



MONTHLY BUDGET STATEMENT – JUNE 2023 (PRELIMINARY)

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.

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Due date: 14 July 2023

Table of Contents

PART 1: IN-YEAR REPORT

- 1. Purpose..... 2
- 2. Background..... 3
- 3. Executive summary 4
- 4.1 Operating Revenue by Source 5
- 4.2 Operating Expenditure by Type 7
- 4.3 Capital expenditure 18
- 4.4 Cash flows..... 19
- 4. In-year budget statement tables 21

PART 2: SUPPORTING DOCUMENTATION

- 5. Debtors' Analysis 22
- 6. Creditors' Analysis..... 38
- 7. Investment portfolio analysis 39
- 8. Allocation and grant receipts and expenditure 40
- 9. Councillor and board member allowances and employee benefits 43
- 10. Material variances to the service delivery and budget implementation plan 47
- 11. Capital programme performance 47
- 12. Other supporting documents 49
- 13. Conclusion 49
- 14. Annexures..... 49
- 15. Municipal Manager's quality certification 57

List of Tables

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget.....	4
Table 2: Consolidated summary: Statement of Financial Performance: Adjusted Budget.....	4
Table 3: Table C4 Financial Performance (Revenue).....	5
Table 4: Table C4 Financial Performance (Expenditure).....	7
Table 4.1 R&M Expenditure per Directorate per inventory type.....	9
Table 4.2 R&M Expenditure per Service per inventory type.....	10
Table 5.1: Summary of YTD Bulk Electricity expenditure.....	12
Table 5.2: Summary of YTD Bulk Water expenditure.....	12
Table 6.1: Summary of outstanding Bulk costs debt.....	12
Table 6.2: Summary of outstanding ESKOM debt.....	13
Table 6.3: Summary of ESKOM payments.....	14
Table 6.4: Summary of outstanding DWS debt.....	15
Table 6.5: Summary of DWS payments.....	16
Table 7: High level summary: Capital Expenditure.....	18
Table 8: Supporting Table SC3: Aged Debtors.....	22
Table 9: Month-on-month growth in outstanding debtors.....	25
Table 10: Monthly collection rate.....	29
Table 11: Revised Average collection rate.....	29
Table 12.1: BS566 report on receipts per service.....	31
Table 12.2: BS566 report on receipts per debtor type.....	32
Table 12.3: Monthly Billing Receipts Per Debtor Group.....	37
Table 14: Supporting Table SC4: Aged Creditors.....	38
Table 15: Supporting Table SC5: Investment portfolio.....	39
Table 16: Supporting Table SC6: Transfers and grant receipts.....	40
Table 17: Supporting Table SC7(1): Transfers and grant expenditure.....	41
Table 18: Summary of expenditure per grant.....	41
Table 19: Supporting Table SC7(2) - Expenditure against approved rollovers.....	42
Table 20: Supporting Table SC8: Councillor and staff benefits.....	43
Table 21: Current YTD Overtime expenditure excl Night-shift allowance.....	44
Table 22: Detailed capital expenditure report.....	48
Table 23: Summary of capital expenditure per funding source.....	49

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.....	11
Chart 2.1: Monthly & YTD comparison - Bulk electricity & Water debt.....	17
Chart 3: Total Capital expenditure.....	18
Chart 4: Call investment deposits and Cash & cash equivalents at year-end.....	19
Chart 5: Call investment deposits at month-end.....	20
Chart 6: Cash & cash equivalents and Cost coverage ratio.....	21
Chart 7: Debt over 90 days as a percentage of Total O/S Debt.....	23
Chart 8: Outstanding Debt by Income Source.....	24
Chart 9.1: Aged Consumer Debtor Analysis.....	26
Chart 9.2: Consumer Debtors (total by Debtor Customer Category).....	26
Chart 10: Debtor's Age Analysis per Customer Group.....	27
Chart 11: Comparative trend: Monthly and Revised average collection rate.....	30
Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity.....	33
Chart 12.2: Monthly billing receipts per revenue source.....	34
Chart 12.3: Ranking of billing receipts per revenue source.....	35
Chart 12.4: Percentage contribution of billing receipts per revenue source.....	35
Chart 12.5: Billing receipts per Customer Group.....	36
Chart 13: Aged Creditors Analysis.....	38
Chart 14.1: Overtime Actual vs Budget.....	45
Chart 14.2: Monthly and Annual Overtime Comparison.....	45
Chart 15: Capital Expenditure Monthly Trend: actual v target.....	47
Chart 16: Capital Expenditure: YTD actual vs YTD target.....	47

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
SPCA - Society For The Prevention Of Cruelty To Animals
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 30 JUNE 2023

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 municipality realises, the critical importance of having a minimum 3 month's 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 quality service being rendered. The municipality is facing serious challenges pertaining to the debt owed to Eskom and the Department of Water and Sanitation. And as a show of good faith, the municipality has been paying what it can afford in terms of available cash, however both commitments are one of our top priorities. The municipality's main objective is to keep communication open and maintain an amicable working relationship with both institutions, as formal disputes and litigation can have serious repercussions for the municipality and the community.

Currently, the total debtor's book is standing at R3,381,229 billion, of which 90% of the debt is owed in excess of 90 days. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at desired level and this does not bode well for the municipality's financial position. *There needs to a major paradigm shift in the payment culture across all debtor groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, must remember that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality as there a direct correlation between providing quality services and consumers' willingness to pay.

Tough decisions have to be taken to have a meaningful impact and produce positive results. This action is long overdue, especially in light of the municipality's financial crisis and major threat to its financial viability and sustainability. The municipality also envisage to implement our Revenue Collection Action Plan ("**RCA Plan**"), prioritizing the collection of overdue Municipal debt from all our Customer Groups that are in arrears and *are able* to pay their accounts, but are unwilling to make payment or make a payment arrangement. The Plan further provides for a Credit Control, Indigent Assistance Awareness and Account Payment Campaign. We believe that this campaign will be informative and create an awareness to Customers as to the assistance provided by the Municipality in relation to the payment of accounts and the social package offered to indigents (including child headed households). The Municipality will offer its Customers payment discounts for accounts settled before the due date and discount incentives to all Customers that settle their outstanding accounts in

full. The campaign will also educate Consumers on the importance of the payment of accounts and the detrimental effect non-payment has on service delivery.

In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. 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, consistently and fairly. 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 can no longer be delayed, we have noted an increase in emergency maintenance which seems excessive as no competitive bidding is taking as a result of the impact of asset failure on service delivery. We are striving to 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. 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 those 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 **30 June 2023**, the ten working day reporting limit expires on **14 July 2023**. 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 July 2023**, (ten working day limit).

3. 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 June 2023	YTD Actual June 2023	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,495,977	2,401,580	(94,397)	96.2%	-3.8%
Total Revenue (including capital transfers and contributions)	2,629,165	2,470,644	(158,522)	94.0%	-6.0%
Total Operational Expenditure	2,698,205	2,425,902	(272,303)	89.9%	-10.1%

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

As indicated in Table 1 above, as at 30 June 2023, the billed revenue excluding capital grants amounted to R2,401,580 billion which resulted in a satisfactory variance of minus 3.8% when compared to the YTD Budget of R2,495,977 billion. The billed revenue including capital grants amounting to R2,470,644 billion, resulting in an unsatisfactory variance of minus 6.0% when compared to the YTD budget of R2,629,165 billion. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 10.1%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Adjusted Budget	YTD Actual June 2023	Variance Favourable (Unfavourable)	% YTD Actual vs Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
Total Revenue (excluding capital transfers and contributions)	2,495,977	2,401,580	2,193,582	96.2%	-3.8%
Total Revenue (including capital transfers and contributions)	2,629,165	2,470,644	2,251,547	94.0%	-6.0%
Total Operational Expenditure	2,698,205	2,425,902	2,201,051	89.9%	-10.1%

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

Indicated in Table 2 above is the YTD actual compared to the Adjusted Budget. When calculating the ideal In-Year-Monitoring percentage of 100% [calculated as follow: (100/12 months x 12 months of the year)] as at the end of June 2023, the Total operational revenue excluding capital grants versus the Adjusted Budget resulted in a satisfactory variance of minus 3.8%. The Total operational revenue including capital grants versus the Adjusted Budget resulted in an unsatisfactory variance of minus 6.0%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 10.1%.

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 to 10 percent range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - June 2023

Revenue by Source	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	610,074	46,272	635,619	610,074	104.2%	25,545	4.2%	104.2%	25,545	4.2%
Service charges - electricity revenue	899,854	68,892	754,491	899,854	83.8%	(145,363)	-16.2%	83.8%	(145,363)	-16.2%
Service charges - water revenue	305,717	21,173	282,909	305,717	92.5%	(22,808)	-7.5%	92.5%	(22,808)	-7.5%
Service charges - sanitation revenue	93,500	7,657	93,524	93,500	100.0%	24	0.0%	100.0%	24	0.0%
Service charges - refuse revenue	69,080	5,835	69,766	69,080	101.0%	685	1.0%	101.0%	685	1.0%
Rental of facilities and equipment	25,896	2,467	26,000	25,896	100.4%	104	0.4%	100.4%	104	0.4%
Interest earned - external investments	6,000	567	4,903	6,000	81.7%	(1,097)	-18.3%	81.7%	(1,097)	-18.3%
Interest earned - outstanding debtors	156,500	19,807	199,982	156,500	127.8%	43,482	27.8%	127.8%	43,482	27.8%
Fines, penalties and forfeits	35,730	672	47,438	35,730	132.8%	11,708	32.8%	132.8%	11,708	32.8%
Licences and permits	6,850	1,971	9,903	6,850	144.6%	3,053	44.6%	144.6%	3,053	44.6%
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	266,031	9,424	247,827	266,031	93.2%	(18,204)	-6.8%	93.2%	(18,204)	-6.8%
Other revenue	20,745	4,632	23,127	20,745	111.5%	2,382	11.5%	111.5%	2,382	11.5%
Gains on disposal of PPE	-	(60)	6,090	-	-	6,090	-	-	6,090	-
Total Revenue (excluding capital transfers and contributions)	2,495,977	189,311	2,401,580	2,495,977	96.2%	(94,397)	-3.8%	96.2%	(94,397)	-3.8%
Transfers and subsidies - capital	133,188	17,110	69,064	133,188	51.9%	(64,124)	-48.1%	51.9%	(64,124)	-48.1%
Total Revenue (including capital transfers and contributions)	2,629,165	206,420	2,470,644	2,629,165	94.0%	(158,522)	-6.0%	94.0%	(158,522)	-6.0%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 4.2%, due to the non-recognition of the 10% discount that the municipality provides. A corrective journal must still be processed as part of year-end procedures.
- ❖ Service charges - Electricity revenue is showing a serious under-recovery of 16.2%. A query was sent to the Billing section for the November 2022 reporting, regarding the lower than anticipated billing on conventional metering which includes Large Power Users. The response provided was that this was as a result of interim reversals and correction of errors. It is imperative that the Billing section does a proper investigation to ensure that all properties are billed accurately. The same applies to all Service charges Water that is showing an under-recovery of 7.5% when compared to Adjusted budget. Service charges Sanitation and Refuse is satisfactory.
- ❖ Rental of facilities and equipment is showing a positive variance of 0.4%.
- ❖ Interest earned – External investments shows a negative variance of minus 18.3%, as a result of accrued interest revenue that was recognised for the 2021/22 financial year. It should be noted that investments have been declining year-on-year but have remained relatively constant for the period under review. This however, also served as a major impediment that is preventing the municipality from actually earning more interest. Due to financial constraints the municipality could not increase its investments which largely contributes to the lower interest earned. The bulk of the interest earned was recognised as part of the year-end procedures.
- ❖ Interest on Outstanding debtors is showing a positive variance of 27.8% due to the increase in specifically debt over 90 days and the recent consecutive interest rate hikes.
- ❖ Fines, penalties and forfeits is showing a positive variance of 32.8% as a result of an over-recovery on Penalties: Disconnection fees resulted in an actual of 171.34% against an adjusted target of R25,500 million, due to the disconnections on non-payment.
- ❖ Licences and permits is showing a positive variance of 44.6%. There are possible outstanding payments due to the Department of Transport, Safety and Liaison. Road & Trsp: Motor Vehicle Licenses is showing an actual achieved of 173.54% against an annual target of R3,950 million.
- ❖ Transfers and subsidies is showing a negative variance of minus 6.8%. The library and other grants must still be recognised in the Statement of Financial Performance and ISDG is showing a preliminary unspent portion of R1.7 million.

- ❖ Other Revenue is satisfactory with a positive variance of minus 11.5%. This is mainly attributable to income for Streets/Street Markets Informal Traders of which a portion relates to the prior year which will be corrected and transferred to Accumulated Surplus.
- ❖ Gains on disposal of PPE, pertains to land sold during the financial year. Sale of land is not budgeted for during the budget process, due to its uncertainty in timing and eventual materialisation.
- ❖ Capital grants is showing a negative variance of 48.1%, as a result of the lower than anticipated capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall.

Comparison against Adjusted Budget

Based on the IYM percentage of 100%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is performing satisfactorily and showing a satisfactory variance of 4.9%. Same factors are applicable as described in the paragraph above.
- ❖ Service charges is performing satisfactorily when compared to the Adjusted budget, with the exception of Electricity sales, is which is showing a negative variance of minus 16.2% and Water sales minus 7.5%. Same factors are applicable as described in the paragraph above.
- ❖ Rental of facilities and equipment is showing a satisfactory variance of minus 0.4%.
- ❖ Interest from External Investments is showing an unsatisfactory variance of minus 18.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on Outstanding debtors is showing a positive variance of 27.8% due to the increase in specifically debt over 90 days and the recent consecutive interest rate hikes.
- ❖ Fines, penalties and forfeits is showing a positive variance of 32.8%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 44.6%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies is satisfactory with a variance of 6.8%. Same factors are applicable as described in the paragraph above.
- ❖ Other Revenue is showing a positive variance of minus 11.5%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers – recognised capital is showing a negative variance of minus 48.1%. Same factors are applicable as described in the paragraph above.

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 30 June 2023. The main contributors of the municipality's revenue are Service Charges (50%), Property Rates (26.5%) and Transfers and subsidies (10.3%).

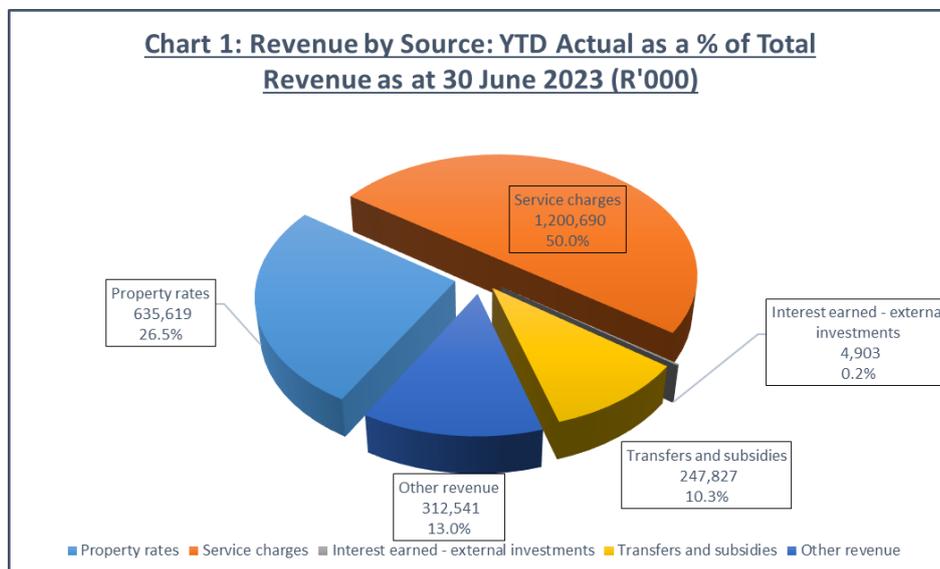


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - June 2023										
Expenditure By Type	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	849,970	64,843	784,718	849,970	92.3%	(65,252)	-7.7%	92.3%	(65,252)	-7.7%
Remuneration of councillors	34,547	2,750	32,196	34,547	93.2%	(2,352)	-6.8%	93.2%	(2,352)	-6.8%
Debt impairment	397,000	1	397,002	397,000	100.0%	2	0.0%	100.0%	2	0.0%
Depreciation & asset impairment	81,050	-	-	81,050	0.0%	(81,050)	-100.0%	0.0%	(81,050)	-100.0%
Finance charges	117,360	19,281	102,637	117,360	87.5%	(14,724)	-12.5%	87.5%	(14,724)	-12.5%
Bulk purchases - electricity	682,000	48,331	582,587	682,000	85.4%	(99,413)	-14.6%	85.4%	(99,413)	-14.6%
Inventory consumed	266,277	23,183	260,016	266,277	97.6%	(6,261)	-2.4%	97.6%	(6,261)	-2.4%
Contracted services	54,181	8,373	34,764	54,181	64.2%	(19,417)	-35.8%	64.2%	(19,417)	-35.8%
Transfers and subsidies	4,460	35	2,636	4,460	59.1%	(1,824)	-40.9%	59.1%	(1,824)	-40.9%
Other expenditure	135,719	15,512	152,125	135,719	112.1%	16,406	12.1%	112.1%	16,406	12.1%
Losses	75,640	290	77,220	75,640	102.1%	1,580	2.1%	102.1%	1,580	2.1%
Total Expenditure	2,698,205	182,600	2,425,902	2,698,205	89.9%	(272,303)	-10.1%	89.9%	(272,303)	-10.1%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 June 2023 current YTD expenditure shows an unsatisfactory variance of minus 10.1%. The YTD actual amounted to R2,425,902 billion against the YTD Budget of R2,698,205 billion.

- ❖ Employee related costs shows a negative variance of minus 7.7%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a negative variance of minus 6.8%. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils must still be issued for the current financial year.
- ❖ Debt impairment will be provided for on a quarterly basis and the journal for the fourth quarter was processed during May 2023.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Herewith the response from the Asset Management Unit, why Depreciation cannot be recognised at least quarterly "The Asset Management System currently do not interface with the financial system and this make it difficult, to post the transactions for depreciation monthly or quarterly. We currently have to pass journals in the financial system to recognise depreciation in the general ledger. This is due to the fact that the systems do not interface. Once journals are passed for depreciation and changes needs to be done for depreciation due to asset processes like disposals or impairment recognition, we will have to pass new journals for the correction of depreciation. The Asset Management System can currently interface with the Financial System but requires authorization from the service provider of the Financial System. Asset Management is one of the core functions that will be dealt with by the re-established mSCOA Steering Committee."
- ❖ Finance charges is showing a negative variance of 12.5%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year was settled on 19 December 2022. The second instalment was settled on 27 June 2023. Corrections on the actuals pertaining to Interest paid on overdue accounts for ESKOM, was journalised on the system. The interest on overdue accounts for June 2023 ESKOM bulk account must still be captured on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 14.6%. The invoice for June 2023 must be captured on the system as a year-end sundry creditor.

- ❖ Expenditure on Contracted services is lower than anticipated. Prepaid Electricity Vendors is 81.08% spent versus an adjusted budget of R11,400 million. The June 2023 invoice is unpaid and payment will be effected during July 2023, as a year-end sundry payment. An upwards adjustment on OS: B&A Project Management for commitments on projects. Some invoices are still unpaid. C&PS: Legal Cost Advice & Litigation is also 65.90% spent versus a budget of R5,965 million. There is also a saving on the Adjusted budget for OS: Security Services. The municipality deviated for approximately 3 months of the financial year and was in the process to advertise the tender. However, due to the fact that there are contract security personnel in the system, the decision was taken to perform this function in-house.
- ❖ Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and then journalized to the Income Statement and is simultaneously split between Water Inventory and Water losses. Journal have been processed.
- ❖ Transfers and subsidies show a negative variance of minus 40.9%. Other grants show minimal movement due to cash flow constraints.
- ❖ Other expenditure is showing an unsatisfactory variance of 12.1% as a result of the following line items under Operational Cost (OC)
 - Cost incurred of R40,095 million on OC: Cash Discount which is currently reflecting as an expense with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 2.4%. Water, Roads and Sewerage maintenance budget is under severe strain. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crises is severely and rapidly depleting the R&M budget. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

R&M Expenditure per Directorate per Inventory type as at 30 June 2023 (Amounts in Rand)	Adjustment Budget	Curr Mth Exp	YTD Movement	% Spent Adj Budget	Comment
☐ VOTE 1 - COUNCILLORS AND ADMIN	286,000	2,428	75,516	26%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	117,000	2,428	57,199	49%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	-	-	0%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	167,000	-	18,317	11%	UNDERSPENT
☐ VOTE 2 - MUNICIPAL AND GENERAL	29,829,000	4,774,509	37,744,780	127%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	476,100	-	448,794	94%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	-	-	-	-	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	289,900	17,897	288,854	100%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	1,000	-	980	98%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,062,000	4,756,612	37,006,151	127%	OVERSPENT
☐ VOTE 3 - MUNICIPAL MANAGER	150,000	8,255	57,785	39%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	128,000	8,255	57,785	45%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,000	-	-	0%	UNDERSPENT
☐ VOTE 4 - CORPORATE SERVICES	2,680,730	132,362	1,657,237	62%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	937,000	44,198	741,011	79%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	253,200	23,607	229,856	91%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	470,310	53,484	466,861	99%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	1,020,220	11,072	219,508	22%	UNDERSPENT
☐ VOTE 5 - COMMUNITY SERVICES	36,960,000	3,758,492	27,516,892	74%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,001,900	99,267	792,295	79%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	43,700	24,113	30,180	69%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	216,000	5,007	205,407	95%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,007,900	30,658	943,565	94%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,691,550	632,095	8,396,611	97%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	310,900	35,466	297,770	96%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	25,688,050	2,931,885	16,851,065	66%	UNDERSPENT
☐ VOTE 6 - FINANCIAL SERVICES	2,487,000	773,039	3,030,694	122%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,283,380	91,718	1,093,516	85%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	160,500	9,996	149,272	93%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	187,000	15,025	176,153	94%	UNDERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	-	-	-	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	856,120	656,300	1,611,753	188%	OVERSPENT
☐ VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	10,400,919	746,278	5,225,320	50%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	440,000	37,630	241,054	55%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	68,000	-	50,541	74%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	405,000	37,615	351,099	87%	UNDERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	-	6,894	86%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,479,919	671,033	4,575,731	48%	UNDERSPENT
☐ VOTE 8 - INFRASTRUCTURE SERVICES	183,483,249	12,987,700	184,708,092	101%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	687,000	47,671	444,836	65%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	-	-	0%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	17,581,000	3,245,429	21,305,966	121%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	717,000	40,359	649,153	91%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,320,000	604,060	8,049,223	97%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	828,000	42,691	826,442	100%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	108,988,249	8,970,991	108,798,916	100%	SATISFACTORY
2326600 (INVENTORY - WATER)	46,360,000	36,500	44,633,556	96%	SATISFACTORY
Grand Total	266,276,898	23,183,064	260,016,314	98%	SATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 30 June 2023 (Amounts in Rand)	Adjustment Budget	Curr Mth Exp	YTD Movement	% Spent Adj Budget	Comment
2480 - REFUSE	19,705,000	2,488,240	17,195,051	87%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	130,000	20,209	71,954	55%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	150,000	-	142,796	95%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,043,000	507,016	5,774,557	96%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	9,300	-	5,911	64%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	13,372,700	1,961,015	11,199,833	84%	UNDERSPENT
2830 - ROADS	18,813,000	3,606,313	20,891,593	111%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	53,000	-	41,450	78%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	55,000	1,585	48,706	89%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,705,000	3,604,728	20,801,436	111%	OVERSPENT
2840 - HOUSING	2,031,000	63,372	1,958,865	96%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	92,000	4,570	77,752	85%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	-	-	0%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	118,000	-	115,833	98%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	138,000	11,548	134,810	98%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	-	-	-	
2323600 (INVENTORY - MATERIALS & SUPPLIES)	1,682,000	47,254	1,630,470	97%	SATISFACTORY
2850 - SEWERAGE	21,698,000	2,180,594	18,890,370	87%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	51,000	-	7,363	14%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	171,000	2,596	167,004	98%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	247,000	-	237,514	96%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,322,000	194,868	2,301,713	99%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	406,000	20,939	405,879	100%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,501,000	1,962,191	15,770,897	85%	UNDERSPENT
2860 - WATER	107,752,000	5,366,078	104,905,793	97%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	60,000	18,402	57,220	95%	SATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	17,410,000	3,242,832	21,138,962	121%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	118,000	23,915	102,558	87%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,280,000	164,741	2,070,701	91%	UNDERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	422,000	21,752	420,563	100%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	41,102,000	1,857,935	36,482,234	89%	UNDERSPENT
2326600 (INVENTORY - WATER)	46,360,000	36,500	44,633,556	96%	SATISFACTORY
2880 - ELECTRICITY	34,392,000	1,957,690	33,233,973	97%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	290,000	14,459	182,117	63%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	-	-	0%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	4,485	66,596	94%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	34,030,000	1,938,746	32,985,260	97%	SATISFACTORY
Grand Total	204,391,000	15,662,285	197,075,645	96%	SATISFACTORY

Table 4.2 R&M Expenditure per Service per inventory type

Operating Expenditure by Type: Comparison against Adjusted Budget

Indicated in Table 4 above, is the YTD actual compared to the Adjusted Budget. The ideal In-Year-Monitoring percentage as at the end of June 2023 is 100%. The total operational expenditure against the Adjusted Budget is 89.9% spent, resulting in an unsatisfactory variance of minus 10.1%.

- ❖ Employee costs and Councillors remuneration is fairly satisfactory, showing a negative variance of minus 7.7% and 6.8%, respectively. Same factors are applicable as explained above.
- ❖ Debt impairment will be provided for on a quarterly basis and the journal for the fourth quarter was processed during May 2023.
- ❖ Depreciation will be provided for at year-end. Same factors are applicable as explained above.
- ❖ Finance charges is showing an unsatisfactory variance of minus 12.5%. Same factors are applicable as explained above.
- ❖ Bulk Electricity is showing an unsatisfactory variance of minus 14.6%. Same factors are applicable as explained above.
- ❖ Inventory consumed is showing a satisfactory variance of 2.4%. Same factors are applicable as explained above
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is unsatisfactory is showing a negative variance of 40.9%. The same factors are applicable as explained in the paragraph above.
- ❖ Other expenditure is showing a negative variance of 12.1%. Same factors are applicable as explained above
- ❖ Loss on disposal of PPE (Water losses), is showing a satisfactory variance of 2.1%.

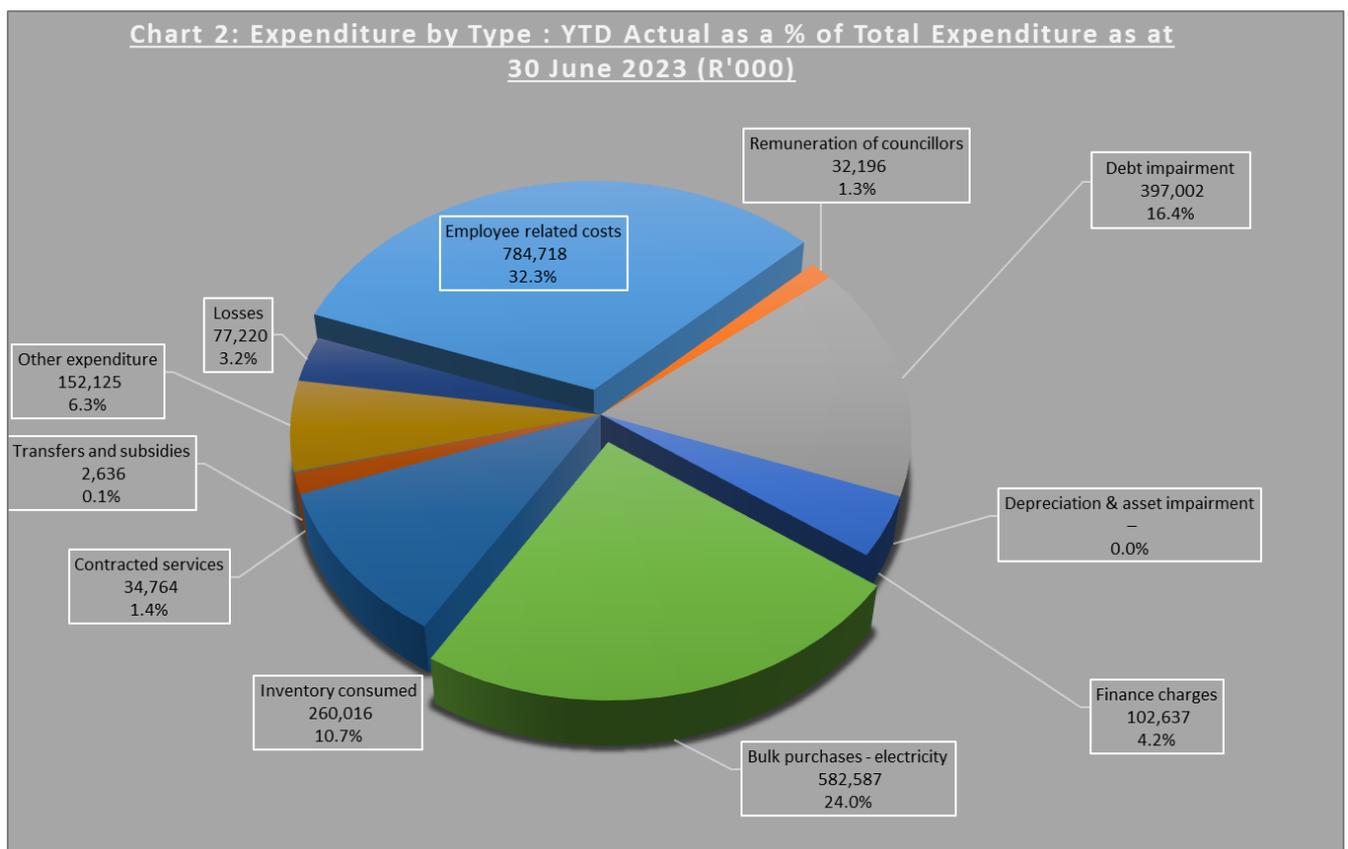


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 30 June 2023. The main cost drivers of the municipality are Employee Related Costs (32.3%), Debt Impairment (16.4%) and Bulk Purchases – Electricity (24%). It should be noted that these percentages are slightly 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.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ The ESKOM Bulk invoice for June 2023 must still be captured on the system.

Bulk Purchases: Electricity, Water inventory and Water losses

- ❖ Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 100% as at end of June 2023, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 14.58%. The June 2023 invoice must still be captured on the system.

Description	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
BULK PURCHASES: ELECTRICITY	682,000,000	48,330,709	582,586,771	85.42%	-14.58%
Total	682,000,000	48,330,709	582,586,771	85.42%	-14.58%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing a satisfactory variance of minus 0.4% when compared to the ideal percentage of 100%. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals was effected on the system.

Description	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
INVENTORY - WATER	46,360,000	36,500	44,633,556	96.3%	-3.7%
NON-REVENUE WATER LOSSES	75,640,000	59,553	76,899,618	101.7%	1.7%
Total	122,000,000	96,053	121,533,174	99.6%	-0.4%

Table 5.2: Summary of YTD Bulk Water expenditure

Organ of state	Arrear debt of unpaid invoices	Current Account due (June 2023)	Total Outstanding Debt	YTD Interest charged 2022/23
ESKOM	799,148,650.07	114,263,826.52	913,412,476.59	91,311,032.20
DWS (Water boards)	126,431,294.29	82,471.24	126,513,765.53	-
Grand Total	925,579,944.36	114,346,297.76	1,039,926,242.12	91,311,032.20

Table 6.1: Summary of outstanding Bulk costs debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R913,412 million. The debt for 2021/22 has not been settled in full. The current arrangement with ESKOM is that the municipality must at least settle the current account on a monthly basis, whilst the repayment proposal by the municipality must still be approved by ESKOM. Therefore, there is no formal payment arrangement in place for 2022/23 financial year. The municipality is struggling to meet the monthly current account but pays what is available from a cash perspective. The total year to date interest charged on overdue accounts due to ESKOM amounts to R91,311 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

Also, indicated in Table 6.1 above, is the total outstanding debt owed to DWS which amounts to R126,514 million. There are still outstanding invoices for 2021/22 financial year. The municipality

Sol Plaatje (NC091): Monthly Budget Statement: June 2023

opted to partake in the Department's Debt Incentive Scheme which constitutes of the following conditions:

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but have defaulted but has since caught up.
- Settling the monthly debt instalment (municipality complied, but defaulted for May 2023, but has since caught up again)
- Repayment of debt over 12 months (municipality requested 24-month repayment period)

Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the current financial year. The repayment proposal was approved by the Department for approval.

Month	Invoice amount	Paid to date (2022/23 FY)	Outstanding Balance	Arrear Debt	Current Acc
Aug 21 (outstanding balance)	78,419,607.96	78,419,607.96	-	-	
Sep-21	54,138,006.95	54,138,006.95	-	-	
Oct-21	51,027,860.62	-	51,027,860.62	51,027,860.62	
Nov-21	50,812,779.51	-	50,812,779.51	50,812,779.51	
Dec-21	51,379,198.31	-	51,379,198.31	51,379,198.31	
Jan-22	53,401,058.31	-	53,401,058.31	53,401,058.31	
Feb-22	51,445,498.50	-	51,445,498.50	51,445,498.50	
Mar-22	54,651,968.15	-	54,651,968.15	54,651,968.15	
Apr-22	51,834,528.52	-	51,834,528.52	51,834,528.52	
May-22	57,826,269.53	-	57,826,269.53	57,826,269.53	
Jun-22	101,431,456.54	-	101,431,456.54	101,431,456.54	
Jul-22	105,352,701.86	105,352,701.86	-	-	
Aug-22	109,064,695.35	109,064,695.35	-	-	
Sep-22	58,357,071.08	58,357,071.08	-	-	
Oct-22	59,750,383.02	59,750,383.02	-	-	
Nov-22	59,086,722.23	59,086,722.23	-	-	
Dec-22	58,648,907.34	10,560,575.91	48,088,331.43	48,088,331.43	
Jan-23	59,491,314.63	-	59,491,314.63	59,491,314.63	
Feb-23	56,821,014.10	-	56,821,014.10	56,821,014.10	
Mar-23	62,753,323.56	62,753,323.57	-0.01	-0.01	
Apr-23	55,105,989.70	10,000,000.00	45,105,989.70	45,105,989.70	
May-23	65,831,382.23	-	65,831,382.23	65,831,382.23	
Jun-23	114,263,826.52	-	114,263,826.52		114,263,826.52
Total ESKOM	1,520,895,564.52	607,483,087.93	913,412,476.59	799,148,650.07	114,263,826.52

Table 6.2: Summary of outstanding ESKOM debt

Indicated in Table 6.2 above, is the detailed breakdown of outstanding balances per invoice, amounting to R913,412 million pertaining to the debt owed to ESKOM. The outstanding balance is then split into the arrear debt (R799,149 million) and the current account (R114,264 million).

Payments per fin period	Sum of VOTE AMOUNT	Payment date	Sum of VOTE AMOUNT
202108	18,165,402.07	20210811	6,000,000.00
202109	24,000,000.00	20210818	6,000,000.00
202110	21,954,439.94	20210825	4,000,000.00
202111	20,000,000.00	20210827	2,165,402.07
202112	30,000,000.00	20210907	6,000,000.00
202201	29,986,502.54	20210915	6,000,000.00
202202	19,000,000.00	20210916	6,000,000.00
202203	20,000,000.00	20210920	6,000,000.00
202204	30,000,000.00	20211005	6,000,000.00
202205	50,000,000.00	20211012	6,000,000.00
202206	53,019,940.09	20211019	9,954,439.94
202208	79,537,674.82	20211108	10,000,000.00
202209	109,064,695.35	20211115	10,000,000.00
202210	58,357,071.08	20211208	30,000,000.00
202211	59,750,383.02	20220104	83,198.46
202212	20,000,000.00	20220118	29,903,304.08
202301	22,000,000.00	20220225	19,000,000.00
202302	45,000,000.00	20220316	20,000,000.00
202303	35,000,000.00	20220413	30,000,000.00
202304	47,000,000.00	20220512	20,000,000.00
202305	50,753,323.57	20220531	30,000,000.00
202306	28,000,000.00	20220713	53,019,940.09
Grand Total	870,589,432.48	20220815	40,000,000.00
		20220824	39,537,674.82
		20220919	109,064,695.35
		20221028	58,357,071.08
		20221130	59,750,383.02
		20221230	20,000,000.00
		20230131	22,000,000.00
		20230228	45,000,000.00
		20230316	35,000,000.00
		20230417	25,000,000.00
		20230428	22,000,000.00
		20230505	15,753,323.56
		20230530	35,000,000.01
		20230630	28,000,000.00
		Grand Total	870,589,432.48

Table 6.3: Summary of ESKOM payments

Indicated in Table 6.3 above, is the total amount paid to ESKOM per financial period and per payment date for the 2021/22 and 2022/23 financial year which amounted to R870,589 million. For the month of June 2023, the municipality settled R28,000 million on the outstanding debt.

Month	Invoice amount	Paid to date (2022/23 FY)	Outstanding Balance	Arrear Debt	Current Acc
INTEREST CHARGES - APR TO	6,191,399.16	-	6,191,399.16	6,191,399.16	
INTEREST CHARGES - JAN TO	950,146.17	950,146.17	-	-	
INTEREST CHARGES - MAR 202	756,259.22	756,259.22	-	-	
Feb 21 (outstanding balance)	10,628,510.40	10,628,510.40	-	-	
Mar-21	13,223,916.36	13,223,916.36	-	-	
Jun-21	1,305,964.45	1,305,964.45	-	-	
Jul-21	14,184,549.49	14,184,549.49	-	-	
Aug-21	15,074,754.70	-	15,074,754.70	15,074,754.70	
Sep-21	15,794,682.80	-	15,794,682.80	15,794,682.80	
Oct-21	15,275,086.61	-	15,275,086.61	15,275,086.61	
Nov-21	14,522,530.48	-	14,522,530.48	14,522,530.48	
Dec-21	11,107,773.22	-	11,107,773.22	11,107,773.22	
Jan-22	17,098,078.18	-	17,098,078.18	17,098,078.18	
Feb-22	16,436,776.66	-	16,436,776.66	16,436,776.66	
Mar-22	14,930,212.48	-	14,930,212.48	14,930,212.48	
WRL (JUN, JUL,AUG,SEP 2021 &	863,336.64	863,336.64	-	-	
Jul-22	13,793,141.72	13,793,141.72	-	-	
Aug-22	17,460,136.80	17,460,136.80	-	-	
Sep-22	16,309,287.82	16,309,287.82	-	-	
Oct-22	14,901,912.74	14,901,912.74	-	-	
Nov-22	16,318,404.82	16,318,404.82	-	-	
Dec-22	10,953,859.72	10,953,859.72	-	-	
Jan-23	18,023,065.00	18,023,065.00	-	-	
Feb-23	17,416,992.12	17,416,992.12	-	-	
Mar-23	15,828,854.80	15,828,854.80	-	-	
WRM CHARGES (APR 22 - MAR	989,654.88	989,654.88	-	-	
WRM CHARGES (APR 23)	82,471.24	82,471.24	-	-	
WRM CHARGES (MAY 23)	82,471.24	82,471.24	-	-	
WRM CHARGES (MAY 23)	82,471.24	-	82,471.24		82,471.24
Total DWS (Bulk water acc)	310,586,701.16	184,072,935.63	126,513,765.53	126,431,294.29	82,471.24

Table 6.4: Summary of outstanding DWS debt

Indicated in Table 6.4 above, is the detailed breakdown of outstanding balances per invoice amounting to R126,514 million pertaining to debt owed to DWS. The outstanding balance is then split into the arrear debt (R126,431 million) and the current account of (R82 thousand), pertaining to WRM levies. No billing was raised for June 2023 as the servitude (free water) period which commences from 1 April each year is not yet exhausted.

Payments per fin period	Sum of VOTE AMOUNT	Payment date	Sum of VOTE AMOUNT
202108	7,589,628.61	20210811	4,000,000.00
202109	10,082,471.24	20210817	2,000,000.00
202110	5,809,338.36	20210825	1,000,000.00
202111	16,732,805.33	20210831	589,628.61
202112	164,942.48	20210908	4,000,000.00
202202	792,718.16	20210915	2,000,000.00
202203	13,437,789.26	20210916	2,082,471.24
202204	6,810,888.11	20210920	2,000,000.00
202205	3,637,789.26	20211020	5,726,867.12
202206	4,658,418.01	20211022	82,471.24
202208	38,036,976.25	20211108	8,000,000.00
202209	164,942.48	20211116	8,732,805.33
202210	33,851,895.86	20211202	82,471.24
202211	20,941,921.16	20211230	82,471.24
202212	7,835,604.54	20220203	627,775.68
202301	17,118,802.20	20220225	164,942.48
202302	82,471.24	20220301	4,000,000.00
202303	27,817,868.18	20220311	1,937,789.26
202304	15,906,705.34	20220316	7,500,000.00
202305	18,027,685.70	20220413	6,645,945.63
202306	164,942.48	20220425	164,942.48
Grand Total	249,666,604.25	20220601	4,173,087.07
		20220614	1,788,876.63
		20220714	82,471.24
		20220728	1,388,435.69
		20220802	863,336.64
		20220816	38,036,976.25
		20220901	82,471.24
		20220920	82,471.24
		20221021	82,471.24
		20221031	33,769,424.62
		20221111	82,471.24
		20221124	20,859,449.92
		20221229	7,835,604.54
		20230109	82,471.24
		20230124	16,953,859.72
		20230126	82,471.24
		20230220	82,471.24
		20230317	27,735,396.94
		20230322	82,471.24
		20230421	77,850.54
		20230502	15,828,854.80
		20230508	6,000,000.00
		20230522	4,620.70
		20230530	12,023,065.00
		20230605	82,471.24
		20230629	82,471.24
		Grand Total	249,666,604.25

Table 6.5: Summary of DWS payments

Indicated in Table 6.5 above, is the total amount paid to DWS per financial period and per payment date for the 2021/22 and 2022/23 financial year amounting to R249,502 million. For the month of June 2023, the municipality settled an amount of R164 thousand.

Monthly and YTD comparison of debt owed to Eskom and DWS

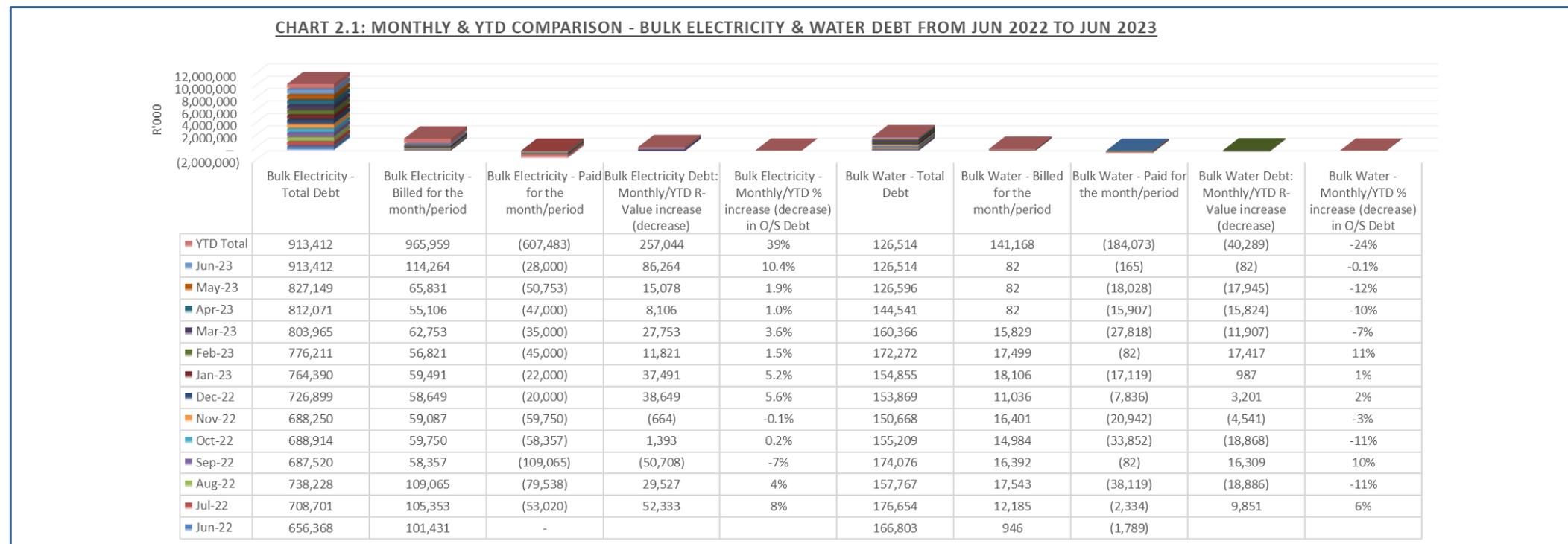


Chart 2.1: Monthly & YTD comparison - Bulk electricity & Water debt

Indicated in Chart 2.1 above, is the monthly and YTD comparison of Bulk electricity and Water debt. From May 2023 to June 2023, debt owed to ESKOM increased by R86,264 million or 10.4%, from R827,149 million to R913,412 million. When comparing the total outstanding debt to June 2022, the outstanding debt increased by R257,044 million or 39% from R656,368 million to R913,412 million. The total YTD billing from June 2022 to June 2023, amounted to R965,959 million, whilst the municipality settled an amount of R607,483 million for the same period.

From May 2023 to June 2023, debt owed to DWS decreased by R164 thousand or minus 0.1%, from R126,596 million to R126,514 million. When comparing the total outstanding debt to June 2022, the outstanding debt decreased by R40,289 million or minus 24% from R166,803 million to R126,514 million. The total YTD billing from June 2022 to June 2023, amounts to R141,168 million, whilst the municipality settled an amount of R184,073 million for the same period.

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - June 2023										
Capital expenditure	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	188,293	25,260	100,695	188,293	53.5%	(87,598)	-46.5%	53.5%	(87,598)	-46.5%
Funded by										
Capital transfers recognised	132,588	17,754	70,675	132,588	53.3%	(61,913)	-46.7%	53.3%	(61,913)	-46.7%
Internally generated funds	55,705	7,506	30,020	55,705	53.9%	(25,685)	-46.1%	53.9%	(25,685)	-46.1%
Weighting Capital transfer recognised	70.4%	70.3%	70.2%	70.4%						
Weighting Internally generated funds	29.6%	29.7%	29.8%	29.6%						

Table 7: High level summary: Capital Expenditure

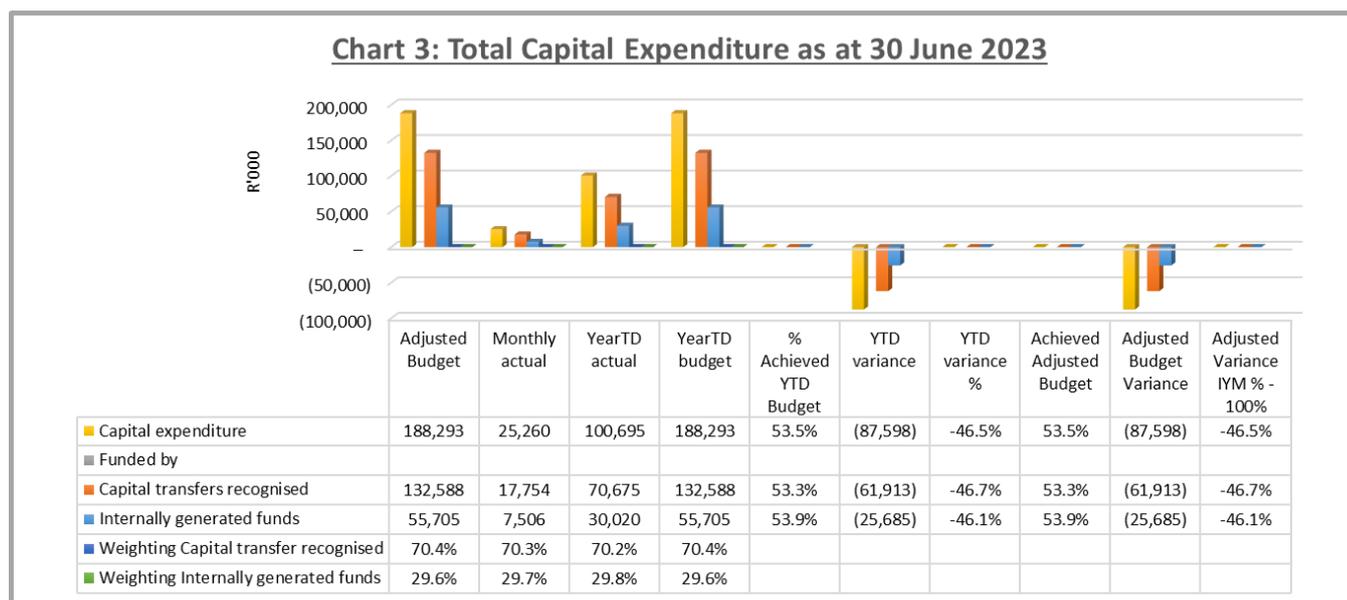


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of June 2023 amounted to R100,695 million and 53.5% spent when compared to the YTD budget of R188,293 million and 53.5% spent when compared to the Adjusted Budget of R188,293 million. The total YTD capex is funded from Capital grants R70,675 million (70.2%) and Internally generated funds R30,020 million (29.8%). Capex is extremely low and major intervention is required for the financial year. 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

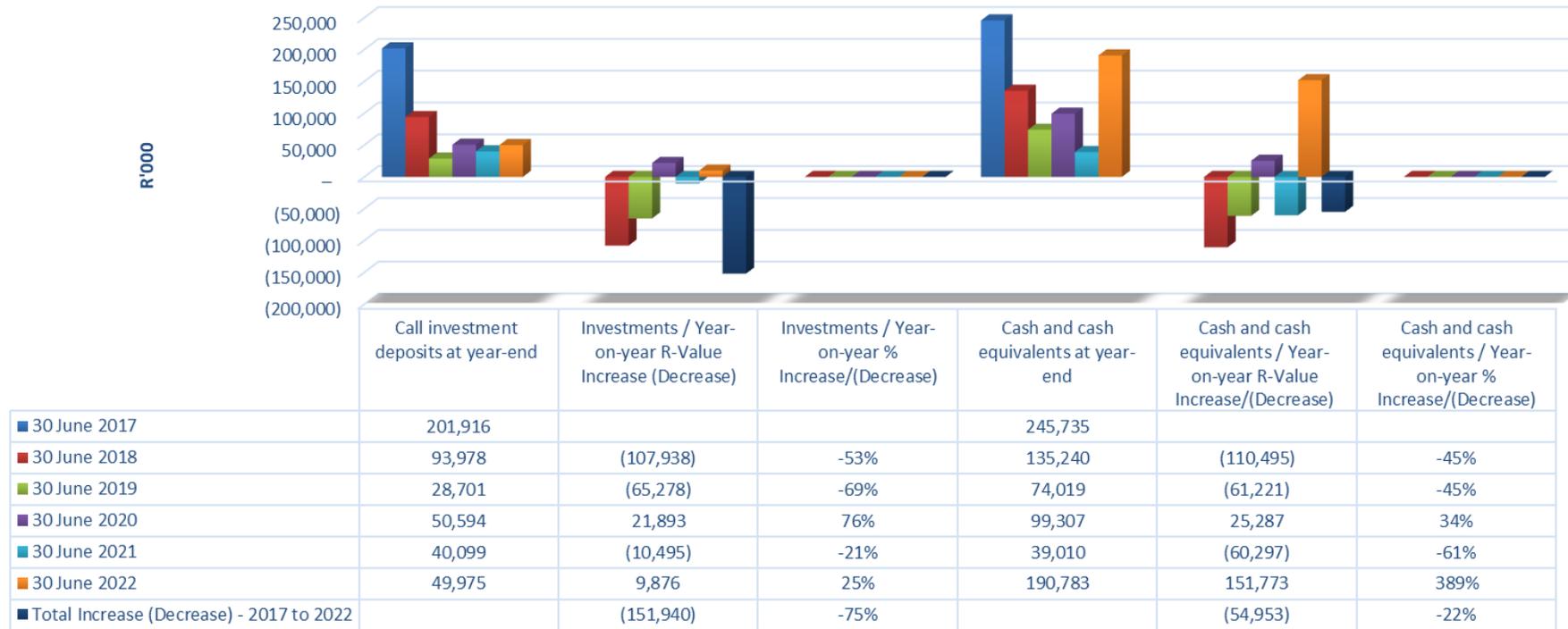
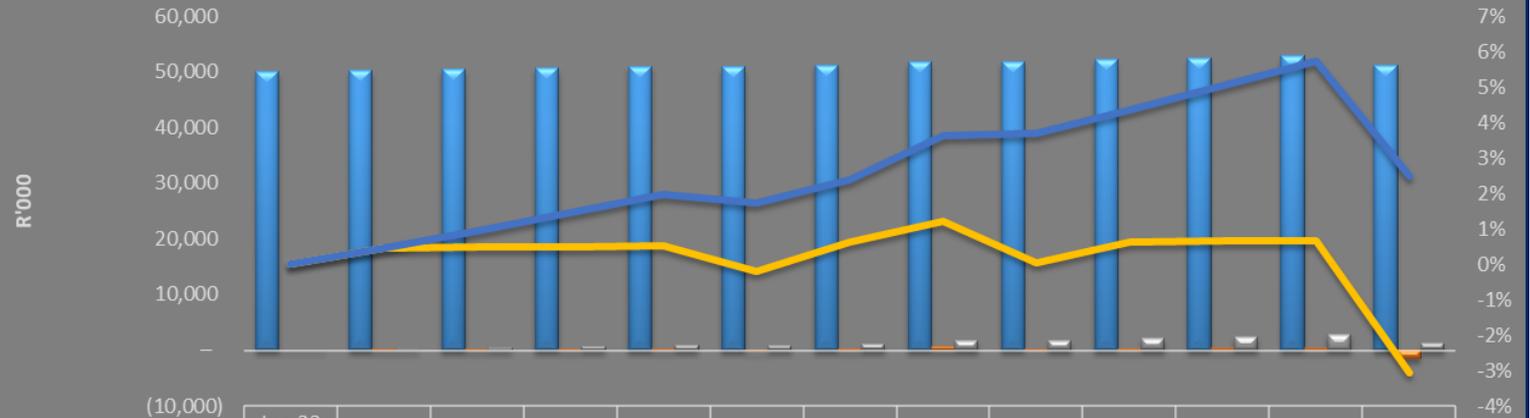


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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. Investments increased by R9,876 million or 25% from 2021 to 2022. From 2017 to 2022, the total investments decreased by R151,940 million. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. 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 30 June 2023



	Jun-22 (excl interest)	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Call investment deposits incl interest at month end	49,975	50,202	50,446	50,693	50,951	50,847	51,170	51,788	51,814	52,141	52,492	52,841	51,215
Month-to-Month R-Value increase (decrease)	–	227	244	247	258	(105)	323	618	26	327	351	349	(1,625)
R-Value increase (decrease) from previous years' balance	–	227	471	718	976	871	1,194	1,812	1,839	2,165	2,517	2,865	1,240
Month-to-month % increase (decrease)	–	0.5%	0.5%	0.5%	0.5%	-0.2%	0.6%	1.2%	0.1%	0.6%	0.7%	0.7%	-3.1%
% increase (decrease) from previous years' balance	–	0.5%	0.9%	1.4%	2.0%	1.7%	2.4%	3.6%	3.7%	4.3%	5.0%	5.7%	2.5%

Chart 5: Call investment deposits at month-end

As indicated in the Chart 5 above from May 2023 to June 2023 investments incl interest decreased by R1,625 million or 3.1%, in respect of the month-to-month comparison. Investments increased by R1,240 million or 2.5% when compared to the previous years' audited figure of R49,975 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.

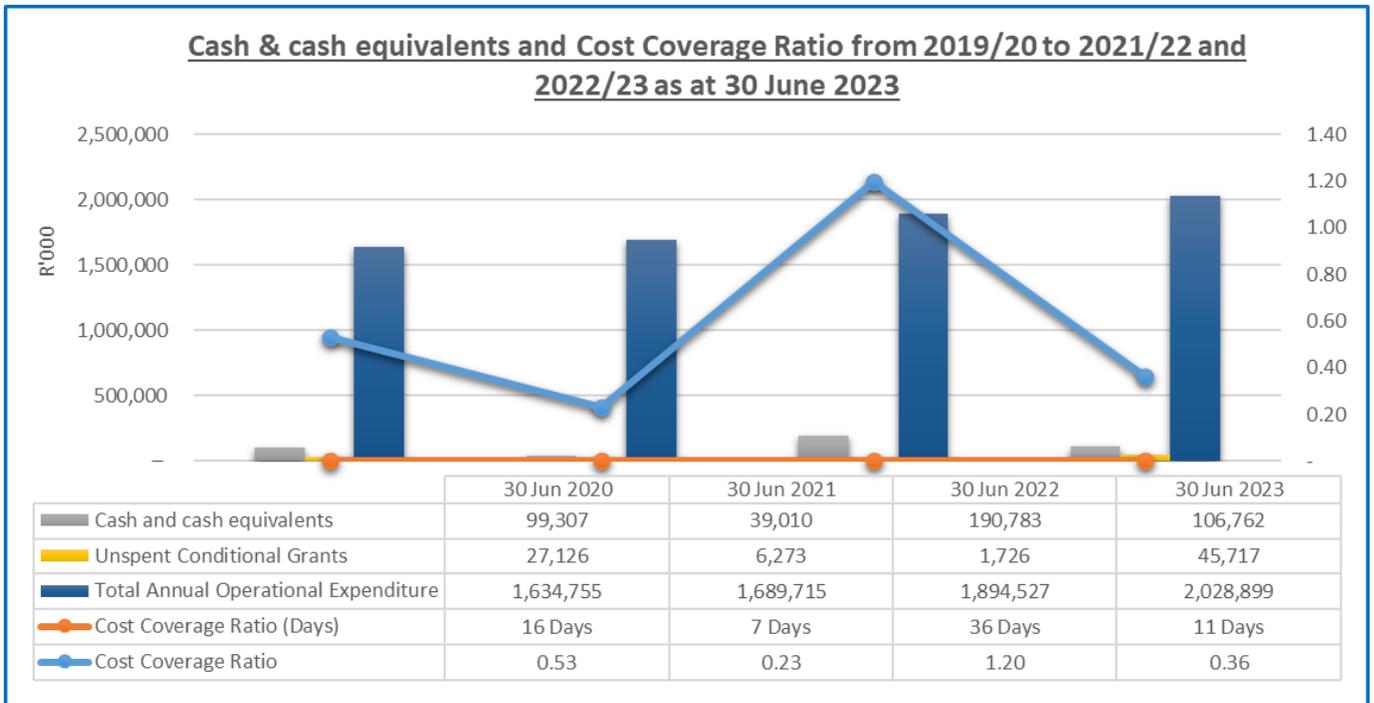


Chart 6: Cash & cash equivalents and Cost coverage ratio

Indicated in Chart 6 above, is the Cost coverage ratio and the Cash and cash equivalents for 2019/20 (0.53 or 16 days; R99,307m) and 2020/21 (0.22 or 7 days; R39,010m). There was a marginal improvement for 2021/22 (1.15 or 35 days; R190,783m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The Cost coverage ratio as at 30 June 2023 is 0.36 or 11 days, whilst the NT norm is 3 months. Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical 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. This is also evident by the escalation in debt owed to Eskom and DWS. The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. Therefore, the municipality must apply the Credit Control Policy diligently, consistently and fairly to ensure the credibility of the municipality. During the 2022/23 Mid-year engagement, National Treasury recommended that the Credit Control and Debt Collection Policy must be 100% applied. Generally, the payment culture of all consumers and stakeholders must improve. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

4. 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

5. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

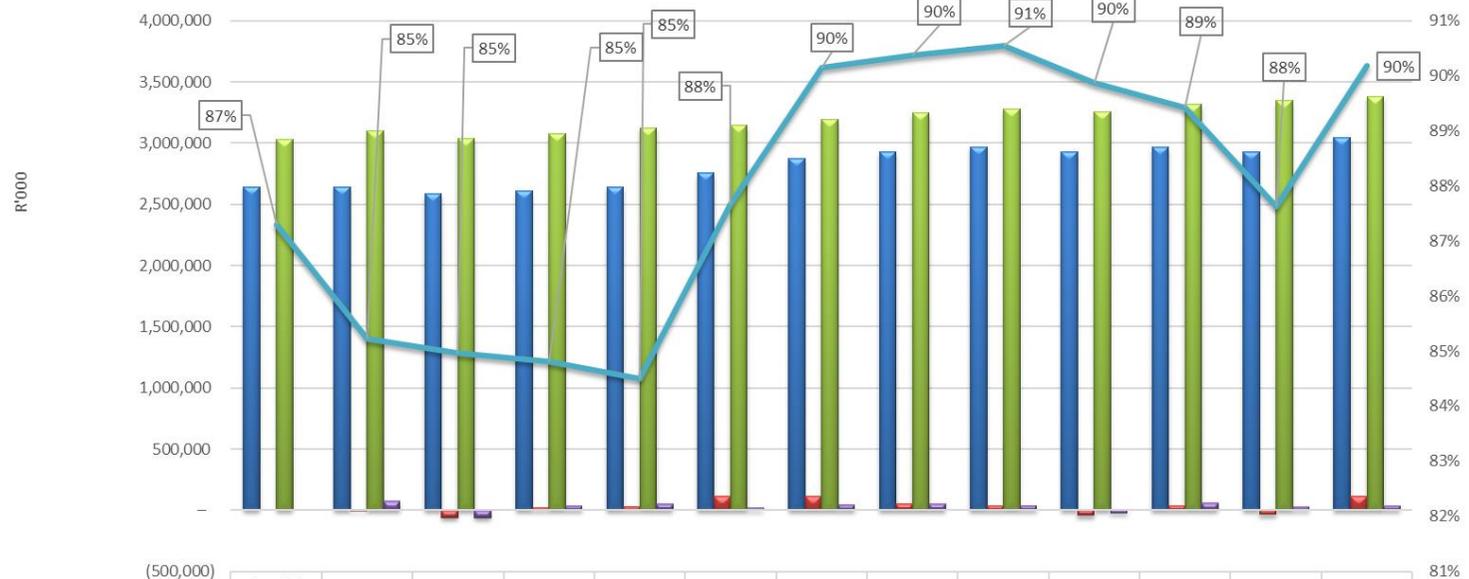
Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	26,867	18,118	17,996	17,689	15,079	15,660	82,169	513,298	706,876	643,895	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	49,853	14,685	17,482	11,029	6,691	5,647	49,194	155,731	310,311	228,292	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	33,970	15,648	13,796	14,094	12,673	12,084	115,733	589,900	807,899	744,485	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	7,477	5,233	4,909	4,818	4,925	4,503	25,447	162,495	219,808	202,188	-	-
Receivables from Exchange Transactions - Waste Management	1600	6,052	4,024	3,731	3,635	3,509	3,364	19,179	126,353	169,845	156,038	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,611	1,568	1,562	1,548	1,551	1,532	8,986	47,699	66,057	61,316	-	-
Interest on Arrear Debtor Accounts	1810	19,496	18,128	17,861	17,576	17,999	16,373	80,656	623,581	811,669	756,184	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	10,615	3,363	18,091	3,544	7,434	2,612	41,612	201,494	288,764	256,695	-	-
Total By Income Source	2000	155,941	80,766	95,429	73,931	69,861	61,774	422,976	2,420,552	3,381,229	3,049,094	-	-
2021/22 - totals only		224615781	66509436	61903731	#####	0	0	0	0	2,975,782	2,622,753	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	27,785	11,379	11,200	9,672	9,488	8,199	107,632	594,877	780,231	729,867	-	-
Commercial	2300	53,349	20,798	25,282	16,311	12,936	11,050	66,394	361,308	567,428	467,999	-	-
Households	2400	72,636	47,246	57,351	46,669	46,158	41,361	242,190	1,410,977	1,964,587	1,787,354	-	-
Other	2500	2,171	1,342	1,596	1,280	1,279	1,164	6,760	53,391	68,983	63,874	-	-
Total By Customer Group	2600	155,941	80,766	95,429	73,931	69,861	61,774	422,976	2,420,552	3,381,229	3,049,094	-	-

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 R3,381,229 billion as at the end of June 2023. The Credit control office implemented the following contingencies. In the light of current cash flow and very low cashier collection at points, disconnection and blocking of institutions, businesses and Government Departments without valid arrangements or not in discussions with the municipality, should be done with immediate effect. The municipality will be embarking on Credit Control And Indigent Assistance Awareness Campaign. Through this campaign we seek to educate Consumers on the importance of the payment of accounts and the detrimental effect non-payment has on service delivery. We aim to have our Customers (from all our Customer Groups) that are in arrears and are able to pay their accounts, to make payment or make a payment arrangement on their account. The campaign will also inform and create an awareness to Customers as to the assistance provided by the Municipality in relation to the payment of accounts (our social package, discounts and incentives).

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which increased to 90% for the month under review. Debt over 90 days increased by R117,216 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R35,605 million. It is concerning that total debt over 90 days is hovering at an average of 90 percent. During the Adjustment 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. For the year ended 30 June 2022, the amounts written off as uncollectable amounted to R35,270 million. The total amounts written off as uncollectable for the past three financial years amounts to R768,740 million. Also, during the 2023/24 MTREF Budget Benchmark exercise NT also encouraged to explore all avenues to recoup long outstanding debt, to improve on financial liquidity.

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2022 - June 2023



	Jun-22 (Audited)	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Debt over 90 days (R'000)	2,644,843	2,644,498	2,583,888	2,607,684	2,640,714	2,757,564	2,876,144	2,931,295	2,970,191	2,926,876	2,966,194	2,931,878	3,049,094
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		(345)	(60,611)	23,797	33,030	116,850	118,580	55,151	38,896	(43,315)	39,318	(34,315)	117,216
Total Debt (R'000)	3,029,785	3,102,829	3,041,042	3,074,758	3,125,099	3,145,849	3,190,215	3,243,662	3,280,421	3,256,722	3,316,968	3,345,625	3,381,229
Month-to-Month R-value Increase (Decrease) of Total debt		73,044	(61,788)	33,716	50,342	20,749	44,366	53,448	36,759	(23,700)	60,247	28,656	35,605
% Weighting of Debt over 90 days	87%	85%	85%	85%	85%	88%	90%	90%	91%	90%	89%	88%	90%

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

Chart 8: Outstanding Debt by Income Source as at 30 June 2023

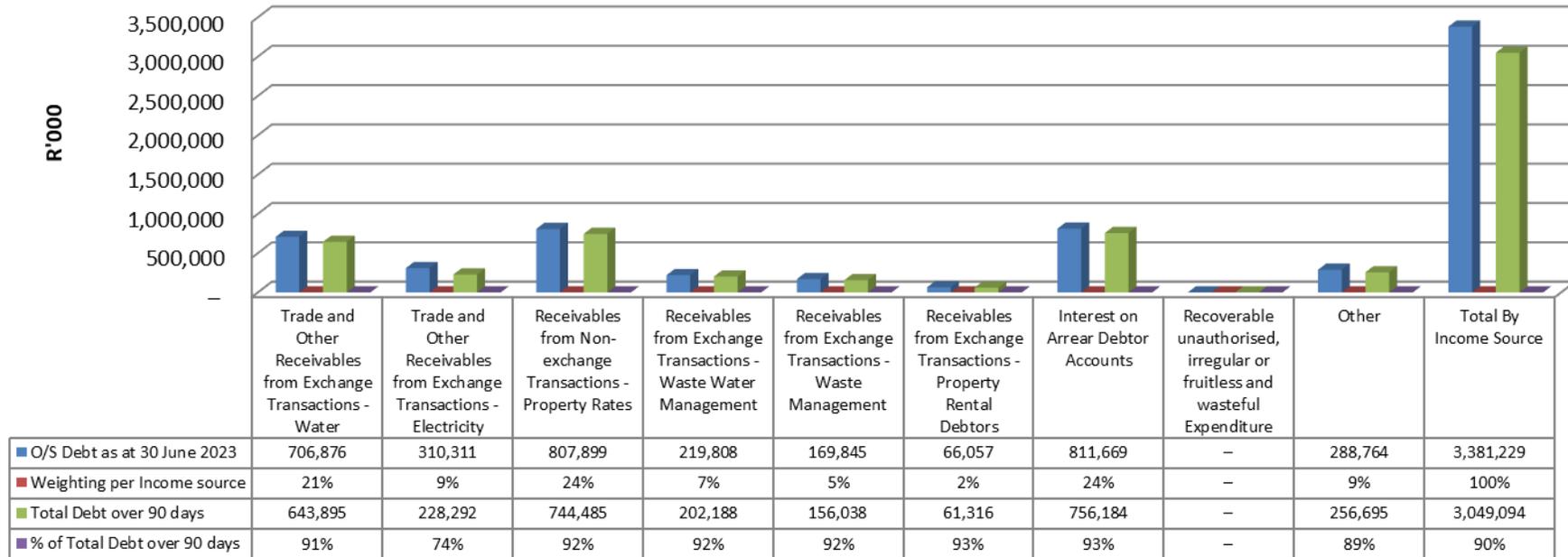


Chart 8: Outstanding Debt by Income Source

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 June 2023. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 24%
- ❖ Interest on Arrear Debtor Accounts 24%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 21%

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

- ❖ Interest on Arrear Debtor Accounts at 93%;
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Receivables from Non-exchange Transactions - Property Rates, Receivables from Exchange Transactions - Waste Water Management and Waste Management at 92%

Debtors Age Analysis By Income Source	Item code	O/S Debt as at 31 May 2023	O/S Debt as at 30 June 2023	Percentage month-on-month Increase/(Decrease) in Debtors	R-Value Increase/(Decrease)	Weighting of Debt per Category as a % of Total O/S
Debtors Age Analysis By Income Source	1100					
Trade and Other Receivables from Exchange Transactions - Water	1200	701,693,068	706,875,946	0.7%	5,182,878	21%
Trade and Other Receivables from Exchange Transactions - Electricity	1300	308,067,031	310,310,890	0.7%	2,243,859	9%
Receivables from Non-exchange Transactions - Property Rates	1400	802,461,305	807,899,248	0.7%	5,437,943	24%
Receivables from Exchange Transactions - Waste Water Management	1500	217,170,492	219,807,503	1.2%	2,637,011	7%
Receivables from Exchange Transactions - Waste Management	1600	167,996,226	169,845,266	1.1%	1,849,040	5%
Receivables from Exchange Transactions - Property Rental Debtors	1700	64,951,841	66,056,562	1.7%	1,104,721	2%
Interest on Arrear Debtor Accounts	1810	793,991,709	811,669,495	2.2%	17,677,786	24%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820	-	-			
Other	1900	289,293,211	288,764,499	-0.2%	-528,712	9%
Total By Income Source	2000	3,345,624,883	3,381,229,409	1.1%	35,604,526	100%
Debtors Age Analysis By Customer Group	2100					
Organs of State	2200	771,770,770	780,231,227	1.1%	8,460,457	23%
Commercial	2300	565,957,632	567,428,420	0.3%	1,470,788	17%
Households	2400	1,939,284,488	1,964,586,619	1.3%	25,302,131	58%
Other	2500	68,611,993	68,983,143	0.5%	371,150	2%
Total By Customer Group	2600	3,345,624,883	3,381,229,409	1.1%	35,604,526	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 May 2023 to June 2023, the municipality's total O/S debt increased by 1.1% or R35,605 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 0.7%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity increased by 0.7%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 0.7%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.2%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.1%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 1.7%.
- ❖ Interest on Arrear Debtor Accounts increased by 2.2%.
- ❖ Other decreased by 0.2%.

O/S debt per Customer Group

- ❖ Organs of State increased by 1.1%.
- ❖ Commercial debtors increased by 0.3%.
- ❖ Debt owed by Households increased by 1.3%.
- ❖ Other Debt increased by 0.5%.

Weighting per Customer Group

- ❖ Government debt constitutes 23%, Businesses 17%, Households 58% and Other 2% of the total outstanding debt.

- There was an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2021/22. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for May 2022, this will have to be confirmed with NT, if it for the same period or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2021/22 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

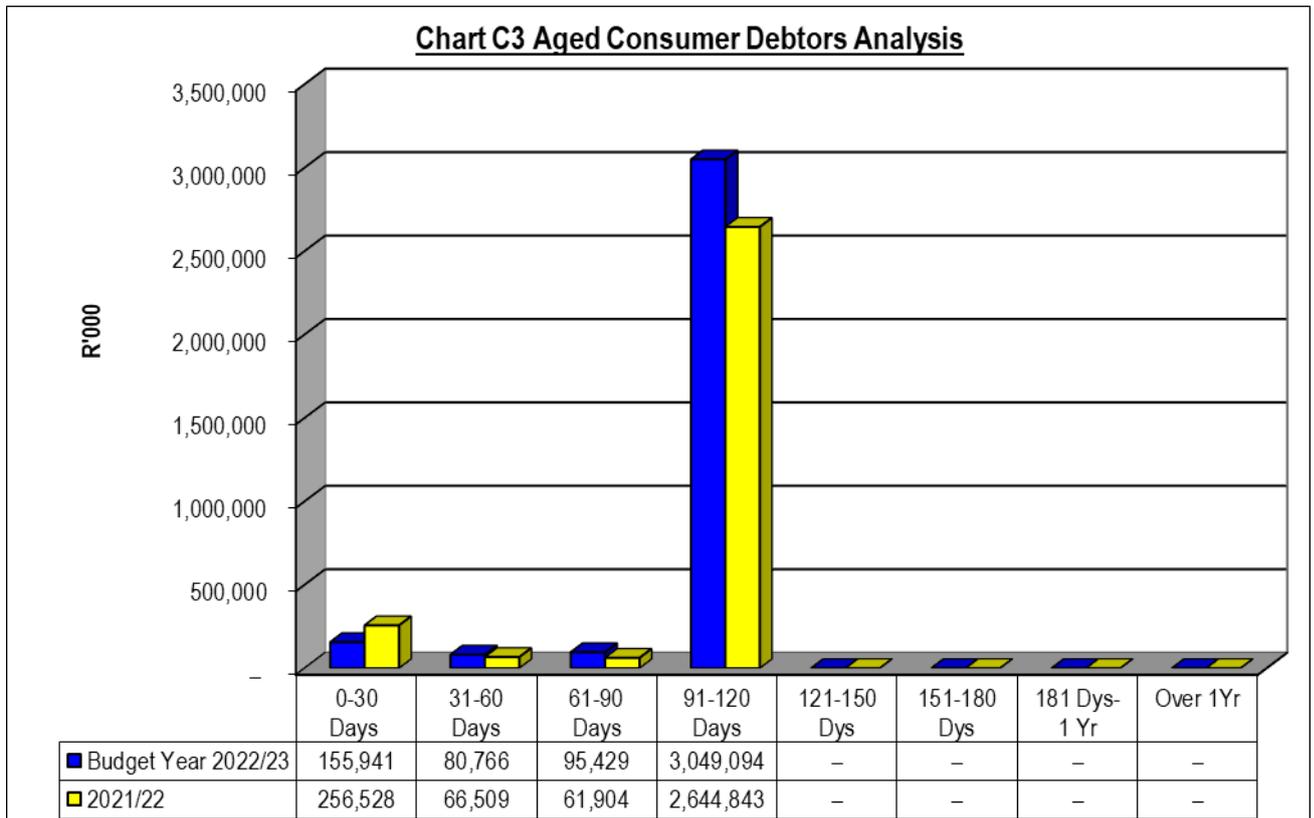


Chart 9.1: Aged Consumer Debtor Analysis

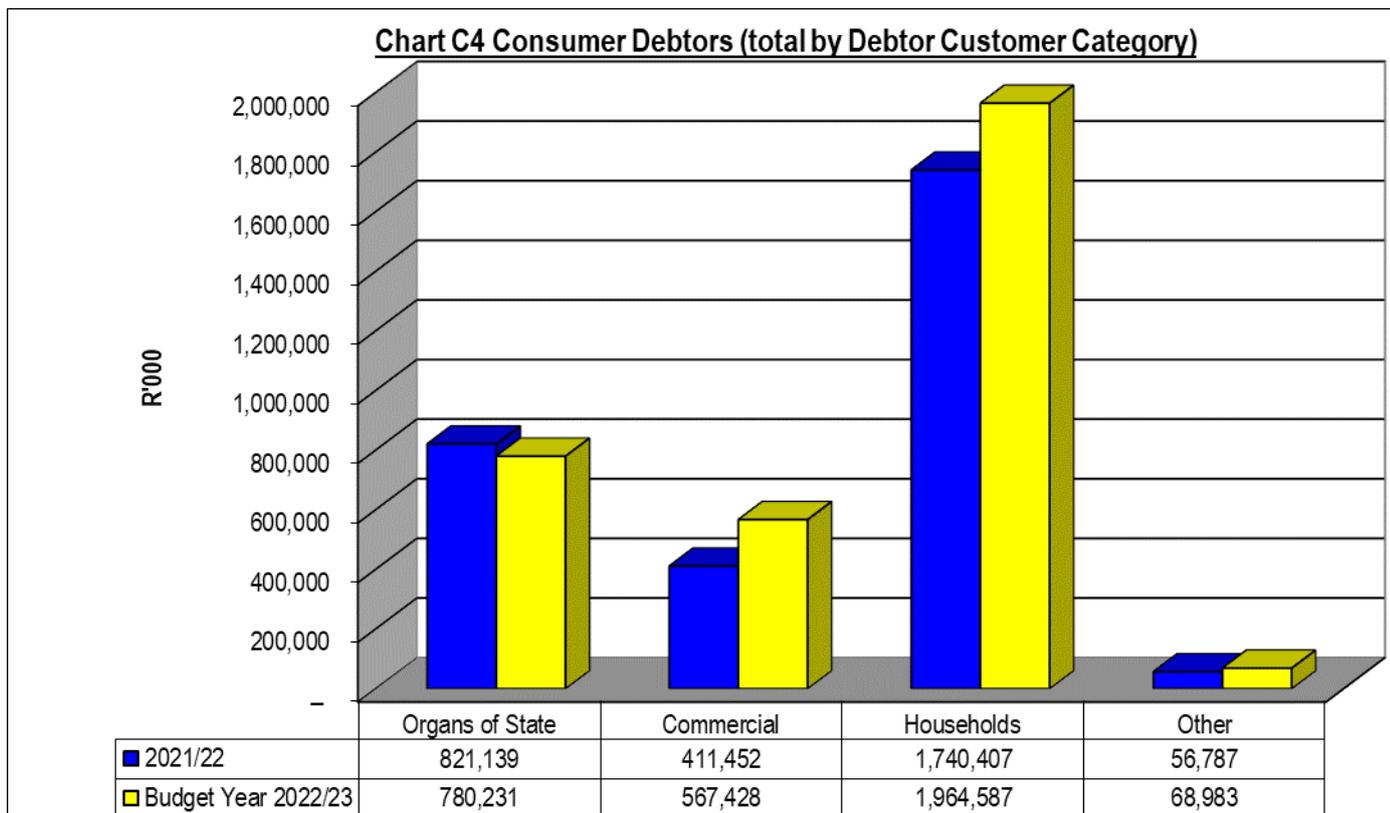


Chart 9.2: Consumer Debtors (total by Debtor Customer Category)

Chart 10: Debtor's Age Analysis per Customer Group as at 30 June 2023

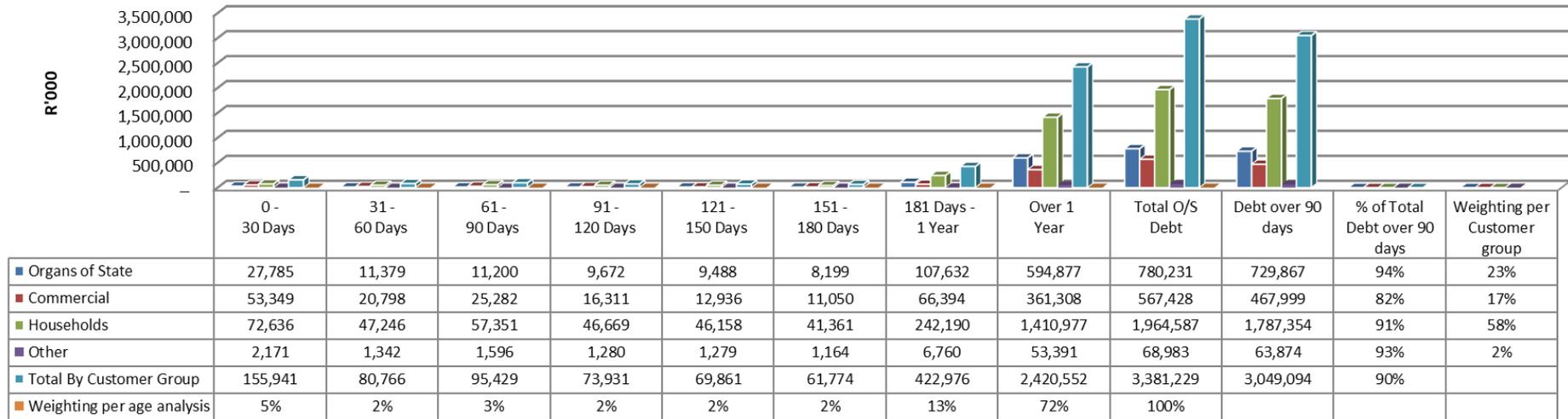


Chart 10: Debtor's Age Analysis per Customer Group

Chart 10 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 90%. 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 78.5%. The municipality has been providing additional incentives to assist consumers to settle their arrear accounts. The payment culture of consumers needs to improve across all areas.

During the Mid-year Budget Assessment for the 2021/22 financial year and indicated below are the Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses

- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book
- Data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (sms) and e-mail.
- Improve in the accuracy of monthly billing.
- Ensure meters are read consistently and timeously.
- Significantly reduce interim readings and ultimately eliminate interim readings.
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run.
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries.
- Introduce electronic complaints management system/register for account queries.
- Ensure faulty and bypassed electricity meters are replaced.
- Ensure that stuck, leaking, faulty or damaged water meters are replaced.
- Do regular follow-ups on meter replacements.
- Accurately update the system with latest information
- Reduce the turnaround time for installation of replacement or new meters.
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing
- Interrogate billing and prepaid electricity reports on a monthly basis and take immediate remedial action to address anomalies or discrepancies.
- Ensure that all billable properties are billed for Property rates and services.
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system.
- Reduce Electricity and Water losses.
- Finalise the Riverton reclamation dam to reduce water losses at the Plant by at least 6%
- Introduce automated metering for bulk consumers.
- Electricity Cost of Supply Study was finalised
- Ensure qualifying indigents are registered on the system, immediately upon verification.
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed immediately for all approved indigents.
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay.
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures.
- Prioritisation of spending
- Improve on routine maintenance on particularly revenue generating assets.
- Spend funds effectively with good value for money.

Revised collection rate

As per Table 10 below, when taking into consideration what was billed in May 2023 and received in June 2023, the monthly collection rate is 66%. The low collection rate is not an ideal situation and is having a dire impact on the cash flow of the municipality. The current status quo cannot continue, and drastic action will have to be taken to address this critical issue. Indicated in Table 11 below is the revised average collection of 76.7% for the period under review.

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 June to 30 June 2023. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, had until the end of September/October 2022 to settle their outstanding accounts. There has been an improvement for the current financial year.

Monthly Collection Rate	Debits (Billed May 2023)	Credits (Received June 2023)	% Collected
PROPERTY RATES	46,495,527	32,132,963	69%
ELECTRICITY	39,678,227	30,395,981	77%
WATER	27,727,645	15,618,165	56%
SEWERAGE	9,273,420	4,007,999	43%
REFUSE	7,329,104	3,406,785	46%
OTHER	21,677,500	14,142,620	65%
Total	152,181,422	99,704,513	66%

Table 10: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL JUNE 2023		YTD RECEIPTS	Rate
PROPERTY RATES	R	635,619,234	R 449,253,358	70.7%
SERVICE CHARGE ELECTRICITY	R	478,339,891	R 466,120,630	97.4%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R	275,449,012	R 275,449,012	100.0%
SERVICE CHARGE WATER	R	281,647,569	R 166,108,561	59.0%
SERVICE CHARGE SANITATION	R	92,158,646	R 47,519,958	51.6%
SERVICE CHARGE REFUSE	R	69,057,597	R 38,505,455	55.8%
OTHER	R	261,663,876	R 161,990,985	61.9%
UNALLOCATED CREDITS			R 1,381,686	
REVISED AVERAGE COLLECTION RATE - JUNE 2023	R	2,093,935,825	R 1,606,329,645	76.7%

Table 11: Revised Average collection rate

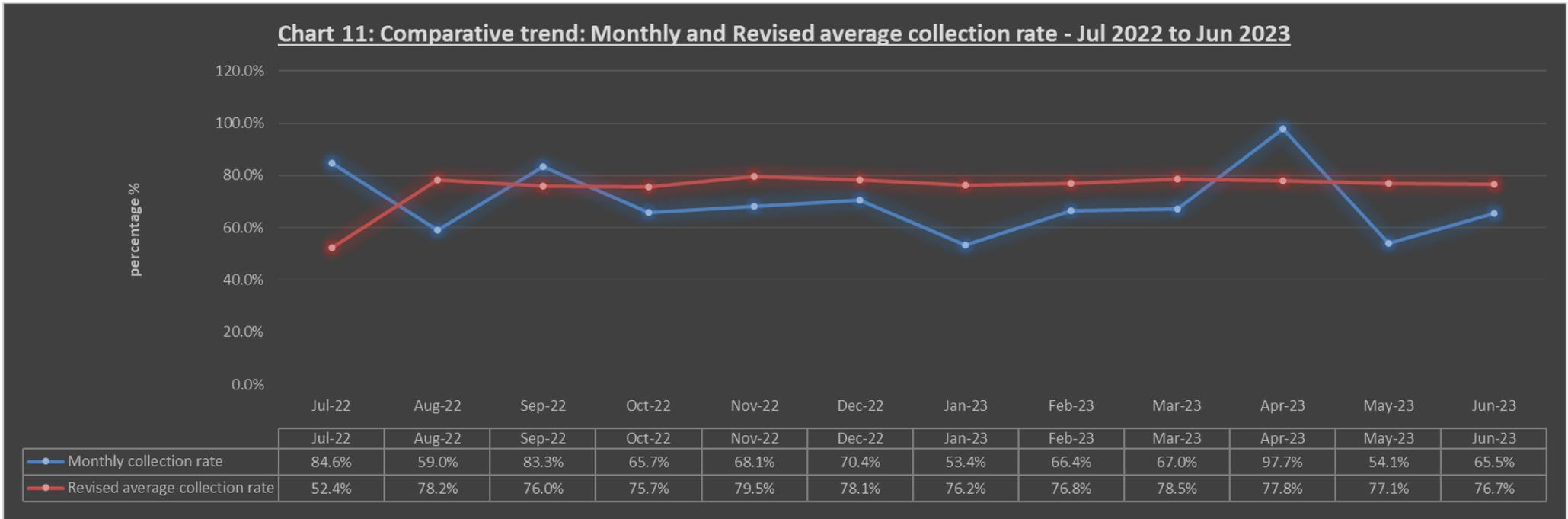


Chart 11: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 11 above, is the comparative trend between the monthly and average collection rate from July 2022 to June 2023. The monthly collection rate for August 2022 and the revised average collection rate for July 2022 is low, due to the annual billing of Property rates. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales. The monthly collection rate is lower in comparison to the average collection rate and also fluctuates significantly, whilst the average collection rate remained relatively constant for the period under review. The average collection rate of approximately 78% is not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its commitments.

During the 2023/24 MTREF Benchmark engagement, NT advised that the municipality, “must make an effort to collect long outstanding debtors and strive to push collection rate beyond 89% so that we are able to make a surplus on the cash flow which will enable the municipality to cover all the proposed expenditures including bulk purchases for Eskom and Water Board. As things stand, if you look at the cash flow, it shows that the municipality will collect less revenue than the proposed expenditure, however, the budget on A8 remains funded because of huge outstanding debtors that the municipality is still anticipating to collect, hence our plea for the municipality to collect those long outstanding debtors not written off.”

BS566 Payments per Service per Day/Period - Service															
Per Service	Tariff Co	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTAL	
PROPERTY RATES	VA	-	-	60.36	400.00	-	-	-	-	-	-	-	-	460.36	
PROPERTY RATES	VA2010	-	1,849.29	-	465.29	3.28	82.57	-	3,854.80	-	80.10	-	-	6,335.33	
PROPERTY RATES	VARESD	11,554,158.61	17,670,066.22	12,208,358.82	14,335,666.41	13,401,856.55	12,649,633.80	13,165,441.23	13,217,635.01	14,366,904.39	11,451,142.58	14,094,930.06	13,015,786.37	161,131,580.05	
PROPERTY RATES	VASRA	52,536.92	54,152.01	769,061.35	284,846.81	207,468.32	500,750.19	235,375.09	303,555.96	252,436.57	268,436.83	270,537.19	458,942.24	3,658,099.48	
PROPERTY RATES	VABCOM	14,239,294.76	21,846,957.19	12,270,773.22	15,392,575.58	13,132,889.99	14,505,036.18	13,477,391.06	17,532,355.27	26,879,487.70	13,050,461.09	14,886,511.49	12,780,032.43	189,993,765.96	
PROPERTY RATES	VAIND	1,456,382.45	1,878,851.67	1,742,027.75	1,844,963.60	1,421,384.40	1,670,098.14	1,434,242.59	1,859,446.07	2,097,933.56	1,246,192.67	1,522,468.04	1,918,220.70	20,092,211.64	
PROPERTY RATES	VAFVAF	78,107.79	185,427.86	123,573.26	127,936.22	78,944.20	129,991.54	98,454.04	97,071.75	120,701.76	78,780.96	117,636.38	90,809.33	1,327,435.09	
PROPERTY RATES	VAFARE	15,683.92	14,676.48	33,053.52	16,538.55	19,362.01	11,530.66	13,883.69	13,078.19	10,912.55	25,357.27	14,692.20	17,619.19	206,388.23	
PROPERTY RATES	VAMUN	199.46	-	-	-	1,062.67	-	-	-	-	-	-	846.61	2,108.74	
PROPERTY RATES	VAGOVN	296,275.54	23,880,726.22	280,487.89	2,835,598.37	1,185,280.23	454,836.04	286,213.20	582,775.95	34,159,521.06	294,306.71	3,823,788.66	334,060.44	68,413,870.31	
PROPERTY RATES	VARESV	174,601.31	231,176.12	153,641.62	178,155.13	157,086.39	137,832.88	188,094.27	180,424.66	195,125.51	135,685.93	239,110.61	870,025.38	2,840,959.81	
PROPERTY RATES	VAGOVV	-	434,078.55	-	-	-	-	-	-	221,398.60	-	-	-	655,477.15	
PROPERTY RATES	VAPBO	-	-	-	-	1,021.64	2,141.92	-	-	-	-	-	-	3,163.56	
PROPERTY RATES	VAFABC	358,956.69	35,270.09	45,033.07	118,322.67	37,699.57	39,737.90	54,669.92	55,909.34	33,734.79	42,298.00	51,379.23	48,491.03	921,502.30	
TOTAL PROPERTY RATES		28,226,197.45	66,233,231.70	27,626,070.86	35,135,468.63	29,644,059.25	30,101,671.82	28,953,765.09	33,846,107.00	78,338,156.49	26,592,742.14	35,021,053.86	29,534,833.72	449,253,358.01	
BASIC ELECTRICITY	BE	494,200.67	545,453.29	489,992.75	537,039.22	487,294.81	500,612.01	463,544.27	531,876.20	506,282.09	431,206.20	524,186.71	489,475.08	6,001,163.30	
ELECTRICITY	EL	32,497,782.86	48,611,370.59	47,585,554.73	44,670,767.80	53,505,090.62	30,393,993.19	29,593,008.74	35,919,477.04	33,126,743.39	33,660,623.34	35,986,218.06	34,568,836.17	460,119,466.53	
PREPAID ELECTRICITY		25,829,774.07	25,632,451.85	22,249,757.55	22,882,980.11	22,350,166.95	23,118,197.21	21,913,646.77	20,360,323.06	22,186,343.77	20,680,807.67	22,558,138.23	25,686,424.52	275,449,011.76	
TOTAL ELECTRICITY		58,821,757.60	74,789,275.73	70,325,305.03	68,900,787.13	76,342,552.38	54,012,802.41	51,970,199.78	56,811,676.30	55,819,369.25	54,772,637.21	59,068,543.00	60,744,735.77	741,568,641.59	
BASIC WATER	BW	101,803.68	55,922.48	64,206.98	70,825.99	41,189.81	63,732.06	51,272.06	51,760.04	51,217.66	32,955.50	43,167.12	38,093.72	637,651.21	
WATER CONSUMPTION	WA	13,941,872.36	12,400,373.56	14,711,126.02	12,195,251.89	18,082,021.88	14,709,853.90	12,881,890.08	13,612,465.37	10,444,016.51	13,383,145.53	14,413,850.94	14,689,042.17	165,470,910.21	
TOTAL WATER		14,043,676.04	12,456,296.04	14,781,333.00	12,266,077.88	18,123,211.69	14,773,590.07	12,904,662.14	13,664,221.41	10,495,234.17	13,416,101.03	14,457,018.06	14,727,135.89	166,108,561.42	
BASIC SEWERAGE	BS	342,863.46	302,922.72	235,156.10	281,603.65	260,050.02	246,188.11	177,262.52	452,032.69	265,934.92	223,231.45	305,777.94	350,084.97	3,443,108.55	
SANITATION	SE	3,328,774.23	4,065,980.24	3,428,966.01	4,035,967.62	4,023,272.13	3,627,960.55	3,129,232.73	3,835,947.96	3,560,885.26	3,240,054.84	4,114,995.29	3,684,812.93	44,076,849.79	
TOTAL SANITATION		3,671,637.69	4,368,902.96	3,664,122.11	4,317,571.27	4,283,322.15	3,874,148.66	3,306,495.25	4,287,980.65	3,826,820.18	3,463,286.29	4,420,773.23	4,034,897.90	47,519,958.34	
REFUSE	BR	2,688,210.78	3,131,446.45	2,710,585.87	3,108,569.57	3,045,428.17	2,819,991.86	2,604,307.53	3,009,053.61	2,938,351.31	2,737,309.85	3,339,066.32	3,142,155.85	35,274,477.17	
ADD REFUSE	RF	318,771.58	326,586.51	245,012.08	266,253.60	249,901.54	276,635.00	184,290.89	245,506.32	256,073.55	186,655.85	255,938.39	419,352.42	3,230,977.73	
TOTAL REFUSE		3,006,982.36	3,458,032.96	2,955,597.95	3,374,823.17	3,295,329.71	3,096,626.86	2,788,598.42	3,254,559.93	3,194,424.86	2,923,965.70	3,595,004.71	3,561,508.27	38,505,454.90	
INTEREST ON ARREARS	IN0001	14,837.31	3,640.45	2,470.57	16.68	1,068.96	1,221.54	3.54	1,334.42	6.57	4.88	3.54	3.54	24,612.00	
INTEREST ON ARREARS	INBR	110,061.36	64,483.08	54,660.69	69,001.79	77,903.59	63,344.69	39,949.78	63,385.12	63,064.96	50,932.43	77,913.02	63,025.05	797,125.56	
INTEREST ON ARREARS	INSE	82,526.81	94,674.13	81,504.57	97,432.46	107,665.78	94,424.97	57,911.53	90,182.64	82,194.55	71,097.38	110,017.78	83,896.63	1,053,529.23	
INTEREST ON ARREARS	INWA	246,746.07	290,224.03	220,163.16	319,086.20	316,341.30	264,977.03	166,114.89	329,137.77	203,667.30	281,044.02	286,076.76	249,849.42	3,173,427.95	
INTEREST ON ARREARS	INSU	35,590.37	57,346.76	28,269.57	45,406.60	32,745.01	36,601.13	25,521.85	35,413.52	34,150.68	61,530.13	61,082.88	47,903.38	501,561.88	
INTEREST ON ARREARS	INBS	34,685.00	4,845.76	2,532.27	7,869.47	7,136.62	6,632.41	3,733.39	12,261.41	15,328.79	6,078.38	9,555.99	6,467.96	117,127.45	
INTEREST ON ARREARS	INEL	326,560.38	2,724,558.14	359,027.60	1,124,794.17	210,379.34	290,348.94	223,293.53	643,477.36	177,585.25	416,690.36	235,794.39	298,184.05	6,970,693.51	
INTEREST ON ARREARS	INBE	38,137.40	6,483.64	14,212.25	16,840.83	6,038.95	9,031.39	2,458.98	5,741.74	8,061.18	4,016.73	6,805.12	3,808.99	121,637.20	
INTEREST ON ARREARS	INBW	37,732.01	3,096.67	10,653.57	16,023.45	4,224.75	4,494.71	848.72	1,912.43	4,921.16	1,051.99	2,423.10	1,571.96	88,954.52	
INTEREST ON ARREARS	INRF	21,990.58	1,154.84	1,620.18	5,838.20	1,818.87	1,762.24	2,507.32	664.07	1,851.24	1,070.44	2,483.24	5,302.45	48,063.67	
INTEREST ON ARREARS	INVA	706,259.98	646,360.93	452,995.24	409,305.74	343,658.90	537,831.91	223,885.44	520,713.93	326,944.17	337,769.14	478,930.80	459,733.80	5,444,389.98	
TOTAL INTEREST ON ARREARS		1,655,127.27	3,896,868.43	1,228,109.67	2,111,615.59	1,108,982.07	1,250,670.96	746,228.97	1,704,224.41	917,775.85	1,231,285.88	1,270,486.62	1,219,747.23	18,341,122.95	
DEPOSITS	DEWE	365,159.66	381,981.42	451,824.84	217,638.65	258,271.01	205,457.02	194,681.14	476,073.83	181,498.38	234,982.87	197,003.20	162,667.73	3,327,239.75	
CREDITS NOT YET ALLOCATED	EX	7,627,503.75	11,554,653.70	11,726,210.01	9,708,655.48	9,857,353.70	10,530,848.50	8,257,630.71	11,088,364.48	10,671,327.16	10,454,340.55	8,442,468.02	11,240,058.85	121,159,414.91	
SUNDRY DEBTORS	SU	512,870.99	1,466,084.21	1,030,213.47	1,362,847.09	1,320,298.13	1,458,063.96	704,258.11	1,358,681.43	971,661.22	1,264,578.44	1,253,069.02	1,295,141.18	13,997,767.25	
DOGS	SU01	-	-	-	-	-	-	-	-	-	-	-	-	-	
HOUSE RENTALS	SU10	73,465.93	94,208.22	87,329.14	99,936.22	176,515.18	103,096.90	113,888.26	94,749.87	94,513.13	104,393.57	100,319.64	97,049.13	1,239,465.19	
HOUSE RENTALS CRU'S	SU11	99,481.13	76,357.05	172,970.34	135,231.57	146,582.91	116,081.47	76,909.66	111,066.83	62,089.60	87,478.57	72,928.67	90,208.35	1,247,386.15	
MISC 1	SU50	94,739.60	72,875.12	59,570.95	71,888.85	97,938.38	164,708.19	71,279.40	111,849.04	148,338.47	88,541.87	77,369.11	1,402,456.09	2,461,525.07	
MISC 3	SU52	-	-	-	-	-	-	-	-	-	-	-	-	-	
MISC 3	SU15	-	4,220.39	-	-	-	-	173.91	2,928.92	10,332.93	3,825.70	982.30	-	22,464.15	
INFORMAL HOUSING	SU60	4,474.71	8,391.05	5,083.64	8,219.13	5,915.08	25,846.82	8,742.83	10,533.81	6,890.42	10,163.98	5,743.76	5,200.24	105,205.47	
ARRRANGS MAGIC	SU70	1,695.42	172.83	2,433.38	2,180.77	1,292.90	1,108.19	1,685.80	676.64	170.29	1,864.11	1,277.06	1,143.65	15,701.04	
SU ARRANGMENTS B/F	SUARBF	-	-	-	-	-	-	-	-	-	-	-	-	-	
SUNDRY COMMISSION	SUCOMM	991.09	1,278.14	857.69	1,542.45	2,545.43	1,250.33	1,259.89	1,449.85	954.84	576.74	694.51	686.57	14,087.53	
COMM ON PNP	SUEASY	2,109.35	9,765.07	1,743.88	11,178.26	2,352.24	2,363.56	9,723.79	1,850.85	9,654.24	1,613.04	3,428.99	3,821.98		

BS566 Payments per Service per Day/Period - Debtor type														
Debtor Type Description	Debtor Type	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTAL
BUSINESS KVA	BK	11,547,917.82	14,327,185.00	15,546,638.79	14,461,607.72	11,902,866.97	12,799,536.24	11,018,652.52	13,435,925.43	12,062,417.87	13,474,010.18	12,437,043.31	16,052,040.71	159,065,842.56
BUSINESS RESIDENTIAL	BR	835,840.27	1,188,696.75	844,809.17	914,624.49	837,863.57	724,823.80	889,298.96	864,954.16	846,831.04	793,624.40	906,492.69	962,948.22	10,610,807.52
BUSINESS	BU	29,968,288.25	46,819,684.30	26,846,493.36	32,149,999.11	25,207,570.93	25,818,817.76	24,378,558.56	33,407,190.05	26,993,845.24	25,037,135.27	27,753,332.36	26,613,472.53	350,994,387.72
CHURCHES	CH	91,275.28	130,874.41	110,856.66	139,916.33	94,664.01	143,824.54	77,828.01	113,767.78	106,724.02	75,656.40	148,889.04	77,338.59	1,311,615.07
COUNCILLOR	CL	56,270.39	66,802.86	65,584.34	65,092.22	61,244.18	60,145.81	64,039.71	62,284.24	65,728.90	51,292.67	64,269.64	53,662.68	736,417.64
COMMERCIAL	CO	2,729,940.06	2,029,891.91	2,222,372.44	1,748,928.79	1,348,308.72	1,771,073.86	1,595,922.72	2,665,775.83	1,546,330.14	2,151,082.83	2,877,192.79	2,392,403.83	25,079,223.92
DECEASED ESTATE	DE	-	-	-	792.17	-	-	-	434.78	695.64	934.79	-	721.74	3,579.12
GOVERNMENT - OTHER	GO	-	-	-	747.29	549.89	535.39	527.86	-	-	-	-	-	2,360.43
SCHOOLS	GS	1,197,867.47	2,510,094.10	2,088,529.90	2,605,982.52	2,422,792.15	2,136,737.87	2,005,450.17	2,304,059.54	2,381,247.54	1,415,249.31	2,923,193.96	1,797,970.27	25,789,174.80
INDIGENTS CANCELLED	IC	633,036.38	694,958.83	703,191.21	1,049,527.72	1,062,810.80	938,189.10	641,735.71	952,951.12	906,516.81	700,118.68	855,565.28	842,148.08	9,980,749.72
INDIGENTS	ID	1,054,344.19	1,232,590.33	1,170,301.88	1,568,054.33	1,687,299.37	1,576,919.26	1,225,181.80	1,551,730.91	1,562,291.40	1,344,248.78	1,357,590.80	1,525,835.73	16,856,388.78
INDIGENTS INFORMAL SETTLEMENT	IF	59,443.39	99,438.29	63,222.06	141,768.39	80,338.35	233,398.50	57,422.10	148,248.65	120,475.39	116,255.11	108,776.19	123,352.09	1,352,138.51
INDIGENT - LATE ESTATE	IL	397.93	949.84	1,636.11	514.63	-	1,241.13	514.63	-	522.70	-	1,091.13	514.63	7,382.73
INDIGENT PENDING	IP	204,417.84	277,024.23	272,465.26	423,645.19	490,741.99	432,553.01	386,138.43	436,550.02	476,330.18	348,067.63	381,502.69	356,451.25	4,485,887.72
INDUSTRIAL	IN	993,734.63	771,133.73	1,014,654.37	1,735,505.25	850,475.70	816,430.94	831,042.00	779,339.11	964,609.20	838,921.89	871,183.58	1,036,937.69	11,503,968.09
MUNICIPAL	MU	685,302.78	288,808.18	272,173.18	689,600.78	706,567.78	952,266.16	390,253.66	1,230,728.45	573,727.70	438,467.67	594,658.50	791,882.47	7,614,437.31
NAT: POLICE	N3	15,038.78	7,595.82	17,291.00	16,471.65	7,891.88	11,618.12	11,674.51	7,572.65	12,184.64	7,572.65	15,987.30	7,572.65	138,471.65
NAT: DEFENCE AND MILITARY VETERA	ND	1,234.35	-	3,957.78	1,319.26	1,319.26	1,319.26	1,319.26	1,319.26	1,160,888.39	4,746,256.99	3,723,963.15	3,312,624.42	11,910,721.38
NAT: CORRECTIONAL SERVICES	NN	361,328.89	552,271.73	575,333.24	-	859,898.98	383,053.80	-	362,710.89	410,928.89	-	362,928.26	366,620.06	4,235,074.74
NAT: PUBLIC WORKS	NP	7,455,421.23	11,602,897.77	13,187,350.50	5,483,030.35	13,541,933.87	9,870,539.44	7,582,385.40	6,909,824.33	6,811,198.29	5,964,826.82	7,400,889.86	7,640,106.92	103,450,404.78
NON-STAFF ACCOUNTS PAID BY STAFF	NS	323,835.66	363,831.38	379,090.26	488,910.83	379,582.58	363,257.20	368,554.85	329,164.71	360,916.30	296,466.28	354,255.51	303,259.15	4,311,124.71
OPEN SPACE	OP	8,441.61	13,611.51	12,379.18	12,372.62	28,098.28	7,986.37	11,451.36	10,171.59	9,982.86	7,313.19	6,889.88	10,604.69	141,103.14
OTHER	OT	301,386.25	348,571.12	259,916.13	339,425.63	201,522.44	428,340.23	483,559.26	233,355.85	1,101,033.76	260,614.43	386,173.08	1,081,916.60	5,425,814.78
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,393.39	5,632.91	5,608.96	5,608.96	5,608.96	5,608.96	5,608.96	5,608.96	9,121.85	2,096.07	5,608.96	2,096.07	63,603.01
PROV: SOCIAL DEVELOPMENT	P1	27,059.98	935,367.98	1,862.97	16,856.78	15,054.97	778,145.20	279,910.36	296,867.31	431,549.63	197,045.89	104,956.22	431,826.74	3,516,504.03
PROV: HOUSING AND LOCAL GOVERNME	P2	443.02	86,726.36	216,372.43	150,780.84	239,207.68	35,843.42	617.31	179,097.45	617.30	605.62	197,083.30	89,819.78	1,197,214.51
PROV: OFFICE OF THE PREMIER	P3	5,276.35	517,708.11	164,295.23	173,336.09	113,903.28	111,421.10	105,948.72	122,856.78	132,274.37	183,448.25	124,502.51	109,403.86	1,864,374.29
PROV: OTHER DEPARTMENTS	P4	76,653.78	590,854.62	168,816.57	168,905.12	114,858.77	23,677.65	185,977.46	143,980.84	2,661.99	225,794.07	109,588.19	222,011.67	2,033,780.73
PROV: AGRICULTURE	PA	27,510.91	265,913.95	-	30,609.82	151,878.78	-	58,076.94	65,247.26	65,192.85	-	189,653.08	67,726.83	921,810.42
PROV: EDUCATION	PE	2,211,381.44	1,664,978.34	2,723,448.95	4,694,497.57	24,505,666.72	1,148,821.92	2,860,702.22	2,438,994.63	2,832,417.44	2,747,335.36	3,110,708.47	2,845,411.53	53,784,364.59
PROV: HEALTH	PH	1,536,941.61	3,760,019.48	10,263,121.69	6,230,753.95	250,312.78	388,112.12	1,520,356.29	2,950,523.19	1,641,181.80	3,475,866.45	3,140,505.03	562.51	35,158,256.90
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,503,563.87	27,462,755.50	2,431,526.60	2,955,952.69	2,177,560.76	1,492,645.12	1,400,445.64	1,100,824.38	47,649,722.99	301,291.93	674,785.99	276,895.57	89,427,971.04
PROV: SPORT, ARTS & CULTURE	PS	671,444.11	261,735.11	176,788.68	289,399.16	34,061.62	310,733.30	141,973.39	338,710.02	77,598.92	249,378.69	152,264.60	247,911.49	2,951,999.09
RESIDENTIAL	RE	27,147,522.41	33,352,093.54	28,899,699.89	34,219,143.42	31,802,668.19	30,025,005.75	28,957,371.64	32,152,030.35	31,324,754.49	27,531,183.43	33,115,790.08	31,872,362.30	370,399,625.49
SUNDRY DEBTOR	SD	2,076.14	282.08	7,932.78	57,393.21	359.47	2,432.90	733.09	284.00	719.06	3,970.51	188.56	23,235.07	99,606.87
STALE REFUNDS	SR	-	-	300.00	-	-	-	-	-	-	-	-	-	300.00
STAFF	ST	627,487.30	641,627.83	760,157.42	616,392.10	805,157.38	708,122.69	636,108.85	649,030.19	640,372.56	673,916.44	700,142.22	636,383.93	8,094,898.91
UNKNOWN	UN	245.23	356,558.99	381,414.28	368,738.87	313,913.94	2,084,337.80	6,449.14	200,241.20	312,301.85	301,174.72	260,851.49	244,140.05	4,830,367.56
EXCEPTIONAL CIRCUMSTANCES	IE	10,332.98	10,976.28	9,725.14	17,685.64	10,810.69	12,608.29	14,737.36	13,792.42	11,753.71	10,346.62	9,728.19	14,695.63	147,192.95
VAT	VAT	8,089,456.63	10,488,292.57	10,479,872.63	9,921,109.36	12,096,375.59	8,036,363.35	7,420,042.02	8,739,634.87	7,767,153.57	8,226,785.24	8,966,336.49	8,742,458.85	108,973,881.17
TOTAL RECEIPTS		100,467,552.60	163,728,435.74	122,348,891.04	123,953,761.39	134,412,730.95	104,636,501.86	95,616,578.40	115,206,311.06	150,330,021.28	102,198,355.26	114,396,362.02	111,177,326.88	1,438,472,828.38
TOTAL RECEIPTS LESS VAT		92,378,095.97	153,240,143.17	111,869,018.41	114,032,652.03	122,316,355.26	96,600,138.51	88,196,536.38	106,466,676.19	142,562,867.71	93,971,570.02	105,430,025.53	102,434,868.03	1,329,498,947.21

Table 12.2: BS566 report on receipts per debtor type

Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2022 to Jun 2023



	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Billing Receipts excl VAT (R'000)	107,365	92,378	153,240	111,869	114,033	122,316	96,600	88,197	106,467	142,563	93,972	105,430	102,435
Prepaid Electricity Sales excl VAT (R'000)	25,935	25,830	25,632	22,250	22,883	22,350	23,118	21,914	20,360	22,186	20,681	22,558	25,686
Total Billing Receipts incl Prepaid Electricity (R'000)	133,300	118,208	178,873	134,119	136,916	144,667	119,718	110,110	126,827	164,749	114,652	127,988	128,121
Billing Receipts (R'000 increase (decrease))		(14,987)	60,862	(41,371)	2,164	8,284	(25,716)	(8,404)	18,270	36,096	(48,591)	11,458	(2,995)
Prepaid Electricity Sales (R'000 increase (decrease))		(105)	(197)	(3,383)	633	(533)	768	(1,205)	(1,553)	1,826	(1,506)	1,877	3,128
Total Billing Receipts incl Prepaid Electricity (R'000 increase (decrease))		(15,092)	60,665	(44,754)	2,797	7,751	(24,948)	(9,608)	16,717	37,922	(50,097)	13,336	133
Total Billing Receipts incl Prepaid Electricity (% increase (decrease))		-11%	51%	-25%	2%	6%	-17%	-8%	15%	30%	-30%	12%	0.1%

Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 12.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R128,121 million which resulted in an increase of R133 thousand or 0.1% in respect of the month-to-month comparison. The current situation does not bode well for the municipality’s cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R1,382 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated and assistance from the bank is also requested when the municipality is unable to trace receipts so that it can be allocated timeously and accurately.

Chart 12.2: Monthly billing receipts per revenue source from Jun 2022 - Jun 2023

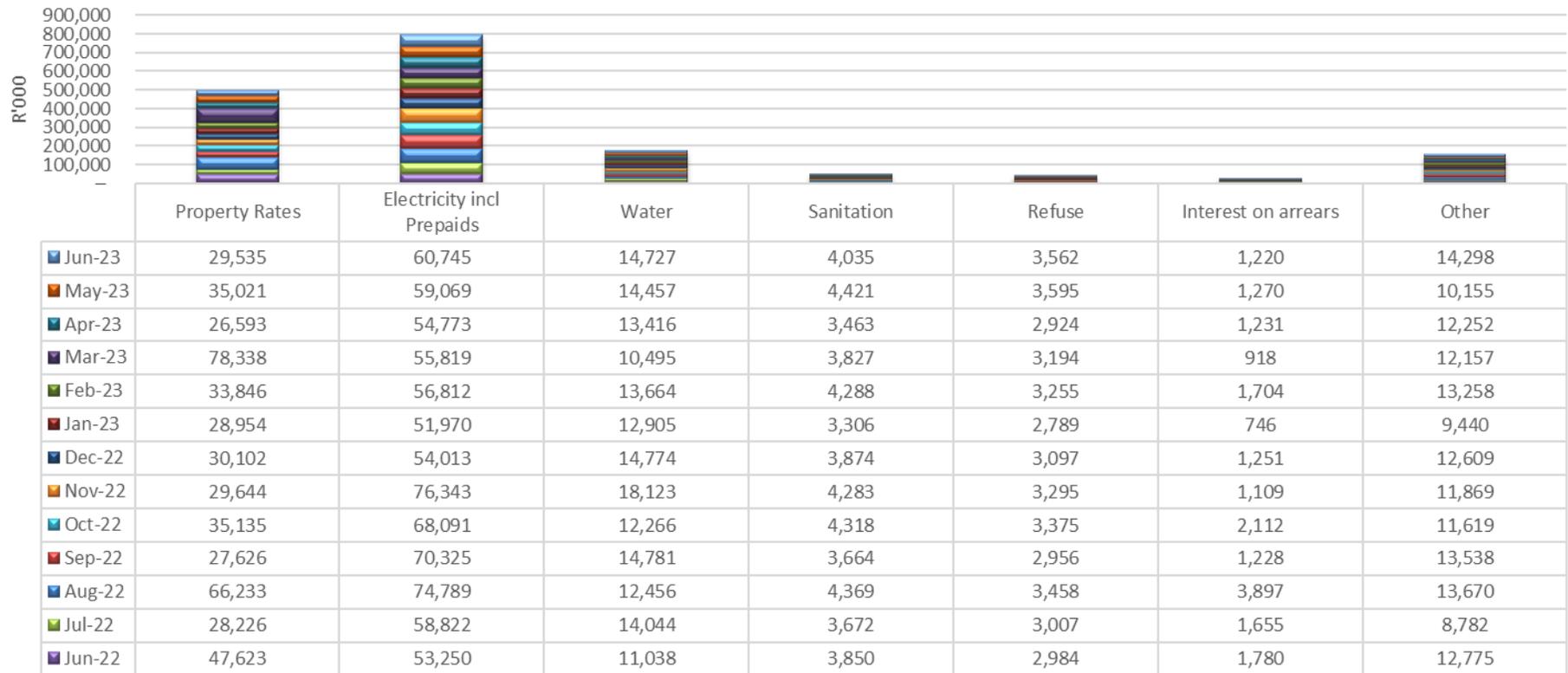


Chart 12.2: Monthly billing receipts per revenue source

Indicated in Chart 12.2 above, is the month-to-month receipts per Revenue source. Receipts are relatively constant based on the month-to-month comparison. The upward trend for August 2022 was significant and indicative of the fact that the municipality can collect its outstanding debt, provided that the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied. Unfortunately, there has been a sharp decline in cash collected compared to August 2022 with the biggest impact being the collection on Property rates. The only revenue streams that are showing a minor improvement in relation to the monthly comparison, is Electricity sales, Water and Other, whilst all other sources are showing a slight decline.

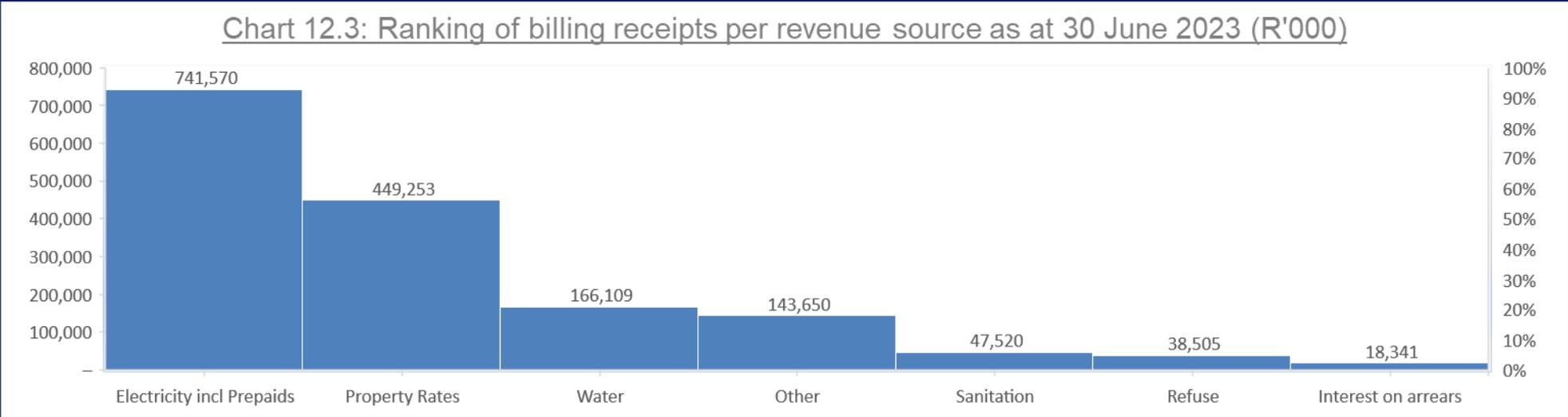


Chart 12.3: Ranking of billing receipts per revenue source

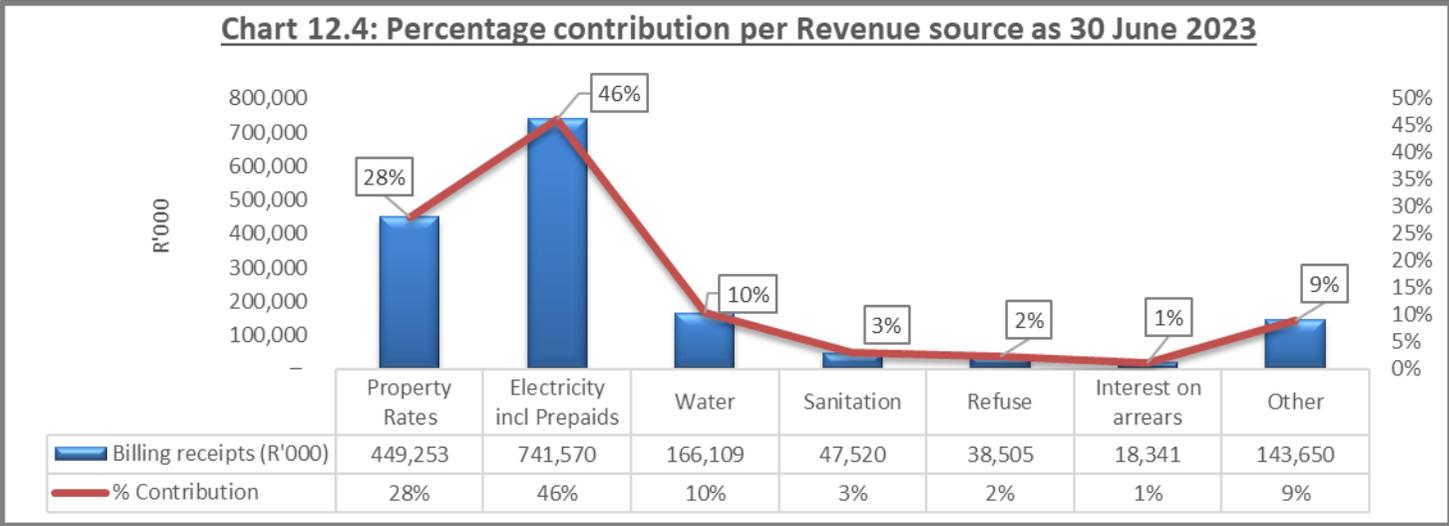


Chart 12.4: Percentage contribution of billing receipts per revenue source

Indicated in Chart 12.3 and 12.4 above, is the ranking and percentage contribution of receipts per revenue source as 30 June 2023. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R741,570 million (46%) being received. This illustrates the sensitivity and vulnerability in respect of Electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality’s financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19

financial year. The second highest contributor is Property Rates at R449,23 million (28%), however more measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 10% and Other 9% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 54% from these revenue sources. The lowest contributor in respect of actual receipts, is Interest on arrears at R18,341 million (1%). This demonstrates the fact that the municipality is facing challenges in collecting long outstanding debt. It should be noted that in terms of the approved Customer Care, Credit Control and Debt Collection Policy, it outlines that “the municipality shall implement an incentive for settlement of arrears accounts as illustrated below:

- a) 100 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account may be written off if such account is settled in full prior to the next billing run of such account.
- b) 85 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account may be written off if such account is settled in full over a period of two consecutive months.
- c) 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account will be written off if such account is settled in full over a period of three consecutive months.”

The above incentives then negatively influence the collectability of this revenue source, but positively influences the collection of other services.

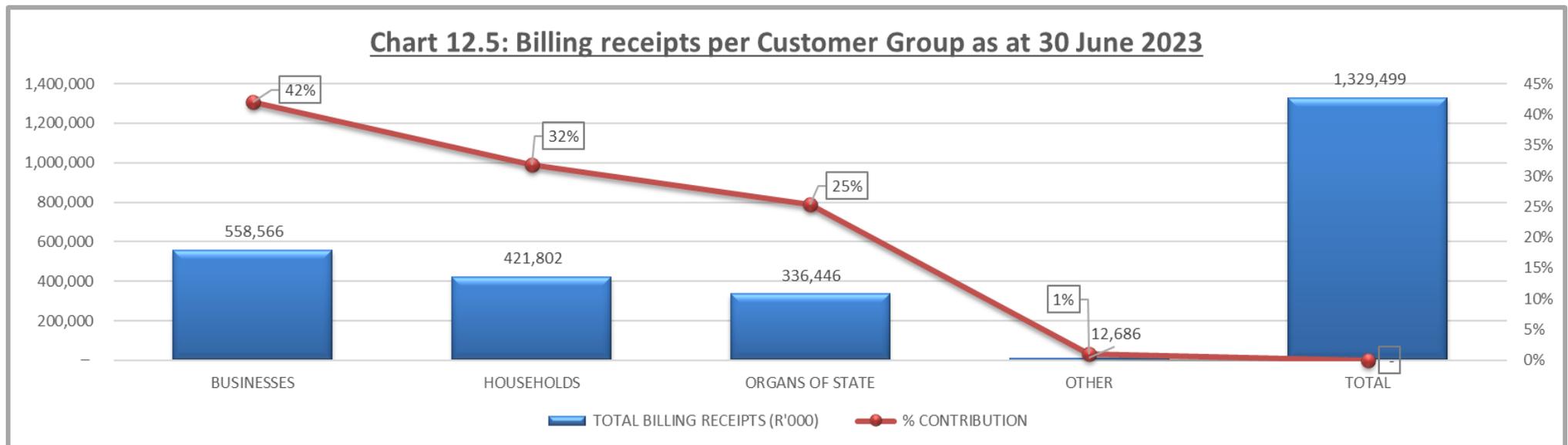


Chart 12.5: Billing receipts per Customer Group

MONTHLY BILLING RECEIPTS PER DEBTOR GROUP (R'000)	Sum of Jul-22	Sum of Aug-22	Sum of Sep-22	Sum of Oct-22	Sum of Nov-22	Sum of Dec-22	Sum of Jan-23	Sum of Feb-23	Sum of Mar-23	Sum of Apr-23	Sum of May-23	Sum of Jun-23	Sum of TOTAL
BUSINESSES	46,167	65,267	46,586	51,151	40,242	42,075	38,791	51,267	42,521	42,370	44,994	47,135	558,566
HOUSEHOLDS	30,418	37,089	32,585	38,930	36,583	34,780	32,835	36,530	36,571	31,333	37,335	36,811	421,802
ORGANS OF STATE	15,097	50,225	32,024	22,824	44,443	16,699	16,161	17,229	62,574	19,517	22,237	17,419	336,446
OTHER	696	659	674	1,128	1,049	3,047	409	1,441	897	751	864	1,070	12,686
Grand Total	92,378	153,240	111,869	114,033	122,316	96,600	88,197	106,467	142,563	93,972	105,430	102,435	1,329,499

Table 12.3: Monthly Billing Receipts Per Debtor Group

Indicated in Chart 12.5 above, is the billing receipts and percentage contribution per major Customer group as at 30 June 2023. The municipality received R558,566 million (42%) from Businesses, Households R421,802 million (32%), Organs of State R336,446 million (25%) and Other R12,686 million (1%). Indicated in Table 12.3 above, are the monthly billing receipts per Debtor Group.

6. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2022/23								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	114,264	65,831	45,106	-	56,821	59,491	48,088	523,811	913,412	656,368
Bulk Water	0200	82	-	-	-	-	-	-	126,431	126,514	166,803
PAYE deductions	0300	9,445	-	-	-	-	-	-	-	9,445	8,999
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	7,937	-	-	-	-	-	-	-	7,937	7,343
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	236	-	-	-	-	-	-	-	236	-
Auditor General	0800	12	-	-	-	-	-	-	-	12	85
Other	0900	17,033	-	-	2,729	-	-	-	-	19,763	23,641
Total By Customer Type	1000	149,010	65,831	45,106	2,729	56,821	59,491	48,088	650,242	1,077,319	863,239

Table 14: Supporting Table SC4: Aged Creditors

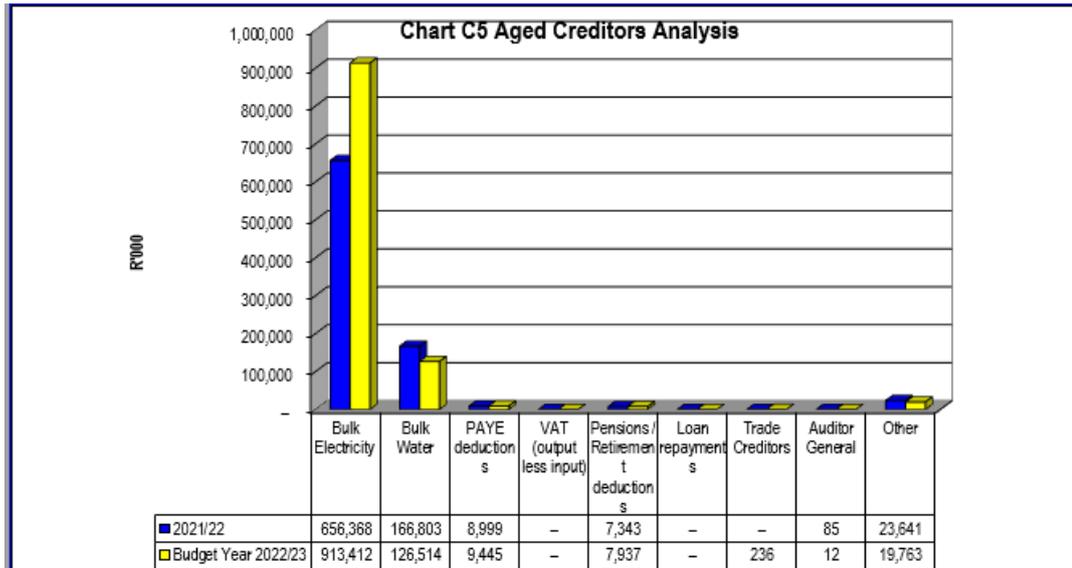


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2021/22 is based on the outstanding creditors as at 30 June 2022 (prior year totals for the same period).

Bulk Electricity – As at the 30 June 2023, the outstanding debt owed to Eskom amounted to R913,412 million. The current agreement with Eskom is that the municipality must settle its monthly current account. No formal payment agreement with Eskom for the 2022/23 financial year is currently in place.

Bulk Water – As at the 30 June 2023, the outstanding debt owed to DWS is R126,514 million. A payment agreement with DWS for the 2022/23 financial year has been concluded and the municipality is participating in the Incentive scheme that the Department is providing to municipalities.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before seventh of the new month.

VAT – after the monthly VAT reconciliation, we paid an amount of R4,940 million to 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).

Auditor General – the current account due to the AGSA amounts to R12 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 30 June 2023 of which the biggest contributor is other third party salary payments amounting to R16,339 million which was paid by 7 July 2023.

7. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 30 June 2023, the value of total investments made was R51,215 million including interest. Part of investments made during the month where interest accrued which reflected an increase in investments. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the datastrings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Partial withdrawals of R1,977 million was redeemed to disclose interest on investment for the year ending 30 June 2023.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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 *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			5,830	38	(368)	-	5,500
Absa Bank 9286041059		6 months	Call a/c	No	Variable	0	0			-	-	-	-	-
Investec 1400093272500		6 months	Call a/c	No	Variable	5.35	0			637	4	(41)	-	600
Standard Bank 04846627-014		6 months	Call a/c	No	Variable	5.5	0			5,338	36	(374)	-	5,000
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			5,784	33	(316)	-	5,501
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	5.25	0		2019/06/06	5,288	34	(321)	-	5,001
Standard Bank 048466271-085		12 months	Notice	No	Fixed	585.00%	0		2022/11/10	-	-	-	-	-
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	740.00%	0		2023/06/28	7,917	41	(557)	-	7,401
Standard Bank 048466271-086		12 months	Notice	No	Fixed	902.50%	0		2023/11/10	22,046	166	-	-	22,212
Municipality sub-total										52,841		(1,977)	-	51,215

Table 15: Supporting Table SC5: Investment portfolio

8. Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		223,255	250,317	250,317	9,424	241,984	250,317	(8,333)	-3.3%	250,317
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		212,328	239,158	239,158	-	232,560	239,158	(6,598)	-2.8%	239,158
Expanded Public Works Programme Integrated Grant		3,362	3,959	3,959	3,959	3,959	3,959	-	0.0%	3,959
Infrastructure Skills Development Grant		4,901	5,500	5,500	3,765	3,765	5,500	(1,735)	-31.5%	5,500
Local Government Financial Management Grant		1,650	1,700	1,700	1,700	1,700	1,700	-	0.0%	1,700
Municipal Disaster Relief Grant	3	1,015	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		12,731	7,800	15,714	-	5,843	15,714	(9,871)	-62.8%	15,714
Capacity Building and Other Grants		8,561	7,800	9,414	-	-	9,414	(9,414)	-100.0%	9,414
Infrastructure Grant		4,170	-	6,300	-	5,843	6,300	(457)	-7.3%	6,300
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	235,986	258,117	266,031	9,424	247,827	266,031	(18,204)	-6.8%	266,031
Capital Transfers and Grants										
National Government:		105,767	134,338	114,338	17,110	69,064	114,338	(45,274)	-39.6%	114,338
Energy Efficiency and Demand Side Management Grant		-	4,000	4,000	1,404	3,974	4,000	(26)	-0.6%	4,000
Integrated National Electrification Programme Grant		35,458	40,000	20,000	8,821	18,717	20,000	(1,283)	-6.4%	20,000
Integrated Urban Development Grant		54,266	70,390	70,390	3,692	40,123	70,390	(30,267)	-43.0%	70,390
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		16,043	19,948	19,948	3,192	6,249	19,948	(13,699)	-68.7%	19,948
Provincial Government:		76,850	-	-	-	-	-	-	-	-
Infrastructure Grant		76,850	-	-	-	-	-	-	-	-
District Municipality:		3,500	-	-	-	-	-	-	-	-
Specify (Add grant description)		3,500	-	-	-	-	-	-	-	-
Other grant providers:		14,400	-	18,850	-	-	18,850	(18,850)	-100.0%	18,850
[insert description]		-	-	-	-	-	-	-	-	-
European Union		14,400	-	18,850	-	-	18,850	(18,850)	-100.0%	18,850
Total Capital Transfers and Grants	5	200,517	134,338	133,188	17,110	69,064	133,188	(64,124)	-48.1%	133,188
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	436,504	392,455	399,219	26,534	316,891	399,219	(82,328)	-20.6%	399,219

Table 16: Supporting Table SC6: Transfers and grant receipts

No operational grant monies were received for the month under review.

No capital grant monies were received for the month under review.

There are some mapping errors pertaining to operational and capital grants. This was brought under attention of our financial system vendor and the matter is being investigated to find a solution. Capital grants specifically is allocated to the Statement of Financial Position as receipts and is not mapped to the C-schedule. However, on a monthly basis journals are processed to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		109,818	116,565	133,832	15,624	129,332	133,832	(4,500)	-3.4%	133,832
Equitable Share		99,625	105,406	122,043	14,716	119,493	122,043	(2,550)	-2.1%	122,043
Expanded Public Works Programme Integrated Grant		3,362	3,959	4,589	118	4,374	4,589	(215)	-4.7%	4,589
Infrastructure Skills Development Grant		4,920	5,500	5,500	148	3,765	5,500	(1,735)	-31.5%	5,500
Local Government Financial Management Grant		1,650	1,700	1,700	643	1,700	1,700	(0)	0.0%	1,700
Municipal Disaster Relief Grant		261	-	-	-	-	-	-	-	-
Provincial Government:		8,275	7,800	11,326	572	8,874	11,326	(2,452)	-21.6%	11,326
Capacity Building and Other Grants		6,795	7,800	8,526	290	6,203	8,526	(2,323)	-27.2%	8,526
Infrastructure Grant		1,480	-	2,800	282	2,671	2,800	(129)	-4.6%	2,800
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		118,093	124,365	145,158	16,196	138,206	145,158	(6,951)	-4.8%	145,158
Capital expenditure of Transfers and Grants										
National Government:		95,428	134,338	113,738	17,754	70,675	113,738	(43,063)	-37.9%	113,738
Energy Efficiency and Demand Side Management Grant		-	4,000	4,000	1,404	4,000	4,000	(0)	0.0%	4,000
Integrated National Electrification Programme Grant		30,833	40,000	24,400	8,961	19,200	24,400	(5,200)	-21.3%	24,400
Integrated Urban Development Grant		48,552	70,390	70,390	4,197	41,024	70,390	(29,366)	-41.7%	70,390
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		16,043	19,948	14,948	3,192	6,451	14,948	(8,497)	-56.8%	14,948
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		3,500	-	-	-	-	-	-	-	-
Specify (Add grant description)		3,500	-	-	-	-	-	-	-	-
Other grant providers:		13,891	-	18,850	-	-	18,850	(18,850)	-100.0%	18,850
European Union		13,891	-	18,850	-	-	18,850	(18,850)	-100.0%	18,850
Total capital expenditure of Transfers and Grants		112,818	134,338	132,588	17,754	70,675	132,588	(61,913)	-46.7%	132,588
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		230,912	258,703	277,746	33,950	208,882	277,746	(68,864)	-24.8%	277,746

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 R24,247 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 R3,959 million. In addition to this, the municipality budgeted R10,000 million for this programme.

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	24,400,000	8,960,644	19,200,241	4,920,141	48.0%	78.7%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	70,390,000	4,197,030	41,023,825	6,220,267	58.3%	58.3%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	14,948,000	3,192,476	6,451,432	7,040,683	32.3%	43.2%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	4,000,000	1,403,841	3,999,987	-	100.0%	100.0%
EUROPEAN UNION	-	18,850,000	-	-	-	-	0.0%
Grand Total	134,338,000	132,588,000	17,753,991	70,675,486	18,181,091	52.6%	53.3%

Table 18: Summary of expenditure per grant

As indicated in Table 18 above, the YTD grant expenditure amounts to R70,675 million or 53.3% spent against the Adjusted capital grant allocation of R132,588 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low, as we are already in month twelve of the current year. 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. Capex also excludes Commitments. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant

expenditure.

Rollover Grants: Expenditure

The municipality submitted the rollover request on 31 August 2022. Indicated below is an extract of the feedback received from NT.

“Your request to roll over the unspent amount of R1.6 million into the 2022/23 financial year by your municipality is not approved in terms of 21(2) of the 2021 Division of Revenue Amendment Act, (Act No. 17 of 2021) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (R599 thousand) (ISDG) and the Integrated National Electrification Programme (R1 million) (INEP).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 115 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

The decision to reject your roll over request is based on the following reasons:

- • In terms of the ISDG, no supporting documents submitted, i.e., a list of graduates benefiting from the program;
- • The Department of Mineral Resources and Energy is not in support of the INEP rollover request because, the municipality advances INEP funds without obtaining prior approval from the department; and
- • No reasons were provided as to why INEP was not fully spent during the year of Adjusted allocation.

Your municipality is reminded that the Municipal Council does not have the legal authority to decide on the use of Conditional Grant transfers from National Government outside of the legal framework set out in the annual Division of Revenue Act and its various gazettes. This process only covers the 2021 DoRA allocated amounts.”

[Table 19: Supporting Table SC7\(2\) - Expenditure against approved rollovers](#)

Table 19 is not populated because the rollover was declined.

9. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		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		496	-	860	82	882	860	22	3%	860
Medical Aid Contributions		267	-	390	42	425	390	35	9%	390
Motor Vehicle Allowance								-		
Cellphone Allowance		2,845	3,243	3,283	263	3,040	3,283	(242)	-7%	3,283
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		27,129	31,305	30,015	2,362	27,848	30,015	(2,167)	-7%	30,015
Sub Total - Councillors		30,737	34,547	34,547	2,750	32,196	34,547	(2,352)	-7%	34,547
% increase	4		12.4%	12.4%						12.4%
Senior Managers of the Municipality										
Basic Salaries and Wages		8,265	8,853	8,846	388	6,171	8,846	(2,674)	-30%	8,846
Pension and UIF Contributions		1,086	1,286	1,276	30	856	1,276	(420)	-33%	1,276
Medical Aid Contributions		222	253	263	13	233	263	(30)	-12%	263
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance		1,849	1,939	1,939	81	1,479	1,939	(460)	-24%	1,939
Cellphone Allowance		157	202	202	8	132	202	(70)	-35%	202
Housing Allowances		26	42	49	2	28	49	(21)	-42%	49
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards		67	65	65	1	44	65	(21)	-32%	65
Post-retirement benefit obligations								-		
Sub Total - Senior Managers of Municipality		11,671	12,640	12,640	524	8,943	12,640	(3,697)	-29%	12,640
% increase	4		8.3%	8.3%						8.3%
Other Municipal Staff										
Basic Salaries and Wages		417,872	464,246	455,111	36,613	434,572	455,111	(20,539)	-5%	455,111
Pension and UIF Contributions		74,736	89,325	88,587	6,674	79,164	88,587	(9,423)	-11%	88,587
Medical Aid Contributions		49,309	58,279	59,294	4,764	61,056	59,294	1,762	3%	59,294
Overtime		52,688	39,796	42,352	5,647	67,363	42,352	25,011	59%	42,352
Performance Bonus		28,946	36,221	36,899	778	29,672	36,899	(7,227)	-20%	36,899
Motor Vehicle Allowance		42,071	51,296	50,501	3,731	42,144	50,501	(8,357)	-17%	50,501
Cellphone Allowance		1,401	1,415	1,646	131	1,456	1,646	(190)	-12%	1,646
Housing Allowances		2,636	2,895	2,960	226	2,737	2,960	(223)	-8%	2,960
Other benefits and allowances		19,998	16,202	21,301	1,882	20,191	21,301	(1,110)	-5%	21,301
Payments in lieu of leave		10,507	15,000	15,000	168	8,954	15,000	(6,046)	-40%	15,000
Long service awards		24,418	23,189	24,779	3,131	27,890	24,779	3,111	13%	24,779
Post-retirement benefit obligations		36,522	38,900	38,900	574	574	38,900	(38,326)	-99%	38,900
Sub Total - Other Municipal Staff		761,106	836,763	837,330	64,319	775,775	837,330	(61,555)	-7%	837,330
% increase	4		9.9%	10.0%						10.0%
Total Parent Municipality		803,514	883,950	884,517	67,593	816,914	884,517	(67,603)	-8%	884,517
TOTAL SALARY, ALLOWANCES & BENEFITS		803,514	883,950	884,517	67,593	816,914	884,517	(67,603)	-8%	884,517
% increase	4		10.0%	10.1%						10.1%
TOTAL MANAGERS AND STAFF		772,777	849,403	849,970	64,843	784,718	849,970	(65,252)	-8%	849,970

Table 20: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 20 above, Employee related costs is satisfactory and showing a variance of minus 8%. This is attributable to Post-retirement benefit obligations that will be finalized as part of the year-end procedures. 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 showing a negative variance of minus 7% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils will be issued later in the current financial year.

Management needs to do more to address the issues on Overtime which is higher than the ideal IYM percentage of 100%, at 174.2% spent, already resulting in an over-expenditure of 74.2%. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime.

The Overtime controls is no longer as effective and the desired outcome to remain within budget, was not achieved for 2021/22 financial year. The same trend transpired for the current year with the budget already being overspent. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. 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 were limited to 30 hours per month within most departments, but this control has been relaxed, negatively contributing to the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of June 2023.

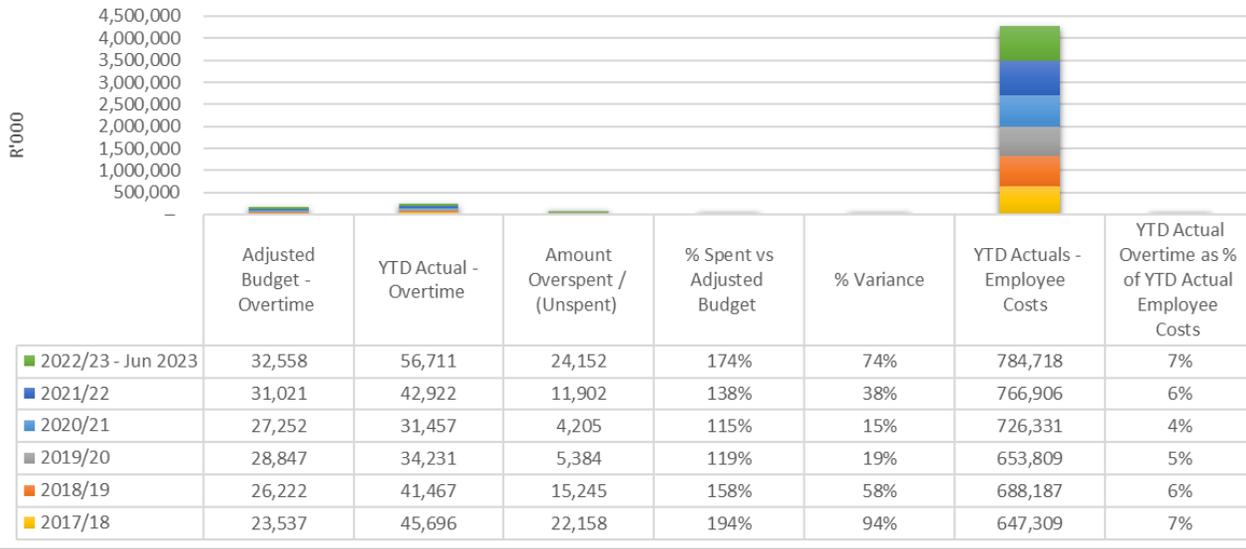
Description per line item (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Adjusted Budget	Adjusted Variance IYM % 100%
MS: OVERTIME - NON STRUCTURED	29,209,309	4,631,744	53,590,235	183.5%	83.5%
MS: OVERTIME - STRUCTURED	3,349,182	138,516	3,120,533	93.2%	-6.8%
Overtime as at 30 June 2023	32,558,491	4,770,260	56,710,768	174.2%	74.2%

Directorate (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	Adjusted Variance IYM % 100%
20-EXECUTIVE AND COUNCIL	261,000	54,394	687,681	263.5%	163.5%
21-MUNICIPAL AND GENERAL	-	-	-	-	-100.0%
22-MUNICIPAL MANAGER	14,000	3,637	35,265	252%	151.9%
23-CORPORATE SERVICES	1,650,000	186,707	2,315,607	140.3%	40.3%
24-COMMUNITY SERVICES	13,163,941	1,564,306	18,628,940	141.5%	41.5%
26-FINANCIAL SERVICES	986,400	162,943	2,208,448	223.9%	123.9%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	956,750	107,004	1,308,119	136.7%	36.7%
28-INFRASTRUCTURE SERVICES	15,526,400	2,691,268	31,526,708	203.1%	103.1%
Overtime as at 30 June 2023	32,558,491	4,770,260	56,710,768	174.2%	74.2%

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

Overtime was capped at 30 hours across most units within the municipality but this has since been relaxed. The YTD Overtime expenditure is R56,711 million and 174.2% spent, resulting in a negative variance of 74.2% and an over-expenditure of R24,152 million, when compared to the ideal percentage of 100% for the period under review.

Chart 14.1: Overtime Actual vs Budget - 2017/18 to 2022/23



Indicated in Chart 14.1, is the actual Overtime versus Budget from 2017/18 to 2022/23 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from July 2018 to June 2023. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, controls to curb Overtime is no longer as effective and the YTD actual for 2022/23 financial year is already overspent. Serious remedial action will have to be implemented to reduce Overtime expenditure.

Chart 14.1: Overtime Actual vs Budget

Chart 14.2: Monthly and Annual Overtime Comparison - Jul 2018 to Jun 2023

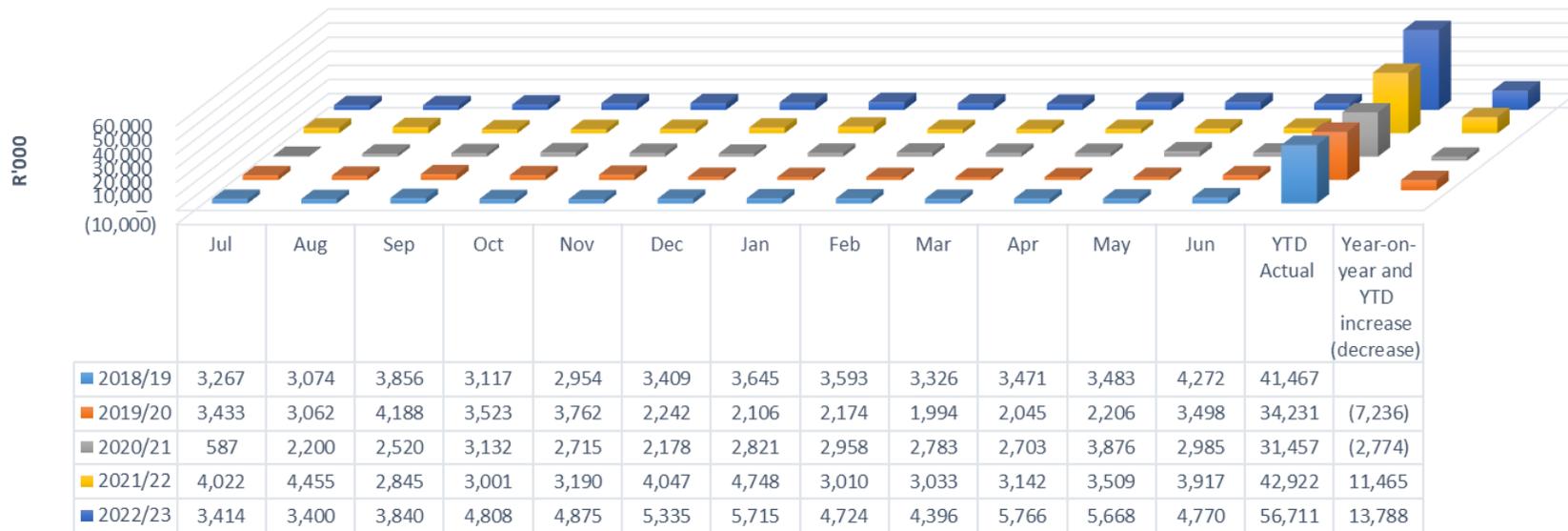


Chart 14.2: Monthly and Annual Overtime Comparison

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

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

Material variances pertaining to financial performance 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 June 2023.

11. Capital programme performance

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

Chart C1 2022/23 Capital Expenditure Monthly Trend: actual v target

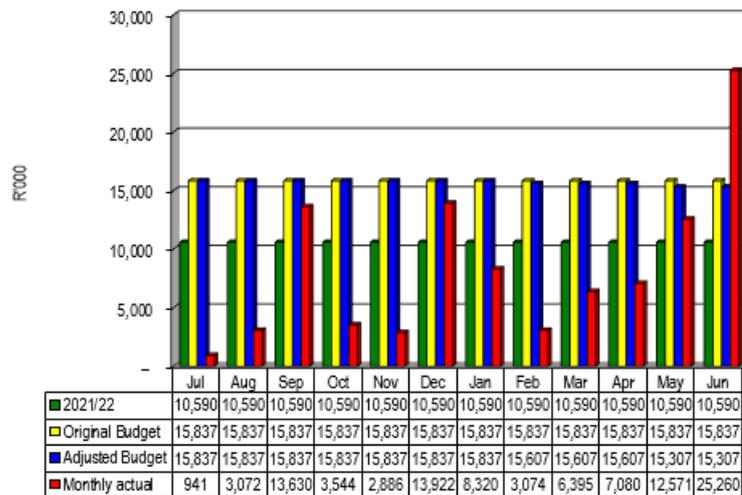


Chart 15: Capital Expenditure Monthly Trend: actual v target

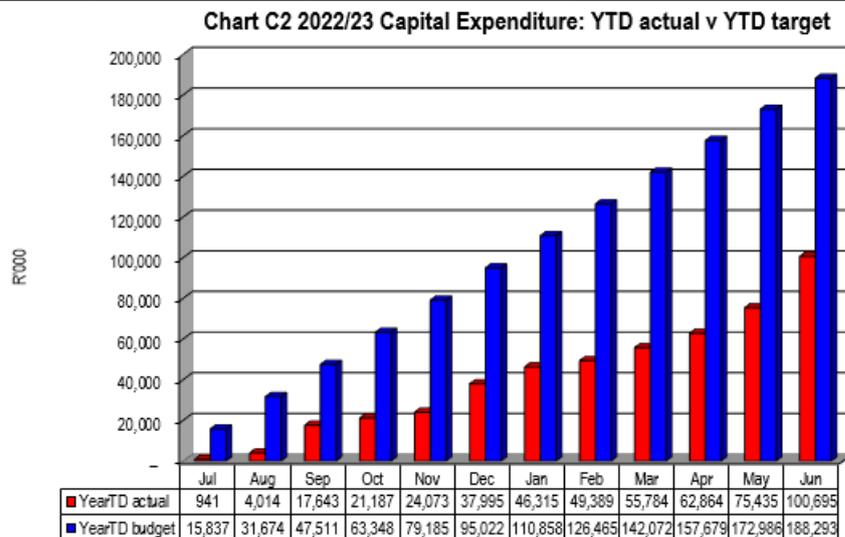


Chart 16: Capital Expenditure: YTD actual vs YTD target

Indicated in Table 22 below, is a list of projects with the applicable funding source. The total capex is normally slow during the start of the financial year. However, capital expenditure is extremely poor compared to prior years for the same period. Urgent intervention from management is required to remedy the situation. The actual monthly expenditure for June 2023 amounted to R25,260 million. The total YTD Capex amounts to R100,695 million. Please note that Commitments amounting to R18,698 million is excluded from the YTD movement. Capital expenditure is also exclusive of VAT.

Description	Original Budget	Adj Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	% Adj Budget	Funding source
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000,000	2,000,000	-	-	783,300	1,216,700	39.2%	39.2%	INTERNALLY GENERATED FUNDS
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	494,325	-	2,512,200	487,800	83.7%	83.7%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	35,405,000	11,705,000	-0	-	7,363,802	4,341,198	20.8%	62.9%	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	11,300,000	11,300,000	4,443,656	-	5,888,714	5,411,286	52.1%	52.1%	INTERNALLY GENERATED FUNDS
EUROPEAN UNION BEAR PROJECT	-	18,850,000	-	-	-	18,850,000		0.0%	EUROPEAN UNION
CRAVEN STREET TRADE CENTRE	8,300,000	8,300,000	-	-	2,895,192	5,404,808		34.9%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
P-CIER RDS ROAD STRUCTURE/R31	-	7,700,000	1,193,838	-	7,227,471	472,529		93.9%	INTERNALLY GENERATED FUNDS
P-CIER RDS ROADS	15,000,000	15,000,000	-	-	14,943,043	56,957	99.6%	99.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	12,000,000	12,000,000	3,654,936	-	12,931,115	-931,115	107.8%	107.8%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
P-CIER SWA ATTENUATION/THLAGENG	-	3,000,000	-	-	-	3,000,000		0.0%	INTERNALLY GENERATED FUNDS
RECONSTRUCTION OLD SINK TOILETS PHASE 1	1,000,000	1,000,000	-	-	-	1,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	21,090,000	21,090,000	-	6,220,267	7,694,506	13,395,494	36.5%	36.5%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	19,948,000	14,948,000	3,192,476	7,040,683	6,451,432	8,496,568	32.3%	43.2%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000,000	2,000,000	2,293	-	34,015	1,965,985	1.7%	1.7%	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	1,000,000	1,000,000	-	-	-	1,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
WATER PIPES REFURB PROG VARIOUS WARDS	10,000,000	10,000,000	47,770	-	47,770	9,952,230		0.5%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
HV SUB ACQ-CARTGLEN TRANSF/GALASH SUBS	7,000,000	11,400,000	6,524,200	4,596,182	6,524,200	4,875,800	93.2%	57.2%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LERATO PARK	-	13,000,000	1,360,758	516,791	8,198,933	4,801,067		63.1%	INTERNALLY GENERATED FUNDS
STREET LIGHTS REPLACE 125W MV with 36W L	3,000,000	4,000,000	1,403,841	-	3,999,987	13	133.3%	100.0%	EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)
INSTALL VSD'S AT NEWTON RESEVIOR	1,000,000	-	-	-	-	-	0.0%		EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)
NW ACQ - ELE CTR LERATO PARK	33,000,000	13,000,000	2,436,444	323,958	12,676,042	323,958	38.4%	97.5%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	2,000,000	2,000,000	505,544	-	523,693	1,476,307	26.2%	26.2%	INTERNALLY GENERATED FUNDS
TOTAL	190,043,000	188,293,000	25,260,078	18,697,882	100,695,413	87,597,587	53.0%	53.5%	

Table 22: Detailed capital expenditure report

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original Budget	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	24,400,000	8,960,644	19,200,241	4,920,141	48.0%	78.7%
INTERNALLY GENERATED FUNDS	55,705,000	55,705,000	7,506,087	30,019,928	516,791	53.9%	53.9%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	70,390,000	4,197,030	41,023,825	6,220,267	58.3%	58.3%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	14,948,000	3,192,476	6,451,432	7,040,683	32.3%	43.2%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	4,000,000	1,403,841	3,999,987	-	100.0%	100.0%
EUROPEAN UNION	-	18,850,000	-	-	-	-	0.0%
Grand Total	190,043,000	188,293,000	25,260,078	100,695,413	18,697,882	53.0%	53.5%

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 Adjusted budget. Overall spending on grants is extremely low, whilst spending on INEP and EEDSM is showing improvement. The percentage expenditure on IUDG (58.3%), INEP (78.7%), WSIG (43.2%) and EEDSM (100%). Spending on Internally generated funds is also 53.9% spent. Implementation of projects normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

12. Other supporting documents

There is no additional information or supporting documentation for June 2023. The figures disclosed in this report are based on the preliminary results as at 30 June 2023 and are subject to change, whilst the municipality is in the process to finalise the annual financial statements.

13. Conclusion

This report meets the MFMA requirement for the Executive Mayor 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>

14. Annexures

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M12 June

Description	2021/22	Budget Year 2022/23							
	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	599,898	627,646	610,074	46,272	635,619	610,074	25,545	4%	610,074
Service charges	1,145,790	1,373,211	1,368,151	103,558	1,200,690	1,368,151	(167,462)	-12%	1,368,151
Investment revenue	3,124	6,000	6,000	567	4,903	6,000	(1,097)	-18%	6,000
Transfers and subsidies	235,986	258,117	266,031	9,424	247,827	266,031	(18,204)	-7%	266,031
Other own revenue	193,499	222,235	245,721	29,490	312,541	245,721	66,820	27%	245,721
Total Revenue (excluding capital transfers and contributions)	2,178,297	2,487,209	2,495,977	189,311	2,401,580	2,495,977	(94,397)	-4%	2,495,977
Employee costs	772,777	849,403	849,970	64,843	784,718	849,970	(65,252)	-8%	849,970
Remuneration of Councillors	30,737	34,547	34,547	2,750	32,196	34,547	(2,352)	-7%	34,547
Depreciation & asset impairment	70,060	81,050	81,050	-	-	81,050	(81,050)	-100%	81,050
Finance charges	72,909	38,960	117,360	19,281	102,637	117,360	(14,724)	-13%	117,360
Inventory consumed and bulk purchases	872,964	918,627	948,277	71,514	842,603	948,277	(105,674)	-11%	948,277
Transfers and subsidies	2,546	4,460	4,460	35	2,636	4,460	(1,824)	-41%	4,460
Other expenditure	492,665	538,080	662,540	24,177	661,112	662,540	(1,428)	-0%	662,540
Total Expenditure	2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10%	2,698,205
Surplus/(Deficit)	(136,361)	22,081	(202,227)	6,711	(24,322)	(202,227)	177,906	-88%	(202,227)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,267	134,338	114,338	17,110	69,064	114,338	###	-40%	114,338
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)	91,250	-	18,850	-	-	18,850	(18,850)	-100%	18,850
Surplus/(Deficit) after capital transfers & contributions	64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-165%	(69,039)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-165%	(69,039)
Capital expenditure & funds sources									
Capital expenditure	127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Capital transfers recognised	112,818	134,338	132,588	17,754	70,675	132,588	(61,913)	-47%	132,588
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14,263	55,705	55,705	7,506	30,020	55,705	(25,685)	-46%	55,705
Total sources of capital funds	127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Financial position									
Total current assets	2,396,615	2,701,046	2,701,046		2,454,212				2,701,046
Total non current assets	2,245,857	2,052,265	2,050,515		2,346,553				2,050,515
Total current liabilities	1,249,270	1,050,980	1,050,380		1,374,908				1,050,380
Total non current liabilities	437,303	408,150	408,150		425,215				408,150
Community wealth/Equity	2,955,900	3,294,182	3,293,032		3,000,642				3,293,032
Cash flows									
Net cash from (used) operating	(585,312)	106,800	36,802	(97,673)	1,207,502	36,802	#####	-3181%	36,802
Net cash from (used) investing	(127,081)	(154,327)	(188,293)	(25,260)	(100,695)	(152,577)	(51,881)	34%	(152,577)
Net cash from (used) financing	-	(9,390)	(9,390)	-	-	(9,390)	(9,390)	100%	(9,390)
Cash/cash equivalents at the month/year end	(669,386)	116,006	12,041	-	1,304,397	47,758	#####	-2631%	72,426
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	155,941	80,766	95,429	73,931	69,861	61,774	422,976	#####	3,381,229
Creditors Age Analysis									
Total Creditors	149,010	65,831	45,106	2,729	56,821	59,491	48,088	650,242	1,077,319

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		1,098,135	1,126,167	1,113,195	83,951	1,115,939	1,113,195	2,744	0%	1,113,195
Executive and council		480,231	470,256	453,970	30,705	414,648	453,970	(39,322)	-9%	453,970
Finance and administration		617,905	655,911	659,225	53,246	701,291	659,225	42,066	6%	659,225
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		28,981	26,474	30,674	1,678	22,568	30,674	(8,106)	-26%	30,674
Community and social services		11,158	11,348	12,048	241	3,174	12,048	(8,873)	-74%	12,048
Sport and recreation		1,889	1,905	1,905	62	2,450	1,905	545	29%	1,905
Public safety		720	340	340	13	412	340	72	21%	340
Housing		12,192	12,801	12,801	1,358	12,972	12,801	171	1%	12,801
Health		3,023	80	3,580	3	3,560	3,580	(20)	-1%	3,580
Economic and environmental services		28,997	16,015	37,465	793	12,930	37,465	(24,535)	-65%	37,465
Planning and development		15,823	5,525	26,975	317	8,175	26,975	(18,800)	-70%	26,975
Road transport		13,174	10,490	10,490	476	4,755	10,490	(5,735)	-55%	10,490
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,212,755	1,444,171	1,439,111	114,283	1,305,233	1,439,111	(133,878)	-9%	1,439,111
Energy sources		742,172	935,854	915,854	70,672	772,199	915,854	(143,655)	-16%	915,854
Water management		307,957	345,167	340,167	26,908	338,549	340,167	(1,618)	0%	340,167
Waste water management		93,896	92,200	104,000	9,467	111,145	104,000	7,145	7%	104,000
Waste management		68,729	70,950	79,090	7,235	83,340	79,090	4,249	5%	79,090
Other	4	9,946	8,720	8,720	5,716	13,974	8,720	5,254	60%	8,720
Total Revenue - Functional	2	2,378,815	2,621,547	2,629,165	206,420	2,470,644	2,629,165	(158,522)	-6%	2,629,165
Expenditure - Functional										
Governance and administration		616,540	712,851	833,781	45,737	728,169	833,781	(105,612)	-13%	833,781
Executive and council		374,197	428,654	544,754	25,137	480,593	544,754	(64,162)	-12%	544,754
Finance and administration		235,566	277,659	282,489	20,156	242,171	282,489	(40,318)	-14%	282,489
Internal audit		6,778	6,538	6,538	444	5,405	6,538	(1,133)	-17%	6,538
Community and public safety		176,753	181,961	187,491	17,148	186,491	187,491	(999)	-1%	187,491
Community and social services		42,959	43,119	43,819	4,046	45,490	43,819	1,671	4%	43,819
Sport and recreation		53,032	53,283	53,913	6,087	59,768	53,913	5,854	11%	53,913
Public safety		42,229	43,948	43,948	3,569	41,129	43,948	(2,819)	-6%	43,948
Housing		19,874	22,768	23,468	1,835	21,008	23,468	(2,461)	-10%	23,468
Health		18,659	18,842	22,342	1,611	19,097	22,342	(3,245)	-15%	22,342
Economic and environmental services		124,668	141,936	147,539	13,474	137,935	147,539	(9,604)	-7%	147,539
Planning and development		39,022	47,872	48,636	3,598	42,461	48,636	(6,176)	-13%	48,636
Road transport		84,946	93,326	98,165	9,809	94,638	98,165	(3,527)	-4%	98,165
Environmental protection		700	737	737	66	836	737	99	13%	737
Trading services		1,373,647	1,402,477	1,503,701	104,050	1,350,234	1,503,701	(153,467)	-10%	1,503,701
Energy sources		882,510	915,683	979,283	73,755	853,343	979,283	(125,939)	-13%	979,283
Water management		326,816	322,469	352,072	15,264	334,566	352,072	(17,506)	-5%	352,072
Waste water management		92,343	93,375	101,396	8,455	90,847	101,396	(10,549)	-10%	101,396
Waste management		71,978	70,950	70,950	6,575	71,478	70,950	528	1%	70,950
Other		23,049	25,903	25,693	2,191	23,073	25,693	(2,621)	-10%	25,693
Total Expenditure - Functional	3	2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10%	2,698,205
Surplus/ (Deficit) for the year		64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-165%	(69,039)

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	Budget Year 2022/23								
		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		480,231	470,256	453,970	30,705	414,648	453,970	(39,322)	-8.7%	453,970
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,869	6,873	6,873	3,769	5,342	6,873	(1,531)	-22.3%	6,873
Vote 05 - Community Services		106,478	101,913	114,253	9,952	106,946	114,253	(7,308)	-6.4%	114,253
Vote 06 - Financial Services		610,429	648,238	651,552	49,423	695,259	651,552	43,707	6.7%	651,552
Vote 07 - Strategy Econ Development And Planning		17,626	7,945	29,395	4,093	12,679	29,395	(16,716)	-56.9%	29,395
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,373,122	108,478	1,235,771	1,373,122	(137,351)	-10.0%	1,373,122
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,378,815	2,621,547	2,629,165	206,420	2,470,644	2,629,165	(158,522)	-6.0%	2,629,165
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	4,854	58,438	58,915	(477)	-0.8%	58,915
Vote 02 - Municipal And General		309,950	357,885	473,985	19,031	410,450	473,985	(63,536)	-13.4%	473,985
Vote 03 - Municipal Manager		20,618	23,528	23,998	2,283	22,083	23,998	(1,915)	-8.0%	23,998
Vote 04 - Corporate Services		64,274	74,419	74,419	5,465	67,672	74,419	(6,747)	-9.1%	74,419
Vote 05 - Community Services		286,713	297,675	302,505	27,110	298,433	302,505	(4,073)	-1.3%	302,505
Vote 06 - Financial Services		126,129	157,404	158,434	10,855	126,543	158,434	(31,891)	-20.1%	158,434
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	65,352	5,262	57,627	65,352	(7,724)	-11.8%	65,352
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,540,596	107,739	1,384,656	1,540,596	(155,940)	-10.1%	1,540,596
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10.1%	2,698,205
Surplus/ (Deficit) for the year	2	64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-164.8%	(69,039)

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021/22		Budget Year 2022/23						
		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		599,898	627,646	610,074	46,272	635,619	610,074	25,545	4%	610,074
Service charges - electricity revenue		728,486	919,854	899,854	68,892	754,491	899,854	(145,363)	-16%	899,854
Service charges - water revenue		273,280	310,717	305,717	21,173	282,909	305,717	(22,808)	-7%	305,717
Service charges - sanitation revenue		83,392	81,700	93,500	7,657	93,524	93,500	24	0%	93,500
Service charges - refuse revenue		60,632	60,940	69,080	5,835	69,766	69,080	685	1%	69,080
Rental of facilities and equipment		16,755	13,010	25,896	2,467	26,000	25,896	104	0%	25,896
Interest earned - external investments		3,124	6,000	6,000	567	4,903	6,000	(1,097)	-18%	6,000
Interest earned - outstanding debtors		131,160	156,500	156,500	19,807	199,982	156,500	43,482	28%	156,500
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		15,405	27,730	35,730	672	47,438	35,730	11,708	33%	35,730
Licences and permits		8,532	6,850	6,850	1,971	9,903	6,850	3,053	45%	6,850
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		235,986	258,117	266,031	9,424	247,827	266,031	(18,204)	-7%	266,031
Other revenue		14,517	18,145	20,745	4,632	23,127	20,745	2,382	11%	20,745
Gains		7,130	-	-	(60)	6,090	-	6,090	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,178,297	2,487,209	2,495,977	189,311	2,401,580	2,495,977	(94,397)	-4%	2,495,977
Expenditure By Type										
Employee related costs		772,777	849,403	849,970	64,843	784,718	849,970	(65,252)	-8%	849,970
Remuneration of councillors		30,737	34,547	34,547	2,750	32,196	34,547	(2,352)	-7%	34,547
Debt impairment		267,518	297,000	397,000	1	397,002	397,000	2	0%	397,000
Depreciation & asset impairment		70,060	81,050	81,050	-	-	81,050	(81,050)	-100%	81,050
Finance charges		72,909	38,960	117,360	19,281	102,637	117,360	(14,724)	-13%	117,360
Bulk purchases - electricity		639,689	682,000	682,000	48,331	582,587	682,000	(99,413)	-15%	682,000
Inventory consumed		233,275	236,627	266,277	23,183	260,016	266,277	(6,261)	-2%	266,277
Contracted services		38,163	46,437	54,181	8,373	34,764	54,181	(19,417)	-36%	54,181
Transfers and subsidies		2,546	4,460	4,460	35	2,636	4,460	(1,824)	-41%	4,460
Other expenditure		110,302	134,643	135,719	15,512	152,125	135,719	16,406	12%	135,719
Losses		76,681	60,000	75,640	290	77,220	75,640	1,580	2%	75,640
Total Expenditure		2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10%	2,698,205
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(136,361)	22,081	(202,227)	6,711	(24,322)	(202,227)	177,906	(0)	(202,227)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		109,267	134,338	114,338	17,110	69,064	114,338	(45,274)	(0)	114,338
Transfers and subsidies - capital (in-kind - all)		14,400	-	18,850	-	-	18,850	(18,850)	(0)	18,850
Transfers and subsidies - capital (in-kind - all)		76,850	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		64,157	156,419	(69,039)	23,821	44,742	(69,039)			(69,039)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		64,157	156,419	(69,039)	23,821	44,742	(69,039)			(69,039)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		64,157	156,419	(69,039)	23,821	44,742	(69,039)			(69,039)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		64,157	156,419	(69,039)	23,821	44,742	(69,039)			(69,039)

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	Budget Year 2022/23								
		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		7,197	40,405	16,705	494	10,659	16,705	(6,046)	-36%	16,705
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		18,239	8,300	27,150	-	2,895	27,150	(24,255)	-89%	27,150
Vote 08 - Infrastructure And Services		88,488	79,038	94,738	9,450	57,494	94,738	(37,244)	-39%	94,738
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	113,924	127,743	138,593	9,944	71,049	138,593	(67,544)	-49%	138,593
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		4,041	13,300	13,300	4,444	5,889	13,300	(7,411)	-56%	13,300
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		9,116	49,000	36,400	10,872	23,758	36,400	(12,642)	-35%	36,400
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	13,157	62,300	49,700	15,316	29,647	49,700	(20,053)	-40%	49,700
Total Capital Expenditure		127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Capital Expenditure - Functional Classification										
Governance and administration		11,238	53,705	30,005	4,938	16,548	30,005	(13,457)	-45%	30,005
Executive and council		11,238	53,705	30,005	4,938	16,548	30,005	(13,457)	-45%	30,005
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		52,457	35,300	64,850	4,849	37,997	64,850	(26,853)	-41%	64,850
Planning and development		18,239	8,300	27,150	-	2,895	27,150	(24,255)	-89%	27,150
Road transport		34,218	27,000	37,700	4,849	35,102	37,700	(2,598)	-7%	37,700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		63,386	101,038	93,438	15,473	46,151	93,438	(47,287)	-51%	93,438
Energy sources		34,548	46,000	43,400	12,231	31,923	43,400	(11,477)	-26%	43,400
Water management		624	13,000	13,000	50	82	13,000	(12,918)	-99%	13,000
Waste water management		28,214	42,038	37,038	3,192	14,146	37,038	(22,892)	-62%	37,038
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Funded by:										
National Government		95,428	134,338	113,738	17,754	70,675	113,738	(43,063)	-38%	113,738
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		3,500	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		13,891	-	18,850	-	-	18,850	(18,850)	-100%	18,850
Transfers recognised - capital		112,818	134,338	132,588	17,754	70,675	132,588	(61,913)	-47%	132,588
Borrowing	6									
Internally generated funds		14,263	55,705	55,705	7,506	30,020	55,705	(25,685)	-46%	55,705
Total Capital Funding		127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		197,591	(1,939)	64,040	106,762	64,040
Call investment deposits		-	-	-	-	-
Consumer debtors		1,990,522	2,244,736	2,178,758	2,118,085	2,178,758
Other debtors		159,049	418,926	418,926	171,562	418,926
Current portion of long-term receivables		-	-	-	-	-
Inventory		49,454	39,322	39,322	57,804	39,322
Total current assets		2,396,615	2,701,046	2,701,046	2,454,212	2,701,046
Non current assets						
Long-term receivables		-	35,716	35,716	-	35,716
Investments						
Investment property		209,106	208,312	208,312	212,402	208,312
Investments in Associate						
Property, plant and equipment		2,003,442	1,795,402	1,774,802	2,100,842	1,774,802
Biological						
Intangible		21,238	2,908	21,758	21,238	21,758
Other non-current assets		12,071	9,926	9,926	12,071	9,926
Total non current assets		2,245,857	2,052,265	2,050,515	2,346,553	2,050,515
TOTAL ASSETS		4,642,473	4,753,311	4,751,561	4,800,765	4,751,561
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		43,176	49,224	49,224	45,795	49,224
Trade and other payables		1,206,094	907,727	907,127	1,335,780	907,127
Provisions		-	94,029	94,029	(6,667)	94,029
Total current liabilities		1,249,270	1,050,980	1,050,380	1,374,908	1,050,380
Non current liabilities						
Borrowing		171,517	148,630	148,630	159,430	148,630
Provisions		265,786	259,520	259,520	265,786	259,520
Total non current liabilities		437,303	408,150	408,150	425,215	408,150
TOTAL LIABILITIES		1,686,573	1,459,129	1,458,529	1,800,123	1,458,529
NET ASSETS	2	2,955,900	3,294,182	3,293,032	3,000,642	3,293,032
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,865,773	3,213,305	3,212,155	2,910,515	3,212,155
Reserves		90,127	80,876	80,876	90,127	80,876
TOTAL COMMUNITY WEALTH/EQUITY	2	2,955,900	3,294,182	3,293,032	3,000,642	3,293,032

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	Budget Year 2022/23								
		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		438,882	533,499	520,320	31,508	453,721	520,320	(66,599)	-13%	520,320
Service charges		1,146,393	1,093,079	1,084,284	91,780	1,024,883	1,084,284	(59,401)	-5%	1,084,284
Other revenue		288,367	403,395	484,033	37,375	735,624	484,033	251,591	52%	484,033
Transfers and Subsidies - Operational		31,741	18,959	45,723	-	89,218	45,723	43,495	95%	45,723
Transfers and Subsidies - Capital		100,630	134,338	113,738	-	113,738	113,738	-	-	113,738
Interest		-	6,000	6,000	-	-	6,000	(6,000)	-100%	6,000
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(2,590,285)	(2,039,050)	(2,095,477)	(258,335)	(1,209,683)	(2,095,477)	(885,794)	42%	(2,095,477)
Finance charges		(1,039)	(38,960)	(117,360)	-	-	(117,360)	(117,360)	100%	(117,360)
Transfers and Grants		-	(4,460)	(4,460)	-	-	(4,460)	(4,460)	100%	(4,460)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(585,312)	106,800	36,802	(97,673)	1,207,502	36,802	#####	-3181%	36,802
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	35,716	-	-	-	35,716	(35,716)	-100%	35,716
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(127,081)	(190,043)	(188,293)	(25,260)	(100,695)	(188,293)	(87,598)	47%	(188,293)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(127,081)	(154,327)	(188,293)	(25,260)	(100,695)	(152,577)	(51,881)	34%	(152,577)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	(9,390)	(9,390)	-	-	(9,390)	(9,390)	100%	(9,390)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(9,390)	(9,390)	-	-	(9,390)	(9,390)	100%	(9,390)
NET INCREASE/ (DECREASE) IN CASH HELD		(712,393)	(56,917)	(160,881)	(122,933)	1,106,807	(125,165)			(125,165)
Cash/cash equivalents at beginning:		43,007	172,922	172,922	(28,653)	197,591	172,922			197,591
Cash/cash equivalents at month/year end:		(669,386)	116,006	12,041		1,304,397	47,758			72,426

System error to be resolved so that Adjusted budget, monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also severely overstated. Serious intervention is required to correct these discrepancies and to this end training was provided by NT to provide guidance on how to disclose the cash flow actuals. The BTO will endeavor to address all issues raised by NT in terms of the correct mapping of the cash flow, however we need the assistance of our service provider.

As per C6, the Cash and cash equivalents is R106,762 million as per the Cash book balance.

15. Municipal Manager's quality certification

Quality Certificate

I, BS Matlala, the 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 **June 2023** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. BS. Matlala

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____



Date: 13 /07/2023