environmental protection		663	711	711	53	53	59	(6)	-11%	711
<i>Trading services</i>		1,107,533	1,313,216	1,313,216	18,783	18,783	109,435	(90,652)	-83%	1,313,216
Energy sources		731,158	857,928	857,928	5,842	5,842	71,494	(65,652)	-92%	857,928
Water management		245,531	296,663	296,663	4,456	4,456	24,722	(20,266)	-82%	296,663
Waste water management		73,679	88,033	88,033	3,973	3,973	7,336	(3,363)	-46%	88,033
Waste management		57,164	70,592	70,592	4,512	4,512	5,883	(1,370)	-23%	70,592
<i>Other</i>		22,198	25,380	25,380	1,737	1,737	2,115	(378)	-18%	25,380
Total Expenditure - Functional	3	2,007,001	2,344,984	2,344,984	80,802	80,802	195,416	(114,614)	-59%	2,344,984
Surplus/ (Deficit) for the year		89,713	188,493	188,493	223,200	223,200	15,707	207,493	1321%	188,493

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		307,000	478,759	478,759	96,023	96,023	39,897	56,126	140.7%	478,759
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,527	6,804	6,804	5	5	567	(562)	-99.2%	6,804
Vote 05 - Community Services		84,770	110,627	110,627	7,569	7,569	9,219	(1,650)	-17.9%	110,627
Vote 06 - Financial Services		614,622	623,229	623,229	124,651	124,651	51,936	72,715	140.0%	623,229
Vote 07 - Strategy Econ Development And Planning		6,501	9,041	9,041	322	322	753	(432)	-57.3%	9,041
Vote 08 - Infrastructure And Services		1,077,295	1,305,018	1,305,018	75,432	75,432	108,751	(33,320)	-30.6%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,096,714	2,533,477	2,533,477	304,001	304,001	211,123	92,878	44.0%	2,533,477
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,088	57,883	57,883	4,419	4,419	4,824	(404)	-8.4%	57,883
Vote 02 - Municipal And General		275,915	335,456	335,456	14,334	14,334	27,955	(13,621)	-48.7%	335,456
Vote 03 - Municipal Manager		22,355	25,025	25,025	1,660	1,660	2,085	(425)	-20.4%	25,025
Vote 04 - Corporate Services		63,673	73,211	73,211	4,896	4,896	6,101	(1,205)	-19.8%	73,211
Vote 05 - Community Services		258,446	297,403	297,403	21,114	21,114	24,784	(3,669)	-14.8%	297,403
Vote 06 - Financial Services		130,477	152,611	152,611	9,735	9,735	12,718	(2,982)	-23.5%	152,611
Vote 07 - Strategy Econ Development And Planning		54,194	59,374	59,374	3,907	3,907	4,948	(1,041)	-21.0%	59,374
Vote 08 - Infrastructure And Services		1,148,854	1,344,020	1,344,020	20,736	20,736	112,002	(91,266)	-81.5%	1,344,020
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,007,001	2,344,984	2,344,984	80,802	80,802	195,416	(114,614)	-58.7%	2,344,984
Surplus/ (Deficit) for the year	2	89,713	188,493	188,493	223,200	223,200	15,707	207,493	1321.0%	188,493

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

R0051-001 Page 1 - Table 04 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - M01 July										
Description	Ref	2020/21	Budget Year 2021/22							
		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		590,792	603,707	603,707	123,683	123,683	50,309	73,374	146%	603,707
Service charges - electricity revenue		663,189	861,157	861,157	45,569	45,569	71,763	(26,195)	-37%	861,157
Service charges - water revenue		270,098	294,012	294,012	17,517	17,517	24,501	(6,984)	-29%	294,012
Service charges - sanitation revenue		80,837	76,648	76,648	7,036	7,036	6,387	649	10%	76,648
Service charges - refuse revenue		58,655	59,567	59,567	5,348	5,348	4,964	384	8%	59,567
Rental of facilities and equipment		12,018	13,145	13,145	1,010	1,010	1,095	(85)	-8%	13,145
Interest earned - external investments		2,835	9,000	9,000	(465)	(465)	750	(1,215)	-162%	9,000
Interest earned - outstanding debtors		109,408	157,200	157,200	9,399	9,399	13,100	(3,701)	-28%	157,200
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		21,792	34,725	34,725	982	982	2,894	(1,912)	-66%	34,725
Licences and permits		6,383	6,500	6,500	1,191	1,191	542	649	120%	6,500
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		256,526	230,640	230,640	91,894	91,894	19,220	72,674	378%	230,640
Other revenue		18,404	19,411	19,411	837	837	1,618	(781)	-48%	19,411
Gains		5,776	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2,096,714	2,365,711	2,365,711	304,001	304,001	197,143	106,859	54%	2,365,711
Expenditure By Type										
Employee related costs		724,804	836,388	836,388	59,499	59,499	69,699	(10,200)	-15%	836,388
Remuneration of councillors		30,260	34,547	34,547	2,507	2,507	2,879	(372)	-13%	34,547
Debt impairment		252,000	275,000	275,000	1	1	22,917	(22,915)	-100%	275,000
Depreciation & asset impairment		220	79,150	79,150	-	-	6,596	(6,596)	-100%	79,150
Finance charges		27,108	22,261	22,261	-	-	1,855	(1,855)	-100%	22,261
Bulk purchases - electricity		546,801	761,000	761,000	-	-	63,417	(63,417)	-100%	761,000
Inventory consumed		240,921	165,331	165,331	5,393	5,393	13,778	(8,384)	-61%	165,331
Contracted services		40,870	46,687	46,687	308	308	3,891	(3,582)	-92%	46,687
Transfers and subsidies		2,528	4,850	4,850	4	4	404	(400)	-99%	4,850
Other expenditure		141,399	119,770	119,770	13,089	13,089	9,981	3,108	31%	119,770
Losses		89	-	-	-	-	-	-	-	-
Total Expenditure		2,007,001	2,344,984	2,344,984	80,802	80,802	195,416	(114,614)	-59%	2,344,984
Surplus/(Deficit)		89,713	20,727	20,727	223,200	223,200	1,726	221,473	0	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	167,766	167,766	-	-	13,980	(13,980)	(0)	167,766
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		89,713	188,493	188,493	223,200	223,200	15,707			188,493
Taxation								-		
Surplus/(Deficit) after taxation		89,713	188,493	188,493	223,200	223,200	15,707			188,493
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		89,713	188,493	188,493	223,200	223,200	15,707			188,493
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		89,713	188,493	188,493	223,200	223,200	15,707			188,493

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		28,180	33,000	33,000	145	145	2,750	(2,605)	-95%	33,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		3,126	8,000	8,000	-	-	667	(667)	-100%	8,000
Vote 08 - Infrastructure And Services		65,448	81,266	81,266	0	0	6,772	(6,772)	-100%	81,266
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	96,754	122,266	122,266	145	145	10,189	(10,043)	-99%	122,266
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		22,904	22,500	22,500	-	-	1,875	(1,875)	-100%	22,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-		-
Vote 08 - Infrastructure And Services		1,312	34,500	34,500	70	70	2,875	(2,805)	-98%	34,500
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	24,216	57,000	57,000	70	70	4,750	(4,680)	-99%	57,000
Total Capital Expenditure		120,970	179,266	179,266	215	215	14,939	(14,724)	-99%	179,266
Capital Expenditure - Functional Classification										
Governance and administration		51,083	55,500	55,500	145	145	4,625	(4,480)	-97%	55,500
Executive and council		51,083	55,500	55,500	145	145	4,625	(4,480)	-97%	55,500
Finance and administration		-	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		3,126	8,000	8,000	-	-	667	(667)	-100%	8,000
Planning and development		3,126	8,000	8,000	-	-	667	(667)	-100%	8,000
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		66,760	115,766	115,766	70	70	9,647	(9,577)	-99%	115,766
Energy sources		17,180	67,500	67,500	70	70	5,625	(5,555)	-99%	67,500
Water management		4,305	1,000	1,000	0	0	83	(83)	-100%	1,000
Waste water management		45,276	47,266	47,266	-	-	3,939	(3,939)	-100%	47,266
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	120,970	179,266	179,266	215	215	14,939	(14,724)	-99%	179,266
Funded by:										
National Government		101,564	167,766	167,766	215	215	13,981	(13,766)	-98%	167,766
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2,483	-	-	-	-	-	-		-
Transfers recognised - capital	6	104,047	167,766	167,766	215	215	13,981	(13,766)	-98%	167,766
Borrowing		-	-	-	-	-	-	-		-
Internally generated funds		16,923	11,500	11,500	0	0	958	(958)	-100%	11,500
Total Capital Funding		120,970	179,266	179,266	215	215	14,939	(14,724)	-99%	179,266

Sol Plaatje (NC091): Monthly Budget Statement: July 2021

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		777,931	172,968	172,968	61,350	172,968
Call investment deposits		–	–	–	–	–
Consumer debtors		1,802,981	1,475,363	1,475,363	1,932,134	1,475,363
Other debtors		141,827	547,474	547,474	142,123	547,474
Current portion of long-term receivables		–	–	–	–	–
Inventory		74,648	47,025	47,025	73,465	47,025
Total current assets		2,797,386	2,242,830	2,242,830	2,209,073	2,242,830
Non current assets						
Long-term receivables		–	36,867	36,867	–	36,867
Investments						
Investment property		210,781	205,486	205,486	210,781	205,486
Investments in Associate						
Property, plant and equipment		1,925,656	1,964,370	1,964,370	1,925,871	1,964,370
Biological						
Intangible		5,432	7,307	7,307	5,432	7,307
Other non-current assets		12,071	11,864	11,864	12,071	11,864
Total non current assets		2,153,939	2,225,894	2,225,894	2,154,154	2,225,894
TOTAL ASSETS		4,951,326	4,468,724	4,468,724	4,363,227	4,468,724
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		39,774	45,623	45,623	39,427	45,623
Trade and other payables		1,038,050	590,399	590,399	680,056	590,399
Provisions		–	89,313	89,313	–	89,313
Total current liabilities		1,077,823	725,335	725,335	719,483	725,335
Non current liabilities						
Borrowing		182,267	172,829	172,829	182,267	172,829
Provisions		241,131	245,000	245,000	241,131	245,000
Total non current liabilities		423,398	417,829	417,829	423,398	417,829
TOTAL LIABILITIES		1,501,221	1,143,164	1,143,164	1,142,881	1,143,164
NET ASSETS	2	3,450,105	3,325,560	3,325,560	3,220,346	3,325,560
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,927,663	3,246,167	3,246,167	3,150,862	3,246,167
Reserves		69,484	79,393	79,393	69,484	79,393
TOTAL COMMUNITY WEALTH/EQUITY	2	2,997,147	3,325,560	3,325,560	3,220,346	3,325,560

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description		Ref	2020/21	Budget Year 2021/22							
			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											
Property rates			559,486	537,299	537,299	34,262	34,262	44,775	(10,513)	-23%	537,299
Service charges			1,805,322	901,622	901,622	75,497	75,497	75,135	362	0%	901,622
Other revenue			(835,294)	339,839	339,839	125,493	125,493	28,320	97,174	343%	339,839
Transfers and Subsidies - Operational			46,335	230,640	230,640	3,000	3,000	19,220	(16,220)	-84%	230,640
Transfers and Subsidies - Capital			27,240	149,809	149,809	40,493	40,493	39,724	769	2%	149,809
Interest			2,787	-	-	-	-	-	-	-	-
Dividends									-		
Payments											
Suppliers and employees			(1,547,896)	(1,875,821)	(1,875,821)	5,019	5,019	(156,318)	(161,338)	103%	(1,875,821)
Finance charges			-	(22,261)	(22,261)	-	-	(1,855)	(1,855)	100%	(22,261)
Transfers and Grants			-	(4,850)	(4,850)	-	-	(404)	(404)	100%	(4,850)
NET CASH FROM/(USED) OPERATING ACTIVITIES			57,980	256,277	256,277	283,766	283,766	48,596	(235,169)	-484%	256,277
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-		
Decrease (increase) in non-current receivables			-	36,867	-	-	-	3,072	(3,072)	-100%	36,867
Decrease (increase) in non-current investments									-		
Payments											
Capital assets			(111,391)	(179,266)	(179,266)	(215)	(215)	(14,939)	(14,724)	99%	(179,266)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(111,391)	(142,399)	(179,266)	(215)	(215)	(11,867)	(11,652)	98%	(142,399)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-		
Borrowing long term/refinancing									-		
Increase (decrease) in consumer deposits			(2,980)	(5,849)	-	346	(39,427)	(3,802)	(35,625)	937%	(45,623)
Payments											
Repayment of borrowing			-	(10,734)	(10,734)	-	-	(895)	(895)	100%	(10,734)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(2,980)	(16,583)	(10,734)	346	(39,427)	(4,696)	34,731	-740%	(56,357)
NET INCREASE/ (DECREASE) IN CASH HELD			(56,392)	97,295	66,277	283,897	244,123	32,033			57,521
Cash/cash equivalents at beginning:			96,534	93,891	93,891		(18,523)				
Cash/cash equivalents at month/year end:			40,142	191,186	160,168		225,600	32,033			57,521

System error to be resolved so that Adjusted budget, monthly and YTD actuals populate correctly.

16. Municipal Manager's quality certification

Quality Certificate

I, B Dhlwayo, the Acting Municipal Manager of Sol Plaatje Local Municipality, hereby certify that
(mark as appropriate)

☒

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 **July 2021** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. B Dhlwayo

Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: 

Date: 19/08/2021