

MAGARENG LOCAL MUNICIPALITY

MAGARENG



MUNICIPALITY

MONTHLY BUDGET STATEMENT REPORT

MAY 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.

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

DESCRIPTION	ORIGINAL BUDGET	2022/2023	YEAR TO DATE ACTUAL	PERCENTAGE
		ADJUSTED BUDGET		
OPERATING REVENUE	130 915 663,00	135 071 635,00	116 884 687,05	87%
OPERATING EXPENDITURE	182 313 394,00	166 275 651,00	123 458 854,30	74%
TRANSFERS CAPITAL	23 612 000,00	47 388 110,00	27 612 000,00	58%
SURPLUS/(DEFICIT) AFTER TRANS	- 27 785 731,00	16 184 094,00	21 037 832,75	130%
CAPITAL EXPENDITURE	23 612 000,00	47 388 110,00	23 110 779,61	49%

TableC1–Budget Statement Summary

NC093 Magareng - Table C1 Monthly Budget Statement Summary - M11 May

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
R thousands									
Financial Performance									
Property rates	11 674	12 319	12 319	1 022	11 254	11 292	(38)	-0%	12 319
Service charges	36 845	43 325	43 364	1 468	27 957	39 750	(11 793)	-30%	43 364
Investment revenue	6 296	3 122	–	–	–	–	–	–	–
Transfers and subsidies	62 864	64 964	65 964	1 447	61 323	60 467	856	1%	65 964
Other own revenue	7 647	7 186	13 425	1 981	16 350	12 306	4 044	33%	13 425
Total Revenue (excluding capital transfers and contributions)	125 327	130 916	135 072	5 919	116 885	123 816	(6 931)	-6%	135 072
Employee costs	49 810	53 078	44 475	3 310	40 667	40 768	(101)	-0%	44 475
Remuneration of Councillors	4 263	4 675	5 466	390	4 283	5 011	(728)	-15%	5 466
Depreciation & asset impairment	26 674	30 431	25 974	2 163	23 811	23 809	1	0%	25 974
Finance charges	5 447	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	45 197	38 600	39 315	1 961	13 494	36 039	(22 546)	-63%	39 315
Transfers and subsidies	–	20	–	–	–	–	–	–	–
Other expenditure	49 919	55 509	51 045	3 675	41 205	46 791	(5 587)	-12%	51 045
Total Expenditure	181 310	182 313	166 276	11 499	123 459	152 419	(28 960)	-19%	166 276
Surplus/(Deficit)	(55 983)	(51 398)	(31 204)	(5 581)	(6 574)	(28 604)	22 030	-77%	(31 204)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25 034	23 612	45 888	–	27 612	42 064	(14 452)	-34%	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
Surplus/(Deficit) after capital transfers & contributions	(27 253)	(27 786)	16 184	(5 581)	21 038	14 960	6 077	41%	16 184
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(27 253)	(27 786)	16 184	(5 581)	21 038	14 960	6 077	41%	16 184
Capital expenditure & funds sources									
Capital expenditure	25 900	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388
Capital transfers recognised	23 778	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	2 122	–	–	–	–	–	–	–	–
Total sources of capital funds	25 900	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388
Financial position									
Total current assets	(29 894)	(111 496)	(55 158)	–	71 251	–	–	–	(55 158)
Total non current assets	376 452	324 339	348 115	–	375 752	–	–	–	348 115
Total current liabilities	429 314	238 246	274 391	–	297 392	–	–	–	274 391
Total non current liabilities	12 754	3 105	3 105	–	12 754	–	–	–	3 105
Community wealth/Equity	138 886	(27 786)	16 184	–	115 289	–	–	–	16 184
Cash flows									
Net cash from (used) operating	–	235 971	259 517	(1 884)	50 556	237 891	187 334	79%	349 912
Net cash from (used) investing	–	(23 611)	(47 388)	(826)	(14 149)	(43 563)	(29 414)	68%	(47 387)
Net cash from (used) financing	–	331	–	(4)	16	303	287	95%	331
Cash/cash equivalents at the month/year end	6 674	213 267	212 706	–	36 664	195 207	158 543	81%	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	4 676	4 272	4 593	4 733	4 964	4 583	26 565	324 738	379 125
Creditors Age Analysis									
Total Creditors	3 463	6 724	6 986	9 639	12 001	58 786	54 214	97 747	249 561

The above C1 Sum table summarizes the following activities:

Revenue:

The actual year to date operational revenue as at end of May R 116,9 million and the year to date budget of R 123,8 million and this reflects a negative variance of 6,9 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: 33% favorable variance

Operating Expenditure:

The year to date actual operational expenditure as at end of May amounts to R 123,5 million and the year to date budget is R 152,4 million. This reflects under spending variance of R 28,9 million that translates to negative 19% 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 there of is less than 10% except for the following:

- Remuneration of Councilors: - 15% under performance
- Inventory Consumed and Bulk Purchases: - 63% under performance
- Other expenditure: -12% 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 May 2023 amounts to R 23,1 million and the year to date budget amounts to R 43,6 million and this gives rise to variance of R20,5 million which shows under performance on capital expenditure.

Surplus/Deficit

Taking the above into consideration, the net operating deficit for the month of May is R 5,5 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of May amounts to R379 125 million and this show an increase of R36,4 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 251 654 million and other debtors amounting to R 127 471 million.

Creditors

As at 30 May 2023 the municipality had an outstanding creditors amounting to R249 561 million and the bulk of this amount is made up by Bulk water: R 125 732 million and bulk electricity: R100 710 million.

TableC2–Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

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										
Governance and administration		80 717	80 404	83 514	4 109	82 365	76 192	6 173	8%	83 514
Executive and council		54 507	59 064	59 064	1 396	55 036	54 142	894	2%	59 064
Finance and administration		26 210	21 340	24 450	2 713	27 329	22 050	5 279	24%	24 450
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 533	1 329	1 337	13	1 305	1 224	80	7%	1 337
Community and social services		1 216	1 189	1 189	8	1 178	1 090	88	8%	1 189
Sport and recreation		58	-	-	-	-	-	-	-	-
Public safety		258	140	147	6	127	134	(7)	-6%	147
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(3 731)	450	700	-	91	613	(521)	-85%	700
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(3 731)	450	700	-	91	613	(521)	-85%	700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		75 538	72 344	96 909	1 796	60 736	89 351	(28 615)	-32%	96 909
Energy sources		15 546	21 361	21 611	249	10 376	19 781	(9 405)	-48%	21 611
Water management		44 059	33 037	57 102	124	35 886	52 920	(17 033)	-32%	57 102
Waste water management		8 985	9 101	9 351	677	7 686	8 543	(857)	-10%	9 351
Waste management		6 948	8 845	8 845	747	6 788	8 108	(1 320)	-16%	8 845
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	154 057	154 528	182 460	5 919	144 497	167 380	(22 883)	-14%	182 460
Expenditure - Functional										
Governance and administration		100 622	48 038	40 020	2 703	35 462	36 685	(1 224)	-3%	40 020
Executive and council		14 323	13 024	12 080	856	11 466	11 073	393	4%	12 080
Finance and administration		86 298	35 015	27 940	1 847	23 996	25 612	(1 616)	-6%	27 940
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 770	12 438	11 356	852	10 002	10 410	(408)	-4%	11 356
Community and social services		2 526	2 850	2 605	171	2 082	2 388	(305)	-13%	2 605
Sport and recreation		3 390	4 212	3 533	265	3 181	3 239	(58)	-2%	3 533
Public safety		4 001	4 230	4 116	332	3 723	3 773	(49)	-1%	4 116
Housing		2 854	1 146	1 102	84	1 015	1 010	5	0%	1 102
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6 198	7 222	6 272	330	4 406	5 749	(1 343)	-23%	6 272
Planning and development		3 787	5 832	4 443	242	2 878	4 072	(1 195)	-29%	4 443
Road transport		2 411	1 390	1 829	88	1 528	1 677	(148)	-9%	1 829
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		61 720	114 616	108 628	7 614	73 589	99 576	(25 986)	-26%	108 628
Energy sources		26 683	44 824	44 315	2 283	21 996	40 622	(18 626)	-46%	44 315
Water management		24 405	28 868	28 397	2 567	20 369	26 031	(5 662)	-22%	28 397
Waste water management		9 482	21 149	19 660	1 436	16 557	18 022	(1 465)	-8%	19 660
Waste management		1 150	19 774	16 255	1 328	14 667	14 900	(233)	-2%	16 255
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	181 310	182 313	166 276	11 499	123 459	152 419	(28 960)	-19%	166 276
Surplus/ (Deficit) for the year		(27 253)	(27 786)	16 184	(5 581)	21 038	14 961	6 077	41%	16 184

TableC3–Financial Performance(Revenue and Expenditure by vote)

NC093 Magareng - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

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	1									
Vote 01 - Executive & Council		54 507	59 064	59 064	1 396	55 036	54 142	894	1,7%	59 064
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		26 210	21 340	24 450	2 713	27 329	22 050	5 279	23,9%	24 450
Vote 05 - Municipal Infrastructure		71 807	72 794	97 609	1 796	60 827	89 964	(29 136)	-32,4%	97 609
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		1 533	1 329	1 337	13	1 305	1 224	80	6,6%	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	182 460	5 919	144 497	167 380	(22 883)	-13,7%	182 460
Expenditure by Vote	1									
Vote 01 - Executive & Council		11 458	10 987	11 087	793	8 214	10 163	(1 949)	-19,2%	11 087
Vote 02 - Office Of The Municipal Manager		1 839	2 037	993	52	592	910	(318)	-35,0%	993
Vote 03 - Corporate Services		12 037	14 279	8 966	934	11 766	8 219	3 547	43,1%	8 966
Vote 04 - Financial Services		74 326	20 736	18 974	919	12 298	17 393	(5 095)	-29,3%	18 974
Vote 05 - Municipal Infrastructure		66 622	119 589	112 512	7 775	78 525	103 136	(24 611)	-23,9%	112 512
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		9 717	11 292	10 254	755	8 830	9 399	(569)	-6,1%	10 254
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		5 312	3 394	3 490	271	3 235	3 199	36	1,1%	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	11 499	123 459	152 419	(28 960)	-19,0%	166 276
Surplus/ (Deficit) for the year	2	(27 253)	(27 786)	16 184	(5 581)	21 038	14 961	6 077	40,6%	16 184

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).

TableC4: Financial Performance by Revenue Source and Expenditure Type

NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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	11 254	11 292	(38)	0%	12 319
Service charges - electricity revenue		15 185	20 897	20 897	249	10 376	19 156	(8 780)	-46%	20 897
Service charges - water revenue		8 426	8 975	9 014	72	6 178	8 263	(2 084)	-25%	9 014
Service charges - sanitation revenue		7 569	7 016	7 016	658	7 384	6 431	952	15%	7 016
Service charges - refuse revenue		5 666	6 437	6 437	489	4 019	5 901	(1 881)	-32%	6 437
Rental of facilities and equipment		4	3	3	-	-	3	(3)	-100%	3
Interest earned - external investments		6 296	3 122	-	-	-	-	-	-	-
Interest earned - outstanding debtors		2 749	5 223	11 418	1 456	15 266	10 466	4 799	46%	11 418
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		127	46	53	1	79	49	31	63%	53
Licences and permits		(2 194)	-	-	-	-	-	-	-	-
Agency services		76	-	-	-	-	-	-	-	-
Transfers and subsidies		62 864	64 964	65 964	1 447	61 323	60 467	856	1%	65 964
Other revenue		6 689	1 914	1 951	524	1 005	1 789	(783)	-44%	1 951
Gains		196	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		125 327	130 916	135 072	5 919	116 885	123 816	(6 931)	-6%	135 072
Expenditure By Type										
Employee related costs		49 810	53 078	44 475	3 310	40 667	40 768	(101)	0%	44 475
Remuneration of councillors		4 263	4 675	5 466	390	4 283	5 011	(728)	-15%	5 466
Debt impairment		35 391	37 815	35 391	2 949	32 442	32 442	(0)	0%	35 391
Depreciation & asset impairment		26 674	30 431	25 974	2 163	23 811	23 809	1	0%	25 974
Finance charges		5 447	-	-	-	-	-	-	-	-
Bulk purchases - electricity		22 499	24 750	24 750	875	7 439	22 688	(15 249)	-67%	24 750
Inventory consumed		22 697	13 850	14 565	1 086	6 055	13 352	(7 297)	-55%	14 565
Contracted services		5 752	6 720	6 221	327	3 201	5 703	(2 501)	-44%	6 221
Transfers and subsidies		-	20	-	-	-	-	-	-	-
Other expenditure		8 776	10 974	9 433	399	5 562	8 647	(3 085)	-36%	9 433
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		181 310	182 313	166 276	11 499	123 459	152 419	(28 960)	-19%	166 276
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		25 034	23 612	45 888	-	27 612	42 064	(14 452)	(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
Surplus/(Deficit) after capital transfers & contributions		(27 253)	(27 786)	16 184	(5 581)	21 038	14 960			16 184
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(27 253)	(27 786)	16 184	(5 581)	21 038	14 960			16 184
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(27 253)	(27 786)	16 184	(5 581)	21 038	14 960			16 184
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(27 253)	(27 786)	16 184	(5 581)	21 038	14 960			16 184

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.

TableC5Capex: Monthly Capital Expenditure by Standard Classification and Funding

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	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	47 388	826	23 111	43 564	(20 453)	-47%	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		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	25 900	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388
Total Capital Expenditure		25 900	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388
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	47 388	826	23 111	43 564	(20 453)	-47%	47 388
Energy sources		207	-	-	-	-	-	-	-	-
Water management		24 039	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388
Waste water management		1 394	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	25 900	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388
Funded by:										
National Government		16 039	23 612	27 612	826	23 111	25 311	(2 200)	-9%	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 Corporatons, Higher Educational Institutions)		6 559	-	18 276	-	-	16 753	(16 753)	-100%	18 276
Transfers recognised - capital		23 778	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2 122	-	-	-	-	-	-	-	-
Total Capital Funding		25 900	23 612	47 388	826	23 111	43 564	(20 453)	-47%	47 388

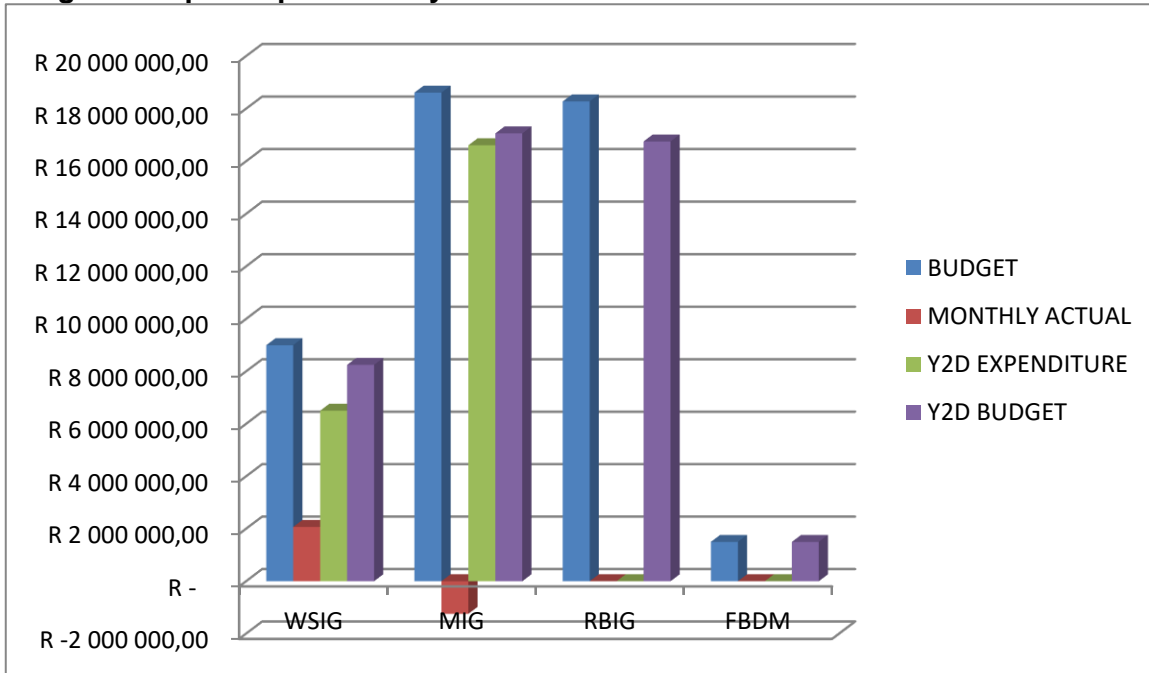
TableC5C: Monthly Capital Expenditure by Vote

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M11 May

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	47 388	826	23 111	43 564	(20 453)	-47%	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	826	23 111	43 564	(20 453)	-47%	47 388
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 Affa		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total single-year capital expenditure		25 900	23 612	47 388	826	23 111	43 564	(20 453)	(0)	47 388
Total Capital Expenditure		25 900	23 612	47 388	826	23 111	43 564	(20 453)	(0)	47 388

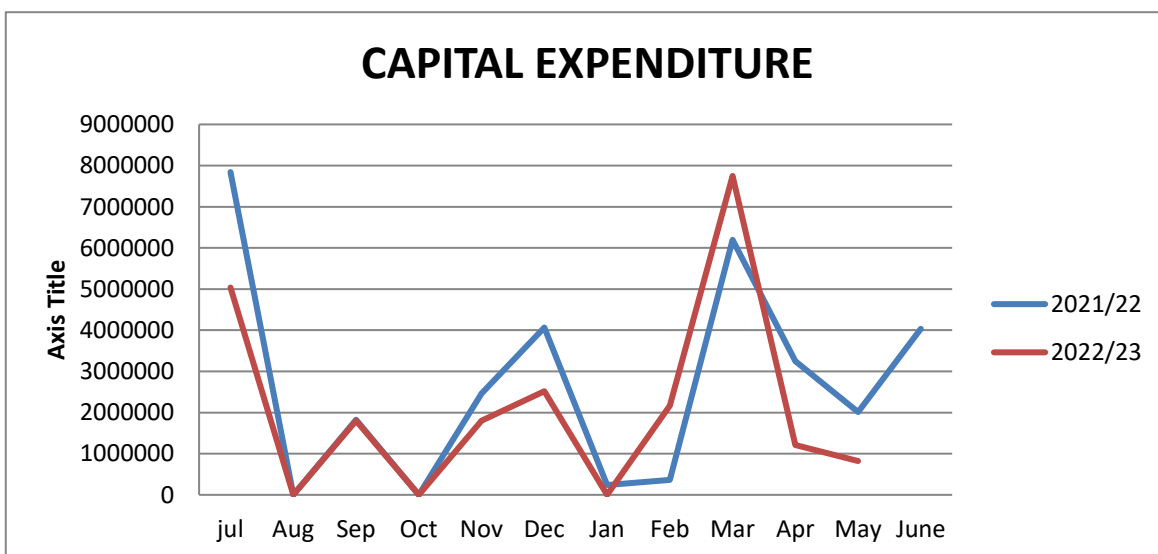
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of May 2023, capital expenditure amounts to R826 thousands.

Figure1:Capitalexpenditurebysource



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 - M11 May

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)	(724)	(197 623)
Call investment deposits		3 826	62 108	62 108	172	62 108
Consumer debtors		12 965	28 402	28 402	16 587	28 402
Other debtors		53 205	51 486	51 486	55 052	51 486
Current portion of long-term receivables						
Inventory		164	467	467	164	467
Total current assets		(29 894)	(111 496)	(55 158)	71 251	(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	323 833	351 530	323 833
Biological						
Intangible		20	79	79	20	79
Other non-current assets		371	371	371	371	371
Total non current assets		376 452	324 339	348 115	375 752	348 115
TOTAL ASSETS		346 558	212 842	292 956	447 003	292 956
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		191	-	-	165	-
Consumer deposits		1 303	1 254	1 254	1 319	1 254
Trade and other payables		420 078	230 550	266 694	288 167	266 694
Provisions		7 741	6 442	6 442	7 741	6 442
Total current liabilities		429 314	238 246	274 391	297 392	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	310 146	277 495
NET ASSETS	2	(95 510)	(28 509)	15 461	136 858	15 461
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		138 886	(27 786)	16 184	115 289	16 184
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	138 886	(27 786)	16 184	115 289	16 184

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.

Table C7: Monthly Budget Statement Cash Flow

NC093 Magareng - Table C7 Monthly Budget Statement - Cash Flow - M11 May

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	488	6 157	3 952	2 205	56%	4 312
Service charges		-	15 509	15 547	1 007	23 718	14 252	9 466	66%	15 547
Other revenue		-	238 520	231 217	1 561	(1 045)	211 949	(212 993)	-100%	231 217
Transfers and Subsidies - Operational		-	64 964	65 964	1 447	61 323	60 467	856	1%	65 964
Transfers and Subsidies - Capital		-	23 612	47 388	-	27 612	43 439	(15 827)	-36%	47 388
Interest		-	3 122	-	-	-	-	-		-
Dividends										
Payments										
Suppliers and employees		-	(114 067)	(104 911)	(6 387)	(67 209)	(96 168)	(28 959)	30%	(14 516)
Finance charges										
Transfers and Grants										
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	235 971	259 517	(1 884)	50 556	237 891	187 334	79%	349 912
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables		-	1	-	-	0	1	(1)	-100%	1
Decrease (increase) in non-current investments										
Payments										
Capital assets		-	(23 612)	(47 388)	(826)	(14 149)	(43 564)	(29 415)	68%	(47 388)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(23 611)	(47 388)	(826)	(14 149)	(43 563)	(29 414)	68%	(47 387)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	331	-	(4)	16	303	(287)	-95%	331
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	331	-	(4)	16	303	287	95%	331
NET INCREASE/ (DECREASE) IN CASH HELD		-	212 690	212 129	(2 713)	36 423	194 630			302 855
Cash/cash equivalents at beginning:		6 674	577	577	(7 593)	242	577			242
Cash/cash equivalents at month/year end:		6 674	213 267	212 706		36 664	195 207			303 096

Table C7 presents details pertaining to cash flow performance. As at end of May 2023, the net cash inflow from operating activities is –R1,8 million whilst the net cash outflow from investing activities amounts to –R826 thousands that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is -R 4 thousand. The cash and cash equivalent held at end of May 2023 amounted to R 36,7 million and the net effect of the above cash flows is cash outflow movement of R 36,4 million.

PART2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

DESCRIPTION	VARIANCE	REASON FOR MATERIAL VARIANCE	REMEDIAL OR CORRECTIVE STEPS/REMARKS
REVENUE BY SOURCE			
Property rates	0%	The projected monthly revenue appear to be slightly high in light of the actual revenue performance	The variance is immaterial and no remedial action is needed
Service charges - electricity revenue	-46%	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	-25%	The actual revenue is less than the projected monthly revenue	This negative variance is as a result of not being able to bill the Ikhutseng community as there are no metering systems put in place whilst some part of the community is unhappy with the service being rendered as there is shortage of water, and the municipality does not supply all residents. Currently the municipality is increasing the capacity of reservoirs as a way of ensuring the whole community has access to water.
Service charges - sanitation revenue	15%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality has to increase sanitation revenue budget as it was under budgeted
Service charges - refuse revenue	-32%	The actual revenue is less than the projected monthly revenue	No remedial action is needed as the variance is below 10%
Rental of facilities and equipment	-100%	The actual revenue is less than the projected monthly revenue	The municipality should come up with strategies to ensure all revenue generating municipal assets are renovated and rented out.
Interest earned - outstanding debtors	46%	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 and debtors as there is a mapping issue.
Fines, penalties and forfeits	63%	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.
EXPENDITURE BY TYPE			
Employee related costs	0%	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	The variance is immaterial and no remedial action is needed
Depreciation & asset impairment	0%	Depreciation is calculated annually based on 2122 AFS	The variance is immaterial and no remedial action is needed
Bulk purchases - electricity	-67%	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	-55%	the actual expenditure incurred is less than the projected monthly actual	The Municipality cannot afford to pay the monthly charges and will negotiate a new payment arrangement with Vaalharts water.
Contracted services	-44%	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	-36%	the actual expenditure incurred is less than the projected monthly actual	The municipality needs to cut down the budgeted expenditure

Supporting Table: SC1 Material Variance Explanations (Continuation)

Capital expenditure			
National government	-9%	the actual expenditure incurred is more than the projected monthly actual	No remedies needed
CASH FLOW			
Receipts			
Property rates	56%	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	66%	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	1%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Transfers and Subsidies - Capital	-36%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule

Supporting Table: SC3-Debtors Age Analysis

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	317	319	735	790	789	902	4 639	60 942	69 432	68 062		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	367	193	161	176	202	135	1 438	28 557	31 229	30 508		
Receivables from Non-exchange Transactions - Property Rates	1400	1 054	852	787	899	1 100	712	4 398	43 009	52 811	50 118		
Receivables from Exchange Transactions - Waste Water Management	1500	757	759	760	760	759	759	4 508	48 652	57 714	55 438		
Receivables from Exchange Transactions - Waste Management	1600	549	543	539	538	537	536	3 224	34 002	40 467	38 836		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	1 576	1 563	1 548	1 533	1 523	1 507	8 053	106 215	123 517	118 830		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	55	44	64	37	55	33	305	3 361	3 954	3 791		
Total By Income Source	2000	4 676	4 272	4 593	4 733	4 964	4 583	26 565	324 738	379 125	365 583	-	-
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	254	212	218	161	167	156	941	7 114	9 223	8 539		
Commercial	2300	475	381	322	426	707	264	2 037	18 580	23 192	22 015		
Households	2400	3 917	3 654	4 028	4 120	4 066	4 138	23 440	297 479	344 840	333 241		
Other	2500	30	26	25	25	25	25	147	1 566	1 870	1 789		
Total By Customer Group	2600	4 676	4 272	4 593	4 733	4 964	4 583	26 565	324 738	379 125	365 583	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of May amount to R 379 125 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 age analysis

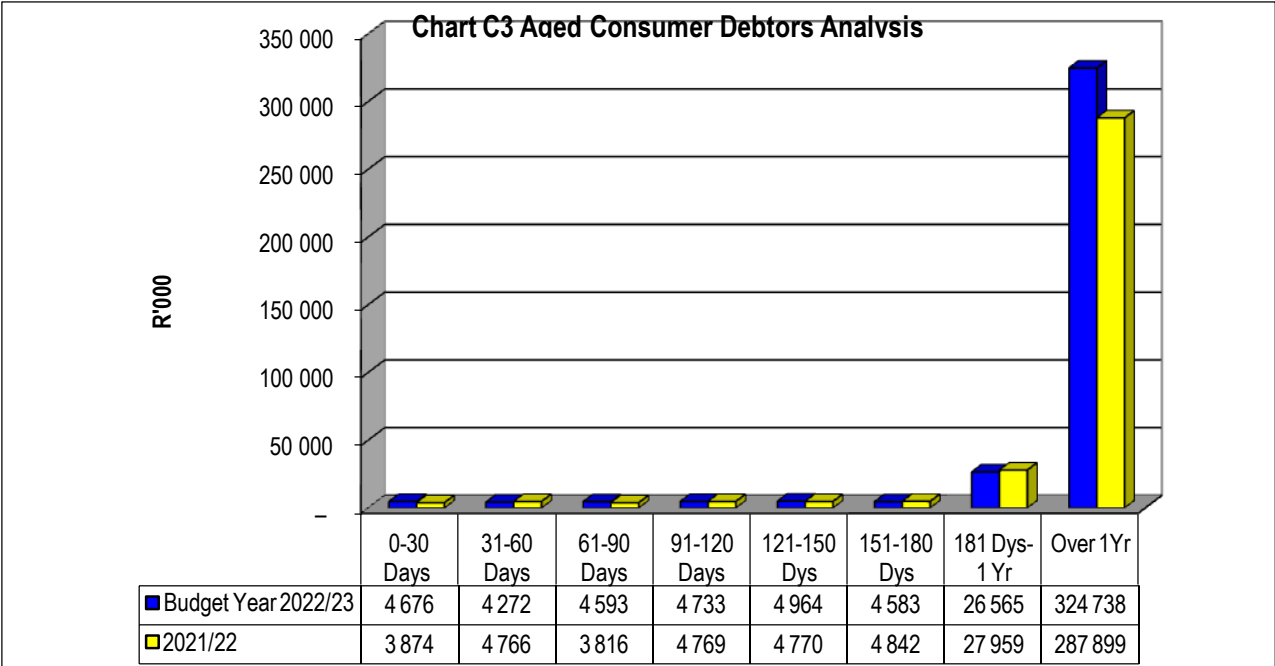
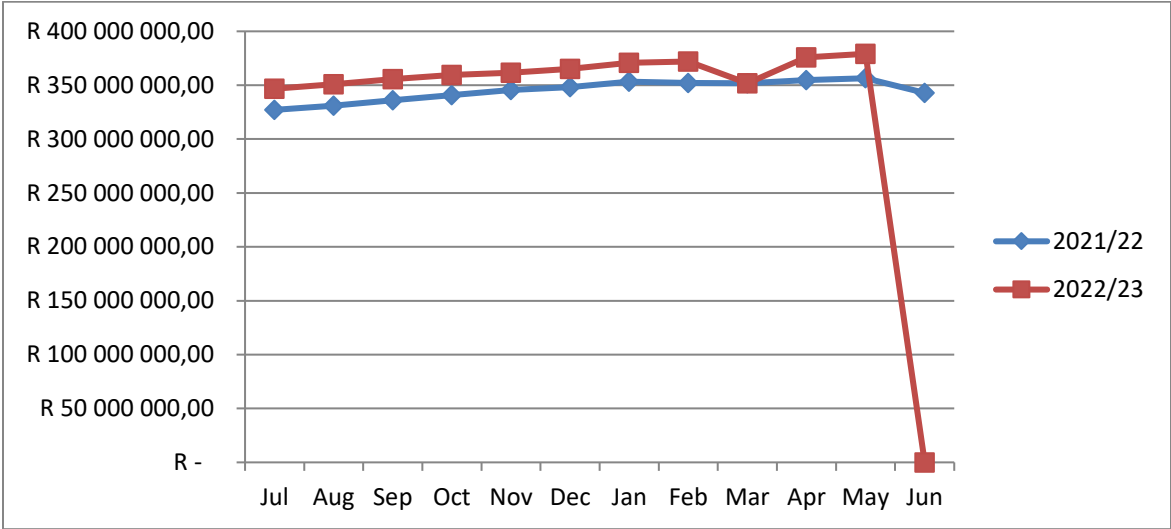


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of May 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	NAME	GROUP DE	60DAYS BAL	90 DAYS BAL	120 DAYS BAL	150 DAYS B	180 DAYS B	210 DAYS B	240 DAYS B	270 DAYS PLUS	BALANCE	CONSOLIDATED BALANCE
1	1200263	WARRENTON SUPER CHICKEN	BU	-	-	-	-	-	-	-	9 971 294,98	9 971 294,98	10 030 603,09
	1011982	WARRENTON SUPER CHICKEN	BU	-	-	-	-	-	-	-	3 333,85	59 308,11	-
2	5002090	WARRENTON HOSPITAAL	GO	-	-	28 910,84	24 086,56	25 164,64	48 126,27	43 750,85	3 436 493,35	3 606 532,51	3 606 532,51
3	1013046	DWT DAILY WHEEL AND TYRES	BU	18 073,57	17 634,78	94 879,46	17 602,00	17 077,44	93 730,22	93 919,66	2 938 557,04	3 327 568,91	3 327 568,91
4	1014691	NATIONAL GOVERNMENT OF R	GO	69 466,79	69 056,44	68 646,09	68 235,73	67 825,38	67 415,03	67 004,67	2 098 328,51	2 716 143,28	2 716 143,28
5	1015015	S SANRAL	BU	12 663,85	12 663,57	12 705,45	12 670,03	14 072,56	18 105,93	12 024,22	2 496 343,92	2 616 577,23	2 616 577,23
6	1200112	MAGELEVENDZE INV CC	RE	-	-	-	-	-	-	-	934 565,09	934 565,09	1 270 822,26
	1002654	MAGELEVENDZE INV CC	RE	4 816,21	-	-	19 045,22	18 930,18	18 937,81	4 754,75	250 318,53	336 257,17	-
7	1002224	IMPERIAL SUPERMARKET	BU	5 875,28	5 875,30	5 869,94	5 860,89	5 851,82	5 842,57	5 833,31	931 283,65	984 042,22	984 042,22
8	1008542	J MTHEMBU	RE	3 733,17	3 731,97	3 730,77	3 729,57	3 728,37	3 727,17	3 725,96	822 657,26	855 875,66	855 875,66
9	1015018	LM ERASMUS BOEDERY GRASB	BU	4 833,95	4 830,12	4 826,29	4 822,46	4 664,26	27 691,94	12 536,71	729 191,68	803 076,80	803 076,80
10	1006041	SS KOTE	RE	3 484,19	3 479,58	3 474,96	3 470,34	3 465,72	3 461,10	3 456,48	678 536,51	709 806,35	709 806,35
11	1014741	LAERSKOOL HARTSVALLEI	GO	17 752,62	17 647,76	17 542,89	17 438,02	17 333,15	17 228,28	17 123,42	536 239,54	694 125,53	694 125,53
12	1000719	MM MOLOI	RE	3 295,97	6 304,49	3 291,04	3 288,57	3 284,95	3 451,62	6 458,99	600 975,96	636 948,22	636 948,22
13	1200206	GM WESI	BU	-	-	-	-	-	-	-	570 968,56	570 968,56	585 421,16
	1001073	GM WESI	BU	2 041,91	-	-	1 881,12	146,27	-	-	2 500,00	14 452,60	-
14	1015021	W J HEWITT	RE	2 644,49	2 646,52	2 649,98	12 308,39	2 648,84	2 820,32	2 819,18	530 035,57	563 862,27	563 862,27
15	1200313	CM AVENANT	BU	-	-	-	5 948,52	3 261,26	3 253,41	3 246,95	341 289,82	453 401,23	476 584,91
	1015849	CM AVENANT	BU	-	93 124,27	3 277,00	-	-	-	-	16 150,81	23 183,68	-
16	1011977	BLACK GINGER 489 PTY LTD	BU	11 519,90	11 451,50	11 383,11	11 314,72	11 246,33	11 177,94	11 109,54	339 099,84	441 547,85	441 547,85
17	1001684	MOTSHELE	RE	2 107,74	2 136,53	2 102,49	2 099,86	2 097,23	2 094,61	2 091,98	408 152,44	427 101,91	427 101,91
18	1004435	OK THETHE	RE	2 717,27	2 711,71	2 706,16	2 700,60	2 695,04	2 689,49	2 683,93	394 171,52	418 522,14	418 522,14
19	1003573	D,C DYKER	RE	2 521,37	3 027,78	2 516,13	2 513,50	2 510,87	2 508,24	2 505,61	393 258,17	416 407,48	416 407,48
20	1004132	D GEORGE	RE	2 165,51	4 676,05	2 161,15	2 154,59	2 648,05	2 641,49	2 636,67	390 526,41	413 950,23	413 950,23

Supporting Table: SC4-Creditors Age Analysis

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2022/23								Total	Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	2 042	4 269	4 737	4 398	6 117	42 657	36 490	-	100 710		
Bulk Water	0200	1 068	1 117	1 456	1 406	1 818	12 406	14 183	92 278	125 732		
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	3 490	4 979	19 715		
Auditor General	0800	353	903	371	465	517	254	52	490	3 405		
Other	0900	-	-	-	-	-	-	-	-	-		
Total By Customer Type	1000	3 463	6 724	6 986	9 639	12 001	58 786	54 214	97 747	249 561	-	

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 May 2023 amounted to R249 561 million. This amount is made up of various creditors which include amongst others the Eskom of R100 710million, and Vaalharts water of R125 732 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 - M10 April

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														-
Municipality sub-total										-		-	-	-
Entities														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									-		-	-	-

The Municipality's current investment portfolio is only updated on quarterly basis.

Supporting Table: SC 6 -Transfers and Grant Receipts

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		57 161	62 064	62 064	1 396	58 036	56 892	1 144	2,0%	62 064
Equitable Share		51 086	57 991	57 991	-	52 567	53 158	(591)	-1,1%	57 991
Expanded Public Works Programme Integrated Grant		1 121	1 073	1 073	-	1 073	984	89	9,1%	1 073
Local Government Financial Management Grant		2 850	3 000	3 000	-	3 000	2 750	250	9,1%	3 000
Municipal Disaster Relief Grant		2 104	-	-	1 396	1 396	-	1 396	-	-
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]										
District Municipality:		4 603	1 800	2 800	51	2 187	2 567	(379)	-14,8%	2 800
FBDM (Operational)		4 603	1 800	2 800	51	2 187	2 567	(379)	-14,8%	2 800
Other grant providers:		1 100	1 100	1 100	-	1 100	1 008	92	9,1%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 100	1 100	1 100	-	1 100	1 008	92	9,1%	1 100
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	62 864	64 964	65 964	1 447	61 323	60 467	856	1,4%	65 964
Capital Transfers and Grants										
National Government:		25 034	23 612	45 888	-	27 612	42 064	(14 452)	-34,4%	45 888
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8 175	18 612	18 612	-	18 612	17 061	1 551	9,1%	18 612
Regional Bulk Infrastructure Grant		12 860	-	18 276	-	-	16 753	(16 753)	-100,0%	18 276
Water Services Infrastructure Grant		4 000	5 000	9 000	-	9 000	8 250	750	9,1%	9 000
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]										
District Municipality:		3 696	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
Specify (Add grant description)		3 696	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	28 730	23 612	47 388	-	27 612	43 564	(15 952)	-36,6%	47 388
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	91 594	88 576	113 352	1 447	88 935	104 031	(15 096)	-14,5%	113 352

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R 88, 9 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 0 million; 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 51 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 trenches of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

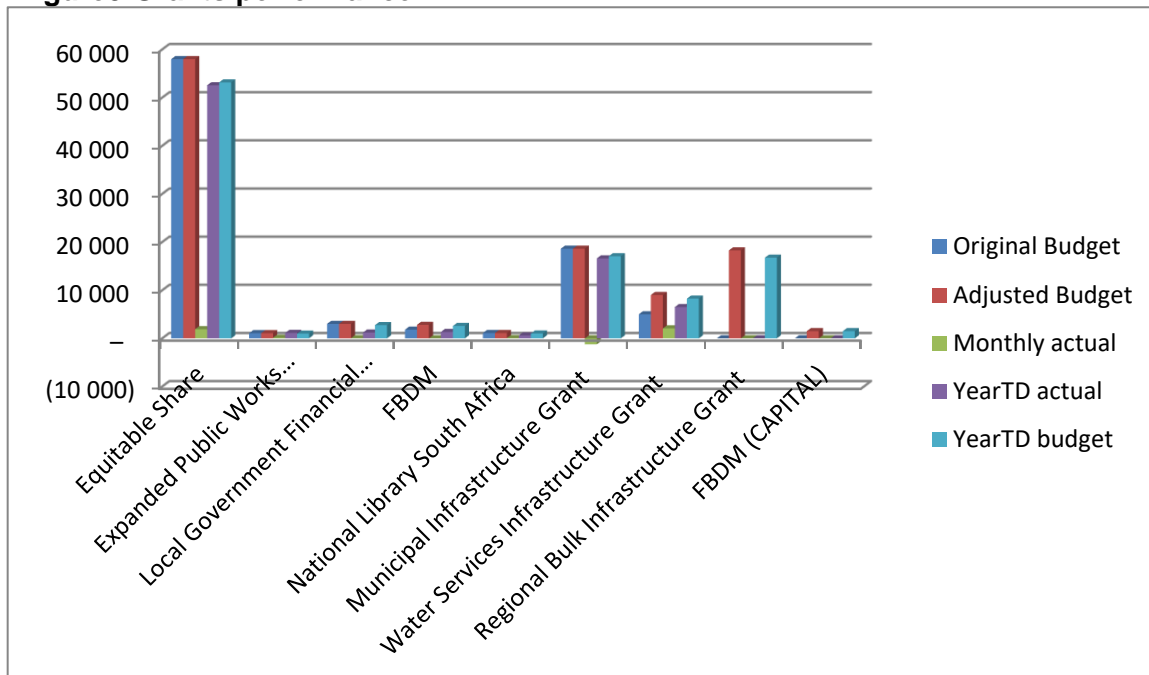
Supporting Table: SC 7 Transfers and grants –Expenditure

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

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	2 139	54 895	56 892	(1 997)	-3,5%	28 799
Equitable Share		83 321	57 991	57 991	1 976	52 567	53 158	(591)	-1,1%	24 732
Expanded Public Works Programme Integrated Grant		1 102	1 073	1 073	123	1 123	984	139	14,1%	1 073
Local Government Financial Management Grant		3 328	3 000	3 000	40	1 205	2 750	(1 545)	-56,2%	2 993
Municipal Disaster Relief Grant		1 412	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
FBDM (Operational)		4 078	1 800	2 800	-	1 333	2 567	(1 233)	-48,0%	2 800
Other grant providers:		1 942	1 100	1 100	53	608	1 008	(401)	-39,7%	994
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 942	1 100	1 100	53	608	1 008	(401)	-39,7%	994
Total operating expenditure of Transfers and Grants:		91 106	63 164	63 164	2 192	55 503	57 900	(2 398)	-4,1%	29 793
Capital expenditure of Transfers and Grants										
National Government:		16 039	23 612	27 612	826	23 111	25 311	(2 200)	-8,7%	27 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		9 616	18 612	18 612	(1 245)	16 610	17 061	(451)	-2,6%	18 612
Water Services Infrastructure Grant		6 423	5 000	9 000	2 070	6 501	8 250	(1 749)	-21,2%	9 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		1 180	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
FBDM (Capital)		1 180	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
Other grant providers:		6 559	-	18 276	-	-	16 753	(16 753)	-100,0%	18 276
Regional Bulk Infrastructure Grant		6 559	-	18 276	-	-	16 753	(16 753)	-100,0%	18 276
Total capital expenditure of Transfers and Grants		23 778	23 612	47 388	826	23 111	43 564	(20 453)	-46,9%	47 388
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		114 884	86 776	110 552	3 017	78 613	101 464	(22 851)	-22,5%	77 181

An amount of R 3million has been spent on grants during the month of May 2023 and the year to date actual is R 78,6 million whilst the year to date budget amounts to R 101,5 million and this results in an under spending variance of R 22,9 million that translates to negative 22%. Of the total spending amounting to R 3 million, which R 2,2 million was spent on operational grants and R 826 thousands was spent on capital grants.

Figure5:Grants performance



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

- Financial Management Grant 1%
- Expanded Public Work Programme 11%
- Equitable Share 3%
- Frances Baard District Municipality Grant 0%
- Library Grant 5%
- Municipal Infrastructure Grant -7%
- Water Services Infrastructure Grant 23%
- Regional Bulk Infrastructure Grant 0%
- Frances Baard District Municipality Grant (Capital) 0%

Supporting Table:SC 8- Councilor Allowances and Employee Related Costs

NC093 Magareng - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3 004	3 654	4 113	266	2 981	3 771	(789)	-21%	4 113
Pension and UIF Contributions		278	44	376	30	343	345	(2)	-1%	376
Medical Aid Contributions		124	84	84	10	105	77	28	37%	84
Motor Vehicle Allowance		447	368	368	43	413	337	76	22%	
Cellphone Allowance		410	526	526	40	441	482	(41)	-8%	526
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		368
Sub Total - Councillors		4 263	4 675	5 466	390	4 283	5 011	(728)	-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	976	1 541	(565)	-37%	1 681
Pension and UIF Contributions		202	202	167	9	117	153	(36)	-24%	167
Medical Aid Contributions		87	85	72	4	65	66	(2)	-2%	72
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		85	184	143	-	89	131	(42)	-32%	143
Motor Vehicle Allowance		828	1 084	620	-	199	569	(370)	-65%	620
Cellphone Allowance		165	14	10	-	-	9	(9)	-100%	10
Housing Allowances		124	154	51	-	-	47	(47)	-100%	51
Other benefits and allowances		0	0	0	0	0	0	(0)	-48%	0
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		2 891	3 937	2 745	77	1 445	2 516	(1 071)	-43%	2 745
% increase	4		36,2%	-5,1%						-5,1%
Other Municipal Staff										
Basic Salaries and Wages		32 386	33 553	29 877	2 575	28 843	27 388	1 455	5%	29 877
Pension and UIF Contributions		5 631	5 708	4 973	422	4 690	4 559	131	3%	4 973
Medical Aid Contributions		2 194	2 874	1 783	147	1 627	1 635	(8)	0%	1 783
Overtime		2 585	3 773	2 315	23	1 341	2 122	(782)	-37%	2 315
Performance Bonus		2 769	2 688	2 015	8	2 172	1 847	325	18%	2 015
Motor Vehicle Allowance		65	88	62	4	58	57	1	2%	62
Cellphone Allowance		130	72	63	4	43	58	(15)	-26%	63
Housing Allowances		389	257	84	6	64	77	(13)	-17%	84
Other benefits and allowances		538	7	392	29	331	360	(29)	-8%	392
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		(100)	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		46 588	49 020	41 565	3 218	39 168	38 102	1 066	3%	41 565
% increase	4		5,2%	-10,8%						-10,8%
Total Parent Municipality		53 743	57 632	49 777	3 685	44 895	45 629	(733)	-2%	49 777
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		53 743	57 632	49 777	3 685	44 895	45 629	(733)	-2%	49 777
% increase	4		7,2%	-7,4%						-7,4%
TOTAL MANAGERS AND STAFF		49 479	52 957	44 310	3 295	40 613	40 618	(5)	0%	44 310

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of May 2023 amounts to R 3,7 million and the year to date budget is R 44,9 million and the expenditure for remuneration of councilors amounts to R 390 thousand while the year to date budget is R 5 million. The year to date actual expenditure for senior managers is R 1, 4 million and the year to date budget thereof is R 2,5 million. The year to date actual of other municipal staff is R 39,2 million and the year to date budget is R 38,1 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 - M11 May

Description	Ref	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget			
R thousands																
Cash Receipts By Source																
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	-	1 447	7 877	65 964	68 488	69 487
Other revenue		(318)	(402)	326	374	(624)	(721)	1 541	(404)	775	(3 151)	1 561	232 247	231 202	694	728
Cash Receipts by Source		24 919	5 193	1 395	2 116	1 011	15 048	3 291	3 816	23 155	2 471	4 503	230 123	317 040	94 409	96 351
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	-	-	19 776	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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		31 419	5 193	1 395	3 616	5 011	15 048	3 291	6 816	35 767	2 471	4 503	249 567	364 097	149 708	111 264
Cash Payments by Type																
Employee related costs		6 535	4 084	(213)	5 204	4 881	4 624	2 396	2 268	8 170	3 252	3 089	5 672	49 962	(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	10 384	24 750	(25 000)	(26 225)
Acquisitions - water & other inventory		1 000	-	-	-	-	-	-	-	-	-	-	1 700	2 700	(12 920)	(12 134)
Contracted services		-	-	-	-	-	-	-	-	-	-	-	(41 483)	(41 483)	(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	(67 317)	(21 412)	5 931	5 706
Cash Payments by Type		28 303	4 597	2 957	5 593	7 673	13 454	2 936	6 980	20 564	5 580	6 922	(91 044)	14 516	(123 554)	(88 479)
Other Cash Flows/Payments by Type																
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		33 338	4 597	4 760	5 593	9 471	15 972	2 936	9 150	20 564	5 580	7 748	(57 805)	61 904	(71 297)	(73 262)
NET INCREASE/(DECREASE) IN CASH HELD																
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)	(4 939)	242	302 434	523 438
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)	(4 939)	302 434	302 434	523 438	707 965

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 4,5 million and cash payment for the month amounts to R 7,7 million and this resulted in net decrease in cash held amounting to - R 3,2 million. With cash and cash equivalent of - R1, 7 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of –R 4,9 million. This is a supporting table for table C7 –Cash Flow Statement.

Supporting Table: SC12 Capital Expenditure Trend

NC093 Magareng - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 May

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	–	–	47 388	47 388	100,0%	–
Total Capital expenditure	25 900	23 612	47 388	23 111					

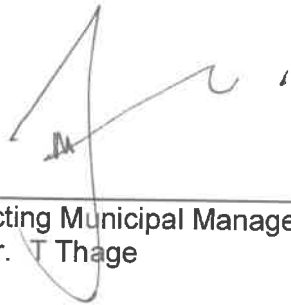
Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of May 2023 amounts to R826 thousand.

Quality Certificate

I, Thabo Thage, 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 the May has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.



Acting Municipal Manager
Mr. T Thage