



Monthly Budget Statement

MFMA Section 71 Report July 2023

TABLE OF CONTENTS

1. Introduction
 - 1.1 Purpose
 - 1.2 Legislative Framework
2. Summary of Overall Budget Performance
3. Operational Revenue
 - 3.1 Revenue by Source
 - 3.2 Summary of Revenue Trends
4. Operational Expenditure
 - 4.1 Operational Expenditure by type
 - 4.2 Summary of Operational Expenditure Trends
 - 4.3 Material Variances
5. Capital Expenditure
 - 5.1 Capital Expenditure by Function/Department
 - 5.2 Summary of Capital Expenditure Trends
6. Grants Management
 - 6.1 Grants Expenditure per Category
 - 6.2 Grants Expenditure Trends
7. Debtors Management
 - 7.1 Disconnection List
8. Creditors Management
 - 8.1 Expenditure Analysis
 - 8.2 Outstanding Creditors
9. Cash Management
10. Recommendations

1. Introduction

1.1 Purpose

The purpose of this report is to comply with section 71 & 52 of the MFMA and the requirements as promulgated in Government Gazette No 32141 of 17 April 2009 (Municipal budgeting and reporting requirements).

The monthly Budget Statement also aims to provide an update on indicators critical to the municipality's viability and serve as an early warning indicator where remedial action is required. The consolidated performance is a high level overview of the municipality's viability and sustainability.

1.2 Legislative Framework

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating sustainability and better medium term planning and policy choices on service delivery.

The report has been prepared in terms of the following legislative framework:

- i. The Municipal Finance Management Act – No.56 of 2003, Section 71 & 52
- ii. And the Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

“28. the monthly budget statement of a municipality must be in the format specified in Schedule C and includes all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of Section 168 (1) of the Act.”

The objective of these Regulations is to ensure sound and sustainable management of the budgeting and reporting practices of Municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

2. Summary of Overall Budget Performance for July 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 R131 941 million.

Total revenue for the month amounts to R133 862 million.

The expenditure on Capital activities for the month amounts to R2 351 Million.

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

LIM341 Musina - Table C1 Monthly Budget Statement Summary - M01 July									
Description	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									
Financial Performance									
Property rates	14 929	26 950	–	5 188	5 188	2 246	2 942	131%	22 698
Service charges	167 047	176 127	–	11 758	11 758	14 677	(2 919)	-20%	189 022
Investment revenue	469	–	–	–	–	–	–		1 244
Transfers and subsidies	176 378	220 628	–	91 777	91 777	18 386	73 391	399%	174 720
Other own revenue	17 560	107 163	–	9 164	9 164	8 930	234	3%	45 296
Total Revenue (excluding capital transfers and contributions)	376 383	530 868	–	117 887	117 887	44 239	73 648	166%	432 980
Employee costs	150 650	164 268	–	12 946	12 946	13 689	(743)	-5%	158 403
Remuneration of Councillors	10 097	11 428	–	878	878	952	(74)	-8%	11 339
Depreciation & asset impairment	30 372	34 000	–	–	–	2 833	(2 833)	-100%	34 265
Finance charges	1 070	525	–	–	–	44	(44)	-100%	1 777
Materials and bulk purchases	142 119	149 493	–	73 239	73 239	12 458	60 781	488%	138 162
Transfers and subsidies	5 827	4 987	–	461	461	416	45	11%	6 073
Other expenditure	108 690	120 167	–	44 417	44 417	10 014	34 403	344%	78 626
Total Expenditure	448 825	484 868	–	131 941	131 941	40 406	91 535	227%	428 645
Surplus/(Deficit)	(72 442)	46 000	–	(14 054)	(14 054)	3 833	(17 887)	-467%	4 335
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 409	34 036	–	15 975	15 975	2 836	13 139	463%	36 988
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	4 363	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	(36 670)	80 036	–	1 921	1 921	6 670	(4 749)	-71%	41 323
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(36 670)	80 036	–	1 921	1 921	6 670	(4 749)	-71%	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	–	2 351	2 351	2 836	(485)	-17%	–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	(891)	46 000	–	666	666	3 833	(3 167)	-83%	–
Total sources of capital funds	28 392	80 036	–	3 017	3 017	6 670	(3 653)	-55%	–
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	–	–	2 934	9 513	6 580	69%	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 July 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
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		5 188	5 188	2 246	2 942	131%	22 698
Service charges - electricity revenue		152 786	160 630		9 854	9 854	13 386	(3 532)	-26%	174 390
Service charges - water revenue		–	–					–		–
Service charges - sanitation revenue		–	–					–		–
Service charges - refuse revenue		14 261	15 497		1 904	1 904	1 291	613	47%	14 632
Rental of facilities and equipment		819	1 994		62	62	166	(104)	-63%	691
Interest earned - external investments		469	–		–	–	–	–		1 244
Interest earned - outstanding debtors		4 436	5 767		1 028	1 028	481	547	114%	3 180
Dividends received		–	555		–	–	46	(46)	-100%	–
Fines, penalties and forfeits		5 147	4 075		202	202	340	(138)	-41%	3 380
Licences and permits		3 112	2 565		13	13	214	(201)	-94%	5 509
Agency services		–	–		–	–	–	–		–
Transfers and subsidies		176 378	220 628		91 777	91 777	18 386	73 391	399%	174 720
Other revenue		6 356	92 207		7 859	7 859	7 684	175	2%	8 843
Gains		(2 310)	–	–	–	–	–	–		23 693
Total Revenue (excluding capital transfers and contributions)		376 383	530 868	–	117 887	117 887	44 239	73 648	166%	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 - M01 July														2023/24 Medium Term Revenue & Expenditure Framework		
Description	Ref	Budget Year 2023/24												Budget Year		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	2023/24	+1 2024/25	+2 2025/26
R thousands	1	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates		5 188	6 576	6 576	6 576	6 576	6 576	6 576	6 576	6 576	6 576	6 576	(45 911)	25 037	26 292	27 587
Service charges - electricity revenue		9 854	36 798	36 798	36 798	36 798	36 798	36 798	36 798	36 798	36 798	36 798	(237 832)	140 002	147 121	154 457
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		1 904	5 230	5 230	5 230	5 230	5 230	5 230	5 230	5 230	5 230	5 230	(34 093)	20 111	21 162	21 489
Rental of facilities and equipment		62	142	142	142	142	142	142	142	142	142	142	(941)	541	569	596
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	555	555	582	609
Interest earned - outstanding debtors		1 028	146	146	146	146	146	146	146	146	146	146	(2 488)	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		202	919	919	919	919	919	919	919	919	919	919	(5 887)	3 505	3 677	3 849
Licences and permits		13	582	582	582	582	582	582	582	582	582	582	(3 613)	2 220	2 329	2 439
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		91 777	58 579	58 579	58 579	58 579	58 579	58 579	58 579	58 579	58 579	58 579	(461 926)	215 641	238 567	248 737
Other revenue		7 859	14 064	14 064	14 064	14 064	14 064	14 064	14 064	14 064	14 064	14 064	(60 049)	88 450	37 213	39 647
Cash Receipts by Source		117 887	123 036	123 036	123 036	123 036	123 036	123 036	123 036	123 036	123 036	123 036	(852 185)	496 062	477 512	499 410
													-			

Summary of total Own revenue

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - M01 July										
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		5 188	5 188	2 086	3 102	149%	
Service charges		72 168	160 112		11 758	11 758	13 343	(1 585)	-12%	
Other revenue		95 500	95 813		8 136	8 136	7 984	152	2%	
Transfers and Subsidies - Operational		129 975	215 641		91 777	91 777	17 970	73 807	411%	
Transfers and Subsidies - Capital		–	34 036		15 975	15 975	2 836	13 139	463%	
Interest		–	555		1 028	1 028	46	982	2123%	
Dividends								–		
Payments										
Suppliers and employees		(37 006)	(405 052)		(128 926)	(128 926)	(33 754)	95 172	-282%	
Finance charges		–	(525)		(203)	(203)	(44)	159	-364%	
Transfers and Grants		–	–		(461)	(461)	–	461	#DIV/0!	
NET CASH FROM/(USED) OPERATING ACTIVITIES		260 637	125 617	–	4 272	4 272	10 468	6 196	59%	–
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)		(2 351)	(2 351)	(6 670)	(4 319)	65%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		24 516	(80 036)	–	(2 351)	(2 351)	(6 670)	(4 319)	65%	–
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	–	1 921	1 921	3 798			–
Cash/cash equivalents at beginning:		23 257	5 715			1 013	5 715			1 013
Cash/cash equivalents at month/year end:		300 744	51 296	–		2 934	9 513			1 013

4. Operational Expenditure

4.1 Operational Expenditure Performance by type as at 31 July 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
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		12 946	12 946	13 689	(743)	-5%	158 403
Remuneration of councillors		10 097	11 428		878	878	952	(74)	-8%	11 339
Debt impairment		41 885	45 000		–	–	3 750	(3 750)	-100%	8 325
Depreciation & asset impairment		30 372	34 000		–	–	2 833	(2 833)	-100%	34 265
Finance charges		1 070	525		203	203	44	159	364%	1 777
Bulk purchases		137 919	144 815		73 094	73 094	12 068	61 026	506%	129 748
Other materials		4 200	4 678		145	145	390	(245)	-63%	8 414
Contracted services		35 198	39 279		13 456	13 456	3 273	10 183	311%	37 767
Transfers and subsidies		5 827	4 987		461	461	416	45	11%	6 073
Other expenditure		31 607	35 888		30 758	30 758	2 991	27 767	928%	32 534
Losses			–		–	–	–	–		
Total Expenditure		448 825	484 868	–	131 941	131 941	40 406	91 535	227%	428 645

4.2 Summary of Expenditure Trends

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

LIM341 Musina - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M01 July														2023/24 Medium Term Revenue & Expenditure Framework		
Description	Ref	Budget Year 2023/24												Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		July Outcome	August Budget	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget			
R thousands	1															
Cash Payments by Type																
Employee related costs		12 946	43 154	43 154	43 154	43 154	43 154	43 154	43 154	43 154	43 154	43 154	(280 218)	164 268	172 480	181 104
Remuneration of councillors		878	847	847	847	847	870	875	854	854	892	-	2 817	11 428	11 885	12 480
Interest paid		203			-	-		-	-	-	-	-	322	525	551	577
Bulk purchases - Electricity		73 094	2 048	6 799	47	7 118	52 684	96	48	45 216	41	10 126	(52 502)	144 815	152 056	159 659
Bulk purchases - Water & Sewer		-	-	-	-	-	-			-	-	249	4 429	4 678	4 907	5 138
Other materials		145	19 135	19 135	19 135	19 135	19 135	19 135	19 135	19 135	19 135	19 135	(191 495)	-	-	-
Contracted services		13 456	-	-	-	-	-	-	-	-	-	-	(13 456)	-	-	-
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		461	-	-	-	-	-	-	-	-	-	-	(461)	-	-	-
General expenses		28 407	-	-	-	-	-	-	-	-	-	-	51 457	79 864	73 513	76 246
Cash Payments by Type		129 590	65 184	69 935	63 183	70 254	115 843	63 260	63 191	108 359	63 222	72 664	(479 107)	405 578	415 392	435 204
Other Cash Flows/Payments by Type																
Capital assets		2 351	16 775	16 775	16 775	16 775	16 775	16 775	16 775	16 775	16 775	16 775	(90 065)	80 036	59 933	61 331
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		131 941	81 959	86 710	79 958	87 029	132 618	80 035	79 966	125 134	79 997	89 439	(569 172)	485 614	475 325	496 535
NET INCREASE/(DECREASE) IN CASH HELD																
		1 921	52 499	47 748	54 500	47 429	1 840	54 423	54 492	9 324	54 461	45 019	(379 172)	44 484	52 631	55 459
Cash/cash equivalents at the month/year beginning:		1 014	2 934	55 434	103 181	157 681	205 110	206 950	261 374	315 866	325 190	379 651	424 670	1 014	45 498	98 129
Cash/cash equivalents at the month/year end:		2 934	55 434	103 181	157 681	205 110	206 950	261 374	315 866	325 190	379 651	424 670	45 498	45 498	98 129	153 588

4.3 Material Variances

LIM341 Musina - Supporting Table SC1 Material variance explanations - M01 July

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Service Charges-Electricity revenue	(3 532)	Lower sales due to load shedding	Monitor this line item and ensure that the income is allocated correctly
	Rental of facilities	(47)	Low bookings of municipal facilities	Monitor this line item and ensure that the income is allocated correctly
	Fines, penalties and forfeits	(138)	Low collection	Apply credit control measures
	Licences and permits	(200)	Lower registration of vehicles	Monitor this line item and ensure that the income is allocated correctly
	Other Revenue	-		0
2	Expenditure By Type			
	Employee related cost	(743)	Appointment of Vacant posts	Work in progress
	Dept Impairment and Depreciation	-	Asset model not migrated with Financial system	Actioned at year end
	Bulk Electricity	73 094	Eskom account is settled as we received equitable share	Account for ESKOM is settled
	Contracted Services		Majority of contractors are paid with the receipt of equitable share	Work in progress
3	Capital Expenditure			
	Mig Projects	2 351	Projects from previous year continues	Work in progress
	Own Funded projects	759	Overspent due to increased number of projects	Item adjusted during the adjustment Budget
4	Financial Position			
	Current assets	842 350	The municipality is still working on its improving financial status	Implementation of funding Plan
	Current liabilities	652 985	The municipality is still working on its improving financial status	Implementation of funding Plan
	Net assets	189 366	The municipality is still working on its improving financial status	Implementation of funding Plan
5	Cash Flow			
	Cash/cash equivalents at month end	3 702	The municipality is still in financial distress not all creditors are	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 provider	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 season	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) - M01 July

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	-	-	-	358	(358)	-100%	-
Executive and council		(324)	-	-	-	-	-	-		
Finance and administration		(18 783)	4 300	-	-	-	358	(358)	-100%	
Internal audit								-		
Community and public safety		3 643	1 780	-	1 520	1 520	-	1 520	#DIV/0!	-
Community and social services		3 643	-		851	851	-	851	#DIV/0!	
Sport and recreation					669	669	-	669	#DIV/0!	
Public safety			1 780					-		
Housing								-		
Health								-		
Economic and environmental services		24 319	31 456	-	830	830	2 621	(1 791)	-68%	-
Planning and development		25 210	8 765		589	589	730	(141)	-19%	
Road transport		(891)	22 691		241	241	1 891	(1 650)	-87%	
Environmental protection								-		
Trading services		430	42 500	-	-	-	-	-		-
Energy sources		430	35 000					-		
Water management								-		
Waste water management								-		
Waste management			7 500					-		
Other								-		
Total Capital Expenditure - Functional Clas	3	9 285	80 036	-	2 351	2 351	2 980	(629)	-21%	-
Funded by:										
National Government		28 853	34 036		2 351	2 351	2 836	(485)	-17%	
Provincial Government								-		
District Municipality								-		
Transfers recognised - capital		29 283	34 036	-	2 351	2 351	2 836	(485)	-17%	-
Borrowing	6							-		
Internally generated funds		(891)	46 000		666	666	3 833	(3 167)	-83%	
Total Capital Funding		28 392	80 036	-	3 017	3 017	6 670	(3 653)	-55%	-

6. Grants Management

6.1 Monthly grants cumulative expenditure performance trend Expenditure per Category

LIM341 Musina - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July										
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	–	90 603	90 603	18 386	72 218	392.8%	–
Local Government Equitable Share		169 864	216 341		90 142	90 142	18 028	72 114	400.0%	
Finance Management		–	3 000		86	86	250	(164)	-65.4%	
EPWP Incentiv e		–	1 287		375	375	107	267	249.4%	
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	–	90 603	90 603	18 386	72 218	392.8%	–
Capital expenditure of Transfers and Grants										
National Government:		–	37 590	–	2 351	2 351	3 133	(782)	-24.9%	–
MIG		–	34 036		2 351	2 351	2 836	(485)	-17.1%	
MDRG			3 554		–	–	296	(296)	-100.0%	
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
0								–		
District Municipality:		–	–	–	–	–	–	–		–
0								–		
Other grant providers:		–	–	–	–	–	–	–		–
0								–		
Total capital expenditure of Transfers and Grants		–	37 590	–	2 351	2 351	3 133	(782)	-24.9%	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		169 864	258 218	–	92 954	92 954	21 518	71 436	332.0%	–

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 - M01 July									
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				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	–	(2 352)					

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											
Mabvete Community hall	2 403 987.63	589 359.48											
PMU Management fees	1 701 800.00	241 818.48											
	34 036 000.00	2 351 508.56											

7. Debtors Management

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

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July													
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	6 474	1 434	2 584	866	631	614	551	17 187	30 341	19 849		–
Receivables from Non-exchange Transactions - Property Rates	1400	7 183	987	868	772	711	687	735	35 054	46 997	37 959		–
Receivables from Exchange Transactions - Waste Water Management	1500									–	–		
Receivables from Exchange Transactions - Waste Management	1600	2 196	1 120	881	728	639	477	432	10 734	17 207	13 010		–
Receivables from Exchange Transactions - Property Rental Debtors	1700									–	–		
Interest on Arrear Debtor Accounts	1810	697	663	655	644	638	612	590	13 527	18 026	16 011		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	3 033	1 697	1 259	1 160	760	755	713	20 006	29 383	23 394		–
Total By Income Source	2000	19 583	5 901	6 247	4 170	3 379	3 145	3 021	96 508	141 954	110 223	–	–
2022/23 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	3 698	934	773	631	534	517	490	22 434	30 011	24 606		–
Commercial	2300	6 730	1 064	896	904	692	773	713	26 540	38 312	29 622		–
Households	2400	9 155	3 903	4 578	2 635	2 153	1 855	1 818	47 534	73 631	55 995		–
Other	2500	–	–	–	–	–	–	–		–	–		–
Total By Customer Group	2600	19 583	5 901	6 247	4 170	3 379	3 145	3 021	96 508	141 954	110 223	–	–

7.2 Disconnection List

DISCONNECTION LIST JULY 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
BUILEGEBIED	1		0
DISCONNECTIONS	107	4	3948
ARRANGEMENTS	2	0	35
TOTAL DISCONNECTED	20	0	3521
PAID/RESPONDED	18	0	2601
TOTAL NOT DISCONNECTED	67	0	427
AMOUNT COLLECTED-TOWN	R 68 458.16		R 367 801.55
CREDIT CONTROL COLLECTI	R 436 259.71		

8. Creditors Management

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

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July											
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 repay ments	0600									-	
Trade Creditors	0700	449				7 958				8 407	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	449	-	-	-	7 958	-	-	-	8 407	-

8.1 EXPENDITURE ANALYSIS

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

<u>MUSINA LOCAL MUNICIPALITY.</u>	
<u>EXPENDITURE ANALYSIS</u>	
<u>MONTH-END JULY 2023</u>	
DESCRIPTION	AMOUNT
ESKOM	73 094 089.81
TELKOM	51 454.97
SALARIES	7 799 299.30
SUNDRY CREDITORS	5 377 632.58
TRADE CREDITORS	768 883.99
SARS (PAYE VAT)	3 588 217.66
MAHOSI SECURITY	4 040 592.42
DIDO	202 995.63
MUNSOFT	4 606 444.73
DEPARTMENT OF TRANSPORT	900 000.00
SALGA	1 413 873.64
MODHOPE	1 861 160.00
COMPENSATION FUND	500 000.00
LIANA CONSULTING	897 796.08
DR MABEBA	1 149 687.15
BANK CHARGES	27 410.88
DEBIT ORDERS	787 450.25
PORVERTY ALLIVATION WORKERS	374 730.64
LEARNERS LGSETA	63 000.00
WARD COMMITTEE MEMBERS -STIPENS	178 500.00
SUB-TOTAL	107 683 219.73
CONSTRUCTION OF SHAKADZA MULTIPURPOSE CENRE: TENDER 02-2022/2023 CERTIFICATE NO.7	3 652 296.00
CONSTRUCTION OF NANCEFIELD EXT 9 & 10 PAVED ROADS AND STORMWATER CERTIFICATE NO.5	2 564 006.81
CONSTRUCTION OF MABVETE COMMUNITY HALL CERTIFICATE NO.6	511 531.21
SUB-TOTAL	6 727 834.02
TOTAL EXPENDITURE	114 411 053.75
VDM	
TELKOM	1 094.92
ESKOM RIOOLDAMME	41 218.95
	42 313.87
	114 453 367.62

8.2 Outstanding Creditors

OUTSTANDING CREDITORS JULY 2023	
SUPPLIER	JULY
DEPARTMENT OF TRANSPORT	7 676 941.60
CONTRACTED SERVICES	391 199.04
SUPPLIERS	339 016.01
TOTAL	8 407 156.65

9. Cash Management

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

MUSINA LOCAL MUNICIPALITY			
<u>MONTHLY REPORT</u>			
<u>DEPARTMENT OF THE CHIEF FINANCIAL OFFICER</u>			
<u>BANK RECONCILIATION AS 31 JULY 2023</u>			
	BALANCE AS ON 30 JUNE 2023		1 013 539.08
LESS:	EXPENDITURE	114 411 053.75	
	RETURNED CHEQUE		
	DAY CALL	17 530 712.68	
	TOTAL EXPENDITURE	<u>131 941 766.43</u>	
PLUS:	INCOME	126 362 259.91	
	INCOME NOT RECEIPTED	-	
	CANCELLED STALE CHEQUES		
	DAY CALL	7 500 000.00	
	TOTAL REVENUE	<u>133 862 259.91</u>	
	BALANCE AS ON 31 JULY 2023		2 934 032.56
	BALANCE AS PER BANK STATEMENT		2 934 032.56
LESS:	OUTSTANDING CHEQUE	-	
			2 934 032.56
Interest 10.50%			
	TRAFFIC		223 779.28
	BALANCE AS ON 31 JULY 2023		3 157 811.84

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

10. Recommendations

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