# Monthly Budget Statement

MFMA Section 71 Report for November 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 November 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 R41 415 million.

Total revenue for the month amounts to R29 564 million.

The expenditure on Capital activities for the month amounts to R3 370 Million.

# The following table provides a summary of the municipality's performance as at 30 November 2023

| LIM341 Musina - Table C1 Monthly Budget Statement Summary - M05 November 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 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 | | 1 947 | 12 880 | 11 229 | 1 651 | 15% | 22 698 |
| Service charges | 167 047 | 176 127 | | 14 900 | 72 953 | 73 386 | (433) | -1% | 189 022 |
| Investment revenue | 469 | – | | – | – | – | – | | 1 244 |
| Transfers and subsidies | 176 378 | 220 628 | | 588 | 96 845 | 91 928 | 4 917 | 5% | 174 720 |
| Other own revenue | 17 560 | 107 163 | | 12 129 | 60 343 | 44 651 | 15 691 | 35% | 45 296 |
| **Total Revenue (excluding capital transfers and contributions)** | **376 383** | **530 868** | **–** | **29 564** | **243 021** | **221 195** | **21 826** | **10%** | **432 980** |
| Employee costs | 150 650 | 164 268 | | 12 939 | 64 669 | 68 445 | (3 776) | -6% | 158 403 |
| Remuneration of Councillors | 10 097 | 11 428 | | 912 | 4 974 | 4 762 | 212 | 4% | 11 339 |
| Depreciation & asset impairment | 30 372 | 34 000 | | – | – | 32 917 | (32 917) | -100% | 34 265 |
| Finance charges | 1 070 | 525 | | – | 358 | 219 | 139 | 64% | 1 777 |
| Materials and bulk purchases | 142 119 | 149 493 | | 14 706 | 108 553 | 62 289 | 46 264 | 74% | 138 162 |
| Transfers and subsidies | 5 827 | 4 987 | | 479 | 2 813 | 2 078 | 735 | 35% | 6 073 |
| Other expenditure | 108 690 | 120 167 | – | 12 379 | 87 526 | 31 320 | 56 206 | 179% | 78 626 |
| **Total Expenditure** | **448 825** | **484 868** | **–** | **41 415** | **268 893** | **202 028** | **66 865** | **33%** | **428 645** |
| **Surplus/(Deficit)** | **(72 442)** | **46 000** | **–** | **(11 851)** | **(25 872)** | **19 167** | **(45 039)** | **-235%** | **4 335** |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 31 409 | 34 036 | – | – | 26 729 | 14 182 | 12 547 | 0 | 36 988 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher | 4 363 | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | **(36 670)** | **80 036** | **–** | **(11 851)** | **857** | **33 348** | **(32 492)** | **-97%** | **41 323** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – |
| **Surplus/ (Deficit) for the year** | **(36 670)** | **80 036** | **–** | **(11 851)** | **857** | **33 348** | **(32 492)** | **-97%** | **41 323** |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **37 793** | **44 955** | **–** | **3 370** | **21 988** | **33 348** | **(11 361)** | **-34%** | **–** |
| Capital transfers recognised | 29 283 | 34 036 | – | 3 370 | 21 322 | 14 182 | 7 140 | 50% | – |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | **(891)** | **46 000** | **–** | **–** | **666** | **19 167** | **(18 501)** | **(0)** | **–** |
| **Total sources of capital funds** | **28 392** | **80 036** | **–** | **3 370** | **21 988** | **33 348** | **(11 360)** | **-34%** | **–** |
| **Financial position** | | | | | | | | | |
| Total current assets | 207 851 | 178 390 | – | | 301 328 | | | | 178 390 |
| Total non current assets | 562 381 | 547 831 | – | | 653 537 | | | | 547 831 |
| Total current liabilities | 639 664 | 81 892 | – | | 359 185 | | | | 81 891 |
| Total non current liabilities | 31 871 | 65 000 | – | | 29 210 | | | | 6 500 |
| Community wealth/Equity | **98 697** | **579 329** | **–** | | **566 471** | | | | **637 830** |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | 260 637 | 125 617 | – | (14 240) | 9 472 | 52 340 | 42 869 | 82% | – |
| Net cash from (used) investing | 24 516 | (80 036) | – | (3 370) | (21 322) | (33 348) | (12 026) | 36% | – |
| Net cash from (used) financing | (7 666) | – | – | – | – | – | – | | – |
| **Cash/cash equivalents at the month/year end** | **300 744** | **51 296** | **–** | **(17 611)** | **(11 851)** | **18 992** | **30 843** | **162%** | **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 | 15 443 | 7 158 | 4 728 | 5 027 | 5 449 | 3 220 | 4 415 | 98 503 | 143 942 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 15 489 | 5 266 | 19 722 | 11 472 | 8 730 | – | – | – | 60 678 |

# 3. Operational Revenue

## 3.1 Revenue Performance by Source/Classification as at 30 November 2023

| LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | | 1 947 | 12 880 | 11 229 | 1 651 | 15% | 22 698 |
| Service charges - electricity revenue | | 152 786 | 160 630 | | 13 012 | 63 380 | 66 929 | (3 549) | -5% | 174 390 |
| Service charges - water revenue | | – | – | | | | – | – | | – |
| Service charges - sanitation revenue | | – | – | | | | – | – | | – |
| Service charges - refuse revenue | | 14 261 | 15 497 | | 1 888 | 9 573 | 6 457 | 3 116 | 48% | 14 632 |
| | | | | | | | | | | |
| Rental of facilities and equipment | | 819 | 1 994 | | 78 | 364 | 831 | (467) | -56% | 691 |
| Interest earned - external investments | | 469 | 555 | | 220 | 420 | 231 | 188 | 81% | 1 244 |
| Interest earned - outstanding debtors | | 4 436 | 5 767 | | 1 604 | 17 456 | 2 403 | 15 053 | 626% | 3 180 |
| Dividends received | | – | – | | – | – | – | – | | – |
| Fines, penalties and forfeits | | 5 147 | 4 075 | | 421 | 1 186 | 1 698 | (512) | -30% | 3 380 |
| Licences and permits | | 3 112 | 2 565 | | 26 | 64 | 1 069 | (1 005) | -94% | 5 509 |
| Agency services | | – | – | | – | – | – | – | | – |
| Transfers and subsidies | | 176 378 | 220 628 | | 588 | 96 845 | 91 928 | 4 917 | 5% | 174 720 |
| Other revenue | | 6 356 | 92 207 | | 9 780 | 40 853 | 38 420 | 2 433 | 6% | 8 843 |
| Gains | | (2 310) | – | – | – | – | – | – | | 23 693 |
| **Total Revenue (excluding capital transfers and contributions)** | | **376 383** | **530 868** | **–** | **29 564** | **243 021** | **221 195** | **21 826** | **10%** | **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 - M05 November**

| 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 | Outcome | Outcome | Outcome | Budget | Budget | Budget | Budget | Budget | Budget | Budget | | | |
| **Cash Receipts By Source** | | | | | | | | | | | | | | | | |
| Property rates | | 5 188 | 1 890 | 1 771 | 2 084 | 1 947 | 6 576 | 6 576 | 6 576 | 6 576 | 6 576 | 6 576 | (27 299) | 25 037 | 26 292 | 27 587 |
| Service charges - electricity revenue | | 9 854 | 13 116 | 13 126 | 14 272 | 13 012 | 36 798 | 36 798 | 36 798 | 36 798 | 36 798 | 36 798 | (144 166) | 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 | 5 230 | 5 230 | 5 230 | 5 230 | 5 230 | 5 230 | (20 842) | 20 111 | 21 162 | 21 489 |
| | | | | | | | | | | | | | | | | |
| Rental of facilities and equipment | | 62 | 220 | 2 | 2 | 78 | 142 | 142 | 142 | 142 | 142 | 142 | (675) | 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 | 146 | 146 | 146 | 146 | 146 | 146 | (18 332) | – | – | – |
| Dividends received | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | 202 | 254 | 163 | 146 | 421 | 919 | 919 | 919 | 919 | 919 | 919 | (3 195) | 3 505 | 3 677 | 3 849 |
| Licences and permits | | 13 | – | – | 25 | 26 | 582 | 582 | 582 | 582 | 582 | 582 | (1 336) | 2 220 | 2 329 | 2 439 |
| Agency services | | – | – | | – | – | | | | | | | – | – | | – |
| Transfers and Subsidies - Operational | | 91 777 | 3 325 | – | 1 155 | 588 | 58 579 | 58 579 | 58 579 | 58 579 | 58 579 | 58 579 | (232 678) | 215 641 | 238 567 | 248 737 |
| Other revenue | | 7 859 | 14 736 | 897 | 7 581 | 9 780 | 14 064 | 14 064 | 14 064 | 14 064 | 14 064 | 14 064 | (36 787) | 88 450 | 37 213 | 39 647 |
| **Cash Receipts by Source** | | **117 887** | **36 432** | **30 857** | **28 281** | **29 564** | **123 036** | **123 036** | **123 036** | **123 036** | **123 036** | **123 036** | **(485 175)** | **496 062** | **477 512** | **499 410** |
| | | | | | | | | | | | | | – | | | |

# Summary of total Own revenue

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - M05 November

| 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 | | 1 947 | 12 880 | 10 432 | 2 448 | 23% | |
| Service charges | | 72 168 | 160 112 | | 13 012 | 71 065 | 66 713 | 4 352 | 7% | |
| Other revenue | | 95 500 | 95 813 | | 9 780 | 34 479 | 39 922 | (5 443) | -14% | |
| Transfers and Subsidies - Operational | | 129 975 | 215 641 | | 588 | 96 845 | 89 850 | 6 995 | 8% | |
| Transfers and Subsidies - Capital | | – | 34 036 | | – | 26 729 | 14 182 | 12 547 | 88% | |
| Interest | | – | 555 | | 220 | 420 | 231 | 189 | 82% | |
| Dividends | | | | | | | | – | | |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | (37 006) | (405 052) | | (39 063) | (231 224) | (168 772) | 62 452 | -37% | |
| Finance charges | | – | (525) | | (245) | (603) | (219) | 384 | -175% | |
| Transfers and Grants | | – | – | | (479) | (1 120) | – | 1 120 | #DIV/0! | |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **260 637** | **125 617** | **–** | **(14 240)** | **9 472** | **52 340** | **42 869** | **82%** | **–** |
| | | | | | | | | | | |
| **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) | | (3 370) | (21 322) | (33 348) | (12 026) | 36% | |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **24 516** | **(80 036)** | **–** | **(3 370)** | **(21 322)** | **(33 348)** | **(12 026)** | **36%** | **–** |
| | | | | | | | | | | |
| **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** | **–** | **(17 611)** | **(11 851)** | **18 992** | | | **–** |
| Cash/cash equivalents at beginning: | | 23 257 | 5 715 | | | 13 721 | 5 715 | | | 13 721 |
| Cash/cash equivalents at month/year end: | | 300 744 | 51 296 | – | | 1 870 | 24 707 | | | 13 721 |

*References*

## 4. Operational Expenditure

### 4.1 Operational Expenditure Performance by type as at 30 November 2023

| LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | | 12 939 | 64 669 | 68 445 | (3 776) | -6% | 158 403 |
| Remuneration of councillors | | 10 097 | 11 428 | | 912 | 4 974 | 4 762 | 212 | 4% | 11 339 |
| Debt impairment | | 41 885 | 45 000 | | – | – | 18 750 | (18 750) | -100% | 8 325 |
| Depreciation & asset impairment | | 30 372 | 34 000 | | – | – | 14 167 | (14 167) | -100% | 34 265 |
| Finance charges | | 1 070 | 525 | | – | 358 | 219 | 139 | 64% | 1 777 |
| Bulk purchases | | 137 919 | 144 815 | | 14 706 | 107 862 | 60 340 | 47 522 | 79% | 129 748 |
| Other materials | | 4 200 | 4 678 | | – | 691 | 1 949 | (1 258) | -65% | 8 414 |
| Contracted services | | 35 198 | 39 279 | | 2 010 | 24 538 | 16 366 | 8 172 | 50% | 37 767 |
| Transfers and subsidies | | 5 827 | 4 987 | | 479 | 2 813 | 2 078 | 735 | 35% | 6 073 |
| Other expenditure | | 31 607 | 35 888 | | 10 369 | 62 988 | 14 953 | 48 035 | 321% | 32 534 |
| Losses | | | – | | – | – | - | – | | |
| **Total Expenditure** | | **448 825** | **484 868** | **–** | **41 415** | **268 893** | **202 028** | **66 865** | **33%** | **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 - M05 November**

| Description | Ref | Budget Year 2023/24 | | | | | | | | | | | | 2024/25 Medium | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 | Budget | Budget | Budget | Budget | Budget | Budget | Budget | | | |
| Cash Payments by Type | | | | | | | | | | | | | – | | | |
| Employee related costs | | 12 946 | 12 688 | 12 755 | 13 341 | 12 939 | 43 154 | 43 154 | 43 154 | 43 154 | 43 154 | 43 154 | (159 325) | 164 268 | 172 480 | 181 104 |
| Remuneration of councillors | | 878 | 878 | 1 394 | 912 | 912 | 870 | 875 | 854 | 854 | 892 | – | 2 109 | 11 428 | 11 885 | 12 480 |
| Interest paid | | 203 | | 95 | – | – | | – | – | – | – | – | 227 | 525 | 551 | 577 |
| Bulk purchases - Electricity | | 73 094 | 9 886 | 10 051 | 125 | 14 706 | 52 684 | 96 | 48 | 45 216 | 41 | 10 126 | (71 257) | 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 | – | 19 135 | 19 135 | 19 135 | 19 135 | 19 135 | 19 135 | (115 501) | – | – | – |
| Contracted services | | 13 456 | 1 328 | 2 920 | 2 765 | 2 010 | 807 | – | – | – | – | – | (23 286) | – | – | – |
| Grants and subsidies paid - other municipalities | | – | | – | - | | – | – | – | – | – | – | – | – | – | – |
| Grants and subsidies paid - other | | 461 | 383 | 631 | 859 | 479 | – | – | – | – | – | – | (2 813) | – | – | – |
| General expenses | | 28 407 | 757 | 5 836 | 1 789 | 6 999 | – | – | – | – | – | – | 36 076 | 79 864 | 73 513 | 76 246 |
| **Cash Payments by Type** | | **129 590** | **26 068** | **33 950** | **19 921** | **38 045** | **116 650** | **63 260** | **63 191** | **108 359** | **63 222** | **72 664** | **(329 341)** | **405 578** | **415 392** | **435 204** |
| | | | | | | | | | | | | | – | | | |
| **Other Cash Flows/Payments by Type** | | | | | | | | | | | | | | | | |
| Capital assets | | 2 351 | 4 059 | 3 356 | 8 184 | 3 370 | 16 775 | 16 775 | 16 775 | 16 775 | 16 775 | 16 775 | (41 934) | 80 036 | 59 933 | 61 331 |
| Repayment of borrowing | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other Cash Flows/Payments | | | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Payments by Type** | | **131 941** | **30 127** | **37 306** | **28 105** | **41 415** | **133 425** | **80 035** | **79 966** | **125 134** | **79 997** | **89 439** | **(371 275)** | **485 614** | **475 325** | **496 535** |
| | | | | | | | | | | | | | – | | | |
| **NET INCREASE/(DECREASE) IN CASH HELD** | | **1 921** | **6 305** | **(6 449)** | **10 930** | **(11 851)** | **1 033** | **54 423** | **54 492** | **9 324** | **54 461** | **45 019** | **(175 125)** | **44 484** | **52 631** | **55 459** |
| Cash/cash equivalents at the month/year beginning: | | 1 014 | 2 934 | 9 240 | 2 791 | 13 721 | 1 870 | 2 903 | 57 326 | 111 818 | 121 143 | 175 603 | 220 622 | 1 014 | 45 498 | 98 129 |
| Cash/cash equivalents at the month/year end: | | 2 934 | 9 240 | 2 791 | 13 721 | 1 870 | 2 903 | 57 326 | 111 818 | 121 143 | 175 603 | 220 622 | 45 498 | 45 498 | 98 129 | 153 588 |

## 4.3 Material Variances

LIM341 Musina - Supporting Table SC1 Material variance explanations - M05 November

| 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 and non- payment | Apply credit control measures and follow-up on issued fines |
| | Licencs and permits | (397) | This is due to lower registration of vehicles | Monitor this line Item and ensure that the income is allocated correctly |
| | | | | |
| 2 | **Expenditure By Type** | | | |
| | Employee related cost | (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 contract will appoint during the last quarter | Work in progress |
| 3 | **Capital Expenditure** | | | |
| | Mig Projects | 10 302 | Projects have appointed and are underway | Work in progress |
| | Own Funded projects | (7 001) | procurement processes sill underway | Work in progress |
| | | | | |
| | | | | |
| 4 | **Financial Position** | | | |
| | Total assets | 842 350 | The municipality is still working on its improving financial s | Implementation of fundind Plan |
| | Total 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 | 1 870 | The municipality is still in financial distress not all creditors | Work in progress, monitoring and implementation of funding Plan. |
| | | | | |
| | | | | |
| | | | | |
| 6 | **Measureable performance** | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| 7 | **Municipal Entities** | , | | |
| | N/A | | N/A | N/A |

# 5. Capital Expenditure

## 5.1 Capital Expenditure by Function/Department

LIM341 Musina - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November

| 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 | – | – | 667 | 1 792 | (1 125) | -63% | – |
| Executive and council | | (324) | – | – | – | – | | – | | |
| Finance and administration | | (18 783) | 4 300 | – | – | 667 | 1 792 | (1 125) | -63% | |
| Internal audit | | | | | | | | – | | |
| ***Community and public safety*** | | 3 643 | 1 780 | – | 498 | 13 553 | 742 | 12 811 | 1727% | – |
| Community and social services | | 3 643 | – | | 498 | 8 189 | – | 8 189 | #DIV/0! | |
| Sport and recreation | | | | | – | 5 364 | – | 5 364 | #DIV/0! | |
| Public safety | | | 1 780 | | | | 742 | (742) | -100% | |
| Housing | | | | | | | | – | | |
| Health | | | | | | | | – | | |
| ***Economic and environmental services*** | | 24 319 | 31 456 | – | 2 873 | 7 768 | 13 107 | (5 339) | -41% | – |
| Planning and development | | 25 210 | 8 765 | | 187 | 1 120 | 3 652 | (2 533) | -69% | |
| Road transport | | (891) | 22 691 | | 2 686 | 6 648 | 9 455 | (2 806) | -30% | |
| Environmental protection | | | | | | | | – | | |
| ***Trading services*** | | 430 | 42 500 | – | – | – | 17 708 | (17 708) | -100% | – |
| Energy sources | | 430 | 35 000 | | | | 14 583 | (14 583) | -100% | |
| Water management | | | | | | | | – | | |
| Waste water management | | | | | | | | – | | |
| Waste management | | | 7 500 | | | | 3 125 | (3 125) | -100% | |
| ***Other*** | | | | | | | | – | | |
| **Total Capital Expenditure - Functional Cla** | 3 | **9 285** | **80 036** | **–** | **3 370** | **21 988** | **33 348** | **(11 361)** | **-34%** | **–** |
| | | | | | | | | | | |
| Funded by: | | | | | | | | | | |
| National Government | | 28 853 | 34 036 | | 3 370 | 21 322 | 14 182 | 7 140 | 50% | |
| Provincial Government | | | | | | | | – | | |
| District Municipality | | | | | | | | – | | |
| **Transfers recognised - capital** | | **29 283** | **34 036** | **–** | **3 370** | **21 322** | **14 182** | **7 140** | **50%** | **–** |
| | | | | | | | | | | |
| **Borrowing** | 6 | | | | | | | – | | |
| **Internally generated funds** | | (891) | 46 000 | | – | 666 | 19 167 | (18 501) | -97% | |
| **Total Capital Funding** | | **28 392** | **80 036** | **–** | **3 370** | **21 988** | **33 348** | **(11 360)** | **-34%** | **–** |

# 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 - M05 November

| 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 | – | 65 | 92 251 | 91 928 | 322 | 0.4% | – |
| Local Government Equitable Share | | 169 864 | 216 341 | | – | 90 142 | 90 142 | (0) | 0.0% | |
| Finance Management | | – | 3 000 | | 65 | 822 | 1 250 | (428) | -34.3% | |
| EPWP Incentive | | – | 1 287 | | – | 1 287 | 536 | 751 | 140.0% | |
| 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 | – | 65 | 92 251 | 91 928 | 322 | 0.4% | – |
| | | | | | | | | | | |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | – | 37 590 | – | 3 370 | 21 323 | 15 663 | 5 660 | 36.1% | – |
| MIG | | – | 34 036 | | 2 474 | 18 532 | 14 182 | 4 350 | 30.7% | |
| MDRG | | | 3 554 | | 896 | 2 791 | 1 481 | 1 310 | 88.5% | |
| Total capital expenditure of Transfers and Grants | | – | 37 590 | – | 3 370 | 21 323 | 15 663 | 5 660 | 36.1% | – |
| | | | | | | | | | | |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 169 864 | 258 218 | – | 3 435 | 113 573 | 107 591 | 5 982 | 5.6% | – |

## 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 - M05 November

| 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 | | (3 356) | | 8 509 | – | | |
| October | | 2 836 | | (8 185) | | 11 345 | – | | |
| November | | 2 836 | | (3 370) | | 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** | **–** | **(21 322)** | | | | | |

| 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 | | | | | | | | | | | | |
| 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 | | | | | | | |
| | **34 036 000.00** | **2 351 508.56** | **4 059 774.56** | **3 355 899.28** | **6 291 430.80** | **2 473 982.23** | - | - | - | - | - | - | - |
| **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 | | | | | | | | |
| Skoonplaas Culvert Storm water | 2 030 509.21 | | | | 1 220 094.69 | | | | | | | | |
| Tshikotoni Village Portal Culvert | 419 168.91 | | | | | | | | | | | | |
| | **3 554 132.62** | | | | **1 893 085.04** | | | | | | | | |

## 7. Debtors Management

The age analysis of the outstanding trade debtors as at 30 November 2023 is reflected in the table below.

**LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November**

| 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 | 6 980 | 2 491 | 983 | 1 561 | 647 | 546 | 2 036 | 17 080 | 32 324 | 21 870 | | – |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 1 948 | 1 153 | 896 | 787 | 2 491 | 648 | 638 | 35 505 | 44 066 | 40 069 | | – |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | | | | | | | | | – | – | | |
| Receivables from Exchange Transactions - Waste Management | 1600 | 2 206 | 1 162 | 917 | 780 | 680 | 577 | 496 | 11 214 | 18 032 | 13 747 | | – |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | | | | | | | | 136 | 136 | 136 | | |
| Interest on Arrear Debtor Accounts | 1810 | 729 | 714 | 685 | 669 | 646 | 621 | 593 | 14 833 | 19 490 | 17 362 | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | | | | | | | | | – | – | | |
| Other | 1900 | 3 580 | 1 638 | 1 246 | 1 230 | 985 | 828 | 652 | 19 735 | 29 893 | 23 429 | | – |
| **Total By Income Source** | **2000** | **15 443** | **7 158** | **4 728** | **5 027** | **5 449** | **3 220** | **4 415** | **98 503** | **143 942** | **116 613** | **–** | **–** |
| **2022/23 - totals only** | | | | | | | | | | – | – | | |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | | | | | |
| Organs of State | 2200 | 2 215 | 1 151 | 773 | 985 | 1 523 | 474 | 472 | 23 053 | 30 646 | 26 507 | | – |
| Commercial | 2300 | 5 493 | 2 262 | 1 065 | 1 462 | 1 431 | 669 | 611 | 26 785 | 39 778 | 30 958 | | – |
| Households | 2400 | 7 735 | 3 745 | 2 889 | 2 580 | 2 495 | 2 077 | 3 332 | 48 665 | 73 518 | 59 149 | | – |
| Other | 2500 | – | – | – | – | – | – | – | | – | – | | – |
| **Total By Customer Group** | **2600** | **15 443** | **7 158** | **4 728** | **5 027** | **5 449** | **3 220** | **4 415** | **98 503** | **143 942** | **116 613** | **–** | **–** |

## 7.2 Disconnection List

| DISCONNECTION LIST NOVEMBER 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 |

## 8. Creditors Management

The age analysis of the outstanding creditors as at **30 November 2023** was as outlined below:

| LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 15 489 | 5 266 | 19 722 | 11 472 | 8 730 | | | | 60 678 | |
| Auditor General | 0800 | | | | | | | | | – | |
| Other | 0900 | | | | | | | | | – | |
| **Total By Customer Type** | **1000** | **15 489** | **5 266** | **19 722** | **11 472** | **8 730** | **–** | **–** | **–** | **60 678** | – |

## 8.1 EXPENDITURE ANALYSIS

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

**MUSINA LOCAL MUNICIPALITY.**

**EXPENDITURE ANALYSIS**

**MONTH-END NOVEMBER 2023**

| DESCRIPTION | AMOUNT |
|---|---|
| ESKOM | 14 706 382.84 |
| TELKOM | 51 308.12 |
| SALARIES | 10 696 823.70 |
| SUNDRY CREDITORS | 1 346 533.16 |
| TRADE CREDITORS | 46 385.30 |
| SARS ( PAYE VAT ) | 3 266 682.37 |
| PRINCE MUDAU ATTORNEYS | 387 140.60 |
| GONDO LISWA | 1 400 984.70 |
| CATHU CONSULTING | 221 808.25 |
| DIDO | 169 158.55 |
| BANK CHARGES | 75 369.63 |
| DEBIT ORDERS | 1 854 920.92 |
| PORVERTY ALLIVIATION WORKERS | 446 504.48 |
| LEARNERS LGSETA | 60 500.00 |
| WARD COMMITTEE MEMBERS -STIPENS | 174 450.00 |
| **SUB-TOTAL** | **34 904 952.62** |
| | |
| CONSTRUCTION OF NANCEFIELD PHASE 6 & 12 PAVED ROAD | 2 441 758.39 |
| CONSTRUCTION OF MASISI INTERNAL GRAVEL ROAD | 398 795.30 |
| CONSTRUCTION OF STORM WATER DRAINAGE - SKOOMPLAAS | 263 725.35 |
| CONSTRUCTION OF TSHIKOTONI PORTAL CULVERT | 233 920.00 |
| CONSTRUCTION OF RHINO RIDGE ELECTRIFICATION | 1 236 825.00 |
| CONSTRUCTION OF MABVETE COMMUNITY HALL | 1 502 173.13 |
| CONSTRUCTION OF SHAKADZA MULTI-PURPOSE CENTRE | 432 624.83 |
| **SUB-TOTAL** | **6 509 822.00** |
| | |
| **TOTAL EXPENDITURE** | **41 414 774.62** |
| | |
| VDM | |
| TELKOM | 1 141.77 |
| ESKOM RIOOLDAMME | 27 734.00 |
| | **28 875.77** |
| | |
| | **41 443 650.39** |

## 8.2 Outstanding Creditors

| **OUTSTANDING CREDITORS NOVEMBER 2023** | |
|---|---|
| | |
| **SUPPLIERS** | **Nov-23** |
| ESKOM | 43 238 365.87 |
| DEPARTMENT OF TRANSPORT | 7 676 941.60 |
| CONTRACTED SERVICES | 3 382 996.92 |
| SUPPLIERS | 6 380 166.55 |
| **TOTAL** | 60 678 470.94 |

## 9. Cash Management

The table below provides a breakdown of the cash and cash equivalents at end of 30 November 2023.

**MUSINA LOCAL MUNICIPALITY**

**MONTHLY REPORT**

**DEPARTMENT OF THE CHIEF FINANCIAL OFFICER**

**BANK RECONCILIATION AS 30 NOVEMBER 2023**

| | | | |
|---|---|---|---|
| | BALANCE AS ON 31 OCTOBER 2023 | | 13 720 567.69 |
| LESS: | EXPENDITURE | 41 414 774.64 | |
| | SHORTAGE ON DEPOSIT | 30.57 | |
| | DAY CALL | - | |
| | TOTAL EXPENDITURE | 41 414 805.21 | |
| PLUS: | INCOME | 25 264 483.02 | |
| | INCOME NOT RECEIPTED | - | |
| | CANCELLED STALE CHEQUES | | |
| | DAY CALL | 4 300 000.00 | |
| | TOTAL REVENUE | 29 564 483.02 | |
| | BALANCE AS ON 30 NOVEMBER 2023 | | 1 870 245.50 |

| | | |
|---|---|---|
| | BALANCE AS PER BANK STATEMENT | 1 870 245.50 |
| LESS: | OUTSTANDING CHEQUE | - |
| | | 1 870 245.50 |

interest 10.50%

| | |
|---|---|
| TRAFFIC | - |
| BALANCE AS ON 30 NOVEMBER 2023 | 334 652.54 |

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

## 10. Recommendations

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