



# MID YEAR REPORT

MFMA Section 72 Mid-Year Report 2024/25

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### 1.1. INTRODUCTION

In terms of Section 72 (1) (a) and 52 (d) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the year. A report on such assessment must in terms of Section 72 (1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the report, he must submit the report to Council in terms of Section 54 of the MFMA.

The mid-year performance report and supporting tables of Musina Local Municipality, prepared in accordance with MFMA **Circular 13** and the Municipal Budget and Reporting Regulations, to illustrate the performance in graphical and tabular format

Even though the average vacancy rate was higher it must be kept in mind that the organogram was structured as such that it reflects the human resource needs of the organisation, however, due to budget constraints the municipality cannot fill all positions.

### 1.2. LEGISLATIVE FRAMEWORK

#### **Section 72: Mid- year Budget and Performance Assessment**

- (1) The Accounting Officer of a municipality must by 25 January of each year –
  - (a) Assess the performance of the municipality during the first half of the year, taking into account-
    - (i) The monthly statements referred to in section 71 for the first half of the financial year;
    - (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery budget implementation plan;
    - (iii) The past year's annual report and progress on resolving problems identified in the annual report; and
    - (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and (b) Submit a report on such assessment to –
      - (i) The mayor of the municipality;
      - (ii) The National Treasury; and
      - (iii) The relevant provincial treasury.
  - (2) The statement referred to in section 71 (1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
  - (3) The accounting officer must as part of the review-
    - (a) Make recommendations as to whether an adjustment budget is necessary; and
    - (b) Recommend revised projections for revenue and expenditure that this may be necessary.

#### **Section 54: Budgetary control and early identification of financial problems**

- (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must –
  - (a) Consider the statement or report;
  - (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery budget implantation plan;
  - (c) Consider and, if necessary, make any revisions to service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget;
  - (d) issue any appropriate instructions to the accounting officer to ensure –
    - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
    - (ii) that the spending of funds and revenue collection proceed in accordance with the budget;
  - (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
  - (f) In the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must-
  - (a) Promptly respond to and initiate any remedial or corrective steps proposed By the accounting officer to deal with such problems, which may include-
    - (i) Steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
    - (ii) The tabling of an adjustment budget ; or
    - (iii) Steps in terms of Chapter 13; and
  - (b) Alert the council and the MEC for local government in the province to those Problems.
- (3) The Mayor must ensure that any revisions of the service delivery budget Implementation plan are made public promptly.

## 2. FINANCIAL PERFORMANCE ANALYSIS AS AT 01 JULY 2024 to 31 DECEMBER 2024

The total budget approved for the 2024-2025 financial year amounts to R585 610 million.

The total expenditure for operating activities as at 31 December 2024 amounting to R 92 958 million and accumulated expenditure total of R336.2 million against the Budgeted year to date of R 258 million

Total revenue collection as at 31 December 2024 R 101 million, with accumulated Revenue collected at the amount of R 349.5 million against the budgeted year to date of R 292.8 million

The expenditure on Capital projects as at 31 December 2024 R 20million.

### Revenue

- ❖ The municipality generated over 62% of its budgeted revenue by the 31st of December 2024, this performance is acceptable even though there are revenue items that are still under 50 % and did not perform as expected.
- ❖ The municipality need to pay special attention to all revenue items in the second half of the financial year to ensure that it achieved its targets which are a contribution to it achieving its strategic objectives as set out in its integrated development plan:
- ❖ **Property Rates-** The municipality is doing exceptional good on the collection of revenue on Property Rates as it is currently on **47%** of the budget **R39 050** million.
- ❖ **Service charges-** Electricity and refuse are the biggest source of income and represents R204 million or **34.88%** of the total income budget in 2024/25. The municipality is currently on 51% which largely dependent on the collection level of billed income. Collection for electricity is currently on 18%, when comparing to the audited outcome for 2023/24 financial year of R193 million and the budgeted R180 million in the 2024/25 financial year the municipality might have over budgeted for this item. The municipality performing well on the collection of refuse revenue which is currently is with budget 37%.
- ❖ The rapid increase in the electricity tariffs also had an effect on electricity charges .The municipality will have to implement more robust credit control measures to improve on these items as there are measure source contributes of income,
- ❖ **Interest earned on external investments –** The municipality only achieved 44.46% of its budget of about R6 902 million, this performance can be attributed to the poor cash flow position of the municipality that does not allow for short or long term investments that will yield interest.

- ❖ **Fines, Licences and Permits-** There is a slow pace in collection of this revenue the municipality need to apply strict credit control measures to improve this items by year end.
- ❖ **Transfers recognized – Operating–** The municipality has received all transfers as per payment schedule. The municipality has received R167 million for equitable share, R3 000 million for FMG and R1 382 million for EPWP

### Expenditure

- The municipality spent about 72% of its operating expenditure, this was achieved during a very difficult period were we have to reduce the Eskom debt, also ensuring that the monthly Eskom account is paid by the due date, salaries are also paid when they are due, and other creditors are paid for services rendered.
- ❖ **Employee Related costs-** The municipality's salary expense is currently on 50 % of the budgeted amount with 74% for Remuneration of councillors. The municipality is still applying the system of paying employees not more than 40 hours of overtime worked to reduce the salary bill.
- ❖ **Bulk purchases –**The municipality has paid up its Eskom debt and continues to pay its current account as and when we received equitable share. On the month of December municipality paid R75 million to Eskom
- ❖ **Contracted services –** The municipal contracted services which mainly consists of Security Services, Uniform Contracted, Dumping Site etc. and is currently on 32.29% of the budgeted amount of R51 million.
- ❖ **Transfers and Grants- The** municipality has spent 100% on EPWP grant and FMG expenditure is on 100%.
- ❖ **Other expenditure –** The municipality will also implement as cash on delivery system to ensure that the municipality is not over committed, this will also contribute towards achieving the 30 days period requirement.

**The following table provides a summary of the municipality's performance for Mid-Year 2024**

LIM341 Musina - Table C1 Monthly Budget Statement Summary - Mid Year Assessment									
Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	28 764	39 050		1 898	18 007	19 525	(1 518)	-8%	22 698
Service charges	214 487	204 272		18 439	102 897	102 136	761	1%	189 022
Investment revenue	1 600	897		37	1 140	449	692	154%	1 244
Transfers and subsidies	225 307	235 098		76 374	248 982	117 549	131 433	112%	174 720
Other own revenue	27 053	106 293		4 950	(20 302)	53 595	(73 897)	-138%	45 296
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>497 211</b>	<b>585 610</b>	<b>—</b>	<b>101 698</b>	<b>350 724</b>	<b>293 254</b>	<b>57 470</b>	<b>20%</b>	<b>432 980</b>
Employee costs	156 285	174 124		15 625	84 058	87 062	(3 004)	-3%	158 403
Remuneration of Councillors	11 367	10 963		1 847	7 621	5 482	2 140	39%	11 339
Depreciation & asset impairment	39 856	47 541		—	—	23 771	(23 771)	-100%	34 265
Finance charges	2 110	1 800		—	667	900	(233)	-26%	1 777
Materials and bulk purchases	177 061	147 936		14 671	76 383	73 968	2 415	3%	138 162
Transfers and subsidies	12 849	5 975		218	2 659	2 988	(329)	-11%	6 073
Other expenditure	85 492	127 731		60 597	164 830	63 866	100 965	158%	78 626
<b>Total Expenditure</b>	<b>485 020</b>	<b>516 070</b>	<b>—</b>	<b>92 958</b>	<b>336 218</b>	<b>258 035</b>	<b>78 183</b>	<b>30%</b>	<b>428 645</b>
<b>Surplus/(Deficit)</b>	<b>12 191</b>	<b>69 540</b>	<b>—</b>	<b>8 740</b>	<b>14 505</b>	<b>35 219</b>	<b>(20 713)</b>	<b>-59%</b>	<b>4 335</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	36 354	33 559		—	23 500	16 780	6 721	0	33 559
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)	—	—		—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>48 545</b>	<b>103 099</b>	<b>—</b>	<b>8 740</b>	<b>38 005</b>	<b>51 998</b>	<b>(13 993)</b>	<b>-27%</b>	<b>37 894</b>
Share of surplus/ (deficit) of associate	—	—		—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>48 545</b>	<b>103 099</b>	<b>—</b>	<b>8 740</b>	<b>38 005</b>	<b>51 998</b>	<b>(13 993)</b>	<b>-27%</b>	<b>37 894</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>2 203</b>	<b>21 405</b>	<b>48 395</b>	<b>(26 990)</b>	<b>-56%</b>	<b>—</b>
Capital transfers recognised	32 644	33 559		217	12 361	16 780	(4 418)	-26%	—
Borrowing	—	—		—	—	—	—	—	—
Internally generated funds	23 886	67 740		1 986	8 368	33 870	(25 502)	(0)	67 740
<b>Total sources of capital funds</b>	<b>56 530</b>	<b>101 299</b>	<b>—</b>	<b>2 203</b>	<b>20 729</b>	<b>50 650</b>	<b>(29 920)</b>	<b>-59%</b>	<b>67 740</b>
<b>Financial position</b>									
Total current assets	175 611	207 238		—	207 942				207 239
Total non current assets	682 418	719 646		—	705 978				719 646
Total current liabilities	291 471	168 005		—	234 510				168 005
Total non current liabilities	40 625	41 920		—	40 625				41 920
Community wealth/Equity	555 247	716 960		—	638 785				716 960
<b>Cash flows</b>									
Net cash from (used) operating	51 142	141 815		4 857	70 883	70 908	25	0%	141 815
Net cash from (used) investing	52 270	(100 929)		(2 203)	(62 930)	(50 465)	12 465	-25%	—
Net cash from (used) financing	(362)	—		—	—	—	—	—	—
<b>Cash/cash equivalents at the month/year end</b>	<b>115 869</b>	<b>53 705</b>	<b>—</b>	<b>—</b>	<b>20 750</b>	<b>33 262</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	16 865	6 621	5 314	4 237	4 137	5 011	3 606	107 323	153 114
<b>Creditors Age Analysis</b>									
Total Creditors	1 224	36	4	84	1	516	—	750	2 615

### 3. Operational Revenue and Expenditure by Source for Mid-Year 2024/25

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) -M06 December										
Description	Ref	2023/24	Budget Year 2024/25							
		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		28 764	39 050	–	1 898	18 007	19 525	(1 518)	-8%	39 050
Service charges - electricity revenue		193 208	180 843	–	16 990	94 197	90 422	3 776	4%	180 843
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		21 279	23 429	–	1 449	8 700	11 715	(3 015)	-26%	23 429
					–					
Rental of facilities and equipment		21	616	–	3	11	308	(297)	-96%	616
Interest earned - external investments		1 600	897	–	37	1 140	449	692	154%	897
Interest earned - outstanding debtors		7 879	6 049	–	480	10 093	3 025	7 069	234%	6 049
Dividends received		378	–	–	–	–	–	–		–
Fines, penalties and forfeits		6 218	4 275	–	191	1 543	2 138	(595)	-28%	4 275
Licences and permits		160	2 691	–	52	204	1 346	(1 142)	-85%	2 691
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		225 307	235 098	–	76 374	167 289	117 549	49 740	42%	235 098
Other revenue		11 175	92 662	–	4 187	48 400	46 331	2 069	4%	92 662
Gains		6 378	–	–	–	–	–	–		–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>502 367</b>	<b>585 610</b>	<b>–</b>	<b>101 661</b>	<b>349 584</b>	<b>292 805</b>	<b>56 779</b>	<b>0</b>	<b>585 610</b>



## 3.2 Summary of Revenue Trends

The following tables provides a summary of the monthly revenue trends based on current year actual own revenue

LIM341 Musina - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid Year																
Description	Ref	Budget Year 2024/25												2024/25 Medium Term Revenue &		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2025/26	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates		7 802	2 064	2 203	2 512	2 142	1 436	9 191	9 191	9 191	9 191	9 191	9 191	35 145	36 727	38 416
Service charges - electricity revenue		13 186	16 305	16 088	16 584	14 638	16 990	42 590	42 590	42 590	42 590	42 590	42 590	162 759	170 246	178 077
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse		1 465	1 448	1 452	1 622	1 437	1 449	5 514	5 514	5 514	5 514	5 514	5 514	21 086	21 993	23 093
Rental of facilities and equipment		2	2	1	1	–	3	173	173	173	173	173	173	660	690	721
Interest earned - external investments		828	352	148	68	274	37	1 806	1 806	1 806	1 806	1 806	1 806	6 903	7 220	7 545
Interest earned - outstanding debtors		–	5 648	53	2 264	1 053	480	–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		243	323	311	286	284	191	1 118	1 118	1 118	1 118	1 118	1 118	4 275	4 472	4 673
Licences and permits		12	11	37	27	40	52	708	708	708	708	708	708	2 708	2 833	2 960
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational		90 957	3 601	787	(300)	889	76 374	59 004	59 004	59 004	59 004	59 004	59 004	235 098	237 062	235 886
Other revenue		3 072	5 866	17 880	4 066	7 715	4 649	20 880	20 880	20 880	20 880	20 880	20 880	107 800	67 607	75 150
Cash Receipts by Source		117 567	35 620	38 960	27 130	28 472	101 661	140 984	140 984	140 984	140 984	140 984	140 984	576 434	548 850	566 521

## Summary of the CashFlow as at 31<sup>st</sup> December 2024

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - Mid Year Assessment										
	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	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		22 663	35 145	–	1 436	13 733	17 573	(3 840)	-22%	35 145
Service charges		102 636	183 845	–	8 823	72 137	91 923	(19 786)	-22%	183 845
Other revenue		122 031	115 444	–	11 150	65 097	57 722	7 375	13%	115 444
Transfers and Subsidies - Operational		55 632	235 098	–	76 374	249 389	117 549	131 840	112%	235 098
Transfers and Subsidies - Capital		12 024	33 559	–	–	23 500	16 780	6 721	40%	33 559
Interest		–	6 903	–	–	–	3 452	(3 452)	-100%	6 903
Dividends		–	–	–	–	–	–	–		
<b>Payments</b>										
Suppliers and employees		(263 844)	(461 404)	–	(92 655)	(350 135)	(230 702)	119 433	-52%	(461 404)
Finance charges		–	(1 800)	–	(54)	(180)	(900)	(720)	80%	(1 800)
Transfers and Grants		–	(4 975)	–	(218)	(2 659)	(2 488)	171	-7%	(4 975)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>51 142</b>	<b>141 815</b>	<b>–</b>	<b>4 857</b>	<b>70 883</b>	<b>70 908</b>	<b>25</b>	<b>0%</b>	<b>141 815</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		1 414	–	–	–	5	–	5		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		2 438	–	–	–	1 500	–	1 500		–
<b>Payments</b>										
Capital assets		48 418	(100 929)	–	(2 203)	(64 435)	(50 465)	13 970	-28%	(100 929)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>52 270</b>	<b>(100 929)</b>	<b>–</b>	<b>(2 203)</b>	<b>(62 930)</b>	<b>(50 465)</b>	<b>12 465</b>	<b>-25%</b>	<b>(100 929)</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		(362)	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(362)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>103 050</b>	<b>40 886</b>	<b>–</b>	<b>2 654</b>	<b>7 953</b>	<b>20 443</b>			<b>40 886</b>
Cash/cash equivalents at beginning:		12 819	12 819	–		12 797	12 819			12 819
Cash/cash equivalents at month/year end:		115 869	53 705	–		20 750	33 262			53 705

- ❖ The municipality's cash flow position is still fragile, and proper prioritization of commitments and payments will be vital if the municipality is to reduce the risk of going concern.
- ❖ Measures such as cash on delivery will be implemented to mitigate the risk stated above.
- ❖ The next 12 months will be difficult for the municipality, once the Eskom arrear debt is fully paid, the municipality will start seeing visible improvement in its cash flow position.
- ❖ The municipality showed a positive bank balance of R20 750 million at the end of 31 December 2024

## 4. Operational Expenditure

### 4.1 Operational Expenditure Performance by type

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid Year Assessment										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<b>Expenditure By Type</b>										
Employee related costs		156 285	174 124		15 625	84 058	87 062	(3 004)	-3%	174 124
Remuneration of councillors		11 367	10 963		1 847	7 621	5 482	2 140	39%	10 963
Debt impairment		7 397	12 225		–	–	6 113	(6 113)	-100%	12 225
Depreciation & asset impairment		32 459	35 316		–	–	17 658	(17 658)	-100%	35 316
Finance charges		2 110	1 800		–	667	900	(233)	-26%	1 800
Bulk purchases		173 878	142 145		14 543	75 770	71 073	4 698	7%	142 145
Other materials		3 183	5 791		128	613	2 896	(2 283)	-79%	5 791
Contracted services		40 819	51 187		4 435	18 245	25 594	(7 349)	-29%	51 187
Transfers and subsidies		12 849	5 975		218	2 659	2 988	(329)	-11%	5 975
Other expenditure		44 673	76 544		56 162	146 585	38 272	108 313	283%	76 544
Losses		–	–				–	–		–
<b>Total Expenditure</b>		<b>485 020</b>	<b>516 070</b>	<b>–</b>	<b>92 958</b>	<b>336 218</b>	<b>258 035</b>	<b>78 183</b>	<b>30%</b>	<b>516 070</b>

## 4.2 Summary of Expenditure Trends

The following tables provides a summary of the expenditure trends based on the current years actual spending

LIM341 Musina - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid Year																
Description	Ref	Budget Year 2024/25						2024/25 Medium Term Revenue &								
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2025/26	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
<b>Cash Payments by Type</b>													–			
Employee related costs		13 483	13 859	14 993	14 818	13 952	15 625	45 227	45 227	45 227	45 227	45 227	45 227	174 124	180 243	188 354
Remuneration of councillors		1 261	1 251	1 267	1 278	1 281	1 847	2 868	2 868	2 868	2 868	2 868	2 868	10 963	11 467	11 983
Interest paid		125	–			542	667	450	450	450	450	450	450	1 800	1 800	1 800
Bulk purchases - Electricity		41 906	22 363	18 573	138	55	14 543	38 379	38 379	38 379	38 379	38 379	38 379	142 145	155 696	162 703
Acquisitions-water & other inventory		51	97	132	205	273	128	1 499	1 499	1 499	1 499	1 499	1 499	5 791	5 963	6 231
Other materials		–		–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		18 371	3 987	4 849	3 560	2 722	4 435	14 142	14 142	14 142	14 142	14 142	14 142	51 187	60 234	58 286
Transfers and subsidies- other municipalities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies- other		465	469	1 289	701	218	462	915	915	915	915	915	915	4 975	3 000	3 000
Other expenditure		13 002	1 442	2 530	24 712	4 826	55 251	19 432	19 432	19 432	19 432	19 432	19 432	76 194	76 250	80 752
<b>Cash Payments by Type</b>		<b>88 664</b>	<b>43 468</b>	<b>43 633</b>	<b>45 412</b>	<b>23 869</b>	<b>92 958</b>	<b>122 912</b>	<b>122 912</b>	<b>122 912</b>	<b>122 912</b>	<b>122 912</b>	<b>122 912</b>	<b>467 179</b>	<b>494 653</b>	<b>513 109</b>

### 4.3 Material Variances

LIM341 Musina - Supporting Table SC1 Material variance explanations - Mid Year				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<b><u>Revenue By Source</u></b>			
	Service Charges-Electricity revenue	3 370	New tariffs hikes	Monitor this line item and ensure that the income is allocated correctly
	Rental of facilities	(300)	Low bookings of municipal facilities	Monitor this line item and ensure that the income is allocated correctly
	Fines, penalties and forfeits	(500)	Low collection and non- payment	Apply credit control measures and follow-up on issued fines
	Licences and permits	(1 168)	This is due to lower registration of vehicles	Monitor this line item and ensure that the income is allocated correctly
2	<b><u>Expenditure By Type</u></b>			
	Employee related cost	(331)	Appointment of Vacant posts	Work in progress
	Dept Impairment and Depreciation	(17 658)	Asset model not migrated with Financial system	Actioned at year end
	Bulk Electricity	19 186	Payment made after receipt of Equitable Share	Work in progress
	Contracted Services	(4 625)	Appointment of new contractors	Work in progress
3	<b><u>Capital Expenditure</u></b>			
	Mig Projects	217	SCM process underway	Work in progress
	Own Funded projects	1 966	SCM process underway	Work in progress
4	<b><u>Financial Position</u></b>			
	Total assets	913 919	The municipality is still working on its improving financial status	Implementation of funding Plan
	Total liabilities	275 134	The municipality is still working on its improving financial status	Implementation of funding Plan
	Net assets	638 785	The municipality is still working on its improving financial status	Implementation of funding Plan
5	<b><u>Cash Flow</u></b>			
	Cash/cash equivalents at month end	20 750	The municipality is still in financial distress not all creditors are paid in 30 days	Work in progress, monitoring and implementation of funding Plan.

## 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	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	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>		4 111	27 049	—	1 986	2 636	11 270	(8 634)	-77%	27 049
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		4 111	27 049	—	1 986	2 636	11 270	(8 634)	-77%	27 049
Internal audit		—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		989	—	—	—	—	—	—	—	—
Community and social services		—	—	—	—	—	—	—	—	—
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		989	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		30 916	45 400	—	217	10 491	22 700	(12 209)	-54%	45 400
Planning and development		11 790	32 140	—	217	7 445	16 070	(8 625)	-54%	32 140
Road transport		19 126	13 260	—	—	3 046	6 630	(3 584)	-54%	13 260
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		21 199	28 850	—	—	8 278	14 425	(6 147)	-43%	28 850
Energy sources		9 873	26 200	—	—	5 783	13 100	(7 317)	-56%	26 200
Water management		—	—	—	—	—	—	—	—	—
Waste water management		3 995	—	—	—	—	—	—	—	—
Waste management		7 331	2 650	—	—	2 495	1 325	1 170	88%	2 650
<b>Other</b>		—	—	—	—	—	—	—	—	—
<b>Total Capital Expenditure - Functional Classification</b>	3	57 215	101 299	—	2 203	21 405	48 395	(26 990)	-56%	101 299
<b>Funded by:</b>										
National Government		32 644	33 559	—	217	12 361	16 780	(4 418)	-26%	33 559
Provincial Government		—	—	—	—	—	—	—	—	—
District Municipality		—	—	—	—	—	—	—	—	—
<b>Transfers recognised - capital</b>		33 074	33 559	—	217	12 361	16 780	(4 418)	-26%	33 559
<b>Borrowing</b>	6	—	—	—	—	—	—	—	—	—
<b>Internally generated funds</b>		23 886	67 740	—	1 986	8 368	33 870	(25 502)	-75%	67 740
<b>Total Capital Funding</b>		56 960	101 299	—	2 203	20 729	50 650	(29 920)	-59%	101 299

- ❖ The total capital budget is R33million for 2024/25 current year, and we have received R23 million of the MIG grant allocation so far, and spend R20 million of the MIG grant, in the last half of the financial year. The municipality is confident that by year end the grant will be on 100%.

## 6 Grants Management

### 6.1 Monthly grant cumulative expenditure performance trend expenditure per Category

LIM341 Musina - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid Year										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	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:		-	235 098	-	462	98 659	117 549	(18 890)	-16.1%	8 975
Local Government Equitable Share		-	229 123	-	-	90 915	114 562	(23 647)	-20.6%	3 000
Expanded Public Works Programme Integrated Grant		-	1 975	-	436	6 397	988	5 410	547.8%	1 975
Infrastructure Skills Development Grant		-	1 000	-	-	169	500	(331)	-66.1%	1 000
Local Government Financial Management Grant		-	3 000	-	27	1 177	1 500	(323)	-21.5%	3 000
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>		-	235 098	-	462	98 659	117 549	(18 890)	-16.1%	8 975
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		(399)	33 559	-	217	11 430	13 983	5 593	40.0%	33 559
MDRG		(2 399)	-	-	-	-	-	-	-	33 559
MIG		2 000	33 559	-	217	11 430	13 983	5 593	40.0%	-
<b>Total capital expenditure of Transfers and Grants</b>		(399)	33 559	-	217	11 430	13 983	5 593	-100.0%	33 559
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		(399)	268 657	-	679	110 089	131 532	(13 297)	(0)	42 534



## 6.2 Grant Expenditure Trends

The table below outline the expenditure trend on MIG Grant:

LIM341 Musina - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Mid Year									
Month	2023/24	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
<b>Monthly expenditure performance trend</b>									
July	1 635	8 442	–	4 127	4 127	8 442	4 315	51.1%	4%
August	305	8 441	–	11 915	16 042	16 883	841	5.0%	16%
September	3 784	8 442	–	1 394	17 436	25 325	7 889	31.2%	17%
October	4 882	8 441	–	593	18 029	33 766	15 737	46.6%	18%
November	6 009	8 442	–	1 766	19 795	42 208	22 413	53.1%	20%
December	3 387	8 441	–	2 203	21 998	50 649	28 651	56.6%	22%
January	6 410	8 442	–	–		59 091	–		
February	3 966	8 442	–	–		67 533	–		
March	5 624	8 441	–	–		75 974	–		
April	1 555	8 442	–	–		84 416	–		
May	4 945	8 441	–	–		92 857	–		
June	14 707	8 442	–	–		101 299	–		
<b>Total Capital ex</b>	<b>57 209</b>	<b>101 299</b>	<b>–</b>	<b>21 998</b>					

## 7. Financial Position

LIM341 Musina - Table C6 Monthly Budget Statement -Financial Position Mid Year Assessment

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		10 225	53 705	–	21 880	53 705
Trade and other receivables from exchange transactions		109 234	71 982	–	101 330	71 983
Receivables from non-exchange transactions		18 355	21 200	–	24 538	21 200
Current portion of non-current receivables		–	–	–	–	–
Inventory		24 528	25 852	–	25 442	25 852
VAT		13 219	34 499	–	34 695	34 499
Other current assets		50	–	–	57	–
<b>Total current assets</b>		<b>175 611</b>	<b>207 238</b>	<b>–</b>	<b>207 942</b>	<b>207 239</b>
<b>Non current assets</b>						
Investments		13 169	10 731	–	15 419	10 731
Investment property		205 010	203 449	–	205 010	203 449
Property, plant and equipment		463 770	502 015	–	485 080	502 015
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		65	65	–	65	65
Intangible assets		404	3 386	–	404	3 386
Trade and receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>682 418</b>	<b>719 646</b>	<b>–</b>	<b>705 978</b>	<b>719 646</b>
<b>TOTAL ASSETS</b>		<b>858 029</b>	<b>926 884</b>	<b>–</b>	<b>913 920</b>	<b>926 885</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		504	–	–	–	–
<b>Financial liabilities</b>		–	362	–	–	362
<b>Consumer deposits</b>		6 188	5 232	–	5 997	5 232
Trade and other payables from exchange transactions		238 725	76 933	–	170 871	76 933
Trade and other payables from non-exchange transactions		10 506	52 305	–	10 506	52 305
Provisions		30 115	2 532	–	30 612	2 532
VAT		4 936	30 641	–	16 524	30 641
Other current liabilities		497	–	–	–	–
<b>Total current liabilities</b>		<b>291 471</b>	<b>168 005</b>	<b>–</b>	<b>234 510</b>	<b>168 005</b>
<b>Non current liabilities</b>						
Financial liabilities		–	–	–	–	–
Provisions		26 240	41 920	–	26 240	41 920
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		14 385	–	–	14 385	–
<b>Total non current liabilities</b>		<b>40 625</b>	<b>41 920</b>	<b>–</b>	<b>40 625</b>	<b>41 920</b>
<b>TOTAL LIABILITIES</b>		<b>332 096</b>	<b>209 925</b>	<b>–</b>	<b>275 135</b>	<b>209 925</b>
<b>NET ASSETS</b>	<b>2</b>	<b>525 933</b>	<b>716 959</b>	<b>–</b>	<b>638 785</b>	<b>716 960</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		555 247	716 960	–	638 785	716 960
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>555 247</b>	<b>716 960</b>	<b>–</b>	<b>638 785</b>	<b>716 960</b>

## 8. Debtors Management

The age analysis of the outstanding trade debtors as at 31 December 2024 is reflected in the table below:

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid Year													
Description	NT Code	2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dye-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	2 169	1 304	961	798	809	706	773	15 144	22 664	18 230	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	8 496	2 222	1 650	904	844	549	522	14 055	29 242	16 874	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 956	1 055	938	883	827	2 350	882	38 440	48 331	43 382	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	552	294	254	226	235	191	194	5 161	7 107	6 007	-	-
Receivables from Exchange Transactions - Waste Water Management	1600	1 618	814	672	605	596	446	409	13 547	18 707	15 603	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	136	136	136	-	-
Interest on Anear Debtor Accounts	1810	1 074	932	839	821	826	769	826	20 536	26 623	23 778	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	304	304	304	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>16 865</b>	<b>6 621</b>	<b>5 314</b>	<b>4 237</b>	<b>4 137</b>	<b>5 011</b>	<b>3 606</b>	<b>107 323</b>	<b>153 114</b>	<b>124 314</b>	<b>-</b>	<b>-</b>
<b>2022/23 - totals only</b>		<b>16464000</b>	<b>8065000</b>	<b>6020000</b>	<b>6063000</b>	<b>3575000</b>	<b>3386000</b>	<b>3168000</b>	<b>97531000</b>	<b>144 272</b>	<b>113 723</b>		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	1 476	796	717	528	513	1 470	500	22 724	28 724	25 735	-	-
Commercial	2300	6 925	1 979	1 503	1 064	987	1 046	667	21 941	36 112	25 705	-	-
Households	2400	8 464	3 846	3 094	2 645	2 637	2 495	2 439	62 658	88 278	72 874	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>16 865</b>	<b>6 621</b>	<b>5 314</b>	<b>4 237</b>	<b>4 137</b>	<b>5 011</b>	<b>3 606</b>	<b>107 323</b>	<b>153 114</b>	<b>124 314</b>	<b>-</b>	<b>-</b>

## 9. Creditors Management

The age analysis of the outstanding creditors as at 31 December 2024 was as outline below:

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid Year											
Description	NT Code	Budget Year 2024/25									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	1 224	36	4	84	1	516	-	749	2 614	1 389
Auditor General	0800	-	-	-	-	-	-	-	1	1	-
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>1 224</b>	<b>36</b>	<b>4</b>	<b>84</b>	<b>1</b>	<b>516</b>	<b>-</b>	<b>750</b>	<b>2 615</b>	<b>1 389</b>