

1.Finance Section 80 Committee: 2023-04-14

Report of the CHIEF FINANCIAL OFFICER

SECT 71 / 52 QUARTER 3: FINANCIAL REPORT ENDING 31 MARCH 2023

1. PURPOSE

The purpose of this report is to present a Section 71- M09 read with Section 52 report of the MFMA by providing a monthly and quarterly statement on the implementation of the budget and the financial state of affairs for the municipality.

for the period ending **MARCH 2023** for consideration and noting.

2. LEGISLATION

A) In terms of Section 71 of the Municipal Finance Management Act 56 of 2003.

(1). The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on –
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) When necessary, an explanation of-
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipalities approved budget.

(2) The statement must include –

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
 - (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- B) In terms of the Municipal Finance Management (Act 56 of 2003) Section 52.

CHAPTER 7

RESPONSIBILITIES OF MAYORS

52. General Responsibilities.—the mayor of a municipality—

- a) must provide general political guidance over the fiscal and financial affairs of the municipality;
- b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities.
- c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
 - (i) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and
 - (ii) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

3. DISCUSSION

3.1 Executive summary: Outcome of the operational and capital budget ending MARCH 2023

Section 71 and Section 52 of the Municipal Finance Management Act deals with requirements for a monthly and quarterly budget and performance assessment report distinctively, of which the objective is finally to report on the financial status of the municipality.

The performance for the third quarter ending March 2023, revenue amounted to R 743 957 million year-to-date actuals against the year-to-date budget of R 703 513 million with the favorable percentage of 4%, whilst the expenditure incurred amounted to R 544,371 million year-to-date against the year-to-date budget of R 829,134 million with the favorable percentage of -34%.

The municipality's monthly budget statement for the period ending 31 MARCH 2023 is summarized in table C1 of the C schedule and is as follows:

3.2 Table C 1- Quarterly Budget statement summary- Quarter 3:

MP302 Maukaligwa - Table C1 Monthly Budget Statement Summary - M09 March									
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	181,646	207,037	230,134	17,119	151,663	164,517	(12,854)	-8%	230,134
Service charges	394,104	411,350	438,265	33,706	309,439	319,279	(9,840)	3%	438,265
Investment revenue	1,098	932	3,133	411	2,799	1,579	1,219	77%	3,133
Transfers and subsidies	207,661	231,689	243,694	63,707	235,495	178,589	56,927	32%	243,694
Other own revenue	118,462	55,001	63,574	4,127	35,542	39,570	(4,028)	10%	63,574
Total Revenue (excluding capital transfers and contributions)	902,911	907,009	978,800	119,070	734,957	703,513	31,444	4%	978,800
Employee costs	248,969	276,107	277,539	22,490	200,315	207,697	(7,382)	-4%	277,539
Remuneration of Councilors	15,489	18,513	18,513	959	9,495	13,865	(4,390)	-32%	18,513
Depreciation & asset impairment	141,732	140,616	131,613	-	66,821	101,861	(33,040)	-32%	131,613
Finance charges	87,000	-	28,000	-	-	11,200	(11,200)	-100%	28,000
Inventory consumed and bulk purchases	415,490	400,647	403,233	25,968	181,192	301,100	(119,908)	-40%	403,233
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	252,001	289,480	273,197	27,146	104,549	193,391	(108,843)	-56%	273,197
Total Expenditure	1,160,681	1,125,364	1,132,096	76,572	544,371	829,134	(284,763)	-34%	1,132,096
Surplus/(Deficit)	(257,770)	(218,355)	(153,295)	42,499	190,586	(125,621)	316,207	-252%	(153,295)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	303,435	292,052	296,052	-	-	220,639	82,813	-100%	296,052
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)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	45,665	73,697	142,757	42,499	190,586	95,018	95,568	101%	142,757
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	45,665	73,697	142,757	42,499	190,586	95,018	95,568	101%	142,757
Capital expenditure & funds source									
Capital expenditure	5,383	297,835	427,255	28,224	158,734	334,146	(175,412)	-52%	427,255
Capital transfers recognised	2,147	292,052	412,580	27,980	154,400	325,240	(170,800)	-53%	412,550
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	3,236	5,783	14,705	244	4,294	8,906	(4,611)	-52%	14,705
Total sources of capital funds	5,383	297,835	427,255	28,224	158,734	334,146	(175,412)	-52%	427,255
Financial position									
Total current assets	667,132	807,352	470,983	-	1,018,044	-	-	-	470,983
Total non-current assets	2,717,826	2,701,046	65,565	-	2,907,088	-	-	-	65,565
Total current liabilities	1,985,757	1,674,180	2,346,257	-	2,157,700	-	-	-	2,346,257
Total non-current liabilities	89,077	82,974	181,767	-	181,077	-	-	-	181,767
Community wealth/ equity	1,340,492	1,850,866	(2,268,102)	-	1,589,745	-	-	-	(2,288,102)
Cash flows									
Net cash from (used) operating	927,066	209,815	798,571	474,625	479,317	508,020	119,611	20%	798,571
Net cash from (used) investing	(4,984)	(207,835)	(290,055)	(20,180)	(158,416)	(224,201)	(65,874)	28%	(209,055)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	926,257	3,000	509,178	-	321,271	384,299	63,028	15%	499,888
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	82,167	26,528	22,905	20,801	20,957	39,979	100,281	448,704	1,041,401
Creditors Age Analysis									
Total Creditors	618	4,316	27,887	-	-	-	-	1,443,010	1,471,667

3.2.1

Operational revenue

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	Budget Year 2022/23								
		2021/22 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		181,646	207,037	230,134	17,119	151,663	164,517	(12,834)	-8%	230,134
Service charges - electricity revenue		240,824	246,323	254,046	18,802	173,595	187,832	(14,237)	-8%	254,046
Service charges - water revenue		64,326	67,192	75,529	6,154	55,142	53,729	1,414	3%	75,529
Service charges - sanitation revenue		48,774	52,787	58,547	4,722	43,497	41,894	1,603	4%	58,547
Service charges - refuse revenue		40,181	45,048	50,142	4,027	37,204	35,824	1,380	4%	50,142
Rental of facilities and equipment		2,720	2,700	2,851	294	2,203	2,085	117	6%	2,851
Interest earned - external investments		1,098	932	3,133	411	2,799	1,579	1,219	77%	3,133
Interest earned - outstanding debtors		29,709	31,001	35,060	3,239	27,048	19,415	7,633	39%	35,060
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4,771	5,177	5,174	17	138	3,681	(3,743)	-96%	5,174
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		8,001	8,490	8,490	-	-	6,368	(6,368)	-100%	8,490
Transfers and subsidies		207,661	231,689	243,694	63,707	235,495	178,569	56,927	32%	243,694
Other revenue		6,113	8,633	11,999	514	5,337	7,821	(2,484)	-32%	11,999
Gains		67,088	-	-	63	816	-	816	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		902,911	907,009	978,800	119,070	734,957	703,513	31,444	4%	978,600

Property Rates - Unfavourable variance of R (12,834) million (-8%) for the period due to publication of supplementary valuation roll to be implemented in the next quarter.

Electricity – Unfavourable variance of R (14,237) million (-8%) for the period due to lower purchased of pre-paid tokens due to bypassing or illegal connections and incorrect billing user's consumption in previous month(s) than budgeted.

Water revenue – Favourable variance of R 1,414 million (3%) for the period due to the implementation of revenue enhancements, Credit Control and Debt Collections policy in the previous month(s) than budgeted.

Sanitation revenue - Favourable variance of R 1,603 million (4%) for the period due to revenue enhancement in the previous months, and the implementation of disconnection to non-payment consumers and illegal connections than budgeted.

Refuse revenue – Favourable variance of R 1,380 million (4%) for the period due to revenue enhancement in the previous months, and the implementation of disconnection to non-payment consumers than budgeted.

Rental of Facilities - Favourable variance of R 117 thousand (6%) for the period due to the use of Municipal facilities and lower collections of rental income from hall facilities.

Interest earned - external investments - Favourable variance of R 1,219 million (77%) for the period due to short term investment for funds not needed immediately.

Interest earned - outstanding debtors - Favourable variance of R 7,633 million (39%) for the period due to increasing of the debtor's book due to non-payment of debtors.

Fines, Penalties and Forfeits - Unfavourable variance of R (3,743) million (-96%) for the period due to non-payment of traffic fines. Performance is also hampered by the deficiencies in internal control.

Transfers and subsidies - Operating: Favourable variance of R 56,927 million (32%) for the period due to equitable share receipt.

Other revenue - Unfavourable variance of R (2,484) million (-32%) for the period due to lower revenue collected for rendered services than anticipated budget.

3.2.2 Operational expenditure:

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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		248,969	276,107	277,539	22,490	200,315	207,697	(7,382)	-4%	277,539
Remuneration of councillors		15,489	18,513	18,513	969	9,495	13,885	(4,390)	-32%	18,513
Debt impairment		121,120	156,536	108,304	-	-	83,889	(83,889)	-100%	108,304
Depreciation & asset impairment		141,732	140,616	131,613	-	68,821	101,861	(33,040)	-32%	131,613
Finance charges		87,000	-	28,000	-	-	11,200	(11,200)	-100%	28,000
Bulk purchases - electricity		321,544	319,126	319,126	24,376	164,459	239,344	(74,885)	-31%	319,126
Inventory consumed		93,946	81,522	84,108	1,590	16,733	61,756	(45,023)	-73%	84,108
Contracted services		54,762	75,718	97,572	11,525	39,275	63,659	(24,384)	-38%	97,572
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		41,752	57,226	67,322	15,621	45,274	45,843	(569)	-1%	67,322
Losses		34,367	-	-	-	-	-	-	-	-
Total Expenditure		1,160,681	1,125,364	1,132,096	76,572	544,371	829,134	(284,763)	-34%	1,132,096

Employee related costs – Favourable variance of R (7,382) million (-4%) on the year-to-date approve budget is due overtime limitation.

Remuneration of councillors - Favourable variance of R(4,390) million (-32%) due to none payment of upper limits and other allowances, remuneration of councillors still within the norm.

Debt impairment - Favourable variance of R (83,889) million (-100%) the municipality has not impaired doubtful debts for the period against the approved budget.

Depreciation & asset impairment - Favouable variance of R (33,040) million (-32%) due to lower depleted assets or reduntant that incurred higher impairment.

Finance charges – Favourable variance of R (11,200) million (-100%) due to incorect classification on the interest charged.

Bulk purchases – electricity - Favourable variance of R (74,885) million (-31%) due to some of the invoices not yet captured on the system.

Inventory consumed – Favourable variance of R (45,023) million (-73%) due to the maintained needs of materials and supplies by the departments, and also limit the overspending by implementing cost containment measures. None billed and invoiced of bulk water for the period.

Contracted services - Favourable variance of R(24,384) million (-38%) due to implementation of cost containment measures for the utilisation of other contracted services.

Other expenditures - Favourable variance of R(569) thousand (-1%) due to cost containment measures eliminate overspending to be lower than the approved budget.

3.2.3 Capital budget

CAPITAL GRANTS SPENDING								
TYPE of GRANTS	Original allocation	Adjusted allocation	Received to date	Spent to date	Remaining on budget	Remaining on Receipts	% against allocation	% against Receipts
MIG	R 60,055,000.00	R 0.00	R 60,055,000.00	R 42,891,281.79	R 17,163,718.21	R 17,163,718.21	71%	71%
EEDSM	R 4,000,000.00	R 0.00	R 4,000,000.00	R 3,050,333.36	R 949,666.64	R 949,666.64	76%	76%
WSIG	R 60,000,000.00	R 0.00	R 60,000,000.00	R 14,617,374.68	R 45,382,625.32	R 45,382,625.32	24%	24%
RBIG	R 175,000,000.00	R 0.00	R 175,000,000.00	R 107,677,237.45	R 67,322,762.55	R 67,322,762.55	62%	62%
	R 299,055,000.00	R 0.00	R 299,055,000.00	R 168,236,227.28	R 130,818,772.72	R 130,818,772.72	58%	58%

Grants receipt – The report for grant receipts shown in the table above has been prepared based on the Division of Revenue Act (DORA) allocation, the year-to-date actuals receipt of R 299 055 million (100%) for the period ending 31 March 2023 against the year-to-date budgeted target (DORA) of R 299 055 million (100%)

Grants expenditure – The capital expenditure has been prepared based on the actual spending vs original allocation. The capital expenditure year-to-date spending for the period is R 168 236 million (58%), on the year-to-date budgeted target of R 224 291 million (75%). Remaining on budget of R 130 818 million against the spending to date of R 168 236 million.

3.2.4 Debtors

MP302 Msukaligwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

R thousands	Description	NT Code	Budget Year 2022/23								Total
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	
Debtors Age Analysis By Income Source											
	Trade and Other Receivables from Exchange Transactions - Water	1200	11,766	5,109	3,198	3,215	1,030	3,774	16,048	105,146	202,026
	Trade and Other Receivables from Exchange Transactions - Electricity	1300	21,661	4,970	3,704	3,226	3,034	3,020	13,639	90,086	143,499
	Receivables from Non-exchange Transactions - Property Rates	1400	24,397	6,970	5,851	5,465	5,153	4,999	24,747	100,361	177,961
	Receivables from Exchange Transactions - Waste Water Management	1500	8,503	3,106	2,978	2,685	2,871	2,891	13,589	94,813	131,647
	Receivables from Exchange Transactions - Waste Management	1600	7,661	2,867	2,747	2,680	2,551	2,583	12,522	92,056	125,886
	Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-
	Interest on Arrear Debtor Accounts	1810	6,514	3,137	3,054	2,986	2,902	2,847	15,947	215,871	253,262
	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
	Other	1900	1,065	330	378	394	298	786	3,100	372	7,213
	Total By Income Source	2000	82,187	26,528	22,006	20,801	20,087	20,979	100,241	748,704	1,041,493
Debtors Age Analysis By Customer Group											
	Organs of State	2200	8,987	2,150	1,094	1,475	1,447	1,656	7,239	32,710	57,369
	Commercial	2300	28,111	6,912	4,536	4,395	3,910	3,795	19,206	146,694	217,824
	Households	2400	42,002	16,570	14,910	14,343	13,972	14,617	60,220	541,302	726,936
	Other	2500	2,765	867	861	768	737	931	4,575	27,298	39,364
	Total By Customer Group	2800	82,187	26,528	22,006	20,801	20,087	20,979	100,241	748,704	1,041,493

The total outstanding debtors, as of 31 March 2023, is reported as R 1 041 493 billion. In the second quarter the debtors amounted to R1 040 395 billion. An increase of 0,11% or R 1 098 million. Due to the implementation of Credit Control and Debt Collection in the previous months. Demand letters were issued to value of R8,360,279.95 whilst the nonresponsive consumer disconnections were implemented. The implementation of revenue enhancement and Credit Control and Debt Collection has a resulted to actual collection of R1,047,340.97 million.

3.2.5 Creditors

- The total outstanding creditors as of 31 March 2023 amounts to R 1 475 067 billion (Quarter2-R 1 411 billion).

MP302 Msukaligwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

R thousands	Description	NT Code	Budget Year 2022/23							Over 1 Year	Total
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year		
Creditors Age Analysis By Customer Type											
	Bulk Electricity	0100	-	-	-	-	-	-	-	383,099	383,099
	Bulk Water	0200	-	-	1,261	-	-	-	-	974,286	975,546
	PAYC deductions	0300	-	-	-	-	-	-	-	-	-
	VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
	Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
	Loan repayments	0600	-	-	-	-	-	-	-	-	-
	Trade Creditors	0700	-	2,083	25,824	-	-	-	-	82,971	111,679
	Auditor General	0800	-	-	-	-	-	-	-	-	-
	Other	0900	648	1,433	-	-	-	-	-	2,661	4,743
	Total By Customer Type	1000	648	4,316	27,087	-	-	-	-	1,443,016	1,475,087

TOP TEN CREDITORS FOR MARCH 2023

SUPPLIER NUMBER	SUPPLIER NAME	AMOUNT
ED251	DEPARTMENT OF WATER AND SANITATION	975,546,372.13
EE265	ESKOM	383,099,176.65
ED243	DCSSL	111,678,777.74
01	303 SECURITY SERVICES	2,651,277.77
.87	N AND C MAINTENANCE AND SPARES (PTY) LTD	558,534.30
EE301	EMS SOLUTIONS (PTY) LTD	485,995.44
43	TMN KGOMO	398,095.58
EN167	NGWANA DYNAMICS PTY LTD	9,900.00
EE272	EMALANGENI TECHNOLOGIES PTY (LTD)	638,891.40
	TOTAL	1,475,067,021.01

An amount of R 28 853 658.06 million was paid in February and March 2023 after ESKOM billing, which is not reflected on the invoice attached, the billing was already done when the municipality made the payment. DWS accounts is currently in disputes

3.2.6 Cash flow

The available cash flow at end of March 2023 amounted to R 165 451 700.16

MP302 Msukaligwa - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		207,796	133,248	150,571	12,423	114,472	112,929	1,544	1%	150,571
Service charges		360,887	385,213	406,211	24,500	230,469	304,658	(74,189)	-24%	406,211
Other revenue		206,751	95,675	40,622	308,501	503,564	30,467	473,097	1553%	40,622
Transfers and Subsidies - Operational		289,167	228,686	240,692	63,707	235,549	235,549	-		240,692
Transfers and Subsidies - Capital		82,913	295,055	299,055	33,355	299,055	299,055	-		299,055
Interest		33	932	3,133	-	-	2,349	(2,349)	-100%	3,133
Dividends										
Payments										
Suppliers and employees		(220,481)	(838,995)	(643,385)	32,139	(1,170,160)	(629,246)	540,914	-86%	(313,713)
Finance charges		-	-	(28,000)	-	-	(21,000)	(21,000)	100%	(28,000)
Transfers and Grants										
NET CASH FROM/(USED) OPERATING ACTIVITIES		927,066	299,815	468,899	474,625	212,949	334,761	121,811	36%	798,571
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		399	-	-	63	317	-	317	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(5,383)	(297,835)	(299,055)	(28,224)	(168,236)	(224,291)	(56,055)	25%	(299,055)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4,984)	(297,835)	(299,055)	(28,160)	(167,920)	(224,291)	(56,372)	25%	(299,055)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		922,082	1,980	169,844	446,465	45,030	110,470			499,516
Cash/cash equivalents at beginning:		6,175	1,020	9,662	526	120,386	9,662			120,386
Cash/cash equivalents at month/year end:		928,257	3,000	179,506		165,416	120,132			619,902

3.2.7 Monthly Budget Statement - Financial Position TABLE C6 – MARCH 2023

Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1	Current Assets	0.47
			Current Liabilities	
				1,018,944
				2,167,700


- **Current- and liquidity ratio calculated as per the above-mentioned table;**
 - The current ratio (Current assets/ Current liabilities) for the year to date is 47% less than the municipal liability.
 - The ideal rate is a ratio of 2:1. The municipalities ratio is therefore 0.47:1

MP302 Msukaligwa - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	Budget Year 2022/23				
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		50,160	252,685	142,445	168,879	142,445
Call investment deposits		(49,789)	-	6,602	(9,290)	6,602
Consumer debtors		203,581	395,611	162,861	346,262	162,861
Other debtors		450,176	159,072	159,072	491,109	159,072
Current portion of long-term receivables		-	-	-	-	-
Inventory		13,004	(17)	(17)	21,984	(17)
Total current assets		667,132	807,352	470,963	1,018,944	470,963
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		180,113	120,037	180,113	180,113	180,113
Investments in Associate		-	-	-	-	-
Property, plant and equipment		2,537,476	2,660,807	(114,933)	2,627,642	(114,933)
Biological		-	-	-	-	-
Intangible		62	-	62	39	62
Other non-current assets		175	202	323	175	323
Total non current assets		2,717,826	2,781,046	65,565	2,807,968	65,565
TOTAL ASSETS		3,384,958	3,588,398	536,528	3,826,913	536,528
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		19,244	3,511	15,733	20,066	15,733
Trade and other payables		1,900,403	1,648,508	2,356,773	2,080,525	2,356,773
Provisions		66,110	22,161	(26,249)	67,109	(26,249)
Total current liabilities		1,985,757	1,674,180	2,346,257	2,167,700	2,346,257
Non current liabilities						
Borrowing		1,223	2,643	(13,084)	1,223	(13,084)
Provisions		87,853	80,331	194,850	87,853	194,850
Total non current liabilities		89,077	82,974	181,767	89,077	181,767
TOTAL LIABILITIES		2,074,834	1,757,154	2,528,024	2,256,777	2,528,024
NET ASSETS	2	1,310,125	1,831,244	(1,991,496)	1,570,136	(1,991,496)
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,340,492	1,850,686	(2,266,102)	1,585,745	(2,266,102)
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1,340,492	1,850,686	(2,266,102)	1,585,745	(2,266,102)

3.2.8 MANAGEMENT RECOMMENDATIONS:

1. That the Finance Section 80 Committee **NOTES** the March 2023 **Section 71/52 Budget Statement report** for Month 09 / Quarter 3.
2. That the Finance Section 80 Committee **NOTES** that the outstanding amount owed by the municipality to **Eskom** for Quarter ending March 2023 amount to **R 348 177 560.38**
3. That the Finance Section 80 Committee **NOTES** that the outstanding amount owed by the municipality to **DWS** for Quarter ending 31 March 2023 amounts to **R 980 077 604.00**
4. That the Finance Section 80 Committee **NOTES** that the outstanding amount owed by the Municipality to **DCSSL** for Quarter ending 31 March 2023 amounts to **R 108 522 239.82**



CHIEF FINANCIAL OFFICER
MR. P.J NHLABATHI

QUALITY CERTIFICATE

MP 302 MSUKALIGWA LOCAL MUNICIPALITY

I, M. KUNENE, the Municipal Manager of Msukaligwa Local Municipality, hereby certify that the monthly budget statement report and supporting documentation for submission of the **THIRD QUARTER** section 52 quarterly report of 2022/2023, (inclusive of section 71 report for the month of **MARCH 2023**), has been prepared in accordance with the Municipal management act and the regulations made under the Act.

Municipal Manager of Msukaligwa Local Municipality

Name: MR. M. KUNENE

Position: Municipal Manager: MP 302 Msukaligwa local municipality

Signature:



Date:

14 / 4 / 23