



# **MTHONJANENI LOCAL MUNICIPALITY KZN285**

## **Mid – Year Budget and Performance Assessment 2022/23**

## 1. BACKGROUND:

Section 71 of the Municipal Finance Management Act (MFMA), (Act 56 of 2003) outlines the manner in which the financial reports of the municipality must be submitted.

It prescribes that the Accounting Officer of the Municipality must submit reports, by no later than 10 working days after the end of each month, to the Mayor and the relevant Provincial Treasury, a statement in the prescribed format on the state of the municipality's budget.

As stated above, the MFMA Section 71 (1) refers to a prescribed format according to which the annual budget is required to be prepared. National Treasury has issued MFMA Circular No 51, in which this prescribed format has been set out. Furthermore, National Treasury has issued Municipal Budget and Reporting Regulations in terms of Government Gazette Number 32141 dated 17 April 2009. These regulations set out the manner in which Municipalities are required to prepare their Budgets as well as the in-year reporting effective from July 2010.

The objectives of the budget formats reforms in terms of these regulations are:

- ❖ To ensure that the municipal budget and financial reporting formats support the other financial management reforms introduced by the Municipal Finance Management Act (MFMA).
- ❖ To formalise the norms and standards governing municipal budget and financial reporting formats, so as to improve the credibility, sustainability, transparency, accuracy and reliability of budgets and in-year reports of municipalities.
- ❖ To improve Council's ability to deliver basic services to all by addressing issues of financial sustainability.
- ❖ To facilitate informed policy choices by Council and medium term planning of service delivery by aligning targets to achieve backlog elimination.

Section 72 of the Municipal Finance Management Act further requires that;

72. (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 statements 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 the 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

(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on 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 adjustments budget is necessary; and

(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Section 66 of the Municipal Finance Management Act further prescribes that all expenditure incurred by the Municipality on staff salaries, allowances and benefits be reported in a format and for the prescribed period. This report is submitted to the Mayor on a quarterly basis together with the other reports as per section 71.

## 2. DISCUSSION

The details of the report and the supporting C - Schedules is captured into National Treasury templates will be forwarded to National and Provincial Treasury as required in terms of Sections 71 and 72 of the MFMA in both printed and electronic formats.

### TABLE OF CONTENTS

<b>PART 1 - IN-YEAR REPORT</b>	
1.	Mayor's Report
2.	Resolutions
3.	Executive Summary
4.	In-year budget statement tables (Attached)
<b>PART 2 - SUPPORTING DOCUMENTATION</b>	
2.1	Debtors' Analysis
2.2	Creditors' Analysis
2.3	Investment portfolio analysis
2.4	Allocation and grant receipts and expenditure
2.5	Councillor allowances and employee benefits
2.6	Parent municipality financial performance
2.7	Material variances to the service delivery and budget implementation plan
2.8	Capital programme performance
2.9	Other supporting performance
2.10	Municipal Manager's quality certification

## **PART 1 – IN – YEAR REPORT**

### **1. MAYOR’S REPORT**

I am honored to present the Mid-year budget and Performance Assessment for the Municipality for the 2022/23 financial year. This gives us the opportunity to reflect on the first six months of the financial year and take corrective measures to rectify shortfalls identified. Difficult economic conditions still exist. The municipality is not insulated to these events as we live in a global environment. Ultimately the negative economic conditions impact the collection of revenue negatively and the prospect of enhancing the municipality’s own revenue sources.

The negative economic conditions have been made worse due to the ongoing loadshedding where implementation of loadshedding at higher stages impact the day-to-day operation of delivering quality services to our communities and negatively affect our local businesses which may negatively affect revenue collection.

The municipality had two bi-elections in the past first six months of 2022/2023 financial year, first on 30 August 2022 and secondly on 30 November 2022 and both went very well with no major disruptions reported. I thank all Honorable Councillors, Municipal Manager, Municipal Staff, and all Mthonjaneni Community who made this possible especially the residents of Ward 12 and 5.

The Municipality’s budget is being implemented in accordance with the service delivery and budget implementation plan, though there are some variances noted due to slow revenue and high expenditure in some instances.

The revenue sources of the municipality remain limited due to the lack of economic activity within Mthonjaneni’s boundaries. Consequently, the Municipality is heavily dependent on Government grants. In terms of own revenue, the main contributors are ward two and three in the form of property rates. Nevertheless, the municipality will continuously look at possibilities of revenue enhancement possibilities in pursuit of improving service delivery.

The municipality got unqualified audit opinion from Auditor General in 2021/2022 financial year. The Internal audit will play a significant role in ensuring that the issues identified by Auditor General are corrected and they do not occur in the current financial year.

## 2022/23 Mid – Year Budget and Performance Assessment Report

This Mid-year Budget and Performance Assessment Report has indicated that some votes are underspent, and some votes are overspent and in other cases actual revenue is under or over the projections and therefore there is need to consider a review of projections for the remainder of the year 2022/23, and herein recommended that a municipal adjustments budget be prepared in terms of section 72(3) read together with other sections of the MFMA.

In conclusion, I would like to thank the Municipal Manager, the Heads of Departments and all staff members who made the midyear budget performance assessment process 2022/23 a success. Honorable Councillors with those few words I have pleasure in placing the Mid-year Budget and performance assessment report for 2022/2023 for consideration and approval. It is now time to work smarter, harder and faster in delivering on our core mandate. Your continued support is a testimony and affirmation that we can do better in improving the quality of lives of our communities.

I thank you!. Siyathokoza!

His Worship the Mayor  
Cllr NM BIYELA

## **2. RESOLUTIONS**

- a) The Mid-year Budget and performance assessment report for 2022/2023 financial year be noted
- b) The Mid-year Budget and performance assessment report for 2022/2023 financial year be submitted to other Council Committees for noting
- c) The Mid-year Budget and performance assessment report for 2022/2023 financial year be approved by council.
- d) The Mid-year Budget and performance assessment report be submitted to the National and Provincial Treasury as per section 72(1)b(ii)(iii)
- e) In terms of section 72(3)(a) of the Municipal Finance Management Act, No.56 of 2003 , an adjustment budget be prepared.

### 3. EXECUTIVE SUMMARY

Table 1 represents an executive summary for the financial period ended 31 December 2022

Table 1 – Summary for Financial Period ended December 2022				
Description	Original BUDGET 2022/23	Year TD BUDGET 2022/23	Actual figures to 31 December 2022	Target Achieved % (Actual vs. Pro-rata)
	R '000	R '000	R '000	%
Revenue- Operational	191,646.00	95,823.00	103,733.00	8%
Revenue- Capital	31,260.00	15,630.00	24,586.00	57%
Total Revenue	222,906.00	111,453.00	128,319.00	
Expenditure –Operational	181,709.00	90,854.00	98,198.00	8%
Expenditure – Capital	39,094.00	39,094.00	21,161.00	8%
	220,803.00	129,948.00	119,359.00	
Surplus/(Defi cit)	2,103.00		8,960.00	
Source: Budget Table C1				

The municipality has recognized more operational revenue than targeted by 8% and 57% from capital revenue respectively, this is mainly due to early transfers of grants receipts and acceleration of capital project during the first six months, however this amount does not all represent the actual receipts of funds owed to the municipality, but mostly it reflects billed revenue the municipality will continue to monitor the billed revenue versus the actual receipts to make sure that the revenue that is anticipated is received. Also, this is due to property rates that are billed annually which took place during the first quarter of the financial year 2022/23. The operating expenditure shows overspending of 8% during the second quarter. Capital expenditure shows overspending of 8% above the targeted budget. This is due to operational and capital expenditure projects that were brought forward to speed up service delivery to the community of Mthonjaneni.



### **3.1 REVENUE**

The revenue that has been recognized by the municipality to date is seating at R128 319 m including capital transfers that translate to 13% more than the targeted revenue as of 31 December 2022. The results seem to be a good achievement for the municipality and partly because of annual billing of Property Rates for organ of state properties.

### **3.2 EXPENDITURE - OPERATIONAL**

The operational expenditure is seating at R 98 198m as of 31 December 2022 this translate to 8% above the targeted expenditure.

### **3.3 EXPENDITURE - CAPITAL**

Capital expenditure of Mthonjaneni Local Municipality is currently seating at R21 161m which translate to 8% above December budget as the municipality is fast tracking service delivery projects to community of Mthonjaneni.

**4. IN-YEAR BUDGET STATEMENT TABLES**

The following monthly budget statement tables respectively have been prepared in accordance with the Municipal Budgeting and Reporting Regulations:

TABLE NUMBER	DESCRIPTION	ANNEXURE
Table C1	Monthly Budget Statement Summary	
Table C2	Monthly Budget Financial Performance (Standard Classification)	
Table C2C	Monthly Budget Financial Performance (Detail) (Standard Classification)	
Table C3	Monthly Budget Financial Performance (Revenue and Expenditure by Municipal Vote)	
Table C3C	Monthly Budget Financial Performance (Detail) (Revenue and Expenditure by Municipal Vote)	
Table C4	Monthly Budget Financial Performance (Revenue by source and Expenditure by Item)	
Table C5	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	
Table C5C	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	
Table C6	Monthly Budgeted Financial Position	
Table C7	Monthly Budgeted Cash Flows	
Table SC3	Aged Debtors	
Table SC4	Aged Creditors	
Table SC5	Investment Portfolio	
Table SC6	Transfers and grant receipts	
Table SC7	Transfers and grant expenditure	
Table SC8	Councillor and Staff Benefits	
Table SC9	Monthly actual and revised targets for cash receipts (cash flow)	
Table SC12	Monthly capital expenditure trend	
Table SC13a	Monthly capital expenditure on new assets by asset class	

## 2022/23 Mid – Year Budget and Performance Assessment Report

### PART 2 – SUPPORTING DOCUMENTATION

#### 2.1 Debtors Analysis

KZN285 Mhlonjaneni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December																
Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.C. Council Policy			
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90 days					
R thousands																
Debtors Age Analysis By Income Source																
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 511	337	182	179	177	324	875	2 434	5 800	3 789	-	-			
Receivables from Non-exchange Transactions - Property Rates	1400	791	819	551	555	80	3 744	2 955	14 813	24 000	22 089	-	-			
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Waste Management	1600	172	125	98	90	82	81	486	2 581	3 719	3 320	-	-			
Receivables from Exchange Transactions - Property Rental Debtors	1700	19	17	17	17	17	13	40	150	280	257	-	-			
Interest on Other Debtor Accounts	1810	136	132	130	117	125	133	784	4 147	5 703	5 305	-	-			
Receivable unauthorised irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-			
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-			
Total By Income Source	2000	2 570	1 234	989	918	461	4 298	4 941	24 125	39 532	34 740	-	-			
2021/22 - totals only																
Debtors Age Analysis By Customer Group																
Organs of State	2200	463	304	298	245	134	2 623	984	7 688	12 739	11 674	-	-			
Commercial	2300	1 293	391	195	201	72	221	1 065	4 049	7 507	5 627	-	-			
Households	2400	810	536	462	471	259	634	2 855	10 844	16 911	15 072	-	-			
Other	2500	4	4	2	2	(4)	818	7	1 543	2 367	2 367	-	-			
Total By Customer Group	2600	2 570	1 234	989	918	461	4 298	4 941	24 125	39 532	34 740	-	-			

The municipality has a high amount of outstanding debtors as of December 31, this shows that the municipality is not fully implementing its Credit Control and Debt Collection policy. However, majority are old outstanding debts and the municipality appointed the service provider to assist with debtors data cleansing which was finalised and now on phase 2 of debt collection on long outstanding debts.

#### 2.2 Creditors Analysis

KZN285 Mithonjaneni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	(97)	98	-	1 000	-	555	-	-	1 556	1 556
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	528	1 680	593	369	706	116	2 661	233	5 886	6 886
Auditor General	0800	4	1 077	-	-	-	-	-	-	1 081	1 081
Other	0900	317	141	24	-	-	-	-	-	482	482
Total By Customer Type	1000	752	2 996	617	1 369	706	671	2 661	233	10 005	10 005

## 2022/23 Mid – Year Budget and Performance Assessment Report

### 2.3 Investment Portfolio Analysis

KZN285 Mthongjani - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M06 December														
Investments by maturity Name of Institution & Investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Investec			Call			6.6				48	0			48
Fis National Bank			Call			6				66	0			66
Fis National Bank			Call			0.6				104	0	(0)		104
Fis National Bank			Fixed			6.45				1 540				1 540
Fis National Bank			Call			6				17	0			17
Fis National Bank			Call			6				3	0			3
										-				-
Municipality sub-total										1 777		(0)	-	1 778
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									1 777		(0)	-	1 778

## 2022/23 Mid – Year Budget and Performance Assessment Report

### 2.4 Allocation and grant receipts and expenditure

#### 2.4.1 Grants – Receipts

KZN285 Mthonjaneni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		91 351	99 081	–	32 374	72 399	72 399	–		99 081
Local Government Equitable Share	–	66 610	93 695		31 232	67 773	67 773	–		93 695
Finance Management	–	2 650	2 850		–	2 850	2 850			2 850
EPWP Incentive	–	1 891	2 536		1 142	1 776	1 776			2 536
–	–									
–	–									
–	–									
–	–									
–	–									
Other transfers and grants [insert description]	–									
Provincial Government:		1 177	1 235	–	–	1 235	1 235	–		1 235
Provincialisation of Libraries	–	935	981			981	981	–		981
Community Library Services Grant	–	242	254			254	254			254
–	–									
–	–									
District Municipality:		–	–	–	–	–	–	–		–
[insert description]	–									
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]	–									
–	–									
–	–									
<b>Total Operating Transfers and Grants</b>	5	92 528	100 316	–	32 374	73 634	73 634	–		100 316
<b>Capital Transfers and Grants</b>										
National Government:		49 637	38 319	–	9 000	32 000	32 000	–		38 319
Municipal Infrastructure Grant (MIG)	–	28 832	30 039		9 000	28 000	28 000	–		30 039
Integrated National Electrification Programme Grant	–	20 805	8 280			4 000	4 000			8 280
–	–									
–	–									
–	–									
–	–									
Other capital transfers [insert description]	–									
Provincial Government:		–	–	–	–	–	–	–		–
[insert description]	–									
KwaZulu-Natal_Capacity Building and Other_Capacity Building and O	–									
–	–									
District Municipality:		–	–	–	–	–	–	–		–
[insert description]	–									
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]	–									
–	–									
<b>Total Capital Transfers and Grants</b>	5	49 637	38 319	–	9 000	32 000	32 000	–		38 319
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	142 165	138 635	–	41 374	105 634	105 634	–		138 635

## 2022/23 Mid – Year Budget and Performance Assessment Report

Receipts of transfers and grants show no variances to each grant as of 31 December 2022. The reason for this it's because the National and Provincial Treasury have been consistent in transferring the grants due to Mthonjaneni Municipality on time as per the payment schedule for 2022/23. The municipality hope that the transferring authorities will not deviate from this practice throughout the financial year.

### 2.4.2 Grants – Expenditure

KZN285 Mthonjaneni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		91 351	99 081	–	519	2 327	2 883	(366)	-13.6%	99 081
Local Government Equitable Share	–	86 810	93 695							93 695
Finance Management	–	2 650	2 850		259	717	1 425	(708)	-49.7%	2 850
EPWP Incentive	–	1 891	2 536		260	1 610	1 268	342	27.0%	2 536
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		1 177	1 235	–	203	781	617	164	26.5%	1 235
Provincialisation of Libraries		935	981		161	621	491	130	26.5%	981
Community Library Services Grant	–	242	254		43	161	127	34	26.5%	254
								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
Other Transfers Public Corporations	–							–		
[insert description]								–		
Total operating expenditure of Transfers and Grants:		92 528	190 316	–	722	3 108	3 310	(202)	-6.1%	100 316
Capital expenditure of Transfers and Grants										
National Government:		49 637	38 319	–	12 965	24 586	19 160	5 426	28.3%	38 319
Municipal Infrastructure Grant (MIG)	–	28 832	30 039	–	8 085	16 306	15 020	1 286	8.6%	30 039
Integrated National Electrification Programme Grant	–	20 805	8 280	–	4 880	8 280	4 140	4 140	100.0%	8 280
								–		
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
Total capital expenditure of Transfers and Grants		49 637	38 319	–	12 965	24 586	19 160	5 426	28.3%	38 319
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		142 165	138 635	–	13 687	27 694	22 470	5 224	23.2%	138 635



## 2022/23 Mid – Year Budget and Performance Assessment Report

### 2.5 Councillor and board member allowances and employee benefits

KZN285 Mthonjaneni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		5 095	5 489	–	459	2 851	2 744	106	4%	5 489
Pension and UIF Contributions		694	730	–	63	396	365	31	8%	730
Medical Aid Contributions		79	135	–	6	39	68	(29)	-43%	135
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		966	1 020	–	84	502	510	(8)	-2%	1 020
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		1 905	2 374	–	170	1 065	1 187	(122)	-10%	2 374
<b>Sub Total - Councillors</b>		<b>8 749</b>	<b>9 749</b>	<b>–</b>	<b>783</b>	<b>4 852</b>	<b>4 874</b>	<b>(22)</b>	<b>0%</b>	<b>9 749</b>
<b>% Increase</b>	4		<b>11.5%</b>							<b>11.5%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		2 744	4 014	–	316	1 387	2 007	(620)	-31%	4 014
Pension and UIF Contributions		439	1 019	–	45	269	510	(241)	-47%	1 019
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		299	930	–	279	279	465	(186)	-40%	930
Motor Vehicle Allowance		557	648	–	53	280	324	(44)	-14%	648
Cellphone Allowance		22	95	–	–	–	48	(48)	-100%	95
Housing Allowances		54	144	–	–	–	72	(72)	-100%	144
Other benefits and allowances		297	173	–	34	89	87	3	3%	173
Payments in lieu of leave		117	–	–	–	–	–	–	–	–
Long service awards		19	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 548</b>	<b>7 024</b>	<b>–</b>	<b>728</b>	<b>2 304</b>	<b>3 512</b>	<b>(1 208)</b>	<b>-34%</b>	<b>7 024</b>
<b>% Increase</b>	4		<b>54.4%</b>							<b>54.4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		34 896	40 991	–	3 038	18 564	20 495	(1 931)	-9%	40 991
Pension and UIF Contributions		4 738	4 185	–	392	2 353	2 093	261	12%	4 185
Medical Aid Contributions		2 697	2 617	–	215	1 288	1 309	(21)	-2%	2 617
Overtime		1 295	1 659	–	222	930	830	100	12%	1 659
Performance Bonus		2 252	3 503	–	2 023	2 179	1 752	427	24%	3 503
Motor Vehicle Allowance		3 897	4 645	–	307	1 888	2 322	(435)	-19%	4 645
Cellphone Allowance		299	331	–	38	173	165	8	5%	331
Housing Allowances		892	959	–	80	463	480	(17)	-4%	959
Other benefits and allowances		1 470	675	–	147	699	337	362	107%	675
Payments in lieu of leave		1 350	–	–	–	975	–	975	#DIV/0!	–
Long service awards		380	–	–	–	88	–	88	#DIV/0!	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		<b>54 165</b>	<b>59 568</b>	<b>–</b>	<b>6 483</b>	<b>29 600</b>	<b>29 783</b>	<b>(183)</b>	<b>-1%</b>	<b>59 568</b>
<b>% Increase</b>	4		<b>10.0%</b>							<b>10.0%</b>
<b>Total Parent Municipality</b>		<b>67 454</b>	<b>76 338</b>	<b>–</b>	<b>7 972</b>	<b>36 756</b>	<b>38 169</b>	<b>(1 413)</b>	<b>-4%</b>	<b>76 338</b>

**2.6 Material Variances to the Service Delivery and Budget Implementation Plan**

Description	Variance R'000	Reason for material deviations
<b>Revenue By Source</b> Property Rates	(2 989)	Property rates are seating at R2 989m below the YTD budget. The municipality will monitor the item and consider downward adjustments when necessary. The municipality had anticipated that sites and properties that were not sold previously will be sold, thus increasing the property rates revenue base. However due to unforeseen circumstances that didn't materialize.
Service charges – electricity revenue	(4 858)	Electricity revenue is seating at R4 858m below the YTD budget. The municipality will monitor the trend if needs be considering a downward adjustment. Also the municipality had anticipated an increase in service charges-electricity revenue due to sale of sites and properties.
Service charges – refuse revenue	(174)	Refuse revenue is seating at R174 thousand below the YTD budget.
Interest earned – external investments	132	External investments are seating at R132 thousand above the YTD budget. The municipality will monitor the item and consider upward adjustment when necessary.



2022/23 Mid – Year Budget and Performance Assessment Report

Rental of facilities and equipment	(216)	Rental of facilities and equipment are seating at R216 thousand below the YTD budget due to low demand during the first two quarters of 2022/2023 financial year.
Fines	(3 498))	Fines are seating at R3 498m below the YTD budget. The municipality will monitor the trend if needs be consider a downward adjustments. However, the municipality appointed the service provider to assist with traffic fines management system and to commence with the project before the end of the financial year.
Licenses and permits	(312)	Licenses and permits are seating at R312 thousand below the YTD budget. There was less demand than anticipated.
Transfers recognised - Operational	0	
Transfers recognised - Capital	0	
<b><u>Expenditure By Type</u></b> Employee related cost	(1 380)	Employee related cost are seating at R1 380m below the YTD budget. That translates to 4% below the targeted expenditure, this is due to vacant post the municipality have during the first two

## 2022/23 Mid – Year Budget and Performance Assessment Report

		quarters of 2022/2023 financial year
Remuneration of Councillors	(22)	Remuneration of councillors are seating at R22 thousand below the YTD budget.
Debt Impairment	-	Debt impairment will be calculated towards the end of the financial year.
Depreciation and asset impairment	4 650 m	Depreciation and asset impairment is seating at R4 650m above YTD budget. The municipality will monitor the item and consider upward adjustments when necessary.
Bulk purchases	(3 289)	Bulk purchases are seating at R3 289 m below the YTD budget
Inventory consumed	(751)	Inventory consumed is seating at R751 thousand below the YTD budget.
Contracted service	4 629	Contracted services are seating at R4 629m above the YTD budget. The municipality had to brought forward projects that were originally planned to be done throughout the financial year to quarter one and two to fast track service delivery. However, the item is expected to return to normal as the financial year progresses.
Other expenditure	4 973	Other expenditure is seating at R4 973m above the YTD budget. The municipality had to

## 2022/23 Mid – Year Budget and Performance Assessment Report

		brought forward projects that were originally planned to be done throughout the financial year to quarter one and two to fast track service delivery. However, the item is expected to return to normal as the financial year progresses.
--	--	---

## 2.7 Parent Municipality Financial Performance

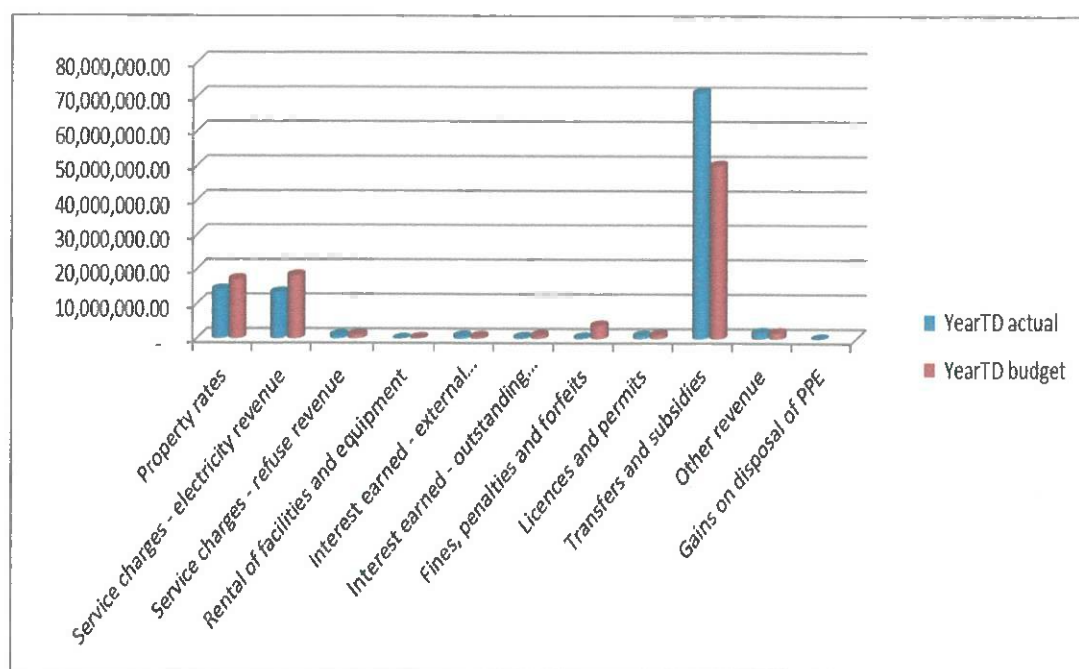
### 2.7.1 Revenue By Source

Table 2 demonstrates the source of funding per revenue categories.

KZN285 Mthonjaneni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2021/22	Budget 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 By Source										
Property rates		22 512	34 171	–	1 137	14 188	17 086	(2 898)	-17%	34 171
Service charges - electricity revenue		26 213	36 444	–	2 201	13 364	16 222	(4 858)	-27%	36 444
Service charges - water revenue		–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		1 804	2 250	–	169	952	1 125	(174)	-15%	2 250
Rental of facilities and equipment		54	472	–	3	20	236	(216)	-92%	472
Interest earned - external investments		343	1 258	–	124	761	629	132	21%	1 258
Interest earned - outstanding debtors		2 083	1 991	–	67	395	996	(600)	-60%	1 991
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		398	7 603	–	95	304	3 802	(3 498)	-92%	7 603
Licences and permits		1 553	2 314	–	144	845	1 157	(312)	-27%	2 314
Agency services		–	–	–	–	–	–	–	–	–
Transfers and subsidies		92 529	100 316	–	31 999	71 165	50 158	21 007	42%	100 316
Other revenue		636	3 326	–	31	1 739	1 663	76	5%	3 326
Gains		199	1 500	–	–	–	750	(750)	-100%	1 500
Total Revenue (excluding capital transfers and contributions)		148 323	191 646	–	35 980	103 733	95 823	7 910	8%	191 646

2022/23 Mid – Year Budget and Performance Assessment Report

The diagram below shows revenue YTD actual vs. YTD budget in a form of a chart.



## 2022/23 Mid – Year Budget and Performance Assessment Report

### 2.7.2 Operational Expenditure Trends Inclusive of Operational Projects

KZN285 Mthonjaneni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		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		58 742	66 589	–	7 189	31 915	33 295	(1 380)	-4%	66 589
Remuneration of councillors		8 740	9 749	–	783	4 852	4 874	(22)	0%	9 749
Debt impairment		7 396	3 000	–	–	–	1 500	(1 500)	-100%	3 000
Depreciation & asset impairment		24 265	15 300	–	2 043	12 300	7 650	4 650	61%	15 300
Finance charges		235	–	–	4	134	–	134	#DIV/0!	–
Bulk purchases - electricity		22 586	24 626	–	5 270	9 024	12 313	(3 289)	-27%	24 626
Inventory consumed		6 152	4 866	–	395	1 682	2 433	(751)	-31%	4 866
Contracted services		37 421	27 949	–	2 942	18 604	13 975	4 629	33%	27 949
Transfers and subsidies		–	200	–	–	–	100	(100)	-100%	200
Other expenditure		32 615	29 429	–	2 635	19 688	14 715	4 973	34%	29 429
Losses		–	–	–	–	–	–	–	–	–
Total Expenditure		198 152	181 709	–	21 261	98 198	90 854	7 343	8%	181 709
Surplus/(Deficit)		(49 830)	9 937	–	14 700	5 535	4 969	566	0	9 937

#### (a) Employee related costs

Employee related costs actuals of Mthonjaneni Local Municipality are seating at R31 915 m, this translates to 4% below the YTD budget.

#### (b) Bulk Purchases

Bulk purchases actuals are seating at R9 024 m, this translates to 27% below the YTD budget.

#### (c) Debt Impairment

Mthonjaneni Local Municipality accounts for debt impairment at the end of the financial year however it is recommended to account for impairments monthly for accurate reporting purposes.

#### (d) Depreciation and Asset Impairment

The depreciation and asset impairment actuals is seating at R12 300 m, that translate to 61% above the YTD budget.

#### (e) Contract Services

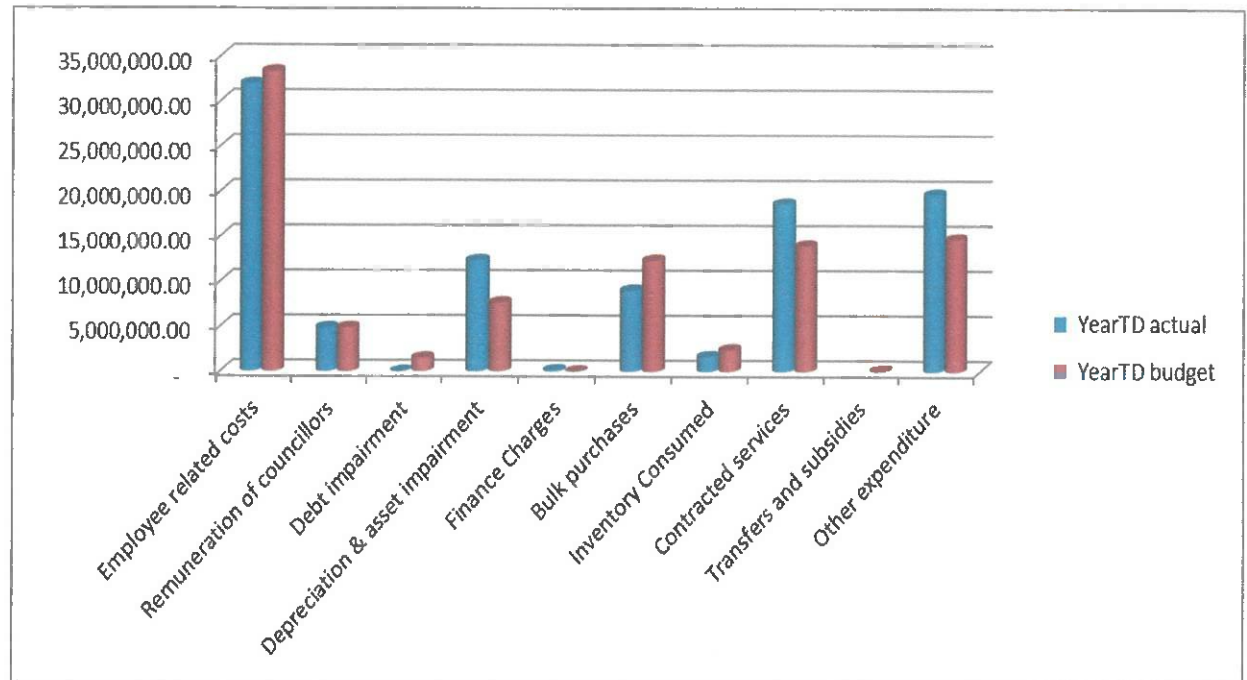
Contract Services actuals are seating at R18 604m, this translates to 33% above the YTD budget.

#### (a) Other Expenditure

Other Expenditure actuals are seating at R19 688m, this translates to 34% above the YTD budget.

## 2022/23 Mid – Year Budget and Performance Assessment Report

*The diagram below shows operational expenditure YTD actual vs. YTD budget in a form of a chart.*



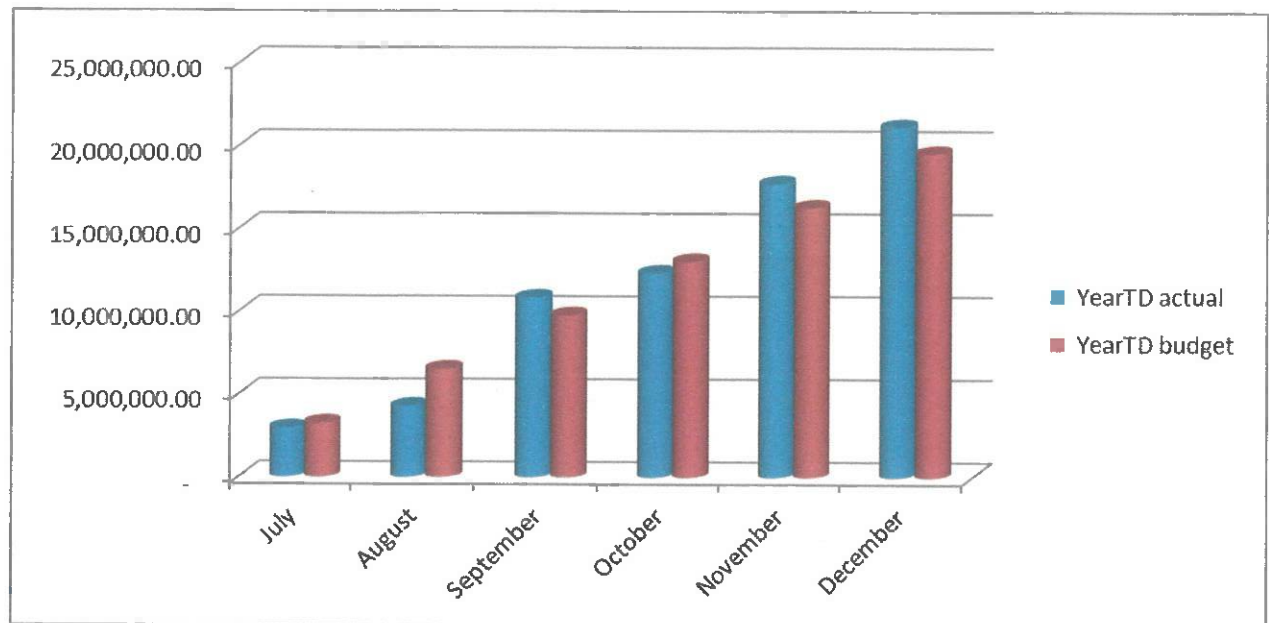
## 2.8 Capital Programme Performance

Table 6 illustrates the capital expenditure as of 31 December 2022.

KZN285 Mthonjaneni - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December									
Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July	18 562	3 258	–	2 954	2 954	3 258	304	9.3%	8%
August	18 562	3 258	–	1 318	4 272	6 516	2 243	34.4%	11%
September	18 562	3 258	–	6 551	10 823	9 774	(1 050)	-10.7%	28%
October	18 562	3 258	–	1 507	12 330	13 031	702	5.4%	32%
November	18 562	3 258	–	5 388	17 718	16 289	(1 429)	-8.8%	45%
December	18 562	3 258	–	3 443	21 161	19 547	(1 614)	-8.3%	54%
January	18 562	3 258	–	–	–	22 805	–	–	–
February	18 562	3 258	–	–	–	26 063	–	–	–
March	18 562	3 258	–	–	–	29 321	–	–	–
April	18 562	3 258	–	–	–	32 578	–	–	–
May	18 562	3 258	–	–	–	35 836	–	–	–
June	18 562	3 258	–	–	–	39 094	–	–	–
<b>Total Capital expenditure</b>	<b>222 744</b>	<b>39 094</b>	<b>–</b>	<b>21 161</b>					

## 2022/23 Mid – Year Budget and Performance Assessment Report

The diagram below shows capital expenditure YTD actual vs. YTD budget in a form of a chart.



## 2022/23 Mid – Year Budget and Performance Assessment Report

### 2.9 Other Supporting Documents

KZN285 Mthonjaneni - Table C1 Monthly Budget Statement Summary - M06 December

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Financial Performance</b>									
Property rates	22 512	34 171	–	1 137	14 186	17 086	(2 698)	-17%	34 171
Service charges	28 017	38 695	–	2 360	14 316	19 347	(5 032)	-26%	38 695
Investment revenue	343	1 268	–	124	761	628	132	21%	1 268
Transfers and subsidies	92 529	100 316	–	31 939	71 165	50 158	21 007	42%	100 316
Other own revenue	4 923	17 206	–	340	3 303	8 603	(5 300)	-82%	17 206
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>148 323</b>	<b>191 646</b>	<b>–</b>	<b>35 960</b>	<b>103 733</b>	<b>95 823</b>	<b>7 910</b>	<b>8%</b>	<b>191 646</b>
Employee costs	56 742	66 589	–	7 189	31 915	33 295	(1 380)	-4%	66 589
Remuneration of Councilors	8 740	9 749	–	783	4 852	4 874	(22)	-0%	9 749
Depreciation & asset impairment	24 265	15 300	–	2 043	12 300	7 650	4 650	61%	15 300
Finance charges	235	–	–	4	134	–	134	#DIV/0!	–
Inventory consumed and bulk purchases	28 738	29 492	–	5 665	10 706	14 746	(4 041)	-27%	29 492
Transfers and subsidies	–	200	–	–	–	100	(100)	-100%	200
Other expenditure	77 432	60 379	–	5 576	38 292	30 189	8 102	27%	60 379
<b>Total Expenditure</b>	<b>198 152</b>	<b>181 709</b>	<b>–</b>	<b>21 261</b>	<b>98 198</b>	<b>90 854</b>	<b>7 343</b>	<b>8%</b>	<b>181 709</b>
<b>Surplus/(Deficit)</b>	<b>(49 830)</b>	<b>9 937</b>	<b>–</b>	<b>14 700</b>	<b>5 535</b>	<b>4 969</b>	<b>565</b>	<b>11%</b>	<b>9 937</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	49 837	31 260	–	11 912	24 586	15 830	8 956	57%	31 260
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind all)	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(193)</b>	<b>41 197</b>	<b>–</b>	<b>26 612</b>	<b>30 121</b>	<b>29 599</b>	<b>9 522</b>	<b>46%</b>	<b>41 197</b>
Share of surplus/ (deficit) of associates	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>(193)</b>	<b>41 197</b>	<b>–</b>	<b>26 612</b>	<b>30 121</b>	<b>29 599</b>	<b>9 522</b>	<b>46%</b>	<b>41 197</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>30 324</b>	<b>39 094</b>	<b>–</b>	<b>3 443</b>	<b>21 161</b>	<b>19 547</b>	<b>1 614</b>	<b>8%</b>	<b>39 094</b>
Capital transfers recognised	26 090	29 314	–	3 443	19 823	14 657	5 166	35%	29 314
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	4 234	9 780	–	–	1 338	4 890	(3 552)	-73%	9 780
<b>Total sources of capital funds</b>	<b>30 324</b>	<b>39 094</b>	<b>–</b>	<b>3 443</b>	<b>21 161</b>	<b>19 547</b>	<b>1 614</b>	<b>8%</b>	<b>39 094</b>
<b>Financial position</b>									
Total current assets	81 678	187 834	–	–	10 407	–	–	–	187 834
Total non current assets	371 416	353 148	–	–	9 194	–	–	–	353 148
Total current liabilities	51 519	47 258	–	–	(10 762)	–	–	–	47 258
Total non current liabilities	7 840	6 758	–	–	–	–	–	–	6 758
Community wealth/Equity	266 674	371 241	–	–	–	–	–	–	371 241
<b>Cash flows</b>									
Net cash from (used) operating	–	91 173	–	(169)	(516)	45 587	46 103	101%	91 173
Net cash from (used) investing	222 744	(36 294)	–	(0)	(1)	(18 147)	(18 145)	100%	(39 094)
Net cash from (used) financing	–	(1 102)	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the month/year end</b>	<b>222 744</b>	<b>58 439</b>	<b>–</b>	<b>–</b>	<b>(517)</b>	<b>32 101</b>	<b>32 618</b>	<b>102%</b>	<b>52 079</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Sources	2 570	1 234	989	918	461	4 296	4 941	24 125	39 532
<b>Creditors Age Analysis</b>									
Total Creditors	752	2 996	617	1 369	706	671	2 661	233	10 008



## 2022/23 Mid – Year Budget and Performance Assessment Report

KZN285 Mthonjaneni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2021/22	Original Budget	Adjusted Budget	Budget Year 2022/23					
		Audited Outcome			Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		115 608	136 023	--	32 988	84 274	68 011	16 263	24%	136 023
Executive and council		--	--	--	--	--	--	--	--	--
Finance and administration		115 608	136 023	--	32 988	84 274	68 011	16 263	24%	136 023
Internal audit		--	--	--	--	--	--	--	--	--
<i>Community and public safety</i>		2 770	11 091	--	350	1 657	5 546	(3 889)	-70%	11 091
Community and social services		1 235	1 256	--	207	811	628	183	29%	1 256
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		1 535	9 835	--	143	845	4 918	(4 072)	-83%	9 835
Housing		--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		30 760	28 765	--	7 296	19 792	14 382	5 410	38%	28 765
Planning and development		--	--	--	--	--	--	--	--	--
Road transport		30 760	28 765	--	7 296	19 792	14 382	5 410	38%	28 765
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		48 822	47 027	--	7 239	22 596	23 514	(918)	-4%	47 027
Energy sources		47 018	44 724	--	7 080	21 644	22 362	(718)	-3%	44 724
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		1 804	2 303	--	159	952	1 151	(200)	-17%	2 303
Other	4	--	--	--	--	--	--	--	--	--
<b>Total Revenue - Functional</b>	<b>2</b>	<b>197 960</b>	<b>222 906</b>	<b>--</b>	<b>47 873</b>	<b>128 318</b>	<b>111 453</b>	<b>16 865</b>	<b>15%</b>	<b>222 906</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		89 270	77 320	--	7 979	48 558	38 660	9 896	26%	77 320
Executive and council		21 361	21 565	--	2 117	12 732	10 783	1 950	18%	21 565
Finance and administration		66 209	54 315	--	5 745	35 323	27 157	8 166	30%	54 315
Internal audit		1 700	1 440	--	118	503	720	(217)	-30%	1 440
<i>Community and public safety</i>		31 245	32 299	--	3 805	17 019	18 148	869	5%	32 299
Community and social services		15 508	14 052	--	1 862	8 597	7 026	1 571	22%	14 052
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		15 738	18 247	--	1 943	8 421	9 123	(702)	-8%	18 247
Housing		--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		38 501	33 386	--	3 215	18 479	16 693	1 786	11%	33 386
Planning and development		7 632	8 155	--	558	2 695	4 078	(1 383)	-34%	8 155
Road transport		31 869	25 231	--	2 560	15 785	12 615	3 169	25%	25 231
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		38 136	38 704	--	6 261	14 141	19 352	(5 211)	-27%	38 704
Energy sources		31 486	33 646	--	5 640	11 039	16 823	(5 784)	-34%	33 646
Water management		200	10	--	17	99	5	94	1886%	10
Waste water management		573	--	--	48	287	--	287	#DIV/0!	--
Waste management		5 877	5 048	--	556	2 716	2 524	192	8%	5 048
Other		--	--	--	--	--	--	--	--	--
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>198 152</b>	<b>181 709</b>	<b>--</b>	<b>21 261</b>	<b>98 198</b>	<b>90 854</b>	<b>7 343</b>	<b>8%</b>	<b>181 709</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(193)</b>	<b>41 197</b>	<b>--</b>	<b>26 612</b>	<b>30 121</b>	<b>20 599</b>	<b>9 522</b>	<b>46%</b>	<b>41 197</b>

## 2022/23 Mid – Year Budget and Performance Assessment Report

**KZN285 Mthonjaneni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06**

Vote Description	Ref	2021/22	Budget 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 by Vote	1									
Vote 1 - Executive & Council		—	—	—	—	—	—	—	—	—
Vote 2 - Finance and Admin		105 188	122 538	—	32 086	79 819	61 269	17 549	28.6%	122 538
Vote 3 - Corporate Services		13 190	24 576	—	1 251	7 112	12 288	(5 176)	-42.1%	24 576
Vote 4 - Technical Services		79 582	75 792	—	14 535	42 388	37 896	4 492	11.9%	75 792
Vote 5 - [NAME OF VOTE 5]		—	—	—	—	—	—	—	—	—
Vote 6 - [NAME OF VOTE 6]		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	197 960	222 906	—	47 873	128 318	111 453	16 865	15.1%	222 906
Expenditure by Vote	1									
Vote 1 - Executive & Council		23 907	24 163	—	2 274	13 535	12 082	1 453	12.0%	24 163
Vote 2 - Finance and Admin		50 590	36 674	—	3 566	26 314	18 337	7 977	43.5%	36 674
Vote 3 - Corporate Services		48 525	52 252	—	6 475	27 139	26 126	1 013	3.9%	52 252
Vote 4 - Technical Services		74 262	68 619	—	8 885	30 745	34 310	(3 565)	-10.4%	68 619
Vote 5 - [NAME OF VOTE 5]		—	—	—	—	—	—	—	—	—
Vote 6 - [NAME OF VOTE 6]		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	197 283	181 709	—	21 200	97 733	90 854	6 879	7.6%	181 709
Surplus/ (Deficit) for the year	2	676	41 187	—	26 673	30 585	20 599	9 987	48.5%	41 197

## 2022/23 Mid – Year Budget and Performance Assessment Report

KZN285 Mthonjaneni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2021/22	Budget 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 By Source										
Property rates		22 512	34 171	–	1 137	14 188	17 086	(2 898)	-17%	34 171
Service charges - electricity revenue		26 213	36 444	–	2 201	13 364	18 222	(4 858)	-27%	36 444
Service charges - water revenue		–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		1 804	2 250	–	158	952	1 125	(174)	-15%	2 250
Rental of facilities and equipment		54	472	–	3	20	236	(216)	-92%	472
Interest earned - external investments		343	1 258	–	124	761	629	132	21%	1 258
Interest earned - outstanding debtors		2 083	1 991	–	87	395	996	(600)	-60%	1 991
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		398	7 603	–	95	304	3 902	(3 498)	-92%	7 603
Licences and permits		1 553	2 314	–	144	845	1 157	(312)	-27%	2 314
Agency services		–	–	–	–	–	–	–	–	–
Transfers and subsidies		92 529	100 316	–	31 999	71 185	50 158	21 007	42%	100 316
Other revenue		636	3 326	–	31	1 739	1 663	76	5%	3 326
Gains		199	1 500	–	–	–	750	(750)	-100%	1 500
Total Revenue (excluding capital transfers and contributions)		148 323	191 646	–	35 960	103 733	95 823	7 910	8%	191 646
Expenditure By Type										
Employee related costs		58 742	66 589	–	7 189	31 915	33 295	(1 380)	-4%	66 589
Remuneration of councillors		8 740	9 749	–	783	4 852	4 874	(22)	0%	9 749
Debt Impairment		7 396	3 000	–	–	–	1 500	(1 500)	-100%	3 000
Depreciation & asset impairment		24 265	15 300	–	2 043	12 300	7 650	4 650	61%	15 300
Finance charges		235	–	–	4	134	–	134	#DIV/0!	–
Bulk purchases - electricity		22 586	24 626	–	5 270	9 024	12 313	(3 289)	-27%	24 626
Inventory consumed		6 152	4 866	–	395	1 682	2 433	(751)	-31%	4 866
Contracted services		37 421	27 949	–	2 942	18 604	13 975	4 629	33%	27 949
Transfers and subsidies		–	200	–	–	–	100	(100)	-100%	200
Other expenditure		32 615	29 429	–	2 635	19 688	14 715	4 973	34%	29 429
Losses		–	–	–	–	–	–	–	–	–
Total Expenditure		198 152	181 709	–	21 261	98 198	90 854	7 343	8%	181 709
Surplus/(Deficit)		(49 830)	9 937	–	14 700	5 535	4 969	566	0	9 937
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		49 637	31 260	–	11 912	24 586	15 630	8 956	0	31 260
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(193)	41 197	–	26 612	30 121	20 599			41 197
Taxation		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(193)	41 197	–	26 612	30 121	20 599			41 197
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		(193)	41 197	–	26 612	30 121	20 599			41 197
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		(193)	41 197	–	26 612	30 121	20 599			41 197

## 2022/23 Mid – Year Budget and Performance Assessment Report

KZN285 Mthonjaneni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06										
December										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Total Capital Expenditure		30 324	39 094	-	3 443	21 161	19 547	1 614	8%	39 094
Capital Expenditure - Functional Classification										
Governance and administration		2 192	1 550	-	-	-	775	(775)	-100%	1 550
Executive and council		1 823	750	-	-	-	375	(375)	-100%	750
Finance and administration		368	800	-	-	-	400	(400)	-100%	800
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		361	730	-	738	738	365	373	102%	730
Community and social services		289	600	-	738	738	300	438	146%	600
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		72	130	-	-	-	65	(65)	-100%	130
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		9 016	27 430	-	2 162	12 987	13 715	(728)	-5%	27 430
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9 016	27 430	-	2 162	12 987	13 715	(728)	-5%	27 430
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		18 756	9 384	-	543	7 436	4 692	2 744	56%	9 384
Energy sources		18 560	8 384	-	543	7 436	4 192	3 244	77%	8 384
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		197	1 000	-	-	-	500	(500)	-100%	1 000
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	30 324	39 094	-	3 443	21 161	19 547	1 614	8%	39 094
Funded by:										
National Government		26 090	29 314	-	3 443	19 823	14 657	5 166	35%	29 314
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		26 090	29 314	-	3 443	19 823	14 657	5 166	35%	29 314
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		4 234	9 780	-	-	1 338	4 890	(3 552)	-73%	9 780
Total Capital Funding		30 324	39 094	-	3 443	21 161	19 547	1 614	8%	39 094

# 2022/23 Mid – Year Budget and Performance Assessment Report

KZN285 Mthonjaneni - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		52 002	126 442	–	4 577	126 442
Call investment deposits		47	11 550	–	0	11 550
Consumer debtors		23 933	44 955	–	2 268	44 955
Other debtors		5 050	4 148	–	3 220	4 148
Current portion of long-term receivables		–	–	–	–	–
Inventory		644	739	–	342	739
<b>Total current assets</b>		<b>81 676</b>	<b>187 834</b>	<b>–</b>	<b>10 407</b>	<b>187 834</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		57	42	–	(9)	42
Investments in Associate		–	–	–	–	–
Property, plant and equipment		369 204	346 568	–	9 208	346 568
Biological		2 096	1 897	–	–	1 897
Intangible		57	4 640	–	(6)	4 640
Other non-current assets		1	1	–	–	1
<b>Total non current assets</b>		<b>371 415</b>	<b>353 148</b>	<b>–</b>	<b>9 194</b>	<b>353 148</b>
<b>TOTAL ASSETS</b>		<b>453 091</b>	<b>540 982</b>	<b>–</b>	<b>19 601</b>	<b>540 982</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		1 008	1 102	–	(14)	1 102
Trade and other payables		45 937	38 432	–	(10 732)	38 432
Provisions		4 573	7 721	–	(16)	7 721
<b>Total current liabilities</b>		<b>51 519</b>	<b>47 255</b>	<b>–</b>	<b>(10 762)</b>	<b>47 255</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		7 840	6 758	–	–	6 758
<b>Total non current liabilities</b>		<b>7 840</b>	<b>6 758</b>	<b>–</b>	<b>–</b>	<b>6 758</b>
<b>TOTAL LIABILITIES</b>		<b>59 359</b>	<b>54 013</b>	<b>–</b>	<b>(10 762)</b>	<b>54 013</b>
<b>NET ASSETS</b>	<b>2</b>	<b>393 732</b>	<b>486 969</b>	<b>–</b>	<b>30 363</b>	<b>486 969</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		266 674	371 241	–	–	371 241
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>266 674</b>	<b>371 241</b>	<b>–</b>	<b>–</b>	<b>371 241</b>

## 2022/23 Mid – Year Budget and Performance Assessment Report

KZN285 Mthonjaneni - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		–	27 153	–	–	–	13 576	(13 576)	-100%	27 153
Service charges		–	29 027	–	–	–	14 513	(14 513)	-100%	29 027
Other revenue		–	21 507	–	1	(84)	10 754	(10 838)	-101%	21 507
Transfers and Subsidies - Operational		–	100 062	–	–	–	50 031	(50 031)	-100%	100 062
Transfers and Subsidies - Capital		–	66 059	–	(170)	(432)	33 029	(33 461)	-101%	66 059
Interest		–	2 861	–	–	–	1 330	(1 330)	-100%	2 861
Dividends		–	–	–	–	–	–	–	–	–
<b>Payments</b>										
Suppliers and employees		–	(155 295)	–	–	–	(77 647)	(77 647)	100%	(155 295)
Finance charges		–	–	–	–	–	–	–	–	–
Transfers and Grants		–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		–	91 173	–	(169)	(516)	45 587	46 103	101%	91 173
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		–	2 800	–	–	–	1 400	(1 400)	-100%	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–
<b>Payments</b>										
Capital assets		222 744	(39 094)	–	(0)	(1)	(19 547)	(19 548)	100%	(39 094)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		222 744	(36 294)	–	(0)	(1)	(18 147)	(18 148)	100%	(39 094)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term financing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	(1 102)	–	–	–	–	–	–	–
<b>Payments</b>										
Repayment of borrowing		–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		–	(1 102)	–	–	–	–	–	–	–
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		222 744	53 777	–	(170)	(517)	27 440			52 079
Cash/cash equivalents at beginning:		–	4 661	–	–	–	4 661			–
Cash/cash equivalents at month/year end:		222 744	58 439	–	–	(517)	32 101			52 079



### Quality Certificate

I, Mr Z. S Mthethwa, The municipal manager of **Mthonjaneni Local Municipality**, hereby certify that –

- the monthly budget statement
- mid – year budget and performance assessment

for the month of December 2022 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name

Zipho Saviour Mthethwa

Municipal manager of Mthonjaneni Local Municipality KZN285

Signature



Date 19 January 2023