

Mhlontlo Local Municipality



In-Year Report of the Municipality

Prepared in terms of the Local Government Municipal Finance Management Act (56/2003):
Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 June 2009

Monthly Budget Statement October 2015

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Glossary

Accrual Accounting – An accounting method that measures the performance and position of the municipality by recognising events regardless of when cash transactions occur.

Adjustment Budget – Prescribed in section 28 of the MFMA

Allocations – Money received from other Municipalities, Provincial or National Government.

Budget – Financial Plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include credit control policy, rates policy, tariff policy and funding and reserves policy.

Capital Expenditure – Expenditure on items such as machinery, buildings, land, infrastructure (roads).

Cash Flow Statement – Provides aggregate data regarding all cash inflows the municipality receives from both its ongoing operations and external investment sources, as well as all cash outflows that pay for municipality's activities and investments during a particular month.

DORA – Division of Revenue Act. Annual legislation reflecting total allocations per municipality made by provincial and national governments.

Equitable Share – A general grant paid to municipalities predominantly targeted to help with free basic services.

Fruitless and Wasteful Expenditure – Expenditure made in vain, that would have been avoided had reasonable care been exercised.

MBRR – Local Government Municipal Budget and Reporting Regulations.

MIG – Municipal Infrastructure Grant

MTREF – Medium Term Revenue and Expenditure Framework.

Operating Expenditure – Day to day expenses of the Municipality such as salaries, repairs and maintenance and general expenses.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards achieving those objectives.

Unauthorised Expenditure – Spending without budget or in excess of the approved budget

Vote – A department

SECTION 1 – EXECUTIVE SUMMARY

1.1 Introduction

The municipality is required to prepare a monthly financial report (monthly budget statement) in accordance with Schedule C of the Municipal Budget and Reporting Regulations.

MFMA Section 71 states that the accounting officer must not later than 10 working days after the end of each month submit to the Mayor 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:-

- Actual Revenue per revenue source;
- Actual expenditure per vote;
- Actual Capital Expenditure per vote;
- The amount of any allocations received,
- Actual Expenditure on allocations received,
- Actual Expenditure on those allocations,
- Where necessary, explanations on:
 - Any material variances from the municipality's projected revenue per source, and from the municipality's expenditure projections per vote.
 - Any material variances from the SDBIP, and
 - Remedial or corrective steps taken or to be taken by the municipality

2. The statement must include:-

- Projections of municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections;

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

This report has been prepared using the accrual method of accounting. The general idea is that economic events are recognised by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is received or made.

This method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows to give a more accurate picture of the municipality's current financial position.

Table C1- Monthly Budget Statement Summary

The table below reflects on the summary of the total municipality's budget against year to date collections or expenditures.

Operating Revenue

In the statement of financial performance, revenue accrued is R91.2 million out of the projected R79.1 million giving rise to a variance of 15%.

Total cash receipts on operating revenue excluding grants totals to R7.8 million from July 2015 to October 2015 out of the expected R20.2 million for the entire year.

Property Rates

The amount accrued on rates amounts to R14.8 million, out of the expected R15.6 million. Total actual cash collected on rates from July to October is R601 thousand.

Refuse Removal

Amount accrued on refuse removal is R384 thousand against the expected R325 thousand. Total actual cash received on refuse removal from July to October is R170 thousand.

Investment Revenue

This relates to interests received on the call account deposits. Interest received to date amounts to R1.6 million.

Other Revenue

Rental of facilities and Equipment –R17 thousand has been received instead of the expected R14 thousand.

Fines- R12 thousand has been received so far against the expected R72 thousand.

Licenses and permits- R534 thousand has been received, however the municipality expected to receive more than R447 thousand.

Agency Fees- The amount collected so far amounts to R258 thousand, and the expected budget is R292 thousand.

Pound Sales made a collection of R136 thousand.

Operating Expenditure

On operating expenditure, R60.3 million was spent against the expected budget of R68.2 million giving rise to a variance of more than R7.9 million. This is because on non-cash items like depreciation that have not been accounted for.

Employee Costs

R29.9 million has been spent to date on employee related costs against the expected R26.6 million.

Remuneration of Councillors

Amount spent since July totals to R5.2 million against the budgeted R6.5 million.

Contracted Services

On contracted services, R4.6 million has been spent since July. The budgeted amount for this item is R5.4 giving a variance of R7.2 million.

Other Expenditure

This line item's expenditure is R20.4 million against the expected budget of R22.8 million.

Capital Expenditure

On Capital Expenditure the municipality has spent a total of R14.9 million against the expected R13.7 million budget to date. This will be explained more on table C5 where departmental expenditures are reflected.

Financial Position

The municipality's current assets exceed the current liabilities. The municipality's ability to pay its short term liabilities is tested by taking the total current assets and dividing them by current liabilities. This test is mainly used to give an idea of the municipality's ability to pay back its short term liabilities using the current assets.

Cash Flows

The municipality ended the month with a positive cash and cash equivalents balance of R4 035 million

EC156 Mhlontlo - Table C1 Monthly Budget Statement Summary - M04
October

| Description | 2014/15 | Budget Year 2015/16 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| <u>Financial Performance</u> | | | | | | | | | |
| Property rates | 9 078 | 15 663 | - | - | 14 853 | 15 663 | (809) | -5% | 15 663 |
| Service charges | 573 | 976 | - | 96 | 384 | 325 | 59 | 18% | 976 |
| Investment revenue | 1 211 | 682 | - | 257 | 1 658 | 227 | 1 431 | 629% | 682 |
| Transfers recognised - operational | 136 339 | 181 706 | - | 1 285 | 69 598 | 60 569 | 9 030 | 15% | 181 706 |
| Other own revenue | 6 121 | 2 943 | - | 2 486 | 4 725 | 2 363 | 2 363 | 100% | 2 943 |
| Total Revenue (excluding capital transfers and contributions) | 153 322 | 201 970 | - | 4 124 | 91 220 | 79 147 | 12 073 | 15% | 201 970 |
| Employee costs | 68 105 | 79 999 | - | 10 242 | 29 927 | 26 666 | 3 260 | 12% | 79 999 |
| Remuneration of Councillors | 15 065 | 19 533 | - | 1 227 | 5 293 | 6 511 | (1 218) | -19% | 19 533 |
| Depreciation & asset impairment | 15 229 | 9 787 | - | - | - | 3 262 | (3 262) | -100% | 9 787 |
| Other expenditure | 59 469 | 95 570 | - | 7 471 | 25 105 | 31 857 | (6 752) | -21% | 95 570 |
| Total Expenditure | 157 868 | 204 890 | - | 18 940 | 60 325 | 68 297 | (7 971) | -12% | 204 890 |
| Surplus/(Deficit) | (4 546) | (2 920) | - | (14 816) | 30 895 | 10 850 | 20 045 | 185% | (2 920) |
| Transfers recognised - capital | 52 712 | 36 866 | - | 2 723 | 10 449 | 12 289 | (1 840) | -15% | 36 866 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 48 167 | 33 946 | - | (12 094) | 41 343 | 23 139 | 18 205 | 79% | 33 946 |
| Surplus/ (Deficit) for the year | 48 167 | 33 946 | - | (12 094) | 41 343 | 23 139 | 18 205 | 79% | 33 946 |
| <u>Capital expenditure & funds sources</u> | | | | | | | | | |
| Capital expenditure | 45 790 | 52 699 | - | 4 394 | 14 907 | 18 100 | (3 192) | -18% | 52 699 |
| Capital transfers recognised | 45 790 | 52 699 | - | 4 394 | 14 907 | 13 775 | 1 132 | 8% | 52 699 |
| Total sources of capital funds | 45 790 | 52 699 | - | 4 394 | 14 907 | 13 775 | 1 132 | 8% | 52 699 |
| <u>Financial position</u> | | | | | | | | | |
| Total current assets | 37 049 | 32 798 | - | - | 90 345 | - | - | - | 32 798 |
| Total non current assets | 184 324 | 222 207 | - | - | 200 540 | - | - | - | 222 207 |
| Total current liabilities | 20 211 | 28 237 | - | - | 56 436 | - | - | - | 28 237 |
| Total non current liabilities | 5 185 | - | - | - | - | - | - | - | - |
| Community wealth/Equity | 195 976 | 226 768 | - | - | 234 449 | - | - | - | 226 768 |
| <u>Cash flows</u> | | | | | | | | | |
| Net cash from (used) operating | 59 114 | 38 984 | - | (11 425) | 58 411 | 89 796 | 31 386 | 35% | 38 984 |
| Net cash from (used) investing | (46 112) | (36 771) | - | 1 685 | (59 689) | (12 257) | 47 432 | -387% | (36 771) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the month/year end | 15 377 | 2 713 | - | - | 4 036 | 78 039 | 74 003 | 95% | 7 527 |
| 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 |
| <u>Debtors Age Analysis</u> | | | | | | | | | |
| Total By Income Source | 5 440 | 191 | 137 | 133 | 23 385 | - | - | - | 29 286 |
| <u>Creditors Age Analysis</u> | | | | | | | | | |
| Total Creditors | (41) | 48 | 0 | - | - | - | 101 | (585) | (477) |

Table C2: Statement of Financial Performance by vote

This table reflects the operating budget in the standard classification which are the Government Finance Statistics Functions and Sub-Functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of organisational structures used by different institutions.

The main functions are Governance and administration, Community and public safety, Economic and environmental services, and Trading Services.

It is for this reason that the financial performance is reported in standard classification, Table C2 and by municipal vote, Table C3.

EC156 Mhlontlo - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|--|----------|-----------------|---------------------|-----------------|-----------------|----------------|---------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| <u>Revenue - Standard</u> | | | | | | | | | | |
| Governance and administration | | 84 429 | 114 487 | - | 2 291 | 59 933 | 38 162 | 21 771 | 57% | 114 487 |
| Executive and council | | 39 914 | 52 279 | - | - | 21 395 | 17 426 | 3 969 | 23% | 52 279 |
| Budget and treasury office | | 21 811 | 34 273 | - | 2 277 | 25 878 | 11 424 | 14 454 | 127% | 34 273 |
| Corporate services | | 22 704 | 27 934 | - | 14 | 12 659 | 9 311 | 3 348 | 36% | 27 934 |
| Community and public safety | | 19 190 | 15 147 | - | 509 | 6 351 | 5 049 | 1 302 | 26% | 15 147 |
| Public safety | | 19 190 | 15 147 | - | 509 | 6 351 | 5 049 | 1 302 | 26% | 15 147 |
| Economic and environmental services | | 87 919 | 91 171 | - | 3 931 | 27 875 | 30 390 | (2 516) | -8% | 91 171 |
| Planning and development | | 14 145 | 19 773 | - | 15 | 8 256 | 6 591 | 1 665 | 25% | 19 773 |
| Road transport | | 73 773 | 71 398 | - | 3 916 | 19 618 | 23 799 | (4 181) | -18% | 71 398 |
| Trading services | | 14 497 | 18 032 | - | 114 | 7 510 | 6 011 | 1 499 | 25% | 18 032 |
| Waste management | | 14 497 | 18 032 | - | 114 | 7 510 | 6 011 | 1 499 | 25% | 18 032 |
| Other | 4 | - | - | - | - | - | - | - | | - |
| Total Revenue - Standard | 2 | 206 035 | 238 836 | - | 6 847 | 101 668 | 79 612 | 22 056 | 28% | 238 836 |
| <u>Expenditure - Standard</u> | | | | | | | | | | |
| Governance and administration | | 88 628 | 122 317 | - | 11 766 | 37 315 | 40 772 | (3 457) | -8% | 122 317 |
| Executive and council | | 37 627 | 43 913 | - | 4 045 | 14 202 | 14 638 | (436) | -3% | 43 913 |
| Budget and treasury office | | 29 362 | 47 910 | - | 6 275 | 14 998 | 15 970 | (972) | -6% | 47 910 |
| Corporate services | | 21 639 | 30 494 | - | 1 446 | 8 116 | 10 165 | (2 049) | -20% | 30 494 |
| Community and public safety | | 16 088 | 13 943 | - | 1 454 | 5 731 | 4 648 | 1 083 | 23% | 13 943 |
| Public safety | | 16 088 | 13 943 | - | 1 454 | 5 731 | 4 648 | 1 083 | 23% | 13 943 |
| Economic and environmental services | | 42 007 | 52 999 | - | 4 582 | 13 361 | 17 666 | (4 305) | -24% | 52 999 |
| Planning and development | | 11 460 | 24 450 | - | 1 998 | 6 330 | 8 150 | (1 820) | -22% | 24 450 |
| Road transport | | 30 547 | 28 549 | - | 2 584 | 7 031 | 9 516 | (2 485) | -26% | 28 549 |
| Trading services | | 11 145 | 15 632 | - | 1 138 | 3 919 | 5 211 | (1 292) | -25% | 15 632 |
| Waste management | | 11 145 | 15 632 | - | 1 138 | 3 919 | 5 211 | (1 292) | -25% | 15 632 |
| Total Expenditure - Standard | 3 | 157 868 | 204 890 | - | 18 940 | 60 325 | 68 297 | (7 971) | -12% | 204 890 |
| Surplus/ (Deficit) for the year | | 48 167 | 33 946 | - | (12 094) | 41 343 | 11 315 | 30 028 | 265% | 33 946 |

Table C3: Monthly Financial Performance (Revenue and Expenditure by vote)

Operating budget of the institution is approved by council on municipal vote level. The municipal votes are Mayor's Office, Council, Municipal Manager, Budget and Treasury Office, Corporate Services, Local Economic Development, Community Services, and Infrastructure and Development.

Unauthorised expenditure would occur at year end only if the adjusted budget for the total expenditure by vote or line item were overspent.

The table below reflects potential unauthorised expenditures in all the departments except for LED. However, the total budget for the entire financial year has not been exceeded. Close monitoring of expenditures is vital.

EC156 Mhlontlo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

| Vote Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| <u>Revenue by Vote</u> | 1 | | | | | | | | | |
| Vote 1 - MAYOR'S OFFICE | | 1 677 | 2 285 | - | - | 952 | 762 | 190 | 25.0% | 2 285 |
| Vote 2 - COUNCIL | | 25 294 | 33 941 | - | - | 13 755 | 11 314 | 2 441 | 21.6% | 33 941 |
| Vote 3 - MUNICIPAL MANAGER'S OFFICE | | 8 326 | 8 576 | - | - | 3 573 | 2 859 | 715 | 25.0% | 8 576 |
| Vote 4 - STRATEGIC SERVICES | | 4 616 | 7 477 | - | - | 3 116 | 2 492 | 623 | 25.0% | 7 477 |
| Vote 5 - BUDGET & TREASURY OFFICE | | 21 811 | 34 273 | - | 2 277 | 25 878 | 11 424 | 14 454 | 126.5% | 34 273 |
| Vote 6 - CORPORATE SERVICES | | 22 704 | 27 934 | - | 14 | 12 659 | 9 311 | 3 348 | 36.0% | 27 934 |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 10 778 | 19 773 | - | 15 | 8 256 | 6 591 | 1 665 | 25.3% | 19 773 |
| Vote 8 - COMMUNITY SERVICES | | 33 687 | 33 178 | - | 624 | 13 861 | 11 059 | 2 801 | 25.3% | 33 178 |
| Vote 9 - INFRASTRUCTURAL, DEVELOPMENT & PLANING | | 77 141 | 71 398 | - | 3 916 | 19 618 | 23 799 | (4 181) | -17.6% | 71 398 |
| Total Revenue by Vote | 2 | 206 035 | 238 836 | - | 6 847 | 101 668 | 79 612 | 22 056 | 27.7% | 238 836 |
| <u>Expenditure by Vote</u> | 1 | | | | | | | | | |
| Vote 1 - MAYOR'S OFFICE | | 1 268 | 2 285 | - | 128 | 1 396 | 762 | 634 | 83.3% | 2 285 |
| Vote 2 - COUNCIL | | 22 588 | 33 141 | - | 1 871 | 7 712 | 11 047 | (3 335) | -30.2% | 33 141 |
| Vote 3 - MUNICIPAL MANAGER'S OFFICE | | 13 771 | 8 487 | - | 2 045 | 5 094 | 2 829 | 2 265 | 80.1% | 8 487 |
| Vote 4 - STRATEGIC SERVICES | | 1 562 | 7 477 | - | 766 | 2 007 | 2 492 | (486) | -19.5% | 7 477 |
| Vote 5 - BUDGET & TREASURY OFFICE | | 29 362 | 47 910 | - | 6 275 | 14 998 | 15 970 | (972) | -6.1% | 47 910 |
| Vote 6 - CORPORATE SERVICES | | 21 639 | 30 494 | - | 1 446 | 8 116 | 10 165 | (2 049) | -20.2% | 30 494 |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 6 594 | 16 973 | - | 1 232 | 4 323 | 5 658 | (1 335) | -23.6% | 16 973 |
| Vote 8 - COMMUNITY SERVICES | | 27 233 | 29 574 | - | 2 592 | 9 649 | 9 858 | (209) | -2.1% | 29 574 |
| Vote 9 - INFRASTRUCTURAL, DEVELOPMENT & PLANING | | 33 850 | 28 549 | - | 2 584 | 7 031 | 9 516 | (2 485) | -26.1% | 28 549 |
| Total Expenditure by Vote | 2 | 157 868 | 204 890 | - | 18 940 | 60 325 | 68 297 | (7 971) | -11.7% | 204 890 |
| Surplus/ (Deficit) for the year | 2 | 48 167 | 33 946 | - | (12 094) | 41 343 | 11 315 | 30 028 | 265.4% | 33 946 |

Table C4- Statement of Financial Performance

Property rates and Service Charges on annual and monthly billed revenue is on target with deviations of just about 5% on rates and 18% on service charges. Over collections are reflecting in all the line items expect for fines.

EC156 Mhlontlo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|-----------------|---------------|---------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| <u>Revenue By Source</u> | | | | | | | | | | |
| Property rates | | 9 078 | 15 663 | - | - | 14 853 | 15 663 | (809) | -5% | 15 663 |
| Service charges - refuse revenue | | 573 | 976 | - | 96 | 384 | 325 | 59 | 18% | 976 |
| Service charges - other | | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | 44 | 43 | - | 2 | 17 | 14 | 3 | 23% | 43 |
| Interest earned - external investments | | 1 211 | 682 | - | 257 | 1 658 | 227 | 1 431 | 629% | 682 |
| Interest earned - outstanding debtors | | 661 | 111 | - | 52 | 402 | 37 | 365 | 983% | 111 |
| Dividends received | | - | - | - | - | - | - | - | - | - |
| Fines | | 144 | 216 | - | 3 | 12 | 72 | (60) | -84% | 216 |
| Licences and permits | | 1 357 | 1 341 | - | 135 | 534 | 447 | 87 | 19% | 1 341 |
| Agency services | | 800 | 877 | - | 67 | 258 | 292 | (35) | -12% | 877 |
| Transfers recognised - operational | | 136 339 | 181 706 | - | 1 285 | 69 598 | 60 569 | 9 030 | 15% | 181 706 |
| Other revenue | | 3 116 | 356 | - | 2 227 | 3 502 | 1 500 | 2 002 | 133% | 356 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 153 322 | 201 970 | - | 4 124 | 91 220 | 79 147 | 12 073 | 15% | 201 970 |
| <u>Expenditure By Type</u> | | | | | | | | | | |
| Employee related costs | | 68 105 | 79 999 | - | 10 242 | 29 927 | 26 666 | 3 260 | 12% | 79 999 |
| Remuneration of councillors | | 15 065 | 19 533 | - | 1 227 | 5 293 | 6 511 | (1 218) | -19% | 19 533 |
| Debt impairment | | 2 170 | 5 350 | - | - | - | 1 783 | (1 783) | -100% | 5 350 |
| Depreciation & asset impairment | | 15 229 | 9 787 | - | - | - | 3 262 | (3 262) | -100% | 9 787 |
| Contracted services | | 9 780 | 21 788 | - | 1 776 | 4 696 | 7 263 | (2 567) | -35% | 21 788 |
| Other expenditure | | 47 375 | 68 432 | - | 5 696 | 20 409 | 22 811 | (2 402) | -11% | 68 432 |
| Loss on disposal of PPE | | 145 | - | - | - | - | - | - | - | - |
| Total Expenditure | | 157 868 | 204 890 | - | 18 940 | 60 325 | 68 297 | (7 971) | -12% | 204 890 |
| Surplus/(Deficit) | | (4 546) | (2 920) | - | (14 816) | 30 895 | 10 850 | 20 045 | 0 | (2 920) |
| Transfers recognised - capital | | 52 712 | 36 866 | - | 2 723 | 10 449 | 12 289 | (1 840) | (0) | 36 866 |
| Surplus/(Deficit) after capital transfers & contributions | | 48 167 | 33 946 | - | (12 094) | 41 343 | 23 139 | | | 33 946 |
| Taxation | | | | | | | | - | | |
| Surplus/(Deficit) after taxation | | 48 167 | 33 946 | - | (12 094) | 41 343 | 23 139 | | | 33 946 |
| Attributable to minorities | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 48 167 | 33 946 | - | (12 094) | 41 343 | 23 139 | | | 33 946 |
| Share of surplus/ (deficit) of associate | | | | | | | | | | |
| Surplus/ (Deficit) for the year | | 48 167 | 33 946 | - | (12 094) | 41 343 | 23 139 | | | 33 946 |

Table C5: Capital Expenditure (Municipal Vote, standard classification, and funding)

Capital Expenditure reflects an unfavourable deviation of 18%. Year to date budget is R18.1 million whilst expenditure is sitting at R14.9 million.

EC156 Mhlontlo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M04 October

| Vote Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| <u>Single Year expenditure appropriation</u> | 2 | | | | | | | | | |
| Vote 2 - COUNCIL | | - | 800 | - | 18 | 818 | 800 | 18 | 2% | 800 |
| Vote 3 - MUNICIPAL MANAGER'S OFFICE | | - | 89 | - | - | - | 30 | (30) | -100% | 89 |
| Vote 5 - BUDGET & TREASURY OFFICE | | - | 1 500 | - | - | 4 | 500 | (496) | -99% | 1 500 |
| Vote 6 - CORPORATE SERVICES | | 34 | 1 150 | - | 19 | 97 | 383 | (286) | -75% | 1 150 |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | - | 2 800 | - | - | - | 933 | (933) | -100% | 2 800 |
| Vote 8 - COMMUNITY SERVICES | | 9 | 3 510 | - | 2 240 | 2 240 | 1 170 | 1 070 | 91% | 3 510 |
| Vote 9 - INFRASTRUCTURAL, DEVELOPMENT & PLANING | | 45 748 | 42 850 | - | 2 117 | 11 748 | 14 283 | (2 535) | -18% | 42 850 |
| Total Capital single-year expenditure | 4 | 45 790 | 52 699 | - | 4 394 | 14 907 | 18 100 | (3 192) | -18% | 52 699 |
| Total Capital Expenditure | | 45 790 | 52 699 | - | 4 394 | 14 907 | 18 100 | (3 192) | -18% | 52 699 |
| <u>Capital Expenditure - Standard Classification</u> | | | | | | | | | | |
| Governance and administration | | 34 | 3 539 | - | 37 | 919 | 1 713 | (794) | -46% | 3 539 |
| Executive and council | | - | 889 | - | 18 | 818 | 830 | (12) | -1% | 889 |
| Budget and treasury office | | - | 1 500 | - | - | 4 | 500 | (496) | -99% | 1 500 |
| Corporate services | | 34 | 1 150 | - | 19 | 97 | 383 | (286) | -75% | 1 150 |
| Community and public safety | | 9 | 1 110 | - | 30 | 30 | 370 | (340) | -92% | 1 110 |
| Public safety | | 9 | 1 110 | - | 30 | 30 | 370 | (340) | -92% | 1 110 |
| Economic and environmental services | | 45 748 | 45 650 | - | 2 117 | 11 748 | 15 217 | (3 469) | -23% | 45 650 |
| Planning and development | | - | 2 800 | - | - | - | 933 | (933) | -100% | 2 800 |
| Road transport | | 45 748 | 42 850 | - | 2 117 | 11 748 | 14 283 | (2 535) | -18% | 42 850 |
| Trading services | | - | 2 400 | - | 2 210 | 2 210 | 800 | 1 410 | 176% | 2 400 |
| Waste management | | - | 2 400 | - | 2 210 | 2 210 | 800 | 1 410 | 176% | 2 400 |
| Total Capital Expenditure - Standard Classification | 3 | 45 790 | 52 699 | - | 4 394 | 14 907 | 18 100 | (3 192) | -18% | 52 699 |
| <u>Funded by:</u> | | | | | | | | | | |
| National Government | | 45 790 | 52 699 | - | 4 394 | 14 907 | 13 775 | 1 132 | 8% | 52 699 |
| Transfers recognised - capital | | 45 790 | 52 699 | - | 4 394 | 14 907 | 13 775 | 1 132 | 8% | 52 699 |
| Total Capital Funding | | 45 790 | 52 699 | - | 4 394 | 14 907 | 13 775 | 1 132 | 8% | 52 699 |

Below is the graphic presentation of the summary on capital expenditure:

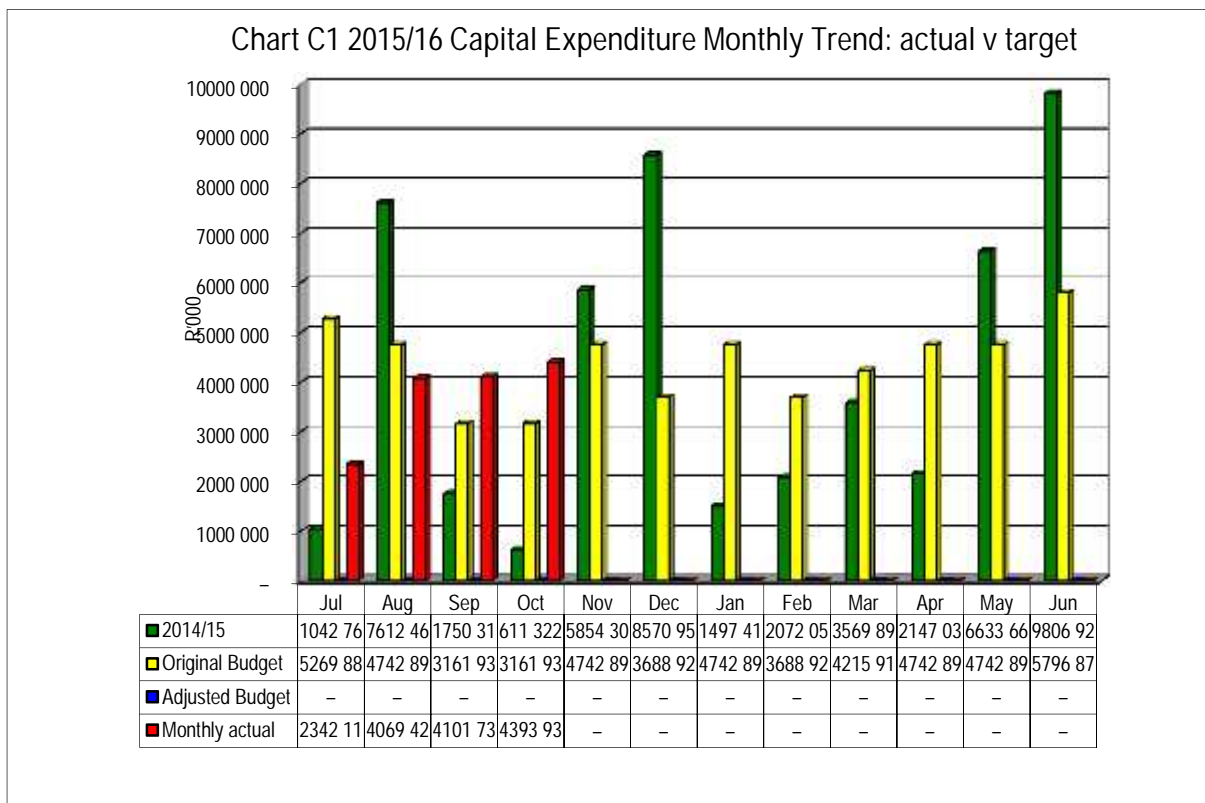


TABLE C6 Financial Position

EC156 Mhlontlo - Table C6 Monthly Budget Statement - Financial Position - M04 October

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | |
|--|-----|--------------------|------------------------|--------------------|------------------|-----------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | 15 377 | 2 713 | - | 4 040 | 2 713 |
| Call investment deposits | | - | 7 607 | - | 53 976 | 7 607 |
| Consumer debtors | | 2 628 | 6 021 | - | 14 020 | 6 021 |
| Other debtors | | 2 606 | 395 | - | 2 356 | 395 |
| Current portion of long-term receivables | | 484 | | - | | |
| Inventory | | 15 954 | 16 062 | - | 15 954 | 16 062 |
| Total current assets | | 37 049 | 32 798 | - | 90 345 | 32 798 |
| Non current assets | | | | | | |
| Long-term receivables | | | | | | |
| Investments | | | | | | |
| Investment property | | 27 112 | 27 442 | - | 27 112 | 27 442 |
| Investments in Associate | | | | | | |
| Property, plant and equipment | | 156 278 | 193 900 | - | 172 608 | 193 900 |
| Intangible assets | | 815 | 865 | - | 820 | 865 |
| Other non-current assets | | 119 | | | | |
| Total non current assets | | 184 324 | 222 207 | - | 200 540 | 222 207 |
| TOTAL ASSETS | | 221 373 | 255 005 | - | 290 885 | 255 005 |
| LIABILITIES | | | | | | |
| Current liabilities | - | | | | | |
| Trade and other payables | | 8 183 | 8 826 | - | 35 818 | 8 826 |
| Provisions | | 12 029 | 19 411 | - | 20 618 | 19 411 |
| Total current liabilities | | 20 211 | 28 237 | - | 56 436 | 28 237 |
| Non current liabilities | | | | | | |
| Provisions | | 5 185 | | - | | |
| Total non current liabilities | | 5 185 | - | - | - | - |
| TOTAL LIABILITIES | | 25 397 | 28 237 | - | 56 436 | 28 237 |
| NET ASSETS | 2 | 195 976 | 226 768 | - | 234 449 | 226 768 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 195 976 | 226 768 | - | 234 449 | 226 768 |
| Reserves | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 195 976 | 226 768 | - | 234 449 | 226 768 |

Table C7: Cash flow

The table below reflects problems in the cash flows of the institution.

EC156 Mhlontlo - Table C7 Monthly Budget Statement - Cash Flow - M04 October

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|--|-----|--------------------|---------------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|--------------------------|
| | | 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, penalties & collection charges | | 5 119 | 7 831 | | 118 | 600 | 2 610 | (2 011) | -77% | 7 831 |
| Service charges | | 172 | 488 | | 43 | 173 | 163 | 10 | 6% | 488 |
| Other revenue | | 4 413 | 2 832 | | 713 | 5 953 | 944 | 5 009 | 531% | 2 832 |
| Government - operating | | 133 736 | 181 706 | | - | 82 709 | 60 569 | 22 140 | 37% | 181 706 |
| Government - capital | | 57 023 | 36 866 | | - | 24 950 | 12 289 | 12 661 | 103% | 36 866 |
| Interest | | 1 211 | 682 | | 237 | 1 532 | 227 | 1 304 | 574% | 682 |
| Dividends | | | - | | | | | - | | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (142 561) | (191 422) | | (12 535) | (57 505) | 12 995 | 70 500 | 543% | (191 422) |
| Finance charges | | | | | | | | - | | |
| Transfers and Grants | | | | | | | | - | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 59 114 | 38 984 | - | (11 425) | 58 411 | 89 796 | 31 386 | 35% | 38 984 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | | | | | | | - | | |
| Decrease (Increase) in non-current debtors | | | | | | | | - | | |
| Decrease (increase) other non-current receivables | | | 6 944 | | 6 437 | (43 915) | 2 315 | (46 229) | -1997% | 6 944 |
| Decrease (increase) in non-current investments | | 1 | 3 000 | | | | 1 000 | (1 000) | -100% | 3 000 |
| Payments | | | | | | | | | | |
| Capital assets | | (46 113) | (46 715) | | (4 753) | (15 774) | (15 572) | 203 | -1% | (46 715) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (46 112) | (36 771) | - | 1 685 | (59 689) | (12 257) | 47 432 | -387% | (36 771) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 13 002 | 2 213 | - | (9 740) | (1 278) | 77 539 | | | 2 213 |
| Cash/cash equivalents at beginning: | | 2 375 | 500 | | | 5 315 | 500 | | | 5 315 |
| Cash/cash equivalents at month/year end: | | 15 377 | 2 713 | - | | 4 036 | 78 039 | | | 7 527 |

PART 2: SUPPORTING DOCUMENTATION

Table SC1: Material Variances and explanations

EC156 Mhlontlo - Supporting Table SC1 Material variance explanations - M04 October

| Ref | Description R thousands | Variance | Reasons for material deviations | Remedial or corrective steps/remarks |
|-----|--|----------|---|--|
| 1 | <u>Revenue By Source</u> | | | |
| | Property rates | -5% | | |
| | Service charges - refuse revenue | 18% | Over-collection. | Correct it in the adjustment budget. |
| | Interest earned - external investments | 629% | Over-collection. Actuals are currently exceeding the total annual budget. | Correct it in the adjustment budget. |
| | Transfers recognised - operational | 15% | MSIG has not yet started on spending & Library Subsidy not yet transferred to the municipality. | Liaising with DSRAC. Training has been conducted, expenditure to be reported in November 2015. |
| | Interest earned - outstanding debtors | 983% | Over-collection. Actuals are currently exceeding the total annual budget. | Correct it in the adjustment budget. |
| | Fines | -84% | Low collection levels. | Correct it in the adjustment budget. |
| | Other revenue | 133% | Over- collection | Correct it in the adjustment budget. |
| 2 | <u>Expenditure By Type</u> | | | |
| | Contracted services | -35% | Project funded by INEP was moving slowly until the allocation was transferred in Sept 2015, work on site has commenced. | |
| | Depreciation & asset impairment | -100% | Depreciation not yet processed in the system. | |
| | Debt impairment | -100% | Debt impairment provision to be reviewed at year end and the expenditure to be recorded at year end. | |
| 3 | <u>Capital Expenditure</u> | | | |
| | Vote 7 - LOCAL ECONOMIC DEVELOPMENT | -100% | LED not spending in it's current project (CDC). | |
| | Vote 8 - COMMUNITY SERVICES | 91% | The department has just bought the refuse truck. No spending in other items of the Capital Budget. | |
| | Vote 5 - BUDGET & TREASURY OFFICE | -99% | No spending yet. Budget is mainly for purchasing fleet of the municipality. | |

Table SC3: Aged Debtors

The municipality is being owed a total amount of R29.2 million of which the biggest portion is on households with R14.5 million being owed by this group of debtors. Over R13.8 million of the outstanding amount is older than 120 days.

The second biggest is commercial debtors that are sitting at R9.1 million. Over R8.3 million is over 120 days. The last are the organs of state owing just over R5.5 million.

EC156 Mhlontlo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

| Description | NT Code | Budget Year 2015/16 | | | | | Total | Total over 90 days |
|---|-------------|---------------------|------------|------------|-------------|---------------|---------------|--------------------|
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | | |
| R thousands | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 5 431 | 103 | 94 | 91 | 13 616 | 19 335 | 13 707 |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | | | | | | - | - |
| Receivables from Exchange Transactions - Waste Management | 1600 | 138 | 88 | 43 | 42 | 4 440 | 4 751 | 4 483 |
| Other | 1900 | (129) | - | - | - | 5 329 | 5 200 | 5 329 |
| Total By Income Source | 2000 | 5 440 | 191 | 137 | 133 | 23 385 | 29 286 | 23 518 |
| 2014/15 - totals only | | | | | | | - | - |
| Debtors Age Analysis By Customer Group | | | | | | | | |
| Organs of State | 2200 | 4 355 | 8 | 4 | 4 | 1 226 | 5 596 | 1 230 |
| Commercial | 2300 | 656 | 83 | 64 | 62 | 8 310 | 9 175 | 8 372 |
| Households | 2400 | 429 | 100 | 68 | 68 | 13 849 | 14 515 | 13 917 |
| Other | 2500 | - | - | - | - | - | - | - |
| Total By Customer Group | 2600 | 5 440 | 191 | 137 | 133 | 23 385 | 29 286 | 23 518 |

Graphical presentation of the debtors' age analysis

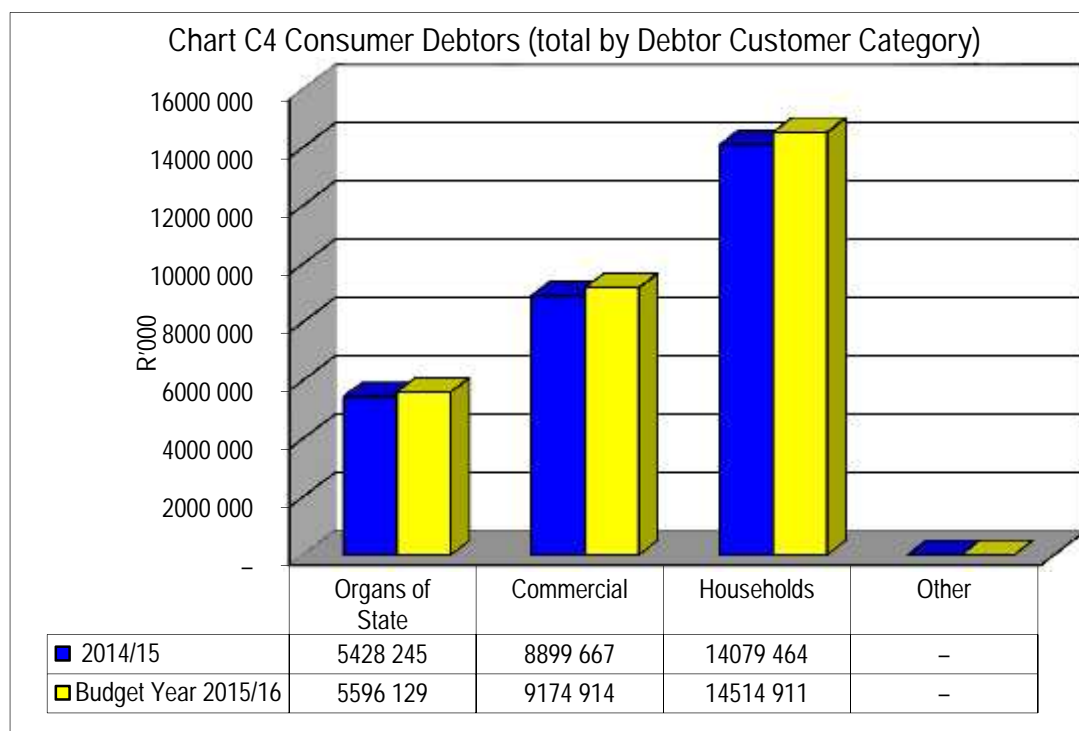


Table SC4: Aged Creditors

EC156 Mhlontlo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

| Description | NT Code | Budget Year 2015/16 | | | | | | | | 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 | |
| R thousands | | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | |
| Trade Creditors | 0700 | (41) | 48 | 0 | - | - | - | 101 | (585) | (477) |
| Auditor General | 0800 | | | | | | | | | - |
| Other | 0900 | | | | | | | | | - |
| Total By Customer Type | 1000 | (41) | 48 | 0 | - | - | - | 101 | (585) | (477) |

Table SC5: Investment Portfolio Analysis

All the call deposits are highly liquid short term investments and are held for the purpose of meeting short-term commitments rather than the purpose of earning a return (interest).

The table below reflects on account balances as at the end of October 2015. Total cash available was R59.8 million.

EC156 Mhlontlo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

| Investments by maturity Name of institution & investment ID R thousands | Ref | Period of Investment | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
|---|----------|----------------------|--------------------|---------------------------|--------------------------------|---------------------------|--|------------------------|----------------------------------|
| | | Yrs/Months | | | | | | | |
| Municipality | | | | | | | | | |
| (FMG) 62280641244 - FNB | | Call | Call Deposit | Call Deposit | 7 | 4.40 | 1 885 | (0) | 1 885 |
| (MSIG) 62280642416 - FNB | | Call | Call Deposit | Call Deposit | 4 | 4.40 | 986 | (0) | 986 |
| (Equitable Share) 62027945809 - FNB | | Call | Call Deposit | Call Deposit | 86 | 4.40 | 29 293 | (15 394) | 13 900 |
| (MIG) 62170844221 - FNB | | Call | Call Deposit | Call Deposit | 64 | 4.25 | 18 273 | (2 054) | 16 219 |
| (Gqunu Lots) 62020395390 - FNB | | Call | Call Deposit | Call Deposit | 3 | 4.25 | 700 | (0) | 700 |
| (IDP) 62075570137 - FNB | | Call | Call Deposit | Call Deposit | 1 | 2.90 | 401 | - | 401 |
| (INEP) 74231136926 - FNB | | Call | Call Deposit | Call Deposit | 41 | 5.90 | - | 11 010 | 11 010 |
| (LED) 62075571713 - FNB | | Call | Call Deposit | Call Deposit | 1 | 2.90 | 396 | (0) | 396 |
| (Revolving Fund) 61399068117 - FNB | | Call | Call Deposit | Call Deposit | 27 | 4.40 | 7 202 | - | 7 202 |
| (Bulk Housing) 62280645345 - FNB | | Call | Call Deposit | Call Deposit | 3 | 4.40 | 736 | (0) | 736 |
| (7 days Notice) 74366814934 - FNB | | Call | Call Deposit | Call Deposit | - | 4.40 | 10 | - | 10 |
| Municipality sub-total | | | | | 237 | | 59 882 | (6 437) | 53 445 |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | 237 | | 59 882 | (6 437) | 53 445 |

Table SC6: Grants Receipts

All grants receipts expected were received except for the library grant. The table below reflects on individual grants received.

EC156 Mhlontlo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| RECEIPTS: | 1,2 | | | | | | | | | |
| - | | | | | | | | | | |
| <u>Operating Transfers and Grants</u> | | | | | | | | | | |
| National Government: | | 135 850 | 180 766 | - | - | 85 772 | 57 826 | 18 745 | 32.4% | 180 766 |
| Local Government Equitable Share | | 127 895 | 159 404 | - | - | 66 418 | 47 821 | 18 597 | 38.9% | 159 404 |
| Municipal Systems Improvement | | 934 | 930 | - | - | 930 | 930 | | | 930 |
| Finance Management | | 1 800 | 1 875 | - | - | 1 875 | 1 875 | | | 1 875 |
| EPWP Incentive | | 1 221 | 1 000 | - | - | 400 | 300 | | | 1 000 |
| Integrated National Electrification Programme | | 4 000 | 13 000 | - | - | 13 000 | 3 900 | | | 13 000 |
| Municipal Infrastructure Grant (MIG)- operating | | - | 4 557 | - | - | 3 149 | 3 000 | 149 | 5.0% | 4 557 |
| Provincial Government: | | 170 | 170 | - | - | - | 170 | (170) | -100.0% | 170 |
| Library & Subsidies | | 170 | 170 | - | - | - | 170 | (170) | -100.0% | 170 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| Total Operating Transfers and Grants | 5 | 136 020 | 180 936 | - | - | 85 772 | 57 996 | 18 575 | 32.0% | 180 936 |
| <u>Capital Transfers and Grants</u> | | | | | | | | | | |
| National Government: | | 52 712 | 37 636 | - | - | 21 801 | 11 291 | 10 510 | 93.1% | 37 636 |
| Municipal Infrastructure Grant (MIG) | | 52 712 | 37 636 | - | - | 21 801 | 11 291 | 10 510 | 93.1% | 37 636 |
| Total Capital Transfers and Grants | 5 | 52 712 | 37 636 | - | - | 21 801 | 11 291 | 10 510 | 93.1% | 37 636 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 188 732 | 218 572 | - | - | 107 573 | 69 287 | 29 086 | 42.0% | 218 572 |

Table SC7: Grants expenditure

The table below reflects on grants' expenditure from July to October. These amounts are exclusive of VAT.

Municipal Systems Improvement Grant is used to finance ward committee trainings.

Finance management grant's expenditure amounts to R353 thousand. This amount was used on interns' salaries and financial management.

Library grant expenditure amounts to R44 thousand, and was used is paying the librarians' salary.

Municipal Infrastructure Grant's expenditure amounts to R438 on operations and R10.3 on capital expenditure.

EC156 Mhlontlo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| EXPENDITURE | | | | | | | | | | |
| <u>Operating expenditure of Transfers and Grants</u> | | | | | | | | | | |
| National Government: | | 8 259 | 180 766 | - | 1 637 | 3 664 | 3 451 | 213 | 6.2% | 180 766 |
| Local Government Equitable Share | | - | 159 404 | | - | - | - | - | | 159 404 |
| Municipal Systems Improvement | | 934 | 930 | | - | - | 78 | (78) | -100.0% | 930 |
| Finance Management | | 1 800 | 1 875 | | 92 | 353 | 156 | 197 | 126.0% | 1 875 |
| EPWP Incentive | | 1 214 | 1 000 | | 352 | 355 | 83 | 272 | 325.8% | 1 000 |
| Integrated National Electrification Programme | | 4 311 | 13 000 | | 1 193 | 2 519 | 1 083 | 1 435 | 132.5% | 13 000 |
| Municipal Infrastructure Grant (MIG)-operating | | - | - | | - | - | - | - | -78.7% | - |
| | | - | 4 557 | | - | 438 | 2 051 | (1 613) | | 4 557 |
| Provincial Government: | | 149 | 170 | - | 6 | 44 | 14 | 30 | 214.0% | 170 |
| Library & Subsidies | | 149 | 170 | - | 6 | 44 | 14 | 30 | 214.0% | 170 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| Total operating expenditure of Transfers and Grants: | | 8 408 | 180 936 | - | 1 643 | 3 709 | 3 465 | 244 | 7.0% | 180 936 |
| <u>Capital expenditure of Transfers and Grants</u> | | | | | | | | | | |
| National Government: | | 53 201 | 37 636 | - | 2 723 | 10 347 | 16 936 | (6 589) | -38.9% | 37 636 |
| Municipal Infrastructure Grant (MIG) | | 53 201 | 37 636 | - | 2 723 | 10 347 | 16 936 | (6 589) | -38.9% | 37 636 |
| Provincial Government: | | - | - | - | - | - | - | - | | - |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| Total capital expenditure of Transfers and Grants | | 53 201 | 37 636 | - | 2 723 | 10 347 | 16 936 | (6 589) | -38.9% | 37 636 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 61 609 | 218 572 | - | 4 366 | 14 056 | 20 401 | (6 345) | -31.1% | 218 572 |

Table SC8: Councillor and Staff benefits

The table below reflects on councillor's benefits, Senior managers and other municipal staff. Total amount spent on salaries since July is R35.2 million.

EC156 Mhlontlo - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

| Summary of Employee and Councillor remuneration | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| | 1 | A | B | C | | | | | | D |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | 16 872 | 14 682 | | 856 | 3 812 | 3 670 | 142 | 4% | 14 682 |
| Pension and UIF Contributions | | 60 | - | | - | 1 | - | 1 | #DIV/0! | - |
| Medical Aid Contributions | | 68 | - | | - | 2 | - | 2 | #DIV/0! | - |
| Motor Vehicle Allowance | | 2 892 | 3 670 | | 254 | 1 011 | 918 | 94 | 10% | 3 670 |
| Cellphone Allowance | | 1 300 | 1 181 | | 106 | 421 | 295 | 126 | 43% | 1 181 |
| Housing Allowances | | - | - | | | | - | - | | - |
| Other benefits and allowances | | 139 | - | | 11 | 47 | - | 47 | #DIV/0! | - |
| Sub Total - Councillors | | 21 331 | 19 533 | - | 1 227 | 5 293 | 4 883 | 410 | 8% | 19 533 |
| % increase | 4 | | -8.4% | | | | | | | -8.4% |
| Senior Managers of the Municipality | 3 | | | | | | | | | |
| Basic Salaries and Wages | | | 3 889 | | | | 324 | (324) | -100% | 3 889 |
| Pension and UIF Contributions | | | 49 | | | | 4 | (4) | -100% | 49 |
| Motor Vehicle Allowance | | | 1 507 | | | | 126 | (126) | -100% | 1 507 |
| Housing Allowances | | | 773 | | | | 64 | (64) | -100% | 773 |
| Sub Total - Senior Managers of Municipality | | - | 6 218 | - | - | - | 518 | (518) | -100% | 6 218 |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 40 154 | 39 155 | | 8 084 | 19 853 | 9 789 | 10 065 | 103% | 39 155 |
| Pension and UIF Contributions | | 5 311 | 7 000 | | 473 | 1 897 | 1 750 | 147 | 8% | 7 000 |
| Medical Aid Contributions | | 4 428 | 8 988 | | 398 | 1 551 | 2 247 | (696) | -31% | 8 988 |
| Overtime | | 2 276 | - | | 180 | 705 | - | 705 | | - |
| Motor Vehicle Allowance | | 6 168 | 6 535 | | 593 | 2 369 | 1 634 | 735 | 45% | 6 535 |
| Cellphone Allowance | | 662 | 869 | | 62 | 241 | 217 | 23 | 11% | 869 |
| Housing Allowances | | 2 247 | 2 328 | | 186 | 742 | 582 | 160 | 28% | 2 328 |
| Other benefits and allowances | | 3 631 | 5 197 | | 257 | 1 994 | 1 299 | 695 | 54% | 5 197 |
| Payments in lieu of leave | | 531 | 3 710 | | 8 | 574 | 927 | (353) | -38% | 3 710 |
| Long service awards | | 318 | - | | - | - | - | - | | - |
| Sub Total - Other Municipal Staff | | 65 726 | 73 782 | - | 10 242 | 29 927 | 18 445 | 11 482 | 62% | 73 782 |
| % increase | 4 | | 12.3% | | | | | | | 12.3% |
| Total Parent Municipality | | 87 058 | 99 533 | - | 11 469 | 35 220 | 23 847 | 11 374 | 48% | 99 533 |
| Unpaid salary, allowances & benefits in arrears: | | | 14.3% | | | | | | | 14.3% |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 87 058 | 99 533 | - | 11 469 | 35 220 | 23 847 | 11 374 | 48% | 99 533 |
| % increase | 4 | | 14.3% | | | | | | | 14.3% |
| TOTAL MANAGERS AND STAFF | | 65 726 | 79 999 | - | 10 242 | 29 927 | 18 964 | 10 963 | 58% | 79 999 |

Additional Information

| Reconciliation of cash available | |
|---|-----------------------|
| | 31-10-2015 |
| Cash and cash equivalents at month end | -4 027 281.53 |
| Call investment Deposits | 53 445 568.15 |
| | 49 418 286.62 |
| Less: | |
| <i>Unspent Conditional Grant</i> | -27 541 291.86 |
| Municipal Infrastructure Grant | -14 063 757.00 |
| INEP | -11 011 240.00 |
| Financial Management Grant | -1 521 810.00 |
| Municipal Systems Grant | -930 000.00 |
| EPWP | -48 662.00 |
| Library | 0.00 |
| Gqunu Lots | -701 882.86 |
| Bulk Housing | 736 060.00 |
| Net cash available for internal distribution | 21 876 994.76 |
| Less amounts allocated to: | |
| Expected future payments(operations) | -9 086 500.00 |
| Employee Benefits Reserve(November) Salaries) | -8 500 000.00 |
| Current Cash Resources available/shortfall | 4 290 494.76 |

Section 16 – Municipal Manager’s quality certification

QUALITY CERTIFICATE

I, S.G. Sotshongaye, the Municipal Manager of Mhlontlo Local Municipality hereby certify that:-

The quarterly budget statement for the quarter ending 31 October 2015/2016 financial year has been prepared in accordance the Municipal Finance Management Act and the regulations made under the Act.

Name: S.G. Sotshongaye

Municipal Manager of Mhlontlo Local Municipality

Signature

Date.....