


**DRAFT MINUTES OF THE NINETH (9TH) ORDINARY COUNCIL MEETING
OF THE FIFTH COUNCIL OF MALUTI-A-PHOFUNG LOCAL MUNICIPALITY
HELD ON THURSDAY THE 30TH OF JANUARY 2024 AT KESTELL MULTI-
PURPOSE HALL 9H00.**

**13.2.4 QUARTERLY BUDGET STATEMENT REPORT MFMA s52 (d)
FOR THE 2ND QUARTER (OCTOBER-DECEMBER)**

"ANNEXURE F"

Resolved: 1. Council takes note of the MFMA section 52(d) report
for the 2nd quarter (October – December 2023).

Signed by

.....

Committee Secretary

..... N. SIBUYA


Date

..... 31 / 01 / 2024

Issued by

..... NJABULO SIBUYA

Received by

..... NJ MOKOENA 





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REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL

QUARTERLY BUDGET STATEMENT REPORT- MFMA s52 (d) FOR THE 2ND QUARTER (OCTOBER – DECEMBER) 2023

1. PURPOSE

The purpose of this report is to provide the budget statement of the Municipality for the 2nd quarter ending 31st December 2023.

2. BUSINESS PLAN

IDP and Budget Process Plan

3. STRATEGIC OBJECTIVE

To ensure compliance to statutory reporting deadlines.

4. DELEGATED AUTHORITY

Delegated powers vest with Council.

5. ANNEXURES

Annexure A – Parent Schedule C

Annexure B – Entity Schedule F

6. POLICY

Budget related policies.

7. LEGAL REQUIREMENTS

In terms of **section 52 of MFMA Act No 56 of 2003** which reads as follows:

The mayor of a municipality -

Must within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

MFMA Circular 123 requires municipalities to include a completed equitable share release requirement checklist as part of the MFMA s52 (d) quarterly reporting.



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Budget statement report for the 2nd quarter (October–December) 2023- MFMA s52 (d)

8. BACKGROUND AND DISCUSSION

In order to comply with the MFMA requirements, this report must be submitted to Council on or before the **31st January 2024**.

9. FINANCIAL IMPLICATIONS

Consolidated financial performance for the 2nd quarter ending 31st December 2023.

- The total actual operational revenue for the **2nd quarter** amounted to **R433.7 million**.
- The total actual operational expenditure for the **2nd quarter** amounted to **R423.7 million**.
- The total actual capital expenditure for the **2nd quarter** amounted to **R47.5 million**.
- The total debtor's book total amounted to **R2.4 billion** as indicated on page 20 of the report.
- The creditors balance amounted to **R8.4 billion** as indicated on page 21 of the report.

10. STAFF IMPLICATIONS

The total number of employees by the end of the **2nd quarter ending 31st December 2023**.

- Parent municipal staff including Councillors was **1 238**.
- MAP Water (SOC) Ltd was **271**.

11. COMMENTS FROM OTHER DIRECTORS

- The report will be circulated to all directorates.
- The Entity did not submit the December financial information on the set date. The reports were compiled without the Map Water figures.

12. RECOMMENDATION

It is recommended

- That the MFMA section 52(d) report for the **2nd quarter (October – December) 2023** be noted.

SUBMITTED BY:

.....
THE EXECUTIVE MAYOR
Cllr. M.M LAKAJE - MOSIA

24/01/2024
.....
DATE



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Budget statement report for the 2nd quarter (October–December) 2023- MFMA s52 (d)

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Budget statement report for the 2nd quarter (October–December) 2023- MFMA s52 (d)

PART 1 IN-YEAR REPORT

1.1 EXECUTIVE SUMMARY

1.1.1 Table C1 Consolidated Monthly Budget Statement Summary

The total revenue for 2nd quarter amounted to **R433.7million** which was **R129.1 million** less than the **R562.9 million** from the 1st quarter. The total operating expenditure for 2nd quarter amounted to **R423.7 million** which was **R131.2 million** less compared to the 1st quarter outcome of **R554.9 million**. The total capital expenditure for the 2nd quarter amounted to **R26.6 million** which was **R9.7 million** less compared to the **R36.4 million** from the 1st quarter.

Description R thousands	Budget 2023/2024	1st quarter	2nd quarter	Variance 1st vs 2nd Q	YTD Actual	YearTD budget	YTD variance	YTD variance %
Financial Performance								
Property rates	128 537	21 790	25 278	3 488	47 067	64 269	(17 202)	-27%
Service charges	723 939	151 678	129 388	(22 290)	281 066	361 970	(80 904)	-22%
Transfers and subsidies	810 030	334 746	275 246	(59 499)	609 992	405 015	204 977	51%
Other own revenue	43 396	6 335	3 882	(2 453)	10 217	21 698	(11 482)	-53%
Intercompany/Parent subsidiary transactions	263 118	48 406	–	(48 406)	48 406	131 559	(83 153)	-63%
Total Revenue (excluding capital transfers and contributions)	1 969 021	562 954	433 794	(129 160)	996 748	984 510	12 237	1%
Employee costs	743 437	173 181	156 236	(16 945)	329 417	371 718	(42 302)	-11%
Remuneration of Councillors	33 085	7 554	6 607	(947)	14 160	16 543	(2 382)	-14%
Depreciation & asset impairment	153 916	–	–	–	–	76 958	(76 958)	-100%
Finance charges	15 144	1	952	951	954	7 572	(6 618)	-87%
Inventory consumed and bulk purchases	624 044	294 923	181 679	(113 245)	476 602	312 022	164 580	53%
Transfers and subsidies	187 200	38 894	35 761	(3 133)	74 655	93 600	(18 945)	-20%
Other expenditure	432 897	40 415	42 507	2 092	82 922	216 448	(133 527)	-62%
Total Expenditure	2 189 723	554 969	423 741	(131 228)	978 710	1 094 861	(116 152)	-11%
Surplus/(Deficit)	(220 702)	7 985	10 053	2 067	18 038	(110 351)	128 389	-116%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	234 059	19 583	37 480	17 898	57 063	117 029	(59 967)	-51%
Surplus/(Deficit) after capital transfers & contributions	13 357	27 568	47 533	19 965	75 101	6 679	68 422	1025%
Capital expenditure	280 614	36 457	26 660	(9 796)	63 117	70 154	(77 190)	-122%
Capital transfers recognised	224 272	31 893	23 110	(8 783)	55 003	112 136	(57 133)	-51%
Internally generated funds	56 342	4 564	3 550	(1 014)	8 114	28 171	(20 057)	-71%



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1.1.2 Material variance explanations on Revenue by Sources

Description	Budget year 2023-2024							
	Original Budget	1st quarter actual	2nd quarter actual	Variance Q1 vs Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands (R'000)								
Revenue By Source								
Exchange Revenue								
Service charges - Electricity	508 227	103 132	85 609	(17 523)	188 740	254 113	(65 373)	-26%
Service charges - Water	118 471	25 794	21 924	(3 869)	47 718	59 236	(11 518)	-19%
Service charges - Waste Water Management	48 724	11 192	10 754	(437)	21 946	24 362	(2 416)	-10%
Service charges - Waste management	48 518	11 561	11 101	(460)	22 662	24 259	(1 597)	-7%
Sale of Goods and Rendering of	5 918	705	654	(51)	1 359	2 959	(1 600)	-54%
Interest earned from Receivables	13 798	3 056	—	(3 056)	3 056	6 899	(3 843)	-56%
Interest from Current and Non Current Assets	4 620	835	886	51	1 721	2 310	(589)	-25%
Rental from Fixed Assets	2 504	232	631	400	863	1 252	(389)	-31%
Operational Revenue	2 889	147	1 643	1 495	1 790	1 445	346	24%
Non-Exchange Revenue								
Property rates	128 537	21 790	25 278	3 488	47 067	64 269	(17 202)	-27%
Fines, penalties and forfeits	1 500	94	64	(30)	158	750	(592)	-79%
Transfers and subsidies - Operational	810 030	334 746	275 246	(59 499)	609 992	405 015	204 977	51%
Interest	12 163	1 266	—	(1 266)	1 266	6 081	(4 816)	-79%
Other Gains	4	—	3	3	3	2	1	69%
Total	1 705 903	514 548	158 480	(80 754)	948 342	852 952	95 390	11%
Intercompany/Parent subsidiary transactions	263 118	48 406	—	—	48 406	65 779	(17 374)	-26%
Total Revenue	1 969 021	562 954	158 480	(80 754)	996 748	918 731	78 017	8%

- **Electricity revenue** amounted to **R85.6 million** which was **R17.5 million** less compared to the **R103.1 million** from the 1st quarter.
- **Water revenue** amounted to **R21.9 million** which was **R3.8 million** less than the **R25.7 million** from the 1st quarter.
- **Waste water management revenue** amounted to **R10.7 million** and the year to date of **R21.9 million** was **10%** less than the year to date target of **R24.3 million**.
- **Waste management revenue** amounted to **R11.1 million** and the year to date was **7%** less than the year to date target.
- **Sale of good and services** amounted to **R654 thousands**. There was no material variance when compared to the 1st quarter. Details indicated on page 6.
- **Interest earned receivables (debtors)** there was no interest charged during the 2nd quarter and the year to date amounted to **R3 million**.
- **Interest from current and non-current assets** amounted to **R886 thousand** and the year to date was **25%** less than the targeted year to date budget of **R2.3 million**.
- **Rental of facilities** amounted to **R631 thousands** and the year to date was **31%** less than the year to date budget of **R1.2 million**.
- **Operational revenue** – amounted to **R1.6 million**. Details indicated on page 6.



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- **Property rates** amounted to **R25.2 million** which was **R3.4 million** less compared to the 1st quarter.
- **Fines** year to date amounted to **R158 thousands** which was **R592 thousands** or **79%** less than the target of **R750 thousands**.
- **Transfers and subsidies** year to date amounts **R609.9 million** which is **51%** more than the target due to the equitable share which is transferred quarterly.
- **Interest (property rates)** year to date is **R1.2 million** which is **R4.8 million** less than the target of **R6 million**.
- **Intercompany transactions** recorded to date **R48.4 million**. This relates to the monthly billing or invoices by the Entity to the Parent. The transactions for December were not recorded due to the late submission of the report that is uploaded onto the parent database.

SALES OF GOODS AND RENDERING OF SERVICES & OPERATIONAL REVENUE BREAKDOWN

DESCRIPTION R'000	BUDGET 2023/2024	Q1 ACTUALS	Q2 ACTUALS	YTD ACTUALS
SALES OF GOODS AND RENDERING OF SERVICES				
ADVERTISEMENTS	(318)	(13)	(44)	(57)
CEMETERY & BURIAL	(1 491)	(352)	(330)	(682)
ESCORT FEES	(41)	(6)	(5)	(11)
ENTRANCE FEES	(300)	(7)	(6)	(13)
FIRE SERVICES	(57)	—	—	—
CALL OUT FEES	(8)	—	—	—
SUNDRY INCOME	(360)	(14)	(167)	(180)
HOUSING/BOARDING SERVICES: PRIVATE	(636)	—	—	—
MANAGEMENT FEES	(38)	(5)	(14)	(18)
PARKING FEES	(19)	(4)	(6)	(10)
PHOTOCOPIES & FAXES	(1)	—	—	—
PLAN & DEV: APPLICAT FEES FOR LAND USAGE	(32)	(0)	(0)	(1)
PLAN & DEV: BUILDING PLAN APPROVAL	(159)	(249)	(35)	(285)
PLAN & DEV: BUILDING PLAN CLAUSE LEVY	(3)	—	—	—
PLAN & DEV: CLEARANCE CERTIFICATES	(19)	(21)	(8)	(30)
PLAN & DEV: ENCROACHMENT FEES	(11)	(1)	—	(1)
CONTAINERS 12MONTHS	(5)	—	—	—
IDENTIFICATION OF PEGS	(3)	(4)	—	(4)
SPECIAL CONSENT APPLICATION	(16)	—	(1)	(1)
SUB DIVISION APPLICATION	(16)	(1)	—	(1)
PLAN & DEV: TOWN PLANNING & SERVITUDES	(1)	—	(0)	(0)
SALE OF: AGRIC PROD - ASSET < CAP THRESH	(2 000)	—	—	—
SALE OF: PUBLICATION - MAPS	(11)	—	—	—
SALE OF: PUBLICATION - PRINTS	(2)	—	—	—
SALE OF: PUBLICATION - TENDER DOCUMENTS	(330)	(16)	(29)	(45)
SALE OF: VALUATION ROLLS	(43)	(11)	(9)	(20)
SUB TOTAL : SALES & RENDERING OF SERV	(5 918)	(705)	(654)	(1 359)
OPERATIONAL REVENUE				
STAFF RECOVERIES	(418)	(33)	(62)	(95)
REQ INFO - MUNICIPAL INFOR & STATISTICS	(200)	(8)	(6)	(14)
SALE OF PROPERTY	(1 590)	(106)	(41)	(147)
SKILLS DEVELOPMENT LEVY REFUND	(681)	—	(1 535)	(1 535)
SUB TOTAL : OPERATIONAL REVENUE	(2 889)	(147)	(1 643)	(1 790)



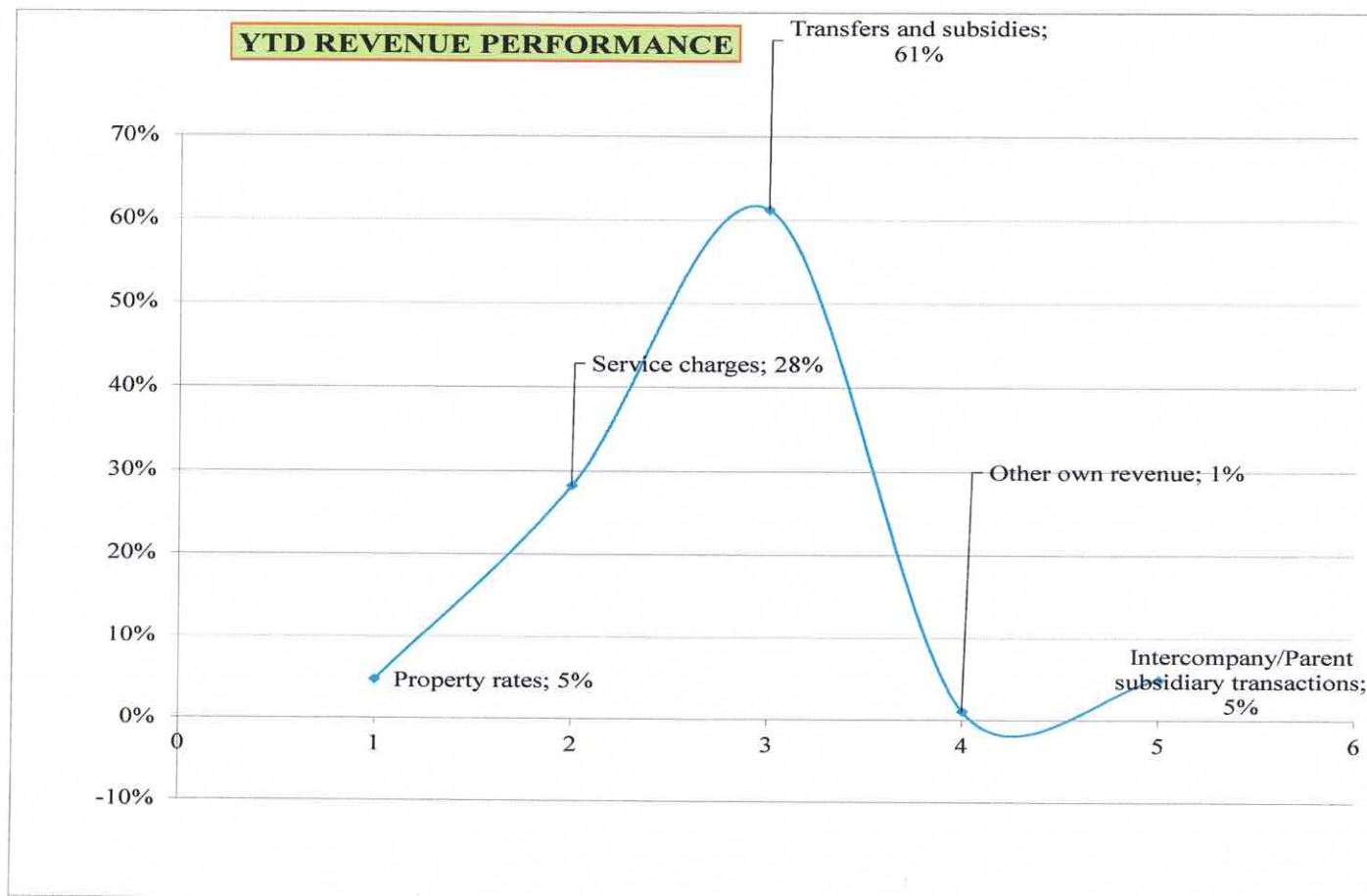
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The chart below indicates the percentage contribution of revenue sources to the total year to date revenue

It can be seen from the table below that **61%** of the total revenue to date came from Transfers and subsidies. The second contributor to the municipality comes from services charges, which was at **28%** by the end of December 2023.

Description R'000	Year to date performance	%
Property rates	47 067	5%
Service charges	281 066	28%
Transfers and subsidies	609 992	61%
Other own revenue	10 217	1%
Intercompany/Parent subsidiary transactions	48 406	5%
Total Revenue	996 748	100%





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1.1.3 Material variance explanations on Expenditure by Type

Description R thousands (R'000)	Budget year 2023-2024							
	Original Budget	1st quarter actual	2nd quarter actual	Variance Q1 vs Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %
Expenditure by type								
Employee related costs	743 437	173 181	156 236	(16 945)	329 417	371 718	(42 302)	-11%
Remuneration of councillors	33 085	7 554	6 607	(947)	14 160	16 543	(2 382)	-14%
Bulk purchases - electricity	565 900	290 225	178 082	(112 142)	468 307	282 950	185 357	66%
Inventory consumed	58 144	4 699	3 596	(1 102)	8 295	29 072	(20 777)	-71%
Debt impairment	60 000	—	—	—	—	30 000	(30 000)	-100%
Depreciation and amortisation	153 916	—	—	—	—	76 958	(76 958)	-100%
Interest	15 144	1	952	951	954	7 572	(6 618)	-87%
Contracted services	210 581	24 127	26 428	2 300	50 555	105 291	(54 736)	-52%
Transfers and subsidies	187 200	38 894	35 761	(3 133)	74 655	93 600	(18 945)	-20%
Irrecoverable debts written off	17 000	348	1 914	1 566	2 262	8 500	(6 238)	-73%
Operational costs	145 300	15 939	14 163	(1 777)	30 102	72 650	(42 548)	-59%
Other Losses	16	—	2	2	2	8	(6)	-73%
Total	2 189 723	554 969	423 741	(131 228)	978 710	1 094 861	(116 151)	-11%

- **Employee related costs** outcome for the 2nd quarter amounted **R156.2 million** which was **R16.9 million** less compared to the 1st quarter due to the outstanding Map Water transactions for December.
- **Remuneration of councillors'** outcome for the 2nd quarter amounted to **R6.6 million**.
- **Bulk purchases - Electricity** for the 2nd quarter amounted to **R178 million**. The Eskom bill was high during the 1st quarter due to the high winter tariffs.
- **Inventory consumed** amounted to **R3.5 million which was R1.1 million** less than the 1st quarter actual.
- **Debt impairment** there was no movement by the end of the 2nd quarter.
- **Depreciation and amortisation** there was no movement by the end of the 2nd quarter.
- **Interest** amounted to **R952 thousands** by the end of 2nd quarter and year to date was 87% less than the year to date target.
- **Contracted services** amounted to **R26.4 million**. Details indicated on page 10 - 11.
- **Transfers and subsidies** 2nd quarter outcomes was at **R35.7 million**.
- **Irrecoverable debts written off** amounted to date **R1.9 million** for the 2nd quarter.
- **Operational costs** for 2nd quarter was at **R14.1 million** which was **R1.7 million** less compared to the 1st quarter. This category includes amongst others; protective clothing, water and sewerage levies to the entity, advertisements, audit fees).



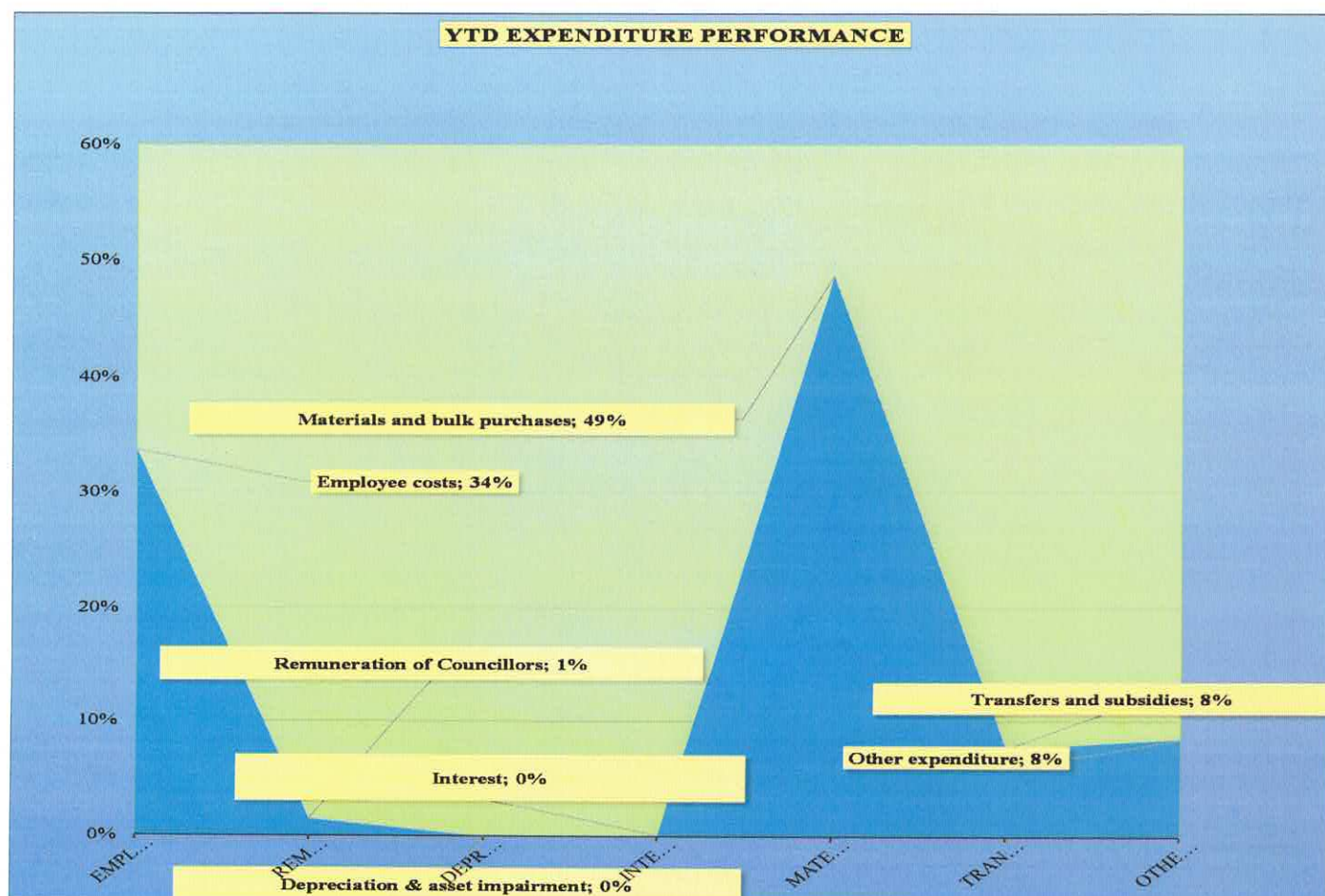
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The chart below indicates the percentage contribution of expenditure types to the total year to date expenditure

The chart shows that to date **49%** of the total year to date expenditure was from materials and bulk purchases. The year to date employee costs are at **34%** of the total expenditure.

Description R'000	Year to date performance	%
Employee costs	329 417	34%
Remuneration of Councillors	14 160	1%
Depreciation & asset impairment	—	0%
Interest	954	0%
Materials and bulk purchases	476 602	49%
Transfers and subsidies	74 655	8%
Other expenditure	82 922	8%
Total Expenditure	978 710	100%





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CONTRACTED SERVICES BREAKDOWN

DESCRIPTION R'000	BUDGET 2023/2024	1ST QUARTER ACTUAL	2ND QUARTER ACTUAL	YTD ACTUAL
OUTSOURCE SERVICES				
OS: BURIAL SERVICES	600	48	35	82
OS: B&A COMMUNICATIONS	23	—	—	—
OS: B&A HUMAN RESOURCES	710	—	—	—
OS: B&A OCCUPATIONAL HEALTH & SAFETY	250	29	10	39
OS: B&A PROJECT MANAGEMENT	11 499	—	3 137	3 137
OS: B&A RESEARCH & ADVISORY	11 949	4 195	1 514	5 709
OS: CLEARING & GRASS CUTTING SERVICES	50	—	—	—
R & M - GROUNDS & OPEN SPACES	180	—	—	—
OS: FIRE SERVICES	214	—	—	—
OS: PROFESSIONAL STAFF	200	—	—	—
OS: PRINTING SERVICES	1 000	—	—	—
OS: SECURITY SERVICES	22 494	3 141	4 277	7 419
OS: TRAFFIC FINES MANAGEMENT	1 000	22	111	133
SUB TOTAL : OUTSOURCE SERVICES	50 169	7 435	9 084	16 518
CONSULTANTS AND PROFESSIONAL SERVICES				
C&PS: B&A ACCOUNTANTS & AUDITORS	150	—	—	—
C&PS: B&A AIR POLLUTION	300	—	—	—
C&PS: B&A AUDIT COMMITTEE	833	89	103	191
C&PS: B&A BUSINESS & FIN MANAGEMENT	9 964	263	154	417
INDIGENT REGISTER	2 140	—	75	75
READING OF METERS	2 818	342	—	342
SERVICE CONTRACTS	1 166	—	—	—
VAT REVIEW	5 000	—	—	—
C&PS: B&A HUMAN RESOURCES	5 000	—	—	—
C&PS: B&A ORGANISATIONAL	120	80	30	110
C&PS: B&A PROJECT MANAGEMENT	10 322	2 128	2 128	4 256
C&PS: B&A VALUER & ASSESSORS	2 605	—	—	—
C&PS: I&P TOWN PLANNER	3 000	250	20	270
C&PS: LAB SERV WATER	754	—	—	—
C&PS: LEGAL COST ADVICE & LITIGATION	10 715	2 442	6 872	9 314
SUB TOTAL : CONSULTANT AND PROF SERVICES	54 887	5 593	9 381	14 975



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CONTRACTED SERVICES BREAKDOWN				
DESCRIPTION R'000	BUDGET 2023/2024	1ST QUARTER ACTUAL	2ND QUARTER ACTUAL	YTD ACTUAL
CONTRACTORS				
CONTR: AUDIO-VISUAL SERVICES	220	–		–
CONTR: CATERING SERVICES	1 230	30	121	151
CONTR: ELECTRICAL	1 000	–	–	–
R & M - NETWORK RETICULATION	15 000	3 982	–	3 982
R & M - SUBSTATIONS	15 000	5 511	3 828	9 339
R & M - TRANSFORMERS	5 000	–	135	135
R & M - STREET LIGHTS	5 000	–	–	–
R & M - TRAFFIC LIGHTS	3 000	–	–	–
CONTR: EMPLOYEE WELLNESS	550	66	–	66
CONTR: MAINT OF BUILDINGS & FACILITIES	300	–	–	–
R & M - BUILDINGS	5 000	28	51	80
CONTR: MAINTENANCE OF EQUIPMENT	1 635	–	–	–
R & M - COMPUTER EQUIPMENT	2 128	–	–	–
R & M - MOTORS & PUMPS	200	–	–	–
CONTR: MAINTENANCE OF LANDFILLSITE	9 675	–	–	–
R & M - BUILD & GROUND PUMP STATIONS	418	20	–	20
R & M - BUILD & GROUND RESERVOIRS	335	–	–	–
R & M - BUILD & GROUNDS FIKA PATSO WTW	19	–	–	–
R & M - BUILD & GROUNDS MAKWANE WTW	38	–	–	–
R & M - BUILDING & GR STERKFORTEIN WTW	19	–	–	–
R & M - BUILDING & GROUNDS WILGE WTW	624	–	–	–
R & M - FLEET MANAGEMENT	1 060	–	1	1
R & M - MAINTANANCE OF VIP TOILETS	4 000	–	–	–
R & M - MOTORS & PUMPS FIKA PATSO WTW	38	–	–	–
R & M - MOTORS & PUMPS HS & TSIA ME WWTW	247	–	52	52
R & M - MOTORS & PUMPS MAKWANE WTW	95	–	–	–
R & M - MOTORS & PUMPS PHU ELA KEST WWTW	259	–	–	–
R & M - MOTORS & PUMPS PUMP STATIONS	842	–	–	–
R & M - MOTORS & PUMPS RESERVOIRS	77	–	–	–
R & M - MOTORS & PUMPS STERKFORTEIN WTW	19	–	–	–
R & M - MOTORS & PUMPS WILGE WTW	145	–	–	–
R & M - NETW RETICUL QWA QWA	6 187	415	52	467
R & M - NETWORK RETICULATION HARRYSMITH	2 434	101	21	122
R & M - QUALITY MONITORING	628	–	–	–
R & M - RESURFACING OF ROADS	6 000	301	915	1 216
R & M - SHEQ PLUS SHEQ INCENTIVE	1 908	–	–	–
R & M - STREETS & STORMWATER	2 000	–	–	–
R & M - VEHICLE LICENSES	1 006	–	–	–
R & M - VEHICLES	2 128	280	192	472
R&M - MOTORS & PUMPS MAKW & MOEDING WWTW	30	–	–	–
CONTR: MEDICAL SERVICES	600	–	–	–
CONTR: PREPAID ELECTRICITY VENDORS	8 920	364	2 594	2 958
CONTR: TRACING AGENTS & DEBT COLLECTORS	11	–	–	–
CONTR: TRANSPORTATION CONTRACTOR	500	–	–	–
SUB TOTAL : CONTRACTORS	105 525	11 099	7 963	19 062
SUB TOTAL : CONTRACTED SERVICES	210 581	24 127	26 428	50 555



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1.2 IN-YEAR BUDGET STATEMENT TABLES

1.2.1. Table C2 Consolidated financial performance (functional classification)

FS194 Maluti-a-Phofung - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second

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>		870 972	938 149	938 149	285 595	649 205	469 074	180 131	38%	938 149
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		870 972	938 149	938 149	285 595	649 205	469 074	180 131	38%	938 149
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		22 319	45 270	45 270	1 408	5 699	22 635	(16 936)	-75%	45 270
Community and social services		18 915	21 406	21 406	159	3 803	10 703	(6 900)	-64%	21 406
Sport and recreation		2 153	19 656	19 656	1 103	1 390	9 828	(8 438)	-86%	19 656
Public safety		935	1 982	1 982	142	358	991	(633)	-64%	1 982
Housing		316	2 226	2 226	4	147	1 113	(966)	-87%	2 226
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		25 846	25 127	25 127	1 654	6 266	12 564	(6 297)	-50%	25 127
Planning and development		235	574	574	23	351	287	64	22%	574
Road transport		25 611	24 554	24 554	1 631	5 915	12 277	(6 362)	-52%	24 554
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		729 659	931 416	931 416	78 477	343 744	465 708	(121 964)	-26%	931 416
Energy sources		354 350	516 193	516 193	43 852	189 393	258 096	(68 704)	-27%	516 193
Water management		178 236	214 078	214 078	22 325	67 644	107 039	(39 395)	-37%	214 078
Waste water management		149 172	139 542	139 542	6 499	51 050	69 771	(18 721)	-27%	139 542
Waste management		47 902	61 604	61 604	5 801	35 657	30 802	4 855	16%	61 604
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	1 648 796	1 939 962	1 939 962	367 134	1 004 914	969 981	34 933	4%	1 939 962
Expenditure - Functional										
<i>Governance and administration</i>		874 519	760 394	760 394	30 596	248 105	380 197	(132 092)	-35%	760 394
Executive and council		137 399	135 720	135 720	3 383	32 023	67 860	(35 837)	-53%	135 720
Finance and administration		729 744	616 271	616 271	26 546	212 127	308 136	(96 009)	-31%	616 271
Internal audit		7 375	8 403	8 403	668	3 956	4 201	(246)	-6%	8 403
<i>Community and public safety</i>		142 976	183 961	183 961	11 808	68 760	91 981	(23 220)	-25%	183 961
Community and social services		19 260	26 446	26 446	1 673	9 852	13 223	(3 371)	-25%	26 446
Sport and recreation		45 930	65 440	65 440	3 981	23 548	32 720	(9 172)	-28%	65 440
Public safety		72 697	85 102	85 102	5 771	33 239	42 551	(9 312)	-22%	85 102
Housing		5 088	6 972	6 972	383	2 121	3 486	(1 365)	-39%	6 972
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		58 812	125 743	125 743	4 978	32 482	62 871	(30 390)	-48%	125 743
Planning and development		21 240	33 979	33 979	1 898	12 153	16 989	(4 836)	-28%	33 979
Road transport		37 572	91 764	91 764	3 080	20 328	45 882	(25 554)	-56%	91 764
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		1 456 130	1 115 221	1 115 221	49 379	627 740	557 611	70 129	13%	1 115 221
Energy sources		1 252 201	736 056	736 056	60 132	514 867	368 028	146 839	40%	736 056
Water management		68 048	118 946	118 946	(8 808)	33 006	59 473	(26 467)	-45%	118 946
Waste water management		64 081	98 390	98 390	(9 702)	28 681	49 195	(20 514)	-42%	98 390
Waste management		71 801	161 830	161 830	7 756	51 186	80 915	(29 729)	-37%	161 830
<i>Other</i>		1 806	4 404	4 404	257	1 623	2 202	(579)	-26%	4 404
Total Expenditure - Functional	3	2 534 242	2 189 723	2 189 723	97 019	978 710	1 094 862	(116 152)	-11%	2 189 723
Surplus/ (Deficit) for the year		(885 446)	(249 761)	(249 761)	270 115	26 204	(124 881)	151 085	-121%	(249 761)



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1.2.2. Table C3 Consolidated financial performance by municipal vote

FS194 Maluti-a-Phofung - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -

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 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		1,053	681	681	1,130	1,535	340	1,194	350.7%	681
Vote 04 - Financial Services		1,062,673	1,200,586	1,200,586	237,379	696,567	600,293	96,274	16.0%	1,200,586
Vote 05 - Municipal Infrastructure		400,844	439,614	439,614	36,257	160,267	219,807	(59,540)	-27.1%	439,614
Vote 06 - Community Services		18,451	20,569	20,569	110	3,510	10,284	(6,774)	-65.9%	20,569
Vote 07 - Public Safety & Transport		935	1,982	1,982	142	358	991	(633)	-63.8%	1,982
Vote 08 - Sports, Arts, Parks, Culture		2,153	19,656	19,656	1,103	1,390	9,828	(8,438)	-85.9%	19,656
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		856	3,226	3,226	54	440	1,613	(1,173)	-72.7%	3,226
Vote 11 - ldp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		235	574	574	23	351	287	64	22.3%	574
Vote 13 - Electricity Department		354,350	516,193	516,193	43,852	189,393	258,096	(68,704)	-26.6%	516,193
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,841,551	2,203,080	2,203,080	320,049	1,053,810	1,101,540	(47,730)	-4.3%	2,203,080
Expenditure by Vote	1									
Vote 01 - Legislative Authority		112,402	66,974	66,974	3,594	25,574	33,487	(7,914)	-23.6%	66,974
Vote 02 - Office Of The Municipal Manager		21,257	32,333	32,333	1,821	10,618	16,167	(5,548)	-34.3%	32,333
Vote 03 - Corporate Services		95,154	154,816	154,816	1,551	46,063	77,408	(31,345)	-40.5%	154,816
Vote 04 - Financial Services		576,353	392,918	392,918	17,168	132,296	196,459	(64,163)	-32.7%	392,918
Vote 05 - Municipal Infrastructure		111,950	348,134	348,134	12,514	80,315	174,067	(93,752)	-53.9%	348,134
Vote 06 - Community Services		19,491	25,146	25,146	1,794	10,602	12,573	(1,971)	-15.7%	25,146
Vote 07 - Public Safety & Transport		127,050	156,991	156,991	12,349	64,403	78,496	(14,092)	-18.0%	156,991
Vote 08 - Sports, Arts, Parks, Culture		45,930	65,440	65,440	3,981	23,548	32,720	(9,172)	-28.0%	65,440
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		9,790	19,722	19,722	884	5,777	9,861	(4,084)	-41.4%	19,722
Vote 10 - Hunan Settlements		8,400	14,658	14,658	626	3,460	7,329	(3,869)	-52.8%	14,658
Vote 11 - ldp, Pms Department		2,860	3,341	3,341	285	2,011	1,671	340	20.3%	3,341
Vote 12 - Spatial Development, Planning & Traditional Affairs		10,396	15,319	15,319	986	5,988	7,659	(1,671)	-21.8%	15,319
Vote 13 - Electricity Department		1,251,281	734,986	734,986	60,029	513,912	367,493	146,419	39.8%	734,986
Vote 14 - Maluti Water		141,926	158,944	158,944	(20,563)	54,143	79,472	(25,329)	-31.9%	158,944
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,534,242	2,189,723	2,189,723	97,019	978,710	1,094,862	(116,152)	-10.6%	2,189,723
Surplus/ (Deficit) for the year	2	(692,692)	13,357	13,357	223,030	75,101	6,678	68,422	1024.6%	13,357



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1.2.3. Table C4 Consolidated financial performance (revenue and expenditure)

FS194 Maluti-a-Phofung - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

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		321 785	508 227	508 227	43 852	188 740	254 113	(65 373)	-26%	508 227
Service charges - Water		89 226	118 471	118 471	7 404	47 718	59 236	(11 518)	-19%	118 471
Service charges - Waste Water Management		41 923	48 724	48 724	3 595	21 946	24 362	(2 416)	-10%	48 724
Service charges - Waste management		41 737	48 518	48 518	3 703	22 662	24 259	(1 597)	-7%	48 518
Sale of Goods and Rendering of Services		2 004	5 918	5 918	14 533	1 359	2 959	(1 600)	-54%	5 918
Agency services								-		
Interest								-		
Interest earned from Receivables		(0)	13 798	13 798	-	3 056	6 899	(3 843)	-56%	13 798
Interest from Current and Non Current Assets		4 405	4 620	4 620	541	1 721	2 310			4 620
Dividends								-		
Rent on Land		-	-	-	-	-	-	-		-
Rental from Fixed Assets		1 131	2 504	2 504	344	863	1 252	(389)	-31%	2 504
Licence and permits								-		
Operational Revenue		8 389	2 889	2 889	1 155	1 790	1 445	346	24%	2 889
Non-Exchange Revenue										
Property rates		111 776	128 537	128 537	6 853	47 067	64 269	(17 202)	-27%	128 537
Surcharges and Taxes								-		
Fines, penalties and forfeits		688	1 500	1 500	6	158	750	(592)		1 500
Licence and permits								-		
Transfers and subsidies - Operational		765 933	810 030	810 030	264 792	609 992	405 015	204 977		810 030
Interest		-	12 163	12 163	-	1 266	6 081	(4 816)		12 163
Fuel Levy								-		
Operational Revenue		-	-	-	-	-	-	-		-
Gains on disposal of Assets		-	-	-	-	-	-	-		-
Other Gains		3	4	4	3	3	2	1		4
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		1 389 000	1 705 903	1 705 903	346 780	948 342	852 952	95 390	11%	1 705 903
Expenditure By Type										
Employee related costs		727 726	743 437	743 437	15 469	329 417	371 719	(42 302)	-11%	743 437
Remuneration of councillors		31 785	33 085	33 085	2 375	14 160	16 543	(2 382)	-14%	33 085
Bulk purchases - electricity		758 138	565 900	565 900	54 920	468 307	282 950	185 357		565 900
Inventory consumed		34 181	58 144	58 144	546	8 295	29 072	(20 777)		58 144
Debt impairment		-	60 000	60 000	-	-	30 000	(30 000)	-100%	60 000
Depreciation and amortisation		292 746	153 916	153 916	-	-	76 958	(76 958)	-100%	153 916
Interest		382 456	15 144	15 144	0	954	7 572	(6 618)	-87%	15 144
Contracted services		87 968	210 581	210 581	6 116	50 555	105 291	(54 736)	-52%	210 581
Transfers and subsidies		111 153	187 200	187 200	18 466	74 655	93 600	(18 945)	-20%	187 200
Irrecoverable debts written off		13 377	17 000	17 000	600	2 262	8 500	(6 238)		17 000
Operational costs		94 708	145 300	145 300	(1 475)	30 102	72 650	(42 548)	-59%	145 300
Losses on Disposal of Assets		-	-	-	-	-	-	-		-
Other Losses		4	16	16	2	2	8	(6)		16
Total Expenditure		2 534 242	2 189 723	2 189 723	97 019	978 710	1 094 862	(116 152)	-11%	2 189 723
Surplus/(Deficit)		(1 145 243)	(483 820)	(483 820)	249 761	(30 368)	(241 910)	211 542	(0)	(483 820)
Transfers and subsidies - capital (monetary allocations)		273 230	234 059	234 059	20 354	57 063	117 030	(59 967)	(0)	234 059
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) after capital transfers & contributions		(872 013)	(249 761)	(249 761)	270 115	26 695	(124 881)			(249 761)
Income Tax										
Surplus/(Deficit) after income tax		(872 013)	(249 761)	(249 761)	270 115	26 695	(124 881)			(249 761)
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(872 013)	(249 761)	(249 761)	270 115	26 695	(124 881)			(249 761)
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions		179 321	263 118	263 118	(47 086)	48 406	131 559			263 118
Surplus/ (Deficit) for the year		(692 692)	13 357	13 357	223 030	75 101	6 678			13 357



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1.2.4. Table C5 Consolidated capital expenditure

FS194 Maluti-a-Phofung - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q2 Second Quarter

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									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - ldp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 01 - Legislative Authority		-	3 500	3 500	-	-	1 750	(1 750)	-100%	3 500
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		3 298	5 397	5 397	-	2 577	2 699	(122)	-5%	5 397
Vote 04 - Financial Services		255	16 000	16 000	20	197	8 000	(7 803)	-98%	16 000
Vote 05 - Municipal Infrastructure		52 683	185 832	185 832	7 687	51 843	92 916	(41 073)	-44%	185 832
Vote 06 - Community Services		304 588	18 907	18 907	-	2 457	9 453	(6 996)	-74%	18 907
Vote 07 - Public Safety & Transport		1 466	5 000	5 000	-	-	2 500	(2 500)	-100%	5 000
Vote 08 - Sports, Arts, Parks, Culture		1 351	17 855	17 855	-	703	8 928	(8 225)	-92%	17 855
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - ldp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		(474 722)	16 678	16 678	999	5 341	8 339	(2 998)	-36%	16 678
Vote 14 - Maluti Water		421	11 445	11 445	-	-	5 723	(5 723)	-100%	11 445
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	(110 658)	280 614	280 614	8 705	63 117	140 307	(77 190)	-55%	280 614
Total Capital Expenditure		(110 658)	280 614	280 614	8 705	63 117	140 307	(77 190)	-55%	280 614
Capital Expenditure - Functional Classification										
Governance and administration		3 975	37 842	37 842	20	2 773	18 921	(16 148)	-85%	37 842
Executive and council		421	14 945	14 945	-	-	7 473	(7 473)	-100%	14 945
Finance and administration		3 553	22 897	22 897	20	2 773	11 449	(8 675)	-76%	22 897
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		307 406	40 262	40 262	-	3 160	20 131	(16 971)	-84%	40 262
Community and social services		304 606	19 407	19 407	-	2 457	9 703	(7 246)	-75%	19 407
Sport and recreation		1 351	17 855	17 855	-	703	8 928	(8 225)	-92%	17 855
Public safety		1 449	3 000	3 000	-	-	1 500	(1 500)	-100%	3 000
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(115 711)	14 766	14 766	-	1 597	7 383	(5 786)	-78%	14 766
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(115 711)	14 766	14 766	-	1 597	7 383	(5 786)	-78%	14 766
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		(306 328)	187 743	187 743	8 685	55 586	93 872	(38 286)	-41%	187 743
Energy sources		(474 722)	16 678	16 678	999	5 341	8 339	(2 998)	-36%	16 678
Water management		60 765	87 462	87 462	990	7 973	43 731	(35 758)	-82%	87 462
Waste water management		107 629	83 604	83 604	6 697	42 272	41 802	470	1%	83 604
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(110 658)	280 614	280 614	8 705	63 117	140 307	(77 190)	-55%	280 614
Funded by:										
National Government		513 406	224 272	224 272	7 687	55 003	112 136	(57 133)	-51%	224 272
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private Enterprises,		-	-	-	-	-	-	-	-	-
Public Corporabons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		513 406	224 272	224 272	7 687	55 003	112 136	(57 133)	-51%	224 272
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	(624 064)	56 342	56 342	1 018	8 114	26 171	(20 057)	-71%	56 342
Total Capital Funding		(110 658)	280 614	280 614	8 705	63 117	140 307	(77 190)	-55%	280 614



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1.2.4.1. List of capital projects and performance

Capital assets from own funds

The total capital expenditure from own source for the 2nd quarter amounted **R3.5 million**.

Description R'000	Budget 2023/2024	1st Quarter Actuals	2nd Quarter Actuals	Variance Q2 vs Q1	Year to date Actuals	%
PARENT MUNICIPALITY	44 500	4 564	3 550	(1 014)	8 114	18%
Vehicle(Legislative)	1 500	—	—	—	—	0%
Computer & equipment(Legislative)	2 000	—	—	—	—	0%
Machinery & equipment (corporate)	1 000	—	77	77	77	8%
Computer & equipment	4 000	2 500	—	(2 500)	2 500	62%
Furniture & fittings	1 000	105	91	(14)	197	20%
Electricity prepaid meters	15 000	—	—	—	—	0%
Machinery & equipment (public safety)	500	—	—	—	—	0%
Vehicle(Public Safety)	3 000	—	—	—	—	0%
Vehicle(Security)	1 000	—	—	—	—	0%
Machinery & equipment (Security)	500	—	—	—	—	0%
Transformers	15 000	1 959	3 382	1 423	5 341	36%
MAP WATER	11 842	—	—	—	—	0%
Infrastructure Upgrade - Hardware	397	—	—	—	—	0%
Motor Vehicles	5 023	—	—	—	—	0%
Equipment Other	199	—	—	—	—	0%
Plant and Machinery	1 257	—	—	—	—	0%
Refurbishment Projects	4 511	—	—	—	—	0%
Furniture & Fitting	235	—	—	—	—	0%
Office Equipment	50	—	—	—	—	0%
Computers	170	—	—	—	—	0%
TOTAL CAPITAL BUDGET FUNDED FROM OWN SOURCE	56 342	4 564	3 550	(1 014)	8 114	14%



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The capital expenditure from conditional grants (Vat exclusive)

The total that grant funded capital expenditure for the 2nd quarter amounted to **R14.5 million** and the year to date was **25%** of the budget.

Description (Functional classification)	Funding	Budget 2023/2024	1st quarter Actuals	2nd quarter Actuals	Variance Q2 vs Q1	Year to Date Actuals	%
ROADS PROJECTS		14 766	1 597	–	(1 597)	1 597	40%
Monontsha:Construction Of Footbridge	MIG	6 136	–	–	–	–	0%
Phutha:Upgr 1km Paved Road Motebang Ph1	MIG	2 514	–	–	–	–	0%
Intabazwe Ext3 Paved Roads Phase 3	MIG	2 107	–	–	–	–	0%
Namahadi Const 5km Roads P4	MIG	4 010	1 597	–	(1 597)	1 597	40%
WATER PROJECTS		87 462	3 399	4 574	1 174	7 973	9%
Improving Water Revenue	WSIG	16 000	–	–	–	–	0%
Thaba Bosiu Water Pipeline	MIG	35 726	–	–	–	–	0%
Ha - Sethunya: Water Retic 500 Stands	MIG	17 759	850	3 331	2 481	4 181	24%
Upgrading Of Water Pump Stations	MIG	15 439	2 286	–	(2 286)	2 286	15%
Matebeleng 3ml Reservoir	MIG	2 538	263	1 243	980	1 507	59%
WASTE WATER MANAGEMENT/ SEWERAGE		83 604	24 439	9 223	(6 606)	42 272	310%
Makholokweng Bulk And Sewer Network	WSIG	22 317	2 100	8 610	6 510	10 710	48%
Intabazwe Ext3:Cons Waterborne Sew N/Wrk	MIG	544	463	–	(463)	463	85%
Namahadi:Construction Sewer Network	MIG	26 882	–	3 388	3 388	3 388	13%
Refurbishment Of Sewer Pump Stations	MIG	17 202	9 319	2 552	(6 767)	11 871	69%
Qwa Qwa:Constr 24000 Vip Toilets Ph 13 A	MIG	16 659	12 557	3 283	(9 274)	15 840	95%
COMMUNITY FACILITY PROJECTS		18 907	2 457	–	(2 457)	2 457	13%
Phuthaditjhaba: Upgrading Of Town Hall	MIG	18 907	2 457	–	(2 457)	2 457	13%
SPORTS AND RECREATIONAL FACILITIES		17 855	–	703	703	703	5%
Upgrade Of Platberg Stadium Phase 1	MIG	15 043	–	703	703	703	5%
Refurbishment Of Charles Mopeli Stadium	MIG	2 812	–	–	–	–	0%
ELECTRICITY PROJECTS		1 678	–	–	–	–	0%
MAP: Hihg mast light in town Phase 2	MIG	1 678	–	–	–	–	0%
TOTAL ASSETS FUNDED BY NATIONAL GRANTS (Vat Excl.)		224 272	31 893	14 500	(8 783)	55 003	25%



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1.2.5. Table C6 Consolidated Financial Position

The table indicates that the year to date total assets amounted to **R10.4 billion** and the total liabilities amounted to **R11 billion** by the end of 2nd quarter. This information is not a true reflection of the financial position figures; this will be corrected when the Municipality has fully converted to being mSCOA compliant.

FS194 Maluti-a-Phofung - Table C6 Consolidated Monthly Budget Statement - Financial Position - Q2

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		203 064	(1 695 254)	(1 695 254)	873 006	(1 695 254)
Trade and other receivables from exchange transactions		1 167 563	1 499 043	1 499 043	1 272 866	1 499 043
Receivables from non-exchange transactions		646 771	75 837	75 837	670 226	75 837
Current portion of non-current receivables		144	—	—	144	—
Inventory		4 791	559	559	4 413	559
VAT		1 371 852	362 750	362 750	1 462 322	362 750
Other current assets		(1 120)	—	—	(1 213)	—
Total current assets		3 393 064	242 936	242 936	4 281 763	242 936
Non current assets						
Investments						
Investment property		803 255	—	—	803 255	—
Property, plant and equipment		5 308 418	4 496 827	4 496 827	5 371 535	4 496 827
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		—	—	—	—	—
Trade and other receivables from exchange transactions		(144)	—	—	(144)	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets						
Total non current assets		6 111 529	4 496 827	4 496 827	6 174 646	4 496 827
TOTAL ASSETS		9 504 593	4 739 763	4 739 763	10 456 409	4 739 763
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		(15 019)	—	—	(15 019)	—
Consumer deposits		25 772	313	313	26 029	313
Trade and other payables from exchange transactions		9 718 363	6 322 450	6 322 450	10 122 757	6 322 450
Trade and other payables from non-exchange transactions		18 400	—	—	86 623	—
Provision		161 371	—	—	161 371	—
VAT		688 629	85 381	85 381	714 000	85 381
Other current liabilities		—	—	—	—	—
Total current liabilities		10 597 515	6 408 144	6 408 144	11 095 761	6 408 144
Non current liabilities						
Financial liabilities		320	—	—	320	—
Provision		—	—	—	—	—
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		320	—	—	320	—
TOTAL LIABILITIES		10 597 834	6 408 144	6 408 144	11 096 081	6 408 144
NET ASSETS	2	(1 093 242)	(1 668 381)	(1 668 381)	(639 671)	(1 668 381)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(907 619)	(1 681 738)	(1 681 738)	(1 003 205)	(1 681 738)
Reserves and funds		(212 934)	—	—	(212 934)	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	(1 120 553)	(1 681 738)	(1 681 738)	(1 216 139)	(1 681 738)



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1.2.6. Table C7 Consolidated Cash flow statement

The bank vote on the system is not set to break down the actual payments per type of expenditure and type of revenue. The information reflected below is not a true indication of the bank movements.

FS194 Maluti-a-Phofung - Table C7 Consolidated Monthly Budget Statement - Cash Flow - Q2 Second Quarter

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		-	74 197	74 197	3 418	34 583	37 098	(2 515)	-7%	74 197
Service charges		-	325 692	325 692	14 488	113 286	162 846	(49 560)	-30%	325 692
Other revenue		-	78 801	78 801	(5 994)	(90 892)	39 401	(130 293)	-331%	78 801
Transfers and Subsidies - Operational		-	810 030	810 030	262 495	603 316	405 015	198 301	49%	810 030
Transfers and Subsidies - Capital		-	234 059	234 059	16 000	131 472	117 029	14 443	12%	234 059
Interest		-	9 654	9 654	19	212	4 827	(4 615)	-96%	9 654
Dividends								-		
Payments										
Suppliers and employees		-	(1 809 919)	(1 809 919)	14 348	(262 984)	(904 960)	(641 976)	71%	(1 809 919)
Interest								-		
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	(277 486)	(277 486)	304 775	528 993	(138 743)	(667 736)	481%	(277 486)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		(144)	-	-	-	(144)	-	(144)	#DIV/0!	-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		-	(280 614)	(280 614)	(8 705)	(63 117)	(140 307)	(77 190)	55%	(280 614)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(144)	(280 614)	(280 614)	(8 705)	(63 261)	(140 307)	(77 046)	55%	(280 614)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	313	313	130	258	156	101	65%	313
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	313	313	130	258	156	(101)	-65%	313
NET INCREASE/ (DECREASE) IN CASH HELD		(144)	(557 787)	(557 787)	296 200	465 989	(278 894)			(557 787)
Cash/cash equivalents at beginning:		64 626	-	-	291 155	673 676	-			673 676
Cash/cash equivalents at month/year end:		64 482	(557 787)	(557 787)		1 139 666	(278 894)			115 889



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PART 2 - SUPPORTING DOCUMENTATION

2.1. SUPPORTING TABLES

2.1.1. Debtor's Analysis

- The total debt book amounted to **R2.494 billion** by the end of 2nd quarter 2023.
- This total does not include the credited amounts or journals done.
- The table indicates that the largest debt is from the Water source with a total of **R741 million** including bills from rural wards that can't be collected due to water network infrastructure that was wrongly installed and led to incorrect bills.
- The largest debt by customer group is from Households with a total of **1.474 billion**.

FS194 Maluti-a-Phofung - Supporting Table SC3 Monthly Budget Statement - aged debtors - 2nd quarter

Description	NT Code	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
Debtors Age Analysis By Income Source										
Water	1200	11 291	10 851	15 016	10 433	11 730	13 106	60 773	608 698	741 899
Electricity	1300	4 294	4 270	4 744	3 941	4 604	4 872	18 305	281 767	326 798
Property Rates	1400	8 336	7 766	7 454	7 275	7 160	7 028	38 495	521 096	604 610
Waste Water Management	1500	4 000	3 923	3 949	3 846	3 818	4 277	20 908	240 674	285 395
Waste Management	1600	4 052	3 969	3 937	3 892	3 856	4 317	20 853	242 353	287 228
Interest on Arrear Debtor Accounts	1810	2	0	–	4 253	–	0	51	210 075	214 381
Other	1900	631	194	164	159	143	122	623	31 699	33 737
Total By Income Source	2000	32 606	30 974	35 265	33 799	31 312	33 722	160 009	2 136 361	2 494 048
Debtors Age Analysis By Customer Group										
Organs of State	2200	7 088	8 006	7 232	8 841	7 557	7 312	35 047	398 541	479 623
Commercial	2300	7 316	5 981	6 154	6 982	5 924	5 644	27 771	474 579	540 350
Households	2400	18 202	16 986	21 879	17 977	17 831	20 767	97 191	1 263 241	1 474 075
Total By Customer Group	2600	32 606	30 974	35 265	33 799	31 312	33 722	160 009	2 136 361	2 494 048



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2.1.2. Creditors Analysis

The Bulk Electricity amount reflected on the below table is as per Eskom invoice. The total Eskom balance currently recorded on the financial system for creditors report amounts to **R5.664 billion**.

The total creditors amounted to **R8.416 billion** by the end of 2nd quarter

FS194 Maluti-a-Phofung - Supporting Table SC4 Monthly Budget Statement - aged creditors - 2nd quarter

Description	NT Code	Budget Year 2023/24								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180	181 Days -	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	81 374	117 339	122 158	-	-	-	-	8 023 545	8 344 417
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	5 197	198	66 168	-	-	-	-	-	71 563
Auditor General	0800	-	-	42 982	-	-	-	-	-	43
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	86 571	117 537	188 369	-	-	-	-	8 023 545	8 416 023

2.1.3. Investments Portfolio Analysis

- The closing balances of the investments by the end of the 2nd quarter 2023 amounted to **R243.4 million**.

FS194 Maluti-a-Phofung - Supporting Table SC5 Monthly Budget Statement - investment portfolio - 2nd quarter 2023

Investments by maturity	Period of Investment	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID							
R thousands							
Municipality							
Sanlam 5926	Yrs	Money market	557	-	-	-	557
Sanlam 50189057	Yrs	Money market	2 300	-	-	-	2 300
Sanlam 11690236x2	Yrs	Money market	346	-	-	-	346
FNB 62212896346	Months	Call account	12	0	(0)	4	16
Standard Bank 348526407	Months	Investment	0	-	(0)	-	-
FNB 62756806661	Months	Investment	14 175	630	(147 429)	186 045	53 421
ABSA 9358605812	Months	Investment	123 129	-	(125 344)	122 313	120 099
Nedbank 7881162791	Months	Investment	947	20	-	5 705	6 673
Standard Bank 480823938	Months	Investment	-	191	(115 428)	175 237	60 000
TOTAL INVESTMENTS AND INTEREST			141 467	842	(388 202)	489 304	243 412



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2.1.4. Allocations and grants received

The total grants received by the end of 2nd quarter amounted to **R235.5 million**.

Description R thousands	Original Budget	1st Quarter Actuals	2nd Quarter Actuals	YearTD Actuals	Balance
RECEIPTS:					
Operating Transfers and Grants					
National Government:					
Equitable Share	801 631	334 012	262 495	596 507	(205 124)
Expanded Public Works Programme Integrated Grant	5 299	1 324	2 385	3 709	(1 590)
Local Government Financial Management Grant	3 100	3 100	–	3 100	–
Total Operating Transfers and Grants	810 030	338 436	264 880	603 316	(206 714)
Capital Transfers and Grants					
Municipal Infrastructure Grant	195 742	48 347	54 808	103 155	(92 587)
Water Services Infrastructure Grant	38 317	12 317	16 000	28 317	(10 000)
Total Capital Transfers and Grants	234 059	60 664	70 808	131 472	(102 587)
TOTAL RECEIPTS OF TRANSFERS & GRANTS	1 044 089	399 100	335 688	734 788	(309 301)



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2.1.5. Councillors and Board Member Allowances and Employee Benefits

The total employee costs by the end of the 2nd quarter for Parent municipality including councillors amounted to **R284.9 million**.

FS194 Maluti-a-Phofung - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

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										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		27 018	27 846	27 846	1 958	11 385	13 923	(2 538)	-18%	27 846
Pension and UIF Contributions		146	140	140	9	70	70	(0)	0%	140
Medical Aid Contributions		52	55	55	4	26	28	(2)	-7%	55
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		2 809	3 101	3 101	268	1 533	1 550	(17)	-1%	3 101
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		1 760	1 944	1 944	136	1 147	972	175	18%	1 944
Sub Total - Councillors		31 785	33 085	33 085	2 375	14 160	16 543	(2 382)	-14%	33 085
% increase	4		4,1%	4,1%						4,1%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 914	9 653	9 653	571	3 557	4 827	(1 269)	-26%	9 653
Pension and UIF Contributions		335	570	570	21	126	285	(159)	-56%	570
Medical Aid Contributions		85	163	163	5	32	81	(50)	-61%	163
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		813	1 546	1 546	85	495	773	(278)	-36%	1 546
Cellphone Allowance		91	176	176	9	54	88	(34)	-39%	176
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		7 239	12 108	12 108	692	4 264	6 054	(1 790)	-30%	12 108
% increase	4		67,3%	67,3%						67,3%
Other Municipal Staff										
Basic Salaries and Wages		361 745	334 883	334 883	23 575	161 483	167 442	(5 959)	-4%	334 883
Pension and UIF Contributions		54 596	58 635	58 635	4 635	28 613	29 318	(704)	-2%	58 635
Medical Aid Contributions		24 259	24 850	24 850	2 182	13 310	12 425	885	7%	24 850
Overtime		71 016	70 445	70 445	3 842	29 839	35 222	(5 383)	-15%	70 445
Performance Bonus		24 025	29 856	29 856	2 283	16 289	14 928	1 361	9%	29 856
Motor Vehicle Allowance		13 266	14 579	14 579	1 105	6 790	7 289	(499)	-7%	14 579
Cellphone Allowance		1 085	1 216	1 216	86	531	608	(77)	-13%	1 216
Housing Allowances		1 502	1 524	1 524	136	808	762	46	6%	1 524
Other benefits and allowances		3 371	4 032	4 032	250	1 492	2 016	(524)	-26%	4 032
Payments in lieu of leave		(9 525)	1 960	1 960	324	3 174	980	2 194	224%	1 960
Long service awards		4 931	6 747	6 747	261	2 710	3 374	(664)	-20%	6 747
Post-retirement benefit obligations		(470)	—	—	(61)	(328)	—	(328)	#DIV/0!	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	100	100	—	—	50	(50)	-100%	100
Acting and post related allowance		4 689	6 280	6 280	97	1 851	3 140	(1 289)	-41%	6 280
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		554 489	555 107	555 107	38 714	266 562	277 554	(10 992)	-4%	555 107
% increase	4		0,1%	0,1%						0,1%
Total Parent Municipality		593 513	600 300	600 300	41 781	284 986	300 150	(15 164)	-5%	600 300



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- The total employee costs for the Entity amounted to **R58.5 million**.
- The consolidated total employee costs (including councillors) amounted to **R343.5 million**.

FS194 Maluti-a-Phofung - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter										
Primary 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										
	1	A	B	C						D
Senior Managers of Entities										
Basic Salaries and Wages		–	15,544	15,544	–	86	7,772	(7,686)	-99%	15,544
Pension and UIF Contributions		429	3,649	3,649	(100)	202	1,824	(1,622)	-89%	3,649
Medical Aid Contributions		–	834	834	–	–	417	(417)	-100%	834
Overtime		–	1,004	1,004	–	–	502	(502)	-100%	1,004
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	3,474	3,474	–	–	1,737	(1,737)	-100%	3,474
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	704	704	–	–	352	(352)	-100%	704
Other benefits and allowances		2	1,610	1,610	(0)	2	805	(803)	-100%	1,610
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	119	119	–	–	59	(59)	-100%	119
Post-retirement benefit obligations								–		
Entertainment		–	–	–	–	–	–			–
Scarcity		–	–	–	–	–	–			–
Acting and post related allowance		–	220	220	–	–	110			220
Sub Total - Senior Managers of Entities		431	27,158	27,158	(100)	290	13,579	(13,289)	-98%	27,158
% increase	4		6199.3%	6199.3%						6199.3%
Other Staff of Entities										
Basic Salaries and Wages		74,996	75,524	75,524	(11,270)	28,011	37,762	(9,751)	-26%	75,524
Pension and UIF Contributions		12,035	16,171	16,171	(1,818)	4,564	8,085	(3,522)	-44%	16,171
Medical Aid Contributions		8,429	7,231	7,231	(1,305)	3,270	3,615	(345)	-10%	7,231
Overtime		22,426	12,338	12,338	(2,625)	6,739	6,169	570	9%	12,338
Performance Bonus		5,536	12,446	12,446	(1,274)	1,939	6,223	(4,284)	-69%	12,446
Motor Vehicle Allowance		13,386	11,265	11,265	(2,026)	5,129	5,632	(504)	-9%	11,265
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		2,156	3,218	3,218	(326)	813	1,609	(797)	-50%	3,218
Other benefits and allowances		11,542	7,924	7,924	(1,723)	4,321	3,962	359	9%	7,924
Payments in lieu of leave		1,276	–	–	(4)	28	–	28	#DIV/0!	–
Long service awards		461	1,095	1,095	(33)	33	547	(514)	-94%	1,095
Post-retirement benefit obligations		783	445	445	–	–	222	(222)	-100%	445
Entertainment		–	–	–	–	–	–			–
Scarcity		–	–	–	–	–	–			–
Acting and post related allowance		12,539	1,408	1,408	(1,431)	3,454	704			1,408
In kind benefits		–	–	–	–	–	–			–
Sub Total - Other Staff of Entities		165,567	149,064	149,064	(23,837)	58,301	74,532	(16,231)	-22%	149,064
% increase	4		-10.0%	-10.0%						-10.0%
Total Municipal Entities		165,998	176,222	176,222	(23,937)	58,591	88,111	(29,520)	-34%	176,222
TOTAL SALARY, ALLOWANCES & BENEFITS		759,510	776,522	776,522	17,844	343,577	388,261	(44,684)	-12%	776,522
% increase	4		2.2%	2.2%						2.2%
TOTAL MANAGERS AND STAFF		727,726	743,437	743,437	15,469	329,417	371,719	(42,302)	-11%	743,437



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2.2. PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The total revenue for the parent municipality by the end of the 2nd quarter amounted to **R947.8 million**. The total expenditure by the end of the 2nd quarter amounted to **R907 million**.

FS194 Maluti-a-Phofung - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) -

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										
Exchange Revenue										
Service charges - Electricity		321 785	508 227	508 227	43 852	188 740	254 113	(65 373)	-26%	508 227
Service charges - Water		89 226	118 471	118 471	7 404	47 718	59 236	(11 518)	-19%	118 471
Service charges - Waste Water Management		41 923	48 724	48 724	3 595	21 946	24 362	(2 416)	-10%	48 724
Service charges - Waste management		41 737	48 518	48 518	3 703	22 662	24 259	(1 597)	-7%	48 518
Sale of Goods and Rendering of Services		2 032	5 798	5 798	273	1 353	2 899	(1 546)	-53%	5 798
Agency services		—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		(0)	13 798	13 798	—	3 056	6 899	(3 843)	-56%	13 798
Interest earned from Current and Non Current Assets		4 405	4 500	4 500	546	1 696	2 250	—	—	4 500
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		1 131	2 504	2 504	344	863	1 252	(389)	-31%	2 504
Licence and permits		—	—	—	—	—	—	—	—	—
Operational Revenue		8 389	2 889	2 889	1 155	1 790	1 445	346	24%	2 889
Non-Exchange Revenue										
Property rates		111 776	128 537	128 537	6 853	47 067	64 269	—	—	128 537
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		688	1 500	1 500	6	158	750	(592)	-79%	1 500
Licences or permits		—	—	—	—	—	—	—	—	—
Transfer and subsidies - Operational		752 500	810 030	810 030	264 792	609 502	405 015	—	—	810 030
Interest		—	12 163	12 163	—	1 266	6 081	—	—	12 163
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		3	4	4	3	3	2	—	—	4
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contribution)		1 375 594	1 705 663	1 705 663	332 525	947 820	852 832	94 989	11%	1 705 663
Expenditure By Type										
Employee related costs		561 728	567 215	567 215	39 406	270 826	283 608	(12 782)	-5%	567 215
Remuneration of councillors		31 785	33 085	33 085	2 375	14 160	16 543	(2 382)	-14%	33 085
Bulk purchases - electricity		758 138	565 900	565 900	54 920	468 307	282 950	185 357	66%	565 900
Inventory consumed		28 676	39 455	39 455	1 083	6 116	19 728	(13 612)	-69%	39 455
Debt impairment		—	60 000	60 000	—	—	30 000	(30 000)	-100%	60 000
Depreciation and amortisation		292 746	151 101	151 101	—	—	75 551	(75 551)	-100%	151 101
Interest		382 456	15 000	15 000	0	954	7 500	(6 546)	-87%	15 000
Contracted services		84 555	181 541	181 541	6 479	49 060	90 771	(41 711)	-46%	181 541
Transfers and subsidies		111 153	187 200	187 200	18 466	74 655	93 600	(18 945)	-20%	187 200
Irrecoverable debts written off		13 377	17 000	17 000	600	2 262	8 500	(6 238)	-73%	17 000
Operational costs		81 860	120 692	120 692	1 405	21 464	60 346	(38 882)	-64%	120 692
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Losses		4	7	7	2	2	4	—	—	7
Total Expenditure		2 346 478	1 938 197	1 938 197	124 736	907 805	969 099	(61 293)	-6%	1 938 197
Surplus/(Deficit)		(970 884)	(232 534)	(232 534)	207 789	40 015	(116 267)	156 282	-134%	(232 534)
Transfers and subsidies - capital (monetary allocations)		273 230	234 059	234 059	20 354	57 063	117 030	(59 967)	-51%	234 059
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(697 654)	1 525	1 525	228 143	97 078	762	96 316	12635%	1 525
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		(697 654)	1 525	1 525	228 143	97 078	762	96 316	12635%	1 525



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2.3. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The total revenue to date amount of **R48.4 million** is not shown on the Entity report below. An enquiry has been made to Treasury regarding the line item be included on the Entity Schedule. This transaction is recorded as an intercompany transactions under the consolidated financial performance on page 14. The total expenditure by the end of the 2nd quarter amounted to **R68.7 million**. The financial system provider has also been made aware of the incorrect financial years.

Maluti Water (Pty) Ltd - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
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	1									
Exchange Revenue								-		
Sale of Goods and Rendering of Services		(28)	120	120	14,261	6	60	(54)	-89.9%	120
Interest earned from Current and Non Current Assets		-	120	120	(5)	25	60	(35)	-58.4%	120
Transfer and subsidies - Operational		13,433	-	-	(0)	490	-	490	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		13,406	240	240	14,256	521	120	401	334.5%	240
Expenditure By Type										
Employee related costs		165,998	176,222	176,222	(23,937)	58,591	88,111	(29,520)	-33.5%	176,222
Inventory consumed		(708)	-	-	-	-	9,344	(9,344)	-100.0%	18,689
Depreciation and asset impairment	2	-	2,815	2,815	-	-	1,407	(1,407)	-100.0%	2,815
Interest		-	144	144	-	-	72	(72)	-100.0%	144
Contracted services		3,414	29,040	29,040	(363)	1,495	14,520	(13,025)	-89.7%	29,040
Operational costs		12,848	24,608	24,608	(2,880)	8,638	12,304	(3,666)	-29.8%	24,608
Other Losses		-	9	9	-	-	4	(4)	-100.0%	9
Total Expenditure	3	181,551	232,837	232,837	(27,179)	68,725	125,763	(57,038)	-45.4%	251,526
Surplus/(Deficit)		(168,145)	(232,597)	(232,597)	41,435	(68,203)	(125,643)	57,440	-45.7%	(251,286)
Transfers and subsidies - capital (monetary allocations)								-		
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) before taxation		(168,145)	(232,597)	(232,597)	41,435	(68,203)	(125,643)	57,440	-45.7%	(251,286)
Income Tax					-	-		-		
Surplus/(Deficit) for the year		(168,145)	(232,597)	(232,597)	41,435	(68,203)	(125,643)	57,440		(251,286)



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Equitable Share Verification Checklist

CRITERIA	QUARTERLY REQUIREMENTS	QUARTER 2 2023/2024
Bulk Supplier Payments		
Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made?	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.	The municipality did not make any payments to bulk suppliers, however the electricity Large Power Users which are directly billed by Eskom have paid their Eskom accounts.
<u>If current account in arrears, are payment agreements in place?</u>	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.	No payment arrangement on the Bulk- Eskom & DWA. The Eskom payments made by LPU's were uploaded on goMuni
Staff benefit Deductions		
Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions?	Proof of payment for each category, for each month of the quarter uploaded to on GoMuni Upload portal.	Yes
Reconciliation of Valuation Roll		
Has the valuation roll been reconciled to the financial system?	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.	Yes



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2.4. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I the Acting Municipal Manager of Maluti - A - Phofung Municipality, hereby certify that -

(mark as appropriate)

☐

the monthly budget statement

☒

quarterly report on the implementation of the budget and financial state affairs of the municipality

☐

mid-year budget and performance assessment

for the 2nd quarter (October - December) 2023 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name: HA Goliath

Municipal Manager of: MALUTI - A - PHOFUNG MUNICIPALITY (FS194)

Signature: [Signature]

Date: 24/1/2024