

MAGARENG LOCAL MUNICIPALITY

MAGARENG



MUNICIPALITY

MONTHLY BUDGET STATEMENT REPORT

OCTOBER 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 47 825 253,64	37%
OPERATING EXPENDITURE	R 182 313 394,00	R -	R 21 614 963,93	12%
TRANSFER CAPITAL	R 23 612 000,00	R -	R 8 000 000,00	34%
SURPLUS/ (DEFICIT)	-R 27 785 731,00	R -	R 34 210 289,71	-123%
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 - M04 October

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	1 017	4 096	4 106	(10)	-0%	12 319
Service charges	36 845	43 325	43 325	2 160	11 418	14 442	(3 024)	-21%	43 325
Investment revenue	6 296	3 122	3 122	893	3 505	1 041	2 465	237%	3 122
Transfers and subsidies	62 864	64 964	64 964	–	26 435	21 655	4 780	22%	64 964
Other own revenue	8 204	7 186	7 186	637	2 371	2 395	(24)	-1%	7 186
Total Revenue (excluding capital transfers and contributions)	125 943	130 916	130 916	4 707	47 825	43 639	4 187	10%	130 916
Employee costs	49 810	53 078	52 578	3 418	14 541	17 593	(3 051)	-17%	52 578
Remuneration of Councillors	4 263	4 675	4 655	388	1 552	1 554	(2)	-0%	4 655
Depreciation & asset impairment	27 108	30 431	30 431	–	–	10 144	(10 144)	-100%	30 431
Finance charges	5 447	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	47 727	38 600	38 570	63	3 370	12 858	(9 488)	-74%	38 570
Transfers and subsidies	–	20	20	–	–	7	(7)	-100%	20
Other expenditure	50 844	55 509	56 059	466	2 151	18 615	(16 464)	-88%	56 059
Total Expenditure	185 199	182 313	182 313	4 335	21 615	60 771	(39 156)	-64%	182 313
Surplus/(Deficit)	(59 256)	(51 398)	(51 398)	373	26 210	(17 133)	43 343	-253%	(51 398)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	30 851	23 612	23 612	1 500	8 000	7 871	129	2%	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)	1 873	34 210	(9 262)	43 472	-469%	(27 786)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(24 709)	(27 786)	(27 786)	1 873	34 210	(9 262)	43 472	-469%	(27 786)
Capital expenditure & funds sources									
Capital expenditure	24 630	23 612	23 612	–	6 838	7 871	(1 032)	-13%	23 612
Capital transfers recognised	22 097	23 612	23 612	–	6 838	7 871	(1 032)	-13%	23 612
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	2 533	–	–	–	–	–	–	–	–
Total sources of capital funds	24 630	23 612	23 612	–	6 838	7 871	(1 032)	-13%	23 612
Financial position									
Total current assets	(32 032)	(111 496)	(111 496)	–	76 495	–	–	–	(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	–	248 121	–	–	–	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)	–	120 372	–	–	–	(27 786)
Cash flows									
Net cash from (used) operating	–	275 601	275 601	1 500	4 731	91 867	87 136	95%	275 601
Net cash from (used) investing	–	(23 611)	(23 612)	–	(6 838)	(7 870)	(1 032)	13%	(23 611)
Net cash from (used) financing	–	331	–	1	9	110	101	92%	331
Cash/cash equivalents at the month/year end	6 674	252 898	252 566	–	(2 872)	84 684	87 556	103%	251 547
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	5 262	5 160	4 987	4 923	3 592	4 497	26 776	304 168	359 365
Creditors Age Analysis									
Total Creditors	3 183	3 947	4 089	3 885	8 757	57 121	54 051	96 109	231 142

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of October is R47,8 million and the year to date budget of R43,6 million and this reflects a positive variance of R4,2 million . The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Property Rates : 0% unfavorable variance
- Service Charges : 21% unfavorable variance
- Investment Revenue : 237 % favorable variance
- Transfers and Subsidies : 22% favorable variance
- Other Own Revenue : 1% unfavorable variance

Operating Expenditure

The year to date actual operational expenditure as at end of October amounts to R21, 6 million and the year to date budget is R60, 8 million. This reflects under spending variance of R39, 2 million that translates to 64% variance. The variance 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: 18% under performance variance
- Depreciations and Asset Impairment : 100% under performance variance
- Inventory Consumed and Bulk Purchases : 74% under performance variance
- Transfer and Subsidies : 100 under performance variance
- Other expenditure : 88% under performance variance

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 October 2022 amounts to R 6, 8 million and the year to date budget amounts to R 7,9 million and this gives rise to R 1 million which shows under performance on capital expenditure.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of October is R 1, 9 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of October amounts to R359 365 million and this show an increase of R 16 414 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 R241 660 million and other debtors amounting to R117 706 million.

Creditors

As at 30 October 2022 the municipality had an outstanding creditors amounting to R231 142 million and the bulk of this amount is made up by Bulk water :R121 161 million and bulk electricity :R89 132 million.

Table C2 – Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

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	2 222	34 664	26 801	7 862	29%	80 404
Executive and council		54 507	59 064	59 064	–	22 885	19 688	3 197	16%	59 064
Finance and administration		26 826	21 340	21 340	2 222	11 779	7 113	4 665	66%	21 340
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		1 533	1 329	1 329	30	615	443	172	39%	1 329
Community and social services		1 216	1 189	1 189	8	582	396	185	47%	1 189
Sport and recreation		58	–	–	–	–	–	–	–	–
Public safety		258	140	140	22	33	47	(13)	-29%	140
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		(3 731)	450	450	–	–	150	(150)	-100%	450
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		(3 731)	450	450	–	–	150	(150)	-100%	450
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		81 355	72 344	72 344	3 955	20 547	24 115	(3 568)	-15%	72 344
Energy sources		15 546	21 361	21 361	365	4 035	7 120	(3 085)	-43%	21 361
Water management		49 876	33 037	33 037	2 103	10 640	11 012	(373)	-3%	33 037
Waste water management		8 985	9 101	9 101	729	2 866	3 034	(168)	-6%	9 101
Waste management		6 948	8 845	8 845	757	3 006	2 948	58	2%	8 845
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	160 490	154 528	154 528	6 207	55 825	51 509	4 316	8%	154 528
Expenditure - Functional										
<i>Governance and administration</i>		103 010	48 038	48 038	2 893	11 579	16 013	(4 434)	-28%	48 038
Executive and council		14 133	13 024	13 024	1 219	3 890	4 341	(451)	-10%	13 024
Finance and administration		88 877	35 015	35 015	1 673	7 689	11 672	(3 983)	-34%	35 015
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		12 773	12 438	12 438	874	3 589	4 146	(557)	-13%	12 438
Community and social services		2 526	2 850	2 850	179	738	950	(212)	-22%	2 850
Sport and recreation		3 390	4 212	4 212	268	1 141	1 404	(263)	-19%	4 212
Public safety		4 001	4 230	4 230	342	1 350	1 410	(60)	-4%	4 230
Housing		2 856	1 146	1 146	84	360	382	(22)	-6%	1 146
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		6 198	7 222	7 222	328	1 316	2 407	(1 092)	-45%	7 222
Planning and development		3 787	5 832	5 832	241	965	1 944	(979)	-50%	5 832
Road transport		2 411	1 390	1 390	88	351	463	(112)	-24%	1 390
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		63 219	114 616	114 616	240	5 131	38 205	(33 074)	-87%	114 616
Energy sources		28 825	44 824	44 824	(278)	2 685	14 941	(12 257)	-82%	44 824
Water management		24 595	28 868	28 968	293	1 500	9 656	(8 157)	-84%	28 968
Waste water management		8 649	21 149	21 049	166	704	7 016	(6 312)	-90%	21 049
Waste management		1 150	19 774	19 774	59	243	6 591	(6 348)	-96%	19 774
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	185 199	182 313	182 313	4 335	21 615	60 771	(39 156)	-64%	182 313
Surplus/ (Deficit) for the year		(24 709)	(27 786)	(27 786)	1 873	34 210	(9 262)	43 472	-469%	(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) - M04 October

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	–	22 885	19 688	3 197	16,2%	59 064
Vote 02 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 03 - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 04 - Financial Services		26 826	21 340	21 340	2 222	11 779	7 113	4 665	65,6%	21 340
Vote 05 - Municipal Infrastructure		77 624	72 794	72 794	3 955	20 547	24 265	(3 718)	-15,3%	72 794
Vote 06 - Community Services		–	–	–	–	–	–	–	–	–
Vote 07 - Public Safety & Transport		1 533	1 329	1 329	30	615	443	172	38,7%	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		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	160 490	154 528	154 528	6 207	55 825	51 509	4 316	8,4%	154 528
Expenditure by Vote										
Vote 01 - Executive & Council	1	11 268	10 987	10 987	735	2 732	3 662	(930)	-25,4%	10 987
Vote 02 - Office Of The Municipal Manager		1 839	2 037	2 037	49	202	679	(477)	-70,3%	2 037
Vote 03 - Corporate Services		12 235	14 279	14 279	796	4 001	4 760	(759)	-15,9%	14 279
Vote 04 - Financial Services		76 706	20 736	20 736	889	3 716	6 912	(3 196)	-46,2%	20 736
Vote 05 - Municipal Infrastructure		68 120	119 589	119 589	841	6 688	39 863	(33 175)	-83,2%	119 589
Vote 06 - Community Services		–	–	–	–	–	–	–	–	–
Vote 07 - Public Safety & Transport		9 717	11 292	11 292	754	3 168	3 764	(596)	-15,8%	11 292
Vote 08 - Sports, Arts, Parks, Culture		–	–	–	–	–	–	–	–	–
Vote 09 - Planning & Development		5 315	3 394	3 394	270	1 108	1 131	(24)	-2,1%	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		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	185 199	182 313	182 313	4 335	21 615	60 771	(39 156)	-64,4%	182 313
Surplus/ (Deficit) for the year	2	(24 709)	(27 786)	(27 786)	1 873	34 210	(9 262)	43 472	-469,4%	(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) - M04 October

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	1 017	4 096	4 106	(10)	0%	12 319
Service charges - electricity revenue		15 185	20 897	20 897	365	4 035	6 966	(2 930)	-42%	20 897
Service charges - water revenue		8 426	8 975	8 975	603	2 640	2 992	(352)	-12%	8 975
Service charges - sanitation revenue		7 569	7 016	7 016	682	2 708	2 339	369	16%	7 016
Service charges - refuse revenue		5 666	6 437	6 437	510	2 035	2 146	(111)	-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	893	3 505	1 041	2 465	237%	3 122
Interest earned - outstanding debtors		2 749	5 223	5 223	558	2 082	1 741	341	20%	5 223
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		127	46	46	5	15	15	(0)	-2%	46
Licences and permits		(2 187)	-	-	-	-	-	-	-	-
Agency services		76	-	-	-	-	-	-	-	-
Transfers and subsidies		62 864	64 964	64 964	-	26 435	21 655	4 780	22%	64 964
Other revenue		7 240	1 914	1 914	74	274	638	(364)	-57%	1 914
Gains		196	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		125 943	130 916	130 916	4 707	47 825	43 639	4 187	10%	130 916
Expenditure By Type										
Employee related costs		49 810	53 078	52 578	3 418	14 541	17 593	(3 051)	-17%	52 578
Remuneration of councillors		4 263	4 675	4 655	388	1 552	1 554	(2)	0%	4 655
Debt impairment		35 611	37 815	37 815	-	-	12 605	(12 605)	-100%	37 815
Depreciation & asset impairment		27 108	30 431	30 431	-	-	10 144	(10 144)	-100%	30 431
Finance charges		5 447	-	-	-	-	-	-	-	-
Bulk purchases - electricity		24 641	24 750	24 750	-	2 534	8 250	(5 716)	-69%	24 750
Inventory consumed		23 086	13 850	13 820	63	836	4 608	(3 772)	-82%	13 820
Contracted services		6 187	6 720	7 220	170	559	2 340	(1 781)	-76%	7 220
Transfers and subsidies		-	20	20	-	-	7	(7)	-100%	20
Other expenditure		9 046	10 974	11 024	296	1 593	3 670	(2 077)	-57%	11 024
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		185 199	182 313	182 313	4 335	21 615	60 771	(39 156)	-64%	182 313
Surplus/(Deficit)										
		(59 256)	(51 398)	(51 398)	373	26 210	(17 133)	43 343	(0)	(51 398)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 851	23 612	23 612	1 500	8 000	7 871	129	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	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(24 709)	(27 786)	(27 786)	1 873	34 210	(9 262)			(27 786)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(24 709)	(27 786)	(27 786)	1 873	34 210	(9 262)			(27 786)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(24 709)	(27 786)	(27 786)	1 873	34 210	(9 262)			(27 786)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(24 709)	(27 786)	(27 786)	1 873	34 210	(9 262)			(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) - M04 October

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
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	-	6 838	7 871	(1 032)	-13%	23 612
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Human 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	-	6 838	7 871	(1 032)	-13%	23 612
Total Capital Expenditure		24 630	23 612	23 612	-	6 838	7 871	(1 032)	-13%	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	-	6 838	7 871	(1 032)	-13%	23 612
Energy sources		207	-	-	-	-	-	-	-	-
Water management		22 358	23 612	23 612	-	6 838	7 871	(1 032)	-13%	23 612
Waste water management		1 805	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	24 630	23 612	23 612	-	6 838	7 871	(1 032)	-13%	23 612
Funded by:										
National Government		14 358	23 612	23 612	-	6 838	7 871	(1 032)	-13%	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 Corporatons, Higher Educational Institutions)		6 559	-	-	-	-	-	-	-	-
Transfers recognised - capital		22 097	23 612	23 612	-	6 838	7 871	(1 032)	-13%	23 612
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2 533	-	-	-	-	-	-	-	-
Total Capital Funding		24 630	23 612	23 612	-	6 838	7 871	(1 032)	-13%	23 612

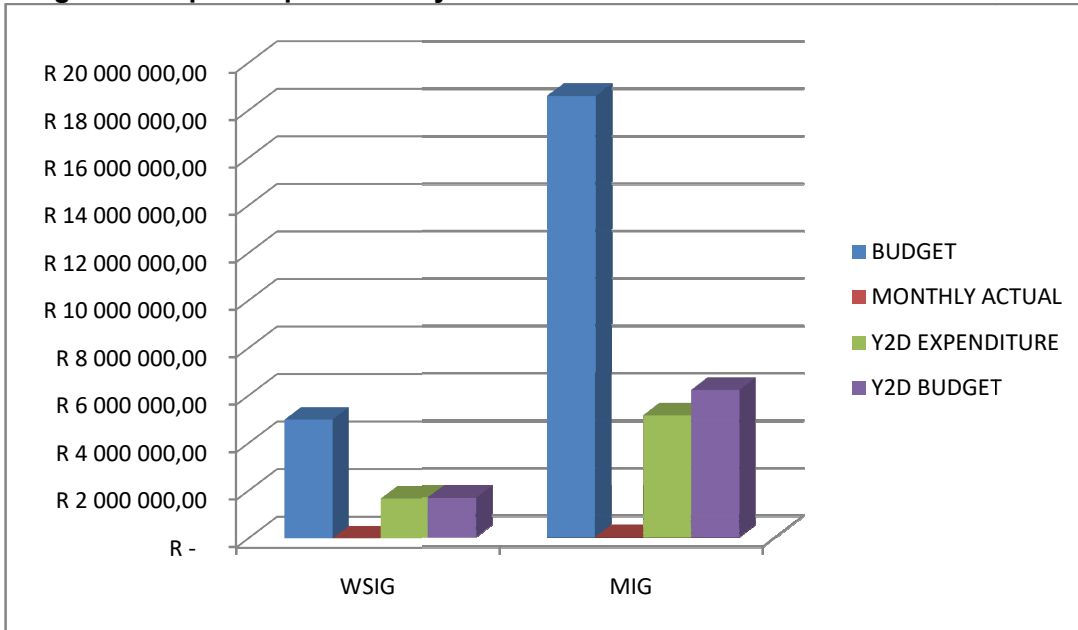
Table C5C: Monthly Capital Expenditure by Vote

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M04 October

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 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	-	6 838	7 871	(1 032)	-13%	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	-	6 838	7 871	(1 032)	-13%	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	-	6 838	7 871	(1 032)	(0)	23 612
Total Capital Expenditure		24 630	23 612	23 612	-	6 838	7 871	(1 032)	(0)	23 612

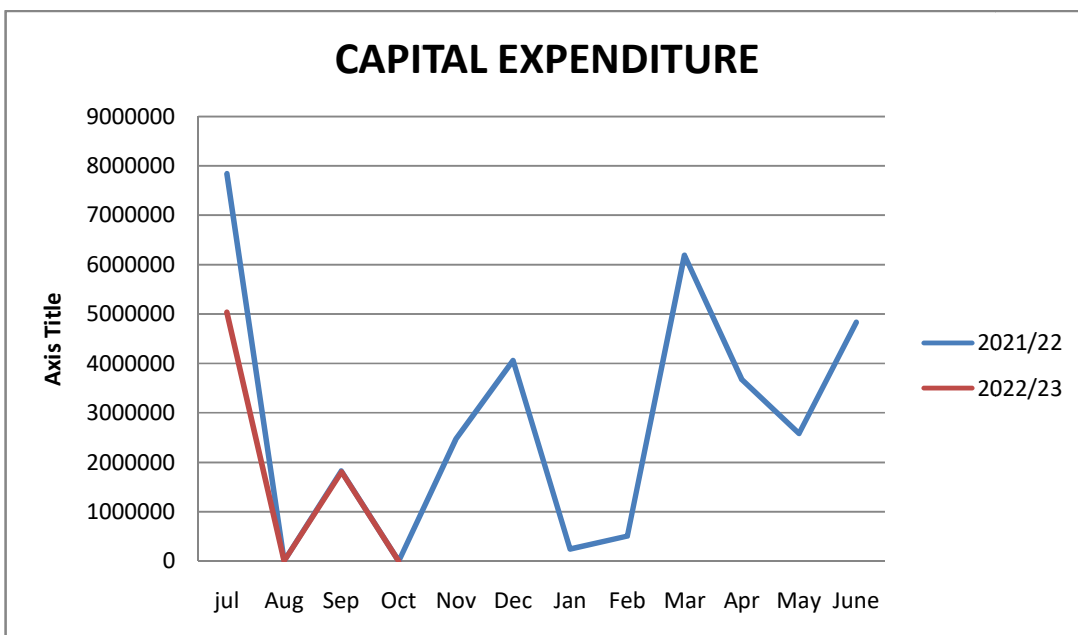
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of October 2022, there was no capital expenditure.

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 - M04 October

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)	(6 998)	(253 960)
Call investment deposits		3 826	62 108	62 108	172	62 108
Consumer debtors		12 647	28 402	28 402	28 992	28 402
Other debtors		52 655	51 486	51 486	54 165	51 486
Current portion of long-term receivables						
Inventory		164	467	467	164	467
Total current assets		(32 032)	(111 496)	(111 496)	76 495	(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	293 476	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	317 698	324 339
TOTAL ASSETS		278 827	212 842	212 842	394 193	212 842
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		191	-	-	165	-
Consumer deposits		1 303	1 254	1 254	1 313	1 254
Trade and other payables		356 914	230 550	230 550	238 902	230 550
Provisions		7 741	6 442	6 442	7 741	6 442
Total current liabilities		366 150	238 246	238 246	248 121	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	260 876	241 351
NET ASSETS	2	(100 077)	(28 509)	(28 509)	133 317	(28 509)
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		133 045	(27 786)	(27 786)	120 372	(27 786)
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	133 045	(27 786)	(27 786)	120 372	(27 786)

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 - M04 October

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	4 312	4 312	954	2 016	1 437	579	40%	4 312
Service charges		-	15 509	15 509	788	5 742	5 170	572	11%	15 509
Other revenue		-	238 520	238 520	374	(20)	79 507	(79 527)	-100%	238 520
Transfers and Subsidies - Operational		-	64 964	64 964	-	26 435	21 655	4 780	22%	64 964
Transfers and Subsidies - Capital		-	23 612	23 612	1 500	8 000	7 871	129	2%	23 612
Interest		-	3 122	3 122	-	-	1 041	(1 041)	-100%	3 122
Dividends								-		
Payments										
Suppliers and employees		-	(74 437)	(74 437)	(5 593)	(40 657)	(24 812)	15 845	-64%	(74 437)
Finance charges								-		
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	275 601	275 601	(1 977)	1 515	91 867	90 352	98%	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)	-	(6 838)	(7 871)	(1 032)	13%	(23 612)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(23 611)	(23 612)	-	(6 838)	(7 870)	(1 032)	13%	(23 611)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	331	-	1	9	110	(101)	-92%	331
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	331	-	1	9	110	101	92%	331
NET INCREASE/ (DECREASE) IN CASH HELD										
		-	252 321	251 989	(1 976)	(5 314)	84 107			252 321
Cash/cash equivalents at beginning:		6 674	577	577	(6 052)	(774)	577			(774)
Cash/cash equivalents at month/year end:		6 674	252 898	252 566		(6 088)	84 684			251 547

Table C7 presents details pertaining to cash flow performance. As at end of October 2022, the net cash inflow from operating activities is -R 1,9 million whilst there is no movement on net cash outflow from investing activities that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R 1 thousand. The cash and cash equivalent held at end of October 2022 amounted to -R 6, 1 million and the net effect of the above cash flows is cash outflow movement of - R 1,9 million.

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	-42%	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	-12%	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	16%	The projected monthly revenue appear to be high in light of the actual revenue performance	the municipality will increase the revenue budget during the adjustment budget
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	20%	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	-2%	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	22%	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	-57%	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	-18%	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	-69%	the actual expenditure is on par with the monthly actual projection	the municipality has an payment agreement with Eskom board
Inventory consumed	-82%	the actual expenditure incurred is less than the projected monthly actual	the municipality has an agreement with Vaalharts water board
Contracted services	-75%	the actual expenditure incurred is less than the projected monthly actual	the municipality will decrease the expenditure budget during the adjustment
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	-56%	the actual expenditure incurred is less than the projected monthly actual	the municipality will decrease the expenditure budget during the adjustment

Supporting Table: SC 1 Material Variance Explanations (Continuation)

Capital expenditure			
National government	-13%	the actual expenditure incurred is more than the projected monthly actual	No remedial action is needed.
CASH FLOW			
Receipts			
Property rates	40%	The projected monthly revenue appear to be high in light of the actual revenue performance	the municipality will increase the revenue budget during the adjustment budget
Service charges	11%	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	-100%	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	22%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Transfers and Subsidies - Capital	2%	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 - M04 October

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	865	1 017	781	735	665	1 447	4 549	56 172	66 232	63 569		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	605	441	432	481	227	327	1 564	30 672	34 749	33 271		
Receivables from Non-exchange Transactions - Property Rates	1400	857	813	854	861	706	704	4 157	40 330	49 282	46 758		
Receivables from Exchange Transactions - Waste Water Management	1500	782	778	774	768	696	697	4 247	43 945	52 687	50 353		
Receivables from Exchange Transactions - Waste Management	1600	578	566	575	555	499	499	3 040	32 397	38 709	36 990		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	1 496	1 478	1 505	1 429	767	782	8 996	97 514	113 967	109 489		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	79	68	67	93	31	41	222	3 138	3 738	3 525		
Total By Income Source	2000	5 262	5 160	4 987	4 923	3 592	4 497	26 776	304 168	359 365	343 955	-	-
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	268	239	253	226	146	152	846	7 797	9 925	9 166		
Commercial	2300	638	501	561	470	262	273	1 899	19 175	23 779	22 079		
Households	2400	4 331	4 396	4 146	4 199	3 165	4 052	23 896	275 782	323 969	311 095		
Other	2500	25	25	27	27	19	19	134	1 415	1 692	1 615		
Total By Customer Group	2600	5 262	5 160	4 987	4 923	3 592	4 497	26 775	304 168	359 365	343 955	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of October amount to R359 365 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

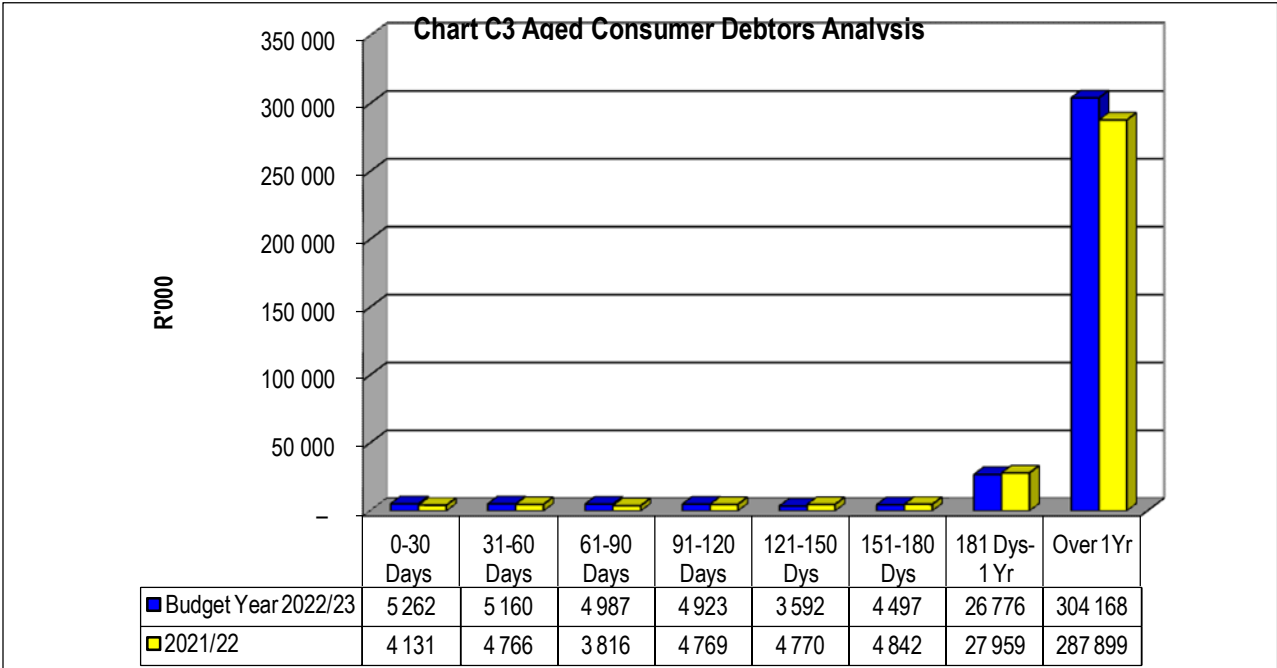
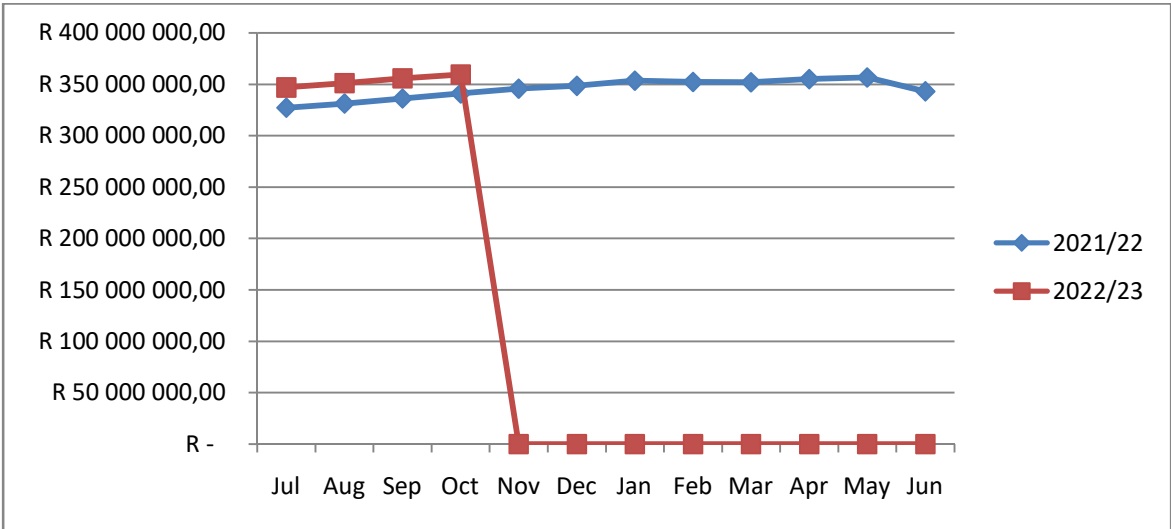


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of October 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 - M04 October

Description	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	2 984	1 960	3 308	40 838	35 134	-	89 132		
Bulk Water	0200	802	851	885	221	1 342	12 196	13 957	90 906	121 161		
PAYE deductions	0300	-	-	-	-	-	-	-	-	-		
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-		
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-		
Loan repayments	0600	-	-	-	-	-	-	-	-	-		
Trade Creditors	0700	-	213	201	1 683	3 892	3 892	3 892	3 892	17 667		
Auditor General	0800	339	17	20	20	215	194	1 068	1 310	3 183		
Other	0900	-	-	-	-	-	-	-	-	-		
Total By Customer Type	1000	3 183	3 947	4 089	3 885	8 757	57 121	54 051	96 109	231 142	-	

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 October 2022 amounted to R231 142 million. This amount is made up of various creditors which include amongst others the Eskom of R89 132 million, and Vaalharts water of R121 161 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 - M04 October

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 October 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 - M04 October

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	-	25 885	20 688	5 197	25,1%	62 064
Equitable Share		51 086	57 991	57 991	-	22 616	19 330	3 286	17,0%	57 991
Expanded Public Works Programme Integrated Grant		1 121	1 073	1 073	-	269	358	(89)	-24,8%	1 073
Local Government Financial Management Grant		2 850	3 000	3 000	-	3 000	1 000	2 000	200,0%	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	-	-	600	(600)	-100,0%	1 800
Specify (Add grant description)		4 603	1 800	1 800	-	-	600	(600)	-100,0%	1 800
Other grant providers:		1 100	1 100	1 100	-	550	367	183	50,0%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 100	1 100	1 100	-	550	367	183	50,0%	1 100
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	62 864	64 964	64 964	-	26 435	21 655	4 780	22,1%	64 964
Capital Transfers and Grants										
National Government:		30 851	23 612	23 612	1 500	8 000	7 871	129	1,6%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8 175	18 612	18 612	-	4 000	6 204	(2 204)	-35,5%	18 612
Regional Bulk Infrastructure Grant		18 677	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		4 000	5 000	5 000	1 500	4 000	1 667	2 333	140,0%	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	1 500	8 000	7 871	129	1,6%	23 612
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	97 411	88 576	88 576	1 500	34 435	29 525	4 910	16,6%	88 576

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R34, 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 0 million; Municipal Infrastructure Grant amounting to R 0 million; Water Service Infrastructure Grant R 1, 5 million, Expanded Public Works Programme R 0 million, Library Grant R 0 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.

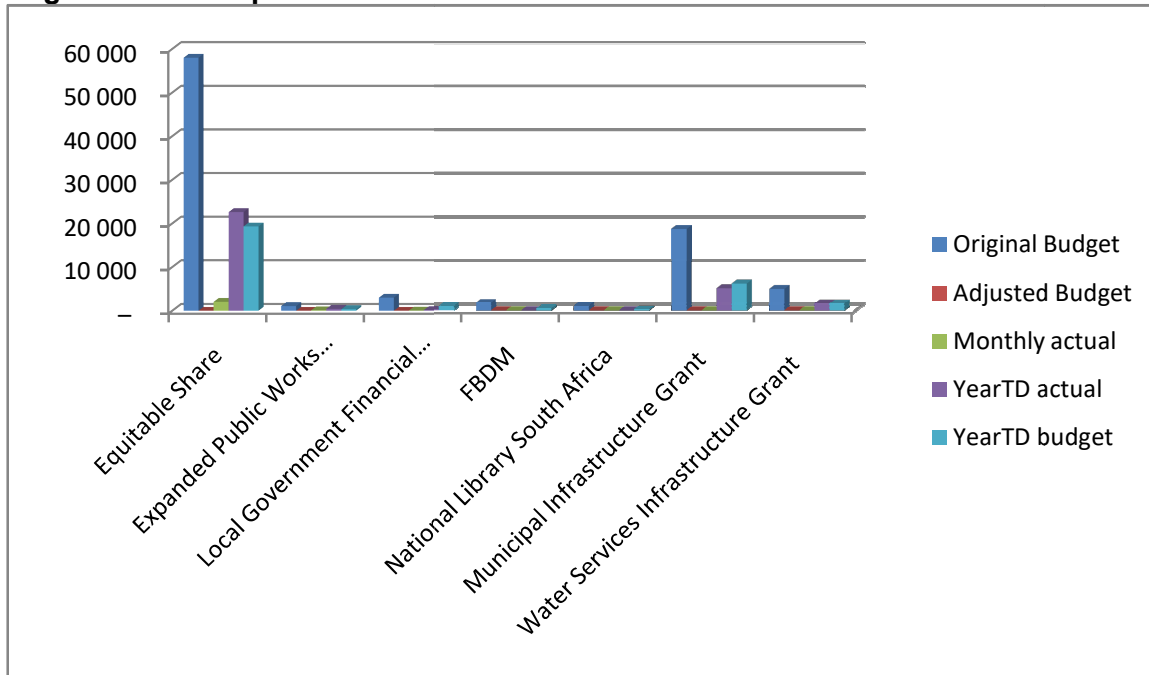
Supporting Table: SC 7 Transfers and grants – Expenditure

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

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	2 188	23 207	20 688	2 519	12,2%	30 991
Equitable Share		84 427	57 991	57 991	2 043	22 616	19 330	3 286	17,0%	26 931
Expanded Public Works Programme Integrated Grant		1 102	1 073	1 073	105	430	358	72	20,1%	1 073
Local Government Financial Management Grant		3 763	3 000	3 000	40	162	1 000	(838)	-83,8%	2 987
Municipal Disaster Relief Grant		1 412	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		4 078	1 800	1 800	-	-	600	(600)	-100,0%	1 800
Other grant providers:		1 942	1 100	1 100	-	-	367	(367)	-100,0%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 942	1 100	1 100	-	-	367	(367)	-100,0%	1 100
Total operating expenditure of Transfers and Grants:		92 646	63 164	63 164	2 188	23 207	21 055	2 153	10,2%	32 091
Capital expenditure of Transfers and Grants										
National Government:		14 358	23 612	23 612	-	6 838	7 871	(1 032)	-13,1%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		7 935	18 612	18 612	-	5 158	6 204	(1 046)	-16,9%	18 612
Water Services Infrastructure Grant		6 423	5 000	5 000	-	1 681	1 667	14	0,8%	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	-	6 838	7 871	(1 032)	-13,1%	23 612
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		114 743	86 776	86 776	2 188	30 046	28 925	1 120	3,9%	55 703

An amount of R 2,2 million has been spent on grants during the month of October 2022 and the year to date actual is R30,0 million whilst the year to date budget amounts to R 28,9 million and this results in an over spending variance of R 3,9 million that translates to 3,9%. Of the total spending amounting to R2, 2 millio was spent on operational grants and there was no spending 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 October 2022. The grants expenditure is shown below in percentages when compared to the original budget:

- Financial Management Grant 1.3%
- Expanded Public Work Programme 9.8%
- Equitable Share 7.6 %
- 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 - M04 October

Summary of Employee and Councillor 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		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		3 004	3 654	3 634	270	1 087	1 214	(127)	-10%	3 634
Pension and UIF Contributions		278	44	44	31	125	15	110	749%	44
Medical Aid Contributions		124	84	84	10	36	28	8	30%	84
Motor Vehicle Allowance								-		
Cellphone Allowance		410	526	526	40	160	175	(15)	-8%	526
Housing Allowances								-		
Other benefits and allowances		447	368	368	38	144	123	21	17%	368
Sub Total - Councillors		4 263	4 675	4 655	388	1 552	1 554	(2)	0%	4 655
% increase	4		9,7%	9,2%						9,2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 401	2 212	2 212	105	414	737	(324)	-44%	2 212
Pension and UIF Contributions		202	202	202	9	55	67	(12)	-18%	202
Medical Aid Contributions		87	85	85	8	30	28	2	5%	85
Overtime								-		
Performance Bonus		85	184	184	-	-	61	(61)	-100%	184
Motor Vehicle Allowance		828	1 084	1 084	30	118	361	(243)	-67%	1 084
Cellphone Allowance		165	14	14	-	-	5	(5)	-100%	14
Housing Allowances		124	154	154	-	-	51	(51)	-100%	154
Other benefits and allowances		41	121	121	0	0	40	(40)	-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	151	617	1 353	(735)	-54%	4 058
% increase	4		38,4%	38,4%						38,4%
Other Municipal Staff										
Basic Salaries and Wages		32 481	33 553	33 053	2 618	10 727	11 084	(357)	-3%	33 053
Pension and UIF Contributions		5 631	5 708	5 708	424	1 719	1 903	(184)	-10%	5 708
Medical Aid Contributions		2 194	2 874	2 874	145	590	958	(368)	-38%	2 874
Overtime		2 585	3 773	3 773	14	629	1 258	(629)	-50%	3 773
Performance Bonus		2 769	2 688	2 688	22	85	896	(811)	-91%	2 688
Motor Vehicle Allowance		65	88	88	7	29	29	(1)	-3%	88
Cellphone Allowance		130	72	72	4	16	24	(8)	-33%	72
Housing Allowances		389	257	257	5	22	86	(63)	-74%	257
Other benefits and allowances		732	7	7	27	106	2	104	4653%	7
Payments in lieu of leave								-		
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	(100)	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		46 877	49 020	48 520	3 267	13 924	16 240	(2 316)	-14%	48 520
% increase	4		4,6%	3,5%						3,5%
Total Parent Municipality		54 073	57 753	57 233	3 806	16 094	19 147	(3 054)	-16%	57 233
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		54 073	57 753	57 233	3 806	16 094	19 147	(3 054)	-16%	57 233
% increase	4		6,8%	5,8%						5,8%
TOTAL MANAGERS AND STAFF		49 810	53 078	52 578	3 418	14 541	17 593	(3 051)	-17%	52 578

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of October 2022 amounts to R 3,4 million and the year to date budget is R 19,1 million and the expenditure for remuneration of councilors amounts to R 388 thousand while the year to date budget is R 1,6 million. The year to date actual expenditure for senior managers is R 617 thousand and the year to date budget thereof is R 1, 4 million. The year to date actual for other municipal staff is R13, 9 million and the year to date budget is R 16,2 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 - M04 October

Description	Ref	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework			
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
		Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget				
R thousands	1																
Cash Receipts By Source																	
Property rates		396	341	325	954	359	359	359	359	359	359	359	(219)	4 312	5 776	7 378	
Service charges - electricity revenue		1 832	1 665	464	491	610	610	610	610	610	610	610	(1 402)	7 319	21 517	22 486	
Service charges - water revenue		210	207	199	183	290	290	290	290	290	290	290	652	3 481	4 555	5 375	
Service charges - sanitation revenue		80	47	22	39	205	205	205	205	205	205	205	836	2 456	3 290	4 202	
Service charges - refuse		104	66	59	76	188	188	188	188	188	188	188	634	2 253	3 018	3 855	
Rental of facilities and equipment		-	-	-	-	0	0	0	0	0	0	0	0	1	1	2	
Interest earned - external investments		-	-	-	-	260	260	260	260	260	260	260	1 301	3 122	3 253	3 399	
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		-	-	-	-	1	1	1	1	1	1	1	6	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	1 183	64 964	67 423	71 244	
Other revenue		(318)	(402)	326	374	19 875	19 875	19 875	19 875	19 875	19 875	19 875	99 398	238 506	226 899	738 251	
Cash Receipts by Source		24 919	5 193	1 395	2 116	27 202	27 202	27 202	27 202	27 202	27 202	27 202	102 388	326 426	335 752	856 221	
Other Cash Flows by Source																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 500	-	-	1 500	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 838	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	1 395	3 616	29 170	29 170	29 170	29 170	29 170	29 170	29 170	103 895	349 707	350 243	871 123	
Cash Payments by Type																	
Employee related costs		6 535	4 084	(213)	-	4 813	4 813	4 813	4 813	4 813	4 813	4 813	13 658	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	1 588	24 750	25 790	27 053	
Acquisitions - water & other inventory		1 000	-	-	-	225	225	225	225	225	225	225	125	2 700	2 700	2 700	
Contracted services		-	-	-	-	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(7 038)	(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	(13 174)	6 126	6 566	7 168	
Cash Payments by Type		28 303	4 597	2 957	-	6 203	6 203	6 203	6 203	6 203	6 203	6 203	(4 841)	74 437	88 140	92 189	
Other Cash Flows/Payments by Type																	
Capital assets		5 035	-	1 803	-	1 968	1 968	1 968	1 968	1 968	1 968	1 968	3 000	23 612	14 454	14 902	
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Payments by Type		33 338	4 597	4 760	-	8 171	8 171	8 171	8 171	8 171	8 171	8 171	(1 841)	98 049	102 594	107 091	
NET INCREASE/(DECREASE) IN CASH HELD		(1 919)	595	(3 365)	3 616	20 999	20 999	20 999	20 999	20 999	20 999	20 999	105 737	251 658	247 649	764 032	
Cash/cash equivalents at the month/year beginning:		242	(1 677)	(1 082)	(4 447)	(831)	20 168	41 167	62 166	83 165	104 164	125 164	146 163	242	251 899	499 548	
Cash/cash equivalents at the month/year end:		(1 677)	(1 082)	(4 447)	(831)	20 168	41 167	62 166	83 165	104 164	125 164	146 163	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 3, 6 million and there were no cash payment for the month and this resulted in net increase in cash held amounting to R 3, 6 million. With cash and cash equivalent of –R4,4 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of -R 831 thousands. 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 - M04 October

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	1 803	1 803	5 903	4 100	69,5%	8%
October	2 053	1 968	1 968	–	–	7 871	7 871	100,0%	0%
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	6 838					

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

Quality Certificate for Monthly Report – Section 71


I M.M. MOTSWALEDI The Chief Financial Officer Of Magareng Local Municipality (NC093), hereby certify that section 71 for October 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 NOV 2022

I _____ The Acting Municipal Manager Of Magareng Local Municipality (NC093), hereby certify that section 71 for October 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 NOV 2022