



# Monthly Budget Statement

MFMA Section 71 Report July 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 July 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 R108 342 million.

Total revenue for the month amounts to R107 884 million.

The expenditure on Capital activities for the month amounts to R4 649 million.

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

LIM341 Musina - Table C1 Monthly Budget Statement Summary - M01 July 2022									
Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<b>Financial Performance</b>									
Property rates	–	25,814	–	4,510	4,510	2,151	2,359	110%	22,698
Service charges	–	177,572	–	10,862	10,862	14,798	(3,936)	-27%	189,022
Investment revenue	–	–	–	–	–	–	–	–	1,244
Transfers and subsidies	–	199,191	–	75,683	75,683	16,599	59,084	356%	174,720
Other own revenue	–	48,465	–	6,213	6,213	4,039	2,174	54%	45,296
<b>Total Revenue (excluding capital transfers and contributions)</b>	–	<b>451,042</b>	–	<b>97,268</b>	<b>97,268</b>	<b>37,587</b>	<b>59,681</b>	<b>159%</b>	<b>432,980</b>
Employee costs	–	162,265	–	12,608	12,608	13,522	(914)	-7%	158,403
Remuneration of Councillors	–	12,823	–	889	889	1,069	(180)	-17%	11,339
Depreciation & asset impairment	–	27,942	–	–	–	2,329	(2,329)	-100%	34,265
Finance charges	–	–	–	–	–	–	–	–	1,777
Materials and bulk purchases	–	124,511	–	54,090	54,090	10,376	43,714	421%	138,162
Transfers and subsidies	–	–	–	373	373	–	373	#DIV/0!	6,073
Other expenditure	–	118,500	–	40,382	40,382	9,875	30,507	309%	78,626
<b>Total Expenditure</b>	–	<b>446,041</b>	–	<b>108,342</b>	<b>108,342</b>	<b>37,170</b>	<b>71,172</b>	<b>191%</b>	<b>428,645</b>
<b>Surplus/(Deficit)</b>	–	<b>5,001</b>	–	<b>(11,074)</b>	<b>(11,074)</b>	<b>417</b>	<b>(11,491)</b>	<b>-2757%</b>	<b>4,335</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	32,713	–	10,616	10,616	2,726	7,890	289%	36,988
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	–	<b>37,714</b>	–	<b>(458)</b>	<b>(458)</b>	<b>3,143</b>	<b>(3,601)</b>	<b>-115%</b>	<b>41,323</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	–	<b>37,714</b>	–	<b>(458)</b>	<b>(458)</b>	<b>3,143</b>	<b>(3,601)</b>	<b>-115%</b>	<b>41,323</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>37,793</b>	<b>44,955</b>	–	<b>196</b>	<b>17,335</b>	<b>30,035</b>	<b>(12,699)</b>	<b>-42%</b>	–
Capital transfers recognised	–	32,713	–	4,649	4,649	32,713	(28,064)	-86%	–
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>4,649</b>	<b>4,649</b>	<b>37,713</b>	<b>(33,064)</b>	<b>-88%</b>	–
<b>Financial position</b>									
Total current assets	–	118,075	–		227,240				118,075
Total non current assets	–	515,437	–		641,748				533,042
Total current liabilities	–	519,527	–		439,537				537,132
Total non current liabilities	–	19,595	–		41,181				19,595
Community wealth/Equity	–	<b>94,390</b>	–		<b>388,270</b>				<b>94,390</b>
<b>Cash flows</b>									
Net cash from (used) operating	–	38,488	–	4,191	4,191	3,207	(983)	-31%	–
Net cash from (used) investing	–	(37,713)	–	(4,649)	(4,649)	(3,143)	1,506	-48%	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the month/year end</b>	–	<b>13,248</b>	–	<b>–</b>	<b>2,826</b>	<b>12,538</b>	<b>9,711</b>	<b>77%</b>	<b>3,284</b>

### 3. Operational Revenue

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

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July 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	-	4,510	4,510	2,151	2,359	110%	22,698	
Service charges - electricity revenue	-	162,728	-	9,351	9,351	13,561	(4,210)	-31%	174,390	
Service charges - water revenue										-
Service charges - sanitation revenue										-
Service charges - refuse revenue	-	14,844	-	1,511	1,511	1,237	274	22%	14,632	
Rental of facilities and equipment	-	558	-	-	-	47	(47)	-100%	691	
Interest earned - external investments	-	-	-	-	-	-	-	-	1,244	
Interest earned - outstanding debtors	-	2,966	-	637	637	247	390	158%	3,180	
Dividends received	-	527	-	-	-	44	(44)	-100%	-	
Fines, penalties and forfeits	-	3,870	-	217	217	323	(106)	-33%	3,380	
Licences and permits	-	2,436	-	9	9	203	(194)	-96%	5,509	
Agency services	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	199,191	-	75,683	75,683	16,599	59,084	356%	174,720	
Other revenue	-	38,108	-	5,350	5,350	3,176	2,174	68%	8,843	
Gains	-	-	-	-	-	-	-	-	23,693	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>-</b>	<b>451,042</b>	<b>-</b>	<b>97,268</b>	<b>97,268</b>	<b>37,587</b>	<b>59,681</b>	<b>159%</b>	<b>432,980</b>

<b>Surplus/(Deficit)</b>	<b>-</b>	<b>5,001</b>	<b>-</b>	<b>(11,074)</b>	<b>(11,074)</b>	<b>417</b>	<b>(11,491)</b>	<b>(0)</b>	<b>4,335</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	32,713	-	10,616	10,616	2,726	7,890	0	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)	-	37,714	-	(458)	(458)	3,143			41,323
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>-</b>								

### 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 - M01 July 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	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	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	(594)	23,486	24,250	23,020
Service charges - electricity revenue		9,351	12,205	12,205	12,205	12,205	12,205	12,205	12,205	12,205	12,205	12,205	15,055	146,456	152,691	144,608
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		1,511	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	(12,628)	13	13,948	13,226
Rental of facilities and equipment		-	38	38	38	38	38	38	38	38	38	38	74	454	474	454
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors		637	-	7,821	609	974	1,313	5,991	380	633	4,624	759	(23,741)	-	-	-
Dividends received		-	-	-	-	-	-	1	-	-	-	-	(1)	-	-	-
Fines, penalties and forfeits		217	430	430	430	430	430	430	430	430	430	430	639	5,156	5,383	5,156
Licences and permits		9	203	203	203	203	203	203	203	203	203	203	399	2,438	2,548	2,548
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		75,683	16,349	16,349	16,349	16,349	16,349	16,349	16,349	16,349	16,349	16,349	(42,982)	196,191	215,979	238,145
Other revenue		5,350	144	144	144	144	144	144	144	144	144	144	(5,067)	1,723	1,799	1,723
<b>Cash Receipts by Source</b>		<b>97,268</b>	<b>32,439</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>(68,846)</b>	<b>375,917</b>	<b>417,072</b>	<b>428,880</b>
<u>Other Cash Flows by Source</u>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		10,616	2,726	2,726	2,726	2,726	2,726	2,726	2,726	2,726	2,726	2,726	(5,163)	32,713	34,040	32,499
<b>Total Cash Receipts by Source</b>		<b>107,884</b>	<b>35,165</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>(74,009)</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 - M01 July 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	-	4 510	4 510	1 957	2 553	130%		
Service charges	-	159 815	-	10 703	10 703	13 318	(2 615)	-20%		
Other revenue	-	9 771	-	16 192	16 192	814	15 378	1889%		
Transfers and Subsidies - Operational	-	196 191	-	75 683	75 683	16 349	59 334	363%		
Transfers and Subsidies - Capital	-	32 713	-	-	-	2 726	(2 726)	-100%		
Interest	-	-	-	637	637	-	637	#DIV/0!		
Dividends								-		
<b>Payments</b>										
Suppliers and employees	-	(379 098)	-	(103 447)	(103 447)	(31 592)	71 856	-227%		
Finance charges	-	-	-	-	-	-	-	-		
Transfers and Grants	-	(4 390)	-	(88)	(88)	(366)	(278)	76%		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	-	<b>38 488</b>	-	<b>4 190</b>	<b>4 190</b>	<b>3 207</b>	<b>(983)</b>	<b>-31%</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)	-	(4 649)	(4 649)	(3 143)	1 506	-48%		
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	-	<b>(37 713)</b>	-	<b>(4 649)</b>	<b>(4 649)</b>	<b>(3 143)</b>	<b>1 506</b>	<b>-48%</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>NET INCREASE/ (DECREASE) IN CASH HELD</b>	-	<b>775</b>	-	<b>(459)</b>	<b>(459)</b>	<b>65</b>				-
Cash/cash equivalents at beginning:	-	12 473	-		3 284	12 473				3 284
Cash/cash equivalents at month/year end:	-	13 248	-		2 826	12 538				3 284

## 4. Operational Expenditure

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

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July 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	–	12,608	12,608	13,522	(914)	-7%	158,403	
Remuneration of councillors		–	12,823	–	889	889	1,069	(180)	-17%	11,339	
Debt impairment		–	38,307	–	–	–	3,192	(3,192)	-100%	8,325	
Depreciation & asset impairment		–	27,942	–	–	–	2,329	(2,329)	-100%	34,265	
Finance charges		–	–	–	–	–	–	–	–	1,777	
Bulk purchases		–	121,518	–	54,000	54,000	10,127	43,874	433%	129,748	
Other materials		–	2,993	–	90	90	249	(159)	-64%	8,414	
Contracted services		–	38,078	–	8,199	8,199	3,173	5,025	158%	37,767	
Transfers and subsidies		–	–	–	373	373	–	373	#DIV/0!	6,073	
Other expenditure		–	42,115	–	32,183	32,183	3,510	28,674	817%	32,534	
Losses		–	–	–	–	–	–	–	–		
<b>Total Expenditure</b>		–	446,041	–	108,342	108,342	37,170	71,172	191%	428,645	

## 4.2 Summary of Expenditure Trends

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

LIM341 Musina - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M01 July 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	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	2022/23	+1 2023/24	+2 2024/25
<b>Cash Payments by Type</b>																
Employee related costs		12,608	14,536	14,536	14,536	14,536	14,536	14,536	14,536	14,536	14,536	14,536	16,470	174,438	182,113	207,720
Remuneration of councillors		889	-	-	-	-	-	-	-	-	-	-	(889)	-	-	-
Interest paid		-			13	2							(15)	-	-	-
Bulk purchases - Electricity		54,000	10,126	10,126	10,126	10,126	10,126	10,126	10,126	10,126	10,126	10,126	(33,742)	121,518	126,227	127,199
Bulk purchases - Water & Sewer		-	249	249	249	249	249	249	249	249	249	249	503	2,993	3,125	3,910
Other materials		90	-	-	-	-	-	-	-	-	-	-	(90)	-	-	-
Contracted services		8,199	-	-	-	-	-	-	-	-	-	-	(8,199)	-	-	-
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		373	-	-	-	-	-	-	-	-	-	-	(373)	-	-	-
General expenses		27,534	6,679	6,679	6,679	6,679	6,679	6,679	6,679	6,679	6,679	6,679	(14,175)	80,149	89,676	87,733
<b>Cash Payments by Type</b>		<b>103,693</b>	<b>31,590</b>	<b>31,590</b>	<b>31,603</b>	<b>31,592</b>	<b>31,590</b>	<b>31,590</b>	<b>31,590</b>	<b>31,590</b>	<b>31,590</b>	<b>31,590</b>	<b>(40,510)</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	4,685	1,901	2,045	963	196	1,439	2,383	1,971	1,290	2,879	(24,400)	-	-	-
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>		<b>108,342</b>	<b>36,275</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>(64,910)</b>	<b>379,098</b>	<b>401,141</b>	<b>426,562</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(458)</b>	<b>(1,110)</b>	<b>9,495</b>	<b>2,126</b>	<b>3,584</b>	<b>4,692</b>	<b>8,128</b>	<b>1,572</b>	<b>2,237</b>	<b>6,909</b>	<b>1,455</b>	<b>(9,099)</b>	<b>29,532</b>	<b>49,971</b>	<b>34,817</b>
Cash/cash equivalents at the month/year beginning:		3,284	2,827	1,717	11,212	13,338	16,922	21,614	29,742	31,314	33,551	40,460	41,915	3,284	32,817	82,788
Cash/cash equivalents at the month/year end:		2,827	1,717	11,212	13,338	16,922	21,614	29,742	31,314	33,551	40,460	41,915	32,817	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) - M01 July 2022										
Vote 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>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		-	3 000	-	-	3 878	1 500	2 378	159%	-
Executive and council			1 500					-		
Finance and administration			1 500	-	-	3 878	1 500	2 378	159%	
Internal audit								-		
<i>Community and public safety</i>		-	4 751	-	1 802	1 802	4 751	(2 949)	-62%	-
Community and social services			4 751	-	1 802	1 802	4 751	(2 949)	-62%	
Sport and recreation							-	-		
Public safety								-		
Housing								-		
Health								-		
<i>Economic and environmental services</i>		-	28 962	-	2 847	2 847	28 962	(26 115)	-90%	-
Planning and development			27 962	-	2 847	2 847	27 962	(25 115)	-90%	
Road transport			1 000	-	-	-	1 000	(1 000)	-100%	
Environmental protection								-		
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources								-		
Water management								-		
Waste water management								-		
Waste management								-		
<i>Other</i>								-		
<b>Total Capital Expenditure - Functional Classification</b>	3	-	36 713	-	4 649	8 527	35 213	(26 686)	-76%	-
<b>Funded by:</b>										
National Government		-	32 713		4 649	4 649	32 713	(28 064)	-86%	
Provincial Government								-		
<b>Transfers recognised - capital</b>		-	32 713	-	4 649	4 649	32 713	(28 064)	-86%	-
<b>Borrowing</b>	6							-		
<b>Internally generated funds</b>			5 000		-	-	5 000	(5 000)	-100%	
<b>Total Capital Funding</b>		-	37 713	-	4 649	4 649	37 713	(33 064)	-88%	-

## 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 - M01 July 2022									
Description	Ref	2021/22		Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands								%	
<u>EXPENDITURE</u>									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:		198 183	—	75 677	75 677	16 515	59 161	358.2%	—
Local Government Equitable Share		193 793	—	75 589	75 589	16 149	59 440	368.1%	
Finance Management		3 000	—	88	88	250	(162)	-65.0%	
EPWP Incentive		1 390	—	—	—	116	(116)	-100.0%	
Other transfers and grants [insert description]								—	
Provincial Government:		—	—	—	—	—	—	—	—
Other transfers and grants [insert description]								—	
District Municipality:		—	—	—	—	—	—	—	—
[insert description]								—	
Other grant providers:		—	—	—	—	—	—	—	—
[insert description]								—	
Total operating expenditure of Transfers and Grants:		198 183	—	75 677	75 677	16 515	59 161	358.2%	—
<u>Capital expenditure of Transfers and Grants</u>									
National Government:		32 713	—	4 649	4 649	2 726	1 923	70.5%	—
0		32 713	—	4 649	4 649	2 726	1 923	70.5%	
Other capital transfers [insert description]								—	
Provincial Government:		—	—	—	—	—	—	—	—
0								—	
District Municipality:		—	—	—	—	—	—	—	—
0								—	
Other grant providers:		—	—	—	—	—	—	—	—
0								—	
Total capital expenditure of Transfers and Grants		32 713	—	4 649	4 649	2 726	1 923	70.5%	—
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		230 896	—	80 325	80 325	19 241	61 084	317.5%	—

## 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 - M01 July 2022									
Month	2021/22 Audited Outcom e	Budget Year 2022/23							
		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		2 726		(4 649)		2 726		–	
August		2 726				5 452		–	
September		2 726				8 178		–	
October		2 726				10 904		–	
November		2 726				13 630		–	
December		2 726				16 356		–	
January		2 726				19 082		–	
February		2 726				21 808		–	
March		2 726				24 534		–	
April		2 726				27 260		–	
May		2 726				29 986		–	
June		2 726				32 712		–	
<b>Total Capital expenditure</b>	<b>–</b>	<b>32 712</b>	<b>–</b>	<b>(4 649)</b>					

MIG Projects 2022/2023	Budget	July	August	September	October	November	December	January	February	March	April	May	June
Nancefield phase 6 to 12 paved roads	68,802.22												
Construction of bridge & 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											
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											
	32,713,000.00	4,648,866.09	-	-	-	-	-	-	-	-	-	-	-

## 7. Debtors Management

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

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July 2022														
Description	NT Code	Budget Year 2022/23											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
<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	–	4 573	1 268	853	788	572	3 327	11 111	22 491	16 650			16 650
Receivables from Non-exchange Transactions - Property Rates	1400	(8)	6 051	993	795	715	657	3 427	34 572	47 202	40 165			40 165
Receivables from Exchange Transactions - Waste Water Management	1500													
Receivables from Exchange Transactions - Waste Management	1600	(2)	1 387	600	440	407	375	1 994	7 961	13 162	11 177			11 177
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)	1 840	982	879	782	781	4 261	(11 266)	(1 742)	(4 562)			(4 562)
<b>Total By Income Source</b>	<b>2000</b>	<b>(11)</b>	<b>13 851</b>	<b>3 843</b>	<b>2 967</b>	<b>2 692</b>	<b>2 386</b>	<b>13 009</b>	<b>42 378</b>	<b>81 114</b>	<b>63 430</b>	<b>–</b>	<b>63 430</b>	
<b>2021/22 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	–	1 694	155	122	118	169	916	8 051	11 224	9 376			9 376
Commercial	2300	–	5 098	930	752	657	598	3 422	(2 333)	9 124	3 096			3 096
Households	2400	(11)	5 663	2 122	1 544	1 362	1 264	6 762	23 885	42 592	34 818			34 818
Other	2500	–	1 397	637	549	555	355	1 909	12 774	18 174	16 141			16 141
<b>Total By Customer Group</b>	<b>2600</b>	<b>(11)</b>	<b>13 851</b>	<b>3 843</b>	<b>2 967</b>	<b>2 692</b>	<b>2 386</b>	<b>13 009</b>	<b>42 378</b>	<b>81 114</b>	<b>63 430</b>	<b>–</b>	<b>63 430</b>	

## 7.1 Disconnection List

### DISCONNECTION LIST JULY 2022

	ELECTRICITY MESSINA	ELECTRICITY NANCEFIELD
<b>TOWN</b>	<b>24</b>	<b>122</b>
EXTENTION 1	53	36
EXTENTION 2	18	18
EXTENSION 3	14	0
EXTENSION 4	39	150
EXTENTION 5	13	31
EXTENSION 6	18	8
EXTENTION 7	21	15
EXTENTION 8	5	389
EXTENTION 9	2	43
EXTENTION 10	4	52
EXTENTION 11	2	29
EXTENTION 12	4	43
EXTENTION 14	7	76
MUSINA 4 MT	1	0
MUSINA EXT 17	0	0
VOGELZANG 3 MT	0	0
BUITEGEBIED	4	0
<b>DISCONNECTIONS</b>	<b>229</b>	<b>1012</b>
ARRANGEMENTS	5	16
<b>TOTAL DISCONNECTED</b>	<b>45</b>	<b>752</b>
<b>PAID/RESPONDED</b>	<b>40</b>	<b>550</b>
<b>TOTAL NOT DISCONNECTED</b>	<b>179</b>	<b>244</b>

AMOUNT COLLECTED  
CREDIT CONTROL COLLECTION

R 719,895.49  
R 260,356.14  
R 980,251.63

## 8. Creditors Management

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

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July 2022										Prior year totals for chart (same period)
Description R thousands	NT Code	Budget Year 2022/23								
		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
<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	753	334	21	11	62 757				63 876
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>753</b>	<b>334</b>	<b>21</b>	<b>11</b>	<b>62 757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63 876</b>

## 8.1 EXPENDITURE ANALYSIS

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

<b><u>EXPENDITURE ANALYSIS</u></b>	
<u>MONTH-END JULY 2022</u>	
DESCRIPTION	AMOUNT
ESKOM	54,000,000.00
SALARIES	13,217,364.66
SUNDRY CREDITORS	325,142.95
TRADE CREDITORS	16,057,769.55
SARS ( PAYE VAT )	2,102,902.06
MAHOSI SECURITY	1,493,760.31
TELKOM	58,633.07
BANK CHARGES	59,240.57
DEBIT ORDERS	789,196.10
PORVERTY ALLIVIATION WORKERS	371,159.35
LEARNERS LGSETA	50,290.16
WARD COMMITTEE MEMBERS -STIPENS	120,000.00
<b>SUB-TOTAL</b>	<b>88,645,458.78</b>
Construction of Tshivhongweni	150,000.00
Construction of Muswodi Community hall	705,936.18
Construction of Tshikhudini Community Hall	70,552.42
Construction of Tshikhudini Community Hall -Electrical material	46,210.00
Construction of Tshikhudini Community Hall - Steel structural	314,088.00
Construction of nancefield paved road phase 6 - 12	572,841.23
Construction of Mmberegeni Graveyard	1,621,551.62
Construction of Tshikhudini Community Hall	299,109.83
Construction of Lesley Manyathela Stadium	700,167.09
Stock bricks,plumbing,ready mix ,paving bricks - Tshikhudini Community Hall	710,335.00
Construction Of Tshikhudini Community Hall -Supply & Install roofing	220,651.47
<b>SUB-TOTAL</b>	<b>5,411,442.84</b>
<b>TOTAL EXPENDITURE</b>	<b>99,453,443.95</b>
VDM	
TELKOM	1,090.46
ESKOM RIOOLDAMME	58,633.07
	59,723.53
	99,513,167.48

## 8.2 OUTSTANDING CREDITORS

<b>OUTSTANDING CREDITORS JULY 2022</b>	
SUPPLIER	JULY
ESKOM	46,961,140.34
DEPARTMENT OF TRANSPORT	15,318,957.13
CONTRACTED SERVICES	45,453.60
SUPPLIERS	1,550,534.71
<b>TOTAL</b>	<b>63,876,085.78</b>

## 9. Cash Management

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

<b><u>MONTHLY REPORT</u></b>		
<b><u>DEPARTMENT OF THE CHIEF FINANCIAL OFFICER</u></b>		
<b><u>BANK RECONCILIATION AS 31 JULY 2022</u></b>		
<u>LESS:</u>	BALANCE AS ON 30 JUNE 2022	3 284 435.18
	EXPENDITURE	94 042 001.11
	RETURNED CHEQUE	-
	DAY CALL	14 300 000.00
<u>PLUS:</u>	TOTAL EXPENDITURE	<u>108 342 001.11</u>
	INCOME	105 884 306.32
	INCOME NOT RECEIPTED	
	CANCELLED STALE CHEQUES	
	DAY CALL	2 000 000.00
	TOTAL REVENUE	<u>107 884 306.32</u>
	BALANCE AS ON 31 JULY 2022	<b>2 826 740.39</b>
	BALANCE AS PER BANK STATEMENT	<b>2 826 740.39</b>
<u>LESS:</u>	OUTSTANDING CHEQUE	-
		<b>2 826 740.39</b>
	interest 2.78%	
	TRAFFIC	178 490.68
	BALANCE AS ON 31 JULY 2022	<b>3 005 231.07</b>

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

## 10. Recommendations

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