



**NATIONAL
TREASURY**

Statement of Financial Position / Balance Sheet

(BS)

(Version 200505_0900)

Purpose

The budgeted statement of financial position, or balance sheet, reflects the financial position of the municipality for different periods. It also captures the impact of the operating and capital budget on the financial position of the municipality. The longer the period that the latest financial statements have been outstanding, the less reliable will be the information included in this return.

Users will be able to: -

- Assess the sustainability of both the operating and capital budgets
- Assess the likelihood of raising external finance and the reliance on bank overdrafts (If there is a significant overdraft, the operating budget should reflect a surplus to offset this overdraft.)
- Assess the impact of the operating budget on working capital: if there is significant debtors' balance in the balance sheet, it may indicate that current measures to collect revenue are inadequate
- Identify growth in creditors, indicating potential cash flow problems.
- Identify availability of cash to fund capital
- Identify the extent that borrowing can be leveraged to address infrastructure backlogs.

Format of Return Form

- All figures are to be entered in whole Rands.
- All figures are to be entered as positive.

- In the Financial **Year end** column, change the year end to the financial year end (e.g. 2005 for the year ended June 2005) from the drop down list
- Change **Muncde** to your own Municipal demarcation code from the drop down list.
- The line items represent classifications of Equity, Assets and Liabilities and will be updated with GAMAP and the specimen financial statements
- The shaded columns are the only columns that will be uploaded and these cells are protected to only allow values.
- Figures may be keyed in manually or populated through the use of look up tables or other similar method. However, formulas cannot be used in the shaded cells. To use look up tables or formula, utilise the unprotected cells to the right of the shaded cells.
- Information for four financial years must be provided. The example below relates to the information that must be provided in relation to the 2005/06 budget submission.
 - Estimated Year End - Is for the year ended June 2005
 - Budget Year – Is for the year ending June 2006
 - First Indicative Budget Year – Is for the year ending June 2007
 - Second Indicative Budget Year – Is for the year ending June 2008
- Only the information in the shaded cells will be uploaded. Municipalities may use the un-shaded cells to the left to enter further comparative information to assist with analysis.

Submission Process

Electronic Submission

Ensure the file is saved in the correct format (Muncde_BS_ccyy_Y.xls) by selecting the correct **Year End** and **MunCode** from drop-down lists and using the inbuilt macro to automatically save using the correct file name. Simultaneously press **Shift+Ctrl+S** (with “**Caps Lock**” off) to invoke the macro. The file will be saved in the current active directory.

The file will be saved with the correct naming convention:

- GT001_BS_2006_Y

Email the Excel (.xls) file to lgdatabase@treasury.gov.za with a subject heading of **Financial Reporting Database Input**.

Timing of Submission

The Return form is to be submitted electronically only

1. Immediately after the budget has been tabled and at the same time that draft budget documentation is submitted.
2. Immediately after the budget has been approved and at the same time that the approved budget documentation is submitted.