Monthly Budget Statement

MFMA Section 52 Report for Third Quarter from 1st January to 31st March 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 from 1st January to 31st March 2023

The total budget approved for the 2022-2023 financial year amounts to R451 042 million and was adjusted to R525 553 million.

The total expenditure for operating activities for the Quarter amounts to R126 519 million.

Total revenue for the Quarter amounts to R127 033 million.

The expenditure on Capital activities for the Quarter amounts to R6 316 million.

The following table provides a summary of the municipality's performance from 1st January to 31st March 2023

LIM341 Musina - Table C1 Monthly Budget Statement Summary - Q03 Third Quarter									
Description	2021/22	Budget Year 2022/23							
	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	25 684	25 814	25 814	1 759	19 303	19 361	(58)	-0%	22 698
Service charges	167 349	177 572	179 572	10 302	110 452	133 179	(22 727)	-17%	189 022
Investment revenue	469	–	527	–	–	–	–		1 244
Transfers and subsidies	174 429	199 191	199 191	54 263	198 393	149 393	49 000	33%	174 720
Other own revenue	26 633	48 465	120 449	7 550	72 110	36 349	35 761	98%	45 296
Total Revenue (excluding capital transfers and contributions)	**394 564**	**451 042**	**525 553**	**73 874**	**400 258**	**338 282**	**61 977**	**18%**	**432 980**
Employee costs	151 683	162 265	168 037	12 167	112 695	121 699	(9 004)	-7%	158 403
Remuneration of Councillors	10 097	12 823	12 823	854	7 730	9 617	(1 887)	-20%	11 339
Depreciation & asset impairment	31 885	27 942	30 942	–	–	20 957	(20 957)	-100%	34 265
Finance charges	122	–	499	–	–	–	–		1 777
Materials and bulk purchases	142 119	124 511	133 493	45 425	169 837	93 383	76 453	82%	138 162
Transfers and subsidies	4 565	–	3 723	386	3 384	–	3 384	#DIV/0!	6 073
Other expenditure	110 812	118 500	123 918	17 685	138 070	88 875	49 195	55%	78 626
Total Expenditure	**451 283**	**446 041**	**473 435**	**76 517**	**431 716**	**334 531**	**97 185**	**29%**	**428 645**
Surplus/(Deficit)	**(56 719)**	**5 001**	**52 118**	**(2 643)**	**(31 458)**	**3 751**	**(35 208)**	**-939%**	**4 335**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 409	32 713	–	4 227	32 713	24 535	8 178	33%	36 988
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(25 310)**	**37 714**	**52 118**	**1 584**	**1 255**	**28 286**	**(27 030)**	**-96%**	**41 323**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(25 310)**	**37 714**	**52 118**	**1 584**	**1 255**	**28 286**	**(27 030)**	**-96%**	**41 323**
Capital expenditure & funds sources									
Capital expenditure	**37 793**	**44 955**	**–**	**196**	**17 335**	**30 035**	**(12 699)**	**-42%**	**–**
Capital transfers recognised	28 853	32 713	37 396	2 806	16 843	24 535	(7 692)	-31%	–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**–**	**5 000**	**21 610**	**676**	**8 798**	**3 750**	**5 048**	**135%**	**–**
Total sources of capital funds	**28 853**	**37 713**	**59 006**	**3 482**	**25 641**	**28 285**	**(2 644)**	**-9%**	**–**
Financial position									
Total current assets	211 176	118 075	208 936		238 471				118 075
Total non current assets	604 177	515 437	533 804		628 852				515 437
Total current liabilities	643 089	519 527	73 641		607 185				519 527
Total non current liabilities	43 472	19 595	6 500		43 472				19 595
Community wealth/Equity	**297 570**	**94 390**	**653 037**		**216 666**				**94 390**
Cash flows									
Net cash from (used) operating	263 124	38 488	88 271	42 220	16 622	28 866	12 244	42%	–
Net cash from (used) investing	(20 534)	(37 713)	(59 006)	(2 806)	(15 038)	(28 285)	(13 247)	47%	–
Net cash from (used) financing	(80)	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year enc	**265 377**	**13 248**	**41 738**	**–**	**4 539**	**13 054**	**8 516**	**65%**	**2 954**
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	12 040	5 527	4 403	3 860	3 394	3 295	14 223	81 497	128 239
Creditors Age Analysis									
Total Creditors	15	21	8	–	35 930	–	–	–	35 974

3. Operational Revenue

3.1 Revenue Performance by Source/Classification From 1st January to 31st March 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q03 Third Quarter											
Description	Ref	2021/22	Budget Year 2022/23								
		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		25 684	25 814	25 814	1 759	19 303	19 361	(58)	0%	22 698
Service charges - electricity revenue		152 981	162 728	162 074	8 504	96 466	122 046	(25 580)	-21%	174 390
Service charges - water revenue		–						–		–
Service charges - sanitation revenue		–						–		–
Service charges - refuse revenue		14 368	14 844	17 498	1 798	13 986	11 133	2 853	26%	14 632
Rental of facilities and equipment		693	558	558	2	10	419	(409)	-98%	691
Interest earned - external investments		469	–	527	–	–	–	–		1 244
Interest earned - outstanding debtors		4 964	2 966	5 477	960	14 451	2 225	12 227	550%	3 180
Dividends received		–	527	–	–	131	395	(264)	-67%	–
Fines, penalties and forfeits		3 123	3 870	3 870	253	2 251	2 903	(652)	-22%	3 380
Licences and permits		2 099	2 436	2 436	8	69	1 827	(1 758)	-96%	5 509
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		174 429	199 191	199 191	54 263	198 393	149 393	49 000	33%	174 720
Other revenue		18 064	38 108	108 108	6 327	55 198	28 581	26 617	93%	8 843
Gains		(2 310)	–	–		–	–	–		23 693
Total Revenue (excluding capital transfers and contributions)		**394 564**	**451 042**	**525 553**	**73 874**	**400 258**	**338 282**	**61 977**	**18%**	**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 - Q03 Third Quarter																
Description	Ref	Budget Year 2022/23												2020/21 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	2022/23	+1 2023/24	+2 2024/25
Cash Receipts By Source																
Property rates		4 510	1 953	1 862	1 891	1 784	1 799	1 850	1 895	1 759	1 957	1 957	269	23 486	24 250	23
Service charges - electricity revenue		9 351	11 538	12 497	10 983	11 574	10 554	10 594	10 871	8 504	12 205	12 205	25 580	146 456	152 691	144 608
Service charges - water revenue		–	–	–	–	–		–	–	–			–			–
Service charges - sanitation revenue		–	–			–							–			–
Service charges - refuse		1 511	1 485	1 573	1 514	1 515	1 543	1 508	1 539	1 798	1 113	1 113	(16 199)	13	13 948	13 226
Rental of facilities and equipment		–	–	1	2	2	1	–	2	2	38	38	368	454	474	454
Interest earned - external investments		–			–	–		–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors		637	763	7 999	663	983	677	664	1 105	960	4 624	759	(19 834)	–	–	–
Dividends received		–	129	1	–	–	–	1		–	–	–	(131)	–	–	–
Fines, penalties and forfeits		217	226	236	246	288	281	270	234	253	430	430	2 045	5 156	5 383	5 156
Licences and permits		9	(53)	19	23	37	16	5	5	8	203	203	1 963	2 438	2 548	2 548
Agency services		–	–		–	–							–	–		–
Transfers and Subsidies - Operational		75 683	3 288	297	(118)	77	67 856	(60)	469	54 263	16 349	16 349	(38 262)	196 191	215 979	238 145
Other revenue		5 350	4 302	3 790	9 273	4 720	95	9 849	8 130	6 327	144	144	(50 401)	1 723	1 799	1 723
Cash Receipts by Source		**97 268**	**23 631**	**28 275**	**24 477**	**20 980**	**82 822**	**24 681**	**24 250**	**73 874**	**37 063**	**33 198**	**(94 602)**	**375 917**	**417 072**	**405 883**
													–			
Other Cash Flows by Source													–			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		10 616	–	–	10 370	–	7 500			4 227			–	32 713	34 040	32 499
Decrease (increase) in non-current receivables													–			
Decrease (increase) in non-current investments													–			
Total Cash Receipts by Source		**107 884**	**23 631**	**28 275**	**34 847**	**20 980**	**90 322**	**24 681**	**24 250**	**78 101**	**37 063**	**33 198**	**(94 602)**	**408 630**	**451 112**	**438 382**

Summary of total Own revenue

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - Q03 Third Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		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		–	23 486	20 651	1 759	17 427	17 615	(188)	-1%	
Service charges		72 168	159 815	141 715	8 504	94 455	119 861	(25 406)	-21%	
Other revenue		95 500	9 771	85 525	8 388	41 378	7 328	34 050	465%	
Transfers and Subsidies - Operational		129 975	196 191	199 191	54 263	198 393	147 143	51 250	35%	
Transfers and Subsidies - Capital		–	32 713	32 713	4 227	32 713	24 535	8 178	33%	
Interest		–	–	5 996	960	13 788	–	13 788	#DIV/0!	
Dividends								–		
Payments										
Suppliers and employees		(34 519)	(379 098)	(397 021)	(35 709)	(380 598)	(284 324)	96 275	-34%	
Finance charges		–	–	(499)			–	–		
Transfers and Grants		–	(4 390)		(172)	(934)	(3 293)	(2 359)	72%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		**263 124**	**38 488**	**88 271**	**42 220**	**16 622**	**28 866**	**12 244**	**42%**	**–**
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)	(37 713)	(59 006)	(2 806)	(15 038)	(28 285)	(13 247)	47%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(20 534)**	**(37 713)**	**(59 006)**	**(2 806)**	**(15 038)**	**(28 285)**	**(13 247)**	**47%**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			–				–	–		
Borrowing long term/refinancing		–	–				–	–		
Increase (decrease) in consumer deposits		304	–				–	–		
Payments										
Repayment of borrowing		(384)	–		–	–	–	–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(80)**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**242 510**	**775**	**29 265**	**39 414**	**1 584**	**581**			**–**
Cash/cash equivalents at beginning:		22 867	12 473	12 473		2 954	12 473			2 954
Cash/cash equivalents at month/year end:		265 377	13 248	41 738		4 539	13 054			2 954

4. Operational Expenditure

4.1 Operational Expenditure Performance by type from 1st January to 31st March 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q03 Third Quarter										
Description	Ref	2021/22	Budget Year 2022/23							
		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		151 683	162 265	168 037	12 167	112 695	121 699	(9 004)	-7%	158 403
Remuneration of councillors		10 097	12 823	12 823	854	7 730	9 617	(1 887)	-20%	11 339
Debt impairment		41 885	38 307	41 307	–	–	28 730	(28 730)	-100%	8 325
Depreciation & asset impairment		31 885	27 942	30 942	–	–	20 957	(20 957)	-100%	34 265
Finance charges		122	–	499	–	–	–	–		1 777
Bulk purchases		137 919	121 518	130 000	45 216	168 056	91 139	76 917	84%	129 748
Other materials		4 200	2 993	3 493	209	1 781	2 245	(464)	-21%	8 414
Contracted services		37 408	38 078	40 903	4 823	21 635	28 559	(6 924)	-24%	37 767
Transfers and subsidies		4 565	–	3 723	386	3 384	–	3 384	#DIV/0!	6 073
Other expenditure		31 519	42 115	41 708	12 862	116 435	31 586	84 849	269%	32 534
Losses			–	–	–	–	–	–		
Total Expenditure		**451 283**	**446 041**	**473 435**	**76 517**	**431 716**	**334 531**	**97 185**	**29%**	**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 - Q03 Third Quarter

Description	Ref	Budget Year 2022/23												2020/21 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	2022/23	+1 2023/24	+2 2024/25
Cash Payments by Type													–			
Employee related costs		12 608	11 969	11 834	12 332	12 563	13 610	12 995	12 617	12 167	14 536	14 536	32 671	174 438	182 113	207 720
Remuneration of councillors		889	847	847	847	847	870	875	854	854	–	–	(7 730)	–	–	–
Interest paid		–			–	–		–	–	–	–	–	–	–	–	–
Bulk purchases - Electricity		54 000	2 048	6 799	47	7 118	52 684	96	48	45 216	10 126	10 126	(66 789)	121 518	126 227	127 199
Bulk purchases - Water & Sewer		–	–	–	–	–	–			–	249	249	2 495	2 993	3 125	3 910
Other materials		90	112	264	343	275	172	112	204	209	–	–	(1 781)	–	–	–
Contracted services		8 199	934	2 898	685	545	8 393	454	2 144	4 823	–	–	(29 075)	–	–	–
Grants and subsidies paid - other municipalities		–	–	–	-		–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other		373	369	377	374	379	378	374	374	386	–	–	(3 384)	–	–	–
General expenses		27 534	4 833	3 907	17 506	38	12 653	4 892	10 453	10 056	6 679	6 679	(25 081)	80 149	89 676	87 733
Cash Payments by Type		**103 693**	**21 112**	**26 926**	**32 134**	**21 765**	**88 760**	**19 798**	**26 694**	**73 711**	**31 590**	**31 590**	**(98 674)**	**379 098**	**401 141**	**426 562**
													–			
Other Cash Flows/Payments by Type																
Capital assets		4 649	1 092	2 704	1 404	759	200	240	3 270	2 806	1 290	2 879	(21 293)	–	–	–
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type		**108 342**	**22 204**	**29 631**	**33 538**	**22 524**	**88 960**	**20 038**	**29 964**	**76 517**	**32 880**	**34 469**	**(119 968)**	**379 098**	**401 141**	**426 562**
													–			
NET INCREASE/(DECREASE) IN CASH HELD		**(458)**	**1 427**	**(1 356)**	**1 309**	**(1 544)**	**1 362**	**4 643**	**(5 714)**	**1 584**	**6 909**	**1 455**	**19 914**	**29 532**	**49 971**	**11 820**
Cash/cash equivalents at the month/year beginning:		3 284	2 826	4 253	2 898	4 207	2 663	4 025	8 668	2 954	4 539	11 448	12 903	3 284	32 816	82 787
Cash/cash equivalents at the month/year end:		2 826	4 253	2 898	4 207	2 663	4 025	8 668	2 954	4 539	11 448	12 903	32 816	32 816	82 787	94 607

4.3 Material Variances

LIM341 Musina - Supporting Table SC1 Material variance explanations - M09 March

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	**Revenue By Source**			
	Service Charges-Electricity revenue	(25 090)	Lower sales due to load shedding	Monitor this line Item and ensure that the income is allocated correctly
	Rental of facilities	(412)	Low bookings of municipal facilities	Monitor this line Item and ensure that the income is allocated correctly
	Fines,penalties and forfeits	(652)	Low collection	Apply credit control measures
	Licencs and permits	(1 757)	Lower registration of vehicles	Monitor this line Item and ensure that the income is allocated correctly
	Other Revenue	(27 114)	Awaiting proceeds of sale of stands	Work in progress
2	**Expenditure By Type**			
	Employee related cost	(9 004)	Appointment of Vacant posts	Work in progress
	Dept Impairment and Depriciation	(28 730)	Asset model not migrated with Finacial system	Actioned at year end
	Bulk Electricity	0	Load shedding effects	Monitor this line Item and ensure that the expenditure is allocated correctly
	Contracted Services	(6 925)	Most contracts will appoint during the last quarter	Work in progress
3	**Capital Expenditure**			
	Mig Projects	(10 905)	Low spending on projects	Will monitor this item ensure that allocation is spent 100% to avoid applying roll over
	Own Funded projects	5 048	Overspent due to increased number of projets	Item adjusted during the adjustment Budget
4	**Financial Position**			
	Current assets	840 257	The municipality is still working on its improving fin	Implementation of fundind Plan
	Current liabilities	650 658	The municipality is still working on its improving fin	Implementation of fundind Plan
	Net assets	189 600	The municipality is still working on its improving fin	Implementation of fundind Plan
5	**Cash Flow**			
	Cash/cash equivalents at month end	4 539	The municipality is still in financial distress not all c	Work in progress, monitoring and implementation of funding Plan.
6	**Measureable performance**			
	Software licensing purchased	(0)	Ms office process will begin after appointment of se	To be realised in the 3rd or 4th quarter after SCM process is finalised
	Environmental clean up campaigns	(0)	Lack of participation by community due to the festiv	Rescheduled
7	**Municipal Entities**			
	N/A		N/A	N/A

5. Capital Expenditure

5.1 Capital Expenditure by Function/Department

LIM341 Musina - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q03 Third Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		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		**18 586**	**3 000**	**4 300**	**–**	**2 394**	**1 125**	1 269	113%	**–**
Executive and council		(324)	1 500	1 400	–	1 125		1 125	#DIV/0!	
Finance and administration		18 910	1 500	2 900	–	1 269	1 125	144	13%	
Internal audit								–		
Community and public safety		**3 643**	**5 751**	**6 011**	**1 423**	**6 738**	**4 313**	2 425	56%	**–**
Community and social services		3 643	5 751	4 951	419	4 071	4 313	(242)	-6%	
Sport and recreation					1 004	2 667	–	2 667	#DIV/0!	
Public safety				1 060				–		
Housing								–		
Health								–		
Economic and environmental services		**24 319**	**28 962**	**40 695**	**1 383**	**5 906**	**21 722**	(15 816)	-73%	**–**
Planning and development		25 210	27 962	35 569	992	4 518	20 972	(16 454)	-78%	
Road transport		(891)	1 000	5 126	391	1 388	750	638	85%	
Environmental protection								–		
Trading services		**430**	**–**	**–**	**–**	**–**	**–**	–		**–**
Energy sources		430						–		
Water management								–		
Waste water management								–		
Waste management								–		
Other								–		
Total Capital Expenditure - Functional Classification	3	**46 978**	**37 713**	**51 006**	**2 806**	**15 038**	**27 160**	**(12 122)**	**-45%**	**–**
Funded by:										
National Government		28 853	32 713	37 396	2 806	15 038	24 535	(9 497)	-39%	
Provincial Government								–		
District Municipality								–		
Transfers recognised - capital		**28 853**	**32 713**	**37 396**	**2 806**	**15 038**	**24 535**	**(9 497)**	**-39%**	**–**
Borrowing	6							–		
Internally generated funds			5 000	21 610	676	8 798	3 750	5 048	135%	
Total Capital Funding		**28 853**	**37 713**	**59 006**	**3 482**	**23 836**	**28 285**	**(4 449)**	**-16%**	**–**

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 - Q03 Third Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		**–**	**198 183**	**4 390**	**54 435**	**201 237**	**148 637**	**52 600**	**35.4%**	**–**
Local Government Equitable Share		–	193 793	1 390	54 263	198 393	145 345	53 048	36.5%	
Finance Management		–	3 000	–	172	1 455	2 250	(795)	-35.3%	
EPWP Incentive		–	1 390	3 000	–	1 390	1 043	347	33.3%	
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:		**–**	**198 183**	**4 390**	**54 435**	**201 237**	**148 637**	**52 600**	**35.4%**	**–**
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		–	32 713	32 713	2 806	15 038	24 535	(9 497)	**-38.7%**	–
0		–	32 713	32 713	2 806	15 038	24 535	(9 497)	-38.7%	
0								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
								–		
0								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
0								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
0								–		
Total capital expenditure of Transfers and Grants		**–**	**32 713**	**32 713**	**2 806**	**15 038**	**24 535**	**(9 497)**	**-38.7%**	**–**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**–**	**230 896**	**37 103**	**57 241**	**216 275**	**173 172**	**43 103**	**24.9%**	**–**

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 - Q03 Third Quarter									
Month	2021/22	Budget Year 2022/23							
	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		2 726		(3 875)		2 726	–		
August		2 726		(1 092)		5 452	–		
September		2 726		(2 704)		8 178	–		
October		2 726		(1 404)		10 904	–		
November		2 726		(385)		13 630	–		
December		2 726		(200)		16 357	–		
January		2 726		(240)		19 083	–		
February		2 726		(3 270)		21 809	–		
March		2 726		(2 806)		24 535	–		
April		2 726				27 261	–		
May		2 726				29 987	–		
June		2 726				32 713	–		
Total Capital expenditure	–	32 713	–	(15 975)					

MIG Projects 2022/2023	Budget	July	August	September	October	November	December	January	February	March	April	May	June
Nancefield phase 6 to 12 paved roads	68 802.22												
Costruction of brigde & culvert from Tshivhongweni to Tshipale village on the road to tshokotshoko	504 300.25	-											
Development of Nancefield grave yard	4 750 877.36	-			443 395.91								
Construction of Tshikhudini community hall	3 350 685.65	1 801 724.04	932 948.61	1 235 251.91		227 408.82							
Rehabilitation of Manyathela Stadium	4 595 311.03	1 845 495.42		370 864.88		374 210.00		-67 832.87	212 807.50	419 023.67			
Nancefield ext 9 & 10 paved roads and stormwater ph	7 513 613.69	777 963.43		938 121.45	799 197.04			153 000.00	572 138.77	1 004 386.42			
Shakadza Multi Purpose Centre	5 487 497.66								1 333 440.40	836 357.03			
Mabvete Community hall	4 806 262.14								997 081.20	391 156.52			
PMU Management fees	1 635 650.00	223 683.20	159 492.73	159 809.56	161 261.54	157 323.97	200 171.28	154 958.36	154 363.99	155 284.54			
	32 713 000.00	**4 648 866.09**	**1 092 441.34**	**2 704 047.80**	**1 403 854.49**	758 942.79	200 171.28	240 125.49	3 269 831.86	2 806 208.18	-	-	-

7. Debtors Management

The age analysis of the outstanding trade debtors from 1st January to 31st March 2023 is reflected in the table below.

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q03 Third Quarter

Description		Budget Year 2022/23											
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	5 295	1 422	995	935	669	788	2 807	15 437	28 348	20 636		–
Receivables from Non-exchange Transactions - Property Rates	1400	1 710	1 044	862	788	775	732	4 248	29 913	40 072	36 456		–
Receivables from Exchange Transactions - Waste Water Management	1500									–	–		
Receivables from Exchange Transactions - Waste Management	1600	1 984	903	724	595	531	488	1 712	8 797	15 734	12 123		–
Receivables from Exchange Transactions - Property Rental Debtors	1700								135	135	135		
Interest on Arrear Debtor Accounts	1810	673	642	622	603	585	571	2 610	9 930	16 236	14 299		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	2 378	1 516	1 200	939	834	716	2 846	17 285	27 714	22 620		–
Total By Income Source	**2000**	**12 040**	**5 527**	**4 403**	**3 860**	**3 394**	**3 295**	**14 223**	**81 497**	**128 239**	**106 269**	**–**	**–**
2021/22 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 885	1 181	827	683	612	555	2 921	20 360	29 024	25 131		–
Commercial	2300	4 160	1 040	888	727	736	811	3 810	21 845	34 017	27 929		–
Households	2400	5 995	3 306	2 688	2 450	2 046	1 929	7 492	39 292	65 198	53 209		–
Other	2500	–	–	–	–	–	–	–		–	–		–
Total By Customer Group	**2600**	**12 040**	**5 527**	**4 403**	**3 860**	**3 394**	**3 295**	**14 223**	**81 497**	**128 239**	**106 269**	**–**	**–**

7.1Disconnection List

DISCONNECTION LIST MARCH 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	107	4	3948
ARRANGEMENTS	5	0	20
TOTAL DISCONNECTED	24	0	3564
PAID/RESPONDED	18	0	3406
TOTAL NOT DISCONNECTED	60	0	364
AMOUNT COLLECTED-TOWN	R 124 573.52		R 526 423.00
CREDIT CONTROL COLLECTION		R 650 996.52	

8. Creditors Management

The age analysis of the outstanding creditors from 1st January to 31st March **2023** was as outlined below:

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q03 Third Quarter

Description	NT Code	Budget Year 2022/23									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	21	8	–	35 930				**35 974**	
Auditor General	0800									–	
Other	0900									–	
Total By Customer Type	**1000**	**15**	**21**	**8**	**–**	**35 930**	**–**	**–**	**–**	**35 974**	–

8.1 EXPENDITURE ANALYSIS

The following table provides a summary of the expenditure trends based on current Quarter from 1st January to 31st March 2023

EXPENDITURE ANALYSIS

THIRD QUARTER FOR MONTH-END 31 MARCH 2023

DESCRIPTION	AMOUNT
ESKOM	45 359 352.96
SALARIES	32 155 177.82
SUNDRY CREDITORS	981 076.53
TRADE CREDITORS	13 259 282.78
SARS (PAYE VAT)	8 423 545.87
AUDITOR GENERAL	2 450 589.23
MAHOSI	4 081 280.93
TELKOM	164 500.21
BANK CHARGES	193 480.25
DEBIT ORDERS	5 324 233.48
PORVERTY ALLIVIATION WORKERS	1 109 731.01
LEARNERS LGSETA	286 870.00
WARD COMMITTEE MEMBERS -STIPENS	460 974.91
SUB-TOTAL	**114 250 095.98**
Design & Construction of Rhino Ridge park internal streets and stormwater infrastructure	2 877 357.07
Nancefied ext 9&10 paved roads and stormwater management (contract no .14-2020/21)	397 561.29
Payment for construction of Mabvete community hall	1 308 495.01
Electrification of Malale	228 225.67
Construction of Nancefield phase 6 to 12 paved roads and stormwater	61 793.52
Construction of bridge and culverts on gravel road tshivhongweni	199 751.36
Service for landfill operation	498 806.00
Allocation of design and supervision for electrification of rhino ridge	2 246 380.68
Payment for Construction of Tshikhudini Community hall	568 648.05
Nancefied ext 9&10 paved roads and stormwater management (contract no .3-2022/23)	1 061 067.51
Payment for construction of Lesley Manyathela stadium-02-2021/22	384 239.61
Construction of Shakadza multipurpose centre	859 220.78
Payment to construction of Lesley Manyathela Stadium	381 138.70
Payment for Construction of Shakadza Multipurpose centre	1 196 575.43
SUB-TOTAL	**12 269 260.68**
TOTAL EXPENDITURE	**126 519 356.66**

VDM	3 141.72
TELKOM	164 500.21
ESKOM ROOIDAMME	58 506.13
	226 148.06
	126 745 504.72

8.2 Outstanding Creditors

OUTSTANDING CREDITORS MARCH 2023	
SUPPLIER	**MARCH**
ESKOM	26 961 140.34
DEPARTMENT OF TRANSPORT	8 475 358.58
CONTRACTED SERVICES	399 511.84
SUPPLIERS	137 838.67
TOTAL	**35 973 849.43**

9. Cash Management

The table below provides a breakdown of the cash and cash equivalents from 1st January to 31st March 2023.

DEPARTMENT OF THE CHIEF FINANCIAL OFFICER

BANK RECONCILIATION FOR THIRD QUARTER 2023

	BALANCE AS ON 31 January 2023		4 024 664.85
LESS:	EXPENDITURE	126 519 356.60	
	RETURNED CHEQUE	-	
	DAY CALL	-	
	TOTAL EXPENDITURE	126 519 356.60	
PLUS:	INCOME	127 033 580.18	
	INCOME NOT RECEIPTED		
	CANCELLED STALE CHEQUES		
	DAY CALL	-	
	TOTAL REVENUE	127 033 580.18	
	BALANCE AS ON 31 March 2023		4 538 888.43

	BALANCE AS PER BANK STATEMENT	4 567 887.66
LESS:	OUTSTANDING CHEQUE	-
		4 567 887.66

interest 10.50%

TRAFFIC	193 070.98
BALANCE AS ON 31 MARCH 2023	4 760 958.64

The municipality closed the financial Third Quarter with a positive bank balance.

10. Recommendations

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