



# Monthly Budget Statement

MFMA Section 71 Report for June

2024

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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 June 2024**

The total budget approved for the 2023-2024 financial year amounts to R530 868 million adjusted by R11 710 million to R542 578 million.

The total expenditure for operating activities for the month amounts to R66 059 million.

Total revenue for the month amounts to R27 199 million.

The expenditure on Capital activities for the month amounts to R12 118 million.

The following table provides a summary of the municipality's performance as at 30 June 2024

LIM341 Musina - Table C1 Monthly Budget Statement Summary - M12 June 2024									
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								%	
<b>Financial Performance</b>									
Property rates	14,929	26,950	26,950	1,511	28,756	26,950	1,806	7%	26,950
Service charges	167,047	176,127	181,030	15,580	182,889	181,030	1,859	1%	181,030
Investment revenue	469	555	855	–	839	–	839	#DIV/0!	855
Transfers and subsidies	176,378	220,628	227,135	(14)	225,307	227,135	(1,828)	-1%	227,135
Other own revenue	17,560	106,608	106,608	10,122	54,411	107,463	(53,052)	-49%	106,608
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>376,383</b>	<b>530,868</b>	<b>542,578</b>	<b>27,199</b>	<b>492,202</b>	<b>542,578</b>	<b>(50,376)</b>	<b>-9%</b>	<b>542,578</b>
Employee costs	150,650	164,268	164,268	13,129	159,131	164,268	(5,137)	-3%	164,268
Remuneration of Councillors	10,097	11,428	11,428	914	11,367	11,428	(61)	-1%	11,428
Depreciation & asset impairment	30,372	34,000	34,000	–	–	59,000	(59,000)	-100%	34,000
Finance charges	1,070	525	525	377	709	525	184	35%	525
Materials and bulk purchases	142,119	149,493	149,493	37,696	177,872	149,493	28,379	19%	149,493
Transfers and subsidies	5,827	4,987	11,494	782	12,080	11,494	587	5%	11,494
Other expenditure	108,690	120,167	107,231	13,161	86,086	82,232	3,855	5%	107,231
<b>Total Expenditure</b>	<b>448,825</b>	<b>484,868</b>	<b>478,439</b>	<b>66,059</b>	<b>447,245</b>	<b>478,439</b>	<b>(31,194)</b>	<b>-7%</b>	<b>478,439</b>
<b>Surplus/(Deficit)</b>	<b>(72,442)</b>	<b>46,000</b>	<b>64,139</b>	<b>(38,860)</b>	<b>44,957</b>	<b>64,139</b>	<b>(19,182)</b>	<b>-30%</b>	<b>64,139</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	30,941	34,036	42,307	1,345	34,421	42,307	(7,886)	(0)	42,307
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)	16,744	–	–	–	–	–	–	–	–
	(24,757)	80,036	106,446	(37,515)	79,378	106,446	(27,068)	-25%	106,446
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>									
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>(24,757)</b>	<b>80,036</b>	<b>106,446</b>	<b>(37,515)</b>	<b>79,378</b>	<b>106,446</b>	<b>(27,068)</b>	<b>-25%</b>	<b>106,446</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>37,793</b>	<b>44,955</b>	<b>94,762</b>	<b>12,997</b>	<b>54,619</b>	<b>97,902</b>	<b>(43,283)</b>	<b>-44%</b>	<b>–</b>
Capital transfers recognised	29,283	34,036	42,307	5,999	32,743	45,447	(12,704)	-28%	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	8,831	46,000	52,455	6,119	21,876	48,084	(26,208)	(0)	–
<b>Total sources of capital funds</b>	<b>38,114</b>	<b>80,036</b>	<b>94,762</b>	<b>12,118</b>	<b>54,619</b>	<b>93,531</b>	<b>(38,912)</b>	<b>-42%</b>	<b>–</b>
<b>Financial position</b>									
Total current assets	242,944	178,390	204,797		265,263				204,797
Total non current assets	653,663	547,831	565,697		707,942				565,697
Total current liabilities	376,561	81,892	91,483		375,090				91,483
Total non current liabilities	41,920	6,500	6,500		36,974				6,500
Community wealth/Equity	478,313	637,830	672,511		561,141				672,511
<b>Cash flows</b>									
Net cash from (used) operating	45,635	125,617	118,572	8,763	18,751	141,815	123,064	87%	118,572
Net cash from (used) investing	54,493	(80,036)	(97,903)	–	(47,006)	(100,929)	(53,923)	53%	(97,903)
Net cash from (used) financing	(473)	–	–	(124)	(362)	–	362	#DIV/0!	–
<b>Cash/cash equivalents at the month/year end</b>	<b>94,815</b>	<b>51,296</b>	<b>33,488</b>		<b>(15,798)</b>	<b>53,705</b>	<b>–</b>	<b>–</b>	<b>33,488</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	17,828	6,550	5,163	4,528	4,107	3,766	3,364	109,027	154,333
<b>Creditors Age Analysis</b>									
Total Creditors	45,117	5,125	4,661	1,892	20,875	–	–	–	77,670

### 3. Operational Revenue

#### 3.1 Revenue Performance by Source/Classification as at 30 June 2024

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
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									%	
<b>Revenue By Source</b>										
Property rates		26,814	26,950	26,950	1,511	28,756	26,950	1,806	7%	26,950
Service charges - electricity revenue		147,424	160,630	160,630	14,228	161,653	160,630	1,023	1%	160,630
Service charges - water revenue		–	–	–			–	–		
Service charges - sanitation revenue		–	–	–			–	–		
Service charges - refuse revenue		19,263	15,497	20,400	1,352	21,236	20,400	836	4%	20,400
Rental of facilities and equipment		9	588	588	2	21	588	(567)	-96%	588
Interest earned - external investments		167	555	855	–	839	855	(16)	-2%	855
Interest earned - outstanding debtors		6,586	5,767	5,767	853	9,749	5,767	3,982	69%	5,767
Dividends received		1,419	–	–			–	–		
Fines, penalties and forfeits		5,815	4,075	4,075	294	3,099	4,075	(976)	-24%	4,075
Licences and permits		3,224	2,565	2,565	5	160	2,565	(2,405)	-94%	2,565
Agency services		–	–	–	–	–	–	–		
Transfers and subsidies		199,830	220,628	227,135	(14)	225,307	227,135	(1,828)	-1%	227,135
Other revenue		325,497	93,612	93,613	4,151	40,543	93,613	(53,070)	-57%	93,562
Gains		44,631	–	–	4,817	4,477	–	4,477	#DIV/0!	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>780,679</b>	<b>530,867</b>	<b>542,578</b>	<b>27,199</b>	<b>495,840</b>	<b>542,578</b>	<b>(46,738)</b>	<b>-9%</b>	<b>542,527</b>

### 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 - M12 June																	
Description	Ref	Budget Year 2023/24												2024/25 Medium Term Revenue			
		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	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget				
Cash Receipts By Source																	
Property rates		5 188	1 890	1 771	2 084	1 947	2 041	2 023	2 024	1 786	1 989	4 503	(2 209)	25 037	26 292	27 587	
Service charges - electricity revenue		9 854	13 116	13 126	14 272	13 012	13 897	14 057	13 362	13 587	13 681	15 460	(7 422)	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	1 920	1 863	1 859	1 358	1 390	226	20 111	21 162	21 489	
Rental of facilities and equipment		62	220	2	2	78	2	2	2	100	2	2	67	541	569	596	
Interest earned - external investments		-	-	-	200	220	-	-	210	-	-	210	16	855	582	605	
Interest earned - outstanding debtors		1 028	978	12 972	874	1 604	3 417	5 492	1 612	848	(2 388)	(17 541)	(8 896)	-	-	-	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		202	254	163	146	421	151	269	275	136	277	511	700	3 505	3 677	3 849	
Licences and permits		13	-	-	25	26	55	3	9	7	9	8	2 065	2 220	2 329	2 439	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies - Operational		91 777	3 325	-	1 155	588	71 259	-	713	53 134	2 131	901	2 153	227 135	238 567	248 737	
Other revenue		7 859	14 736	897	7 581	9 780	3 221	6 255	9 994	7 082	8 614	24 981	(11 454)	89 547	37 213	39 647	
Cash Receipts by Source		117 887	36 432	30 857	28 281	29 564	95 965	30 021	30 064	78 539	25 673	30 424	(24 754)	508 953	477 512	499 410	

## Summary of total Own revenue

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - M12 June										
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								%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		–	25 037	25 037	1 511	25 274	25 037	237	1%	
Service charges		72 168	160 112	145 528	14 228	168 724	145 528	23 196	16%	
Other revenue		95 500	95 813	95 813	11 474	66 892	95 813	(28 921)	-30%	
Transfers and Subsidies - Operational		129 975	215 641	227 135	(14)	226 069	227 135	(1 066)	0%	
Transfers and Subsidies - Capital		–	34 036	42 307	–	38 753	42 307	(3 554)	-8%	
Interest		–	555	855	–	839	855	(16)	-2%	
Dividends								–		
<b>Payments</b>										
Suppliers and employees		(37 006)	(405 052)	(418 628)	(17 087)	(453 302)	(418 628)	34 674	-8%	
Finance charges		(1 235)	(525)	(525)	(377)	(709)	(525)	184	-35%	
Transfers and Grants		(6 111)	(4 987)	(11 494)	(782)	(12 080)	(11 494)	586	-5%	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>253 291</b>	<b>120 630</b>	<b>106 028</b>	<b>8 953</b>	<b>60 460</b>	<b>106 028</b>	<b>45 568</b>	<b>43%</b>	<b>–</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		1 991	–	–			–	–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
<b>Payments</b>										
Capital assets		22 525	(80 036)	(97 903)	(12 118)	(54 619)	(97 903)	(43 284)	44%	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>24 516</b>	<b>(80 036)</b>	<b>(97 903)</b>	<b>(12 118)</b>	<b>(54 619)</b>	<b>(97 903)</b>	<b>(43 284)</b>	<b>44%</b>	<b>–</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans			–				–	–		
Borrowing long term/refinancing		–	–				–	–		
Increase (decrease) in consumer deposits			–				–	–		
<b>Payments</b>										
Repayment of borrowing		(7 666)	–		–	–	–	–		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(7 666)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>270 141</b>	<b>40 594</b>	<b>8 125</b>	<b>(3 165)</b>	<b>5 841</b>	<b>8 125</b>			<b>–</b>
Cash/cash equivalents at beginning:		23 257	5 715	12 819		3 950	12 819			3 950
Cash/cash equivalents at month/year end:		293 398	46 309	20 944		9 790	20 944			3 950
<u>References</u>										

## 4. Operational Expenditure

### 4.1 Operational Expenditure Performance by type as at 30 June 2024

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June									
Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands									%
<b>Expenditure By Type</b>									
Employee related costs		153,904	164,268	164,268	13,129	159,131	164,268	(5,137)	-3%
Remuneration of councillors		10,372	11,428	11,428	914	11,367	11,428	(61)	-1%
Debt impairment		13,770	45,000	25,000	–	–	25,000	(25,000)	-100%
Depreciation & asset impairment		39,249	34,000	34,000	–	–	34,000	(34,000)	-100%
Finance charges		1,235	525	525	377	709	525	184	35%
Bulk purchases		126,092	144,815	144,815	36,283	173,791	144,815	28,976	20%
Other materials		3,285	4,678	4,678	1,413	4,081	4,678	(597)	-13%
Contracted services		34,316	39,279	40,316	6,919	41,629	40,316	1,313	3%
Transfers and subsidies		6,111	4,987	11,494	782	12,080	11,494	587	5%
Other expenditure		48,829	35,888	41,916	6,242	44,457	41,916	2,542	6%
Losses			–		–	–	–	–	
<b>Total Expenditure</b>		<b>437,163</b>	<b>484,868</b>	<b>478,439</b>	<b>66,059</b>	<b>447,245</b>	<b>478,439</b>	<b>(31,194)</b>	<b>-7%</b>

## 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 - M12 June																
Description	Ref	Budget Year 2023/24												2024/25 Medium Term Budget		
		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	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget			
<b>Cash Payments by Type</b>																
Employee related costs		12 946	12 688	12 755	13 341	12 939	13 525	12 211	12 992	12 962	12 791	16 852	18 266	164 268	172 480	181 104
Remuneration of councillors		878	878	1 394	912	912	912	912	914	914	914	914	974	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	(29 086)	125	24 648	13 270	10 567	(25 860)	144 815	152 056	159 659
Bulk purchases - Water & Sewer		–	–	–	–	–	–	–	–	–	–	–	–		4 907	5 138
Other materials		145	148	268	130	–	696	139	247	383	399	114	2 009	4 678	–	–
Contracted services		13 456	1 328	2 920	2 765	2 010	8 135	2 270	4 553	7 592	3 430	5 674	(13 817)	40 316	–	–
Grants and subsidies paid - other municipalities		–		–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other		461	383	631	859	479	1 666	577	452	630	3 469	1 272	(10 879)	–	–	–
General expenses		28 407	757	5 836	1 789	6 999	3 712	53 409	13 158	13 933	1 287	1 907	(84 582)	46 612	73 513	76 246
<b>Cash Payments by Type</b>		<b>129 590</b>	<b>26 068</b>	<b>33 950</b>	<b>19 921</b>	<b>38 045</b>	<b>72 236</b>	<b>40 432</b>	<b>32 441</b>	<b>61 062</b>	<b>35 560</b>	<b>37 300</b>	<b>(113 963)</b>	<b>412 642</b>	<b>415 392</b>	<b>435 204</b>
													–			

## 4.3 Material Variances

LIM341 Musina - Supporting Table SC1 Material variance explanations - M12 June				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
1	<b>Revenue By Source</b>			
	Service Charges-Electricity revenue	1 024	Lower sales due to load shedding but now is picking	Monitor this line item and ensure that the income is allocated correctly
	Rental of facilities	519	Low bookings of municipal facilities	Monitor this line item and ensure that the income is allocated correctly
	Fines,penalties and forfeits	(976)	Low collection and non- payment	Apply credit control measures and follow-up on issued fines
	Licences and permits	(2 406)	This is due to lower registration of vehicles	Monitor this line item and ensure that the income is allocated correctly
2	<b>Expenditure By Type</b>			
	Employee related cost	164 268	Appointment of Vacant posts	Work in progress
	Dept Impairment and Depreciation	(34 000)	Asset model not migrated with Finacial system	Actioned at year end
	Bulk Electricity	(7 307)	Eskom account is settled as we received equitable share	Account for ESKOM is settled
	Contracted Services	(5 562)	Most contract will appoint during the last quarter	Work in progress
3	<b>Capital Expenditure</b>			
	Mig Projects	(18 383)	Projects have appointed and are underway	Work in progress
	Own Funded projects	(36 823)	procurement processes sill underway	Work in progress
4	<b>Financial Position</b>			
	Total assets	981 972	The municipality is still working on its improving financial status	Implementation of fundind Plan
	Total liabilities	369 844	The municipality is still working on its improving financial status	Implementation of fundind Plan
	Net assets	612 128	The municipality is still working on its improving financial status	Implementation of fundind Plan
5	<b>Cash Flow</b>			
	Cash/cash equivalents at month end	9 791	The municipality is still in financial distress not all creditors are paid	Work in progress, monitoring and implementation of funding Plan.
6	<b>Measureable performance</b>			
7	<b>Municipal Entities</b>			
	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)										
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								%	
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		4 350	4 300	9 250	2 217	3 597	9 250	(5 653)	-61%	-
Executive and council		1 115	-	-	-	-	-	-	-	
Finance and administration		3 235	4 300	9 250	2 217	3 597	9 250	(5 653)	-61%	
Internal audit								-	-	
<b>Community and public safety</b>		4 091	1 780	1 780	(22)	989	1 780	(791)	-44%	-
Community and social services		4 083	-				-	-	-	
Sport and recreation							-	-	-	
Public safety		8	1 780	1 780	(22)	989	1 780	(791)	-44%	
Housing								-	-	
Health								-	-	
<b>Economic and environmental services</b>		46 787	31 456	48 433	6 630	28 795	48 433	(19 638)	-41%	-
Planning and development		25 304	8 765	19 697	1 374	10 992	19 697	(8 705)	-44%	
Road transport		21 483	22 691	28 736	5 256	17 803	28 736	(10 933)	-38%	
Environmental protection								-	-	
<b>Trading services</b>		4 816	42 500	38 371	4 172	21 238	38 439	(17 201)	-45%	-
Energy sources		4 816	35 000	29 540	658	9 873	29 608	(19 735)	-67%	
Water management								-	-	
Waste water management					879	4 034		4 034	#DIV/0!	
Waste management			7 500	8 831	2 635	7 331	8 831	(1 500)	-17%	
<b>Other</b>								-	-	
<b>Total Capital Expenditure - Functional Classification</b>	3	60 044	80 036	97 834	12 997	54 619	97 902	(43 283)	-44%	-
<b>Funded by:</b>										
National Government		47 970	34 036	45 447	5 999	32 743	45 447	(12 704)	-28%	
Provincial Government								-	-	
District Municipality								-	-	
<b>Transfers recognised - capital</b>		48 400	34 036	45 447	5 999	32 743	45 447	(12 704)	-28%	-
<b>Borrowing</b>	6							-	-	
<b>Internally generated funds</b>		8 831	46 000	52 455	6 119	21 876	48 084	(26 208)	-55%	
<b>Total Capital Funding</b>		57 231	80 036	97 902	12 118	54 619	93 531	(38 912)	-42%	-

## 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 - M12 June										
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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		169 864	220 628	220 628	-	220 628	220 628	-		-
Local Government Equitable Share		169 864	216 341	216 341	-	216 341	216 341	-		
Finance Management		-	3 000	3 000	-	3 000	3 000	-		
EPWP Incentive		-	1 287	1 287	-	1 287	1 287	-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
<b>Total operating expenditure of Transfers and Grants:</b>		<b>169 864</b>	<b>220 628</b>	<b>220 628</b>	<b>-</b>	<b>220 628</b>	<b>220 628</b>	<b>-</b>		<b>-</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	37 590	42 307	4 541	38 980	42 307	(3 327)	-7,9%	-
MIG		-	34 036	31 760	4 541	35 504	31 760	3 744	11,8%	
MDRG			3 554	10 547	-	3 475	10 547	(7 072)	-67,1%	
<b>Total capital expenditure of Transfers and Grants</b>		<b>-</b>	<b>37 590</b>	<b>42 307</b>	<b>4 541</b>	<b>38 980</b>	<b>42 307</b>	<b>(3 327)</b>	<b>-7,9%</b>	<b>-</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>169 864</b>	<b>258 218</b>	<b>262 935</b>	<b>4 541</b>	<b>259 608</b>	<b>262 935</b>	<b>(3 327)</b>	<b>-1,3%</b>	<b>-</b>

## 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 - M12 June									
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								%	
<b>Monthly expenditure performance trend</b>									
July		6 670	8 159	(4 726)		8 159	–		
August		6 670	8 159	(3 433)		16 318	–		
September		6 670	8 159	(5 730)		24 477	–		
October		6 670	8 159	(2 559)		32 636	–		
November		6 670	8 159	(5 744)		40 795	–		
December		6 670	8 159	(4 693)		48 954	–		
January		6 670	8 158	(4 362)		57 112	–		
February		6 670	8 158	(2 542)		65 270	–		
March		6 669	8 158	(2 212)		73 428	–		
April		6 669	8 158	(1 555)		81 586	–		
May		6 669	8 158	(4 945)		89 744	–		
June		6 669	8 158	(12 118)		97 902	–		
<b>Total Capital expenditure</b>	<b>–</b>	<b>80 036</b>	<b>97 902</b>	<b>(54 619)</b>					

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		1 820 386,75	-	3 554 748,37			2 284 879,55
Waste Removal Trucks	7 100 000,00						6 411 884,09						2 019 296,79
Construction of Tshikhudini community hall	36 000,00												36 000,00
Nancefield ext 9 & 10 paved roads and stormwater	1 860 086,40	850 940,90				827 037,86							144 515,40
Shakadza Multi Purpose Centre	3 391 910,86	669 389,70	950 981,38	1 417 823,50	1 030 330,31								56 675,13
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	167 369,61	167 868,84	82 451,51			
	<b>34 036 000,00</b>	<b>2 351 508,56</b>	<b>4 059 774,56</b>	<b>3 355 899,28</b>	<b>6 291 430,80</b>	<b>2 473 982,23</b>	<b>6 633 622,71</b>	<b>1 987 756,36</b>	<b>167 868,84</b>	<b>3 637 199,88</b>	<b>-</b>	<b>-</b>	<b>4 541 366,87</b>
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								
Skooplaas Culvert Storm water	2 030 509,21				1 220 094,69		445 606,52						
Tshikotoni Village Portal Culvert	419 168,91						239 449,33						
	<b>3 554 132,62</b>				<b>1 893 085,04</b>		<b>685 055,85</b>						

## 7. Debtors Management

The age analysis of the outstanding trade debtors as at 30 June 2024 is reflected in the table below.

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June													
Description		Budget Year 2023/24											
	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
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	9 273	1 786	1 323	888	791	797	568	21 359	36 785	24 403		–
Receivables from Non-exchange Transactions - Property Rates	1400	2 152	1 073	930	823	776	739	720	36 036	43 249	39 094		–
Receivables from Exchange Transactions - Waste Water Management	1500									–	–		
Receivables from Exchange Transactions - Waste Management	1600	1 593	759	239	856	734	647	582	12 421	17 831	15 240		–
Receivables from Exchange Transactions - Property Rental Debtors	1700								136	136	136		
Interest on Arrear Debtor Accounts	1810	900	787	775	757	741	712	704	17 694	23 070	20 608		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	3 910	2 145	1 896	1 204	1 065	871	790	21 381	33 262	25 311		–
<b>Total By Income Source</b>	<b>2000</b>	<b>17 828</b>	<b>6 550</b>	<b>5 163</b>	<b>4 528</b>	<b>4 107</b>	<b>3 766</b>	<b>3 364</b>	<b>109 027</b>	<b>154 333</b>	<b>124 792</b>	<b>–</b>	<b>–</b>
<b>2022/23 - totals only</b>		<b>14622000</b>	<b>7508000</b>	<b>4831000</b>	<b>3694000</b>	<b>3386000</b>	<b>3122000</b>	<b>3031000</b>	<b>3617000</b>	<b>43 811</b>	<b>16 850</b>		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 215	1 014	684	611	629	590	526	25 170	31 439	27 526		–
Commercial	2300	6 639	1 938	1 263	1 001	875	804	718	28 923	42 161	32 321		–
Households	2400	8 974	3 598	3 216	2 916	2 603	2 371	2 120	54 934	80 732	64 944		–
Other	2500	–	–	–	–	–	–	–	–	–	–		–
<b>Total By Customer Group</b>	<b>2600</b>	<b>17 828</b>	<b>6 550</b>	<b>5 163</b>	<b>4 528</b>	<b>4 107</b>	<b>3 765</b>	<b>3 364</b>	<b>109 027</b>	<b>154 332</b>	<b>124 791</b>	<b>–</b>	<b>–</b>

## 7.2 Disconnection List

DISCONNECTION LIST JUNE 2024			
	ELECTRICITY MUSINA	MUSINA	ELECTRICITY NANCEFIELD
TOWN	32	4	101
EXTENTION 1	13		328
EXTENTION 2	11		241
EXTENSION 3	2		0
EXTENSION 4	9		313
EXTENTION 5	6		505
EXTENSION 6	3		185
EXTENTION 7	2		387
EXTENTION 8	0		356
EXTENTION 9	0		397
EXTENTION 10	0		527
EXTENTION 11	1		119
EXTENTION 12	0		0
EXTENTION 14	8		489
MUSINA 4 MT	0		0
MUSINA EXT 17	0		0
VOGELZANG 3 MT	0		0
BUITEGEBIED	3		0
DISCONNECTIONS	90	4	3948
ARRANGEMENTS	5	0	0
TOTAL DISCONNECTED	16	0	2090
PAID/RESPONDED	12	0	1688
TOTAL NOT DISCONNECTED	74	0	1858
AMOUNT COLLECTED-TOWN	R 126,548.14		R 365,685.22
CREDIT CONTROL COLLECTION		R492,233.36	

## 8. Creditors Management

The age analysis of the outstanding creditors as at 30 June 2024 was as outlined below:

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M 12 June											
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	
<b>R thousands</b>											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100					-				-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	45 117	5 125	4 661	1 892	20 875				77 670	
Auditor General	0800									-	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>45 117</b>	<b>5 125</b>	<b>4 661</b>	<b>1 892</b>	<b>20 875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77 670</b>	<b>-</b>

## 8.1 EXPENDITURE ANALYSIS

The following table provides a summary of the expenditure trends based on current month of June 2024

<b><u>MUSINA LOCAL MUNICIPALITY.</u></b>	
<b><u>EXPENDITURE ANALYSIS</u></b>	
<b><u>MONTH-END JUNE 2024</u></b>	
<b><u>DESCRIPTION</u></b>	<b><u>AMOUNT</u></b>
ESKOM	46,489.70
TELKOM	33,608.90
SALARIES	11,230,465.16
SUNDRY CREDITORS	796,875.34
TRADE CREDITORS	22,194.95
SARS ( PAYE VAT )	3,142,646.90
LOLA TRAVEL AND TOURISM	158,466.46
BANK CHARGES	103,824.23
DEBIT ORDERS	974,243.74
PORVERTY ALLIVATION WORKERS	445,461.44
LEARNERS LGSETA	57,000.00
WARD COMMITTEE MEMBERS -STIPENDS	180,000.00
<b>SUB-TOTAL</b>	<b>17,191,276.82</b>
<b>TOTAL EXPENDITURE</b>	<b>17,191,276.82</b>
TELKOM	1,146.48
ESKOM RIOOLDAMME	40,673.81
<b>SUB-TOTAL</b>	<b>41,820.29</b>
<b>TOTAL EXPENDITURE</b>	<b>17,233,097.11</b>

## 8.2 Outstanding Creditors

<b>OUTSTANDING CREDITORS</b>	<b>Jun-24</b>
SUPPLIERS	R7 662 745,05
CONTRACTED SERVICES	R24 230 379,58
REFUNDS	R34 931,89
ESKOM	R41 854 815,55
DEPARTMENT OF TRANSPORT	R3 887 048,00
<b>TOTAL</b>	<b>R77 669 920,07</b>

## 9. Cash Management

The table below provides a breakdown of the cash and cash equivalents at end of 30 June 2024.

MUSINA LOCAL MUNICIPALITY		
<u>MONTHLY REPORT</u>		
<u>DEPARTMENT OF THE CHIEF FINANCIAL OFFICER</u>		
<u>BANK RECONCILIATION AS 30 JUNE 2024</u>		
	BALANCE AS ON 31 MAY 2024	3 949 594,83
<u>LESS:</u>	EXPENDITURE	17 191 276,82
	SHORTAGE ON DEPOSIT	0,02
	DAY CALL	-
	TOTAL EXPENDITURE	<u>17 191 276,84</u>
<u>PLUS:</u>	INCOME	23 032 218,06
	INCOME NOT RECEIPTED	-
	CANCELLED STALE CHEQUES	-
	DAY CALL	-
	TOTAL REVENUE	<u>23 032 218,06</u>
	BALANCE AS ON 30 JUNE 2024	<u>9 790 536,05</u>
	BALANCE AS PER BANK STATEMENT	<u>9 790 536,05</u>
<u>LESS:</u>	OUTSTANDING CHEQUE	-
		<u>9 790 536,05</u>
interest 10.50%		

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

## 10. Recommendations

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