

MAGARENG LOCAL MUNICIPALITY

MAGARENG



MUNICIPALITY

SECTION 52

OCTOBER – DECEMBER 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)

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.

	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Q1	Q2	YearTD actual	YearTD budget	YTD variance
Total Revenue (excluding capital transfers and contributions)	162 061 667,00	162 061 667,00	47 148 857,61	36 501 455,42	83 650 313,03	81 030 876,00	2 619 437,03
Total Expenditure	177 673 719,00	177 673 719,00	39 507 066,96	42 666 306,42	82 173 373,38	88 836 984,00	- 6 663 610,62
Surplus/(Deficit)	- 15 612 052,00	- 15 612 052,00	7 641 790,65	- 6 164 851,00	1 476 939,65	- 7 806 108,00	9 283 047,65
Transfers and subsidies - capital (monetary allocations)	51 967 000,00	51 967 000,00	16 319 703,20	9 307 000,00	25 626 703,20	25 983 504,00	- 356 800,80
Transfers and subsidies - capital (in-kind)	3 000 000,00	3 000 000,00	-	1 135 468,13	1 135 468,13	1 500 000,00	- 364 531,87
Surplus/(Deficit) after capital transfers & contributions	39 354 948,00	39 354 948,00	23 961 493,85	4 277 617,13	28 239 110,98	19 677 396,00	8 561 714,98
Capital expenditure	55 257 000,00	55 257 000,00	10 007 901,22	13 716 737,07	23 724 638,26	27 628 506,00	- 3 903 867,74

1.4 IN YEAR BUDGET STATEMENT TABLES

Table C1: Quarterly Budget Statement Summary

NC093 Magareng - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	12,263	13,926	13,926	3,235	6,462	6,963	(501)	-7%	13,926
Service charges	32,468	60,384	60,384	7,560	15,403	30,192	(14,789)	-49%	60,384
Investment revenue	10,912	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	10,912	-	-	-	-	-	-	-	-
Other own revenue	67,574	87,752	87,752	25,707	61,785	43,876	17,909	41%	-
Total Revenue (excluding capital transfers and contributions)	134,129	162,062	162,062	36,501	83,650	81,031	2,619	3%	162,062
Employee costs	48,606	53,709	53,709	12,898	23,449	26,854	(3,406)	-	53,709
Remuneration of Councillors	4,673	4,807	4,807	1,170	2,341	2,404	(63)	-	4,807
Depreciation and amortisation	23,788	25,954	25,954	6,488	12,977	12,977	(0)	-	25,954
Interest	7,549	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	39,901	37,920	38,620	5,188	9,122	19,081	(9,959)	-	38,620
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	41,210	55,284	54,584	16,921	34,285	27,521	6,764	25%	54,584
Total Expenditure	165,728	177,674	177,674	42,666	82,173	88,837	(6,664)	-8%	177,674
Surplus/(Deficit)	(31,599)	(15,612)	(15,612)	(6,165)	1,477	(7,806)	9,283	-119%	(15,612)
Transfers and subsidies - capital (monetary)	24,071	51,967	51,967	9,307	25,627	25,984	(357)	-1%	51,967
Transfers and subsidies - capital (in-kind)	1,725	3,000	3,000	1,135	1,135	1,500	(365)	-24%	3,000
Surplus/(Deficit) after capital transfers & contributions	(5,803)	39,355	39,355	4,278	28,239	19,677	8,562	44%	39,355
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(5,803)	39,355	39,355	4,278	28,239	19,677	8,562	44%	39,355
Capital expenditure & funds sources									
Capital expenditure	25,368	55,257	55,257	13,717	23,725	27,629	(3,904)	-14%	55,257
Capital transfers recognised	23,885	54,967	54,967	13,717	23,725	27,484	(3,759)	-14%	54,967
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1,482	290	290	-	-	145	(145)	-100%	290
Total sources of capital funds	25,368	55,257	55,257	13,717	23,725	27,629	(3,904)	-14%	55,257
Financial position									
Total current assets	(18,059)	20,216	20,216	-	98,981	-	-	-	20,216
Total non current assets	453,767	306,151	306,151	-	464,129	-	-	-	306,151
Total current liabilities	445,056	356,086	356,086	-	337,906	-	-	-	356,086
Total non current liabilities	8,079	11,911	11,911	-	7,538	-	-	-	11,911
Community wealth/Equity	210,564	(41,630)	(41,630)	-	217,666	-	-	-	(41,630)
Cash flows									
Net cash from (used) operating	-	33,047	33,047	10,239	46,673	16,524	(30,150)	-182%	272,930
Net cash from (used) investing	0	(55,257)	(55,257)	(13,717)	(23,725)	(26,129)	(2,404)	9%	(52,257)
Net cash from (used) financing	-	-	-	0	12	-	(12)	#DIV/0!	-
Cash/cash equivalents at the month/year end	242	(21,968)	(21,968)	-	23,694	(9,363)	(33,058)	353%	221,407
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5,070	5,072	5,080	4,838	4,757	4,780	25,555	343,143	398,296
Creditors Age Analysis									
Total Creditors	5,379	8,672	9,612	11,018	12,014	57,734	56,382	95,484	256,295

REFER TO TABLE SC1 FOR MATERIAL VARIANCE EXPLANATIONS**Revenue**

During the second quarter of October to December 2023, the municipality has issued bills that totaled R36.5 million. As of now, the actual revenue collected this year has reached R83.7 million, which is 3% higher than the year-to-date budget of R81 million. It's worth noting that the bulk of the revenue, which amounts to R18.6 million, came from equitable share. The remaining revenue was sourced from property rates, service charges, and other grants.

Operating Expenditure

The operating expenditure for the second quarter stands at R 42.7 million. The actual year-to-date expenditure is R 82.2 million, which is significantly less than the budgeted amount of R 88.8 million. This results in an unfavorable variance of 8%. It is crucial to take immediate action to address this negative variance and bring the expenditure back on track with the budgeted amount.

Capital Expenditure

As of the end of the second quarter, the actual capital expenditure amounts to R 13.7 million, while the year-to-date actual amounts to R 23.7 million. This deviation represents a negative variance of 14% when compared to the year-to-date target of R 27.6 million. We must take action to address this shortfall.

Surplus/Deficit after capital transfers and contributions

Taking into consideration the above table, the net operating surplus as of 31 December 2023 amounts to R28.2 million, including the capital allocations received by the municipality.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of December amounts to R 398.3 million and this show an increase of R12,0 million as compared to quarter two debtors of R 389,2 million as at end of September 2023/24 financial year. Current cash flow and very low cashier collection 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 R259.2million and other debtors amounting to R139.1 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 of 31 December 2023, the municipality had an outstanding creditor amounting to R256.3 million and the bulk of this amount are made up by Bulk water: R 126.4 million and bulk electricity: R 113.4 million.

Table C2 – Quarterly Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		89,770	84,422	84,422	23,693	57,320	42,211	15,110	36%	84,422
Executive and council		59,064	62,541	62,541	19,066	44,967	31,271	13,697	44%	62,541
Finance and administration		30,705	21,881	21,881	4,627	12,353	10,940	1,413	13%	21,881
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,844	1,393	1,393	81	820	697	124	18%	1,393
Community and social services		855	1,264	1,264	27	629	632	(3)	0%	1,264
Sport and recreation		35	-	-	-	-	-	-	-	-
Public safety		954	130	130	55	191	65	127	195%	130
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6,671	450	450	134	134	225	(91)	-41%	450
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		6,671	450	450	134	134	225	(91)	-41%	450
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		61,640	130,764	130,764	23,035	52,138	65,382	(13,244)	-20%	130,764
Energy sources		13,907	35,848	35,848	3,585	7,478	17,924	(10,446)	-58%	35,848
Water management		31,806	50,145	50,145	7,189	16,234	25,073	(8,839)	-35%	50,145
Waste water management		8,390	35,402	35,402	9,602	23,095	17,701	5,394	30%	35,402
Waste management		7,537	9,368	9,368	2,660	5,330	4,684	646	14%	9,368
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	159,925	217,029	217,029	46,944	110,412	108,514	1,898	2%	217,029
Expenditure - Functional										
<i>Governance and administration</i>		59,659	57,910	57,410	17,189	33,958	28,884	5,074	18%	57,410
Executive and council		15,645	13,006	12,719	3,114	6,085	6,432	(348)	-5%	12,719
Finance and administration		44,014	44,904	44,691	14,075	27,873	22,452	5,422	24%	44,691
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		18,576	12,754	12,634	2,558	5,615	6,347	(732)	-12%	12,634
Community and social services		6,737	2,571	2,571	723	1,325	1,285	40	3%	2,571
Sport and recreation		3,475	5,218	5,098	594	1,976	2,579	(603)	-23%	5,098
Public safety		4,383	3,747	3,747	898	1,694	1,873	(179)	-10%	3,747
Housing		3,983	1,219	1,219	343	620	609	11	2%	1,219
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6,005	24,739	24,389	5,427	11,272	12,194	(923)	-8%	24,389
Planning and development		4,325	6,164	6,164	1,153	2,285	3,082	(796)	-26%	6,164
Road transport		1,680	18,575	18,225	4,275	8,986	9,112	(126)	-1%	18,225
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		81,488	82,271	83,241	17,492	31,329	41,412	(10,083)	-24%	83,241
Energy sources		23,342	35,688	36,308	6,672	9,975	17,945	(7,970)	-44%	36,308
Water management		27,556	24,970	25,320	5,006	10,303	12,660	(2,357)	-19%	25,320
Waste water management		23,711	17,115	17,115	4,670	8,831	8,557	274	3%	17,115
Waste management		6,878	4,498	4,498	1,144	2,220	2,249	(29)	-1%	4,498
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	165,728	177,674	177,674	42,666	82,173	88,837	(6,664)	-8%	177,674
Surplus/ (Deficit) for the year		(5,803)	39,355	39,355	4,278	28,239	19,677	8,562	44%	39,355

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) - Q2 Second Quarter

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 01 - Executive & Council	1	59,064	62,541	62,541	19,066	44,967	31,271	13,697	43.8%	62,541
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		382	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		30,323	21,881	21,881	4,627	12,353	10,940	1,413	12.9%	21,881
Vote 05 - Municipal Infrastructure		68,311	131,214	131,214	23,169	52,272	65,607	(13,335)	-20.3%	131,214
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		1,844	1,393	1,393	81	820	697	124	17.8%	1,393
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	159,925	217,029	217,029	46,944	110,412	108,514	1,898	1.7%	217,029
Expenditure by Vote										
Vote 01 - Executive & Council	1	12,418	10,836	10,536	2,895	5,697	5,343	354	6.6%	10,536
Vote 02 - Office Of The Municipal Manager		658	2,169	2,182	218	388	1,089	(701)	-64.4%	2,182
Vote 03 - Corporate Services		15,075	15,806	15,306	5,164	8,491	7,832	660	8.4%	15,306
Vote 04 - Financial Services		29,007	29,098	29,385	8,912	19,382	14,620	4,762	32.6%	29,385
Vote 05 - Municipal Infrastructure		87,116	104,180	104,800	22,389	41,656	52,192	(10,536)	-20.2%	104,800
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		14,468	11,535	11,415	2,215	4,995	5,738	(743)	-12.9%	11,415
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		6,986	4,048	4,048	874	1,565	2,024	(459)	-22.7%	4,048
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	165,728	177,674	177,674	42,666	82,173	88,837	(6,664)	-7.5%	177,674
Surplus/ (Deficit) for the year	2	(5,803)	39,355	39,355	4,278	28,239	19,677	8,562	43.5%	39,355

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 yeartodate 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) - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		13,907	33,713	33,713	3,184	6,625	16,857	(10,231)	-61%	33,713
Service charges - Water		6,010	9,156	9,156	799	1,492	4,578	(3,086)	-67%	9,156
Service charges - Waste Water Management		8,041	10,832	10,832	2,043	4,165	5,416	(1,251)	-23%	10,832
Service charges - Waste management		4,509	6,683	6,683	1,534	3,120	3,342	(222)	-7%	6,683
Sale of Goods and Rendering of Services		517	624	624	59	202	312	(110)	-35%	624
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6,048	13,632	13,632	4,803	9,618	6,816	2,802	41%	13,632
Interest from Current and Non Current Assets		10,912	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		2	3	3	0	0	2	(1)	-73%	3
Rental from Fixed Assets		1	3	3	1	2	1	0	11%	3
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		3,698	71	71	19	73	35	38	106%	71
Non-Exchange Revenue										
Property rates		12,263	13,926	13,926	3,235	6,462	6,963	(501)	-7%	13,926
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		586	135	135	36	119	67	51	76%	135
Licence and permits		(2,251)	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		69,502	68,488	68,488	19,246	48,721	34,244	14,477	42%	68,488
Interest		-	4,798	4,798	1,543	3,052	2,399	653	27%	4,798
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		382	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		134,129	162,062	162,062	36,501	83,650	81,031	2,619	3%	162,062
Expenditure By Type										
Employee related costs		48,606	53,709	53,709	12,898	23,449	26,854	(3,406)	-13%	53,709
Remuneration of councillors		4,673	4,807	4,807	1,170	2,341	2,404	(63)	-3%	4,807
Bulk purchases - electricity		23,257	25,000	25,000	3,085	3,954	12,500	(8,546)	-68%	25,000
Inventory consumed		16,644	12,920	13,620	2,103	5,168	6,581	(1,414)	-21%	13,620
Debt impairment		-	35,391	35,391	8,848	17,695	17,695	(0)	0%	35,391
Depreciation and amortisation		23,788	25,954	25,954	6,488	12,977	12,977	(0)	0%	25,954
Interest		7,549	-	-	-	-	-	-	-	-
Contracted services		5,922	9,594	8,589	2,566	3,939	4,597	(658)	-14%	8,589
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		17,960	-	-	-	5,172	-	5,172	-	-
Operational costs		12,826	10,299	10,604	5,508	7,479	5,228	2,251	43%	10,604
Losses on Disposal of Assets		4,503	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		165,728	177,674	177,674	42,666	82,173	88,837	(6,664)	-8%	177,674
Surplus/(Deficit)		(31,599)	(15,612)	(15,612)	(6,165)	1,477	(7,806)	9,283	(0)	(15,612)
Transfers and subsidies - capital (monetary allocations)		24,071	51,967	51,967	9,307	25,627	25,984	(357)	(0)	51,967
Transfers and subsidies - capital (in-kind)		1,725	3,000	3,000	1,135	1,135	1,500	(365)	(0)	3,000
Surplus/(Deficit) after capital transfers & contributions		(5,803)	39,355	39,355	4,278	28,239	19,677			39,355
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(5,803)	39,355	39,355	4,278	28,239	19,677			39,355
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(5,803)	39,355	39,355	4,278	28,239	19,677			39,355
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(5,803)	39,355	39,355	4,278	28,239	19,677			39,355

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on service charges, electricity, water, wastewater management, Interest earned from receivables, Rental from fixed assets, fines, penalties & forfeits, Transfers and

subsidies, Interest and operational revenue.

In the case of expenditure, the following line items reflect material variance; Employee related cost, Bulk purchases, Contracted services, operational cost and Irrecoverable debts written off.

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.

NC093_SECTION 52d-OCTOBER TO DECEMBER 2023/2024

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) - Q2 Second Quarter

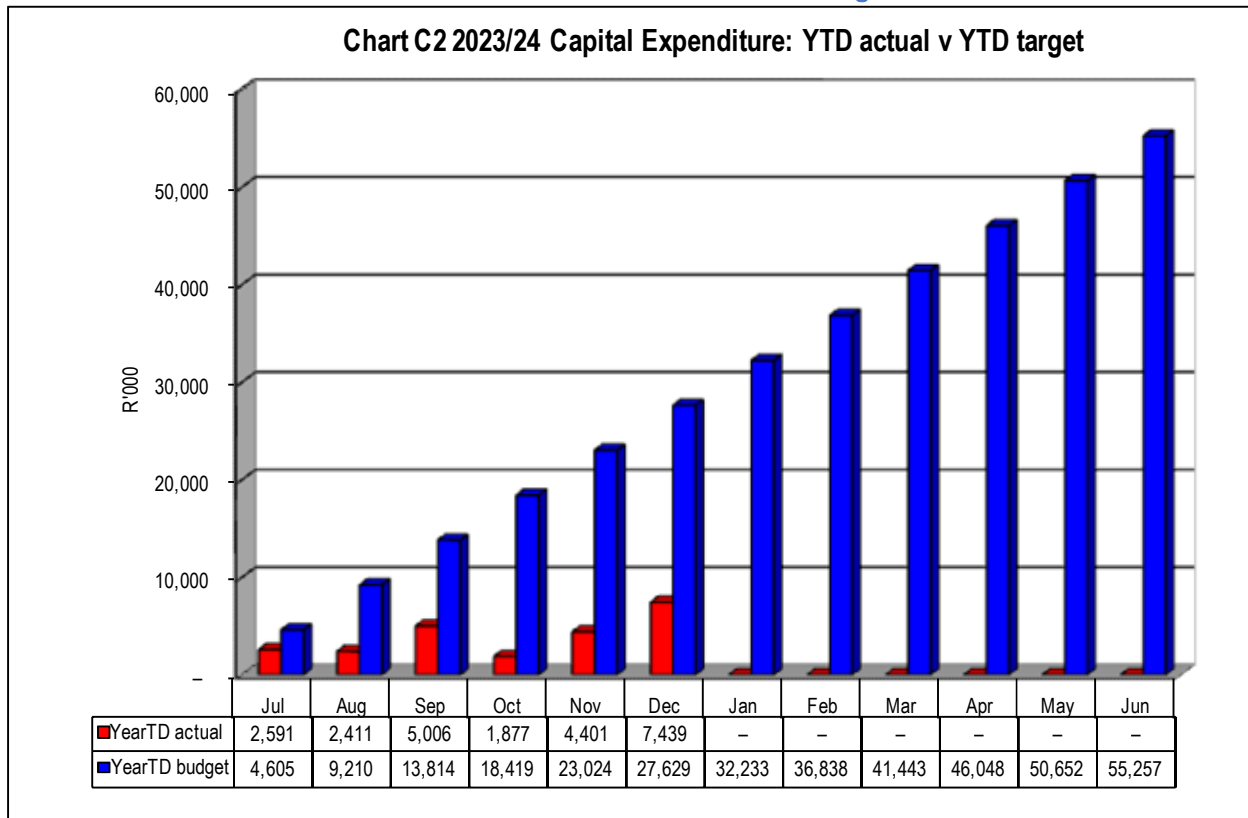
Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
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 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital 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		-	290	290	-	-	145	(145)	-100%	290
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		25,368	54,967	54,967	13,717	23,725	27,484	(3,759)	-14%	54,967
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	25,368	55,257	55,257	13,717	23,725	27,629	(3,904)	-14%	55,257
Total Capital Expenditure		25,368	55,257	55,257	13,717	23,725	27,629	(3,904)	-14%	55,257
Capital Expenditure - Functional Classification										
Governance and administration		-	290	290	-	-	145	(145)	-100%	290
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	290	290	-	-	145	(145)	-100%	290
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		25,368	54,967	54,967	13,717	23,725	27,484	(3,759)	-14%	54,967
Energy sources		-	-	-	-	-	-	-	-	-
Water management		23,885	35,452	35,452	5,297	14,603	17,726	(3,123)	-18%	35,452
Waste water management		1,482	19,515	19,515	8,420	9,122	9,758	(635)	-7%	19,515
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	25,368	55,257	55,257	13,717	23,725	27,629	(3,904)	-14%	55,257
Funded by:										
National Government		23,885	31,967	31,967	11,972	20,622	15,984	4,638	29%	31,967
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	3,000	3,000	1,745	1,745	1,500	245	16%	3,000
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	20,000	20,000	-	1,358	10,000	(8,642)	-86%	20,000
Transfers recognised - capital		23,885	54,967	54,967	13,717	23,725	27,484	(3,759)	-14%	54,967
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		1,482	290	290	-	-	145	(145)	-100%	290
Total Capital Funding		25,368	55,257	55,257	13,717	23,725	27,629	(3,904)	-14%	55,257

Table C5C: Monthly Capital Expenditure by Vote

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - Q2 Second Quarter

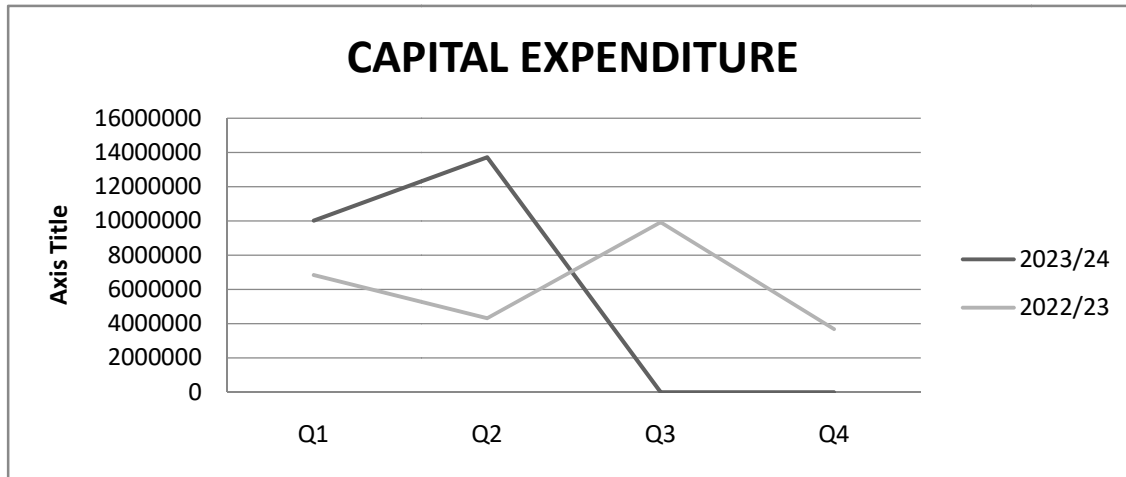
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure - Municipal Vote										
Expenditure of multi-year capital appropriation										
Vote 01 - Executive & 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		-	-	-	-	-	-	-	-	-
03.1 - Administration And Legal		-	-	-	-	-	-	-	-	-
03.2 - Corporate Admin		-	-	-	-	-	-	-	-	-
03.3 - Human Resources		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
04.1 - Finance Admin		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-
05.1 - Technical Admin		-	-	-	-	-	-	-	-	-
05.2 - Roads And Stormwater		-	-	-	-	-	-	-	-	-
05.3 - Solid Waste Management		-	-	-	-	-	-	-	-	-
05.4 - Sanitation		-	-	-	-	-	-	-	-	-
05.5 - Water		-	-	-	-	-	-	-	-	-
05.6 - Electricity		-	-	-	-	-	-	-	-	-
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 Aff		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total multi-year capital expenditure		-	-	-	-	-	-	-	-	-
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		-	290	290	-	-	145	(145)	-100%	290
03.1 - Administration And Legal		-	-	-	-	-	-	-	-	-
03.2 - Corporate Admin		-	290	290	-	-	145	(145)	-100%	290
03.3 - Human Resources		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
04.1 - Finance Admin		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		25,368	54,967	54,967	13,717	23,725	27,484	(3,759)	-14%	54,967
05.1 - Technical Admin		-	-	-	-	-	-	-	-	-
05.2 - Roads And Stormwater		-	-	-	-	-	-	-	-	-
05.3 - Solid Waste Management		-	-	-	-	-	-	-	-	-
05.4 - Sanitation		1,482	19,515	19,515	8,420	9,122	9,758	(635)	-7%	19,515
05.5 - Water		23,885	35,452	35,452	5,297	14,603	17,726	(3,123)	-18%	35,452
05.6 - Electricity		-	-	-	-	-	-	-	-	-
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 Aff		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total single-year capital expenditure		25,368	55,257	55,257	13,717	23,725	27,629	(3,904)	(0)	55,257
Total Capital Expenditure		25,368	55,257	55,257	13,717	23,725	27,629	(3,904)	(0)	55,257

FIGURE 1: CAPITAL EXPENDITURE Year to Date Actual vs. Year to Date Budget



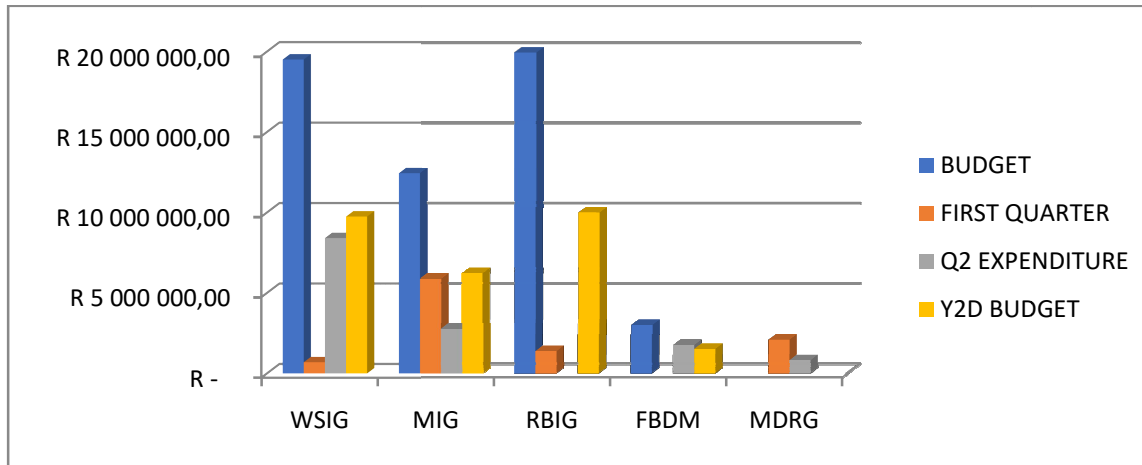
The Table C5 Capex and C5C report provides a comprehensive overview of the capital expenditure performance for all votes, based on standard classifications and funding sources. It accurately measures the year-to-date performance targets against the actual capital expenditure figures. As of the second quarter, the accumulated expenditure stands at R13.7 million, while the year-to-date actual spending amounts to R23.7 million. However, the year-to-date budget is R27.6 million, indicating an underperformance variance of R3.9 million, which translates to a negative variance of 14%. It is crucial to address this significant shortfall and take immediate corrective action to ensure that we meet our budget targets.

FIGURE 2: MONTHLY CAPITAL EXPENDITURE PERFORMANCE



The above graph compares the 2022/23 and 2023/24 quarterly capital expenditure performance.

FIGURE 3: CAPITAL EXPENDITURE BY SOURCE OF FINANCE



The bar chart above clearly illustrates the various sources of finance for the capital budget, totaling R55.3 million. The Municipal Infrastructure Grant accounts for R12.5 million, the Water Services Infrastructure Grant for R19.5 million, and the Regional Bulk Infrastructure Grant for R20 million. Furthermore, R3 million of the budget is funded by the Frances Baard District, and the municipality's revenue contributes R290 Thousand. The graph above presents the expenditure per source of finance with utmost clarity.

Table C6: Quarterly Budget Statement Financial Position

NC093 Magareng - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	Budget Year 2023/24				
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		(108,668)	(138,558)	(138,558)	3,974	(138,558)
Trade and other receivables from exchange transactions		23,459	90,110	90,110	21,079	90,110
Receivables from non-exchange transactions		8,952	15,690	15,690	13,010	15,690
Current portion of non-current receivables						
Inventory		116	(136)	(136)	116	(136)
VAT		59,352	54,920	54,920	62,076	54,920
Other current assets		(1,270)	(1,810)	(1,810)	(1,274)	(1,810)
Total current assets		(18,059)	20,216	20,216	98,981	20,216
Non current assets						
Investments						
Investment property		24,867	23,831	23,831	24,867	23,831
Property, plant and equipment		428,519	281,929	281,929	438,881	281,929
Biological assets						
Living and non-living resources						
Heritage assets		371	371	371	371	371
Intangible assets		10	20	20	10	20
Trade and other receivables from exchange transactions		0	-	-	0	-
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		453,767	306,151	306,151	464,129	306,151
TOTAL ASSETS		435,708	326,367	326,367	563,110	326,367
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		(319)	165	165	-	165
Consumer deposits		1,309	611	611	1,321	611
Trade and other payables from exchange transactions		398,882	320,290	320,290	272,310	320,290
Trade and other payables from non-exchange transactions		14,222	(264)	(264)	30,643	(264)
Provision		7,219	9,051	9,051	8,676	9,051
VAT		23,743	24,009	24,009	24,957	24,009
Other current liabilities		-	2,224	2,224	-	2,224
Total current liabilities		445,056	356,086	356,086	337,906	356,086
Non current liabilities						
Financial liabilities		794	-	-	794	-
Provision		7,285	11,911	11,911	6,744	11,911
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		8,079	11,911	11,911	7,538	11,911
TOTAL LIABILITIES		453,135	367,997	367,997	345,444	367,997
NET ASSETS	2	(17,427)	(41,630)	(41,630)	217,666	(41,630)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		210,564	(41,630)	(41,630)	217,666	(41,630)
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	210,564	(41,630)	(41,630)	217,666	(41,630)

The above table shows the community wealth amounts to R217.7 million, total liabilities R337.9 million and the total assets R 563.1 million. Taking the current liabilities and current assets together, the municipality has a current ratio of 0.29 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 - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	4 874	4 874	1 869	3 639	2 437	1 202	49%	4 874
Service charges		-	20 261	20 261	5 613	10 339	10 131	208	2%	20 261
Other revenue		-	786	786	1 042	3 542	393	3 148	801%	786
Transfers and Subsidies - Operational		-	68 488	68 488	18 819	48 721	34 244	14 477	42%	68 488
Transfers and Subsidies - Capital		-	54 967	54 967	10 442	26 762	27 484	(721)	-3%	54 967
Interest		-	-	-	-	-	-	-		-
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(116 329)	(116 329)	(27 330)	(46 329)	(58 165)	(11 835)	20%	123 554
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	33 047	33 047	10 455	46 673	16 524	(30 150)	-182%	272 930
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		0	-	-	-	0	-	0	#DIV/0!	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(55 257)	(55 257)	(13 717)	(23 725)	(27 629)	(3 904)	14%	(52 257)
NET CASH FROM/(USED) INVESTING ACTIVITIES		0	(55 257)	(55 257)	(13 717)	(23 725)	(27 629)	(3 904)	14%	(52 257)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	0	12	-	12	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	0	12	-	(12)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		0	(22 210)	(22 210)	(3 261)	22 961	(11 105)			220 673
Cash/cash equivalents at beginning:		242	242	242	1 437	(21 139)	242			(21 139)
Cash/cash equivalents at month/year end:		242	(21 968)	(21 968)		1 822	(10 863)			199 534

Table C7 provides details of the quarterly cash in and outflow. For the period ending 31 December 2023 the net cash from operating activities is R46,7 million whilst cash used for investing activities is R23.7 million and the net cash from financing activities is R12 thousand. The cash and cash equivalent held at end of the financial year amounted to R 1,822 million, the amounts on the cash and cash equivalent beginning and end have been updated as per the bank statement.

PART 2: SUPPORTING TABLES

DESCRIPTION	VARIANCE	REASON FOR MATERIAL VARIANCE	REMEDIAL OR CORRECTIVE STEPS/REMARKS
REVENUE BY SOURCE			
Property rates	-7%	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	-61%	The actual revenue is less than the projected monthly revenue	The municipality needs to look at the revenue generated lineitem for electricity services and it will be monitored for adjustment purposes.
Service charges - water revenue	-67%	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	-23%	The projected monthly revenue appear to be higher then the compared to actual revenue performance	The municipality will monitor this line item for adjustment purposes.
Service charges - refuse revenue	-7%	The actual revenue is less than the projected monthly revenue	No remedial action is needed as the variance is below 10%
Sale of Goods and Rendering of Services	-35%	The actual revenue is less than the projected monthly revenue	The variance is unfavourable but will be monitored for adjustment purposes.
Interest earned from Receivables	41%	The actual revenue is more than the projected monthly revenue	The variance is favourable and budgeted amount will be review during adjustment budget.
Fines, penalties and forfeits	76%	The actual revenue is more than the projected monthly revenue.	The municipality will increase fines, penalties and forfeits revenue budget as it was under budgeted due to last year's financial performance.
Transfers and subsidies	42%	The monthly year to actual is less than the year to budgeted revenue.	The municipality receives grants as per DoRA schedule
Operational Revenue	106%	The actual revenue is less than the projected monthly revenue	The municipality will monitor this line for adjustment purposes.
EXPENDITURE BY TYPE			
Employee related costs	-13%	the actual expenditure incurred is less than the projected monthly actual	There are still vacant posts that needs to be filled
Remuneration of councillors	-3%	the actual expenditure is less than the monthly budgeted actual expenditure	The variance is immaterial and no remedial action is needed
Debt impairment	0%	Debt impairment is calculated monthly based on 2122 AFS	The variance is immaterial and no remedial action is needed
Depreciation & asset impairment	0%	Depreciation is calculated annually based on 2122 AFS	The variance is immaterial and no remedial action is needed
Bulk purchases - electricity	-68%	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	-24%	the actual expenditure incurred is less than the projected monthly actual	The Municipality cannot afford to pay the monthly charges and will negotiate a new payment arrangement with Vaalharts water.
Contracted services	-14%	the actual expenditure incurred is less than the projected monthly actual	The municipality will monitor this line item for adjustment purposes.
Operational costs	43%	the actual expenditure incurred is more than the projected monthly actual	The municipality needs to cut down the budgeted expenditure

Supporting Table: SC 1 Material Variance Explanations (Continuation)

Capital expenditure			
National government	29%	the actual expenditure incurred is more than the projected monthly actual	No remedies needed
CASH FLOW			
Receipts			
Property rates	49%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality will have to monitor this line item, might have to be rectified through an adjustment budget in January
Service charges	2%	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	801%	The actual revenue is more 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. The municipality will investigate the mapping of this line item for adjustment purposes.
Transfers and Subsidies - Operational	42%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule
Transfers and Subsidies - Capital	-3%	The actual revenue is less than the projected monthly revenue	The municipality receives grants as per DoRA schedule

Table SC3: Debtors Analysis

Table below provides a breakdown of the consumer and sundry debtors at the end of the Second quarter. The outstanding debtors amounted to R 398.3 million as at 31 December 2023. Consumer debtors amount to R 259.2 million and sundry debtors' amounts to R 139.1 million as at end of the Second quarter.

NC093_SECTION 52d-OCTOBER TO DECEMBER 2023/2024

NC093 Magareng - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2023/24										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	341	344	354	323	284	289	3,149	64,753	69,837	68,798		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	259	431	444	261	189	171	670	26,123	28,549	27,415		
Receivables from Non-exchange Transactions - Property Rates	1400	919	805	784	776	781	756	4,780	44,581	54,181	51,674		
Receivables from Exchange Transactions - Waste Water Management	1500	778	767	774	774	789	803	4,497	53,596	62,777	60,458		
Receivables from Exchange Transactions - Waste Management	1600	574	558	558	554	563	570	3,151	37,333	43,861	42,171		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	2,189	2,160	2,158	2,127	2,144	2,118	9,229	115,046	137,171	130,664		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	10	7	10	23	7	73	79	1,711	1,920	1,893		
Total By Income Source	2000	5,070	5,072	5,080	4,838	4,757	4,780	25,555	343,143	398,296	383,074	-	-
2022/23 - totals only		4,828	4,303	4,175	4,514	4,671	4,895	27,482	326,448	381,318	368,011		
Debtors Age Analysis By Customer Group													
Organs of State	2200	229	225	224	197	181	178	760	4,414	6,408	5,730		
Commercial	2300	392	482	345	321	330	320	2,034	19,953	24,177	22,958		
Households	2400	4,448	4,365	4,511	4,321	4,246	4,282	22,761	318,776	367,710	354,385		
Other	2500	-	-	-	-	-	-	-	-	-	-		
Total By Customer Group	2600	5,070	5,072	5,080	4,838	4,757	4,780	25,555	343,143	398,296	383,074	-	-

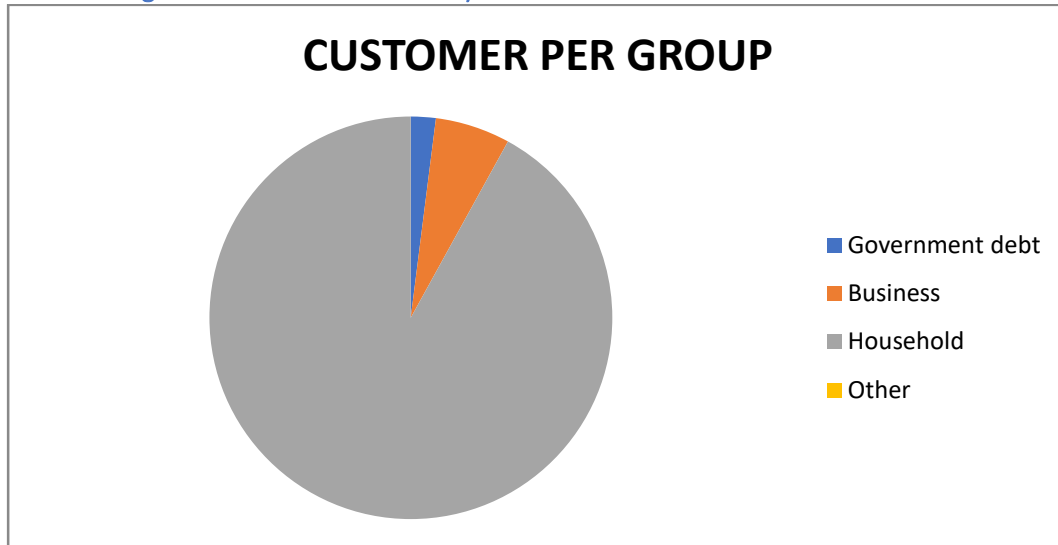
Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at the end of September amount to R 398.3 million. The debtors' book is made up of the following: Indicated in the table above, is the total outstanding debt per Income Source. The highest percentage weighting of debt owed is attributable to:

- Rates 14%
- Electricity 7%
- Water 18%
- Waste water management 16%
- Waste management 11%
- Interest on Debtors 34%
- Other 0%

Weighting per Customer Group

- Government debt constitutes 2%, Businesses 6%, and Households 92% of the total outstanding debt.

FIGURE 4: 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 5: Aged Consumer Debtors analysis

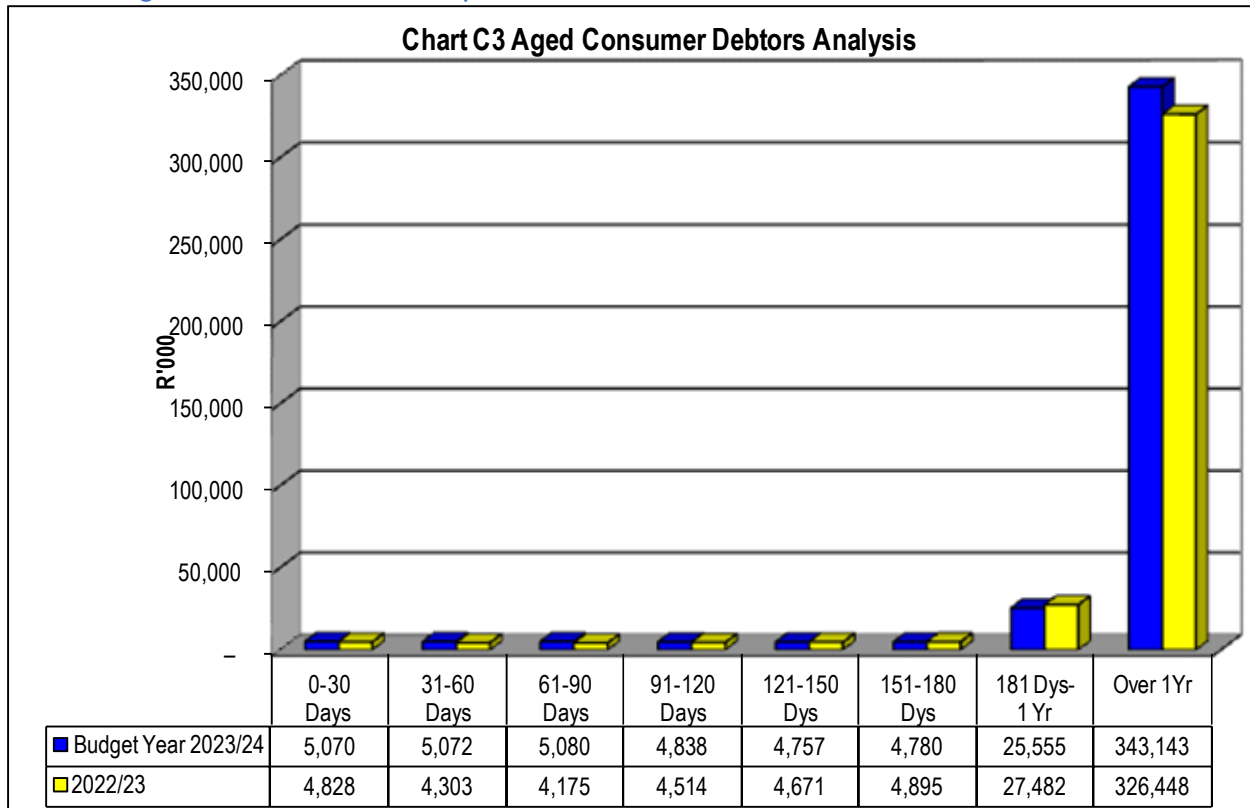


FIGURE 6: Consumer Debtors (Total by Debtor Consumer Category)

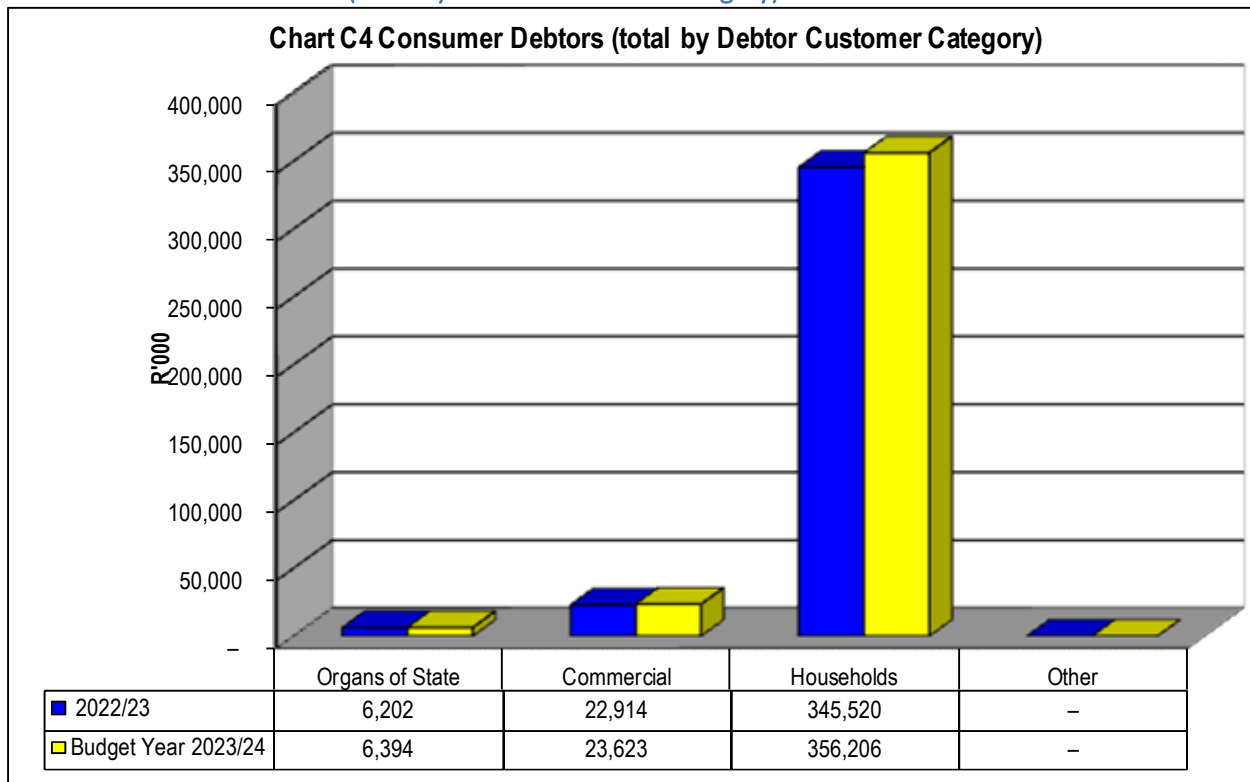
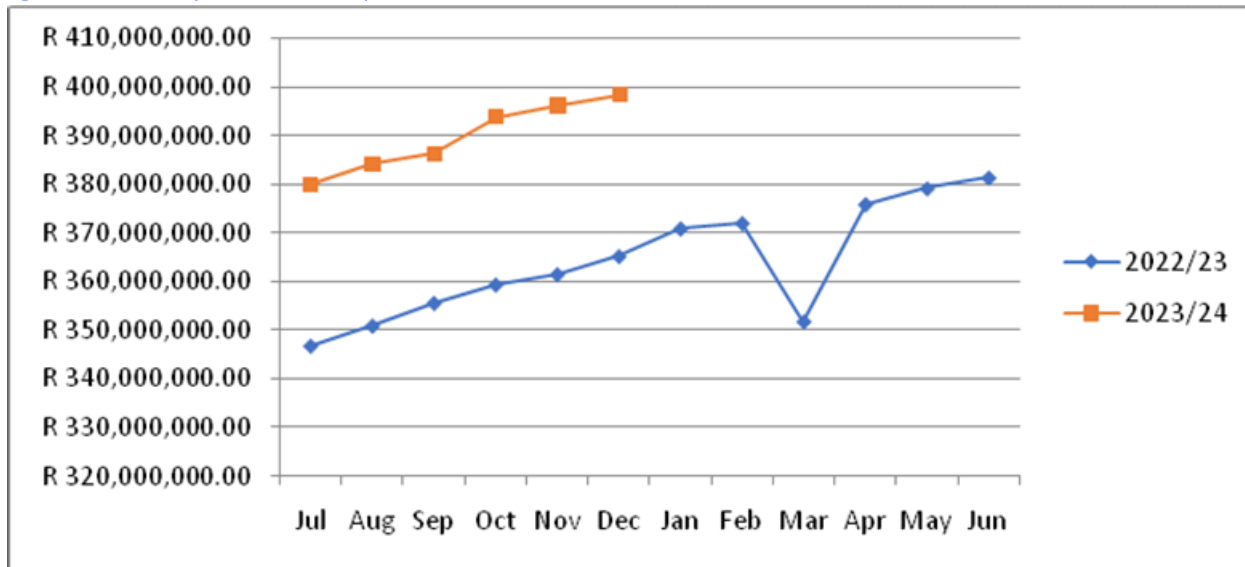


Figure 7: Monthly Debtors Comparison



The provided graph demonstrates a significant increase in the number of outstanding debtors in the current financial year when compared to the previous year. This is evident from the slope of the trends for both years. Furthermore, the age analysis of debtors for the 2022/23 financial year and the following year (as of the end of June 2023) is shown in the initial graph, while the second graph depicts the monthly movement of debtors for both the current financial year and the 2022/23 financial year. The information provided in these graphs highlights an urgent need for prompt action to be taken to address this issue.

Table SC4: Creditors Analysis

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description	NT Code	Budget Year 2023/24									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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	3,058	5,285	6,435	6,342	8,061	43,544	40,646	-	113,370	
Bulk Water	0200	1,253	1,233	1,538	1,487	1,818	12,406	14,231	92,398	126,364	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	-	1,122	1,108	2,753	1,628	1,467	1,463	2,764	12,306	
Auditor General	0800	1,068	1,032	530	436	508	317	41	323	4,254	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	5,379	8,672	9,612	11,018	12,014	57,734	56,382	95,484	256,295	-

It is imperative to note that Table SC4 provides a crucial age analysis of the municipality's creditors. It is mandatory, as per section 65 of the MFMA that all creditors get paid within 30 days of receiving an invoice. The municipality's creditors as of December 31st, 2023, amount to R 256.3 million, including Eskom with R 113.4 million and Vaalharts Water with R 126.4 million, among others. However, despite this obligation, the municipality is currently unable to pay its creditors within the required 30 days due to low revenue collection.

FIGURE 8: Aged Creditors Analysis

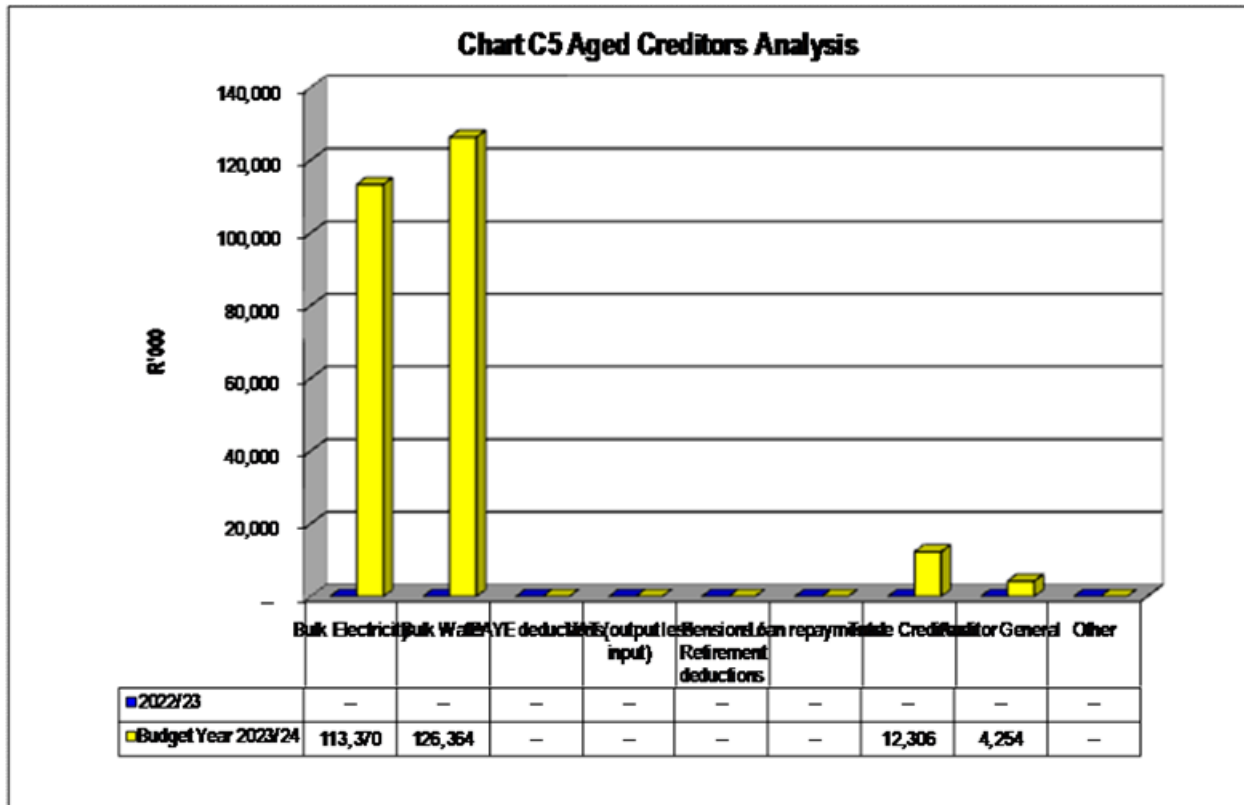


Table SC5: Investment Portfolio Analysis

NC093 Magareng - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2 Second 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					24/07/2023	-	-	-	-	-
ABSA (9356869912)		3 MONTHS	7 DAYS	YES					30/12/2023	11,355	174	(8,000)	-	3,529
ABSA (9355871747)		3 MONTHS	7 DAYS	YES					20/12/2023	20	0	-	-	20
														-
														-
Entities sub-total										11,375		(8,000)	-	3,550
TOTAL INVESTMENTS AND INTEREST	2									11,375		(8,000)	-	3,550

Supporting Table SC5 displays the council’s investments portfolio and indicates that the municipality had an opening balance of R11.4 million, earned interest of R175 thousand and withdrawals amount to R8 million by the end of the second quarter the municipality had a closing amount of R3.6 million.

Table SC6- Allocation and grant receipts

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		65,086	65,541	65,541	19,066	47,967	32,771	15,197	46.4%	65,541
Equitable Share		57,991	61,591	61,591	18,639	44,302	30,795	13,507	43.9%	61,591
Expanded Public Works Programme Integrated Grant		1,073	950	950	427	665	475	190	40.0%	950
Local Government Financial Management Grant		3,000	3,000	3,000	-	3,000	1,500	1,500	100.0%	3,000
Municipal Disaster Relief Grant		3,021	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]										
District Municipality:		3,650	1,800	1,800	180	180	900	(720)	-80.0%	1,800
FBDM Operational		3,650	1,800	1,800	180	180	900	(720)	-80.0%	1,800
Other grant providers:		767	1,147	1,147	-	574	573	0	0.0%	1,147
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		767	1,147	1,147	-	574	573	0	0.0%	1,147
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	69,502	68,488	68,488	19,246	48,721	34,244	14,477	42.3%	68,488
Capital Transfers and Grants										
National Government:		24,071	51,967	51,967	9,307	25,627	25,984	(357)	-1.4%	51,967
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		16,962	12,452	12,452	3,452	8,452	6,226	2,226	35.8%	12,452
Regional Bulk Infrastructure Grant		-	20,000	20,000	-	1,562	10,000	(8,438)	-84.4%	20,000
Water Services Infrastructure Grant		7,109	19,515	19,515	5,855	15,613	9,758	5,856	60.0%	19,515
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]										
District Municipality:		1,725	3,000	3,000	1,135	1,135	1,500	(365)	-24.3%	3,000
FBDM Capital		1,725	3,000	3,000	1,135	1,135	1,500	(365)	-24.3%	3,000
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	25,796	54,967	54,967	10,442	26,762	27,484	(721)	-2.6%	54,967
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	95,298	123,455	123,455	29,689	75,483	61,728	13,755	22.3%	123,455

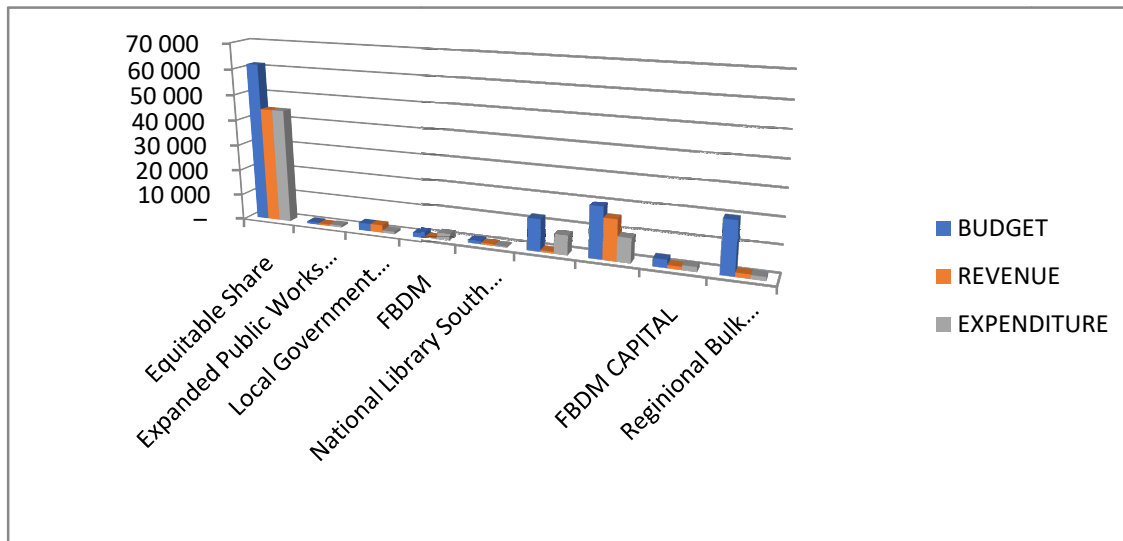
In Supporting Tables SC6, you can find all the details of the grants that were received. During the second period, the municipality received R29.7 million, of which the major portion is attributed to equitable share. The municipality has received a total of R75.5 million, taking into consideration both operational and capital grants, year to date. In the reporting period, Most of the grants that were gazetted were received according to the 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 - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		39,342	65,541	65,541	19,494	46,160	32,771	13,389	40.9%	30,487
Equitable Share		31,387	61,591	61,591	18,639	44,302	30,796	13,507	43.9%	26,537
Expanded Public Works Programme Integrated Grant		1,261	950	950	412	834	475	359	75.6%	950
Local Government Financial Management Grant		6,695	3,000	3,000	443	1,024	1,500	(476)	-31.8%	3,000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		1,210	1,800	1,800	1,933	2,357	900	1,457	161.9%	1,800
FBDM Operational		1,210	1,800	1,800	1,933	2,357	900	1,457	161.9%	1,800
Other grant providers:		858	1,147	1,147	346	619	573	46	8.0%	1,147
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		858	1,147	1,147	346	619	573	46	8.0%	1,147
Total operating expenditure of Transfers and Grants:		41,411	68,488	68,488	21,773	49,136	34,244	14,892	43.5%	33,434
Capital expenditure of Transfers and Grants										
National Government:		23,885	31,967	31,967	11,972	20,622	15,984	4,638	29.0%	31,967
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	792	2,862	-	2,862	-	-
Municipal Infrastructure Grant		12,531	12,452	12,452	2,760	8,637	6,226	2,411	38.7%	12,452
Water Services Infrastructure Grant		11,354	19,515	19,515	8,420	9,122	9,758	(635)	-6.5%	19,515
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	3,000	3,000	1,745	1,745	1,500	245	16.3%	3,000
FBDM Capital		-	3,000	3,000	1,745	1,745	1,500	245	16.3%	3,000
Other grant providers:		-	20,000	20,000	-	1,358	10,000	(8,642)	-86.4%	20,000
Regional Bulk Infrastructure Grant		-	20,000	20,000	-	1,358	10,000	(8,642)	-86.4%	20,000
Total capital expenditure of Transfers and Grants		23,885	54,967	54,967	13,717	23,725	27,484	(3,759)	-13.7%	54,967
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		65,296	123,455	123,455	35,489	72,861	61,727	11,133	18.0%	88,401

A total of R35.5 million has been spent on grants during the second quarter of the financial year. The year-to-date spending currently stands at R72.9 million, while the year-to-date budget is R61.7 million. This has resulted in an overspending variance of R11.1 million, which translates to a positive 18%. Out of the total spending year-to-date, R49.1 million has been spent on operational grants, while R23.7 million has been spent on capital grants.



The above graph depicts the gazetted and budgeted amounts for all the grants received and

the expenditure there of as at end of December 2023. The grants expenditure is shown below in percentages when compared to the budgeted amounts:

- Financial Management Grant 15%
- Expanded Public Work Programme 43%
- Equitable Share 30%
- Frances Baard District Municipality Grant (Operational) 107%
- Library Grant 30%
- Municipal Infrastructure Grant 22%
- Water Services Infrastructure Grant 43%
- Regional Bulk Infrastructure Grant 0%
- Frances Baard District Municipality Grant (Capital) 58%

Financial Management grant

- The FMG grant is a crucial support for BTO program projects that are funded by the National Treasury. So far, R 3 million has been received, but only 15% of it has been spent as of the end of the second quarter. This slow spending is due to the vacant intern position and the municipality has not yet upgraded the mscoa financial system as per the support plan. It's imperative to find a solution to this issue as soon as possible to ensure that the project runs smoothly and efficiently.
- The municipality has consistently fully spent this conditional grant, even in the current financial year this will be achieved as it is fully committed and a support plan was developed and approved by NT.

Expanded Public Work Programme

- EPWP grant is used to fund the expanded public works programs, and this is a National Department of Public Works initiative to curb the high unemployment rate.
- It is important to note that the municipality has already received both the first and second tranches of the allocation, totaling R665 thousand. The total allocation amounts to R950 thousand. As of the end of the second quarter, the municipality has already spent R 834 thousand, which is equal to 88% of the total allocation. It is worth noting that in most cases, the municipality uses its funds to pay employees who are funded by this grant after it has depleted.

Frances Baard District Municipality Grant

- FBDM grant is used to assist the municipality with Operations and Maintenance, this grant is funded by the district municipality.
- The municipality has received R180 thousand for the grant and to date it has spend R1,933million it is also important to note some of the claims made to FBDM are paid direct to the contractor on behalf of the municipality, hence the difference between what the municipality has received and spend

Library Grant

- It should be noted that the municipality received the first tranche of the grant in September, amounting to R574 thousand. As per DoRA, the total allocation amounts to R1.1 million. It is important to highlight that the municipality has already spent R619 thousand, which equates to 54% of the grant allocation.

Municipal Infrastructure Grant

- The MIG expenditure as at 31 December 2023 is sitting at 69% of the total allocation of R12.5 million for the year. The municipality to date has received R8.5 million and out of that R8.6 million has been spent and that translates to 102% as the end of second quarter.

Water Services Infrastructure Grant

- The WSIG expenditure as at 31 December 2023 is sitting at 47% of the total allocation of R19.5 million for the year. The municipality to date has received R15.6 million and out of that R9.1 million has been spent and that translates to 58% as the end of second quarter.

Regional Bulk Infrastructure Grant

- The RBIG expenditure as at 31 December 2023 is sitting at 7% of the total allocation of R20 million for the year. The municipality to date has received R1.6 million and out of that R1.4 million has been spent and that translates to 87% as the end of second quarter.

Frances Baard District Municipality Capital Grant

- FBDM grant is used to assist the municipality with Capital Infrastructure Maintenance; this grant is funded by the District municipality.
- The FBDM capital expenditure to date is sitting at R1.7 million of which translates to 58% of the total allocation to be received by the municipality of which amounts to R3 million. The municipality to date has received R1.1 million and out of that 1.7 million has been spent which results in an overspending of R609 thousand.

Table SC8: Councillor Allowances and Employee Benefits

NC093 Magareng - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,173	3,222	3,222	815	1,618	1,611	7	0%	3,222
Pension and UIF Contributions		448	452	452	99	191	226	(36)	-16%	452
Medical Aid Contributions		115	123	123	16	47	62	(14)	-23%	123
Motor Vehicle Allowance		456	529	529	129	258	264	(6)	-2%	
Cellphone Allowance		481	481	481	110	227	241	(14)	-6%	481
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	529
Sub Total - Councillors		4,673	4,807	4,807	1,170	2,341	2,404	(63)	-3%	4,807
% increase	4		2.9%	2.9%						2.9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1,040	2,829	2,829	306	558	1,415	(857)	-61%	2,829
Pension and UIF Contributions		125	314	314	30	58	157	(99)	-63%	314
Medical Aid Contributions		69	122	122	12	24	61	(37)	-60%	122
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		67	231	231	55	55	115	(60)	-52%	231
Motor Vehicle Allowance		820	1,500	1,500	-	13	750	(737)	-98%	1,500
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	154	154	-	-	77	(77)	-100%	154
Other benefits and allowances		0	1	1	0	0	0	(0)	-74%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		63	166	166	-	-	83	-	-	166
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,185	5,317	5,317	404	708	2,659	(1,950)	-73%	5,317
% increase	4		143.4%	143.4%						143.4%
Other Municipal Staff										
Basic Salaries and Wages		31,226	34,670	34,670	7,818	15,781	17,335	(1,554)	-9%	34,670
Pension and UIF Contributions		6,067	6,428	6,428	1,409	2,826	3,214	(388)	-12%	6,428
Medical Aid Contributions		2,305	2,569	2,569	445	886	1,284	(399)	-31%	2,569
Overtime		2,327	1,000	1,000	112	219	500	(281)	-56%	1,000
Performance Bonus		2,948	2,829	2,829	2,577	2,736	1,414	1,322	93%	2,829
Motor Vehicle Allowance		62	53	53	13	25	26	(1)	-5%	53
Cellphone Allowance		74	66	66	12	23	33	(11)	-32%	66
Housing Allowances		70	77	77	13	26	38	(13)	-33%	77
Other benefits and allowances		456	491	491	78	165	245	(81)	-33%	491
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	110	110	-	-	55	(55)	-100%	110
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		248	100	100	18	55	50	5	10%	100
In kind benefits		638	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		46,422	48,392	48,392	12,494	22,740	24,196	(1,456)	-6%	48,392
% increase	4		4.2%	4.2%						4.2%
Total Parent Municipality		53,279	58,516	58,516	14,068	25,789	29,258	(3,469)	-12%	58,516

Table SC8 provides details of the remuneration for councillors and employee-related costs. The total salaries, allowances, and benefits paid for the second quarter amounted to R14.1 million. The year-to-date actual expenditure is R25,8 million, while the year-to-date budget is R29.3 million, resulting in a negative variance of 12% 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 - Q2 Second Quarter

Description	Ref	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework			
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Cash Receipts By Source																	
Property rates		636	563	572	985	482	402	406	406	406	406	406	(796)	4 874	5 090	5 329	
Service charges - Electricity revenue		1 100	1 273	1 156	884	2 022	1 437	911	911	911	911	911	(1 499)	10 926	11 163	11 687	
Service charges - Water revenue		139	223	188	137	584	106	267	267	267	267	267	493	3 204	3 361	3 519	
Service charges - Waste Water Management		72	75	130	60	86	51	316	316	316	316	316	1 738	3 791	3 977	4 164	
Service charges - Waste Management		113	118	138	82	92	73	195	195	195	195	195	748	2 339	2 454	2 569	
Rental of facilities and equipment		-	0	0	0	0	0	2	2	2	2	2	16	27	23	24	
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		-	-	-	-	-	-	5	5	5	5	5	38	65	68	71	
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies - Operational		25 663	3 238	574	-	427	18 639	5 707	5 707	5 707	5 707	5 707	(8 589)	68 488	69 487	69 431	
Other revenue		12 504	158	2 256	941	72	29	58	58	58	58	58	(15 555)	694	728	763	
Cash Receipts by Source		40 227	5 648	5 014	3 088	3 765	20 737	7 865	7 865	7 865	7 865	7 865	(23 422)	94 382	96 328	97 535	
Other Cash Flows by Source																	
Transfers and subsidies - capital (monetary allocations) (National/ Provincial and District)		-	1 562	14 758	5 855	-	4 587	4 581	4 581	4 581	4 581	4 581	5 302	54 967	14 913	14 690	
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits		4	(1)	5	2	2	0	-	-	-	-	-	(12)	-	-	-	
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source		40 231	7 209	19 777	8 945	3 767	25 325	12 446	12 446	12 446	12 446	12 446	(18 132)	149 349	111 241	112 225	
Cash Payments by Type																	
Employee related costs		3 518	3 416	3 616	3 408	6 067	3 423	(4 476)	(4 476)	(4 476)	(4 476)	(4 476)	(54 779)	(53 709)	(56 091)	(58 178)	
Remuneration of councillors		390	390	390	390	390	390	401	401	401	401	401	463	4 807	5 109	5 429	
Interest		-	-	870	-	-	3 085	(2 083)	(2 083)	(2 083)	(2 083)	(2 083)	(18 538)	(25 000)	(26 225)	(27 458)	
Bulk purchases - Electricity		483	689	1 892	380	1 081	643	(1 077)	(1 077)	(1 077)	(1 077)	(1 077)	(12 704)	(12 920)	(12 134)	(12 670)	
Acquisitions - water & other inventory		66	368	939	501	864	1 201	(3 555)	(3 555)	(3 555)	(3 555)	(3 555)	(28 826)	(42 663)	(4 843)	(4 304)	
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure		456	835	681	911	2 585	2 012	494	494	494	494	494	(4 019)	5 931	5 706	6 005	
Cash Payments by Type		4 913	5 698	8 388	5 590	10 987	10 753	(10 296)	(10 296)	(10 296)	(10 296)	(10 296)	(118 403)	(123 554)	(88 479)	(91 175)	
Other Cash Flows/Payments by Type																	
Capital assets		2 591	2 411	5 006	1 877	4 401	7 439	4 355	4 355	4 355	4 355	4 355	6 759	52 257	15 217	15 009	
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Payments by Type		7 504	8 109	13 393	7 467	15 388	18 192	(5 941)	(5 941)	(5 941)	(5 941)	(5 941)	(111 644)	(71 297)	(73 262)	(76 166)	
NET INCREASE/(DECREASE) IN CASH HELD		32 726	(901)	6 384	1 478	(11 621)	7 133	18 387	18 387	18 387	18 387	18 387	93 512	220 646	184 504	188 391	
Cash/cash equivalents at the month/year beginning:		734	33 460	32 559	38 943	40 420	(3 825)	1 821	20 209	38 596	56 983	75 370	93 757	734	221 380	405 883	
Cash/cash equivalents at the month/year end:		33 460	32 559	38 943	40 420	28 799	1 821	20 209	38 596	56 983	75 370	93 757	187 269	221 380	405 883	594 274	

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. We have updated the cash and cash equivalents as per the bank statement.

Table SC12: Capital Expenditure Trend

NC093 Magareng - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q2 Second Quarter

Month	2022/23	Budget Year 2023/24							
	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	5,035	4,605	4,605	2,591	2,591	4,605	2,014	43.7%	5%
August	-	4,605	4,605	2,411	2,411	9,210	6,798	73.8%	4%
September	1,803	4,605	4,605	5,006	5,006	13,814	8,809	63.8%	9%
October	-	4,605	4,605	1,877	1,877	18,419	16,542	89.8%	3%
November	1,798	4,605	4,605	4,401	4,401	23,024	18,623	80.9%	8%
December	2,517	4,605	4,605	7,439	7,439	27,629	20,190	73.1%	13%
January	-	4,605	4,605	-	-	32,233	32,233	100.0%	0%
February	2,170	4,605	4,605	-	-	36,838	36,838	100.0%	0%
March	7,748	4,605	4,605	-	-	41,443	41,443	100.0%	0%
April	1,214	4,605	4,605	-	-	46,048	46,048	100.0%	-
May	826	4,605	4,605	-	-	50,652	50,652	100.0%	-
June	2,257	4,605	4,605	-	-	55,257	55,257	100.0%	-
Total Capital expenditure	25,368	55,257	55,257	23,725					


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 the second quarter amounts to R13.7 million and the year to date expenditure amounts to R23.7 million.

Quality Certificate

I... Tumelo Thage the Municipal Manager of Magareng Local Municipality (NC093), hereby certify that—

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

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



Mr. T Thage
Acting Municipal Manager

23 January 2024
Date