Monthly Budget Statement

MFMA Section 71 Report August 2023

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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 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 R30 127 million.

Total revenue for the month amounts to R36 432 million.

The expenditure on Capital activities for the month amounts to R4 060 Million.

The following table provides a summary of the municipality’s performance as at 31 August 2023

LIM341 Musina - Table C1 Monthly Budget Statement Summary - M02 August									
	2022/23	Budget Year 2023/24							
Description	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	14 929	26 950	–	1 890	7 078	4 492	2 586	58%	22 698
Service charges	167 047	176 127	–	15 029	26 787	29 355	(2 568)	-9%	189 022
Investment revenue	469	–	–	–	–	–	–		1 244
Transfers and subsidies	176 378	220 628	–	14 736	106 513	36 771	69 742	190%	174 720
Other own revenue	17 560	107 163	–	4 777	13 941	17 861	(3 920)	-22%	45 296
Total Revenue (excluding capital transfers and contributions)	**376 383**	**530 868**	**–**	**36 432**	**154 319**	**88 478**	**65 841**	**74%**	**432 980**
Employee costs	150 650	164 268	–	12 688	25 634	27 378	(1 744)	-6%	158 403
Remuneration of Councillors	10 097	11 428	–	878	1 756	1 905	(149)	-8%	11 339
Depreciation & asset impairment	30 372	34 000	–	–	–	5 667	(5 667)	-100%	34 265
Finance charges	1 070	525	–	–	203	88	116	132%	1 777
Materials and bulk purchases	142 119	149 493	–	10 034	83 273	24 916	58 357	234%	138 162
Transfers and subsidies	5 827	4 987	–	383	844	831	13	2%	6 073
Other expenditure	108 690	120 167	–	6 144	50 358	20 028	30 330	151%	78 626
Total Expenditure	**448 825**	**484 868**	**–**	**30 127**	**162 068**	**80 811**	**81 256**	**101%**	**428 645**
Surplus/(Deficit)	**(72 442)**	**46 000**	**–**	**6 305**	**(7 749)**	**7 667**	**(15 415)**	**-201%**	**4 335**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 409	34 036	–	–	15 975	5 673	10 302	182%	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 subsidies - capital (in-kind - all)	4 363	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(36 670)**	**80 036**	**–**	**6 305**	**8 226**	**13 339**	**(5 113)**	**-38%**	**41 323**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(36 670)**	**80 036**	**–**	**6 305**	**8 226**	**13 339**	**(5 113)**	**-38%**	**41 323**
Capital expenditure & funds sources									
Capital expenditure	**37 793**	**44 955**	**–**	**196**	**17 335**	**30 035**	**(12 699)**	**-42%**	**–**
Capital transfers recognised	29 283	34 036	–	4 060	6 411	5 673	738	13%	–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**(891)**	**46 000**	**–**	**–**	**666**	**3 833**	**(3 167)**	**-83%**	**–**
Total sources of capital funds	**28 392**	**80 036**	**–**	**4 060**	**7 077**	**9 506**	**(2 429)**	**-26%**	**–**
Financial position									
Total current assets	207 851	178 390	–		240 548				118 075
Total non current assets	562 381	547 831	–		601 729				515 437
Total current liabilities	639 664	81 892	–		400 212				519 527
Total non current liabilities	31 871	65 000	–		27 375				19 595
Community wealth/Equity	**98 697**	**579 329**	**–**		**285 106**				**94 390**
Cash flows									
Net cash from (used) operating	260 637	125 617	–	5 515	4 272	10 468	6 197	59%	–
Net cash from (used) investing	24 516	(80 036)	–	(2 351)	(2 351)	(6 670)	(4 319)	65%	–
Net cash from (used) financing	(7 666)	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year	**300 744**	**51 296**	**–**	**–**	**9 238**	**9 513**	**275**	**3%**	**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	19 583	5 901	6 247	4 170	3 379	3 145	3 021	96 508	141 954
Creditors Age Analysis									
Total Creditors	21 211	13 806	14 085	11 522	25 586	–	–	–	86 209

3. Operational Revenue

3.1 Revenue Performance by Source/Classification as at 31 August 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2022/23	Budget Year 2023/24							
		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		14 929	26 950		1 890	7 078	4 492	2 586	58%	22 698
Service charges - electricity revenue		152 786	160 630		13 116	22 970	26 772	(3 802)	-14%	174 390
Service charges - water revenue		–	–					–		–
Service charges - sanitation revenue		–	–					–		–
Service charges - refuse revenue		14 261	15 497		1 913	3 817	2 583	1 234	48%	14 632
Rental of facilities and equipment		819	1 994		220	282	332	(50)	-15%	691
Interest earned - external investments		469	–		–	–	–	–		1 244
Interest earned - outstanding debtors		4 436	5 767		978	2 006	961	1 045	109%	3 180
Dividends received		–	555		–	–	93	(93)	-100%	–
Fines, penalties and forfeits		5 147	4 075		254	456	679	(223)	-33%	3 380
Licences and permits		3 112	2 565		–	13	428	(415)	-97%	5 509
Agency services		–	–		–	–	–	–		–
Transfers and subsidies		176 378	220 628		3 325	95 102	36 771	58 331	159%	174 720
Other revenue		6 356	92 207		14 736	22 595	15 368	7 227	47%	8 843
Gains		(2 310)	–	–	–	–	–	–		23 693
Total Revenue (excluding capital transfers and contributions)		**376 383**	**530 868**	**–**	**36 432**	**154 319**	**88 478**	**65 841**	**74%**	**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

Description	Ref	Budget Year 2023/24												2024/25 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	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	2023/24	+1 2024/25	+2 2025/26
Cash Receipts By Source																
Property rates		5 188	1 890	6 576	6 576	6 576	6 576	6 576	6 576	6 576	6 576	6 576	(41 225)	25 037	26 292	27 587
Service charges - electricity revenue		9 854	13 116	36 798	36 798	36 798	36 798	36 798	36 798	36 798	36 798	36 798	(214 150)	140 002	147 121	154 457
Service charges - water revenue		–	–	–	–	–		–	–	–			–			–
Service charges - sanitation revenue		–	–			–							–			–
Service charges - refuse		1 904	1 913	5 230	5 230	5 230	5 230	5 230	5 230	5 230	5 230	5 230	(30 776)	20 111	21 162	21 489
Rental of facilities and equipment		62	220	142	142	142	142	142	142	142	142	142	(1 019)	541	569	596
Interest earned - external investments		–			–	–		–	–	–	–	–	555	555	582	609
Interest earned - outstanding debtors		1 028	978	146	146	146	146	146	146	146	146	146	(3 320)	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		202	254	919	919	919	919	919	919	919	919	919	(5 222)	3 505	3 677	3 849
Licences and permits		13	–	582	582	582	582	582	582	582	582	582	(3 031)	2 220	2 329	2 439
Agency services		–	–		–	–							–	–		–
Transfers and Subsidies - Operational		91 777	3 325	58 579	58 579	58 579	58 579	58 579	58 579	58 579	58 579	58 579	(406 672)	215 641	238 567	248 737
Other revenue		7 859	14 736	14 064	14 064	14 064	14 064	14 064	14 064	14 064	14 064	14 064	(60 721)	88 450	37 213	39 647
Cash Receipts by Source		**117 887**	**36 432**	**123 036**	**123 036**	**123 036**	**123 036**	**123 036**	**123 036**	**123 036**	**123 036**	**123 036**	**(765 581)**	**496 062**	**477 512**	**499 410**
													–			

Summary of total Own revenue

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

Description	Ref	2022/23	Budget Year 2023/24							
		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		–	25 037		1 890	7 078	4 173	2 905	70%	
Service charges		72 168	160 112		15 029	26 787	26 685	102	0%	
Other revenue		95 500	95 813		3 799	11 935	15 969	(4 034)	-25%	
Transfers and Subsidies - Operational		129 975	215 641		3 325	95 102	35 940	59 162	165%	
Transfers and Subsidies - Capital		–	34 036			15 975	5 673	10 302	182%	
Interest		–	555		978	2 006	93	1 914	2069%	
Dividends								–		
Payments										
Suppliers and employees		(37 006)	(405 052)		(27 803)	(145 122)	(67 509)	77 613	-115%	
Finance charges		–	(525)			(203)	(88)	115	-132%	
Transfers and Grants		–	–		(383)	(844)	–	844	#DIV/0!	
NET CASH FROM/(USED) OPERATING ACTIVITIES		**260 637**	**125 617**	**–**	**(3 165)**	**12 714**	**20 936**	**8 222**	**39%**	**–**
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)		(4 059)	(6 410)	(13 339)	(6 929)	52%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		**24 516**	**(80 036)**	**–**	**(4 059)**	**(6 410)**	**(13 339)**	**(6 929)**	**52%**	**–**
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**	**–**	**(7 224)**	**6 304**	**7 597**			**–**
Cash/cash equivalents at beginning:		23 257	5 715			2 934	5 715			2 934
Cash/cash equivalents at month/year end:		300 744	51 296	–		9 238	13 312			2 934

4. Operational Expenditure

4.1 Operational Expenditure Performance by type as at 31 August 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August										
Description	Ref	2022/23	Budget Year 2023/24							
		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		150 650	164 268		12 688	25 634	27 378	(1 744)	-6%	158 403
Remuneration of councillors		10 097	11 428		878	1 756	1 905	(149)	-8%	11 339
Debt impairment		41 885	45 000		–	–	7 500	(7 500)	-100%	8 325
Depreciation & asset impairment		30 372	34 000		–	–	5 667	(5 667)	-100%	34 265
Finance charges		1 070	525		–	203	88	116	132%	1 777
Bulk purchases		137 919	144 815		9 886	82 980	24 136	58 844	244%	129 748
Other materials		4 200	4 678		148	293	780	(487)	-62%	8 414
Contracted services		35 198	39 279		3 387	16 843	6 547	10 297	157%	37 767
Transfers and subsidies		5 827	4 987		383	844	831	13	2%	6 073
Other expenditure		31 607	35 888		2 757	33 515	5 981	27 534	460%	32 534
Losses			–		–	–	-	–		
Total Expenditure		**448 825**	**484 868**	**–**	**30 127**	**162 068**	**80 811**	**81 256**	**101%**	**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 - M02 August

Description	Ref	Budget Year 2023/24												2024/25 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Payments by Type													–			
Employee related costs		12 946	12 688	43 154	43 154	43 154	43 154	43 154	43 154	43 154	43 154	43 154	(249 752)	164 268	172 480	181 104
Remuneration of councillors		878	878	847	847	847	870	875	854	854	892	–	2 786	11 428	11 885	12 480
Interest paid		203			–	–		–	–	–	–	–	322	525	551	577
Bulk purchases - Electricity		73 094	9 886	6 799	47	7 118	52 684	96	48	45 216	41	10 126	(60 340)	144 815	152 056	159 659
Bulk purchases - Water & Sewer		–	–	–	–	–	–			–	–	249	4 429	4 678	4 907	5 138
Other materials		145	148	19 135	19 135	19 135	19 135	19 135	19 135	19 135	19 135	19 135	(172 508)	–	–	–
Contracted services		13 456	1 328	–	–	–	–	–	–	–	–	–	(14 784)	–	–	–
Grants and subsidies paid - other municipalities		–		–	-		–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other		461	383	–	–	–	–	–	–	–	–	–	(844)	–	–	–
General expenses		28 407	757	–	–	–	–	–	–	–	–	–	50 700	79 864	73 513	76 246
Cash Payments by Type		**129 590**	**26 068**	**69 935**	**63 183**	**70 254**	**115 843**	**63 260**	**63 191**	**108 359**	**63 222**	**72 664**	**(439 991)**	**405 578**	**415 392**	**435 204**
													–			
Other Cash Flows/Payments by Type																
Capital assets		2 351	4 059	16 775	16 775	16 775	16 775	16 775	16 775	16 775	16 775	16 775	(77 349)	80 036	59 933	61 331
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type		**131 941**	**30 127**	**86 710**	**79 958**	**87 029**	**132 618**	**80 035**	**79 966**	**125 134**	**79 997**	**89 439**	**(517 340)**	**485 614**	**475 325**	**496 535**
													–			
NET INCREASE/(DECREASE) IN CASH HELD		**1 921**	**6 305**	**47 748**	**54 500**	**47 429**	**1 840**	**54 423**	**54 492**	**9 324**	**54 461**	**45 019**	**(332 978)**	**44 484**	**52 631**	**55 459**
Cash/cash equivalents at the month/year beginning:		1 014	2 934	9 240	56 987	111 487	158 916	160 756	215 180	269 672	278 996	333 457	378 476	1 014	45 498	98 129
Cash/cash equivalents at the month/year end:		2 934	9 240	56 987	111 487	158 916	160 756	215 180	269 672	278 996	333 457	378 476	45 498	45 498	98 129	153 588

4.3 Material Variances

LIM341 Musina - Supporting Table SC1 Material variance explanations - M02 August				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	**Revenue By Source**			
	Service Charges-Electricity revenue	(3 802)	Lower sales due to load shedding	Monitor this line Item and ensure that the income is allocated correctly
	Rental of facilities	(51)	Low bookings of municipal facilities	Monitor this line Item and ensure that the income is allocated correctly
	Fines,penalties and forfeits	(223)	Low collection	Apply credit control measures
	Licencs and permits	(397)	Lower registration of vehicles	Monitor this line Item and ensure that the income is allocated correctly
	Other Revenue	–	0	0
2	**Expenditure By Type**			
	Employee related cost	(1 744)	Appointment of Vacant posts	Work in progress
	Dept Impairment and Depriciation	(5 667)	Asset model not migrated with Finacial system	Actioned at year end
	Bulk Electricity	37 743	Eskom account is settled as we received equitable share	Account for ESKOM is settled
	Contracted Services	(4 434)	Most contracts will appoint during the last quarter	Work in progress
3	**Capital Expenditure**			
	Mig Projects	10 302	oov erspent due to increased number of projects	Work in progress
	Own Funded projects	(7 001)	procurement processes sill underway	Work in progress
4	**Financial Position**			
	Current assets	842 350	The municipality is still working on its improving financial s	Implementation of fundind Plan
	Current liabilities	652 985	The municipality is still working on its improving financial s	Implementation of fundind Plan
	Net assets	189 366	The municipality is still working on its improving financial s	Implementation of fundind Plan
5	**Cash Flow**			
	Cash/cash equivalents at month end	3 702	The municipality is still in financial distress not all creditors	Work in progress, monitoring and implementation of funding Plan.
6	**Measureable performance**			
	Software licensing purchased	(0)	Ms office process will begin after appointment of service p	To be realised in the 3rd or 4th quarter after SCM process is finalised
	Environmental clean up campaigns	(0)	Lack of participation by community due to the festive seas	Rescheduled
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) - M02 August

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		(19 107)	4 300	–	–	–	717	(717)	-100%	–
Executive and council		(324)	–	–	–	–		–		
Finance and administration		(18 783)	4 300	–	–	–	717	(717)	-100%	
Internal audit								–		
Community and public safety		3 643	1 780	–	3 888	5 408	–	5 408	#DIV/0!	–
Community and social services		3 643	–		951	1 802	–	1 802	#DIV/0!	
Sport and recreation					2 937	3 606	–	3 606	#DIV/0!	
Public safety			1 780					–		
Housing								–		
Health								–		
Economic and environmental services		24 319	31 456	–	172	1 002	5 243	(4 241)	-81%	–
Planning and development		25 210	8 765		–	589	1 461	(872)	-60%	
Road transport		(891)	22 691		172	413	3 782	(3 369)	-89%	
Environmental protection								–		
Trading services		430	42 500	–	–	666	–	666	#DIV/0!	–
Energy sources		430	35 000			666		666	#DIV/0!	
Water management								–		
Waste water management								–		
Waste management			7 500					–		
Other								–		
Total Capital Expenditure - Functional Cla	3	9 285	80 036	–	4 060	7 077	5 959	1 117	19%	–
Funded by:										
National Government		28 853	34 036		4 060	6 411	5 673	738	13%	
Provincial Government								–		
District Municipality								–		
Transfers recognised - capital		29 283	34 036	–	4 060	6 411	5 673	738	13%	–
Borrowing	6							–		
Internally generated funds		(891)	46 000		–	666	3 833	(3 167)	-83%	
Total Capital Funding		28 392	80 036	–	4 060	7 077	9 506	(2 429)	-26%	–

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

Description	Ref	2022/23	Budget Year 2023/24							
		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:		169 864	220 628	–	562	217 364	36 771	180 592	491.1%	–
Local Government Equitable Share		169 864	216 341		–	216 341	36 057	180 284	500.0%	
Finance Management		–	3 000		187	273	500	(227)	-45.4%	
EPWP Incentive		–	1 287		375	750	215	536	249.7%	
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	–	562	217 364	36 771	180 592	491.1%	–
Capital expenditure of Transfers and Grants										
National Government:		–	37 590	–	4 059	6 411	2 836	3 575	126.0%	–
MIG		–	34 036		4 059	6 411	2 836	3 575	126.0%	
MDRG			3 554					–		
Total capital expenditure of Transfers and Grants		–	37 590	–	4 059	6 411	2 836	3 575	126.0%	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		169 864	258 218	–	4 621	223 775	39 608	184 167	465.0%	–

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 - M02 August

Month	2022/23	Budget Year 2023/24							
	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		2 836	–	(2 352)		2 836	–		
August		2 836		(4 059)		5 673	–		
September		2 836				8 509	–		
October		2 836				11 345	–		
November		2 836				14 182	–		
December		2 836				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	**–**	**34 036**	**–**	**(6 411)**					

MIG Projects 2022/2023	Budget	July	August	September	October	November	December	January	February	March	April	May	June
Nancefield phase 6 to 12 paved roads	17 542 215.11												
Waste Removal Trucks	7 100 000.00												
Construction of Tshikhudini community hall	36 000.00												
Nancefield ext 9 & 10 paved roads and stormwater	1 860 086.40	850 940.90											
Shakadza Multi Purpose Centre	3 391 910.86	669 389.70	950 981.38										
Mabvete Community hall	2 403 987.63	589 359.48	2 937 230.90										
PMU Management fees	1 701 800.00	241 818.48	171 562.28										
	34 036 000.00	**2 351 508.56**	**4 059 774.56**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

7. Debtors Management

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

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description		Budget Year 2023/24											
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	8 715	1 645	929	2 385	661	484	524	17 097	32 440	21 151		–
Receivables from Non-exchange Transactions - Property Rates	1400	2 078	3 736	836	774	702	670	711	34 801	44 308	37 658		–
Receivables from Exchange Transactions - Waste Water Management	1500									–	–		
Receivables from Exchange Transactions - Waste Management	1600	2 135	1 160	891	742	617	561	427	10 756	17 289	13 103		–
Receivables from Exchange Transactions - Property Rental Debtors	1700									–	–		
Interest on Arrear Debtor Accounts	1810	708	683	657	632	637	624	598	13 747	18 286	16 238		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	3 071	1 724	1 348	955	1 015	632	560	19 738	29 043	22 900		–
Total By Income Source	**2000**	**16 707**	**8 948**	**4 661**	**5 488**	**3 632**	**2 971**	**2 820**	**96 139**	**141 366**	**111 050**	**–**	**–**
2022/23 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 635	2 169	761	616	600	521	512	22 219	30 033	24 468		–
Commercial	2300	7 006	2 086	797	802	823	557	552	26 037	38 660	28 771		–
Households	2400	7 066	4 693	3 103	4 070	2 209	1 893	1 756	47 883	72 673	57 811		–
Other	2500	–	–	–	–	–	–	–		–	–		–
Total By Customer Group	**2600**	**16 707**	**8 948**	**4 661**	**5 488**	**3 632**	**2 971**	**2 820**	**96 139**	**141 366**	**111 050**	**–**	**–**

7.2 Disconnection List

DISCONNECTION LIST AUGUST 2023			
	ELECTRICITY MUSINA	MUSINA	ELECTRICITY NANCEFIELD
TOWN	32	4	101
EXTENTION 1	27		328
EXTENTION 2	15		241
EXTENSION 3	3		0
EXTENSION 4	9		313
EXTENTION 5	6		505
EXTENSION 6	3		185
EXTENTION 7	5		387
EXTENTION 8	0		356
EXTENTION 9	0		397
EXTENTION 10	0		527
EXTENTION 11	1		119
EXTENTION 12	0		0
EXTENTION 14	5		489
MUSINA 4 MT	0		0
MUSINA EXT 17	0		0
VOGELZANG 3 MT	0		0
BUITEGEBIED	1		0
DISCONNECTIONS	107	4	3948
ARRANGEMENTS	2	0	101
TOTAL DISCONNECTED	20	0	3200
PAID/RESPONDED	33	0	3643
TOTAL NOT DISCONNECTED	85	0	647
AMOUNT COLLECTED-TOWN	R 205 330.00		R 400 635.15
CREDIT CONTROL COLLECTION		R 605 965.15	

8. Creditors Management

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

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August											
Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100					–				–	
Bulk Water	0200									–	
PAYE deductions	0300									–	
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500									–	
Loan repayments	0600									–	
Trade Creditors	0700	21 057	1 235	116	79	8 053				**30 541**	
Auditor General	0800									–	
Other	0900									–	
Total By Customer Type	**1000**	**21 057**	**1 235**	**116**	**79**	**8 053**	**–**	**–**	**–**	**30 541**	–

8.1 EXPENDITURE ANALYSIS

The following table provides a summary of the expenditure trends based on current month of August 2023

MUSINA LOCAL MUNICIPALITY

EXPENDITURE ANALYSIS

MONTH-END AUGUST 2023

DESCRIPTION	AMOUNT
ESKOM	9 885 656.43
TELKOM	48 239.57
SALARIES	9 894 485.75
SUNDRY CREDITORS	1 272 430.91
TRADE CREDITORS	98 419.96
SARS (PAYE VAT)	2 644 389.22
MAHOSI SECURITY	1 710 623.15
NESBEN	1 227 699.36
HLEKETANI CONSTRUCTION	1 079 670.60
LIANA CONSULTING	448 898.04
BANK CHARGES	71 474.95
DEBIT ORDERS	777 469.87
PORVERTY ALLIVIATION WORKERS	374 896.70
LEARNERS LGSETA	63 000.00
WARD COMMITTEE MEMBERS -STIPENS	179 516.19
SUB-TOTAL	**29 776 870.70**
CONSTRUCTION OF TSHIKHUDINI COMMUNITY HALL	350 885.17
SUB-TOTAL	**350 885.17**
TOTAL EXPENDITURE	**30 127 755.87**

VDM	
TELKOM	1 094.92
ESKOM RIOOLDAMME	33 272.30
	34 367.22
	30 162 123.09

8.2 Outstanding Creditors

OUTSTANDING CREDITORS AUGUST 2023

SUPPLIER	AUGUST
ESKOM	20 080 742.90
DEPARTMENT OF TRANSPORT	7 676 941.60
CONTRACTED SERVICES	467 001.52
SUPPLIERS	2 315 943.28
TOTAL	**30 540 629.30**

9. Cash Management

The table below provides a breakdown of the cash and cash equivalents at end of 31 August 2023.

MUSINA LOCAL MUNICIPALITY

MONTHLY REPORT

DEPARTMENT OF THE CHIEF FINANCIAL OFFICER

BANK RECONCILIATION AS 31 AUGUST 2023

	BALANCE AS ON 31 JULY 2023		2 934 032.56
LESS:	EXPENDITURE	30 127 755.87	
	RETURNED CHEQUE	-	
	DAY CALL	-	
	TOTAL EXPENDITURE	30 127 755.87	
PLUS:	INCOME	27 432 030.10	
	INCOME NOT RECEIPTED	-	
	CANCELLED STALE CHEQUES		
	DAY CALL	9 000 000.00	
	TOTAL REVENUE	36 432 030.10	
	BALANCE AS ON 31 AUGUST 2023		9 238 306.79

	BALANCE AS PER BANK STATEMENT	9 238 306.79
LESS:	OUTSTANDING CHEQUE	-
		9 238 306.79

interest 10.50%

TRAFFIC	-
BALANCE AS ON 31 AUGUST 2023	9 238 306.79

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.