

# **MAGARENG LOCAL MUNICIPALITY**

**MAGARENG**



**MUNICIPALITY**

## **MONTHLY BUDGET STATEMENT REPORT**

**SEPTEMBER 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.

### Mayors Report

The municipality's budget is being implemented in line with service delivery budget implementation plan. The municipality however still faces key financial risks that threaten the sustainability of the institution. The following are some of the key risks identified:

- Low Collection rate is affecting the cash flow of the municipality
- Long outstanding creditors with Eskom and Vaalharts water
- Slow spending on the capital expenditure

### 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 ACTUAL	PERCENTAGE
OPERATING REVENUE	R 130 915 663,00	R -	R 43 117 820,52	33%
OPERATING EXPENDITURE	R 182 313 394,00	R -	R 17 280 367,41	9%
TRANSFER CAPITAL	R 23 612 000,00	R -	R 6 500 000,00	28%
SURPLUS/(DEFICIT)	-R 27 785 731,00	R -	R 32 337 453,11	-116%
CAPITAL EXPENDITURE	R 23 612 000,00	R -	R 6 838 429,77	29%

## Table C1 – Budget Statement Summary

NC093 Magareng - Table C1 Monthly Budget Statement Summary - M03 September

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	11 733	12 319	12 319	1 035	3 079	3 080	(1)	-0%	12 319
Service charges	36 845	43 325	43 325	2 856	9 258	10 831	(1 574)	-15%	43 325
Investment revenue	6 296	3 122	3 122	882	2 612	780	1 832	235%	3 122
Transfers and subsidies	62 864	64 964	64 964	550	26 435	16 241	10 194	63%	64 964
Other own revenue	8 204	7 186	7 186	629	1 734	1 797	(62)	-3%	7 186
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>125 943</b>	<b>130 916</b>	<b>130 916</b>	<b>5 952</b>	<b>43 118</b>	<b>32 729</b>	<b>10 389</b>	<b>32%</b>	<b>130 916</b>
Employee costs	49 810	53 078	52 578	3 746	11 124	13 219	(2 096)	-16%	52 578
Remuneration of Councillors	4 263	4 675	4 655	388	1 164	1 167	(3)	-0%	4 655
Depreciation & asset impairment	27 108	30 431	30 431	-	-	7 608	(7 608)	-100%	30 431
Finance charges	5 447	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	47 727	38 600	38 570	919	3 307	9 644	(6 337)	-66%	38 570
Transfers and subsidies	-	20	20	-	-	5	(5)	-100%	20
Other expenditure	50 844	55 509	56 059	485	1 685	13 935	(12 250)	-88%	56 059
<b>Total Expenditure</b>	<b>185 199</b>	<b>182 313</b>	<b>182 313</b>	<b>5 538</b>	<b>17 280</b>	<b>45 578</b>	<b>(28 298)</b>	<b>-62%</b>	<b>182 313</b>
<b>Surplus/(Deficit)</b>	<b>(59 256)</b>	<b>(51 398)</b>	<b>(51 398)</b>	<b>413</b>	<b>25 837</b>	<b>(12 849)</b>	<b>38 687</b>	<b>-301%</b>	<b>(51 398)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	30 851	23 612	23 612	-	6 500	5 903	597	10%	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	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>413</b>	<b>32 337</b>	<b>(6 946)</b>	<b>39 284</b>	<b>-566%</b>	<b>(27 786)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>413</b>	<b>32 337</b>	<b>(6 946)</b>	<b>39 284</b>	<b>-566%</b>	<b>(27 786)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>24 630</b>	<b>23 612</b>	<b>23 612</b>	<b>1 803</b>	<b>6 838</b>	<b>5 903</b>	<b>935</b>	<b>16%</b>	<b>23 612</b>
Capital transfers recognised	22 097	23 612	23 612	1 803	6 838	5 903	935	16%	23 612
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2 533	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>24 630</b>	<b>23 612</b>	<b>23 612</b>	<b>1 803</b>	<b>6 838</b>	<b>5 903</b>	<b>935</b>	<b>16%</b>	<b>23 612</b>
<b>Financial position</b>									
Total current assets	(32 032)	(111 496)	(111 496)	-	78 942	-	-	-	(111 496)
Total non current assets	310 859	324 339	324 339	-	317 698	-	-	-	324 339
Total current liabilities	366 150	238 246	238 246	-	241 959	-	-	-	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)	-	119 999	-	-	-	(27 786)
<b>Cash flows</b>									
Net cash from (used) operating	-	275 601	275 601	(1 012)	3 231	68 900	65 670	95%	275 601
Net cash from (used) investing	-	(23 611)	(23 612)	(1 803)	(6 838)	(5 903)	936	-16%	(23 611)
Net cash from (used) financing	-	331	-	4	9	83	74	89%	331
<b>Cash/cash equivalents at the month/year end</b>	<b>6 674</b>	<b>252 898</b>	<b>252 566</b>	<b>-</b>	<b>(2 078)</b>	<b>63 657</b>	<b>65 735</b>	<b>103%</b>	<b>253 842</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	5 588	5 149	5 036	3 670	4 578	3 734	27 856	299 981	355 592
<b>Creditors Age Analysis</b>									
Total Creditors	3 183	3 947	3 805	3 601	4 581	52 945	50 159	105 882	228 105

**The above C1 Sum table summarizes the following activities: -**

**Revenue:**

The actual year to date operational revenue as at end of September is R43,1 million and the year to date budget of R32,7 million and this reflects a positive variance of R10,4 million . The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Property Rates : 0% unfavorable variance
- Service Charges : 15% unfavorable variance
- Investment Revenue : 235% favorable variance
- Transfers and Subsidies : 63% favorable variance
- Other Own Revenue : 3% unfavorable variance

**Operating Expenditure**

The year to date actual operational expenditure as at end of September amounts to R17, 3 million and the year to date budget is R45,6 million. This reflects under spending variance of R28,3 million that translates to 62% variance. The variance attributing to under spending variance is depreciation and asset impairment and debt impairment, the municipality is still facing a challenge regarding 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: 16% under performance
- Debt impairment and Asset Impairment: 100% under performance
- Depreciation and asset impairment: 100% under performance
- Inventory consumed and Bulk Purchases: 66% under performance
- Transfer and subsidies: 100% under performance
- Other expenditure: 88% 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 September 2022 amounts to R 6 838 million and the year to date budget amounts to R 5 903 million and this gives rise to R 935 thousand over performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of September is R 413 thousands.

## **Debtors**

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of September amounts to R355 592 million and this show an increase of R 12 641 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 R239 329 million and other debtors amounting to R116 263 million.

## **Creditors**

As at 30 September 2022 the municipality had an outstanding creditors amounting to R228 105 million and the bulk of this amount is made up by Bulk water :R128 914 million and bulk electricity :R87 999 million.

## Table C2 – Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		81 333	80 404	80 404	2 238	32 442	20 101	12 341	61%	80 404
Executive and council		54 507	59 064	59 064	–	22 885	14 766	8 119	55%	59 064
Finance and administration		26 826	21 340	21 340	2 238	9 557	5 335	4 222	79%	21 340
Internal audit		–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		1 533	1 329	1 329	558	585	332	252	76%	1 329
Community and social services		1 216	1 189	1 189	554	573	297	276	93%	1 189
Sport and recreation		58	–	–	–	–	–	–	–	–
Public safety		258	140	140	4	11	35	(24)	-67%	140
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		(3 731)	450	450	–	–	113	(113)	-100%	450
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		(3 731)	450	450	–	–	113	(113)	-100%	450
Environmental protection		–	–	–	–	–	–	–	–	–
<b>Trading services</b>		81 355	72 344	72 344	3 156	16 591	18 086	(1 495)	-8%	72 344
Energy sources		15 546	21 361	21 361	781	3 670	5 340	(1 670)	-31%	21 361
Water management		49 876	33 037	33 037	880	8 536	8 259	277	3%	33 037
Waste water management		8 985	9 101	9 101	739	2 137	2 275	(139)	-6%	9 101
Waste management		6 948	8 845	8 845	757	2 248	2 211	37	2%	8 845
<b>Other</b>	4	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>	2	160 490	154 528	154 528	5 952	49 618	38 632	10 986	28%	154 528
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		103 010	48 038	48 038	2 918	8 686	12 010	(3 324)	-28%	48 038
Executive and council		14 133	13 024	13 024	846	2 671	3 256	(585)	-18%	13 024
Finance and administration		88 877	35 015	35 015	2 072	6 015	8 754	(2 738)	-31%	35 015
Internal audit		–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		12 773	12 438	12 438	849	2 716	3 109	(394)	-13%	12 438
Community and social services		2 526	2 850	2 850	185	559	712	(153)	-22%	2 850
Sport and recreation		3 390	4 212	4 212	268	873	1 053	(180)	-17%	4 212
Public safety		4 001	4 230	4 230	312	1 007	1 058	(50)	-5%	4 230
Housing		2 856	1 146	1 146	84	276	286	(10)	-3%	1 146
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		6 198	7 222	7 222	328	987	1 805	(818)	-45%	7 222
Planning and development		3 787	5 832	5 832	241	724	1 458	(734)	-50%	5 832
Road transport		2 411	1 390	1 390	88	263	348	(84)	-24%	1 390
Environmental protection		–	–	–	–	–	–	–	–	–
<b>Trading services</b>		63 219	114 616	114 616	1 443	4 891	28 654	(23 763)	-83%	114 616
Energy sources		28 825	44 824	44 824	825	2 963	11 206	(8 243)	-74%	44 824
Water management		24 595	28 868	28 868	384	1 206	7 242	(6 036)	-83%	28 868
Waste water management		8 649	21 149	21 049	173	538	5 262	(4 724)	-90%	21 049
Waste management		1 150	19 774	19 774	62	184	4 944	(4 759)	-96%	19 774
<b>Other</b>		–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>	3	185 199	182 313	182 313	5 538	17 280	45 578	(28 298)	-62%	182 313
<b>Surplus/ (Deficit) for the year</b>		(24 709)	(27 786)	(27 786)	413	32 337	(6 946)	39 284	-566%	(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) - M03 September**

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
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 01 - Executive & Council	1	54 507	59 064	59 064	–	22 885	14 766	8 119	55,0%	59 064
Vote 02 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 03 - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 04 - Financial Services		26 826	21 340	21 340	2 238	9 557	5 335	4 222	79,1%	21 340
Vote 05 - Municipal Infrastructure		77 624	72 794	72 794	3 156	16 591	18 198	(1 607)	-8,8%	72 794
Vote 06 - Community Services		–	–	–	–	–	–	–	–	–
Vote 07 - Public Safety & Transport		1 533	1 329	1 329	558	585	332	252	76,0%	1 329
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		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	<b>2</b>	<b>160 490</b>	<b>154 528</b>	<b>154 528</b>	<b>5 952</b>	<b>49 618</b>	<b>38 632</b>	<b>10 986</b>	<b>28,4%</b>	<b>154 528</b>
<b>Expenditure by Vote</b>										
Vote 01 - Executive & Council	1	11 268	10 987	10 987	797	1 997	2 747	(750)	-27,3%	10 987
Vote 02 - Office Of The Municipal Manager		1 839	2 037	2 037	49	153	509	(356)	-70,0%	2 037
Vote 03 - Corporate Services		12 235	14 279	14 279	1 239	3 205	3 570	(365)	-10,2%	14 279
Vote 04 - Financial Services		76 706	20 736	20 736	833	2 827	5 184	(2 357)	-45,5%	20 736
Vote 05 - Municipal Infrastructure		68 120	119 589	119 589	1 585	5 847	29 897	(24 051)	-80,4%	119 589
Vote 06 - Community Services		–	–	–	–	–	–	–	–	–
Vote 07 - Public Safety & Transport		9 717	11 292	11 292	765	2 414	2 823	(409)	-14,5%	11 292
Vote 08 - Sports, Arts, Parks, Culture		–	–	–	–	–	–	–	–	–
Vote 09 - Planning & Development		5 315	3 394	3 394	270	838	849	(11)	-1,3%	3 394
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		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>185 199</b>	<b>182 313</b>	<b>182 313</b>	<b>5 538</b>	<b>17 280</b>	<b>45 578</b>	<b>(28 298)</b>	<b>-62,1%</b>	<b>182 313</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>413</b>	<b>32 337</b>	<b>(6 946)</b>	<b>39 284</b>	<b>-565,5%</b>	<b>(27 786)</b>

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) - M03 September

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		11 733	12 319	12 319	1 035	3 079	3 080	(1)	0%	12 319
Service charges - electricity revenue		15 185	20 897	20 897	781	3 670	5 224	(1 554)	-30%	20 897
Service charges - water revenue		8 426	8 975	8 975	880	2 036	2 244	(207)	-9%	8 975
Service charges - sanitation revenue		7 569	7 016	7 016	683	2 026	1 754	272	15%	7 016
Service charges - refuse revenue		5 666	6 437	6 437	512	1 526	1 609	(84)	-5%	6 437
Rental of facilities and equipment		4	3	3	-	-	1	(1)	-100%	3
Interest earned - external investments		6 296	3 122	3 122	882	2 612	780	1 832	235%	3 122
Interest earned - outstanding debtors		2 749	5 223	5 223	560	1 525	1 306	219	17%	5 223
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		127	46	46	4	10	11	(2)	-15%	46
Licences and permits		(2 187)	-	-	-	-	-	-	-	-
Agency services		76	-	-	-	-	-	-	-	-
Transfers and subsidies		62 864	64 964	64 964	550	26 435	16 241	10 194	63%	64 964
Other revenue		7 240	1 914	1 914	65	200	479	(279)	-58%	1 914
Gains		196	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>125 943</b>	<b>130 916</b>	<b>130 916</b>	<b>5 952</b>	<b>43 118</b>	<b>32 729</b>	<b>10 389</b>	<b>32%</b>	<b>130 916</b>
<b>Expenditure By Type</b>										
Employee related costs		49 810	53 078	52 578	3 746	11 124	13 219	(2 096)	-16%	52 578
Remuneration of councillors		4 263	4 675	4 655	388	1 164	1 167	(3)	0%	4 655
Debt impairment		35 611	37 815	37 815	-	-	9 454	(9 454)	-100%	37 815
Depreciation & asset impairment		27 108	30 431	30 431	-	-	7 608	(7 608)	-100%	30 431
Finance charges		5 447	-	-	-	-	-	-	-	-
Bulk purchases - electricity		24 641	24 750	24 750	574	2 534	6 188	(3 654)	-59%	24 750
Inventory consumed		23 086	13 850	13 820	345	773	3 457	(2 684)	-78%	13 820
Contracted services		6 187	6 720	7 220	199	388	1 730	(1 342)	-78%	7 220
Transfers and subsidies		-	20	20	-	-	5	(5)	-100%	20
Other expenditure		9 046	10 974	11 024	286	1 297	2 751	(1 454)	-53%	11 024
Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>185 199</b>	<b>182 313</b>	<b>182 313</b>	<b>5 538</b>	<b>17 280</b>	<b>45 578</b>	<b>(28 298)</b>	<b>-62%</b>	<b>182 313</b>
<b>Surplus/(Deficit)</b>										
		(59 256)	(51 398)	(51 398)	413	25 837	(12 849)	38 687	(0)	(51 398)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 851	23 612	23 612	-	6 500	5 903	597	0	23 612
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		3 696	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>413</b>	<b>32 337</b>	<b>(6 946)</b>			<b>(27 786)</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>413</b>	<b>32 337</b>	<b>(6 946)</b>			<b>(27 786)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>413</b>	<b>32 337</b>	<b>(6 946)</b>			<b>(27 786)</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>413</b>	<b>32 337</b>	<b>(6 946)</b>			<b>(27 786)</b>

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) - M03 September

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	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		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	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	1 803	6 838	5 903	935	16%	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		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	24 630	23 612	23 612	1 803	6 838	5 903	935	16%	23 612
<b>Total Capital Expenditure</b>		24 630	23 612	23 612	1 803	6 838	5 903	935	16%	23 612
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		261	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		261	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		24 369	23 612	23 612	1 803	6 838	5 903	935	16%	23 612
Energy sources		207	-	-	-	-	-	-	-	-
Water management		22 358	23 612	23 612	1 803	6 838	5 903	935	16%	23 612
Waste water management		1 805	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	24 630	23 612	23 612	1 803	6 838	5 903	935	16%	23 612
<b>Funded by:</b>										
National Government		14 358	23 612	23 612	1 803	6 838	5 903	935	16%	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	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		22 097	23 612	23 612	1 803	6 838	5 903	935	16%	23 612
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		2 533	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		24 630	23 612	23 612	1 803	6 838	5 903	935	16%	23 612

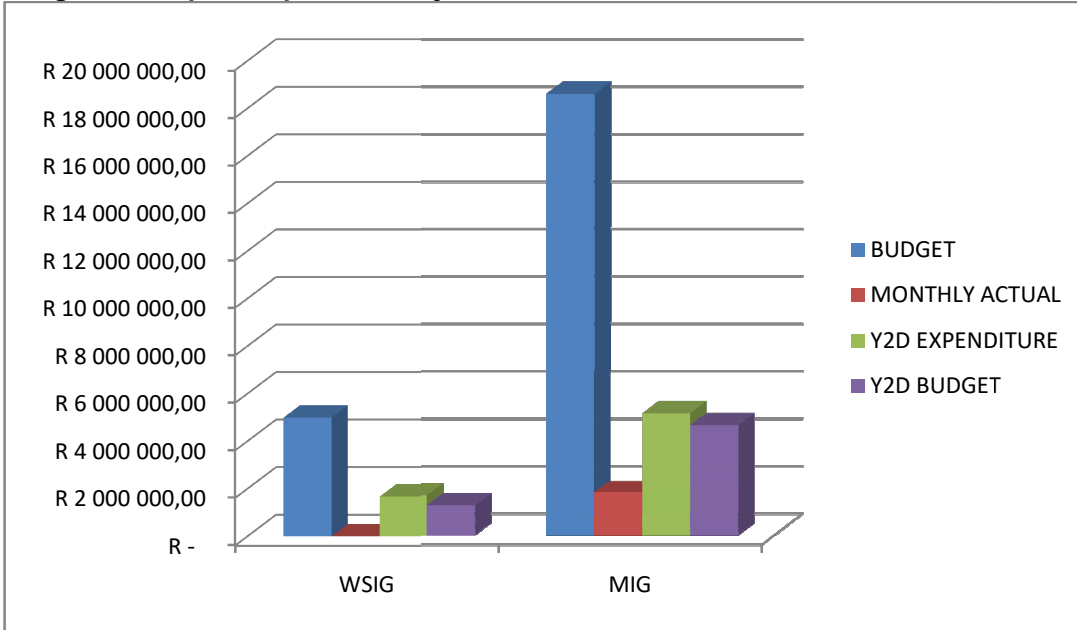
**Table C5C: Monthly Capital Expenditure by Vote**

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M03 September

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
<b>Capital expenditure - Municipal Vote</b>										
<b>Expenditure of single-year capital appropriation</b>	1									
<b>Vote 01 - Executive &amp; Council</b>		-	-	-	-	-	-	-	-	-
01.1 - Council & Executive Administration		-	-	-	-	-	-	-	-	-
<b>Vote 02 - Office Of The Municipal Manager</b>		-	-	-	-	-	-	-	-	-
02.1 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
<b>Vote 03 - Corporate Services</b>		261	-	-	-	-	-	-	-	-
03.1 - Administration And Legal		-	-	-	-	-	-	-	-	-
03.2 - Corporate Admin		261	-	-	-	-	-	-	-	-
03.3 - Human Resources		-	-	-	-	-	-	-	-	-
<b>Vote 04 - Financial Services</b>		-	-	-	-	-	-	-	-	-
04.1 - Finance Admin		-	-	-	-	-	-	-	-	-
<b>Vote 05 - Municipal Infrastructure</b>		24 369	23 612	23 612	1 803	6 838	5 903	935	16%	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	1 803	6 838	5 903	935	16%	23 612
05.6 - Electricity		207	-	-	-	-	-	-	-	-
<b>Vote 06 - Community Services</b>		-	-	-	-	-	-	-	-	-
<b>Vote 07 - Public Safety &amp; Transport</b>		-	-	-	-	-	-	-	-	-
07.1 - Cemetary		-	-	-	-	-	-	-	-	-
07.2 - Library		-	-	-	-	-	-	-	-	-
07.3 - Library		-	-	-	-	-	-	-	-	-
07.4 - Traffic		-	-	-	-	-	-	-	-	-
07.5 - Traffic		-	-	-	-	-	-	-	-	-
07.6 - Parks And Recreation		-	-	-	-	-	-	-	-	-
07.7 - Safety		-	-	-	-	-	-	-	-	-
<b>Vote 08 - Sports, Arts, Parks, Culture</b>		-	-	-	-	-	-	-	-	-
<b>Vote 09 - Planning &amp; Development</b>		-	-	-	-	-	-	-	-	-
09.1 - Planning And Development		-	-	-	-	-	-	-	-	-
09.2 - Led		-	-	-	-	-	-	-	-	-
09.3 - ldp		-	-	-	-	-	-	-	-	-
09.4 - Land Use		-	-	-	-	-	-	-	-	-
<b>Vote 10 - Hunan Settlements</b>		-	-	-	-	-	-	-	-	-
<b>Vote 11 - ldp, Pms Department</b>		-	-	-	-	-	-	-	-	-
<b>Vote 12 - Spatial Development, Planning &amp; Traditional Affa</b>		-	-	-	-	-	-	-	-	-
<b>Vote 13 - Electricity Department</b>		-	-	-	-	-	-	-	-	-
<b>Vote 14 - Maluti Water</b>		-	-	-	-	-	-	-	-	-
<b>Vote 15 - Other</b>		-	-	-	-	-	-	-	-	-
<b>Total single-year capital expenditure</b>		24 630	23 612	23 612	1 803	6 838	5 903	935	0	23 612
<b>Total Capital Expenditure</b>		24 630	23 612	23 612	1 803	6 838	5 903	935	0	23 612

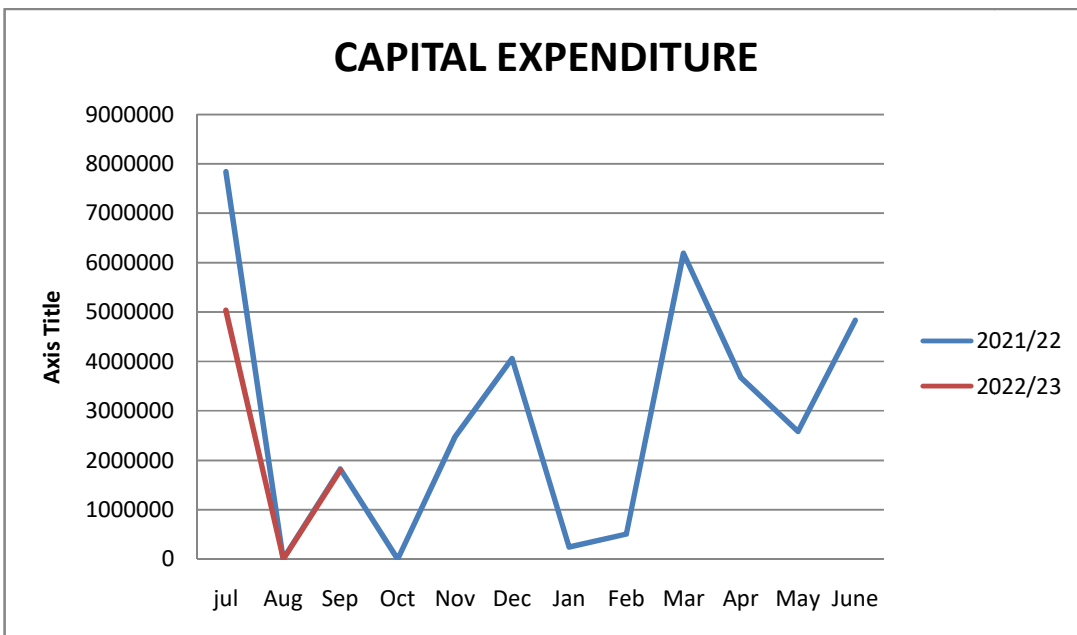
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of September 2022, R1,8 million was incurred on capital expenditure.

**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 - M03 September

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		(101 324)	(253 960)	(253 960)	(946)	(253 960)
Call investment deposits		3 826	62 108	62 108	172	62 108
Consumer debtors		12 647	28 402	28 402	25 417	28 402
Other debtors		52 655	51 486	51 486	54 135	51 486
Current portion of long-term receivables						
Inventory		164	467	467	164	467
<b>Total current assets</b>		<b>(32 032)</b>	<b>(111 496)</b>	<b>(111 496)</b>	<b>78 942</b>	<b>(111 496)</b>
<b>Non current assets</b>						
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	293 476	300 056
Biological						
Intangible		20	79	79	20	79
Other non-current assets		371	371	371	371	371
<b>Total non current assets</b>		<b>310 859</b>	<b>324 339</b>	<b>324 339</b>	<b>317 698</b>	<b>324 339</b>
<b>TOTAL ASSETS</b>		<b>278 827</b>	<b>212 842</b>	<b>212 842</b>	<b>396 639</b>	<b>212 842</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		191	-	-	165	-
Consumer deposits		1 303	1 254	1 254	1 312	1 254
Trade and other payables		356 914	230 550	230 550	232 741	230 550
Provisions		7 741	6 442	6 442	7 741	6 442
<b>Total current liabilities</b>		<b>366 150</b>	<b>238 246</b>	<b>238 246</b>	<b>241 959</b>	<b>238 246</b>
<b>Non current liabilities</b>						
Borrowing		-	-	-	-	-
Provisions		12 754	3 105	3 105	12 754	3 105
<b>Total non current liabilities</b>		<b>12 754</b>	<b>3 105</b>	<b>3 105</b>	<b>12 754</b>	<b>3 105</b>
<b>TOTAL LIABILITIES</b>		<b>378 905</b>	<b>241 351</b>	<b>241 351</b>	<b>254 714</b>	<b>241 351</b>
<b>NET ASSETS</b>	2	<b>(100 077)</b>	<b>(28 509)</b>	<b>(28 509)</b>	<b>141 925</b>	<b>(28 509)</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		133 045	(27 786)	(27 786)	119 999	(27 786)
Reserves		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>133 045</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>119 999</b>	<b>(27 786)</b>

Taking the current liabilities and current assets together, the municipality has current ratio of 0.3 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 obligations.

**Table C7: Monthly Budget Statement Cash Flow**

NC093 Magareng - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		–	4 312	4 312	325	1 062	1 078	(16)	-1%	4 312
Service charges		–	15 509	15 509	743	4 954	3 877	1 076	28%	15 509
Other revenue		–	238 520	238 520	326	(394)	59 630	(60 025)	-101%	238 520
Transfers and Subsidies - Operational		–	64 964	64 964	550	26 435	16 241	10 194	63%	64 964
Transfers and Subsidies - Capital		–	23 612	23 612	–	6 500	5 903	597	10%	23 612
Interest		–	3 122	3 122	–	–	780	(780)	-100%	3 122
Dividends								–		
<b>Payments</b>										
Suppliers and employees		–	(74 437)	(74 437)	(2 957)	(35 326)	(18 609)	16 716	-90%	(74 437)
Finance charges								–		
Transfers and Grants								–		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		–	<b>275 601</b>	<b>275 601</b>	<b>(1 012)</b>	<b>3 231</b>	<b>68 900</b>	<b>65 670</b>	<b>95%</b>	<b>275 601</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables		–	1	–	–	0	0	(0)	-100%	1
Decrease (increase) in non-current investments								–		
<b>Payments</b>										
Capital assets		–	(23 612)	(23 612)	(1 803)	(6 838)	(5 903)	935	-16%	(23 612)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		–	<b>(23 611)</b>	<b>(23 612)</b>	<b>(1 803)</b>	<b>(6 838)</b>	<b>(5 903)</b>	<b>936</b>	<b>-16%</b>	<b>(23 611)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		–	331	–	4	9	83	(74)	-89%	331
<b>Payments</b>										
Repayment of borrowing								–		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		–	<b>331</b>	<b>–</b>	<b>4</b>	<b>9</b>	<b>83</b>	<b>74</b>	<b>89%</b>	<b>331</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
		–	<b>252 321</b>	<b>251 989</b>	<b>(2 812)</b>	<b>(3 599)</b>	<b>63 080</b>			<b>252 321</b>
Cash/cash equivalents at beginning:		6 674	577	577	(2 295)	1 521	577			1 521
Cash/cash equivalents at month/year end:		6 674	252 898	252 566		(2 078)	63 657			253 842

Table C7 presents details pertaining to cash flow performance. As at end of September 2022, the net cash inflow from operating activities is –R 1,0 million whilst net cash outflow from investing activities is –R 1,8 million that is mainly comprised of capital expenditure movement, and cashoutflow from financing activities is R 4 thousand. The cash and cash equivalent held at end of September 2022 amounted to -R 2,1 million and the net effect of the above cash flows is cash outflow movement of –R 9 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	-30%	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	-9%	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	-5%	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	17%	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	-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
Transfers and subsidies	63%	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
<b>Expenditure By Type</b>			
Employee related costs	-16%	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 bia-annual	the municipality should will start doing monthly journals for debt impairments
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	-59%	the actual expenditure is on par with the monthly actual projection	the municipality has payment agreement with Eskom
Inventory consumed	-78%	the actual expenditure incurred is less than the projected monthly actual	the municipality has payment agreement with Vaalharts Water board
Contracted services	-78%	the actual expenditure incurred is less than the projected monthly actual	the municipality will decrease the expenditure budget during adjustment budget
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	-53%	the actual expenditure incurred is less than the projected monthly actual	No remedial action is needed.



**Supporting Table: SC 1 Material Variance Explanations (Continuation)**

<b>Capital expenditure</b>			
National government	16%	the actual expenditure incurred is more than the projected monthly actual	No remedial action is needed.
<b>CASH FLOW</b>			
<b>Receipts</b>			
Property rates	-1%	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	28%	The projected monthly revenue appear to be high in light of the actual revenue performance	the municipality will increase the budget during adjustment budget
Other revenue	-101%	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	63%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Transfers and Subsidies - Capital	10%	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 - Q1 First Quarter

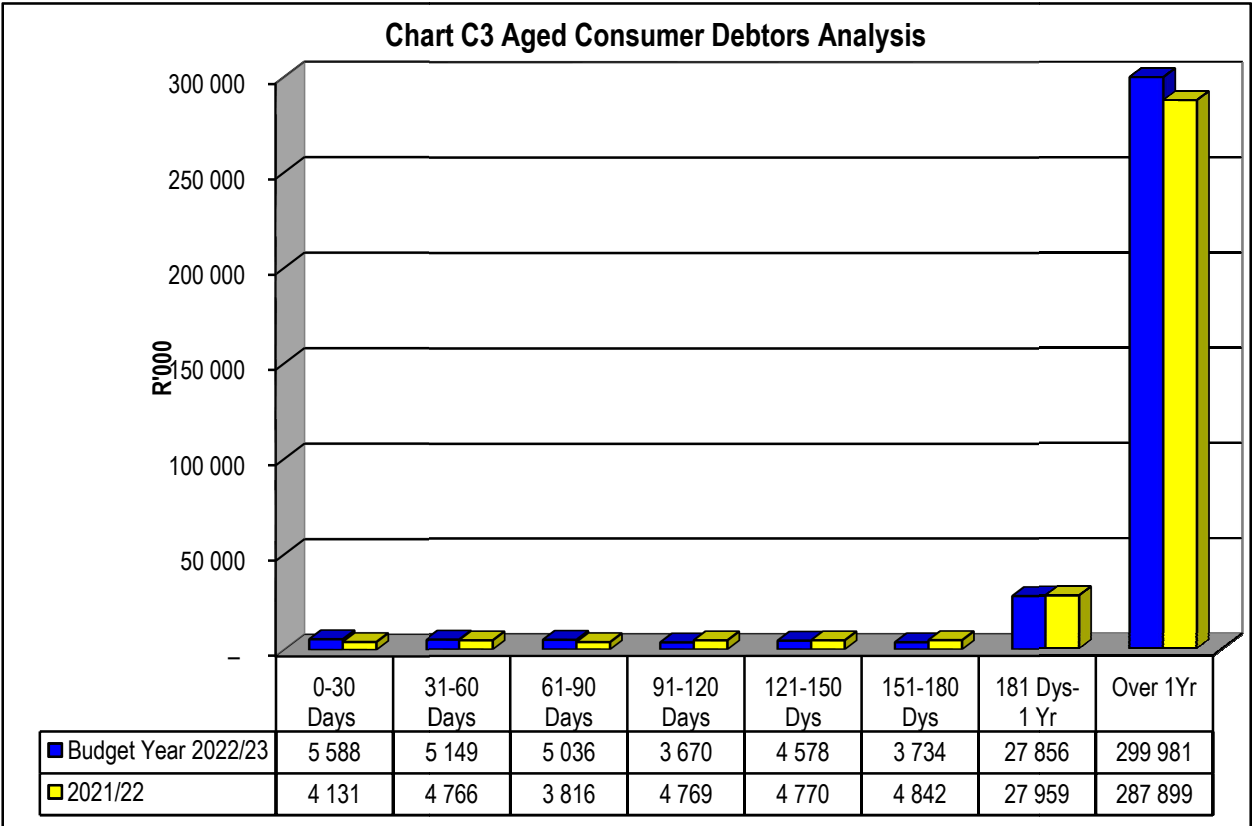
Description	NT Code	Budget Year 2022/23										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	1 061	785	741	668	1 450	768	4 477	55 567	65 516	62 930			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	644	458	488	232	335	216	1 763	30 364	34 499	32 909			
Receivables from Non-exchange Transactions - Property Rates	1400	969	975	953	774	772	738	4 232	39 783	49 196	46 299			
Receivables from Exchange Transactions - Waste Water Management	1500	782	775	768	696	697	700	4 267	43 246	51 932	49 606			
Receivables from Exchange Transactions - Waste Management	1600	578	578	557	501	500	502	3 060	31 911	38 186	36 474			
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-			
Interest on Arrear Debtor Accounts	1810	1 478	1 506	1 430	768	782	782	9 816	96 010	112 573	108 158			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	76	72	99	32	41	29	240	3 101	3 690	3 443			
<b>Total By Income Source</b>	<b>2000</b>	<b>5 588</b>	<b>5 149</b>	<b>5 036</b>	<b>3 670</b>	<b>4 578</b>	<b>3 734</b>	<b>27 856</b>	<b>299 981</b>	<b>355 592</b>	<b>339 819</b>	-	-	
<b>2021/22 - totals only</b>		<b>4 131</b>	<b>4 766</b>	<b>3 816</b>	<b>4 769</b>	<b>4 770</b>	<b>4 842</b>	<b>27 959</b>	<b>287 899</b>	<b>342 951</b>	<b>330 238</b>			
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	352	361	309	210	215	155	931	7 658	10 192	9 170			
Commercial	2300	655	594	485	264	283	242	2 087	18 945	23 554	21 821			
Households	2400	4 556	4 167	4 214	3 178	4 061	3 318	24 699	271 986	320 179	307 242			
Other	2500	25	27	27	19	19	19	138	1 392	1 666	1 587			
<b>Total By Customer Group</b>	<b>2600</b>	<b>5 588</b>	<b>5 149</b>	<b>5 036</b>	<b>3 670</b>	<b>4 578</b>	<b>3 734</b>	<b>27 856</b>	<b>299 981</b>	<b>355 592</b>	<b>339 819</b>	-	-	

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of September amount to R355 592 million. The debtors' book is made up as follows:

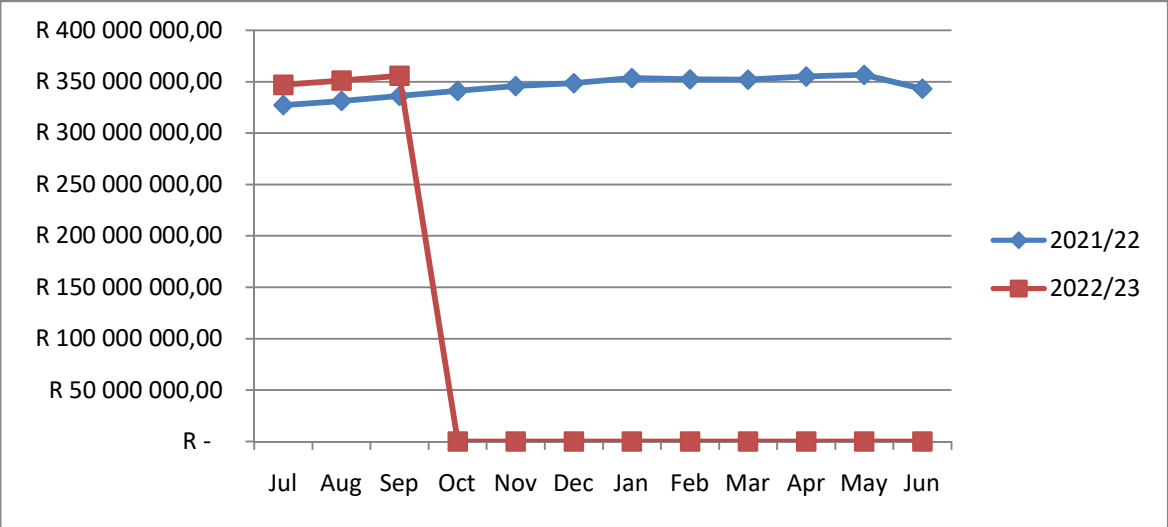
- Rates 14%
- Electricity 10%
- Water 18%
- Waste water management 14%
- Waste management 11%
- Interest on Debtors 32%
- Other 1%

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 September 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.

**FIGURE 5: TOP TWENTY DEBTORS**

Clipboard		Font		Alignment		Number	
D1		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 - Q1 First Quarter

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		
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	2 042	2 866	2 700	1 676	3 025	40 555	35 134	-	87 999	87 760
Bulk Water	0200	802	851	885	221	1 342	12 196	13 957	98 660	128 914	119 311
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	213	201	1 683	-	-	-	-	2 097	12 638
Auditor General	0800	339	17	20	20	215	194	1 068	7 222	9 094	1 770
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>3 183</b>	<b>3 947</b>	<b>3 805</b>	<b>3 601</b>	<b>4 581</b>	<b>52 945</b>	<b>50 159</b>	<b>105 882</b>	<b>228 105</b>	<b>221 479</b>

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 30 September 2022 amounted to R228 105 million. This amount is made up of various creditors which include amongst others the Eskom of R87 999 million, and Vaalharts water of R128 914 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 - M03 September

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
<b>R thousands</b>														
<b>Municipality</b>														
Magareng Local Municipality														-
<b>Municipality sub-total</b>										-		-	-	-
<b>Entities</b>														
ABSA (9351945669)		3 Months	7 Days	Yes					15 July 2022	153	1	-	-	154
ABSA (93558717747)		3 Months	7 Days	Yes					20 July 2022	18	0	-	-	18
ABSA (9355869912)		3 Months	7 Days	Yes						-	-	-	-	-
														-
														-
<b>Entities sub-total</b>										171		-	-	172
<b>TOTAL INVESTMENTS AND INTEREST</b>	2									171		-	-	172

The Municipality's current investment portfolio during the month of September amounts to R172 thousands.

## Supporting Table: SC 6 - Transfers and Grant Receipts

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		57 161	62 064	62 064	-	25 885	15 516	10 369	66,8%	62 064
Equitable Share		51 086	57 991	57 991	-	22 616	14 498	8 118	56,0%	57 991
Expanded Public Works Programme Integrated Grant		1 121	1 073	1 073	-	269	268	1	0,3%	1 073
Local Government Financial Management Grant		2 850	3 000	3 000	-	3 000	750	2 250	300,0%	3 000
Municipal Disaster Relief Grant		2 104	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		4 603	1 800	1 800	-	-	450	(450)	-100,0%	1 800
Specify (Add grant description)		4 603	1 800	1 800	-	-	450	(450)	-100,0%	1 800
<b>Other grant providers:</b>		1 100	1 100	1 100	550	550	275	275	100,0%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 100	1 100	1 100	550	550	275	275	100,0%	1 100
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	62 864	64 964	64 964	550	26 435	16 241	10 194	62,8%	64 964
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		30 851	23 612	23 612	-	6 500	5 903	597	10,1%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8 175	18 612	18 612	-	4 000	4 653	(653)	-14,0%	18 612
Regional Bulk Infrastructure Grant		18 677	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		4 000	5 000	5 000	-	2 500	1 250	1 250	100,0%	5 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		3 696	-	-	-	-	-	-	-	-
Specify (Add grant description)		3 696	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	34 547	23 612	23 612	-	6 500	5 903	597	10,1%	23 612
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	97 411	88 576	88 576	550	32 935	22 144	10 791	48,7%	88 576

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R32,9 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 0 million; Municipal Infrastructure Grant amounting to R 0 million; Water Service Infrastructure Grant R 0 million, Expanded Public Works Programme R 0 million, Library Grant R 550 thousand 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.



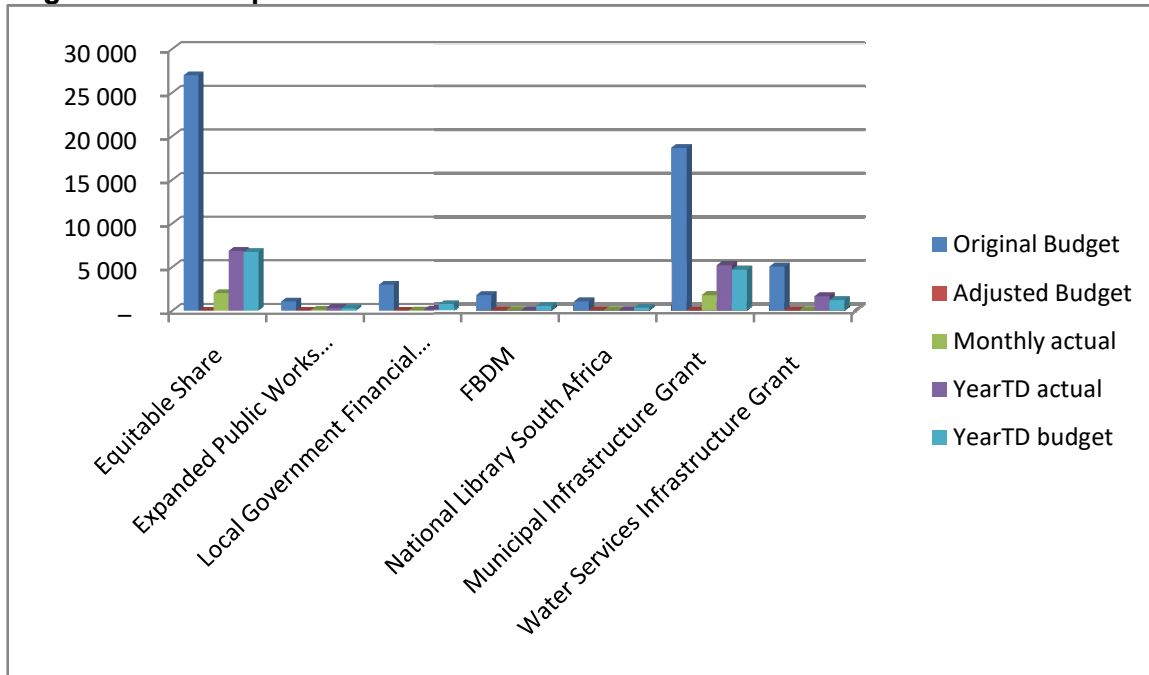
## Supporting Table: SC 7 Transfers and grants – Expenditure

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		90 704	62 064	62 064	2 173	23 062	15 516	7 546	48,6%	30 991
Equitable Share		84 427	57 991	57 991	2 023	22 616	14 498	8 118	56,0%	26 931
Expanded Public Works Programme Integrated Grant		1 102	1 073	1 073	110	325	268	56	21,0%	1 073
Local Government Financial Management Grant		3 763	3 000	3 000	40	121	750	(629)	-83,8%	2 987
Municipal Disaster Relief Grant		1 412	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		4 078	1 800	1 800	-	-	450	(450)	-100,0%	1 800
<b>Other grant providers:</b>		1 942	1 100	1 100	-	-	275	(275)	-100,0%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 942	1 100	1 100	-	-	275	(275)	-100,0%	1 100
<b>Total operating expenditure of Transfers and Grants:</b>		<b>92 646</b>	<b>63 164</b>	<b>63 164</b>	<b>2 173</b>	<b>23 062</b>	<b>15 791</b>	<b>7 271</b>	<b>46,0%</b>	<b>32 091</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		14 358	23 612	23 612	1 803	6 838	5 903	935	15,8%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		7 935	18 612	18 612	1 803	5 158	4 653	505	10,8%	18 612
Water Services Infrastructure Grant		6 423	5 000	5 000	-	1 681	1 250	431	34,4%	5 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		1 180	-	-	-	-	-	-	-	-
Specify (Add grant description)		1 180	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		6 559	-	-	-	-	-	-	-	-
Pocket Money Households (Cash)		6 559	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>22 097</b>	<b>23 612</b>	<b>23 612</b>	<b>1 803</b>	<b>6 838</b>	<b>5 903</b>	<b>935</b>	<b>15,8%</b>	<b>23 612</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>114 743</b>	<b>86 776</b>	<b>86 776</b>	<b>3 976</b>	<b>29 900</b>	<b>21 694</b>	<b>8 206</b>	<b>37,8%</b>	<b>55 703</b>

An amount of R 3,9 million has been spent on grants during the month of September 2022 and the year to date actual is R29,9 million whilst the year to date budget amounts to R 21,7 million and this results in an over spending variance of R8,2 million that translates to 37,8%. Of the total spending amounting to R2, 2 million was spent on operational grants and R 1, 8 million was spent on capital 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 September 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 7.5 %
- Francis Baard District Municipality Grant 0%
- Library Grant 0%
- Municipal Infrastructure Grant 10%
- 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 - M03 September

Summary of Employee and Councilor remuneration	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	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		3 004	3 654	3 634	270	818	912	(94)	-10%	3 634
Pension and UIF Contributions		278	44	44	31	94	11	83	752%	44
Medical Aid Contributions		124	84	84	10	27	21	6	27%	84
Motor Vehicle Allowance								-		
Cellphone Allowance		410	526	526	40	120	131	(11)	-8%	526
Housing Allowances								-		
Other benefits and allowances		447	368	368	38	106	92	14	15%	368
<b>Sub Total - Councillors</b>		<b>4 263</b>	<b>4 675</b>	<b>4 655</b>	<b>388</b>	<b>1 164</b>	<b>1 167</b>	<b>(3)</b>	<b>0%</b>	<b>4 655</b>
<b>% increase</b>	4		<b>9,7%</b>	<b>9,2%</b>						<b>9,2%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		1 401	2 212	2 212	105	308	553	(245)	-44%	2 212
Pension and UIF Contributions		202	202	202	30	47	51	(4)	-8%	202
Medical Aid Contributions		87	85	85	8	23	21	1	5%	85
Overtime								-		
Performance Bonus		85	184	184	-	-	46	(46)	-100%	184
Motor Vehicle Allowance		828	1 084	1 084	30	89	271	(182)	-67%	1 084
Cellphone Allowance		165	14	14	-	-	4	(4)	-100%	14
Housing Allowances		124	154	154	-	-	39	(39)	-100%	154
Other benefits and allowances		41	121	121	0	0	30	(30)	-100%	121
Payments in lieu of leave								-		
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations								-		
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 933</b>	<b>4 058</b>	<b>4 058</b>	<b>173</b>	<b>466</b>	<b>1 015</b>	<b>(548)</b>	<b>-54%</b>	<b>4 058</b>
<b>% increase</b>	4		<b>38,4%</b>	<b>38,4%</b>						<b>38,4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		32 481	33 553	33 053	2 780	8 109	8 338	(229)	-3%	33 053
Pension and UIF Contributions		5 631	5 708	5 708	428	1 294	1 427	(133)	-9%	5 708
Medical Aid Contributions		2 194	2 874	2 874	145	445	719	(273)	-38%	2 874
Overtime		2 585	3 773	3 773	179	615	943	(328)	-35%	3 773
Performance Bonus		2 769	2 688	2 688	-	63	672	(609)	-91%	2 688
Motor Vehicle Allowance		65	88	88	7	22	22	(1)	-3%	88
Cellphone Allowance		130	72	72	4	12	18	(6)	-33%	72
Housing Allowances		389	257	257	5	17	64	(47)	-73%	257
Other benefits and allowances		732	7	7	27	80	2	78	4654%	7
Payments in lieu of leave								-		
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		(100)	-	-	-	-	-	-		-
<b>Total Parent Municipality</b>		<b>54 073</b>	<b>57 753</b>	<b>57 233</b>	<b>4 134</b>	<b>12 288</b>	<b>14 386</b>	<b>(2 098)</b>	<b>-15%</b>	<b>57 233</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>54 073</b>	<b>57 753</b>	<b>57 233</b>	<b>4 134</b>	<b>12 288</b>	<b>14 386</b>	<b>(2 098)</b>	<b>-15%</b>	<b>57 233</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>49 810</b>	<b>53 078</b>	<b>52 578</b>	<b>3 746</b>	<b>11 124</b>	<b>13 219</b>	<b>(2 096)</b>	<b>-16%</b>	<b>52 578</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of September 2022 amounts to R12,8 million and the year to date budget is R 14,4 million and the expenditure for remuneration of councilors amounts to R1.2 million while the year to date budget is R 1 ,2 million. The year to date actual expenditure for senior managers is R466 thousand and the year to date budget thereof is R 1, 0 million. The year to date actual for other municipal staff is R10, 7 million and the year to date budget is R 12, 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 - M03 September**

Description	Ref	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework			
		July Outcome	August Outcome	Sept Outcome	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	
<b>R thousands</b>	1																
<b>Cash Receipts By Source</b>																	
Property rates		396	341	325	359	359	359	359	359	359	359	359	375	4 312	5 776	7 378	
Service charges - electricity revenue		1 832	1 665	464	610	610	610	610	610	610	610	610	(1 521)	7 319	21 517	22 486	
Service charges - water revenue		210	207	199	290	290	290	290	290	290	290	290	545	3 481	4 555	5 375	
Service charges - sanitation revenue		80	47	22	205	205	205	205	205	205	205	205	670	2 456	3 290	4 202	
Service charges - refuse		104	66	59	188	188	188	188	188	188	188	188	522	2 253	3 018	3 855	
Rental of facilities and equipment		-	-	-	0	0	0	0	0	0	0	0	0	1	1	2	
Interest earned - external investments		-	-	-	260	260	260	260	260	260	260	260	1 041	3 122	3 253	3 399	
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		-	-	-	1	1	1	1	1	1	1	1	5	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	(4 230)	64 964	67 423	71 244	
Other revenue		(318)	(402)	326	19 875	19 875	19 875	19 875	19 875	19 875	19 875	19 875	79 896	238 506	226 899	738 251	
<b>Cash Receipts by Source</b>		<b>24 919</b>	<b>5 193</b>	<b>1 395</b>	<b>27 202</b>	<b>27 202</b>	<b>27 202</b>	<b>27 202</b>	<b>27 202</b>	<b>27 202</b>	<b>27 202</b>	<b>27 202</b>	<b>77 302</b>	<b>326 426</b>	<b>335 752</b>	<b>856 221</b>	
<b>Other Cash Flows by Source</b>																	
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	1 371	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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Cash Receipts by Source</b>		<b>31 419</b>	<b>5 193</b>	<b>1 395</b>	<b>29 170</b>	<b>29 170</b>	<b>29 170</b>	<b>29 170</b>	<b>29 170</b>	<b>29 170</b>	<b>29 170</b>	<b>29 170</b>	<b>78 342</b>	<b>349 707</b>	<b>350 243</b>	<b>871 123</b>	
<b>Cash Payments by Type</b>																	
Employee related costs		6 535	4 084	(213)	4 813	4 813	4 813	4 813	4 813	4 813	4 813	4 813	8 845	57 753	60 599	62 979	
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchases - Electricity		8 065	-	660	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	(475)	24 750	25 790	27 053	
Acquisitions - water & other inventory		1 000	-	-	225	225	225	225	225	225	225	225	(100)	2 700	2 700	2 700	
Contracted services		-	-	-	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(5 631)	(16 892)	(7 515)	(7 711)	
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General expenses		12 703	513	2 510	510	510	510	510	510	510	510	510	(13 684)	6 126	6 566	7 168	
<b>Cash Payments by Type</b>		<b>28 303</b>	<b>4 597</b>	<b>2 957</b>	<b>6 203</b>	<b>6 203</b>	<b>6 203</b>	<b>6 203</b>	<b>6 203</b>	<b>6 203</b>	<b>6 203</b>	<b>6 203</b>	<b>(11 044)</b>	<b>74 437</b>	<b>88 140</b>	<b>92 189</b>	
<b>Other Cash Flows/Payments by Type</b>																	
Capital assets		5 035	-	1 803	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 032	23 612	14 454	14 902	
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Cash Payments by Type</b>		<b>33 338</b>	<b>4 597</b>	<b>4 760</b>	<b>8 171</b>	<b>8 171</b>	<b>8 171</b>	<b>8 171</b>	<b>8 171</b>	<b>8 171</b>	<b>8 171</b>	<b>8 171</b>	<b>(10 012)</b>	<b>98 049</b>	<b>102 594</b>	<b>107 091</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(1 919)</b>	<b>595</b>	<b>(3 365)</b>	<b>20 999</b>	<b>20 999</b>	<b>20 999</b>	<b>20 999</b>	<b>20 999</b>	<b>20 999</b>	<b>20 999</b>	<b>20 999</b>	<b>88 354</b>	<b>251 658</b>	<b>247 649</b>	<b>764 032</b>	
Cash/cash equivalents at the month/year beginning:		242	(1 677)	(1 082)	(4 447)	16 552	37 551	58 550	79 549	100 548	121 547	142 546	163 546	242	251 899	499 548	
Cash/cash equivalents at the month/year end:		(1 677)	(1 082)	(4 447)	16 552	37 551	58 550	79 549	100 548	121 547	142 546	163 546	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 1 395 million and the total cash payment for the month were R2 957 million and this resulted in net increase in cash held amounting to R 3 365 million. With cash and cash equivalent of -R 1 082 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of -R 4 447 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 - M03 September

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
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
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	1 803	1 803	5 903	4 100	69,5%	8%
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	-		
<b>Total Capital expenditure</b>	<b>24 630</b>	<b>23 612</b>	<b>23 612</b>	<b>6 838</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of September 2022 amounts to R 1, 8 million.

**Quality Certificate for Monthly Report – Section 71**

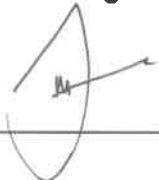
M.M. MOTSWALEDI The Chief Financial Officer Of Magareng Local Municipality (NC093), hereby certify that section 71 for September 2022/2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

**Mrs. M. Motswaledi.**  
**Chief Financial Officer**

Signature:  Date: 14 OCT 2022

I \_\_\_\_\_ The Acting Municipal Manager Of Magareng Local Municipality (NC093), hereby certify that section 71 for September 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 OCT 2022