

# MAGARENGLOCALMUNICIPALITY

**MAGARENG**



**MUNICIPALITY**

## MONTHLY BUDGET STATEMENT REPORT

**JUNE 2023**

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## PART1: IN-YEARREPORT

### 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.

### Mayor's 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 has a negative impact on the cash flow of the municipality
- Outstanding creditors with large outstanding debt mainly owed to Eskom and Vaalhartswater
- Inability to service creditors within 30 days.
- Negative impact on the municipalities ability to improve service delivery from its own revenue sources.
- Water Crisis due to Construction of Bulk Water Pipeline & Emergency Repairs on the Existing 500MM main supply Bulk Water Pipeline.

### 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 and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results.

### IN YEAR BUDGET STATEMENT TABLES

DESCRIPTION	2022/2023		YEAR TO DATE ACTUAL	PERCENTAGE
	ORIGINAL BUDGET	ADJUSTED BUDGET		
OPERATING REVENUE	130 915 663,00	135 071 635,00	127 192 649,02	94%
OPERATING EXPENDITURE	182 313 394,00	167 282 591,00	141 880 248,40	85%
TRANSFERS CAPITAL	23 612 000,00	47 388 110,00	27 612 000,00	58%
SURPLUS/(DEFICIT) AFTER TRANS	- 27 785 731,00	15 177 154,00	12 924 400,62	85%
CAPITAL EXPENDITURE	23 612 000,00	47 388 110,00	24 743 562,74	52%

## Table C1–Budget Statement Summary

NC093 Magareng - Table C1 Monthly Budget Statement Summary - M12 June

Description	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>Financial Performance</b>									
Property rates	11 674	12 319	12 319	1 009	12 263	12 319	(56)	-0%	12 319
Service charges	36 845	43 325	43 364	2 378	30 335	43 364	(13 029)	-30%	43 364
Investment revenue	6 296	3 122	-	-	-	-	-	-	-
Transfers and subsidies	62 864	64 964	65 964	5 145	66 468	65 964	504	1%	65 964
Other own revenue	7 647	7 186	13 425	1 776	18 126	13 425	4 702	35%	13 425
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>125 327</b>	<b>130 916</b>	<b>135 072</b>	<b>10 308</b>	<b>127 193</b>	<b>135 072</b>	<b>(7 879)</b>	<b>-6%</b>	<b>135 072</b>
Employee costs	49 810	53 078	49 342	3 597	44 265	49 342	(5 077)	-10%	49 342
Remuneration of Councillors	4 263	4 675	5 477	390	4 673	5 477	(804)	-15%	5 477
Depreciation & asset impairment	26 674	30 431	25 974	2 163	25 974	25 974	(0)	-0%	25 974
Finance charges	5 447	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	45 197	38 600	35 789	6 970	20 463	35 789	(15 326)	-43%	35 789
Transfers and subsidies	-	20	-	-	-	-	-	-	-
Other expenditure	49 919	55 509	50 701	5 301	46 506	50 701	(4 195)	-8%	50 701
<b>Total Expenditure</b>	<b>181 310</b>	<b>182 313</b>	<b>167 283</b>	<b>18 421</b>	<b>141 880</b>	<b>167 283</b>	<b>(25 402)</b>	<b>-15%</b>	<b>167 283</b>
<b>Surplus/(Deficit)</b>	<b>(55 983)</b>	<b>(51 398)</b>	<b>(32 211)</b>	<b>(8 113)</b>	<b>(14 688)</b>	<b>(32 211)</b>	<b>17 523</b>	<b>-54%</b>	<b>(32 211)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25 034	23 612	45 888	-	27 612	45 888	####	-40%	45 888
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	-	1 500	-	-	1 500	(1 500)	-100%	1 500
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(27 253)</b>	<b>(27 786)</b>	<b>15 177</b>	<b>(8 113)</b>	<b>12 924</b>	<b>15 177</b>	<b>(2 253)</b>	<b>-15%</b>	<b>15 177</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(27 253)</b>	<b>(27 786)</b>	<b>15 177</b>	<b>(8 113)</b>	<b>12 924</b>	<b>15 177</b>	<b>(2 253)</b>	<b>-15%</b>	<b>15 177</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>25 900</b>	<b>23 612</b>	<b>47 388</b>	<b>1 633</b>	<b>24 744</b>	<b>47 388</b>	<b>(22 645)</b>	<b>-48%</b>	<b>47 388</b>
Capital transfers recognised	23 778	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2 122	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>25 900</b>	<b>23 612</b>	<b>47 388</b>	<b>1 633</b>	<b>24 744</b>	<b>47 388</b>	<b>(22 645)</b>	<b>-48%</b>	<b>47 388</b>
<b>Financial position</b>									
Total current assets	(29 894)	(111 496)	(59 137)	-	72 380	-	-	-	(59 137)
Total non current assets	376 452	324 339	348 115	-	375 222	-	-	-	348 115
Total current liabilities	429 314	238 246	271 419	-	302 210	-	-	-	271 419
Total non current liabilities	12 754	3 105	3 105	-	12 754	-	-	-	3 105
Community wealth/Equity	<b>138 886</b>	<b>(27 786)</b>	<b>15 177</b>	-	<b>117 314</b>	-	-	-	<b>15 177</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	235 971	(43 503)	(578)	49 982	(25 147)	(75 129)	299%	48 975
Net cash from (used) investing	-	(23 611)	(47 388)	(1 633)	(24 744)	(47 387)	(22 644)	48%	(47 387)
Net cash from (used) financing	-	331	-	15	5	331	325	98%	331
<b>Cash/cash equivalents at the month/year end</b>	<b>6 674</b>	<b>213 267</b>	<b>(90 315)</b>	<b>-</b>	<b>25 485</b>	<b>(71 627)</b>	<b>(97 112)</b>	<b>136%</b>	<b>2 160</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	4 828	4 303	4 175	4 514	4 671	4 895	27 482	326 448	381 318
<b>Creditors Age Analysis</b>									
Total Creditors	3 463	6 724	7 669	10 134	12 684	59 479	54 449	97 747	252 348

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

**Revenue:**

The actual year to date operational revenue as at end of June R 127, 2 million and the year to date budget of R135, 1 million and this reflects a negative variance of 7,9 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Property rates : - 0% unfavorable variance
- Service Charges: - 30% unfavorable variance
- Transfers and Subsidies : 1% favorable variance
- Other Own Revenue: 35% favorable variance

**Operating Expenditure:**

The year to date actual operational expenditure as at end of June amounts to R 141, 9 million and the year to date budget is R 167, 3 million. This reflects under spending variance of R 25, 4 million that translates to negative 15% variance. The variance is attributed to under spending on inventory consumed and bulk purchases the municipality is still facing a challenge regarding monthly payments of the two accounts.

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

- Employee costs: -10% under performance
- Remuneration of Councilors: - 15% under performance
- Inventory Consumed and Bulk Purchases: - 43%under performance

The above material variances are explained more in detail on Supporting Tables SC1

## **Capital Expenditure**

The year to date actual capital expenditure as at end of June 2023 amounts to R 24,7 million and the year to date budget amounts to R 47,4 million and this gives rise to variance of R22,6 million which shows under performance on capital expenditure.

## **Surplus/Deficit**

Taking the above into consideration, the net operating deficit for the month of June is R 8,1 million.

## **Debtors**

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of June amounts to R 381 318 million and this show an increase of R38,6 million as compared to R342 695 million as at end of 2021/22 financial year.

Consumer debtors is made up of service charges and property rates that amount to R 252 484 million and other debtors amounting to R 128 834 million.

## **Creditors**

As at 30 June 2023 the municipality had an outstanding creditors amounting to R252 320 million and the bulk of this amount is made up by Bulk water: R 125 753 million and bulk electricity: R103 440 million.

## TableC2–Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

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>										
<i><b>Governance and administration</b></i>		<b>80 717</b>	<b>80 404</b>	<b>83 514</b>	<b>7 579</b>	<b>89 944</b>	<b>83 514</b>	6 430	8%	<b>83 514</b>
Executive and council		54 507	59 064	59 064	5 145	60 181	59 064	1 117	2%	59 064
Finance and administration		26 210	21 340	24 450	2 434	29 763	24 450	5 313	22%	24 450
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>1 533</b>	<b>1 329</b>	<b>1 337</b>	<b>46</b>	<b>1 350</b>	<b>1 337</b>	14	1%	<b>1 337</b>
Community and social services		1 216	1 189	1 189	11	1 188	1 189	(1)	0%	1 189
Sport and recreation		58	-	-	-	-	-	-	-	-
Public safety		258	140	147	35	162	147	15	10%	147
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>(3 731)</b>	<b>450</b>	<b>700</b>	<b>-</b>	<b>91</b>	<b>700</b>	(609)	-87%	<b>700</b>
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(3 731)	450	700	-	91	700	(609)	-87%	700
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>75 538</b>	<b>72 344</b>	<b>96 909</b>	<b>2 683</b>	<b>63 419</b>	<b>96 909</b>	(33 490)	-35%	<b>96 909</b>
Energy sources		15 546	21 361	21 611	1 544	11 919	21 611	(9 691)	-45%	21 611
Water management		44 059	33 037	57 102	(313)	35 573	57 102	(21 529)	-38%	57 102
Waste water management		8 985	9 101	9 351	704	8 390	9 351	(962)	-10%	9 351
Waste management		6 948	8 845	8 845	749	7 537	8 845	(1 308)	-15%	8 845
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>154 057</b>	<b>154 528</b>	<b>182 460</b>	<b>10 308</b>	<b>154 805</b>	<b>182 460</b>	<b>(27 655)</b>	<b>-15%</b>	<b>182 460</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>100 622</b>	<b>48 038</b>	<b>44 381</b>	<b>5 366</b>	<b>38 235</b>	<b>44 381</b>	(6 146)	-14%	<b>44 381</b>
Executive and council		14 323	13 024	12 128	1 422	10 227	12 128	(1 900)	-16%	12 128
Finance and administration		86 298	35 015	32 254	3 944	28 007	32 254	(4 246)	-13%	32 254
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>12 770</b>	<b>12 438</b>	<b>11 866</b>	<b>811</b>	<b>10 657</b>	<b>11 866</b>	(1 209)	-10%	<b>11 866</b>
Community and social services		2 526	2 850	2 669	143	2 225	2 669	(444)	-17%	2 669
Sport and recreation		3 390	4 212	3 978	283	3 451	3 978	(527)	-13%	3 978
Public safety		4 001	4 230	4 116	297	3 878	4 116	(238)	-6%	4 116
Housing		2 854	1 146	1 103	88	1 103	1 103	1	0%	1 103
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>6 198</b>	<b>7 222</b>	<b>6 720</b>	<b>325</b>	<b>4 731</b>	<b>6 720</b>	(1 989)	-30%	<b>6 720</b>
Planning and development		3 787	5 832	4 446	237	3 114	4 446	(1 331)	-30%	4 446
Road transport		2 411	1 390	2 274	88	1 616	2 274	(658)	-29%	2 274
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>61 720</b>	<b>114 616</b>	<b>104 316</b>	<b>11 920</b>	<b>88 258</b>	<b>104 316</b>	(16 058)	-15%	<b>104 316</b>
Energy sources		26 683	44 824	39 393	6 144	30 854	39 393	(8 539)	-22%	39 393
Water management		24 405	28 868	28 661	3 016	23 401	28 661	(5 260)	-18%	28 661
Waste water management		9 482	21 149	19 763	1 430	17 990	19 763	(1 773)	-9%	19 763
Waste management		1 150	19 774	16 500	1 330	16 014	16 500	(486)	-3%	16 500
<i><b>Other</b></i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>181 310</b>	<b>182 313</b>	<b>167 283</b>	<b>18 421</b>	<b>141 880</b>	<b>167 283</b>	<b>(25 402)</b>	<b>-15%</b>	<b>167 283</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(27 253)</b>	<b>(27 786)</b>	<b>15 177</b>	<b>(8 113)</b>	<b>12 924</b>	<b>15 177</b>	<b>(2 253)</b>	<b>-15%</b>	<b>15 177</b>

## TableC3–Financial Performance (Revenue and Expenditure by vote)

NC093 Magareng - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

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>										
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		54 507	59 064	59 064	5 145	60 181	59 064	1 117	1,9%	59 064
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		26 210	21 340	24 450	2 434	29 763	24 450	5 313	21,7%	24 450
Vote 05 - Municipal Infrastructure		71 807	72 794	97 609	2 683	63 510	97 609	(34 099)	-34,9%	97 609
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		1 533	1 329	1 337	46	1 350	1 337	14	1,0%	1 337
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>	2	<b>154 057</b>	<b>154 528</b>	<b>182 460</b>	<b>10 308</b>	<b>154 805</b>	<b>182 460</b>	<b>(27 655)</b>	<b>-15,2%</b>	<b>182 460</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Executive & Council		11 458	10 987	11 138	1 372	9 586	11 138	(1 552)	-13,9%	11 138
Vote 02 - Office Of The Municipal Manager		1 839	2 037	990	49	641	990	(349)	-35,2%	990
Vote 03 - Corporate Services		12 037	14 279	13 280	1 101	12 867	13 280	(413)	-3,1%	13 280
Vote 04 - Financial Services		74 326	20 736	18 974	2 843	15 141	18 974	(3 833)	-20,2%	18 974
Vote 05 - Municipal Infrastructure		66 622	119 589	108 642	12 062	90 587	108 642	(18 056)	-16,6%	108 642
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		9 717	11 292	10 763	723	9 553	10 763	(1 209)	-11,2%	10 763
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		5 312	3 394	3 496	271	3 505	3 496	9	0,3%	3 496
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>	2	<b>181 310</b>	<b>182 313</b>	<b>167 283</b>	<b>18 421</b>	<b>141 880</b>	<b>167 283</b>	<b>(25 402)</b>	<b>-15,2%</b>	<b>167 283</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(27 253)</b>	<b>(27 786)</b>	<b>15 177</b>	<b>(8 113)</b>	<b>12 924</b>	<b>15 177</b>	<b>(2 253)</b>	<b>-14,8%</b>	<b>15 177</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).



## TableC4: Financial Performance by Revenue Source and Expenditure Type

NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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		11 674	12 319	12 319	1 009	12 263	12 319	(56)	0%	12 319
Service charges - electricity revenue		15 185	20 897	20 897	1 544	11 919	20 897	(8 978)	-43%	20 897
Service charges - water revenue		8 426	8 975	9 014	(313)	5 865	9 014	(3 149)	-35%	9 014
Service charges - sanitation revenue		7 569	7 016	7 016	658	8 041	7 016	1 026	15%	7 016
Service charges - refuse revenue		5 666	6 437	6 437	490	4 509	6 437	(1 928)	-30%	6 437
Rental of facilities and equipment		4	3	3	1	1	3	(2)	-77%	3
Interest earned - external investments		6 296	3 122	-	-	-	-	-	-	-
Interest earned - outstanding debtors		2 749	5 223	11 418	1 683	16 949	11 418	5 531	48%	11 418
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		127	46	53	14	93	53	40	75%	53
Licences and permits		(2 194)	-	-	-	-	-	-	-	-
Agency services		76	-	-	-	-	-	-	-	-
Transfers and subsidies		62 864	64 964	65 964	5 145	66 468	65 964	504	1%	65 964
Other revenue		6 689	1 914	1 951	79	1 084	1 951	(867)	-44%	1 951
Gains		196	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>125 327</b>	<b>130 916</b>	<b>135 072</b>	<b>10 308</b>	<b>127 193</b>	<b>135 072</b>	<b>(7 879)</b>	<b>-6%</b>	<b>135 072</b>
<b>Expenditure By Type</b>										
Employee related costs		49 810	53 078	49 342	3 597	44 265	49 342	(5 077)	-10%	49 342
Remuneration of councillors		4 263	4 675	5 477	390	4 673	5 477	(804)	-15%	5 477
Debt impairment		35 391	37 815	35 391	2 949	35 391	35 391	(0)	0%	35 391
Depreciation & asset impairment		26 674	30 431	25 974	2 163	25 974	25 974	(0)	0%	25 974
Finance charges		5 447	-	-	-	-	-	-	-	-
Bulk purchases - electricity		22 499	24 750	19 843	4 586	12 025	19 843	(7 818)	-39%	19 843
Inventory consumed		22 697	13 850	15 947	2 384	8 439	15 947	(7 508)	-47%	15 947
Contracted services		5 752	6 720	5 883	826	4 027	5 883	(1 856)	-32%	5 883
Transfers and subsidies		-	20	-	-	-	-	-	-	-
Other expenditure		8 776	10 974	9 427	1 526	7 087	9 427	(2 339)	-25%	9 427
Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>181 310</b>	<b>182 313</b>	<b>167 283</b>	<b>18 421</b>	<b>141 880</b>	<b>167 283</b>	<b>(25 402)</b>	<b>-15%</b>	<b>167 283</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		25 034	23 612	45 888	-	27 612	45 888	(18 276)	(0)	45 888
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	-	1 500	-	-	1 500	(1 500)	(0)	1 500
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(27 253)</b>	<b>(27 786)</b>	<b>15 177</b>	<b>(8 113)</b>	<b>12 924</b>	<b>15 177</b>			<b>15 177</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(27 253)</b>	<b>(27 786)</b>	<b>15 177</b>	<b>(8 113)</b>	<b>12 924</b>	<b>15 177</b>			<b>15 177</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(27 253)</b>	<b>(27 786)</b>	<b>15 177</b>	<b>(8 113)</b>	<b>12 924</b>	<b>15 177</b>			<b>15 177</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(27 253)</b>	<b>(27 786)</b>	<b>15 177</b>	<b>(8 113)</b>	<b>12 924</b>	<b>15 177</b>			<b>15 177</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) - M12 June

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>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		25 639	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
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	25 900	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
<b>Total Capital Expenditure</b>		25 900	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
<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>		25 639	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
Energy sources		207	-	-	-	-	-	-	-	-
Water management		24 039	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
Waste water management		1 394	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	25 900	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
<b>Funded by:</b>										
National Government		16 039	23 612	27 612	1 633	24 744	27 612	(2 868)	-10%	27 612
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		1 180	-	1 500	-	-	1 500	(1 500)	-100%	1 500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		6 559	-	18 276	-	-	18 276	(18 276)	-100%	18 276
<b>Transfers recognised - capital</b>		23 778	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		2 122	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		25 900	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388

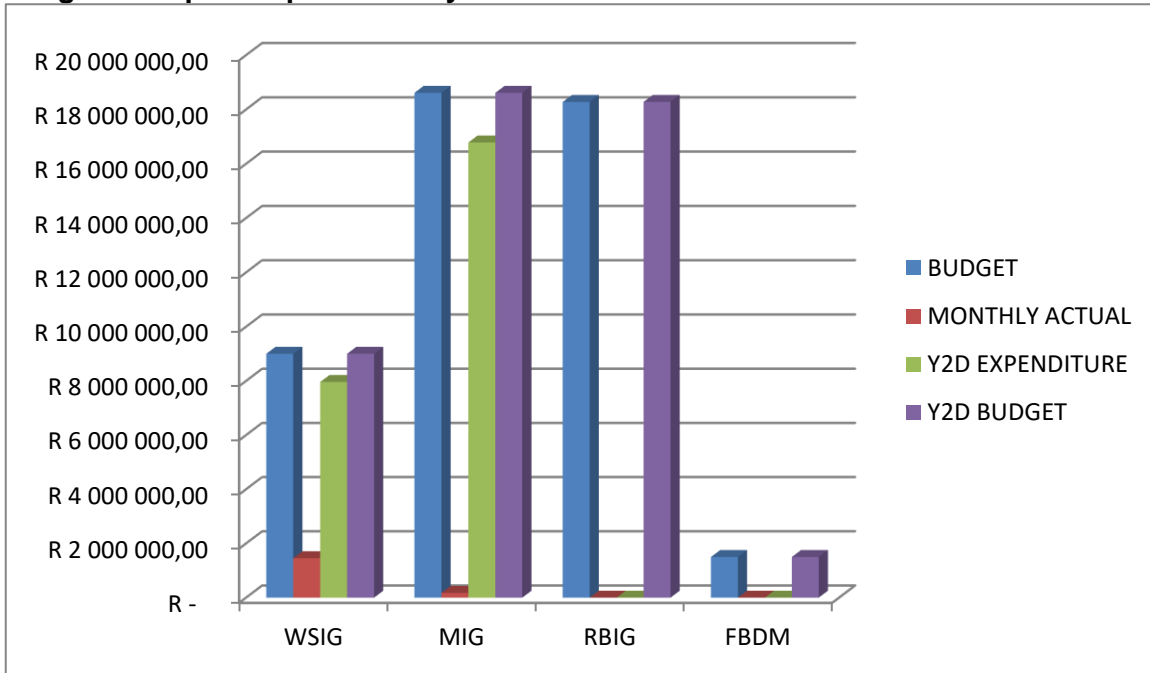
## Table C5C: Monthly Capital Expenditure by Vote

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M12 June

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>		25 639	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
05.1 - Technical Admin		-	-	-	-	-	-	-	-	-
05.2 - Roads And Stormwater		-	-	-	-	-	-	-	-	-
05.3 - Solid Waste Management		-	-	-	-	-	-	-	-	-
05.4 - Sanitation		1 394	-	-	-	-	-	-	-	-
05.5 - Water		24 039	23 612	47 388	1 633	24 744	47 388	(22 645)	-48%	47 388
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 - Idp		-	-	-	-	-	-	-	-	-
09.4 - Land Use		-	-	-	-	-	-	-	-	-
<b>Vote 10 - Hunan Settlements</b>		-	-	-	-	-	-	-	-	-
<b>Vote 11 - Idp, 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>		25 900	23 612	47 388	1 633	24 744	47 388	(22 645)	(0)	47 388
<b>Total Capital Expenditure</b>		25 900	23 612	47 388	1 633	24 744	47 388	(22 645)	(0)	47 388

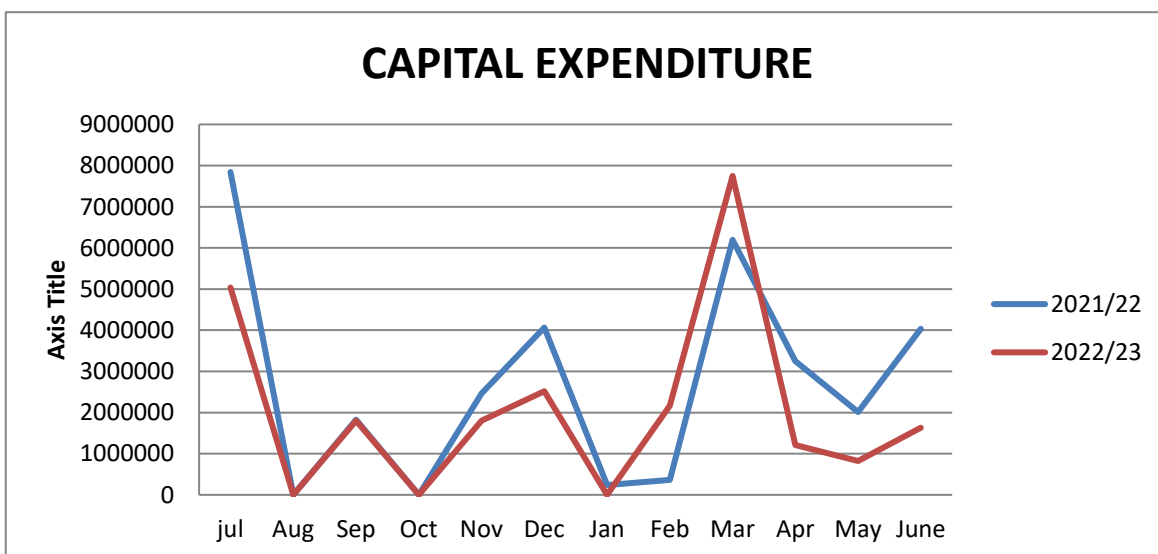
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of June 2023, capital expenditure amounts to R1,6 million.

**Figure1: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. As part of adjustment there was increase on capital expenditure which amounts to R 23 776 million, R 18 276 million funded by Regional Bulk Infrastructure Grant, R 1 500 million is funded by Frances Baard District and additional R5 million from Water Services Infrastructure Grant and the spending per source of finance is presented in the above graph.

**Figure2: Monthly capital expenditure**



The above graph compares the 2021/22 and 2023/23 monthly capital expenditure performance.

**Table C6:Monthly Budget Statement Financial Position**

NC093 Magareng - Table C6 Monthly Budget Statement - Financial Position - M12 June

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		(100 054)	(253 960)	(105 017)	(169)	(105 017)
Call investment deposits		3 826	62 108	(34 476)	172	(34 476)
Consumer debtors		12 965	28 402	28 402	15 941	28 402
Other debtors		53 205	51 486	51 486	56 272	51 486
Current portion of long-term receivables						
Inventory		164	467	467	164	467
<b>Total current assets</b>		<b>(29 894)</b>	<b>(111 496)</b>	<b>(59 137)</b>	<b>72 380</b>	<b>(59 137)</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		352 230	300 056	323 833	351 000	323 833
Biological						
Intangible		20	79	79	20	79
Other non-current assets		371	371	371	371	371
<b>Total non current assets</b>		<b>376 452</b>	<b>324 339</b>	<b>348 115</b>	<b>375 222</b>	<b>348 115</b>
<b>TOTAL ASSETS</b>		<b>346 558</b>	<b>212 842</b>	<b>288 978</b>	<b>447 602</b>	<b>288 978</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		191	-	-	165	-
Consumer deposits		1 303	1 254	1 254	1 309	1 254
Trade and other payables		420 078	230 550	263 723	292 995	263 723
Provisions		7 741	6 442	6 442	7 741	6 442
<b>Total current liabilities</b>		<b>429 314</b>	<b>238 246</b>	<b>271 419</b>	<b>302 210</b>	<b>271 419</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>442 068</b>	<b>241 351</b>	<b>274 524</b>	<b>314 964</b>	<b>274 524</b>
<b>NET ASSETS</b>	2	<b>(95 510)</b>	<b>(28 509)</b>	<b>14 454</b>	<b>132 638</b>	<b>14 454</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		138 886	(27 786)	15 177	117 314	15 177
Reserves		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>138 886</b>	<b>(27 786)</b>	<b>15 177</b>	<b>117 314</b>	<b>15 177</b>

Taking the current liabilities and current assets together, the municipality has a current ratio of 0.24 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.

## TableC7: Monthly Budget Statement Cash Flow

NC093 Magareng - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	4 312	4 312	825	6 983	4 312	2 671	62%	4 312
Service charges		-	15 509	15 547	5 584	29 301	15 586	13 715	88%	15 547
Other revenue		-	238 520	(70 797)	1 177	133	(77 255)	77 388	-100%	(70 797)
Transfers and Subsidies - Operational		-	64 964	65 964	5 145	66 468	66 964	(496)	-1%	65 964
Transfers and Subsidies - Capital		-	23 612	47 388	-	27 612	71 164	(43 552)	-61%	47 388
Interest		-	3 122	-	-	-	-	-		-
Dividends										
<b>Payments</b>										
Suppliers and employees		-	(114 067)	(105 918)	(13 309)	(80 515)	(105 918)	(25 403)	24%	(13 439)
Finance charges										
Transfers and Grants										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	235 971	(43 503)	(578)	49 982	(25 147)	(75 129)	299%	48 975
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables		-	1	-	-	0	1	(1)	-100%	1
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		-	(23 612)	(47 388)	(1 633)	(24 744)	(47 388)	(22 645)	48%	(47 388)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	(23 611)	(47 388)	(1 633)	(24 744)	(47 387)	(22 644)	48%	(47 387)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	331	-	15	5	331	(325)	-98%	331
<b>Payments</b>										
Repayment of borrowing										
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	331	-	15	5	331	325	98%	331
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	212 690	(90 892)	(2 195)	25 244	(72 204)			1 918
Cash/cash equivalents at beginning:		6 674	577	577	555	242	577			242
Cash/cash equivalents at month/year end:		6 674	213 267	(90 315)		25 485	(71 627)			2 160

Table C7 presents details pertaining to cash flow performance. As at end of June 2023, the net cash inflow from operating activities is –R578 thousands whilst the net cash outflow from investing activities amounts to –R1, 6 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R 15 thousand. The cash and cash equivalent held at end of June 2023 amounted to R 25,5 million and the net effect of the above cash flows is cash outflow movement of R 25,2 million.

## **PART2: SUPPORTING TABLES**

**Supporting Table: C4 & C7 Material Variance Explanations**



DESCRIPTION	VARIANCE	REASON FOR MATERIAL VARIANCE	REMEDIAL OR CORRECTIVE STEPS/REMARKS
<b>REVENUE BY SOURCE</b>			
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	-43%	The actual revenue is less than the projected monthly revenue	The municipality needs to look at the revenue generated at the electricity services and reduce revenue as it was over budgeted.
Service charges - water revenue	-35%	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 limited metering systems put in place. 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 less then the actual revenue performance	The municipality has to increase sanitation revenue budget as it was under budgeted
Service charges - refuse revenue	-30%	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	-77%	The actual revenue is less than the projected monthly revenue	The municipality should come up with strategies to ensure all revenue generating municipal assets are renovated and rented out.
Interest earned - outstanding debtors	48%	The actual revenue is more than the projected monthly revenue	The municipality needs to look at the revenue generated under interest earned from external investments.
Fines, penalties and forfeits	75%	The actual revenue is more than the projected monthly revenue.	The municipality has to increase fines, penalties and forfeits revenue budget as it was under budgeted
Transfers and subsidies	1%	The monthly actual revenue is less than the actual budgeted revenue	The municipality receives grants as per DoRA schedule
Other revenue	-44%	The actual revenue is less than the projected monthly revenue	The municipality needs to cut down the budgeted revenue.
<b>DESCRIPTION VARIANCE REASON FOR MATERIAL VARIANCE REMEDIAL OR CORRECTIVE STEPS/REMARKS</b>			
<b>EXPENDITURE BY TYPE</b>			
Employee related costs	-10%	the actual expenditure incurred is less than the projected monthly actual	The variance is immaterial and no remedial action is needed
Remuneration of councillors	-15%	the actual expenditure is less than the monthly budgeted actual expenditure	The variance is immaterial and no remedial action is needed
Debt impairment	0%	Debt impairment is calculated monthly based on 2122 AFS	No remedial action is needed, as journals are pssed on a monthly basis.
Depreciation & asset impairment	0%	Depreciation is calculated annually based on 2122 AFS	No remedial action is needed, as journals are pssed on a monthly basis.
Bulk purchases - electricity	-39%	The Municipality cannot afford to pay the current account of eskom to due low revenue collection	The Municipality has entered into a new payment arrangement with Eskom
Inventory consumed	-47%	the actual expenditure incurred is less than the projected monthly actual	The Municipality cannot afford to pay the monthly charges and is in negotiation stage for a new payment arrangement with Vaalharts water.
Contracted services	-32%	the actual expenditure incurred is less than the projected monthly actual	We over budgeted and will move budgeted amounts to areas we have overspend in.
Other expenditure	-25%	the actual expenditure incurred is less than the projected monthly actual	The municipality needs to cut down the budgeted expenditure

**Supporting Table: C4 & C7 Material Variance Explanations (Continuation)**

<b>Capital expenditure</b>			
National government	-10%	the actual expenditure incurred is more than the projected monthly actual	No remedies needed
<b>CASHFLOW</b>			
<b>Receipts</b>			
Property rates	62%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality under budegeted on this line item.
Service charges	88%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality under budegeted on this line item.
Other revenue	-100%	The actual revenue is less than the projected monthly revenue	The municipality traffic testing station needs to be renovated and fixed for the municipality to generate other revenue and appoint a qualified building plan assessor for sales of building plans.
Transfers and Subsidies - Operational	-1%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Transfers and Subsidies - Capital	-61%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule

## Supporting Table: SC3-Debtors Age Analysis

NC093 Magareng - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

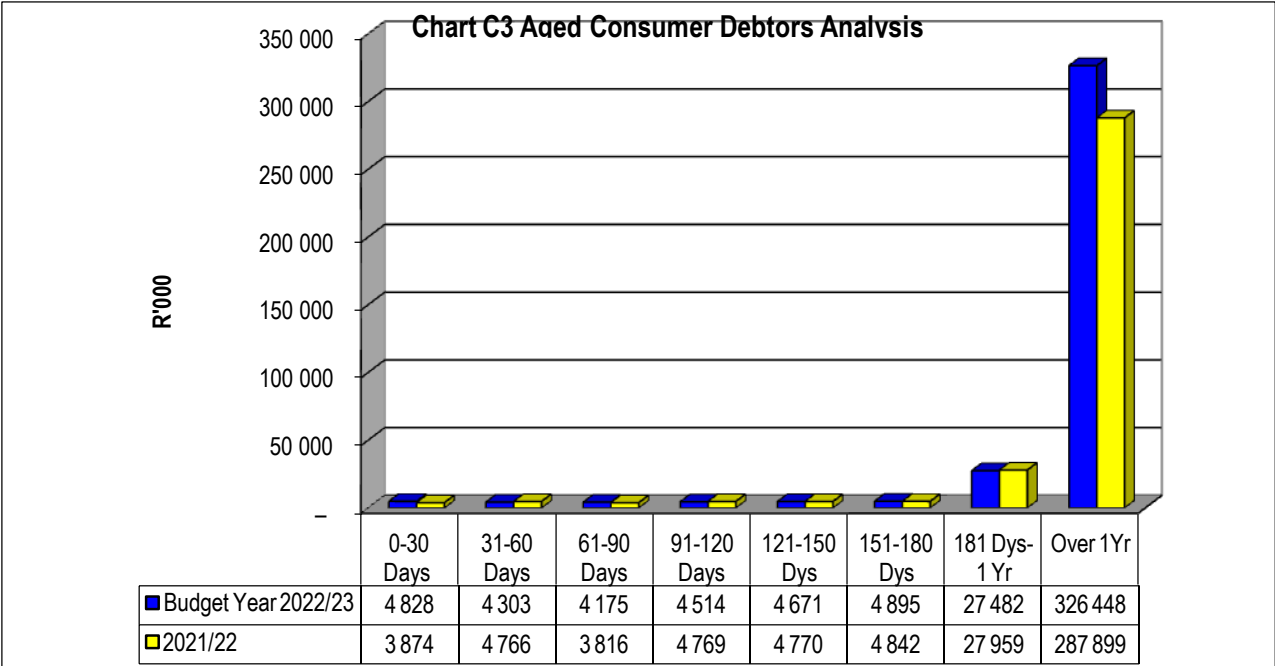
Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	343	298	311	724	779	781	4 869	60 819	68 924	67 972		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	431	197	159	142	169	198	1 383	28 558	31 237	30 449		
Receivables from Non-exchange Transactions - Property Rates	1400	1 061	919	813	764	873	1 064	4 354	43 238	53 085	50 293		
Receivables from Exchange Transactions - Waste Water Management	1500	782	746	755	756	756	758	4 567	49 279	58 397	56 115		
Receivables from Exchange Transactions - Waste Management	1600	567	532	536	532	531	531	3 238	34 375	40 842	39 208		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	1 573	1 562	1 560	1 545	1 528	1 518	8 779	106 790	124 856	120 161		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	73	51	42	52	34	46	292	3 389	3 978	3 813		
<b>Total By Income Source</b>	<b>2000</b>	<b>4 828</b>	<b>4 303</b>	<b>4 175</b>	<b>4 514</b>	<b>4 671</b>	<b>4 895</b>	<b>27 482</b>	<b>326 448</b>	<b>381 318</b>	<b>368 011</b>	-	-
<b>2021/22 - totals only</b>		<b>3 874</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>342 695</b>	<b>330 238</b>		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	297	226	177	186	153	156	939	7 227	9 360	8 661		
Commercial	2300	537	341	361	304	403	671	1 983	18 477	23 076	21 838		
Households	2400	3 966	3 709	3 613	3 999	4 090	4 043	24 406	299 160	346 986	335 698		
Other	2500	28	28	25	25	25	25	153	1 585	1 895	1 814		
<b>Total By Customer Group</b>	<b>2600</b>	<b>4 828</b>	<b>4 303</b>	<b>4 175</b>	<b>4 514</b>	<b>4 671</b>	<b>4 895</b>	<b>27 482</b>	<b>326 448</b>	<b>381 318</b>	<b>368 011</b>	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of June amount to R 381 318 million. The debtors' book is made up as follows:

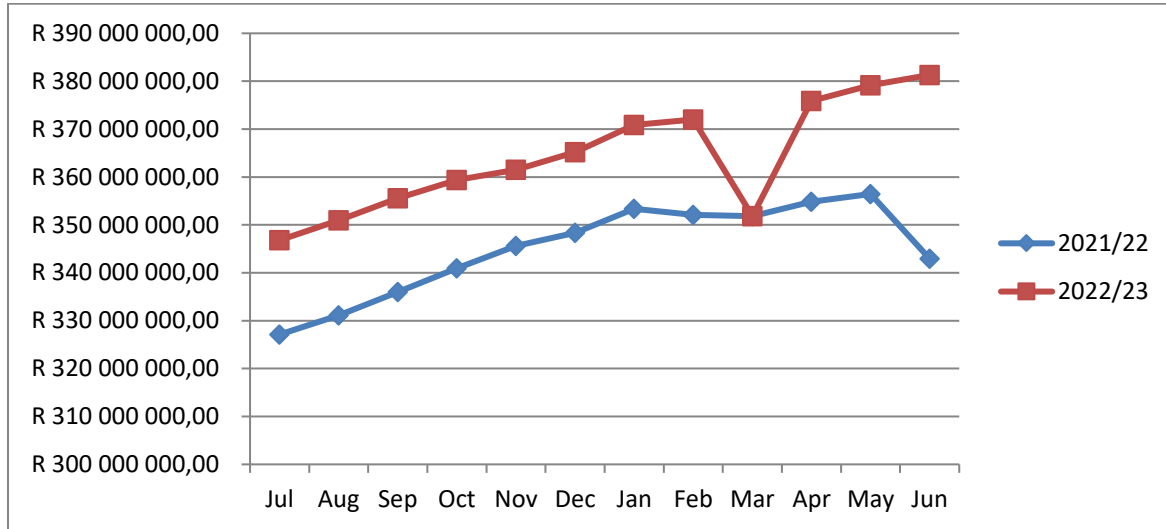
- Rates 14%
- Electricity 8%
- Water 18%
- Waste water management 15%
- Waste management 11%
- Interest on Debtors 33%
- Other 1%

The debtor's age analysis is graphically presented below.

**Figure3: Debtors ageanalysis**



**Figure 4: Monthlydebtorsbook**



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of June 2023) 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**

NO	ACCOUNT NO	NAME	GROUP DE	60DAYS BAL	90 DAYS BAL	120 DAYS BAL	150 DAYS BAL	180 DAYS BAL	210 DAYS BAL	240 DAYS BAL	270 DAYS PLUS-BAL	CONSOLIDATED BALANCE
	1200263	WARRENTON SUPER CHICKEN PTY LTD	BU	-	-	-	-	-	-	-	9 961 190,98	
1	1011982	WARRENTON SUPER CHICKEN PTY LTD	BU	-	-	-	-	-	-	-	10 104,00	10 027 173,33
2	5002090	WARRENTON HOSPITAAL	GO	-	-	-	28 910,84	24 086,56	25 164,64	48 126,27	3 480 244,20	3 606 532,51
3	1013046	DWT DAILY WHEEL AND TYRES (PTY) LTD	BU	18 043,98	18 073,57	17 634,78	94 879,46	17 602,00	17 077,44	93 730,22	3 032 476,70	3 345 626,22
4	1014691	NATIONAL GOVERNMENT OF RSA	GO	69 877,14	69 466,79	69 056,44	68 646,09	68 235,73	67 825,38	67 415,03	2 165 333,18	2 786 841,13
5	1015015	S SANRAL	BU	12 663,85	12 663,85	12 663,57	12 705,45	12 670,03	14 072,56	18 105,93	2 508 368,14	2 629 241,08
	1200112	MAGELEVENDZE INV CC	RE	-	-	-	-	-	-	-	933 565,09	
6	1002654	MAGELEVENDZE INV CC	RE	4 826,24	4 816,21	4 799,95	4 985,76	19 045,22	18 930,18	18 937,81	252 673,28	1 272 266,42
7	1002224	IMPERIAL SUPERMARKET	BU	5 872,39	5 875,28	5 875,30	5 869,94	5 860,89	5 851,82	5 842,57	935 863,46	988 665,75
8	1008542	J MTHEMBU	RE	3 555,11	3 553,90	3 552,70	3 551,50	3 550,30	3 549,10	3 547,90	302 896,05	320 422,20
9	1015018	LM ERASMUS BOEDERY GRASBULT	BU	4 837,78	4 833,95	4 830,12	4 826,29	4 822,46	4 664,26	27 691,94	741 728,39	807 922,24
10	1006041	SS KOTE	RE	3 486,43	3 484,19	3 479,58	3 474,96	3 470,34	3 465,72	3 461,10	681 992,99	713 302,01
11	1014741	LAERSKOOL HARTSVALLEI	GO	17 857,49	17 752,62	17 647,76	17 542,89	17 438,02	17 333,15	17 228,28	553 362,96	712 192,76
12	1000719	MM MOLOI	RE	3 298,26	3 295,97	6 304,49	3 291,04	3 288,57	3 284,95	3 451,62	607 434,95	640 249,01
	1200206	GM WESI	BU	-	-	-	-	-	-	-	568 468,56	
13	1001073	GM WESI	BU	-	-	-	-	-	-	-	1 952,60	572 404,19
14	1015021	W J HEWITT	RE	2 644,49	2 644,49	2 646,52	2 649,98	12 308,39	2 648,84	2 820,32	532 254,75	565 902,71
	1200313	CM AVENANT	BU	-	-	89 275,08	3 277,00	5 948,52	3 261,26	3 253,41	328 385,96	
15	1015849	CM AVENANT	BU	1 300,16	-	5 249,19	-	-	-	-	16 150,81	459 889,26
16	1011977	BLACK GINGER 489 PTY LTD	BU	11 588,29	11 519,90	11 451,50	11 383,11	11 314,72	11 246,33	11 177,94	350 209,38	453 272,92
17	1001684	MOTSHELE	RE	2 108,20	2 107,74	2 136,53	2 102,49	2 099,86	2 097,23	2 094,61	410 244,42	429 215,37
18	1004435	OK THETHE	RE	2 720,43	2 717,27	2 711,71	2 706,16	2 700,60	2 695,04	2 689,49	396 855,45	421 253,63
19	1003573	D,C DYKER	RE	2 521,59	2 521,37	3 027,78	2 516,13	2 513,50	2 510,87	2 508,24	395 763,78	418 934,33
20	1004132	D GEORGE	RE	2 168,56	2 165,51	4 676,05	2 161,15	2 154,59	2 648,05	2 641,49	393 163,08	416 125,18

## Supporting Table: SC4-Creditors Age Analysis

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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			
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	2 042	4 269	5 420	5 081	6 800	43 350	36 490	-	103 450		
Bulk Water	0200	1 068	1 117	1 456	1 406	1 818	12 406	14 204	92 278	125 753		
PAYE deductions	0300	-	-	-	-	-	-	-	-	-		
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-		
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-		
Loan repayments	0600	-	-	-	-	-	-	-	-	-		
Trade Creditors	0700	-	434	422	3 371	3 550	3 468	3 548	4 979	19 772		
Auditor General	0800	353	903	371	277	517	254	208	490	3 373		
Other	0900	-	-	-	-	-	-	-	-	-		
<b>Total By Customer Type</b>	<b>1000</b>	<b>3 463</b>	<b>6 724</b>	<b>7 669</b>	<b>10 134</b>	<b>12 684</b>	<b>59 479</b>	<b>54 449</b>	<b>97 747</b>	<b>252 348</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 June 2023 amounted to R252 348 million. This amount is made up of various creditors which include amongst others the Eskom of R103 450 million, and Vaalharts water of R125 753 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 - M12 June

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												
<b>R thousands</b>														
<b>Municipality</b>														
Magareng Local Municipality														-
Municipality sub-total										-		-		-
<b>Entities</b>														
ABSA (9351945669)		3 MONTHS	7 DAYS	YES					15 June 2023	3			160	163
ABSA (9355871747)		3 MONTHS	7 DAYS	YES					20 June 2023	0			19	19
														-
														-
														-
Entities sub-total										3		-	179	182
TOTAL INVESTMENTS AND INTEREST	2									3		-	179	182

The Municipality's current investment portfolio amounts to R179 thousands for June 2023.



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

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

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>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		57 161	62 064	62 064	5 145	63 181	62 064	1 117	1,8%	62 064
Equitable Share		51 086	57 991	57 991	-	52 567	57 991	(5 424)	-9,4%	57 991
Expanded Public Works Programme Integrated Grant		1 121	1 073	1 073	-	1 073	1 073	-	0,0%	1 073
Local Government Financial Management Grant		2 850	3 000	3 000	-	3 000	3 000	-	0,0%	3 000
Municipal Disaster Relief Grant		2 104	-	-	5 145	6 541	-	6 541	-	-
Other transfers and grants [insert description]										
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]										
<b>District Municipality:</b>		4 603	1 800	2 800	-	2 187	2 800	(613)	-21,9%	2 800
FBDM ( Operational)		4 603	1 800	2 800	-	2 187	2 800	(613)	-21,9%	2 800
<b>Other grant providers:</b>		1 100	1 100	1 100	-	1 100	1 100	-	0,0%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 100	1 100	1 100	-	1 100	1 100	-	0,0%	1 100
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	62 864	64 964	65 964	5 145	66 468	65 964	504	0,8%	65 964
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		25 034	23 612	45 888	-	27 612	45 888	(18 276)	-39,8%	45 888
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8 175	18 612	18 612	-	18 612	18 612	-	0,0%	18 612
Regional Bulk Infrastructure Grant		12 860	-	18 276	-	-	18 276	(18 276)	-100,0%	18 276
Water Services Infrastructure Grant		4 000	5 000	9 000	-	9 000	9 000	-	0,0%	9 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>District Municipality:</b>		3 696	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
FBDM (Capital)		3 696	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	28 730	23 612	47 388	-	27 612	47 388	(19 776)	-41,7%	47 388
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	91 594	88 576	113 352	5 145	94 080	113 352	(19 272)	-17,0%	113 352

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R 94,1 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R0 million; Financial Management Grant amounting to R 0million; Municipal Infrastructure Grant amounting to R 0 million; Water Service Infrastructure Grant R0 million, Expanded Public Works Programme R 0 million, Library Grant R 0 million, Frances Baard District Grant R 0 million, Regional Bulk Infrastructure Grant amounting to R0 million and Frances Baard District Grant (capital grant) amounting to R0 were received, Municipal Disaster Grant R5.1 which will be budgeted for in the adjustment budget of 23/24 as we only received the allocation letter in July 2023. Most of the first trenches of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

## Supporting Table :SC7 Transfers and grants –Expenditure

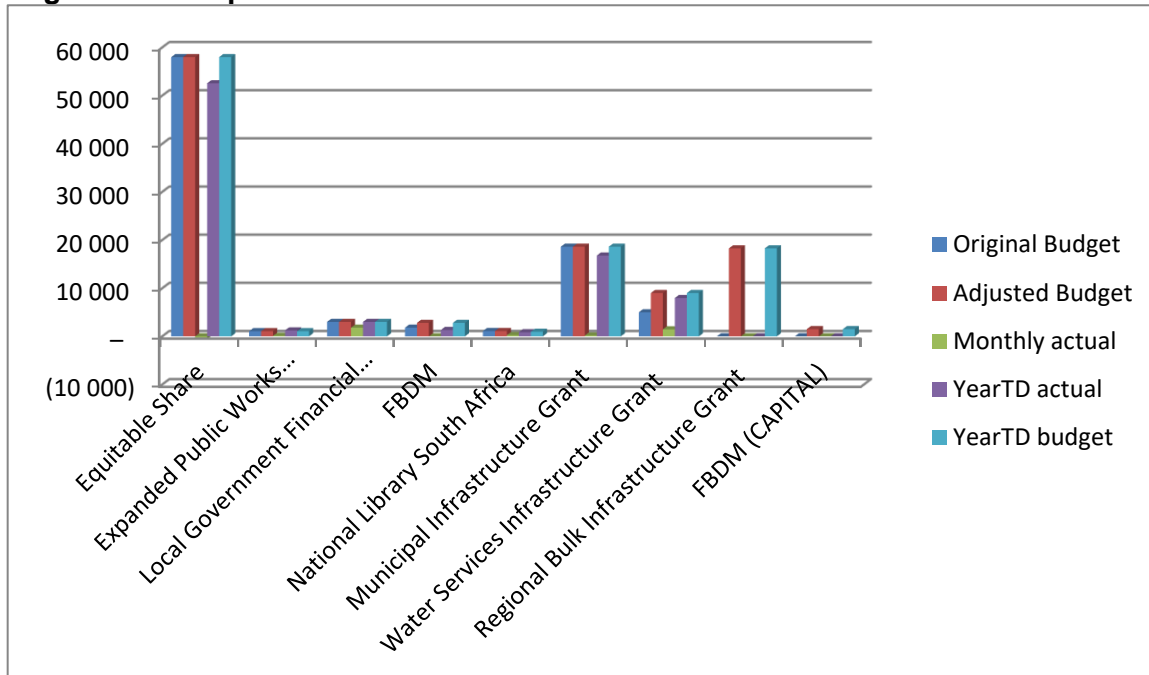
NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

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>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		89 164	62 064	62 064	1 342	56 807	62 064	(5 257)	-8,5%	28 987
Equitable Share		83 321	57 991	57 991	(570)	52 567	57 991	(5 424)	-9,4%	24 914
Expanded Public Works Programme Integrated Grant		1 102	1 073	1 073	117	1 240	1 073	167	15,6%	1 073
Local Government Financial Management Grant		3 328	3 000	3 000	1 795	3 000	3 000	0	0,0%	3 000
Municipal Disaster Relief Grant		1 412	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>FBDM ( Operational)</i>		4 078	1 800	2 800	-	1 333	2 800	(1 467)	-52,4%	2 800
<b>Other grant providers:</b>		1 942	1 100	1 100	250	858	966	(108)	-11,2%	966
<i>Education Training and Development Practices SETA</i>		-	-	-	-	-	-	-	-	-
<i>National Library South Africa</i>		1 942	1 100	1 100	250	858	966	(108)	-11,2%	966
<b>Total operating expenditure of Transfers and Grants:</b>		91 106	63 164	63 164	1 592	57 665	63 030	(5 365)	-8,5%	29 953
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		16 039	23 612	27 612	1 633	24 744	27 612	(2 868)	-10,4%	27 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		9 616	18 612	18 612	175	16 785	18 612	(1 827)	-9,8%	18 612
Water Services Infrastructure Grant		6 423	5 000	9 000	1 458	7 959	9 000	(1 041)	-11,6%	9 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		1 180	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
<i>FBDM (Capital)</i>		1 180	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
<b>Other grant providers:</b>		6 559	-	18 276	-	-	18 276	(18 276)	-100,0%	18 276
<i>Regional Bulk Infrastructure Grant</i>		6 559	-	18 276	-	-	18 276	(18 276)	-100,0%	18 276
<b>Total capital expenditure of Transfers and Grants</b>		23 778	23 612	47 388	1 633	24 744	47 388	(22 645)	-47,8%	47 388
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		114 884	86 776	110 552	3 225	82 408	110 418	(28 010)	-25,4%	77 341

An amount of R 3.2 million has been spent on grants during the month of June 2023 and the year to date actual is R 82,4 million whilst the year to date budget amounts to R 110,4 million and this results in an under spending variance of R 28 million that translates to negative 25%.Of the total spending amounting to R3,2 million, which R 1,6 million was spent on operational grants and

R 1.6 million was spent on capital grants. The major contributing factor to this variance is the allocation letter for RBIC amounting R18. 2 million which what budgeted for in the adjustment budget for 2022/2023 but was not received.

**Figure5:Grantsperformance**



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure there of as at end of June 2023. The grants expenditure is shown below in percentages when compared to the adjusted budget:

- Financial Management Grant 60%
- Expanded Public Work Programme 11%
- Equitable Share -1%
- Frances Baard District Municipality Grant 0%
- Library Grant 23%
- Municipal Infrastructure Grant 1%
- Water Services Infrastructure Grant 16%
- Regional Bulk Infrastructure Grant 0%
- Frances Baard District Municipality Grant (Capital) 0%

## Supporting Table: SC8- Councilor Allowances and Employee Related Costs

NC093 Magareng - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

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	4 113	266	3 248	4 113	(866)	-21%	4 113
Pension and UIF Contributions		278	44	376	30	373	376	(3)	-1%	376
Medical Aid Contributions		124	84	94	10	115	94	21	22%	94
Motor Vehicle Allowance		447	368	368	43	456	368	88	24%	
Cellphone Allowance		410	526	526	40	481	526	(44)	-8%	526
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		368
<b>Sub Total - Councillors</b>		<b>4 263</b>	<b>4 675</b>	<b>5 477</b>	<b>390</b>	<b>4 673</b>	<b>5 477</b>	<b>(804)</b>	<b>-15%</b>	<b>5 477</b>
<b>% increase</b>	4		<b>9,7%</b>	<b>28,5%</b>						<b>28,5%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		1 401	2 212	1 942	65	1 040	1 942	(902)	-46%	1 942
Pension and UIF Contributions		202	202	167	9	125	167	(42)	-25%	167
Medical Aid Contributions		87	85	72	4	69	72	(4)	-5%	72
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		85	184	143	-	89	143	(54)	-38%	143
Motor Vehicle Allowance		828	1 084	620	-	199	620	(421)	-68%	620
Cellphone Allowance		165	14	10	-	-	10	(10)	-100%	10
Housing Allowances		124	154	51	-	-	51	(51)	-100%	51
Other benefits and allowances		41	121	81	0	1	81	(80)	-99%	81
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>3 087</b>	<b>77</b>	<b>1 523</b>	<b>3 087</b>	<b>(1 564)</b>	<b>-51%</b>	<b>3 087</b>
<b>% increase</b>	4		<b>38,4%</b>	<b>5,3%</b>						<b>5,3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		32 386	33 553	33 036	2 608	31 451	33 036	(1 585)	-5%	33 036
Pension and UIF Contributions		5 631	5 708	5 692	417	5 107	5 692	(585)	-10%	5 692
Medical Aid Contributions		2 194	2 874	2 142	148	1 775	2 142	(366)	-17%	2 142
Overtime		2 585	3 773	2 334	289	1 630	2 334	(704)	-30%	2 334
Performance Bonus		2 769	2 688	2 350	-	2 172	2 350	(179)	-8%	2 350
Motor Vehicle Allowance		65	88	62	4	62	62	(0)	0%	62
Cellphone Allowance		130	72	63	4	47	63	(17)	-26%	63
Housing Allowances		389	257	98	6	70	98	(28)	-29%	98
Other benefits and allowances		827	7	478	44	429	478	(49)	-10%	478
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		(100)	-	-	-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>		<b>46 877</b>	<b>49 020</b>	<b>46 255</b>	<b>3 520</b>	<b>42 742</b>	<b>46 255</b>	<b>(3 513)</b>	<b>-8%</b>	<b>46 255</b>
<b>% increase</b>	4		<b>4,6%</b>	<b>-1,3%</b>						<b>-1,3%</b>
<b>Total Parent Municipality</b>		<b>54 073</b>	<b>57 753</b>	<b>54 818</b>	<b>3 988</b>	<b>48 937</b>	<b>54 818</b>	<b>(5 881)</b>	<b>-11%</b>	<b>54 818</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>54 073</b>	<b>57 753</b>	<b>54 818</b>	<b>3 988</b>	<b>48 937</b>	<b>54 818</b>	<b>(5 881)</b>	<b>-11%</b>	<b>54 818</b>
<b>% increase</b>	4		<b>6,8%</b>	<b>1,4%</b>						<b>1,4%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>49 810</b>	<b>53 078</b>	<b>49 342</b>	<b>3 597</b>	<b>44 265</b>	<b>49 342</b>	<b>(5 077)</b>	<b>-10%</b>	<b>49 342</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of June 2023 amounts to R 3,6 million and the year to date budget is R 49,3 million and the expenditure for remuneration of councilors amounts to R 390 thousand while the year to date budget is R 5,5 million. The year to date actual expenditure for senior managers is R 1, 5 million and the year to date budget thereof is R 3,1 million. The year to date actual of other municipal staff is R 42,7 million and the year to date budget is R 46,3 million.

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

**NC093 Magareng - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M12 June**

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
<b>R thousands</b>	1	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>			
<b>Cash Receipts By Source</b>																
Property rates		396	341	325	954	559	478	779	1 070	372	396	488	(1 846)	4 312	4 874	5 090
Service charges - electricity revenue		1 832	1 665	464	491	621	607	538	2 548	5 109	3 194	499	(10 250)	7 319	10 926	11 163
Service charges - water revenue		210	207	199	183	300	235	276	400	268	269	373	599	3 520	3 204	3 361
Service charges - sanitation revenue		80	47	22	39	41	140	37	85	22	31	65	1 847	2 456	3 791	3 977
Service charges - refuse		104	66	59	76	114	113	119	117	50	1 732	71	(367)	2 253	2 339	2 454
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	1	1	27	23
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	14	14	65	68
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		22 616	3 269	-	-	-	14 196	-	-	16 559	-	-	5 145	65 964	68 488	69 487
Other revenue		(318)	(402)	326	374	(624)	(721)	1 541	(404)	775	(3 151)	1 561	(69 766)	(70 811)	694	728
<b>Cash Receipts by Source</b>		<b>24 919</b>	<b>5 193</b>	<b>1 395</b>	<b>2 116</b>	<b>1 011</b>	<b>15 048</b>	<b>3 291</b>	<b>3 816</b>	<b>23 155</b>	<b>2 471</b>	<b>3 055</b>	<b>(74 623)</b>	<b>15 026</b>	<b>94 409</b>	<b>96 351</b>
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 500	-	-	1 500	4 000	-	-	3 000	12 612	-	-	-	47 388	54 967	14 913
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)	331	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	(1)	(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>3 616</b>	<b>5 011</b>	<b>15 048</b>	<b>3 291</b>	<b>6 816</b>	<b>35 767</b>	<b>2 471</b>	<b>3 055</b>	<b>(74 954)</b>	<b>62 083</b>	<b>149 708</b>	<b>111 264</b>
<b>Cash Payments by Type</b>																
Employee related costs		6 535	4 084	(213)	5 204	4 881	4 624	2 396	2 268	8 170	3 252	3 089	10 531	54 821	(53 709)	(56 091)
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	4 807	5 109
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity		8 065	-	660	-	19	3 028	106	1 039	402	40	1 006	5 477	19 843	(25 000)	(26 225)
Acquisitions - water & other inventory		1 000	-	-	-	-	-	-	-	-	-	-	1 155	2 155	(12 920)	(12 134)
Contracted services		-	-	-	-	-	-	-	-	-	-	-	(41 008)	(41 008)	(42 663)	(4 843)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses		12 703	513	2 510	389	2 772	5 803	433	3 673	11 992	2 289	2 827	(68 277)	(22 372)	5 931	5 706
<b>Cash Payments by Type</b>		<b>28 303</b>	<b>4 597</b>	<b>2 957</b>	<b>5 593</b>	<b>7 673</b>	<b>13 454</b>	<b>2 936</b>	<b>6 980</b>	<b>20 564</b>	<b>5 580</b>	<b>6 922</b>	<b>(92 121)</b>	<b>13 439</b>	<b>(123 554)</b>	<b>(88 479)</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		5 035	-	1 803	-	1 798	2 517	-	2 170	-	-	826	33 239	47 388	52 257	15 217
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>5 593</b>	<b>9 471</b>	<b>15 972</b>	<b>2 936</b>	<b>9 150</b>	<b>20 564</b>	<b>5 580</b>	<b>7 748</b>	<b>(58 882)</b>	<b>60 827</b>	<b>(71 297)</b>	<b>(73 262)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(1 919)</b>	<b>595</b>	<b>(3 365)</b>	<b>(1 977)</b>	<b>(4 461)</b>	<b>(923)</b>	<b>355</b>	<b>(2 334)</b>	<b>15 203</b>	<b>(3 109)</b>	<b>(4 692)</b>	<b>(16 072)</b>	<b>1 256</b>	<b>221 005</b>	<b>184 526</b>
Cash/cash equivalents at the month/year beginning:		242	(1 677)	(1 082)	(4 447)	(6 425)	(10 885)	(11 809)	(11 453)	(13 787)	1 416	(1 694)	(6 386)	242	1 497	222 502
Cash/cash equivalents at the month/year end:		(1 677)	(1 082)	(4 447)	(6 425)	(10 885)	(11 809)	(11 453)	(13 787)	1 416	(1 694)	(6 386)	(22 458)	1 497	222 502	407 028

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 –R74,9 million and cash payment for the month amounts to R 58,9 million and this resulted in net decrease in cash held amounting to - R 16,1 million. With cash and cash equivalent of – R6,4 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of –R 22,5 million. This is a supporting table for table C7 –Cash Flow Statement.

### SupportingTable: SC12 Capital ExpenditureTrend

NC093 Magareng - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

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									
<u>Monthly expenditure performance trend</u>									
July	2 158	1 968	1 968	5 035	5 035	1 968	(3 068)	-155,9%	21%
August	2 158	1 968	1 968	–	–	3 935	3 935	100,0%	0%
September	2 158	1 968	1 968	1 803	1 803	5 903	4 100	69,5%	8%
October	2 158	1 968	1 968	–	–	7 871	7 871	100,0%	0%
November	2 158	1 968	1 968	1 798	1 798	9 838	8 040	81,7%	8%
December	2 158	1 968	1 968	2 517	4 315	11 806	7 491	63,4%	18%
January	2 158	1 968	1 968	–	–	13 774	13 774	100,0%	0%
February	2 158	1 968	5 923	2 170	2 170	19 697	17 527	89,0%	9%
March	2 158	1 968	5 923	7 748	9 918	25 619	15 702	61,3%	42%
April	2 158	1 968	5 923	1 214	11 132	31 542	20 411	64,7%	0
May	2 158	1 968	7 923	826	11 957	39 465	27 508	69,7%	0
June	2 158	1 968	7 923	1 633	13 590	47 388	33 798	71,3%	0
<b>Total Capital expenditure</b>	<b>25 900</b>	<b>23 612</b>	<b>47 388</b>	<b>24 744</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure. Interms of this table the capital expenditure for the month of June 2023 amounts to R 1, 6 million

**Quality Certificate**

I, Tundebo Thye



The Municipal Manager of Magareng Local Municipality (NC093), hereby certify that-

- The monthly budget statements
- Quarterly report on the implementation of the budget and financial state affairs of the municipality
- Mid-year budget and performance assessment

The report for June 2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.