

MAGARENG LOCAL MUNICIPALITY

MAGARENG



MUNICIPALITY

MONTHLY BUDGET STATEMENT REPORT

MARCH 2023

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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 has a negative impact on the cash flow of the municipality
- Outstanding creditors with large outstanding debt mainly owed to Eskom and Vaalharts water
- Inability to service creditors within 30 days.
- Negative impact on the municipalities ability to improve service delivery from its own revenue sources.

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

		2022/2023		
DESCRIPTION	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENTAGE
OPERATING REVENUE	130 915 663,00	135 071 635,00	109 633 867,66	81%
OPERATING EXPENDITURE	182 313 394,00	166 275 651,00	101 833 079,36	61%
TRANSFERS CAPITAL	23 612 000,00	43 388 110,00	27 612 000,00	64%
Surplus/(Deficit) after capital tra	- 27 785 731,00	12 184 094,00	35 412 788,30	291%
CAPITAL EXPENDITURE	23 612 000,00	43 388 110,00	21 071 342,90	49%

Table C1 – Budget Statement Summary

NC093 Magareng - Table C1 Monthly Budget Statement Summary - M09 March

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	11 674	12 319	12 319	1 022	9 210	9 239	(29)	-0%	12 319
Service charges	36 845	43 325	43 364	6 784	27 194	32 523	(5 329)	-16%	43 364
Investment revenue	6 296	3 122	-	-	-	-	-	-	-
Transfers and subsidies	62 864	64 964	65 964	17 200	59 876	49 473	10 403	21%	65 964
Other own revenue	7 647	7 186	13 425	1 662	13 353	10 069	3 285	33%	13 425
Total Revenue (excluding capital transfers and contributions)	125 327	130 916	135 072	26 669	109 634	101 304	8 330	8%	135 072
Employee costs	49 810	53 078	44 475	3 492	33 991	33 356	635	2%	44 475
Remuneration of Councillors	4 263	4 675	5 466	390	3 502	4 100	(598)	-15%	5 466
Depreciation & asset impairment	26 674	30 431	25 974	2 163	19 484	19 480	4	0%	25 974
Finance charges	5 447	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	45 197	38 600	39 307	1 259	10 696	29 480	(18 784)	-64%	39 307
Transfers and subsidies	-	20	-	-	-	-	-	-	-
Other expenditure	49 919	55 509	51 053	5 030	34 159	38 290	(4 131)	-11%	51 053
Total Expenditure	181 310	182 313	166 276	12 335	101 833	124 707	(22 874)	-18%	166 276
Surplus/(Deficit)	(55 983)	(51 398)	(31 204)	14 334	7 801	(23 403)	31 204	-133%	(31 204)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25 034	23 612	41 888	12 612	27 612	31 416	(3 804)	-12%	41 888
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	-	-	900	(900)	-100%	1 500
Surplus/(Deficit) after capital transfers & contributions	(27 253)	(27 786)	12 184	26 946	35 413	8 913	26 500	297%	12 184
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(27 253)	(27 786)	12 184	26 946	35 413	8 913	26 500	297%	12 184
Capital expenditure & funds sources									
Capital expenditure	25 900	23 612	43 388	7 748	21 071	32 541	(11 470)	-35%	43 388
Capital transfers recognised	23 778	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2 122	-	-	-	-	-	-	-	-
Total sources of capital funds	25 900	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
Financial position									
Total current assets	(29 894)	(111 496)	(55 158)	-	84 174	-	-	-	(55 158)
Total non current assets	376 452	324 339	344 115	-	312 446	-	-	-	344 115
Total current liabilities	429 314	238 246	274 391	-	246 270	-	-	-	274 391
Total non current liabilities	12 754	3 105	3 105	-	12 754	-	-	-	3 105
Community wealth/Equity	138 886	(27 786)	12 184	-	115 975	-	-	-	12 184
Cash flows									
Net cash from (used) operating	-	275 601	259 517	15 844	54 987	194 413	139 426	72%	345 912
Net cash from (used) investing	-	(23 611)	(43 388)	(7 748)	(21 071)	(32 541)	(11 470)	35%	(43 387)
Net cash from (used) financing	-	331	-	(10)	10	248	238	96%	331
Cash/cash equivalents at the month/year end	6 674	252 898	216 706	-	34 166	162 696	128 530	79%	303 096
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	5 462	5 322	5 383	4 963	5 156	5 226	28 506	291 786	351 804
Creditors Age Analysis									
Total Creditors	3 998	5 783	6 581	9 203	13 082	60 679	55 777	99 456	254 560

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of March is R 109,6 million and the year to date budget of R 101,3 million and this reflects a positive variance of R 8,3 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Property rates : 0% unfavorable variance
- Service Charges : 16% unfavorable variance
- Transfers and Subsidies : 21% favorable variance
- Other Own Revenue: 33 % favorable variance

Operating Expenditure:

The year to date actual operational expenditure as at end of March amounts to R 101,8 million and the year to date budget is R 124,7 million. This reflects under spending variance of -R 22,9 million that translates to 18% variance. The variance is attributed to under spending variance 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 thereof is less than 10% except for the following:

- Remuneration of Councilors: 15% under performance
- Inventory Consumed and Bulk Purchases: 64% under performance
- Other expenditure: 11% under performance

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

Capital Expenditure

The year to date actual capital expenditure as at end of March 2023 amounts to R 21,1 million and the year to date budget amounts to R 32,3million and this gives rise to variance of R 11,5 million which shows under performance on capital expenditure.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of March is R26, 9 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of March amounts to R351 804 million and this show an increase of R 9,109 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 R236 511 million and other debtors amounting to R 115 293 million.

Creditors

As at 31 March 2023 the municipality had an outstanding creditors amounting to R254 560 million and the bulk of this amount is made up by Bulk water: R 125 697 million and bulk electricity: R97 604 million.

Table C2 – Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

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>		80 717	80 404	83 514	18 889	76 515	62 636	13 880	22%	83 514
Executive and council		54 507	59 064	59 064	16 559	53 640	44 298	9 342	21%	59 064
Finance and administration		26 210	21 340	24 450	2 330	22 875	18 338	4 538	25%	24 450
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 533	1 329	1 337	596	1 271	1 002	269	27%	1 337
Community and social services		1 216	1 189	1 189	556	1 166	892	274	31%	1 189
Sport and recreation		58	-	-	-	-	-	-	-	-
Public safety		258	140	147	40	105	111	(5)	-5%	147
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		(3 731)	450	700	91	91	525	(434)	-83%	700
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(3 731)	450	700	91	91	525	(434)	-83%	700
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		75 538	72 344	92 909	19 704	59 368	69 457	(10 089)	-15%	92 909
Energy sources		15 546	21 361	21 611	4 987	10 659	16 208	(5 549)	-34%	21 611
Water management		44 059	33 037	53 102	13 236	35 600	39 601	(4 001)	-10%	53 102
Waste water management		8 985	9 101	9 351	718	6 317	7 014	(697)	-10%	9 351
Waste management		6 948	8 845	8 845	763	6 792	6 634	159	2%	8 845
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	154 057	154 528	178 460	39 281	137 246	133 620	3 626	3%	178 460
Expenditure - Functional										
<i>Governance and administration</i>		100 622	48 038	40 290	4 312	30 264	30 218	46	0%	40 290
Executive and council		14 323	13 024	12 061	1 165	9 785	9 046	740	8%	12 061
Finance and administration		86 298	35 015	28 229	3 148	20 479	21 172	(693)	-3%	28 229
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		12 770	12 438	11 571	882	8 305	8 678	(374)	-4%	11 571
Community and social services		2 526	2 850	2 619	193	1 743	1 965	(222)	-11%	2 619
Sport and recreation		3 390	4 212	3 734	281	2 647	2 800	(153)	-5%	3 734
Public safety		4 001	4 230	4 116	324	3 067	3 087	(20)	-1%	4 116
Housing		2 854	1 146	1 102	84	848	827	21	3%	1 102
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 198	7 222	6 552	626	3 747	4 914	(1 167)	-24%	6 552
Planning and development		3 787	5 832	4 443	271	2 395	3 332	(937)	-28%	4 443
Road transport		2 411	1 390	2 109	355	1 352	1 582	(230)	-15%	2 109
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		61 720	114 616	107 863	6 515	59 518	80 897	(21 379)	-26%	107 863
Energy sources		26 683	44 824	44 315	1 833	18 240	33 236	(14 996)	-45%	44 315
Water management		24 405	28 868	27 257	1 672	15 582	20 443	(4 862)	-24%	27 257
Waste water management		9 482	21 149	19 790	1 682	13 685	14 843	(1 158)	-8%	19 790
Waste management		1 150	19 774	16 500	1 328	12 011	12 375	(364)	-3%	16 500
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	181 310	182 313	166 276	12 335	101 833	124 707	(22 874)	-18%	166 276
Surplus/ (Deficit) for the year		(27 253)	(27 786)	12 184	26 946	35 413	8 913	26 500	297%	12 184

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

NC093 Magareng - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

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	16 559	53 640	44 298	9 342	21,1%	59 064
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		26 210	21 340	24 450	2 330	22 875	18 338	4 538	24,7%	24 450
Vote 05 - Municipal Infrastructure		71 807	72 794	93 609	19 795	59 459	69 982	(10 523)	-15,0%	93 609
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		1 533	1 329	1 337	596	1 271	1 002	269	26,8%	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		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	154 057	154 528	178 460	39 281	137 246	133 620	3 626	2,7%	178 460
Expenditure by Vote										
Vote 01 - Executive & Council	1	11 458	10 987	11 071	889	6 670	8 303	(1 633)	-19,7%	11 071
Vote 02 - Office Of The Municipal Manager		1 839	2 037	990	52	491	743	(252)	-33,9%	990
Vote 03 - Corporate Services		12 037	14 279	9 155	1 177	9 884	6 867	3 018	44,0%	9 155
Vote 04 - Financial Services		74 326	20 736	19 074	1 976	10 651	14 305	(3 655)	-25,5%	19 074
Vote 05 - Municipal Infrastructure		66 622	119 589	112 027	7 158	64 115	84 020	(19 906)	-23,7%	112 027
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		9 717	11 292	10 469	784	7 329	7 852	(522)	-6,7%	10 469
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		5 312	3 394	3 490	298	2 693	2 617	75	2,9%	3 490
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	181 310	182 313	166 276	12 335	101 833	124 707	(22 874)	-18,3%	166 276
Surplus/ (Deficit) for the year	2	(27 253)	(27 786)	12 184	26 946	35 413	8 913	26 500	297,3%	12 184

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) - M09 March

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		11 674	12 319	12 319	1 022	9 210	9 239	(29)	0%	12 319
Service charges - electricity revenue		15 185	20 897	20 897	4 987	10 659	15 673	(5 014)		20 897
Service charges - water revenue		8 426	8 975	9 014	624	5 943	6 760	(817)	-12%	9 014
Service charges - sanitation revenue		7 569	7 016	7 016	673	6 055	5 262	793	15%	7 016
Service charges - refuse revenue		5 666	6 437	6 437	500	4 537	4 828	(291)	-6%	6 437
Rental of facilities and equipment		4	3	3	-	-	2	(2)	-100%	3
Interest earned - external investments		6 296	3 122	-	-	-	-	-		-
Interest earned - outstanding debtors		2 749	5 223	11 418	1 570	12 841	8 563	4 277	50%	11 418
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		127	46	53	27	62	40	22	56%	53
Licences and permits		(2 194)	-	-	-	-	-	-		-
Agency services		76	-	-	-	-	-	-		-
Transfers and subsidies		62 864	64 964	65 964	17 200	59 876	49 473	10 403	21%	65 964
Other revenue		6 689	1 914	1 951	65	451	1 463	(1 013)	-69%	1 951
Gains		196	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		125 327	130 916	135 072	26 669	109 634	101 304	8 330	8%	135 072
Expenditure By Type										
Employee related costs		49 810	53 078	44 475	3 492	33 991	33 356	635	2%	44 475
Remuneration of councillors		4 263	4 675	5 466	390	3 502	4 100	(598)	-15%	5 466
Debt impairment		35 391	37 815	35 391	2 949	26 543	26 543	(0)	0%	35 391
Depreciation & asset impairment		26 674	30 431	25 974	2 163	19 484	19 480	4	0%	25 974
Finance charges		5 447	-	-	-	-	-	-		-
Bulk purchases - electricity		22 499	24 750	24 750	350	6 529	18 563	(12 033)	-65%	24 750
Inventory consumed		22 697	13 850	14 557	909	4 167	10 918	(6 751)	-62%	14 557
Contracted services		5 752	6 720	6 206	793	2 692	4 654	(1 962)	-42%	6 206
Transfers and subsidies		-	20	-	-	-	-	-		-
Other expenditure		8 776	10 974	9 457	1 288	4 924	7 092	(2 168)	-31%	9 457
Losses		-	-	-	-	-	-	-		-
Total Expenditure		181 310	182 313	166 276	12 335	101 833	124 707	(22 874)	-18%	166 276
Surplus/(Deficit)		(55 983)	(51 398)	(31 204)	14 334	7 801	(23 403)	31 204	(0)	(31 204)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		25 034	23 612	41 888	12 612	27 612	31 416	(3 804)	(0)	41 888
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		3 696	-	1 500	-	-	900	(900)	(0)	1 500
Surplus/(Deficit) after capital transfers & contributions		(27 253)	(27 786)	12 184	26 946	35 413	8 913	-	-	12 184
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		(27 253)	(27 786)	12 184	26 946	35 413	8 913	-	-	12 184
Attributable to minorities		-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality		(27 253)	(27 786)	12 184	26 946	35 413	8 913	-	-	12 184
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		(27 253)	(27 786)	12 184	26 946	35 413	8 913	-	-	12 184

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) - M09 March

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		25 639	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
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 - Malufi Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	25 900	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
Total Capital Expenditure		25 900	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
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		25 639	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
Energy sources		207	-	-	-	-	-	-	-	-
Water management		24 039	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
Waste water management		1 394	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	25 900	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
Funded by:										
National Government		16 039	23 612	23 612	7 748	21 071	17 709	3 362	19%	23 612
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		1 180	-	1 500	-	-	900	(900)	-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	-	-	13 707	(13 707)	-100%	18 276
Transfers recognised - capital		23 778	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2 122	-	-	-	-	-	-	-	-
Total Capital Funding		25 900	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388

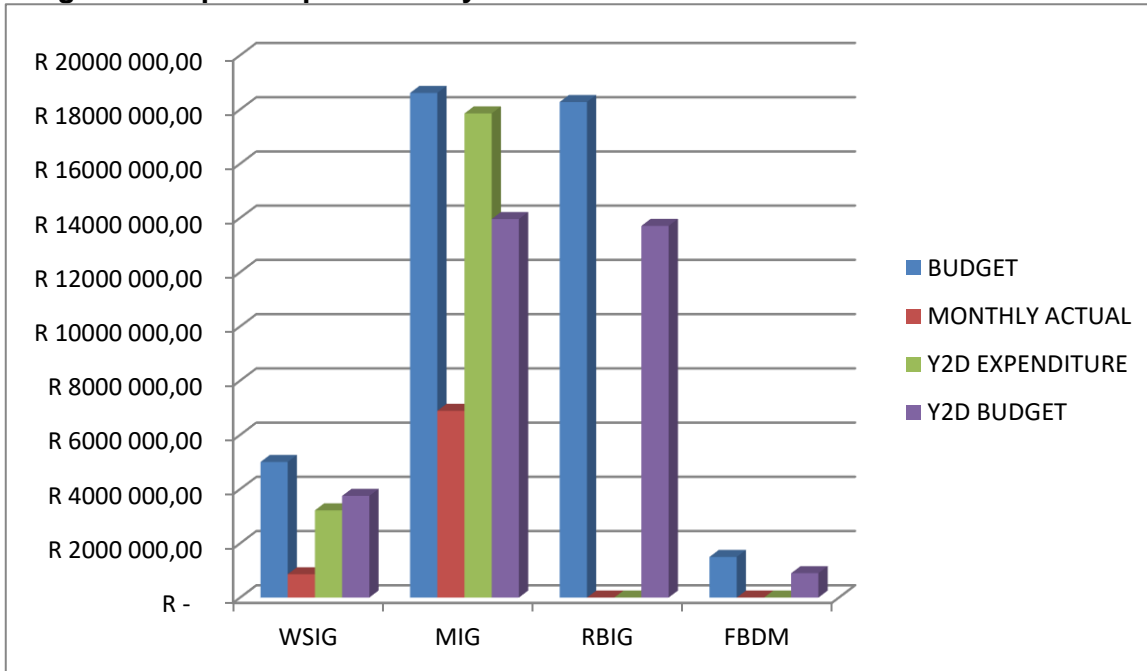
Table C5C: Monthly Capital Expenditure by Vote

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M09 March

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		25 639	23 612	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
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	43 388	7 748	21 071	32 316	(11 245)	-35%	43 388
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 Af		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total single-year capital expenditure		25 900	23 612	43 388	7 748	21 071	32 316	(11 245)	(0)	43 388
Total Capital Expenditure		25 900	23 612	43 388	7 748	21 071	32 316	(11 245)	(0)	43 388

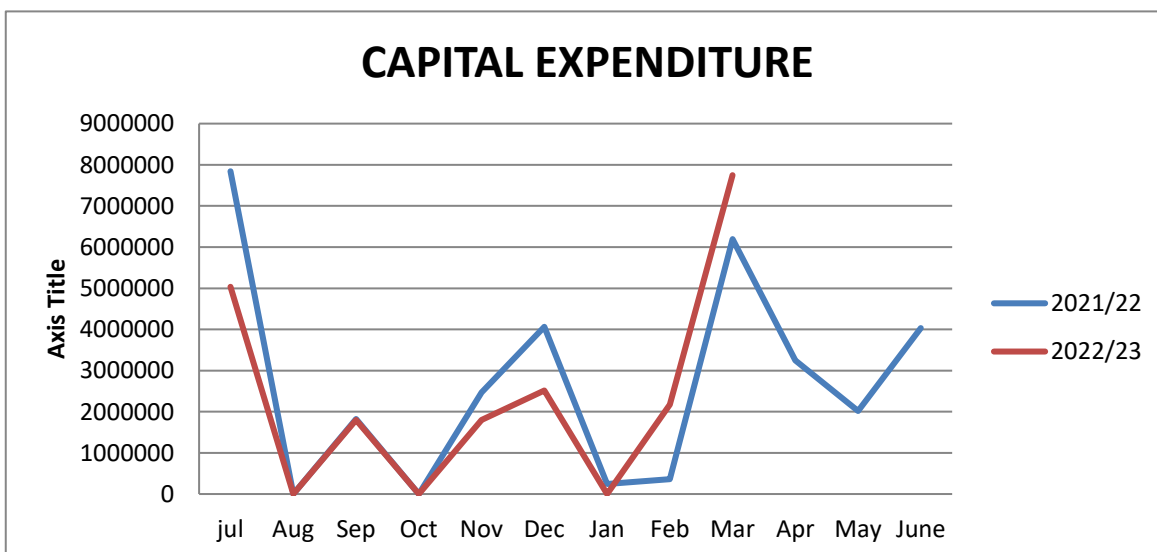
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of March 2023, capital expenditure amounts to R 7, 7 million.

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. As part of adjustment there was increase on capital expenditure which amounts to R 19 776 million, R 18 276 million funded by Regional Bulk Infrastructure Grant and R 1 500 million is funded by Frances Baard District 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 2023/23 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

NC093 Magareng - Table C6 Monthly Budget Statement - Financial Position - M09 March

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		(100 054)	(253 960)	(197 623)	7 305	(197 623)
Call investment deposits		3 826	62 108	62 108	172	62 108
Consumer debtors		12 965	28 402	28 402	19 173	28 402
Other debtors		53 205	51 486	51 486	57 359	51 486
Current portion of long-term receivables						
Inventory		164	467	467	164	467
Total current assets		(29 894)	(111 496)	(55 158)	84 174	(55 158)
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		352 230	300 056	319 833	288 224	319 833
Biological						
Intangible		20	79	79	20	79
Other non-current assets		371	371	371	371	371
Total non current assets		376 452	324 339	344 115	312 446	344 115
TOTAL ASSETS		346 558	212 842	288 956	396 620	288 956
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		191	-	-	165	-
Consumer deposits		1 303	1 254	1 254	1 313	1 254
Trade and other payables		420 078	230 550	266 694	237 051	266 694
Provisions		7 741	6 442	6 442	7 741	6 442
Total current liabilities		429 314	238 246	274 391	246 270	274 391
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		442 068	241 351	277 495	259 024	277 495
NET ASSETS	2	(95 510)	(28 509)	11 461	137 595	11 461
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		138 886	(27 786)	12 184	115 975	12 184
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	138 886	(27 786)	12 184	115 975	12 184

Taking the current liabilities and current assets together, the municipality has current ratio of 0.34 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 - M09 March

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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	4 312	4 312	372	5 273	3 234	2 040	63%	4 312
Service charges		-	15 509	15 547	5 450	17 485	11 661	5 824	50%	15 547
Other revenue		-	238 520	235 217	775	545	176 413	(175 867)	-100%	235 217
Transfers and Subsidies - Operational		-	64 964	65 964	17 200	59 876	49 473	10 403	21%	65 964
Transfers and Subsidies - Capital		-	23 612	43 388	12 612	27 612	32 316	(4 704)	-15%	43 388
Interest		-	3 122	-	-	-	-	-		-
Dividends										
Payments										
Suppliers and employees		-	(74 437)	(104 911)	(20 564)	(55 805)	(78 683)	(22 878)	29%	(18 516)
Finance charges										
Transfers and Grants										
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	275 601	259 517	15 844	54 987	194 413	139 426	72%	345 912
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables		-	1	-	-	-	-	-		1
Decrease (increase) in non-current investments										
Payments										
Capital assets		-	(23 612)	(43 388)	(7 748)	(21 071)	(32 541)	(11 470)	35%	(43 388)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(23 611)	(43 388)	(7 748)	(21 071)	(32 541)	(11 470)	35%	(43 387)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	331	-	(10)	10	248	(238)	-96%	331
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	331	-	(10)	10	248	238	96%	331
NET INCREASE/ (DECREASE) IN CASH HELD		-	252 321	216 129	8 086	33 925	162 120			302 855
Cash/cash equivalents at beginning:		6 674	577	577	14 599	242	577			242
Cash/cash equivalents at month/year end:		6 674	252 898	216 706		34 166	162 696			303 096

Table C7 presents details pertaining to cash flow performance. As at end of March 2023, the netcash inflow from operating activities is R 15, 8 million whilst the net cash outflow from investing activities amounts to -R7, 7 million that is mainly comprised of capital expenditure movement, and cashoutflow from financing activities is -R 10 thousand. The cash and cash equivalent held at end of March 2023 amounted to R34,2 million and the net effect of the above cash flows is cash outflow movement of R8,1 million.

Supporting Table: SC 1 Material Variance Explanations (Continuation)

Capital expenditure			
National government	19%	the actual expenditure incurred is more than the projected monthly actual	No remedies needed
CASH FLOW			
Receipts			
Property rates	63%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality under budgeted on this line item, will be rectified through a special adjustment.
Service charges	50%	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 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	21%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Transfers and Subsidies - Capital	-15%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule

Supporting Table: SC 3 - Debtors Age Analysis

NC093 Magareng - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

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		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	836	785	847	732	782	709	4 078	52 354	61 123	58 655		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	669	592	657	362	480	654	3 256	39 274	45 943	44 025		
Receivables from Non-exchange Transactions - Property Rates	1400	918	875	852	851	852	841	4 649	36 671	46 510	43 865		
Receivables from Exchange Transactions - Waste Water Management	1500	712	714	712	721	723	727	3 719	39 669	47 698	45 560		
Receivables from Exchange Transactions - Waste Management	1600	526	519	514	519	519	525	2 692	29 422	35 236	33 678		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	1 729	1 792	1 764	1 740	1 737	1 706	9 747	91 507	111 722	106 437		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	72	44	37	38	62	64	364	2 889	3 571	3 417		
Total By Income Source	2000	5 462	5 322	5 383	4 963	5 156	5 226	28 506	291 786	351 804	335 638	-	-
2021/22 - totals only		3 874	4 766	3 816	4 769	4 770	4 842	27 959	287 899	342 695	330 238		
Debtors Age Analysis By Customer Group													
Organs of State	2200	350	308	328	280	323	322	1 678	7 377	10 967	9 981		
Commercial	2300	770	681	785	494	618	724	3 310	36 331	43 713	41 477		
Households	2400	4 319	4 309	4 246	4 166	4 191	4 157	23 382	246 888	295 659	282 785		
Other	2500	23	24	24	23	23	23	136	1 189	1 465	1 395		
Total By Customer Group	2600	5 462	5 322	5 383	4 963	5 156	5 226	28 506	291 786	351 804	335 638	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of March amount to R 351 804 million. The debtors' book is made up as follows:

- Rates 13%
- Electricity 13%
- Water 17%
- Waste water management 14%
- Waste management 10%
- Interest on Debtors 32%
- Other 1%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

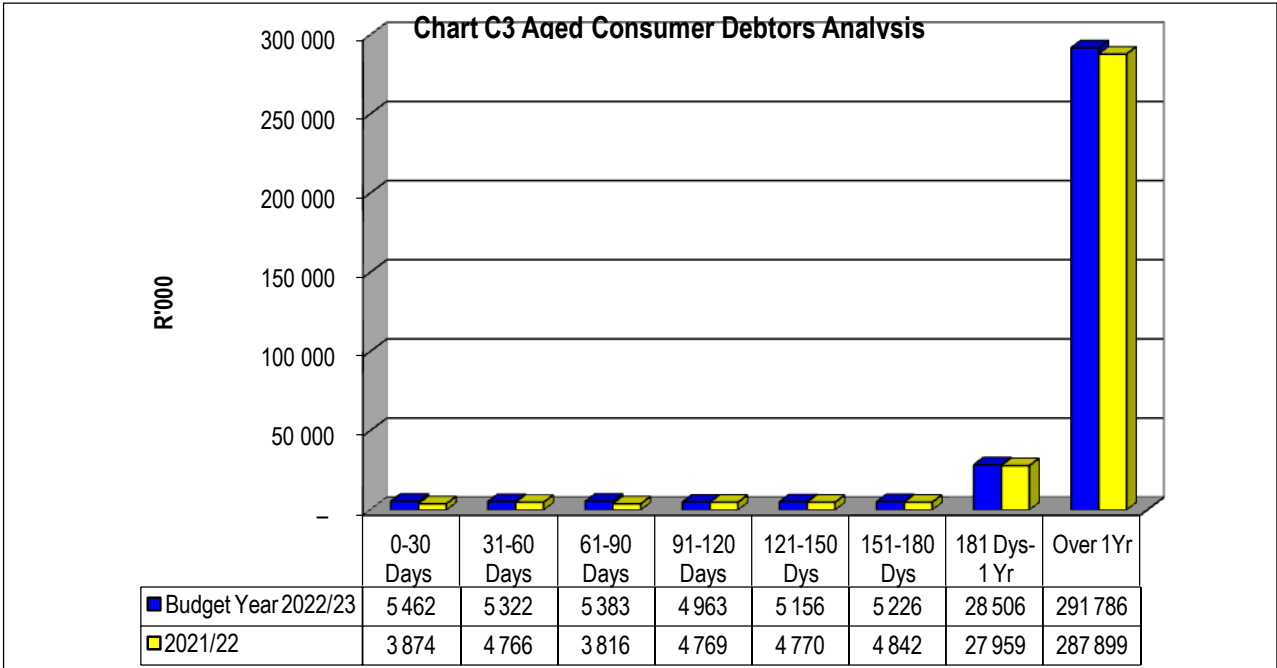
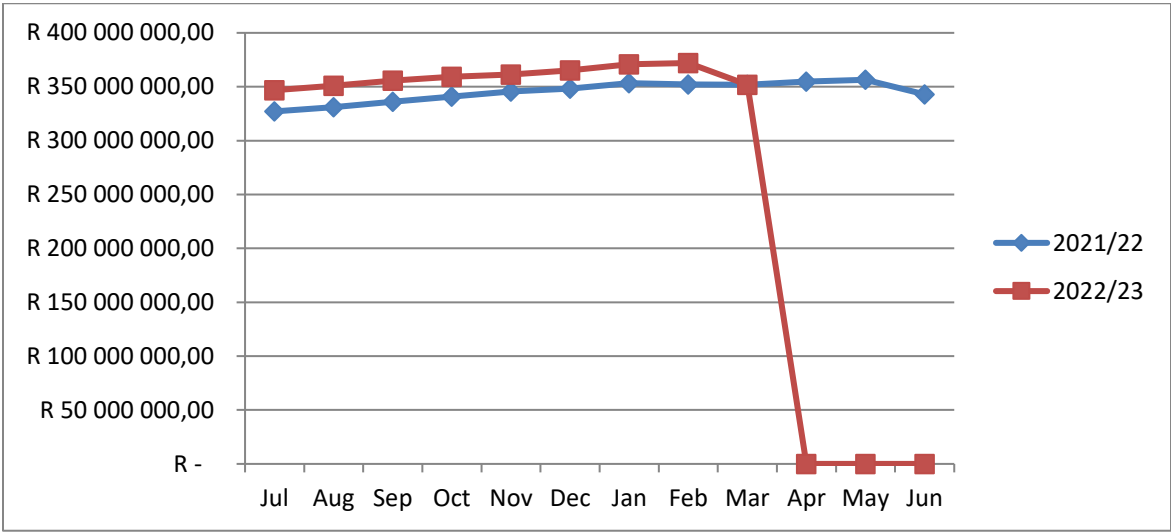


Figure 4: Monthly debtors book



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

	ACCOUNT	NAME	GROUP DE	CURR BAL	30DAYS BAL	60DAYS BAL	90 DAYS BAL	BALANCE	CONSOLIDATED BALANCE
	1200263	WARRENTON SUPER CHICKEN PTY LTD	BU	-	-	-	-	9 991 502,98	
1	1011982	WARRENTON SUPER CHICKEN PTY LTD	BU	38 449,86	7 206,59	1 381,33	-	53 962,00	10 045 464,98
2	1013046	DWT DAILY WHEEL AND TYRES (PTY) LTD	BU	18 073,57	17 634,78	94 879,46	17 602,00	3 291 906,02	3 291 906,02
3	1015015	S SANRAL	BU	12 663,85	12 663,57	12 705,45	12 670,03	2 591 249,53	2 591 249,53
4	1014691	NATIONAL GOVERNMENT OF RSA	GO	69 466,79	69 056,44	68 646,09	68 235,73	2 575 978,64	2 575 978,64
5	1006046	CONTINENTAL PANEL BEATERS	RE	37 615,04	37 430,60	37 246,17	37 061,73	1 919 345,53	1 919 345,53
	1200112	MAGELEVENDZE INV CC	RE	-	-	-	-	936 565,09	
6	1002654	MAGELEVENDZE INV CC	RE	4 816,21	4 799,95	4 985,76	19 045,22	328 441,72	1 265 006,81
7	1002224	IMPERIAL SUPERMARKET	BU	5 875,28	5 875,30	5 869,94	5 860,89	975 231,61	975 231,61
8	1008542	J MTHEMBU	RE	3 733,17	3 731,97	3 730,77	3 729,57	848 764,24	848 764,24
9	1015018	LM ERASMUS BOEDERY GRASBULT	BU	4 833,95	4 830,12	4 826,29	4 822,46	793 397,41	793 397,41
10	1006041	SS KOTE	RE	3 484,19	3 479,58	3 474,96	3 470,34	703 182,19	703 182,19
11	1014741	LAERSKOOL HARTSVALLEI	GO	17 752,62	17 647,76	17 542,89	17 438,02	658 305,68	658 305,68
12	1000719	MM MOLOI	RE	3 295,97	6 304,49	3 291,04	3 288,57	630 701,59	630 701,59
	1200206	GM WESI	BU	-	-	-	-	575 968,56	
13	1001073	GM WESI	BU	2 041,91	2 012,98	1 984,03	2 025,07	15 775,90	591 744,46
14	1015021	W J HEWITT	RE	2 644,49	2 646,52	2 649,98	12 308,39	558 573,29	558 573,29
	1200313	CM AVENANT	BU	-	100 822,65	3 277,00	5 948,52	493 401,23	
15	1015849	CM AVENANT	BU	2 454,87	3 849,19	-	-	19 775,49	513 176,72
16	1001684	MOTSHELE	RE	2 107,74	2 136,53	2 102,49	2 099,86	423 236,19	423 236,19
17	1011977	BLACK GINGER 489 PTY LTD	BU	11 519,90	11 451,50	11 383,11	11 314,72	418 302,88	418 302,88
18	1004435	OK THETHE	RE	2 717,27	2 711,71	2 706,16	2 700,60	413 429,03	413 429,03
19	1003573	D,C DYKER	RE	2 521,37	3 027,78	2 516,13	2 513,50	411 714,98	411 714,98
20	1004132	D GEORGE	RE	2 165,51	4 676,05	2 161,15	2 154,59	409 609,92	409 609,92

Supporting Table: SC 4 - Creditors Age Analysis

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description R thousands	NT Code	Budget Year 2022/23								Total	Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	2 042	3 770	4 238	3 899	5 248	42 287	36 119	-	97 604		
Bulk Water	0200	1 068	1 117	1 456	1 406	1 818	12 406	14 167	92 259	125 697		
PAYE deductions	0300	-	-	-	-	-	-	-	-	-		
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-		
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-		
Loan repayments	0600	-	-	-	-	-	-	-	-	-		
Trade Creditors	0700	-	213	201	3 433	5 500	5 418	5 440	6 708	26 912		
Auditor General	0800	888	682	685	465	517	569	52	490	4 347		
Other	0900	-	-	-	-	-	-	-	-	-		
Total By Customer Type	1000	3 998	5 783	6 581	9 203	13 082	60 679	55 777	99 456	254 560	-	

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipalities' creditors as at the 31 March 2023 amounted to R254 560 million. This amount is made up of various creditors which include amongst others the Eskom of R97 604 million, and Vaalharts water of R125 697 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 - M09 March

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												
Municipality														
MAGARENG LOCAL MUNICIPALITY														-
Municipality sub-total										-		-	-	-
Entities														
ABSA (9351945669)		3 MONTHS	7 DAYS	YES	VARIABLE				06 April 2023	157	3		-	160
ABSA (93558771747)		3 MONTHS	7 DAYS	YES	VARIABLE				06 April 2023	19	0		-	19
ABSA (9355869912)		3 MONTHS	7 DAYS	YES	VARIABLE				06 April 2023	-	-		-	-
													-	-
													-	-
													-	-
Entities sub-total										176		-	-	179
TOTAL INVESTMENTS AND INTEREST	2									176		-	-	179

The Municipality's current investment portfolio during the month of March amounts to R 179 thousands.

Supporting Table: SC 6 - Transfers and Grant Receipts

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

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	16 559	56 640	46 548	10 092	21,7%	62 064
Equitable Share		51 086	57 991	57 991	16 238	52 567	43 493	9 074	20,9%	57 991
Expanded Public Works Programme Integrated Grant		1 121	1 073	1 073	321	1 073	805	268	33,3%	1 073
Local Government Financial Management Grant		2 850	3 000	3 000	-	3 000	2 250	750	33,3%	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	2 800	91	2 136	2 100	36	1,7%	2 800
FBDM (OPERATIONAL)		4 603	1 800	2 800	91	2 136	2 100	36	1,7%	2 800
Other grant providers:		1 100	1 100	1 100	550	1 100	825	275	33,3%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 100	1 100	1 100	550	1 100	825	275	33,3%	1 100
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	62 864	64 964	65 964	17 200	59 876	49 473	10 403	21,0%	65 964
Capital Transfers and Grants										
National Government:		25 034	23 612	41 888	12 612	27 612	31 416	(3 804)	-12,1%	41 888
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8 175	18 612	18 612	7 612	18 612	13 959	4 653	33,3%	18 612
Regional Bulk Infrastructure Grant		12 860	-	18 276	-	-	13 707	(13 707)	-100,0%	18 276
Water Services Infrastructure Grant		4 000	5 000	5 000	5 000	9 000	3 750	5 250	140,0%	5 000
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		3 696	-	1 500	-	-	900	(900)	-100,0%	1 500
FBDM (CAPITAL)		3 696	-	1 500	-	-	900	(900)	-100,0%	1 500
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	28 730	23 612	43 388	12 612	27 612	32 316	(4 704)	-14,6%	43 388
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	91 594	88 576	109 352	29 812	87 488	81 789	5 699	7,0%	109 352

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R 87,5 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R 16,2 million; Financial Management Grant amounting to R 0 million; Municipal Infrastructure Grant amounting to R 7,6 million; Water Service Infrastructure Grant R 5 million, Expanded Public Works Programme R 321 thousands, Library Grant R 550 thousands, Frances Baard District Grant R 91 thousands, Regional Bulk Infrastructure Grant amounting to R0 million and Frances Baard District Grant (capital grant) amounting to R0 were received. Most of the first tranches of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

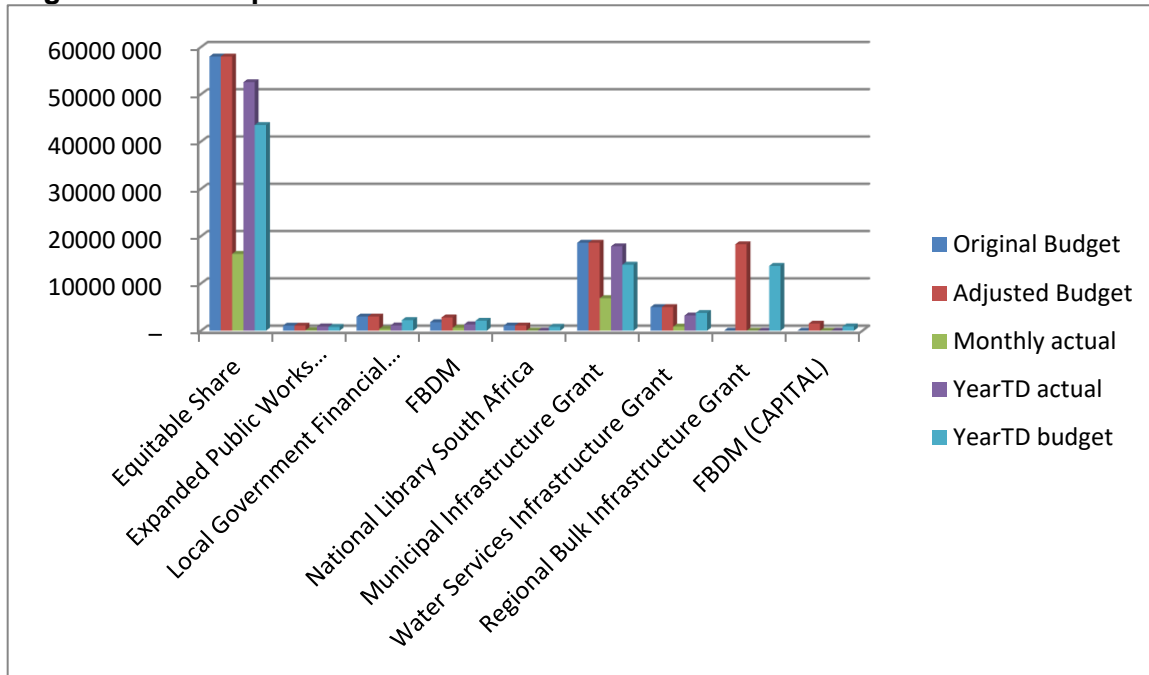
Supporting Table: SC 7 Transfers and grants – Expenditure

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

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:		89 164	62 064	62 064	16 759	54 575	46 548	8 027	17,2%	28 805
Equitable Share		83 321	57 991	57 991	16 238	52 567	43 493	9 074	20,9%	24 739
Expanded Public Works Programme Integrated Grant		1 102	1 073	1 073	122	902	805	97	12,1%	1 073
Local Government Financial Management Grant		3 328	3 000	3 000	398	1 106	2 250	(1 144)	-50,8%	2 993
Municipal Disaster Relief Grant		1 412	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
FBDM (OPERATIONAL)		4 078	1 800	2 800	625	1 333	2 100	(767)	-36,5%	2 800
Other grant providers:		1 942	1 100	1 100	28	28	825	(797)	-96,7%	994
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 942	1 100	1 100	28	28	825	(797)	-96,7%	994
Total operating expenditure of Transfers and Grants:		91 106	63 164	63 164	16 786	54 603	47 373	7 230	15,3%	29 799
Capital expenditure of Transfers and Grants										
National Government:		16 039	23 612	23 612	7 748	21 071	17 709	3 362	19,0%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		9 616	18 612	18 612	6 887	17 855	13 959	3 896	27,9%	18 612
Water Services Infrastructure Grant		6 423	5 000	5 000	861	3 217	3 750	(533)	-14,2%	5 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		1 180	-	1 500	-	-	900	(900)	-100,0%	1 500
FBDM (CAPITAL)		1 180	-	1 500	-	-	900	(900)	-100,0%	1 500
Other grant providers:		6 559	-	18 276	-	-	13 707	(13 707)	-100,0%	18 276
Regional Bulk Infrastructure Grant		6 559	-	18 276	-	-	13 707	(13 707)	-100,0%	18 276
Total capital expenditure of Transfers and Grants		23 778	23 612	43 388	7 748	21 071	32 316	(11 245)	-34,8%	43 388
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		114 884	86 776	106 552	24 534	75 674	79 689	(4 015)	-5,0%	73 187

An amount of R 24,5 million has been spent on grants during the month of March 2023 and the year to date actual is R 75,7 million whilst the year to date budget amounts to R 79,9 million and this results in an under spending variance of R 4,2 million that translates to 5,3 %. Of the total spending amounting to R 24,5 million, which R 16,8 million was spent on operational grants and R 7,7 was spent on capital grants.

Figure 5: Grants performance



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

- Financial Management Grant 13 %
- Expanded Public Work Programme 11%
- Equitable Share 28%
- Frances Baard District Municipality Grant 22%
- Library Grant 3%
- Municipal Infrastructure Grant 37%
- Water Services Infrastructure Grant 17%
- 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 - M09 March

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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3 004	3 654	4 113	272	2 444	3 085	(641)	-21%	4 113
Pension and UIF Contributions		278	44	376	31	281	282	(1)	0%	376
Medical Aid Contributions		124	84	84	10	84	63	22	34%	84
Motor Vehicle Allowance		447	368	368	38	332	276	56	20%	
Cellphone Allowance		410	526	526	40	361	394	(33)	-8%	526
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		4 263	4 675	5 466	390	3 502	4 100	(598)	-15%	5 466
% increase	4		9,7%	28,2%						28,2%
Senior Managers of the Municipality										
Basic Salaries and Wages		1 401	2 212	1 681	65	847	1 261	(414)	-33%	1 681
Pension and UIF Contributions		202	202	167	9	99	125	(26)	-21%	167
Medical Aid Contributions		87	85	72	4	57	54	2	4%	72
Overtime										
Performance Bonus		85	184	143		89	107	(18)	-17%	143
Motor Vehicle Allowance		828	1 084	620		199	465	(266)	-57%	620
Cellphone Allowance		165	14	10			7	(7)	-100%	10
Housing Allowances		124	154	51			39	(39)	-100%	51
Other benefits and allowances		41	121	81	0	1	61	(60)	-99%	81
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Municipality		2 933	4 058	2 825	77	1 291	2 119	(828)	-39%	2 825
% increase	4		38,4%	-3,7%						-3,7%
Other Municipal Staff										
Basic Salaries and Wages		32 481	33 553	29 961	2 609	23 707	22 471	1 236	6%	29 961
Pension and UIF Contributions		5 631	5 708	4 973	427	3 845	3 730	116	3%	4 973
Medical Aid Contributions		2 194	2 874	1 783	152	1 327	1 337	(10)	-1%	1 783
Overtime		2 585	3 773	2 315	168	1 294	1 737	(443)	-25%	2 315
Performance Bonus		2 769	2 688	2 015	12	2 121	1 511	609	40%	2 015
Motor Vehicle Allowance		65	88	62	4	50	47	3	6%	62
Cellphone Allowance		130	72	63	4	36	47	(11)	-24%	63
Housing Allowances		389	257	84	6	52	63	(12)	-18%	84
Other benefits and allowances		732	7	392	33	269	294	(25)	-8%	392
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Municipal Staff		46 877	49 020	41 649	3 415	32 700	31 237	1 463	5%	41 649
% increase	4		4,6%	-11,2%						-11,2%
Total Parent Municipality		54 073	57 753	49 941	3 882	37 493	37 456	38	0%	49 941
TOTAL SALARY, ALLOWANCES & BENEFITS		54 073	57 753	49 941	3 882	37 493	37 456	38	0%	49 941
% increase	4		6,8%	-7,6%						-7,6%
TOTAL MANAGERS AND STAFF		49 810	53 078	44 475	3 492	33 991	33 356	635	2%	44 475

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of March 2023 amounts to R 3,9 million and the year to date budget is R 37,5 million and the expenditure for remuneration of councilors amounts to R 390 thousand while the year to date budget is R 4.1million. The year to date actual expenditure for senior managers is R 1, 3 million and the year to date budget thereof is R 2,1 million. The year to date actual of other municipal staff is R 32, 7 million and the year to date budget is R 31, 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 - M09 March

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
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates		396	341	325	954	559	478	779	1 070	372	359	359	(1 680)	4 312	-	-
Service charges - electricity revenue		1 832	1 665	464	491	621	607	538	2 548	5 109	610	610	(7 777)	7 319	-	-
Service charges - water revenue		210	207	199	183	300	235	276	400	268	293	293	655	3 520	-	-
Service charges - sanitation revenue		80	47	22	39	41	140	37	85	22	205	205	1 533	2 456	-	-
Service charges - refuse		104	66	59	76	114	113	119	117	50	188	188	1 060	2 253	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	0	0	1	1	-	-
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	-	-	(16)	(16)
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	1	1	11	14	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		22 616	3 269	-	-	-	14 196	-	-	17 200	5 497	5 497	(2 311)	65 964	-	-
Other revenue		(318)	(402)	326	374	(624)	(721)	1 541	(404)	775	19 600	19 600	195 456	235 202	-	-
Cash Receipts by Source		24 919	5 193	1 395	2 116	1 011	15 048	3 291	3 816	23 796	26 753	26 753	186 948	321 040	(16)	(16)
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 500	-	-	1 500	4 000	-	-	3 000	12 612	3 616	3 616	8 545	43 388	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		31 419	5 193	1 395	3 616	5 011	15 048	3 291	6 816	36 408	30 369	30 369	195 162	364 097	315	(16)
Cash Payments by Type																
Employee related costs		6 535	4 084	(213)	5 204	4 881	4 624	2 396	2 268	8 170	4 164	4 164	3 685	49 962	58 656	60 321
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity		8 065	-	660	-	19	3 028	106	1 039	402	2 063	2 063	7 306	24 750	-	-
Acquisitions - water & other inventory		1 000	-	-	-	-	-	-	-	-	225	225	1 250	2 700	-	-
Contracted services		-	-	-	-	-	-	-	-	-	(3 124)	(3 124)	(31 236)	(37 483)	(24 162)	(7 392)
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	(1 784)	(1 784)	(58 632)	(21 412)	(4 283)	(4 639)
Cash Payments by Type		28 303	4 597	2 957	5 593	7 673	13 454	2 936	6 980	20 564	1 543	1 543	(77 627)	18 516	30 211	48 291
Other Cash Flows/Payments by Type																
Capital assets		5 035	-	1 803	-	1 798	2 517	-	2 170	-	3 616	3 616	22 833	43 388	32 452	14 913
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		33 338	4 597	4 760	5 593	9 471	15 972	2 936	9 150	20 564	5 159	5 159	(54 794)	61 904	62 663	63 204
NET INCREASE/(DECREASE) IN CASH HELD		(1 919)	595	(3 365)	(1 977)	(4 461)	(923)	355	(2 334)	15 844	25 210	25 210	249 956	302 192	(62 347)	(63 220)
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)	2 057	27 267	52 478	242	302 434	240 086
Cash/cash equivalents at the month/year end:		(1 677)	(1 082)	(4 447)	(6 425)	(10 885)	(11 809)	(11 453)	(13 787)	2 057	27 267	52 478	302 434	302 434	240 086	176 866

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 36, 4 million and cash payment for the month amounts to R 20, 6 million and this resulted in net increase in cash held amounting to R 15,8 million. With cash and cash equivalent of –R13,7 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R 2,1 million . This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

NC093 Magareng - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M09 March

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	2 158	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	–	–	31 542	–		
May	2 158	1 968	5 923	–	–	37 465	–		
June	2 158	1 968	5 923	–	–	43 388	–		
Total Capital expenditure	25 900	23 612	43 388	21 071					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of March 2023 amounts to R 7, 7 million.

SECTION 71 - MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, Tumele Thage the Acting 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 the March 2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.



Acting Municipal Manager
Mr. T Thage