

MAGARENGLOCALMUNICIPALITY

MAGARENG



MUNICIPALITY

QUARTERLY REPORT

FOURTH QUARTER (APRIL - JUNE 2023)

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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 especially Eskom and Vaalharts water,
- The municipality will be embarking on a Credit Control and Indigent Assistance Awareness Campaign. Through this campaign we seek to educate Consumers on the importance of the payment of accounts and the detrimental effect non-payment has on service delivery. We aim to have our customers (from all our Customer Groups) that are in arrears and are able to pay their accounts, to make payment or make a payment arrangement on their account. The campaign will also inform and create awareness to Customers as to the assistance provided by the Municipality in relation to the payment of accounts (our social package, discounts and incentives)
- Water Crisis due to Construction of Bulk Water Pipeline & Emergency Repairs on the Existing 500MM main supply Bulk Water Pipeline.

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						
	Original Budget	Adjusted Budget	Quarterly Actual	YearTD actual	YearTD budget	YTD variance
OPERATING REVENUE	130,915,663.00	135,071,635.00	17,558,780.82	127,192,649.02	135,071,635.00	(7,878,985.98)
OPERATING EXPENDITURE	182,313,394.00	167,282,591.00	40,047,169.04	141,880,248.40	167,282,591.00	(25,402,342.60)
SURPLUS/DEFICIT	(51,397,731.00)	(32,210,956.00)	(22,488,388.22)	(14,687,599.38)	(32,210,956.00)	17,523,356.62
TRANSFERS CAPITAL	23,612,000.00	47,388,110.00	-	27,612,000.00	47,388,110.00	(19,776,110.00)
Surplus(Deficit) after capital transfers & contributions	(27,785,731.00)	15,177,154.00	(22,488,388.22)	12,924,400.62	15,177,154.00	(2,252,753.38)
CPITAL EXPENDITURE	23,612,000.00	47,388,110.00	3,672,219.84	24,743,562.74	47,388,110.00	(22,644,547.26)

1.4 IN YEAR BUDGET STATEMENT TABLES

Table C1: Quarterly Budget Statement Summary
NC093 Magareng - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	11,674	12,319	12,319	3,053	12,263	12,319	(56)	-0%	12,319
Service charges	36,845	43,325	43,364	3,141	30,335	43,364	(13,029)	-30%	43,364
Investment revenue	6,296	3,122	-	-	-	-	-	-	-
Transfers and subsidies	62,864	64,964	65,964	6,592	66,468	65,964	504	1%	65,964
Other own revenue	7,647	7,186	13,425	4,773	18,126	13,425	4,702	35%	13,425
Total Revenue (excluding capital transfers and contributions)	125,327	130,916	135,072	17,559	127,193	135,072	(7,879)	-6%	135,072
Employee costs	49,810	53,078	49,342	10,274	44,265	49,342	(5,077)	-10%	49,342
Remuneration of Councillors	4,263	4,675	5,477	1,170	4,673	5,477	(804)	-15%	5,477
Depreciation & asset impairment	26,674	30,431	25,974	6,489	25,974	25,974	(0)	-0%	25,974
Finance charges	5,447	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	45,197	38,600	35,789	9,767	20,463	35,789	(15,326)	-43%	35,789
Transfers and subsidies	-	20	-	-	-	-	-	-	-
Other expenditure	49,919	55,509	50,701	12,346	46,506	50,701	(4,195)	-8%	50,701
Total Expenditure	181,310	182,313	167,283	40,047	141,880	167,283	(25,402)	-15%	167,283
Surplus/(Deficit)	(55,983)	(51,398)	(32,211)	(22,488)	(14,688)	(32,211)	17,523	-54%	(32,211)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25,034	23,612	45,888	-	27,612	45,888	####	-40%	45,888
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	3,696	-	1,500	-	-	1,500	(1,500)	-100%	1,500
Surplus/(Deficit) after capital transfers & contributions	(27,253)	(27,786)	15,177	(22,488)	12,924	15,177	(2,253)	-15%	15,177
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(27,253)	(27,786)	15,177	(22,488)	12,924	15,177	(2,253)	-15%	15,177
Capital expenditure & funds sources									
Capital expenditure	25,900	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	47,388
Capital transfers recognised	23,778	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	47,388
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2,122	-	-	-	-	-	-	-	-
Total sources of capital funds	25,900	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	47,388
Financial position									
Total current assets	(29,894)	(111,496)	(59,137)	-	72,380	-	-	-	(59,137)
Total non current assets	376,452	324,339	348,115	-	375,222	-	-	-	348,115
Total current liabilities	429,314	238,246	271,419	-	302,210	-	-	-	271,419
Total non current liabilities	12,754	3,105	3,105	-	12,754	-	-	-	3,105
Community wealth/Equity	138,886	(27,786)	15,177	-	117,314	-	-	-	15,177
Cash flows									
Net cash from (used) operating	-	235,971	(43,503)	(578)	49,982	(25,147)	(75,129)	299%	48,975
Net cash from (used) investing	-	(23,611)	(47,388)	-	(14,149)	(47,387)	(33,238)	70%	(47,387)
Net cash from (used) financing	-	331	-	15	5	331	325	98%	331
Cash/cash equivalents at the month/year end	6,674	213,267	(90,315)	-	36,079	(71,627)	(107,706)	150%	2,160
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	4,828	4,303	4,175	4,514	4,671	4,895	27,482	326,448	381,318
Creditors Age Analysis									
Total Creditors	3,463	6,724	7,669	10,134	12,684	59,479	54,449	97,747	252,348

REFER TO TABLE SC1 FOR MATERIAL VARIANCE EXPLANATIONS

Revenue

For the Fourth quarter April to June 2023, the municipality billed R17.6 million with the year to date actual amounting to R 127.2 million and the year to date budget of R 135.1 million which shows a negative 6% year to date variance when comparing year to date actual with the year to date budget.

Operating Expenditure

The operating expenditure for the fourth quarter amounts to R 40.1 million with the year to date actual amounting to R 141.9 million whilst the year to date budget is R 167.3 million, This results in a negative 15% year to date variance when comparing the year to date actual with the year to date budget.

Capital Expenditure

The year to date actual capital expenditure as at end of fourth quarter amounts to R 3.7 million and the year to date actual amounts to R 24.7 million and this deviates with negative variance of 48% when compared to year to date target of R47,4 million.

Surplus/Deficit after capital transfers and contributions

Taking the above into consideration, the net operating surplus as at the end of 30 June 2023 amounts to R 12.9 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of June amounts to R 381.3 million and this show an increase of R38.6 million as compared to R 342.7 million as at end of 2021/22 financial year. Current cash flow and very low cashier collection at points, disconnection and blocking of institutions, businesses and Government Departments without valid arrangements with the municipality, should be done with immediate effect.

The biggest concern regarding debt collection in the municipality is its inability to collect service charges in areas (mainly Ikhutseng) where electricity is not supplied by the municipality.

Consumer debtors are made up of service charges and property rates that amount to R252.5 million and other debtors amounting to R128.8 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 they became due. This resulted in the municipality incurring penalties and/or fruitless and wasteful expenditure due to late payment.

As at 30 June 2023 the municipality had an outstanding creditors amounting to R252.3 million and the bulk of this amount is made up by Bulk water: R 125.7 million and bulk electricity: R 103.5 million.

Table C2 – Quarterly Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth Quarter

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									
Revenue - Functional										
Governance and administration		80,717	80,404	83,514	13,428	89,944	83,514	6,430	8%	83,514
Executive and council		54,507	59,064	59,064	6,541	60,181	59,064	1,117	2%	59,064
Finance and administration		26,210	21,340	24,450	6,888	29,763	24,450	5,313	22%	24,450
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1,533	1,329	1,337	79	1,350	1,337	14	1%	1,337
Community and social services		1,216	1,189	1,189	22	1,188	1,189	(1)	0%	1,189
Sport and recreation		58	-	-	-	-	-	-	-	-
Public safety		258	140	147	57	162	147	15	10%	147
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(3,731)	450	700	-	91	700	(609)	-87%	700
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(3,731)	450	700	-	91	700	(609)	-87%	700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		75,538	72,344	96,909	4,051	63,419	96,909	(33,490)	-35%	96,909
Energy sources		15,546	21,361	21,611	1,261	11,919	21,611	(9,691)	-45%	21,611
Water management		44,059	33,037	57,102	(27)	35,573	57,102	(21,529)	-38%	57,102
Waste water management		8,985	9,101	9,351	2,073	8,390	9,351	(962)	-10%	9,351
Waste management		6,948	8,845	8,845	745	7,537	8,845	(1,308)	-15%	8,845
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	154,057	154,528	182,460	17,559	154,805	182,460	(27,655)	-15%	182,460
Expenditure - Functional										
Governance and administration		100,622	48,038	44,381	10,538	38,235	44,381	(6,146)	-14%	44,381
Executive and council		14,323	13,024	12,128	3,066	10,227	12,128	(1,900)	-16%	12,128
Finance and administration		86,298	35,015	32,254	7,472	28,007	32,254	(4,246)	-13%	32,254
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12,770	12,438	11,866	2,480	10,657	11,866	(1,209)	-10%	11,866
Community and social services		2,526	2,850	2,669	482	2,225	2,669	(444)	-17%	2,669
Sport and recreation		3,390	4,212	3,978	815	3,451	3,978	(527)	-13%	3,978
Public safety		4,001	4,230	4,116	927	3,878	4,116	(238)	-6%	4,116
Housing		2,854	1,146	1,103	256	1,103	1,103	1	0%	1,103
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6,198	7,222	6,720	984	4,731	6,720	(1,989)	-30%	6,720
Planning and development		3,787	5,832	4,446	720	3,114	4,446	(1,331)	-30%	4,446
Road transport		2,411	1,390	2,274	264	1,616	2,274	(658)	-29%	2,274
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		61,720	114,616	104,316	26,045	88,258	104,316	(16,058)	-15%	104,316
Energy sources		26,683	44,824	39,393	9,948	30,854	39,393	(8,539)	-22%	39,393
Water management		24,405	28,868	28,661	7,806	23,401	28,661	(5,260)	-18%	28,661
Waste water management		9,482	21,149	19,763	4,302	17,990	19,763	(1,773)	-9%	19,763
Waste management		1,150	19,774	16,500	3,989	16,014	16,500	(486)	-3%	16,500
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	181,310	182,313	167,283	40,047	141,880	167,283	(25,402)	-15%	167,283
Surplus/ (Deficit) for the year		(27,253)	(27,786)	15,177	(22,488)	12,924	15,177	(2,253)	-15%	15,177

Table C3 – Quarterly Fin' Performance (Revenue and Expenditure by vote)

NC093 Magareng - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter

Vote Description	Ref	Budget Year 2022/23								
		2021/22	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 01 - Executive & Council	1	54,507	59,064	59,064	6,541	60,181	59,064	1,117	1.9%	59,064
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		26,210	21,340	24,450	6,888	29,763	24,450	5,313	21.7%	24,450
Vote 05 - Municipal Infrastructure		71,807	72,794	97,609	4,051	63,510	97,609	(34,099)	-34.9%	97,609
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		1,533	1,329	1,337	79	1,350	1,337	14	1.0%	1,337
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	154,057	154,528	182,460	17,559	154,805	182,460	(27,655)	-15.2%	182,460
Expenditure by Vote										
Vote 01 - Executive & Council	1	11,458	10,987	11,138	2,916	9,586	11,138	(1,552)	-13.9%	11,138
Vote 02 - Office Of The Municipal Manager		1,839	2,037	990	150	641	990	(349)	-35.2%	990
Vote 03 - Corporate Services		12,037	14,279	13,280	2,982	12,867	13,280	(413)	-3.1%	13,280
Vote 04 - Financial Services		74,326	20,736	18,974	4,490	15,141	18,974	(3,833)	-20.2%	18,974
Vote 05 - Municipal Infrastructure		66,622	119,589	108,642	26,472	90,587	108,642	(18,056)	-16.6%	108,642
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		9,717	11,292	10,763	2,224	9,553	10,763	(1,209)	-11.2%	10,763
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		5,312	3,394	3,496	813	3,505	3,496	9	0.3%	3,496
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	181,310	182,313	167,283	40,047	141,880	167,283	(25,402)	-15.2%	167,283
Surplus/ (Deficit) for the year	2	(27,253)	(27,786)	15,177	(22,488)	12,924	15,177	(2,253)	-14.8%	15,177

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.

Table C4: Quarterly Financial performance by Revenue Source and Expenditure Type
NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	QUARTERLY 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	3,053	12,263	12,319	(56)	0%	12,319
Service charges - electricity revenue		15,185	20,897	20,897	1,261	11,919	20,897	(8,978)	-43%	20,897
Service charges - water revenue		8,426	8,975	9,014	(78)	5,865	9,014	(3,149)	-35%	9,014
Service charges - sanitation revenue		7,569	7,016	7,016	1,986	8,041	7,016	1,026	15%	7,016
Service charges - refuse revenue		5,666	6,437	6,437	(28)	4,509	6,437	(1,928)	-30%	6,437
Rental of facilities and equipment		4	3	3	1	1	3	(2)	-77%	3
Interest earned - external investments		6,296	3,122	-	-	-	-	-	-	-
Interest earned - outstanding debtors		2,749	5,223	11,412	4,108	16,949	11,418	5,531	48%	11,418
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		127	46	53	31	93	53	40	75%	53
Licences and permits		(2,194)	-	-	-	-	-	-	-	-
Agency services		76	-	-	-	-	-	-	-	-
Transfers and subsidies		62,864	64,964	65,964	6,592	66,468	65,964	504	1%	65,964
Other revenue		6,689	1,914	1,957	634	1,084	1,951	(867)	-44%	1,951
Gains		196	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		125,327	130,916	135,072	17,559	127,193	135,072	(7,879)	-6%	135,072
Expenditure By Type										
Employee related costs		49,810	53,078	49,342	10,274	44,265	49,342	(5,077)	-10%	49,342
Remuneration of councillors		4,263	4,675	5,477	1,170	4,673	5,477	(804)	-15%	5,477
Debt impairment		35,391	37,815	35,391	8,848	35,391	35,391	(0)	0%	35,391
Depreciation & asset impairment		26,674	30,431	25,974	6,489	25,974	25,974	(0)	0%	25,974
Finance charges		5,447	-	-	-	-	-	-	-	-
Bulk purchases - electricity		22,499	24,750	19,843	5,496	12,025	19,843	(7,818)	-39%	19,843
Inventory consumed		22,697	13,850	15,947	4,272	8,439	15,947	(7,508)	-47%	15,947
Contracted services		5,752	6,720	5,883	1,336	4,027	5,883	(1,856)	-32%	5,883
Transfers and subsidies		-	20	-	-	-	-	-	-	-
Other expenditure		8,776	10,974	9,427	2,163	7,087	9,427	(2,339)	-25%	9,427
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		181,310	182,313	167,283	40,047	141,880	167,283	(25,402)	-15%	167,283
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(55,983)	(51,398)	(32,211)	(22,488)	(14,688)	(32,211)	17,523	(0)	(32,211)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		25,034	23,612	45,888	-	27,612	45,888	(18,276)	(0)	45,888
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)	15,177	(22,488)	12,924	15,177			15,177
Taxation										
Surplus/(Deficit) after taxation		(27,253)	(27,786)	15,177	(22,488)	12,924	15,177			15,177
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(27,253)	(27,786)	15,177	(22,488)	12,924	15,177			15,177
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(27,253)	(27,786)	15,177	(22,488)	12,924	15,177			15,177

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 councillors, 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) - Q4 Fourth Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	QUARTERLY ACTUAL	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
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	3,672	24,744	47,388	(22,645)	-48%	47,388
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	25,900	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	47,388
Total Capital Expenditure		25,900	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	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	3,672	24,744	47,388	(22,645)	-48%	47,388
Energy sources		207	-	-	-	-	-	-	-	-
Water management		24,039	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	47,388
Waste water management		1,394	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	25,900	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	47,388
Funded by:										
National Government		16,039	23,612	27,612	3,672	24,744	27,612	(2,868)	-10%	27,612
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		1,180	-	1,500	-	-	1,500	(1,500)	-100%	1,500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		6,559	-	18,276	-	-	18,276	(18,276)	-100%	18,276
Transfers recognised - capital		23,778	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	47,388
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	2,122	-	-	-	-	-	-	-	-
Total Capital Funding		25,900	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	47,388

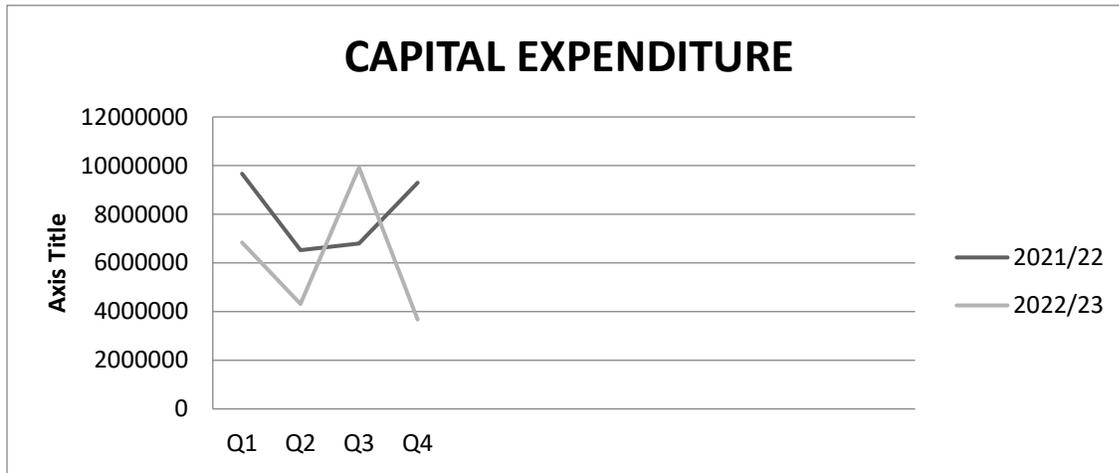
Table C5C: Monthly Capital Expenditure by Vote

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - Q4 Fourth Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	QUARTERLY ACTUAL	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure - Municipal Vote										
Expenditure of single-year capital appropriation										
Vote 01 - Executive & Council	1	-	-	-	-	-	-	-	-	-
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	3,672	24,744	47,388	(22,645)	-48%	47,388
05.1 - Technical Admin		-	-	-	-	-	-	-	-	-
05.2 - Roads And Stormwater		-	-	-	-	-	-	-	-	-
05.3 - Solid Waste Management		-	-	-	-	-	-	-	-	-
05.4 - Sanitation		1,394	-	-	-	-	-	-	-	-
05.5 - Water		24,039	23,612	47,388	3,672	24,744	47,388	(22,645)	-48%	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	3,672	24,744	47,388	(22,645)	(0)	47,388
Total Capital Expenditure		25,900	23,612	47,388	3,672	24,744	47,388	(22,645)	(0)	47,388

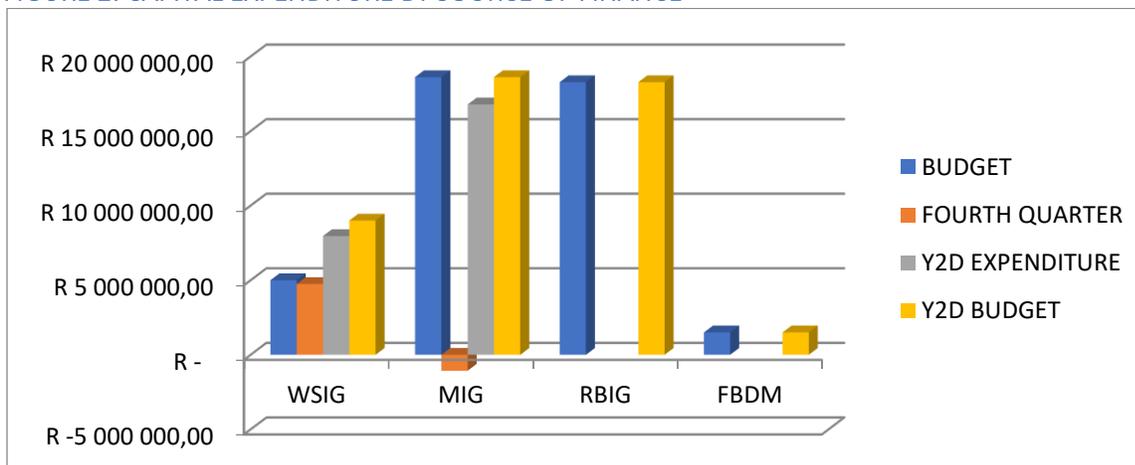
Table C5 Capex and **C5C** present capital expenditure performance for all votes, standard classification and the funding thereof and measures the year-to-date performance targets against the actual capital expenditure figures. R 24.7 million spending was incurred on capital budget, year to date budget is R 47.4 million, and this gave an under-performance variance of R22.6 million that translates a negative variance of 48%.

FIGURE 1: MONTHLY CAPITAL EXPENDITURE PERFORMANCE



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

FIGURE 2: CAPITAL EXPENDITURE BY SOURCE OF FINANCE



The above graph shows the components of sources of finance for capital budget, the total capital budget amounted to R23.6 million of which R 18.6 million is for Municipal Infrastructure Grant, R9 million is for Water Services Infrastructure Grant, After the adjustment budget the total capital Budget amounts to R43.4 million considering an additional R19.8 million, which is made off R18.6 million is funded by Regional Bulk Infrastructure Grant and R1.5 million is funded by Frances Baard District and the spending per source of finance is presented in the above graph.

Table C6: Quarterly Budget Statement Financial Position
 NC093 Magareng - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter

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

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: Quarterly Budgeted Statement Cash Flow
NC093 Magareng - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	4 312	4 312	1 709	6 983	4 312	2 671	62%	4 312
Service charges		-	15 509	15 547	11 817	29 301	15 547	13 754	88%	15 547
Other revenue		-	238 520	(70 797)	(413)	133	(70 797)	70 929	-100%	(70 797)
Transfers and Subsidies - Operational		-	64 964	65 964	6 592	66 468	65 964	504	1%	65 964
Transfers and Subsidies - Capital		-	23 612	47 388	-	27 612	47 388	(19 776)	-42%	47 388
Interest		-	3 122	-	-	-	-	-		-
Dividends										
Payments										
Suppliers and employees		-	(114 067)	(105 918)	(24 710)	(80 515)	(105 918)	(25 403)	24%	(13 439)
Finance charges										
Transfers and Grants										
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	235 971	(43 503)	(5 005)	49 982	(43 503)	(93 485)	215%	48 975
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)	(3 672)	(24 744)	(47 388)	(22 645)	48%	(47 388)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(23 611)	(47 388)	(3 672)	(24 744)	(47 387)	(22 644)	48%	(47 387)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	331	-	15	5	331	(325)	-98%	331
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	331	-	15	5	331	325	98%	331
NET INCREASE/ (DECREASE) IN CASH HELD		-	212 690	(90 892)	(8 662)	25 244	(90 560)			1 918
Cash/cash equivalents at beginning:		6 674	577	577	555	242	577			242
Cash/cash equivalents at month/year end:		6 674	213 267	(90 315)		25 485	(89 983)			2 160

Table C7 provides details of the monthly cash in and outflow. For the quarter ending 30 June 2023 the net cash from operating activities is R 49,9 million whilst cash used for investing activities is R24.7 million and the net cash from financing activities is R15 thousand. The cash and cash equivalent held at end of the second quarter amounted to R 25.5million.

PART 2: SUPPORTING TABLES

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	-43%	The actual revenue is less than the projected monthly revenue	The municipality needs to look at the revenue generated at the electricity services and reduce revenue as it was over budgeted.
Service charges - water revenue	-35%	The actual revenue is less than the projected monthly revenue	This negative variance is as a result of not being able to bill the Ikhutseng community as there are limited metering systems. 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 actual revenue is more than the projected monthly revenue	The municipality has to increase sanitation revenue budget as it was under budgeted
Service charges - refuse revenue	-30%	The actual revenue is less than the projected monthly revenue	The municipality over budgeted for this line item.
Rental of facilities and equipment	-77%	The actual revenue is less than the projected monthly revenue	The municipality should come up with strategies to ensure all revenue generating municipal assets are renovated and rented out.
Interest earned - outstanding debtors	48%	The actual revenue is more than the projected monthly revenue	The municipality does not have interest earned from external investments, thus the budget of interest on outstanding debtors and investments was combined. Still the municipality under budgeted for interest on outstanding debtors.
Fines, penalties and forfeits	75%	The actual revenue is more than the projected monthly revenue.	The municipality has to increase fines, penalties and forfeits revenue budget as it was under budgeted
Transfers and subsidies	1%	The monthly actual revenue is less than the actual budgeted revenue	The municipality receives grants as per DoRA schedule
Other revenue	-44%	The actual revenue is less than the projected monthly revenue	The municipality needs to cut down the budgeted revenue.

DESCRIPTION	VARIANCE	REASON FOR MATERIAL VARIANCE	REMEDIAL OR CORRECTIVE STEPS/REMARKS
EXPENDITURE BY TYPE			
Employee related costs	-10%	the actual expenditure incurred is less than the projected monthly actual	The variance is immaterial and no remedial action is needed
Remuneration of councillors	-15%	the actual expenditure is less than the monthly budgeted actual expenditure	The variance is immaterial and no remedial action is needed
Debt impairment	0%	Debt impairment is calculated monthly based on 2122 AFS	No remedial action is needed, Monthly journals are performed in order to reflect the monthly actuals.
Depreciation & asset impairment	0%	Depreciation is calculated annually based on 2122 AFS	No remedial action is needed, Monthly journals are performed in order to reflect the monthly actuals.
Bulk purchases - electricity	-39%	The Municipality cannot afford to pay the current account of eskom to due low revenue collection	The Municipality has entered into a new payment arrangement with Eskom
Inventory consumed	-47%	the actual expenditure incurred is less than the projected monthly actual	The Municipality cannot afford to pay the monthly charges and is still on negotiation stage on a new payment arrangement with Vaalharts water.
Contracted services	-32%	the actual expenditure incurred is less than the projected monthly actual	We over budgeted and will move budgeted amounts to areas we have overspend in.
Other expenditure	-25%	the actual expenditure incurred is less than the projected monthly actual	The municipality needs to cut down the budgeted expenditure
Capital expenditure			
National government	-10%	the actual expenditure incurred is more than the projected monthly actual	No remedies needed
CASH FLOW			
Receipts			
Property rates	62%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality under budgeted on this line item.
Service charges	88%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality under budgeted on this line item.
Other revenue	-100%	The actual revenue is less than the projected monthly revenue	The municipality traffic testing station needs to be renovated and fixed for the municipality to generate other revenue and appoint a qualified building plan assessor for sales of building plans.
Transfers and Subsidies - Operational	-1%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Transfers and Subsidies - Capital	-42%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule ,The municipality budget for RBIG which the municipality received an allocation letter for and no funds were received.

Supporting Table: SC 1 Material Variance Explanations (Continuation)

Table SC3: Debtors Analysis

Table below provides a breakdown of the consumer and sundry debtors at the end of the fourth quarter. The outstanding debtors amounted to R 381.3 million as at 30 June 2023. Consumer debtors amount to R 252.5 million and sundry debtors amounts to R 128.8 million as at end of the Fourth quarter.

NC093 Magareng - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

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

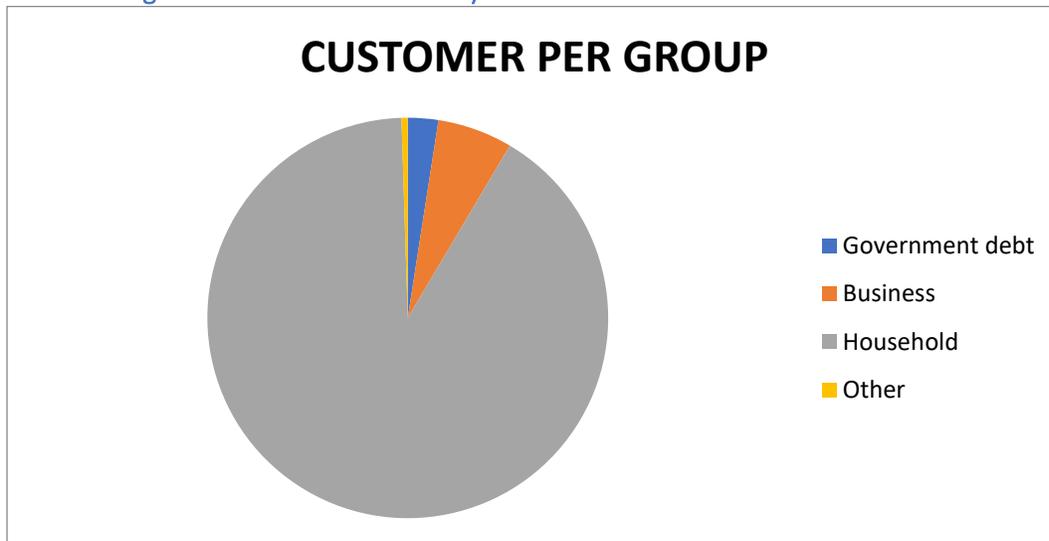
Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at the end of June amount to R 381. 3 million. The debtors' book is made up of the following: Indicated in the table above, is the total outstanding debt per Income Source. The highest percentage weighting of debt owed is attributable to:

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

Weighting per Customer Group

- Government debt constitutes 2.45%, Businesses 6.05%, Households 90.9% and other 0.50% of the total outstanding debt.

FIGURE 3: Aged Consumer Debtors analysis



From the above graph it can be depicted that the highest debt is attributed to the Household.

The debtors' age analysis is graphically presented below.

FIGURE 4: Aged Consumer Debtors analysis

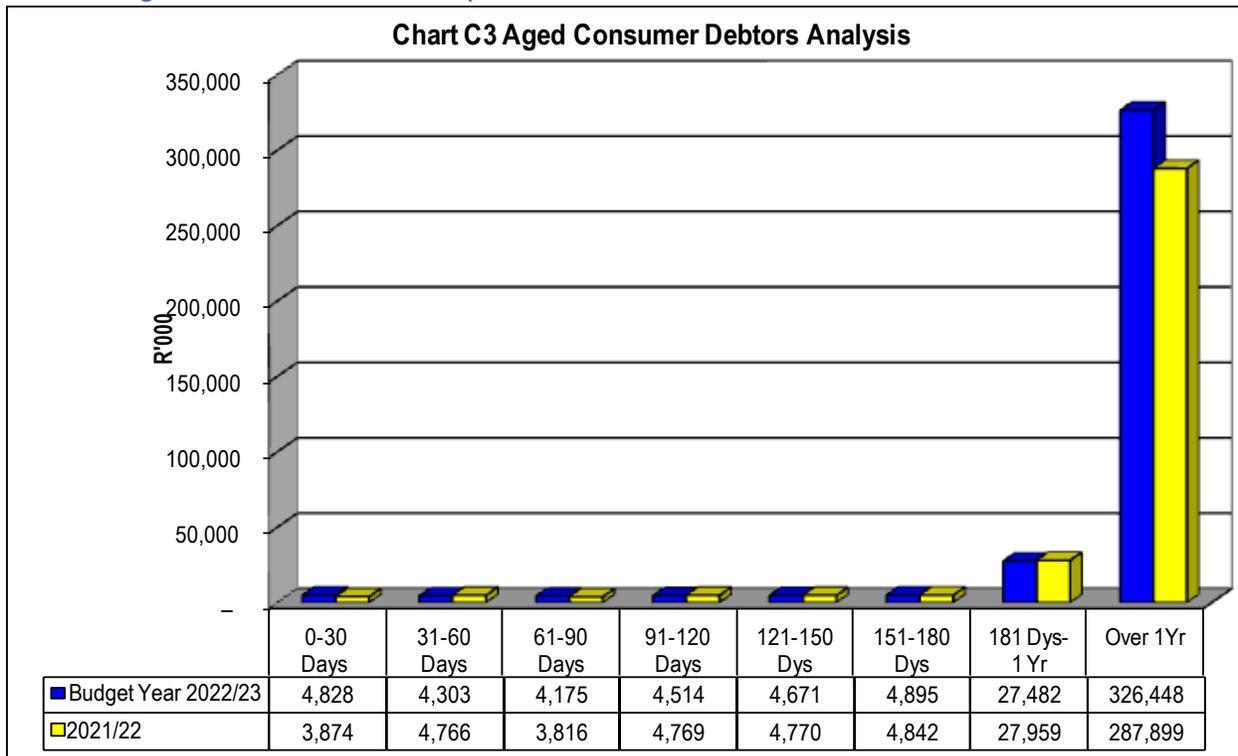


FIGURE 5: Consumer Debtors (Total by Debtor Consumer Category)

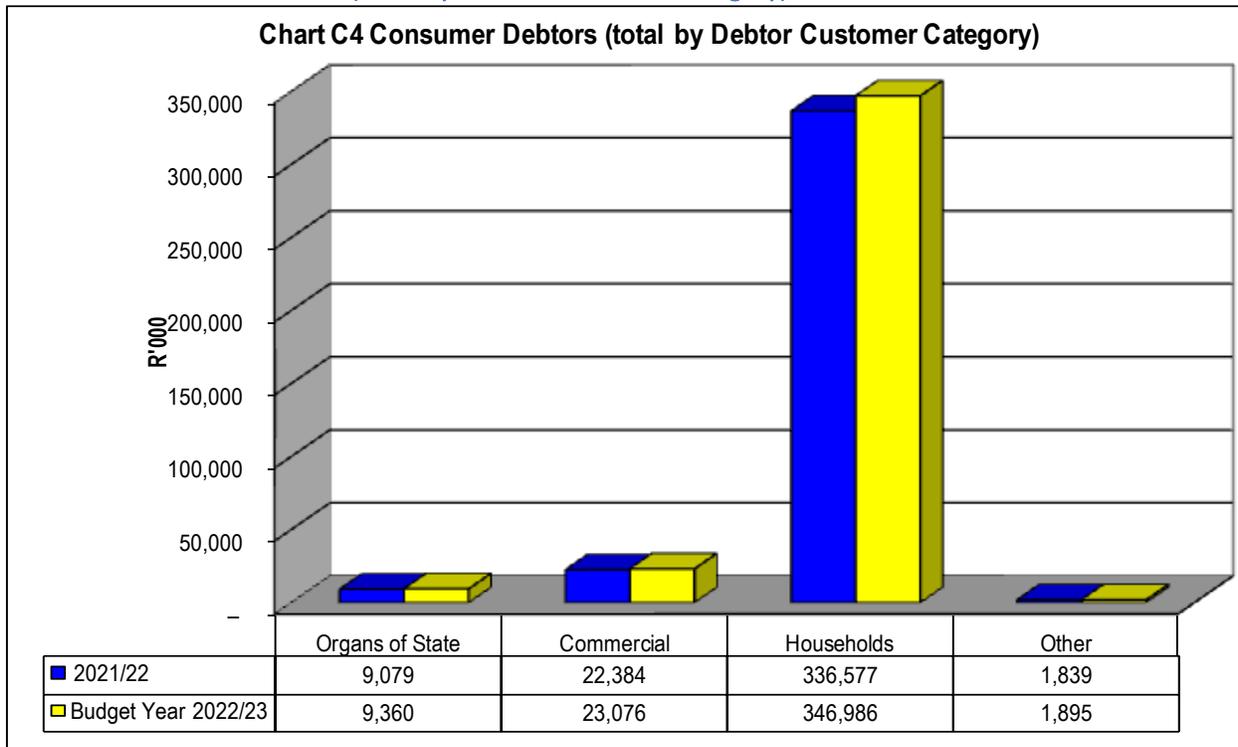
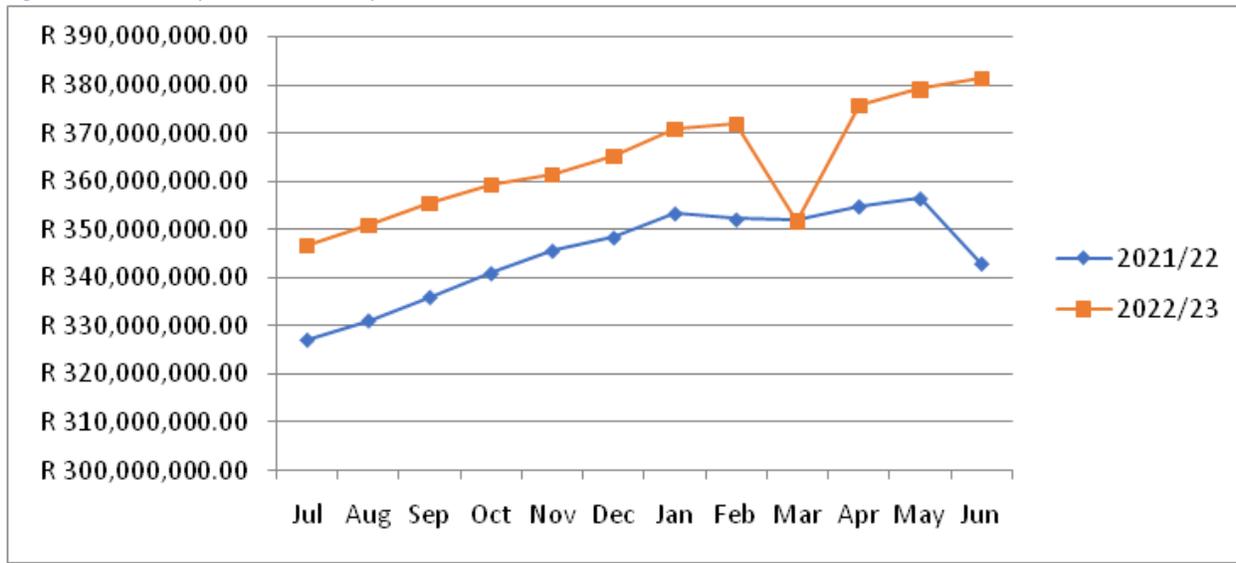


Figure 6: Monthly Debtors Comparison



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of June 2023) whilst the latter shows monthly movement of debtors for both the current financial year and the 2021/22 financial year. From the above graph it can be depicted that there was a downward slope at the end of third quarter, which indicated an increase of collection for the municipality.

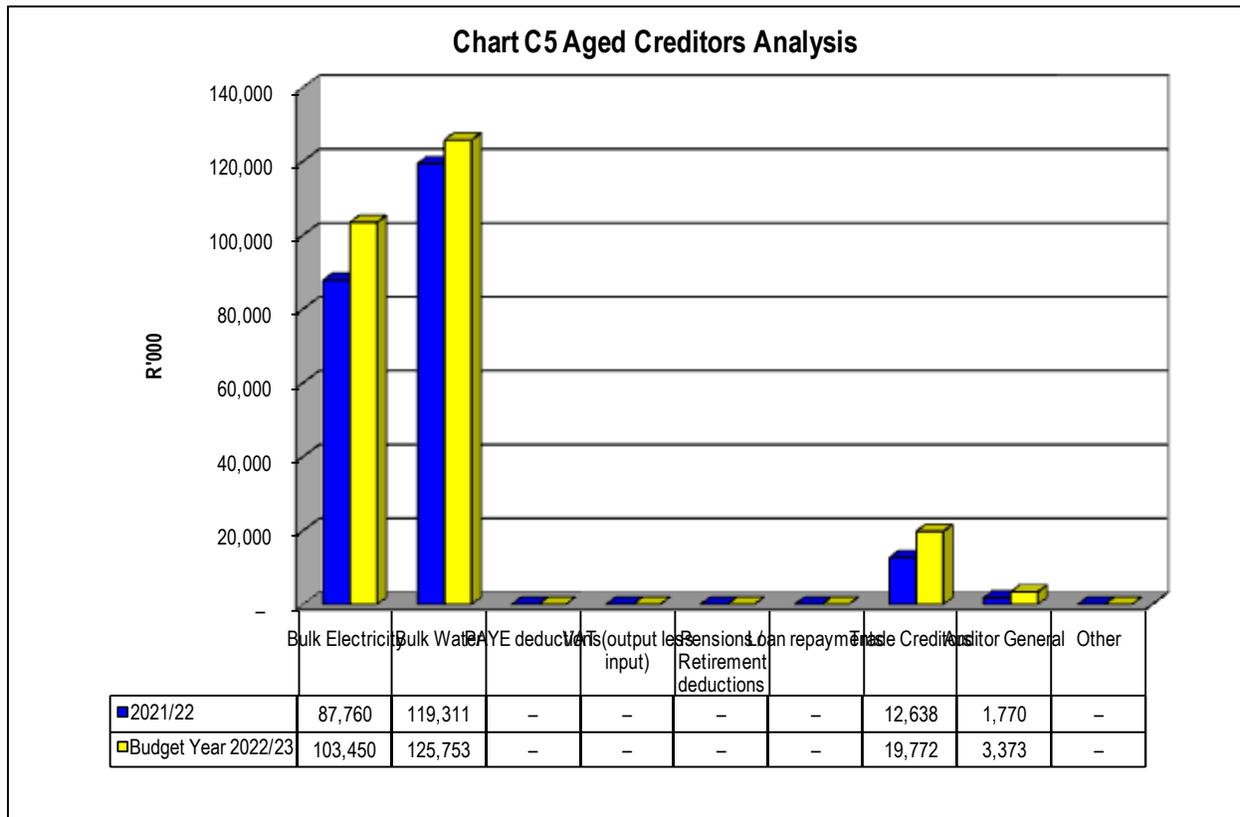
Table SC4: Creditors Analysis

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

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	5 420	5 081	6 800	43 350	36 490	-	103 450	87 760
Bulk Water	0200	1 068	1 117	1 456	1 406	1 818	12 406	14 204	92 278	125 753	119 311
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	3 520	4 979	19 745	12 638
Auditor General	0800	353	903	371	277	517	254	208	490	3 373	1 770
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	3 463	6 724	7 669	10 134	12 684	59 479	54 421	97 747	252 320	221 479

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipalities' creditors as at the 30 June 2023 amounted to R 252.3 million. This amount is made up of various creditors which include amongst others is Eskom of R 103.6million, and Vaalharts water of R 125.7 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 R 30.9 million.

FIGURE 7: Aged Creditors Analysis



The above graph compares the 2021/2022 and the 2022/2023 financial year monthly aged creditors.

Table SC5: Investment Portfolio Analysis

NC093 Magareng - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q4 Fourth Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	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
Municipality														
Magareng Local Municipality														-
Municipality sub-total										-				-
Entities														
ABSA (9351945669)		3 MONTHS	7 DAYS	YES					15 June 2023	3			160	163
ABSA (9355871747)		3 MONTHS	7 DAYS	YES					20 June 2023	0			19	19
														-
														-
														-
Entities sub-total										3			179	182
TOTAL INVESTMENTS AND INTEREST	2									3			179	182

Supporting Table SC5 displays the council's investments portfolio and indicates that the municipality had an opening balance of R3 thousand, earned interest of R179 thousand and there were no withdrawals by the end of the fourth quarter the municipality had a closing amount of R182 thousand.

Table SC6- Allocation and grant receipts

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	QUARTERLY 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	6,541	63,181	62,064	1,117	1.8%	62,064
Equitable Share		51,086	57,991	57,991	-	52,567	57,991	(5,424)	-9.4%	57,991
Expanded Public Works Programme Integrated Grant		1,121	1,073	1,073	-	1,073	1,073	-	0.0%	1,073
Local Government Financial Management Grant		2,850	3,000	3,000	-	3,000	3,000	-	0.0%	3,000
Municipal Disaster Relief Grant		2,104	-	-	6,541	6,541	-	6,541	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		4,603	1,800	2,800	-	2,187	2,800	(613)	-21.9%	2,800
Specify (Add grant description)		4,603	1,800	2,800	-	2,187	2,800	(613)	-21.9%	2,800
Other grant providers:		1,100	1,100	1,100	-	1,100	1,100	-	0.0%	1,100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1,100	1,100	1,100	-	1,100	1,100	-	0.0%	1,100
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	62,864	64,964	65,964	6,541	66,468	65,964	504	0.8%	65,964
Capital Transfers and Grants										
National Government:		25,034	23,612	45,888	-	27,612	45,888	(18,276)	-39.8%	45,888
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8,175	18,612	18,612	-	18,612	18,612	-	0.0%	18,612
Regional Bulk Infrastructure Grant		12,860	-	18,276	-	-	18,276	(18,276)	-100.0%	18,276
Water Services Infrastructure Grant		4,000	5,000	9,000	-	9,000	9,000	-	0.0%	9,000
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	47,388	(19,776)	-41.7%	47,388
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	91,594	88,576	113,352	6,541	94,080	113,352	(19,272)	-17.0%	113,352

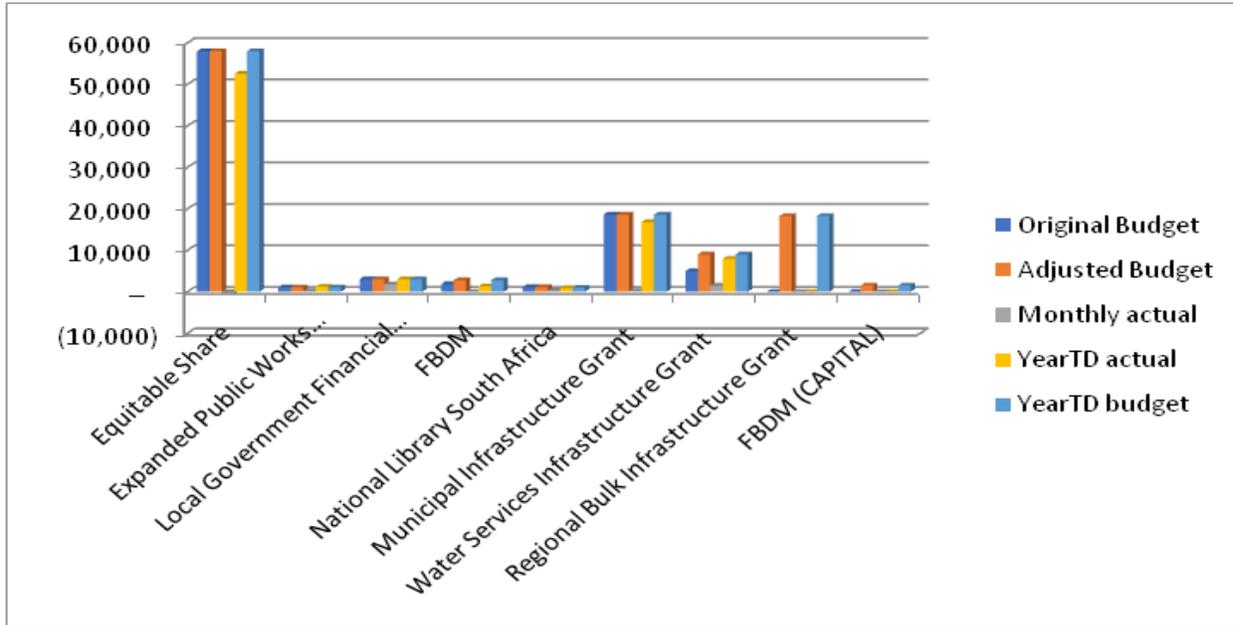
Supporting tables SC6 provides details of grants received. For the fourth quarter the municipality received R6.5 million and the year to date actual receipts amounts to R 94.1 million of which the major portion is attributed to equitable share. In the reporting period, all gazetted grants were received according to National Treasury's grants payment schedule.

Table SC7: Transfers and Grant Expenditure

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q4 Fourth Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	QUARTERLY 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	2 232	56 807	62 064	(5 257)	-8,5%	28 987
Equitable Share		83 321	57 991	57 991	-	52 567	57 991	(5 424)	-9,4%	24 914
Expanded Public Works Programme Integrated Grant		1 102	1 073	1 073	338	1 240	1 073	167	15,6%	1 073
Local Government Financial Management Grant		3 328	3 000	3 000	1 894	3 000	3 000	0	0,0%	3 000
Municipal Disaster Relief Grant		1 412	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		4 078	1 800	2 800	-	1 333	2 800	(1 467)	-52,4%	2 800
Other grant providers:		1 942	1 100	1 100	830	858	966	(108)	-11,2%	966
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 942	1 100	1 100	830	858	966	(108)	-11,2%	966
Total operating expenditure of Transfers and Grants:		91 106	63 164	63 164	3 062	57 665	63 030	(5 365)	-8,5%	29 953
Capital expenditure of Transfers and Grants										
National Government:		16 039	23 612	27 612	3 672	24 744	27 612	(2 868)	-10,4%	27 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		9 616	18 612	18 612	(1 070)	16 785	18 612	(1 827)	-9,8%	18 612
Water Services Infrastructure Grant		6 423	5 000	9 000	4 742	7 959	9 000	(1 041)	-11,6%	9 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		1 180	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
Specify (Add grant description)		1 180	-	1 500	-	-	1 500	(1 500)	-100,0%	1 500
Other grant providers:		6 559	-	18 276	-	-	18 276	(18 276)	-100,0%	18 276
Pocket Money Households (Cash)		6 559	-	18 276	-	-	18 276	(18 276)	-100,0%	18 276
Total capital expenditure of Transfers and Grants		23 778	23 612	47 388	3 672	24 744	47 388	(22 645)	-47,8%	47 388
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		114 884	86 776	110 552	6 734	82 408	110 418	(28 010)	-25,4%	77 341

For the fourth quarter the municipality has accumulated an expenditure of R 6.7 million. A total amount of R 82.4 million have been spent on grants during the financial year and the year to date budget thereof amount to R110.4 million and this resulted in an under spending variance of R 28 million that translates to a negative 25.4%. The total spending amounts to R 82.4million, R57.7 million is spent on operational grants whilst R 24.7 million is spent of capital grant.



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

- Financial Management Grant 100%
- Expanded Public Work Programme 116%
- Equitable Share 91%
- Frances Baard District Municipality Grant 48%
- Library Grant 79%
- Municipal Infrastructure Grant 90%
- Water Services Infrastructure Grant 88%
- Regional Bulk Infrastructure Grant 0%
- Frances Baard District Municipality Grant (Capital) 0

Table SC8: Councilor Allowances and Employee Benefits

NC093 Magareng - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter

Summary of Employee and Councilor remuneration	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	QUARTERLY ACTUAL	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,004	3,654	4,113	804	3,248	4,113	(866)	-21%	4,113
Pension and UIF Contributions		278	44	376	92	373	376	(3)	-1%	376
Medical Aid Contributions		124	84	94	31	115	94	21	22%	94
Motor Vehicle Allowance		447	368	368	124	456	368	88	24%	
Cellphone Allowance		410	526	526	120	481	526	(44)	-8%	526
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		368
Sub Total - Councillors		4,263	4,675	5,477	1,170	4,673	5,477	(804)	-15%	5,477
% increase	4		9.7%	28.5%						28.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		1,401	2,212	1,942	194	1,040	1,942	(902)	-46%	1,942
Pension and UIF Contributions		202	202	167	26	125	167	(42)	-25%	167
Medical Aid Contributions		87	85	72	12	69	72	(4)	-5%	72
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		85	184	143	-	89	143	(54)	-38%	143
Motor Vehicle Allowance		828	1,084	620	-	199	620	(421)	-68%	620
Cellphone Allowance		165	14	10	-	-	10	(10)	-100%	10
Housing Allowances		124	154	51	-	-	51	(51)	-100%	51
Other benefits and allowances		41	121	81	0	1	81	(80)	-99%	81
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		2,933	4,058	3,087	232	1,523	3,087	(1,564)	-51%	3,087
% increase	4		38.4%	5.3%						5.3%
Other Municipal Staff										
Basic Salaries and Wages		32,386	33,553	33,036	7,768	31,451	33,036	(1,585)	-5%	33,036
Pension and UIF Contributions		5,631	5,708	5,692	1,262	5,107	5,692	(585)	-10%	5,692
Medical Aid Contributions		2,194	2,874	2,142	448	1,775	2,142	(366)	-17%	2,142
Overtime		2,585	3,773	2,334	336	1,630	2,334	(704)	-30%	2,334
Performance Bonus		2,769	2,688	2,350	51	2,172	2,350	(179)	-8%	2,350
Motor Vehicle Allowance		65	88	62	13	62	62	(0)	0%	62
Cellphone Allowance		130	72	63	11	47	63	(17)	-26%	63
Housing Allowances		389	257	98	18	70	98	(28)	-29%	98
Other benefits and allowances		827	7	478	135	429	478	(49)	-10%	478
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		(100)	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		46,877	49,020	46,255	10,041	42,742	46,255	(3,513)	-8%	46,255
% increase	4		4.6%	-1.3%						-1.3%
Total Parent Municipality		54,073	57,753	54,818	11,444	48,937	54,818	(5,881)	-11%	54,818

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid for the fourth quarter amounts to R11.4 million with the year to date amounting to R48.9million and the year to date budget is R 54.8 million, which results in a negative variance of 11% when we compare our year to date actual with the year to date budget.

Table SC9: Actual and Revised Targets for Cash Receipts

NC093 Magareng - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q4 Fourth Quarter

Description	Ref	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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	-	-	5,145	65,964	68,488	69,487
Other revenue		(318)	(402)	326	374	(624)	(721)	1,541	(404)	775	(3,151)	1,561	(69,766)	(70,811)	694	728
Cash Receipts by Source		24,919	5,193	1,395	2,116	1,011	15,048	3,291	3,816	23,155	2,471	3,055	(74,623)	15,026	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	-	-	-	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	3,055	(74,954)	62,083	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	10,531	54,821	(53,709)	(56,091)
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	4,807	5,109
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity		8,065	-	660	-	19	3,028	106	1,039	402	40	1,006	5,477	19,843	(25,000)	(26,225)
Acquisitions - water & other inventory		1,000	-	-	-	-	-	-	-	-	-	-	1,155	2,155	(12,920)	(12,134)
Contracted services		-	-	-	-	-	-	-	-	-	-	-	(41,008)	(41,008)	(42,663)	(4,843)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses		12,703	513	2,510	389	2,772	5,803	433	3,673	11,992	2,289	2,827	(68,277)	(22,372)	5,931	5,706
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	(92,121)	13,439	(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	(58,882)	60,827	(71,297)	(73,262)
NET INCREASE/(DECREASE) IN CASH HELD		(1,919)	595	(3,365)	(1,977)	(4,461)	(923)	355	(2,334)	15,203	(3,109)	(4,692)	(16,072)	1,256	221,005	184,526
Cash/cash equivalents at the month/year beginning:		242	(1,677)	(1,062)	(4,447)	(6,425)	(10,885)	(11,809)	(11,453)	(13,787)	1,416	(1,694)	(6,366)	242	1,497	222,502
Cash/cash equivalents at the month/year end:		(1,677)	(1,082)	(4,447)	(6,425)	(10,885)	(11,809)	(11,453)	(13,787)	1,416	(1,694)	(6,366)	(22,458)	1,497	222,502	407,028

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type.

Table SC12: Capital Expenditure Trend

NC093 Magareng - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q4 Fourth Quarter

Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	2,158	1,968	1,968	5,035	5,035	1,968	(3,068)	-155.9%	21%
August	2,158	1,968	1,968	–	–	3,935	3,935	100.0%	0%
September	2,158	1,968	1,968	1,803	1,803	5,903	4,100	69.5%	8%
October	2,158	1,968	1,968	–	–	7,871	7,871	100.0%	0%
November	2,158	1,968	1,968	1,798	1,798	9,838	8,040	81.7%	8%
December	2,158	1,968	1,968	2,517	4,315	11,806	7,491	63.4%	18%
January	2,158	1,968	1,968	–	–	13,774	13,774	100.0%	0%
February	2,158	1,968	5,923	2,170	2,170	19,697	17,527	89.0%	9%
March	2,158	1,968	5,923	7,748	9,918	25,619	15,702	61.3%	42%
April	2,158	1,968	5,923	1,214	11,132	31,542	20,411	64.7%	0
May	2,158	1,968	7,923	826	11,957	39,465	27,508	69.7%	0
June	2,158	1,968	7,923	1,633	13,590	47,388	33,798	71.3%	0
Total Capital expenditure	25,900	23,612	47,388	24,744					

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 fourth quarter amounts to R3.7 million and the actual expenditure for the nine months amount to R24.7 million.

Quality Certificate

I Timelo Mnye 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 Fourth Quarter has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.