

**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.**

**13.2.6 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT
REPORT (MFMA s72) JULY – DECEMBER 2023**

“ANNEXURE H”

- Resolved:** 1. Council takes note of the MFMA s72 mid-year budget and Performance assessment report for the first six months (July – December)
2. An adjustment Budget must be done by re-allocating the budget from votes with low movements to those with high expenditure or revenue patterns in line with section 28(2)(a) of the Municipal Finance Management Act.

Signed by

.....

Committee Secretary

..... N-SIBNA

Date

..... 31 / 01 / 2024

Issued by

..... NJABULO SIBNA

Received by

..... NJ MOKOENA





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REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (MFMA s72) **JULY - DECEMBER 2023**

1. PURPOSE

The purpose of this report to provide a budget statement of the Municipality for the first half of the financial year 2023/24.

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

- "A"** -Consolidated C Schedule report
- "B"** -Parent Municipality C Schedule report
- "C"** -Entity F Schedule

6. POLICY

Budget related policies

7. LEGAL REQUIREMENTS

In terms of **section 72 of MFMA No 56 of 2003** which reads as follows:

- 1) The accounting officer of a municipality must by 25 January of each year –
 - a) assess the performance of the municipality during the first half of the financial year, taking into account:
 - i) the monthly statement referred to in section 71 for the first half of the financial year,
 - ii) the municipality's service delivery performance during the first half of the financial year, and service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - iii) the past year's annual report, and progress on resolving problems identified in the annual report; and the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in
 - iv) terms of section 88 from any such entities; and



Mid-year Budget and performance assessment report July – December 2023 MFMA s72

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- b) submit a report such assessment to-
 - i) the mayor of the municipality;
 - ii) the National Treasury; and
 - iii) the relevant Provincial Treasury.
- 2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.
- 3) The accounting officer must, as part of the review-
 - a) make recommendations as to whether an adjustment budget is necessary; and
 - b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

In terms of **section 54 (f) of the MFMA**, in the case of a section 72 report, submit the report to the council by **31 January** of each year.

8. BACKGROUND AND DISCUSSION

The municipality approved the 2023/2024 budget with a deficit of **R220.7 million**. The deficit was reduced as compared to the previous years. The deficit was reduced by **83%** from the **R1.298 billion** deficit for **2022/2023** financial year.

The reduction in the deficit was based on the following:

- a) The municipality was in a process to normalize the electricity meters which are still in good working conditions and install smart meters where there are no meters as part of revenue enhancement.
- b) The flat rate implementation targeted to start on the 1st of July 2023 and other revenue enhancement strategies including stringent credit control measures that will stabilize revenue and assist in servicing Eskom current account
- c) The Eskom interest budget was reduced based on the revenue strategies in place to increase the revenue base and also on the initiatives taken for the application to be finalised and await approval to write off the old debt as per **MFMA Circular 123 & 124**.
- d) The negotiations that were ongoing between Eskom and the Municipality regarding the DAA finalisation

The above matters have not fully materialized by the end of the mid-term. This means the municipality needs to review the budget taking into consideration the financial performance outcomes which amongst others indicates the following:

- The total outcome by the end of the mid-year indicates that the services charges performance was at **39%** of the budget and property rates at **37%** of the budget as shown on page 5.
- The collection rate was at **47%** by the end of the mid-year. Section 28(2) of the MFMA states that the revenue and expenditure estimates must be adjusted downwards if there is material under-collection of revenue during the current year'
- The Eskom interest charged to date amounts to **R208 million**. This item has to be adjusted up to cater for the transactions



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9. FINANCIAL IMPLICATIONS

Consolidated financial performance indicated on page 5

- The total operating actual revenue amounted to **R996.7 million**.
- The total operating expenditure amounted to **R978.7 million**.
- The total capital expenditure amounted to **R63.1 million**.

Debtors Age Analysis

- The total debtors' balances amounts to **R2.4 billion** as indicated on page 24.

Creditors Age Analysis

- The total creditors balance amounts to **R8.4 billion**. The total amount outstanding is mainly due to the **R8.3 billion** total debt owed to Eskom as indicated on page 26.

10. STAFF IMPLICATIONS

The total number of employees by the end of December 2023.

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

11. COMMENTS FROM OTHER DIRECTORS

The Entity did not submit the December financial information on the set date. The reports were compiled without the Map Water figures.

12. RECOMMENDATIONS

It is recommended

- That the MFMA section 72 - mid-year budget and performance assessment report for the **first six months (July – December) 2023** be noted.
- That the Adjustment Budget for 2023/24 be done to re-allocate the budget from votes with low movements to those with high expenditure or revenue patterns in line with Section 28(2)a of the MFMA.

SUBMITTED BY:

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

24/01/2024
DATE



Mid-year Budget and performance assessment report July – December 2023

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PART 1 IN-YEAR REPORT

1.1 EXECUTIVE SUMMARY

1.1.1 Table C1 Consolidated Monthly Budget Statement Summary

The consolidated mid-year total revenue amounts to **R996.7 million** or **51%** of the budget. The year to date operating expenditure is **R978.7 million** or **45%** of the budget. The year to date total capital expenditure is **R63.1 million** or **22%** of the budget. Based on the mid-year outcomes, the deficit is projected to increase from **R220 million** to **R896.3 million**.

Mid-year Financial Performance 2023/2024 financial year										
Description R'000	Budget	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Mid-year outcomes	% YTD vs Budget	Proposed Adjusted Budget
Operating Revenue										
Property rates	128 537	4 257	9 142	8 390	9 235	9 190	6 853	47 067	37%	94 134
Service charges	723 939	23 504	21 328	106 846	44 868	25 968	58 553	281 066	39%	562 132
Transfers and subsidies	810 030	334 012	30	703	10 454	0	264 792	609 992	75%	810 030
Other own revenue	43 396	(839)	2 091	5 083	595	(13 297)	16 583	10 217	24%	20 433
Intercompany/Parent subsidiary transactions	263 118	15 320	17 499	15 587	–	47 086	(47 086)	48 406	18%	263 118
Total Revenue (excluding capital transfers and contributions)	1 969 021	376 255	50 090	136 610	65 152	68 947	299 695	996 748	51%	1 749 847
Operating Expenditure										
Employee costs	743 437	57 745	60 140	55 295	43 950	96 817	15 469	329 417	44%	658 833
Remuneration of Councillors	33 085	2 427	2 450	2 677	2 062	2 169	2 375	14 160	43%	30 321
Depreciation & asset impairment	153 916	–	–	–	–	–	–	–	0%	292 746
Finance charges	15 144	1	0	–	70	882	–	954	6%	208 000
Inventory consumed and bulk purchases	624 044	111 167	111 353	72 404	63 677	62 536	55 466	476 602	76%	953 204
Transfers and subsidies	187 200	11 594	13 033	14 267	17 295	–	18 466	74 655	40%	187 200
Other expenditure	432 897	5 878	9 358	25 179	18 245	19 020	5 242	82 922	19%	315 843
Total Expenditure	2 189 723	188 812	196 335	169 822	145 299	181 423	97 019	978 710	45%	2 646 148
Surplus/(deficit)	(220 702)	187 443	(146 245)	(33 212)	(80 147)	(112 476)	202 676	18 038	-8%	(896 300)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	234 059	–	17 931	1 651	17 126	–	20 354	57 063	24%	234 059
Surplus/(Deficit) after capital transfers & contributions	13 357	187 443	(128 314)	(31 561)	(63 020)	(159 562)	–	75 101		
Total Capital expenditure	280 614	14 924	3 831	17 702	12 627	5 329	8 705	63 117	22%	252 443
Capital transfers recognised	224 272	14 883	726	16 283	10 783	4 641	7 687	55 003	25%	224 272
Internally generated funds	56 342	41	3 104	1 419	1 844	688	1 018	8 114	14%	28 171



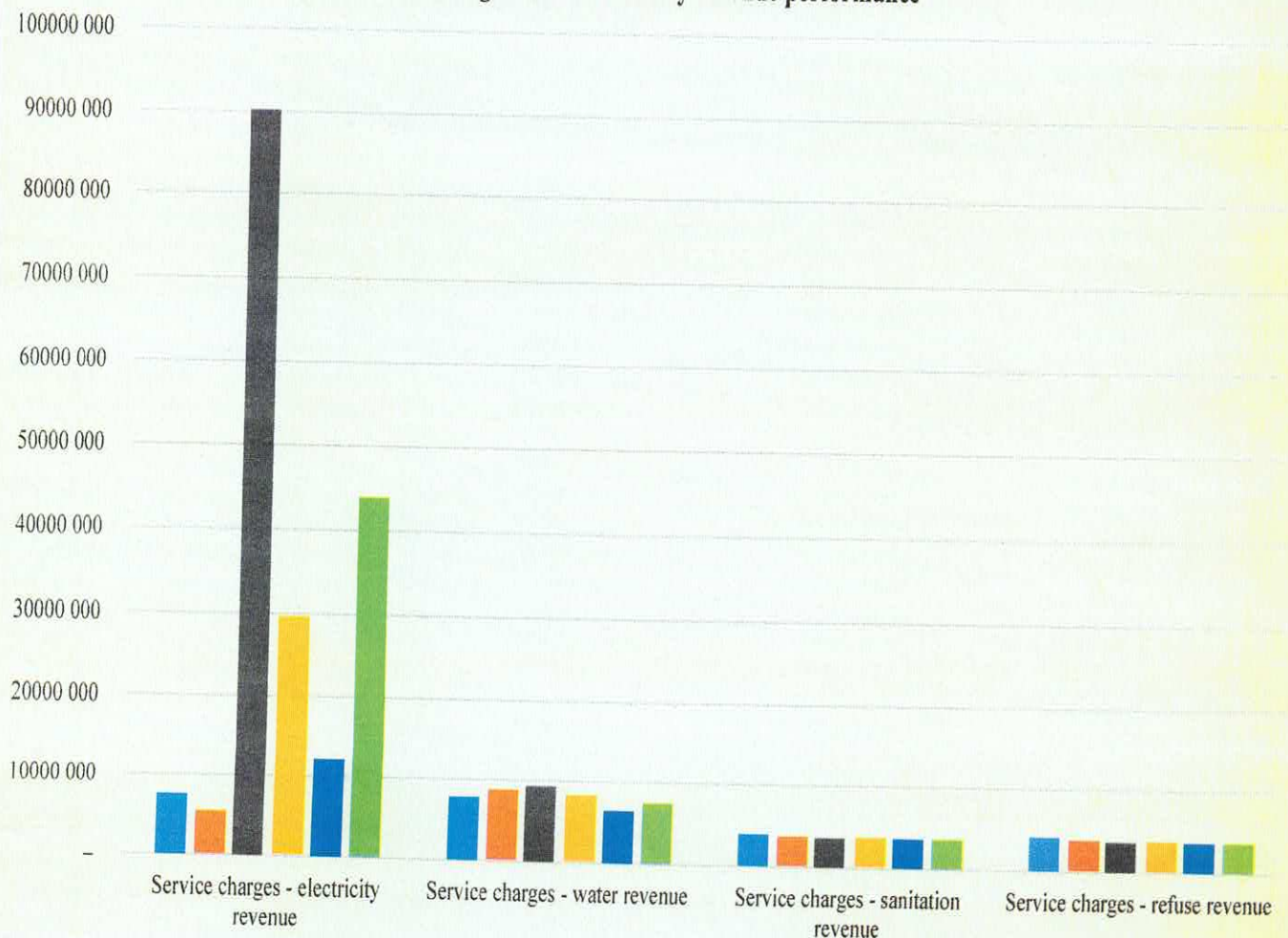
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The table below is a breakdown of service charges indicating a performance of 22% below the target.

Description	2022/23	Financial performance Budget year 2023/24										
	Audited Outcome	Original Budget	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands												
Revenue By Source												
Service charges - electricity revenue	137 109	508 227	7 599	5 317	90 216	29 501	12 257	43 852	188 740	254 113	(65 373)	-26%
Service charges - water revenue	101 905	118 471	7 795	8 674	9 324	8 088	6 433	7 404	47 718	59 236	(11 518)	-19%
Service charges - sanitation revenue	43 367	48 724	3 964	3 624	3 604	3 575	3 584	3 595	21 946	24 362	(2 416)	-10%
Service charges - refuse revenue	42 067	48 518	4 146	3 712	3 703	3 704	3 694	3 703	22 662	24 259	(1 597)	-7%
Total	324 448	723 939	23 504	21 328	106 846	44 868	25 968	58 553	281 066	361 970	(80 904)	-22%

Trading services - Monthly revenue performance





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1.1.2 Material variance explanations on Revenue by Sources

The outcomes shown on the table below indicates that most revenue line items need to be adjusted down.

FS194 Maluti-a-Phofung - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
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
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	(589)	-25%	4 620
Rental from Fixed Assets	1 131	2 504	2 504	344	863	1 252	(389)	-31%	2 504
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
Fines, penalties and forfeits	688	1 500	1 500	6	158	750	(592)	-79%	1 500
Transfers and subsidies - Operational	765 933	810 030	810 030	264 792	609 992	405 015	204 977	51%	810 030
Interest	-	12 163	12 163	-	1 266	6 081	(4 816)	-79%	12 163
Other Gains	3	4	4	3	3	2	1	69%	4
Total Revenue	1 389 000	1 705 903	1 705 903	346 780	948 342	852 952	95 390	11%	1 705 903
Intercompany/Parent subsidiary transactions	179 321	263 118	263 118	(47 086)	48 406	131 559	(83 153)	-63%	263 118
Total Revenue (excluding capital transfers and contributions)	1 568 321	1 969 021	1 969 021	299 695	996 748	984 510	12 237	1%	1 969 021

- **Electricity revenue** year to date amounts to **R188.7 million** which is **R65.3 million** or **26%** less than the target of **R254.1 million**.
- **Water revenue** year to date amounts to **R47.7 million** which is **R11.5 million** or **19%** less than the target of **R59.2 million**. The flat rate implementation resulted to a monthly bill of **R87.5 thousand** by the end of the mid-year.
- **Waste water revenue** year to date amounts to **R21.9 million** which is **R2.4 million** or **10%** less than the target of **R24.3 million**.
- **Waste management revenue** year to date amounts to **R22.6 million** which is **R1.5 million** or **56%** less than the target of **R24.2 million**.
- **Sale of good and services** year to date is **R1.3 million** or which is **R1.6 million** less than the target of **R2.9 million**. Details on page 8.
- **Interest earned receivables (debtors)** year to date amounts to **R3 million** which is **R3.8 million** or **56%** less than the target of **R6.8 million**.
- **Interest from current and non-current assets** year to date amounts to **R1.7 million** which is **R589 thousands** or **25%** less than the target of **R2.3 million**.
- **Rental of facilities** year to date amounts to **R863 thousands** which is **R389 thousands** less than the target of **R1.2 million**.
- **Operational revenue** year to date amounts to **R1.7 million** which is **R346 thousands** more than the target of **R1.4 million**. Details on page 8.



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- **Property rates** year to date is **R47 million** which is **R17.2 million** or **27%** less than the target of **R64.2 million**.
- **Fines** year to date is **R158 thousands** which is **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	YTD ACTUAL
SALES OF GOODS AND RENDERING OF SERVICES		
ADVERTISEMENTS	(318)	(57)
CEMETERY & BURIAL	(1 491)	(682)
ESCORT FEES	(41)	(11)
ENTRANCE FEES	(300)	(13)
FIRE SERVICES	(57)	—
CALL OUT FEES	(8)	—
SUNDRY INCOME	(360)	(180)
HOUSING/BOARDING SERVICES: PRIVATE	(636)	—
MANAGEMENT FEES	(38)	(18)
PARKING FEES	(19)	(10)
PHOTOCOPIES & FAXES	(1)	—
PLAN & DEV: APPLICAT FEES FOR LAND USAGE	(32)	(1)
PLAN & DEV: BUILDING PLAN APPROVAL	(159)	(285)
PLAN & DEV: BUILDING PLAN CLAUSE LEVY	(3)	—
PLAN & DEV: CLEARANCE CERTIFICATES	(19)	(30)
PLAN & DEV: ENCROACHMENT FEES	(11)	(1)
CONTAINERS 12MONTHS	(5)	—
IDENTIFICATION OF PEGS	(3)	(4)
SPECIAL CONSENT APPLICATION	(16)	(1)
SUB DIVISION APPLICATION	(16)	(1)
PLAN & DEV: TOWN PLANNING & SERVITUDES	(1)	(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)	(45)
SALE OF: VALUATION ROLLS	(43)	(20)
SUB TOTAL : SALES & RENDERING OF SERV	(5 918)	(1 359)
OPERATIONAL REVENUE		
STAFF RECOVERIES	(418)	(95)
REQ INFO - MUNICIPAL INFOR & STATISTICS	(200)	(14)
SALE OF PROPERTY	(1 590)	(147)
SKILLS DEVELOPMENT LEVY REFUND	(681)	(1 535)
SUB TOTAL : OPERATIONAL REVENUE	(2 889)	(1 790)



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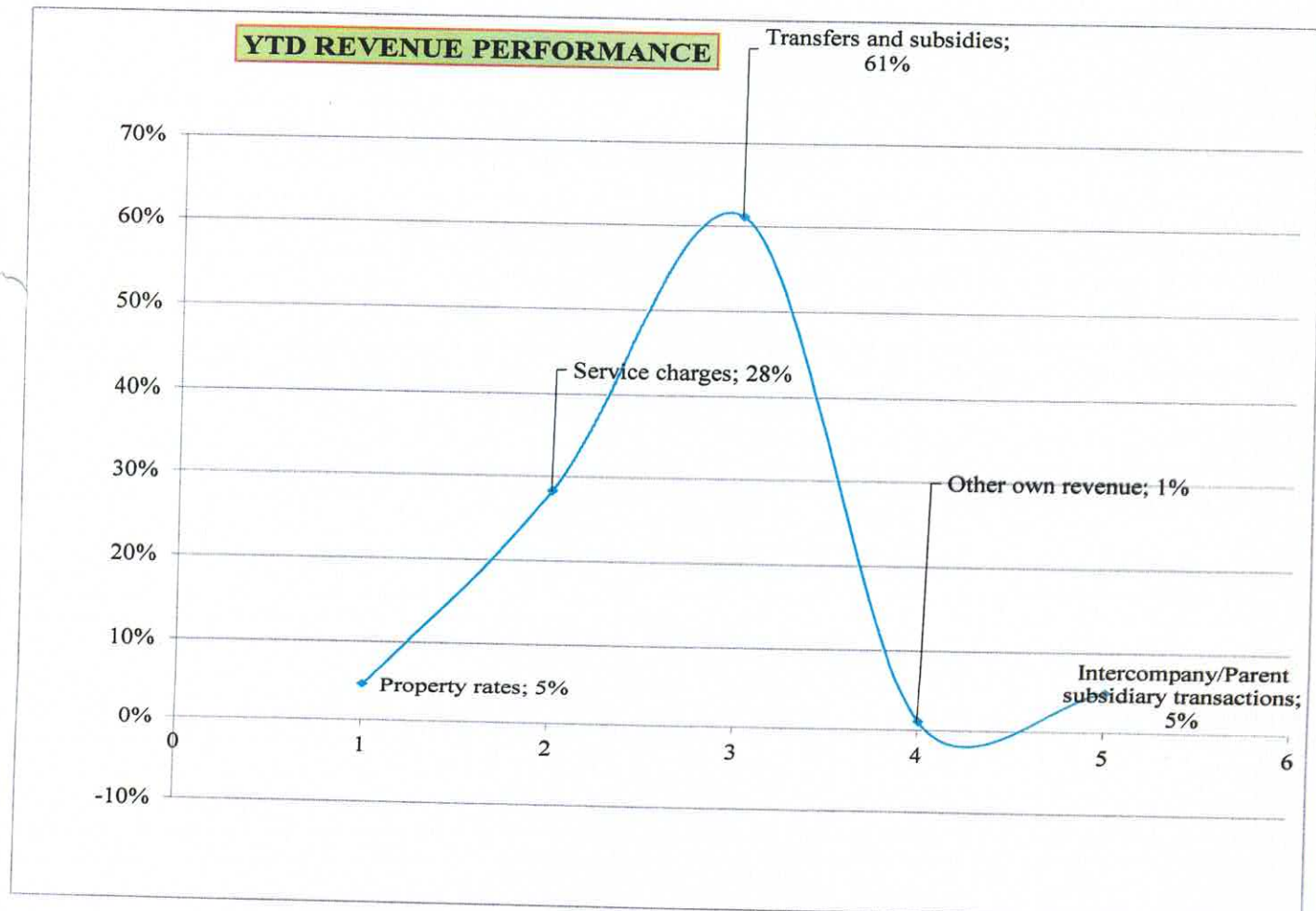
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The chart below indicates the percentage contribution of revenue sources to the total year to date revenue

- 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 the mid-year.

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

FS194 Maluti-a-Phofung - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
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	66%	565 900
Inventory consumed	34 181	58 144	58 144	546	8 295	29 072	(20 777)	-71%	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)	-73%	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	-	-	-	-	-	-	-	#DIV/0!	-
Other Losses	4	16	16	2	2	8	(6)	-73%	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

- **Employee related costs** year to date outcome is **R329 million** which is **R42.3 million** or **11%** less than the target of **R371.4 million**. The outcomes are affected by the outstanding Map Water transactions for the month of December.
- **Remuneration of councillors'** year to date outcome is also indicating **14%** less than the targeted budget of **R16.5 million**.
- **Bulk purchases - electricity** year to date outcome is **R468.3 million** which is **R66%** more than the target of **R282.9 million**. The budget must be adjusted up.
- **Inventory consumed** year to date is **R8.2 million** which is **R71%** less than the target of **R29 million**. The budget will be re-allocated to line items with spending above the target.
- **Debt impairment** - there was no movement by the end of the mid-year.
- **Depreciation and amortisation** - there was no movement by the end of the mid-year, however based on the audited outcome of **R292.7 million** it shows that the budget for this item must be adjusted up.
- **Interest** year to date is **R954 thousand**. The year to date total interest charged for the bulk electricity amounts to **R208.2 million** could not be captured due to insufficient budget. The budget needs to be adjusted up to cater for those transactions.
- **Contracted services** year to date outcome is **R50.5 million**. Details indicated on **page 12-13**.
- **Transfers and subsidies** year to date outcome is **R74.6 million**. This includes the equitable share subsidy to the entity and EPWP own source funding.
- **Irrecoverable debts written off** year to date is **R2.2 million** or **73%** less than the target of **R8.5 million**.
- **Operational costs** year to date amounts to **R30.1 million** which is **R42.5 million** less than the target of **R72.6 million**. The budget will be re-allocated to line items with spending above the target.



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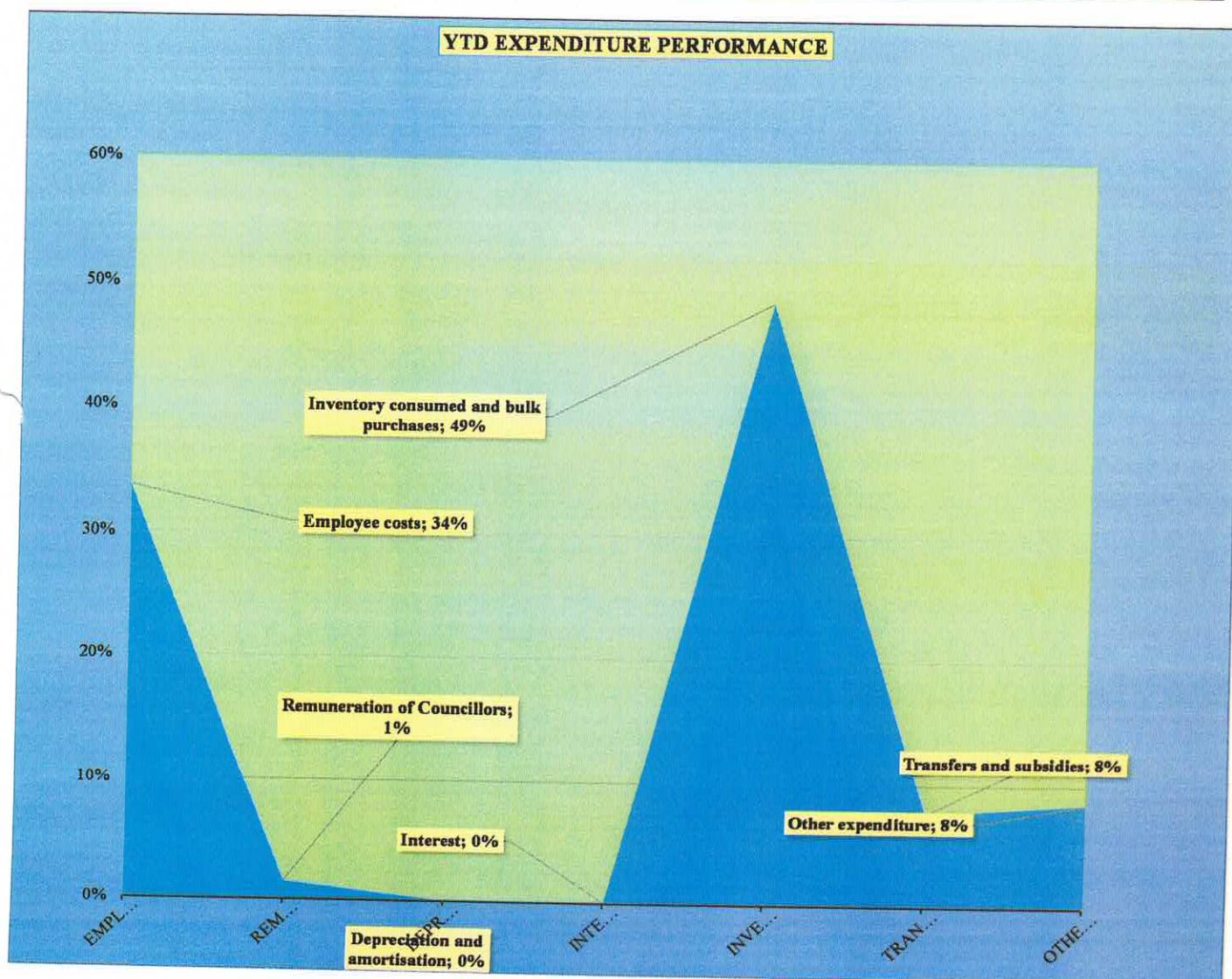
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The chart below indicates the percentage contribution of expenditure types to the total year to date expenditure

The chart shows that to date 49% of the total year to date expenditure was from inventory consumed 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 and amortisation	—	0%
Interest	954	0%
Inventory consumed and bulk purchases	476 602	49%
Transfers and subsidies	74 655	8%
Other expenditure	82 922	8%
Total Expenditure	978 710	100%





Mid-year Budget and performance assessment report July – December 2023 MFMA s72

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CONTRACTED SERVICES BREAKDOWN

DESCRIPTION R'000	BUDGET 2023/2024	YTD ACTUAL
OUTSOURCE SERVICES		
OS: BURIAL SERVICES	600	82
OS: B&A COMMUNICATIONS	23	—
OS: B&A HUMAN RESOURCES	710	—
OS: B&A OCCUPATIONAL HEALTH & SAFETY	250	39
OS: B&A PROJECT MANAGEMENT	11 499	3 137
OS: B&A RESEARCH & ADVISORY	11 949	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	7 419
OS: TRAFFIC FINES MANAGEMENT	1 000	133
SUB TOTAL : OUTSOURCE SERVICES	50 169	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	191
C&PS: B&A BUSINESS & FIN MANAGEMENT	9 964	417
INDIGENT REGISTER	2 140	75
READING OF METERS	2 818	342
SERVICE CONTRACTS	1 166	—
VAT REVIEW	5 000	—
C&PS: B&A HUMAN RESOURCES	5 000	—
C&PS: B&A ORGANISATIONAL	120	110
C&PS: B&A PROJECT MANAGEMENT	10 322	4 256
C&PS: B&A VALUER & ASSESSORS	2 605	—
C&PS: I&P TOWN PLANNER	3 000	270
C&PS: LAB SERV WATER	754	—
C&PS: LEGAL COST ADVICE & LITIGATION	10 715	9 314
SUB TOTAL : CONSULTANT AND PROF SERVICES	54 887	14 975



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CONTRACTED SERVICES BREAKDOWN

DESCRIPTION	BUDGET 2023/2024	YTD ACTUAL
CONTRACTORS		
CONTR: AUDIO-VISUAL SERVICES	220	—
CONTR: CATERING SERVICES	1 230	151
CONTR: ELECTRICAL	1 000	—
R & M - NETWORK RETICULATION	15 000	3 982
R & M - SUBSTATIONS	15 000	9 339
R & M - TRANSFORMERS	5 000	135
R & M - STREET LIGHTS	5 000	—
R & M - TRAFFIC LIGHTS	3 000	—
CONTR: EMPLOYEE WELLNESS	550	66
CONTR: MAINT OF BUILDINGS & FACILITIES	300	—
R & M - BUILDINGS	5 000	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
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 STERK FONTEIN WTW	19	—
R & M - BUILDING & GROUNDS WILGE WTW	624	—
R & M - FLEET MANAGEMENT	1 060	1
R & M - MAINTANANCE OF VIP TOILETS	4 000	—
R & M - MOTORS & PUMPS FIKA PATSO WTW	38	—
R & M - MOTORS & PUMPS HS & TSIAME WWTW	247	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 STERK FONTEIN WTW	19	—
R & M - MOTORS & PUMPS WILGE WTW	145	—
R & M - NETW RETICUL QWA QWA	6 187	467
R & M - NETWORK RETICULATION HARRY SMITH	2 434	122
R & M - QUALITY MONITORING	628	—
R & M - RESURFACING OF ROADS	6 000	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	472
R&M - MOTORS & PUMPS MAKW & MOEDING WWTW	30	—
CONTR: MEDICAL SERVICES	600	—
CONTR: PREPAID ELECTRICITY VENDORS	8 920	2 958
CONTR: TRACING AGENTS & DEBT COLLECTORS	11	—
CONTR: TRANSPORTATION CONTRACTOR	500	—
SUB TOTAL : CONTRACTORS	105 525	19 062
SUB TOTAL : CONTRACTED SERVICES	210 581	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) - Mid-Year

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										
Governance and administration		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		-	-	-	-	-	-	-	-	-
Community and public safety		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		-	-	-	-	-	-	-	-	-
Economic and environmental services		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		-	-	-	-	-	-	-	-	-
Trading services		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
Other	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										
Governance and administration		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
Community and public safety		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		-	-	-	-	-	-	-	-	-
Economic and environmental services		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		-	-	-	-	-	-	-	-	-
Trading services		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
Other		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 by revenue source and expenditure by type

FS194 Maluti-a-Phofung - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

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	2 282	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)										
Transfers and subsidies - capital (in-kind)		273 230	234 059	234 059	20 354	57 063	117 030	(59 967)	(0)	234 059
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 - Mid-Year Assessment)

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 - Malut 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 - Malut 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		80 785	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 Corporations, 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	28 171	(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 year to date total capital expenditure by the end of the mid-term amounted to **R8.1 million** which was **14%** of the budget. This was mainly to the procurement of transformers.

Description R'000	Budget 2023/24	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	YearTD outcomes	%
PARENT MUNICIPALITY	44 500	41	3 104	1 419	1 844	688	1 018	8 114	18%
Vehicle(Legislative)	1 500	–	–	–	–	–	–	–	0%
Computer & equipment(Legislative)	2 000	–	–	–	–	–	–	–	0%
Machinery & equipment (corporate)	1 000	–	–	–	77	–	–	77	8%
Computer & equipment	4 000	–	859	1 641	–	–	–	2 500	62%
Furniture & fittings	1 000	41	72	(8)	72	–	20	197	20%
Electricity prepaid meters	15 000	–	1 910	(1 910)	–	–	–	–	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	–	264	1 695	1 695	688	999	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 ASSETS FUNDED BY OWN SOURCE	56 342	41	3 104	1 419	1 844	688	1 018	8 114	14%



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The capital expenditure from conditional grants

The total grants funded capital expenditure movements by the end of the mid-term amounted to **R55 million** which was **25%** of the budget. The amounts are **Vat exclusive**.

Description (Functional classification) R'000	Source of funding	Budget 2023/24	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Mid-year outcomes	%
ROADS PROJECTS		14 766	-	-	1 597	-	-	-	1 597	11%
Monontsha: Construction of footbridge	MIG	6 136	-	-	-	-	-	-	-	0%
Upgrading of paved road Motebang -Phase 2	MIG	2 514	-	-	-	-	-	-	-	0%
Intabazwe Ext:3 Paved Roads Phase 3	MIG	2 107	-	-	-	-	-	-	-	0%
Namahadi: construction of 5km paved roads Phase 4	MIG	4 010	-	-	1 597	-	-	-	1 597	40%
WATER PROJECTS		87 462	-	263	3 136	1 074	2 510	990	7 973	9%
Improving Water Revenue	WSIG	16 000	-	-	-	-	-	-	-	0%
Thaba Bosiu Water Pipeline	MIG	35 726	-	-	-	-	-	-	-	0%
Hasethunya water reticulation	MIG	17 759	-	-	850	1 074	1 267	990	4 181	24%
Upgrading of water pump station	MIG	15 439	-	-	2 286	-	-	-	2 286	15%
Matebeleng: Construction of 3ML Reservoir	MIG	2 538	-	263	-	-	1 243	-	1 507	59%
WASTE WATER MANAGEMENT/ SEWERAGE		83 604	14 794	-	9 645	9 709	1 428	6 697	42 272	51%
Makholokweng Bulk And Sewer Network	WSIG	22 317	-	-	2 100	8 610	-	-	10 710	48%
Intabazwe Ext:3:Cons Waterborne Sew N/Wrk	MIG	544	463	-	-	-	-	-	463	85%
Namahadi: Construction of sewer network	MIG	26 882	-	-	-	1 098	1 428	863	3 388	13%
Refurbishment of sewer pump stations	MIG	17 202	1 774	-	7 545	-	-	2 552	11 871	69%
Qwaqwa: Construction of 2400 VIP Toilets - Phase 13A	MIG	16 659	12 557	-	-	-	-	3 283	15 840	95%
COMMUNITY FACILITY PROJECTS		18 907	553	-	1 905	-	-	-	2 457	13%
Upgrading of Phuthaditjhaba town hall	MIG	18 907	553	-	1 905	-	-	-	2 457	13%
SPORTS AND RECREATIONAL FACILITIES		17 855	-	-	-	-	703	-	703	4%
Upgrading of Platberg stadium Phase 1	MIG	15 043	-	-	-	-	703	-	703	5%
Refurbishment of Charles Mopeli Stadium	MIG	2 812	-	-	-	-	-	-	-	0%
ELECTRICITY PROJECTS		1 678	-	-	-	-	-	-	-	0%
MAP: Hing mast light in town Phase 2	MIG	1 678	-	-	-	-	-	-	-	0%
TOTAL ASSETS FUNDED BY NATIONAL GRANTS		224 272	15 346	263	16 283	10 783	4 641	7 687	55 003	25%



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1.2.5 Table C6 Financial Position

The table indicates that the total assets amounted to **R10.4 billion** and the total liabilities amounted to **R11 billion** by the end of the mid-term. 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 - Mid-Year

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		(1 093 242)	(1 668 381)	(1 668 381)	(639 671)	(1 668 381)
COMMUNITY WEALTH/EQUITY	2					
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 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 the bank movements.

FS194 Maluti-a-Phofung - Table C7 Consolidated Monthly Budget Statement - Cash Flow - Mid-Year Assessment

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	(276 894)			(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	(276 894)			115 889



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1.2.6.1. Bank Transactions Summary Report

The below table indicates the actual income and expenditure from **July to December 2023**. The closing balance on the main account was **R14 million**.

Description R'000	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Opening balance as per bank statement	4 128	5 419	19 459	1 161	1 730	676
INCOME						
Interest on credit balance	92	53	88	52	55	83
Equitable Share	334 012	–	–	–	–	262 495
Other Grants received	60 664	3 100	1 324	54 808	18 385	–
Direct deposits	14 115	26 645	29 192	62 800	16 722	27 045
Cashier deposits	909	773	995	952	935	1 085
Transfer from Pre-paid acc	–	22 600	570	19 300	2 000	4 300
Transfer from Absa acc	–	–	80 000	70 000	55 344	–
Transfer from Traffic acc	–	–	–	–	–	–
Transfer from Standardbank acc	–	40 295	–	–	55 237	60 191
Transfer from Nedbank acc	–	48 000	–	–	–	–
Transfer from First National Bank	60 000	–	–	1 800	12 000	78 821
Sundry credit on bank statement	14	19	13	9	3	4
TOTAL INCOME	469 806	141 484	112 182	209 722	160 680	434 025
EXPENDITURE						
Ele payments- Creditors	(55 588)	(48 355)	(30 370)	(33 008)	(31 785)	(41 101)
Ele -Netto Salaries & 3rd parties	(62 948)	(76 131)	(83 667)	(61 729)	(47 622)	(78 141)
Ele- Project salaries	(31)	(1 837)	(2 123)	(2 442)	(2 731)	(2 338)
Eskom	(1 515)	(1 066)	(244)	(2 278)	(1 286)	(283)
Bank charges	(76)	(55)	(77)	(80)	(73)	(73)
debit order	(11)	–	–	–	–	–
Debit transfer to Absa acc	(200 000)	–	–	–	–	(120 000)
Debit transfer to Standard bank acc	(40 000)	–	–	(54 808)	S	(120 000)
Debit transfer to Ned bank acc	(48 347)	–	–	–	–	(5 705)
Debit transfer to First National Bank	(60 000)	–	(14 000)	(54 808)	(78 237)	(53 000)
Sundry Debits on bank statement	–	–	–	–	–	–
TOTAL EXPENDITURE	(468 514)	(127 444)	(130 480)	(209 152)	(161 734)	(420 642)
CLOSING BALANCE	5 419	19 459	1 161	1 730	676	14 059



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1.2.6.2.Bank Balances

The total closing balances for all bank accounts amounted to **R265.8 million**.

NAME OF ACCOUNT R'000	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
<u>BANK ACCOUNTS</u>						
FNB Maluti Main Acc	5 419	19 459	1 161	1 730	676	14 059
FNB Pre-paid Acc	11 569	617	9 561	463	7 153	11 629
TOTAL	16 988	20 076	10 722	2 193	7 829	25 688
<u>FNB CALL ACCOUNTS</u>						
FNB Call Acc	8	11	12	14	15	16
TOTAL	8	11	12	14	15	16
<u>INVESTMENTS ACCOUNTS</u>						
Standard Bank	40 000	–	–	54 808	–	60 000
ABSA	200 097	203 129	123 129	53 129	99	120 099
Nedbank Investment	48 701	942	947	954	961	6 673
First National Bank Investment	170	171	14 175	12 521	78 831	53 421
TOTAL	288 968	204 243	138 252	121 413	79 890	240 193
TOTAL BANK BALANCES	305 965	224 330	148 985	123 620	87 734	265 897



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PART 2 - SUPPORTING DOCUMENTATION

2.1. SUPPORTING TABLES

2.1.1. Debtor's Analysis

- The total debt book amounted to **R2.4 billion** by the end of the mid-term.
- 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 **R741.8 million**.
- The largest debt by customer group is from Households with a total of **1.4 billion**.

FS194 Maluti-a-Phofung - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-term assessment

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

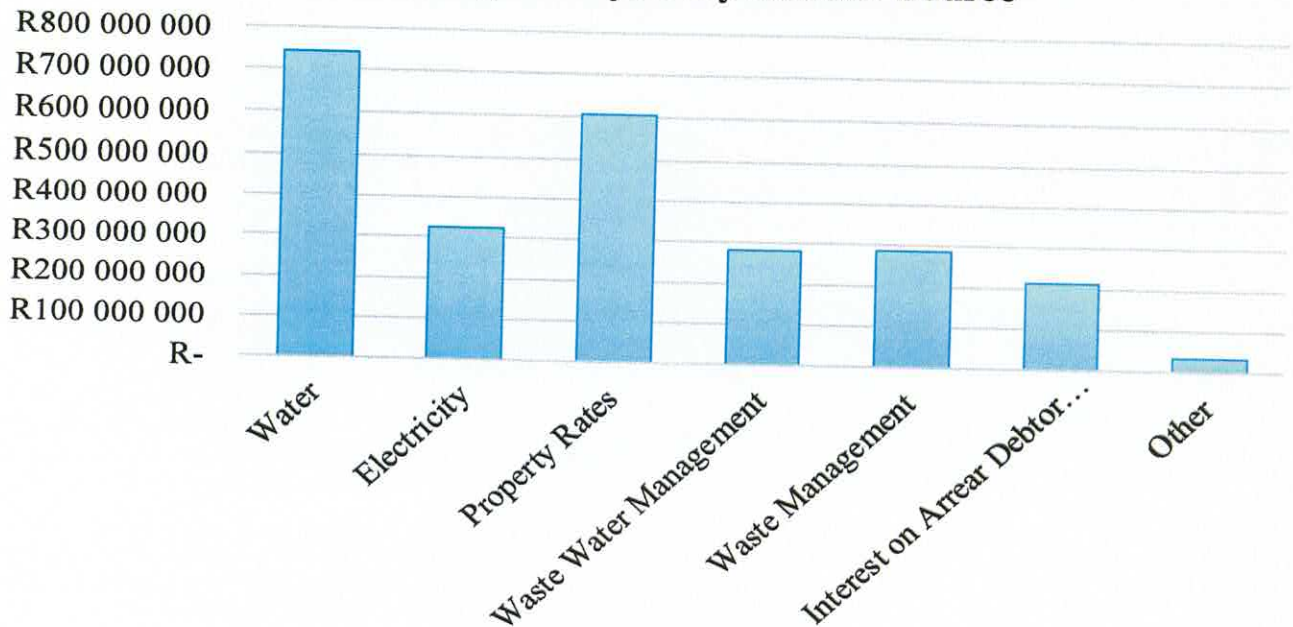


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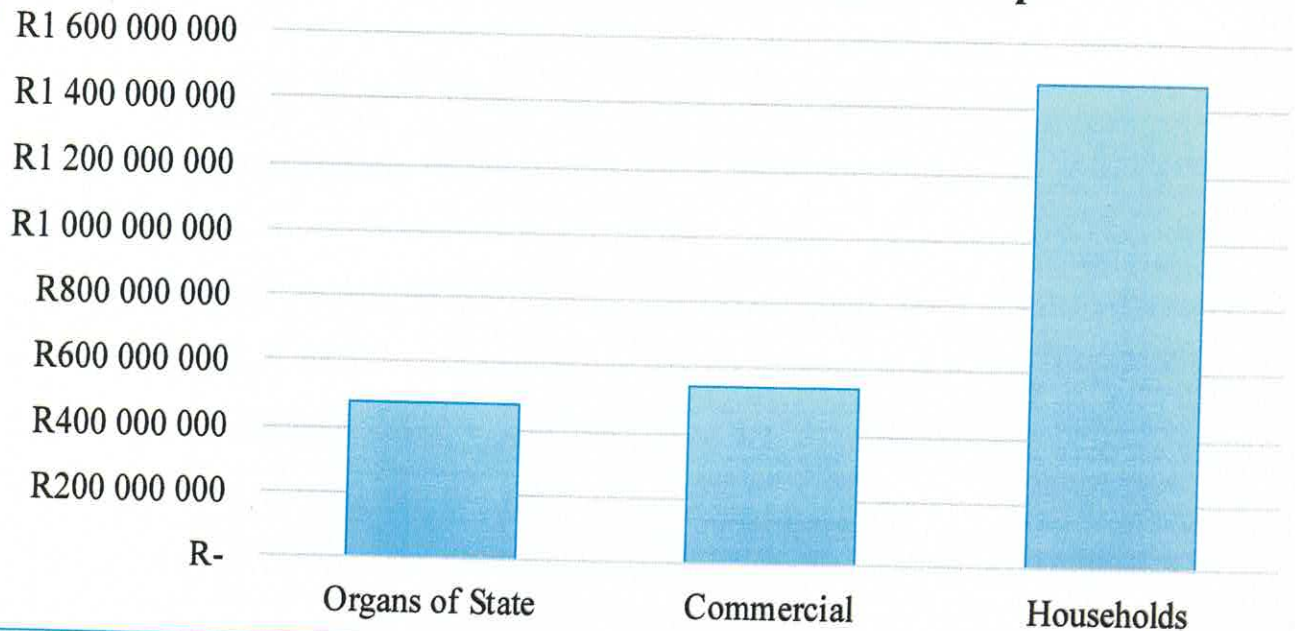
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Debtors Age Analysis By Income Source



Debtors Age Analysis By Customer Group





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2.1.1.1. Comparison between billing and collection for services rendered

- The collection rate by the end of the mid-term was at **47%** of the billing.

BILLING AND COLLECTION																	
PERIOD	WATER			WASTE WATER			REFUSE			RATES & TAXES			ELECTRICITY			TOTAL	
	Billing	Collection		Billing	Collection		Billing	Collection		Billing	Collection		Billing	Collection		Billing	Collection
Jul-23	7 160	826	12%	4 370	386	9%	4 492	294	7%	9 330	1 677	18%	16 791	13 622	81%	42 142	16 804
Aug-23	9 274	1 527	16%	4 577	2 190	48%	4 760	1 765	37%	9 242	16 277	176%	20 329	16 369	81%	48 182	38 127
Sep-23	10 055	940	9%	4 577	578	13%	4 758	489	10%	9 237	2 347	25%	17 997	11 827	66%	46 623	16 181
Oct-23	12 214	932	8%	5 078	435	9%	5 261	481	9%	9 235	3 052	33%	16 938	12 810	76%	48 727	17 709
Nov-23	9 376	1 212	13%	4 528	591	13%	4 758	504	11%	9 235	2 552	28%	15 585	12 250	79%	43 483	17 108
Dec-23	9 550	2 215	23%	4 540	871	19%	4 758	828	17%	9 190	4 962	54%	15 153	13 891	92%	43 191	22 767
TOTAL	57 629	7 651	13%	27 670	5 051	18%	28 787	4 359	15%	55 468	30 867	56%	102 793	80 769	79%	272 349	128 697

2.1.2. Creditors Analysis

The total creditors amounted to **R8.4 billion** by the end of the mid-term.

FS194 Maluti-a-Phofung - Supporting Table SC4 Monthly Budget Statement - aged creditors -Mid - Year Assessment

Description	NT Code	Budget Year 2022/23								
		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

ESKOM CHARGES AND PAYMENTS

Months	Opening balance R'000	Payments	Payments adjustment	Total charges for billing period	Adjustments (Interest on overdue account)	VAT 15%	Closing balance
Jul-23	7 711 652	(19 882)	74	108 869	31 371	16 330	7 848 414
Aug-23	7 848 414	(20 810)	-	110 215	43 560	14 817	7 996 197
Sep-23	7 996 197	(16 282)	-	70 578	31 471	10 587	8 092 551
Oct-23	8 092 551	(22 283)	-	60 832	49 921	9 125	8 190 147
Nov-23	8 190 147	(10 643)	-	61 339	33 551	7 214	8 281 608
Dec-23	8 281 608	(18 560)	-	54 818	18 334	8 223	8 344 423
TOTAL		(108 459)	74	466 651	208 208	66 296	



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2.1.3. Investments Portfolio Analysis

- The closing balance amounted to **R243.4 million**.

FS194 Maluti-a-Phofung - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-year assessment

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality							
Sanlam- 5926	Yrs	Money market	557	—	—	—	557
Sanlam - Money Market-50189057	Yrs	Money market	2 300	—	—	—	2 300
Sanlam- 11690236x2	Yrs	Money market	346	—	—	—	346
FNB 62212896346	Months	Call account	3	0	(1)	13	16
Standard Bank 348526407	Months	Investment	0	—	(0)	—	—
FNB 62756806661	Months	Investment	1	803	(207 429)	260 046	53 421
ABSA 9358605812	Months	Investment	1	96	(205 344)	325 345	120 099
Nedbank 7881162791	Months	Investment	3	377	(48 000)	54 294	6 673
Standard Bank 480823938	Months	Investment	—	191	(155 723)	215 532	60 000
TOTAL INVESTMENTS AND INTEREST			3 211	1 468	(616 497)	855 229	243 412

2.1.4. Allocations and Grants Received

The total grants received to date amounted to **R734.7 million**. The total equitable share received in December was **R4.7 million** less due to the unspent MIG grant for 2022/2023 as per the AFS. The funds were reported by PMU to CoGTA as fully spent including retentions, but the retention funds will be spent during 2023/2024 at the municipality.

Description R'000	Budget 2023/24	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	YearTD actual	Balance
RECEIPTS:									
Operating Transfers and Grants									
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	334 012	3 100	1 324	—	2 385	262 495	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	—	—	54 808	16 000	—	131 472	(102 587)
TOTAL RECEIPTS OF TRANSFERS & GRANTS	1 044 089	394 676	3 100	1 324	54 808	18 385	262 495	734 788	(309 301)



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2.1.5. Councillors and Board Member Allowances and Employee Benefits

The total year to date employee costs for the Parent municipality including councillors amounted to **R284.9 million**.

FS194 Maluti-a-Phofung - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Supporting Table 00 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment										
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		—	—	—	—	—	—	—	—	—
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	45	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	2	(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 year to date employee costs for the Entity amounted to **R58.5 million**.
- The total **consolidated** year to date total employee costs amounted **R343.5 million** (including councillors).

FS194 Maluti-a-Phofung - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
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
Acting and post related allowance		-	220	220	-	-	110	-	-	220
In kind benefits		-	-	-	-	-	-	-	-	-
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
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 to date for the parent municipality amounted to **R947.8 million**
- The total expenditure to date amounted to **R907.8 million**.

FS 194 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	1 666	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	64 289			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	608 502	405 015			810 030
Interest			12 163	12 163		1 266	8 081			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		382 458	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)	-48%	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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FS194 Maluti-a-Phofung - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

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	5 000	5 000	-	2 577	2 500	77	3%	5 000
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		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	(111 079)	268 772	268 772	8 705	63 117	134 386	(71 269)	-53%	268 772
Total Capital Expenditure		(111 079)	268 772	268 772	8 705	63 117	134 386	(71 269)	-53%	268 772
Capital Expenditure - Functional Classification										
Governance and administration		3 553	26 000	26 000	20	2 773	13 000	(10 227)	-79%	26 000
Executive and council		-	3 500	3 500	-	-	1 750	(1 750)	-100%	3 500
Finance and administration		3 553	22 500	22 500	20	2 773	11 250	(8 477)	-75%	22 500
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		(115 711)	14 766	14 766	-	1 597	7 383	(5 786)	-78%	14 766
Road transport		-	-	-	-	-	-	-	-	-
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	(111 079)	268 772	268 772	8 705	63 117	134 386	(71 269)	-53%	268 772
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 Corporations, 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	(624 485)	44 500	44 500	1 018	8 114	22 250	(14 136)	-64%	44 500
Total Capital Funding		(111 079)	268 772	268 772	8 705	63 117	134 386	(71 269)	-53%	268 772



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2.3. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The revenue billing for transfers, water and sewerage services are not reflecting on the Entity report below. These transactions are recorded as an intercompany transactions under the consolidated financial performance on page 16. We are still waiting for feedback from Treasury regarding the line item to be included on the Entity Schedule. The total expenditure to date is **R68.7 million**. The transactions for December will be recorded in January.

Maluti Water (Pty) Ltd - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2021/22	Current Year 2022/23							
		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										
Service charges - Electricity								-		
Service charges - Water								-		
Service charges - Waste Water Management								-		
Service charges - Waste Management								-		
Sale of Goods and Rendering of Services								-		
Agency services		(28)	120	120	14 261	6	60	(54)	-89,9%	120
Interest								-		
Interest earned from Receivables								-		
Interest earned from Current and Non Current Assets		-	120	120	(5)	25	60	(35)	-58,4%	120
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets								-		
Licence and permits								-		
Operational Revenue								-		
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes								-		
Fines, penalties and forfeits								-		
Licences or permits								-		
Transfer and subsidies - Operational		13 433	-	-	(0)	490	-	490	#DIV/0!	-
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		-	-	-	-	-	-	-		-
Other Gains								-		
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		13 406	240	240	14 256	521	120	401	334,5%	240
Expenditure By Type	2									
Employee related costs		165 998	176 222	176 222	(23 937)	58 591	88 111	(29 520)	-33,5%	176 222
Remuneration of board members		-	-	-	-	-	-	-		-
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		(708)	-	-	-	-	9 344	(9 344)	-100,0%	18 689
Debt impairment		-	-	-	-	-	-	-		-
Depreciation and asset impairment		-	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
Transfers and subsidies		-	-	-	-	-	-	-		-
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		12 848	24 608	24 608	(2 880)	8 638	12 304	(3 666)	-29,8%	24 608
Losses on disposal of Assets		-	-	-	-	-	-	-		-
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)



Mid-year Budget and performance assessment report July – December 2023 MFMA s72

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There was no capital expenditure incurred by the end of the mid-year 2023.

Maluti Water (Pty) Ltd - Table F3 Monthly Budget Statement - Capital Expenditure - Mid-Year Assessment

Description	Ref	2021/22	Current Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital expenditure by Asset Class/Sub-class										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	567	567	-	-	284	284	100,0%	567
Furniture and Office Equipment		-	567	567	-	-	284	284	100,0%	567
Furniture and Office Equipment		3	285	285	-	-	142	142	100,0%	285
Machinery and Equipment		3	285	285	-	-	142	142	100,0%	285
Machinery and Equipment		418	5 967	5 967	-	-	2 984	2 984	100,0%	5 967
Transport Assets		418	5 967	5 967	-	-	2 984	2 984	100,0%	5 967
Transport Assets		-	5 023	5 023	-	-	2 512	2 512	100,0%	5 023
		-	5 023	5 023	-	-	2 512	2 512	100,0%	5 023
Total Capital Expenditure	1	-	-	-	-	-	-	-	-	-
Funded by:										
National Government								-		
Provincial Government								-		
Parent Municipality								-		
District Municipality								-		
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Borrowing	6									
Internally generated funds	3	421	11 842	11 842	-	-	5 921	5 921	100,0%	11 842
Total Capital Funding	4	421	11 842	11 842	-	-	5 921	5 921	0	11 842



Mid-year Budget and performance assessment report July – December 2023
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Local Municipality • Mmasepainsi wa sethego • Phofung Municipality

2.4. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I HA Goliath 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 month of July- 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: 22/1/2024