


# Monthly Budget Statement

MFMA Section 71 Report October 2021

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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 October 2021

The total budget approved for the 2021-2022 financial year amounts to R429 587 million.

The total expenditure for operating activities for the month amounts to R43 533 million.

Total revenue for the month amounts to R31 208 million.

The expenditure on Capital activities for the month amounts to R2 045 million.

# The following table provides a summary of the municipality's performance as at 31 October 2021

**LIM341 Musina - Table C1 Monthly Budget Statement Summary - M04 October**

| Description | 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 | | | | | | | | % | |
| **Financial Performance** | | | | | | | | | |
| Property rates | 24,787 | 22,698 | – | 1,823 | 9,623 | 7,566 | 2,057 | 27% | 22,698 |
| Service charges | 156,127 | 189,125 | – | 12,040 | 49,761 | 63,042 | (13,281) | -21% | 189,022 |
| Investment revenue | 186 | 1,244 | – | – | – | 415 | (415) | -100% | 1,244 |
| Transfers and subsidies | 196,252 | 174,429 | – | – | 74,457 | 58,143 | 16,314 | 28% | 174,720 |
| Other own revenue | 20,017 | 50,057 | – | 17,345 | 49,688 | 16,686 | 33,002 | 198% | 45,296 |
| **Total Revenue (excluding capital transfers and contributions)** | **397,369** | **437,554** | **–** | **31,208** | **183,529** | **145,851** | **37,678** | **26%** | **432,980** |
| Employee costs | 149,831 | 158,392 | – | 13,339 | 47,892 | 52,797 | (4,905) | -9% | 158,403 |
| Remuneration of Councillors | 10,526 | 12,822 | – | 825 | 3,320 | 4,274 | (954) | -22% | 11,339 |
| Depreciation & asset impairment | 28,488 | 34,265 | – | – | 8,565 | 11,422 | (2,857) | -25% | 34,265 |
| Finance charges | 276 | 1,777 | – | 13 | 13 | 592 | (579) | -98% | 1,777 |
| Materials and bulk purchases | 119,882 | 138,163 | – | 11,730 | 82,566 | 46,054 | 36,512 | 79% | 138,162 |
| Transfers and subsidies | 4,689 | 6,073 | – | 481 | 2,388 | 2,024 | 364 | 18% | 6,073 |
| Other expenditure | 100,922 | 78,096 | – | 17,145 | 58,790 | 26,032 | 32,758 | 126% | 78,626 |
| **Total Expenditure** | **414,614** | **429,587** | **–** | **43,533** | **203,534** | **143,196** | **60,339** | **42%** | **428,645** |
| **Surplus/(Deficit)** | **(17,245)** | **7,966** | **–** | **(12,326)** | **(20,006)** | **2,655** | **(22,661)** | **-853%** | **4,335** |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 37,793 | 36,988 | – | – | 21,895 | 3,082 | 18,813 | 610% | 36,988 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | **20,548** | **44,954** | **–** | **(12,326)** | **1,889** | **5,738** | **(3,848)** | **-67%** | **41,323** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **20,548** | **44,954** | **–** | **(12,326)** | **1,889** | **5,738** | **(3,848)** | **-67%** | **41,323** |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **37,793** | **44,955** | **–** | **2,045** | **16,176** | **14,985** | **1,191** | **8%** | **–** |
| Capital transfers recognised | 37,793 | 36,988 | – | 2,045 | 16,176 | 12,329 | 3,847 | 31% | – |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | **–** | **7,967** | **–** | **–** | **–** | **2,656** | **(2,656)** | **-100%** | **–** |
| **Total sources of capital funds** | **37,793** | **44,955** | **–** | **2,045** | **16,176** | **14,985** | **1,191** | **8%** | **–** |
| **Financial position** | | | | | | | | | |
| Total current assets | 102,568 | 183,571 | – | | 260,734 | | | | 234,613 |
| Total non current assets | 562,093 | 367,812 | – | | 573,023 | | | | 209,993 |
| Total current liabilities | 520,764 | 86,492 | – | | 475,881 | | | | 426,977 |
| Total non current liabilities | 26,946 | 22,645 | – | | 12,577 | | | | – |
| Community wealth/Equity | **116,951** | **442,246** | **–** | | **345,299** | | | | **17,629** |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | 20,550 | 17,411 | – | (1,849) | 3,850 | 5,804 | 1,953 | 34% | – |
| Net cash from (used) investing | (18,564) | (10,668) | – | (2,045) | (16,176) | (3,556) | 12,620 | -355% | – |
| Net cash from (used) financing | (2,181) | (6,185) | – | – | – | (2,062) | (2,062) | 100% | – |
| **Cash/cash equivalents at the month/year end** | **12,473** | **13,225** | **–** | **–** | **1,943** | **12,853** | **10,909** | **85%** | **14,269** |

## 3. Operational Revenue

### 3.1 Revenue Performance by Source/Classification as at 31 October 2021

**LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October**

| 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 | | | | | | | | | % | |
| **Revenue By Source** | | | | | | | | | | |
| Property rates | | 24,787 | 22,698 | – | 1,823 | 9,623 | 7,566 | 2,057 | 27% | 22,698 |
| Service charges - electricity revenue | | 143,707 | 174,493 | – | 10,793 | 44,790 | 58,164 | (13,374) | -23% | 174,390 |
| Service charges - water revenue | | | – | – | – | – | – | – | | – |
| Service charges - sanitation revenue | | | – | – | – | – | – | – | | – |
| Service charges - refuse revenue | | 12,420 | 14,632 | – | 1,247 | 4,971 | 4,877 | 94 | 2% | 14,632 |
| | | | | | | | | | | |
| Rental of facilities and equipment | | 25 | 668 | – | – | 5 | 223 | (218) | -98% | 691 |
| Interest earned - external investments | | 186 | 1,244 | – | – | – | 415 | (415) | -100% | 1,244 |
| Interest earned - outstanding debtors | | 3,377 | 3,180 | – | 609 | 9,761 | 1,060 | 8,701 | 821% | 3,180 |
| Dividends received | | | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 494 | 3,276 | – | 245 | 862 | 1,092 | (230) | -21% | 3,380 |
| Licences and permits | | 4,841 | 5,509 | – | 23 | 160 | 1,836 | (1,676) | -91% | 5,509 |
| Agency services | | | – | – | – | – | – | – | | – |
| Transfers and subsidies | | 196,252 | 174,429 | – | – | 74,457 | 58,143 | 16,314 | 28% | 174,720 |
| Other revenue | | 9,470 | 13,731 | – | 16,468 | 38,900 | 4,577 | 34,323 | 750% | 8,843 |
| Gains | | 1,810 | 23,693 | – | – | – | 7,898 | (7,898) | -100% | 23,693 |
| **Total Revenue (excluding capital transfers and contributions)** | | **397,369** | **437,554** | **–** | **31,208** | **183,529** | **145,851** | **37,678** | **26%** | **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 - M04 October

| Description | Ref | Budget Year 2021/22 | | | | | | | | | | | | 2020/21 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | July | August | Sept | October | Nov | Dec | January | Feb | March | April | May | June | Budget Year | Budget Year | Budget Year |
| R thousands | 1 | Outcome | Outcome | Outcome | Outcome | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | 2021/22 | +1 2022/23 | +2 2023/24 |
| Cash Receipts By Source | | | | | | | | | | | | | | | | |
| Property rates | | 4,460 | 1,825 | 1,515 | 1,823 | 1,891 | 1,891 | 1,891 | 1,891 | 1,891 | 1,891 | 1,891 | (668) | 22,192 | 23,191 | 24,258 |
| Service charges - electricity revenue | | 9,807 | 12,307 | 11,883 | 10,793 | 14,541 | 14,541 | 14,541 | 14,541 | 14,541 | 10,541 | 10,541 | 2,531 | 141,108 | 149,574 | 158,549 |
| Service charges - water revenue | | – | – | – | – | – | – | – | – | – | | | – | | | – |
| Service charges - sanitation revenue | | – | – | | | | | | | | | | – | | | – |
| Service charges - refuse | | 1,250 | 1,246 | 1,228 | 1,247 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 6,727 | 11,705 | 12,407 | 13,152 |
| Rental of facilities and equipment | | 5 | | | – | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 271 | 668 | 708 | 750 |
| Interest earned - external investments | | – | | | – | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 267 | 995 | 1,055 | 1,118 |
| Interest earned - outstanding debtors | | 766 | 565 | 7,821 | 609 | 265 | 265 | 265 | 265 | 265 | 265 | 265 | (8,802) | 2,814 | 2,983 | 3,162 |
| Dividends received | | – | | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | 60 | 357 | 200 | 245 | 273 | 273 | 273 | 273 | 273 | 273 | 273 | 503 | 3,276 | 3,473 | 3,681 |
| Licences and permits | | 115 | 12 | 10 | 23 | 459 | 459 | 459 | 459 | 459 | 459 | 459 | 2,136 | 5,509 | 5,839 | 6,190 |
| Agency services | | – | – | | – | | | | | | | | – | | | – |
| Transfers and Subsidies - Operational | | 70,777 | 3,279 | – | | – | – | – | – | – | – | – | 100,373 | 174,429 | 184,895 | 195,988 |
| Other revenue | | 11,376 | 7,608 | 3,848 | 16,468 | 1,144 | 1,144 | 1,144 | 1,144 | 1,144 | 1,144 | 1,144 | (35,422) | 11,887 | 12,600 | 13,356 |
| **Cash Receipts by Source** | | **98,616** | **27,199** | **26,505** | **31,208** | **18,734** | **18,734** | **18,734** | **18,734** | **18,734** | **14,734** | **14,734** | **67,916** | **374,583** | **396,725** | **420,204** |

## Summary of total Own revenue

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - M04 October

| 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 | | 24,787 | 22,192 | – | 1,823 | 10,072 | 7,397 | 2,675 | 36% | |
| Service charges | | 156,276 | 152,813 | – | 10,793 | 48,964 | 50,938 | (1,974) | -4% | |
| Other revenue | | 17,729 | 21,340 | | 17,983 | 17,449 | 7,113 | 10,335 | 145% | |
| Transfers and Subsidies - Operational | | 195,305 | 174,429 | | – | 74,457 | 58,143 | 16,314 | 28% | |
| Transfers and Subsidies - Capital | | 37,793 | 36,988 | | – | 21,837 | 12,329 | 9,508 | 77% | |
| Interest | | 3,273 | 3,809 | | 609 | 9,761 | 1,270 | 8,491 | 669% | |
| Dividends | | | | | | | | – | | |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | (409,999) | (388,311) | | (32,393) | (176,015) | (129,437) | 46,578 | -36% | |
| Finance charges | | (276) | (1,777) | | (49) | (152) | (592) | (440) | 74% | |
| Transfers and Grants | | (4,339) | (4,073) | | (615) | (2,522) | (1,358) | 1,164 | -86% | |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **20,550** | **17,411** | **–** | **(1,849)** | **3,850** | **5,804** | **1,953** | **34%** | **–** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | 19,967 | 26,320 | | | | 8,773 | (8,773) | -100% | |
| Decrease (increase) in non-current receivables | | | | | | | | – | | |
| Decrease (increase) in non-current investments | | | | | | | | – | | |
| **Payments** | | | | | | | | | | |
| Capital assets | | (38,530) | (36,988) | | (2,045) | (16,176) | (12,329) | 3,847 | -31% | |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **(18,564)** | **(10,668)** | **–** | **(2,045)** | **(16,176)** | **(3,556)** | **12,620** | **-355%** | **–** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | | (351) | | | | (117) | 117 | -100% | |
| Borrowing long term/refinancing | | (194) | (2,785) | | | | (928) | 928 | -100% | |
| Increase (decrease) in consumer deposits | | | (49) | | | | (16) | 16 | -100% | |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | (1,987) | (3,000) | | – | – | (1,000) | (1,000) | 100% | |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | **(2,181)** | **(6,185)** | **–** | **–** | **–** | **(2,062)** | **(2,062)** | **100%** | **–** |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | **(195)** | **558** | **–** | **(3,894)** | **(12,326)** | **186** | | | **–** |
| Cash/cash equivalents at beginning: | | 12,667 | 12,667 | | | 14,269 | 12,667 | | | 14,269 |
| Cash/cash equivalents at month/year end: | | 12,473 | 13,225 | – | | 1,943 | 12,853 | | | 14,269 |

# 4. Operational Expenditure

## 4.1 Operational Expenditure Performance by type as at 31 October 2021

**LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October**

| 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 | | | | | | | | | % | |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | 149,831 | 158,392 | – | 13,339 | 47,892 | 52,797 | (4,905) | -9% | 158,403 |
| Remuneration of councillors | | 10,526 | 12,822 | – | 825 | 3,320 | 4,274 | (954) | -22% | 11,339 |
| Debt impairment | | 36,833 | 8,325 | – | – | 1,389 | 2,775 | (1,386) | -50% | 8,325 |
| Depreciation & asset impairment | | 28,488 | 34,265 | – | – | 8,565 | 11,422 | (2,857) | -25% | 34,265 |
| Finance charges | | 276 | 1,777 | – | 13 | 13 | 592 | (579) | -98% | 1,777 |
| Bulk purchases | | 116,844 | 129,748 | – | 11,639 | 81,345 | 43,249 | 38,096 | 88% | 129,748 |
| Other materials | | 3,038 | 8,414 | – | 91 | 1,221 | 2,805 | (1,584) | -56% | 8,414 |
| Contracted services | | 29,600 | 37,238 | – | 2,778 | 14,115 | 12,413 | 1,702 | 14% | 37,767 |
| Transfers and subsidies | | 4,689 | 6,073 | – | 481 | 2,388 | 2,024 | 364 | 18% | 6,073 |
| Other expenditure | | 34,489 | 32,533 | – | 14,367 | 43,286 | 10,844 | 32,442 | 299% | 32,534 |
| Losses | | | – | – | – | – | – | – | | |
| **Total Expenditure** | | **414,614** | **429,587** | **–** | **43,533** | **203,534** | **143,196** | **60,339** | **42%** | **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 - M04 October

| Description | Ref | Budget Year 2021/22 | | | | | | | | | | | | 2020/21 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | July | August | Sept | October | Nov | Dec | January | Feb | March | April | May | June | Budget Year | Budget Year | Budget Year |
| R thousands | 1 | Outcome | Outcome | Outcome | Outcome | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | 2021/22 | +1 2022/23 | +2 2023/24 |
| Cash Payments by Type | | | | | | | | | | | | | – | | | |
| Employee related costs | | 11,517 | 11,741 | 11,295 | 13,339 | 13,200 | 13,200 | 13,200 | 13,200 | 13,200 | 13,200 | 13,200 | 18,100 | 158,392 | 167,907 | 177,982 |
| Remuneration of councillors | | 845 | 825 | 825 | 825 | 1,023 | 1,023 | 1,023 | 1,023 | 1,023 | 1,023 | 1,023 | 1,800 | 12,281 | 13,018 | 13,799 |
| Interest paid | | – | | | 13 | 148 | 148 | 148 | 148 | 148 | 148 | 148 | 728 | 1,777 | 1,883 | 1,996 |
| Bulk purchases - Electricity | | 62,058 | 2,015 | 5,633 | 11,639 | 13,312 | 13,312 | 13,312 | 13,312 | 13,312 | 13,312 | 13,312 | (14,781) | 159,748 | 169,333 | 179,493 |
| Bulk purchases - Water & Sewer | | – | | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other materials | | 268 | 103 | 759 | 91 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 479 | 4,073 | 4,317 | 4,576 |
| Contracted services | | 5,289 | 3,024 | 3,024 | 2,778 | 3,147 | 3,147 | 3,147 | 3,147 | 3,147 | 3,147 | 3,147 | 1,623 | 37,767 | 40,033 | 42,435 |
| Grants and subsidies paid - other municipalities | | – | | – | - | – | – | – | – | – | – | – | – | – | – | – |
| Grants and subsidies paid - other | | 519 | 522 | 866 | 481 | – | – | – | – | – | – | – | (2,388) | – | – | – |
| General expenses | | 32,057 | 2,215 | 2,890 | 12,321 | 4,758 | 4,758 | 4,758 | 4,758 | 4,758 | 4,758 | 4,758 | (25,689) | 57,100 | 63,058 | 65,393 |
| **Cash Payments by Type** | | **112,553** | **20,445** | **25,291** | **41,487** | **35,927** | **35,927** | **35,927** | **35,927** | **35,927** | **35,927** | **35,927** | **(20,127)** | **431,138** | **459,549** | **485,674** |

# 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) - M04 October

| Vote 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 | | | | | | | | % | |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| ***Governance and administration*** | | – | **7,967** | – | – | – | **2,656** | (2,656) | -100% | – |
| Executive and council | | | | | | | | – | | |
| Finance and administration | | | 7,967 | | | | 2,656 | (2,656) | -100% | |
| Internal audit | | | | | | | | – | | |
| ***Community and public safety*** | | – | **2,500** | – | **190** | **1,873** | **833** | 1,040 | 125% | – |
| Community and social services | | | 2,500 | | 190 | 1,873 | 833 | 1,040 | 125% | |
| Sport and recreation | | | | | | – | – | – | | |
| Public safety | | | | | | | | – | | |
| Housing | | | | | | | | – | | |
| Health | | | | | | | | – | | |
| ***Economic and environmental services*** | | **37,793** | **34,488** | – | **1,855** | **14,303** | **11,496** | 2,807 | 24% | – |
| Planning and development | | 37,793 | 17,538 | | 486 | 1,716 | 5,846 | (4,130) | -71% | |
| Road transport | | | 16,950 | | 1,369 | 12,587 | 5,650 | 6,937 | 123% | |
| Environmental protection | | | | | | | | – | | |
| ***Trading services*** | | – | – | – | – | – | – | – | | – |
| Energy sources | | | | | | | | – | | |
| Water management | | | | | | | | – | | |
| Waste water management | | | | | | | | – | | |
| Waste management | | | | | | | | – | | |
| ***Other*** | | | | | | | | – | | |
| Total Capital Expenditure - Functiona | 3 | **37,793** | **44,955** | – | **2,045** | **16,176** | **14,985** | **1,191** | **8%** | – |

## 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 - M04 October

| 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 | | | | | | | | | % | |
| EXPENDITURE | | | | | | | | | | |
| | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| **National Government:** | | **199,644** | **174,429** | **–** | **594** | **73,277** | **58,143** | **15,134** | **26.0%** | **–** |
| Local Government Equitable Share | | 195,305 | 169,864 | | – | 70,777 | 56,621 | 14,156 | 25.0% | |
| Finance Management | | 2,700 | 2,850 | | 182 | 785 | 950 | (165) | -17.4% | |
| EPWP Incentive | | 1,639 | 1,715 | | 412 | 1,715 | 572 | 1,144 | 200.1% | |
| | | | | | | | | – | | |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| **National Government:** | | 37,793 | 36,988 | – | 2,045 | 16,176 | 12,329 | 3,847 | **31.2%** | – |
| Municipal Infrastructure Grant | | 37,793 | 36,988 | | 2,045 | 16,176 | 12,329 | 3,847 | 31.2% | |
| **Total capital expenditure of Transfers and Grants** | | **37,793** | **36,988** | **–** | **2,045** | **16,176** | **12,329** | **3,847** | **31.2%** | **–** |
| | | | | | | | | | | |
| **TOTAL EXPENDITURE OF TRANSFERS AND GRANTS** | | **237,437** | **211,417** | **–** | **2,639** | **89,453** | **70,472** | **18,981** | **26.9%** | **–** |

## 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 - M04 October

| Month | 2020/21 | Budget Year 2021/22 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | % spend of Original Budget |
| R thousands | | | | | | | | % | |
| Monthly expenditure performance trend | | | | | | | | | |
| July | | 2,820 | | (7,546) | | 2,820 | – | | |
| August | | 2,820 | | (4,685) | | 5,640 | – | | |
| September | | 2,820 | | (1,901) | | 8,460 | – | | |
| October | | 2,820 | | (2,045) | | 11,280 | – | | |
| November | | 2,820 | | | | 14,100 | – | | |
| December | | 2,820 | | | | 16,920 | – | | |
| January | | 2,820 | | | | 19,740 | – | | |
| February | | 2,820 | | | | 22,560 | – | | |
| March | | 2,820 | | | | 25,380 | – | | |
| April | | 2,820 | | | | 28,200 | – | | |
| May | | 2,820 | | | | 31,020 | – | | |
| June | | 2,820 | | | | 33,840 | – | | |
| Total Capital expenditure | – | 33,840 | – | (16,177) | | | | | |

## 7. Debtors Management

The age analysis of the outstanding trade debtors as at 31 October 2021 is reflected in the table below.

**LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October**

| Description | | Budget Year 2021/22 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | NT Code | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| **Debtors Age Analysis By Income Source** | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | | | | | | | | | – | – | | |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | (29) | 5,437 | 1,928 | 1,471 | 883 | 583 | 3,136 | 8,902 | 22,310 | 14,974 | | 14,974 |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | – | 1,711 | 979 | 782 | 2,812 | 644 | 3,620 | 31,650 | 42,198 | 39,507 | | 39,507 |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | | | | | | | | | – | – | | |
| Receivables from Exchange Transactions - Waste Management | 1600 | (8) | 1,238 | 617 | 509 | 449 | 410 | 1,860 | 7,283 | 12,360 | 10,512 | | 10,511 |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | | | | | | | | | – | – | | |
| Interest on Arrear Debtor Accounts | 1810 | | | | | | | | | – | – | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | | | | | | | | | – | – | | |
| Other | 1900 | (8) | 712 | 713 | 647 | 589 | 388 | 2,973 | (17,696) | (11,681) | (13,098) | | (13,098) |
| **Total By Income Source** | **2000** | **(44)** | **9,099** | **4,237** | **3,408** | **4,733** | **2,025** | **11,589** | **30,138** | **65,186** | **51,894** | **–** | **51,894** |
| **2019/20 - totals only** | | | | | | | | | | – | **–** | | |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | | | | | |
| Organs of State | 2200 | – | 370 | 339 | 425 | 1,127 | 118 | 772 | 6,691 | 9,842 | 9,133 | | 9,133 |
| Commercial | 2300 | (30) | 3,504 | 966 | 814 | 1,470 | 397 | 3,138 | (8,605) | 1,654 | (2,786) | | (2,786) |
| Households | 2400 | (14) | 4,045 | 2,257 | 1,585 | 1,690 | 1,152 | 5,972 | 20,712 | 37,399 | 31,110 | | 31,110 |
| Other | 2500 | (0) | 1,180 | 674 | 584 | 446 | 359 | 1,708 | 11,340 | 16,290 | 14,437 | | 14,437 |
| **Total By Customer Group** | **2600** | **(44)** | **9,099** | **4,237** | **3,408** | **4,733** | **2,025** | **11,589** | **30,138** | **65,186** | **51,894** | **–** | **51,894** |

## 8. Creditors Management

The age analysis of the outstanding creditors as at **31 October 2021** was as outlined below:

**LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October**

| Description<br>R thousands | NT Code | Budget Year 2021/22 | | | | | | | | | 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 | 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 | 3,828 | 827 | 1,038 | 720 | 88,601 | | | | **95,015** | |
| Auditor General | 0800 | | | | | | | | | – | |
| Other | 0900 | | | | | | | | | – | |
| **Total By Customer Type** | **1000** | **3,828** | **827** | **1,038** | **720** | **88,601** | **–** | **–** | **–** | **95,015** | – |

## 9. Cash Management

The table below provides a breakdown of the cash and cash equivalents at end of **31 October 2021**.

**MONTHLY REPORT**

**DEPARTMENT OF THE CHIEF FINANCIAL OFFICER**

**BANK RECONCILIATION AS 31 OCTOBER 2021**

| | | | |
|---|---|---|---|
| | BALANCE AS ON 30 SEPTEMBER 2021 | | 14,269,193.74 |
| LESS: | EXPENDITURE | 34,533,360.32 | |
| | RETURNED CHEQUE | - | |
| | DAY CALL | 9,000,000.00 | |
| | TOTAL EXPENDITURE | 43,533,360.32 | |
| PLUS: | INCOME | 19,207,686.33 | |
| | INCOME NOT RECEIPTED | | |
| | CANCELLED STALE CHEQUES | | |
| | DAY CALL | 12,000,000.00 | |
| | TOTAL REVENUE | 31,207,686.33 | |
| | BALANCE AS ON 31 OCTOBER 2021 | | 1,943,519.75 |
| | BALANCE AS PER BANK STATEMENT | | 1,943,573.75 |
| LESS: | OUTSTANDING CHEQUE | | - |
| | | | 1,943,573.75 |

interest 2.78%

| | | |
|---|---|---|
| 2 | TRAFFIC | 171,789.22 |
| | BALANCE AS ON 31 oCTOBER 2021 | 2,115,362.97 |

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

## 10. Recommendations

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