

Monthly Budget Statement

MFMA Section 71 Report February 2023

TABLE OF CONTENTS

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

1. Introduction

1.1 Purpose

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

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

1.2 Legislative Framework

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

2. Summary of Overall Budget Performance for February 2023

The total budget approved for the 2022-2023 financial year amounts to R451 042 million.

The total expenditure for operating activities for the month amounts to R29 964 million.

Total revenue for the month amounts to R24 250 million.

The expenditure on Capital activities for the month amounts to R3 269 Million.

The following table provides a summary of the municipality's performance as at 28 February 2023

LIM341 Musina - Table C1 Monthly Budget Statement Summary - M08 February									
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	–	1 895	17 544	17 209	335	2%	22 698
Service charges	167 349	177 572	–	12 410	100 150	118 381	(18 231)	-15%	189 022
Investment revenue	469	–	–	–	–	–	–		1 244
Transfers and subsidies	174 429	199 191	–	416	143 122	132 794	10 328	8%	174 720
Other own revenue	26 633	48 465	–	9 529	65 568	32 310	33 258	103%	45 296
Total Revenue (excluding capital transfers and contributions)	**394 564**	**451 042**	**–**	**24 250**	**326 384**	**300 695**	**25 689**	**9%**	**432 980**
Employee costs	151 683	162 265	–	12 617	100 528	108 177	(7 649)	-7%	158 403
Remuneration of Councillors	10 097	12 823	–	854	6 876	8 549	(1 673)	-20%	11 339
Depreciation & asset impairment	31 885	27 942	–	–	–	18 628	(18 628)	-100%	34 265
Finance charges	122	–	–	–	–	–	–		1 777
Materials and bulk purchases	142 119	124 511	–	252	124 412	83 007	41 405	50%	138 162
Transfers and subsidies	4 565	–	–	374	2 998	–	2 998	#DIV/0!	6 073
Other expenditure	110 812	118 500	–	15 867	120 385	79 000	41 385	52%	78 626
Total Expenditure	**451 283**	**446 041**	**–**	**29 964**	**355 199**	**297 361**	**57 838**	**19%**	**428 645**
Surplus/(Deficit)	**(56 719)**	**5 001**	**–**	**(5 714)**	**(28 815)**	**3 334**	**(32 149)**	**-964%**	**4 335**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 409	32 713	–	–	28 486	21 809	6 677	31%	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**	**–**	**(5 714)**	**(329)**	**25 143**	**(25 472)**	**-101%**	**41 323**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(25 310)**	**37 714**	**–**	**(5 714)**	**(329)**	**25 143**	**(25 472)**	**-101%**	**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	–	3 270	14 037	21 809	(7 772)	-36%	–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**–**	**5 000**	**–**	**–**	**4 016**	**3 333**	**683**	**20%**	**–**
Total sources of capital funds	**28 853**	**37 713**	**–**	**3 270**	**18 053**	**25 142**	**(7 089)**	**-28%**	**–**
Financial position									
Total current assets	211 176	118 075	–		242 557				118 075
Total non current assets	604 177	515 437	–		623 004				515 437
Total current liabilities	643 089	519 527	–		619 219				519 527
Total non current liabilities	43 472	19 595	–		43 472				19 595
Community wealth/Equity	**297 570**	**94 390**	**–**		**202 870**				**94 390**
Cash flows									
Net cash from (used) operating	263 124	38 488	–	(11 537)	8 124	25 659	17 535	68%	–
Net cash from (used) investing	(20 534)	(37 713)	–	(3 270)	(13 838)	(25 142)	(11 304)	45%	–
Net cash from (used) financing	(80)	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year en	**265 377**	**13 248**	**–**	**–**	**2 954**	**12 990**	**10 035**	**77%**	**8 668**
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	13 415	5 636	4 393	3 854	3 554	3 967	14 772	90 396	139 987
Creditors Age Analysis									
Total Creditors	16 124	16 291	11 529	30	46 807	–	–	–	90 782

3. Operational Revenue

3.1 Revenue Performance by Source/Classification as at 28 February 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	–	1 895	17 544	17 209	335	2%	22 698
Service charges - electricity revenue		152 981	162 728	–	10 871	87 962	108 485	(20 523)	-19%	174 390
Service charges - water revenue		–						–		–
Service charges - sanitation revenue		–						–		–
Service charges - refuse revenue		14 368	14 844	–	1 539	12 188	9 896	2 292	23%	14 632
Rental of facilities and equipment		693	558	–	2	8	372	(364)	-98%	691
Interest earned - external investments		469	–	–	–	–	–	–		1 244
Interest earned - outstanding debtors		4 964	2 966	–	1 105	13 491	1 977	11 514	582%	3 180
Dividends received		–	527	–	–	131	351	(220)	-63%	–
Fines, penalties and forfeits		3 123	3 870	–	234	1 998	2 580	(582)	-23%	3 380
Licences and permits		2 099	2 436	–	5	61	1 624	(1 563)	-96%	5 509
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		174 429	199 191	–	416	143 122	132 794	10 328	8%	174 720
Other revenue		18 064	38 108	–	8 183	49 879	25 405	24 474	96%	8 843
Gains		(2 310)	–	–	–	–	–	–		23 693
Total Revenue (excluding capital transfers and contributions)		**394 564**	**451 042**	**–**	**24 250**	**326 384**	**300 695**	**25 689**	**9%**	**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 - M08 February

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	Budget	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	1 957	1 957	1 957	71	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	12 205	12 205	12 205	21 879	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	1 113	1 113	1 113	(15 514)	13	13 948	13 226
Rental of facilities and equipment		–	–	1	2	2	1	–	2	38	38	38	332	454	474	454
Interest earned - external investments		–			–	–		–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors		637	763	7 999	663	983	677	664	1 105	633	4 624	759	(19 507)	–	–	–
Dividends received		–	129	1	–	–	–	1		–	–	–	(131)	–	–	–
Fines, penalties and forfeits		217	226	236	246	288	281	270	234	430	430	430	1 868	5 156	5 383	5 156
Licences and permits		9	(53)	19	23	37	16	5	5	203	203	203	1 768	2 438	2 548	2 548
Agency services		–	–		–	–							–	–		–
Transfers and Subsidies - Operational		75 683	3 348				63 779		416	16 349	16 349	16 349	3 918	196 191	215 979	238 145
Other revenue		5 350	4 242	4 087	9 155	4 797	4 172	9 789	8 183	144	144	144	(48 484)	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**	**33 072**	**37 063**	**33 198**	**(53 800)**	**375 917**	**417 072**	**405 883**
													–			

Summary of total Own revenue

LIM341 Musina - Table C7 Monthly Budget Statement - Cash Flow - M08 February

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	–	1 895	15 668	15 657	11	0%	
Service charges		72 168	159 815	–	12 410	85 951	106 543	(20 592)	-19%	
Other revenue		95 500	9 771	–	8 371	32 990	6 514	26 476	406%	
Transfers and Subsidies - Operational		129 975	196 191	–	416	143 122	130 794	12 328	9%	
Transfers and Subsidies - Capital		–	32 713	–		28 486	21 809	6 677	31%	
Interest		–	–	–	1 105	12 828	–	12 828	#DIV/0!	
Dividends								–		
Payments										
Suppliers and employees		(34 519)	(379 098)	–	(35 709)	(310 159)	(252 732)	57 427	-23%	
Finance charges		–	–	–			–	–		
Transfers and Grants		–	(4 390)		(78)	(762)	(2 927)	(2 165)	74%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		263 124	38 488	–	(11 590)	8 124	25 659	17 535	68%	–
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)	–	(3 270)	(13 838)	(25 142)	(11 304)	45%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(20 534)	(37 713)	–	(3 270)	(13 838)	(25 142)	(11 304)	45%	–
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	–	(14 860)	(5 714)	517			–
Cash/cash equivalents at beginning:		22 867	12 473	–		8 668	12 473			8 668
Cash/cash equivalents at month/year end:		265 377	13 248	–		2 954	12 990			8 668

4. Operational Expenditure

4.1 Operational Expenditure Performance by type as at 28 February 2023

LIM341 Musina - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	–	12 617	100 528	108 177	(7 649)	-7%	158 403
Remuneration of councillors		10 097	12 823	–	854	6 876	8 549	(1 673)	-20%	11 339
Debt impairment		41 885	38 307	–	–	–	25 538	(25 538)	-100%	8 325
Depreciation & asset impairment		31 885	27 942	–	–	–	18 628	(18 628)	-100%	34 265
Finance charges		122	–	–	–	–	–	–		1 777
Bulk purchases		137 919	121 518	–	48	122 840	81 012	41 828	52%	129 748
Other materials		4 200	2 993	–	204	1 572	1 995	(423)	-21%	8 414
Contracted services		37 408	38 078	–	2 144	16 812	25 385	(8 573)	-34%	37 767
Transfers and subsidies		4 565	–	–	374	2 998	–	2 998	#DIV/0!	6 073
Other expenditure		31 519	42 115	–	13 723	103 573	28 077	75 496	269%	32 534
Losses			–	–	–	–	–	–		
Total Expenditure		**451 283**	**446 041**	**–**	**29 964**	**355 199**	**297 361**	**57 838**	**19%**	**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 - M08 February

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	Budget	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	14 536	14 536	14 536	30 302	174 438	182 113	207 720
Remuneration of councillors		889	847	847	847	847	870	875	854	–	–	–	(6 876)	–	–	–
Interest paid		–			–	–		–	–	–	–	–	–	–	–	–
Bulk purchases - Electricity		54 000	2 048	6 799	47	7 118	52 684	96	48	10 126	10 126	10 126	(31 700)	121 518	126 227	127 199
Bulk purchases - Water & Sewer		–	–	–	–	–	–			249	249	249	2 246	2 993	3 125	3 910
Other materials		90	112	264	343	275	172	112	204	–	–	–	(1 572)	–	–	–
Contracted services		8 199	934	2 898	685	545	8 393	454	2 144	–	–	–	(24 252)	–	–	–
Grants and subsidies paid - other municipalities		–	–	–	-		–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other		373	369	377	374	379	378	374	374	–	–	–	(2 998)	–	–	–
General expenses		27 534	4 833	3 907	17 506	38	12 653	4 892	10 453	6 679	6 679	6 679	(21 704)	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**	**31 590**	**31 590**	**31 590**	**(56 554)**	**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	1 971	1 290	2 879	(20 458)	–	–	–
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**	**33 561**	**32 880**	**34 469**	**(77 012)**	**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)**	**2 237**	**6 909**	**1 455**	**19 261**	**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	5 192	12 101	13 556	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	5 192	12 101	13 556	32 816	32 816	82 787	94 607

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) - M08 February

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**	**–**	**1 174**	**5 073**	**1 000**	4 073	407%	**–**
Executive and council		(324)	1 500		1 125	1 125		1 125	#DIV/0!	
Finance and administration		18 910	1 500	–	49	3 948	1 000	2 948	295%	
Internal audit								–		
Community and public safety		**3 643**	**5 751**	**–**	**785**	**7 994**	**3 834**	4 160	109%	**–**
Community and social services		3 643	5 751	–	213	6 331	3 834	2 497	65%	
Sport and recreation					572	1 663	–	1 663	#DIV/0!	
Public safety								–		
Housing								–		
Health								–		
Economic and environmental services		**24 319**	**28 962**	**–**	**2 485**	**6 328**	**19 308**	(12 980)	-67%	**–**
Planning and development		25 210	27 962	–	1 488	5 331	18 641	(13 311)	-71%	
Road transport		(891)	1 000	–	997	997	667	330	50%	
Environmental protection								–		
Trading services		**430**	**–**	**–**	**–**	**–**	**–**	–		**–**
Energy sources		430						–		
Water management								–		
Waste water management								–		
Waste management								–		
Other								–		
Total Capital Expenditure - Functional Classificatio	3	**46 978**	**37 713**	**–**	**4 444**	**19 395**	**24 142**	**(4 747)**	**-20%**	**–**
Funded by:										
National Government		28 853	32 713		3 270	14 037	21 809	(7 772)	-36%	
Provincial Government								–		
District Municipality								–		
Transfers recognised - capital		**28 853**	**32 713**	**–**	**3 270**	**14 037**	**21 809**	**(7 772)**	**-36%**	**–**
Borrowing	6							–		
Internally generated funds			5 000		–	4 016	3 333	683	20%	
Total Capital Funding		**28 853**	**37 713**	**–**	**3 270**	**18 053**	**25 142**	**(7 089)**	**-28%**	**–**

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 - M08 February

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										
Operating expenditure of Transfers and Grants										
National Government:		–	198 183	–	78	78 089	132 122	(54 033)	-40.9%	–
Local Government Equitable Share		–	193 793	–	–	75 589	129 195	(53 606)	-41.5%	
Finance Management		–	3 000	–	78	1 111	2 000	(889)	-44.5%	
EPWP Incentive		–	1 390	–	–	1 390	927	463	50.0%	
0								–		
0								–		
0								–		
Other transfers and grants [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
0								–		
0								–		
0								–		
0								–		
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
Total operating expenditure of Transfers and Grants:		–	198 183	–	78	78 089	132 122	(54 033)	-40.9%	–
Capital expenditure of Transfers and Grants										
National Government:		–	32 713	–	3 270	14 322	21 809	(7 487)	-34.3%	–
0		–	32 713		3 270	14 322	21 809	(7 487)	-34.3%	
0								–		
0								–		
0								–		
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	–	3 270	14 322	21 809	(7 487)	-34.3%	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	230 896	–	3 348	92 411	153 931	(61 519)	-40.0%	–

6.2 Grants Expenditure Trends

The table below outlines the expenditure trend on MIG Grant:

LIM341 Musina - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

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		(4 649)		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		(759)		13 630	–		
December		2 726		(200)		16 357	–		
January		2 726		(240)		19 083	–		
February		2 726		(3 270)		21 809	–		
March		2 726				24 535	–		
April		2 726				27 261	–		
May		2 726				29 987	–		
June		2 726				32 713	–		
Total Capital expenditur	–	32 713	–	(14 318)					

6.3 Material Variances

EC102 Blue Crane Route - Supporting Table SC1 Material variance explanations - M08 February

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	**Revenue By Source**			
	Service Charges-Electricity revenue	(20 088)	Lower sales due to load shedding	Monitor this line Item and ensure that the income is allocated correctly
	Rental of facilities	(365)	Low bookings of municipal facilities	Monitor this line Item and ensure that the income is allocated correctly
	Interest earned- external investments	(351)	Lower repo rates	Monitor this line Item and ensure that the income is allocated correctly
	Fines,penalties and forfeits	(583)	Low collection	Apply credit control measures
	Licencs and permits	(1 562)	Lower registration of vehicles	Monitor this line Item and ensure that the income is allocated correctly
	Other Revenue	(24 046)	Awaiting proceeds of sale of stands	Work in progress
2	**Expenditure By Type**			
	Employee related cost	(7 649)	Appointment of Vacant posts	Work in progress
	Dept Impairment and Depriciation	(44 166)	Asset model not migrated with Finacial system	Actioned at year end
	Bulk Electricity	(15 811)	Load shedding effects	Monitor this line Item and ensure that the expenditure is allocated correctly
	Contracted Services	(8 574)	Most contracts will appoint during the last quarter	Work in progress
3	**Capital Expenditure**			
	Mig Projects	(6 312)	Low spending on projects	Will monitor this item ensure that allocation is spent 100% to avoid applying roll over
	Own Funded projects	4 789	Overspent due to increased number of projets	Item adjusted during the adjustment Budget
4	**Financial Position**			
	Current assets	898 749	The municipality is still working on its improving financial status	Implementation of fundind Plan
	Current liabilities	619 218	The municipality is still working on its improving financial status	Implementation of fundind Plan
	Net assets	236 058	The municipality is still working on its improving financial status	Implementation of fundind Plan
5	**Cash Flow**			
	Cash/cash equivalents at month end	2 954	The municipality is still in financial distress not all creditors are paid in 30 da	Work in progress, monitoring and implementation of funding Plan.
6	**Measureable performance**			
	Software licensing purchased	(0)	Ms office process will begin after appointment of service provider for ICT ha	To be realised in the 3rd or 4th quarter after SCM process is finalised
	Environmental clean up campaigns	(0)	Lack of participation by community due to the festive season	Rescheduled
7	**Municipal Entities**	,		
	N/A		N/A	N/A

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				
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				
Shakadza Multi Purpose Centre	5 487 497.66								1 333 440.40				
Mabvete Community hall	4 806 262.14								997 081.20				
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					
	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	3 115 467.87	-	-	-	-

7. Debtors Management

The age analysis of the outstanding trade debtors as at 28 February 2023 is reflected in the table below.

LIM341 Musina - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

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	6 606	1 554	1 077	762	863	766	2 637	15 139	29 404	20 167		–
Receivables from Non-exchange Transactions - Property Rates	1400	1 880	1 001	878	826	771	1 246	5 234	37 484	49 320	45 561		–
Receivables from Exchange Transactions - Waste Water Management	1500									–	–		
Receivables from Exchange Transactions - Waste Management	1600	1 713	882	243	215	197	186	585	3 423	7 444	4 606		–
Receivables from Exchange Transactions - Property Rental Debtors	1700									–	–		
Interest on Arrear Debtor Accounts	1810	653	630	612	712	580	569	2 642	9 861	16 259	14 364		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	2 563	1 569	1 583	1 339	1 143	1 200	3 674	24 489	37 560	31 845		–
Total By Income Source	**2000**	**13 415**	**5 636**	**4 393**	**3 854**	**3 554**	**3 967**	**14 772**	**90 396**	**139 987**	**116 543**	**–**	**–**
2021/22 - totals only										–	**–**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 986	1 118	759	685	585	856	3 418	24 492	33 899	30 036		–
Commercial	2300	3 910	1 005	768	823	845	1 072	4 141	25 869	38 433	32 750		–
Households	2400	7 519	3 513	2 866	2 346	2 124	2 039	7 213	40 035	67 655	53 757		–
Other	2500	–	–	–	–	–	–	–		–	–		–
Total By Customer Group	**2600**	**13 415**	**5 636**	**4 393**	**3 854**	**3 554**	**3 967**	**14 772**	**90 396**	**139 987**	**116 543**	**–**	**–**

7.2 Disconnection List

DISCONNECTION LIST FEBRUARY 2023			
	ELECTRICITY MUSINA	MUSINA	ELECTRICITY NANCEFIELD
TOWN	32	1	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	1	3948
ARRANGEMENTS	5	0	16
TOTAL DISCONNECTED	36	0	3321
PAID/RESPONDED	24	0	3406
TOTAL NOT DISCONNECTED	42	0	611
AMOUNT COLLECTED-TOWN	R 196 741.40		R 793 766.78
CREDIT CONTROL COLLECTION		R 990 508.18	

8. Creditors Management

The age analysis of the outstanding creditors as at **28 February 2023** was as outlined below:

LIM341 Musina - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February											
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	16 124	16 291	11 529	30	46 807				**90 782**	
Auditor General	0800									–	
Other	0900									–	
Total By Customer Type	**1000**	**16 124**	**16 291**	**11 529**	**30**	**46 807**	**–**	**–**	**–**	**90 782**	–

8.1 EXPENDITURE ANALYSIS

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

EXPENDITURE ANALYSIS

MONTH-END FEBRUARY 2023

DESCRIPTION	AMOUNT
ESKOM	47 960.45
SALARIES	10 421 720.26
SUNDRY CREDITORS	505 504.49
TRADE CREDITORS	4 305 164.54
SARS (PAYE VAT)	3 544 225.75
AUDITOR GENERAL	2 000 000.00
TELKOM	57 703.08
BANK CHARGES	60 885.46
DEBIT ORDERS	1 759 970.97
PORVERTY ALLIVIATION WORKERS	371 586.11
LEARNERS LGSETA	190 750.00
WARD COMMITTEE MEMBERS -STIPENS	103 974.91
SUB-TOTAL	**23 369 446.02**
Design and construction of Rhino Ridge Park	1 500 000.00
Service for landfill operation	498 806.00
Nancefield ext 9& 10 paved roads and stormwater management	286 881.27
Construction of Tshikhudini community hall	191 526.75
Construction of Mabvete community hall	548 578.90
Construction of Shakadza multipurpose centre	378 750.65
Electrification of malale	73 795.50
Nancefield ext 9$10 paved roads and stormwater management	256 731.75
Construction of Mabvete community hall	403 652.07
payment to construction of Lesley Manyathela stadium	209 484.00
Allocation of design and supervision for electrification of Rhino Ridge	2 246 380.68
SUB-TOTAL	6 594 587.57
TOTAL EXPENDITURE	**29 964 033.59**

VDM	1047.94
TELKOM	57 703.08
	19 657.88
	78 408.90
	30 042 442.49

8.2 Outstanding Creditors

OUTSTANDING CREDITORS February 2023

SUPPLIER	February
ESKOM DEBT	26 961 140.34
ESKOM CURRENT ACCOUNT	44 218 509.47
DEPARTMENT OF TRANSPORT	8 475 358.58
CONTRACTED SERVICES	9 242 538.51
SUPPLIERS	1 884 162.10
TOTAL	**90 781 709.00**

9. Cash Management

The table below provides a breakdown of the cash and cash equivalents at end of 28 February 2023.

MONTHLY REPORT

DEPARTMENT OF THE CHIEF FINANCIAL OFFICER

BANK RECONCILIATION AS 28 FEBRUARY 2023

	BALANCE AS ON 31 JANUARY 2023		8 668 450.53
LESS:	EXPENDITURE	29 964 033.59	
	RETURNED CHEQUE	-	
	DAY CALL	-	
	TOTAL EXPENDITURE	29 964 033.59	
PLUS:	INCOME	19 750 068.39	
	INCOME NOT RECEIPTED		
	CANCELLED STALE CHEQUES		
	DAY CALL	4 500 000.00	
	TOTAL REVENUE	24 250 068.39	
	BALANCE AS ON 28 FEBRUARY 2023		2 954 485.33

	BALANCE AS PER BANK STATEMENT	2 954 485.33
LESS:	OUTSTANDING CHEQUE	-
		2 954 485.33

interest 10.50%

TRAFFIC	192 188.23
BALANCE AS ON 28 FEBRUARY 2023	3 146 673.56

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

10. Recommendations

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