



Mid-Year Budget Statement

MFMA Section 72 Report for December 2023

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1. INTRODUCTION

In terms of Section 72 (1) (a) and 52 (d) of the Local Government Municipal Finance Management Act No. 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 year. A report on such assessment must in terms of Section 72 (1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the report, she must submit the report to Council in terms of Section 54 of the MFMA.

The mid-year performance report and supporting tables of Musina Local Municipality, prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations, to illustrate the performance in graphical and tabular format

Even though the average vacancy rate was higher it must be kept in mind that the organogram was structured as such that it reflects the human resource needs of the organisation, however, due to budget constraints the municipality cannot fill all positions.

1.1. LEGISLATIVE FRAMEWORK

Section 72: Mid- year Budget and Performance Assessment

- (1) 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 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 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; and (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 adjustment budget is necessary; and
 - (b) Recommend revised projections for revenue and expenditure that this may be necessary.

Section 54: Budgetary control and early identification of financial problems

- (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 statement or report;
 - (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery budget implantation plan;
 - (c) Consider and, if necessary, make any revisions to 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 the 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) In the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must-
 - (a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include-
 - (i) Steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) The tabling of an adjustment budget ; or
 - (iii) Steps in terms of Chapter 13; and
 - (b) Alert the council and the MEC for local government in the province to those problems.
- (3) The Mayor must ensure that any revisions of the service delivery budget implementation plan are made public promptly.

2. Summary of Overall Budget Performance for Half –Year December 2023

The total budget approved for the 2023-2024 financial year amounts to R530 868 million.

The total expenditure for operating activities for the month amounts to R79 555 million.

Total revenue for the month amounts to R99 865 million.

The expenditure on Capital activities for the month amounts to R7 139 Million.

Revenue

- ❖ The municipality generated over 65% of its budgeted revenue by the 31st of December 2023, this performance is acceptable even though there are revenue items that are still under 50 % and did not perform as expected.
- ❖ The municipality need to pay special attention to all revenue items in the second half of the financial year to ensure that it achieved its targets which are a contribution to it achieving its strategic objectives as set out in its integrated development plan.
- ❖ **Property Rates-** The municipality is doing exceptional good on the collection of revenue on Property Rates as it is currently on R14 921 million which is 55% of the budgeted R26.9 million.
- ❖ **Service charges-** Electricity and refuse are the 2nd biggest source of income and represents R176 127 million or R33.% of the total income budget in 2023/24. The municipality is currently on 48% which largely dependent on the collection level of billed income. Collection for electricity is currently on 50%, when comparing to the audited outcome for 2022/23 financial year of R152 million and the budgeted R161 million in the 2023/24 financial year. The municipality performing exceptional good on the collection of refuse revenue which is currently on R11 million which is on the 74% Mark. The municipality may have under budgeted for this Item and will be reviewed during the adjustment budget.
- ❖ The rapid increase in the electricity tariffs also had an effect on electricity charges .The municipality will have to implement more robust credit control measures to improve on these items as there are measure source contributes of income,
- ❖ **Interest earned on outstanding debtors –** The municipality over 100% of its budget of about R5.7million. The municipality may have under budgeted for this Item and will be reviewed during the adjustment budget.
- ❖ **Fines, Licences and Permits-** There is a slow pace in collection of this revenue the municipality need to apply strict credit control measures to improve this items by year end.
- ❖ **Transfers recognized – Operating–** The municipality has received transfers as per payment schedule. R161 256 million for equitable share was received and R55 085 million is expected in the third quarter, full allocation of R3 million for FMG was received and R901 Thousand for EPWP with expectation of R386 Thousand in the third quarter.

Expenditure

- ❖ The municipality spent about 72% of its operating expenditure, this was achieved during a very difficult period where we have to reduce the Eskom debt, also ensuring that the monthly Eskom account is paid by the due date, salaries are also paid when they are due, and other creditors are paid for services rendered.
- ❖ **Employee Related costs-** The municipality's salary expense is currently on 48% of the budgeted amount with 52% for Remuneration of councillors. The municipality is still applying the system of paying employees not more than 40 hours of overtime worked to reduce the salary bill.
- ❖ **Bulk purchases –** The municipality has paid up its Eskom debt and continues to pay its current account as and when we received equitable share. On the month of December municipality paid R43 million to Eskom.
- ❖ **Contracted services –** The municipal contracted services which mainly consists of Security Services, Uniform Contracted, Dumping Site etc. and is currently on 83% of the budgeted amount of R39 million.
- ❖ **Transfers and Grants-** The municipality has spent 100% on EPWP grant and FMG expenditure is on 82%.
- ❖ **Other expenditure –** The municipality will also implement a cash on delivery system to ensure that the municipality is not over committed, this will also contribute towards achieving the 30 days period requirement.

Capital Grants

- ❖ The Division of Revenue Amendment Bill (Bill No 33 of 2023) adjusted down the municipal infrastructure grant (MIG) from R34 036 million to R31 760 million and allocated R6 993 million for Municipal Disaster Recovery Grant (MDRG).
- ❖ The total capital budget is 37 590 million for 2023/24 current year, and we have received R26.9 million of the MIG grant allocation so far, and spend R 25.1 million of the grant and MDRG expenditure is on R3 million in the last half of the financial year. The municipality is confident that by year end the grant will be on 100%.

The following table provides a summary of the municipality's performance for
Mid-Year

LIM341 Musina - Table C1 Monthly Budget Statement Summary - M06 Mid Year									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	14,929	26,950		2,041	14,921	13,475	1,446	11%	22,698
Service charges	167,047	176,127		15,819	88,772	88,064	709	1%	189,022
Investment revenue	469	-		-	-	-	-	-	1,244
Transfers and subsidies	176,378	220,628		71,259	168,104	110,314	57,790	52%	174,720
Other own revenue	17,560	107,163		10,746	71,089	53,582	17,507	33%	45,296
Total Revenue (excluding capital transfers and contributions)	376,383	530,868	-	99,865	342,886	265,434	77,452	29%	432,980
Employee costs	150,650	164,268		13,525	78,194	82,134	(3,940)	-5%	158,403
Remuneration of Councillors	10,097	11,428		912	5,886	5,714	172	3%	11,339
Depreciation & asset impairment	30,372	34,000		-	-	39,500	(39,500)	-100%	34,265
Finance charges	1,070	525		302	660	263	397	151%	1,777
Materials and bulk purchases	142,119	149,493		43,985	152,538	74,747	77,791	104%	138,162
Transfers and subsidies	5,827	4,987		1,666	4,479	2,494	1,985	80%	6,073
Other expenditure	108,690	120,167		19,166	106,692	37,584	69,109	184%	78,626
Total Expenditure	448,825	484,868	-	79,555	348,448	242,434	106,014	44%	428,645
Surplus/(Deficit)	(72,442)	46,000	-	20,310	(5,562)	23,000	(28,562)	-124%	4,335
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31,409	34,036	-	3,900	30,629	14,182	16,447	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-	4,363	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(36,670)	80,036	-	24,210	25,067	37,182	(12,115)	-33%	41,323
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(36,670)	80,036	-	24,210	25,067	37,182	(12,115)	-33%	41,323
Capital expenditure & funds sources									
Capital expenditure	37,793	44,955	-	7,319	29,307	40,018	(10,711)	-27%	-
Capital transfers recognised	29,283	34,036	-	7,319	28,641	17,018	11,623	68%	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(891)	46,000	-	3,800	4,466	19,167	(14,701)	(0)	-
Total sources of capital funds	28,392	80,036	-	11,119	33,107	36,185	(3,078)	-9%	-
Financial position									
Total current assets	207,851	178,390	-		306,210				178,390
Total non current assets	562,381	547,831	-		662,933				547,831
Total current liabilities	639,664	81,892	-		351,701				81,891
Total non current liabilities	31,871	65,000	-		29,210				6,500
Community wealth/Equity	98,697	579,329	-		588,232				637,830
Cash flows									
Net cash from (used) operating	260,637	125,617	-	24,003	48,951	62,809	13,858	22%	-
Net cash from (used) investing	24,516	(80,036)	-	(7,319)	(28,641)	(40,018)	(11,377)	28%	-
Net cash from (used) financing	(7,666)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	300,744	51,296	-	16,684	20,310	22,791	2,481	11%	1,013
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	14,832	6,290	5,855	4,110	4,626	4,651	2,908	100,211	143,483
Creditors Age Analysis									
Total Creditors	16,775	2,274	2,043	1	8,373	-	-	-	29,465

3. Operational Revenue

3.1 Revenue Performance by Source/Classification for Mid- Year

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 Mid Year										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		14,929	26,950		2,041	14,921	13,475	1,446	11%	22,698
Service charges - electricity revenue		152,786	160,630		13,897	77,277	80,315	(3,038)	-4%	174,390
Service charges - water revenue		–	–				–	–		–
Service charges - sanitation revenue		–	–				–	–		–
Service charges - refuse revenue		14,261	15,497		1,922	11,495	7,749	3,747	48%	14,632
Rental of facilities and equipment		819	1,994		2	366	997	(631)	-63%	691
Interest earned - external investments		469	555		–	420	278	142	51%	1,244
Interest earned - outstanding debtors		4,436	5,767		3,417	20,873	2,884	17,990	624%	3,180
Dividends received		–	–		–	–	–	–		–
Fines, penalties and forfeits		5,147	4,075		151	1,337	2,038	(701)	-34%	3,380
Licences and permits		3,112	2,565		55	119	1,283	(1,164)	-91%	5,509
Agency services		–	–		–	–	–	–		–
Transfers and subsidies		176,378	220,628		71,259	168,104	110,314	57,790	52%	174,720
Other revenue		6,356	92,207		7,121	47,974	46,104	1,871	4%	8,843
Gains		(2,310)	–	–	–	–	–	–		23,693
Total Revenue (excluding capital transfers and contributions)		376,383	530,868	–	99,865	342,886	265,434	77,452	29%	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 - M06 Mid Year																
Description	Ref	Budget Year 2023/24												2024/25 Medium Term Revenue & Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget			
Cash Receipts By Source																
Property rates		5,188	1,890	1,771	2,084	1,947	2,041	6,576	6,576	6,576	6,576	6,576	(22,764)	25,037	26,292	27,587
Service charges - electricity revenue		9,854	13,116	13,126	14,272	13,012	13,897	36,798	36,798	36,798	36,798	36,798	(121,265)	140,002	147,121	154,457
Service charges - water revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse		1,904	1,913	1,926	1,942	1,888	1,922	5,230	5,230	5,230	5,230	5,230	(17,534)	20,111	21,162	21,489
Rental of facilities and equipment		62	220	2	2	78	2	142	142	142	142	142	(535)	541	569	596
Interest earned - external investments		—	—	—	200	220	—	—	—	—	—	—	135	555	582	609
Interest earned - outstanding debtors		1,028	978	12,972	874	1,604	3,417	146	146	146	146	146	(21,603)	—	—	—
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		202	254	163	146	421	151	919	919	919	919	919	(2,427)	3,505	3,677	3,849
Licences and permits		13	—	—	25	26	55	582	582	582	582	582	(809)	2,220	2,329	2,439
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and Subsidies - Operational		91,777	3,325	—	1,155	588	71,259	58,579	58,579	58,579	58,579	58,579	(245,358)	215,641	238,567	248,737
Other revenue		7,859	14,736	897	7,581	9,780	7,121	14,064	14,064	14,064	14,064	14,064	(29,844)	88,450	37,213	39,647
Cash Receipts by Source		117,887	36,432	30,857	28,281	29,564	99,865	123,036	123,036	123,036	123,036	123,036	(462,004)	496,062	477,512	499,410

Summary of total Own revenue

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - M06 Mid Year										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	25,037		2,690	15,570	12,519	3,052	24%	
Service charges		72,168	160,112		13,284	84,349	80,056	4,293	5%	
Other revenue		95,500	95,813		9,512	43,991	47,907	(3,916)	-8%	
Transfers and Subsidies - Operational		129,975	215,641		71,259	168,104	107,821	60,284	56%	
Transfers and Subsidies - Capital		–	34,036		3,900	30,629	17,018	13,611	80%	
Interest		–	555		–	640	278	362	131%	
Dividends								–		
Payments										
Suppliers and employees		(37,006)	(405,052)		(74,675)	(291,600)	(202,526)	89,074	-44%	
Finance charges		–	(525)		(302)	(905)	(263)	642	-245%	
Transfers and Grants		–	–		(1,666)	(1,828)	–	1,828	#DIV/0!	
NET CASH FROM/(USED) OPERATING ACTIVITIES		260,637	125,617	–	24,003	48,951	62,809	13,858	22%	–
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1,991	–	–			–	–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		22,525	(80,036)		(7,319)	(28,641)	(40,018)	(11,377)	28%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		24,516	(80,036)	–	(7,319)	(28,641)	(40,018)	(11,377)	28%	–
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			–				–	–		
Borrowing long term/refinancing		–	–				–	–		
Increase (decrease) in consumer deposits			–				–	–		
Payments										
Repayment of borrowing		(7,666)	–		–	–	–	–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7,666)	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		277,487	45,581	–	16,684	20,310	22,791			–
Cash/cash equivalents at beginning:		23,257	5,715			1,870	5,715			1,870
Cash/cash equivalents at month/year end:		300,744	51,296	–		22,180	28,506			1,870

- ❖ The municipality's cash flow position is still fragile, and proper prioritization of commitments and payments will be vital if the municipality is to reduce the risk of going concern.
- ❖ Measures such as cash on delivery will be implemented to mitigate the risk stated above.

4. Operational Expenditure

4.1 Operational Expenditure Performance by type.

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 Mid Year										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Expenditure By Type										
Employee related costs		150,650	164,268		13,525	78,194	82,134	(3,940)	-5%	158,403
Remuneration of councillors		10,097	11,428		912	5,886	5,714	172	3%	11,339
Debt impairment		41,885	45,000		-	-	22,500	(22,500)	-100%	8,325
Depreciation & asset impairment		30,372	34,000		-	-	17,000	(17,000)	-100%	34,265
Finance charges		1,070	525		302	660	263	397	151%	1,777
Bulk purchases		137,919	144,815		43,289	151,151	72,408	78,743	109%	129,748
Other materials		4,200	4,678		696	1,387	2,339	(952)	-41%	8,414
Contracted services		35,198	39,279		8,135	32,673	19,640	13,034	66%	37,767
Transfers and subsidies		5,827	4,987		1,666	4,479	2,494	1,985	80%	6,073
Other expenditure		31,607	35,888		11,031	74,019	17,944	56,075	313%	32,534
Losses			-		-	-	-	-		
Total Expenditure		448,825	484,868	-	79,555	348,448	242,434	106,014	44%	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 - M06 Mid Year																
Description	Ref	Budget Year 2023/24												2024/25 Medium Term Revenue & Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June			
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Payments by Type													-			
Employee related costs		12,946	12,688	12,755	13,341	12,939	13,525	43,154	43,154	43,154	43,154	43,154	(129,696)	164,268	172,480	181,104
Remuneration of councillors		878	878	1,394	912	912	912	875	854	854	892	-	2,067	11,428	11,885	12,480
Interest paid		203		95	-	-	302	-	-	-	-	-	(75)	525	551	577
Bulk purchases - Electricity		73,094	9,886	10,051	125	14,706	43,289	96	48	45,216	41	10,126	(61,862)	144,815	152,056	159,659
Bulk purchases - Water & Sewer		-	-	-	-	-	-			-	-	249	4,429	4,678	4,907	5,138
Other materials		145	148	268	130	-	696	19,135	19,135	19,135	19,135	19,135	(97,062)	-	-	-
Contracted services		13,456	1,328	2,920	2,765	2,010	8,135	-	-	-	-	-	(30,614)	-	-	-
Grants and subsidies paid - other municipalities		-		-			-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		461	383	631	859	479	1,666	-	-	-	-	-	(4,479)	-	-	-
General expenses		28,407	757	5,836	1,789	6,999	7,612	-	-	-	-	-	28,464	79,864	73,513	76,246
Cash Payments by Type		129,590	26,068	33,950	19,921	38,045	76,136	63,260	63,191	108,359	63,222	72,664	(288,828)	405,578	415,392	435,204

4.3 Material Variances

LIM341 Musina - Supporting Table SC1 Material variance explanations - M06 Mid Year				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Service Charges-Electricity revenue	(3,038)	Lower sales due to load shedding	Monitor this line item and ensure that the income is allocated correctly
	Rental of facilities	(283)	Low bookings of municipal facilities	Monitor this line item and ensure that the income is allocated correctly
	Fines, penalties and forfeits	(701)	Low collection and non- payment	Apply credit control measures and follow-up on issued fines
	Licences and permits	(1,164)	This is due to lower registration of vehicles	Monitor this line item and ensure that the income is allocated correctly
2	Expenditure By Type			
	Employee related cost	(3,939)	Appointment of Vacant posts	Work in progress
	Dept Impairment and Depreciation	(17,000)	Asset model not migrated with Financial system	Actioned at year end
	Bulk Electricity	49,857	Eskom account is settled as we received equitable share	Account for Eskom is settled
	Contracted Services	(5,380)	Most contract will appoint during the last quarter	Work in progress
3	Capital Expenditure			
	Mig Projects	28,240	Projects have appointed and are underway	Work in progress
	Own Funded projects	4,466	procurement processes still underway	Work in progress
4	Financial Position			
	Total assets	969,143	The municipality is still working on its improving financial status	Implementation of fundind Plan
	Total liabilities	380,911	The municipality is still working on its improving financial status	Implementation of fundind Plan
	Net assets	588,232	The municipality is still working on its improving financial status	Implementation of fundind Plan
5	Cash Flow			
	Cash/cash equivalents at month end	22,180	The municipality is still in financial distress not all creditors are p	Work in progress, monitoring and implementation of funding Plan.
6	Measureable performance			
7	Municipal Entities			
	N/A		N/A	N/A

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) - M06 Mid Year										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		(19,107)	4,300	-	-	667	2,150	(1,483)	-69%	-
Executive and council		(324)	-	-	-	-	-	-		
Finance and administration		(18,783)	4,300	-	-	667	2,150	(1,483)	-69%	
Internal audit								-		
<i>Community and public safety</i>		3,643	1,780	-	685	14,238	890	13,348	1500%	-
Community and social services		3,643	-		685	8,874	-	8,874	#DIV/0!	
Sport and recreation					-	5,364	-	5,364	#DIV/0!	
Public safety			1,780				890	(890)	-100%	
Housing								-		
Health								-		
<i>Economic and environmental services</i>		24,319	31,456	-	222	7,990	15,728	(7,738)	-49%	-
Planning and development		25,210	8,765		222	1,342	4,383	(3,041)	-69%	
Road transport		(891)	22,691		-	6,648	11,346	(4,697)	-41%	
Environmental protection								-		
<i>Trading services</i>		430	42,500	-	6,412	6,412	21,250	(14,838)	-70%	-
Energy sources		430	35,000				17,500	(17,500)	-100%	
Water management								-		
Waste water management								-		
Waste management			7,500		6,412	6,412	3,750	2,662	71%	
<i>Other</i>								-		
Total Capital Expenditure - Functional Classification	3	9,285	80,036	-	7,319	29,307	40,018	(10,711)	-27%	-
Funded by:										
National Government		28,853	34,036		7,319	28,641	17,018	11,623	68%	
Provincial Government								-		
District Municipality								-		
Transfers recognised - capital		29,283	34,036	-	7,319	28,641	17,018	11,623	68%	-
Borrowing	6							-		
Internally generated funds		(891)	46,000		3,800	4,466	19,167	(14,701)	-77%	
Total Capital Funding		28,392	80,036	-	11,119	33,107	36,185	(3,078)	-9%	-

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 - M06 Mid Year										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		169,864	220,628	-	72,780	165,031	110,314	54,717	49.6%	-
Local Government Equitable Share		169,864	216,341		71,114	161,256	108,171	53,086	49.1%	
Finance Management		-	3,000		1,666	2,488	1,500	988	65.8%	
EPWP Incentive		-	1,287		-	1,287	644	644	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:		169,864	220,628	-	72,780	165,031	110,314	54,717	49.6%	-
Capital expenditure of Transfers and Grants										
National Government:		-	37,590	-	7,319	28,641	18,795	9,846	52.4%	-
MIG		-	34,036		6,634	25,166	17,018	8,148	47.9%	
MDRG			3,554		685	3,475	1,777	1,698	95.6%	
Total capital expenditure of Transfers and Grants		-	37,590	-	7,319	28,641	18,795	9,846	52.4%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		169,864	258,218	-	80,098	193,672	129,109	64,563	50.0%	-

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 - M06 Mid Year									
Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
Monthly expenditure performance trend									
July		2,836	–	(2,352)		2,836	–		
August		2,836		(4,059)		5,673	–		
September		2,836		(3,356)		8,509	–		
October		2,836		(8,185)		11,345	–		
November		2,836		(3,370)		14,182	–		
December		2,836		(7,319)		17,018	–		
January		2,836				19,854	–		
February		2,836				22,691	–		
March		2,836				25,527	–		
April		2,836				28,363	–		
May		2,836				31,200	–		
June		2,836				34,036	–		
Total Capital ex	–	34,036	–	(28,641)					

7. Debtors Management

The age analysis of the outstanding trade debtors as at **31 December 2023** is reflected in the table below.

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 Mid Year														
Description	NT Code	Budget Year 2023/24											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														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200									–	–			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	6,763	1,402	1,898	790	1,476	565	511	18,900	32,305	22,242		–	
Receivables from Non-exchange Transactions - Property Rates	1400	1,976	988	983	795	697	1,930	602	34,810	42,781	38,834		–	
Receivables from Exchange Transactions - Waste Water Management	1500									–	–			
Receivables from Exchange Transactions - Waste Management	1600	2,155	1,165	967	799	690	610	519	11,351	18,256	13,969		–	
Receivables from Exchange Transactions - Property Rental Debtors	1700								136	136	136			
Interest on Arrear Debtor Accounts	1810	763	719	705	673	659	636	604	15,228	19,987	17,800			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–			
Other	1900	3,175	2,016	1,302	1,053	1,104	910	672	19,786	30,018	23,525		–	
Total By Income Source	2000	14,832	6,290	5,855	4,110	4,626	4,651	2,908	100,211	143,483	116,506	–	–	
2022/23 - totals only		12236000	6217000	5046000	5592000	3406000	5211000	12163000	88001000	137,872	114,373			
Debtors Age Analysis By Customer Group														
Organs of State	2200	2,199	903	631	644	882	1,393	456	22,677	29,785	26,052		–	
Commercial	2300	4,964	1,530	2,100	960	1,422	1,016	537	27,044	39,573	30,979		–	
Households	2400	7,669	3,857	3,124	2,506	2,322	2,242	1,915	50,490	74,125	59,475		–	
Other	2500	–	–	–	–	–	–	–		–	–		–	
Total By Customer Group	2600	14,832	6,290	5,855	4,110	4,626	4,651	2,908	100,211	143,483	116,506	–	–	

8. Creditors Management

The age analysis of the outstanding creditors as at **31 December 2023** was as outlined below:

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 Mid Yaer											
Description	NT Code	Budget Year 2023/24									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	
R thousands											
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	16,775	2,274	2,043	1	8,373				29,465	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	16,775	2,274	2,043	1	8,373	-	-	-	29,465	-

