

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 May 2009

Monthly Budget Statement

March 2024

2023-2024 Financial Year

TABLE OF CONTENTS

Glossary

Executive Summary

Monthly Budget Statement Summary

Financial Performance (Standard Classification

Financial Performance (revenue and expenditure by municipal vote)

Financial Performance (Revenue and Expenditure)

Capital Expenditure (by Municipal Vote)

Financial Position

Cash Flow

PART 2 – SUPPORTING DOCUMENTATION

Material Variances

Debtors' Analysis

Creditors Analysis

Investment Portfolio Analysis

Allocation of grant receipts and expenditure

Expenditure on councillors, employees and managers

Bank Reconciliation

Municipal Manager's Quality Certification

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 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

MFMA Section 52(d) states that the Mayor must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality.

Municipal budget regulations sub-heading 2.5 requires that this report must be in the Section 71 of the MFMA format, which requires that this report must be prepared in the following manner:

- 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.

Operating Revenue

In the statement of financial performance, revenue accrued is R 283, 2 million out of the projected R 217, 8 million giving rise to a variance of 30%. Variance contributing factors are explained in the sub headings of the revenue items.

Total cash receipts on operating revenue excluding grants totals to R44.2 million since July 2023 out of the expected R31, 6 million. The substantial amount received was due to collections on government property rates and VAT refundable.

Property Rates

The amount accrued on rates amounts to R35, 7 million, out of the expected R27, 6 million.

Total actual cash collected on rates since July 2023 is R16.7 million against the expected R27, 6 million.

Refuse Removal

Amount accrued on refuse removal is R1,9 million against the expected R1,5 million.

Total actual cash received on refuse removal since July 2023 is R477 thousand out of the expected collection of R1,5 million.

Investment Revenue

This relates to interests received on the call account deposits. Interest received since July 2023 amounts to R8, 5 million out of the expected R8.7 million.

Other Revenue

Rental of facilities and Equipment –R42 thousand has been received since July 2023 instead of the expected R12 thousand.

Fines- R2,0 million has been received so far against the expected R57 thousand.

Licenses and permits- R856 thousand has been received since July 2023 and the municipality expected to receive R1,2 million.

Agency Services- The amount collected since July amounts to R986 thousand and the expected budget is R1,3 million.

Operating Expenditure

On operating expenditure, R266, 9 million was spent against the expected budget of R339, 9 million giving rise to a negative variance of more than R73, 0 million. This is because on non-cash items like depreciation and debt impairment that have not been accounted for.

Employee Costs

R80, 3 million has been spent to date on employee related costs against the expected R109, 1 million.

Remuneration of Councillors

Amount spent since July totals to R17, 5 million against the budgeted R17, 8 million.

Other Expenditure

This line item includes all the other operating expenses like accommodation, telephone, electricity etc. Expenditure is R138 ,7 million against the expected budget of R160, 2 million.

Capital Expenditure

On Capital Expenditure the municipality has spent a total of R59, 8 million against the expected R101, 2 million budgets 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.

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.

EC156 Mhlontlo - Table C1 Monthly Budget Statement Summary - M09
March

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	20	36 791	36 791	–	35 652	27 594	8 058	29%	36 791
Service charges	407	1 981	1 981	214	1 928	1 485	442	30%	1 981
Investment revenue	1 823	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	1 823	6 148	11 648	1 035	8 529	8 736	(207)	-2%	11 648
Other own revenue	22 827	240 152	239 976	59 504	237 117	179 982	57 135	32%	–
Total Revenue (excluding capital transfers and contributions)	26 901	285 072	290 396	60 753	283 226	217 797	65 429	30%	290 396
Employee costs	21 785	97 827	145 515	8 675	80 274	109 136	(28 862)		145 515
Remuneration of Councillors	3 311	20 690	23 748	1 714	17 488	17 811	(323)		23 748
Depreciation and amortisation	(12 629)	49 421	49 421	985	21 932	37 066	(15 133)		49 421
Interest	795	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	541	12 086	13 166	525	7 880	9 875	(1 995)		13 166
Transfers and subsidies	21	2 402	2 402	177	570	1 802	(1 232)	-68%	2 402
Other expenditure	43 793	181 292	213 892	24 088	138 710	164 200	(25 489)	-16%	213 892
Total Expenditure	57 618	363 718	448 145	36 165	266 854	339 889	(73 034)	-21%	448 145
Surplus/(Deficit)	(30 717)	(78 646)	(157 748)	24 588	16 371	(122 092)	138 463	-113%	(157 748)
Transfers and subsidies - capital (monetary allocations)	13 143	63 193	98 149	6 845	64 405	73 612	(9 207)	-13%	98 149
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	(17 574)	(15 453)	(59 599)	31 433	80 776	(48 480)	129 256	-267%	(59 599)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(17 574)	(15 453)	(59 599)	31 433	80 776	(48 480)	129 256	-267%	(59 599)
Capital expenditure & funds sources									
Capital expenditure	(66 603)	101 714	134 961	5 537	59 754	101 221	(41 467)	-41%	134 961
Capital transfers recognised	(56 504)	65 122	109 332	5 537	54 994	81 999	(27 004)	-33%	109 332
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	(10 100)	36 592	24 030	–	4 535	18 022	(13 487)	-75%	24 030
Total sources of capital funds	(66 603)	101 714	133 361	5 537	59 529	100 021	(40 492)	-40%	133 361
Financial position									
Total current assets	131 240	128 240	109 871		223 473				109 871
Total non current assets	589 849	587 621	598 974		551 256				598 974
Total current liabilities	44 863	65 898	160 918		86 426				160 918
Total non current liabilities	–	–	–		–				–
Community wealth/Equity	662 826	649 963	547 927		607 527				547 927

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 (functional classification) - M09 March

Description	Ref	2022/23 Audited Outcome	Budget Year 2023/24 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		25 077	143 587	149 087	25 741	143 899	111 815	32 083	29%	149 087
Executive and council		19 618	28 535	28 535	7 134	28 535	21 401	7 134	33%	28 535
Finance and administration		5 459	115 052	120 552	18 607	115 364	90 414	24 949	28%	120 552
<i>Community and public safety</i>		877	30 350	30 350	12 611	46 860	22 763	24 097	106%	30 350
Community and social services		2	550	550	8	579	413	166	40%	550
Public safety		875	29 800	29 800	12 603	46 281	22 350	23 931	107%	29 800
<i>Economic and environmental services</i>		6 069	124 681	146 100	18 978	112 545	109 575	2 969	3%	146 100
Planning and development		5 636	86 646	121 427	21 122	112 965	91 070	21 895	24%	121 427
Road transport		433	38 035	24 674	(2 144)	(420)	18 505	(18 925)	-102%	24 674
<i>Trading services</i>		8 021	49 647	63 008	10 269	44 327	47 256	(2 929)	-6%	63 008
Energy sources		7 605	-	13 361	2 174	10 860	10 021	839	8%	13 361
Waste management		416	49 647	49 647	8 095	33 468	37 235	(3 768)	-10%	49 647
Total Revenue - Functional	2	40 043	348 265	388 546	67 598	347 630	291 409	56 221	19%	388 546
Expenditure - Functional										
<i>Governance and administration</i>		38 736	170 638	187 129	12 870	115 792	143 934	(28 142)	-20%	187 129
Executive and council		10 064	55 136	66 338	6 337	53 369	49 754	3 615	7%	66 338
Finance and administration		28 646	115 453	120 741	6 533	62 387	94 143	(31 756)	-34%	120 741
Internal audit		25	50	50	-	37	37	(1)	-2%	50
<i>Community and public safety</i>		6 147	35 794	49 341	3 277	25 748	37 006	(11 258)	-30%	49 341
Community and social services		228	1 609	1 609	238	1 121	1 207	(86)	-7%	1 609
Sport and recreation		7	-	445	4	37	333	(296)	-89%	445
Public safety		5 912	34 185	47 287	3 035	24 590	35 465	(10 876)	-31%	47 287
<i>Economic and environmental services</i>		8 029	135 881	172 076	18 578	110 934	129 057	(18 123)	-14%	172 076
Planning and development		6 441	40 407	43 994	3 038	26 059	32 995	(6 936)	-21%	43 994
Road transport		1 588	95 474	128 082	15 540	84 874	96 061	(11 187)	-12%	128 082
<i>Trading services</i>		4 706	21 405	39 599	1 440	14 381	29 892	(15 511)	-52%	39 599
Waste management		4 706	21 405	39 599	1 440	14 381	29 892	(15 511)	-52%	39 599
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	57 618	363 718	448 145	36 165	266 854	339 889	(73 034)	-21%	448 145
Surplus/ (Deficit) for the year		(17 574)	(15 453)	(59 599)	31 433	80 776	(48 480)	129 256	-267%	(59 599)

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 occurs if the total budget in a vote is exceeded by expenditure. The executive and council vote is overspending.

The table below reflects on expenditures per vote. Close monitoring of expenditures is vital.

EC156 Mhlontlo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote 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										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		19 618	31 537	31 537	7 884	31 537	23 653	7 884	33,3%	31 537
Vote 2 - FINANCE AND ADMIN (12: IE)		5 461	115 052	120 552	18 615	115 392	90 414	24 978	27,6%	120 552
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		98	24 748	24 748	6 186	24 883	18 561	6 322	34,1%	24 748
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		9	29	29	2	26	21	4	20,7%	29
Vote 5 - PUBLIC SAFETY (17: IE)		875	57 853	57 853	12 603	46 831	43 390	3 441	7,9%	57 853
Vote 7 - WASTE MANAGEMENT (20: IE)		407	22 115	22 115	8 093	33 442	16 586	16 855	101,6%	22 115
Vote 8 - ROAD TRANSPORT (22: IE)		13 575	96 930	131 710	14 215	95 519	98 783	(3 264)	-3,3%	131 710
Total Revenue by Vote	2	40 043	348 265	388 546	67 598	347 630	291 409	56 221	19,3%	388 546
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		12 911	66 654	78 734	7 326	61 399	59 051	2 349	4,0%	78 734
Vote 2 - FINANCE AND ADMIN (12: IE)		32 647	103 088	111 521	5 998	57 509	87 421	(29 912)	-34,2%	111 521
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		3 770	31 030	33 857	2 162	18 419	25 393	(6 974)	-27,5%	33 857
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		224	4 639	4 365	238	1 103	3 274	(2 171)	-66,3%	4 365
Vote 5 - PUBLIC SAFETY (17: IE)		6 683	34 315	39 837	2 873	23 669	29 878	(6 209)	-20,8%	39 837
Vote 6 - SPORT AND RECREATION (18: IE)		7	-	445	4	37	333	(296)	-88,9%	445
Vote 7 - WASTE MANAGEMENT (20: IE)		1 254	17 988	43 349	1 573	15 370	32 512	(17 142)	-52,7%	43 349
Vote 8 - ROAD TRANSPORT (22: IE)		121	105 155	134 659	15 848	88 505	100 994	(12 489)	-12,4%	134 659
Total Expenditure by Vote	2	57 618	362 868	446 766	36 022	266 010	338 855	(72 845)	-21,5%	446 766
Surplus/ (Deficit) for the year	2	(17 574)	(14 603)	(58 221)	31 576	81 620	(47 446)	129 066	-272,0%	(58 221)

Table C4- Statement of Financial Performance

EC156 Mhlontlo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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										
Revenue										
Exchange Revenue										
Service charges - Waste management		407	1 981	1 981	214	1 928	1 485	442	30%	1 981
Sale of Goods and Rendering of Services		152	29	29	5	98	21	76	355%	29
Agency services		244	1 728	1 728	139	986	1 296	(310)	-24%	1 728
Interest earned from Receivables		(6)	80	80	–	–	60	(60)	-100%	80
Interest from Current and Non Current										
Assets		1 823	6 148	11 648	1 035	8 529	8 736			11 648
Rental from Fixed Assets		6	16	16	9	42	12	30	257%	16
Licence and permits		11	–	–	3	114	–	114	#DIV/0!	–
Operational Revenue		2 250	–	–	0	(0)	–	(0)	#DIV/0!	–
Non-Exchange Revenue										
Property rates		20	36 791	36 791	–	35 652	27 594	8 058	29%	36 791
Fines, penalties and forfeits		459	76	76	1 746	1 980	57	1 923		76
Licence and permits		169	1 578	1 578	105	856	1 183	(328)		1 578
Transfers and subsidies - Operational		23 898	236 646	236 471	57 498	233 042	177 353	55 689		236 471
Gains on disposal of Assets		(2 531)	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		26 901	285 072	290 396	60 753	283 226	217 797	65 429	30%	290 396
Expenditure By Type										
Employee related costs		21 785	97 827	145 515	8 675	80 274	109 136	(28 862)	-26%	145 515
Remuneration of councillors		3 311	20 690	23 748	1 714	17 488	17 811	(323)	-2%	23 748
Inventory consumed		541	12 086	13 166	525	7 880	9 875	(1 995)		13 166
Debt impairment		–	15 121	15 121	–	–	15 121	(15 121)	-100%	15 121
Depreciation and amortisation		(12 629)	49 421	49 421	985	21 932	37 066	(15 133)	-41%	49 421
Interest		795	–	–	–	–	–	–		–
Contracted services		2 329	58 567	59 881	4 447	36 811	44 911	(8 100)	-18%	59 881
Transfers and subsidies		21	2 402	2 402	177	570	1 802	(1 232)	-68%	2 402
Irrecoverable debts written off		14 496	–	–	–	–	–	–		–
Operational costs		26 967	107 604	138 890	19 641	101 900	104 167	(2 268)	-2%	138 890
Total Expenditure		57 618	363 718	448 145	36 165	266 854	339 889	(73 034)	-21%	448 145
Surplus/(Deficit)		(30 717)	(78 646)	(157 748)	24 588	16 371	(122 092)	138 463	(0)	(157 748)
Transfers and subsidies - capital (monetary allocations)		13 143	63 193	98 149	6 845	64 405	73 612	(9 207)	(0)	98 149
Surplus/(Deficit) after capital transfers & contributions		(17 574)	(15 453)	(59 599)	31 433	80 776	(48 480)			(59 599)
Surplus/(Deficit) after income tax		(17 574)	(15 453)	(59 599)	31 433	80 776	(48 480)			(59 599)
Surplus/(Deficit) attributable to municipality		(17 574)	(15 453)	(59 599)	31 433	80 776	(48 480)			(59 599)
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		(17 574)	(15 453)	(59 599)	31 433	80 776	(48 480)			(59 599)

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

Year to date budget is R101, 2 million whilst expenditure is sitting at R59, 8 million.

EC156 Mhlontlo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	2022/23 Audited Outcome	Budget Year 2023/24 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 11 - EXECUTIVE AND COUNCIL (11: CAPEX)		-	-	300	-	30	225	(195)	-87%	300
Vote 13 - PUBLIC SAFETY (17: CAPEX)		-	30	30	-	0	23	(22)	-99%	30
Vote 16 - EXECUTIVE AND COUNCIL (31: CAPEX)		(1 394)	-	775	-	775	581	194	33%	775
Vote 17 - FINANCE AND ADMIN (32: CAPEX)		(3 712)	25 381	15 181	-	2 418	11 386	(8 968)	-79%	15 181
Vote 18 - PLANNING AND DEVELOPMENT (33: CAPEX)		(679)	-	-	-	-	-	-		-
Vote 19 - PUBLIC SAFETY (37: CAPEX)		(2 098)	900	1 400	-	479	1 050	(571)	-54%	1 400
Vote 20 - WASTE MANAGEMENT (40: CAPEX)		(847)	4 710	3 950	-	326	2 963	(2 636)	-89%	3 950
Vote 21 - ROAD TRANSPORT (42: CAPEX)		(57 873)	70 692	113 325	5 537	55 726	84 994	(29 268)	-34%	113 325
Total Capital single-year expenditure	4	(66 603)	101 714	134 961	5 537	59 754	101 221	(41 467)	-41%	134 961
Total Capital Expenditure		(66 603)	101 714	134 961	5 537	59 754	101 221	(41 467)	-41%	134 961
Capital Expenditure - Functional Classification										
Governance and administration		(1 139)	22 250	14 650	-	2 350	10 988	(8 637)	-79%	14 650
Executive and council		-	-	300	-	30	225	(195)	-87%	300
Finance and administration		(1 139)	22 250	14 350	-	2 320	10 763	(8 442)	-78%	14 350
Community and public safety		(3 492)	3 050	2 748	-	1 986	2 061	(75)	-4%	2 748
Sport and recreation		-	2 120	544	-	537	408	129	32%	544
Public safety		(3 492)	930	2 205	-	1 449	1 654	(205)	-12%	2 205
Economic and environmental services		(45 134)	58 653	100 562	5 537	47 539	75 422	(27 882)	-37%	100 562
Planning and development		(35 360)	36 772	42 746	3 144	30 693	32 059	(1 366)	-4%	42 746
Road transport		(9 774)	21 881	57 817	2 393	16 847	43 362	(26 516)	-61%	57 817
Trading services		(16 838)	17 761	17 001	-	7 879	12 751	(4 872)	-38%	17 001
Energy sources		(16 838)	13 361	13 361	-	7 553	10 021	(2 468)	-25%	13 361
Waste management		-	4 400	3 640	-	326	2 730	(2 404)	-88%	3 640
Total Capital Expenditure - Functional Classification	3	(66 603)	101 714	134 961	5 537	59 754	101 221	(41 467)	-41%	134 961
Funded by:										
National Government		(56 504)	65 122	109 332	5 537	54 994	81 999	(27 004)	-33%	109 332
Transfers recognised - capital		(56 504)	65 122	109 332	5 537	54 994	81 999	(27 004)	-33%	109 332
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		(10 100)	36 592	24 030	-	4 535	18 022	(13 487)	-75%	24 030
Total Capital Funding		(66 603)	101 714	133 361	5 537	59 529	100 021	(40 492)	-40%	133 361

Table C6: Statement of Financial Position

EC156 Mhlontlo - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		111 489	104 548	88 974	182 248	88 974
Trade and other receivables from exchange transactions		1 183	2 958	3 384	4 804	3 384
Receivables from non-exchange transactions		(1 575)	14	586	19 098	586
Inventory		(324)	(0)	(0)	1 076	(0)
VAT		22 879	1 763	1 684	18 171	1 684
Other current assets		(2 412)	18 956	15 243	(1 924)	15 243
Total current assets		131 240	128 240	109 871	223 473	109 871
Non current assets						
Investments		-	-	-	-	-
Investment property		5 983	5 983	5 983	5 983	5 983
Property, plant and equipment		583 771	581 481	592 911	545 211	592 911
Intangible assets		96	157	81	62	81
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		589 849	587 621	598 974	551 256	598 974
TOTAL ASSETS		721 089	715 861	708 845	774 729	708 845
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		-	-	-	-	-
Trade and other payables from exchange transactions		19 093	17 294	141 759	15 345	141 759
Trade and other payables from non-exchange transactions		(9 472)	19 633	(15 481)	36 601	(15 481)
Provision		30 515	24 390	29 226	28 218	29 226
VAT		1 499	1 455	1 702	1 925	1 702
Other current liabilities		3 228	3 125	3 713	4 337	3 713
Total current liabilities		44 863	65 898	160 918	86 426	160 918
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		-	-	-	-	-
TOTAL LIABILITIES		44 863	65 898	160 918	86 426	160 918
NET ASSETS	2	676 226	649 963	547 927	688 303	547 927
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		662 826	649 963	547 927	607 527	547 927
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	662 826	649 963	547 927	607 527	547 927

Table C7: Cash flow

The table below reflects no problems in the cash flows of the institution.

EC156 Mhlontlo - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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		401	22 443	22 443	455	16 336	—	16 336	#DIV/0!	22 443
Service charges		77	1 208	1 208	81	478	—	478	#DIV/0!	1 208
Other revenue		341 887	3 425	3 425	2 006	4 086	—	4 086	#DIV/0!	3 425
Transfers and Subsidies - Operational		348	247 605	233 935	58 652	235 895	255 821	(19 926)	-8%	233 935
Transfers and Subsidies - Capital		5 100	49 832	80 083	40 408	82 311	—	82 311	#DIV/0!	80 083
Interest		7 098	6 148	11 648	1 035	8 532	8 736	(205)	-2%	11 648
Payments										
Suppliers and employees		(237 316)	(257 273)	(230 785)	(33 671)	(249 482)	(173 482)	76 001	-44%	(230 785)
NET CASH FROM/(USED) OPERATING ACTIVITIES		117 596	73 389	121 957	68 966	98 155	91 075	(7 079)	-8%	121 957
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		—	—	—	—	—	—	—		—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—		—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—		—
Payments										
Capital assets		(8 207)	(101 969)	(133 361)	(6 092)	(58 521)	—	58 521	#DIV/0!	(133 361)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 207)	(101 969)	(133 361)	(6 092)	(58 521)	—	58 521	#DIV/0!	(133 361)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—		—
Borrowing long term/refinancing		—	—	—	—	—	—	—		—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—		—
Payments										
Repayment of borrowing		—	—	—	—	—	—	—		—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—		—
NET INCREASE/ (DECREASE) IN CASH HELD		109 390	(28 580)	(11 404)	62 874	39 634	91 075			(11 404)
Cash/cash equivalents at beginning:		17 992	133 129	100 378	7 378	142 615	100 378			142 615
Cash/cash equivalents at month/year end:		127 381	104 548	88 974	70 251	182 248	98 576			88 974

PART 2: SUPPORTING DOCUMENTATION

Table SC3: Aged Debtors

The municipality is being owed a total amount of R108, 5 million of which the biggest portion is on household debtors with R41, 6 million being owed by this group of debtors.

The second biggest is government departments that are sitting at R37, 9 million. The business debtors owing just over R28,9 million.

EC156 Mhlontlo - Supporting Table SC3 Monthly Budget Statement - aged debtors – M09 March

EOT 100 million - Supporting Table 300 Monthly Budget Statement - aged debtors - m03 march									
Description	NT Code	Budget Year 2023/24							
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	Total	Total over 90 days	
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	2 410	505	493	486	88 606	92 500	89 092	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	216	207	204	202	15 128	15 958	15 330	
Receivables from Exchange Transactions - Property Rental	1700	-	-	-	-	-	-	-	
Debtors	1810	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	
Other	1900	-	-	-	-	-	-	-	
Total By Income Source	2000	2 626	712	697	689	103 734	108 458	104 423	
2017/18 - totals only							-	-	
Debtors Age Analysis By Customer Group									
Organs of State	2200	139	31	31	30	37 630	37 861	37 660	
Commercial	2300	1 105	242	236	235	27 147	28 965	27 382	
Households	2400	1 382	440	430	423	38 957	41 632	39 380	
Other	2500	-	-	-	-	-	-	-	
Total By Customer Group	2600	2 626	712	697	689	103 734	108 458	104 423	

Table SC4: Aged Creditors

EC156 Mhlontlo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	17	(211)	279	385	(291)	31	169	439	817	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	64	21	(258)	296	(7)	-	(8)	-	108	
Auditor General	0800	-	(26)	-	26	-	-	(290)	(32)	(322)	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	81	(216)	20	707	(299)	31	(129)	407	603	-

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 March 2024. Total cash available is R145, 8 million.

EC156 Mhlontlo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investment s by maturity Name of institution & investment ID	R ef	Period of Invest ment	Type of Invest ment	Capit al Guara ntee (Yes/ No)	Vari able or Fixe d inter est rate	Inte rest Rat e *	Comm ission Paid (Rands)	Comm ission Recipie nt	Expiry date of invest ment	Ope ning bala nce	Inter est to be reali sed	Partial / Prema ture Withdr awal (4)	Invest ment Top Up	Clos ing Bala nce
R thousands		Yrs/M onths												
Municipality														
20-FNB		4	3	Y	3	0,05 15	0	0	20240 630	60 649	762	22 245	(31 351)	52 304
23-FNB		4	3	Y	3	0,06 5	0	0	20240 630	3 597	80	-	-	3 677
24-FNB		4	3	Y	3	0,05 5	0	0	20240 630	1 558	10	(7)	(3)	558 1
25-FNB		48	3	Y	3	0,03 65	0	0	20240 630	1 197	20	(13)	(7)	197 1
30-FNB		4	3	Y	3	0,04 55	0	0	20240 630	1 492	17	(7)	1 305	807 84
31-FNB		4	3	Y	3	0,05 15	0	0	20240 630	71 789	1	2 876	8 533	475 1
32-FNB		4	3	Y	3	0,05 5	0	0	20240 630	3 747	277	(14 999)	12 978	765
33-FNB		4	3	Y	3	0,05 15	0	0	20240 630	734 1	12	(8)	(4)	145 782
34-FNB		4	3	Y	3	0,05 15	0	0	20240 630	135 2	207	(721)	31 141	
35-FNB		48	3	Y	3	0,03 25	0	0	20240 630	314	38	(12)	(26)	
36-FNB		48	3	Y	3	0,02 5	0	0	20240 630	-	-	-	-	-
37-FNB		50	3	Y	3	0,02 5	0	0	20240 630	8	-	-	-	8
Entities sub-total										8		-	-	8
TOTAL INVESTME NTS AND INTEREST	2									743		(8)	(4)	145 791

Table SC6: Grants Receipts

The grants that were expected since July 2023 were received. The table below reflects on individual grants received.

EC156 Mhlontlo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		21 063	235 872	235 696	57 423	232 022	176 772	55 250	31,3%	235 696
Equitable Share		19 618	229 195	229 195	57 300	229 195	171 896	57 299	33,3%	229 195
Expanded Public Works Programme		433	1 754	1 754	30	1 754	1 315	439	33,3%	1 754
Integrated Grant		1 012	2 300	2 300	93	1 073	1 725	(652)	-37,8%	2 300
Local Government Financial Management Grant		–	2 623	2 447	–	–	1 836	(1 836)	-100,0%	2 447
Municipal Infrastructure Grant		–	550	550	–	550	413	137	33,3%	550
Provincial Government:		–	–	–	–	–	–	–	–	–
Library Grant - Rev Alloc		–	550	550	–	550	413	137	33,3%	550
LIBRARY SUPPORT		2 253	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
OR TAMBO COMMUNICATIONS FUND		2 253	–	–	–	–	–	–	–	–
Sundries		582	225	225	75	471	168	302	179,5%	225
Other grant providers:		87	225	225	49	174	168	5	3,2%	225
Peoples Housing Process (Housing)		495	–	–	26	297	–	297	#DIV/0!	–
Transport, Education and Training SETA										
Total Operating Transfers and Grants	5	23 898	236 646	236 471	57 498	233 042	177 353	55 689	31,4%	236 471
Capital Transfers and Grants										
National Government:		13 143	63 193	98 149	6 845	64 405	73 612	(9 207)	-12,5%	98 149
Integrated National Electrification Programme Grant		7 605	13 361	13 361	–	8 685	10 021	(1 335)	-13,3%	13 361
Municipal Disaster Response Grant		–	–	38 464	2 034	6 875	28 848	(21 973)	-76,2%	38 464
Municipal Infrastructure Grant		5 538	49 832	46 324	4 811	48 844	34 743	14 101	40,6%	46 324
Provincial Government:		–	–	–	–	–	–	–	–	–
FMG - Rev Alloc		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Human Settlement Re-development Programme		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	13 143	63 193	98 149	6 845	64 405	73 612	(9 207)	-12,5%	98 149
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	37 041	299 840	334 620	64 343	297 447	250 965	46 482	18,5%	334 620

Table SC7: Grants expenditure

The table below reflects on grants' expenditures since July 2023. Also, these amounts are inclusive of VAT.

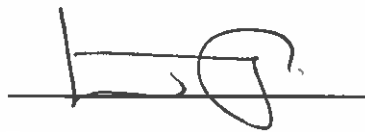
Finance management grant's expenditure amounts to R1,1 million. This amount was used on interns' salaries and training. Library grant expenditure amounts to R581 thousand and was used in paying the librarians' events and salaries. MIG capital expenditure amounts to R48, 8 million. Electrification project expenditure amounts to R10, 9 million. EPWP expenditure amounts to R1,7 million and the MDMRG expenditure amounts to R6,9 million.

EC156 Mhlontlo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

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										
Operating expenditure of Transfers and Grants										
National Government:		40 387	323 147	397 697	34 493	247 047	298 272	(51 226)	-17,2%	397 697
Equitable Share		39 004	317 463	392 013	34 162	243 082	294 010	(50 929)	-17,3%	392 013
Local Government Financial Management Grant		841	2 011	2 053	43	1 384	1 540	(156)	-10,1%	2 053
Municipal Infrastructure Grant		541	3 673	3 630	288	2 581	2 722	(141)	-5,2%	3 630
Provincial Government:		37	222	339	51	255	255	0	0,0%	339
Allowance - Housing		2	12	23	1	10	17	(8)	-44,9%	23
Allowance - Travel		-	-	-	-	2	-	2	#DIV/0!	-
Annual Bonus		-	-	56	-	22	42	(19)	-46,4%	56
Contributions - Pension Fund		4	10	55	2	18	41	(23)	-56,0%	55
Levy - Skills Development SETA		1	-	5	0	3	4	(1)	-28,4%	5
LIBRARY ASSISTANCE		30	200	200	48	200	150	50	33,2%	200
Salaries		-	-	-	-	-	-	-		-
OR TAMBO COMMUNICATIONS FUND		29	500	200	24	171	150	21	13,7%	200
Unemployment Insurance Fund		0	-	2	0	2	2	(0)	-1,8%	2
Other grant providers:		128	722	422	24	158	317	(159)	-50,1%	422
OR TAMBO COMMUNICATIONS FUND		29	500	200	24	171	150	21	13,7%	200
Upgrading of Informal Settlement		99	222	222	-	(12)	167	(179)	-107,5%	222
Total operating expenditure of Transfers and Grants:		40 551	324 091	398 458	34 568	247 459	298 844	(51 385)	-17,2%	398 458
Capital expenditure of Transfers and Grants										
National Government:		(5 663)	65 122	109 332	5 537	54 994	81 999	(27 004)	-32,9%	109 332
Integrated National Electrification Programme Grant		(16 838)	13 361	13 361	-	7 553	10 021	(2 468)	-24,6%	13 361
Municipal Disaster Response Grant		-	-	41 385	1 877	6 998	31 039	(24 041)	-77,5%	41 385
Municipal Infrastructure Grant		11 175	51 761	54 586	3 659	40 444	40 939	(495)	-1,2%	54 586
Provincial Government:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		(5 663)	65 122	109 332	5 537	54 994	81 999	(27 004)	-32,9%	109 332
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		34 889	389 214	507 790	40 105	302 454	380 842	(78 389)	-20,6%	507 790

QUALITY CERTIFICATE

I, LUNGILE NDABENI (Full Names), the Municipal Manager of Mhlontlo Municipality hereby certify that the **Section 71 Report** for the month ended 31 March 2024 has been prepared in accordance with the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.



Mr L Ndabeni

MUNICIPAL MANAGER

2024/04/15

DATE

RECEIPT BY THE MAYOR

I, MBULBLO. G. JARA (Full Names), the Mayor of **Mhlontlo Local Municipality**, hereby accept the **Section 71 report** of the municipality for the month ended 31 Marh 2024 as presented by the Municipal Manager in terms of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.



Cllr. M. Jara

MAYOR

15/04/2024

DATE