

# **MSUKALIGWA LOCAL MUNICIPALITY**



## **SECTION 71 REPORT JANUARY 2023**



# MSUKALIGWA LOCAL MUNICIPALITY



PO Box 48  
Ermelo  
Mpumalanga Province  
South Africa  
2350



Civic Centre Building  
c/o Kerk & Taute Street  
Ermelo  
Mpumalanga Province  
South Africa  
2350

Customer Care Center: 08611 MSUKA [67852]  
Main Fax: +27 17 801-3851

Internet: [www.msukaligwa.gov.za](http://www.msukaligwa.gov.za)  
E-Mail: [msuka@msukaligwa.gov.za](mailto:msuka@msukaligwa.gov.za)

## DEPARTMENT OF FINANCE

Enquiries: Mr. P.J NHLABATHI

Date: 14 January 2023

Office of the Executive Mayor  
**Msukaligwa Local Municipality**  
**ERMELO**

Sir / Madam

### **RE: SUBMISSION OF DOCUMENTS**

Kindly acknowledge receipt of the following document:

1. Section 71 Monthly Report – January 2023 – M07

Kind regards

**PJ Nhlabathi**  
**CHIEF FINANCIAL OFFICER**

**EXECUTIVE MAYOR**

**ACKNOWLEDGE RECEIPT OF ABOVEMENTIONED DOCUMENTS**

Herato Kabeke

**NAME AND SURNAME**

**SIGNATURE**

**14 February 2023**  
**DATE**

**Finance Section 80 Committee: JANUARY 2023**

**Report of the CHIEF FINANCIAL OFFICER**

**SECT 71: FINANCIAL REPORT FOR MONTH ENDING JANUARY 2023**

**1. PURPOSE**

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

### 3. **DISCUSSION**

#### 3.1 **Executive summary: Outcome of the operational and capital budget ending January 2023**

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.



#### 4. STATEMENT OF PERFORMANCE : OPERATIONAL REVENUE AND EXPENDITURE

See table C4: Detail of statement of performance ending January 2023 , below:

##### 4.1. REVENUE VARIANCES EXPLANATION

Revenue as at 31 January 2023 is at 49% against the budgeted amount due to the revenue being overstated on electricity and water.

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

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										
<b>Revenue By Source</b>										
Property rates		181 646	207 037	207 037	17 123	117 451	120 772	(3 321)	-3%	207 037
Service charges - electricity revenue		240 824	246 323	246 323	140 355	260 267	143 688	116 578	81%	246 323
Service charges - water revenue		64 326	67 192	67 192	110 577	148 341	39 195	109 146	278%	67 192
Service charges - sanitation revenue		48 774	52 787	52 787	4 753	34 026	30 792	3 234	11%	52 787
Service charges - refuse revenue		40 181	45 048	45 048	4 054	29 125	26 278	2 847	11%	45 048
Rental of facilities and equipment		2 720	2 700	2 700	254	1 677	1 575	102	6%	2 700
Interest earned - external investments		1 098	932	932	331	1 897	544	1 354	249%	932
Interest earned - outstanding debtors		29 709	31 001	31 001	3 118	20 648	18 084	2 564	14%	31 001
Dividends received										
Fines, penalties and forfeits		4 771	5 177	5 177	19	105	3 020	(2 915)	-97%	5 177
Licences and permits		3 666	3 636	3 636	8	16	2 121	(2 105)	-99%	3 636
Agency services		8 001	8 490	8 490	-	-	4 953	(4 953)	-100%	8 490
Transfers and subsidies		207 661	231 689	231 689	-	171 718	135 152	36 566	27%	231 689
Other revenue		6 113	8 633	8 633	442	4 326	5 036	(709)	-14%	8 633
Gains		67 088	-	-	32	752	-	752	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>906 577</b>	<b>910 645</b>	<b>910 645</b>	<b>281 064</b>	<b>790 349</b>	<b>531 209</b>	<b>259 140</b>	<b>49%</b>	<b>910 645</b>

- **Property Rates**

- Property rates charged is within acceptable range of 3%.

- **Electricity**

- Management has identified abnormal billing on electricity due late billing caused. The matter is receiving the necessary attention to have the matter corrected.

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### SOLAR

09-02-2023 08:44:04 | 2. SOLAR mSCOA Production X

#### BO080-Current Account Details

Owner: [ ] Edit: [ ] Acct: [ ] CRT: [ ] Meter: [ ] AGA: [ ] Sum: [ ] CR: [ ]

Account Number: 397595 TENANT LGA RECEIVING OFFICE  
 Term-D: Stand: 011 000 0000000 0000000000  
 Clearance Appl Date: Addr: 22 BEVERLY ROAD  
 Clear Cert Print: X Post-Add: BROWNIE SUITE 001  
 Sect-Title: FARMER EAST X 0013  
 Clear-Dates From: ERNECO 2080  
 ID: Copla: 2080  
 Total M/F: Coll: 2080  
 Deb Tp: SE - EDUCATION

202301 PENDING / UNALLOCATED Receipts 77.00

Options	Trans Date	Description	Reference	Debit	Credit	Val
Option	20220220	BALANCE B/F		85020.65		
Option	20230101	SEVZ ON INT	122166	500844	657.97	92.70
Option	20230126	036018 RECE	9812093418		65020.65	
Option	20230131	MATER SUBSN	24920	MA103	35178475.00	5261770.25
Option	20230131	SERVICE CHA	16500005	ED107	7608.76	1241.81
Option	20230131	AVA DEMAND	16500005	ED107	7195.47	1079.82
Option	20230131	AVA DEMAND	216500005	ED107	18849.68	2077.45
Option	20230131	SETOFF		RF102	337.00	50.18
Option	20230131	BASIC WATER		BM103	108.60	15.56

No-Dep: 2 No-Notes: 213 No-Ext/Act: [ ] Due-Date: 20230131

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- Water Sales

➤ Management has identified abnormal billing on water due late billing caused. The matter is receiving the necessary attention to have the matter corrected.

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### SOLAR

09-02-2023 12:43:12 | 2. SOLAR mSCOA Production X

#### BO080-Current Account Details

Owner: [ ] Edit: [ ] Acct: [ ] CRT: [ ] Meter: [ ] AGA: [ ] Sum: [ ] CR: [ ]

Account Number: 347734 TENANT ERNECO DEPTSA SECONDARY SCHOOLS/CLINIC  
 Term-D: Stand: 014 000 00002460 0000000000  
 Clearance Appl Date: Addr: 246 RD WESSINGTON PEREST  
 Clear Cert Print: X Post-Add: R1 BOX 2574  
 Sect-Title: ERNECO  
 Clear-Dates From: ERNECO  
 ID: Copla: 2511  
 Total M/F: Coll: 000002  
 Deb Tp: SE - EDUCATION

202301 PENDING / UNALLOCATED Receipts 311.00

Options	Trans Date	Description	Reference	Debit	Credit	Val
Option	20220220	BALANCE B/F		173911.58		
Option	20230101	INTEREST WA	WA01		48.63	
Option	20230101	INTEREST EL	EL01		634.73	
Option	20230101	INTEREST RE	RE01		28.32	
Option	20230131	MATER INTER	MEM01	MA103	216.00	31.50
Option	20230131	SERVICE CHA	16165000	ED107	7658.76	1241.81
Option	20230131	AVA DEMAND	16500002	ED107	115716876.72	17857531.81
Option	20230131	AVA DEMAND	216500002	ED107		
Option	20230131	SETOFF		RF102	337.00	50.55

No-Dep: 2 No-Notes: 177 No-Ext/Act: 2 Due-Date: 20230131

OK Home Out More

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- All other service has performed within the perimeter of the budget and agency service has not been updated.

#### 4.2. OPERATING EXPENDITURE

Operating expenditure year to date amounts to R 532 166 000, whilst the year-to-date budgeted amount R656 111 000 which indicates a favorable balance of R123 945 000.

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

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
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		248 969	276 107	276 237	23 233	155 576	161 135	(5 559)	-3%	276 237
Remuneration of councillors		15 489	18 513	18 513	969	7 556	10 799	(3 243)	-30%	18 513
Debt impairment		121 120	156 536	156 536	13 045	91 313	91 313	(0)	0%	156 536
Depreciation & asset impairment		141 732	140 616	140 616	68 821	68 821	82 026	(13 205)	-16%	140 616
Finance charges		87 000	-	-	1 518	14 304	-	14 304	#DIV/0!	-
Bulk purchases - electricity		321 544	319 126	319 126	23 077	129 740	186 157	(56 416)	-30%	319 126
Inventory consumed		93 946	81 522	81 487	1 405	10 556	47 501	(36 945)	-78%	81 487
Contracted services		54 762	75 718	74 948	1 686	26 073	43 766	(17 693)	-40%	74 948
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		41 752	57 226	57 301	1 422	28 227	33 414	(5 188)	-16%	57 301
Losses		34 367	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 160 681</b>	<b>1 125 364</b>	<b>1 124 764</b>	<b>135 176</b>	<b>532 166</b>	<b>656 111</b>	<b>(123 945)</b>	<b>-19%</b>	<b>1 124 764</b>

The Municipality has budget **R12 171 701**, to date the overspending amounts to **R3 339 087**

Department	Section	Votenummer	Description	Budget	Curr Mth Exp	YTD Movement	YTD Actual	Unspend Bud
Technical services	Public works	31022110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	444 147.00	113 393.99	201 686.22	315 080.21	129 066.79
Technical services	Workshop	31062110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	276 948.00	54 474.23	310 016.75	364 490.98	87 542.98
Technical services	Sewer Network	31122110360WWMRCZZWM	MS: OVERTIME - NON STRUCTURED	1 825 490.00	303 431.62	2 014 188.62	2 317 620.24	492 130.24
Technical services	Sewer Purification	31132110360WWMRCZZWM	MS: OVERTIME - NON STRUCTURED	347 200.00	65 871.89	307 988.69	373 860.58	26 660.58
Technical services	Water Network	31222110360WTMRCZZWM	MS: OVERTIME - NON STRUCTURED	1 641 990.00	261 962.44	1 848 600.39	2 110 562.83	468 572.83
Technical services	Water Purification	31232110360WTMRCZZWM	MS: OVERTIME - NON STRUCTURED	993 370.00	203 832.94	1 022 618.77	1 226 451.71	233 081.71
Technical services	Electricity	32012110360ELMRCZZWM	MS: OVERTIME - NON STRUCTURED	2 860 900.00	516 945.50	3 362 287.18	3 879 232.68	1 018 332.68
				<b>8 390 045.00</b>	<b>1 519 912.61</b>	<b>9 067 386.62</b>	<b>10 587 299.23</b>	<b>2 197 254.23</b>
Community and Social Services	Fire Brigade	33022110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	193 500.00	29 228.21	96 069.57	125 297.78	68 202.22
Community and Social Services	Disaster Management	33032110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	108 030.00	31 443.96	93 642.02	125 085.98	17 055.98
Community and Social Services	Traffic Management	33052110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	165 900.00	37 796.11	103 253.73	141 049.84	24 850.16
Community and Social Services	Cemetery	34022110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	324 760.00	85 835.69	343 852.45	429 688.14	104 928.14
Community and Social Services	Parks and grounds	34042110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	316 440.00	82 366.72	240 604.03	322 970.75	6 530.75
Community and Social Services	Libraries	34052110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	17 720.00	10 571.79	-	10 571.79	7 148.21
Community and Social Services	Sports and recreation	34072110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	30 600.00	4 665.78	43 860.76	48 526.54	17 926.54
Community and Social Services	Sports field general	34082110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	48 270.00	7 572.37	55 647.72	63 220.09	14 950.09
Community and Social Services	Golf Course	34092110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	9 400.00	-	11 124.96	11 124.96	1 724.96
Community and Social Services	Refuse and sanitary	34102110360WSMRCZZWM	MS: OVERTIME - NON STRUCTURED	1 911 200.00	512 110.73	2 409 731.65	2 921 842.38	1 010 642.38
				<b>3 125 820.00</b>	<b>801 591.36</b>	<b>3 397 786.89</b>	<b>4 199 378.25</b>	<b>1 073 558.25</b>
Corporate Services	Civic centre	35022110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	262 350.00	35 786.78	425 836.95	461 623.73	199 273.73
Corporate Services	Administration	35032110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	49 520.00	2 360.52	3 221.13	5 581.65	43 938.35
Corporate Services	Council general	36062110360EPMRCZZHO	MS: OVERTIME - NON STRUCTURED	14 700.00	-	5 068.80	5 068.80	9 631.20
				<b>326 570.00</b>	<b>38 147.30</b>	<b>434 126.88</b>	<b>472 274.18</b>	<b>145 704.18</b>
Municipal Manager	Municipal Manager	36012110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	7 170.00	7 873.84	18 265.93	26 139.77	18 969.77
Municipal Manager	Communications	36072110360FMMRCZZHO	MS: OVERTIME - NON STRUCTURED	78 370.00	19 676.08	-	19 676.08	58 693.92
Municipal Manager	Communications	36072110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	61 910.00	-	55 947.51	55 947.51	5 962.49
				<b>147 450.00</b>	<b>27 549.92</b>	<b>74 213.44</b>	<b>101 763.36</b>	<b>45 686.64</b>
Finance	Municipal Stores	37032110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	21 776.00	-	-	-	21 776.00
Finance	Finance	37042110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	116 330.00	22 721.57	122 352.99	145 074.56	28 744.56
Finance	Credit control	37052110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	43 710.00	4 999.28	-	4 999.28	38 710.72
				<b>181 816.00</b>	<b>27 720.85</b>	<b>122 352.99</b>	<b>150 073.84</b>	<b>31 742.16</b>
				<b>12 171 701.00</b>	<b>2 414 922.04</b>	<b>13 095 866.82</b>	<b>15 510 788.86</b>	<b>3 339 087.86</b>



## 5. Capital budget: Table C 5: January 2023

Below is the table indicating capital projects per department

MP302 Msukaligwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07  
January

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
<b>R thousands</b>	<b>1</b>									
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		1 052	1 890	7 088	53	1 330	3 964	(2 635)	-66%	7 088
Executive and council		-	-	700	-	-	408	(408)	-100%	700
Finance and administration		1 052	1 890	6 388	53	1 330	3 556	(2 226)	-63%	6 388
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1 832	10 817	10 817	-	-	6 310	(6 310)	-100%	10 817
Community and social services		130	10 817	10 817	-	-	6 310	(6 310)	-100%	10 817
Sport and recreation		527	-	-	-	-	-	-	-	-
Public safety		1 175	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		352	19 964	50 931	1 424	10 696	28 292	(17 596)	-62%	50 931
Planning and development		-	-	17 015	66	1 426	8 508	(7 082)	-83%	17 015
Road transport		352	19 964	33 915	1 359	9 270	19 784	(10 514)	-53%	33 915
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		2 147	265 164	512 729	543	109 765	265 862	(156 097)	-59%	512 729
Energy sources		-	3 826	9 967	117	3 432	4 981	(1 549)	-31%	9 967
Water management		-	183 575	187 099	243	89 582	108 753	(19 171)	-18%	187 099
Waste water management		-	75 096	311 222	183	14 094	149 538	(135 443)	-91%	311 222
Waste management		2 147	2 667	4 441	-	2 657	2 590	66	3%	4 441
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>5 383</b>	<b>297 835</b>	<b>581 565</b>	<b>2 020</b>	<b>121 790</b>	<b>304 428</b>	<b>(182 638)</b>	<b>-60%</b>	<b>581 565</b>
<b>Funded by:</b>										
National Government		2 147	292 052	568 810	1 967	117 804	297 158	(179 354)	-60%	568 810
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>2 147</b>	<b>292 052</b>	<b>568 810</b>	<b>1 967</b>	<b>117 804</b>	<b>297 158</b>	<b>(179 354)</b>	<b>-60%</b>	<b>568 810</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>3 236</b>	<b>5 783</b>	<b>12 755</b>	<b>53</b>	<b>3 986</b>	<b>7 270</b>	<b>(3 284)</b>	<b>-45%</b>	<b>12 755</b>
<b>Total Capital Funding</b>		<b>5 383</b>	<b>297 835</b>	<b>581 565</b>	<b>2 020</b>	<b>121 790</b>	<b>304 428</b>	<b>(182 638)</b>	<b>-60%</b>	<b>581 565</b>

## 6. Cash flow: Table C 7: 31 January 2023

### MP302 Msukaligwa - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		207 796	133 248	133 248	8 732	91 417	77 728	13 689	18%	133 248
Service charges		360 887	385 213	385 213	20 938	184 107	224 708	(40 601)	-18%	385 213
Other revenue		206 751	95 675	95 675	9 746	184 818	55 811	129 008	231%	95 675
Transfers and Subsidies - Operational		289 167	228 686	228 686	-	128 000	133 400	(5 400)	-4%	228 686
Transfers and Subsidies - Capital		82 913	295 055	295 055	-	89 700	172 115	(82 415)	-48%	295 055
Interest		33	932	932	-	-	544	(544)	-100%	932
Dividends										
<b>Payments</b>										
Suppliers and employees		(220 481)	(838 995)	(838 995)	(32 920)	(553 509)	(489 414)	64 095	-13%	(838 995)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>927 066</b>	<b>299 815</b>	<b>299 815</b>	<b>6 496</b>	<b>124 533</b>	<b>174 892</b>	<b>50 359</b>	<b>29%</b>	<b>299 815</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		399	-	-	32	253	-	253	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(5 383)	(297 835)	(297 835)	(1 426)	(121 790)	(173 737)	(51 947)	30%	(297 835)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4 984)</b>	<b>(297 835)</b>	<b>(297 835)</b>	<b>(1 394)</b>	<b>(121 537)</b>	<b>(173 737)</b>	<b>(52 200)</b>	<b>30%</b>	<b>(297 835)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits										
<b>Payments</b>										
Repayment of borrowing										
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>922 082</b>	<b>1 980</b>	<b>1 980</b>	<b>5 102</b>	<b>2 996</b>	<b>1 155</b>			<b>1 980</b>
Cash/cash equivalents at beginning:		6 175	1 020	1 020	84 000	88 683	1 020			88 683
Cash/cash equivalents at month/year end:		928 257	3 000	3 000		91 680	2 175			90 663

The available cash flow at end of January 2023 amounted to R 91 679 614.14

## 7. CONSUMER DEBTORS:

Opening balance 31 DECEMBER 2022 :	R 1 040 935 673
Debtors as at 31 JANUARY 2023 :	R 1 322 260 000
Increase:	R 281 324327 (27%)

The debt book has increased by 27% from the previous month due to error in billing under the water and electricity section. The matter on the error billing is being attended to by revenue section.

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

Description	NT Code	Budget Year 2022/23									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts (to Council Policy)
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dya-1 Yr	Over 1Yr	Total			
R thousands													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	132 039	3 676	3 290	3 927	3 580	3 249	15 508	150 964	316 234	177 229	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	163 019	4 672	3 638	3 454	3 072	3 169	12 016	87 602	280 644	109 316	-	-
Receivables from Non exchange Transactions - Property Rates	1400	23 585	6 544	6 006	5 345	5 106	4 982	23 592	95 192	170 332	134 218	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	8 433	3 100	3 012	2 990	2 884	2 739	12 287	91 476	126 921	112 376	-	-
Receivables from Exchange Transactions - Waste Management	1600	7 760	2 850	2 769	2 762	2 703	2 614	10 964	88 915	121 338	107 959	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	6 249	3 021	2 931	2 872	2 801	2 762	15 466	211 712	247 835	235 633	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 144	406	301	819	458	533	2 786	52 508	58 955	57 104	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>342 209</b>	<b>24 268</b>	<b>21 948</b>	<b>22 169</b>	<b>20 605</b>	<b>20 048</b>	<b>92 642</b>	<b>778 371</b>	<b>1 322 280</b>	<b>933 835</b>	-	-
<b>2021/22 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	141 253	2 044	1 564	1 734	1 346	1 485	7 087	31 265	187 777	42 916	-	-
Commercial	2300	85 604	5 649	4 852	4 279	3 791	3 858	18 393	142 942	269 368	173 262	-	-
Households	2400	112 473	15 703	14 758	15 208	14 592	13 878	62 956	577 556	827 125	684 190	-	-
Other	2500	2 879	871	773	949	877	828	4 207	26 606	37 990	33 466	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>342 209</b>	<b>24 268</b>	<b>21 948</b>	<b>22 169</b>	<b>20 605</b>	<b>20 048</b>	<b>92 642</b>	<b>778 371</b>	<b>1 322 280</b>	<b>933 835</b>	-	-

## 8. CREDITORS

The creditor's status is as follows:

Opening balance :	31 December 2022	R 1 406 814 216
Minus: Closing balance:	31 January 2023	R 1 431 942 000
Increase in creditors balances:		R 25 127 784 (1,7%)

Creditors has increased due to invoices from Eskom amount to R 20 196 000 and other creditors such as DCSSL.

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

Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		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	
R thousands											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	20 196	22 152	24 545					272 542	339 435	263 418
Bulk Water	0200								982 351	982 351	1 042 045
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	1 359								1 359	7 424
Auditor General	0800									-	
Other	0900		2 093	3 496	3 825				99 382	108 796	108 848
<b>Total By Customer Type</b>	<b>1000</b>	<b>21 556</b>	<b>24 244</b>	<b>28 041</b>	<b>3 825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 354 275</b>	<b>1 431 942</b>	<b>1 421 735</b>

Below Picture depicts the top ten creditors

SUPPLIER NUMBER	SUPPLIER NAME	AMOUNT
ED251	DEPARTMENT OF WATER AND SANITATION	982 351 211.22
EE265	ESKOM	339 435 357.86
ED243	DCSSL	108 796 055.82
EB224	BE FOREEVER TRADING AND PROJECTS	573 191.14
EZ 683	Z MHLONGO & KHUMALO	356 400.00
EN123	NG MAVUSO	335 089.30
EZ674	ZAMANGWANE CONSULTANTS	219 754.20
ER138	RKS FLAME PTY LTD	190 010.41
EA150	AFRIPLAN TOWN & REGIONAL PLANNER	163 242.50
EZ680	ZILUMBILE TRADING ENTERPRISE	67 500.00
<b>TOTAL</b>		<b>1 432 487 812.45</b>

### 9. Conditional grants report as at 31 January 2023

#### Grant receipts/Grant Spending

The municipality has spent 66% of the grants received and 48% against the Division of Revenue Act (DoRA) allocation.

CAPITAL GRANTS SPENDING								
GRANT S	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 46 700 000.00	R 27 810 130.07	R 32 244 869.93	R 18 889 869.93	46%	60%
EEDSM	R 4 000 000.00	R 0.00	R 3 000 000.00	R 2 727 333.53	R 1 272 666.47	R 272 666.47	68%	91%
WSIG	R 60 000 000.00	R 0.00	R 40 000 000.00	R 16 470 071.10	R 43 529 928.90	R 23 529 928.90	27%	41%
RBIG	R 175 000 000.00	-R 505 000.00	R 125 000 000.00	R 95 360 850.76	R 79 639 149.24	R 29 639 149.24	54%	76%
	<b>R 299 055 000.00</b>	<b>-R 505 000.00</b>	<b>R 214 700 000.00</b>	<b>R 142 368 385.46</b>	<b>R 156 686 614.54</b>	<b>R 72 331 614.54</b>	<b>48%</b>	<b>66%</b>
OPERATIONAL GRANTS SPENDING								
TYPE of GRANT	Original allocation	Roll Over	Received to date	Spent to date	Remaining on budget	Remaining on Receipts	% against allocation	% against Receipts
FMG	R 3 000 000.00	R 0.00	R 3 000 000.00	R 960 844.37	R 2 039 155.63	R 2 039 155.63	1	32%
EPWP	R 1 766 000.00	R 0.00	R 1 237 000.00	R 280 320.00	R 1 485 680.00	R 956 680.00	0	0%
	<b>R 4 766 000.00</b>	<b>R 0.00</b>	<b>R 4 237 000.00</b>	<b>R 1 241 164.37</b>	<b>R 3 524 835.63</b>	<b>R 2 995 835.63</b>	<b>R 0.68</b>	<b>R 0.32</b>
<b>Total grants</b>								
Unspent Capital 2022/23					R 72 331 614.54			
Unspent Operational grants 2022/23					R 2 995 835.63			
					<b>R 75 327 450.17</b>			

## 10. Monthly Budget Statement - Financial Position TABLE C6 – January 2023

Below is the statement financial position of the Municipality.

### MP302 Msukaligwa - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		50 160	252 685	252 685	132 246	252 685
Call investment deposits		(49 789)	–	–	(9 290)	–
Consumer debtors		203 581	395 611	395 611	573 338	395 611
Other debtors		450 176	159 072	159 072	485 148	159 072
Current portion of long-term receivables		–	–	–	–	–
Inventory		13 004	(17)	(17)	18 394	(17)
<b>Total current assets</b>		<b>667 132</b>	<b>807 352</b>	<b>807 352</b>	<b>1 199 836</b>	<b>807 352</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		180 113	120 037	120 037	180 113	120 037
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2 537 476	2 660 807	2 944 536	2 590 469	2 944 536
Biological		–	–	–	–	–
Intangible		62	–	–	39	–
Other non-current assets		175	202	202	175	202
<b>Total non current assets</b>		<b>2 717 826</b>	<b>2 781 046</b>	<b>3 064 776</b>	<b>2 770 796</b>	<b>3 064 776</b>
<b>TOTAL ASSETS</b>		<b>3 384 958</b>	<b>3 588 398</b>	<b>3 872 127</b>	<b>3 970 631</b>	<b>3 872 127</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		19 244	3 511	3 511	19 887	3 511
Trade and other payables		1 900 403	1 648 508	1 648 508	2 120 862	1 648 508
Provisions		66 110	22 161	22 161	66 882	22 161
<b>Total current liabilities</b>		<b>1 985 757</b>	<b>1 674 180</b>	<b>1 674 180</b>	<b>2 207 630</b>	<b>1 674 180</b>
<b>Non current liabilities</b>						
Borrowing		1 223	2 643	2 643	1 223	2 643
Provisions		87 853	80 331	80 331	87 853	80 331
<b>Total non current liabilities</b>		<b>89 077</b>	<b>82 974</b>	<b>82 974</b>	<b>89 077</b>	<b>82 974</b>
<b>TOTAL LIABILITIES</b>		<b>2 074 834</b>	<b>1 757 154</b>	<b>1 757 154</b>	<b>2 296 707</b>	<b>1 757 154</b>
<b>NET ASSETS</b>	2	<b>1 310 125</b>	<b>1 831 244</b>	<b>2 114 974</b>	<b>1 673 925</b>	<b>2 114 974</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 340 492	1 850 686	1 850 686	1 686 528	1 850 686
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 340 492</b>	<b>1 850 686</b>	<b>1 850 686</b>	<b>1 686 528</b>	<b>1 850 686</b>

## 11. MANAGEMENT RECOMMENDATIONS:

1. That the Finance Section 80 Committee **NOTES** the January 2023 Section 71 Budget Statement report in terms of the revenue, operational and capital expenditure performance.
- 2.
3. That the Finance Section 80 Committee **NOTES** the January 2023 Section 71 Budget Statement report in terms of the cashflow amounting **R 91 679 614.14**), grants performance of 66% against allocation and statement of financial performance.

4. That the Committee **NOTES** that the outstanding amount owed by the Consumers for Month ending January 2023 amount to **R 1 322 259 729**
  
5. That the Committee **NOTES** that the outstanding amount owed to creditors for Month ending January 2023 amount to **R 1 432 487 811**



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**MR. PJ NHLABATHI**  
**CHIEF FINANCIAL OFFICER**



**QUALITY CERTIFICATE**

**MP 302 MSUKALIGWA LOCAL MUNICIPALITY**

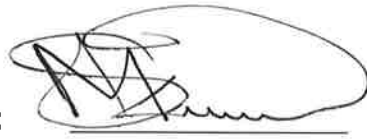
I, M. KUNENE, the Municipal Manager of Msukaligwa Local Municipality, hereby certify that the monthly budget statement report and supporting documentation for submission of the section 71 report for the month of **January 2023**, has been prepared in accordance with the Municipal management act and the regulations made under the Act.

**Acting Municipal Manager of Msukaligwa Local Municipality**

**Name: MR. M. KUNENE**

**Position: Municipal Manager : MP 302 Msukaligwa local municipality**

**Signature:**



**Date:**

10 / 02 / 23





DAVEL Cycle :5

	Current	Previous	30 Days	60 Days	>90 Days (Arranged)	Credits:	TOTAL
Rate & Taxes	0.00	251 886.09	248 886.58	245 783.66	6 782 610.43	0.00	7 509 166.76
Water	0.00	370 182.97	378 111.55	395 169.15	22 555 340.19	0.00	23 698 803.86
Refuse	0.00	168 735.24	168 184.69	166 001.65	10 621 992.87	0.00	11 125 914.45
Sewerage	0.00	188 885.79	187 489.41	185 577.73	11 891 683.47	0.00	12 453 636.40
Rent Wessellon	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electricity	0.00	117 821.58	116 670.21	114 948.57	7 911 959.41	0.00	8 261 399.77
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumer Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sundry Debtors	0.00	10 447.25	10 400.75	10 375.75	5 613.23	0.00	5 613.23
Sundry Deposit	0.00	0.00	0.00	0.00	1 873 302.24	0.00	1 904 525.99
Study Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Handovers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payment in Advance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	1 108 958.92	1 109 743.19	1 117 856.51	61 622 501.84	-250 561.30	64 708 499.16
BP 136	0.00	1 108 958.92	1 109 743.19	1 117 856.51	61 622 501.84	-250 561.30	64 708 499.16
	0.00	0.00	0.00	0.00	0.00	0.00	0.00

LOTHAIR Cycle :6

	Current	Previous	30 Days	60 Days	>90 Days (Arranged)	Credits:	TOTAL
Rate & Taxes	0.00	265 200.01	263 486.12	259 751.97	8 865 946.17	0.00	9 555 366.27
Water	0.00	319 665.31	311 655.41	288 984.93	29 637 259.07	0.00	30 807 594.78
Refuse	0.00	239 860.67	236 066.48	233 048.45	19 021 767.32	0.00	19 791 263.27
Sewerage	0.00	302 643.90	298 987.04	297 681.66	21 631 566.43	0.00	22 531 099.03
Rent Wessellon	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electricity	0.00	254 367.54	231 519.25	238 546.83	18 433 707.50	0.00	19 167 723.12
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumer Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sundry Debtors	0.00	7 000.98	6 663.98	6 549.55	18 937.56	0.00	18 937.56
Sundry Deposit	0.00	0.00	0.00	0.00	2 588 928.71	0.00	2 611 863.22
Study Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Handovers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payment in Advance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	1 470 838.61	1 359 900.34	1 346 153.39	100 356 928.76	-122 081.06	104 451 740.04
BP 136	0.00	1 470 838.61	1 359 900.34	1 346 153.39	100 356 928.76	-122 081.06	104 451 740.04
	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SHEEPMOOR Cycle :7

	Current	Previous	30 Days	60 Days	>90 Days (Arranged)	Credits:	TOTAL
Rate & Taxes	0.00	70 098.45	67 617.25	67 217.03	4 718 009.21	0.00	4 982 941.94
Water	0.00	9 262.55	9 258.53	10 000.36	4 342 255.67	0.00	4 370 777.11
Refuse	0.00	621.27	910.90	616.53	50 770.91	0.00	52 319.61
Sewerage	0.00	188.18	188.18	188.18	9 754.10	0.00	10 318.64









JAN payments

558 979.53  
-146 074.98 (EX)

R 412 904.55  
R 2 080 349.97

84% non-payment

**Increase in debtors for Msukaligwa Municipality (Total)**

Levied for JAN 2023

JAN payments

30 932 402.95  
-3 509 357.53 (EX)  
27 423 045.42

R 314 050 877.80  
R 27 423 045.42  
R 286 627 832.38

91% non-payment

**BS 566 Print-out Totals:**

Totals BP 135: LEVIES 314 050 877.80

Journal Corrections: 0.00

314 050 877.80

PAYMENTS

30 932 402.95

Less EX: -3 509 357.53

27 423 045.42

0.00 LEVIES

0.00 PAYMENTS

**GRAPHIC INFORMATION**

1.6

Name	LEVIES	PAYMENTS	Percentage
Wesselton	R207 700 575.14	R 2 705 794.01	1.30%
Ermelo	R95 627 898.37	R 26 402 942.22	27.61%
Breyten	R4 440 908.05	R 1 054 204.30	23.74%
Davel	R828 271.88	R 65 716.93	7.93%
Chrissiesmeer	R 1 231 712.11	R 43 963.19	5.31%
Lothair	R1 617 123.10	R 92 672.69	5.73%
Sheepmoor	R81 050.93	R 5 380.70	6.64%
Warburton Farms	R20 083.70	R 3 149.38	15.68%
	R2 503 254.52	R 558 979.53	22.33%
	R314 050 877.80	R 30 932 402.95	9.85%

LEVIES PAYMENTS

