

# **MSUKALIGWA LOCAL MUNICIPALITY**



## **SECTION 71 REPORT FEBRUARY 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.msukaliqwa.gov.za](http://www.msukaliqwa.gov.za)  
E-Mail: [msuka@msukaliqwa.gov.za](mailto:msuka@msukaliqwa.gov.za)

## DEPARTMENT OF FINANCE

Enquiries: Mr. P.J NHLABATHI

Date: 14 March 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 – February 2023 – M08

Kind regards

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

**EXECUTIVE MAYOR**

### ACKNOWLEDGE RECEIPT OF ABOVEMENTIONED DOCUMENTS

Joy Titwae

**NAME AND SURNAME**

**SIGNATURE**

14 March 2023  
**DATE**

**Finance Section 80 Committee: MARCH 2023**

**Report of the CHIEF FINANCIAL OFFICER**

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

**PURPOSE**

The purpose of this report is to present a Section 71 financial report for the month ending **February 2023** for consideration and noting.

**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.

1. **DISCUSSION**

3.1 **Executive summary: Outcome of the operational and capital budget ending February 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.

### 3.2 Table C 1- Monthly Budget statement summary- February 2023:

MP302 Msukaligwa - Table C1 Monthly Budget Statement Summary - M08 February

Description	2021/22		Budget Year 2022/23						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	181 646	207 037	230 134	17 113	134 564	142 644	(8 080)	-6%	230 134
Service charges	394 104	411 350	438 265	(196 027)	275 732	279 616	(3 884)	-1%	438 265
Investment revenue	1 098	932	3 133	490	2 388	1 061	1 326	125%	3 133
Transfers and subsidies	207 661	231 689	243 694	71	171 788	156 860	14 928	10%	243 694
Other own revenue	122 068	59 637	68 651	3 910	31 435	41 561	(10 126)	-24%	68 651
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>906 577</b>	<b>910 645</b>	<b>983 877</b>	<b>(174 442)</b>	<b>615 907</b>	<b>621 743</b>	<b>(5 836)</b>	<b>-1%</b>	<b>983 877</b>
Employee costs	248 969	276 107	277 539	22 249	177 825	184 416	(6 591)	-4%	277 539
Remuneration of Councillors	15 489	18 513	18 513	969	8 525	12 342	(3 817)	-31%	18 513
Depreciation & asset impairment	141 732	140 616	131 613	-	68 821	91 943	(23 122)	-25%	131 613
Finance charges	87 000	-	28 000	-	-	5 600	(5 600)	-100%	28 000
Inventory consumed and bulk purchases	415 490	400 647	400 647	14 930	155 227	267 056	(111 829)	-42%	400 647
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	252 001	289 480	159 969	3 102	57 402	166 789	(109 387)	-66%	159 969
<b>Total Expenditure</b>	<b>1 160 681</b>	<b>1 125 364</b>	<b>1 016 282</b>	<b>41 250</b>	<b>467 800</b>	<b>728 146</b>	<b>(260 346)</b>	<b>-36%</b>	<b>1 016 282</b>
<b>Surplus/(Deficit)</b>	<b>(254 104)</b>	<b>(214 719)</b>	<b>(32 404)</b>	<b>(215 693)</b>	<b>148 107</b>	<b>(106 403)</b>	<b>254 510</b>	<b>-239%</b>	<b>(32 404)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	303 435	292 052	296 052	-	-	195 501	#####	-100%	296 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>49 331</b>	<b>77 333</b>	<b>263 648</b>	<b>(215 693)</b>	<b>148 107</b>	<b>89 098</b>	<b>59 009</b>	<b>66%</b>	<b>263 648</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>49 331</b>	<b>77 333</b>	<b>263 648</b>	<b>(215 693)</b>	<b>148 107</b>	<b>89 098</b>	<b>59 009</b>	<b>66%</b>	<b>263 648</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>5 383</b>	<b>297 835</b>	<b>297 835</b>	<b>8 720</b>	<b>130 511</b>	<b>303 109</b>	<b>(172 599)</b>	<b>-57%</b>	<b>297 835</b>
Capital transfers recognised	2 147	292 052	292 052	8 656	126 460	296 137	(169 677)	-57%	292 052
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	3 236	5 783	5 783	64	4 050	6 973	(2 922)	-42%	5 783
<b>Total sources of capital funds</b>	<b>5 383</b>	<b>297 835</b>	<b>297 835</b>	<b>8 720</b>	<b>130 511</b>	<b>303 109</b>	<b>(172 599)</b>	<b>-57%</b>	<b>297 835</b>
<b>Financial position</b>									
Total current assets	667 132	807 352	(280 232)	-	992 569	-	-	-	(280 232)
Total non current assets	2 717 826	2 781 046	5 967 979	-	2 779 516	-	-	-	5 967 979
Total current liabilities	1 985 757	1 674 180	3 382 465	-	2 224 777	-	-	-	3 382 465
Total non current liabilities	89 077	82 974	(37 874)	-	89 077	-	-	-	(37 874)
Community wealth/Equity	1 340 492	1 850 686	2 079 508	-	1 472 490	-	-	-	2 079 508
<b>Cash flows</b>									
Net cash from (used) operating	927 066	299 815	(729 887)	108 795	192 916	(486 591)	(679 507)	140%	(729 887)
Net cash from (used) investing	(4 984)	(297 835)	(296 394)	(8 720)	(130 257)	(197 596)	(67 338)	34%	(296 394)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>928 257</b>	<b>3 000</b>	<b>(1 017 618)</b>	<b>-</b>	<b>185 614</b>	<b>(675 525)</b>	<b>(861 139)</b>	<b>127%</b>	<b>(903 324)</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	82 016	24 372	21 747	20 680	21 454	20 283	96 878	790 059	1 077 489
<b>Creditors Age Analysis</b>									
Total Creditors	9 967	-	-	574	-	-	-	2 418	12 959

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

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

### 2.1. REVENUE VARIANCES EXPLANATION

Revenue as at 28 February 2023 is at -1% against the budgeted amount due to the revenue being overstated on electricity and water previous month of January 2023.

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Revenue By Source</b>									
Property rates	181,646	207,037	230,134	17,113	134,564	142,644	(8,080)	-6%	230,134
Service charges - electricity revenue	240,824	246,323	254,046	(105,474)	154,793	165,760	(10,967)	-7%	254,046
Service charges - water revenue	64,326	67,192	75,529	(99,353)	48,988	46,462	2,526	5%	75,529
Service charges - sanitation revenue	48,774	52,787	58,547	4,749	38,775	36,343	2,432	7%	58,547
Service charges - refuse revenue	40,181	45,048	50,142	4,051	33,176	31,051	2,125	7%	50,142
Rental of facilities and equipment	2,720	2,700	2,851	232	1,909	1,830	79	4%	2,851
Interest earned - external investments	1,098	932	3,133	490	2,388	1,061	1,326	125%	3,133
Interest earned - outstanding debtors	29,709	31,001	35,060	3,161	23,809	21,479	2,330	11%	35,060
Dividends received							-		
Fines, penalties and forfeits	4,771	5,177	5,174	16	121	3,451	(3,329)	-96%	5,174
Licences and permits	3,666	3,636	3,636	4	20	2,424	(2,404)	-99%	3,636
Agency services	8,001	8,490	8,490	-	-	5,660	(5,660)	-100%	8,490
Transfers and subsidies	207,661	231,689	243,694	71	171,788	156,860	14,928	10%	243,694
Other revenue	6,113	8,633	11,999	496	4,823	6,428	(1,606)	-25%	11,999
Gains	67,088	-	1,441	-	752	288	464	161%	1,441
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>906,577</b>	<b>910,645</b>	<b>983,877</b>	<b>(174,442)</b>	<b>615,907</b>	<b>621,743</b>	<b>(5,836)</b>	<b>-1%</b>	<b>983,877</b>

- **Property Rates**

- Property rates charged shown an decreased of -6%, compared to the projected revenue.

- **Electricity**

- Electricity sales has a negative impact on the projected revenue by -7% due to incorrect billing previous month, which was corrected during the month of the current month.

- **Water**

- Sales of water has a slightly increased on the anticipated revenue budget by 5%, it shown a decrease in monthly actual which can have negative input in the cashflow.

- **Sanitation and refuse removal**

- Both this services has an increased of 7% against the year to date budget

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

## 2.2. OPERATING EXPENDITURE

Operating expenditure year to date amounts to R 467 800 000, whilst the year-to-date budgeted amount R 728 146 000 which indicates a favorable balance of R 260 346 000

### MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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>Expenditure By Type</b>										
Employee related costs		248 969	276 107	277 539	22 249	177 825	184 416	(6 591)	-4%	277 539
Remuneration of councillors		15 489	18 513	18 513	969	8 525	12 342	(3 817)	-31%	18 513
Debt impairment		121 120	156 536	13 503	-	-	75 751	(75 751)	-100%	13 503
Depreciation & asset impairment		141 732	140 616	131 613	-	68 821	91 943	(23 122)	-25%	131 613
Finance charges		87 000	-	28 000	-	-	5 600	(5 600)	-100%	28 000
Bulk purchases - electricity		321 544	319 126	319 126	10 343	140 084	212 750	(72 667)	-34%	319 126
Inventory consumed		93 946	81 522	81 522	4 587	15 143	54 305	(39 162)	-72%	81 522
Contracted services		54 762	75 718	86 708	1 676	27 750	52 355	(24 605)	-47%	86 708
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		41 752	57 226	59 758	1 426	29 653	38 883	(9 031)	-23%	59 758
Losses		34 367	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 160 681</b>	<b>1 125 364</b>	<b>1 016 282</b>	<b>41 250</b>	<b>467 800</b>	<b>728 146</b>	<b>(260 346)</b>	<b>-36%</b>	<b>1 016 282</b>

The Municipality has budget **R12 171 701.00**, to date the overspending amounts to **R 4 487 564.58**

Department	Section	Vote number	Description	Budget	Curr Mth Exp	YTD Movement	YTD Actual	Unspent Bud
Technical services	Public works	31022110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	444,147.00	22,448.29	250,576.78	273,025.07	171,121.93
Technical services	Technical workshop	31062110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	276,948.00	49,188.50	365,976.24	415,164.74	(138,216.74)
Technical services	Sewer network	31122110360WWMRCZZWM	MS: OVERTIME - NON STRUCTURED	1,825,490.00	163,284.04	2,243,508.64	2,406,792.68	(581,302.68)
Technical services	sewer purification	31132110360WWMRCZZWM	MS: OVERTIME - NON STRUCTURED	347,200.00	37,687.64	425,994.94	463,682.58	(116,482.58)
Technical services	water network	31222110360WTMRCZZWM	MS: OVERTIME - NON STRUCTURED	1,641,990.00	192,361.64	2,180,699.67	2,373,061.31	(731,071.31)
Technical services	water purification	31232110360WTMRCZZWM	MS: OVERTIME - NON STRUCTURED	993,370.00	130,942.60	1,242,084.32	1,373,026.92	(379,656.92)
Technical services	Electricity	32012110360ELMRCZZWM	MS: OVERTIME - NON STRUCTURED	2,860,900.00	279,127.53	3,676,362.30	3,955,489.83	(1,094,589.83)
				<b>8,390,045.00</b>	<b>875,040.24</b>	<b>10,385,202.89</b>	<b>11,260,243.13</b>	<b>(2,870,198.13)</b>
Community and social services	Fire brigade	33022110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	193,500.00	4,236.22	121,756.16	125,992.38	67,507.62
Community and social services	Disaster management	33032110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	108,030.00	25,465.60	140,894.16	166,359.76	(58,329.76)
Community and social services	Traffic	33052110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	165,900.00	17,049.07	138,471.43	155,520.50	10,379.50
Community and social services	Cemetery	34022110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	324,760.00	54,885.18	410,499.37	463,384.55	(140,624.55)
Community and social services	Parks and Grounds	34042110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	316,440.00	11,526.40	316,766.27	328,292.67	(11,852.67)
Community and social services	Libraries	34052110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	17,720.00	-	-	-	17,720.00
Community and social services	Sports and recreation	34072110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	30,600.00	4,924.99	48,489.51	53,414.50	(22,814.50)
Community and social services	Sports fields general	34082110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	48,270.00	6,266.88	60,386.67	66,653.55	(18,383.55)
Community and social services	Gold course	34092110360PRMRCZZWM	MS: OVERTIME - NON STRUCTURED	9,400.00	2,803.56	11,147.28	13,950.84	(4,550.84)
Community and social services	waste management	34102110360WSMRCZZWM	MS: OVERTIME - NON STRUCTURED	1,911,200.00	294,388.02	2,885,466.02	3,179,854.04	(1,268,654.04)
				<b>3,125,820.00</b>	<b>421,545.92</b>	<b>4,133,676.87</b>	<b>4,555,422.79</b>	<b>(1,429,602.79)</b>
Corporate services	Civic centre	35022110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	262,350.00	25,364.48	424,365.78	449,730.26	(187,380.26)
Corporate services	Administration	35032110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	49,250.00	-	3,221.13	5,581.65	43,668.35
Corporate services	Council General	35022110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	14,700.00	-	5,068.80	9,631.20	5,068.80
				<b>326,300.00</b>	<b>25,364.48</b>	<b>432,655.71</b>	<b>464,943.11</b>	<b>(138,643.11)</b>
Municipal manager	Municipal manager	36012110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	7,170.00	7,758.06	26,371.33	34,129.39	(26,959.39)
Municipal manager	Call centre	36072110360FMMRCZZHO	MS: OVERTIME - NON STRUCTURED	78,370.00	-	-	19,676.08	58,693.92
Municipal manager	Call centre	36072110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	61,910.00	4,159.20	75,942.49	80,101.69	(18,191.69)
				<b>147,450.00</b>	<b>11,917.26</b>	<b>102,313.82</b>	<b>133,907.16</b>	<b>13,542.84</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	22,668.83	156,324.56	178,993.39	(62,663.39)
Finance	Credit Control	37052110360PRMRCZZHO	MS: OVERTIME - NON STRUCTURED	43,710.00	-	4,999.28	38,710.72	4,999.28
				<b>181,816.00</b>	<b>22,668.83</b>	<b>156,324.56</b>	<b>178,993.39</b>	<b>(62,663.39)</b>
				<b>12,171,431.00</b>	<b>1,356,536.73</b>	<b>15,210,373.85</b>	<b>16,593,509.58</b>	<b>(4,487,564.58)</b>

## 5. Capital budget: Table C5: February 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) - M08 February

Capital Expenditure - Functional Classification										
<b>Governance and administration</b>		1,052	1,890	1,890	64	1,394	3,549	(2,156)	-51%	1,890
Executive and council		-	-	-	-	-	327	(327)	-100%	-
Finance and administration		1,052	1,890	1,890	64	1,394	3,223	(1,829)	-57%	1,890
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1,832	10,817	10,817	-	-	7,211	(7,211)	-100%	10,817
Community and social services		130	10,817	10,817	-	-	7,211	(7,211)	-100%	10,817
Sport and recreation		527	-	-	-	-	-	-	-	-
Public safety		1,175	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		352	19,964	19,964	59	10,755	26,626	(15,871)	-60%	19,964
Planning and development		-	-	-	59	1,485	6,806	(5,322)	-78%	-
Road transport		352	19,964	19,964	-	9,270	19,820	(10,550)	-53%	19,964
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		2,147	265,164	265,164	8,597	118,362	265,722	(147,360)	-55%	265,164
Energy sources		-	3,826	3,826	-	3,432	4,750	(1,318)	-28%	3,826
Water management		-	183,575	183,575	8,292	97,874	123,717	(25,843)	-21%	183,575
Waste water management		-	75,096	75,096	306	14,400	134,649	(120,250)	-89%	75,096
Waste management		2,147	2,667	2,667	-	2,657	2,606	51	2%	2,667
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>5,383</b>	<b>297,835</b>	<b>297,835</b>	<b>8,720</b>	<b>130,511</b>	<b>303,109</b>	<b>(172,599)</b>	<b>-57%</b>	<b>297,835</b>
<b>Funded by:</b>										
National Government		2,147	292,052	292,052	8,656	126,460	296,137	(169,677)	-57%	292,052
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>292,052</b>	<b>8,656</b>	<b>126,460</b>	<b>296,137</b>	<b>(169,677)</b>	<b>-57%</b>	<b>292,052</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>5,783</b>	<b>64</b>	<b>4,050</b>	<b>6,973</b>	<b>(2,922)</b>	<b>-42%</b>	<b>5,783</b>
<b>Total Capital Funding</b>		<b>5,383</b>	<b>297,835</b>	<b>297,835</b>	<b>8,720</b>	<b>130,511</b>	<b>303,109</b>	<b>(172,599)</b>	<b>-57%</b>	<b>297,835</b>



## 6. Cash flow: Table C7: 28 February 2023

MP302 Msukaligwa - Table C7 Monthly Budget Statement - Cash Flow - M08 February

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	1								%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		207,796	133,248	150,571	10,632	102,049	100,381	1,668	2%	150,571
Service charges		360,887	385,213	406,211	21,862	205,969	270,807	(64,838)	-24%	406,211
Other revenue		206,751	95,675	(1,021,737)	10,244	195,062	(681,158)	876,220	-129%	(1,021,737)
Transfers and Subsidies - Op		289,167	228,686	240,692	50,000	178,000	160,461	17,539	11%	240,692
Transfers and Subsidies - Ca		82,913	295,055	299,055	-	89,700	199,370	(109,670)	-55%	299,055
Interest		33	932	(1,269)	-	-	(846)	846	-100%	(1,269)
Dividends										
<b>Payments</b>										
Suppliers and employees		(220,481)	(838,995)	(803,410)	16,056	(577,865)	(535,607)	42,258	-8%	(803,410)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants										
<b>NET CASH FROM/(USED) OPE</b>		<b>927,066</b>	<b>299,815</b>	<b>(729,887)</b>	<b>108,795</b>	<b>192,916</b>	<b>(486,591)</b>	<b>(679,507)</b>	<b>140%</b>	<b>(729,887)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		399	-	1,441	-	253	961	(708)	-74%	1,441
Decrease (increase) in non-c		-	-	-	-	-	-	-		-
Decrease (increase) in non-c		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(5,383)	(297,835)	(297,835)	(8,720)	(130,511)	(198,557)	(68,046)	34%	(297,835)
<b>NET CASH FROM/(USED) INVE</b>		<b>(4,984)</b>	<b>(297,835)</b>	<b>(296,394)</b>	<b>(8,720)</b>	<b>(130,257)</b>	<b>(197,596)</b>	<b>(67,338)</b>	<b>34%</b>	<b>(296,394)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinanci		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits										
<b>Payments</b>										
Repayment of borrowing										
<b>NET CASH FROM/(USED) FINA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE)</b>		<b>922,082</b>	<b>1,980</b>	<b>(1,026,280)</b>	<b>100,075</b>	<b>62,658</b>	<b>(684,187)</b>			<b>(1,026,280)</b>
Cash/cash equivalents at beg		6,175	1,020	8,662	36,107	8,662	8,662			8,662
Cash/cash equivalents at mo		928,257	3,000	(1,017,618)		120,386	(675,525)			(1,017,618)

The available cash flow at end of February 2023 amounted to R 120 386 058.50

## 7. CONSUMER DEBTORS:

Opening balance 31 JANUARY 2023:	R 1 322 260 000
Debtors as at 28 FEBRUARY 2023:	R 1 077 489 000
Decrease:	<u>R 244 871 000 (23%)</u>

The debt book has decreased by 23% from the previous month January 2023, due to the error in billing on water and electricity section. The matter was attended to by revenue section.

MP302 Msukaligwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts (Lo Council Policy)
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	12 789	3 422	3 341	3 192	3 644	3 524	15 819	153 239	199 151	179 619	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	21 923	4 791	3 572	3 264	3 125	2 992	12 972	88 661	141 300	111 014	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	23 648	6 684	5 743	5 370	5 173	5 004	24 545	98 272	174 439	138 364	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	6 452	3 112	2 969	2 933	2 943	2 852	12 972	93 112	128 346	114 813	-	-
Receivables from Exchange Transactions - Waste Management	1600	7 796	2 888	2 754	2 714	2 721	2 669	11 731	90 452	123 726	110 258	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	6 374	3 069	3 001	2 914	2 860	2 790	15 732	213 712	250 453	238 009	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1920	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 054	406	367	293	787	452	3 106	52 610	59 075	57 248	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>82 016</b>	<b>24 372</b>	<b>21 747</b>	<b>20 680</b>	<b>21 454</b>	<b>20 283</b>	<b>96 878</b>	<b>790 059</b>	<b>1 077 489</b>	<b>949 354</b>	<b>-</b>	<b>-</b>
<b>2021/22 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	7 788	1 854	1 552	1 528	1 704	1 322	7 406	32 190	55 344	44 150	-	-
Commercial	2300	28 146	5 822	4 552	4 055	3 875	3 809	18 930	144 538	213 619	175 097	-	-
Households	2400	43 309	15 807	14 833	14 346	14 928	14 386	66 138	588 112	789 859	695 910	-	-
Other	2500	2 771	868	810	751	948	676	4 403	27 219	38 867	34 198	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>82 016</b>	<b>24 372</b>	<b>21 747</b>	<b>20 680</b>	<b>21 454</b>	<b>20 283</b>	<b>96 878</b>	<b>790 059</b>	<b>1 077 489</b>	<b>949 354</b>	<b>-</b>	<b>-</b>

## 8. CREDITORS

The creditor's status is as follows:

Opening balance :	31 January 2023	R 1 431 942 000
Minus: Closing balance:	28 February 2023	R 1 450 738 084
Increase in creditors balances:		<u>R 18 796 084 (1,3%)</u>

Creditors has increased due to invoices from Eskom amount to R 19 616 250.78 and other creditors such as DCSSL.

MP302 Msukaligwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	NT Code	Budget Year 2022/23									Total	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				
<b>Creditors Age Analysis By Customer Type</b>													
Bulk Electricity	0100	22,644									336,408	359,052	249,537
Bulk Water	0200		1,291								974,286	975,577	1,042,045
PAYE deductions	0300											-	-
VAT (output less input)	0400											-	-
Pensions / Retirement	0500											-	-
Loan repayments	0600											-	-
Trade Creditors	0700	1,886		2,651	10							4,548	14,214
Auditor General	0800											-	3,769
Other	0900		2,883	25,826							82,970	111,679	34,178
<b>Total By Customer Type</b>	<b>1000</b>	<b>24,530</b>	<b>4,174</b>	<b>28,477</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,393,664</b>	<b>1,450,855</b>	<b>1,343,742</b>

**Below Picture depicts the top ten creditors**

**Creditors Age Analysis For February 2023**

Supplier No	Supplier Name	Current	30 Days	60 Days	90 Days+	Total
EA209	BONGAMATHEMBA TRADING ENTERPRISE	29,900.00	-	-	-	29,900.00
ED243	DCSSL	-	2,882,721.92	25,826,132.03	82,969,923.79	111,678,777.74
ED251	DEPARTMENT OF WATER AND SANITATION	-	1,290,931.31	-	974,285,740.82	975,576,672.13
EE265	ESKOM NEW	22,643,699.17	-	-	336,407,909.47	359,051,608.64
EE297	ERMELO MECCA MOTORSPARES	37,985.02	-	-	-	37,985.02
EE301	EMS SOLUTIONS (PTY) LTD	485,995.44	-	-	-	485,995.44
EG46	GILBERTS MINING IND & ELEC SUPPLIERS	877,017.46	-	-	-	877,017.46
EI146	INNOVATION GOVERNMENT SOFTWARE SOL	240,000.00	-	-	-	240,000.00
EM536	MDAKA LEGACY PTY LTD	28,750.00	-	-	-	28,750.00
EM604	MALANDA LOGISTICS	9,655.90	-	-	-	9,655.90
EM641	MAXIMUS GLASS AND ALUMINIUM	11,390.00	-	-	-	11,390.00
EN167	NGWANA DYNAMICS PTY LTD	-	-	-	9,900.00	9,900.00
EO65	OPTIMUM IT SOLUTIONS (PTY) LTD	19,527.00	-	-	-	19,527.00
ES471	STAR MOUNTAIN 54 PTY LTD	54,000.00	-	-	-	54,000.00
ES501	303 SECURITY SERVICES	-	-	2,651,277.77	-	2,651,277.77
ET341	TAUTLOU GROUP PTY LTD	84,750.00	-	-	-	84,750.00
EU99	UNAMUSA ROAD AND CIVILS (PTY) LTD	7,475.00	-	-	-	7,475.00
	<b>TOTAL</b>	<b>24,530,144.99</b>	<b>4,173,653.23</b>	<b>28,477,409.80</b>	<b>1,393,673,474.08</b>	<b>1,450,854,682.10</b>

**9. Conditional grants report as at 28 February 2023**

**Grant receipts/Grant Spending**

The municipality has spent 60% of the grants received and 52% against the Division of Revenue Act (DoRA) allocation

CAPITAL GRANTS SPENDING									
TYPE of GRANTS	Original allocation	Adjusted allocation	Received to date	Spent to date	Remaining on budget	Remaining on Receipts	% against allocation	% against Receipts	
MIG	R 60,055,000.00	R 0.00	R 46,700,000.00	R 32,694,491.76	R 27,360,508.24	R 14,005,508.24	54%	70%	
EEDSM	R 4,000,000.00	R 0.00	R 4,000,000.00	R 2,727,333.53	R 1,272,666.47	R 1,272,666.47	68%	68%	
WSIG	R 60,000,000.00	R 0.00	R 40,000,000.00	R 19,380,457.19	R 40,619,542.81	R 20,619,542.81	32%	48%	
RBK	R 175,000,000.00	R 0.00	R 175,000,000.00	R 94,717,799.12	R 80,282,200.88	R 80,282,200.88	54%	54%	
	<b>R 299,055,000.00</b>	<b>R 0.00</b>	<b>R 265,700,000.00</b>	<b>R 149,520,081.60</b>	<b>R 149,534,918.40</b>	<b>R 116,179,918.40</b>	<b>52%</b>	<b>60%</b>	

OPERATIONAL GRANTS SPENDING									
TYPE of GRANTS	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 1,103,603.72	R 1,896,396.28	R 1,896,396.28	37%	37%	
EPWP	R 1,766,000.00	R 0.00	R 1,237,000.00	R 219,341.60	R 1,546,658.40	R 1,017,658.40	12%	18%	
	<b>R 4,766,000.00</b>	<b>R 0.00</b>	<b>R 4,237,000.00</b>	<b>R 1,322,945.32</b>	<b>R 3,443,054.68</b>	<b>R 2,914,054.68</b>	<b>49%</b>	<b>55%</b>	

**Total grants to be cash back in a call account at 28 February 2023**

Unspent Capital 2022/23

R 116,179,918.40

Unspent Operational grants 2022/23

R 2,914,054.68

**R 119,093,973.08**

**10. Monthly Budget Statement - Financial Position TABLE C6 – February 2023**

Below is the statement financial position of the Municipality.

**MP302 Msukaligwa - Table C6 Monthly Budget Statement - Financial Position - M08 February**

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	(849 603)	168 353	(849 603)
Call investment deposits		(49 789)	–	2 201	(9 290)	2 201
Consumer debtors		203 581	395 611	408 115	328 567	408 115
Other debtors		450 176	159 072	159 072	487 603	159 072
Current portion of long-term receivables		–	–	–	–	–
Inventory		13 004	(17)	(17)	17 336	(17)
<b>Total current assets</b>		<b>667 132</b>	<b>807 352</b>	<b>(280 232)</b>	<b>992 569</b>	<b>(280 232)</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		180 113	120 037	420 302	180 113	420 302
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2 537 476	2 660 807	5 547 293	2 599 189	5 547 293
Biological		–	–	–	–	–
Intangible		62	–	62	39	62
Other non-current assets		175	202	323	175	323
<b>Total non current assets</b>		<b>2 717 826</b>	<b>2 781 046</b>	<b>5 967 979</b>	<b>2 779 516</b>	<b>5 967 979</b>
<b>TOTAL ASSETS</b>		<b>3 384 958</b>	<b>3 588 398</b>	<b>5 687 747</b>	<b>3 772 085</b>	<b>5 687 747</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		19 244	3 511	15 733	19 977	15 733
Trade and other payables		1 900 403	1 648 508	3 283 114	2 137 809	3 283 114
Provisions		66 110	22 161	83 618	66 991	83 618
<b>Total current liabilities</b>		<b>1 985 757</b>	<b>1 674 180</b>	<b>3 382 465</b>	<b>2 224 777</b>	<b>3 382 465</b>
<b>Non current liabilities</b>						
Borrowing		1 223	2 643	(1 420)	1 223	(1 420)
Provisions		87 853	80 331	(36 454)	87 853	(36 454)
<b>Total non current liabilities</b>		<b>89 077</b>	<b>82 974</b>	<b>(37 874)</b>	<b>89 077</b>	<b>(37 874)</b>
<b>TOTAL LIABILITIES</b>		<b>2 074 834</b>	<b>1 757 154</b>	<b>3 344 591</b>	<b>2 313 853</b>	<b>3 344 591</b>
<b>NET ASSETS</b>	2	<b>1 310 125</b>	<b>1 831 244</b>	<b>2 343 156</b>	<b>1 458 232</b>	<b>2 343 156</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 340 492	1 850 686	2 079 508	1 472 490	2 079 508
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 340 492</b>	<b>1 850 686</b>	<b>2 079 508</b>	<b>1 472 490</b>	<b>2 079 508</b>

**11. MANAGEMENT RECOMMEDATIONS:**

1. That the Finance Section 80 Committee **NOTES** the **February 2023 Section 71 Budget Statement report** in terms of the revenue, operational and capital expenditure performance.



---

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

**QUALITY CERTIFICATE**