



Msukaligwa Local Municipality

MID-YEAR BUDGET AND PERFORMANCE REPORT

31 MARCH 2024



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 situation for the municipality for the Quarter ending **31 MARCH 2024** 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 31 MARCH 2024

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.

Revenue performance

For the period ending 31 March 2024 actual total revenue reflected at R 803 million from its budgeted amount of R 812 million which is equivalent to an unfavourable balance of 1% or R 9 million against the budgeted revenue. Revenue from Property Rates and Service Charges are main revenue sources for the municipality.

Expenditure performance

For the period ending 31 March 2024 actual total expenditure reflected at R 886 million against a budgeted amount of R 928 million with a favourable balance of 5% or R 42 million. The current trend for the period ending 31 March 2024 indicates a significant increase in cost items such as inventory consumed and operational costs to ensure provision of sustainable service delivery to the community.

Capital performance

The capital performance reports are mainly funded through grants and performance on all grants is above 77% except the RBIG which is implemented by the district.

The picture below depicts the high-level financial performance for the third quarter.

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

Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands									
Revenue									
Total Revenue (excluding capital transfers and contributions)		1 035 997	1 070 078	1 094 863	132 788	803 412	812 472	(9 060)	1 094 863
Expenditure By Type									
Total Expenditure		1 250 177	1 161 047	1 285 770	77 999	606 858	928 162	(321 305)	1 285 770
Surplus/(Deficit)		(214 181)	(90 970)	(190 908)	54 790	196 554	(115 691)	312 245	(190 908)

The municipality's monthly budget statement for the period ending 31 MARCH 2024 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 Msukaligwa - Table C1 Monthly Budget Statement Summary - M09 March

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	202 863	242 332	206 332	17 111	153 488	167 349	(13 861)	-8%	206 332
Service charges	407 318	494 951	510 314	46 999	347 126	377 358	(30 232)	-8%	510 314
Investment revenue	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	242 386	260 523	273 535	63 300	254 721	200 597	54 124		273 535
Other own revenue	183 429	72 272	104 682	5 379	48 077	67 168	(19 091)	-28%	-
Total Revenue (excluding capital transfers and contributions)	1 035 997	1 070 078	1 094 863	132 788	803 412	812 472	(9 060)	-1%	1 094 863
Employee costs	265 422	301 679	301 680	24 644	218 442	226 201	(7 759)	-3%	301 680
Remuneration of Councillors	17 362	19 494	19 494	993	8 658	14 621	(5 963)	-41%	19 494
Depreciation and amortisation	144 109	138 589	138 589	26 186	236 648	103 942	132 707	128%	138 589
Interest	99 032	8 484	27 684	10 508	42 459	14 043	28 416	202%	27 684
Inventory consumed and bulk purchases	427 665	423 852	488 996	36 694	279 107	345 625	(66 518)	-19%	488 996
Transfers and subsidies	-	-	12 450	2 119	2 119	4 980	(2 861)	-57%	12 450
Other expenditure	296 587	268 950	296 877	13 549	98 531	218 751	(120 220)	-55%	296 877
Total Expenditure	1 250 177	1 161 047	1 285 770	114 692	885 965	928 162	(42 198)	-5%	1 285 770
Surplus/(Deficit)	(214 181)	(90 970)	(190 908)	18 096	(82 553)	(115 691)	33 138	-29%	(190 908)
Transfers and subsidies - capital (monetary allocations)	258 080	146 349	146 349	-	8 000	109 762	(101 762)	-93%	146 349
Transfers and subsidies - capital (in-kind)	238	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	44 137	55 379	(44 559)	18 096	(74 553)	(5 929)	(68 624)	1157%	(44 559)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	44 137	55 379	(44 559)	18 096	(74 553)	(5 929)	(68 624)	1157%	(44 559)
Capital expenditure & funds sources									
Capital expenditure	-	166 448	168 659	6 973	94 361	130 209	(35 848)	-28%	168 659
Capital transfers recognised	-	146 348	137 915	6 851	82 620	108 431	(25 811)	-24%	137 915
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	20 100	30 744	122	11 741	21 778	(10 037)	-46%	30 744
Total sources of capital funds	-	166 448	168 659	6 973	94 361	130 209	(35 848)	-28%	168 659
Financial position									
Total current assets	848 404	512 724	553 532		1 128 951				553 532
Total non current assets	2 832 968	2 849 706	2 851 917		2 927 329				2 851 917
Total current liabilities	2 082 093	1 372 290	539 915		2 144 330				539 915
Total non current liabilities	105 005	155 178	155 178		105 005				155 178
Community wealth/Equity	1 655 415	1 834 962	2 710 356		1 806 945				2 710 356
Cash flows									
Net cash from (used) operating	1 150 281	169 663	149 140	254 422	601 792	111 855	(489 937)	-438%	149 140
Net cash from (used) investing	(173)	(166 448)	(164 990)	(6 851)	(93 291)	(123 742)	(30 452)	25%	(164 990)
Net cash from (used) financing	1 500	-	-	(27)	485	-	(485)	-	-
Cash/cash equivalents at the month/year end	1 161 282	4 415	60 504	-	587 691	64 466	(523 225)	-812%	62 855
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	99 477	25 917	23 567	23 723	22 709	23 261	117 035	957 739	1 293 428
Creditors Age Analysis									
Total Creditors	1 383 907	90 622	-	130 006	-	-	-	-	1 604 535

3.2.1

Operational revenue

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

Description	Ref	2022/23	Budget Year 2023/24							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		226 104	300 969	311 792	20 887	198 328	230 056	(31 728)	-14%	311 792
Service charges - Water		74 237	79 532	82 824	16 839	64 048	60 966	3 082	5%	82 824
Service charges - Waste Water Management		57 677	61 650	62 061	4 997	45 670	46 402	(732)	-2%	62 061
Service charges - Waste management		49 300	52 800	53 638	4 276	39 081	39 935	(854)	-2%	53 638
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-
Agency services		6 886	8 940	-	-	-	3 129	(3 129)	-100%	-
Interest		4 854	1 500	5 000	461	4 473	2 525	1 948	77%	5 000
Interest earned from Receivables		-	-	-	-	-	-	-	-	-
Interest from Current and Non Current Assets		-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2 920	2 741	3 155	258	2 120	2 222	(101)	-5%	3 155
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		117 616	12 896	45 316	575	6 500	22 640	(16 140)	-71%	45 316
Non-Exchange Revenue										
Property rates		202 863	242 332	206 332	17 111	153 488	167 349	(13 861)	-8%	206 332
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5 704	5 448	5 457	16	132	4 090	(3 957)	-97%	5 457
Licence and permits		3 488	3 829	89	6	66	1 376	(1 310)	-95%	89
Transfers and subsidies - Operational		242 386	260 523	273 535	63 300	254 721	200 597	54 124	27%	273 535
Interest		37 111	36 918	45 665	4 062	34 689	31 187	3 502	11%	45 665
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		4 850	-	-	-	97	-	97	#DIV/0!	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 035 997	1 070 078	1 094 863	132 788	803 412	812 472	(9 060)	-1%	1 094 863

Property Rates - Unfavourable variance of R 13 861 million due to the performance of property rates below by (-8%) against the estimated revenue of R 167 million whilst the municipality continue to valueate properties as and when required to increase revenue base. The under collection on rates is based on the actual of the past mid-year performance which is expected to remain throughout the financial year under review..

Electricity – Unfavourable variance of R 31 728 million for the quarter due to the actual revenue generation is (-14%) below the anticipated revenue, the municipality is in a process to installed new prepaid & conventional meters to Bulk Consumers to increase electricity revenue. Decrease on prepaid purchases caused low purchase as result in the main of illegal connections.

Water revenue – Favourable variance of R 3 082 million for the quarter due to the Water revenue is above by 5%, due to the replacement of water meters.

Sanitation revenue - Unfavourable variance of R 732 thousand for the quarter as per revenue projection.

Refuse revenue –Unfavourable variance of R 854 thousand for the quarter as per revenue projection.

Agency Services- this has been adjusted downwards due to department being transferred to the Department.

Rental of Facilities - Rental of facilities and equipment is as per the projected amount.

Interest earned - external investments – Funds that are not needed immediately and capital grants are invested in short term investments.

Interest earned - outstanding debtors - Favourable variance of R 3 502 million 11% for the quarter due to increasing of the debtor's book due to non-payment of debtors.

Fines, Penalties and Forfeits – The performance is below by 97%, this is a result of ineffective fines collection system, the municipality appointed a service provider for the enforcement of all fines.

Licence and permits – Unfavourable variance of R 1 310 million (-95%) for the quarter due to the non-enforcement of Municipal policy for trading licences and permits. The municipality collect revenue on behalf of the Department of Community Safety Liaison and Security on the 80:20, the revenue to be generated from this source could not be realised

Transfers and subsidies - Operating: Grants were paid as per the National Treasury approved payment schedules, also the municipality received extra funding from Provincial Treasury to improve its data integrity on revenue.

Other revenue - Operational revenue is below by (-71%).

3.2.2 Operational expenditure:

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		265 422	301 679	301 680	24 644	218 442	226 201	(7 759)	-3%	301 680
Remuneration of councillors		17 362	19 494	19 494	993	8 658	14 621	(5 963)	-41%	19 494
Bulk purchases - electricity		317 779	336 039	336 039	26 186	236 648	252 029	(15 381)	-6%	336 039
Inventory consumed		109 886	87 812	152 957	10 508	42 459	93 595	(51 137)	-55%	152 957
Debt impairment		148 238	114 044	114 044	9 504	14 255	85 533	(71 277)	-83%	114 044
Depreciation and amortisation		144 109	138 589	138 589	11 549	17 324	103 942	(86 618)	-83%	138 589
Interest		99 032	8 484	27 684	2 307	3 461	14 043	(10 583)	-75%	27 684
Contracted services		79 261	84 368	103 818	10 870	56 376	71 781	(15 405)	-21%	103 818
Transfers and subsidies		-	-	12 450	2 119	2 119	4 980	(2 861)	-57%	12 450
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		57 123	70 538	79 015	2 679	42 154	61 437	(19 282)	-31%	79 015
Losses on Disposal of Assets		11 965	-	-	-	0	-	0	#DIV/0!	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1 250 177	1 161 047	1 285 770	101 358	641 897	928 162	(286 266)	-31%	1 285 770

Employee related costs – The year-to-date actual expenditure is below by 3% to the budgeted amount due unfilled budgeted position and saving on employee related costs transferred to the Department of Community Safety Security and Liaison. The actuals employee related costs including Councillor Allowances represent 35% of the operating expenditure.

Remuneration of councillors - The year to date actual expenditure spending is below by 41%, the allowance are mapped in the employee related cost.

Debt impairment - The actuals expenditure is as per the projected collection rate of 75% however municipality is implementing Revenue Enhancement strategies to ensure collection on outstanding debtors.

Depreciation & asset impairment - The actuals expenditure is as per the projected.

Finance charges – The municipality applied for the Eskom Debt Relief in terms of Circular 124 of the MFMA issued by National Treasury, the Municipality was approved by National Treasury on the 29 September 2023 all interest charged since April 2023 to 31st December 2023 will be written-off.

Bulk purchases – electricity - The year-to-date actual is less than the budgeted amount by 6%, Due eskom tariff increase which is effective from 1st April 2024 as well as provision of winter tariffs. .

Inventory consumed – Actuals expenditure is less than 55% of the budgeted amount due store issue transaction not yet recorded..

Contracted services - The quarterly performance is at 21% above budgeted amount, the municipality has strengthened its internal systems by insourcing most of its activities including the preparation of Annual Financial Statements internally.

Other expenditures - Operational costs is less than by 31% of the budgeted amount as the municipality has strengthened its internal systems.

3.2.3 Capital budget

CAPITAL GRANTS SPENDING										
TYPE of GRANTS	Original allocation	Adjusted allocation /Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on budget	Remaining on Receipts	% against Spending	% against Receipts
MIG	R 62 683 000,00	R 0,00	-R 4 192 000,00	R 58 491 000,00	R 58 491 000,00	R 47 813 363,62	R 10 677 636,38	R 10 677 636,38	82%	82%
EEDSM	R 5 000 000,00	R 0,00	R 2 000 000,00	R 7 000 000,00	R 7 000 000,00	R 4 558 506,38	R 2 441 493,62	R 2 441 493,62	65%	65%
WSIG	R 30 000 000,00	R 0,00	R 0,00	R 30 000 000,00	R 30 000 000,00	R 23 368 565,01	R 6 611 434,99	R 6 611 434,99	78%	78%
RBIG	R 50 000 000,00	R 40 073 191,00	-R 7 000 000,00	R 83 073 191,00	R 83 073 191,00	R 18 629 659,36	R 64 443 531,64	R 64 443 531,64	22%	22%
INEP	R 1 800 000,00	R 0,00	R 5 000 000,00	R 6 800 000,00	R 800 000,00	R 1 198 869,35	R 5 601 130,65	-R 398 869,35	18%	150%
MDRG	R 0,00	R 1 500 000,00	R 14 500 000,00	R 16 000 000,00	R 16 000 000,00	R 1 496 283,74	R 14 503 716,26	R 14 503 716,26	9%	9%
	R 149 483 000,00	R 41 573 191,00	R 10 308 000,00	R 201 364 191,00	R 195 364 191,00	R 97 085 247,46	R 104 279 943,54	R 98 278 943,54	62%	62%

OPERATIONAL GRANTS SPENDING										
TYPE of GRANTS	Original allocation	Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on budget	Remaining on Receipts	% against Spending	% against Receipts
FMG	R 3 000 000,00	R 0,00	R 0,00	R 3 000 000,00	R 3 000 000,00	R 388 918,12	R 2 611 081,88	R 2 611 081,88	13%	13%
EPWP	R 1 511 000,00	R 0,00	R 0,00	R 1 511 000,00	R 1 511 000,00	R 1 643 370,82	-R 132 370,82	-R 132 370,82	109%	109%
Provincial Grant	R 10 000 000,00	R 1 213 240,00	R 0,00	R 11 213 240,00	R 10 000 000,00	R 5 097 543,13	R 6 115 696,87	R 10 000 000,00	45%	51%
	R 14 511 000,00	R 1 213 240,00	R 0,00	R 15 724 240,00	R 14 511 000,00	R 7 129 832,07	R 8 594 407,93	R 12 478 711,06	45%	173%

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 195 364 million (62%) for the year ending 31 March 2024 against the year-to-date budgeted target (DORA) of R 195 364 million (62%)

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 97 085 million (62%), on the year-to-date budgeted target of R 195 364 million (62%). Remaining on budget of R 104 279 million against the spending to date of R 97 085 million.

3.2.4 Debtors

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

Description	NT Code	Budget Year 2023/24								
		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 By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	25 605	3 910	3 299	3 196	3 138	3 212	16 657	182 890	241 907
Trade and Other Receivables from Exchange Transactions - Electricity	1300	24 317	4 679	3 731	3 565	3 481	3 732	17 592	111 829	172 926
Receivables from Non-exchange Transactions - Property Rates	1400	22 084	6 591	5 973	5 801	5 410	5 253	27 624	129 788	209 324
Receivables from Exchange Transactions - Waste Water Management	1500	8 831	3 341	3 237	3 170	3 256	3 120	16 353	118 069	159 377
Receivables from Exchange Transactions - Waste Management	1600	8 020	3 075	2 966	2 934	2 939	2 917	15 557	115 548	153 955
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	8 099	3 958	3 962	3 802	3 832	3 654	19 840	243 895	291 043
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	1 721	364	400	1 255	653	1 372	3 412	55 720	64 897
Total By Income Source	2000	99 477	25 917	23 567	23 723	22 709	23 281	117 035	957 739	1 293 428
Debtors Age Analysis By Customer Group										
Organs of State	2200	10 581	3 378	2 560	2 678	2 409	2 749	10 574	46 213	81 143
Commercial	2300	40 284	5 884	4 915	4 858	4 559	4 437	22 084	171 169	258 190
Households	2400	46 556	15 967	15 491	15 144	15 033	15 030	81 489	714 458	919 068
Other	2500	2 056	787	601	1 043	708	1 045	2 868	25 899	35 027
Total By Customer Group	2600	99 477	25 917	23 567	23 723	22 709	23 281	117 035	957 739	1 293 428

The total outstanding debtors, as of 31 March 2024, is reported as R 1 293 428 billion. In the second quarter of the current financial year, the debtors amounted to R 1 240 154 billion. An increase of 4,30% or R 53 274 million. The municipality implemented the debt incentive programme, effective from 1st August 2023 to 31st March 2024, to residential customers and the business fraternity at a 50% and 30% rebate respectively, excluding Government entities for the quarter. The debt incentive programme has been conducted and approved consumers who had owed an amount of R 22 162 437.35, and actual revenue collected amount to R 16 546 207.25, the debt written off by the Municipality amount to R 9 317 064.86 for both residential consumers and business consumers respectively. Due to the implementation of Credit Control and Debt Collection during the quarter, cut-offs were conducted to consumers amount to R 1 495 871.87 and the activity resulted to actual collection of R1 324 576.69.

3.2.5 Creditors

- The total outstanding creditors as of 31 March 2024 amounts to R 1 604 535 billion.

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

Description	NT Code	Budget Year 2023/24								
		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	403 979	90 609	-	1 389	-	-	-	-	495 976
Bulk Water	0200	978 079	-	-	128 618	-	-	-	-	1 106 697
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 849	13	-	-	-	-	-	-	1 862
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 383 907	90 622	-	130 006	-	-	-	-	1 604 535

The major two Creditors for the municipality are Department of Water and Sanitation and ESKOM. The municipality was approved for the ESKOM Debt Relief in terms of Circular 124 issued by National Treasury

TOP TEN CREDITORS FOR MARCH 2024

SUPPLIER NUMBER	SUPPLIER NAME	AMOUNT
ED251	DEPARTMENT OF WATER AND SANITATION	1 106 696 796,43
EE265	ESKOM NEW	495 976 261,11
EC248	COMPENSATION FUND	1 531 986,00
EH6	HARDIE TYRES PTY LTD	13 890,01
EM636	MAPHANGA AND ASSOCIATES INC	263 024,79
EE297	ERMELO MECCA MOTORSPARES	23 795,00
EM516	MMN ENGINEERING & PROJECTS	10 177,50
EF111	F. MUDAU	5 850,00
EM615	APC MANGOMA	4 475,00
EM616	N. MASEKO	4 475,00
EM614	M.A MAPHETO	4 475,00
TOTAL		1 604 535 205,84

3.2.6 Cash flow

The available cash flow at end of the quarter 31 March 2024 amounted to R 135 711 826,45

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

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		155 331	181 749	154 748	13 940	113 388	116 061	(2 674)	-2%	154 748
Service charges		300 958	394 529	386 162	34 146	263 632	289 622	(25 989)	-9%	386 162
Other revenue		563 898	75 140	99 676	87 741	356 394	74 757	281 637	377%	99 676
Transfers and Subsidies - Operational		239 364	260 523	270 523	93 220	221 585	202 892	18 693	9%	270 523
Transfers and Subsidies - Capital		128 055	146 349	146 349	39 709	119 791	109 762	10 029	9%	146 349
Interest		600	20 305	41 781	461	2 014	31 336	(29 322)	-94%	41 781
Dividends								-		
Payments										
Suppliers and employees		(237 926)	(900 447)	(920 616)	(14 795)	(923 305)	(690 462)	232 844	-34%	(920 616)
Interest		-	(8 484)	(29 484)	(2 457)	(3 686)	(22 113)	(18 428)	83%	(29 484)
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 150 281	169 663	149 140	251 965	149 813	111 855	(37 958)	-34%	149 140
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(173)	-	-	-	95	-	95	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(166 448)	(164 990)	(6 851)	(93 386)	(123 742)	(30 357)	25%	(164 990)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(173)	(166 448)	(164 990)	(6 851)	(93 291)	(123 742)	(30 452)	25%	(164 990)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		1 500	-	-	(27)	485	-	485	#DIV/0!	-
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 500	-	-	(27)	485	-	(485)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		1 151 608	3 215	(15 850)	245 087	57 007	(11 887)			(15 850)
Cash/cash equivalents at beginning:		9 674	1 200	76 353	340 147	78 705	76 353			78 705
Cash/cash equivalents at month/year end:		1 161 282	4 415	60 504		135 712	64 466			62 855

3.2.7 Quarterly Budget Statement - Financial Position TABLE C6 – MARCH 2024

				0,53
Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1	Current Assets	1 128 951
			Current Liabilities	2 144 330

- **Current- and liquidity ratio calculated as per the above-mentioned table;**
 - The current ratio (Current assets/ Current liabilities) for the quarter to date is 53% less than the municipal liability.
 - The ideal rate is a ratio of 2:1. The municipalities ratio is therefore 0.53:1

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

Description	Ref	Budget Year 2023/24				
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		78 705	4 415	60 504	144 320	60 504
Trade and other receivables from exchange transactions		167 043	235 026	264 848	299 135	264 848
Receivables from non-exchange transactions		65 152	125 526	80 423	98 292	80 423
Current portion of non-current receivables		—	—	—	—	—
Inventory		23 589	32 295	32 295	46 377	32 295
VAT		502 821	115 462	115 462	528 942	115 462
Other current assets		11 094	—	—	11 884	—
Total current assets		848 404	512 724	553 532	1 128 951	553 532
Non current assets						
Investments		—	—	—	—	—
Investment property		181 143	189 659	189 659	181 143	189 659
Property, plant and equipment		2 651 634	2 659 807	2 662 018	2 745 995	2 662 018
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		175	175	175	175	175
Intangible assets		16	65	65	16	65
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
Total non current assets		2 832 968	2 849 706	2 851 917	2 927 329	2 851 917
TOTAL ASSETS		3 681 372	3 362 429	3 405 448	4 056 280	3 405 448
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	—	—	—	—
Consumer deposits		20 450	56 000	—	21 362	—
Trade and other payables from exchange transactions		1 578 463	1 181 695	366 020	1 412 336	366 020
Trade and other payables from non-exchange transactions		44 724	700	40 000	219 026	40 000
Provision		66 850	102 454	102 454	67 888	102 454
VAT		371 606	31 441	31 441	423 719	31 441
Other current liabilities		—	—	—	—	—
Total current liabilities		2 082 093	1 372 290	539 915	2 144 330	539 915
Non current liabilities						
Financial liabilities		43	—	—	43	—
Provision		104 962	155 178	155 178	104 962	155 178
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		105 005	155 178	155 178	105 005	155 178
TOTAL LIABILITIES		2 187 098	1 527 467	695 092	2 249 335	695 092
NET ASSETS	2	1 494 274	1 834 962	2 710 356	1 806 945	2 710 356
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 655 415	1 834 962	2 710 356	1 806 945	2 710 356
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	1 655 415	1 834 962	2 710 356	1 806 945	2 710 356

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 2023/2024, (inclusive of section 71 report for the month of **31 MARCH 2024**), 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:

09/04/2024