

**MAGARENG**



**MUNICIPALITY**

# **SECTION 52 REPORT: 2022/23**

**REPORTING PERIOD: FIRST QUARTER**

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# PART1:IN-YEARREPORT

## 1.1 PURPOSE

To submit a report to council within 30 days of the end of each quarter on implementation of the Budget and Financial state of the Municipality as required by Section 52 of the Municipal Finance Management Act

## 1.2 Mayors Report

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

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

## 1.3 Executive Summary

Section 52 of the Municipal Finance Management Act deals with requirements for quarterly reporting and further states that the Mayor of the Municipality must within 30 days of the end of each quarter submit a report to council on implementation of the Budget and the financial state of the Municipality.

	2022/2023			
DESCRIPTION	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENTAGE
OPERATING REVENUE	R 130 915 663,00	R -	R 43 117 820,52	33%
OPERATING EXPENDITURE	R 182 313 394,00	R -	R 17 280 367,41	9%
TRANSFER CAPITAL	R 23 612 000,00	R -	R 6 500 000,00	28%
SURPLUS/(DEFICIT)	-R 27 785 731,00	R -	R 32 337 453,11	-116%
CAPITAL EXPENDITURE	R 23 612 000,00	R -	R 6 838 429,77	29%

## 1.4 IN YEAR BUDGET STATEMENT TABLES

## TableC1:Quarterly Budget Statement Summary

### NC093 Magareng - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	11 733	12 319	12 319	3 079	3 079	3 080	(1)	-0%	12 319
Service charges	36 845	43 325	43 325	9 258	9 258	10 831	(1 574)	-15%	43 325
Investment revenue	6 296	3 122	3 122	2 612	2 612	780	1 832	235%	3 122
Transfers and subsidies	62 864	64 964	64 964	26 435	26 435	16 241	10 194	63%	64 964
Other own revenue	8 204	7 186	7 186	1 734	1 734	1 797	(62)	-3%	7 186
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>125 943</b>	<b>130 916</b>	<b>130 916</b>	<b>43 118</b>	<b>43 118</b>	<b>32 729</b>	<b>10 389</b>	<b>32%</b>	<b>130 916</b>
Employee costs	49 810	53 078	52 578	11 124	11 124	13 219	(2 096)	-16%	52 578
Remuneration of Councillors	4 263	4 675	4 655	1 164	1 164	1 167	(3)	-0%	4 655
Depreciation & asset impairment	27 108	30 431	30 431	-	-	7 608	(7 608)	-100%	30 431
Finance charges	5 447	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	47 727	38 600	38 570	3 307	3 307	9 644	(6 337)	-66%	38 570
Transfers and subsidies	-	20	20	-	-	5	(5)	-100%	20
Other expenditure	50 844	55 509	56 059	1 685	1 685	13 935	(12 250)	-88%	56 059
<b>Total Expenditure</b>	<b>185 199</b>	<b>182 313</b>	<b>182 313</b>	<b>17 280</b>	<b>17 280</b>	<b>45 578</b>	<b>(28 298)</b>	<b>-62%</b>	<b>182 313</b>
<b>Surplus/(Deficit)</b>	<b>(59 256)</b>	<b>(51 398)</b>	<b>(51 398)</b>	<b>25 837</b>	<b>25 837</b>	<b>(12 849)</b>	<b>38 687</b>	<b>-301%</b>	<b>(51 398)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	30 851	23 612	23 612	6 500	6 500	5 903	597	10%	23 612
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	3 696	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>32 337</b>	<b>32 337</b>	<b>(6 946)</b>	<b>39 284</b>	<b>-566%</b>	<b>(27 786)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>32 337</b>	<b>32 337</b>	<b>(6 946)</b>	<b>39 284</b>	<b>-566%</b>	<b>(27 786)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>24 630</b>	<b>23 612</b>	<b>23 612</b>	<b>6 838</b>	<b>6 838</b>	<b>5 903</b>	<b>935</b>	<b>16%</b>	<b>23 612</b>
Capital transfers recognised	22 097	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2 533	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>24 630</b>	<b>23 612</b>	<b>23 612</b>	<b>6 838</b>	<b>6 838</b>	<b>5 903</b>	<b>935</b>	<b>16%</b>	<b>23 612</b>
<b>Financial position</b>									
Total current assets	(32 032)	(111 496)	(111 496)	-	78 942	-	-	-	(111 496)
Total non current assets	310 859	324 339	324 339	-	317 698	-	-	-	324 339
Total current liabilities	366 150	238 246	238 246	-	241 959	-	-	-	238 246
Total non current liabilities	12 754	3 105	3 105	-	12 754	-	-	-	3 105
Community wealth/Equity	<b>133 045</b>	<b>(27 786)</b>	<b>(27 786)</b>	-	<b>119 999</b>	-	-	-	<b>(27 786)</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	275 601	275 601	3 231	3 231	68 900	65 670	95%	275 601
Net cash from (used) investing	-	(23 611)	(23 612)	(6 838)	(6 838)	(5 903)	936	-16%	(23 611)
Net cash from (used) financing	-	331	-	9	9	83	74	89%	331
<b>Cash/cash equivalents at the month/year end</b>	<b>6 674</b>	<b>252 898</b>	<b>252 566</b>	<b>-</b>	<b>(2 078)</b>	<b>63 657</b>	<b>65 735</b>	<b>103%</b>	<b>253 842</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	5 588	5 149	5 036	3 670	4 578	3 734	27 856	299 981	355 592
<b>Creditors Age Analysis</b>									
Total Creditors	3 183	3 947	3 805	3 601	4 581	52 945	50 159	105 882	228 105

## Revenue

For the first quarter of July to September 2022, the year to date actual amounted to R 43.1million with the year to date budget of R 32.7 which shows positive 32% year to date variance when compared to the year to date budget. Of the total revenue received during the first quarter, the major portion of R 22.6 million is from equitable share. Other receipts are from property rates, service charges and other grants.

## Operating Expenditure

The operating expenditure for the first quarter amounts to R17.3million with the year to date budget of R 45.6 million which shows negative 62% year to date variance when compared to the year to date budget.

## Capital Expenditure

The year to date actual capital expenditure as at end of first quarter amounts to R 6.8million and the year to date budget amounts to R 5.9 million and this deviates with positive 16% when compared to year to date target.

## Surplus/Deficit

Taking the above into consideration the net operating surplus for the first quarter ending 30 September 2022 amounts to R 25.8 million.

## Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of September amounts to R 355.6 million and this shows an increase of R 12.7 million as compared to R342,9 million as at end of 2021/22 financial year. This increase portrays declining revenue collection of the municipality as the lesser the collections rate the more the increase in consumer debtors.

Consumer debtors is made up of service charges and property rates that amount to R239.3 million and other debtors amounting to R116.2 million.

## Creditors

The municipality is currently striving for paying its creditors within 30 days of receipt of invoice as required by MFMA. However, the municipality has instances where the cash flow position was quite unfavorable and it was then unable to service certain creditors as and when became due. This resulted in the municipality incurring penalties and/or fruitless and wasteful expenditure due to late payment.

As at 30 September 2022 the municipality had an outstanding creditors amounting to R 228.1 million and the bulk of this amount is made up by Bulk water :R 128.9 million and bulk electricity :R 87.9 million.

## TableC2–Quarterly Financial Performance(Standard Classification)

### NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		81 333	80 404	80 404	32 442	32 442	20 101	12 341	61%	80 404
Executive and council		54 507	59 064	59 064	22 885	22 885	14 766	8 119	55%	59 064
Finance and administration		26 826	21 340	21 340	9 557	9 557	5 335	4 222	79%	21 340
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 533	1 329	1 329	585	585	332	252	76%	1 329
Community and social services		1 216	1 189	1 189	573	573	297	276	93%	1 189
Sport and recreation		58	-	-	-	-	-	-	-	-
Public safety		258	140	140	11	11	35	(24)	-67%	140
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		(3 731)	450	450	-	-	113	(113)	-100%	450
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(3 731)	450	450	-	-	113	(113)	-100%	450
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		81 355	72 344	72 344	16 591	16 591	18 086	(1 495)	-8%	72 344
Energy sources		15 546	21 361	21 361	3 670	3 670	5 340	(1 670)	-31%	21 361
Water management		49 876	33 037	33 037	8 536	8 536	8 259	277	3%	33 037
Waste water management		8 985	9 101	9 101	2 137	2 137	2 275	(139)	-6%	9 101
Waste management		6 948	8 845	8 845	2 248	2 248	2 211	37	2%	8 845
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>160 490</b>	<b>154 528</b>	<b>154 528</b>	<b>49 618</b>	<b>49 618</b>	<b>38 632</b>	<b>10 986</b>	<b>28%</b>	<b>154 528</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		103 010	48 038	48 038	8 686	8 686	12 010	(3 324)	-28%	48 038
Executive and council		14 133	13 024	13 024	2 671	2 671	3 256	(585)	-18%	13 024
Finance and administration		88 877	35 015	35 015	6 015	6 015	8 754	(2 738)	-31%	35 015
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		12 773	12 438	12 438	2 716	2 716	3 109	(394)	-13%	12 438
Community and social services		2 526	2 850	2 850	559	559	712	(153)	-22%	2 850
Sport and recreation		3 390	4 212	4 212	873	873	1 053	(180)	-17%	4 212
Public safety		4 001	4 230	4 230	1 007	1 007	1 058	(50)	-5%	4 230
Housing		2 856	1 146	1 146	276	276	286	(10)	-3%	1 146
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 198	7 222	7 222	987	987	1 805	(818)	-45%	7 222
Planning and development		3 787	5 832	5 832	724	724	1 458	(734)	-50%	5 832
Road transport		2 411	1 390	1 390	263	263	348	(84)	-24%	1 390
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		63 219	114 616	114 616	4 891	4 891	28 654	(23 763)	-83%	114 616
Energy sources		28 825	44 824	44 824	2 963	2 963	11 206	(8 243)	-74%	44 824
Water management		24 595	28 868	28 968	1 206	1 206	7 242	(6 036)	-83%	28 968
Waste water management		8 649	21 149	21 049	538	538	5 262	(4 724)	-90%	21 049
Waste management		1 150	19 774	19 774	184	184	4 944	(4 759)	-96%	19 774
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>185 199</b>	<b>182 313</b>	<b>182 313</b>	<b>17 280</b>	<b>17 280</b>	<b>45 578</b>	<b>(28 298)</b>	<b>-62%</b>	<b>182 313</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>32 337</b>	<b>32 337</b>	<b>(6 946)</b>	<b>39 284</b>	<b>-566%</b>	<b>(27 786)</b>

### TableC3–Quarterly Fin’ Performance (Revenue and Expenditure by vote)

#### NC093 Magareng - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 01 - Executive & Council	1	54 507	59 064	59 064	22 885	22 885	14 766	8 119	55,0%	59 064
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		26 826	21 340	21 340	9 557	9 557	5 335	4 222	79,1%	21 340
Vote 05 - Municipal Infrastructure		77 624	72 794	72 794	16 591	16 591	18 198	(1 607)	-8,8%	72 794
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		1 533	1 329	1 329	585	585	332	252	76,0%	1 329
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>160 490</b>	<b>154 528</b>	<b>154 528</b>	<b>49 618</b>	<b>49 618</b>	<b>38 632</b>	<b>10 986</b>	<b>28,4%</b>	<b>154 528</b>
<b>Expenditure by Vote</b>										
Vote 01 - Executive & Council	1	11 268	10 987	10 987	1 997	1 997	2 747	(750)	-27,3%	10 987
Vote 02 - Office Of The Municipal Manager		1 839	2 037	2 037	153	153	509	(356)	-70,0%	2 037
Vote 03 - Corporate Services		12 235	14 279	14 279	3 205	3 205	3 570	(365)	-10,2%	14 279
Vote 04 - Financial Services		76 706	20 736	20 736	2 827	2 827	5 184	(2 357)	-45,5%	20 736
Vote 05 - Municipal Infrastructure		68 120	119 589	119 589	5 847	5 847	29 897	(24 051)	-80,4%	119 589
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		9 717	11 292	11 292	2 414	2 414	2 823	(409)	-14,5%	11 292
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		5 315	3 394	3 394	838	838	849	(11)	-1,3%	3 394
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>185 199</b>	<b>182 313</b>	<b>182 313</b>	<b>17 280</b>	<b>17 280</b>	<b>45 578</b>	<b>(28 298)</b>	<b>-62,1%</b>	<b>182 313</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>32 337</b>	<b>32 337</b>	<b>(6 946)</b>	<b>39 284</b>	<b>-565,5%</b>	<b>(27 786)</b>

Table C2 and C3 measures the quarterly actual against the year to date performance targets which is realized by vote and standard classification. 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: Quarterly Financial performance by Revenue Source and Expenditure Type

### NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		11 733	12 319	12 319	3 079	3 079	3 080	(1)	0%	12 319
Service charges - electricity revenue		15 185	20 897	20 897	3 670	3 670	5 224	(1 554)	-30%	20 897
Service charges - water revenue		8 426	8 975	8 975	2 036	2 036	2 244	(207)	-9%	8 975
Service charges - sanitation revenue		7 569	7 016	7 016	2 026	2 026	1 754	272	15%	7 016
Service charges - refuse revenue		5 666	6 437	6 437	1 526	1 526	1 609	(84)	-5%	6 437
Rental of facilities and equipment		4	3	3	-	-	1	(1)	-100%	3
Interest earned - external investments		6 296	3 122	3 122	2 612	2 612	780	1 832	235%	3 122
Interest earned - outstanding debtors		2 749	5 223	5 223	1 525	1 525	1 306	219	17%	5 223
Dividends received								-		
Fines, penalties and forfeits		127	46	46	10	10	11	(2)	-15%	46
Licences and permits		(2 187)	-	-	-	-	-	-		-
Agency services		76	-	-	-	-	-	-		-
Transfers and subsidies		62 864	64 964	64 964	26 435	26 435	16 241	10 194	63%	64 964
Other revenue		7 240	1 914	1 914	200	200	479	(279)	-58%	1 914
Gains		196	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>125 943</b>	<b>130 916</b>	<b>130 916</b>	<b>43 118</b>	<b>43 118</b>	<b>32 729</b>	<b>10 389</b>	<b>32%</b>	<b>130 916</b>
<b>Expenditure By Type</b>										
Employee related costs		49 810	53 078	52 578	11 124	11 124	13 219	(2 096)	-16%	52 578
Remuneration of councillors		4 263	4 675	4 655	1 164	1 164	1 167	(3)	0%	4 655
Debt impairment		35 611	37 815	37 815	-	-	9 454	(9 454)	-100%	37 815
Depreciation & asset impairment		27 108	30 431	30 431	-	-	7 608	(7 608)	-100%	30 431
Finance charges		5 447	-	-	-	-	-	-		-
Bulk purchases - electricity		24 641	24 750	24 750	2 534	2 534	6 188	(3 654)	-59%	24 750
Inventory consumed		23 086	13 850	13 820	773	773	3 457	(2 684)	-78%	13 820
Contracted services		6 187	6 720	7 220	388	388	1 730	(1 342)	-78%	7 220
Transfers and subsidies		-	20	20	-	-	5	(5)	-100%	20
Other expenditure		9 046	10 974	11 024	1 297	1 297	2 751	(1 454)	-53%	11 024
Losses		-	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>185 199</b>	<b>182 313</b>	<b>182 313</b>	<b>17 280</b>	<b>17 280</b>	<b>45 578</b>	<b>(28 298)</b>	<b>-62%</b>	<b>182 313</b>
<b>Surplus/(Deficit)</b>										
		<b>(59 256)</b>	<b>(51 398)</b>	<b>(51 398)</b>	<b>25 837</b>	<b>25 837</b>	<b>(12 849)</b>	<b>38 687</b>	<b>(0)</b>	<b>(51 398)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 851	23 612	23 612	6 500	6 500	5 903	597	0	23 612
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)		3 696	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>32 337</b>	<b>32 337</b>	<b>(6 946)</b>			<b>(27 786)</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>32 337</b>	<b>32 337</b>	<b>(6 946)</b>			<b>(27 786)</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>32 337</b>	<b>32 337</b>	<b>(6 946)</b>			<b>(27 786)</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>(24 709)</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>32 337</b>	<b>32 337</b>	<b>(6 946)</b>			<b>(27 786)</b>

TableC4 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. Refer to table SC1

## 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) - Q1 First Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		261	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		24 369	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	24 630	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
<b>Total Capital Expenditure</b>		24 630	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		261	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		261	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		24 369	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
Energy sources		207	-	-	-	-	-	-	-	-
Water management		22 358	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
Waste water management		1 805	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	24 630	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
<b>Funded by:</b>										
National Government		14 358	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		1 180	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		6 559	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		22 097	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		2 533	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		24 630	23 612	23 612	6 838	6 838	5 903	935	16%	23 612

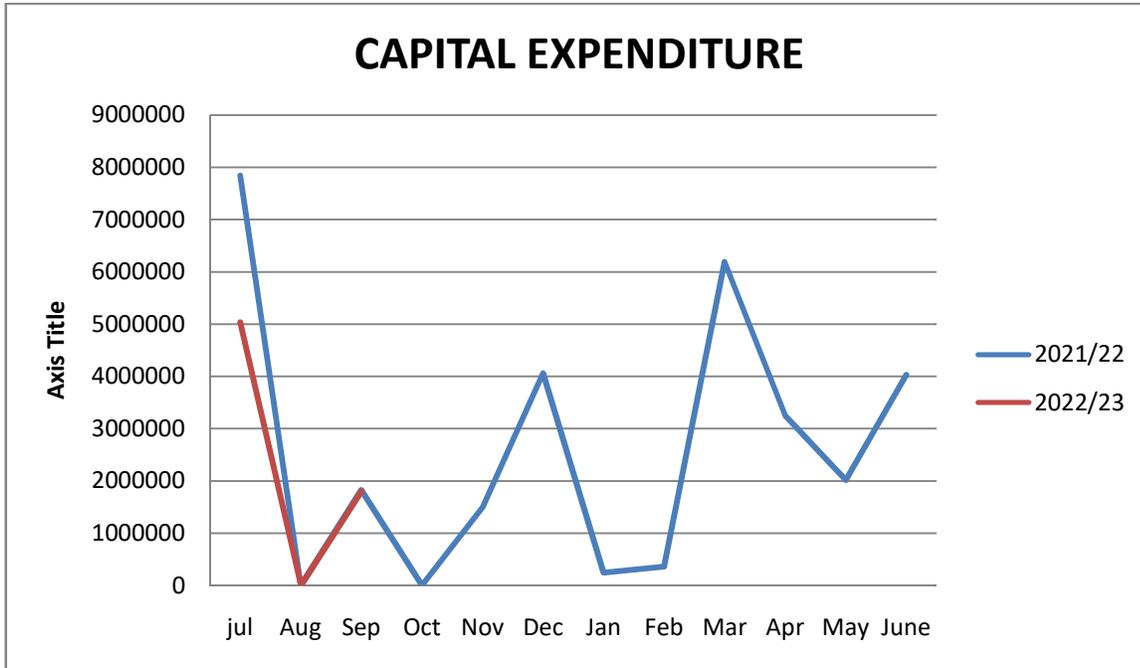
**Table C5C :Monthly Capital Expenditure by Vote**

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - Q1 First Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Capital expenditure - Municipal Vote</b>										
<b>Expenditure of single-year capital appropriation</b>	1									
<b>Vote 01 - Executive &amp; Council</b>		-	-	-	-	-	-	-	-	-
01.1 - Council & Executive Administration		-	-	-	-	-	-	-	-	-
<b>Vote 02 - Office Of The Municipal Manager</b>		-	-	-	-	-	-	-	-	-
02.1 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
<b>Vote 03 - Corporate Services</b>		261	-	-	-	-	-	-	-	-
03.1 - Administration And Legal		-	-	-	-	-	-	-	-	-
03.2 - Corporate Admin		261	-	-	-	-	-	-	-	-
03.3 - Human Resources		-	-	-	-	-	-	-	-	-
<b>Vote 04 - Financial Services</b>		-	-	-	-	-	-	-	-	-
04.1 - Finance Admin		-	-	-	-	-	-	-	-	-
<b>Vote 05 - Municipal Infrastructure</b>		24 369	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
05.1 - Technical Admin		-	-	-	-	-	-	-	-	-
05.2 - Roads And Stormwater		-	-	-	-	-	-	-	-	-
05.3 - Solid Waste Management		-	-	-	-	-	-	-	-	-
05.4 - Sanitation		1 805	-	-	-	-	-	-	-	-
05.5 - Water		22 358	23 612	23 612	6 838	6 838	5 903	935	16%	23 612
05.6 - Electricity		207	-	-	-	-	-	-	-	-
<b>Vote 06 - Community Services</b>		-	-	-	-	-	-	-	-	-
<b>Vote 07 - Public Safety &amp; Transport</b>		-	-	-	-	-	-	-	-	-
07.1 - Cemetary		-	-	-	-	-	-	-	-	-
07.2 - Library		-	-	-	-	-	-	-	-	-
07.3 - Library		-	-	-	-	-	-	-	-	-
07.4 - Traffic		-	-	-	-	-	-	-	-	-
07.5 - Traffic		-	-	-	-	-	-	-	-	-
07.6 - Parks And Recreation		-	-	-	-	-	-	-	-	-
07.7 - Safety		-	-	-	-	-	-	-	-	-
<b>Vote 08 - Sports, Arts, Parks, Culture</b>		-	-	-	-	-	-	-	-	-
<b>Vote 09 - Planning &amp; Development</b>		-	-	-	-	-	-	-	-	-
09.1 - Planning And Development		-	-	-	-	-	-	-	-	-
09.2 - Led		-	-	-	-	-	-	-	-	-
09.3 - Idp		-	-	-	-	-	-	-	-	-
09.4 - Land Use		-	-	-	-	-	-	-	-	-
<b>Vote 10 - Hunan Settlements</b>		-	-	-	-	-	-	-	-	-
<b>Vote 11 - Idp, Pms Department</b>		-	-	-	-	-	-	-	-	-
<b>Vote 12 - Spatial Development, Planning &amp; Traditional Affa</b>		-	-	-	-	-	-	-	-	-
<b>Vote 13 - Electricity Department</b>		-	-	-	-	-	-	-	-	-
<b>Vote 14 - Maluti Water</b>		-	-	-	-	-	-	-	-	-
<b>Vote 15 - Other</b>		-	-	-	-	-	-	-	-	-
<b>Total single-year capital expenditure</b>		24 630	23 612	23 612	6 838	6 838	5 903	935	0	23 612
<b>Total Capital Expenditure</b>		24 630	23 612	23 612	6 838	6 838	5 903	935	0	23 612

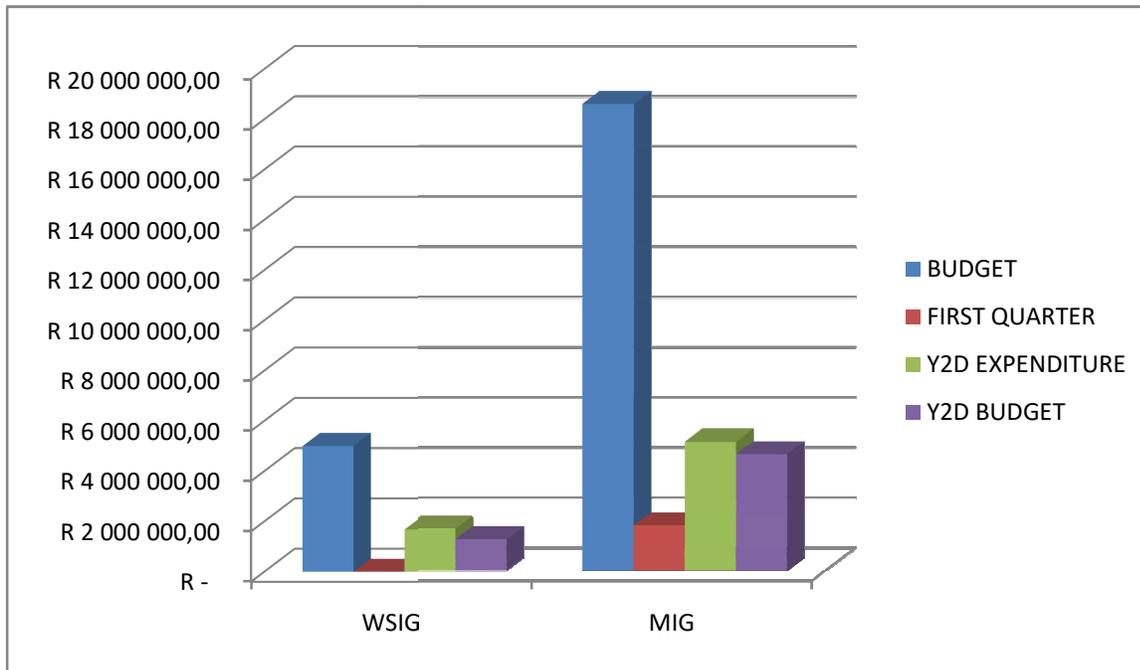
Table C5 Capex and C5C present capital expenditure performance for all votes, standard classification and the funding there of and measures the year-to-date performance targets against the actual capital expenditure figures. R 6.8 million spending was incurred on capital budget, year to date budget is R 5.9 million, and this gave rise to an over performance variance of R935 thousand that translates to 16%.

**FIGURE 1: MONTHLY CAPITAL EXPENDITURE PERFORMANCE**



The above graph compares the 2021/22 and 2022/23 monthly capital expenditure performance.

**FIGURE 2: CAPITAL EXPENDITURE BY SOURCE OF FINANCE**



The above graph shows the components of sources of finance for capital budget. Of the total capital budget, R 18.6 million is funded from Municipal Infrastructure Grant and R 5 million from Water Services Infrastructure Grant.

## TableC6:Quarterly Budget Statement Financial Position

### NC093 Magareng - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		(101 324)	(253 960)	(253 960)	(946)	(253 960)
Call investment deposits		3 826	62 108	62 108	172	62 108
Consumer debtors		12 647	28 402	28 402	25 417	28 402
Other debtors		52 655	51 486	51 486	54 135	51 486
Current portion of long-term receivables						
Inventory		164	467	467	164	467
<b>Total current assets</b>		<b>(32 032)</b>	<b>(111 496)</b>	<b>(111 496)</b>	<b>78 942</b>	<b>(111 496)</b>
<b>Non current assets</b>						
Long-term receivables		0	1	1	0	1
Investments						
Investment property		23 831	23 831	23 831	23 831	23 831
Investments in Associate						
Property, plant and equipment		286 637	300 056	300 056	293 476	300 056
Biological						
Intangible		20	79	79	20	79
Other non-current assets		371	371	371	371	371
<b>Total non current assets</b>		<b>310 859</b>	<b>324 339</b>	<b>324 339</b>	<b>317 698</b>	<b>324 339</b>
<b>TOTAL ASSETS</b>		<b>278 827</b>	<b>212 842</b>	<b>212 842</b>	<b>396 639</b>	<b>212 842</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		191	-	-	165	-
Consumer deposits		1 303	1 254	1 254	1 312	1 254
Trade and other payables		356 914	230 550	230 550	232 741	230 550
Provisions		7 741	6 442	6 442	7 741	6 442
<b>Total current liabilities</b>		<b>366 150</b>	<b>238 246</b>	<b>238 246</b>	<b>241 959</b>	<b>238 246</b>
<b>Non current liabilities</b>						
Borrowing		-	-	-	-	-
Provisions		12 754	3 105	3 105	12 754	3 105
<b>Total non current liabilities</b>		<b>12 754</b>	<b>3 105</b>	<b>3 105</b>	<b>12 754</b>	<b>3 105</b>
<b>TOTAL LIABILITIES</b>		<b>378 905</b>	<b>241 351</b>	<b>241 351</b>	<b>254 714</b>	<b>241 351</b>
<b>NET ASSETS</b>	2	<b>(100 077)</b>	<b>(28 509)</b>	<b>(28 509)</b>	<b>141 925</b>	<b>(28 509)</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		133 045	(27 786)	(27 786)	119 999	(27 786)
Reserves		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>133 045</b>	<b>(27 786)</b>	<b>(27 786)</b>	<b>119 999</b>	<b>(27 786)</b>

Taking the current liabilities and current assets together, the municipality has current ratio of 0.3 that is below the acceptable norm of 1.5. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio; the current situation suggests that the municipality would struggle to meet its short term obligations.

**TableC7:Quarterly Budgeted Statement CashFlow**

NC093 Magareng - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		–	4 312	4 312	1 062	1 062	1 078	(16)	-1%	4 312
Service charges		–	15 509	15 509	4 954	4 954	3 877	1 076	28%	15 509
Other revenue		–	238 520	238 520	(394)	(394)	59 630	(60 025)	-101%	238 520
Transfers and Subsidies - Operational		–	64 964	64 964	26 435	26 435	16 241	10 194	63%	64 964
Transfers and Subsidies - Capital		–	23 612	23 612	6 500	6 500	5 903	597	10%	23 612
Interest		–	3 122	3 122	–	–	780	(780)	-100%	3 122
Dividends								–		
<b>Payments</b>										
Suppliers and employees		–	(74 437)	(74 437)	(35 326)	(35 326)	(18 609)	16 716	-90%	(74 437)
Finance charges								–		
Transfers and Grants								–		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		–	275 601	275 601	3 231	3 231	68 900	65 670	95%	275 601
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables		–	1	–	–	0	0	(0)	-100%	1
Decrease (increase) in non-current investments								–		
<b>Payments</b>										
Capital assets		–	(23 612)	(23 612)	(6 838)	(6 838)	(5 903)	935	-16%	(23 612)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		–	(23 611)	(23 612)	(6 838)	(6 838)	(5 903)	936	-16%	(23 611)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		–	331	–	9	9	83	(74)	-89%	331
<b>Payments</b>										
Repayment of borrowing								–		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		–	331	–	9	9	83	74	89%	331
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		–	252 321	251 989	(3 599)	(3 599)	63 080			252 321
Cash/cash equivalents at beginning:		6 674	577	577	1 521	1 521	577			1 521
Cash/cash equivalents at month/year end:		6 674	252 898	252 566		(2 078)	63 657			253 842

Table C7 provides details of the monthly cash in and outflow. For the quarter ending 30 September 2022 the net cash from operating activities is R 3.2 million whilst cash used for investing activities is R 6.8 million and the net cash from financing activities is R9 thousand. The cash and cash equivalent held at end of the first quarter amounted to R2.1 million.

## PART2:SUPPORTINGTABLES

### Supporting Table: SC 1 Material Variance Explanations

DESCRIPTION	VARIANCE	REASON FOR MATERIAL VARIANCE	REMEDIAL OR CORRECTIVE STEPS/REMARKS
REVENUE BY SOURCE			
Property rates	0%	The projected monthly revenue appear to be slightly high in light of the actual revenue performance	the variance is immaterial and no remedial action is needed
Service charges - electricity revenue	-30%	The actual revenue is less than the projected monthly revenue	the municipality needs to look at the revenue generated at the electricity services or this might be due to over budgeting
Service charges - water revenue	-9%	The actual revenue is less than the projected monthly revenue	This negative variance is as a result of not being able to bill the ikhutseng community as there are no metering systems put in place whilst some part of the community is unhappy with the service being rendered as there is shortage of water, and the municipality does not supply all residents. Currently the municipality is increasing the capacity of reservoirs as a way of ensuring the whole community has access to water.
Service charges - sanitation revenue	15%	The projected monthly revenue appear to be high in light of the actual revenue performance	the variance is immaterial and no remedial action is needed
Service charges - refuse revenue	-5%	The actual revenue is less than the projected monthly revenue	No remedial action is needed as the variance is below 10%
Rental of facilities and equipment	-100%	The actual revenue is less than the projected monthly revenue	the municipality needs to look at the revenue generated on their rental facilities to see if they can generate cash as they are rented out.
Interest earned - outstanding debtors	17%	The actual revenue is less than the projected monthly revenue	Illegal connections/meter tampering and illegal reconnection by the customer's where the supply is self reconnected without any payment. Mechanisms to be put in place on how to resolve such challenges.
Fines, penalties and forfeits	-15%	The projected monthly revenue appear to be high in light of the actual revenue performance	the variance is immaterial and no remedial action is needed
Transfers and subsidies	63%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality receives grants as per DoRA schedule
Other revenue	-58%	The actual revenue is less than the projected monthly revenue	The municipality needs to cut down the budgeted revenue during the main adjustment with a hope that the actual generated revenue with to date will agree with the monthly projection revenue
<b>Expenditure By Type</b>			
Employee related costs	-16%	the actual expenditure incurred is less than the projected monthly actual	There are still vacant posts that needs to be filled and are being budgeted for.
Remuneration of councillors	0%	the actual expenditure is on par with the monthly actual projection	No remedial action is needed.
Debt impairment	-100%	Debt impairment is calculated at bi-annual	the municipality should do away with this approach if its not viable
Depreciation & asset impairment	-100%	depreciation is calculated annually	The Asset Management System currently do not interface with the Financial System and this make it difficult, to post the transactions for depreciation monthly or quarterly. We currently have to pass journals in the financial system to recognise depreciation in the general ledger. This is due to the fact that the systems do not interface. Once journals are passed for depreciation and changes needs to be done for depreciation due to asset processes like disposals or impairment recognition, we will have to pass new journals for the correction of depreciation.
Bulk purchases - electricity	-59%	the actual expenditure is on par with the monthly actual projection	No remedial action is needed.
Inventory consumed	-78%	the actual expenditure incurred is less than the projected monthly actual	the municipality has an agreement with vaalharts water board
Contracted services	-78%	the actual expenditure incurred is less than the projected monthly actual	the expenditure is lower than expected
Transfers and subsidies	-100%	the actual expenditure incurred is less than the projected monthly actual	the municipality can not spent on this grant because nothing is being received
Other expenditure	-53%	the actual expenditure incurred is less than the projected monthly actual	No remedial action is needed.

**Supporting Table: SC1 Material Variance Explanations (Continuation)**

<u>Capital expenditure</u>			
National government	16%	the actual expenditure incurred is more than the projected monthly actual	No remedial action is needed.
<b>CASH FLOW</b>			
<b>Receipts</b>			
Property rates	-1%	The projected monthly revenue appear to be high in light of the actual revenue performance	the variance is immaterial and no remedial action is needed
Service charges	28%	The projected monthly revenue appear to be high in light of the actual revenue performance	the variance is immaterial and no remedial action is needed
Other revenue	-101%	The actual revenue is less than the projected monthly revenue	the municipality should come up with strategies to ensure all leased municipal assets are rented out as projected
Transfers and Subsidies - Operational	63%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Transfers and Subsidies - Capital	10%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Interest	-100%	interest on other revenue is projected to under collection from other debtors	The revenue section will have to do a thorough investigation into the lower interest generated and ascertain that interest is being duly charged to all outstanding balances that should attract interest and also confirm if interest write-offs are not erroneously done against the income vote.

### Table SC3: Debtors Analysis

Table provides a breakdown of the consumer and sundry debtors at the end of the first quarter. The outstanding debtors amounted to R 355.6 million as at 30 September 2022. Consumer debtors amounts to R 239.3 million and sundry debtors amounts to R 116.2 million as at end of the first quarter.

NC093 Magareng - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter

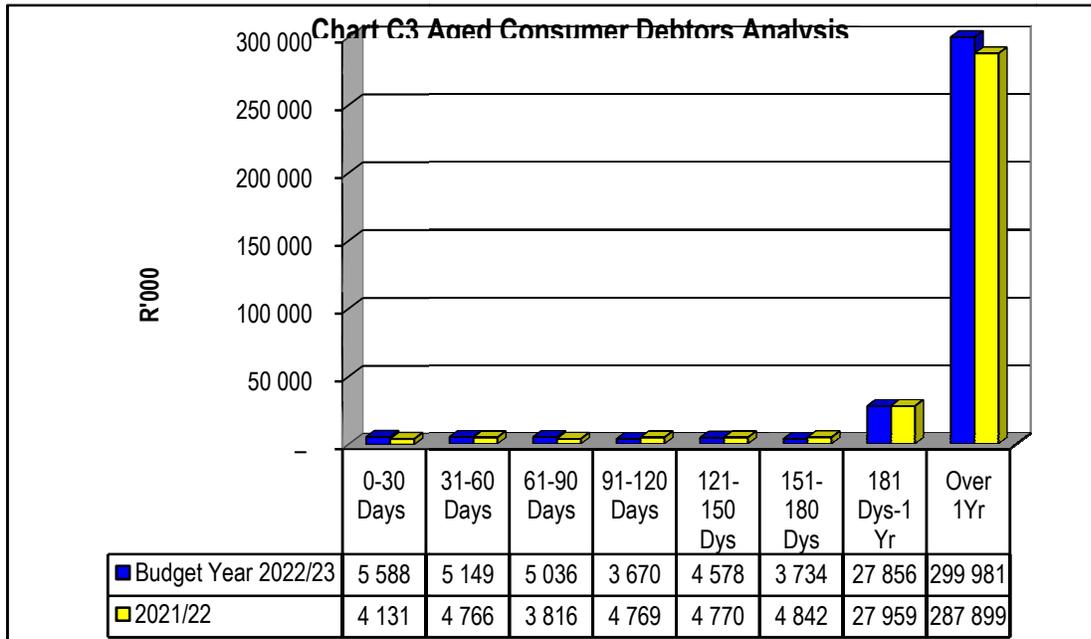
Description	NT Code	Budget Year 2022/23										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
<b>R thousands</b>														
<b>Debtors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

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of September amount to R 355.5 million. The debtors' book is made up as follows:

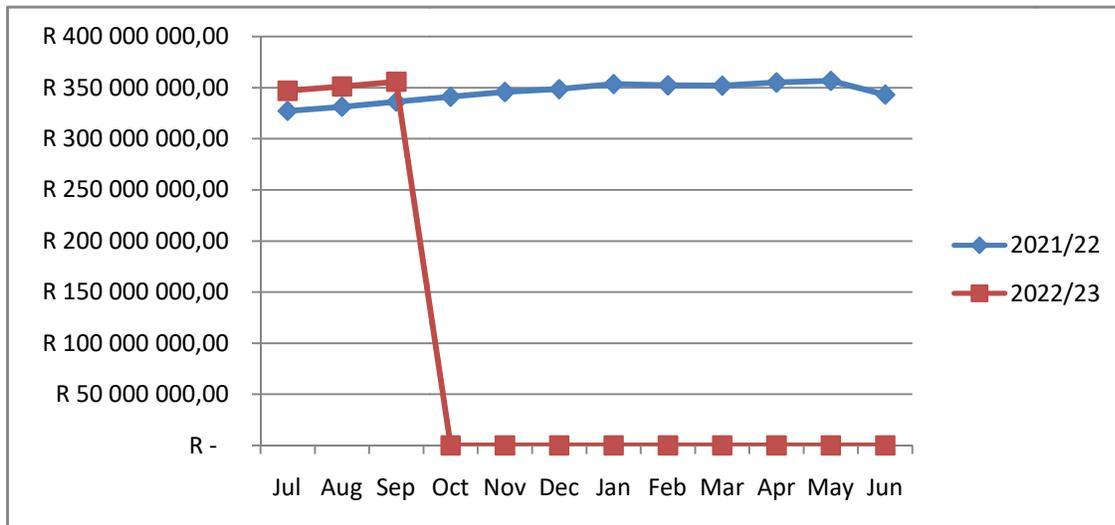
- Rates 14%
- Electricity 10%
- Water 18%
- Waste water management 14%
- Waste management 11%
- Interest on Debtors 32%
- Other 1%

The debtors' age analysis is graphically presented below.

**FIGURE 3: Debtors age analysis**



**Figure 4: Monthly Debtors Comparison**



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of September 2022) whilst the latter shows monthly movement of debtors for both the current financial year and the 2021/22 financial year. The debtors book is materially less than the 2022/23 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

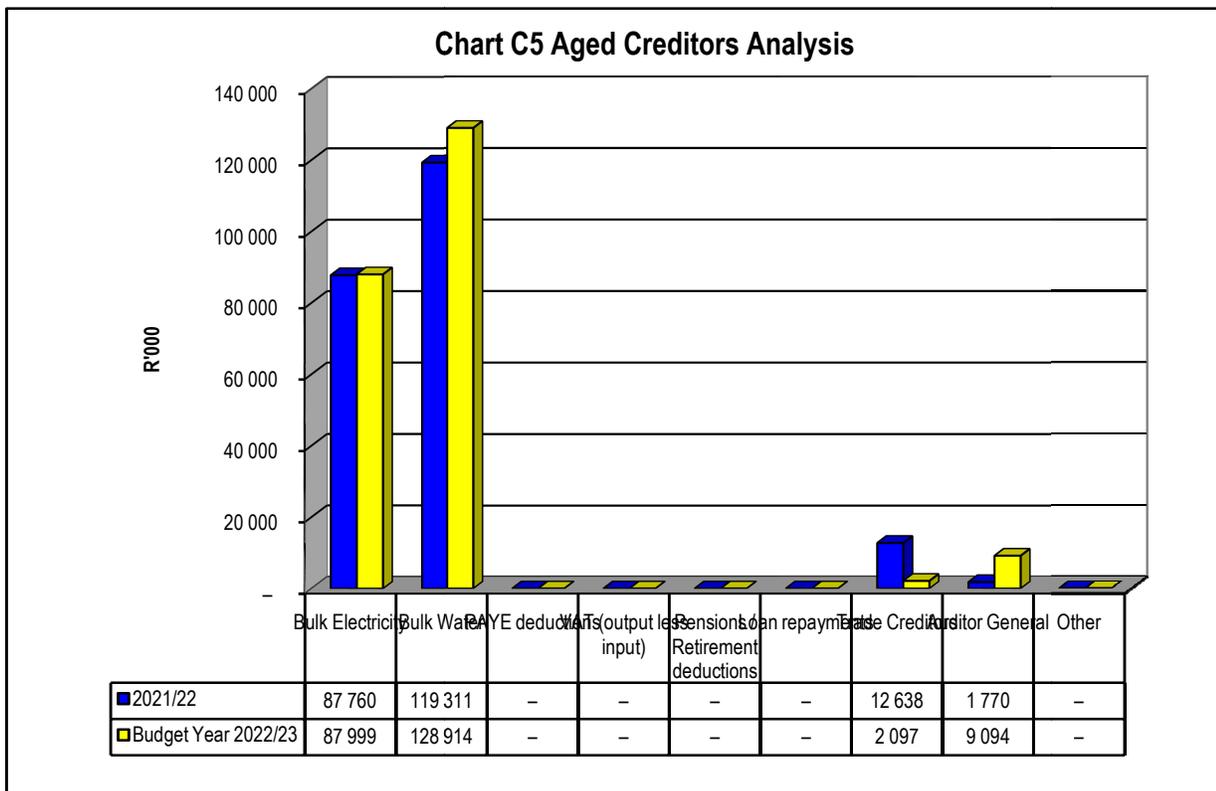
### TableSC4:CreditorsAnalysis

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Description R thousands	NT Code	Budget Year 2022/23									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	Total	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	2 042	2 866	2 700	1 676	3 025	40 555	35 134	-	87 999	87 760
Bulk Water	0200	802	851	885	221	1 342	12 196	13 957	98 660	128 914	119 311
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	213	201	1 683	-	-	-	-	2 097	12 638
Auditor General	0800	339	17	20	20	215	194	1 068	7 222	9 094	1 770
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>3 183</b>	<b>3 947</b>	<b>3 805</b>	<b>3 601</b>	<b>4 581</b>	<b>52 945</b>	<b>50 159</b>	<b>105 882</b>	<b>228 105</b>	<b>221 479</b>

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipalities' creditors as at the 30 September 2022 amounted to R 228.1 million. This amount is made up of various creditors which include amongst others the Eskom of R 87.9million, and Vaalharts water of R128.9 million. The municipality cannot pay its creditors within 30 days due to low revenue collection and when compared to the prior financial year of 2021/2022 the creditors have increased by an amount of R6.6 million.

FIGURE 5: Aged Creditors Analysis



The above graph compares the 2021/22 and the 2022/23 financial year monthly aged creditors.

## TableSC5:InvestmentPortfolioAnalysis

NC093 Magareng - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter

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

Supporting Table SC5 displays the council's investments portfolio and indicates that the municipality had initial investment of R171 thousand at the beginning of the first quarter, earned interest of R1 thousand and there were no withdrawals by the end of the first quarter.

## TableSC6-Allocationandgrantreceipts

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		57 161	62 064	62 064	25 885	25 885	15 516	10 369	66,8%	62 064
Equitable Share		51 086	57 991	57 991	22 616	22 616	14 498	8 118	56,0%	57 991
Expanded Public Works Programme Integrated Grant		1 121	1 073	1 073	269	269	268	1	0,3%	1 073
Local Government Financial Management Grant		2 850	3 000	3 000	3 000	3 000	750	2 250	300,0%	3 000
Municipal Disaster Relief Grant		2 104	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		4 603	1 800	1 800	-	-	450	(450)	-100,0%	1 800
Specify (Add grant description)		4 603	1 800	1 800	-	-	450	(450)	-100,0%	1 800
<b>Other grant providers:</b>		1 100	1 100	1 100	550	550	275	275	100,0%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 100	1 100	1 100	550	550	275	275	100,0%	1 100
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	62 864	64 964	64 964	26 435	26 435	16 241	10 194	62,8%	64 964
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		30 851	23 612	23 612	6 500	6 500	5 903	597	10,1%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8 175	18 612	18 612	4 000	4 000	4 653	(653)	-14,0%	18 612
Regional Bulk Infrastructure Grant		18 677	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		4 000	5 000	5 000	2 500	2 500	1 250	1 250	100,0%	5 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		3 696	-	-	-	-	-	-	-	-
Specify (Add grant description)		3 696	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	34 547	23 612	23 612	6 500	6 500	5 903	597	10,1%	23 612
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	97 411	88 576	88 576	32 935	32 935	22 144	10 791	48,7%	88 576

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R 32.9 million of which the major portion is attributed to equitable share. In the reporting period, all gazetted grants were received according to National Treasury's grants payment schedule.

**FIGURE 6: Grants Allocation**

DESCRIPTION	JULY	AUGUST	SEPTEMBER	TOTAL
Equitable Share	R 22 616 000.00			R 22 616 000.00
Expanded Public Works Programme Integrated Grant		R 269 000.00		R 269 000.00
Local Government Financial Management Grant		R 3 000 000.00		R 3 000 000.00
<i>National Library South Africa</i>			R 550 000.00	R 550 000.00
Municipal Infrastructure Grant	R 4 000 000.00			R 4 000 000.00
Water Services Infrastructure Grant	R 2 500 000.00			R 2 500 000.00
<b>TOTAL</b>	<b>R 29 116 000.00</b>	<b>R 3 269 000.00</b>	<b>R 550 000.00</b>	<b>R 32 935 000.00</b>

The above table indicates the grants that are being received for the first quarter.

**TableSC7: Transfers and Grant Expenditure**

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		90 704	31 051	30 991	7 309	7 309	7 752	(443)	-5,7%	30 991
Equitable Share		84 427	26 991	26 931	6 863	6 863	6 737	126	1,9%	26 931
Expanded Public Works Programme Integrated Grant		1 102	1 073	1 073	325	325	268	56	21,0%	1 073
Local Government Financial Management Grant		3 763	2 987	2 987	121	121	747	(626)	-83,8%	2 987
Municipal Disaster Relief Grant		1 412	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>Specify (Add grant description)</i>		4 078	1 800	1 800	-	-	450	(450)	-100,0%	1 800
<b>Other grant providers:</b>		1 942	1 100	1 100	-	-	275	(275)	-100,0%	1 100
<i>Education Training and Development Practices SETA</i>		-	-	-	-	-	-	-	-	-
<i>National Library South Africa</i>		1 942	1 100	1 100	-	-	275	(275)	-100,0%	1 100
<b>Total operating expenditure of Transfers and Grants:</b>		<b>92 646</b>	<b>32 151</b>	<b>32 091</b>	<b>7 309</b>	<b>7 309</b>	<b>8 027</b>	<b>(718)</b>	<b>-8,9%</b>	<b>32 091</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		14 358	23 612	23 612	6 838	6 838	5 903	935	15,8%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		7 935	18 612	18 612	5 158	5 158	4 653	505	10,8%	18 612
Water Services Infrastructure Grant		6 423	5 000	5 000	1 681	1 681	1 250	431	34,4%	5 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		1 180	-	-	-	-	-	-	-	-
<i>Specify (Add grant description)</i>		1 180	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		6 559	-	-	-	-	-	-	-	-
<i>Pocket Money Households (Cash)</i>		6 559	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>22 097</b>	<b>23 612</b>	<b>23 612</b>	<b>6 838</b>	<b>6 838</b>	<b>5 903</b>	<b>935</b>	<b>15,8%</b>	<b>23 612</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>114 743</b>	<b>55 763</b>	<b>55 703</b>	<b>14 147</b>	<b>14 147</b>	<b>13 930</b>	<b>217</b>	<b>1,6%</b>	<b>55 703</b>

A total amount of R14,1 million that have been spent on grants during the first quarter and the year-to-date budget there of amount to R 13,9 million and this resulted in an over spending variance of R 217 thousand that translates to 1,6% .Of the total spending amounting to R 14,1 million, R 7,3 million is spent on operational grants whilst R 6,8million is spent of capital grant.

The above graph depicts the gazetted and/or budgeted amounts for all the grants and the expenditure thereof as at end of first quarter. The grants expenditure is shown below in percentages of the variances:

- Financial Management Grant– 83,8%
- Expanded Public Work Programme - 21%
- Equitable Share- 1,9%
- Library Grant: - 0%
- Municipal Infrastructure Grant- 10,8%
- Water Service Infrastructure Grant- 34,4%
- Francis Baard District Municipality Grant - 0%

## Table SC8: Councilor Allowances and Employee Benefits

NC093 Magareng - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		3 004	3 654	3 634	818	818	912	(94)	-10%	3 634
Pension and UIF Contributions		278	44	44	94	94	11	83	752%	44
Medical Aid Contributions		124	84	84	27	27	21	6	27%	84
Motor Vehicle Allowance								-		
Cellphone Allowance		410	526	526	120	120	131	(11)	-8%	526
Housing Allowances								-		
Other benefits and allowances		447	368	368	106	106	92	14	15%	368
<b>Sub Total - Councillors</b>		<b>4 263</b>	<b>4 675</b>	<b>4 655</b>	<b>1 164</b>	<b>1 164</b>	<b>1 167</b>	<b>(3)</b>	<b>0%</b>	<b>4 655</b>
<b>% increase</b>	4		<b>9,7%</b>	<b>9,2%</b>						<b>9,2%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		1 401	2 212	2 212	308	308	553	(245)	-44%	2 212
Pension and UIF Contributions		202	202	202	47	47	51	(4)	-8%	202
Medical Aid Contributions		87	85	85	23	23	21	1	5%	85
Overtime								-		
Performance Bonus		85	184	184	-	-	46	(46)	-100%	184
Motor Vehicle Allowance		828	1 084	1 084	89	89	271	(182)	-67%	1 084
Cellphone Allowance		165	14	14	-	-	4	(4)	-100%	14
Housing Allowances		124	154	154	-	-	39	(39)	-100%	154
Other benefits and allowances		41	121	121	0	0	30	(30)	-100%	121
Payments in lieu of leave								-		
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2							-		
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 933</b>	<b>4 058</b>	<b>4 058</b>	<b>466</b>	<b>466</b>	<b>1 015</b>	<b>(548)</b>	<b>-54%</b>	<b>4 058</b>
<b>% increase</b>	4		<b>38,4%</b>	<b>38,4%</b>						<b>38,4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		32 481	33 553	33 053	8 109	8 109	8 338	(229)	-3%	33 053
Pension and UIF Contributions		5 631	5 708	5 708	1 294	1 294	1 427	(133)	-9%	5 708
Medical Aid Contributions		2 194	2 874	2 874	445	445	719	(273)	-38%	2 874
Overtime		2 585	3 773	3 773	615	615	943	(328)	-35%	3 773
Performance Bonus		2 769	2 688	2 688	63	63	672	(609)	-91%	2 688
Motor Vehicle Allowance		65	88	88	22	22	22	(1)	-3%	88
Cellphone Allowance		130	72	72	12	12	18	(6)	-33%	72
Housing Allowances		389	257	257	17	17	64	(47)	-73%	257
Other benefits and allowances		732	7	7	80	80	2	78	4654%	7
Payments in lieu of leave								-		
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	(100)	-	-	-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>		<b>46 877</b>	<b>49 020</b>	<b>48 520</b>	<b>10 657</b>	<b>10 657</b>	<b>12 205</b>	<b>(1 548)</b>	<b>-13%</b>	<b>48 520</b>
<b>% increase</b>	4		<b>4,6%</b>	<b>3,5%</b>						<b>3,5%</b>
<b>Total Parent Municipality</b>		<b>54 073</b>	<b>57 753</b>	<b>57 233</b>	<b>12 288</b>	<b>12 288</b>	<b>14 386</b>	<b>(2 098)</b>	<b>-15%</b>	<b>57 233</b>
<b>Total Municipal Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>54 073</b>	<b>57 753</b>	<b>57 233</b>	<b>12 288</b>	<b>12 288</b>	<b>14 386</b>	<b>(2 098)</b>	<b>-15%</b>	<b>57 233</b>
<b>% increase</b>	4		<b>6,8%</b>	<b>5,8%</b>						<b>5,8%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>49 810</b>	<b>53 078</b>	<b>52 578</b>	<b>11 124</b>	<b>11 124</b>	<b>13 219</b>	<b>(2 096)</b>	<b>-16%</b>	<b>52 578</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of September 2022 amounts to R 12,3 million and the year to date budget is R 14.4 million and the expenditure for remuneration of councilors amounts to R1.2 million while the year to date budget is R 1.2 million. The year to date actual expenditure for senior managers is R466 thousand and the year to date budget thereof is R 1 million. The year to date actual for other municipal staff is R 10.7 million and the year to date budget is R 12,2 million.

## Table SC9: Actual and Revised Targets for Cash Receipts

NC093 Magareng - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q1 First Quarter

Description	Ref	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>	1	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Budget</b>											
<b>Cash Receipts By Source</b>																
Property rates		396	341	325	359	359	359	359	359	359	359	359	375	4 312	5 776	7 378
Service charges - electricity revenue		1 832	1 665	464	610	610	610	610	610	610	610	610	(1 521)	7 319	21 517	22 486
Service charges - water revenue		210	207	199	290	290	290	290	290	290	290	290	545	3 481	4 555	5 375
Service charges - sanitation revenue		80	47	22	205	205	205	205	205	205	205	205	670	2 456	3 290	4 202
Service charges - refuse		104	66	59	188	188	188	188	188	188	188	188	522	2 253	3 018	3 855
Rental of facilities and equipment		-	-	-	0	0	0	0	0	0	0	0	0	1	1	2
Interest earned - external investments		-	-	-	260	260	260	260	260	260	260	260	1 041	3 122	3 253	3 399
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	1	1	1	1	1	1	1	1	5	14	20	31
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		22 616	3 269	-	5 414	5 414	5 414	5 414	5 414	5 414	5 414	5 414	(4 230)	64 964	67 423	71 244
Other revenue		(318)	(402)	326	19 875	19 875	19 875	19 875	19 875	19 875	19 875	19 875	79 896	238 506	226 899	738 251
<b>Cash Receipts by Source</b>		<b>24 919</b>	<b>5 193</b>	<b>1 395</b>	<b>27 202</b>	<b>77 302</b>	<b>326 426</b>	<b>335 752</b>	<b>856 221</b>							
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National/ Provincial and District)		6 500	-	-	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 371	23 612	14 454	14 902
Transfers and subsidies - capital (monetary allocations) (National/ Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-	(331)	(331)	37	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	(1)	(1)	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>		<b>31 419</b>	<b>5 193</b>	<b>1 395</b>	<b>29 170</b>	<b>78 342</b>	<b>349 707</b>	<b>350 243</b>	<b>871 123</b>							
<b>Cash Payments by Type</b>																
Employee related costs		6 535	4 084	(213)	4 813	4 813	4 813	4 813	4 813	4 813	4 813	4 813	8 845	57 753	60 599	62 979
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity		8 065	-	660	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	(475)	24 750	25 790	27 053
Acquisitions - water & other inventory		1 000	-	-	225	225	225	225	225	225	225	225	(100)	2 700	2 700	2 700
Contracted services		-	-	-	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(1 408)	(5 631)	(16 892)	(7 515)	(7 711)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses		12 703	513	2 510	510	510	510	510	510	510	510	510	(13 684)	6 126	6 566	7 188
<b>Cash Payments by Type</b>		<b>28 303</b>	<b>4 597</b>	<b>2 957</b>	<b>6 203</b>	<b>(11 044)</b>	<b>74 437</b>	<b>88 140</b>	<b>92 189</b>							
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		5 035	-	1 803	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 032	23 612	14 454	14 902
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>		<b>33 338</b>	<b>4 597</b>	<b>4 760</b>	<b>8 171</b>	<b>(10 012)</b>	<b>98 049</b>	<b>102 594</b>	<b>107 091</b>							
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(1 919)</b>	<b>595</b>	<b>(3 365)</b>	<b>20 999</b>	<b>88 354</b>	<b>251 658</b>	<b>247 649</b>	<b>764 032</b>							
Cash/cash equivalents at the month/year beginning:		242	(1 677)	(1 082)	(4 447)	16 552	37 551	58 550	79 549	100 548	121 547	142 546	163 546	242	251 899	499 548
Cash/cash equivalents at the month/year end:		(1 677)	(1 082)	(4 447)	16 552	37 551	58 550	79 549	100 548	121 547	142 546	163 546	251 899	251 899	499 548	1 263 581

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R 1.4million and the total cash payment for the month were R 2.9 million and this resulted in net increase in cash held amounting to R 3.4million. With cash and cash equivalent of -R 1.1 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of -R 4.5 million.

## Table SC12:Capital Expenditure Trend

NC093 Magareng - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q1 First Quarter

Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	2 053	1 968	1 968	5 035	5 035	1 968	(3 068)	-155,9%	21%
August	2 053	1 968	1 968	-	-	3 935	3 935	100,0%	0%
September	2 053	1 968	1 968	1 803	1 803	5 903	4 100	69,5%	8%
October	2 053	1 968	1 968	-	-	7 871	-	-	-
November	2 053	1 968	1 968	-	-	9 838	-	-	-
December	2 053	1 968	1 968	-	-	11 806	-	-	-
January	2 053	1 968	1 968	-	-	13 774	-	-	-
February	2 053	1 968	1 968	-	-	15 741	-	-	-
March	2 053	1 968	1 968	-	-	17 709	-	-	-
April	2 053	1 968	1 968	-	-	19 677	-	-	-
May	2 053	1 968	1 968	-	-	21 644	-	-	-
June	2 053	1 968	1 968	-	-	23 612	-	-	-
<b>Total Capital expenditure</b>	<b>24 630</b>	<b>23 612</b>	<b>23 612</b>	<b>6 838</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure and this table serves as a supporting table for table C5 .In terms of this table the capital expenditure for first quarter amounts to R6, 8million.

**Quality Certificate for Quarterly Report – Section 52**

M.M. MOTSWALEDI The Chief Financial Officer Of Magareng Local Municipality (NC093), hereby certify that the Quarterly Report for first Quarter (July – September) 2022/2023 has been prepared based on the implementation of the budget and financial state affairs of the municipality.

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

Signature: M.M. Motswaledi Date: 14 Oct 2022

T. Thage The Acting Municipal Manager Of Magareng Local Municipality (NC093), hereby certify that the Quarterly Report for first Quarter (July – September) 2022/2023 has been prepared based on the implementation of the budget and financial state affairs of the municipality.

**Mr. T. Thage**  
**Acting Municipal Manager**

Signature: T. Thage Date: 14 Oct 2022

