

MAGARENG LOCAL MUNICIPALITY

MAGARENG



MUNICIPALITY

MONTHLY BUDGET STATEMENT REPORT

AUGUST 2022

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PART 1: IN - YEAR REPORT

PURPOSE

To report to the Council and submit to National and Provincial Treasury on the monthly financial performance of the Municipality as required by Section 71 of the Municipal Finance Management Act.

EXECUTIVE SUMMARY

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the Council or and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results. It must be noted that 2021-22 financial year amounts are not yet audited.

IN YEAR BUDGET STATEMENT TABLES

| DESCRIPTION | ORIGINAL BUDGET | 2022/2023 | | |
|-----------------------|------------------|-----------------|---------------------|------------|
| | | ADJUSTED BUDGET | YEAR TO DATE BUDGET | PERCENTAGE |
| OPERATING REVENUE | R 130 915 663,00 | R - | R 37 166 185,51 | 28% |
| OPERATING EXPENDITURE | R 182 313 394,00 | R - | R 11 742 228,58 | 6% |
| TRANSFER CAPITAL | R 23 612 000,00 | R - | R 6 500 000,00 | 28% |
| SURPLUS/ (DEFICIT) | -R 27 785 731,00 | R - | R 31 923 956,93 | -115% |
| CAPITAL EXPENDITURE | R 23 612 000,00 | R - | R 5 035 324,17 | 21% |

Table C1 – Budget Statement Summary

NC093 Magareng - Table C1 Monthly Budget Statement Summary - M02 August

| 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 |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | 11 733 | 12 319 | 12 319 | 985 | 2 043 | 2 053 | (10) | -0% | 12 319 |
| Service charges | 36 845 | 43 325 | 43 325 | 3 089 | 6 402 | 7 221 | (819) | -11% | 43 325 |
| Investment revenue | 6 296 | 3 122 | 3 122 | 887 | 1 731 | 520 | 1 211 | 233% | 3 122 |
| Transfers and subsidies | 62 864 | 64 964 | 64 964 | 3 269 | 25 885 | 10 827 | 15 058 | 139% | 64 964 |
| Other own revenue | 8 204 | 7 186 | 7 186 | 671 | 1 105 | 1 198 | (93) | -8% | 7 186 |
| Total Revenue (excluding capital transfers and contributions) | 125 943 | 130 916 | 130 916 | 8 902 | 37 166 | 21 819 | 15 347 | 70% | 130 916 |
| Employee costs | 49 810 | 53 078 | 53 078 | 3 556 | 7 378 | 8 846 | (1 469) | -17% | 53 078 |
| Remuneration of Councillors | 4 263 | 4 675 | 4 675 | 388 | 776 | 779 | (3) | -0% | 4 675 |
| Depreciation & asset impairment | 27 108 | 30 431 | 30 431 | - | - | 5 072 | (5 072) | -100% | 30 431 |
| Finance charges | 5 447 | - | - | - | - | - | - | - | - |
| Inventory consumed and bulk purchases | 47 727 | 38 600 | 38 570 | 162 | 2 388 | 6 431 | (4 043) | -63% | 38 570 |
| Transfers and subsidies | - | 20 | 20 | - | - | 3 | (3) | -100% | 20 |
| Other expenditure | 50 844 | 55 509 | 55 539 | 810 | 1 201 | 9 254 | (8 054) | -87% | 55 539 |
| Total Expenditure | 185 199 | 182 313 | 182 313 | 4 917 | 11 742 | 30 386 | (18 643) | -61% | 182 313 |
| Surplus/(Deficit) | (59 256) | (51 398) | (51 398) | 3 985 | 25 424 | (8 566) | 33 990 | -397% | (51 398) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 30 851 | 23 612 | 23 612 | - | 6 500 | 3 935 | 2 565 | 65% | 23 612 |
| 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) | 3 696 | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (24 709) | (27 786) | (27 786) | 3 985 | 31 924 | (4 631) | 36 555 | -789% | (27 786) |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | (24 709) | (27 786) | (27 786) | 3 985 | 31 924 | (4 631) | 36 555 | -789% | (27 786) |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 24 630 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Capital transfers recognised | 22 097 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 2 533 | - | - | - | - | - | - | - | - |
| Total sources of capital funds | 24 630 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Financial position | | | | | | | | | |
| Total current assets | (32 032) | (111 496) | (111 496) | - | 75 957 | - | - | - | (111 496) |
| Total non current assets | 310 859 | 324 339 | 324 339 | - | 315 895 | - | - | - | 324 339 |
| Total current liabilities | 366 150 | 238 246 | 238 246 | - | 237 564 | - | - | - | 238 246 |
| Total non current liabilities | 12 754 | 3 105 | 3 105 | - | 12 754 | - | - | - | 3 105 |
| Community wealth/Equity | 133 045 | (27 786) | (27 786) | - | 119 586 | - | - | - | (27 786) |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | - | 275 601 | 275 601 | 595 | 4 073 | 45 934 | 41 860 | 91% | 275 601 |
| Net cash from (used) investing | - | (23 611) | (23 612) | - | (5 035) | (3 935) | 1 100 | -28% | (23 611) |
| Net cash from (used) financing | - | 331 | - | (2) | 8 | 55 | 47 | 86% | 331 |
| Cash/cash equivalents at the month/year end | 6 674 | 252 898 | 252 566 | - | 1 031 | 42 630 | 41 600 | 98% | 254 306 |
| Debtors & creditors analysis | 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 | | | | | | | | | |
| Total By Income Source | 5 585 | 5 089 | 3 711 | 4 591 | 3 745 | 4 641 | 27 883 | 295 689 | 350 934 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 3 183 | 3 947 | 3 805 | 3 622 | 4 581 | 52 945 | 38 678 | 112 925 | 223 687 |

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of August is R37,2 million and the year to date budget of R21,8 million and this reflects a positive variance of R15,3 million . The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Property Rates : 0% unfavorable variance
- Service Charges : 11 unfavorable variance
- Investment Revenue : 233 % favorable variance
- Transfers and Subsidies : 139% favorable variance
- Other Own Revenue : 8% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of August amounts to R11, 7 million and the year to date budget is R30, 4 million. This reflects under spending variance of R18, 6 million that translates to 61% variance. The variance is attributing to under spending variance is depreciation and asset impairment and debt impairment, the municipality is still facing a challenge regarding the monthly movement of these two accounts.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10% except for the following:

- Employee related costs: 17% under performance
- Depreciation and Asset Impairment: 100% under performance
- Inventory Consumed and Bulk Purchase: 63% under performance
- Transfer and Subsidies : 100 % under performance
- Other Expenditure : 87% under performance

The above material variances are explained more in detail on Supporting Tables SC 1

Capital Expenditure

The year to date actual capital expenditure as at end of August 2022 amounts to R5 035 million and the year to date budget amounts to R 3 935 million and this gives rise to R1 100 million over performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of August is R3, 9 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of August amounts to R350 934 million and this show an increase of R 7 983 million as compared to R342 951 million as at end of 2021/22 financial year.

Consumer debtors is made up of service charges and property rates that amount to R236 154 million and other debtors amounting to R114 780 million.

Creditors

As at 31 August 2022 the municipality had an outstanding creditors amounting to R223 687 million and the bulk of this amount is made up by Bulk water :R118 374 million and bulk electricity :R85 360 million.

Table C2 – Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

| 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 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 81 333 | 80 404 | 80 404 | 5 545 | 30 204 | 13 401 | 16 803 | 125% | 80 404 |
| Executive and council | | 54 507 | 59 064 | 59 064 | 269 | 22 885 | 9 844 | 13 041 | 132% | 59 064 |
| Finance and administration | | 26 826 | 21 340 | 21 340 | 5 276 | 7 319 | 3 557 | 3 762 | 106% | 21 340 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 1 533 | 1 329 | 1 329 | 12 | 27 | 222 | (195) | -88% | 1 329 |
| Community and social services | | 1 216 | 1 189 | 1 189 | 9 | 20 | 198 | (178) | -90% | 1 189 |
| Sport and recreation | | 58 | - | - | - | - | - | - | - | - |
| Public safety | | 258 | 140 | 140 | 3 | 7 | 23 | (16) | -70% | 140 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | (3 731) | 450 | 450 | - | - | 75 | (75) | -100% | 450 |
| Planning and development | | - | - | - | - | - | - | - | - | - |
| Road transport | | (3 731) | 450 | 450 | - | - | 75 | (75) | -100% | 450 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 81 355 | 72 344 | 72 344 | 3 345 | 13 435 | 12 057 | 1 378 | 11% | 72 344 |
| Energy sources | | 15 546 | 21 361 | 21 361 | 1 351 | 2 889 | 3 560 | (671) | -19% | 21 361 |
| Water management | | 49 876 | 33 037 | 33 037 | 547 | 7 657 | 5 506 | 2 150 | 39% | 33 037 |
| Waste water management | | 8 985 | 9 101 | 9 101 | 696 | 1 398 | 1 517 | (119) | -8% | 9 101 |
| Waste management | | 6 948 | 8 845 | 8 845 | 750 | 1 492 | 1 474 | 18 | 1% | 8 845 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 160 490 | 154 528 | 154 528 | 8 902 | 43 666 | 25 755 | 17 912 | 70% | 154 528 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 103 010 | 48 038 | 48 038 | 3 330 | 5 768 | 8 006 | (2 238) | -28% | 48 038 |
| Executive and council | | 14 133 | 13 024 | 13 024 | 1 266 | 1 825 | 2 171 | (346) | -16% | 13 024 |
| Finance and administration | | 88 877 | 35 015 | 35 015 | 2 063 | 3 944 | 5 836 | (1 892) | -32% | 35 015 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 12 773 | 12 438 | 12 438 | 922 | 1 867 | 2 073 | (206) | -10% | 12 438 |
| Community and social services | | 2 526 | 2 850 | 2 850 | 187 | 374 | 475 | (101) | -21% | 2 850 |
| Sport and recreation | | 3 390 | 4 212 | 4 212 | 283 | 605 | 702 | (97) | -14% | 4 212 |
| Public safety | | 4 001 | 4 230 | 4 230 | 340 | 695 | 705 | (10) | -1% | 4 230 |
| Housing | | 2 856 | 1 146 | 1 146 | 112 | 193 | 191 | 2 | 1% | 1 146 |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 6 198 | 7 222 | 7 222 | 330 | 659 | 1 204 | (545) | -45% | 7 222 |
| Planning and development | | 3 787 | 5 832 | 5 832 | 242 | 484 | 972 | (488) | -50% | 5 832 |
| Road transport | | 2 411 | 1 390 | 1 390 | 88 | 175 | 232 | (56) | -24% | 1 390 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 63 219 | 114 616 | 114 616 | 335 | 3 448 | 19 103 | (15 654) | -82% | 114 616 |
| Energy sources | | 28 825 | 44 824 | 44 824 | (257) | 2 138 | 7 471 | (5 333) | -71% | 44 824 |
| Water management | | 24 595 | 28 868 | 28 968 | 351 | 823 | 4 828 | (4 005) | -83% | 28 968 |
| Waste water management | | 8 649 | 21 149 | 21 049 | 183 | 365 | 3 508 | (3 143) | -90% | 21 049 |
| Waste management | | 1 150 | 19 774 | 19 774 | 59 | 122 | 3 296 | (3 174) | -96% | 19 774 |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 185 199 | 182 313 | 182 313 | 4 917 | 11 742 | 30 386 | (18 643) | -61% | 182 313 |
| Surplus/ (Deficit) for the year | | (24 709) | (27 786) | (27 786) | 3 985 | 31 924 | (4 631) | 36 555 | -789% | (27 786) |

Table C3 – Financial Performance (Revenue and Expenditure by vote)

NC093 Magareng - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

| 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 | | | | | | | | | | |
| Vote 01 - Executive & Council | 1 | 54 507 | 59 064 | 59 064 | 269 | 22 885 | 9 844 | 13 041 | 132,5% | 59 064 |
| Vote 02 - Office Of The Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 03 - Corporate Services | | - | - | - | - | - | - | - | - | - |
| Vote 04 - Financial Services | | 26 826 | 21 340 | 21 340 | 5 276 | 7 319 | 3 557 | 3 762 | 105,8% | 21 340 |
| Vote 05 - Municipal Infrastructure | | 77 624 | 72 794 | 72 794 | 3 345 | 13 435 | 12 132 | 1 303 | 10,7% | 72 794 |
| Vote 06 - Community Services | | - | - | - | - | - | - | - | - | - |
| Vote 07 - Public Safety & Transport | | 1 533 | 1 329 | 1 329 | 12 | 27 | 222 | (195) | -87,9% | 1 329 |
| Vote 08 - Sports, Arts, Parks, Culture | | - | - | - | - | - | - | - | - | - |
| Vote 09 - Planning & Development | | - | - | - | - | - | - | - | - | - |
| 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 Revenue by Vote | 2 | 160 490 | 154 528 | 154 528 | 8 902 | 43 666 | 25 755 | 17 912 | 69,5% | 154 528 |
| Expenditure by Vote | | | | | | | | | | |
| Vote 01 - Executive & Council | 1 | 11 268 | 10 987 | 10 987 | 783 | 1 200 | 1 831 | (631) | -34,5% | 10 987 |
| Vote 02 - Office Of The Municipal Manager | | 1 839 | 2 037 | 2 037 | 49 | 104 | 339 | (236) | -69,4% | 2 037 |
| Vote 03 - Corporate Services | | 12 235 | 14 279 | 14 279 | 870 | 1 966 | 2 380 | (414) | -17,4% | 14 279 |
| Vote 04 - Financial Services | | 76 706 | 20 736 | 20 736 | 1 205 | 1 994 | 3 456 | (1 462) | -42,3% | 20 736 |
| Vote 05 - Municipal Infrastructure | | 68 120 | 119 589 | 119 589 | 908 | 4 262 | 19 932 | (15 670) | -78,6% | 119 589 |
| Vote 06 - Community Services | | - | - | - | - | - | - | - | - | - |
| Vote 07 - Public Safety & Transport | | 9 717 | 11 292 | 11 292 | 802 | 1 649 | 1 882 | (233) | -12,4% | 11 292 |
| Vote 08 - Sports, Arts, Parks, Culture | | - | - | - | - | - | - | - | - | - |
| Vote 09 - Planning & Development | | 5 315 | 3 394 | 3 394 | 300 | 567 | 566 | 2 | 0,3% | 3 394 |
| 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 Expenditure by Vote | 2 | 185 199 | 182 313 | 182 313 | 4 917 | 11 742 | 30 386 | (18 643) | -61,4% | 182 313 |
| Surplus/ (Deficit) for the year | 2 | (24 709) | (27 786) | (27 786) | 3 985 | 31 924 | (4 631) | 36 555 | -789,4% | (27 786) |

Table C2 and C3 measure the monthly actual and year to date actual against the year to date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification).

Table C4: Financial Performance by Revenue Source and Expenditure Type

NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

| Description | Ref | Budget Year 2022/23 | | | | | | | | |
|--|-----|-------------------------|-----------------|-----------------|----------------|---------------|----------------|-----------------|----------------|--------------------|
| | | 2021/22 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 | | 11 733 | 12 319 | 12 319 | 985 | 2 043 | 2 053 | (10) | 0% | 12 319 |
| Service charges - electricity revenue | | 15 185 | 20 897 | 20 897 | 1 351 | 2 889 | 3 483 | (594) | -17% | 20 897 |
| Service charges - water revenue | | 8 426 | 8 975 | 8 975 | 547 | 1 157 | 1 496 | (339) | -23% | 8 975 |
| Service charges - sanitation revenue | | 7 569 | 7 016 | 7 016 | 682 | 1 343 | 1 169 | 174 | 15% | 7 016 |
| Service charges - refuse revenue | | 5 666 | 6 437 | 6 437 | 509 | 1 013 | 1 073 | (60) | -6% | 6 437 |
| Rental of facilities and equipment | | 4 | 3 | 3 | - | - | 0 | (0) | -100% | 3 |
| Interest earned - external investments | | 6 296 | 3 122 | 3 122 | 887 | 1 731 | 520 | 1 211 | 233% | 3 122 |
| Interest earned - outstanding debtors | | 2 749 | 5 223 | 5 223 | 592 | 965 | 871 | 94 | 11% | 5 223 |
| Dividends received | | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 127 | 46 | 46 | 1 | 5 | 8 | (2) | -31% | 46 |
| Licences and permits | | (2 187) | - | - | - | - | - | - | - | - |
| Agency services | | 76 | - | - | - | - | - | - | - | - |
| Transfers and subsidies | | 62 864 | 64 964 | 64 964 | 3 269 | 25 885 | 10 827 | 15 058 | 139% | 64 964 |
| Other revenue | | 7 240 | 1 914 | 1 914 | 78 | 135 | 319 | (184) | -58% | 1 914 |
| Gains | | 196 | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 125 943 | 130 916 | 130 916 | 8 902 | 37 166 | 21 819 | 15 347 | 70% | 130 916 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 49 810 | 53 078 | 53 078 | 3 556 | 7 378 | 8 846 | (1 469) | -17% | 53 078 |
| Remuneration of councillors | | 4 263 | 4 675 | 4 675 | 388 | 776 | 779 | (3) | 0% | 4 675 |
| Debt impairment | | 35 611 | 37 815 | 37 815 | - | - | 6 303 | (6 303) | -100% | 37 815 |
| Depreciation & asset impairment | | 27 108 | 30 431 | 30 431 | - | - | 5 072 | (5 072) | -100% | 30 431 |
| Finance charges | | 5 447 | - | - | - | - | - | - | - | - |
| Bulk purchases - electricity | | 24 641 | 24 750 | 24 750 | - | 1 960 | 4 125 | (2 165) | -52% | 24 750 |
| Inventory consumed | | 23 086 | 13 850 | 13 820 | 162 | 428 | 2 306 | (1 877) | -81% | 13 820 |
| Contracted services | | 6 187 | 6 720 | 6 720 | 7 | 190 | 1 120 | (930) | -83% | 6 720 |
| Transfers and subsidies | | - | 20 | 20 | - | - | 3 | (3) | -100% | 20 |
| Other expenditure | | 9 046 | 10 974 | 11 004 | 804 | 1 011 | 1 832 | (821) | -45% | 11 004 |
| Losses | | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 185 199 | 182 313 | 182 313 | 4 917 | 11 742 | 30 386 | (18 643) | -61% | 182 313 |
| Surplus/(Deficit) | | (59 256) | (51 398) | (51 398) | 3 985 | 25 424 | (8 566) | 33 990 | (0) | (51 398) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 30 851 | 23 612 | 23 612 | - | 6 500 | 3 935 | 2 565 | 0 | 23 612 |
| 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) | | 3 696 | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | (24 709) | (27 786) | (27 786) | 3 985 | 31 924 | (4 631) | | | (27 786) |
| Taxation | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | (24 709) | (27 786) | (27 786) | 3 985 | 31 924 | (4 631) | | | (27 786) |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | (24 709) | (27 786) | (27 786) | 3 985 | 31 924 | (4 631) | | | (27 786) |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | | (24 709) | (27 786) | (27 786) | 3 985 | 31 924 | (4 631) | | | (27 786) |

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property rates, service charges – electricity, refuse, rental of facilities and equipment, interest earned – external investments, interest on outstanding debtors, fines, penalties and forfeits, licenses and permits and other revenue.

In the case of expenditure, the following line items reflect material variance; Remuneration of councilors, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, employee related costs, other materials, and transfer and subsidies.

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% and more.

Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

| Vote Description | Ref | Budget Year 2022/23 | | | | | | | | |
|--|-----|-------------------------|-----------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | 2021/22 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 01 - Executive & Council | | - | - | - | - | - | - | - | - | - |
| 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 - Planning & Development | | - | - | - | - | - | - | - | - | - |
| Vote 10 - Hunan Settlements | | - | - | - | - | - | - | - | - | - |
| Vote 11 - Idp, 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 - Executive & Council | | - | - | - | - | - | - | - | - | - |
| Vote 02 - Office Of The Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 03 - Corporate Services | | 261 | - | - | - | - | - | - | - | - |
| Vote 04 - Financial Services | | - | - | - | - | - | - | - | - | - |
| Vote 05 - Municipal Infrastructure | | 24 369 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Vote 06 - Community Services | | - | - | - | - | - | - | - | - | - |
| Vote 07 - Public Safety & Transport | | - | - | - | - | - | - | - | - | - |
| Vote 08 - Sports, Arts, Parks, Culture | | - | - | - | - | - | - | - | - | - |
| Vote 09 - Planning & Development | | - | - | - | - | - | - | - | - | - |
| Vote 10 - Hunan Settlements | | - | - | - | - | - | - | - | - | - |
| Vote 11 - Idp, Pms Department | | - | - | - | - | - | - | - | - | - |
| Vote 12 - Spatial Development, Planning & Traditional Affairs | | - | - | - | - | - | - | - | - | - |
| Vote 13 - Electricity Department | | - | - | - | - | - | - | - | - | - |
| Vote 14 - Maluti Water | | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - |
| Total Capital single-year expenditure | 4 | 24 630 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Total Capital Expenditure | | 24 630 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 261 | - | - | - | - | - | - | - | - |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | 261 | - | - | - | - | - | - | - | - |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | - | - | - | - | - | - | - | - | - |
| Community and social services | | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | - | - | - | - | - | - | - | - | - |
| Planning and development | | - | - | - | - | - | - | - | - | - |
| Road transport | | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 24 369 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Energy sources | | 207 | - | - | - | - | - | - | - | - |
| Water management | | 22 358 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Waste water management | | 1 805 | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 24 630 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Funded by: | | | | | | | | | | |
| National Government | | 14 358 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Provincial Government | | - | - | - | - | - | - | - | - | - |
| District Municipality | | 1 180 | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | 6 559 | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | 22 097 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 2 533 | - | - | - | - | - | - | - | - |
| Total Capital Funding | | 24 630 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |

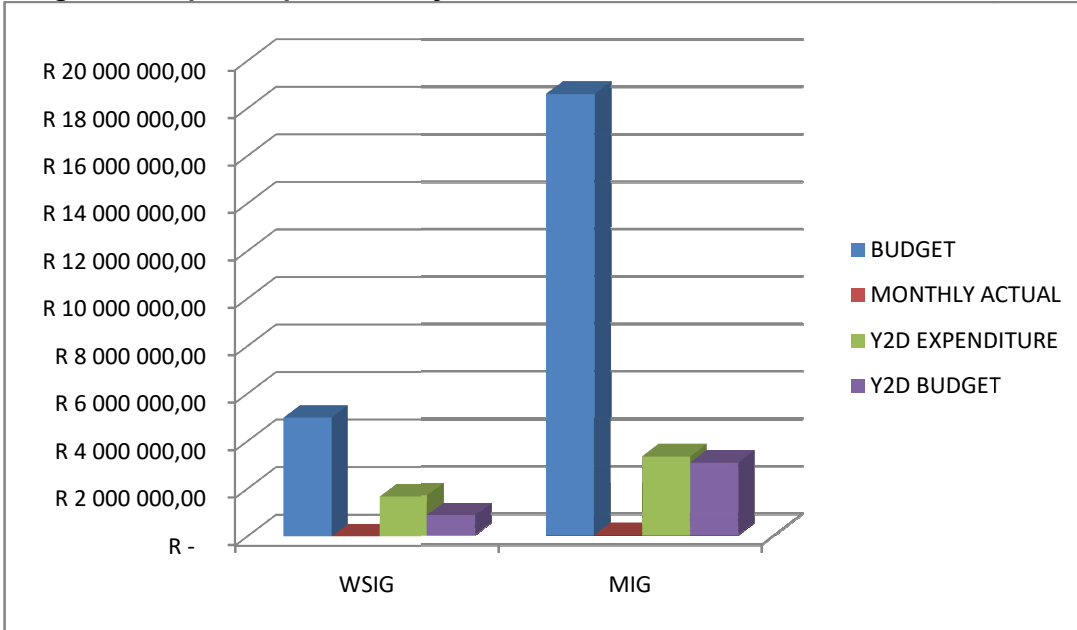
Table C5C: Monthly Capital Expenditure by Vote

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M02 August

| 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 |
| Capital expenditure - Municipal Vote | | | | | | | | | | |
| Expenditure of multi-year capital appropriation | 1 | | | | | | | | | |
| Capital expenditure - Municipal Vote | | | | | | | | | | |
| Expenditure of single-year capital appropriation | 1 | | | | | | | | | |
| Vote 01 - Executive & Council | | - | - | - | - | - | - | - | - | - |
| 01.1 - Council & Executive Administration | | - | - | - | - | - | - | - | - | - |
| Vote 02 - Office Of The Municipal Manager | | - | - | - | - | - | - | - | - | - |
| 02.1 - Office Of The Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 03 - Corporate Services | | 261 | - | - | - | - | - | - | - | - |
| 03.1 - Administration And Legal | | - | - | - | - | - | - | - | - | - |
| 03.2 - Corporate Admin | | 261 | - | - | - | - | - | - | - | - |
| 03.3 - Human Resources | | - | - | - | - | - | - | - | - | - |
| Vote 04 - Financial Services | | - | - | - | - | - | - | - | - | - |
| 04.1 - Finance Admin | | - | - | - | - | - | - | - | - | - |
| Vote 05 - Municipal Infrastructure | | 24 369 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| 05.1 - Technical Admin | | - | - | - | - | - | - | - | - | - |
| 05.2 - Roads And Stormwater | | - | - | - | - | - | - | - | - | - |
| 05.3 - Solid Waste Management | | - | - | - | - | - | - | - | - | - |
| 05.4 - Sanitation | | 1 805 | - | - | - | - | - | - | - | - |
| 05.5 - Water | | 22 358 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28% | 23 612 |
| 05.6 - Electricity | | 207 | - | - | - | - | - | - | - | - |
| Vote 06 - Community Services | | - | - | - | - | - | - | - | - | - |
| Vote 07 - Public Safety & Transport | | - | - | - | - | - | - | - | - | - |
| 07.1 - Cemetary | | - | - | - | - | - | - | - | - | - |
| 07.2 - Library | | - | - | - | - | - | - | - | - | - |
| 07.3 - Library | | - | - | - | - | - | - | - | - | - |
| 07.4 - Traffic | | - | - | - | - | - | - | - | - | - |
| 07.5 - Traffic | | - | - | - | - | - | - | - | - | - |
| 07.6 - Parks And Recreation | | - | - | - | - | - | - | - | - | - |
| 07.7 - Safety | | - | - | - | - | - | - | - | - | - |
| Vote 08 - Sports, Arts, Parks, Culture | | - | - | - | - | - | - | - | - | - |
| Vote 09 - Planning & Development | | - | - | - | - | - | - | - | - | - |
| 09.1 - Planning And Development | | - | - | - | - | - | - | - | - | - |
| 09.2 - Led | | - | - | - | - | - | - | - | - | - |
| 09.3 - Idp | | - | - | - | - | - | - | - | - | - |
| 09.4 - Land Use | | - | - | - | - | - | - | - | - | - |
| Vote 10 - Hunan Settlements | | - | - | - | - | - | - | - | - | - |
| Vote 11 - Idp, Pms Department | | - | - | - | - | - | - | - | - | - |
| Vote 12 - Spatial Development, Planning & Traditional Affa | | - | - | - | - | - | - | - | - | - |
| Vote 13 - Electricity Department | | - | - | - | - | - | - | - | - | - |
| Vote 14 - Maluti Water | | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - |
| Total single-year capital expenditure | | 24 630 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 0 | 23 612 |
| Total Capital Expenditure | | 24 630 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 0 | 23 612 |

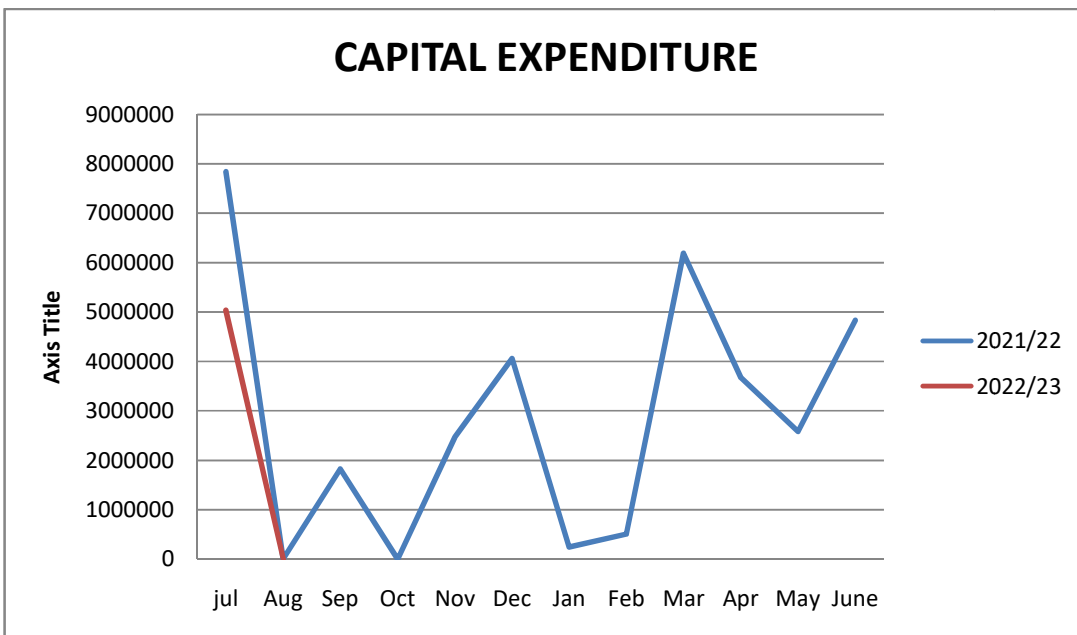
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of August 2022, there was no capital spending incurred.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R23 612 million, R18 612 million is funded from Municipal Infrastructure grant and R5 000 million is from Water services infrastructure grant and the spending per source of finance is presented in the above graph.

Figure 2: Monthly capital expenditure



The above graph compares the 2021/22 and 2022/23 monthly capital expenditure

performance.

Table C6: Monthly Budget Statement Financial Position

NC093 Magareng - Table C6 Monthly Budget Statement - Financial Position - M02 August

| Description | Ref | 2021/22 | Budget Year 2022/23 | | | |
|--|-----|------------------|---------------------|------------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | (101 324) | (253 960) | (253 960) | 1 349 | (253 960) |
| Call investment deposits | | 3 826 | 62 108 | 62 108 | 172 | 62 108 |
| Consumer debtors | | 12 647 | 28 402 | 28 402 | 20 526 | 28 402 |
| Other debtors | | 52 655 | 51 486 | 51 486 | 53 746 | 51 486 |
| Current portion of long-term receivables | | | | | | |
| Inventory | | 164 | 467 | 467 | 164 | 467 |
| Total current assets | | (32 032) | (111 496) | (111 496) | 75 957 | (111 496) |
| Non current assets | | | | | | |
| Long-term receivables | | 0 | 1 | 1 | 0 | 1 |
| Investments | | | | | | |
| Investment property | | 23 831 | 23 831 | 23 831 | 23 831 | 23 831 |
| Investments in Associate | | | | | | |
| Property, plant and equipment | | 286 637 | 300 056 | 300 056 | 291 673 | 300 056 |
| Biological | | | | | | |
| Intangible | | 20 | 79 | 79 | 20 | 79 |
| Other non-current assets | | 371 | 371 | 371 | 371 | 371 |
| Total non current assets | | 310 859 | 324 339 | 324 339 | 315 895 | 324 339 |
| TOTAL ASSETS | | 278 827 | 212 842 | 212 842 | 391 852 | 212 842 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | - | - | - |
| Borrowing | | 191 | - | - | 165 | - |
| Consumer deposits | | 1 303 | 1 254 | 1 254 | 1 311 | 1 254 |
| Trade and other payables | | 356 914 | 230 550 | 230 550 | 228 347 | 230 550 |
| Provisions | | 7 741 | 6 442 | 6 442 | 7 741 | 6 442 |
| Total current liabilities | | 366 150 | 238 246 | 238 246 | 237 564 | 238 246 |
| Non current liabilities | | | | | | |
| Borrowing | | - | - | - | - | - |
| Provisions | | 12 754 | 3 105 | 3 105 | 12 754 | 3 105 |
| Total non current liabilities | | 12 754 | 3 105 | 3 105 | 12 754 | 3 105 |
| TOTAL LIABILITIES | | 378 905 | 241 351 | 241 351 | 250 318 | 241 351 |
| NET ASSETS | 2 | (100 077) | (28 509) | (28 509) | 141 533 | (28 509) |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 133 045 | (27 786) | (27 786) | 119 586 | (27 786) |
| Reserves | | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 133 045 | (27 786) | (27 786) | 119 586 | (27 786) |

Taking the current liabilities and current assets together, the municipality has current ratio of 0.32 that is below the acceptable norm of 1.5. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio; the current situation suggests that the municipality would struggle to meet its short term ob

Table C7: Monthly Budget Statement Cash Flow

NC093 Magareng - Table C7 Monthly Budget Statement - Cash Flow - M02 August

| 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 | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | - | 4 312 | 4 312 | 341 | 737 | 719 | 18 | 3% | 4 312 |
| Service charges | | - | 15 509 | 15 509 | 1 985 | 4 210 | 2 585 | 1 626 | 63% | 15 509 |
| Other revenue | | - | 238 520 | 238 520 | (402) | (721) | 39 753 | (40 474) | -102% | 238 520 |
| Transfers and Subsidies - Operational | | - | 64 964 | 64 964 | 3 269 | 25 885 | 10 827 | 15 058 | 139% | 64 964 |
| Transfers and Subsidies - Capital | | - | 23 612 | 23 612 | - | 6 500 | 3 935 | 2 565 | 65% | 23 612 |
| Interest | | - | 3 122 | 3 122 | - | - | 520 | (520) | -100% | 3 122 |
| Dividends | | | | | | | | | | |
| Payments | | | | | | | | | | |
| Suppliers and employees | | - | (74 437) | (74 437) | (4 597) | (32 538) | (12 406) | 20 132 | -162% | (74 437) |
| Finance charges | | | | | | | | | | |
| Transfers and Grants | | | | | | | | | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | - | 275 601 | 275 601 | 595 | 4 073 | 45 934 | 41 860 | 91% | 275 601 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | | | | | | | | | |
| Decrease (increase) in non-current receivables | | - | 1 | - | - | 0 | 0 | (0) | -100% | 1 |
| Decrease (increase) in non-current investments | | | | | | | | | | |
| Payments | | | | | | | | | | |
| Capital assets | | - | (23 612) | (23 612) | - | (5 035) | (3 935) | 1 100 | -28% | (23 612) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | - | (23 611) | (23 612) | - | (5 035) | (3 935) | 1 100 | -28% | (23 611) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | | | | | | | | | |
| Borrowing long term/refinancing | | | | | | | | | | |
| Increase (decrease) in consumer deposits | | - | 331 | - | (2) | 8 | 55 | (47) | -86% | 331 |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | | | | | | | | | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | 331 | - | (2) | 8 | 55 | 47 | 86% | 331 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | | | | | | | | |
| Cash/cash equivalents at beginning: | | 6 674 | 577 | 577 | (464) | 1 985 | 577 | | | 1 985 |
| Cash/cash equivalents at month/year end: | | 6 674 | 252 898 | 252 566 | | 1 031 | 42 630 | | | 254 306 |

Table C7 presents details pertaining to cash flow performance. As at end of August 2022, the netcash inflow from operating activities is R 595 thousand whilst the was so movement in net cash outflow from investing activities that is mainly comprised of capital expenditure movement, and cashoutflow from financing activities is -R2 thousand. The cash and cash equivalent held at end of August 2022 amounted to R 1, 03 million and the net effect of the above cash flows is cash outflow movement of -R955 thousand.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

| DESCRIPTION | VARIANCE | REASON FOR MATERIAL VARIANCE | REMEDIAL OR CORRECTIVE STEPS/REMARKS |
|---------------------------------------|----------|---|--|
| REVENUE BY SOURCE | | | |
| Property rates | 0% | The projected monthly revenue appear to be slightly high in light of the actual revenue performance | the variance is immaterial and no remedial action is needed |
| Service charges - electricity revenue | -17% | The actual revenue is less than the projected monthly revenue | the municipality needs to look at the revenue generated at the electricity services or this might be due to over budgeting |
| Service charges - water revenue | -23% | The actual revenue is less than the projected monthly revenue | This negative variance is as a result of not being able to bill the ikhutseng community as there are no metering systems put in place whilst some part of the community is unhappy with the service being rendered as there is shortage of water, and the municipality does not supply all residents. Currently the municipality is increasing the capacity of reservoirs as a way of ensuring the whole community has access to water. |
| Service charges - sanitation revenue | 15% | The projected monthly revenue appear to be high in light of the actual revenue performance | the variance is immaterial and no remedial action is needed |
| Service charges - refuse revenue | -6% | The actual revenue is less than the projected monthly revenue | No remedial action is needed as the variance is below 10% |
| Rental of facilities and equipment | -100% | The actual revenue is less than the projected monthly revenue | the municipality needs to look at the revenue generated on their rental facilities to see if they generate cash as they are rented out. |
| Interest earned - outstanding debtors | 11% | The actual revenue is less than the projected monthly revenue | Illegal connections/meter tampering and illegal reconnection by the customer's where the supply is self reconnected without any payment. Mechanisms to be put in place on how to resolve such challenges. |
| Fines, penalties and forfeits | -31% | The projected monthly revenue appear to be high in light of the actual revenue performance | the variance is immaterial and no remedial action is needed |
| Transfers and subsidies | 139% | The projected monthly revenue appear to be high in light of the actual revenue performance | The municipality receives grants as per DoRA schedule |
| Other revenue | -58% | The actual revenue is less than the projected monthly revenue | The municipality needs to cut down the budgeted revenue during the main adjustment with a hope that the actual generated revenue with to date will agree with the monthly projection revenue |
| Expenditure By Type | | | |
| Employee related costs | -17% | the actual expenditure incurred is less than the projected monthly actual | There are still vacant posts that needs to be filled and are being budgeted for. |
| Remuneration of councillors | 0% | the actual expenditure is on par with the monthly actual projection | No remedial action is needed. |
| Debt impairment | -100% | Debt impairment is calculated at bi-annual | the municipality should do away with this approach if its not viable |
| Depreciation & asset impairment | -100% | depreciation is calculated annually | The Asset Management System currently do not interface with the Financial System and this make it difficult, to post the transactions for depreciation monthly or quarterly. We currently have to pass journals in the financial system to recognise depreciation in the general ledger. This is due to the fact that the systems do not interface. Once journals are passed for depreciation and changes needs to be done for depreciation due to asset processes like disposals or impairment recognition, we will have to pass new journals for the correction of depreciation. |
| Bulk purchases - electricity | -52% | the actual expenditure is on par with the monthly actual projection | No remedial action is needed. |
| Inventory consumed | -81% | the actual expenditure incurred is less than the projected monthly actual | the municipality has an agreement with vaalharts water board |
| Contracted services | -83% | the actual expenditure incurred is less than the projected monthly actual | the expenditure is lower than expected |
| Transfers and subsidies | -100% | the actual expenditure incurred is less than the projected monthly actual | the municipality can not spent on this grant because nothing is being received |
| Other expenditure | -45% | the actual expenditure incurred is less than the projected monthly actual | No remedial action is needed. |

Supporting Table: SC 1 Material Variance Explanations (Continuation)

| | | | |
|---------------------------------------|-------|--|---|
| Capital expenditure | | | |
| National government | 28% | the actual expenditure incurred is more than the projected monthly actual | No remedial action is needed. |
| CASH FLOW | | | |
| Receipts | | | |
| Property rates | 3% | The projected monthly revenue appear to be high in light of the actual revenue performance | the variance is immaterial and no remedial action is needed |
| Service charges | 63% | The projected monthly revenue appear to be high in light of the actual revenue performance | the variance is immaterial and no remedial action is needed |
| Other revenue | -102% | The actual revenue is less than the projected monthly revenue | the municipality should come up with strategies to ensure all leased municipal assets are rented out as projected |
| Transfers and Subsidies - Operational | 139% | The actual revenue is less than the projected monthly revenue | The municipality receives grants as per DoRA schedule |
| Transfers and Subsidies - Capital | 65% | The actual revenue is less than the projected monthly revenue | The municipality receives grants as per DoRA schedule |
| Interest | -100% | interest on other revenue is projected to under collection from other debtors | The revenue section will have to do a thorough investigation into the lower interest generated and ascertain that interest is being duly charged to all outstanding balances that should attract interest and also confirm if interest write-offs are not erroneously done against the income vote. |

Supporting Table: SC 3 - Debtors Age Analysis

NC093 Magareng - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

| Description | NT Code | Budget Year 2022/23 | | | | | | | | | | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.to Council Policy |
|---|-------------|---------------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|--------------------|--|--|
| | | 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 | Total over 90 days | | |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 813 | 745 | 672 | 1 453 | 771 | 751 | 4 402 | 55 014 | 64 623 | 62 392 | | |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 697 | 512 | 234 | 336 | 219 | 275 | 1 916 | 30 023 | 34 212 | 32 768 | | |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 1 118 | 972 | 783 | 777 | 741 | 739 | 4 186 | 39 181 | 48 498 | 45 624 | | |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 783 | 768 | 696 | 697 | 700 | 699 | 4 300 | 42 523 | 51 167 | 48 919 | | |
| Receivables from Exchange Transactions - Waste Management | 1600 | 591 | 560 | 503 | 502 | 503 | 505 | 3 081 | 31 409 | 37 654 | 36 000 | | |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | - | - | - | - | - | - | - | - | - | - | | |
| Interest on Arrear Debtor Accounts | 1810 | 1 506 | 1 431 | 790 | 783 | 783 | 1 629 | 9 770 | 94 466 | 111 157 | 107 430 | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | | |
| Other | 1900 | 76 | 100 | 32 | 41 | 29 | 42 | 229 | 3 073 | 3 623 | 3 415 | | |
| Total By Income Source | 2000 | 5 585 | 5 089 | 3 711 | 4 591 | 3 745 | 4 641 | 27 883 | 295 689 | 350 934 | 336 549 | - | - |
| 2021/22 - totals only | | 4 131 | 4 766 | 3 816 | 4 769 | 4 770 | 4 842 | 27 959 | 287 899 | 342 951 | 330 238 | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 379 | 312 | 210 | 215 | 155 | 190 | 886 | 7 521 | 9 868 | 8 967 | | |
| Commercial | 2300 | 822 | 474 | 243 | 258 | 216 | 319 | 1 961 | 16 918 | 21 210 | 19 671 | | |
| Households | 2400 | 4 357 | 4 275 | 3 239 | 4 098 | 3 356 | 4 110 | 24 898 | 269 880 | 318 214 | 306 343 | | |
| Other | 2500 | 28 | 28 | 19 | 19 | 19 | 22 | 139 | 1 369 | 1 643 | 1 568 | | |
| Total By Customer Group | 2600 | 5 585 | 5 089 | 3 711 | 4 591 | 3 745 | 4 641 | 27 883 | 295 689 | 350 934 | 336 549 | - | - |

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of August amount to R350 934 million. The debtors' book is made up as follows:

- Rates 14%
- Electricity 10%
- Water 18%
- Waste water management 15%
- Waste management 11%
- Interest on Debtors 32%
- Other 1%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

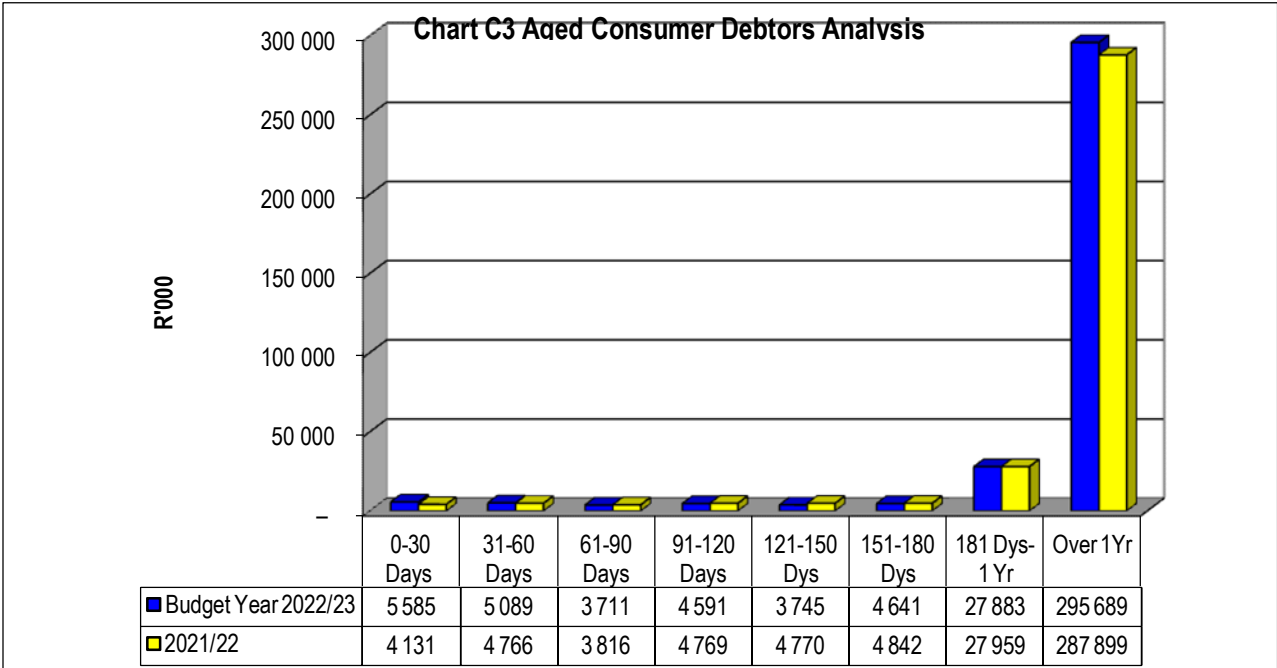
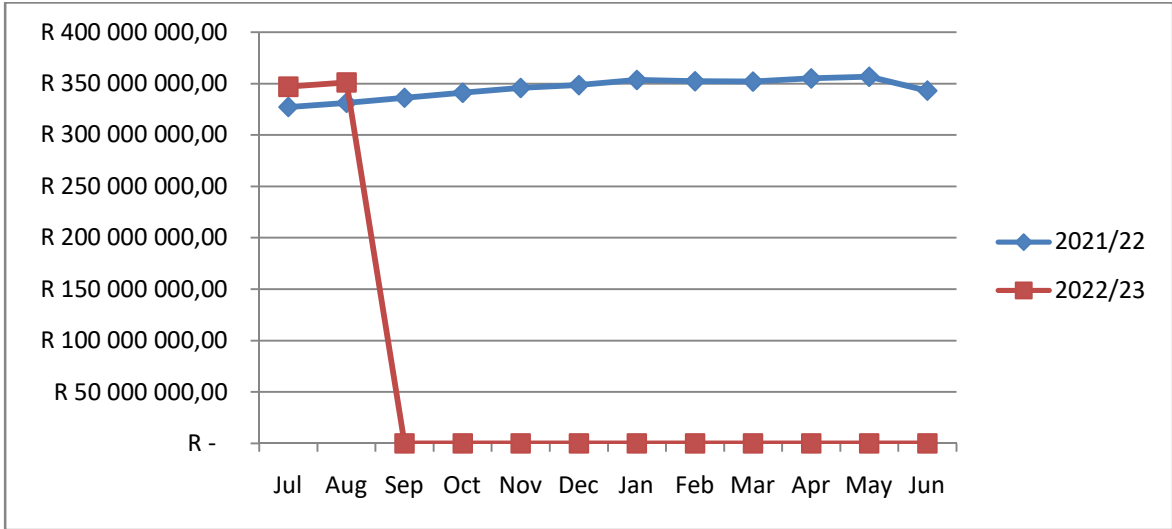


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of August 2022) whilst the latter shows monthly movement of debtors for both the current financial year and the 2021/22 financial year. The debtors book is materially less than the 2022/23 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

Below is list of top twenty debtors that contribute significantly to the ever-growing debt book.

TOP TWENTY DEBTORS

| Clipboard | | Font | | Alignment | | Number | |
|-----------|------------|--------------------------------|-------------|-------------|-----------|--------|--|
| D1 | | fx Account No | | | | | |
| | D | E | F | G | H | | |
| 1 | Account No | Debtor Name | Previous | 30 Days | 60 Days | | |
| 2 | 1200263 | WARRENTON SUPER CHICKEN PTY LT | R - | R - | R 5 214. | | |
| 3 | 1006107 | WARRENTON HOSPITAAL | R 41 242.53 | R 42 900.26 | R 24 518. | | |
| 4 | 1013046 | DWT DAILY WHEEL AND TYRES (PTY | R 15 492.61 | R 82 613.91 | R 8 618. | | |
| 5 | 1015015 | SANRAL S | R 88 914.51 | R 11 943.06 | R 16 984. | | |
| 6 | 1014691 | NATIONAL GOVERNMENT OF RSA | R 66 575.94 | R 68 587.87 | R 57 580. | | |
| 7 | 1006046 | CONTINENTAL PANEL BEATERS | R 33 043.10 | R 32 869.16 | R 27 133. | | |
| 8 | 1200112 | MAGELEVENDZE INV CC | R - | R - | R - | | |
| 9 | 1002224 | IMPERIAL SUPERMARKET | R 5 770.85 | R 5 809.86 | R 3 616. | | |
| 10 | 1008542 | MTHEMBU J | R 3 701.38 | R 3 700.24 | R 2 063. | | |

Supporting Table: SC 4 - Creditors Age Analysis

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

| Description R thousands | NT Code | Budget Year 2022/23 | | | | | | | | Total | 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 | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | | | |
| Bulk Electricity | 0100 | 2 042 | 2 866 | 2 700 | 1 676 | 3 025 | 40 555 | 32 495 | - | 85 360 | | |
| Bulk Water | 0200 | 802 | 851 | 885 | 221 | 1 342 | 12 196 | 5 115 | 96 961 | 118 374 | | |
| PAYE deductions | 0300 | - | - | - | - | - | - | - | - | - | | |
| VAT (output less input) | 0400 | - | - | - | - | - | - | - | - | - | | |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | - | - | | |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - | | |
| Trade Creditors | 0700 | - | 213 | 201 | 1 703 | - | - | - | - | 2 117 | | |
| Auditor General | 0800 | 339 | 17 | 20 | 20 | 215 | 194 | 1 068 | 15 964 | 17 836 | | |
| Other | 0900 | - | - | - | - | - | - | - | - | - | | |
| Total By Customer Type | 1000 | 3 183 | 3 947 | 3 805 | 3 622 | 4 581 | 52 945 | 38 678 | 112 925 | 223 687 | - | |

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipalities' creditors as at the 31 August 2022 amounted to R223 687 million. This amount is made up of various creditors which include amongst others the Eskom of R85 360 million, and Vaalharts water of R118 374 million. The municipality cannot pay its creditors within 30 days due to low revenue collection.

NC093 Magareng - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

| 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 |
|--|-----|----------------------|--------------------|-----------------------------|---------------------------------|---------------|-------------------------|----------------------|---------------------------|-----------------|-------------------------|------------------------------------|-------------------|-----------------|
| | | Yrs/Months | | | | | | | | | | | | |
| R thousands | | | | | | | | | | | | | | |
| Municipality | | | | | | | | | | | | | | |
| Municipality sub-total | | | | | | | | | | - | | - | - | - |
| Entities | | | | | | | | | | | | | | - |
| Entities sub-total | | | | | | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | | | | | | - | | - | - | - |

The Municipality’s current investment portfolio during the month of August is left blank intentionally because the municipality updates its investment register quarterly.

Supporting Table: SC 6 - Transfers and Grant Receipts

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

| 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 | | | | | | | | | | |
| RECEIPTS: | 1,2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 57 161 | 62 064 | 62 064 | 3 269 | 25 885 | 10 344 | 15 541 | 150,2% | 62 064 |
| Equitable Share | | 51 086 | 57 991 | 57 991 | - | 22 616 | 9 665 | 12 951 | 134,0% | 57 991 |
| Expanded Public Works Programme Integrated Grant | | 1 121 | 1 073 | 1 073 | 269 | 269 | 179 | 90 | 50,4% | 1 073 |
| Local Government Financial Management Grant | | 2 850 | 3 000 | 3 000 | 3 000 | 3 000 | 500 | 2 500 | 500,0% | 3 000 |
| Municipal Disaster Relief Grant | | 2 104 | - | - | - | - | - | - | - | - |
| Other transfers and grants [insert description] | | | | | | | | | | |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| Other transfers and grants [insert description] | | | | | | | | | | |
| District Municipality: | | 4 603 | 1 800 | 1 800 | - | - | 300 | (300) | -100,0% | 1 800 |
| Specify (Add grant description) | | 4 603 | 1 800 | 1 800 | - | - | 300 | (300) | -100,0% | 1 800 |
| Other grant providers: | | 1 100 | 1 100 | 1 100 | - | - | 183 | (183) | -100,0% | 1 100 |
| Education Training and Development Practices SETA | | - | - | - | - | - | - | - | - | - |
| National Library South Africa | | 1 100 | 1 100 | 1 100 | - | - | 183 | (183) | -100,0% | 1 100 |
| Post Retirement Benefit | | - | - | - | - | - | - | - | - | - |
| Total Operating Transfers and Grants | 5 | 62 864 | 64 964 | 64 964 | 3 269 | 25 885 | 10 827 | 15 058 | 139,1% | 64 964 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 30 851 | 23 612 | 23 612 | - | 6 500 | 3 935 | 2 565 | 65,2% | 23 612 |
| Integrated National Electrification Programme Grant | | - | - | - | - | - | - | - | - | - |
| Municipal Disaster Relief Grant | | - | - | - | - | - | - | - | - | - |
| Municipal Infrastructure Grant | | 8 175 | 18 612 | 18 612 | - | 4 000 | 3 102 | 898 | 28,9% | 18 612 |
| Regional Bulk Infrastructure Grant | | 18 677 | - | - | - | - | - | - | - | - |
| Water Services Infrastructure Grant | | 4 000 | 5 000 | 5 000 | - | 2 500 | 833 | 1 667 | 200,0% | 5 000 |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| District Municipality: | | 3 696 | - | - | - | - | - | - | - | - |
| Specify (Add grant description) | | 3 696 | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Total Capital Transfers and Grants | 5 | 34 547 | 23 612 | 23 612 | - | 6 500 | 3 935 | 2 565 | 65,2% | 23 612 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 97 411 | 88 576 | 88 576 | 3 269 | 32 385 | 14 763 | 17 622 | 119,4% | 88 576 |

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R31,4 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R 0 million; Financial Management Grant amounting to R 3 million; Municipal Infrastructure Grant amounting to R 0 million; Water Service Infrastructure Grant R 0 million, Expanded Public Works Programme R 269 thousands, Library Grant R0 million and Frances Baard District Grant R0 were received. Most of the first trench of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

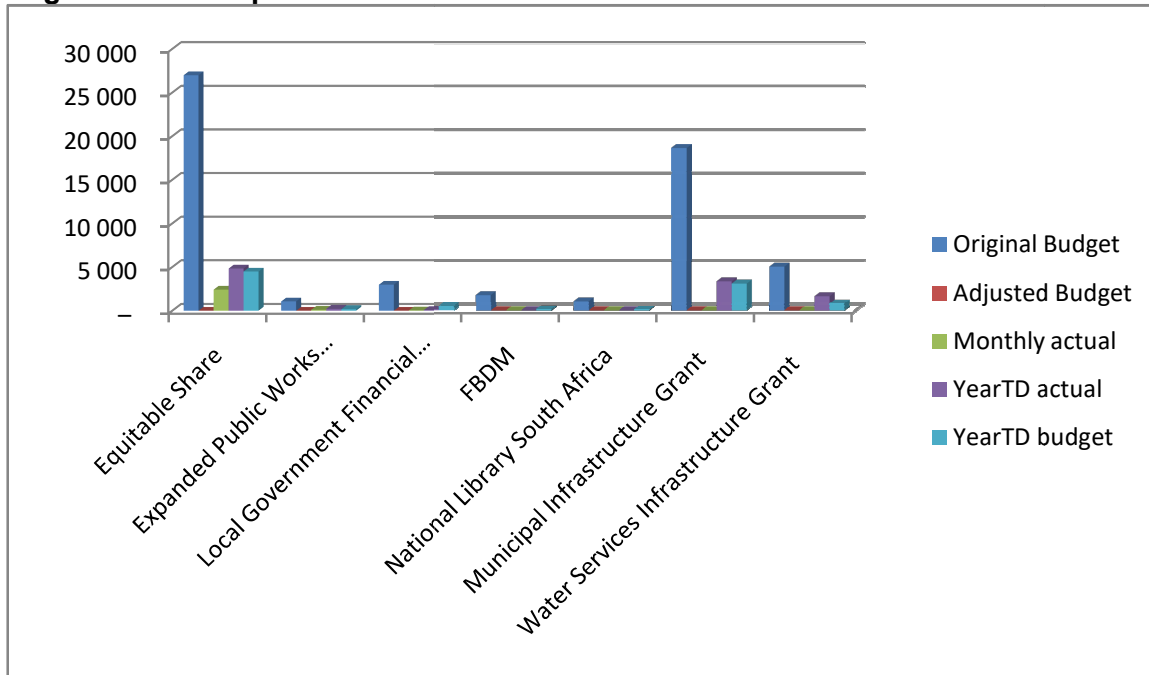
Supporting Table: SC 7 Transfers and grants – Expenditure

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

| 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: | | 90 704 | 62 064 | 62 064 | 2 572 | 22 912 | 10 344 | 12 568 | 121,5% | 31 011 |
| Equitable Share | | 84 427 | 57 991 | 57 991 | 2 421 | 22 616 | 9 665 | 12 951 | 134,0% | 26 951 |
| Expanded Public Works Programme Integrated Grant | | 1 102 | 1 073 | 1 073 | 110 | 215 | 179 | 36 | 20,1% | 1 073 |
| Local Government Financial Management Grant | | 3 763 | 3 000 | 3 000 | 40 | 81 | 500 | (419) | -83,8% | 2 987 |
| Municipal Disaster Relief Grant | | 1 412 | - | - | - | - | - | - | - | - |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Specify (Add grant description) | | 4 078 | 1 800 | 1 800 | - | - | 300 | (300) | -100,0% | 1 800 |
| Other grant providers: | | 1 942 | 1 100 | 1 100 | - | - | 183 | (183) | -100,0% | 1 100 |
| Education Training and Development Practices SETA | | - | - | - | - | - | - | - | - | - |
| National Library South Africa | | 1 942 | 1 100 | 1 100 | - | - | 183 | (183) | -100,0% | 1 100 |
| Total operating expenditure of Transfers and Grants: | | 92 646 | 63 164 | 63 164 | 2 572 | 22 912 | 10 527 | 12 384 | 117,6% | 32 111 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 14 358 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28,0% | 23 612 |
| Integrated National Electrification Programme Grant | | - | - | - | - | - | - | - | - | - |
| Municipal Disaster Relief Grant | | - | - | - | - | - | - | - | - | - |
| Municipal Infrastructure Grant | | 7 935 | 18 612 | 18 612 | - | 3 355 | 3 102 | 253 | 8,1% | 18 612 |
| Water Services Infrastructure Grant | | 6 423 | 5 000 | 5 000 | - | 1 681 | 833 | 847 | 101,7% | 5 000 |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | 1 180 | - | - | - | - | - | - | - | - |
| Specify (Add grant description) | | 1 180 | - | - | - | - | - | - | - | - |
| Other grant providers: | | 6 559 | - | - | - | - | - | - | - | - |
| Pocket Money Households (Cash) | | 6 559 | - | - | - | - | - | - | - | - |
| Total capital expenditure of Transfers and Grants | | 22 097 | 23 612 | 23 612 | - | 5 035 | 3 935 | 1 100 | 28,0% | 23 612 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 114 743 | 86 776 | 86 776 | 2 572 | 27 947 | 14 463 | 13 484 | 93,2% | 55 723 |

An amount of R2,6 million has been spent on grants during the month of August 2022 and the year to date actual is R 27,9 million whilst the year to date budget amounts to R 14,5 million and this results in an over spending variance of R 13,4 million that translates to 93,2%. Of the total spending amounting to R2 572 million, this amount was only spent on operational grants.

Figure 5: Grants performance



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of August 2022. The grants expenditure is shown below in percentages when compared to the original budget:

- Financial Management Grant 1.3%
- Expanded Public Work Programme 10.3%
- Equitable Share 8.9%
- Francis Baard District Municipality Grant 0%
- Library Grant 0%
- Municipal Infrastructure Grant 0%
- Water Services Infrastructure Grant 0%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

NC093 Magareng - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

| Summary of Employee and Councilor 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 | | A | B | C | | | | | | D |
| Councillors (Political Office Bearers plus Other) | 1 | | | | | | | | | |
| Basic Salaries and Wages | | 3 004 | 3 654 | 3 654 | 270 | 548 | 609 | (61) | -10% | 3 654 |
| Pension and UIF Contributions | | 278 | 44 | 44 | 31 | 63 | 7 | 56 | 757% | 44 |
| Medical Aid Contributions | | 124 | 84 | 84 | 10 | 17 | 14 | 3 | 21% | 84 |
| Motor Vehicle Allowance | | | | | | | | - | | |
| Cellphone Allowance | | 410 | 526 | 526 | 40 | 80 | 88 | (7) | -8% | 526 |
| Housing Allowances | | | | | | | | - | | |
| Other benefits and allowances | | 447 | 368 | 368 | 38 | 68 | 61 | 7 | 11% | 368 |
| Sub Total - Councillors | | 4 263 | 4 675 | 4 675 | 388 | 776 | 779 | (3) | 0% | 4 675 |
| % increase | 4 | | 9,7% | 9,7% | | | | | | 9,7% |
| Senior Managers of the Municipality | 3 | | | | | | | | | |
| Basic Salaries and Wages | | 1 401 | 2 212 | 2 212 | 102 | 203 | 369 | (165) | -45% | 2 212 |
| Pension and UIF Contributions | | 202 | 202 | 202 | 8 | 16 | 34 | (17) | -51% | 202 |
| Medical Aid Contributions | | 87 | 85 | 85 | 8 | 15 | 14 | 1 | 5% | 85 |
| Overtime | | | | | | | | - | | |
| Performance Bonus | | 85 | 184 | 184 | - | - | 31 | (31) | -100% | 184 |
| Motor Vehicle Allowance | | 828 | 1 084 | 1 084 | 30 | 59 | 181 | (122) | -67% | 1 084 |
| Cellphone Allowance | | 165 | 14 | 14 | - | - | 2 | (2) | -100% | 14 |
| Housing Allowances | | 124 | 154 | 154 | - | - | 26 | (26) | -100% | 154 |
| Other benefits and allowances | | 41 | 121 | 121 | 0 | 0 | 20 | (20) | -100% | 121 |
| Payments in lieu of leave | | | | | | | | - | | |
| Long service awards | | - | - | - | - | - | - | - | | - |
| Post-retirement benefit obligations | 2 | | | | | | | - | | |
| Sub Total - Senior Managers of Municipality | | 2 933 | 4 058 | 4 058 | 147 | 294 | 676 | (383) | -57% | 4 058 |
| % increase | 4 | | 38,4% | 38,4% | | | | | | 38,4% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 32 481 | 33 553 | 33 553 | 2 657 | 5 330 | 5 592 | (262) | -5% | 33 553 |
| Pension and UIF Contributions | | 5 631 | 5 708 | 5 708 | 433 | 867 | 951 | (85) | -9% | 5 708 |
| Medical Aid Contributions | | 2 194 | 2 874 | 2 874 | 150 | 300 | 479 | (179) | -37% | 2 874 |
| Overtime | | 2 585 | 3 773 | 3 773 | 63 | 437 | 629 | (192) | -31% | 3 773 |
| Performance Bonus | | 2 769 | 2 688 | 2 688 | 63 | 63 | 448 | (385) | -86% | 2 688 |
| Motor Vehicle Allowance | | 65 | 88 | 88 | 7 | 14 | 15 | (0) | -3% | 88 |
| Cellphone Allowance | | 130 | 72 | 72 | 4 | 8 | 12 | (4) | -33% | 72 |
| Housing Allowances | | 389 | 257 | 257 | 6 | 12 | 43 | (31) | -72% | 257 |
| Other benefits and allowances | | 732 | 7 | 7 | 27 | 53 | 1 | 52 | 4655% | 7 |
| Payments in lieu of leave | | | | | | | | - | | |
| Long service awards | | - | - | - | - | - | - | - | | - |
| Post-retirement benefit obligations | 2 | (100) | - | - | - | - | - | - | | - |
| Sub Total - Other Municipal Staff | | 46 877 | 49 020 | 49 020 | 3 409 | 7 084 | 8 170 | (1 086) | -13% | 49 020 |
| % increase | 4 | | 4,6% | 4,6% | | | | | | 4,6% |
| Total Parent Municipality | | 54 073 | 57 753 | 57 753 | 3 944 | 8 154 | 9 626 | (1 472) | -15% | 57 753 |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 54 073 | 57 753 | 57 753 | 3 944 | 8 154 | 9 626 | (1 472) | -15% | 57 753 |
| % increase | 4 | | 6,8% | 6,8% | | | | | | 6,8% |
| TOTAL MANAGERS AND STAFF | | 49 810 | 53 078 | 53 078 | 3 556 | 7 378 | 8 846 | (1 469) | -17% | 53 078 |

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of August 2022 amounts to R 3,9 million and the year to date budget is R 9, 6 million and the expenditure for remuneration of councilors amounts to R388 thousand while the year to date budget is R779 thousand. The year to date actual expenditure for senior managers is R294 thousand and the year to date budget thereof is R676 thousand. The year to date actual for other municipal staff is R7, 1 million and the year to date budget is R 8 ,2 million.

Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

NC093 Magareng - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

| Description | Ref | Budget Year 2022/23 | | | | | | | | | | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------------------|-------------------|----------------|-------------------|---------------|---------------|-------------------|---------------|-----------------|-----------------|---------------|-----------------|---|---------------------------|---------------------------|
| | | July Outcome | August Outcome | Sept Budget | October Budget | Nov Budget | Dec Budget | January Budget | Feb Budget | March Budget | April Budget | May Budget | June Budget | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| R thousands | 1 | | | | | | | | | | | | | | | |
| Cash Receipts By Source | | | | | | | | | | | | | | | | |
| Property rates | | 396 | 341 | 359 | 359 | 359 | 359 | 359 | 359 | 359 | 359 | 359 | 341 | 4 312 | 5 776 | 7 378 |
| Service charges - electricity revenue | | 1 832 | 1 665 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | (1 667) | 7 319 | 21 517 | 22 486 |
| Service charges - water revenue | | 210 | 207 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 454 | 3 481 | 4 555 | 5 375 |
| Service charges - sanitation revenue | | 80 | 47 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 487 | 2 456 | 3 290 | 4 202 |
| Service charges - refuse | | 104 | 66 | 188 | 188 | 188 | 188 | 188 | 188 | 188 | 188 | 188 | 393 | 2 253 | 3 018 | 3 855 |
| Rental of facilities and equipment | | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 |
| Interest earned - external investments | | - | - | 260 | 260 | 260 | 260 | 260 | 260 | 260 | 260 | 260 | 780 | 3 122 | 3 253 | 3 399 |
| Interest earned - outstanding debtors | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 14 | 20 | 31 |
| Licences and permits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and Subsidies - Operational | | 22 616 | 3 269 | 5 414 | 5 414 | 5 414 | 5 414 | 5 414 | 5 414 | 5 414 | 5 414 | 5 414 | (9 644) | 64 964 | 67 423 | 71 244 |
| Other revenue | | (318) | (402) | 19 875 | 19 875 | 19 875 | 19 875 | 19 875 | 19 875 | 19 875 | 19 875 | 19 875 | 60 347 | 238 506 | 226 899 | 738 251 |
| Cash Receipts by Source | | 24 919 | 5 193 | 27 202 | 27 202 | 27 202 | 27 202 | 27 202 | 27 202 | 27 202 | 27 202 | 27 202 | 51 495 | 326 426 | 335 752 | 856 221 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 6 500 | - | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | (597) | 23 612 | 14 454 | 14 902 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds on Disposal of Fixed and Intangible Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loans | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | - | - | - | - | (331) | (331) | 37 | - |
| Decrease (increase) in non-current receivables | | - | - | - | - | - | - | - | - | - | - | - | (1) | (1) | - | - |
| Decrease (increase) in non-current investments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | | 31 419 | 5 193 | 29 170 | 29 170 | 29 170 | 29 170 | 29 170 | 29 170 | 29 170 | 29 170 | 29 170 | 50 567 | 349 707 | 350 243 | 871 123 |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 6 535 | 4 084 | 4 813 | 4 813 | 4 813 | 4 813 | 4 813 | 4 813 | 4 813 | 4 813 | 4 813 | 3 819 | 57 753 | 60 599 | 62 979 |
| Remuneration of councillors | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest paid | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Bulk purchases - Electricity | | 8 065 | - | 2 063 | 2 063 | 2 063 | 2 063 | 2 063 | 2 063 | 2 063 | 2 063 | 2 063 | (1 877) | 24 750 | 25 790 | 27 053 |
| Acquisitions - water & other inventory | | 1 000 | - | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | (325) | 2 700 | 2 700 | 2 700 |
| Contracted services | | - | - | (1 408) | (1 408) | (1 408) | (1 408) | (1 408) | (1 408) | (1 408) | (1 408) | (1 408) | (4 223) | (16 892) | (7 515) | (7 711) |
| Grants and subsidies paid - other municipalities | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Grants and subsidies paid - other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| General expenses | | 12 703 | 513 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | (11 685) | 6 126 | 6 566 | 7 168 |
| Cash Payments by Type | | 28 303 | 4 597 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | (14 291) | 74 437 | 88 140 | 92 189 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | | 5 035 | - | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 1 968 | 868 | 23 612 | 14 454 | 14 902 |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Cash Flows/Payments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | | 33 338 | 4 597 | 8 171 | 8 171 | 8 171 | 8 171 | 8 171 | 8 171 | 8 171 | 8 171 | 8 171 | (13 423) | 98 049 | 102 594 | 107 091 |
| NET INCREASE/(DECREASE) IN CASH HELD | | (1 919) | 595 | 20 999 | 20 999 | 20 999 | 20 999 | 20 999 | 20 999 | 20 999 | 20 999 | 20 999 | 63 990 | 251 658 | 247 649 | 764 032 |
| Cash/cash equivalents at the month/year beginning: | | 242 | (1 677) | (1 082) | 19 917 | 40 916 | 61 915 | 82 914 | 103 913 | 124 913 | 145 912 | 166 911 | 187 910 | 242 | 251 899 | 499 548 |
| Cash/cash equivalents at the month/year end: | | (1 677) | (1 082) | 19 917 | 40 916 | 61 915 | 82 914 | 103 913 | 124 913 | 145 912 | 166 911 | 187 910 | 251 899 | 251 899 | 499 548 | 1 263 581 |

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R 5,2 million and the total cash payment for the month were R 4,6 million and this resulted in net increase in cash held amounting to R 595 thousand. With cash and cash equivalent of R 1,7 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R 1,1 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

NC093 Magareng - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

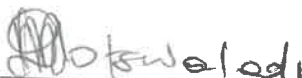
| Month | 2021/22 | Budget Year 2022/23 | | | | | | | |
|--|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|----------------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | % spend of Original Budget |
| R thousands | | | | | | | | | |
| Monthly expenditure performance trend | | | | | | | | | |
| July | 2 053 | 1 968 | 1 968 | 5 035 | 5 035 | 1 968 | (3 068) | -155,9% | 21% |
| August | 2 053 | 1 968 | 1 968 | – | – | 3 935 | 3 935 | 100,0% | 0% |
| September | 2 053 | 1 968 | 1 968 | – | – | 5 903 | – | | |
| October | 2 053 | 1 968 | 1 968 | – | – | 7 871 | – | | |
| November | 2 053 | 1 968 | 1 968 | – | – | 9 838 | – | | |
| December | 2 053 | 1 968 | 1 968 | – | – | 11 806 | – | | |
| January | 2 053 | 1 968 | 1 968 | – | – | 13 774 | – | | |
| February | 2 053 | 1 968 | 1 968 | – | – | 15 741 | – | | |
| March | 2 053 | 1 968 | 1 968 | – | – | 17 709 | – | | |
| April | 2 053 | 1 968 | 1 968 | – | – | 19 677 | – | | |
| May | 2 053 | 1 968 | 1 968 | – | – | 21 644 | – | | |
| June | 2 053 | 1 968 | 1 968 | – | – | 23 612 | – | | |
| Total Capital expenditure | 24 630 | 23 612 | 23 612 | 5 035 | | | | | |

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table, there was no capital expenditure for the month of August 2022.

Quality Certificate for Monthly Report – Section 71


M.M. MOTSWALEDI The Chief Financial Officer Of Magareng Local Municipality (NC093), hereby certify that section 71 for August 2022/2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Mrs. M. Motswaledi.
Chief Financial Officer

Signature:  Date: 14 SEPT 2022

T. THAGE The Acting Municipal Manager Of Magareng Local Municipality (NC093), hereby certify that section 71 for August 2022/2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Mr. T. Thage
Acting Municipal Manager

Signature:  Date: 14 SEPT 2022