



Monthly Budget Statement

MFMA Section 71 Report for December

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 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.

The following table provides a summary of the municipality's performance as at 31 December 2023

LIM341 Musina - Table C1 Monthly Budget Statement Summary - M06 December 2023									
Description	2022/23		Budget Year		2023/24		2023/24		Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
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	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 as at 31 December 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2022/23	Budget Year 2022/23		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
			Audited Outcome	Original Budget						
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 December														2024/25			
Description	Ref	Budget Year 2023/24						Budget Year 2024/25						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	2024/25	2025/26		
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 December										
Description	Ref	2022/23		Budget Year		YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual					
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
References										

4. Operational Expenditure

4.1 Operational Expenditure Performance by type as at 31 December 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2022/23	Budget year 2023/24		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
			Audited Outcome	Original Budget						
R thousands									%	
<u>Expenditure By Type</u>										
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 December														2024/25					
Description	Ref	Budget Year 2023/24												Medium Budget Year 2023/24			Budget Year +1 2024/25		
		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 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<u>Revenue By Source</u>			
	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	<u>Expenditure By Type</u>			
	Employee related cost	(3 939)	Appointment of Vacant posts	Work in progress
	Dept Impairment and Depreciation	(17 000)	Asset model not migrated with Finacial 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	<u>Capital Expenditure</u>			
	Mig Projects	28 240	Projects have appointed and are underway	Work in progress
	Own Funded projects	4 466	procurement processes sill underway	Work in progress
4	<u>Financial Position</u>			
	Total assets	969 143	The municipality is still working on its improving financial	Implementation of fundind Plan
	Total liabilities	380 911	The municipality is still working on its improving financial	Implementation of fundind Plan
	Net assets	588 232	The municipality is still working on its improving financial	Implementation of fundind Plan
5	<u>Cash Flow</u>			
	Cash/cash equivalents at month end	22 180	The municipality is still in financial distress not all creditors	Work in progress, monitoring and implementation of funding Plan.
6	<u>Measureable performance</u>			
7	<u>Municipal Entities</u>	,		
	N/A		N/A	N/A

5. Capital Expenditure

5.1 Capital Expenditure by Function/Department

Budget Statement - Capital											
Vote Description	Ref	2022/23	Budget year		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast	
			Audited Outcome	Original Budget							
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 December										
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										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
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%	–
<u>Capital expenditure of Transfers and Grants</u>										
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 December										
Month	2022/23	Budget Year 2023/24								% spend of Original Budget
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	
R thousands										%
<u>Monthly expenditure performance trend</u>										
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	-	34 036	-	(28 641)						

MIG Projects 2023/2024	Budget	July	August	September	October	November	December	January	February	March	April	May	June
Nancefield phase 6 to 12 paved roads	17 542 215.11				1 655 913.75	1 460 381.56							
Waste Removal Trucks	7 100 000.00						6 411 884.09						
Construction of Tshikhudini community hall	36 000.00												
Nancefield ext 9 & 10 paved roads and stormwater	1 860 086.40	850 940.90				827 037.86							
Shakadza Multi Purpose Centre	3 391 910.86	669 389.70	950 981.38	1 417 823.50	1 030 330.31								
Mabvete Community hall	2 403 987.63	589 359.48	2 937 230.90	1 757 773.45	3 440 759.75								
PMU Management fees	1 701 800.00	241 818.48	171 562.28	180 302.33	164 426.99	186 562.81	221 738.62						
	34 036 000.00	2 351 508.56	4 059 774.56	3 355 899.28	6 291 430.80	2 473 982.23	6 633 622.71	-	-	-	-	-	-
MDRG Projects 2023/2024	Budget	July	August	September	October	November	December	January	February	March	April	May	June
Gravel Road Masisi	1 104 454.50				672 990.35								
Skoonglaas Culvert Storm water	2 030 509.21				1 220 094.69		445 606.52						
Tshikotonii Village Portal Culvert	419 168.91						239 449.33						
	3 554 132.62				1 893 085.04		685 055.85						

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 December													
Description R thousands	NT Code	Budget Year 2023/24											
		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	6 763	1 402	1 898	790	1 476	565	511	18 900	32 305	22 242		-
Receivables from Non-ex change 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		-

7.2 Disconnection List

DISCONNECTION LIST DECEMBER 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	88	4	3948
ARRANGEMENTS	5	0	23
TOTAL DISCONNECTED	33	0	3421
PAID/RESPONDED	43	0	2843
TOTAL NOT DISCONNECTED	50	0	504
AMOUNT COLLECTED-TOWN	R 5,750,456.00		
CREDIT CONTROL COLLECTION	R 6,428,908.22		

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 December										Prior year totals for chart (same period)	
Description	NT Code	Budget Year 2023/24									
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
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	

8.1 EXPENDITURE ANALYSIS

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

MUSINA LOCAL MUNICIPALITY.	
<u>EXPENDITURE ANALYSIS</u>	
<u>MONTH-END DECEMBER 2023</u>	
DESCRIPTION	AMOUNT
ESKOM	43 288 928.40
TELKOM	48 415.42
SALARIES	12 176 076.18
SUNDRY CREDITORS	4 425 544.59
TRADE CREDITORS	1 267 405.65
SARS (PAYE VAT)	2 586 829.02
UKUKHOMBA HOLDINGS	1 653 113.50
CONLOG	198 283.00
MAHOSI PROTECTION	3 731 378.86
MUNSOFT	2 265 227.26
CATHU CONSULTING	485 561.00
DIDO	169 543.22
BANK CHARGES	131 964.07
DEBIT ORDERS	1 851 738.24
PORVERTY ALLIVIATION WORKERS	457 310.96
LEARNERS LGSETA	60 500.00
WARD COMMITTEE MEMBERS -STIPENS	178 500.00
SUB-TOTAL	74 976 319.37
CONSTRUCTION OF STORM WATER DRAINAGE - SKOOMPLAAS	445 606.52
CONSTRUCTION OF TSHIKOTONI PORTAL CULVERT	239 449.33
CONSTRUCTION OF RHINO RIDGE ELECTRIFICATION	2 835 900.00
CONSTRUCTION OF MABVETE COMMUNITY HALL	308 119.49
SUB-TOTAL	3 829 075.34
TOTAL EXPENDITURE	78 805 394.71
VDM	
TELKOM	1 336.40
ESKOM RIOOLDAMME	24 011.05
	25 347.45
	78 830 742.16

8.2 Outstanding Creditors

OUTSTANDING CREDITORS DECEMBER 2023	
SUPPLIERS	Dec-23
ESKOM	15 027 012.93
DEPARTMENT OF TRANSPORT	7 676 941.60
CONTRACTED SERVICES	519 415.12
SUPPLIERS	6 241 132.40
TOTAL	29 464 502.05

9. Cash Management

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

MUSINA LOCAL MUNICIPALITY																																																		
MONTHLY REPORT																																																		
DEPARTMENT OF THE CHIEF FINANCIAL OFFICER																																																		
BANK RECONCILIATION AS 31 DECEMBER 2023																																																		
<table><tbody><tr><td>BALANCE AS ON 30 NOVEMBER 2023</td><td></td><td>1 870 245.50</td></tr><tr><td>LESS:</td><td></td><td></td></tr><tr><td> EXPENDITURE</td><td>78 805 394.71</td><td></td></tr><tr><td> SHORTAGE ON DEPOSIT</td><td>0.09</td><td></td></tr><tr><td> DAY CALL</td><td>750 000.00</td><td></td></tr><tr><td> </td><td></td><td></td></tr><tr><td>TOTAL EXPENDITURE</td><td><u>79 555 394.80</u></td><td></td></tr><tr><td>PLUS:</td><td></td><td></td></tr><tr><td> INCOME</td><td>98 264 941.39</td><td></td></tr><tr><td> INCOME NOT RECEIPTED</td><td>-</td><td></td></tr><tr><td> CANCELLED STALE CHEQUES</td><td></td><td></td></tr><tr><td> DAY CALL</td><td>1 600 000.00</td><td></td></tr><tr><td> </td><td></td><td></td></tr><tr><td>TOTAL REVENUE</td><td><u>99 864 941.39</u></td><td></td></tr><tr><td> </td><td></td><td></td></tr><tr><td>BALANCE AS ON 31 DECEMBER 2023</td><td></td><td>22 179 792.09</td></tr></tbody></table>			BALANCE AS ON 30 NOVEMBER 2023		1 870 245.50	LESS:			EXPENDITURE	78 805 394.71		SHORTAGE ON DEPOSIT	0.09		DAY CALL	750 000.00		 			TOTAL EXPENDITURE	<u>79 555 394.80</u>		PLUS:			INCOME	98 264 941.39		INCOME NOT RECEIPTED	-		CANCELLED STALE CHEQUES			DAY CALL	1 600 000.00		 			TOTAL REVENUE	<u>99 864 941.39</u>		 			BALANCE AS ON 31 DECEMBER 2023		22 179 792.09
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The municipality closed the financial month of December with a positive bank balance.

10. Recommendations

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