PIXLEY KA SEME DISTRICT MUNICIPALITY

MFMA SECTION 72 REPORT

MID-YEAR BUDGET AND PERFORMANCE ASSESMENT

Developed and Sustainable District for Future Generations

31 December 2021

PIXLEY KA SEME DISTRICT MUNICIPALITY

MID- YEAR BUDGET AND PERFORMANCE ASSESMENT

31 December 2021

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The following appendices are attached

GENERAL INFORMATION

Members of Council:	UR Itumeleng (Executive Mayor) AT Sintu (Speaker) K Gous S Swartling NS Van Wyk H Marais HL Brits A Kwinana PA Olyn MC MacKay SW Makhandula B Swanepoel MA Maloi VP Harmse NS Mlugwana MJ Katz DV Smous LM Zenani F Mans NB Booysen W Horne
Municipal Manager:	RE Pieterse
Chief Financial Officer:	BF James
Grading of Local Authority:	Grade 3
Physical Address:	Culvert Road De Aar 7000
Postal Address:	Private Bag X1012 De Aar 7000
Telephone Number:	(053) 631 0891
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Email:	pixley@telkomsa.net

GLOSSARY OF TERMS AND ABBREVIATIONS

Adjustment Budget – Prescribed in section 28 of the Municipal Finance Management Act, this is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from National and Provincial Treasury.

Budget – Financial plan of a municipality.

Capital Expenditure – Spending on a municipal asset such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's statement of financial position.

Cash Flow Statement – A statement indicative of actual cash received and spent, and month-end cash and short-term investment balances.

CRR – Capital Replacement Reserve. An Internal funding source used for capital projects, which must at all times be cash-backed in line with section 18 of the MFMA

DORA – Division of Revenue Act. Annual legislation which shows the allocations from National to Local Government.

IDP – Integrated Development Plan. The main strategic planning document of a municipality

KPI – Key Performance Indicators. Measure of service output and or outcome

MBRR – Municipal Budget Reporting Regulations

MCCR – Municipal Cost Containment Regulations

MFMA – Municipal Finance Management Act (No 53 of 20003). The principal piece of legislation relating to municipal financial management

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

Operating Expenditure – The day-to-day expenses of a municipality such as general expenses, salaries & wages and repairs &maintenance.

SBIP – Service Delivery and Budget Implementation Plan.

Vote - One of the main segments into which a budget is divided, usually at directorate level

1. Purpose

The purpose of this report is to assess the mid-year financial performance and financial position of the Municipality. A high-level assessment of the actual results for the period 1 July 2021 -31 December 2021 was conducted. The review was to enable the Accounting Officer to make recommendations as to whether an Adjustment Budget for the 2021/22 financial year is necessary.

2. Legislative requirements

The Municipality is required to assess on an ongoing basis whether it generates sufficient revenue to meet its commitments, as paying employees, councillors and creditors. In accordance with Section 71 of the MFMA, the Accounting Officer is required to submit to the National and Provincial Treasuries a monthly statement of the state of the municipality's budget.

In line with Section 72(1) of the MFMA, the Accounting Officer of a municipality must by 25 January of each year;

(a) assess the performance of the municipality during the first half of the financial year, taking into account-

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report, and

(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities;

(b) Submit a report on such assessment to;

(i) the mayor of the municipality;

(ii) the National Treasury; and

(iii) the relevant provincial treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.

(3) The accounting officer must, as part of the review;

(a) make recommendations as to whether an adjustments budget is necessary; and

(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

2.1 Thereafter, the mayor must, in terms of Section 54 (1) of the MFMA

(1) On receipt of a statement or report submitted by the Accounting Officer of the Municipality in terms of section 71 or 72, the mayor must

(a) Consider the report

(b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget;

(d) Issue any appropriate instructions to the accounting officer to ensure-

> (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
>
> (ii) That spending of funds and revenue collection proceed in accordance with the budget;

(e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) Submit the report to the council by 31 January of each year

This report is aimed at ensuring compliance with the requirements of section 72 and 54 of the Municipal Finance Management Act (56 of 2003)

3. Strategic objective

- To improve financial viability, management and priorities as prescribed by Municipal Finance Management Act.
- To submit the outcome of the mid-year assessment carried out in terms of MFMA section 72 for the period 1 July 2021 to 31 December 2021
- Make recommendations whether an Adjustment Budget must be compiled

Further, in terms of section 54 of MFMA the Executive Mayor must take action on the receipt of this document, the mayor must ensure that the approved budget is implemented in accordance with the projections contained in the IDP and SDBIP

4. Executive Mayor's Report

Pixley Ka Seme District Municipality complies with the legislative requirements of MFMA Section 72. The Mid-Year Budget and Performance assessment report is within the prescribed format as per the Municipal Budget and Reporting regulations.

Budget Process:

The Budget process plan in respect of 2021/22 financial year was approved by Council on 30 September 2020.

Although the IDP process plan is submitted as a separate item by Infrastructure, Development, Housing and Planning Directorate, as the council of Pixley Ka Seme District Municipality we believe it is imperative to align IDP and Budget processes.

Monthly and Quarterly reporting:

Monthly and quarterly financial and non-financial reporting as per DORA and MFMA requirements to Council, National, Provincial Treasury and other stakeholders have been adequately adhered to for the various months for the 2021/22 financial year

Financial Statements for the year ended 30 June 2021

The Annual Financial Statements for the year ended 30 June 2021 was submitted to the Auditor General on 31 August 2021 for Audit purposes.

Pixley Ka Seme DM received an Unqualified Audit opinion with matters for the 2020/21 financial year.

During the 2020/21 financial year the municipality put in extensive effort into implementing the recommendations made by the Auditor General during the 2019/20 Audit report.

The Annual report of the 2020/21 financial year is covered in a separate report to Council. Any problems and/or corrective actions identified in the Oversight by Council will be monitored and actioned for correction in the current financial year.

Mr UR Itumeleng
Executive Mayor

5. Executive Summary.

This report provides a balanced and consolidated mid-year financial performance overview to assist Council in its oversight role over the financial affairs of the municipality. An analysis of the financial position and performance was undertaken in order to determine the relative financial strength and liquidity of the Municipality as at 31 December 2021.

In order to provide a comprehensive analysis, it was necessary to compare the 2021/22 Operating / Capital Budgets, the General Ledger and the actual cash inflows and outflows of the municipality, thereby determining relationships and the associated spending and income trends experienced during the first semester of the current financial year. The aforementioned was complemented by analysis of the cash flow position, the investment portfolio and the budget performance for 2021/22 year, in order to facilitate an informed assessment of the relative liquidity and financial position of the municipality during the mid-term period.

To ensure successful outcome only a high-level review of Total Council Summary was undertaken. It should therefore be noted that this report does not provide for an assessment of each individual line item / vote number contained in the approved Budget of Pixley Ka Seme District Municipality for the 2021/22 financial year.

This report merely highlights the status quo of key revenue and expenditure classes that may require the revision of the approved annual budget through an Adjustment Budget as per MFMA section 28

Pixley Ka Seme District Municipality Mid-Year Assesment 2021-2022

Overall Operating Results		**Cash Management**	
Total Income	51 464 498	Bank balance 31 December 2021	1 019 777
Expenditure	31 115 906	Total Non-Exchange revenue	46 687 000
Operating Surplus / (Deficit)	20 348 592	Total Exchange revenue	4 777 498

Debtors		**Creditors**	
Total Debtors	**804 962**	**Total Creditors**	**-**
Government	784 500	Auditor - General	-
Other	20 462		

Capital Expenditure		**Human Resource Management**	
Capital Expenditure is at 14% of Total approved capital budget (R 1 000 000)	141 675	Staff appoinments - Permanent	-
		Temporary - Contract	-
		Staff terminations - Permanent	3
Repairs and Maintenace		Temporary - Contract	1
Repairs and Maintenace is at 50% of Total approved budget	1 065 559	Total Staff Complement	102
		Total overtime paid	120 552
		Employee cost - Senior Managers and Municipal Staff	20 789 238
		Remuneration of Councillors	2 080 915
		Capacity Building	261 139
		Bursaries	184 235

5.1 Posting Register Summary

Revenue	
Revenue from exchange transactions	
Interest received on external investments	R 337 867
Agency services	R 3 451 217
Administration fees	R 121 100
Commission: transaction handling fees	R 25 612
Staff & Councillor recoveries	R 17 210
Licence and permits	R 528 819
Sale of tender documents	R 11 200
Medical aid ex-gratia members	R 244 164
SETA refund	R 40 307
Revenue from non-exchange transactions	
Government grants and subsidies	R 46 687 000
Total revenue	**R 51 464 498**
Expenditure	
Employee related costs	R 20 909 790
Remuneration of councillors	R 2 080 915
Outsourced services	R 879 833
Professional services	R 541 237
General expenditure	R 5 377 433
Repairs and maintenance	R 1 065 559
Transfers and subsidies	R 261 139
Total expenditure	**R 31 115 906**
Surplus Mid-year	**R 20 348 592**

5.1 Municipal Standard Charts of Accounts (MSCOA)

5.1.1 Governance

During the period under review, the municipality continued to implement the circulars issued by National Treasury.

5.1.2 System

The service provider of the core financial system is Business Connexion (BCX), municipality is currently utilising Venus.

Our sub-system for payroll is Payday, we have a seamless integration between the two systems.

The municipality continues to generate various data strings in-house. All submissions on the Local Government upload portal are done by officials. The municipality has a 100% submission rate for all required data strings submissions at 31 December 2021

5.1.3 Total cost

Total payment for the period 1 July 2021 until 31 December 2021 amounted to R 397 778

5.1.4 Challenges

The high reliance on service providers for the technical implementation of programming for the desired output of MSCOA remains concerning.

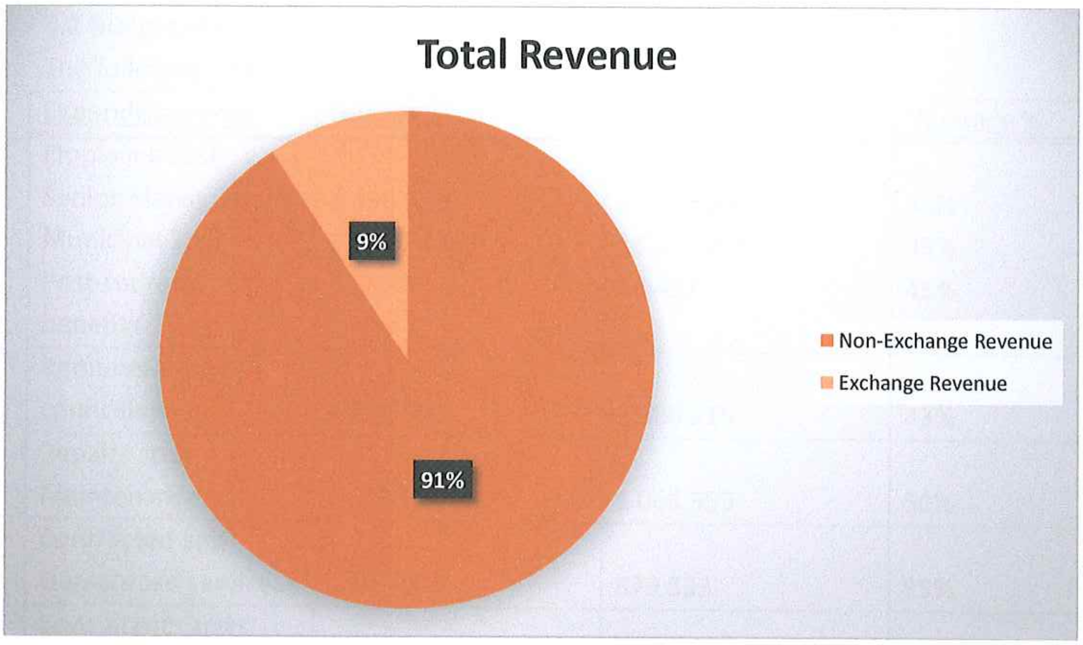
6. Budget Performance Analysis

6.1 Budgeted Revenue vs. Actual Revenue

The following revenue is received from various revenue sources

Revenue source	Budget	Actual	Variance %
Equitable share	55 175 000	41 382 000	75%
Financial Management Grant	1 650 000	1 650 000	100%
Economic Development Agency Cleaning project	1 510 000	550 000	36%
Expanded Public Works Programme	1 075 000	700 000	70%
Rural Road Asset Management System	3 076 000	2 153 000	70%
*Municipal System Improvement Grant	1 500 000	-	0%
Public Works: Medical-aid ex gratia	720 000	244 164	34%
Interest on Investments	500 000	337 867	67%
Commission 3rd Party payments	10 000	25 612	256%
Shared Services	2 000 000	3 451 217	172%
Health certificates	1 000 000	528 819	52%
Administration fees: Grants	222 650	121 100	54%
Seta Refund	50 000	40 307	80%
Tender documents	10 000	11 200	112%

*The Division of Revenue Bill ,2021 documented the MSIG to the value of R1.5million the non-transfer of the grant led to an enquiry with Department of Co-operative Governance and Traditional Affairs, the municipality was informed that the grant is gazetted to Pixley Ka Seme District Municipality, the beneficiary of the grant will be Renosterberg Local Municipality, as part of the District Development Module.



The ratio relation between non-exchange and exchange revenue is a clear indication on the high grant dependence of the municipality.

6.1.1 Scheduled Transfers

The following allocations will still be transferred to the Municipality as per National Treasury payment schedule:

Equitable Share	15 March 2022	R 13 793 000
RRAMS	28 February 2022	R 923 000
EPWP	01 February 2022	R 323 000

Revenue received not budgeted for include the following:

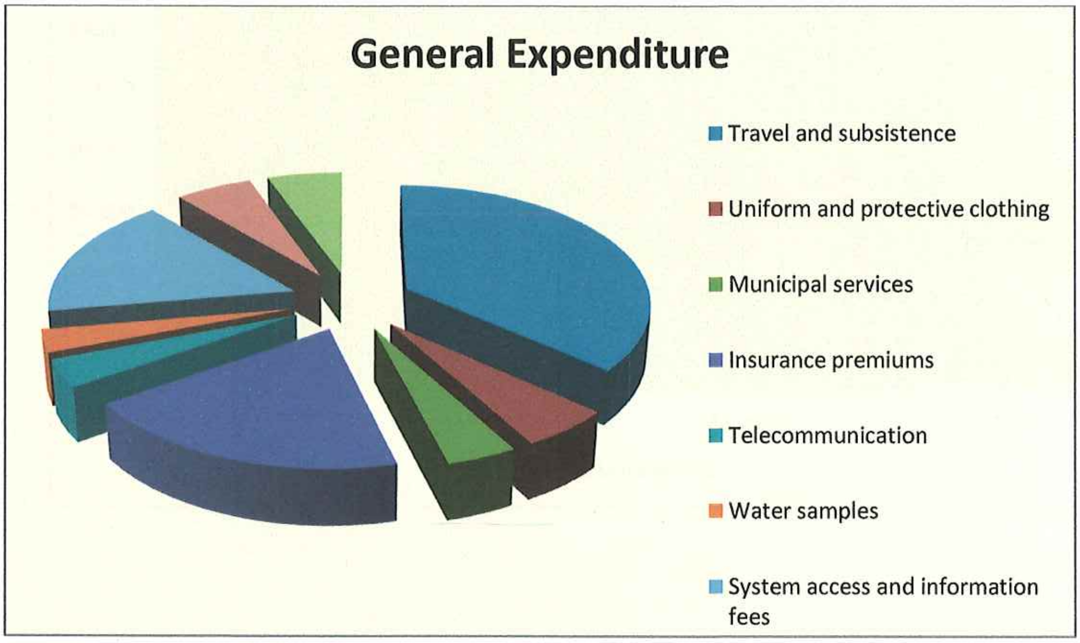
Revenue description	Actual year-to-date
Housing Accreditation	R 200 000

General Expenditure

Included in general expenditure is the following once-off payments/ purchases for the financial year

- Stationary bulk purchases
- Annual Insurance premiums

The graph below indicates the classes of expenditure accumulative for the period 31 December 2021.



6.6 Creditors

The municipality as far as possible tried to comply with sec 65(e) of the MFMA.

- All creditors are paid within 30 days.
- Sound financial management enabled the municipality to pay all creditors, as at 31 December 2021 the municipality had no outstanding creditors.

7. Recommendation

In terms of section 28 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA)

(1) A municipality may revise an approved Annual Budget through an Adjustment budget.

(2) An Adjustment Budget

   a. Must adjust revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year
   b. May appropriate additional revenues that have become available over and above those anticipated in the Annual budget, but only to revise or accelerate spending programmes already budgeted for;
   c. May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality

Regulation 23 of the Municipal Budget and Reporting Regulations provides, inter alia for the following:

- An Adjustment Budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance assessment has been tabled in the Council, but not later than 28 February of each year.

It is recommended that:

- Council take cognizance of the Mid-Year and Performance Assessment as tabled in terms of Section 72 of the Municipal Finance Management Act.
- Council takes note that an Adjustment budget will be tabled for consideration before 28 February 2022.

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Mr RE Pieterse

Municipal Manager

SUBMISSION TO MAYOR

In terms of section 72 (1) (a) and 52 (d) of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the Municipality during the first half of the financial year.

A report on such assessment must in terms of section 72 (1) (b) of the MFMA be submitted to the mayor.

Report Submitted by:

Print Name: Mr RE Pieterse

Signature________________

Municipal Manager: Pixley Ka Seme District Municipality

Date: 21-01-2022.

PIXLEY KA SEME
DISTRIKSMUNISIPALITEIT
2022 -01- 21
PIXLEY KA SEME
DISTRICT MUNICIPALITY

Acknowledgment of receipt

Print Name: Mr UR Itumeleng

Signature________________

Executive Mayor: Pixley Ka Seme District Municipality

Date: 21 January 2022

PIXLEY KA SEME
DISTRIKSMUNISIPALITEIT
2022 -01- 21
PIXLEY KA SEME
DISTRICT MUNICIPALITY

QUALITY CERTIFICATE

I, Rodney Eric Pieterse the Municipal Manager of Pixley Ka Seme District Municipality, herewith certify that the mid-year budget and performance assessment as at 31 December 2021 has been prepared in accordance with Municipal Finance Management Act and regulations made under this Act.

Mr RE Pieterse

Municipal Manager

APPENDIX A

DC7 Pixley Ka Seme (Nc) - Table C1 Monthly Budget Statement Summary - M06 December

Description	2020/21	Budget Year 2021/22							
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	795	500	500	45	338	250	88	35%	500
Transfers and subsidies	60 470	63 986	63 986	19 175	46 771	31 993	14 778	46%	63 986
Other own revenue	3 802	4 013	4 013	538	4 155	2 006	2 149	107%	4 013
Total Revenue (excluding capital transfers and contributions)	**65 068**	**68 499**	**68 499**	**19 758**	**51 264**	**34 249**	**17 015**	**50%**	**68 499**
Employee costs	43 946	43 917	43 917	3 564	20 910	21 958	(1 049)	-5%	43 917
Remuneration of Councillors	4 438	4 852	4 852	457	2 081	2 426	(345)	-14%	4 852
Depreciation & asset impairment	1 020	2 000	2 000	–	–	1 000	(1 000)	-100%	2 000
Finance charges	–	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	3 738	2 116	2 116	133	1 066	1 058	8	1%	2 116
Transfers and subsidies	617	338	388	–	261	194	67	35%	388
Other expenditure	21 727	16 086	16 036	763	6 799	8 018	(1 220)	-15%	16 036
Total Expenditure	**75 486**	**69 309**	**69 309**	**4 918**	**31 116**	**34 655**	**(3 539)**	**-10%**	**69 309**
Surplus/(Deficit)	**(10 418)**	**(810)**	**(810)**	**14 840**	**20 149**	**(405)**	**20 554**	**-5071%**	**(810)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	3 458	–	–	200	200	–	200	#DIV/0!	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(6 960)**	**(810)**	**(810)**	**15 040**	**20 349**	**(405)**	**20 754**	**-5121%**	**(810)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(6 960)**	**(810)**	**(810)**	**15 040**	**20 349**	**(405)**	**20 754**	**-5121%**	**(810)**
Capital expenditure & funds sources									
Capital expenditure	**3 400**	**1 000**	**1 000**	**–**	**141**	**500**	**(359)**	**-72%**	**1 000**
Capital transfers recognised	2 113	295	370	–	136	177	(42)	-24%	370
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**1 286**	**705**	**630**	**–**	**5**	**323**	**(318)**	**-98%**	**630**
Total sources of capital funds	**3 400**	**1 000**	**1 000**	**–**	**141**	**500**	**(359)**	**-72%**	**1 000**
Financial position									
Total current assets	(54 260)	19 785	19 785		24 363				19 785
Total non current assets	2 316	17 694	17 694		2 962				17 694
Total current liabilities	46 570	38 290	38 290		3 068				38 290
Total non current liabilities	5 280	–	–		3 984				–
Community wealth/Equity	**16 473**	**(810)**	**(810)**		**5 233**				**(810)**
Cash flows									
Net cash from (used) operating	(429 863)	(22 540)	(22 540)	(718)	(176 278)	35 197	211 475	601%	1 111 561
Net cash from (used) investing	(43 386)	(248 429)	(260 034)	–	(29 789)	(86 822)	(57 033)	66%	(1 000)
Net cash from (used) financing	–	29 065	29 065	–	(49 732)	(3 327)	46 405	-1395%	29 065
Cash/cash equivalents at the month/year end	**(413 789)**	**(211 024)**	**(222 628)**	**–**	**(198 444)**	**(54 951)**	**143 493**	**-261%**	**1 139 627**

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	–	–	–	–	–	1 569	–	–	1 569
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

APPENDIX B

DC7 Pixley Ka Seme (Nc) - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		**60 721**	**61 838**	**61 838**	**18 930**	**47 281**	**30 919**	16 362	53%	**61 838**
Executive and council		3 585	3 651	3 651	1 218	2 739	1 826	914	50%	3 651
Finance and administration		57 136	58 187	58 187	17 712	44 541	29 093	15 448	53%	58 187
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**2 147**	**1 000**	**1 000**	**245**	**729**	**500**	229	46%	**1 000**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		762	–	–	200	200	–	200	#DIV/0!	–
Health		1 384	1 000	1 000	45	529	500	29	6%	1 000
Economic and environmental services		**5 658**	**5 661**	**5 661**	**783**	**3 455**	**2 830**	625	22%	**5 661**
Planning and development		5 658	5 661	5 661	783	3 455	2 830	625	22%	5 661
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**68 526**	**68 499**	**68 499**	**19 958**	**51 464**	**34 249**	**17 215**	**50%**	**68 499**
Expenditure - Functional										
Governance and administration		**53 953**	**43 825**	**43 825**	**3 240**	**20 438**	**21 913**	(1 475)	-7%	**43 825**
Executive and council		12 968	12 367	12 367	1 099	5 820	6 184	(364)	-6%	12 367
Finance and administration		34 828	24 550	24 550	1 674	11 430	12 275	(846)	-7%	24 550
Internal audit		6 158	6 907	6 907	468	3 188	3 454	(266)	-8%	6 907
Community and public safety		**12 581**	**14 478**	**14 478**	**1 012**	**6 671**	**7 239**	(568)	-8%	**14 478**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		3 462	3 894	3 894	299	1 706	1 947	(241)	-12%	3 894
Housing		2 602	2 734	2 734	215	1 113	1 367	(254)	-19%	2 734
Health		6 518	7 850	7 850	498	3 852	3 925	(74)	-2%	7 850
Economic and environmental services		**8 952**	**11 006**	**11 006**	**665**	**4 008**	**5 503**	(1 495)	-27%	**11 006**
Planning and development		8 952	11 006	11 006	665	4 008	5 503	(1 495)	-27%	11 006
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	3	**75 486**	**69 309**	**69 309**	**4 918**	**31 116**	**34 655**	**(3 539)**	**-10%**	**69 309**
Surplus/ (Deficit) for the year		**(6 960)**	**(810)**	**(810)**	**15 040**	**20 349**	**(405)**	**20 754**	**-5121%**	**(810)**

APPENDIX C

DC7 Pixley Ka Seme (Nc) - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
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		3 585	3 651	3 651	1 218	2 739	1 826	914	50.1%	3 651
Vote 02 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 03 - Budget & Treasury Office		57 034	58 187	58 187	17 712	44 541	29 093	15 448	53.1%	58 187
Vote 04 - Administration		102	–	–	–	–	–	–		–
Vote 05 - Internal Audit		–	–	–	–	–	–	–		–
Vote 06 - Planning Development & Infrastructure		5 658	5 661	5 661	783	3 455	2 830	625	22.1%	5 661
Vote 07 - Municipal Health Services		1 384	1 000	1 000	45	529	500	29	5.8%	1 000
Vote 08 - Housing		762	–	–	200	200	–	200	#DIV/0!	–
Vote 09 - Public Safety		–	–	–	–	–	–	–		–
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - . .		–	–	–	–	–	–	–		–
Vote 12 - .		–	–	–	–	–	–	–		–
Vote 13 - ..		–	–	–	–	–	–	–		–
Vote 14 - . . .		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**68 526**	**68 499**	**68 499**	**19 958**	**51 464**	**34 249**	**17 215**	**50.3%**	**68 499**
Expenditure by Vote	1									
Vote 01 - Office Of The Mayor		10 883	10 066	10 066	875	4 848	5 033	(185)	-3.7%	10 066
Vote 02 - Municipal Manager		2 085	2 302	2 302	223	972	1 151	(179)	-15.5%	2 302
Vote 03 - Budget & Treasury Office		21 494	12 732	12 732	863	6 262	6 366	(104)	-1.6%	12 732
Vote 04 - Administration		13 334	11 818	11 818	811	5 167	5 909	(742)	-12.6%	11 818
Vote 05 - Internal Audit		6 158	6 907	6 907	468	3 188	3 454	(266)	-7.7%	6 907
Vote 06 - Planning Development & Infrastructure		8 952	11 006	11 006	665	4 008	5 503	(1 495)	-27.2%	11 006
Vote 07 - Municipal Health Services		6 518	7 850	7 850	498	3 852	3 925	(74)	-1.9%	7 850
Vote 08 - Housing		2 602	2 734	2 734	215	1 113	1 367	(254)	-18.6%	2 734
Vote 09 - Public Safety		3 462	3 894	3 894	299	1 706	1 947	(241)	-12.4%	3 894
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - . .		–	–	–	–	–	–	–		–
Vote 12 - .		–	–	–	–	–	–	–		–
Vote 13 - ..		–	–	–	–	–	–	–		–
Vote 14 - . . .		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**75 486**	**69 309**	**69 309**	**4 918**	**31 116**	**34 655**	**(3 539)**	**-10.2%**	**69 309**
Surplus/ (Deficit) for the year	2	**(6 960)**	**(810)**	**(810)**	**15 040**	**20 349**	**(405)**	**20 754**	**-5120.8%**	**(810)**

APPENDIX D

DC7 Pixley Ka Seme (Nc) - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates								–		
Service charges - electricity revenue								–		
Service charges - water revenue								–		
Service charges - sanitation revenue								–		
Service charges - refuse revenue								–		
Rental of facilities and equipment		102	–	–	–	–	–	–		–
Interest earned - external investments		795	500	500	45	338	250	88	35%	500
Interest earned - outstanding debtors		1	–	–	–	–	–	–		–
Dividends received								–		
Fines, penalties and forfeits		–	–	–	–	–	–	–		–
Licences and permits		1 384	1 000	1 000	45	529	500	29	6%	1 000
Agency services		1 739	2 000	2 000	489	3 451	1 000	2 451	245%	2 000
Transfers and subsidies		60 470	63 986	63 986	19 175	46 771	31 993	14 778	46%	63 986
Other revenue		589	1 013	1 013	4	175	506	(331)	-65%	1 013
Gains		(12)	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**65 068**	**68 499**	**68 499**	**19 758**	**51 264**	**34 249**	**17 015**	**50%**	**68 499**
Expenditure By Type										
Employee related costs		43 946	43 917	43 917	3 564	20 910	21 958	(1 049)	-5%	43 917
Remuneration of councillors		4 438	4 852	4 852	457	2 081	2 426	(345)	-14%	4 852
Debt impairment		1 318	–	–	–	–	–	–		–
Depreciation & asset impairment		1 020	2 000	2 000	–	–	1 000	(1 000)	-100%	2 000
Finance charges								–		
Bulk purchases - electricity								–		
Inventory consumed		3 738	2 116	2 116	133	1 066	1 058	8	1%	2 116
Contracted services		2 798	3 135	3 135	153	1 421	1 568	(146)	-9%	3 135
Transfers and subsidies		617	338	388	–	261	194	67	35%	388
Other expenditure		12 468	12 951	12 901	610	5 377	6 451	(1 073)	-17%	12 901
Losses		5 143	–	–	–	–	–	–		–
Total Expenditure		**75 486**	**69 309**	**69 309**	**4 918**	**31 116**	**34 655**	**(3 539)**	**-10%**	**69 309**
Surplus/(Deficit)		**(10 418)**	**(810)**	**(810)**	**14 840**	**20 149**	**(405)**	**20 554**	**(0)**	**(810)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		3 458	–	–	200	200	–	200	#DIV/0!	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(6 960)**	**(810)**	**(810)**	**15 040**	**20 349**	**(405)**			**(810)**
Taxation								–		
Surplus/(Deficit) after taxation		**(6 960)**	**(810)**	**(810)**	**15 040**	**20 349**	**(405)**			**(810)**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**(6 960)**	**(810)**	**(810)**	**15 040**	**20 349**	**(405)**			**(810)**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**(6 960)**	**(810)**	**(810)**	**15 040**	**20 349**	**(405)**			**(810)**

APPENDIX E

DC7 Pixley Ka Seme (Nc) - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
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		3 400	1 000	1 000	–	141	500	(359)	-72%	1 000
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	3 400	1 000	1 000	–	141	500	(359)	-72%	1 000
Total Capital Expenditure		3 400	1 000	1 000	–	141	500	(359)	-72%	1 000
Capital Expenditure - Functional Classification										
Governance and administration		3 400	1 000	1 000	–	141	500	(359)	-72%	1 000
Executive and council								–		
Finance and administration		3 400	1 000	1 000	–	141	500	(359)	-72%	1 000
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	3 400	1 000	1 000	–	141	500	(359)	-72%	1 000
Funded by:										
National Government		2 113	295	370	–	136	177	(42)	-24%	370
Provincial Government		–	–	–	–	–	–	–		–
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								–		
Transfers recognised - capital		2 113	295	370	–	136	177	(42)	-24%	370
Borrowing	6							–		
Internally generated funds		1 286	705	630	–	5	323	(318)	-98%	630
Total Capital Funding		3 400	1 000	1 000	–	141	500	(359)	-72%	1 000

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment

3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations

4. Include expenditure on investment property, intangible and biological assets

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

APPENDIX F

DC7 Pixley Ka Seme (Nc) - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		6 089	13 558	13 558	1 020	13 558
Call investment deposits		(61 473)	–	–	19 953	–
Consumer debtors		409	6 227	6 227	2 255	6 227
Other debtors		715	–	–	1 136	–
Current portion of long-term receivables		–	–	–	–	–
Inventory		–	–	–	–	–
Total current assets		(54 260)	19 785	19 785	24 363	19 785
Non current assets						
Long-term receivables		(11 604)	–	–	(11 099)	–
Investments						
Investment property		1 210	1 210	1 210	1 210	1 210
Investments in Associate						
Property, plant and equipment		12 710	16 484	16 484	12 850	16 484
Biological						
Intangible		1	–	–	1	–
Other non-current assets						
Total non current assets		2 316	17 694	17 694	2 962	17 694
TOTAL ASSETS		(51 944)	37 479	37 479	27 325	37 479
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		–	–	–	–	–
Trade and other payables		45 402	7 390	7 390	1 900	7 390
Provisions		1 168	30 900	30 900	1 168	30 900
Total current liabilities		46 570	38 290	38 290	3 068	38 290
Non current liabilities						
Borrowing		1 279	–	–	(17)	–
Provisions		4 001	–	–	4 001	–
Total non current liabilities		5 280	–	–	3 984	–
TOTAL LIABILITIES		51 850	38 290	38 290	7 052	38 290
NET ASSETS	2	(103 794)	(810)	(810)	20 273	(810)
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		16 473	(810)	(810)	5 233	(810)
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	16 473	(810)	(810)	5 233	(810)

APPENDIX G

DC7 Pixley Ka Seme (Nc) - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		187 155	151 500	151 500	–	46 873	50 500	(3 627)	-7%	151 500
Service charges		789 729	831 239	831 239	–	216 737	277 080	(60 343)	-22%	831 239
Other revenue		(108 530)	59 068	59 068	19 647	74 904	20 102	54 803	273%	2 474
Transfers and Subsidies - Operational		212 857	280 859	280 859	–	7 938	103 592	(95 654)	-92%	59 835
Transfers and Subsidies - Capital		20 842	135 207	135 207	–	35 312	45 582	(10 269)	-23%	135 207
Interest		2 608	3 100	3 100	–	–	1 117	(1 117)	-100%	500
Dividends		111	100	100	–	–	33	(33)	-100%	100
Payments										
Suppliers and employees		(1 534 634)	(1 479 481)	(1 479 481)	(20 365)	(558 042)	(461 430)	96 612	-21%	(65 161)
Finance charges		–	(4 133)	(4 133)	–	–	(1 378)	(1 378)	100%	(4 133)
Transfers and Grants								–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(429 863)**	**(22 540)**	**(22 540)**	**(718)**	**(176 278)**	**35 197**	**211 475**	**601%**	**1 111 561**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	0	0	–	–	0	(0)	-100%	0
Decrease (increase) in non-current receivables		(690)	11 604	–	–	(11 009)	23	(11 032)	-48899%	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(42 696)	(260 034)	(260 034)	–	(18 780)	(86 845)	(68 065)	78%	(1 000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(43 386)**	**(248 429)**	**(260 034)**	**–**	**(29 789)**	**(86 822)**	**(57 033)**	**66%**	**(1 000)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	33 000	33 000	–	–	11 000	(11 000)	-100%	33 000
Increase (decrease) in consumer deposits		–	–	–	–	(49 346)	(13 015)	(36 331)	279%	–
Payments										
Repayment of borrowing		–	(3 935)	(3 935)	–	(385)	(1 312)	(926)	71%	(3 935)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**29 065**	**29 065**	**–**	**(49 732)**	**(3 327)**	**46 405**	**-1395%**	**29 065**
NET INCREASE/ (DECREASE) IN CASH HELD		**(473 249)**	**(241 904)**	**(253 508)**	**(718)**	**(255 798)**	**(54 951)**			**1 139 627**
Cash/cash equivalents at beginning:		59 460	30 880	30 880	–	57 354				
Cash/cash equivalents at month/year end:		(413 789)	(211 024)	(222 628)		(198 444)	(54 951)			1 139 627

APPENDIX H

DC7 Pixley Ka Seme (Nc) - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2021/22											
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	–	–	–	–	–	785	–	–	785	785	–	–
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	–	–	–	–	–	785	–	–	785	785	–	–
Total By Income Source	**2000**	**–**	**–**	**–**	**–**	**–**	**1 569**	**–**	**–**	**1 569**	**1 569**	**–**	**–**
2020/21 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	–	–	–	–	–	785	–	–	785	785	–	–
Commercial	2300									–	–		
Households	2400									–	–		
Other	2500	16	2	2	2	0	–	–	–	20	2	–	–
Total By Customer Group	**2600**	**16**	**2**	**2**	**2**	**0**	**785**	**–**	**–**	**805**	**786**	**–**	**–**

APPENDIX I

DC7 Pixley Ka Seme (Nc) - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2021/22								
R thousands		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									–
Other	0900	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	–	–	–	–	–	–	–	–	–

APPENDIX J

DC7 Pixley Ka Seme (Nc) - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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 [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	2022-06-30	5 895	424	(34 819)	48 682	20 183
Municipality sub-total										5 895		(34 819)	48 682	20 183
Entities														
														–
														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2									5 895		(34 819)	48 682	20 183

References

2. List investments in expiry date order

3. If 'variable' is selected in column F, input interest rate range

4. Withdrawals to be entered as negative