



MONTHLY BUDGET STATEMENT AUGUST 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 Mayor, 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

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Due date: 14 September 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	11
4.4 Cash flows.....	12
5. In-year budget statement tables	14

PART 2 - SUPPORTING DOCUMENTATION

6. Debtors' Analysis	15
7. Creditors' Analysis.....	25
8. Investment portfolio analysis	26
9. Allocation and grant receipts and expenditure	27
10. Councillor and board member allowances and employee benefits	30
11. Material variances to the service delivery and budget implementation plan	33
12. Capital programme performance	33
13. Other supporting documents	35
14. Conclusion	35
15. Annexures.....	35
16. Municipal Manager's quality certification	43

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	10
Table 6: Summary of outstanding Bulk costs debt	10
Table 7: High level summary: Capital Expenditure	11
Table 8: Supporting Table SC3: Aged Debtors	15
Table 9: Month-on-month growth in outstanding debtors	18
Table 10: Monthly collection rate	21
Table 11: Revised Average collection rate	21
Table 12: BS566 report on receipts per service	22
Table 13: BS566 report on receipts per debtor type	23
Table 14: Supporting Table SC4: Aged Creditors	25
Table 15: Supporting Table SC5: Investment portfolio	26
Table 16: Supporting Table SC6: Transfers and grant receipts	27
Table 17: Supporting Table SC7(1): Transfers and grant expenditure	28
Table 18: Summary of expenditure per grant.....	28
Table 19: Supporting Table SC7(2) - Expenditure against approved rollovers	29
Table 20: Supporting Table SC8: Councillor and staff benefits	30
Table 21: Current YTD Overtime expenditure excl Night-shift allowance	31
Table 22: Detailed capital expenditure report	34
Table 23: Summary of capital expenditure per funding source	35

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	9
Chart 3: Total Capital expenditure	11
Chart 4: Call investment deposits and Cash & cash equivalents at year-end.....	12
Chart 5: Call investment deposits at month-end	13
Chart 6.1: Cash & cash equivalents at month-end.....	14
Chart 6.2: Cost coverage ratio.....	14
Chart 7: Debt over 90 days as a percentage of Total O/S Debt	16
Chart 8: Outstanding Debt by Income Source	17
Chart 9: Aged Consumer Debtor Analysis	19
Chart 10: Consumer Debtors (total by Debtor Customer Category)	19
Chart 11: Debtor's Age Analysis per Customer Group.....	20
Chart 12: Total billing receipts incl Prepaid Electricity.....	24
Chart 13: Aged Creditors Analysis.....	25
Chart 14: Capital Expenditure Monthly Trend: actual v target.....	33
Chart 15: Capital Expenditure: YTD actual vs YTD target.....	33

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 AUGUST 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 Mayor, 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. The re-instatement of the Chief Financial Officer and the Municipal Manager, effective 23 August 2021 will positively contribute to the stabilization of the municipality and improved accountability.

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 August 2021**, the ten working day reporting limit expires on **14 September 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 **14 September 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 August 2021	YTD Actual August 2021	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	394,285	505,024	110,738	128.1%	28.1%
Total Revenue (including capital transfers and contributions)	422,246	505,024	82,777	119.6%	19.6%
Total Operational Expenditure	390,832	179,881	(210,951)	46.0%	-54.0%

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

As indicated in Table 1 above, as at 31 August 2021, the billed revenue excluding capital grants amounted to R505,024 million which resulted in a positive variance of 28.1% when compared to the YTD budget of R394,285 million. The billed revenue including capital grants resulted in a positive variance of 19.6% when compared to the YTD budget of R422,246 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 54.0%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual August 2021	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%
Total Revenue (excluding capital transfers and contributions)	2,365,711	505,024	307,881	21.3%	4.7%
Total Revenue (including capital transfers and contributions)	2,533,477	505,024	293,901	19.9%	3.3%
Total Operational Expenditure	2,344,984	179,881	(15,534)	7.7%	-9.0%

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 16.67% [calculated as follow: (100/12 months x 2 months of the year)] as at the end of August 2021, the Total operational revenue excluding capital grants versus the Original Budget resulted in an satisfactory variance of 4.7%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 3.3%. 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 9.0%.

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 per line item 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) - August 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 % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	603,707	45,261	168,944	100,618	167.9%	68,326	67.9%	28.0%	68,326	11.3%
Service charges - electricity revenue	861,157	103,340	148,908	143,526	103.7%	5,382	3.7%	17.3%	5,382	0.6%
Service charges - water revenue	294,012	30,842	48,358	49,002	98.7%	(644)	-1.3%	16.4%	(644)	-0.2%
Service charges - sanitation revenue	76,648	7,085	14,121	12,775	110.5%	1,346	10.5%	18.4%	1,346	1.8%
Service charges - refuse revenue	59,567	5,291	10,639	9,928	107.2%	711	7.2%	17.9%	711	1.2%
Rental of facilities and equipment	13,145	998	2,009	2,191	91.7%	(182)	-8.3%	15.3%	(182)	-1.4%
Interest earned - external investments	9,000	7	(458)	1,500	-30.5%	(1,958)	-130.5%	-5.1%	(1,958)	-21.8%
Interest earned - outstanding debtors	157,200	9,540	18,939	26,200	72.3%	(7,261)	-27.7%	12.0%	(7,261)	-4.6%
Fines, penalties and forfeits	34,725	235	1,218	5,787	21.0%	(4,570)	-79.0%	3.5%	(4,570)	-13.2%
Licences and permits	6,500	503	1,694	1,083	156.3%	610	56.3%	26.1%	610	9.4%
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	230,640	(3,424)	88,470	38,440	230.2%	50,030	130.2%	38.4%	50,030	21.7%
Other revenue	19,411	1,346	2,182	3,235	67.5%	(1,053)	-32.5%	11.2%	(1,053)	-5.4%
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,365,711	201,022	505,024	394,285	128.1%	110,738	28.1%	21.3%	110,738	4.7%
Transfers and subsidies - capital	167,766	-	-	27,961	0.0%	(27,961)	-100.0%	0.0%	(27,961)	-16.7%
Total Revenue (including capital transfers and contributions)	2,533,477	201,022	505,024	422,246	119.6%	82,777	19.6%	19.9%	82,777	3.3%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 67.9%, as a result of the annual billing on Property rates.
- ❖ Service charges is performing satisfactorily for the month under review, however Refuse removal and Sanitation charges is showing an over-recovery, possibly as result of increased billing. The direct contributing factors to this, should also be analysed by the Billing section.
- ❖ Interest earned – External investments shows a negative variance of minus 130.5%, 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. 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 normally gets recognised at year-end.
- ❖ Interest earned on outstanding debtors is showing a negative variance of minus 27.7%. 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 that should attract interest.
- ❖ Fines, penalties and forfeits is showing a negative variance of 79% as a result of the under-recovery of Law enforcements fines with a 1.23% achieved versus a target of R17,900 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. The Traffic department did not respond to the query raised in this regard. Penalties: Disconnection fees achieved an actual of 5.97% 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 56.3%, 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. The responsible employee for this function, retired recently and the unit is experiencing some change-over challenges in this regard. Hopefully this will improve going forward.
- ❖ The first tranche of the Equitable Share was received during July 2021, hence the over-recovery on Transfer and subsidies – operational.
- ❖ Capital grants are recognised in the Statement of Financial Performance at year-end, once all conditions of the grant have been met.

Comparison against Original Budget

Based on the IYM percentage of 16.67%, 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 minus 21.8%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on outstanding debtors is showing a satisfactory variance of 4.6%. Same factors are applicable as described in the paragraph above
- ❖ Fines, penalties and forfeits is showing a negative variance of 13.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 9.4%. 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 August 2021. The main contributors of the municipality's revenue are Service Charges (43.9%), Property Rates (33.4%) and Transfers and subsidies (17.5%). 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.

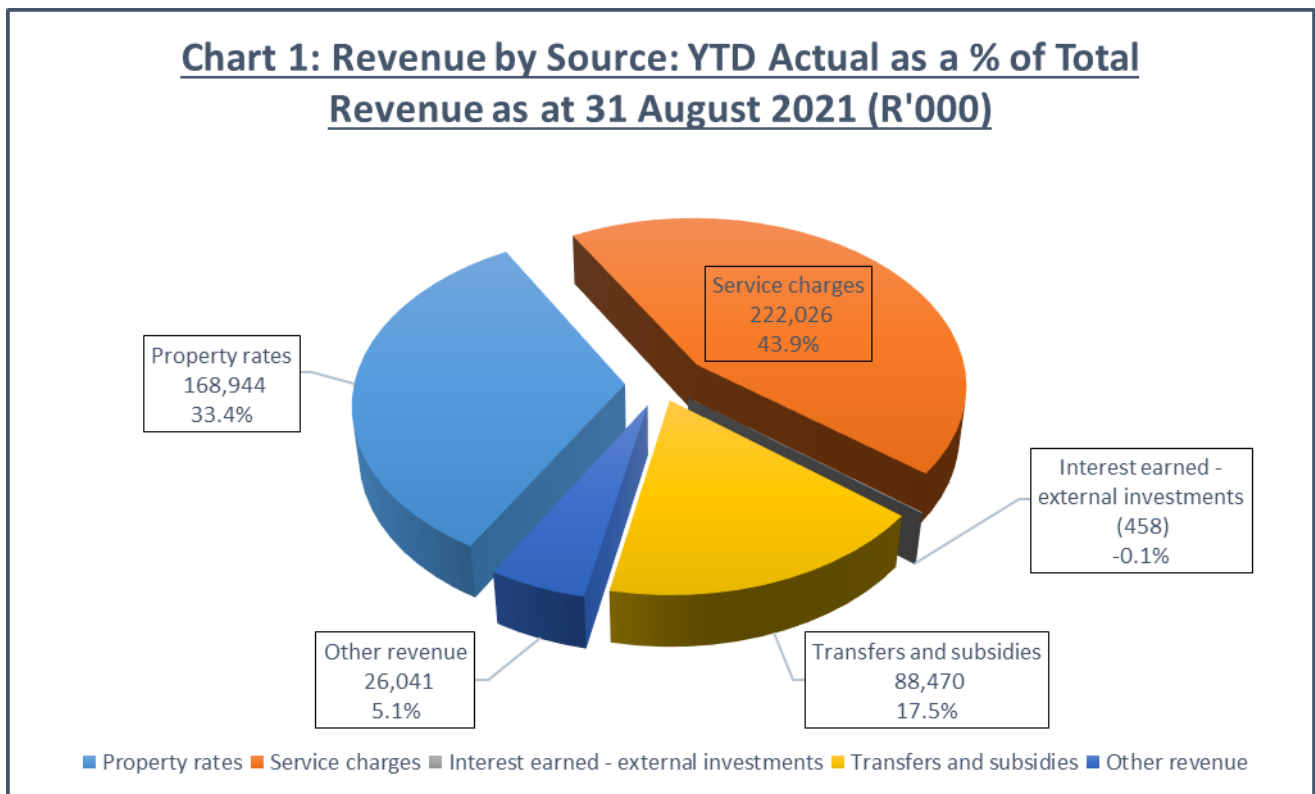


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - August 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 % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	836,388	58,993	118,493	139,399	85.0%	(20,906)	-15.0%	14.2%	(20,905)	-2.5%
Remuneration of councillors	34,547	2,507	5,014	5,758	87.1%	(744)	-12.9%	14.5%	(744)	-2.2%
Debt impairment	275,000	1	2	45,833	0.0%	(45,831)	-100.0%	0.0%	(45,831)	-16.7%
Depreciation & asset impairment	79,150	-	-	13,192	0.0%	(13,192)	-100.0%	0.0%	(13,192)	-16.7%
Finance charges	22,261	-	-	3,710	0.0%	(3,710)	-100.0%	0.0%	(3,710)	-16.7%
Bulk purchases - electricity	761,000	14,562	14,562	126,833	11.5%	(112,271)	-88.5%	1.9%	(112,271)	-14.8%
Inventory consumed	165,331	15,360	20,754	27,555	75.3%	(6,802)	-24.7%	12.6%	(6,802)	-4.1%
Contracted services	46,687	347	655	7,781	8.4%	(7,126)	-91.6%	1.4%	(7,126)	-15.3%
Transfers and subsidies	4,850	578	581	808	71.9%	(227)	-28.1%	12.0%	(227)	-4.7%
Other expenditure	119,770	6,731	19,820	19,962	99.3%	(142)	-0.7%	16.5%	(141)	-0.1%
Total Expenditure	2,344,984	99,080	179,881	390,832	46.0%	(210,951)	-54.0%	7.7%	(210,949)	-9.0%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 August 2021 current expenditure shows an unsatisfactory variance of minus 54.0%, the YTD actual which amounted to R179,881 million against the YTD budgeted SDBIP target of R390,382 million.

- ❖ Employee related costs shows an unsatisfactory variance of minus 15%. 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. The majority of employees receive their 13th cheques (bonus) at the end of December.
- ❖ 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 September 2021.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 6.89% spent versus a budget of R7,065 million. Contr: Maintenance of Unspecified Assets is zero percent spent vs a budget of R5,000 million. There are no specific maintenance contracts in place. This line item was previously budgeted for the security contract, which has since expired. Prepaid Electricity Vendors is zero percent spent versus a budget of R25,500 million. It should be noted that the July 2021 invoice for Ontec (prepaid electricity vendor) was settled during September 2021. The August 2021 invoice is due on 30 September 2021 amounting to R2,746 million, being due to Ontec.
- ❖ Bulk purchases is showing unsatisfactory variance of minus 88.5%. The July 2021 account amounting to R104 million was due on 31 August 2021 and has not been captured on the system. The municipality had 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. The same scenario applies to the August 2021 account, amounting to R93 million. 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 amount of R114 million is erroneously included under Bulk Purchases Electricity. The municipality received communication from NT in respect of the treatment of Bulk water purchases and it will be corrected accordingly during the Adjustment budget. Bulk water is also understated because the municipality is still awaiting the July and August 2021 invoices from DWS. And have therefore, not been captured on the system.
- ❖ Transfers and subsidies shows a negative variance of 28.1%. A transfer of R550 thousand was made to the SPCA. Due to cashflow constraints the municipality opted to settle the R2,200 million in tranches as and when cash becomes available. Other grants also shows minimal movement due to cash flow constraints.
- ❖ 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 Statements.
- ❖ The expenditure on Other Materials is showing an unsatisfactory variance of 24.7%. 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 August 2021 is 16.67%. The total operational expenditure against the Original Budget is 7.7% spent, resulting in a variance of minus 9.0%.

- ❖ Employee costs and Councillors remuneration is showing a satisfactory variances of 2.5% and 2.2%, respectively. 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 16.67%, same factors are applicable as explained above.
- ❖ Debt impairment is provided for on a quarterly basis. The first quarter journal will be processed during September 2021.
- ❖ 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 4.7%. The same factors are applicable as explained in the paragraph above.

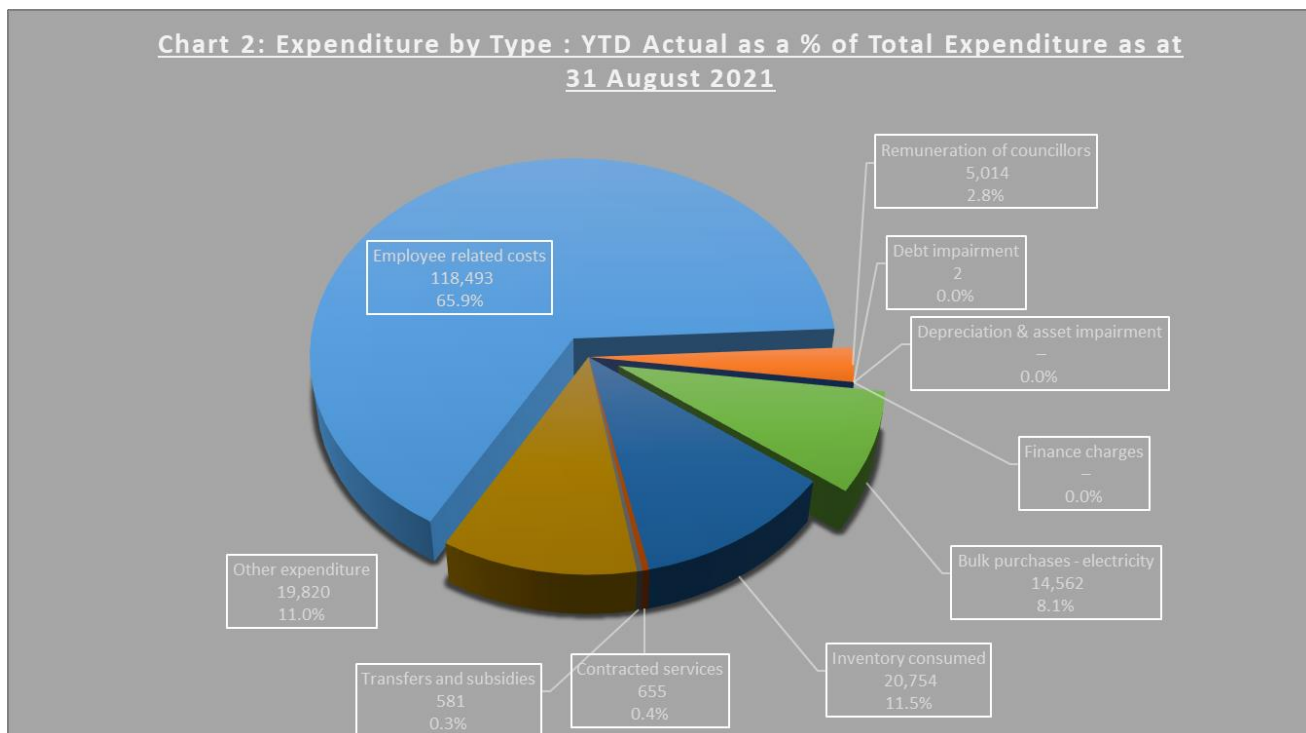


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 August 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. The first quarter journal will be processed during September 2021.
- ❖ Interest on external borrowing is paid bi-annually.
- ❖ Non-capturing of Electricity bulk purchases invoice for July 2021. The municipality is still awaiting the July and August 2021 accounts from DWS.

Bulk Purchases and Inventory - Water

- ❖ Indicated in Table 5 below, is the YTD expenditure on Bulk Purchases Electricity and Water. When compared to the IYM percentage of 16.67% as at end of August 2021, Bulk Purchases Electricity is showing a negative variance of 14.5% as a result of the July 2021 bulk electricity accounts not being captured on the system. The municipality does not have sufficient cash reserves to settle this invoice in full.
- ❖ Bulk purchases – Water is showing a negative variance of 16.2% when compared to the ideal percentage of 16.67%. The municipality is awaiting the July and August 2021 bulk water invoice from DWS. The municipality does not have sufficient cash reserves to settle these invoices in full. The YTD movement of R507 thousand relates to Interest on overdue account for July 2021. This will be journalised to the correct line item. The budget will be corrected during the Adjustment budget.

Description	Original Budget	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%
Bulk Purchases: Electricity	647,000,000	647,000,000	14,054,724	14,054,724	2.2%	-14.5%
Bulk Purchases: Water	114,000,000	114,000,000	507,157	507,157	0.4%	-16.2%
Total	761,000,000	761,000,000	14,561,881	14,561,881	1.9%	-14.8%

Table 5: Summary of YTD Bulk expenditure

Organ of state	Principle debt (2020/21)	Monthly Instalment	Corrections on arrear debt	Total revised debt amount	Amount paid to date	% of debt settled	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	112,040,715.83	100%	-	230,257,416.90	93,019,940.09	323,277,356.99	3,224,814.09
DWS (Water boards)	61,179,514.18	5,000,000.00	340,009.25	61,519,523.43	36,712,428.26	60%	24,807,095.17	54,368,966.98		79,176,062.15	507,157.37
Grand Total	173,220,230.01	17,448,968.43	340,009.25	173,560,239.26	148,753,144.09	86%	24,807,095.17	284,626,383.88	93,019,940.09	402,453,419.14	3,731,971.46

Table 6: Summary of outstanding Bulk costs debt

Indicated in Table 6 above, is the total outstanding debt owed to ESKOM amounting to R323,277 million and DWS amounting to R79,176 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 R93 million. The arrear debt of R230,257 million pertains to the unpaid account of May 2021 (R45m), June 2021 (R79m) and July 2021 (R104m). The municipality did not have sufficient cash to settle the outstanding accounts due to ESKOM. For the month of August 2021, the municipality settled an amount of R18,165 million on the arrear debt owed to ESKOM. The municipality is awaiting the invoice from the DWS for July and August 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 August 2021, the municipality settled an amount of R9,795 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 R3,225 million for ESKOM. Interest for DWS amounted to R507 thousand for July 2021. 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.

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - August 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 % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	179,266	2,305	2,520	29,878	8.4%	(27,358)	-91.6%	1.4%	(27,358)	-15.3%
Funded by										
Capital transfers recognised	167,766	1,316	1,530	27,961	5.5%	(26,431)	-94.5%	0.9%	(26,431)	-15.8%
Internally generated funds	11,500	989	989	1,917	51.6%	(927)	-48.4%	8.6%	(927)	-8.1%
Weighting Capital transfer recognised	94%	57%	61%	94%						
Weighting Internally generated funds	6%	43%	39%	6%						

Table 7: High level summary: Capital Expenditure

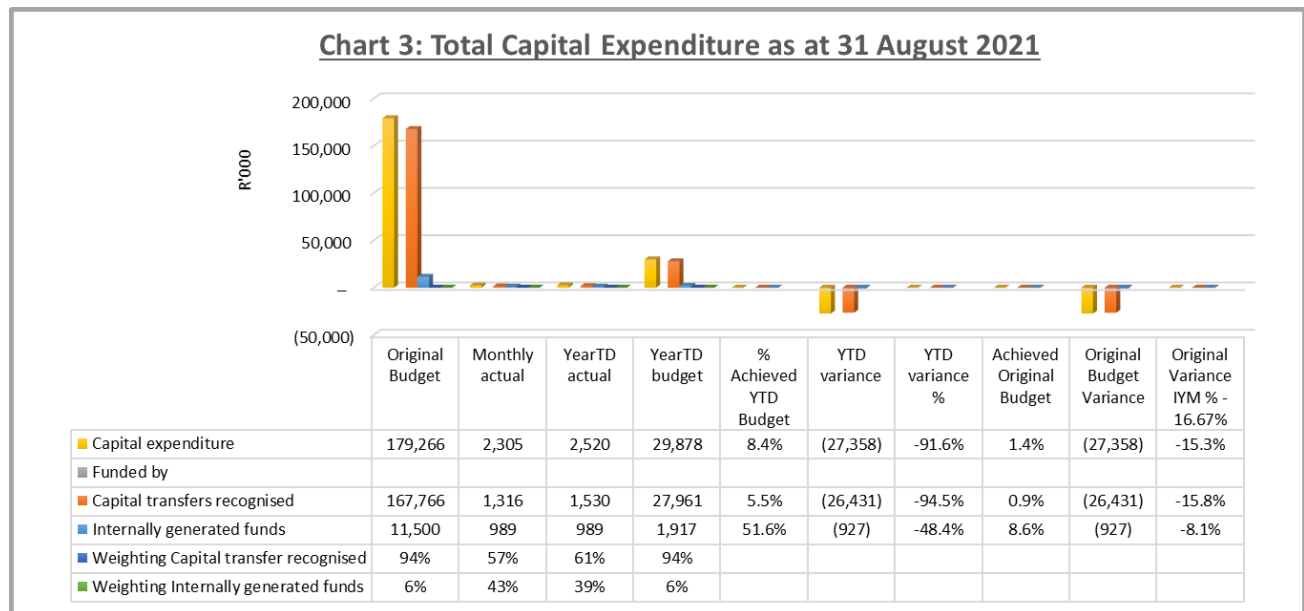


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of August 2021 amounted to R2,520 million and 4.4% spent when compared to the YTD budget of R29,878 million and 1.4% spent when compared to the Original Budget of R179,266 million. The total YTD capex is funded from Capital transfers R1,530 million (61%) and Internally generated funds R989 thousand (39%). 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

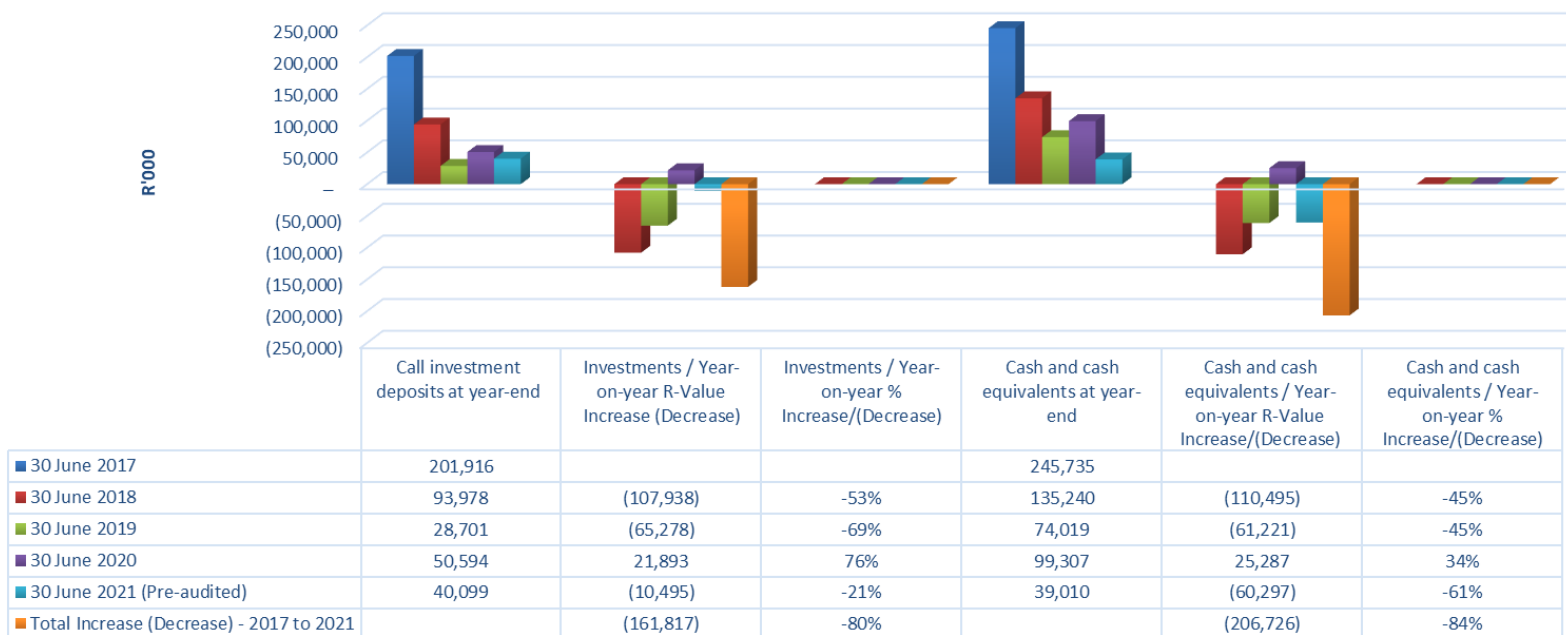


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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 2017 to 2021, 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, the non-implementation of the basic charge for the 2018/19 financial year, 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
August 2021**

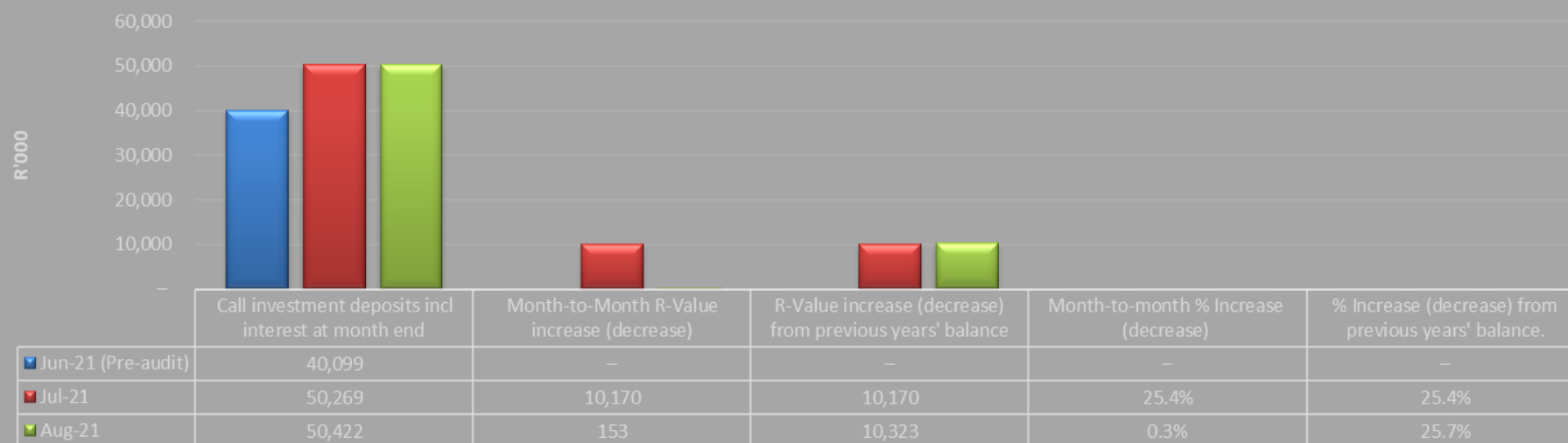


Chart 5: Call investment deposits at month-end

As indicated in the Chart 5 above from July 2021 to August 2021 investments incl interest increased by R153 thousand or 0.3%, in respect of the month-to-month comparison. Investments increased by R10,323 million or 25.7% when compared to the previous years' pre-audited balance of R40,099 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 the 2018/19 financial year 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 the municipality's relationship with its 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. Collect outstanding debt and improve the collection rate. 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 - M02 August

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	51,115	15,191	13,331	430,700					510,337	430,700		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	82,757	11,699	9,877	170,012					274,346	170,012		
Receivables from Non-exchange Transactions - Property Rates	1400	133,114	12,962	11,804	591,495					749,375	591,495		
Receivables from Exchange Transactions - Waste Water Management	1500	11,924	4,120	3,869	132,768					152,681	132,768		
Receivables from Exchange Transactions - Waste Management	1600	9,199	3,085	2,901	101,921					117,106	101,921		
Receivables from Exchange Transactions - Property Rental Debtors	1700	548	510	504	40,051					41,614	40,051		
Interest on Arrear Debtor Accounts	1810	18,553	8,970	8,762	564,770					601,056	564,770		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-					-	-		
Other	1900	6,343	5,177	4,383	188,285					204,188	188,285		
Total By Income Source	2000	313,554	61,715	55,431	2,220,002	-	-	-	-	2,650,702	2,220,002	-	-
2020/21 - totals only		282,266	72,083	60,625	2,144,368					2,559,343	2,144,368		
Debtors Age Analysis By Customer Group													
Organs of State	2200	117,709	10,938	8,769	659,597					797,013	659,597		
Commercial	2300	89,691	15,042	13,046	332,557					450,335	332,557		
Households	2400	103,537	34,699	32,565	1,183,386					1,354,188	1,183,386		
Other	2500	2,616	1,036	1,051	44,462					49,165	44,462		
Total By Customer Group	2600	313,554	61,715	55,431	2,220,002	-	-	-	-	2,650,702	2,220,002	-	-

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 R2,650,702 billion as at the end of August 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.

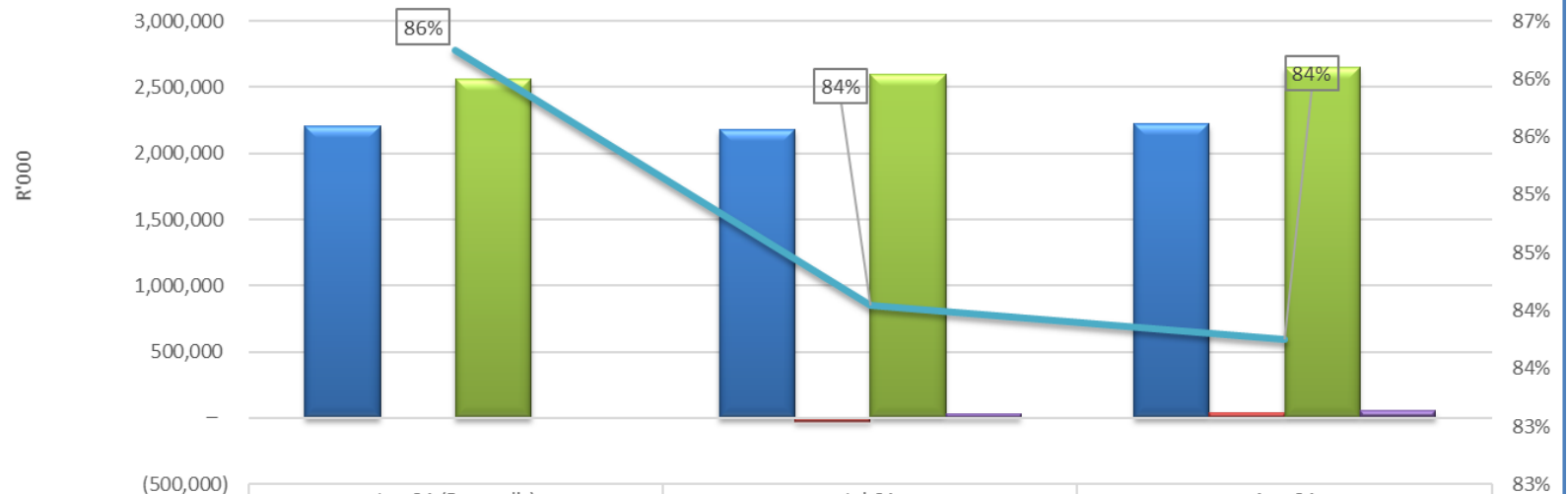
Specific action – Covid-19

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)

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

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt from July to August 2021 decreased from 86% to 84% for the period under review. Debt over 90 days increased by R40,231 million in respect of the month-to-month comparison. The month-on-month increase on Total O/S debtors amounted to R57,088 million. 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 amounts written off as uncollectable amounted to R403,262 million for the year ended 30 June 2020. For the year ended 30 June 2021, the amounts written off as uncollectable amounted to R330,209 million. The total amounts written off as uncollectable for the two financial years amounts to R733,470 million.

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2021 - August 2021



	Jun-21 (Pre-audit)	Jul-21	Aug-21
Debt over 90 days (R'000)	2,207,451	2,179,771	2,220,002
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		(27,680)	40,231
Total Debt (R'000)	2,559,343	2,593,614	2,650,702
Month-to-Month R-value Increase (Decrease) of Total debt		34,271	57,088
% Weighting of Debt over 90 days	86%	84%	84%

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

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

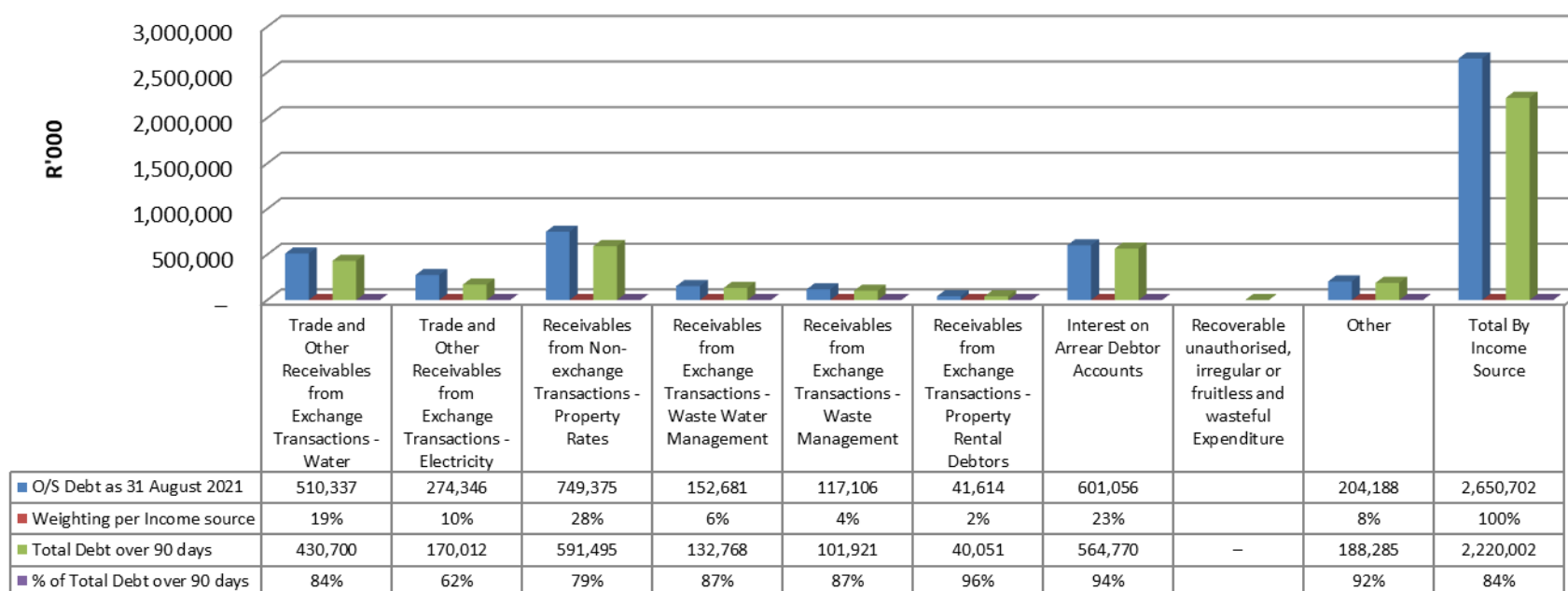


Chart 8: Outstanding Debt by Income Source

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 August 2021. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 28%
- ❖ 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 92%

Debtors Age Analysis By Income Source	O/S Debt as 30 July 2021	O/S Debt as 31 August 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	493,201,212	510,337,006	3.4%	17,135,794	19%
Trade and Other Receivables from Exchange Transactions - Electricity	257,815,899	274,345,542	6.0%	16,529,643	10%
Receivables from Non-exchange Transactions - Property Rates	740,340,659	749,375,408	1.2%	9,034,749	28%
Receivables from Exchange Transactions - Waste Water Management	149,768,126	152,681,036	1.9%	2,912,910	6%
Receivables from Exchange Transactions - Waste Management	114,986,197	117,105,731	1.8%	2,119,534	4%
Receivables from Exchange Transactions - Property Rental Debtors	41,191,582	41,613,518	1.0%	421,936	2%
Interest on Arrear Debtor Accounts	593,133,408	601,055,696	1.3%	7,922,288	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	203,176,925	204,187,864	0.5%	1,010,939	8%
Total By Income Source	2,593,614,008	2,650,701,801	2.2%	57,087,793	100%
Debtors Age Analysis By Customer Group					
Organs of State	780,326,051	797,013,315	2.1%	16,687,264	30%
Commercial	437,050,413	450,335,302	2.9%	13,284,889	17%
Households	1,327,994,444	1,354,188,171	1.9%	26,193,727	51%
Other	48,243,100	49,165,013	1.9%	921,913	2%
Total By Customer Group	2,593,614,008	2,650,701,801	2.2%	57,087,793	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 July to August 2021, the municipality's total O/S debt increased by 2.2% or R57,088 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 3.4%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity increased by 6.0%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 1.2%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.9%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.8%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 1.0%.
- ❖ Interest on Arrear Debtor Accounts increased by 1.3%.
- ❖ Other increased by 0.5%.

O/S debt per Customer Group

- ❖ Organs of State increased by 2.1%.
- ❖ Commercial debtors increased by 2.9%.
- ❖ Debt owed by Households increased by 1.9%.
- ❖ Other Debt increased by 1.9%.

Weighting per Customer Group

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

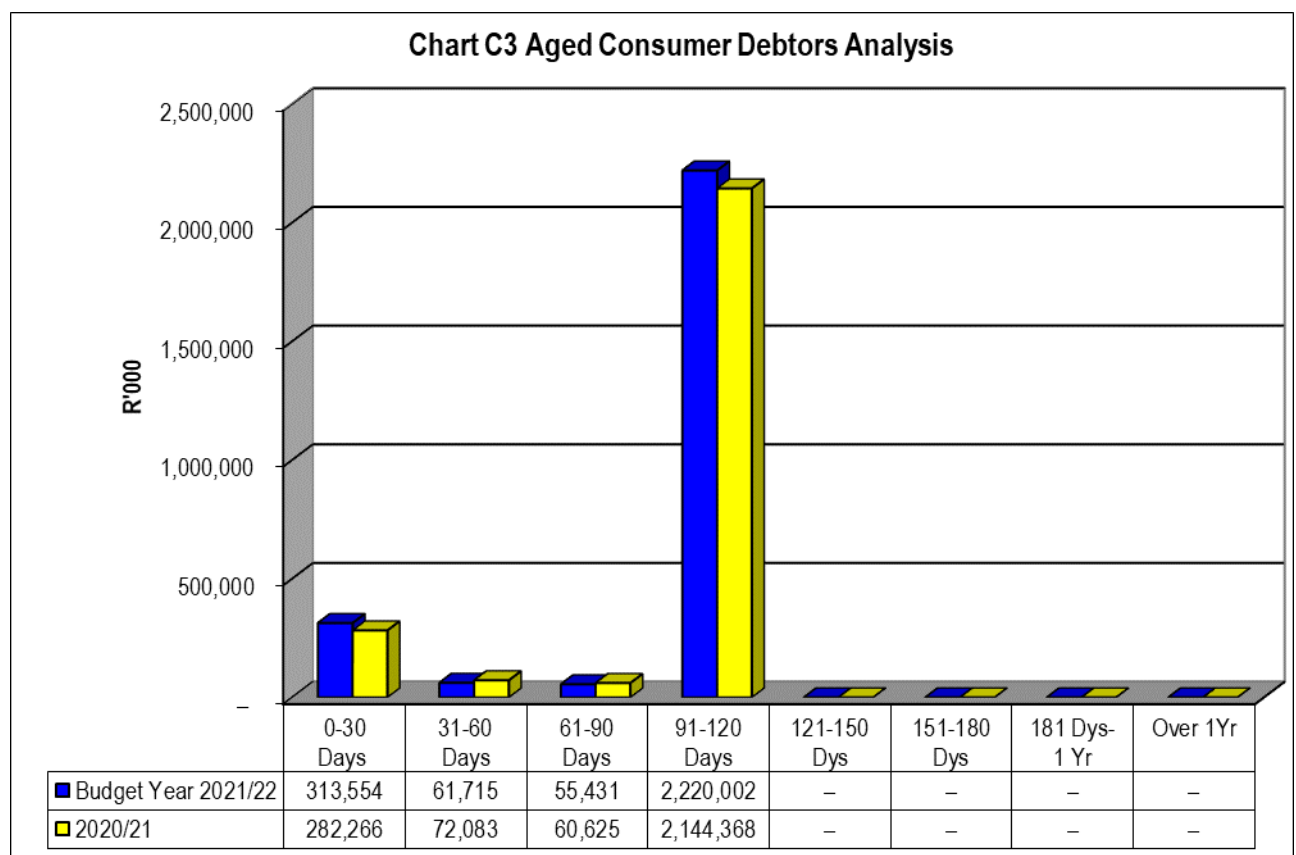


Chart 9: Aged Consumer Debtor Analysis

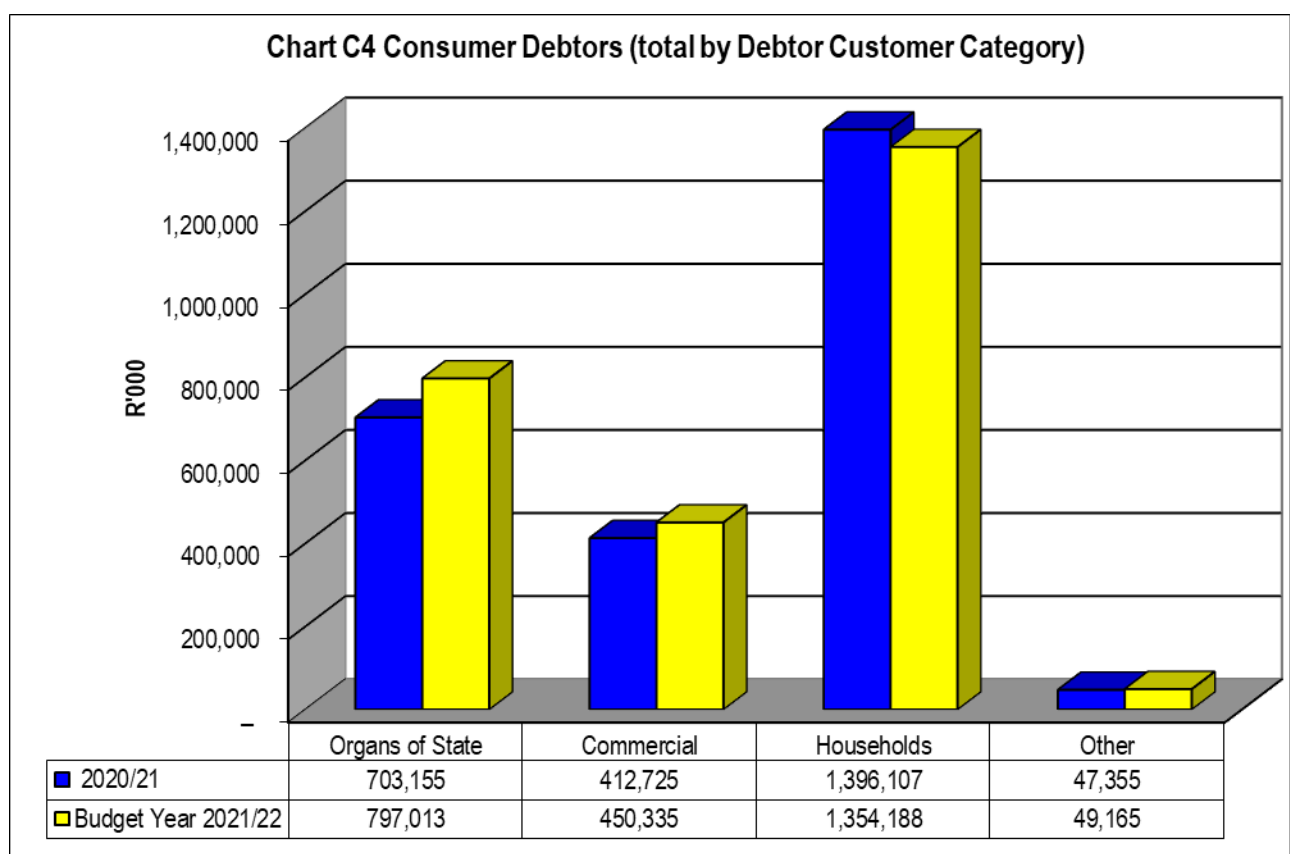


Chart 10: Consumer Debtors (total by Debtor Customer Category)

Chart 11: Debtor's Age Analysis per Customer Group as at 31 August 2021

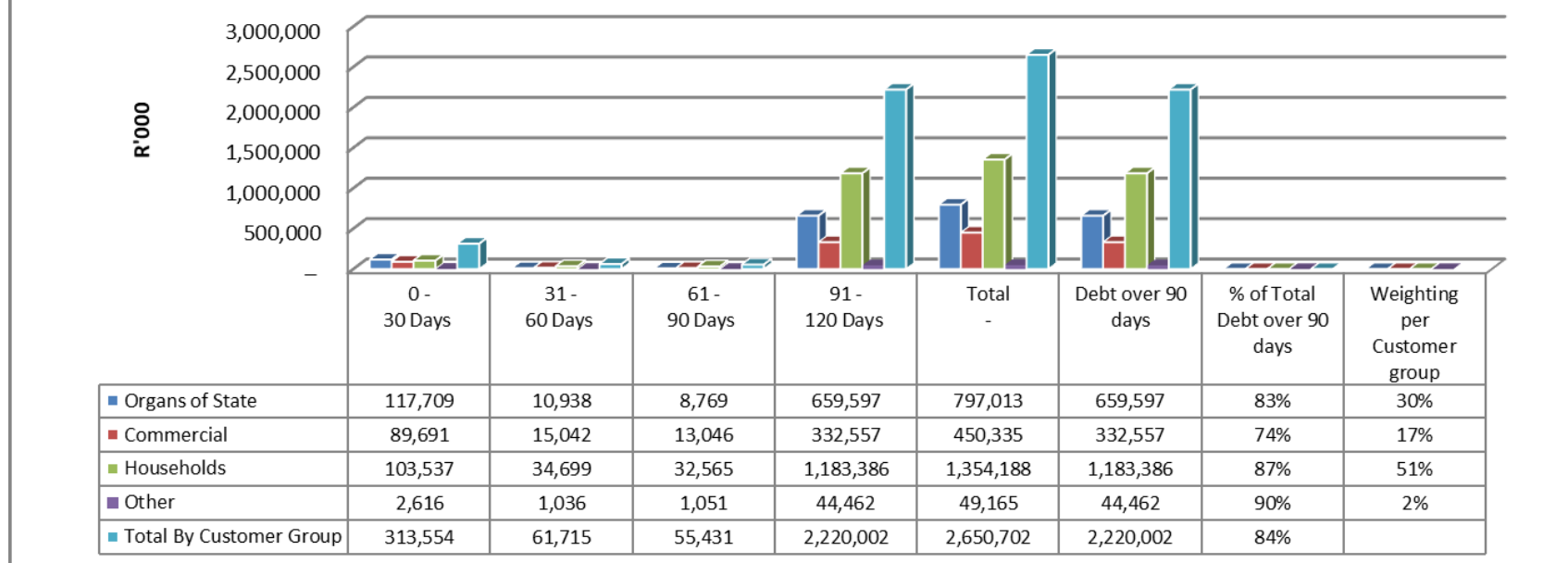


Chart 11: Debtor's Age Analysis per Customer Group

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 July 2021 and received in August 2021, the monthly collection rate is 41%. This is attributable to the annual billing on Property rates. Indicated in Table 11 below is the revised average collection of 72.4% for the period under review. The average collection is distorted due to the annual billing of Property rates. The actual Rand-value billed for July 2021, is R78m and was subsequently deducted from the YTD Actual on Property rates. 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 August to 31 August 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 per service			
Monthly Collection	Jul-21	Aug-21	Average
Property Rates	62%	25%	34%
Electricity	80%	77%	78%
Water	85%	47%	66%
Sewerage	48%	44%	46%
Refuse	48%	47%	47%
Other	108%	50%	79%
Monthly collection rate	74%	41%	53%

Monthly Collection Rate	Debits (Billed July 2021)	Credits (Received August 2021)	% Collected
PROPERTY RATES	123,968,477	31,085,315	25%
ELECTRICITY	44,406,125	34,050,393	77%
WATER	22,298,975	10,410,968	47%
SEWERAGE	8,499,048	3,717,363	44%
REFUSE	6,428,350	3,014,766	47%
OTHER	11,605,373	5,751,386	50%
Total	217,206,349	88,030,192	41%

Table 10: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL AUGUST 2021	YTD RECEIPTS	Rate
PROPERTY RATES	R 168,944,152	R 58,077,210	34.4%
SERVICE CHARGE ELECTRICITY	R 96,394,292	R 63,890,583	66.3%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 52,513,994	R 52,513,994	100.0%
SERVICE CHARGE WATER	R 48,358,207	R 26,367,572	54.5%
SERVICE CHARGE SANITATION	R 14,120,701	R 7,614,459	53.9%
SERVICE CHARGE REFUSE	R 10,638,855	R 5,946,817	55.9%
OTHER	R 23,697,642	R 18,708,926	78.9%
UNALLOCATED CREDITS		R 10,099,094	
REVISED AVERAGE COLLECTION RATE - AUGUST 2021	R 414,667,843	R 243,218,656	58.7%

REVENUE BY SOURCE	YTD ACTUAL AUGUST 2021	YTD RECEIPTS	Rate
REVISED AVERAGE COLLECTION RATE - AUGUST 2021 incl ANNUAL BILLING ON PROPERTY RATES	R 414,667,843	R 243,218,656	58.7%
LESS ANNUAL BILLING ON PROPERTY RATES	R -78,561,553		0.0%
REVISED AVERAGE COLLECTION RATE - AUGUST 2021 excl ANNUAL BILLING ON PROPERTY RATES	R 336,106,291	R 243,218,656	72.4%

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	Aug-20	TOTAL
PROPERTY RATES	VA	-	710.80	710.80
PROPERTY RATES	VA2010	98.54	400.00	498.54
PROPERTY RATES	VARESD	12,007,341.97	12,212,368.68	24,219,710.65
PROPERTY RATES	VASRA	679,537.02	722,394.72	1,401,931.74
PROPERTY RATES	VABCOM	12,149,403.43	14,308,811.99	26,458,215.42
PROPERTY RATES	VAIND	1,344,417.62	1,525,434.72	2,869,852.34
PROPERTY RATES	VAFAAG	100,199.84	107,193.66	207,393.50
PROPERTY RATES	VAFARE	23,064.20	14,172.13	37,236.33
PROPERTY RATES	VAMUN	570.12	-	570.12
PROPERTY RATES	VAGOVN	962,992.98	1,446,092.14	2,409,085.12
PROPERTY RATES	VARESV	219,155.37	168,997.49	388,152.86
PROPERTY RATES	VAGOVN	-	-	-
PROPERTY RATES	VAFABC	31,124.00	52,728.24	83,852.24
TOTAL ASSESSMENT RATES		27,517,905.09	30,559,304.57	58,077,209.66
BASIC ELECTRICITY	BE	467,974.35	474,997.38	942,971.73
ELECTRICITY	EL	28,210,519.51	34,737,091.67	62,947,611.18
PREPAID ELECTRICITY		27,317,859.54	25,196,134.81	52,513,994.35
TOTAL ELECTRICITY		55,996,353.40	60,408,223.86	116,404,577.26
BASIC WATER	BW	45,774.06	44,178.85	89,952.91
WATER CONSUMPTION	WA	16,299,907.56	9,977,711.36	26,277,618.92
TOTAL WATER		16,345,681.62	10,021,890.21	26,367,571.83
BASIC SEWERAGE	BS	245,124.26	182,272.32	427,396.58
SANITATION	SE	3,799,122.39	3,387,940.08	7,187,062.47
TOTAL SANITATION		4,044,246.65	3,570,212.40	7,614,459.05
REFUSE	BR	2,815,388.72	2,605,275.97	5,420,664.69
ADD REFUSE	RF	252,390.81	273,761.64	526,152.45
TOTAL REFUSE		3,067,779.53	2,879,037.61	5,946,817.14
INTEREST ON ARREARS	IN0001	34,721.11	39,204.54	73,925.65
INTEREST ON ARREARS	INBR	65,535.02	60,770.80	126,305.82
INTEREST ON ARREARS	INSE	89,478.44	76,410.67	165,889.11
INTEREST ON ARREARS	INWA	255,169.16	216,027.29	471,196.45
INTEREST ON ARREARS	INSU	51,029.35	49,019.46	100,048.81
INTEREST ON ARREARS	INBS	4,948.42	2,260.00	7,208.42
INTEREST ON ARREARS	INEL	326,905.24	219,210.02	546,115.26
INTEREST ON ARREARS	INBE	2,731.42	4,468.97	7,200.39
INTEREST ON ARREARS	INBW	4,757.82	1,733.39	6,491.21
INTEREST ON ARREARS	INRF	1,706.64	1,440.81	3,147.45
INTEREST ON ARREARS	INVA	255,616.54	321,812.05	577,428.59
TOTAL INTEREST ON ARREARS		1,092,599.16	992,358.00	2,084,957.16
DEPOSITS	DEWE	204,112.43	202,855.98	406,968.41
CREDITS NOT YET ALLOCATED	EX	10,745,412.33	3,566,948.92	14,312,361.25
SUNDRY DEBTORS	SU	818,020.20	718,375.28	1,536,395.48
HOUSE RENTALS	SU10	129,941.73	123,109.95	253,051.68
MISC 1	SU50	42,303.30	44,846.26	87,149.56
MISC 2	SU51	-	-	-
INFORMAL HOUSING	SU60	8,229.35	4,517.35	12,746.70
ARREARS MAGIC	SU70	1,598.50	426.23	2,024.73
SUNDRY COMMISSION	SUCOMM	1,583.93	961.85	2,545.78
COMM ON PNP	SUEASY	2,125.88	8,599.61	10,725.49
OTHER		11,953,327.65	4,670,641.43	16,623,969.08
VAT	VAT	7,861,034.92	7,821,334.01	15,682,368.93
TOTAL RECEIPTS		100,561,068.48	95,726,867.28	196,287,935.76
TOTAL RECEIPTS LESS VAT		92,700,033.56	87,905,533.27	180,605,566.83
TOTAL RECEIPTS INCL PREPAIDS		120,017,893.10	113,101,668.08	233,119,561.18

Table 12: BS566 report on receipts per service

BS566 Payments per Service per Day/Period - Debtor type				
Debtor Type Description	Debtor Type	Jul-20	Aug-20	TOTAL
BUSINESS KVA	BK	9,501,634.66	12,189,536.61	21,691,171.27
BUSINESS RESIDENTIAL	BR	792,204.29	897,256.49	1,689,460.78
BUSINESS	BU	28,016,684.19	27,693,890.64	55,710,574.83
CHURCHES	CH	86,323.44	79,220.18	165,543.62
COUNCILLOR	CL	31,186.52	40,726.69	71,913.21
COMMERCIAL	CO	2,090,027.46	2,068,011.34	4,158,038.80
DECEASED ESTATE	DE	-	-	-
GOVERNMENT - OTHER	GO	-	-	-
SCHOOLS	GS	1,696,524.31	1,681,033.13	3,377,557.44
INDIGENTS CANCELLED	IC	656,541.45	663,808.64	1,320,350.09
INDIGENTS	ID	1,314,980.60	1,184,815.32	2,499,795.92
INDIGENTS INFORMAL SETTLEMENT	IF	149,731.75	99,744.81	249,476.56
INDIGENT - LATE ESTATE	IL	1,536.92	614.97	2,151.89
INDIGENT PENDING	IP	400,782.73	339,621.13	740,403.86
INDUSTRIAL	IN	755,854.35	957,195.81	1,713,050.16
MUNICIPAL DEPARTMENTAL	MD	-	-	-
INDUSTRIAL	MI	-	-	-
MUNICIPAL	MU	314,158.78	472,935.53	787,094.31
NAT: POLICE	N3	10,168.40	3,069.53	13,237.93
NAT: DEFENCE AND MILITARY VETERA	ND	1,145.68	-	1,145.68
NAT: CORRECTIONAL SERVICES	NN	393,926.33	336,758.10	730,684.43
NAT: PUBLIC WORKS	NP	8,578,764.15	3,825,996.97	12,404,761.12
NON-STAFF ACCOUNTS PAID BY STAFF	NS	392,271.09	345,389.80	737,660.89
OPEN SPACE	OP	13,501.16	7,071.83	20,572.99
OTHER	OT	364,200.88	417,037.71	781,238.59
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,330.30	2,024.12	7,354.42
PROV: SOCIAL DEVELOPMENT	P1	463,687.08	212,639.30	676,326.38
PROV: HOUSING AND LOCAL GOVERNME	P2	176,797.83	59,029.00	235,826.83
PROV: OFFICE OF THE PREMIER	P3	8,053.84	4,478.88	12,532.72
PROV: OTHER DEPARTMENTS	P4	220,239.28	161,874.69	382,113.97
PROV: AGRICULTURE	PA	46,365.72	-	46,365.72
PROV: EDUCATION	PE	1,920,364.15	2,451,676.00	4,372,040.15
PROV: HEALTH	PH	1,587,041.92	2,562,813.04	4,149,854.96
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,974,807.82	192,505.16	2,167,312.98
PROV: SPORT, ARTS & CULTURE	PS	48,261.96	266,211.88	314,473.84
RESIDENTIAL	RE	30,000,326.47	27,918,996.59	57,919,323.06
SUNDRY DEBTOR	SD	3,641.12	7,096.24	10,737.36
STALE REFUNDS	SR	78.00	-	78.00
STAFF	ST	676,590.57	752,437.47	1,429,028.04
UNKNOWN	UN	230.00	-	230.00
EXCEPTIONAL CIRCUMSTANCES	IE	6,068.36	10,015.67	16,084.03
VAT	VAT	7,861,034.92	7,821,334.01	15,682,368.93
TOTAL RECEIPTS		100,561,068.48	95,726,867.28	196,287,935.76
TOTAL RECEIPTS LESS VAT		92,700,033.56	87,905,533.27	180,605,566.83

Table 13: BS566 report on receipts per debtor type

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

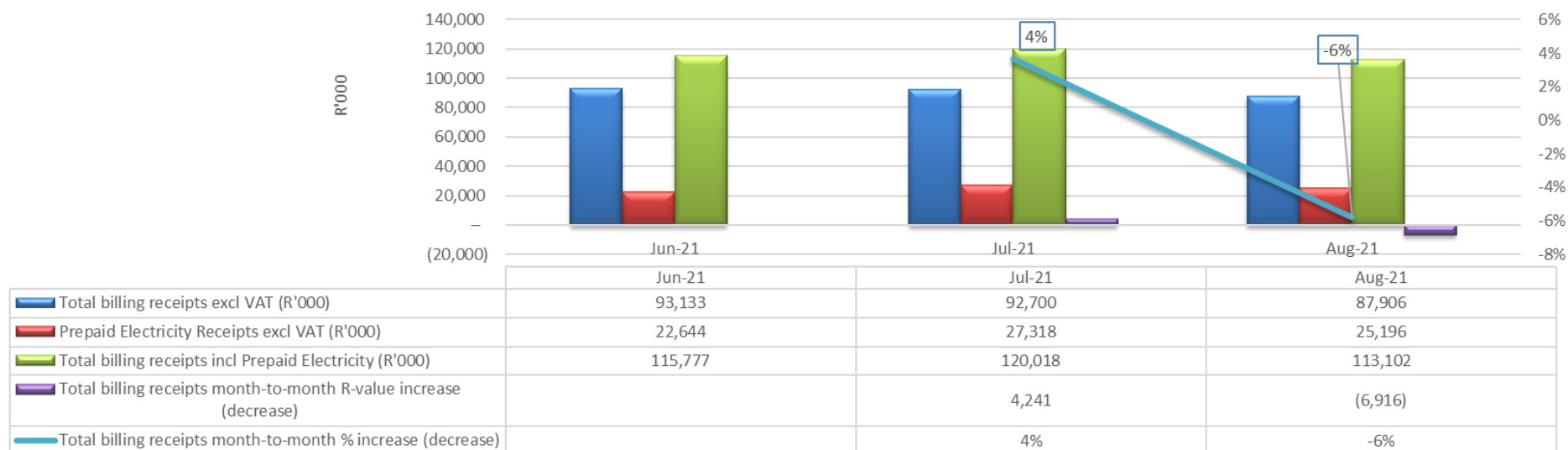


Chart 12: Total billing receipts incl Prepaid Electricity

As indicated in Chart 12 above, the total billing receipts including Prepaid Electricity amounted to R113,102 million which resulted in a decrease of R6,916 million or 6% in respect of the month-to-month comparison. Unallocated billing receipts at month end amounted to R10,099 million.

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2021/22									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	93,020	104,400	79,903	45,954	-	-	-	-	323,277	165,312
Bulk Water	0200	-	-	-	-	-	13,224	55,711	10,241	79,176	98,903
PAYE deductions	0300	9,059	-	-	-	-	-	-	-	9,059	8,752
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	7,352	-	-	-	-	-	-	-	7,352	7,355
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	4,351	27	0	0	-	-	-	-	4,378	27,512
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	2,936	-	-	-	-	-	-	2,936	150,244
Total By Customer Type	1000	113,782	107,363	79,904	45,955	-	13,224	55,711	10,241	426,179	458,077

Table 14: Supporting Table SC4: Aged Creditors

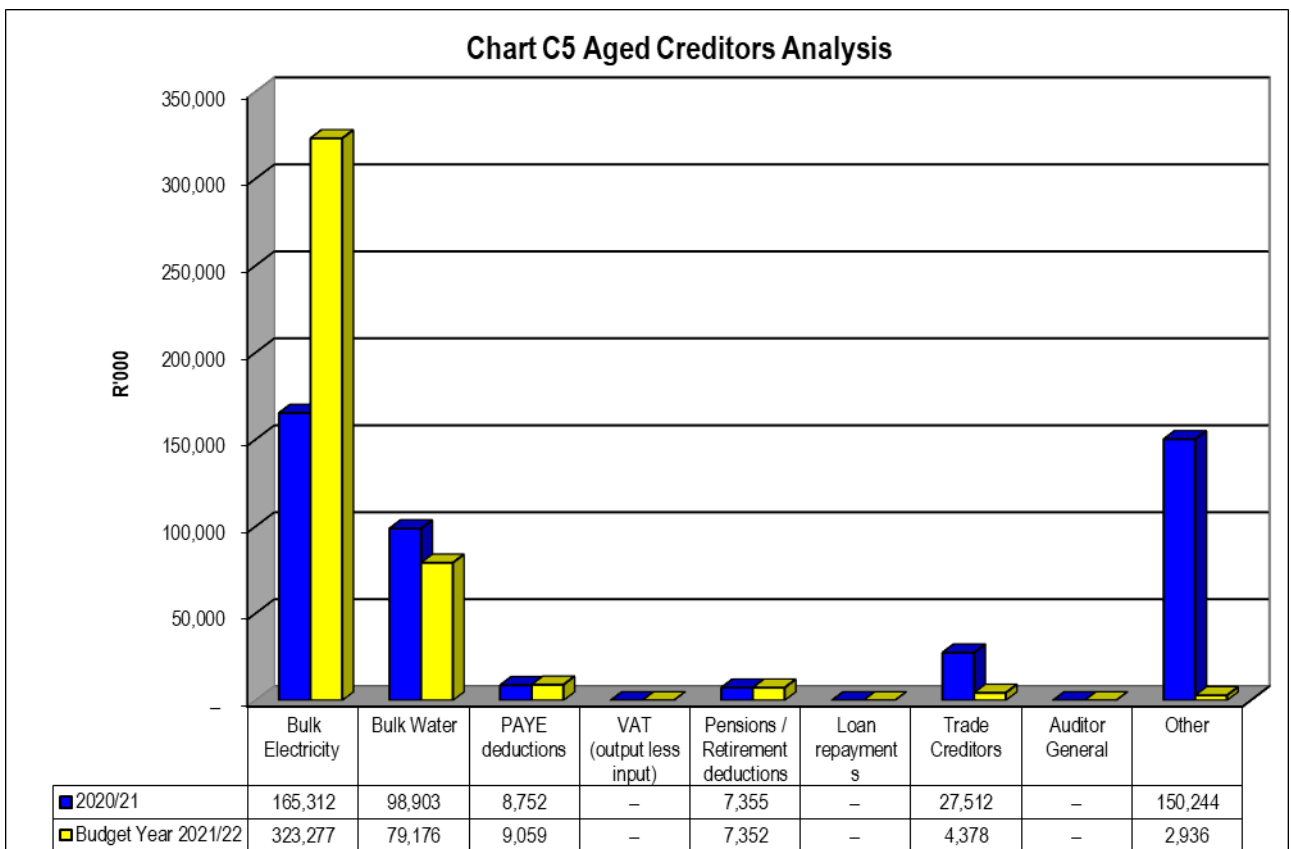


Chart 13: Aged Creditors Analysis

Bulk Electricity – As at the 31 August 2021, the outstanding debt owed to ESKOM amounted to R323,277 million. The municipality will conclude a new payment agreement with ESKOM for the 2021/22 financial year. The municipality engaged ESKOM representatives to arrange a meeting.

Bulk Water – The outstanding debt owed to DWS is R79,176 million. The municipality is still awaiting the June, July and August 2021 invoices from the Department. 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 R3,777 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 August 2021, the value of total investments made was R50,422 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 - M02 August

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 %	Commissio n Paid (Rands)	Commissio n 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			28.06.2022	7,406	30			7,437
Standard Bank 048466271-080		12 mths	Notice	YES	Fixed	4.025			10.11.2021	21,042	72			21,114
First National Bank			Call a/c	YES	Variable	03.20				5,511	12			5,523
Absa Bank			Call a/c	YES	Variable	02.30				5,511	11			5,522
Investec			Call a/c	YES	Variable	03.30				616	2			618
Nedbank			Call a/c	YES	Variable	03.25				5,166	14			5,180
Standard Bank			Call a/c	YES	Variable	03.50				5,015	15			5,029
Municipality sub-total										50,267	156			50,422
TOTAL INVESTMENTS AND INTEREST	2									50,267		-	-	50,422

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 - M02 August

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	2,619	94,089	37,140	56,949	153.3%	222,840
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		234,642	212,328	212,328	-	88,470	35,388	53,082	150.0%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	969	969	560	408	72.8%	3,362
Infrastructure Skills Development Grant		4,941	5,500	5,500	-	3,000	917	2,083	227.3%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	1,650	1,650	275	1,375	500.0%	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	-	-	1,300	(1,300)	-100.0%	7,800
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		-	-	-	-	-	-	-	-	-
Department of Tourism (EPWP)		625	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		7,800	7,800	7,800	-	-	1,300	(1,300)	-100.0%	7,800
Department of Tourism (EPWP)		-	-	-	-	-	-	-	-	-
District Municipality:		7,046	-	-	3,000	3,000	-	3,000	-	-
Operations and Maintenance		5,046	-	-	-	-	-	-	-	-
Environmental Health		2,000	-	-	3,000	3,000	-	3,000	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	260,923	230,640	230,640	5,619	97,089	38,440	58,649	152.6%	230,640
Capital Transfers and Grants										
National Government:		109,046	167,766	167,766	6,180	31,933	27,961	3,972	14.2%	167,766
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		17,206	66,500	66,500	-	13,253	11,083	2,170	19.6%	66,500
Integrated Urban Development Grant		50,955	66,266	66,266	-	-	11,044	(11,044)	-100.0%	66,266
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		27,912	10,000	10,000	-	-	1,667	(1,667)	-100.0%	10,000
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		12,972	25,000	25,000	6,180	18,680	4,167	14,513	348.3%	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	6,180	31,933	27,961	3,972	14.2%	167,766
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	373,569	398,406	398,406	11,798	129,021	66,401	62,620	94.3%	398,406

Table 16: Supporting Table SC6: Transfers and grant receipts

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

FMG – R1,650 million

FBDM – R3,000 million for Environmental Health services. The budget will be corrected during the 2021/22 Adjustment budget.

EPWP – R969 thousand

No Capital grant monies were received for the month under review. However, for WSIG an amount of R6,180 million was recognized for expenditure that was incurred in 2020/21 financial year. Funding for 2020/21 was reduced and depleted close to year-end and work has been performed by the service provider and the municipality was obligated to settle these certificates. Progress on the project could not be halted, due to the critical work and service delivery impact and to avoid incurring

costs for down time. DWS granted permission to use a portion of the WSIG funding for 2021/22 for this purpose.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

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:			245,173	222,840	222,840	7,491	15,628	16,941	(1,313)	-7.7%	222,840
Equitable Share			234,642	212,328	212,328	5,904	12,157	15,189	(3,032)	-20.0%	212,328
Expanded Public Works Programme Integrated Grant			4,170	3,362	3,362	1,279	2,796	560	2,236	399.0%	3,362
Infrastructure Skills Development Grant			4,661	5,500	5,500	268	593	917	(324)	-35.3%	5,500
Local Government Financial Management Grant			1,700	1,650	1,650	40	82	275	(193)	-70.1%	1,650
Municipal Disaster Relief Grant			–	–	–	–	–	–	–	–	–
Provincial Government:			8,207	7,800	7,800	9	11	1,300	(1,289)	-99.2%	7,800
Capacity Building and Other Grants			–	–	–	–	–	–	–	–	–
Department of Tourism (EPWP)			407	–	–	–	–	–	–	–	–
Libraries; Archives and Museums			7,800	7,800	7,800	9	11	1,300	(1,289)	-99.2%	7,800
District Municipality:			7,046	–	–	–	–	–	–	–	–
Operations and Maintenance			5,046	–	–	–	–	–	–	–	–
Environmental Health			2,000	–	–	–	–	–	–	–	–
Other grant providers:			–	–	–	–	–	–	–	–	–
European Union			–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:			260,426	230,640	230,640	7,500	15,639	18,241	(2,602)	-14.3%	230,640
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			109,706	167,766	167,766	1,316	1,530	27,961	(26,431)	-94.5%	167,766
Integrated National Electrification Programme Grant			17,206	66,500	66,500	168	237	11,083	(10,846)	-97.9%	66,500
Integrated Urban Development Grant			50,328	66,266	66,266	269	414	11,044	(10,631)	-96.3%	66,266
Municipal Infrastructure Grant			–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant			22,881	10,000	10,000	–	–	1,667	(1,667)	-100.0%	10,000
Regional Bulk Infrastructure Grant			–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant			19,291	25,000	25,000	879	879	4,167	(3,287)	-78.9%	25,000
Provincial Government:			–	–	–	–	–	–	–	–	–
Sports and Recreation			–	–	–	–	–	–	–	–	–
District Municipality:			–	–	–	–	–	–	–	–	–
Specify (Add grant description)			–	–	–	–	–	–	–	–	–
Other grant providers:			2,856	–	–	–	–	–	–	–	–
European Union			2,856	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants			112,562	167,766	167,766	1,316	1,530	27,961	(26,431)	-94.5%	167,766
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			372,988	398,406	398,406	8,815	17,170	46,202	(29,033)	-62.8%	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 R2,796 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
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	167,587	237,291	0.4%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	268,686	413,789	0.6%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	879,279	879,279	0.0%
Grand Total	167,766,000	1,315,553	1,530,359	0.9%

Table 18: Summary of expenditure per grant

As indicated in Table 18 above, the YTD expenditure amounts to R1,530 million or 0.9% spent against the Original capital grant allocation of R167,766 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 was submitted to NT on 31 August 2021 as directed by NT.

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

Table 19 is excluded due to the awaited outcome from NT pertaining to the rollover request.

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		827	-	-	67	135	-	135	#DIV/0!	-
Medical Aid Contributions		339	-	-	25	50	-	50	#DIV/0!	-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		2,862	3,243	3,243	233	466	540	(75)	-14%	3,243
Housing Allowances		-	-	-	4	7	-	7	#DIV/0!	-
Other benefits and allowances		26,231	31,305	31,305	2,179	4,357	5,217	(860)	-16%	31,305
Sub Total - Councillors		30,260	34,547	34,547	2,507	5,014	5,758	(744)	-13%	34,547
% increase	4		14.2%	14.2%						14.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		9,434	8,600	8,600	752	1,425	1,433	(9)	-1%	8,600
Pension and UIF Contributions		984	1,108	1,108	89	178	185	(6)	-4%	1,108
Medical Aid Contributions		215	252	252	18	36	42	(6)	-13%	252
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		2,042	1,961	1,961	155	309	327	(17)	-5%	1,961
Cellphone Allowance		168	202	202	14	28	34	(6)	-17%	202
Housing Allowances		36	39	39	2	4	7	(2)	-32%	39
Other benefits and allowances		15	105	105	1	3	18	(15)	-85%	105
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		56	62	62	5	9	10	(1)	-8%	62
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		12,951	12,329	12,329	1,037	1,993	2,055	(62)	-3%	12,329
% increase	4		-4.8%	-4.8%						-4.8%
Other Municipal Staff										
Basic Salaries and Wages		395,579	450,593	449,632	32,762	66,069	74,998	(8,929)	-12%	449,632
Pension and UIF Contributions		63,864	76,857	76,857	5,279	10,563	12,810	(2,247)	-18%	76,857
Medical Aid Contributions		48,766	58,592	58,592	4,830	9,361	9,765	(404)	-4%	58,592
Overtime		5,493	4,146	4,146	424	784	691	93	13%	4,146
Performance Bonus		28,489	35,421	35,421	917	2,660	5,904	(3,243)	-55%	35,421
Motor Vehicle Allowance		38,306	51,621	51,621	3,539	7,092	8,603	(1,512)	-18%	51,621
Cellphone Allowance		1,296	1,499	1,499	109	268	250	18	7%	1,499
Housing Allowances		2,696	3,158	3,158	226	447	526	(79)	-15%	3,158
Other benefits and allowances		63,958	63,880	64,840	7,311	14,169	10,748	3,421	32%	64,840
Payments in lieu of leave		29,135	14,000	14,000	324	951	2,333	(1,383)	-59%	14,000
Long service awards		23,136	22,791	22,791	1,882	3,782	3,799	(17)	0%	22,791
Post-retirement benefit obligations	2	12,550	41,500	41,500	354	354	6,917	(6,562)	-95%	41,500
Sub Total - Other Municipal Staff		713,268	824,059	824,059	57,957	116,500	137,344	(20,844)	-15%	824,059
% increase	4		15.5%	15.5%						15.5%
Total Parent Municipality		756,479	870,935	870,935	61,500	123,507	145,157	(21,650)	-15%	870,935
TOTAL SALARY, ALLOWANCES & BENEFITS		756,479	870,935	870,935	61,500	123,507	145,157	(21,650)	-15%	870,935
% increase	4		15.1%	15.1%						15.1%
TOTAL MANAGERS AND STAFF		726,219	836,388	836,388	58,993	118,493	139,399	(20,906)	-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 16.67%, at 27.33% spent. Backpay was paid to firemen at Emergency Services backdated from December 2019. The total amount paid out during July and August 2021 was R1,923 million. There is possibly a mapping error because as per SC(8) the budgeted Overtime is reflecting an amount of R4,146 million for Night-shift allowance and the two line items (Overtime Structured and Non-structured) in the ledger amounts to R31,021 million. This will be clarified with

BCX, our financial system administrator and NT, if needed. 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 August 2021.

Overtime excl Night shift	Original Budget	YTD Movement	% Spent Original Budget
MS: OVERTIME - NON STRUCTURED	18,783,000	5,876,452	31.29%
MS: OVERTIME - STRUCTURED	12,237,841	2,601,111	21.25%
Total Overtime as at August 2021	31,020,841	8,477,563	27.33%
Directorate	Sum of Original Budget	Sum of YTD Movement	% Spent Original Budget
20-EXECUTIVE AND COUNCIL	205,000	38,561	18.81%
21-MUNICIPAL AND GENERAL	-	-	
22-MUNICIPAL MANAGER	-	4,358	
23-CORPORATE SERVICES	1,760,000	324,468	18.44%
24-COMMUNITY SERVICES	11,741,441	4,134,913	35.22%
26-FINANCIAL SERVICES	453,000	231,511	51.11%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	259,000	130,634	50.44%
28-INFRASTRUCTURE SERVICES	16,602,400	3,613,119	21.76%
Grand Total	31,020,841	8,477,563	27.33%

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 R8,478 million and 27.33% spent, resulting in a negative variance of 10.66%.

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.

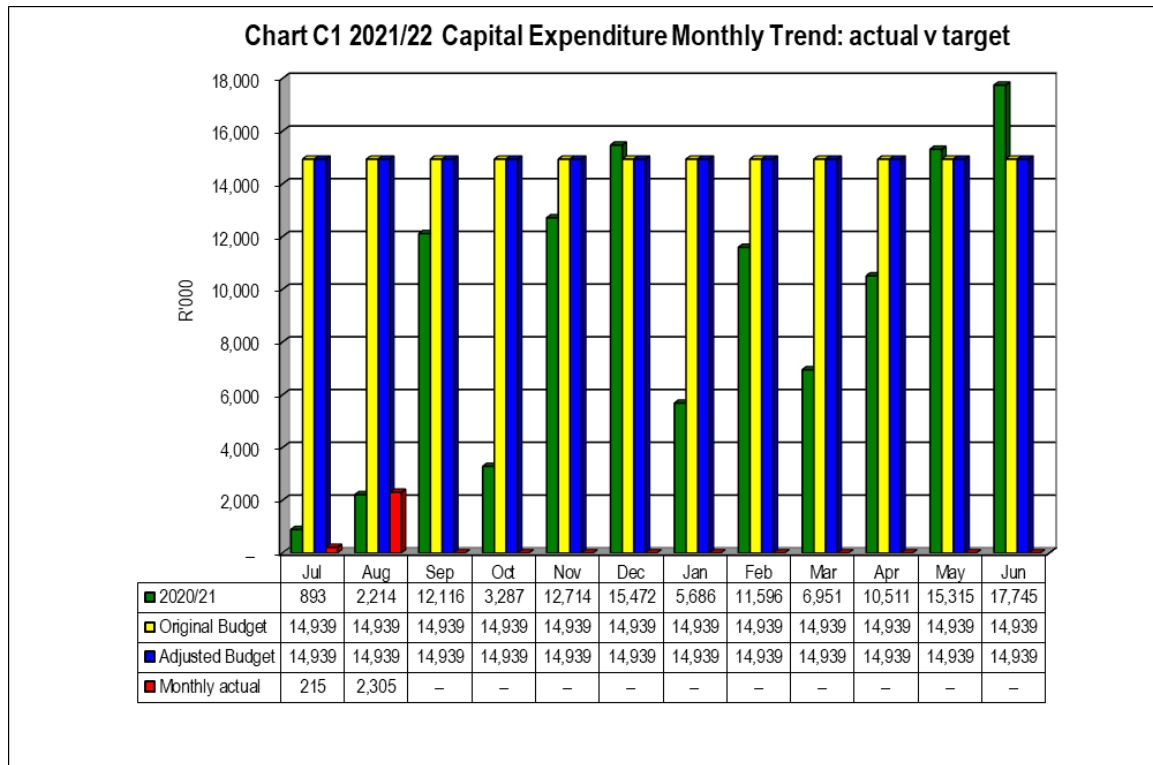


Chart 14: Capital Expenditure Monthly Trend: actual v target

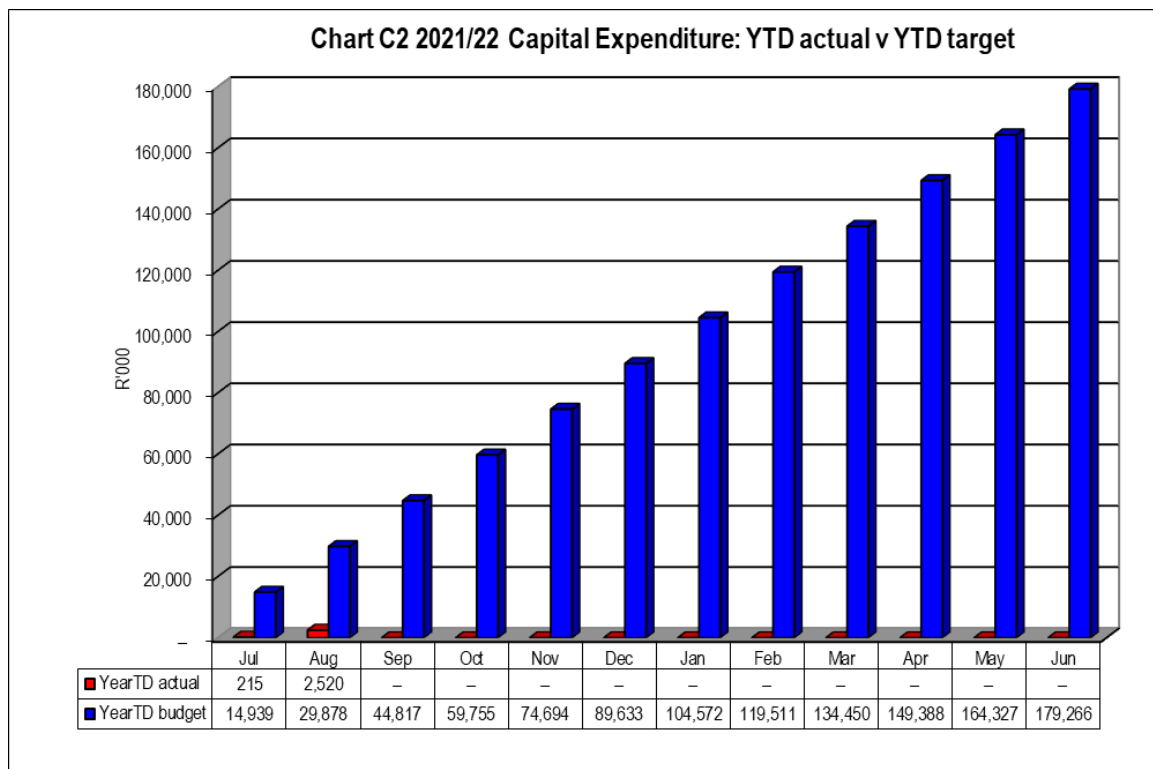


Chart 15: Capital Expenditure: YTD actual vs YTD target

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 August 2021 amounted to R2,304 million. The total YTD Capex amounted to R2,520 million. Total commitments amounts to R5,945 million. Please note that commitments are excluded from the YTD movement.

Description	Original Budget	Prelim 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%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	4,000,000	4,000,000	-	-	-	4,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	2,000,000	-	-	-	2,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-COMPUTER EQUIPMENT REPLACEMENT	3,500,000	3,500,000	199,368	432,540	199,368	3,300,632	5.7%	5.7%	INTERNALLY GENERATED FUNDS
RESEALING OF ROADS VARIOUS WARDS	13,000,000	10,000,000	-	4,771,115	-	10,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	10,000,000	9,000,000	-	-	-	9,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	10,000,000	9,000,000	268,686	669,234	413,789	8,586,211	4.1%	4.6%	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
P-CNIN COM F FIRE/AMBUL	-	4,000,000	-	-	-	4,000,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT 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%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000,000	25,000,000	879,279	-	879,279	24,120,721	3.5%	3.5%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	1,000,000	1,000,000	54,616	71,949	54,880	945,120	5.5%	5.5%	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	-	1,000,000	-	-	-	1,000,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
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	167,587	-	237,291	32,762,709	0.7%	0.7%	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	734,974	-	734,974	265,026	73.5%	73.5%	INTERNALLY GENERATED FUNDS
TOTAL	179,266,000	179,266,000	2,304,510	5,944,838	2,519,580	176,746,420	1.4%	1.4%	

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	167,587	237,291	0.4%
INTERNALLY GENERATED FUNDS	11,500,000	988,957	989,222	8.6%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	268,686	413,789	0.6%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	879,279	879,279	3.5%
Grand Total	179,266,000	2,304,510	2,519,580	1.4%

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 (0.6%), NDPG (0%), INEP (0.4%) and WSIG (3.5%). Spending on Internally generated funds is close to 8.6% 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 August 2021. **All Audited outcomes are based on pre-audited figures as at 30 June 2021.**

14. Conclusion

This report meets the MFMA requirement for the Executive Julyor 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 July 2009

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M02 August

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	571,075	603,707	603,707	45,261	168,944	100,618	68,326	68%	603,707
Service charges	1,053,050	1,291,383	1,291,383	146,557	222,026	215,231	6,795	3%	1,291,383
Investment revenue	2,835	9,000	9,000	7	(458)	1,500	(1,958)	-131%	9,000
Transfers and subsidies	260,426	230,640	230,640	(3,424)	88,470	38,440	50,030	130%	230,640
Other own revenue	180,375	230,981	230,981	12,622	26,041	38,497	(12,456)	-32%	230,981
Total Revenue (excluding capital transfers and contributions)	2,067,761	2,365,711	2,365,711	201,022	505,024	394,285	110,738	28%	2,365,711
Employee costs	726,219	836,388	836,388	58,993	118,493	139,399	(20,906)	-15%	836,388
Remuneration of Councillors	30,260	34,547	34,547	2,507	5,014	5,758	(744)	-13%	34,547
Depreciation & asset impairment	63,881	79,150	79,150	–	–	13,192	(13,192)	-100%	79,150
Finance charges	36,467	22,261	22,261	–	–	3,710	(3,710)	-100%	22,261
Inventory consumed and bulk purchases	819,353	926,331	926,331	29,922	35,316	154,389	(119,073)	-77%	926,331
Transfers and subsidies	2,528	4,850	4,850	578	581	808	(227)	-28%	4,850
Other expenditure	487,650	441,457	441,457	7,080	20,478	73,577	(53,099)	-72%	441,457
Total Expenditure	2,166,359	2,344,984	2,344,984	99,080	179,881	390,832	(210,951)	-54%	2,344,984
Surplus/(Deficit)	(98,598)	20,727	20,727	101,943	325,142	3,453	321,689	9316%	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,706	167,766	167,766	–	–	27,961	###	-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)	2,856	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	13,964	188,493	188,493	101,943	325,142	31,414	293,728	935%	188,493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	13,964	188,493	188,493	101,943	325,142	31,414	293,728	935%	188,493
Capital expenditure & funds sources									
Capital expenditure	119,502	179,266	179,266	2,305	2,520	29,878	(27,358)	-92%	179,266
Capital transfers recognised	104,315	167,766	167,766	1,316	1,530	27,961	(26,431)	-95%	167,766
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	15,186	11,500	11,500	989	989	1,917	(927)	-48%	11,500
Total sources of capital funds	119,502	179,266	179,266	2,305	2,520	29,878	(27,358)	-92%	179,266
Financial position									
Total current assets	2,662,188	2,242,830	2,242,830		2,175,614				2,242,830
Total non current assets	2,097,228	2,225,894	2,225,894		2,099,747				2,225,894
Total current liabilities	1,043,824	725,335	725,335		607,028				725,335
Total non current liabilities	436,934	417,829	417,829		427,015				417,829
Community wealth/Equity	2,916,177	3,325,560	3,325,560		3,241,319				3,325,560
Cash flows									
Net cash from (used) operating	57,980	256,277	256,277	102,700	359,225	69,953	(289,273)	-414%	256,277
Net cash from (used) investing	(111,391)	(142,399)	(179,266)	(2,305)	(2,520)	(23,733)	(21,214)	89%	(142,399)
Net cash from (used) financing	(2,980)	(16,583)	(10,734)	(431)	(39,513)	(9,393)	30,120	-321%	(56,357)
Cash/cash equivalents at the month/year end	40,142	191,186	160,168	–	360,201	36,827	(323,374)	-878%	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	313,554	61,715	55,431	2,220,002	–	–	–	–	2,650,702
Creditors Age Analysis									
Total Creditors	113,782	107,363	79,904	45,955	–	13,224	55,711	10,241	426,179

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

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>		1,022,534	1,109,592	1,109,592	46,698	267,424	184,932	82,492	45%	1,109,592
Executive and council		420,845	478,759	478,759	1,236	97,258	79,793	17,465	22%	478,759
Finance and administration		601,689	630,833	630,833	45,462	170,165	105,139	65,027	62%	630,833
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		24,102	27,556	27,556	1,392	2,745	4,593	(1,848)	-40%	27,556
Community and social services		10,785	10,980	10,980	336	636	1,830	(1,194)	-65%	10,980
Sport and recreation		1,131	3,315	3,315	28	55	553	(498)	-90%	3,315
Public safety		150	760	760	13	35	127	(92)	-72%	760
Housing		11,967	12,401	12,401	1,003	1,999	2,067	(68)	-3%	12,401
Health		69	100	100	12	21	17	4	24%	100
<i>Economic and environmental services</i>		17,700	23,286	23,286	535	916	3,881	(2,965)	-76%	23,286
Planning and development		7,783	5,166	5,166	298	565	861	(296)	-34%	5,166
Road transport		9,917	18,120	18,120	237	351	3,020	(2,669)	-88%	18,120
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,108,344	1,363,208	1,363,208	151,873	232,199	227,201	4,998	2%	1,363,208
Energy sources		672,093	877,157	877,157	104,301	150,807	146,193	4,614	3%	877,157
Water management		287,090	328,612	328,612	33,818	53,894	54,769	(875)	-2%	328,612
Waste water management		86,391	86,848	86,848	7,860	15,662	14,475	1,188	8%	86,848
Waste management		62,770	70,592	70,592	5,894	11,836	11,765	71	1%	70,592
<i>Other</i>	4	7,644	9,835	9,835	525	1,740	1,639	100	6%	9,835
Total Revenue - Functional	2	2,180,324	2,533,477	2,533,477	201,022	505,024	422,246	82,777	20%	2,533,477
Expenditure - Functional										
<i>Governance and administration</i>		640,979	683,100	683,100	29,760	67,771	113,851	(46,080)	-40%	683,100
Executive and council		400,365	405,549	405,549	10,608	30,195	67,592	(37,397)	-55%	405,549
Finance and administration		234,323	270,570	270,570	18,675	36,578	45,096	(8,517)	-19%	270,570
Internal audit		6,291	6,982	6,982	478	998	1,164	(166)	-14%	6,982
<i>Community and public safety</i>		166,029	183,469	183,469	15,316	29,192	30,579	(1,386)	-5%	183,469
Community and social services		40,133	42,230	42,230	3,325	6,642	7,038	(396)	-6%	42,230
Sport and recreation		47,702	55,822	55,822	4,039	7,707	9,304	(1,597)	-17%	55,822
Public safety		38,887	43,502	43,502	4,209	7,962	7,250	711	10%	43,502
Housing		21,940	23,480	23,480	2,046	3,668	3,913	(245)	-6%	23,480
Health		17,367	18,435	18,435	1,697	3,213	3,073	141	5%	18,435
<i>Economic and environmental services</i>		123,036	139,819	139,819	10,120	18,515	23,303	(4,788)	-21%	139,819
Planning and development		39,994	48,172	48,172	3,267	6,307	8,029	(1,722)	-21%	48,172
Road transport		82,378	90,936	90,936	6,802	12,104	15,156	(3,052)	-20%	90,936
Environmental protection		665	711	711	52	104	118	(14)	-12%	711
<i>Trading services</i>		1,214,239	1,313,216	1,313,216	41,953	60,736	218,870	(158,134)	-72%	1,313,216
Energy sources		749,833	857,928	857,928	20,881	26,722	142,988	(116,266)	-81%	857,928
Water management		314,140	296,663	296,663	9,092	13,548	49,444	(35,896)	-73%	296,663
Waste water management		91,753	88,033	88,033	7,364	11,337	14,672	(3,335)	-23%	88,033
Waste management		58,513	70,592	70,592	4,616	9,128	11,765	(2,637)	-22%	70,592
<i>Other</i>		22,076	25,380	25,380	1,930	3,667	4,230	(563)	-13%	25,380
Total Expenditure - Functional	3	2,166,359	2,344,984	2,344,984	99,080	179,881	390,832	(210,951)	-54%	2,344,984
Surplus/ (Deficit) for the year		13,964	188,493	188,493	101,943	325,142	31,414	293,728	935%	188,493

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

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		420,845	478,759	478,759	1,236	97,258	79,793	17,465	21.9%	478,759
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	6,804	5	9	1,134	(1,125)	-99.2%	6,804
Vote 05 - Community Services		90,713	110,627	110,627	6,973	14,543	18,438	(3,895)	-21.1%	110,627
Vote 06 - Financial Services		594,906	623,229	623,229	45,388	170,039	103,871	66,167	63.7%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	9,041	374	696	1,507	(811)	-53.8%	9,041
Vote 08 - Infrastructure And Services		1,058,256	1,305,018	1,305,018	147,047	222,478	217,503	4,976	2.3%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,180,324	2,533,477	2,533,477	201,022	505,024	422,246	82,777	19.6%	2,533,477
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,332	8,752	9,647	(896)	-9.3%	57,883
Vote 02 - Municipal And General		335,678	335,456	335,456	5,376	19,709	55,909	(36,200)	-64.7%	335,456
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,765	3,425	4,171	(746)	-17.9%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,211	5,323	10,219	12,202	(1,983)	-16.3%	73,211
Vote 05 - Community Services		259,526	297,403	297,403	22,250	43,364	49,568	(6,203)	-12.5%	297,403
Vote 06 - Financial Services		126,380	152,611	152,611	9,472	19,207	25,435	(6,228)	-24.5%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,374	4,601	8,508	9,896	(1,388)	-14.0%	59,374
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,344,020	45,961	66,697	224,004	(157,307)	-70.2%	1,344,020
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,166,359	2,344,984	2,344,984	99,080	179,881	390,832	(210,951)	-54.0%	2,344,984
Surplus/ (Deficit) for the year	2	13,964	188,493	188,493	101,943	325,142	31,414	293,728	935.0%	188,493

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

R 2001/01 Page - Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - 10/2 August										
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		571,075	603,707	603,707	45,261	168,944	100,618	68,326	68%	603,707
Service charges - electricity revenue		659,307	861,157	861,157	103,340	148,908	143,526	5,382	4%	861,157
Service charges - water revenue		259,156	294,012	294,012	30,842	48,358	49,002	(644)	-1%	294,012
Service charges - sanitation revenue		78,186	76,648	76,648	7,085	14,121	12,775	1,346	11%	76,648
Service charges - refuse revenue		56,401	59,567	59,567	5,291	10,639	9,928	711	7%	59,567
Rental of facilities and equipment		12,018	13,145	13,145	998	2,009	2,191	(182)	-8%	13,145
Interest earned - external investments		2,835	9,000	9,000	7	(458)	1,500	(1,958)	-131%	9,000
Interest earned - outstanding debtors		109,408	157,200	157,200	9,540	18,939	26,200	(7,261)	-28%	157,200
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		29,477	34,725	34,725	235	1,218	5,787	(4,570)	-79%	34,725
Licences and permits		6,383	6,500	6,500	503	1,694	1,083	610	56%	6,500
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		260,426	230,640	230,640	(3,424)	88,470	38,440	50,030	130%	230,640
Other revenue		17,354	19,411	19,411	1,346	2,182	3,235	(1,053)	-33%	19,411
Gains		5,736	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2,067,761	2,365,711	2,365,711	201,022	505,024	394,285	110,738	28%	2,365,711
Expenditure By Type										
Employee related costs		726,219	836,388	836,388	58,993	118,493	139,399	(20,906)	-15%	836,388
Remuneration of councillors		30,260	34,547	34,547	2,507	5,014	5,758	(744)	-13%	34,547
Debt impairment		344,346	275,000	275,000	1	2	45,833	(45,831)	-100%	275,000
Depreciation & asset impairment		63,881	79,150	79,150	-	-	13,192	(13,192)	-100%	79,150
Finance charges		36,467	22,261	22,261	-	-	3,710	(3,710)	-100%	22,261
Bulk purchases - electricity		540,953	761,000	761,000	14,562	14,562	126,833	(112,271)	-89%	761,000
Inventory consumed		278,400	165,331	165,331	15,360	20,754	27,555	(6,802)	-25%	165,331
Contracted services		40,651	46,687	46,687	347	655	7,781	(7,126)	-92%	46,687
Transfers and subsidies		2,528	4,850	4,850	578	581	808	(227)	-28%	4,850
Other expenditure		102,187	119,770	119,770	6,731	19,820	19,962	(142)	-1%	119,770
Losses		467	-	-	-	-	-	-	-	-
Total Expenditure		2,166,359	2,344,984	2,344,984	99,080	179,881	390,832	(210,951)	-54%	2,344,984
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(98,598)	20,727	20,727	101,943	325,142	3,453	321,689	0	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		109,706	167,766	167,766	-	-	27,961	(27,961)	(0)	167,766
Transfers and subsidies - capital (in-kind - all)		2,856	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		13,964	188,493	188,493	101,943	325,142	31,414			188,493
Taxation								-		
Surplus/(Deficit) after taxation		13,964	188,493	188,493	101,943	325,142	31,414			188,493
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		13,964	188,493	188,493	101,943	325,142	31,414			188,493
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		13,964	188,493	188,493	101,943	325,142	31,414			188,493

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

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		26,692	33,000	32,000	269	414	5,409	(4,995)	-92%	32,000
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	-	-	1,333	(1,333)	-100%	8,000
Vote 08 - Infrastructure And Services		64,887	81,266	81,266	1,669	1,669	13,544	(11,875)	-88%	81,266
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	94,705	122,266	121,266	1,938	2,083	20,287	(18,204)	-90%	121,266
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		23,485	22,500	22,500	199	199	3,750	(3,551)	-95%	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	35,500	168	237	5,841	(5,604)	-96%	35,500
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	24,797	57,000	58,000	367	437	9,591	(9,154)	-95%	58,000
Total Capital Expenditure		119,502	179,266	179,266	2,305	2,520	29,878	(27,358)	-92%	179,266
Capital Expenditure - Functional Classification										
Governance and administration		50,177	55,500	54,500	468	613	9,159	(8,546)	-93%	54,500
Executive and council		50,177	55,500	54,500	468	613	9,159	(8,546)	-93%	54,500
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	-	-	1,333	(1,333)	-100%	8,000
Planning and development		3,126	8,000	8,000	-	-	1,333	(1,333)	-100%	8,000
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		66,199	115,766	116,766	1,836	1,906	19,385	(17,479)	-90%	116,766
Energy sources		16,469	67,500	67,500	903	972	11,250	(10,278)	-91%	67,500
Water management		1,312	1,000	2,000	55	55	258	(203)	-79%	2,000
Waste water management		48,418	47,266	47,266	879	879	7,878	(6,998)	-89%	47,266
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	119,502	179,266	179,266	2,305	2,520	29,878	(27,358)	-92%	179,266
Funded by:										
National Government		101,832	167,766	167,766	1,316	1,530	27,961	(26,431)	-95%	167,766
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		2,483	-	-	-	-	-	-		-
Transfers recognised - capital		104,315	167,766	167,766	1,316	1,530	27,961	(26,431)	-95%	167,766
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		15,186	11,500	11,500	989	989	1,917	(927)	-48%	11,500
Total Capital Funding		119,502	179,266	179,266	2,305	2,520	29,878	(27,358)	-92%	179,266

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

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		777,931	172,968	172,968	106,962	172,968
Call investment deposits		–	–	–	–	–
Consumer debtors		1,715,553	1,475,363	1,475,363	1,903,048	1,475,363
Other debtors		129,382	547,474	547,474	119,056	547,474
Current portion of long-term receivables		–	–	–	–	–
Inventory		39,323	47,025	47,025	46,549	47,025
Total current assets		2,662,188	2,242,830	2,242,830	2,175,614	2,242,830
Non current assets						
Long-term receivables		–	36,867	36,867	–	36,867
Investments						
Investment property		209,057	205,486	205,486	209,057	205,486
Investments in Associate						
Property, plant and equipment		1,865,761	1,964,370	1,964,370	1,868,280	1,964,370
Biological						
Intangible		10,339	7,307	7,307	10,339	7,307
Other non-current assets		12,071	11,864	11,864	12,071	11,864
Total non current assets		2,097,228	2,225,894	2,225,894	2,099,747	2,225,894
TOTAL ASSETS		4,759,416	4,468,724	4,468,724	4,275,362	4,468,724
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		39,774	45,623	45,623	39,513	45,623
Trade and other payables		1,004,051	590,399	590,399	567,515	590,399
Provisions		–	89,313	89,313	–	89,313
Total current liabilities		1,043,824	725,335	725,335	607,028	725,335
Non current liabilities						
Borrowing		182,267	172,829	172,829	182,267	172,829
Provisions		254,667	245,000	245,000	244,748	245,000
Total non current liabilities		436,934	417,829	417,829	427,015	417,829
TOTAL LIABILITIES		1,480,758	1,143,164	1,143,164	1,034,043	1,143,164
NET ASSETS	2	3,278,658	3,325,560	3,325,560	3,241,319	3,325,560
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		2,858,972	3,246,167	3,246,167	3,184,114	3,246,167
Reserves		57,205	79,393	79,393	57,205	79,393
TOTAL COMMUNITY WEALTH/EQUITY	2	2,916,177	3,325,560	3,325,560	3,241,319	3,325,560

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M02 August

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	18,401	52,664	89,550	(36,886)	-41%	537,299
Service charges			1,805,322	901,622	901,622	150,621	226,118	150,270	75,848	50%	901,622
Other revenue			(835,294)	339,839	339,839	2,050	127,543	56,640	70,904	125%	339,839
Transfers and Subsidies - Operational			46,335	230,640	230,640	–	3,000	38,440	(35,440)	-92%	230,640
Transfers and Subsidies - Capital			27,240	149,809	149,809	27,240	40,493	52,208	(11,715)	-22%	149,809
Interest			2,787	–	–	–	–	–	–	–	–
Dividends									–	–	
Payments											
Suppliers and employees			(1,547,896)	(1,875,821)	(1,875,821)	(95,613)	(90,593)	(312,637)	(222,044)	71%	(1,875,821)
Finance charges			–	(22,261)	(22,261)	–	–	(3,710)	(3,710)	100%	(22,261)
Transfers and Grants			–	(4,850)	(4,850)	–	–	(808)	(808)	100%	(4,850)
NET CASH FROM/(USED) OPERATING ACTIVITIES			57,980	256,277	256,277	102,700	359,225	69,953	(289,273)	-414%	256,277
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	
Decrease (increase) in non-current receivables			–	36,867	–	–	–	6,145	(6,145)	-100%	36,867
Decrease (increase) in non-current investments									–	–	
Payments											
Capital assets			(111,391)	(179,266)	(179,266)	(2,305)	(2,520)	(29,878)	(27,358)	92%	(179,266)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(111,391)	(142,399)	(179,266)	(2,305)	(2,520)	(23,733)	(21,214)	89%	(142,399)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	
Borrowing long term/refinancing									–	–	
Increase (decrease) in consumer deposits			(2,980)	(5,849)	–	(431)	(39,513)	(7,604)	(31,909)	420%	(45,623)
Payments											
Repayment of borrowing			–	(10,734)	(10,734)	–	–	(1,789)	(1,789)	100%	(10,734)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(2,980)	(16,583)	(10,734)	(431)	(39,513)	(9,393)	30,120	-321%	(56,357)
NET INCREASE/ (DECREASE) IN CASH HELD			(56,392)	97,295	66,277	99,964	317,193	36,827			57,521
Cash/cash equivalents at beginning:			96,534	93,891	93,891		43,007				
Cash/cash equivalents at month/year end:			40,142	191,186	160,168		360,201	36,827			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, G Akharwaray, 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 **August 2021** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. G Akharwaray

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____

Date: 14/09/2021

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