

KUMKANI 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

May 2025

2024-2025 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 313, 9 million out of the projected R 290, 5 million giving rise to a variance of 8%. Variance contributing factors are explained in the subheadings of the revenue items.

Total cash receipts on operating revenue excluding grants totals to R45,6 million since July 2024 out of the expected R43, 8 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 R43,0 million out of the expected R34, 7 million.

Total actual cash collected on rates since July 2024 is R17,1 million against the expected R36, 7 million.

Refuse Removal

Amount accrued on refuse removal is R3,7 million against the expected R1, 6 million.

Total actual cash received on refuse removal since July 2024 is R622 thousand out of the expected collection of R2 ,4 million.

Investment Revenue

This relates to interests received on the call account deposits. Interest received since July 2024 amounts to R8, 7 million out of the expected R11, 7 million.

Other Revenue

Rental of facilities and Equipment –R44 thousand has been received since July 2024 instead of the expected R47 thousand.

Fines- R364 thousand has been received so far against the expected R1, 6 million.

Licenses and permits- R973 thousand has been received since July 2024 and the municipality expected to receive R1,3 million.

Agency Services- The amount collected since July amounts to R1,0 million, and the expected budget is R1,4 million.

Operating Expenditure

On operating expenditure, R311, 6 million was spent against the expected budget of R319, 8 million giving rise to a negative variance of more than R8, 1 million. This is because on non-cash items like depreciation and debt impairment that have not been accounted for.

Employee Costs

R111, 9 million has been spent to date on employee related costs against the expected R111, 7 million.

Remuneration of Councillors

Amount spent since July totals to R22, 2 million against the budgeted R21, 0 million.

Other Expenditure

This line item includes all the other operating expenses like accommodation, telephone, electricity etc. Expenditure is R137,9 million against the expected budget of R130, 4 million.

Capital Expenditure

On Capital Expenditure the municipality has spent a total of R119, 6 million against the expected R101, 9 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 - M11 May

Description	2023/24	Budget Year 2024/25							
	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	35 007	37 887	42 177	–	43 028	34 730	8 298	24%	42 177
Service charges	2 570	1 807	1 833	675	3 749	1 634	2 115	130%	1 833
Investment revenue	11 064	12 777	12 777	585	8 565	11 712	(3 147)	-27%	12 777
Transfers and subsidies - Operational	234 384	254 252	279 572	178	251 424	233 064	18 359	0	279 572
Other own revenue	172	10 318	9 676	797	7 179	9 397	(2 218)	-24%	–
	283 197	317 041	346 034	2 236	313 944	290 537	23 408	8%	346 034
Total Revenue (excluding capital transfers and contributions)									
Employee costs	110 102	121 854	124 762	9 949	111 967	111 699	268	0%	124 762
Remuneration of Councillors	22 573	22 935	23 590	1 834	22 237	21 024	1 213	6%	23 590
Depreciation and amortisation	24 794	49 435	30 025	–	29 004	45 315	(16 311)	-36%	30 025
Inventory consumed and bulk purchases	9 828	9 944	8 401	1 350	7 839	9 026	(1 186)	-13%	8 401
Transfers and subsidies	1 194	2 500	3 150	198	2 711	2 292	420	18%	3 150
Other expenditure	168 412	141 735	162 155	11 124	137 864	130 405	7 459	6%	162 155
Total Expenditure	336 904	348 403	352 083	24 456	311 622	319 761	(8 138)	-3%	352 083
Surplus/(Deficit)	(53 706)	(31 362)	(6 050)	(22 220)	2 322	(29 224)	31 546	-108%	(6 050)
Transfers and subsidies - capital (monetary allocations)	75 747	87 922	124 455	13 513	115 274	80 596	34 678	43%	124 455
	22 041	56 560	118 405	(8 707)	117 595	51 372	66 224	129%	118 405
Surplus/(Deficit) after capital transfers & contributions									
Surplus/ (Deficit) for the year	22 041	56 560	118 405	(8 707)	117 595	51 372	66 224	129%	118 405
<u>Capital expenditure & funds sources</u>									
Internally generated funds	–	–	–	–	–	–	–		–
Total sources of capital funds	–	–	–	–	–	–	–		–

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) - M11 May

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		142 550	162 776	167 066	1 191	160 788	149 212	11 576	8%	167 066
Executive and council		28 535	30 097	30 097	–	30 024	27 589	2 435	9%	30 097
Finance and administration		114 016	132 679	136 969	1 191	130 764	121 623	9 141	8%	136 969
Community and public safety		47 449	33 776	36 165	176	51 261	30 903	20 358	66%	36 165
Community and social services		586	1 139	4 139	2	4 216	1 044	3 172	304%	4 139
Public safety		46 863	32 637	32 026	174	47 045	29 858	17 187	58%	32 026
Economic and environmental services		121 468	141 355	200 180	13 631	170 143	129 573	40 570	31%	200 180
Planning and development		119 714	115 215	174 039	13 534	168 374	105 611	62 763	59%	174 039
Road transport		1 754	26 140	26 140	98	1 770	23 962	(22 192)	-93%	26 140
Trading services		47 477	67 056	67 079	750	47 026	61 445	(14 419)	-23%	67 079
Energy sources		13 361	13 836	13 836	–	8 525	12 683	(4 158)	-33%	13 836
Waste management		34 116	53 220	53 243	750	38 501	48 762	(10 261)	-21%	53 243
Total Revenue - Functional	2	358 944	404 963	470 489	15 748	429 218	371 132	58 086	16%	470 489
Expenditure - Functional	-									
Governance and administration		150 881	160 024	160 106	13 525	140 124	147 549	(7 426)	-5%	160 106
Executive and council		65 145	58 491	59 476	6 459	58 523	53 520	5 004	9%	59 476
Finance and administration		85 694	101 483	100 580	7 055	81 573	93 984	(12 411)	-13%	100 580
Internal audit		42	50	50	10	27	46	(19)	-41%	50
Community and public safety		34 051	41 540	46 802	2 659	34 644	37 920	(3 276)	-9%	46 802
Community and social services		1 437	1 609	1 609	–	1 343	1 475	(132)	-9%	1 609
Sport and recreation		50	445	396	23	170	408	(237)	-58%	396
Public safety		32 564	39 486	44 797	2 636	33 130	36 037	(2 907)	-8%	44 797
Economic and environmental services		133 274	117 374	119 692	6 321	117 857	107 277	10 580	10%	119 692
Planning and development		36 242	36 441	39 167	4 043	35 753	33 291	2 462	7%	39 167
Road transport		97 032	80 933	80 525	2 279	82 104	73 986	8 118	11%	80 525
Trading services		18 697	29 465	25 483	1 951	18 998	27 015	(8 017)	-30%	25 483
Waste management		18 697	29 465	25 483	1 951	18 998	27 015	(8 017)	-30%	25 483
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	336 904	348 403	352 083	24 456	311 622	319 761	(8 138)	-3%	352 083
Surplus/ (Deficit) for the year		22 041	56 560	118 405	(8 707)	117 595	51 372	66 224	1,2891115	118 405

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) - M11 May

Vote Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		31 537	33 264	33 264	–	33 183	30 492	2 691	8,8%	33 264
Vote 2 - FINANCE AND ADMIN (12: IE)		114 052	132 716	137 006	1 193	130 805	121 657	9 148	7,5%	137 006
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		24 966	28 587	62 386	21	27 574	26 202	1 371	5,2%	62 386
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		32	28	24	3	24	25	(1)	-3,5%	24
Vote 5 - PUBLIC SAFETY (17: IE)		47 413	62 160	64 549	174	51 220	56 921	(5 701)	-10,0%	64 549
Vote 7 - WASTE MANAGEMENT (20: IE)		34 084	24 771	24 797	747	38 477	22 684	15 793	69,6%	24 797
Vote 8 - ROAD TRANSPORT (22: IE)		106 861	123 437	148 462	13 610	147 935	113 151	34 785	30,7%	148 462
Total Revenue by Vote	2	358 944	404 963	470 489	15 748	429 218	371 132	58 086	15,7%	470 489
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		77 292	69 003	71 889	8 197	68 971	63 124	5 847	9,3%	71 889
Vote 2 - FINANCE AND ADMIN (12: IE)		80 323	94 579	94 613	7 036	77 229	87 751	(10 522)	-12,0%	94 613
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		23 872	24 815	25 487	1 776	23 923	22 640	1 283	5,7%	25 487
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		1 412	3 790	2 833	–	1 326	3 446	(2 120)	-61,5%	2 833
Vote 5 - PUBLIC SAFETY (17: IE)		31 163	33 876	33 905	2 406	31 237	30 895	343	1,1%	33 905
Vote 6 - SPORT AND RECREATION (18: IE)		50	445	396	23	170	408	(237)	-58,2%	396
Vote 7 - WASTE MANAGEMENT (20: IE)		19 809	32 161	29 380	2 091	21 141	29 445	(8 304)	-28,2%	29 380
Vote 8 - ROAD TRANSPORT (22: IE)		101 859	86 095	86 893	2 725	86 692	78 717	7 976	10,1%	86 893
Vote 9 - ELECTRICITY (24: IE)		–	–	–	–	–	–	–		–
Vote 10 - OTHER (25: IE)		–	–	348	–	–	–	–		348
Total Expenditure by Vote	2	335 779	344 763	345 744	24 253	310 691	316 426	(5 735)	-1,8%	345 744
Surplus/ (Deficit) for the year	2	23 165	60 200	124 745	(8 505)	118 527	54 706	63 820	116,7%	124 745

Table C4- Statement of Financial Performance

EC156 Mhlontlo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2023/24	Budget Year 2024/25							
		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		2 570	1 807	1 833	675	3 749	1 634	2 115	130%	1 833
Sale of Goods and Rendering of Services		127	126	110	3	123	114	8	7%	110
Agency services		1 242	1 576	1 370	91	1 043	1 425	(382)	-27%	1 370
Interest earned from Receivables		–	812	812	72	612	744	(132)	-18%	812
Interest from Current and Non Current										
Assets		11 064	12 777	12 777	585	8 565	11 712	(3 147)	-27%	12 777
Rental from Fixed Assets		50	51	49	3	44	47	(3)	-7%	49
Licence and permits		136	122	106	21	230	110	120	108%	106
Operational Revenue		(0)	–	–	–	(0)	–	(0)	#DIV/0!	–
Property rates		35 007	37 887	42 177	–	43 028	34 730	8 298	24%	42 177
Fines, penalties and forfeits		2 001	1 759	1 543	6	364	1 591	(1 227)	-77%	1 543
Licence and permits		1 159	1 439	1 251	76	973	1 301	(328)	-25%	1 251
						251	233			
Transfers and subsidies - Operational		234 384	254 252	279 572	178	424	064	18 359	8%	279 572
Interest		–	4 434	4 434	456	3 545	4 064	(519)	-13%	4 434
Gains on disposal of Assets		(4 542)	–	–	69	245	–	245	#DIV/0!	–
Total Revenue (excluding capital transfers and contributions)		283 197	317 041	346 034	2 236	313 944	290 537	23 408	8%	346 034
Expenditure By Type	-									
Employee related costs		110 102	121 854	124 762	9 949	967	699	268	0%	124 762
Remuneration of councillors		22 573	22 935	23 590	1 834	22 237	21 024	1 213	6%	23 590
Inventory consumed		9 828	9 944	8 401	1 350	7 839	9 026	(1 186)	-13%	8 401
Debt impairment		–	15 553	16 967	–	–	15 553	(15 553)	-100%	16 967
Depreciation and amortisation		24 794	49 435	30 025	–	29 004	45 315	(16 311)	-36%	30 025
Contracted services		44 804	41 971	47 462	4 384	38 741	38 154	587	2%	47 462
Transfers and subsidies		1 194	2 500	3 150	198	2 711	2 292	420	18%	3 150
Irrecoverable debts written off		–	–	–	–	225	–	225	#DIV/0!	–
Operational costs		123 608	84 211	97 726	6 741	98 898	76 698	22 200	29%	97 726
Total Expenditure		336 904	348 403	352 083	24 456	311 622	319 761	(8 138)	-3%	352 083
Surplus/(Deficit)		(53 706)	(31 362)	(6 050)	(22 220)	2 322	(29 224)	31 546	(0)	(6 050)
Transfers and subsidies - capital (monetary allocations)		75 747	87 922	124 455	13 513	115 274	80 596	34 678	0	124 455
Transfers and subsidies - capital (in-kind)								–		
Surplus/(Deficit) after capital transfers & contributions		22 041	56 560	118 405	(8 707)	117 595	51 372	66 224	0	118 405
Income Tax								–		
Surplus/(Deficit) after income tax		22 041	56 560	118 405	(8 707)	117 595	51 372	66 224	0	118 405
Surplus/(Deficit) attributable to municipality		22 041	56 560	118 405	(8 707)	117 595	51 372	66 224	0	118 405
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		22 041	56 560	118 405	(8 707)	117 595	51 372	66 224	0	118 405

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

Year to date budget is R101, 9 million whilst expenditure is sitting at R119, 6 million.

EC156 Mhlontlo - Table C5 Monthly
Budget Statement - Capital
Expenditure (municipal vote,
functional classification and
funding) - M11 May

Vote Description	Ref	2023/24	Budget Year 2024/25							
		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									
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 11 - EXECUTIVE AND COUNCIL (11: CAPEX)	30	-	-	-	-	-	-	-		-
Vote 12 - EXECUTIVE AND COUNCIL (11: CAPEX)	-	-	-	-	-	-	-	-		-
Vote 13 - PUBLIC SAFETY (17: CAPEX)	0	-	-	-	-	-	-	-		-
Vote 14 - ROAD TRANSPORT (22: CAPEX)	-	-	-	-	-	-	-	-		-
Vote 15 - EXECUTIVE AND COUNCIL (31: CAPEX)	-	-	-	570	-	-	-	-		570
Vote 16 - FINANCE AND ADMIN (32: CAPEX)	1 705	14 378	6 139	85	4 996	13 112	(8 115)	-62%		6 139
Vote 17 - PLANNING AND DEVELOPMENT (33: CAPEX)	-	174	174	-	151	157	(6)	-4%		174
Vote 18 - LIBRARY SUPPORT (34: CAPEX)	-	27	-	-	-	25	(25)	-100%		-
Vote 19 - PUBLIC SAFETY (37: CAPEX)	-	5 435	783	-	200	4 976	(4 776)	-96%		783
Vote 20 - WASTE MANAGEMENT (40: CAPEX)	326	4 261	3 913	-	2 022	3 878	(1 856)	-48%		3 913
Vote 21 - ROAD TRANSPORT (42: CAPEX)	15 636	25 211	52 941	1 477	46 442	23 111	23 332	101%		52 941
Vote 22 - RATES AND GENERAL SERVICES (61: CAPEX)	-	62 063	85 062	13 272	65 825	56 674	9 151	16%		85 062
Total Capital single-year expenditure	4	17 697	111 549	149 581	14 834	119 636	101 932	17 704	17%	149 581
Total Capital Expenditure		17 697	111 549	149 581	14 834	119 636	101 932	17 704	17%	149 581
Capital Expenditure - Functional Classification										
Governance and administration		1 638	10 378	7 579	85	4 996	9 420	(4 424)	-47%	7 579
Executive and council	30	1 130	570	-	-	1 022	(1 022)	-100%		570
Finance and administration	1 608	9 248	7 009	85	4 996	8 398	(3 401)	-41%		7 009
Community and public safety	0	11 171	1 027	-	2 707	10 163	(7 456)	-73%		1 027
Community and social services	-	5 736	245	-	2 507	5 187	(2 680)	-52%		245
Sport and recreation	-	0	-	-	-	0	(0)	-100%		-
Public safety	0	5 435	783	-	200	4 976	(4 776)	-96%		783

Economic and environmental services		3 831	71 903	123 226	14 749	91 573	65 788	25 785	39%	123 226
Planning and development		2 954	30 689	28 543	2 118	22 852	28 129	(5 277)	-19%	28 543
Road transport		878	41 214	94 683	12 631	68 721	37 659	31 062	82%	94 683
Trading services		12 228	18 097	17 749	–	20 360	16 561	3 799	23%	17 749
Energy sources		11 902	13 836	13 836	–	18 338	12 683	5 655	45%	13 836
Waste management		326	4 261	3 913	–	2 022	3 878	(1 856)	-48%	3 913
Total Capital Expenditure - Functional Classification	3	17 697	111 549	149 581	14 834	119 636	101 932	17 704	17%	149 581
Funded by:										
National Government		15 636	71 899	120 128	14 749	103 280	65 715	37 565	57%	120 128
Provincial Government		–	–	7 762	–	2 575	–	2 575	#DIV/0!	7 762
Transfers recognised - capital		15 636	71 899	127 890	14 749	105 855	65 715	40 140	61%	127 890
Internally generated funds		2 032	39 651	21 691	85	13 781	36 217	(22 435)	-62%	21 691
Total Capital Funding		17 667	111 549	149 581	14 834	119 636	101 932	17 704	17%	149 581

Table C6: Statement of Financial Position

EC156 Mhlontlo - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		111 597	121 016	227 166	89 916	227 166
Trade and other receivables from exchange transactions		5 386	4 116	4 116	6 338	4 116
Receivables from non-exchange transactions		16 547	(1 254)	(1 254)	26 885	(1 254)
Current portion of non-current receivables						
Inventory		(0)	(0)	(0)	527	(0)
VAT		19 173	(9 453)	(12 638)	10 918	(12 638)
Other current assets		(1 777)	26 381	29 565	7 842	29 565
Total current assets		150 925	140 804	246 955	142 427	246 955
Non current assets						
Investments						
Investment property		5 983	5 983	5 983	14 251	5 983
Property, plant and equipment		589 489	567 550	636 527	610 829	636 527
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		(240)	2 016	46	10	46
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		595 231	575 548	642 555	625 089	642 555
TOTAL ASSETS		746 156	716 352	889 510	767 516	889 510
LIABILITIES						
Current liabilities	-					
Bank overdraft						
Financial liabilities						
Consumer deposits						
Trade and other payables from exchange transactions		20 972	14 344	144 030	21 934	144 030
Trade and other payables from non-exchange transactions		30 106	5 120	5 120	2 805	5 120
Provision		30 114	27 385	27 385	28 770	27 385
VAT		2 103	1 702	5 219	8 021	5 219
Other current liabilities		4 337	3 713	3 713	4 337	3 713
Total current liabilities		87 631	52 265	185 469	65 867	185 469
Non current liabilities						
Financial liabilities						
Provision						
Long term portion of trade payables						
Other non-current liabilities						
TOTAL LIABILITIES		87 631	52 265	185 469	65 867	185 469
NET ASSETS	2	658 525	664 087	704 041	701 649	704 041
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		607 646	664 087	704 041	584 054	704 041
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	607 646	664 087	704 041	584 054	704 041

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 - M11 May

Description	Ref	2023/24	Budget Year 2024/25							
		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		17 876	23 039	25 924	358	16 746	21 119	(4 372)	-21%	–
Service charges		847	1 102	2 286	52	643	1 162	(519)	-45%	–
Other revenue		5 465	5 812	5 073	298	3 447	5 327	(1 880)	-35%	–
Transfers and Subsidies - Operational		259 277	254 252	278 572	–	254 569	233 064	21 505	9%	–
Transfers and Subsidies - Capital		82 311	87 922	124 455	–	76 670	80 596	(3 926)	-5%	–
Interest		11 066	12 777	12 777	585	8 091	11 712	(3 620)	-31%	–
Payments										
Suppliers and employees		(331 233)	(246 871)	(166 273)	(25 194)	(321 350)	(215 493)	(105 857)	49%	(166 674)
NET CASH FROM/(USED) OPERATING ACTIVITIES		45 609	138 032	282 813	(23 901)	38 817	137 486	98 670	72%	(166 674)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	8 926	–	–	–	–		–
Payments										
Capital assets		(68 310)	(111 549)	(149 581)	(18 231)	(170 093)	(105 792)	(64 301)	61%	(375 107)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(68 310)	(111 549)	(140 655)	(18 231)	(170 093)	(105 792)	64 301	-61%	(375 107)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		(22 700)	26 483	142 158	(42 132)	(131 276)	31 695			(541 780)
Cash/cash equivalents at beginning:							–			–
Cash/cash equivalents at month/year end:		(22 700)	26 483	142 158	(42 132)	(131 276)	31 695			(541 780)

PART 2: SUPPORTING DOCUMENTATION

Table SC3: Aged Debtors

The municipality is being owed a total amount of R137, 9 million of which the biggest portion is on government department with R54, 2 million being owed by this group of debtors.

The second biggest is household's debtors that are sitting at R42, 8 million. The business debtors owing just over R33,8 million.

EC156 Mhlontlo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description		NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
			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	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	1	1	1	1	1	109	-	118	113	-	-	-
Receivables from Exchange Transactions - Waste Water Management		1500	835	194	184	120	127	707	868	-	822	-	-	-
Receivables from Exchange Transactions - Waste Management		1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors		1700	345	403	400	396	392	388	17	19	18	-	-	-
Interest on Arrear Debtor Accounts Recoverable unauthorised, irregular, fruitless and wasteful expenditure		1810	-	-	-	-	-	-	575	-	751	-	-	-
Other		1900	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source		2000	2 181	1 597	1 584	1 516	1 518	2 095	127 443	-	137 935	132 573	-	-
2023/24 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State		2200	15 1	240	240	238	251	862	54 208	-	56 054	55 559	-	-
Commercial		2300	061 1	528	526	468	466	440	30 347	-	33 48	31 45	-	-
Households		2400	105	829	819	810	801	793	42 889	-	48 292	-	-	-
Other		2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group		2600	2 181	1 597	1 584	1 516	1 518	2 095	127 443	-	137 935	132 573	-	-

Table SC4: Aged Creditors

EC156 Mhlontlo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description R thousands	NT Code	Budget Year 2024/25									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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	(125)	(637)	518	(2)	(140)	910	(812)	185	(102)	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	-	661	-	-	-	-	322	(11)	972	
Auditor General	0800	-	-	-	-	-	-	-	(25)	(25)	
Other	0900	-	-	-	-	-	-	-	-	-	
Medical Aid deductions										-	
Total By Customer Type	1000	(125)	24	518	(2)	(140)	910	(489)	149	845	-

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 the 31 May 2025. Total cash available was R84, 7 million.

EC156 Mhlontlo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Received	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality														
20- FNB:Equitable Share 1 Da		12 (M)	3	Y	2	5,15	0	0	2E+07	53 471	282	-	(51 335)	2 418
23- FNB:Electrification Prog		12 (M)	3	Y	1	6,5	0	0	2E+07	76	1	-	-	77
24- FNB:Gcunu Lots Project		12 (M)	3	Y	2	5,5	0	0	2E+07	557 1	6	-	(6)	557 1
25- FNB:LED		12 (M)	3	Y	2	3,65	0	0	2E+07	197	12	-	(12)	197
30- FNB:Municipal IDP		12 (M)	3	Y	2	4,55	0	0	2E+07	2 019	19	9 367	(10 887)	519
31- FNB:Revolving Fund		12 (M)	3	Y	2	5,15	0	0	2E+07	75 700	745	-	(745)	75 700
32- FNB:MIG		12 (M)	3	Y	2	5,5	0	0	2E+07	20 191	171	9 000	(26 316)	3 046
33- FNB:Bulk Housing Mhlontlo		12 (M)	3	Y	2	5,15	0	0	2E+07	1 191	1	-	(1 181)	11
34- FNB:MSIG		12 (M)	3	Y	2	5,15	0	0	2E+07	931 1	0	-	(920)	11 1
35- FNB:FMG		12 (M)	3	Y	2	3,25	0	0	2E+07	164	11	-	(11)	164
36- FNB:Investment Fund		12 (M)	3	Y	1	2,5	0	0	2E+07	-	-	-	-	-
37- FNB:Public Sector Cheque		12 (M)	3	Y	1	2,5	0	0	2E+07	8	-	-	-	8
Municipality sub-total										156 507	1 248	18 367	(91 413)	84 709
Entities														

TOTAL INVESTM ENTS AND INTEREST	2									156 507	1 248	18 367	(91 413)	84 709
---	---	--	--	--	--	--	--	--	--	------------	----------	--------	-------------	-----------

Table SC6: Grants Receipts

The grants that were expected since July 2024 were received. The table below reflects on individual grants received.

EC156 Mhlontlo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

Description	Ref	2023/24	Budget Year 2024/25							
		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:		233 249	249 004	245 422	153	244 572	228 253	16 318	7,1%	245 422
Equitable Share		229 195	242 156	241 156	–	241 156	221 976	19 180	8,6%	241 156
Expanded Public Works Programme									-1,8%	
Integrated Grant		1 754	1 966	1 966	98	1 770	1 802	(32)		1 966
Local Government Financial									-21,9%	
Management Grant		2 300	2 300	2 300	55	1 646	2 108	(463)		2 300
Municipal Infrastructure Grant		–	2 582	–	–	–	2 366	(2 366)	-100,0%	–
Provincial Government:		550	1 102	5 102	–	5 131	1 010	4 120	407,9%	5 102
Specify (Add grant description)		550	1 102	5 102	–	5 131	1 010	4 120	407,9%	5 102
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		585	4 146	29 048	25	1 722	3 801	(2 079)	-54,7%	29 048
Peoples Housing Process (Housing)		211	2 500	27 401	–	1 442	2 292	(850)	-37,1%	27 401
Transport, Education and Training SETA		374	1 646	1 646	25	280	1 509	(1 229)	-81,5%	1 646
Total Operating Transfers and Grants	5	234 384	254 252	279 572	178	251 424	233 064	18 359	7,9%	279 572
Capital Transfers and Grants										
National Government:		75 747	87 922	115 529	13 513	115 274	80 596	34 678	43,0%	115 529
Integrated National Electrification Programme Grant		13 361	13 836	13 836	–	8 525	12 683	(4 158)	-32,8%	13 836
Municipal Disaster Response Grant		13 439	25 037	50 062	1 699	55 118	22 951	32 167	140,2%	50 062
Municipal Infrastructure Grant		48 947	49 049	51 631	11 814	51 631	44 962	6 669	14,8%	51 631
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
[insert description]										
Other grant providers:		–	–	8 926	–	–	–	–		8 926
Human Settlement Re-development Programme		–	–	8 926	–	–	–	–		8 926
Total Capital Transfers and Grants	5	75 747	87 922	124 455	13 513	115 274	80 596	34 678	43,0%	124 455
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	310 131	342 174	404 027	13 691	366 697	313 660	53 038	16,9%	404 027

Table SC7: Grants expenditure

The table below reflects on grants' expenditures since July 2024. Also, these amounts are inclusive of VAT.

Finance management grant's expenditure amounts to R1 ,4 million. This amount was used on interns' salaries and training. Library grant expenditure amounts to R525 thousand and was used in paying the librarians' events and salaries. MIG capital expenditure amounts to R51, 6 million. Electrification project expenditure amounts to R13, 8 million. EPWP expenditure amounts to R1,9 million. EPWP(DEDEAT) expenditure amounts to R956 thousand MDRG (Recovery) expenditure amounts to R55,3 million.

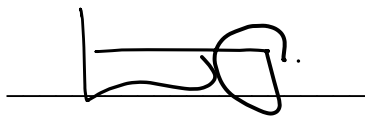
EC156 Mhlontlo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

Description	Ref	2023/24	Budget Year 2024/25							
		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:		310 507	303 603	307 454	21 894	285 242	277 514	7 728	2,8%	307 454
Equitable Share		306 066	297 423	297 295	21 400	280 775	271 863	8 912	3,3%	297 295
Local Government Financial Management Grant		826	2 894	2 652	57	934	2 640	(1 706)	-64,6%	2 652
Municipal Infrastructure Grant		3 543	2 499	2 690	243	2 650	2 291	359	15,6%	2 690
Specify (Add grant description)		83	786	4 817	194	884	720	164	22,8%	4 817
Upgrading of Informal Settlement		(12)	-	-	-	-	-	-		-
Provincial Government:		83	517	4 547	125	559	473	85	18,0%	4 547
Specify (Add grant description)		83	517	4 547	125	559	473	85	18,0%	4 547
District Municipality:		-	270	270	69	325	246	79	32,0%	270
Specify (Add grant description)		-	270	270	69	325	246	79	32,0%	270
Other grant providers:		(12)	270	270	69	325	246	79	32,0%	270
Specify (Add grant description)		-	270	270	69	325	246	79	32,0%	270
Upgrading of Informal Settlement		(12)	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:		310 578	304 658	312 541	22 157	286 451	278 480	7 971	2,9%	312 541
Capital expenditure of Transfers and Grants										
National Government:		58 518	71 899	155 291	16 228	112 799	65 715	47 084	71,6%	155 291
Human Settlement Re-development Programme		-	-	27 401	1 479	6 945	-	6 945	#DIV/0!	27 401
Integrated National Electrification Programme Grant		11 902	13 836	13 836	-	18 338	12 683	5 655	44,6%	13 836
Municipal Disaster Recovery Grant		-	-	14 712	972	14 276	-	14 276	#DIV/0!	14 712
Municipal Disaster Response Grant		3 736	19 758	55 863	3 122	34 667	18 076	16 591	91,8%	55 863
Municipal Infrastructure Grant		42 880	38 304	35 716	10 655	35 998	34 956	1 042	3,0%	35 716
Specify (Add grant description)		-	-	7 762	-	2 575	-	2 575	#DIV/0!	7 762
Provincial Government:		-	-	7 762	-	2 575	-	2 575	#DIV/0!	7 762
Specify (Add grant description)		-	-	7 762	-	2 575	-	2 575	#DIV/0!	7 762
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	27 401	1 479	6 945	-	6 945	#DIV/0!	27 401

Human Settlement Re-development Programme		–	–	27 401	1 479	6 945	–	6 945	#DIV/0!	27 401
Total capital expenditure of Transfers and Grants		58 518	71 899	190 454	17 707	122 319	65 715	56 604	86,1%	190 454
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		369 096	376 557	502 995	39 865	408 769	344 195	64 574	18,8%	502 995

QUALITY CERTIFICATE

I, LINGILO NDABENI (Full Names), the Municipal Manager of Kumkani Mhlontlo Local Municipality hereby certify that the **Section 71 Report** for the month ended 31 May 2025 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

2025/06/12

DATE

RECEIPT BY THE MAYOR

I, MBUYELO JARA (Full Names), the Mayor of Kumkani Mhlontlo Local Municipality, hereby accept the **Section 71 report** of the municipality for the month ended 31 May 2025 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

2025/06/12

DATE