



Msukaligwa Local Municipality

Section 71 Financial Report

31 JANUARY 2024



SECT 71 FINANCIAL REPORT ENDING 31 JANUARY 2024

1. PURPOSE

The purpose of this report is to present a Section 71 financial report for the month ending January 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.

3. DISCUSSION

3.1 Executive summary: Outcome of the operational and capital budget ending JANUARY 2024

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

The performance for the month ending January 2024, revenue amounted to R 623 549 million year-to-date actuals against the year-to-date budget of R 535 039 million with the favorable percentage of (17%) or (R 88 510 million), whilst the expenditure incurred for the month of January 2024 amounted to R 575 143 million year-to-date expenditure against the year-to-date budget of R 687 714 million with the favorable percentage of (-16%) % or R 112,571 million.

The Municipality has received capital grants of about 88% or (R 139 791 million against allocation of R 88 282 million). The current spending on capital appropriation is currently at an average of 58.47% against annual allocation and 88% against receipts, although there should be acceleration on grants such as MIG, WSIG, INEP and RBIG which is not directly under our control.

The municipality's monthly budget statement for the period ending 31 JANUARY 2024 is summarized in table C1 of the C schedule and is as follows:

3.2 Table C 1- Monthly Budget statement summary- Month 07:

MP302 Msutaligwa - Table C1 Monthly Budget Statement Summary - M07 January

Description	2022/23 Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24					Full Year Forecast
				Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Financial Performance									
Property rates	202,863	242,332	242,332	17,044	119,410	121,166	(1,755)	-1%	242,332
Service charges	407,318	494,951	494,951	41,236	263,398	247,475	15,922	6%	494,951
Investment revenue	-	1,500	1,500	435	3,663	675	2,788	319%	1,500
Other own revenue	425,815	331,295	331,296	16,451	237,076	16,927	220,151	1301%	-
Total Revenue (excluding capital transfers and contributions)	1,035,997	1,070,078	1,070,078	75,168	623,549	535,039	88,510	17%	1,070,078
Employee costs	265,422	301,679	301,195	26,186	169,181	175,880	(6,699)	-	301,195
Remuneration of Councillors	17,362	19,494	19,494	993	6,672	11,372	(4,699)	-	19,494
Interest	99,032	138,589	138,589	11,549	80,843	80,843	(0)	-	138,589
Inventory consumed and bulk purchases	407,769	423,852	435,051	53,255	236,762	250,044	(13,262)	-	435,051
Other expenditure	297,415	268,950	285,735	11,976	81,665	164,626	(82,961)	-50%	285,735
Total Expenditure	1,231,130	1,161,047	1,188,548	103,961	575,143	687,714	(112,571)	-16%	1,188,548
Surplus/(Deficit)	(195,133)	(90,970)	(118,470)	(28,793)	48,406	(152,675)	(24,060)	16%	(118,470)
Transfers and subsidies - capital (monetary allocations)	258,080	146,349	146,349	-	8,000	85,370	(77,370)	-91%	146,349
Transfers and subsidies - capital (in-kind)	238	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	63,185	55,379	27,878	(28,793)	56,406	(67,305)	123,711	-184%	27,878
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	63,185	55,379	27,878	(28,793)	56,406	(67,305)	123,711	-184%	27,878
Capital expenditure & funds sources									
Capital expenditure	-	166,448	182,160	6,135	77,662	104,728	(27,066)	-26%	182,160
Capital transfers recognised	-	146,348	152,734	5,559	66,647	88,775	(22,128)	-25%	152,734
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	20,100	29,426	576	11,015	15,953	(4,938)	-31%	29,426
Total sources of capital funds	-	166,448	182,160	6,135	77,662	104,728	(27,066)	-26%	182,160
Financial position									
Total current assets	648,862	511,224	511,224	-	1,010,124	-	-	-	511,224
Total non current assets	2,832,968	2,849,706	2,865,417	-	2,910,630	-	-	-	2,865,417
Total current liabilities	2,086,245	2,130,926	2,130,926	-	2,079,803	-	-	-	2,130,926
Total non current liabilities	105,005	155,178	155,178	-	105,005	-	-	-	155,178
Community wealth/Equity	1,632,673	1,834,962	1,834,962	-	1,735,946	-	-	-	1,834,962
Cash flows									
Net cash from (used) operating	1,149,681	-	-	34,314	73,627	-	(73,627)	#DIV/0!	-
Net cash from (used) investing	(173)	-	-	(5,770)	(76,714)	-	76,714	#DIV/0!	-
Net cash from (used) financing	1,500	-	-	-	338	-	(338)	#DIV/0!	-
Cash/cash equivalents at the monthly/year end	1,160,682	1,200	1,200	-	75,957	1,200	(74,757)	-6230%	78,705
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	89,333	25,883	24,639	24,540	23,412	22,573	113,029	932,504	1,255,915
Creditors Age Analysis									
Total Creditors	33,031	24,751	82,736	-	-	-	-	1,444,710	1,585,229

3.2.1 Operational revenue

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2022/23 Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24				Full Year Forecast	
					Monthly actual	YearTD actual	YearTD budget	YTD variance		YTD variance
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		226,104	300,969	300,969	25,401	156,463	150,484	5,979	4%	300,969
Service charges - Water		74,237	79,532	79,532	6,518	40,775	39,766	1,010	3%	79,532
Service charges - Waste Water Management		57,877	61,650	61,650	5,049	35,648	30,825	4,823	16%	61,650
Service charges - Waste management		49,300	52,800	52,800	4,270	30,510	26,400	4,110	16%	52,800
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-
Agency services		6,896	8,940	8,940	-	-	4,470	(4,470)	-100%	8,940
Interest		4,854	1,500	1,500	435	3,663	750	2,913	388%	1,500
Interest earned from Receivables		-	-	-	-	-	-	-	-	-
Interest from Current and Non Current Assets		-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,920	2,741	2,741	279	1,627	1,371	256	19%	2,741
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		117,616	12,896	12,896	12,155	17,212	6,448	10,764	167%	12,896
Non-Exchange Revenue										
Property rates		202,863	242,332	242,332	17,044	119,410	121,166	(1,755)	-1%	242,332
Surcharges and taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5,704	5,448	5,448	17	102	2,724	(2,622)	-96%	5,448
Licence and permits		3,488	3,829	3,829	5	50	1,914	(1,864)	-97%	3,829
Transfers and subsidies - Operational		242,386	260,523	260,524	192	191,355	130,262	61,094	47%	260,524
Interest		37,111	36,918	36,918	3,002	26,635	18,459	8,175	44%	36,918
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		4,850	-	-	-	97	-	97	0%	-
Other Gains		-	-	-	-	-	-	-	0%	-
Discontinued Operations		-	-	-	-	-	-	-	0%	-
Total Revenue (excluding capital transfers and contributions)		1,035,997	1,070,078	1,070,078	75,168	623,549	535,039	88,510	17%	1,070,078

Property Rates - Unfavourable variance of (R 1 755) million (-1%) due to omission during budget to consider additional rebates offered by the Municipality, this would be corrected during adjustment budget.

Electricity – Favourable variance of R 5 979 million (4%) due to increase on pre-paid purchases caused increase loadshedding and in some instances illegal connections.

Water – Favourable variance of R 1 010 million (3%) due to the monitoring of water usage and leaked in the month of January 2024.

Sanitation - Favourable variance of R 4 823 million (16%) due to the increase in monthly billing of accounts.

Refuse – Unfavourable variance of (R 4 110) million (16%) due to the increase in monthly billing of accounts.

Agency Services - Unfavourable variance of (R 4 470) million (-100%) the department has been transferred with effect from July 2023, downward adjustment should be made on the budget.

Rental of Facilities - Favourable variance of R 256 thousand 19% for the month due to the use of Municipal sports facilities stringent control on municipal rented properties.

Interest earned - external investments - Favourable variance of R 2 913 million 388% for the month due to short term investment on funds not yet committed.

Interest earned - outstanding debtors - Favourable variance of R 8 175 million 44% for the month due to increasing of the debtor's book due to non-payment of debtors.

Fines, Penalties and Forfeits - Unfavourable variance of (R 2 622) million (-96%) for the month due to non-payment of traffic fines

Licence and permits -- Unfavourable variance of (R1 864) million (-97%) for the month due to the non-enforcement of Municipal policy for trading licences and permits.

Transfers and subsidies - Operating: Favourable variance of (R 61 094) million(47%) for the month due to none received of the anticipated DORA allocation.

Other revenue - Favourable variance of R 10 764 million (167%) for the month due to non-collection of service rendered against the anticipated budget.

3.2.2 Operational expenditure:

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2022/23 Audited Outcome	Budget Year 2023/24							
			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		269,422	301,679	301,195	26,188	169,181	175,880	(6,699)	-4%	301,195
Remuneration of councillors		17,362	19,494	19,494	993	6,672	11,372	(4,699)	-41%	19,494
Bulk purchases - electricity		297,904	336,039	336,039	47,684	209,303	196,023	13,280	7%	336,039
Inventory consumed		109,886	87,812	99,012	5,570	27,479	54,021	(26,542)	-49%	99,012
Debt impairment		148,238	114,044	114,044	9,504	57,022	66,526	(9,504)	14%	114,044
Depreciation and amortisation		144,109	138,589	138,589	11,549	69,294	80,843	(11,549)	-14%	138,589
Interest		99,032	8,484	8,484	707	4,242	4,949	(707)	-14%	8,484
Contracted services		80,144	84,368	89,147	5,957	43,575	50,423	(6,848)	-14%	89,147
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		57,068	70,538	82,545	6,009	38,089	47,677	(9,588)	-20%	82,545
Losses on Disposal of Assets		11,965	-	-	-	0	-	0	#DIV/0!	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1,231,130	1,161,047	1,188,548	114,172	624,857	687,714	(62,857)	-9%	1,188,548

Employee related costs – Favourable variance of (R6 699) million (-4%) due unfilled budgeted position and saving on employee related costs transferred to the Department of Community Safety Security and Liaison.

Remuneration of councillors - Favourable variance of (R4 699) million (-41%) due to the provision made in terms of payment of Councillors Allowances.

Debt impairment - Favourable variance of (R9 504) million (-14%) 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 - Favourable variance of (R11 549) million (-14%) the municipality has anticipated an depreciation or amortisation expense for the month due to depleted assets.

Finance charges – Favourable variance of (R707) thousands (-14%) due to the interest charged incurred for the month for the outstanding amounts of ESKOM.

Bulk purchases – electricity - Favourable variance of R13 280 million (7%). The year-to-date actual is more than the budgeted amount by 7%, due to the repayment amount and current account for the month.

Inventory consumed – Favourable variance of (R26 542) million (-49%) due to the maintained needs of materials and supplies by the departments, and also limit the overspending by implementing cost containment measures, and also to ensure stock is available for the provision of basic service delivery.

Contracted services - Favourable variance of (R6 848) million (-14%), the municipality has strengthened its internal systems by insourcing most of its activities including the preparation of Annual Financial Statements internally and implementation of cost containment measures for the utilisation of other contracted services.

Other expenditures - Favourable variance of (R9 588) million (-20%) due to cost containment measures eliminate overspending in general expenses against the approved budget.

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
MISC	R 62 863 000.00	R 0.00	R 0.00	R 62 863 000.00	R 48 287 000.00	R 38 300 243.25	R 19 110 850.00	R 8 900 650.42	67%	82%
TRANS	R 5 000 000.00	R 0.00	R 0.00	R 5 000 000.00	R 5 000 000.00	R 4 999 999.99	R 0.00	R 0.00	99%	99%
WSNG	R 30 000 000.00	R 0.00	R 0.00	R 30 000 000.00	R 20 000 000.00	R 20 700 028.88	R 9 299 971.32	R 700 028.66	60%	104%
SAWG	R 50 000 000.00	R 43 273 191.00	R 7 000 000.00	R 43 000 000.00	R 15 000 000.00	R 11 372 401.21	R 31 627 598.79	R 3 627 598.79	26%	76%
NFP	R 1 800 000.00	R 0.00	R 0.00	R 1 800 000.00	R 0.00	R 1 980 069.36	R 631 130.64	R 398 869.36	61%	150%
MDRG	R 1 500 000.00	R 1 500 000.00	R 0.00	R 1 500 000.00	R 1 500 000.00	R 1 496 283.24	R 3 716.76	R 3 716.76	100%	100%
	R 150 283 000.00	R 41 573 191.00	R 11 192 000.00	R 139 751 059.00	R 88 287 000.00	R 77 210 149.18	R 61 081 850.82	R 11 871 850.82	63%	88%

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
FIAC	R 3 000 000.00	R 0.00	R 0.00	R 3 000 000.00	R 3 000 000.00	R 156 709.71	R 2 843 290.29	R 2 843 290.29	5%	5%
EWPP	R 1 511 000.00	R 0.00	R 0.00	R 1 511 000.00	R 1 057 059.00	R 1 161 518.40	R 358 861.60	R 504 518.40	77%	110%
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 12 132 946.00	R 10 000 000.00	R 10 000 000.00	11%	10%
	R 14 511 000.00	R 1 213 240.00	R 0.00	R 15 724 240.00	R 14 057 000.00	R 2 531 468.11	R 13 192 771.89	R 12 738 771.89	16%	127%

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 88 282 million (88%) for the month ending 31 January 2024 against the year-to-date budgeted target (DORA) of R 88 282 million (88%).

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 77 210 million (63%), on the year-to-date budgeted target of R 88 282 million (88%). Remaining on budget of R 61 081 million against the spending to date of R 77 210 million.

3.2.4 Debtors

MP302 Msukaligwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2023/24								Total
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	11,768	3,595	3,308	3,046	3,076	3,179	17,720	177,932	223,872
Trade and Other Receivables from Exchange Transactions - Electricity	1300	27,174	4,221	4,300	4,195	3,967	3,983	16,348	107,881	171,805
Receivables from Non-exchange Transactions - Property Rates	1400	23,762	6,490	5,918	5,649	5,434	5,193	27,189	126,090	205,725
Receivables from Exchange Transactions - Waste Water Management	1500	8,102	3,350	3,362	3,222	3,114	2,989	15,777	114,217	155,162
Receivables from Exchange Transactions - Waste Management	1600	8,164	3,076	3,053	3,013	2,818	2,784	15,135	111,682	149,824
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-
Interest on Area Debtor Accounts	1810	8,011	3,862	3,859	3,765	3,610	3,369	18,078	238,027	284,640
Recoverable unauthorised irregular fruitless and wasteful expenditure	1870	-	-	-	-	-	-	-	-	-
Other	1900	1,533	1,370	778	1,500	1,354	987	1,923	55,675	64,088
Total By Income Source	2000	89,333	25,883	24,639	24,540	23,412	22,573	113,029	932,504	1,255,915
Debtors Age Analysis By Customer Group										
Organs of State	2200	9,439	2,503	2,485	2,606	2,733	2,307	8,549	44,768	76,036
Commercial	2300	32,843	5,781	5,084	4,957	4,661	4,850	21,408	165,676	246,844
Households	2400	44,099	16,150	15,376	15,673	15,445	14,727	83,031	695,141	897,851
Other	2500	2,084	1,125	784	1,104	574	600	2,981	25,921	35,183
Total By Customer Group	2600	89,333	25,883	24,639	24,540	23,412	22,573	113,029	932,504	1,255,915

The total outstanding debtors, as of 31 January 2024, is reported as R 1 255 915 billion. In the previous month the debtors amounted to R 1 240 154 billion. An increase of 1.27% or R 15 761 million.

The has been consistently implementing its Credit and Debt Collection policy through the implementation the following has been achieved :

- i. Cut-off on Residential and Businesses amount of R 2 260 266.23, was pursued which resulted to a collection of R 1 790 198.38 (79%).
- ii. Government is owing the Municipality R 76 036 million, it should be noted that letters of demand was sent to the Department however the Departments are not responding to our demand. Department of Public Works requested interest waiver of it was approved by the Municipality, however the Department

never honored the approval. Department of Rural Development has been giving us challenges in resolving the dispute they have with the accounts.

- iii. On amnesty the Municipality has received 85 number of applications with the outstanding debt of R 1 988 845.85, collected amount of R 1 636 267.02 and written off amount of R 853 930.62. It should be noted that the amnesty will continue until the 31 March 2024.

3.2.5 Creditors

- The total outstanding creditors as of 31 January 2024 amounts to R 1 522 733 billion.

MP302 Msukaligwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	NT Code	Budget Year 2023/24									Total
		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		
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	26,224	24,751	82,736	-	-	-	-	339,741	473,452	
Bulk Water	0200	-	-	-	-	-	-	-	1,104,970	1,104,970	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	6,807	-	-	-	-	-	-	-	6,807	
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	33,031	24,751	82,736	-	-	-	-	1,444,710	1,585,229	

TOP TEN CREDITORS FOR JANUARY 2024

SUPPLIER NUMBER	SUPPLIER NAME	AMOUNT
ED251	DEPARTMENT OF WATER AND SANITATION	1,104,969,633.00
EE265	ESKOM NEW	473,451,592.49
EL225	LL SECURITY SERVICES	3,931,191.87
EL500	LUKHBROS	1,113,511.02
EA256	A1 GLASS AND ALUMINIUM	926,601.00
EB193	BEES TECHNOLOGIES	836,130.86
TOTAL		1,585,228,660.24

As at 31 January 2024, the Municipality indebted to its creditors for an amount of R **1 585 229** million as the result of the following two major creditors:

- Eskom account amount of R **24 750 756.67** was paid in month of January 2024, on the approved repayment plan the Municipality paid an amount of R **7 725 068.80**
- DWS account, the Municipality had a meeting with DWS to discuss matters relating to disputed accounts and possible repayment plan.

It should be noted that the Municipality still disputed account number 20033982 with an amount of R **355 699 155.78**, it further requested DWS to confirm the distribution point at Davel before it enters to repayment plan.

To date the Municipality indebted to DWS an amount of R **1 104 969 633.16**

- All other creditors amounting to R **6 807** million, will be paid within 30 days subject to funds available.

3.2.6 Cash flow

The available cash flow at end of January 2024 amounted to R 75,956,549.91 million

MP302 Msukaliqwa - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		155,331	-	-	10,947	86,680	-	86,680	#DIV/0!
Service charges		300,058	-	-	28,152	200,219	-	200,219	#DIV/0!
Other revenue		556,399	-	-	8,917	255,461	-	255,461	#DIV/0!
Transfers and Subsidies - Operational		246,863	-	-	2,000	128,365	-	128,365	#DIV/0!
Transfers and Subsidies - Capital		128,055	-	-	-	80,082	-	80,082	#DIV/0!
Interest		-	-	-	-	1,205	-	1,205	#DIV/0!
Dividends		-	-	-	-	-	-	-	-
Payments									
Suppliers and employees		(237,826)	-	-	(13,702)	(678,384)	-	678,384	#DIV/0!
Interest		-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,149,681	-	-	34,314	73,627	-	(73,627)	#DIV/0!
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		-	-	-	(5,770)	(76,809)	-	76,809	#DIV/0!
NET CASH FROM/(USED) INVESTING ACTIVITIES		(173)	-	-	(5,770)	(76,714)	-	76,714	#DIV/0!
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		1,500	-	-	-	338	-	338	#DIV/0!
Payments									
Repayment of borrowing		-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,500	-	-	-	338	-	(338)	#DIV/0!
NET INCREASE/ (DECREASE) IN CASH HELD		1,151,008	-	-	28,544	(2,748)	-	-	-
Cash/cash equivalents at beginning		9,674	1,200	1,200	449,264	78,705	1,200	-	78,705
Cash/cash equivalents at month/year end		1,160,682	1,200	1,200	75,957	75,957	1,200	-	78,705

3.2.7 Monthly Budget Statement - Financial Position TABLE C6 – JANUARY 2024

				0.49
Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1	Current Assets	1,010,124
			Current Liabilities	2,079,803

- Current- and liquidity ratio calculated as per the above-mentioned table;
 - The current ratio (Current assets/ Current liabilities) for the quarter to date is 49% less than the municipal liability.
 - The ideal rate is a ratio of 2:1. The municipalities ratio is therefore 0.49 :1

MP302 Maukaligwa - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	Budget Year 2023/24				
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands						
ASSETS						
Current assets						
Cash and cash equivalents		76,705	2,915	2,915	71,290	2,915
Trade and other receivables from exchange transactions		167,034	235,026	235,026	263,841	235,026
Receivables from non exchange transactions		65,160	125,526	125,526	92,326	125,526
Current portion of non-current receivables		-	-	-	-	-
Inventory		23,589	32,295	32,295	40,192	32,295
VAT		503,279	115,462	115,462	530,711	115,462
Other current assets		11,094	-	-	11,763	-
Total current assets		646,662	511,224	511,224	1,010,124	511,224
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	2,675,516	2,729,296	2,675,516
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	2,865,417	2,910,630	2,865,417
TOTAL ASSETS		3,681,830	3,360,929	3,376,641	3,920,754	3,376,641
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Consumer deposits		20,450	112,000	112,000	21,215	112,000
Trade and other payables from exchange transactions		1,582,615	1,884,331	1,884,331	1,430,808	1,884,331
Trade and other payables from non-exchange transactions		44,724	700	700	148,863	700
Provision		5,492	102,454	102,454	5,492	102,454
VAT		371,606	31,441	31,441	411,261	31,441
Other current liabilities		61,359	-	-	62,164	-
Total current liabilities		2,086,245	2,130,926	2,130,926	2,079,803	2,130,926
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		2,191,250	2,286,103	2,286,103	2,184,808	2,286,103
NET ASSETS		1,490,580	1,074,826	1,090,538	1,735,946	1,090,538
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,832,673	1,834,962	1,834,962	1,735,946	1,834,962
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		1,832,673	1,834,962	1,834,962	1,735,946	1,834,962

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 section 71 for the Month ending **31 January 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:

7/2/24