

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

Quarterly Budget Statement

Quarter 4

2023-2024 Financial Year

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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 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 288, 5 million out of the projected R290, 1 million giving rise to a variance of 1%. Variance contributing factors are explained in the subheadings of the revenue items.

Total cash receipts on operating revenue excluding grants totals to R54.8 million since July 2023 out of the expected R42,2 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, 0 million, out of the expected R36, 8 million.

Total actual cash collected on rates since July 2023 is R18.3 million against the expected R36, 8 million.

Refuse Removal

Amount accrued on refuse removal is R2,6 million against the expected R1,7 million.

Total actual cash received on refuse removal since July 2023 is R846 thousand out of the expected collection of R1,7 million.

Investment Revenue

This relates to interests received on the call account deposits. Interest received since July 2023 amounts to R11, 1 million out of the expected R11,6 million.

Other Revenue

Rental of facilities and Equipment –R50 thousand has been received since July 2023 instead of the expected R16 thousand.

Fines- R2,0 million has been received so far against the expected R76 thousand.

Licenses and permits- R1,2 million has been received since July 2023 and the municipality expected to receive R1,6 million.

Agency Services- The amount collected since July amounts to R1,2 million and the expected budget is R1,7 million.

Operating Expenditure

On operating expenditure, R335, 1 million was spent against the expected budget of R393, 0 million giving rise to a negative variance of more than R57, 9 million. This is because on non-cash items like depreciation and debt impairment that have not been accounted for.

Employee Costs

R108, 0 million has been spent to date on employee related costs against the expected R116, 3 million.

Remuneration of Councillors

Amount spent since July totals to R22, 6 million against the budgeted R21, 9 million.

Other Expenditure

This line item includes all the other operating expenses like accommodation, telephone, electricity etc. Expenditure is R170,2 million against the expected budget of R191, 4 million.

Capital Expenditure

On Capital Expenditure the municipality has spent a total of R74, 2 million against the expected R133, 8 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 - M12 June

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	-	35 007	36 791	(1 784)	-5%	36 791
Service charges	407	1 981	1 722	214	2 570	1 722	848	49%	1 722
Investment revenue	1 823	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	1 823	6 148	11 648	718	11 064	11 648	(584)	-5%	11 648
Other own revenue	22 827	240 152	239 976	350	239 836	239 976	(140)	-0%	-
Total Revenue (excluding capital transfers and contributions)	26 901	285 072	290 138	1 282	288 477	290 138	(1 661)	-1%	290 138
Employee costs	21 785	97 827	116 308	9 220	108 013	116 308	(8 295)		116 308
Remuneration of Councillors	3 311	20 690	21 864	1 712	22 573	21 864	709		21 864
Depreciation and amortisation	(12 629)	49 421	49 421	-	22 425	49 421	(26 996)		49 421
Interest	795	-	-	-	-	-	-		-
Inventory consumed and bulk purchases	541	12 086	11 666	2 241	10 702	11 666	(965)		11 666
Transfers and subsidies	21	2 402	2 402	11	1 194	2 402	(1 208)	-50%	2 402
Other expenditure	43 793	181 292	191 377	8 559	170 160	191 377	(21 216)	-11%	191 377
Total Expenditure	57 618	363 718	393 038	21 743	335 066	393 038	(57 972)	-15%	393 038
Surplus/(Deficit)	(30 717)	(78 646)	(102 900)	(20 460)	(46 590)	(102 900)	56 311	-55%	(102 900)
Transfers and subsidies - capital (monetary allocations)	13 143	63	98 149	8 457	75	98	#####	-23%	98
Surplus/(Deficit) after capital transfers & contributions	(17 574)	(15 453)	(4 751)	(12 003)	28 876	(4 751)	33 627	-708%	(4 751)
Surplus/ (Deficit) for the year	(17 574)	(15 453)	(4 751)	(12 003)	28 876	(4 751)	33 627	-708%	(4 751)
Capital expenditure & funds sources									
Capital expenditure	(66 603)	101 714	133 761	11 183	74 170	133 761	(59 591)	-45%	133 761
Capital transfers recognised	(56 504)	65 122	109 332	11 183	69 279	109 332	(40 053)	-37%	109 332
Internally generated funds	(10 100)	36 592	24 430	-	4 692	24 430	(19 738)	-81%	24 430
Total sources of capital funds	(66 603)	101 714	133 761	11 183	73 971	133 761	(59 791)	-45%	133 761
Financial position									
Total current assets	131 240	128 240	158 507		150 528				158 507
Total non current assets	589 849	587 621	597 774		565 179				597 774
Total current liabilities	44 863	65 898	153 506		79 304				153 506
Community wealth/Equity	662 826	649 963	602 775		607 527				602 775
Cash flows									
Net cash from (used) operating	117 596	73 389	157 298	(5 441)	45 609	157 298	111 689	71%	157 298
Net cash from (used) investing	(8 207)	(101 969)	(133 761)	(7 354)	(68 310)	(133 761)	(65 452)	49%	(133 761)
Cash/cash equivalents at the month/year end	278 617	141 809	148 519	-	102 282	148 519	46 237	31%	148 519
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

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) - M12 June

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									
Revenue - Functional										
<i>Governance and administration</i>		25 077	143 587	149 087	848	147 830	149 087	(1 257)	-1%	149 087
Executive and council		19 618	28 535	28 535	-	28 535	28 535	-		28 535
Finance and administration		5 459	115 052	120 552	848	119 295	120 552	(1 257)	-1%	120 552
<i>Community and public safety</i>		877	30 350	30 350	206	47 449	30 350	17 099	56%	30 350
Community and social services		2	550	550	4	586	550	36	7%	550
Public safety		875	29 800	29 800	202	46 863	29 800	17 063	57%	29 800
<i>Economic and environmental services</i>		6 069	124 681	146 100	8 470	121 187	146 100	(24 913)	-17%	146 100
Planning and development		5 636	86 646	121 427	8 470	121 607	121 427	180	0%	121 427
Road transport		433	38 035	24 674	-	(420)	24 674	(25 094)	-102%	24 674
<i>Trading services</i>		8 021	49 647	62 750	216	47 477	62 750	(15 273)	-24%	62 750
Energy sources		7 605	-	13 361	-	13 361	13 361	-		13 361
Waste management		416	49 647	49 389	216	34 116	49 389	(15 273)	-31%	49 389
<i>Other</i>	4	-	-	-	-	-	-	-		-
Total Revenue - Functional	2	40 043	348 265	388 287	9 740	363 943	388 287	(24 345)	-6%	388 287
Expenditure - Functional	-									
<i>Governance and administration</i>		38 736	170 638	161 709	11 124	147 377	161 709	(14 332)	-9%	161 709
Executive and council		10 064	55 136	64 413	4 102	65 056	64 413	642	1%	64 413
Finance and administration		28 646	115 453	97 246	7 017	82 280	97 246	(14 966)	-15%	97 246
Internal audit		25	50	50	5	42	50	(8)	-16%	50
<i>Community and public safety</i>		6 147	35 794	39 174	2 754	34 021	39 174	(5 154)	-13%	39 174
Community and social services		228	1 609	1 609	-	1 247	1 609	(362)	-22%	1 609
Sport and recreation		7	-	445	4	50	445	(395)	-89%	445
Public safety		5 912	34 185	37 121	2 749	32 724	37 121	(4 397)	-12%	37 121
<i>Economic and environmental services</i>		8 029	135 881	163 183	5 461	133 624	163 183	(29 559)	-18%	163 183
Planning and development		6 441	40 407	39 075	3 572	36 362	39 075	(2 713)	-7%	39 075
Road transport		1 588	95 474	124 108	1 889	97 262	124 108	(26 846)	-22%	124 108
<i>Trading services</i>		4 706	21 405	28 972	2 404	20 044	28 972	(8 927)	-31%	28 972
Waste management		4 706	21 405	28 972	2 404	20 044	28 972	(8 927)	-31%	28 972

Total Expenditure - Functional	3	57 618	363 718	393 038	21 743	335 066	393 038	(57 972)	-15%	393 038
Surplus/ (Deficit) for the year		(17 574)	(15 453)	(4 751)	(12 003)	28 876	(4 751)	33 627	-708%	(4 751)

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) - M12 June

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										
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)	1	19 618	31 537	31 537	-	31 537	31 537	-		31 537
Vote 2 - FINANCE AND ADMIN (12: IE)		5 461	115 052	120 552	853	119 331	120 552	(1 221)	-1,0%	120 552
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		98	24 748	24 748	12	24 966	24 748	217	0,9%	24 748
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		9	29	29	2	32	29	3	11,2%	29
Vote 5 - PUBLIC SAFETY (17: IE)		875	57 853	57 853	202	47 413	57 853	(10 441)	-18,0%	57 853
Vote 7 - WASTE MANAGEMENT (20: IE)		407	22 115	21 857	214	34 084	21 857	12 228	55,9%	21 857
Vote 8 - ROAD TRANSPORT (22: IE)		13 575	96 930	131 710	8 457	106 580	131 710	(25 131)	-19,1%	131 710
Total Revenue by Vote	2	40 043	348 265	388 287	9 740	363 943	388 287	(24 345)	-6,3%	388 287
Expenditure by Vote										
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)	1	12 911	66 654	75 447	5 260	77 372	75 447	1 925	2,6%	75 447
Vote 2 - FINANCE AND ADMIN (12: IE)		32 647	103 088	89 606	6 724	76 848	89 606	(12 758)	-14,2%	89 606
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		3 770	31 030	28 619	2 206	23 582	28 619	(5 037)	-17,6%	28 619
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		224	4 639	2 565	-	1 222	2 565	(1 344)	-52,4%	2 565
Vote 5 - PUBLIC SAFETY (17: IE)		6 683	34 315	36 735	2 651	31 338	36 735	(5 397)	-14,7%	36 735
Vote 6 - SPORT AND RECREATION (18: IE)		7	-	445	4	50	445	(395)	-88,8%	445
Vote 7 - WASTE MANAGEMENT (20: IE)		1 254	17 988	28 386	2 557	21 459	28 386	(6 927)	-24,4%	28 386
Vote 8 - ROAD TRANSPORT (22: IE)		121	105 155	130 685	2 312	102 088	130 685	(28 597)	-21,9%	130 685
Total Expenditure by Vote	2	57 618	362 868	392 488	21 714	333 957	392 488	(58 531)	-14,9%	392 488
Surplus/ (Deficit) for the year	2	(17 574)	(14 603)	(4 201)	(11 974)	29 985	(4 201)	34 187	-813,7%	(4 201)

Table C4- Statement of Financial Performance

EC156 Mhlontlo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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 - Electricity								-		
Service charges - Water								-		
Service charges - Waste Water Management								-		
Service charges - Waste management		407	1 981	1 722	214	2 570	1 722	848	49%	1 722
Sale of Goods and Rendering of Services		152	29	29	2	127	29	98	343%	29
Agency services		244	1 728	1 728	96	1 242	1 728	(485)	-28%	1 728
Interest								-		
Interest earned from Receivables		(6)	80	80	-	-	80	(80)	-100%	80
Interest from Current and Non Current										
Assets		1 823	6 148	11 648	718	11 064	11 648	(584)		11 648
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		6	16	16	5	50	16	34	219%	16
Licence and permits		11	-	-	-	136	-	136	#DIV/0!	-
Operational Revenue		2 250	-	-	-	(0)	-	(0)	#DIV/0!	-
Non-Exchange Revenue										
Property rates		20	36 791	36 791	-	35 007	36 791	(1 784)	-5%	36 791
Surcharges and Taxes								-		
Fines, penalties and forfeits		459	76	76	7	2 001	76	1 925		76
Licence and permits		169	1 578	1 578	98	1 159	1 578	(419)		1 578
Transfers and subsidies - Operational		23 898	236 646	236 471	143	234	236			
Interest						384	471	(2 087)		236 471
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		(2 531)	-	-	-	737	-	737		-
Other Gains								-		
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		26 901	285 072	290 138	1 282	288 477	290 138	(1 661)	-1%	290 138
Expenditure By Type										
Employee related costs		21 785	97 827	116 308	9 220	108 013	116 308	(8 295)	-7%	116 308
Remuneration of councillors		3 311	20 690	21 864	1 712	22 573	21 864	709	3%	21 864
Bulk purchases - electricity								-		
Inventory consumed		541	12 086	11 666	2 241	10 702	11 666	(965)		11 666
Debt impairment		-	15 121	4 652	-	-	4 652	(4 652)	-100%	4 652
Depreciation and amortisation		(12 629)	49 421	49 421	-	22 425	49 421	(26 996)	-55%	49 421
Interest		795	-	-	-	-	-	-		-
Contracted services		2 329	58 567	54 400	3 593	44 823	54 400	(9 577)	-18%	54 400
Transfers and subsidies		21	2 402	2 402	11	1 194	2 402	(1 208)	-50%	2 402
Irrecoverable debts written off		14 496	-	-	-	-	-	-		-
Operational costs		26 967	107 604	132 325	4 965	125 337	132 325	(6 987)	-5%	132 325
Losses on Disposal of Assets								-		
Other Losses								-		
Total Expenditure		57 618	363 718	393 038	21 743	335 066	393 038	(57 972)	-15%	393 038

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

Year to date budget is R101, 7 million whilst expenditure is sitting at R74, 2 million.

EC156 Mhlontlo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

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	1									
Multi-Year expenditure appropriation	2									
Single Year expenditure appropriation	2									
Vote 11 - EXECUTIVE AND COUNCIL (11: CAPEX)		-	-	300	-	30	300	(270)	-90%	300
Vote 12 - EXECUTIVE AND COUNCIL (11: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 13 - PUBLIC SAFETY (17: CAPEX)		-	30	30	-	0	30	(30)	-99%	30
Vote 15 - EXECUTIVE AND COUNCIL (31: CAPEX)		(1 394)	-	775	-	775	775	-	-	775
Vote 16 - FINANCE AND ADMIN (32: CAPEX)		(3 712)	25 381	13 981	-	2 574	13 981	(11 407)	-82%	13 981
Vote 17 - PLANNING AND DEVELOPMENT (33: CAPEX)		(679)	-	-	-	-	-	-	-	-
Vote 19 - PUBLIC SAFETY (37: CAPEX)		(2 098)	900	1 400	-	479	1 400	(921)	-66%	1 400
Vote 20 - WASTE MANAGEMENT (40: CAPEX)		(847)	4 710	3 950	-	326	3 950	(3 624)	-92%	3 950
Vote 21 - ROAD TRANSPORT (42: CAPEX)		(57 873)	70 692	113 325	11 183	69 986	113 325	(43 340)	-38%	113 325
Total Capital single-year expenditure	4	(66 603)	101 714	133 761	11 183	74 170	133 761	(59 591)	-45%	133 761
Total Capital Expenditure		(66 603)	101 714	133 761	11 183	74 170	133 761	(59 591)	-45%	133 761
Capital Expenditure - Functional Classification										
Governance and administration		(1 139)	22 250	13 450	-	2 507	13 450	(10 943)	-81%	13 450
Executive and council		-	-	300	-	30	300	(270)	-90%	300
Finance and administration		(1 139)	22 250	13 150	-	2 477	13 150	(10 673)	-81%	13 150
Internal audit										
Community and public safety		(3 492)	3 050	2 748	-	1 961	2 748	(788)	-29%	2 748
Community and social services										
Sport and recreation		-	2 120	544	-	537	544	(6)	-1%	544
Public safety		(3 492)	930	2 205	-	1 423	2 205	(781)	-35%	2 205
Housing										
Health										
Economic and environmental services		(45 134)	58 653	100 562	11 183	59 649	100 562	(40 913)	-41%	100 562
Planning and development		(35 360)	36 772	42 746	1 836	33 808	42 746	(8 937)	-21%	42 746
Road transport		(9 774)	21 881	57 817	9 346	25 840	57 817	(31 976)	-55%	57 817
Environmental protection										
Trading services		(16 838)	17 761	17 001	-	10 054	17 001	(6 947)	-41%	17 001
Energy sources		(16 838)	13 361	13 361	-	9 728	13 361	(3 633)	-27%	13 361
Water management										
Waste water management										
Waste management		-	4 400	3 640	-	326	3 640	(3 314)	-91%	3 640
Other										

Total Capital Expenditure - Functional Classification	3	(66 603)	101 714	133 761	11 183	74 170	133 761	(59 591)	-45%	133 761
Funded by:										
National Government		(56 504)	65 122	109 332	11 183	69 279	109 332	(40 053)	-37%	109 332
Provincial Government								-		
District Municipality								-		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)								-		
Transfers recognised - capital		(56 504)	65 122	109 332	11 183	69 279	109 332	(40 053)	-37%	109 332
Borrowing	6							-		
Internally generated funds		(10 100)	36 592	24 430	-	4 692	24 430	(19 738)	-81%	24 430
Total Capital Funding		(66 603)	101 714	133 761	11 183	73 971	133 761	(59 791)	-45%	133 761

Table C6: Statement of Financial Position

EC156 Mhlontlo - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2022/23	Budget Year			
		Audited Outcome	2023/24	Original Budget	Adjusted Budget	YearTD actual
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		111 489	104 548	127 241	111 597	127 241
Trade and other receivables from exchange transactions		1 183	2 958	3 384	5 386	3 384
Receivables from non-exchange transactions		(1 575)	14	10 954	16 547	10 954
Current portion of non-current receivables						
Inventory		(324)	(0)	(0)	117	(0)
VAT		22 879	1 763	1 684	18 813	1 741
Other current assets		(2 412)	18 956	15 243	(1 932)	15 086
Total current assets		131 240	128 240	158 507	150 528	158 406
Non current assets						
Investments						
Investment property		5 983	5 983	5 983	5 983	5 983
Property, plant and equipment		583 771	581 481	591 711	559 138	591 711
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		96	157	81	58	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	597 774	565 179	597 774
TOTAL ASSETS		721 089	715 861	756 281	715 707	756 180
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities						
Consumer deposits						
Trade and other payables from exchange transactions		19 093	17 294	113 745	16 627	113 745
Trade and other payables from non-exchange transactions		(9 472)	19 633	5 120	28 212	5 120
Provision		30 515	24 390	29 226	28 025	29 226
VAT		1 499	1 455	1 702	2 103	1 601
Other current liabilities		3 228	3 125	3 713	4 337	3 713
Total current liabilities		44 863	65 898	153 506	79 304	153 405
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	153 506	79 304	153 405
NET ASSETS	2	676 226	649 963	602 775	636 403	602 775
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		662 826	649 963	602 775	607 527	602 775
Reserves and funds						

Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	662 826	649 963	602 775	607 527	602 775

Table C7: Cash flow

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

EC156 Mhiontlo - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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	877	17 876	22 443	(4 567)	-20%	22 443
Service charges		77	1 208	1 208	212	847	1 208	(361)	-30%	1 208
Other revenue		341 887	3 425	3 425	207	5 465	3 425	2 039	60%	3 425
Transfers and Subsidies - Operational		348	247 605	236 471	7 066	259 277	236 471	22 807	10%	236 471
Transfers and Subsidies - Capital		5 100	49 832	98 149	-	82 311	98 149	(15 838)	-16%	98 149
Interest		7 098	6 148	11 648	718	11 066	11 648	(582)	-5%	11 648
Dividends								-		
Payments										
Suppliers and employees		(237 316)	(257 273)	(216 046)	(14 522)	(331 233)	(216 046)	(115 186)	53%	(216 046)
Interest								-		
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		117 596	73 389	157 298	(5 441)	45 609	157 298	111 689	71%	157 298
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)	(133 761)	(7 354)	(68 310)	(133 761)	65 452	-49%	(133 761)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 207)	(101 969)	(133 761)	(7 354)	(68 310)	(133 761)	(65 452)	49%	(133 761)
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)	23 537	(12 796)	(22 700)	23 537			23 537
Cash/cash equivalents at beginning:		169 227	170 390	124 982	(0)	124 982	124 982	(0)		124 982
Cash/cash equivalents at month/year end:		278 617	141 809	148 519		102 282	148 519			148 519

PART 2: SUPPORTING DOCUMENTATION

Table SC3: Aged Debtors

The municipality is being owed a total amount of R105, 3 million of which the biggest portion is on household debtors with R39, 3 million being owed by this group of debtors.

The second biggest is government departments that are sitting at R37, 7 million. The business debtors owing just over R28,3 million.

EC156 Mhlontlo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2023/24						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									
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	550	461	522	459	87 195	89 188	87 655	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	206	198	196	194	15 337	16 131	15 531	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	
Other	1900	-	-	-	-	-	-	-	
Total By Income Source	2000	756	659	718	653	102 533	105 319	103 186	
2017/18 - totals only							-	-	
Debtors Age Analysis By Customer Group									
Organs of State	2200	39	31	92	29	37 549	37 740	37 577	
Commercial	2300	302	227	226	226	27 276	28 258	27 503	
Households	2400	415	401	399	398	37 708	39 321	38 106	
Other	2500	-	-	-	-	-	-	-	
Total By Customer Group	2600	756	659	718	653	102 533	105 319	103 186	

Table SC4: Aged Creditors

EC156 Mhlontlo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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	(746)	359	(215)	(608)	(211)	279	168	564	(410)	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	5 476	319	0	-	2	22	(29)	14	5 803	
Auditor General	0800	-	-	(111)	111	-	-	(290)	(32)	(322)	
Other	0900	398	629	-	-	-	-	-	-	1 027	
Total By Customer Type	1000	5 127	1 307	(325)	(497)	(208)	300	(151)	546	6 098	-

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 June 2024. Total cash available is R109,5 million.

EC156 Mhlontlo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Municipality														
20-FNB:Equitable Share 1		4 (Y)	3	Y	2	5,15	0	0	####	52 304	314	16 262	(68 166)	714
23-FNB:Electrification Prog		4 (Y)	3	Y	1	6,5	0	0	####	3 677	70	-	(3 700)	47
24-FNB:Gcunu Lots Project		4 (Y)	3	Y	2	5,5	0	0	####	558	10	(0)	(10)	557
25-FNB:LED		48 (M)	3	Y	2	3,65	0	0	####	1 197	20	-	(20)	1 197
30-FNB:Municipal IDP		4 (Y)	3	Y	2	4,55	0	0	####	1 807	17	508 3	(5 279)	53
31-FNB:Revolving Fund		4 (Y)	3	Y	2	5,15	0	0	####	84 475	1 442	9 805	(14 732)	80 989
32-FNB:MIG		4 (Y)	3	Y	2	5,5	0	0	####	1 765	23	000 1	(2 625)	162
33-FNB:Bulk Housing Mhlontlo		4 (Y)	3	Y	2	5,15	0	0	####	734	12	4	(16)	734
34-FNB:MSIG		4 (Y)	3	Y	2	5,15	0	0	####	31 762	488	306 3	(10 511)	25 046
35-FNB:FMG		48 (M)	3	Y	2	3,25	0	0	####	2 314	30	023 2	(4 352)	14
36-FNB:Investment Fund		48 (M)	3	Y	1	2,5	0	0	####	-	-	-	-	-
37-FNB:Public Sector Cheque		50 (M)	3	Y	1	2,5	0	0	####	8	-	-	-	8
Municipality sub-total										180 601		35 908	(109 412)	109 522

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 - M12 June

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	104	233 249	235 696	(2 447)	-1,0%	235 696
Equitable Share		19 618	229 195	229 195	-	229 195	229 195	(0)	0,0%	229 195
Expanded Public Works Programme		433	1 754	1 754	-	1 754	1 754	(0)	0,0%	1 754
Integrated Grant		1 012	2 300	2 300	104	2 300	2 300	-		2 300
Local Government Financial Management Grant		-	2 623	2 447	-	-	2 447	(2 447)	-100,0%	2 447
Municipal Infrastructure Grant	3									
Provincial Government:		-	550	550	-	550	550	-		550
Specify (Add grant description)		-	550	550	-	550	550	-		550
District Municipality:		2 253	-	-	-	-	-	-		-
Specify (Add grant description)		2 253	-	-	-	-	-	-		-
Other grant providers:		582	225	225	38	585	225	361	160,7%	225
Peoples Housing Process (Housing)		87	225	225	12	211	225	(13)	-5,9%	225
Transport, Education and Training SETA		495	-	-	26	374	-	374	#DIV/0!	-
Total Operating Transfers and Grants	5	23 898	236 646	236 471	143	234 384	236 471	(2 087)	-0,9%	236 471
Capital Transfers and Grants										
National Government:		13 143	63 193	98 149	8 457	75 466	98 149	(22 683)	-23,1%	98 149
Integrated National Electrification Programme Grant		7 605	13 361	13 361	-	11 187	13 361	(2 174)	-16,3%	13 361
Municipal Disaster Response Grant		-	-	38 464	8 457	15 332	38 464	(23 132)	-60,1%	38 464
Municipal Infrastructure Grant		5 538	49 832	46 324	-	48 947	46 324	2 623	5,7%	46 324
Provincial Government:		-	-	-	-	-	-	-		-
Specify (Add grant description)		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Human Settlement Re-development Programme		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	13 143	63 193	98 149	8 457	75 466	98 149	(22 683)	-23,1%	98 149
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	37 041	299 840	334 620	8 600	309 850	334 620	(24 770)	-7,4%	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 R2,3 million. This amount was used on interns' salaries and training. Library grant expenditure amounts to R1,1 million and was used in paying the librarians' events and salaries. MIG capital expenditure amounts to R48, 9 million. Electrification project expenditure amounts to R13, 3 million. EPWP expenditure amounts to R1,7 million and the MDMRG expenditure amounts to R8,3 million.

EC156 Mhlontlo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

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:										
Equitable Share		40 551	324 091	358 422	18 981	308 443	358 422	(49 979)	-13,9%	358 422
Local Government Financial Management Grant		39 004	317 463	351 975	18 925	303 489	351 975	(48 486)	-13,8%	351 975
Municipal Infrastructure Grant		841	2 011	2 054	(274)	832	2 054	(1 221)	-59,5%	2 054
Specify (Add grant description)		541	3 673	3 630	321	3 543	3 630	(86)	-2,4%	3 630
Upgrading of Informal Settlement		65	722	542	8	590	542	49	9,0%	542
Provincial Government:		99	222	222	-	(12)	222	(235)	-105,6%	222
Specify (Add grant description)		37	222	342	8	345	342	3	0,9%	342
District Municipality:		37	222	342	8	345	342	3	0,9%	342
Specify (Add grant description)		29	500	200	-	246	200	46	22,8%	200
Other grant providers:		29	500	200	-	246	200	46	22,8%	200
Specify (Add grant description)		128	722	422	-	233	422	(189)	-44,8%	422
Upgrading of Informal Settlement		29	500	200	-	246	200	46	22,8%	200
Total operating expenditure of Transfers and Grants:		99	222	222	-	(12)	222	(235)	-105,6%	222
Total operating expenditure of Transfers and Grants:		40 745	325 536	359 386	18 989	309 266	359 386	(50 120)	-13,9%	359 386
Capital expenditure of Transfers and Grants										
National Government:										
Human Settlement Re-development Programme		(5 663)	65 122	109 332	11 183	69 279	109 332	(40 053)	-36,6%	109 332
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Response Grant		(16 838)	13 361	13 361	-	9 728	13 361	(3 633)	-27,2%	13 361
Municipal Infrastructure Grant		-	-	41 385	11 136	19 574	41 385	(21 811)	-52,7%	41 385
Provincial Government:		11 175	51 761	54 586	46	39 977	54 586	(14 609)	-26,8%	54 586
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		(5 663)	65 122	109 332	11 183	69 279	109 332	(40 053)	-36,6%	109 332
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		35 082	390 658	468 718	30 171	378 545	468 718	(90 173)	-19,2%	468 718

EC156 Mhlontlo - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		2 298	14 173	15 090	1 203	15 734	15 090	644	4%	15 090
Cellphone Allowance		295	2 203	2 470	185	2 404	2 470	(65)	-3%	2 470
Other benefits and allowances		718	4 315	4 304	324	4 435	4 304	130	3%	4 304
Sub Total - Councillors		3 311	20 690	21 864	1 712	22 573	21 864	709	3%	21 864
% increase	4		524,9%	560,3%						560,3%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		396	4 272	4 272	344	2 022	4 272	(2 250)	-53%	4 272
Pension and UIF Contributions		29	12	12	15	182	12	169	1375%	12
Medical Aid Contributions		23	167	167	15	185	167	18	11%	167
Performance Bonus		-	130	130	-	-	130	(130)	-100%	130
Motor Vehicle Allowance		166	395	395	50	877	395	482	122%	395
Cellphone Allowance		6	14	14	3	38	14	24	167%	14
Housing Allowances		31	387	387	6	93	387	(294)	-76%	387
Post-retirement benefit obligations	2	(893)	-	-	-	-	-	-	-	-
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		(241)	5 377	5 377	433	3 397	5 377	(1 981)	-37%	5 377
% increase	4		-2327,2%	-2327,2%						-2327,2%
Other Municipal Staff										
Basic Salaries and Wages		12 413	63 161	70 784	5 617	66 327	70 784	(4 457)	-6%	70 784
Pension and UIF Contributions		1 416	7 349	8 601	783	9 369	8 601	768	9%	8 601
Medical Aid Contributions		969	4 937	6 104	527	6 224	6 104	120	2%	6 104
Overtime		732	1 282	6 601	279	3 526	6 601	(3 075)	-47%	6 601
Performance Bonus		1 107	3 167	4 262	382	4 351	4 262	89	2%	4 262
Motor Vehicle Allowance		1 513	8 983	8 731	801	9 653	8 731	923	11%	8 731
Cellphone Allowance		78	527	439	44	516	439	77	18%	439
Housing Allowances		479	2 530	2 812	276	3 222	2 812	410	15%	2 812
Other benefits and allowances		6	22	25	3	32	25	7	29%	25
Payments in lieu of leave		3 236	-	-	-	-	-	-	-	-
Long service awards		(164)	110	981	-	407	981	(574)	-59%	981
Acting and post related allowance		240	382	1 591	75	989	1 591	(603)	-38%	1 591
In kind benefits										
Sub Total - Other Municipal Staff		22 027	92 450	110 931	8 787	104 617	110 931	(6 314)	-6%	110 931
% increase	4		319,7%	403,6%						403,6%
Total Parent Municipality		25 097	118 517	138 173	10 932	130 586	138 173	(7 586)	-5%	138 173

QUALITY CERTIFICATE

I, LUNGILE NDABENI (Full Names), the Municipal Manager of Mhlontlo Municipality hereby certify that the **Section 71 Report** for the month ended 30 June 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

12/07/2024

DATE

RECEIPT BY THE MAYOR

I, Mabulelo G. Jara (Full Names), the Mayor of **Mhlontlo Local Municipality**, hereby accept the **Section 71 report** of the municipality for the month ended 30 June 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

12/07/2024

DATE