PIXLEY KA SEME DISTRICT MUNICIPALITY

SEPTEMBER 2023

# MONTHLY BUDGET STATEMENT

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## Glossary

**Annual Budget** – Prescribed in section 16 of the MFMA, the formal means by which a Municipality approve official budget of a period not exceeding three years.

**Adjustment Budget** – Prescribed in section 28 of the MFMA, the formal means by which a Municipality may revise the Adopted Annual budget during a financial year.

**Capital Expenditure** – Expenditure on moveable or immoveable assets. Any capital related expenditure must reflect on the Statement of Financial Position and be included in the asset register.

**DORA** – Division of Revenue Act. Adjusted legislation that indicates the total allocations by National Government to Provincial and Local Government

**Fruitless and Wasteful Expenditure** – Expenditure made in vain and would / should have been avoided had reasonable care been exercised.

**MBRR** – Municipal Finance Management Act 56 of 2003: Municipal Budget Reporting and Regulations

**MFMA** – The Municipal Finance Management Act 56 of 2003. Principle legislation relating to municipal financial management.

**MSCOA** – Municipal Standard Charts of Accounts.

**MTREF** – Medium Term revenue and Expenditure Framework. A medium-term financial plan over a three-year period. The period consists of the current year and two outer years.

**Operating Expenditure** – The daily expenditure of the municipality.

**Unauthorised Expenditure** – Spending without, or in excess of an approved budget.

**Vote** – One of the main segments into which a budget is divided. In Pixley Ka Seme District Municipality the means the different GFS classification the budget is divided.

**Virement** – A transfer of funds within a vote.

## 1. Objective

The Accounting Officer is required, in terms of the Municipal Finance Management Act no 56 of 2003, section 71 and Municipal Budget and Reporting Regulations (MBRR) Government Gazette 32141 of 17 May 2009, to submit to the Mayor of a municipality a report in prescribed format to review the performance of the budget compared to actual results on a monthly basis.
This report sets out the progress on the financial performance of Pixley Ka Seme District Municipality against the budget of the period ended **30 September 2023.**

## 2. Legislative framework

Section 71 of the MFMA and MBRR necessitates those specific financial particulars be reported on and in the format prescribed to meet legislative requirements.
"The monthly budget statement of the municipality must be in the format specified in Schedule C and include all the required tables and explanatory information, taking into account guidelines issued by the Minister in terms of section 168(1) of the Act"

Section 71 of the MFMA further 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 the month under review. For the reporting period ending **30 September 2023**, the ten-working day reporting limit expires on **13 October 2023**

## 3. Compliance with Municipal Standard Chart of Accounts (MSCOA)

The primary objective of MSCOA regulations is to achieve uniformity across all municipalities and municipal entities. All municipalities were expected to transact in line with the seven MSCOA segments from 01 August 2017.

This report includes schedules that is generated from the TRU webapp, the txt that is imported, is generated on the main Venus application.

The municipality is transacting against the seven segments and generating monthly data strings directly from the financial system.

**4. Executive Summary**

| Description R thousand (R'000) | Original Budget | Adjustment Budget | YTD Actual September 2023 | %YTD Actual vs % YTD Adj Budget |
|---|---|---|---|---|
| Total Revenue | R 72 672 100 | R 72 672 100 | R 34 249 377 | 47% |
| Total Operational Expenditure | R 70 395 942 | R 70 395 942 | R 18 232 814 | 26% |
| Total Capital Expenditure | R 1 150 000 | R 1 150 000 | R 320 618 | 28% |

**Revenue by source**

Non-exchange Revenue

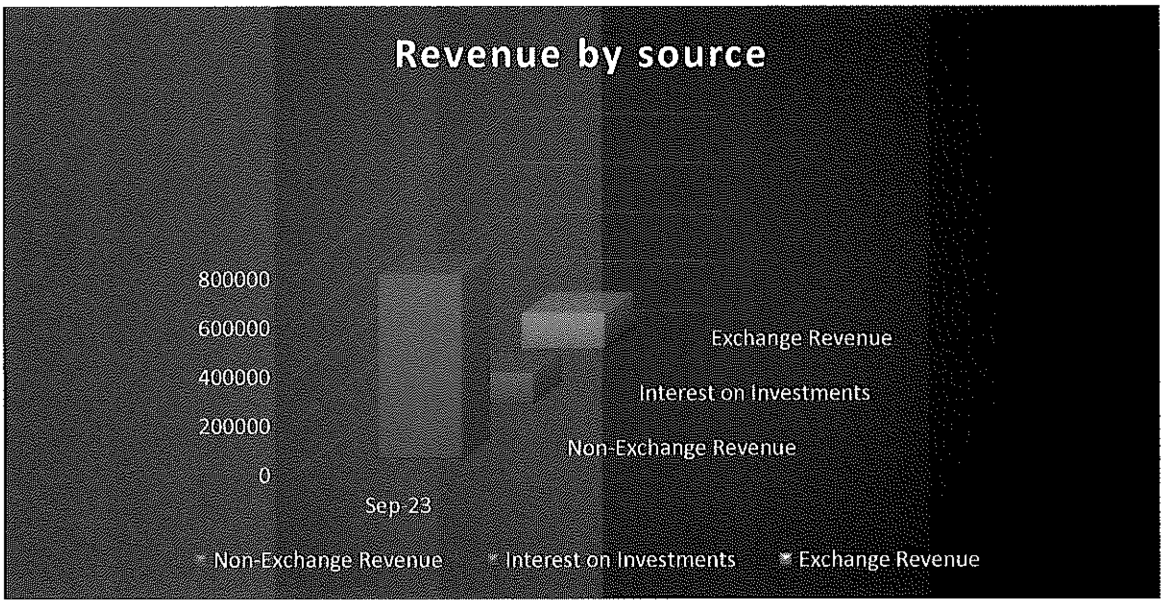
- Transfers and subsidies R 750 000

Interest received

- Investments R 123 533

Exchange Revenue

- Operational revenue R 46 988
- Licences and permits R 98 385



**Operating Expenditure type**

**<u>Expenditure by type</u>**

Employee related expenditure

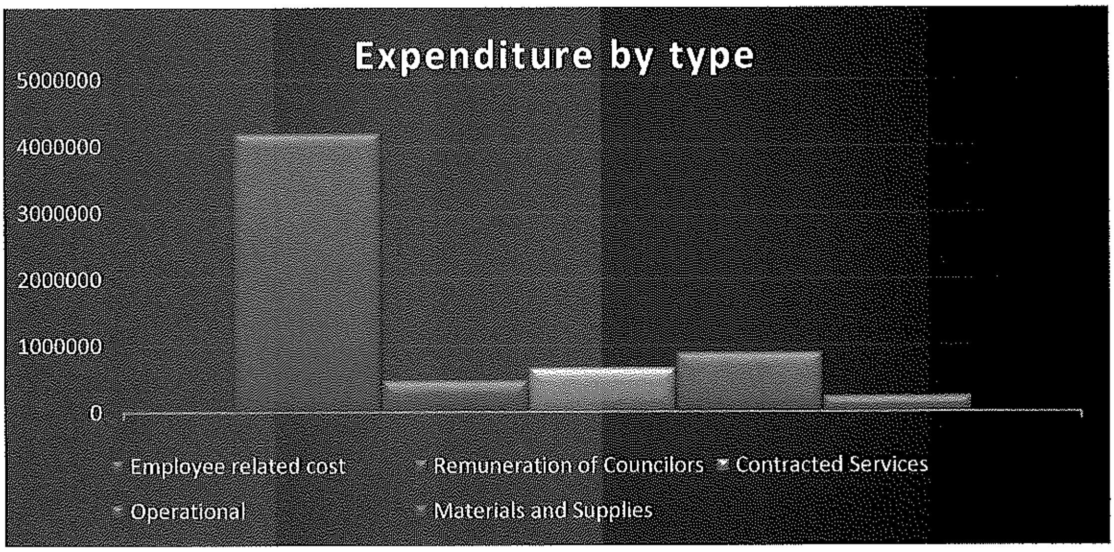
- Senior Management R 520 394
- Municipal Staff R 3 679 786
- Council Remuneration R 479 910

Contracted Services

- Outsourced services R 503 672
- Consultants and Professional Services R 144 549
- Repairs and Maintenance R 17 771

Operational Cost R 895 250

Materials and Supplies R 241 042

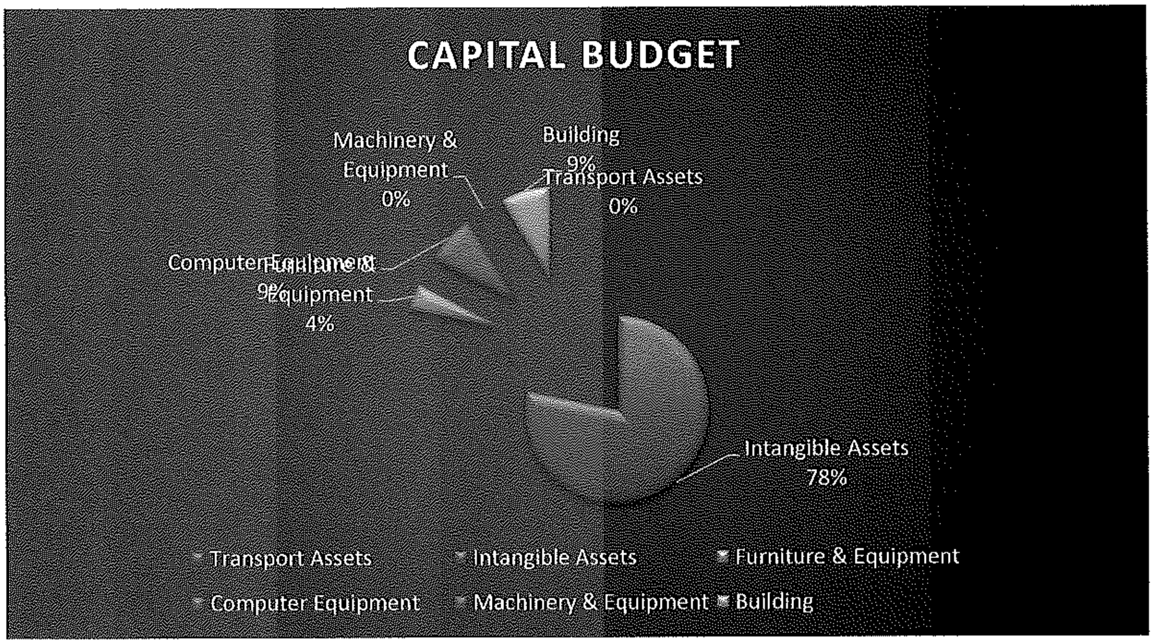


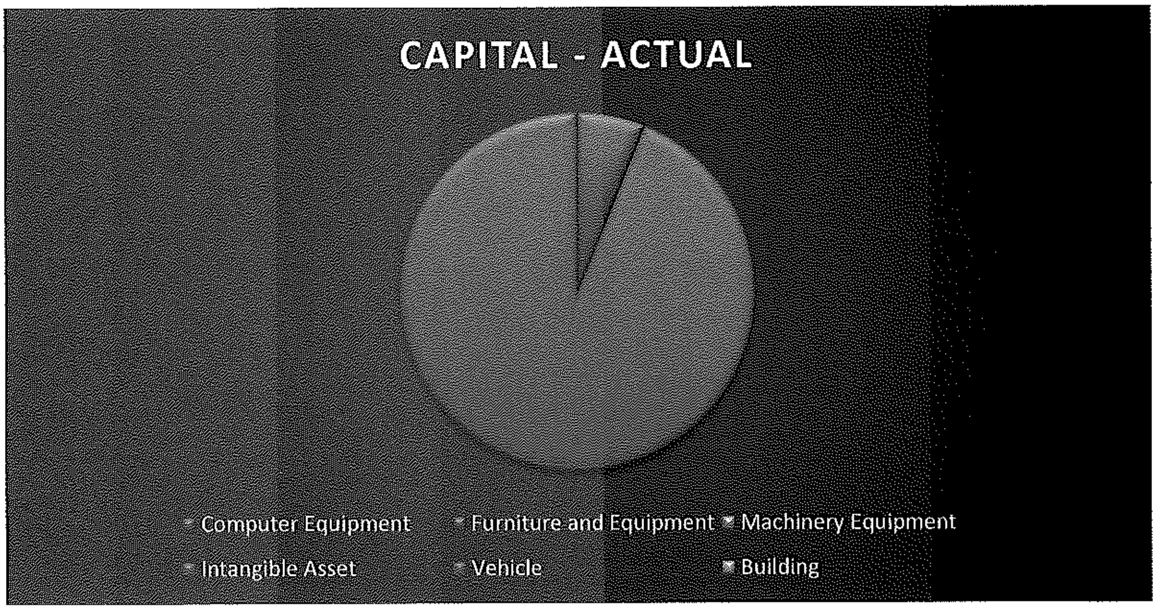
**Capital Expenditure**

Capital expenditure is currently at28 % of total capital budget. The Municipality does not have any multi-year projects for the year under review.

Capital expenditure for the current month amounted to R21 172. Asset class intangible asset and furniture equipment is updated with new asset purchased

Year-to-date capital expenditure amounted to R 320 618



# 4. Monthly Budget Statement Summary: In-year budget statement tables

## 4.1 Table C1: S71

DC7 Pixley Ka Seme (Nc) - Table C1 Monthly Budget Statement Summary - M03 September

| Description | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Financial Performance** | | | | | | | | | |
| Property rates | – | – | – | – | – | – | – | | – |
| Service charges | – | – | – | – | – | – | – | | – |
| Investment revenue | 950 | – | – | – | – | – | – | | – |
| Transfers and subsidies - Operational | 950 | 500 | 500 | 124 | 420 | 125 | 295 | 236% | 500 |
| Other own revenue | 69 426 | 72 172 | 72 172 | 452 | 33 830 | 18 043 | 15 787 | 87% | – |
| **Total Revenue (excluding capital transfers and contributions)** | 71 325 | 72 672 | 72 672 | 575 | 34 249 | 18 168 | 16 081 | 89% | 72 672 |
| Employee costs | 44 635 | 49 826 | 49 826 | 4 200 | 12 300 | 12 457 | (157) | | 49 826 |
| Remuneration of Councillors | 5 528 | 5 625 | 5 625 | 480 | 1 440 | 1 406 | 34 | | 5 625 |
| Depreciation and amortisation | 1 520 | 1 001 | 1 001 | – | – | 250 | (250) | | 1 001 |
| Interest | – | – | – | – | – | – | – | | – |
| Inventory consumed and bulk purchases | 2 494 | 1 507 | 1 507 | 241 | 512 | 377 | 135 | | 1 507 |
| Transfers and subsidies | 1 056 | 485 | 485 | 12 | (39) | 121 | (160) | -132% | 485 |
| Other expenditure | 17 896 | 11 952 | 11 952 | 1 561 | 4 020 | 2 988 | 1 032 | 35% | 11 952 |
| **Total Expenditure** | 73 128 | 70 396 | 70 396 | 6 495 | 18 233 | 17 599 | 634 | 4% | 70 396 |
| **Surplus/(Deficit)** | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | 15 448 | 2715% | 2 276 |
| Transfers and subsidies - capital (monetary | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - capital (in-kind) | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | 15 448 | 2715% | 2 276 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | 15 448 | 2715% | 2 276 |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| Capital transfers recognised | 47 | – | – | – | – | – | – | | – |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | 1 084 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| **Total sources of capital funds** | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| **Financial position** | | | | | | | | | |
| Total current assets | 5 848 | 7 484 | 7 484 | | 17 392 | | | | 7 484 |
| Total non current assets | 3 007 | 9 331 | 9 331 | | 3 536 | | | | 9 331 |
| Total current liabilities | 25 317 | 14 539 | 14 539 | | 12 383 | | | | 14 539 |
| Total non current liabilities | – | – | – | | (668) | | | | – |
| Community wealth/Equity | 6 890 | 2 276 | 2 276 | | 9 212 | | | | 2 276 |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | – | 6 125 | 6 125 | (585) | 26 695 | 1 531 | (25 164) | -1643% | 6 125 |
| Net cash from (used) investing | 2 843 | 7 620 | (1 150) | 82 | (8 883) | (287) | 8 595 | -2990% | (1 150) |
| Net cash from (used) financing | – | – | – | – | – | – | – | | – |
| **Cash/cash equivalents at the month/year end** | 5 044 | 17 163 | 8 392 | – | 18 421 | 4 661 | (13 760) | -295% | 5 584 |
| **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 | – | – | 1 568 | – | – | – | 100 | – | 1 667 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 2 891 | 22 | 19 | 108 | 1 844 | – | – | 22 | 4 905 |

## 4.2 Table C2: Monthly Budget Statement – Financial Performance (standard classification)

This table reflect the operating budget in the standard classifications that is the Government Statistics Function and Sub-functions. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading Services which is not applicable to the District Municipality

**DC7 Pixley Ka Seme (Nc) - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September**

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | 1 | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Revenue - Functional** | | | | | | | | | | |
| *Governance and administration* | | 65 700 | 67 240 | 67 240 | 477 | 31 106 | 16 810 | 14 296 | 85% | 67 240 |
| Executive and council | | 500 | – | – | 750 | 750 | – | 750 | #DIV/0! | – |
| Finance and administration | | 65 200 | 67 240 | 67 240 | (273) | 30 356 | 16 810 | 13 546 | 81% | 67 240 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| *Community and public safety* | | 1 332 | 1 250 | 1 250 | 98 | 379 | 313 | 66 | 21% | 1 250 |
| Community and social services | | – | – | – | – | – | – | – | | – |
| Sport and recreation | | – | – | – | – | – | – | – | | – |
| Public safety | | – | – | – | – | – | – | – | | – |
| Housing | | 200 | – | – | – | – | – | – | | – |
| Health | | 1 132 | 1 250 | 1 250 | 98 | 379 | 313 | 66 | 21% | 1 250 |
| *Economic and environmental services* | | 4 293 | 4 182 | 4 182 | – | 2 765 | 1 046 | 1 720 | 164% | 4 182 |
| Planning and development | | 4 293 | 4 182 | 4 182 | – | 2 765 | 1 046 | 1 720 | 164% | 4 182 |
| Road transport | | – | – | – | – | – | – | – | | – |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| *Trading services* | | – | – | – | – | – | – | – | | – |
| Energy sources | | – | – | – | – | – | – | – | | – |
| Water management | | – | – | – | – | – | – | – | | – |
| Waste water management | | – | – | – | – | – | – | – | | – |
| Waste management | | – | – | – | – | – | – | – | | – |
| *Other* | 4 | – | – | – | – | – | – | – | | – |
| **Total Revenue - Functional** | 2 | 71 326 | 72 672 | 72 672 | 575 | 34 249 | 18 168 | 16 081 | 89% | 72 672 |
| **Expenditure - Functional** | | | | | | | | | | |
| *Governance and administration* | | 47 962 | 45 704 | 45 704 | 4 356 | 12 200 | 11 426 | 774 | 7% | 45 704 |
| Executive and council | | 13 661 | 13 769 | 13 769 | 1 919 | 4 201 | 3 442 | 759 | 22% | 13 769 |
| Finance and administration | | 27 199 | 24 506 | 24 506 | 1 850 | 6 272 | 6 127 | 145 | 2% | 24 506 |
| Internal audit | | 7 102 | 7 429 | 7 429 | 587 | 1 727 | 1 857 | (130) | -7% | 7 429 |
| *Community and public safety* | | 14 736 | 14 606 | 14 606 | 1 230 | 3 771 | 3 652 | 119 | 3% | 14 606 |
| Community and social services | | – | – | – | – | – | – | – | | – |
| Sport and recreation | | – | – | – | – | – | – | – | | – |
| Public safety | | 4 427 | 3 706 | 3 706 | 409 | 1 159 | 926 | 233 | 25% | 3 706 |
| Housing | | 2 290 | 2 076 | 2 076 | 154 | 465 | 519 | (54) | -10% | 2 076 |
| Health | | 8 018 | 8 824 | 8 824 | 668 | 2 146 | 2 206 | (60) | -3% | 8 824 |
| *Economic and environmental services* | | 10 430 | 10 086 | 10 086 | 908 | 2 262 | 2 521 | (259) | -10% | 10 086 |
| Planning and development | | 10 430 | 10 086 | 10 086 | 908 | 2 262 | 2 521 | (259) | -10% | 10 086 |
| Road transport | | – | – | – | – | – | – | – | | – |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| *Trading services* | | – | – | – | – | – | – | – | | – |
| Energy sources | | – | – | – | – | – | – | – | | – |
| Water management | | – | – | – | – | – | – | – | | – |
| Waste water management | | – | – | – | – | – | – | – | | – |
| Waste management | | – | – | – | – | – | – | – | | – |
| *Other* | | – | – | – | – | – | – | – | | – |
| **Total Expenditure - Functional** | 3 | 73 128 | 70 396 | 70 396 | 6 495 | 18 233 | 17 599 | 634 | 4% | 70 396 |
| **Surplus/ (Deficit) for the year** | | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | 15 448 | 2715% | 2 276 |

## 4.3 Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

Reporting per municipal vote provide details on the spread of spending over the various functions of Council

DC7 Pixley Ka Seme (Nc) - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

| Vote Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Revenue by Vote** | 1 | | | | | | | | | |
| Vote 01 - Office Of The Mayor | | 500 | – | – | 750 | 750 | – | 750 | #DIV/0! | – |
| Vote 02 - Municipal Manager | | – | – | – | – | – | – | – | | – |
| Vote 03 - Budget & Treasury Office | | 65 200 | 67 240 | 67 240 | (273) | 30 356 | 16 810 | 13 546 | 80.6% | 67 240 |
| Vote 04 - Administration | | – | – | – | – | – | – | – | | – |
| Vote 05 - Internal Audit | | – | – | – | – | – | – | – | | – |
| Vote 06 - Planning Development & Infrastructure | | 4 293 | 4 182 | 4 182 | – | 2 765 | 1 046 | 1 720 | 164.5% | 4 182 |
| Vote 07 - Municipal Health Services | | 1 132 | 1 250 | 1 250 | 98 | 379 | 313 | 66 | 21.2% | 1 250 |
| Vote 08 - Housing | | 200 | – | – | – | – | – | – | | – |
| Vote 09 - Public Safety | | – | – | – | – | – | – | – | | – |
| Vote 10 - . | | – | – | – | – | – | – | – | | – |
| Vote 11 - . . | | – | – | – | – | – | – | – | | – |
| Vote 12 - . | | – | – | – | – | – | – | – | | – |
| Vote 13 - .. | | – | – | – | – | – | – | – | | – |
| Vote 14 - . . . | | – | – | – | – | – | – | – | | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | | – |
| **Total Revenue by Vote** | 2 | **71 325** | **72 672** | **72 672** | **575** | **34 249** | **18 168** | **16 081** | **88.5%** | **72 672** |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| Vote 01 - Office Of The Mayor | | 11 860 | 11 518 | 11 518 | 1 756 | 3 765 | 2 879 | 886 | 30.8% | 11 518 |
| Vote 02 - Municipal Manager | | 1 801 | 2 251 | 2 251 | 164 | 436 | 563 | (127) | -22.5% | 2 251 |
| Vote 03 - Budget & Treasury Office | | 13 279 | 12 144 | 12 144 | 806 | 2 914 | 3 036 | (122) | -4.0% | 12 144 |
| Vote 04 - Administration | | 13 920 | 12 363 | 12 363 | 1 044 | 3 358 | 3 091 | 267 | 8.6% | 12 363 |
| Vote 05 - Internal Audit | | 7 102 | 7 429 | 7 429 | 587 | 1 727 | 1 857 | (130) | -7.0% | 7 429 |
| Vote 06 - Planning Development & Infrastructure | | 10 430 | 10 086 | 10 086 | 908 | 2 262 | 2 521 | (259) | -10.3% | 10 086 |
| Vote 07 - Municipal Health Services | | 8 018 | 8 824 | 8 824 | 668 | 2 146 | 2 206 | (60) | -2.7% | 8 824 |
| Vote 08 - Housing | | 2 290 | 2 076 | 2 076 | 154 | 465 | 519 | (54) | -10.4% | 2 076 |
| Vote 09 - Public Safety | | 4 427 | 3 706 | 3 706 | 409 | 1 159 | 926 | 233 | 25.1% | 3 706 |
| Vote 10 - . | | – | – | – | – | – | – | – | | – |
| Vote 11 - . . | | – | – | – | – | – | – | – | | – |
| Vote 12 - . | | – | – | – | – | – | – | – | | – |
| Vote 13 - .. | | – | – | – | – | – | – | – | | – |
| Vote 14 - . . . | | – | – | – | – | – | – | – | | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | | – |
| **Total Expenditure by Vote** | 2 | **73 128** | **70 396** | **70 396** | **6 495** | **18 233** | **17 599** | **634** | **3.6%** | **70 396** |
| **Surplus/ (Deficit) for the year** | 2 | **(1 803)** | **2 276** | **2 276** | **(5 920)** | **16 017** | **569** | **15 448** | **2714.9%** | **2 276** |

## 4.4 Table C4: Monthly Budget Statement- Financial Performance

DC7 Pixley Ka Seme (Nc) - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Revenue** | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | |
| Service charges - Electricity | | | | | | | | – | | |
| Service charges - Water | | | | | | | | – | | |
| Service charges - Waste Water Management | | | | | | | | – | | |
| Service charges - Waste management | | | | | | | | – | | |
| Sale of Goods and Rendering of Services | | 716 | 610 | 610 | 52 | 111 | 152 | (42) | -27% | 610 |
| Agency services | | 1 710 | 2 310 | 2 310 | (456) | 2 213 | 578 | 1 636 | 283% | 2 310 |
| Interest | | | | | | | | – | | |
| Interest earned from Receivables | | – | – | – | – | – | – | – | | – |
| Interest from Current and Non Current Assets | | 950 | 500 | 500 | 124 | 420 | 125 | | | 500 |
| Dividends | | | | | | | | – | | |
| Rent on Land | | | | | | | | – | | |
| Rental from Fixed Assets | | – | – | – | – | – | – | – | | – |
| Licence and permits | | 1 132 | 1 250 | 1 250 | 98 | 379 | 313 | 66 | 21% | 1 250 |
| Operational Revenue | | 405 | 329 | 329 | 7 | 166 | 82 | 84 | 102% | 329 |
| **Non-Exchange Revenue** | | | | | | | | – | | |
| Property rates | | | | | | | | – | | |
| Surcharges and Taxes | | | | | | | | – | | |
| Fines, penalties and forfeits | | 11 | – | – | – | – | – | – | | – |
| Licence and permits | | | | | | | | – | | |
| Transfers and subsidies - Operational | | 66 401 | 67 673 | 67 673 | 750 | 30 961 | 16 918 | 14 043 | | 67 673 |
| Interest | | | | | | | | – | | |
| Fuel Levy | | | | | | | | – | | |
| Operational Revenue | | | | | | | | – | | |
| Gains on disposal of Assets | | – | – | – | – | – | – | – | | – |
| Other Gains | | | | | | | | – | | |
| Discontinued Operations | | | | | | | | – | | |
| **Total Revenue (excluding capital transfers and contributions)** | | 71 325 | 72 672 | 72 672 | 575 | 34 249 | 18 168 | 16 081 | 89% | 72 672 |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | 44 635 | 49 826 | 49 826 | 4 200 | 12 300 | 12 457 | (157) | -1% | 49 826 |
| Remuneration of councillors | | 5 528 | 5 625 | 5 625 | 480 | 1 440 | 1 406 | 34 | 2% | 5 625 |
| Bulk purchases - electricity | | | | | | | | – | | |
| Inventory consumed | | 2 494 | 1 507 | 1 507 | 241 | 512 | 377 | 135 | | 1 507 |
| Debt impairment | | – | – | – | – | – | – | – | | – |
| Depreciation and amortisation | | 1 520 | 1 001 | 1 001 | – | – | 250 | (250) | -100% | 1 001 |
| Interest | | | | | | | | – | | |
| Contracted services | | 3 559 | 3 276 | 3 276 | 666 | 978 | 819 | 159 | 19% | 3 276 |
| Transfers and subsidies | | 1 056 | 485 | 485 | 12 | (39) | 121 | (160) | -132% | 485 |
| Irrecoverable debts written off | | | | | | | | – | | |
| Operational costs | | 13 732 | 8 676 | 8 676 | 895 | 3 042 | 2 169 | 873 | 40% | 8 676 |
| Losses on Disposal of Assets | | 605 | – | – | – | – | – | – | | – |
| Other Losses | | | | | | | | – | | |
| **Total Expenditure** | | 73 128 | 70 396 | 70 396 | 6 495 | 18 233 | 17 599 | 634 | 4% | 70 396 |
| **Surplus/(Deficit)** | | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | 15 448 | 0 | 2 276 |
| Transfers and subsidies - capital (monetary allocations) | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - capital (in-kind) | | | | | | | | – | | |
| **Surplus/(Deficit) after capital transfers & contributions** | | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | | | 2 276 |
| Income Tax | | | | | | | | | | |
| **Surplus/(Deficit) after income tax** | | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | | | 2 276 |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | |
| **Surplus/(Deficit) attributable to municipality** | | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | | | 2 276 |
| Share of Surplus/Deficit attributable to Associate | | | | | | | | | | |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | |
| **Surplus/ (Deficit) for the year** | | (1 803) | 2 276 | 2 276 | (5 920) | 16 017 | 569 | | | 2 276 |

## 4.5 C5 Capital Expenditure (municipal vote, functional classification and funding)

DC7 Pixley Ka Seme (Nc) - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

| Vote Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | 1 | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 01 - Office Of The Mayor | | – | – | – | – | – | – | – | | – |
| Vote 02 - Municipal Manager | | – | – | – | – | – | – | – | | – |
| Vote 03 - Budget & Treasury Office | | – | – | – | – | – | – | – | | – |
| Vote 04 - Administration | | – | – | – | – | – | – | – | | – |
| Vote 05 - Internal Audit | | – | – | – | – | – | – | – | | – |
| Vote 06 - Planning Development & Infrastructure | | – | – | – | – | – | – | – | | – |
| Vote 07 - Municipal Health Services | | – | – | – | – | – | – | – | | – |
| Vote 08 - Housing | | – | – | – | – | – | – | – | | – |
| Vote 09 - Public Safety | | – | – | – | – | – | – | – | | – |
| Vote 10 - . | | – | – | – | – | – | – | – | | – |
| Vote 11 - . . | | – | – | – | – | – | – | – | | – |
| Vote 12 - . | | – | – | – | – | – | – | – | | – |
| Vote 13 - .. | | – | – | – | – | – | – | – | | – |
| Vote 14 - . . . | | – | – | – | – | – | – | – | | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | | – |
| Total Capital Multi-year expenditure | 4,7 | – | – | – | – | – | – | – | | – |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 01 - Office Of The Mayor | | – | – | – | – | – | – | – | | – |
| Vote 02 - Municipal Manager | | – | – | – | – | – | – | – | | – |
| Vote 03 - Budget & Treasury Office | | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| Vote 04 - Administration | | – | – | – | – | – | – | – | | – |
| Vote 05 - Internal Audit | | – | – | – | – | – | – | – | | – |
| Vote 06 - Planning Development & Infrastructure | | – | – | – | – | – | – | – | | – |
| Vote 07 - Municipal Health Services | | – | – | – | – | – | – | – | | – |
| Vote 08 - Housing | | – | – | – | – | – | – | – | | – |
| Vote 09 - Public Safety | | – | – | – | – | – | – | – | | – |
| Vote 10 - . | | – | – | – | – | – | – | – | | – |
| Vote 11 - . . | | – | – | – | – | – | – | – | | – |
| Vote 12 - . | | – | – | – | – | – | – | – | | – |
| Vote 13 - .. | | – | – | – | – | – | – | – | | – |
| Vote 14 - . . . | | – | – | – | – | – | – | – | | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | | – |
| Total Capital single-year expenditure | 4 | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| Total Capital Expenditure | | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| *Governance and administration* | | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| Executive and council | | | | | | | | – | | |
| Finance and administration | | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| Internal audit | | | | | | | | – | | |
| *Community and public safety* | | – | – | – | – | – | – | – | | – |
| Community and social services | | | | | | | | – | | |
| Sport and recreation | | | | | | | | – | | |
| Public safety | | | | | | | | – | | |
| Housing | | | | | | | | – | | |
| Health | | | | | | | | – | | |
| *Economic and environmental services* | | – | – | – | – | – | – | – | | – |
| Planning and development | | | | | | | | – | | |
| Road transport | | | | | | | | – | | |
| Environmental protection | | | | | | | | – | | |
| *Trading services* | | – | – | – | – | – | – | – | | – |
| Energy sources | | | | | | | | – | | |
| Water management | | | | | | | | – | | |
| Waste water management | | | | | | | | – | | |
| Waste management | | | | | | | | – | | |
| *Other* | | | | | | | | – | | |
| Total Capital Expenditure - Functional Classification | 3 | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| Funded by: | | | | | | | | | | |
| National Government | | 19 | – | – | – | – | – | – | | – |
| Provincial Government | | 28 | – | – | – | – | – | – | | – |
| District Municipality | | | | | | | | – | | |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | | | | | | | – | | |
| Transfers recognised - capital | | 47 | – | – | – | – | – | – | | – |
| Borrowing | 6 | | | | | | | – | | |
| Internally generated funds | | 1 084 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |
| Total Capital Funding | | 1 132 | 1 150 | 1 150 | 21 | 321 | 287 | 33 | 12% | 1 150 |

## 4.6 Table C6: Statement of Financial Position

DC7 Pixley Ka Seme (Nc) - Table C6 Monthly Budget Statement - Financial Position - M03 September

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | |
|---|---|---|---|---|---|---|
| R thousands | 1 | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| **ASSETS** | | | | | | |
| **Current assets** | | | | | | |
| Cash and cash equivalents | | 4 440 | 5 067 | 5 067 | 14 324 | 5 067 |
| Trade and other receivables from exchange transactions | | 200 | 2 417 | 2 417 | 1 667 | 2 417 |
| Receivables from non-exchange transactions | | – | – | – | – | – |
| Current portion of non-current receivables | | – | – | – | – | – |
| Inventory | | – | – | – | – | – |
| VAT | | 1 209 | – | – | 1 399 | – |
| Other current assets | | (0) | – | – | 1 | – |
| **Total current assets** | | 5 848 | 7 484 | 7 484 | 17 392 | 7 484 |
| **Non current assets** | | | | | | |
| Investments | | | | | | |
| Investment property | | – | – | – | – | – |
| Property, plant and equipment | | 11 291 | 8 430 | 8 430 | 11 311 | 8 430 |
| Biological assets | | | | | | |
| Living and non-living resources | | | | | | |
| Heritage assets | | | | | | |
| Intangible assets | | 486 | 900 | 900 | 787 | 900 |
| Trade and other receivables from exchange transactions | | (8 770) | – | – | (8 562) | – |
| Non-current receivables from non-exchange transactions | | | | | | |
| Other non-current assets | | | | | | |
| **Total non current assets** | | 3 007 | 9 331 | 9 331 | 3 536 | 9 331 |
| **TOTAL ASSETS** | | 8 855 | 16 815 | 16 815 | 20 928 | 16 815 |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | – | – | – | – | – |
| Consumer deposits | | – | – | – | – | – |
| Trade and other payables from exchange transactions | | 22 109 | 6 454 | 6 454 | 4 738 | 6 454 |
| Trade and other payables from non-exchange transactions | | 167 | – | – | 167 | – |
| Provision | | 1 645 | 7 894 | 7 894 | 5 824 | 7 894 |
| VAT | | 1 397 | 191 | 191 | 1 655 | 191 |
| Other current liabilities | | – | – | – | – | – |
| **Total current liabilities** | | 25 317 | 14 539 | 14 539 | 12 383 | 14 539 |
| **Non current liabilities** | | | | | | |
| Financial liabilities | | – | – | – | (668) | – |
| Provision | | – | – | – | – | – |
| Long term portion of trade payables | | – | – | – | – | – |
| Other non-current liabilities | | – | – | – | – | – |
| **Total non current liabilities** | | – | – | – | (668) | – |
| **TOTAL LIABILITIES** | | 25 317 | 14 539 | 14 539 | 11 716 | 14 539 |
| **NET ASSETS** | 2 | (16 462) | 2 276 | 2 276 | 9 212 | 2 276 |
| **COMMUNITY WEALTH/EQUITY** | | | | | | |
| Accumulated surplus/(deficit) | | 6 890 | 2 276 | 2 276 | 9 212 | 2 276 |
| Reserves and funds | | – | – | – | – | – |
| Other | | – | – | – | – | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | 6 890 | 2 276 | 2 276 | 9 212 | 2 276 |

## 4.7 Table C7: Monthly Budget Statement Cash Flow

DC7 Pixley Ka Seme (Nc) - Table C7 Monthly Budget Statement - Cash Flow - M03 September

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | 1 | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Property rates | | | | | | | | – | | |
| Service charges | | | | | | | | – | | |
| Other revenue | | – | 4 499 | 4 499 | 1 106 | 3 496 | 1 125 | 2 371 | 211% | 4 499 |
| Transfers and Subsidies - Operational | | – | 67 673 | 67 673 | 215 | 26 685 | 16 918 | 9 766 | 58% | 67 673 |
| Transfers and Subsidies - Capital | | – | – | – | – | – | – | – | | – |
| Interest | | – | 500 | 500 | 124 | 420 | 125 | 295 | 236% | 500 |
| Dividends | | | | | | | | – | | |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | – | (66 547) | (66 547) | (2 029) | (3 905) | (16 637) | (12 731) | 77% | (66 547) |
| Interest | | | | | | | | – | | |
| Transfers and Subsidies | | | | | | | | – | | |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | – | 6 125 | 6 125 | (585) | 26 695 | 1 531 | (25 164) | -1643% | 6 125 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | | | | | | | – | | |
| Decrease (increase) in non-current receivables | | 2 843 | 8 770 | – | 103 | (8 562) | – | (8 562) | #DIV/0! | – |
| Decrease (increase) in non-current investments | | | | | | | | – | | |
| **Payments** | | | | | | | | | | |
| Capital assets | | – | (1 150) | (1 150) | (21) | (321) | (287) | 33 | -12% | (1 150) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | 2 843 | 7 620 | (1 150) | 82 | (8 883) | (287) | 8 595 | -2990% | (1 150) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | | | | | | | – | | |
| Borrowing long term/refinancing | | | | | | | | – | | |
| Increase (decrease) in consumer deposits | | | | | | | | – | | |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | | | | | | | – | | |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | – | – | – | – | – | – | – | | – |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | 2 843 | 13 746 | 4 975 | (503) | 17 812 | 1 244 | | | 4 975 |
| Cash/cash equivalents at beginning: | | 2 201 | 3 417 | 3 417 | (5 358) | 609 | 3 417 | | | 609 |
| Cash/cash equivalents at month/year end: | | 5 044 | 17 163 | 8 392 | | 18 421 | 4 661 | | | 5 584 |

## 5.Supporting tables

### 5.1 Debtors' Analysis

Section 64 of MFMA requires that:

(1) The Accounting Officer of a municipality is responsible for the management of the revenue of the municipality.

(2) The Accounting Officer must for the purposes of subsection take all reasonable steps to ensure:

  a. That the municipality has effective revenue collection systems consistent with section 95 of the Municipal System Act and the municipality's credit control and debt collection policy

Categories of outstanding debtors

- Shared services R 1 667 412

DC7 Pixley Ka Seme (Nc) - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

| Description | NT Code | Budget Year 2023/24 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | 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 | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | | | | | | | | | – | – | | |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | | | | | | | | | – | – | | |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | | | | | | | | | – | – | | |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | | | | | | | | | – | – | | |
| Receivables from Exchange Transactions - Waste Management | 1600 | | | | | | | | | – | – | | |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | | | | | | | | | – | – | | |
| Interest on Arrear Debtor Accounts | 1810 | | | | | | | | | – | – | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | | | | | | | | | – | – | | |
| Other | 1900 | – | – | 1 568 | – | – | – | 100 | – | 1 667 | 100 | – | – |
| Total By Income Source | 2000 | – | – | 1 568 | – | – | – | 100 | – | 1 667 | 100 | – | – |
| 2022/23 - totals only | | 463380 1/5 | 119250 4/9 | 118826 1/3 | 1805 | 1037 | 0 | 0 | 0 | 704 | 3 | 0 | 0 |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | – | – | 1 568 | – | – | – | 100 | – | 1 667 | 100 | – | – |
| Commercial | 2300 | | | | | | | | | – | – | | |
| Households | 2400 | | | | | | | | | – | – | | |
| Other | 2500 | | | | | | | | | – | – | | |
| Total By Customer Group | 2600 | – | – | 1 568 | – | – | – | 100 | – | 1 667 | 100 | – | – |

## 5.2 Creditor's Analysis

Section 65 of the MFMA requires that:

(1) The Accounting Officer of a municipality is responsible for the management of the expenditure of the municipality.

(2) The Accounting Officer must for the purpose of subsection (1) take all reasonable steps to ensure

(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

(c)that the municipality has and maintains a system of internal control in respect of creditors and payments

(e) all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement unless prescribed otherwise for certain categories of expenditure

Categories of Creditors

- Auditor-General R 2 536 695
- Other R 2 368 202
    - This category comprises of ex-gratia medical aid contributions paid in advance, provision for creditors and membership fees to SALGA and Department of Labour for the compensation fund

The municipality has entered into a ring-fenced agreement with SALGA to settle the annual membership fees that amounted to R500 000 over a period of ten months. The Municipality has been honouring the arrangement to the latter

DC7 Pixley Ka Seme (Nc) - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

| Description<br>R thousands | NT Code | Budget Year 2023/24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | Total |
| **Creditors Age Analysis By Customer Type** | | | | | | | | | | |
| Bulk Electricity | 0100 | | | | | | | | | – |
| Bulk Water | 0200 | | | | | | | | | – |
| PAYE deductions | 0300 | | | | | | | | | – |
| VAT (output less input) | 0400 | | | | | | | | | – |
| Pensions / Retirement deductions | 0500 | | | | | | | | | – |
| Loan repayments | 0600 | | | | | | | | | – |
| Trade Creditors | 0700 | | | | | | | | | – |
| Auditor General | 0800 | 2 537 | – | – | – | – | – | – | – | 2 537 |
| Other | 0900 | 354 | 22 | 19 | 108 | 1 844 | – | – | 22 | 2 368 |
| **Total By Customer Type** | 1000 | 2 891 | 22 | 19 | 108 | 1 844 | – | – | 22 | 4 905 |

### 5.3 Cash Management and Investment

Section 8 of the MFMA requires:

(1) A municipality must have a primary bank account. If a municipality
   a. Has only one bank account, that account is its primary bank account or
   b. Has more than one bank account, it must designate one of those bank accounts as its primary bank account.

**Cash flow**

Conditional grants received are invested, funds are withdrawn for expenditure within the set conditions of grants.

**Bank reconciliation**

Bank reconciliations are processed on a monthly frequency

Balance as per Cash book and Bank statement 30 September 2023 amounted to R 202 128

**Conditional Grants**

**The following conditional grants have been published in DORA**

| | |
|---|---|
| Financial Management Grant | R 1 700 000 |
| Expanded Public Works Programme | R 950 000 |
| Rural Road Asset Management Grant | R 3 232 000 |

For the period July to September 2023, only the following allocations has been received:

| **Conditional Grant** | **Total received** | **Closing balance** |
|---|---|---|
| Rural Road Asset Management Grant | R 2 262 000 | R 1 750 637 |
| Expanded Public Works Programme | R 238 000 | R (4 402) |
| Financial Management Grant | R 1 700 000 | R 1 058 192 |
| Human settlement Grant | R - | R - |
| Department of Health | R 250 000 | R 250 904 |
| Cleaning Project (EPWP) | R 265 000 | R 123 850 |
| Tourism | R 500 000 | R 9 740 |

All balances on Conditional Grants are recorded as per 30 September 2023

**Investments**

Section 13 of the MFMA prescribes:

(1) The Minister, acting with the concurrence of the Cabinet member responsible for Local Government, may prescribe a framework within which municipalities must

a. Conduct their cash management and investments; and

b. Invest money not immediately required

The Municipality invests surplus funds in order to maximise the interest to have cash readily available when needed, this is done in line with the Cash Management and Investment Policy of Council.

All investments are held at Standard Bank in interest yielding call deposit accounts

## DC7 Pixley Ka Seme (Nc) - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

| Investments by maturity<br>Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed interest rate | Interest Rate [3] | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Yrs/Months | | | | | | | | | | | | |
| Municipality | | | | | | | | | | | | | | |
| Standard Bank Call Deposit Accounts | | 12 | Deposits | No | Fixed | 5,50% | 0 | 0 | 2024/06/30 | 19 419 | 124 | (6 418) | 1 030 | 14 155 |
| Municipality sub-total | | | | | | | | | | 19 419 | | (6 418) | 1 030 | 14 155 |
| Entities | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| Entities sub-total | | | | | | | | | | – | | – | – | – |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | | | | | | 19 419 | | (6 418) | 1 030 | 14 155 |

## Quality Certificate

I, Isak Visser Municipal Manager of Pixley Ka Seme District Municipality, hereby certify that – (mark as appropriate)

| | |
|---|---|
| √ | The Monthly Budget Statement |

| | |
|---|---|
| | Quarterly Report of the implementation of the budget and financial state affairs of the municipality |

| | |
|---|---|
| | Mid-year Budget and Performance Assessment |

For the month of **September 2023** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

**Print name: Mr I Visser**
**Municipal Manager of Pixley Ka Seme District Municipality (DC7)**

**Signature:** ____________

**Date:** 11.10.2023

**7. Conclusion**

This report is in compliance of Section 71 of the MFMA, by providing a statement to the Executive Mayor containing certain financial particulars for the month of review.

**8.Communication**

In compliance to section 75 of the MFMA, this document is provided to all stakeholders by publishing it on the Pixley Ka Seme's municipal website at www.pksdm.gov.za

**9. Recommendation**

That in compliance with section 71 of the MFMA:

1. The Accounting Officer submits to the Executive Mayor this report reflecting the implementation of the budget and financial state of affairs of the municipality for the period ending 30 September 2023
2. The Accounting Officer ensure that this report be submitted to National and Provincial Treasury, in both signed and electronic format.

Compiled by

**Ms ZY Mabedla**

**Accountant Budget Control**

Reviewed by:

**Mr BF James**

**Chief Financial Officer**

**SUBMISSION TO MAYOR**

In terms of section 71(1) of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA), the Accounting Officer must by no later than 10 working days after the end of each month submit to the Mayor of the Municipality a statement on the state of the municipality's budget for the month under review.

Report Submitted by:

Print Name: **Mr I Visser**
**Municipal Manager: Pixley Ka Seme District Municipality**

Signature____________

Date: 11. 10. 2023

Report Submitted to:

Print Name: **Mr UR Itumeleng**
**Executive Mayor: Pixley Ka Seme District Municipality**

Signature____________

Date: 11/10/2023