



# Monthly Budget Statement

MFMA Section 71 Report August 2022

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## **1. Introduction**

### **1.1 Purpose**

The purpose of this report is to comply with section 71 & 52 of the MFMA and the requirements as promulgated in Government Gazette No 32141 of 17 April 2009 (Municipal budgeting and reporting requirements).

The monthly Budget Statement also aims to provide an update on indicators critical to the municipality's viability and serve as an early warning indicator where remedial action is required. The consolidated performance is a high level overview of the municipality's viability and sustainability.

### **1.2 Legislative Framework**

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating sustainability and better medium term planning and policy choices on service delivery.

The report has been prepared in terms of the following legislative framework:

- i. The Municipal Finance Management Act – No.56 of 2003, Section 71 & 52
- ii. And the Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

“28. the monthly budget statement of a municipality must be in the format specified in Schedule C and includes 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.”

The objective of these Regulations is to ensure sound and sustainable management of the budgeting and reporting practices of Municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

## **2. Summary of Overall Budget Performance for August 2022**

The total budget approved for the 2022-2023 financial year amounts to R451 042 million.

The total expenditure for operating activities for the month amounts to R22 204 million.

Total revenue for the month amounts to R23 631 million.

The expenditure on Capital activities for the month amounts to R1 092 million.

**The following table provides a summary of the municipality's performance as at 31 August 2022**

LIM341 Musina - Table C1 Monthly Budget Statement Summary - M03 August 2022			Budget Year 2022/23							
Description	2021/22	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<u>Financial Performance</u>										
Property rates	–	25,814	–	1,953	6,463	4,302	2,161	50%	22,698	
Service charges	–	177,572	–	13,023	23,885	29,595	(5,710)	-19%	189,022	
Investment revenue	–	–	–	–	–	–	–	–	1,244	
Transfers and subsidies	–	199,191	–	3,288	78,971	33,199	45,773	138%	174,720	
Other own revenue	–	48,465	–	5,367	11,580	8,078	3,503	43%	45,296	
<b>Total Revenue (excluding capital transfers and contributions)</b>	–	<b>451,042</b>	–	<b>23,631</b>	<b>120,899</b>	<b>75,174</b>	<b>45,725</b>	<b>61%</b>	<b>432,980</b>	
Employee costs	–	162,265	–	11,969	24,577	27,044	(2,467)	-9%	158,403	
Remuneration of Councillors	–	12,823	–	847	1,736	2,137	(401)	-19%	11,339	
Depreciation & asset impairment	–	27,942	–	–	–	4,657	(4,657)	-100%	34,265	
Finance charges	–	–	–	–	–	–	–	–	1,777	
Materials and bulk purchases	–	124,511	–	2,160	56,250	20,752	35,498	171%	138,162	
Transfers and subsidies	–	–	–	369	742	–	742	#DIV/0!	6,073	
Other expenditure	–	118,500	–	6,859	47,241	19,750	27,491	139%	78,626	
<b>Total Expenditure</b>	–	<b>446,041</b>	–	<b>22,204</b>	<b>130,546</b>	<b>74,340</b>	<b>56,205</b>	<b>76%</b>	<b>428,645</b>	
<b>Surplus/(Deficit)</b>	–	<b>5,001</b>	–	<b>1,427</b>	<b>(9,647)</b>	<b>833</b>	<b>(10,480)</b>	<b>-1257%</b>	<b>4,335</b>	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	32,713	–	–	10,616	5,452	5,164	95%	36,988	
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)										
–	–	–	–	–	–	–	–	–	–	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	–	<b>37,714</b>	–	<b>1,427</b>	<b>969</b>	<b>6,286</b>	<b>(5,316)</b>	<b>-85%</b>	<b>41,323</b>	
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	
<b>Surplus/ (Deficit) for the year</b>	–	<b>37,714</b>	–	<b>1,427</b>	<b>969</b>	<b>6,286</b>	<b>(5,316)</b>	<b>-85%</b>	<b>41,323</b>	
<u>Capital expenditure &amp; funds sources</u>										
<b>Capital expenditure</b>	37,793	<b>44,955</b>	–	196	<b>17,335</b>	<b>30,035</b>	<b>(12,699)</b>	<b>-42%</b>	–	
Capital transfers recognised	–	32,713	–	1,092	5,741	5,452	289	5%	–	
Borrowing	–	–	–	–	–	–	–	–	–	
Internally generated funds	–	<b>5,000</b>	–	–	–	<b>5,000</b>	<b>(5,000)</b>	<b>-100%</b>	–	
<b>Total sources of capital funds</b>	–	<b>37,713</b>	–	<b>1,092</b>	<b>5,741</b>	<b>10,452</b>	<b>(4,711)</b>	<b>-45%</b>	–	
<u>Financial position</u>										
Total current assets	–	118,075	–		217,525				118,075	
Total non current assets	–	515,437	–		608,025				515,437	
Total current liabilities	–	519,527	–		571,046				519,527	
Total non current liabilities	–	19,595	–		43,472				19,595	
Community wealth/Equity	–	<b>94,390</b>	–		<b>211,032</b>				<b>94,390</b>	
<u>Cash flows</u>										
Net cash from (used) operating	–	38,488	–	2,977	7,167	6,415	(752)	-12%	–	
Net cash from (used) investing	–	(37,713)	–	(1,092)	(5,741)	(6,286)	(544)	9%	–	
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	
<b>Cash/cash equivalents at the month/year end</b>	–	<b>13,248</b>	–	<b>–</b>	<b>4,252</b>	<b>12,602</b>	<b>8,350</b>	<b>66%</b>	<b>2,827</b>	
<b>Debtors &amp; creditors analysis</b>	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Ds	151-180 Ds	181 Ds-1 Yr	Over 1Yr	Total	
<b>Debtors Age Analysis</b>										
Total By Income Source	370	9,605	6,066	2,833	2,558	2,379	12,370	43,088	79,268	
<b>Creditors Age Analysis</b>										
Total Creditors	10,433	599	256	21	52,157	–	–	–	63,467	

### 3. Operational Revenue

#### 3.1 Revenue Performance by Source/Classification as at 31 August 2022

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August 2022										
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									%	
<b>Revenue By Source</b>										
Property rates		–	25,814	–	1,953	6,463	4,302	2,161	50%	22,698
Service charges - electricity revenue		–	162,728	–	11,538	20,889	27,121	(6,232)	-23%	174,390
Service charges - water revenue								–	–	–
Service charges - sanitation revenue								–	–	–
Service charges - refuse revenue		–	14,844	–	1,485	2,996	2,474	522	21%	14,632
Rental of facilities and equipment		–	558	–	–	–	93	(93)	-100%	691
Interest earned - external investments		–	–	–	–	–	–	–	–	1,244
Interest earned - outstanding debtors		–	2,966	–	763	1,400	494	906	183%	3,180
Dividends received		–	527	–	129	129	88	41	47%	–
Fines, penalties and forfeits		–	3,870	–	226	443	645	(202)	-31%	3,380
Licences and permits		–	2,436	–	(53)	(44)	406	(450)	-111%	5,509
Agency services		–	–	–	–	–	–	–	–	–
Transfers and subsidies		–	199,191	–	3,288	78,971	33,199	45,773	138%	174,720
Other revenue		–	38,108	–	4,302	9,652	6,351	3,301	52%	8,843
Gains		–	–	–	–	–	–	–	–	23,693
<b>Total Revenue (excluding capital transfers and contributions)</b>		–	451,042	–	23,631	120,899	75,174	45,725	61%	432,980

### 3.2 Summary of Revenue Trends

The following table provides a summary of the monthly revenue trends based on current years actual own revenue.

LIM341 Musina - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August 2022														2022/23 Medium Term Revenue & Expenditure Framework			
Description	Ref	Budget Year 2022/23												Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June				
R thousands	1	Outcome	Outcome	Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25										
<u>Cash Receipts By Source</u>																	
Property rates		4,510	1,953	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	(590)	23,486	24,250	23,020
Service charges - electricity revenue		9,351	11,538	12,205	12,205	12,205	12,205	12,205	12,205	12,205	12,205	12,205	12,205	15,722	146,456	152,691	144,608
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		1,511	1,485	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	(13,000)	13	13,948	13,226
Rental of facilities and equipment		-	-	38	38	38	38	38	38	38	38	38	38	112	454	474	454
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors		637	763	7,821	609	974	1,313	5,991	380	633	4,624	759	(24,504)	-	-	-	-
Dividends received		-	129	-	-	-	-	1	-	-	-	-	-	(130)	-	-	-
Fines, penalties and forfeits		217	226	430	430	430	430	430	430	430	430	430	430	843	5,156	5,383	5,156
Licences and permits		9	(53)	203	203	203	203	203	203	203	203	203	203	655	2,438	2,548	2,548
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		75,683	3,288	16,349	16,349	16,349	16,349	16,349	16,349	16,349	16,349	16,349	16,349	(29,921)	196,191	215,979	238,145
Other revenue		5,350	4,302	144	144	144	144	144	144	144	144	144	144	(9,225)	1,723	1,799	1,723
<b>Cash Receipts by Source</b>		<b>97,268</b>	<b>23,631</b>	<b>40,260</b>	<b>33,048</b>	<b>33,413</b>	<b>33,752</b>	<b>38,431</b>	<b>32,819</b>	<b>33,072</b>	<b>37,063</b>	<b>33,198</b>	<b>(60,038)</b>	<b>375,917</b>	<b>417,072</b>	<b>428,880</b>	
<b>Other Cash Flows by Source</b>														-	-	-	-
Transfers and subsidies - capital (monetary)		10,616	-	2,726	2,726	2,726	2,726	2,726	2,726	2,726	2,726	2,726	2,726	(2,437)	32,713	34,040	32,499
Decrease (increase) in non-current investments														-	-	-	-
<b>Total Cash Receipts by Source</b>		<b>107,884</b>	<b>23,631</b>	<b>42,986</b>	<b>35,774</b>	<b>36,139</b>	<b>36,478</b>	<b>41,157</b>	<b>35,545</b>	<b>35,798</b>	<b>39,789</b>	<b>35,924</b>	<b>(62,475)</b>	<b>408,630</b>	<b>451,112</b>	<b>461,379</b>	

## Summary of total Own revenue

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - M02 August 2022

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									%
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates	-	23 486	-	1 953	6 463	3 914	2 549	65%		
Service charges	-	159 815	-	13 023	23 726	26 636	(2 910)	-11%		
Other revenue	-	9 771	-	3 604	19 796	1 629	18 168	1116%		
Transfers and Subsidies - Operational	-	196 191	-	3 288	78 971	32 699	46 273	142%		
Transfers and Subsidies - Capital	-	32 713	-	-	-	5 452	(5 452)	-100%		
Interest	-	-	-	763	1 400	-	1 400	#DIV/0!		
Dividends								-		
<b>Payments</b>										
Suppliers and employees	-	(379 098)	-	(19 511)	(122 958)	(63 183)	59 775	-95%		
Finance charges	-	-	-	-	-	-	-	-		
Transfers and Grants	-	(4 390)	-	(143)	(231)	(732)	(500)	68%		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	-	<b>38 488</b>	-	<b>2 977</b>	<b>7 167</b>	<b>6 415</b>	<b>(752)</b>	<b>-12%</b>		-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-		
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets	-	(37 713)	-	(1 092)	(5 741)	(6 286)	(544)	9%		
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	-	<b>(37 713)</b>	-	<b>(1 092)</b>	<b>(5 741)</b>	<b>(6 286)</b>	<b>(544)</b>	<b>9%</b>		-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans			-			-	-	-		
Borrowing long term/refinancing	-	-	-			-	-	-		
Increase (decrease) in consumer deposits			-			-	-	-		
<b>Payments</b>										
Repayment of borrowing			-			-	-	-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	-	<b>775</b>	-	<b>1 884</b>	<b>1 425</b>	<b>129</b>				-
Cash/cash equivalents at beginning:	-	12 473	-	2 827	12 473					2 827
Cash/cash equivalents at month/year end:	-	13 248	-	4 252	12 602					2 827

## 4. Operational Expenditure

### 4.1 Operational Expenditure Performance by type as at 31 August 2022

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August 2022										
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									%	
<b>Expenditure By Type</b>										
Employee related costs	-	162,265	-	11,969	24,577	27,044	(2,467)	-9%	158,403	
Remuneration of councillors	-	12,823	-	847	1,736	2,137	(401)	-19%	11,339	
Debt impairment	-	38,307	-	-	-	6,385	(6,385)	-100%	8,325	
Depreciation & asset impairment	-	27,942	-	-	-	4,657	(4,657)	-100%	34,265	
Finance charges	-	-	-	-	-	-	-	-	1,777	
Bulk purchases	-	121,518	-	2,048	56,048	20,253	35,795	177%	129,748	
Other materials	-	2,993	-	112	202	499	(297)	-60%	8,414	
Contracted services	-	38,078	-	934	934	6,346	(5,412)	-85%	37,767	
Transfers and subsidies	-	-	-	369	742	-	742	#DIV/0!	6,073	
Other expenditure	-	42,115	-	5,925	46,307	7,019	39,288	560%	32,534	
Losses		-	-	-	-	-	-	-		
<b>Total Expenditure</b>		<b>-</b>	<b>446,041</b>	<b>-</b>	<b>22,204</b>	<b>130,546</b>	<b>74,340</b>	<b>56,205</b>	<b>76%</b>	<b>428,645</b>

## 4.2 Summary of Expenditure Trends

The following table provides a summary of the expenditure trends based on current year's actual spending.

Budget Year 2022/23														2022/23 Medium Term Revenue & Expenditure Framework			
Description	Ref	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year	Budget Year	
		Outcome	Outcome	Budget	2022/23	+1 2023/24	+2 2024/25										
R thousands	1																
<b>Cash Payments by Type</b>																	
Employee related costs		12,608	11,969	14,536	14,536	14,536	14,536	14,536	14,536	14,536	14,536	14,536	14,536	19,037	174,438	182,113	207,720
Remuneration of councilors		889	847	—	—	—	—	—	—	—	—	—	—	(1,736)	—	—	—
Interest paid		—	—	13	2	—	—	—	—	—	—	—	—	(15)	—	—	—
Bulk purchases - Electricity		54,000	2,048	10,126	10,126	10,126	10,126	10,126	10,126	10,126	10,126	10,126	10,126	(25,664)	121,518	126,227	127,199
Bulk purchases - Water & Sewer		—	—	249	249	249	249	249	249	249	249	249	249	752	2,993	3,125	3,910
Other materials		90	112	—	—	—	—	—	—	—	—	—	—	(202)	—	—	—
Contracted services		8,199	934	—	—	—	—	—	—	—	—	—	—	(9,133)	—	—	—
Grants and subsidies paid - other municipalities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grants and subsidies paid - other		373	369	—	—	—	—	—	—	—	—	—	—	(742)	—	—	—
General expenses		27,534	4,833	6,679	6,679	6,679	6,679	6,679	6,679	6,679	6,679	6,679	6,679	(12,329)	80,149	89,676	87,733
<b>Cash Payments by Type</b>		<b>103,693</b>	<b>21,112</b>	<b>31,590</b>	<b>31,603</b>	<b>31,592</b>	<b>31,590</b>	<b>(30,032)</b>	<b>379,098</b>	<b>401,141</b>	<b>426,562</b>						
<b>Other Cash Flows/Payments by Type</b>																	
Capital assets		4,649	1,092	1,901	2,045	963	196	1,439	2,383	1,971	1,290	2,879	(20,808)	—	—	—	
Repayment of borrowing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Cash Flows/Payments		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Payments by Type</b>		<b>108,342</b>	<b>22,204</b>	<b>33,491</b>	<b>33,648</b>	<b>32,555</b>	<b>31,786</b>	<b>33,029</b>	<b>33,973</b>	<b>33,561</b>	<b>32,880</b>	<b>34,469</b>	<b>(50,839)</b>	<b>379,098</b>	<b>401,141</b>	<b>426,562</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>																	
Cash/cash equivalents at the month/year beginning:		(458)	1,427	9,495	2,126	3,584	4,692	8,128	1,572	2,237	6,909	1,455	(11,635)	29,532	49,971	34,817	
Cash/cash equivalents at the month/year end:		3,284	2,827	4,254	13,749	15,875	19,459	24,150	32,278	33,851	36,088	42,997	44,452	3,284	32,817	82,788	117,605

## 5. Capital Expenditure

### 5.1 Capital Expenditure by Function/Department

LIM341 Musina - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August 2022											
Vote Description	Ref	2021/22		Budget Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
R thousands	1									%	
<b>Capital Expenditure - Functional Classification</b>											
<i>Governance and administration</i>		-	3 000	-	-	-	250	(250)	-100%	-	
Executive and council			1 500						-		
Finance and administration			1 500	-	-	-	250	(250)	-100%		
Internal audit									-		
<i>Community and public safety</i>		-	4 751	-	933	2 735	792	1 943	245%	-	
Community and social services			4 751	-	933	2 735	792	1 943	245%		
Sport and recreation						-	-		-		
Public safety									-		
Housing									-		
Health									-		
<i>Economic and environmental services</i>		-	28 962	-	159	3 006	4 827	(1 821)	-38%	-	
Planning and development			27 962	-	159	3 006	4 660	(1 654)	-35%		
Road transport			1 000	-	-	-	167	(167)	-100%		
Environmental protection									-		
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	
Energy sources									-		
Water management									-		
Waste water management									-		
Waste management									-		
<i>Other</i>									-		
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>-</b>	<b>36 713</b>	<b>-</b>	<b>1 092</b>	<b>5 741</b>	<b>5 869</b>	<b>(127)</b>	<b>-2%</b>	<b>-</b>	
<b>Funded by:</b>											
National Government		-	32 713		1 092	5 741	5 452	289	5%		
Provincial Government									-		
Transfers recognised - capital		-	32 713	-	1 092	5 741	5 452	289	5%	-	
<i>Borrowing</i>	<b>6</b>								-		
Internally generated funds			5 000		-	-	5 000	(5 000)	-100%		
<b>Total Capital Funding</b>		<b>-</b>	<b>37 713</b>	<b>-</b>	<b>1 092</b>	<b>5 741</b>	<b>10 452</b>	<b>(4 711)</b>	<b>-45%</b>	<b>-</b>	

## 6. Grants Management

### 6.1 Monthly grants cumulative expenditure performance trend Expenditure per Category

LIM341 Musina - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August 2022												
Description	Ref	2021/22		Budget Year 2022/23							Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	%		
R thousands												
<u>EXPENDITURE</u>												
<u>Operating expenditure of Transfers and Grants</u>												
National Government:	-	198 183	-	452	76 129	33 031	43 098	130.5%	-			
Local Government Equitable Share	-	193 793	-	-	75 589	32 299	43 290	134.0%				
Finance Management	-	3 000	-	84	172	500	(328)	-65.6%				
EPWP Incentive	-	1 390	-	368	368	232	136	58.7%				
0	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-				
Provincial Government:	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-				
District Municipality:	-	-	-	-	-	-	-	-				
[insert description]	-	-	-	-	-	-	-	-				
Other grant providers:	-	-	-	-	-	-	-	-				
[insert description]	-	-	-	-	-	-	-	-				
Total operating expenditure of Transfers and Grants:	-	198 183	-	452	76 129	33 031	43 098	130.5%	-			
<u>Capital expenditure of Transfers and Grants</u>												
National Government:	-	32 713	-	1 092	5 741	5 452	289	5.3%	-			
0	-	32 713	-	1 092	5 741	5 452	289	5.3%				
0	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
Other capital transfers [insert description]	-	-	-	-	-	-	-	-				
Provincial Government:	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
District Municipality:	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
Other grant providers:	-	-	-	-	-	-	-	-				
0	-	-	-	-	-	-	-	-				
Total capital expenditure of Transfers and Grants	-	32 713	-	1 092	5 741	5 452	289	5.3%	-			
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>-</b>	<b>230 896</b>	<b>-</b>	<b>1 544</b>	<b>81 870</b>	<b>38 483</b>	<b>43 388</b>	<b>112.7%</b>	<b>-</b>			

## 6.2 Grants Expenditure Trends

The table below outlines the expenditure trend on MIG Grant:

LIM341 Musina - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August 2022									
Month	2021/22		Budget Year 2022/23						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands									%
<u>Monthly expenditure performance trend</u>									
July		32 713		(4 649)		32 713		-	
August		32 713		(1 092)		65 426		-	
September		32 713				98 139		-	
October		32 713				130 852		-	
November		32 713				163 565		-	
December		32 713				196 278		-	
January		32 713				228 991		-	
February		32 713				261 704		-	
March		32 713				294 417		-	
April		32 713				327 130		-	
May		32 713				359 843		-	
June		32 713				392 556		-	
Total Capital expenditure	-	392 556	-	(5 741)					

<b>MIG Projects 2022/2023</b>	<b>Budget</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>
Nancefield phase 6 to 12 paved roads	68 802.22												
Costruction of bridle & culvert from Tshivhongweni to Tshipale village on the road to tshokotshoko	504 300.25	-											
Development of Nancefield grave yard	4 750 877.36	-											
Construction of Tshikhudini community hall	3 350 685.65	1 801 724.04	932 948.61										
Rehabilitation of Manyathela Stadium	4 595 311.03	1 845 495.42											
Nancefield ext 9 & 10 paved roads and stormwater phase 2	7 513 613.69	777 963.43											
Shakadza Multi Purpose Centre	5 487 497.66												
Mabvete Community hall	4 806 262.14												
PMU Management fees	1 635 650.00	223 683.20	159 492.73										
	<b>32 713 000.00</b>	<b>4 648 866.09</b>	<b>1 092 441.34</b>	-	-	-	-	-	-	-	-	-	-

## 7. Debtors Management

The age analysis of the outstanding trade debtors as at 31 August 2022 is reflected in the table below.

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August 2022														
Description R thousands	NT Code	Budget Year 2022/23											Actual Bad Debts Written Off	Impairment - Bad Debts i.t.o Council
		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			
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200												-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	5 004	1 036	777	677	639	2 867	11 395	22 395	16 355			16 355
Receivables from Non-exchange Transactions - Property Rates	1400	369	1 756	3 401	779	701	663	3 434	34 679	45 781	40 255			40 255
Receivables from Exchange Transactions - Waste Water Management	1500											-	-	
Receivables from Exchange Transactions - Waste Management	1600	2	1 089	637	448	376	357	1 890	7 961	12 760	11 032			11 032
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)	1 756	993	828	805	719	4 178	(10 946)	(1 668)	(4 416)			(4 416)
<b>Total By Income Source</b>	<b>2000</b>	<b>370</b>	<b>9 605</b>	<b>6 066</b>	<b>2 833</b>	<b>2 558</b>	<b>2 379</b>	<b>12 370</b>	<b>43 088</b>	<b>79 268</b>	<b>63 227</b>	<b>-</b>	<b>63 227</b>	
<b>2021/22 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	290	508	1 345	145	114	110	931	8 118	11 560	9 417			9 417
Commercial	2300	-	4 298	1 726	607	695	598	3 280	(1 791)	9 412	3 389			3 389
Households	2400	81	3 718	2 343	1 549	1 227	1 144	6 262	23 858	40 183	34 041			34 041
Other	2500	-	1 080	653	532	523	526	1 897	12 902	18 113	16 380			16 380
<b>Total By Customer Group</b>	<b>2600</b>	<b>370</b>	<b>9 605</b>	<b>6 066</b>	<b>2 833</b>	<b>2 558</b>	<b>2 379</b>	<b>12 370</b>	<b>43 088</b>	<b>79 268</b>	<b>63 227</b>	<b>-</b>	<b>63 227</b>	

## 7.1 Disconnection List

### DISCONNECTION LIST AUGUST 2022

	ELECTRICITY MESSINA	ELECTRICITY NANCEFIELD
<b>TOWN</b>	<b>18</b>	<b>90</b>
EXTENTION 1	45	36
EXTENTION 2	14	14
EXTENSION 3	16	0
EXTENSION 4	35	130
EXTENTION 5	15	45
EXTENSION 6	12	10
EXTENTION 7	23	11
EXTENTION 8	7	366
EXTENTION 9	3	44
EXTENTION 10	6	49
EXTENTION 11	3	33
EXTENTION 12	4	11
EXTENTION 14	6	82
MUSINA 4 MT	2	0
MUSINA EXT 17	0	0
VOGELZANG 3 MT	0	0
BUITEGEBIED	3	0
<b>DISCONNECTIONS</b>	<b>212</b>	<b>921</b>
ARRANGEMENTS	5	16
<b>TOTAL DISCONNECTED</b>	<b>45</b>	<b>720</b>
<b>PAID/RESPONDED</b>	<b>40</b>	<b>550</b>
<b>TOTAL NOT DISCONNECTED</b>	<b>162</b>	<b>185</b>

AMOUNT COLLECTED-TOWN  
CREDIT CONTROL COLLECTION

R 354,476.54  
R 535,008.02

## 8. Creditors Management

The age analysis of the outstanding creditors as at **31 August 2022** was as outlined below:

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August 2022										
Description	NT Code	Budget Year 2022/23								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										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	10 433	599	256	21	52 157				63 467
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>10 433</b>	<b>599</b>	<b>256</b>	<b>21</b>	<b>52 157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63 467</b>

## 8.1 EXPENDITURE ANALYSIS

The following table provides a summary of the expenditure trends based on current month of August 2022

<b><u>EXPENDITURE ANALYSIS</u></b>	
<u>MONTH-END AUGUST 2022</u>	
<u>DESCRIPTION</u>	<u>AMOUNT</u>
ESKOM	2,047,536.52
SALARIES	10,640,432.80
SUNDRY CREDITORS	30,800.00
TRADE CREDITORS	3,324,796.07
SARS ( PAYE VAT )	2,438,038.35
TELKOM	56,431.25
BANK CHARGES	59,220.32
DEBIT ORDERS	1,686,482.35
PORVERTY ALLIVIATION WORKERS	367,565.08
LEARNERS LGSETA	48,510.00
WARD COMMITTEE MEMBERS -STIPENS	120,000.00
<b>SUB-TOTAL</b>	<b>20,819,812.74</b>
Supplementary Valuations	477,997.50
Electrification of Malale	82,225.00
Development of Mmberegeni Graveyard	839,686.13
<b>SUB-TOTAL</b>	<b>1,399,908.63</b>
<b>TOTAL EXPENDITURE</b>	<b>23,604,729.49</b>
VDM	1047.94
TELKOM	56,431.25
ESKOM RIOOLDAMME	36,865.45
	94,344.64
	23,699,074.13

## 8.2 Outstanding Creditors

<b>OUTSTANDING CREDITORS AUGUST 2022</b>	
<b>SUPPLIER</b>	<b>AUGUST</b>
ESKOM	36,961,140.34
DEPARTMENT OF TRANSPORT	14,718,957.13
CONTRACTED SERVICES	2,823,326.33
SUPPLIERS	8,963,930.12
<b>TOTAL</b>	<b>63,467,353.92</b>

## 9. Cash Management

The table below provides a breakdown of the cash and cash equivalents at end of 31 August 2022.

<b><u>MONTHLY REPORT</u></b>		
<b><u>DEPARTMENT OF THE CHIEF FINANCIAL OFFICER</u></b>		
<b><u>BANK RECONCILIATION AS 31 AUGUST 2022</u></b>		
	BALANCE AS ON 31 JULY 2022	2 826 740.39
<u>LESS:</u>	EXPENDITURE	22 204 820.86
	RETURNED CHEQUE	-
	DAY CALL	-
	 TOTAL EXPENDITURE	 <u>22 204 820.86</u>
<u>PLUS:</u>	INCOME	23 631 029.65
	INCOME NOT RECEIPTED	
	CANCELLED STALE CHEQUES	
	DAY CALL	-
	 TOTAL REVENUE	 <u>23 631 029.65</u>
	BALANCE AS ON 31 AUGUST 2022	<span style="border: 1px solid black; padding: 2px;">4 252 949.18</span>
	BALANCE AS PER BANK STATEMENT	<span style="border: 1px solid black; padding: 2px;">4 252 949.18</span>
<u>LESS:</u>	OUTSTANDING CHEQUE	-
		<span style="border: 1px solid black; padding: 2px;">4 252 949.18</span>
	interest 2.78%	
	TRAFFIC	179 743.00
	BALANCE AS ON 31 AUGUST 2022	<span style="border: 1px solid black; padding: 2px;">4 432 692.18</span>

The municipality closed the financial month of August with a positive bank balance.

## 10. Recommendations

It is recommended that the Finance Committee consider and approves the report.