Local Councils' Association

Quarterly Financial Report

for the Period

1st January till End of June 2026 (Quarter 2)

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Overview and Summary

Matul l-ewwel sitt xhur tas-sena finanzjarja 2026, l-Assoċjazzjoni tal-Kunsilli Lokali kompliet iżżomm pożizzjoni finanzjarja b'saħħitha u stabbli. Id-dħul totali għall-perjodu ammonta għal **€676,909**, filwaqt li l-infiq operattiv kien ta' **€493,683**, u dan irriżulta f'**surplus operattiv ta' €183,226** qabel id-deprezzament. Wara li ġie rikonoxxut id-deprezzament tal-assi amministrattivi ta' **€21,969**, l-Assoċjazzjoni għalqet l-ewwel sitt xhur tas-sena b'**surplus nett ta' €161,257**.

Mill-analiżi tad-dħul jirriżulta li l-akbar sors ta' finanzjament baqa' l-allokazzjoni mill-Gvern Ċentrali, li ammontat għal **€420,000**, filwaqt li l-Assoċjazzjoni ġġenerat **€185,382** minn attivitajiet u servizzi tagħha stess u rċeviet **€71,527** f'rifużjonijiet u rkupri ta' spejjeż. Dan juri li, apparti l-finanzjament pubbliku, l-Assoċjazzjoni qed tkompli ssaħħaħ il-kapaċità tagħha li tiġġenera dħul minn inizjattivi u servizzi offruti lis-settur tal-gvern lokali.

Fuq in-naħa tal-infiq, l-akbar nefqa kienet dik relatata mal-amministrazzjoni u spejjeż operattivi oħra, li ammontaw għal **€347,201**, segwiti minn **€107,944** f'pagi u salarji u **€38,538** f'operat u manutenzjoni. Ta' min jinnota li matul it-tieni kwart tas-sena ġew irreġistrati u mħallsa l-maġġoranza tal-ispejjeż relatati mal-organizzazzjoni tal-**ALDA Festival 2026**, li ġie ospitat mill-Assoċjazzjoni f'Malta, kif ukoll diversi spejjeż marbuta mal-organizzazzjoni tal-**Laqgħa Plenarja tal-Assoċjazzjoni** li saret lejn l-aħħar ta' Ġunju. Għaldaqstant, parti sostanzjali mill-ispejjeż relatati ma' dawn iż-żewġ inizjattivi strateġiċi diġà ġiet assorbita matul l-ewwel nofs tas-sena u mhux mistennija tħalli impatt finanzjarju sinifikanti matul il-bqija tas-sena.

Għandu jiġi nnutat li l-kolonni relatati mal-**Baġit Annwali** u mar-**Reviżjoni tal-Baġit** qed jitħallew vojta, peress li l-Assoċjazzjoni għadha ma rċevietx it-template uffiċjali tal-baġit ibbażat fuq il-**Chart of Accounts il-ġdida** mid-Dipartiment tal-Gvern Lokali. Malli dan it-template jiġi pprovdut, kif mistenni matul ix-xahar ta' **Awwissu 2026**, ser titwettaq ir-reviżjoni uffiċjali tal-Baġit 2026 sabiex il-previżjonijiet finanzjarji jkunu allinjati mar-rekwiżiti l-ġodda ta' rappurtar.

Huwa importanti wkoll li jiġi enfasizzat li s-surplus irreġistrat sal-aħħar ta' Ġunju **ma jirriflettix il-bidliet organizzattivi li ser jidħlu fis-seħħ matul it-tielet kwart tas-sena**. Bħala parti mill-proċess ta' ristrutturar amministrattiv tal-Assoċjazzjoni, matul it-tielet kwart ser isiru l-intervisti għall-mili ta' **ħames postijiet vakanti**. Dawn ir-reklutaġġi huma essenzjali sabiex tissaħħaħ il-kapaċità amministrattiva u operattiva tal-Assoċjazzjoni, tittejjeb il-kwalità tas-servizzi offruti lill-membri u tissaħħaħ il-kapaċità tagħha li twettaq il-funzjonijiet u l-proġetti li qed jiżdiedu kontinwament.

Konsegwentement, filwaqt li r-ristrutturar mistenni jwassal għal Assoċjazzjoni aktar effiċjenti, aktar proattiva u b'kapaċità akbar li taqdi lis-settur tal-gvern lokali, ser iwassal ukoll għal **żieda fl-ispejjeż amministrattivi, partikolarment fil-pagi u s-salarji**, hekk kif il-ħames postijiet vakanti jimtlew matul it-tielet kwart tas-sena. Għaldaqstant, is-surplus irreġistrat fl-ewwel sitt xhur tas-sena m'għandux jitqies bħala indikazzjoni tar-riżultat finanzjarju mistenni sal-aħħar tas-sena, peress li ma jinkludix l-impatt finanzjarju ta' dawn ir-reklutaġġi u tar-ristrutturar organizzattiv li bħalissa jinsab fil-fażi ta' implimentazzjoni.

B'mod ġenerali, ir-riżultati finanzjarji tal-ewwel sitt xhur juru li l-Assoċjazzjoni qed topera fuq bażi finanzjarja soda u b'ġestjoni prudenti tar-riżorsi tagħha. Fl-istess ħin, qed tkompli tinvesti fil-bini ta' struttura organizzattiva aktar b'saħħitha u sostenibbli, sabiex tkun tista' twieġeb aħjar għall-ħtiġijiet dejjem jikbru tal-Kunsilli Lokali u tas-settur tal-gvern lokali f'Malta.

Mario Fava
President

Lianne Cassar
Executive Secretary

Statement of Income and Expenditure

1st January till End of June 2026 (Quarter 2)

Code	DESCRIPTION	Actual for the Period €	Annual Budget 2026 €	Virements for the Period €	Revised Annual Budget 2026 €
	Income				
0000-0019	Funds Received from Central Government (1)	420,000			-
0020-0099	Income raised from own activities(2)	185,382			-
0100-0119	Reimbursements & Refunds (3)	71,527			-
0200-0299	Grants of an Income Nature (4)				-
0120-0159	General Income				-
0170-0199	Inflows related to Waste Management - Regional Councils				-
		676,909	-	-	-
	Expenditure				
1000-1999	Salaries and wages (5)	107,944			-
2300-2399 3000-3199	Operations and Maintenance (6)	38,538			-
2000-2299 2400-2462 2465-2999 3210-3499 3800-3899	Administration and other expenditure (7)	347,201			-
3500-3599	Expenditure on Local/EU and Twinning Events (8)				-
		493,683	-	-	-
	Operating surplus/(deficit) before depreciation on administrative assets & right of use assets	**183,226**	-	-	-
3600-3699	Deprecation on Administrative Assets (9)	**21,969**			-
3790-3799	Depreciation on Right of Use Assets (9)				-
	Operating surplus/(deficit) after depreciation on administrative assets & right of use assets	**161,257**	-	-	-
3700-3789	Depreciation on Urban Improvements & Projects (9)				-
	Surplus/(deficit) after total depreciation	**161,257**	-	-	-
0160-0169	Finance / Investment Income (10)	**4,732**			-
2463-2464	Finance Cost (10)				-
	Total surplus/(deficit)	**165,989**	-	-	-

Statement of Financial Position as at end of June 2026 (Quarter 2)

Code	DESCRIPTION	Actual for the Period €	Annual Budget 2026 €	Virements for the Period €	Revised Annual Budget 2026 €
	Non-current Assets				
7000-7699 8000-8699 9000-9699	Property, plant and equipment (18)	359,840			-
7800-7899 8800-8899 9800-9899	Intangible assets (19)	841			-
7700-7799 8700-8799 9700-9799	Right of Use Asset (20)				-
	Total Non-Current Assets	**360,681**	-	-	-
	Current Assets				
6000-6199	Cash and cash equivalents (13)	3,975,038			-
6200-6299	Inventories (11)				-
6300-6499	Trade and other receivables (12)	97,693			-
	Total Current Assets	**4,072,731**	-	-	-
	Total Assets	**4,433,412**	-	-	-
	Reserves				
5000-5199	Retained earnings	1,848,292			-
5200-5400	Other Reserves				-
	Total Reserves	**1,848,292**	-	-	-
	Non Current Liabilities				
4300-4399	Long-term borrowings (17)				-
4500-4599	Lease liability - Long Term Portion (15)				-
4400-4499	Deferred Income/Grants in advance - Long Term (16)				-
	Total Non Current Liabilities	-	-	-	-
	Current Liabilities				
4000-4099	Trade and other payables (14)	2,549,462			-
4200-4299	Lease liability - current portion (15)				-
4100-4199	Deferred Income/Grants in advance - Short Term (16)	35,658			-
	Total Current Liabilities	**2,585,120**	-	-	-
	Total Reserves & Liabilities	**4,433,412**	-	-	-

Financial Situation Indicator

DESCRIPTION

DESCRIPTION	Actual for the Period	Annual Budget 2026	Virements for the Period	Revised Annual Budget 2026
Current Assets	4,072,731	-	[redacted]	-
Current Liabilities	2,585,120	-		-
Working Capital	1,487,611	-		-
Government Allocation	840,000			
FSI	**177 %**	**#DIV/0!**		**#DIV/0!**

Cash flow Statement

DESCRIPTION	Actual for the Period	Annual Budget 2026	Virements for the Period	Revised Annual Budget 2026
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	165,989	-	-	-
Adjustments for:				
Depreciation	21,969			-
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	4,732	-	-	-
Interest payable	-	-	-	-
(Profit) / Loss on disposal of asset	-	-	-	-
Trasfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	35,981			-
Increase / (Decrease) in accruals	12,482			-
Decrease / (Increase) in receivables	29,972			-
Decrease / (Increase) in inventories				-
Cash generated from operations	**271,125**	-	-	-
Interest paid				-
				-
Net cash from operating activities	**271,125**	-	-	-
Cash flows from investing activities				
Purchase of property, plant & equipment	(13,684)			-
Proceeds from sale of property, plant & equipment				-
Grants received				-
Interest received				-
				-
Net cash used in investing activities	**(13,684)**	-	-	-
Cash flows from financing activities				
Proceeds from long-term borrowings				-
Interest Paid				-
Bank Loan Repayments				-
				-
Net cash from financing activities	-	-	-	-
Net increase/(decrease) in cash & cash equivalents	257,441	-	-	-
Cash & cash equivalents at beginning of year	3,717,597			-
Cash & cash equivalents at end of Quarter	**3,975,038**	-	-	-

Detailed Income

		DESCRIPTION	Actual for the Period €	Annual Budget 2026 €	Virements for the Period €	Revised Annual Budget 2026 €
		Income				
1		**Funds received from Cental Government:**				
	0001	Annual government income - (section 55 of the Local Government Act - chapter 363)	420,000			-
	0002	Supplementary government income : Tourism Zones				-
	0003	Supplementary government income : Capital, ex Capital and Cities Fund				-
	0004	Supplementary Income - Special Purposes/Needs				-
	0007	Other government income				-
			420,000	-	-	-
2		**Income raised from own activities**				
	0020-0059	Permits & Licences				-
	0060-0069	LESA & Contraventions	158,724			-
	0070-0099	Income from Bye Laws				-
	0120-0159	General Income	26,658			-
			185,382	-	-	-
3		**Reimbursements & Refunds**				
	0101	Payroll Refunds				-
	0102	Reimbursement of Expenses				-
	0103	Other refunds				-
			-	-	-	-
4		**Grants of an Income Nature**				
	0201	Grants from Local Government Division financial initiatives/schemes				-
	0202	EU Funds from public entities / agencies				-
	0203	Local Funds from public entities / agencies				-
	0204	Grants related to Twinning Events				-
	0005	Funds from the Regional Council to the Local Council				-
			-	-	-	-
3		**General Income**				
	0120-0159	General Income	71,527			-
			71,527	-	-	-
4		**Inflows related to Waste Management - Regional Councils**				
	0170-0199	Inflows related to Waste Management - Regional Councils				-
		Total	**676,909**	-	-	-

Detailed Expenditure

		DESCRIPTION	Actual for the Period €	Annual Budget 2026 €	Virements for the Period €	Revised Annual Budget 2026 €
5		**Salaries and Wages**				
	1100-1105	Mayor/President's Honoraria and Deputy Mayor/Councillors Allowance	29,301			-
	1200-1201	Executive Secretary and Employee salaries and wages	64,753			-
	1300-1301	Statutory Bonuses - Executive Secretary and Council Staff	740			-
	1400-1401	Income supplements - Executive Secretary and Council Staff	669			-
	1500-1501	Social security contributions - Executive Secretary and Council Staff	5,260			-
	1600-1601	Other allowances - Executive Secretary and Council Staff	2,498			-
	1700	Overtime	4,723			-
	1800	Community / Incentive Scheme Workers overtime				-
	1801	Community / Incentive Scheme Workers bonus				-
	1900-1901	Performance bonus - Executive Secretary and Council Staff				-
			107,944	-	-	-
6		**Operations and Maintenance**				
	2300-2399	Repairs and upkeep	8,025			-
	3000-3099	Contractual Services: Waste and Cleaning	895			-
	3100-3199	Contractual Services: Administrative and Professional	29,618			-
			38,538	-	-	-
7		**Administration and Other Expenditure**				
	2000-2299	Utilities & supplies	4,943			-
	2400-2460 2465-2599	Operational Costs	222,302			-
	2600-2699	Office services	10,583			-
	2700-2799	Transport Costs	13,551			-
	2800-2899	Travel	20,313			-
	2900-2999	Information Services	33,474			-
	3200-3299	Training & Events	33,808			-
	3300-3399	Community and hospitality	5,284			-
	3400-3499	Incidental and Other Expenses	2,943			-
	3800-3849	Amortization/Bad Debts/Realized Exchange Movements				-
	3850-3899	Losses arising from Penalties on Projects or Repayment of Conditional Grants				-
			347,201	-	-	-
8		**Expenditure on Local/EU and Twinning Events**				
	3500	Locally Funded Projects				-
	3501	Financial Assistance to Local Councils - Used by Regional Councils Only				-
	3510	EU Funded Projects				-
	3520	Twinning Events				-
			-	-	-	-
		Total Expenditure without Depreciation and Finance Cost	493,683	-	-	-
9		**Depreciation**				
	3600-3699	Deprecation on Administrative Assets	21,969			-
	3700-3739	Deprecation on Urban Improvements				-
	3740-3789	Deprecation on Projects				-
	3790-3799	Depreciation on Right of Use Assets				-
			21,969	-	-	-
		Total Expenditure including depreciation cost without Finance cost	515,652	-	-	-
10		**Finance Income/Costs**				
	0160-0169	Finance / Investment Income	4,732			-
	2463-2464	Finance Cost				-
			4,732	-	-	-
		Total Expenditure including Depreciation Cost and Finance Cost	520,384	-	-	-

Extracts from Statement of Financial Position

		DESCRIPTION	Actual for the Period	Annual Budget 2026	Virements for the Period	Revised Annual Budget 2026
			€	€	€	€
11		**Inventories**				
	6200-6299	Inventories	-			-
			-	-	-	-
12		**Trade and Other Receivables**				
	6300-6306	Receivables	3,559			-
	6307	LES Receivables				-
	6308-6310	Prepayments & Accrued income	94,134			-
			97,693	-	-	-
13		**Cash & Cash Equivalents**				
	6000	Petty Cash Balances	58			-
	6001-6008	Bank Accounts - Current & Savings	2,974,980			-
	6009	Cash in Hand	-			-
	6010-6012	Other Bank Accounts and Cash Equivalents	1,000,000			-
			3,975,038	-	-	-
14		**Trade and Other Payables**				
	4000	Trade Payables	74,263			-
	4001-4024	Custodial Accounts	2,361,902			-
	4025	FSS/National Insurance Contributions				-
	4030	Provision for Contingent Liabilities				-
	4049	Bank Borrowings (less than one year)				-
	4050	Bank Balances Overdrawn				-
	4051-4064	Amount due to LGD				-
	4065-4071	Advanced Payments & Accruals	112,567			-
	4072	Works in Progress				-
	4073	Deposits and Guarantees				-
			2,548,732	-	-	-
15		**Lease Liability**				
	4200-4299	Current Portion (Less than one year)				-
	4500-4599	Long Term Portion (More than 1 year)				-
			-	-	-	-
16		**Deferred Income / Grants Receivable**				
	4150	Deferred Income - short term	5,658			-
	4400	Deferred Income - long term	30,000			-
			35,658	-	-	-
	4151	Grants Received in Advance - short term				-
	4400	Grants Received in Advance - long term				-
			-	-	-	-
17		**Long Term Borrowings**				
	4300	Long Term Government Loan				-
	4310	Bank Loans				-
	4320	Other Long Term Loans				-
			-	-	-	-

Total Commitments (Recurrent and Capital)

1st January till End of June 2026 (Quarter 2)

	DESCRIPTION	1. Actual to date	2. Committed to date	3. Future Commitments to date	Total	Start of Quarter Updated Budget	Variance	Grant	Variance after grant
		€	€	€	€	€	€	€	€
		a	b	c	d=a+b+c	e	f=e-d	g	h=f-g
	Operations and Maintenance								
2300-2399	Repairs and upkeep				-		-		
3000-3099	Contractual Services: Waste and Cleaning				-		-		
3100-3199	Contractual Services: Administrative and Professional				-		-		
		-	-	-	-	-	-		
	Administration and Other Expenditure								
2000-2299	Utilities & supplies				-		-		
2400-2460 2465-2599	Operational Costs				-		-		
2600-2699	Office services				-		-		
2700-2799	Transport Costs				-		-		
2800-2899	Travel				-		-		
2900-2999	Information Services				-		-		
3200-3299	Training & Events				-		-		
3300-3399	Community and hospitality				-		-		
3400-3499	Incidental and Other Expenses				-		-		
3800-3849	Amortization/Bad Debts/Realized Exchange Movements				-		-		
3850-3899	Losses arising from Penalties on Projects or Repayment of Conditional Grants				-		-		
		-	-	-	-	-	-		
	Expenditure on Local/EU and Twinning Events								
3500	Locally Funded Projects				-		-		-
3501	Financial Assistance to Local Councils - Used by Regional Council Only				-		-		-
3510	EU Funded Projects				-		-		-
3520	Twinning Events				-		-		-
		-	-	-	-	-	-	-	-
	Capital Expenditure/ Projects								
	Administrative Assets								
7000-7001	Council Property & Day Care				-		-		-
7002 & 7004	Office & Computer Equipment				-		-		-
7003	Furniture & Fittings				-		-		-
7007	Motor Vehicles				-		-		-
7005-7006 7008-7009	Other Administrative Assets				-		-		-
		-	-	-	-	-	-	-	-
	Urban Improvements (including assets not yet capitalised: 7400)								
7200	Parks, Playgrounds, Open Areas & Gardens				-		-		-
7201	New Street Signs				-		-		-
7202	Street Paving				-		-		-
7203	Street Lighting				-		-		-
7204	Road Re-Surfacing				-		-		-
7205	Sidewalks & Pedestrian Pathways				-		-		-
7206	Gym Equipment				-		-		-
7207	PV Panels				-		-		-
7208	Stormwater & Drainage Systems				-		-		-
7209	Public Seating, Benches & Street Furniture				-		-		-
7210	Public Toilets & Amenities Blocks				-		-		-
7211	Plants and Trees				-		-		-
7212	Public Fountains & Water Features				-		-		-
7213	Bus Shelters				-		-		-
7214	CCTV & Public Safety Infrastructure				-		-		-
7215	Monuments & Statues				-		-		-
7216	Traffic Monitoring & Control Systems				-		-		-
7217	Public Wi-Fi Infrastructure				-		-		-
		-	-	-	-	-	-	-	-
7500	**Projects (including assets not yet capitalised: 7400)**								
Segmented account	Project 1 (to provide details)				-		-		-
Segmented account	Project 2 (to provide details)				-		-		-
Segmented account	Project 3 (to provide details)				-		-		-
Segmented account	Project 4 (to provide details)				-		-		-
		-	-	-	-	-	-	-	-

18. ADMINISTRATIVE ASSETS

		Council Property & Day Care	Computer Equipment	Furniture & Fittings	Motor Vehicles	Other Administrative Assets	Total
Cost							
As at 1 January	2026		51670	512866		104548	669084
Additions during the year			1844	741		11099	13684
Disposals/write-offs							0
As at end of June 2026		0	53514	513607	0	115647	682768
Grants and Other Reimbursements							
As at 1 January	2026			112377			112377
Grants during the year							0
As at end of June 2026		0	0	112377	0	0	112377
Depreciation and Impairment Provision							
As at 1 January	2026		43613	107978		85680	237271
Charge for the year			2516	14510		4406	21432
Disposals/write-offs							0
As at end of June 2026		0	46129	122488	0	90086	258703
NET BOOK VALUE							
As at end of June 2026		0	7385	278742	0	25561	311688

19. OTHER ASSETS

		Urban Improvements	Assets Under Construction	Projects	Total
Cost					
As at 1 January	2026		49676		49676
Additions during the year					0
Disposals/write-offs			-1524		-1524
As at end of June 2026		0	48152	0	48152
Grants and Other Reimbursements					
As at 1 January	2026				0
Grants during the year					0
As at end of June 2026		0	0	0	0
Depreciation and Impairment Provision					
As at 1 January	2026				0
Charge for the year					0
Disposals/write-offs					0
As at end of June 2026		0	0	0	0
NET BOOK VALUE					
As at end of June 2026		0	48152	0	48152

20. INTANGIBLE ASSETS

		[Website Costs] €	[Application (001)] €	Computer Software €	Total €
Cost					
As at 1 January	2026			14089	14089
Additions during the year				1109	1109
As at end of June 2026		**0**	**0**	**15198**	**15198**
Grants					
As at 1 January	2026				**0**
Grants during the year					**0**
As at end of June 2026		**0**	**0**	**0**	**0**
Amortization					
As at 1 January	2026			13821	13821
Charger for the year				536	536
As at end of June 2026		**0**	**0**	**14357**	**14357**
NET BOOK VALUE					
As at end of June 2026		**0**	**0**	**841**	**841**