



Msukaligwa Local Municipality

SECTION 52 REPORT FOR THE QUARTER ENDING

30 SEPTEMBER 2023



1. PURPOSE

The purpose of this report is to present a Section 71-M03 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 **30 SEPTEMBER 2023** for consideration and noting.

2. LEGISLATION

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

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

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

(2) The statement must include –

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

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

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

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 30 SEPTEMBER 2023

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

The performance for the first quarter ending September 2023, revenue amounted to R 292 680 million year-to-date actuals against the year-to-date budget of R 267 519 million with the favorable percentage of 9%, whilst the expenditure incurred amounted to R 161 236 million year-to-date against the year-to-date budget of R 292 735 million with the favorable percentage of 45%.

The municipality`s monthly budget statement for the period ending 30 SEPTEMBER 2023 is summarized in table C1 of the C schedule and is as follows:

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

MP302 Msukaligwa - Table C1 Monthly Budget Statement Summary - M03 September

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	242,332	17,315	51,309	60,583	(9,274)	-15%	242,332
Service charges	407,828	494,951	494,951	36,202	118,801	123,738	(4,937)	-4%	494,951
Investment revenue	-	1,500	1,500	473	1,772	375	1,397	372%	1,500
Transfers and subsidies - Operational	-	-	-	-	-	-	-	-	-
Other own revenue	425,815	331,295	331,296	4,981	120,799	82,824	37,975	46%	-
Total Revenue (excluding capital transfers and contributions)	1,036,507	1,070,078	1,070,078	58,971	292,680	267,510	25,161	9%	1,070,078
Employee costs	265,144	301,679	301,620	23,959	71,982	75,414	(3,433)	-	301,620
Remuneration of Councillors	17,362	19,494	19,494	901	2,770	4,674	(2,103)	-	19,494
Depreciation and amortisation	143,590	138,589	138,589	-	-	34,647	(34,647)	-	138,589
Interest	99,009	8,484	8,484	-	-	2,121	(2,121)	-	8,484
Inventory consumed and bulk purchases	427,665	423,852	426,002	61,898	64,570	106,500	(41,931)	-	426,002
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	312,977	268,950	273,650	7,427	21,913	69,178	(47,265)	-68%	273,650
Total Expenditure	1,265,746	1,161,047	1,167,838	94,184	161,238	292,735	(131,499)	-45%	1,167,838
Surplus/(Deficit)	(229,239)	(80,970)	(97,760)	(35,214)	131,445	(25,215)	158,660	621%	(87,760)
Transfers and subsidies - capital (monetary allocations)	258,080	146,349	146,349	-	-	36,587	(36,587)	-100%	146,349
Transfers and subsidies - capital (in-kind)	238	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29,079	55,379	48,589	(35,214)	131,445	11,372	120,073	1056%	48,589
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	29,079	55,379	48,589	(35,214)	131,445	11,372	120,073	1056%	48,589
Capital expenditure & funds sources									
Capital expenditure	-	166,448	176,208	12,622	42,796	43,941	(1,145)	-3%	176,208
Capital transfers recognised	-	146,349	151,849	12,258	34,952	37,860	(2,908)	-8%	151,849
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	20,100	24,359	364	7,844	6,081	1,763	29%	24,359
Total sources of capital funds	-	166,448	176,208	12,622	42,796	43,941	(1,145)	-3%	176,208
Financial position									
Total current assets	840,519	511,224	511,224	-	930,390	-	-	-	511,224
Total non current assets	2,828,143	2,849,706	2,859,465	-	2,870,939	-	-	-	2,859,465
Total current liabilities	2,084,074	2,130,926	2,130,926	-	1,975,521	-	-	-	2,130,926
Total non current liabilities	105,005	155,178	155,178	-	105,005	-	-	-	155,178
Community wealth/Equity	1,655,783	1,834,962	1,834,962	-	1,720,802	-	-	-	1,834,962
Cash flows									
Net cash from (used) operating	1,150,258	-	-	67,535	257,286	-	(257,286)	#DIV/0!	-
Net cash from (used) investing	(173)	-	-	(12,622)	(42,674)	-	42,674	#DIV/0!	-
Net cash from (used) financing	1,500	-	-	131	338	-	(338)	#DIV/0!	-
Cash/cash equivalents at the month/year end	1,161,259	1,200	1,200	-	293,656	1,200	(292,456)	-24371%	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	91,190	34,599	22,532	20,962	20,628	20,164	114,984	881,722	1,206,761
Creditors Age Analysis									
Total Creditors	56,359	1,370,054	-	121,785	-	-	-	-	1,548,199

3.2.1 Operational revenue

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		226,614	300,969	300,969	20,471	67,157	75,242	(8,085)	-11%	300,969
Service charges - Water		74,237	79,532	79,532	6,118	23,092	19,883	3,209	16%	79,532
Service charges - Waste Water Management		57,677	61,650	61,650	5,165	15,376	15,413	(36)	0%	61,650
Service charges - Waste management		49,300	52,800	52,800	4,448	13,176	13,200	(24)	0%	52,800
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-
Agency services		6,886	8,940	8,940	-	-	2,235	(2,235)	-100%	8,940
Interest		4,854	1,500	1,500	473	1,772	375	1,397	372%	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	289	788	685	103	15%	2,741
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		117,616	12,896	12,896	775	3,344	3,224	120	4%	12,896
Non-Exchange Revenue										
Property rates		202,863	242,332	242,332	17,315	51,309	60,583	(9,274)	-15%	242,332
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5,704	5,448	5,448	10	39	1,362	(1,323)	-97%	5,448
Licence and permits		3,488	3,829	3,829	5	12	957	(945)	-99%	3,829
Transfers and subsidies - Operational		242,386	260,523	260,524	80	105,519	65,131	40,388	62%	260,524
Interest		37,111	36,918	36,918	3,823	11,097	9,230	1,867	20%	36,918
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		4,850	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,036,507	1,070,078	1,070,078	58,971	292,680	267,519	25,161	9%	1,070,078

Property Rates - Unfavourable variance of R 9 274 million (-15%) due to omission during budget to consider additional rebates offered by the Municipality, this would be corrected during adjustment budget.

Electricity – Unfavourable variance of R 8 085 million (-11%) for the quarter due to decrease on pre-paid purchases caused increase loadshedding and in some instances illegal connections.

Water revenue – Favourable variance of R 3 209 million (16%) for the quarter due to the monitoring of increase water usage in the month of Sept 2023.

Sanitation revenue - favourable variance of R 36 thousand for the quarter as per revenue projection.

Refuse revenue –Unfavourable variance of R 24 thousand for the quarter as per revenue projection.

Agency Services- Unfavourable variance of 100% due to the department being transferred with effect from July 2023, downward adjustment should be made on the budget.

Rental of Facilities - Favourable variance of R 103 thousand (15%) for the quarter due to the use of Municipal sports facilities stringent control on municipal rented properties.

Interest earned - external investments – Favourable variance of R 1 397 million (372%) for the quarter due to short term investment on funds not yet committed.

Interest earned - outstanding debtors - Favourable variance of R 1 867 million (20%) for the quarter due to increasing of the debtor's book due to non-payment of debtors.

Fines, Penalties and Forfeits – Unfavourable variance of R 1 323 million (-97%) for the quarter due to non-payment of traffic fines. Performance is also hampered by the appointed contractor not yet implementing as awaiting approval.

Licence and permits – Unfavourable variance of R 945 thousand (-99%) for the quarter due to the non-enforcement of Municipal policy for trading licences and permits.

Transfers and subsidies - Operating: Favourable variance of R 40 388 million (62%) for the quarter due to all DORA allocation received.

Other revenue - Favourable variance of R 120 thousand (4%) for the quarter due to revenue collected for the rendered services against the anticipated budget.

3.2.2 Operational expenditure:

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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		265,144	301,679	301,620	23,959	71,982	75,414	(3,433)	-5%	301,620
Remuneration of councillors		17,362	19,494	19,494	901	2,770	4,874	(2,103)	-43%	19,494
Bulk purchases - electricity		317,779	336,039	336,039	57,657	55,420	84,010	(28,590)	-34%	336,039
Inventory consumed		109,886	87,812	89,962	4,241	9,150	22,491	(13,341)	-59%	89,962
Debt impairment		158,399	114,044	114,044	9,504	19,007	28,511	(9,504)	-33%	114,044
Depreciation and amortisation		143,590	138,589	138,589	11,549	23,098	34,647	(11,549)	-33%	138,589
Interest		99,009	8,484	8,484	3,238	5,596	2,121	3,475	164%	8,484
Contracted services		80,144	84,368	85,368	3,731	8,317	21,342	(13,025)	-61%	85,368
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		62,468	70,538	74,238	3,695	13,596	19,325	(5,728)	-30%	74,238
Losses on Disposal of Assets		11,965	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1,265,746	1,161,047	1,167,838	118,475	208,937	292,735	(83,798)	-29%	1,167,838

Employee related costs – Favourable variance of R 3 433 million (-5%) for the quarter versus the approve budget due to overtime limitation and other allowances.

Remuneration of councillors - Favourable variance of R 2 103 million (-43%) awaiting implementation of upper limits and other allowances, remuneration of councillors still within the norm.

Debt impairment - Favourable variance of R 28 511 million (-33%) the municipality has impaired doubtful debts for the quarter against the approved budget due to provision of none payments and late estate debt.

Depreciation & asset impairment - Favourable variance of R34 647 million (-33%) the municipality has anticipated an depreciation or amortisation expense quarter due to depleted assets.

Finance charges – Unfavourable variance of R 3 475 million (164%) due to the interest charged incurred for the quarter.

Bulk purchases – electricity - Favourable variance of R 28 590 million (-34%) due to loadshedding and load reduction implementation.

Inventory consumed – Favourable variance of R 13 341 million (-59%) due to the maintained needs of materials and supplies by the departments, and also limit the overspending by implementing cost containment measures.

Contracted services - Favourable variance of R 13 025 million (-61%) due to implementation of cost containment measures for the utilisation of other contracted services.

Other expenditures - Favourable variance of R 5 728 million (-30%) due to cost containment measures eliminate overspending in general expenses against the approved budget.

3.2.3 Capital budget

OPERATIONAL GRANTS SPENDING									
TYPE of GRANTS	Original allocation	Roll Over	Received to date	Spent to date	Remaining on budget	Remaining on Receipts	% received to date against original allocation	% against allocation	% against Receipts
FMG	R 3,000,000.00	R 0.00	R 3,000,000.00	R 63,951.12	R 2,936,048.88	R 2,936,048.88	100%	2%	2%
EPWP	R 1,511,000.00	R 0.00	R 378,000.00	R 208,754.22	R 1,302,245.78	R 169,245.78	25%	14%	55%
	R 4,511,000.00	R 0.00	R 3,378,000.00	R 272,705.34	R 4,238,294.66	R 3,105,294.66	75%	16%	57%

CAPITAL GRANTS SPENDING									
TYPE of GRANTS	Original allocation	Roll over	Received to date	Spent to date	Remaining on budget	Remaining on Receipts	% received to date against original allocation	% spent to date against original allocation	% spent to date against Receipts
MIG	R 62,683,000.00	R 0.00	R 19,000,000.00	R 16,556,845.57	R 46,126,154.43	R 2,443,154.43	30%	26%	87%
EEDSM	R 5,000,000.00	R 0.00	R 1,000,000.00	R 0.00	R 5,000,000.00	R 1,000,000.00	20%	0%	0%
WSIG	R 30,000,000.00	R 0.00	R 10,000,000.00	R 12,540,834.33	R 17,459,165.67	-R 2,540,834.33	33%	42%	125%
MDRG	R 0.00	R 1,500,000.00	R 0.00	R 1,346,356.52	R 153,643.48	R 1,346,356.52	0%	90%	0%
RBIG	R 50,000,000.00	R 40,073,191.00	R 15,000,000.00	R 11,372,401.21	R 38,627,598.79	R 43,700,789.79	110%	23%	21%
INEP	R 1,800,000.00	R 0.00	R 800,000.00	R 63,143.74	R 1,736,856.26	R 736,856.26	44%	4%	8%
	R 149,483,000.00	R 41,573,191.00	R 45,800,000.00	R 41,879,581.37	R 109,103,418.63	R 46,686,322.67	31%	28%	91%

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 45 800 million

(31%) for the year ending 30 September 2023 against the year-to-date budgeted target (DORA) of R 45 800 million (31%)

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 41 879 million (28%), on the year-to-date budgeted target of R 45 800 million (31%). Remaining on budget of R 109 103 million against the spending to date of R 41 879 million.

3.2.4 Debtors

MP302 Msukaligwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

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 Dya-1 Yr	Over 1Yr	
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	11,184	11,476	3,109	2,932	2,832	2,945	19,290	168,743	222,512
Trade and Other Receivables from Exchange Transactions - Electricity	1300	26,919	5,302	3,743	3,141	3,384	2,949	16,519	100,017	161,974
Receivables from Non-exchange Transactions - Property Rates	1400	24,097	6,677	6,213	5,674	5,175	5,037	27,980	118,558	199,411
Receivables from Exchange Transactions - Waste Water Management	1500	9,421	3,363	2,961	2,850	2,790	2,750	16,051	106,885	146,072
Receivables from Exchange Transactions - Waste Management	1600	8,539	3,014	2,759	2,703	2,649	2,615	15,286	103,092	140,656
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	7,555	3,660	3,437	3,354	3,278	3,215	17,755	230,011	272,266
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									
Other	1900	3,474	1,107	309	308	520	654	2,101	55,417	63,889
Total By Income Source	2000	91,190	34,599	22,532	20,962	20,628	20,164	114,984	881,722	1,206,781
Debtors Age Analysis By Customer Group										
Organs of State	2200	11,540	3,105	2,134	1,819	1,438	1,409	8,179	37,689	67,322
Commercial	2300	30,120	6,273	4,790	4,102	4,049	3,868	21,416	160,189	234,807
Households	2400	46,029	24,259	14,896	14,337	13,977	14,171	81,074	652,843	861,586
Other	2500	3,500	962	712	704	1,164	717	4,315	30,992	43,066
Total By Customer Group	2600	91,190	34,599	22,532	20,962	20,628	20,164	114,984	881,722	1,206,781

The total outstanding debtors, as of 30 September 2023, is reported as R 1 206 781 billion. In the last quarter of the previous financial year, the debtors amounted to R 1 136 656 billion. An increase of 6.17% or R 70 125 million. The municipality implemented the debt incentive programme, effective from 1st August 2023 to 31st December 2023, 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 R1 029 033.62, and actual revenue collected amount to R 691 682.37, the debt written off by the Municipality amount to R 454 612.62 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 439 consumers amount to R 14 787 456.47 and the activity resulted to actual collection of R 10 064 132.71.

3.2.5 Creditors

- The total outstanding creditors as of 30 September 2023 amounts to R 1 548 199 billion.

MP302 Msukaligwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

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	55,374	379,045		120,073	-	-	-	-	554,492
Bulk Water	0200	-	989,152		1,389	-	-	-	-	990,541
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	986	1,857		323	-	-	-	-	3,165
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	56,359	1,370,054	-	121,785	-	-	-	-	1,548,199

TOP TEN CREDITORS FOR AUGUST 2023

SUPPLIER NUMBER	SUPPLIER NAME	AMOUNT
ED251	DEPARTMENT OF WATER AND SANITATION	1,109,225,805.48
EE265	ESKOM NEW	435,807,621.57
EB171	BUSINESS CONNEXION	1,497,300.00
EE272	EMALANGENI TECHNOLOGIES PTY (LTD)	359,319.96
EC223	CV & SS TRADING ENTERPRISE	339,845.59
EC247	CIGICELL PTY LTD	323,007.57
EJ170	JAMELA CONSULTING ENGINEERING &	207,778.32
ET329	TARGETMASTERS TRDING AND PROJECTS	135,804.95
EC180	COMPUTER CONNECTION	198,930.45
EC264	CORPORATTI	103,244.92
TOTAL		1,548,198,658.81

3.2.6 Cash flow

The available cash flow at end of the quarter 30 September 2023 amounted to R86,016,951.33

MP302 Msukaigwa - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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	-	-	11,846	32,900	-	32,900	#DIV/0!	-
Service charges		301,245	-	-	24,914	78,035	-	78,035	#DIV/0!	-
Other revenue		563,611	-	-	38,534	120,649	-	120,649	#DIV/0!	-
Transfers and Subsidies - Operational		239,364	-	-	-	124,365	-	124,365	#DIV/0!	-
Transfers and Subsidies - Capital		128,055	-	-	-	29,800	-	29,800	#DIV/0!	-
Interest		600	-	-	473	1,205	-	1,205	#DIV/0!	-
Dividends										
Payments										
Suppliers and employees		(237,948)	-	-	(8,233)	(337,306)	-	337,306	#DIV/0!	-
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,150,258	-	-	67,535	49,648	-	(49,648)	#DIV/0!	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(173)	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	-	-	(12,622)	(42,674)	-	42,674	#DIV/0!	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(173)	-	-	(12,622)	(42,674)	-	42,674	#DIV/0!	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		1,500	-	-	131	338	-	338	#DIV/0!	-
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,500	-	-	131	338	-	(338)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		1,151,585	-	-	55,044	7,312	-			-
Cash/cash equivalents at beginning:		9,674	1,200	1,200	237,276	78,705	1,200			78,705
Cash/cash equivalents at month/year end:		1,161,259	1,200	1,200	86,017	86,017	1,200			78,705

3.2.7 Quarterly Budget Statement - Financial Position TABLE C6 – SEPTEMBER 2023

				0.47
Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1	Current Assets	930,390
			Current Liabilities	1,975,521

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

MP302 Msukaligwa - Table C6 Monthly Budget Statement - Financial Position - M03 September

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	2,915	2,915	106,504	2,915
Trade and other receivables from exchange transactions		164,736	235,026	235,026	218,797	235,026
Receivables from non-exchange transactions		59,441	125,526	125,526	76,429	125,526
Current portion of non-current receivables		-	-	-	-	-
Inventory		23,589	32,295	32,295	25,162	32,295
VAT		502,954	115,462	115,462	492,083	115,462
Other current assets		11,094	-	-	11,415	-
Total current assets		840,519	511,224	511,224	930,390	511,224
Non current assets						
Investments		-	-	-	-	-
Investment property		181,143	189,659	189,659	181,143	189,659
Property, plant and equipment		2,646,809	2,659,807	2,669,566	2,689,605	2,669,566
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		2,828,143	2,849,706	2,859,465	2,870,939	2,859,465
TOTAL ASSETS		3,668,662	3,360,929	3,370,689	3,801,329	3,370,689
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		20,450	112,000	112,000	20,804	112,000
Trade and other payables from exchange transactions		1,580,060	1,884,331	1,884,331	1,403,628	1,884,331
Trade and other payables from non-exchange transactions		44,724	700	700	93,902	700
Provision		5,492	102,454	102,454	5,492	102,454
VAT		371,990	31,441	31,441	390,002	31,441
Other current liabilities		61,359	-	-	61,695	-
Total current liabilities		2,084,074	2,130,926	2,130,926	1,975,521	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		2,189,079	2,286,103	2,286,103	2,080,526	2,286,103
NET ASSETS	2	1,479,583	1,074,826	1,084,586	1,720,802	1,084,586
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,655,783	1,834,962	1,834,962	1,720,802	1,834,962
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1,655,783	1,834,962	1,834,962	1,720,802	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 **FIRST QUARTER** section 52 quarterly report of 2023/2024, (inclusive of section 71 report for the month of **30 SEPTEMBER 2023**), has been prepared in accordance with the Municipal management act and the regulations made under the Act.

Municipal Manager of Msukaligwa Local Municipality

Name: MR. M. KUNENE

Position: Municipal Manager: MP 302 Msukaligwa local municipality

Signature:

A handwritten signature in black ink, enclosed in a hand-drawn oval. The signature is stylized and appears to be 'M. Kunene'.

Date:

07/10/23