

PHYSICAL ADDRESS  
PORT ST. JOHNS LOCAL MUNICIPALITY  
ERF 257 MAIN ROAD  
PORT ST. JOHN'S

POSTAL ADDRESS:  
P.O. BOX 2  
PORT ST. JOHN'S  
5120



**PORT ST JOHNS**  
• MUNICIPALITY •  
OUR HERITAGE. OUR PEOPLE

TEL: 047 564 1208  
047 564 6700

FAX: 047 564 1206

[www.psjmunicipality.gov.za](http://www.psjmunicipality.gov.za)  
[info@psjmunicipality.gov.za](mailto:info@psjmunicipality.gov.za)

02 February 2024

**RE: ORDINARY COUNCIL RESOLUTION EXTRACTS – 30/ 01 / 2024**

**8. Budget and Treasury Office Standing Committee**

**8.1.20 Section 72 Mid-Year Budget Report 2023/24**

In terms of Section 72(1)(a) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such assessment must in terms of Section 72(3)(a) & (b) of the MFMA make recommendations as to whether an adjustment budget is necessary and recommend revised projections for revenue and expenditure for the extent that this may be necessary and further be submitted to the Mayor (Council), Provincial Treasury and National Treasury.

The report looks to analyse the revenue, expenditure, cash flow and capital performance to date in preparation of the only adjustment budget window available in January as per Municipal Financial Management Act.

In the first six month the Municipality had an operating surplus of R70.1 million as at end of December 2023.

Spending on employee related costs to R51.6 million with a positive variance of 8 % year to date resulting from operational costs such as Salaries, payment of creditors as well as capital projects. In the first six months no depreciation and asset impairment had been processed on the system, manually its amounting to R43,929,635. Contracted services are currently under spending sitting at R8,8 million with a negative variance of 29% resulting from expenditure that is sitting on commitments. The capital expenditure for the first six months of 2023/24 from grant funding and internal funds

