

MAGARENG



MUNICIPALITY

QUARTERLY BUDGET & PERFORMANCE ASSESSMENT 2024/2025

DISTRIBUTION:

• Executive Mayor:	Mrs. Neo Mase
• Acting Municipal Manager:	Mr. Tumelo Thage
• Chief Financial Officer:	Ms. Kedisaletse Khaziwa
• Sector Departments:	National and Provincial Departments
•	Uploaded to the National Treasury GoMuni portal

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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 Discussion

The report will be discussed under the following broad heading:

- 1) Financial management

1.3 Financial Management Review

This section has been split into two parts in terms of reporting method as required by Treasury as follows:

Part 1 – Quarterly Report

- i) Mayor's Report
- ii) Executive Summary
- iii) In year budget tables

Part 2 – Quarterly Report

- i) Material variance explanation
- ii) Performance indicators
- iii) Debtors' analysis
- iv) Creditors analysis
- v) Investment portfolio analysis
- vi) Allocation and grant receipts and expenditure
- vii) Council and employee benefits
- viii) Capital Expenditure trend.

Municipal Managers quality certificate

I. 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)

Highlight of financial performance, Challenges and Risks for the quarter.

- For the third quarter (January- March 2025), the total operating revenue has been calculated to be R37.6 million. Additionally, the actual year-to-date amounts to R132.2 million which reflects a positive variance of 9% when compared to the projected year to date budget amounting to R121.5million. The variance will be explained in detail on the next page

Below is a table that summarizes the municipal finance performance

	BUDGET YEAR 2024/25							
	Original Budget	Adjusted Budget	Q1	Q2	Q3	YearTD actual	YearTD budget	YTD variance
Total Revenue (excluding capital transfers and contributions)	161,455,421.00	162,057,848.00	51,270,607.44	43,299,348.02	37,631,103.20	132,201,058.66	121,543,386.00	10,657,672.66
Total Expenditure	164,908,066.00	186,482,375.00	33,147,118.58	41,549,993.16	49,441,906.15	124,139,017.80	139,861,781.25	- 15,722,763.45
Surplus/(Deficit)	- 3,452,645.00	- 24,424,527.00	18,123,488.86	1,749,354.86	- 11,810,802.95	8,062,040.86	- 18,318,395.25	26,380,436.11
Transfers and subsidies - capital (monetary allocations)	42,258,000.00	93,535,106.00	28,292,298.46	25,380,224.59	19,410,035.42	73,082,554.77	70,151,329.50	2,931,225.27
Surplus/(Deficit) after capital transfers & contributions	38,805,355.00	69,110,579.00	46,415,787.32	27,129,579.45	7,599,232.47	81,144,595.63	51,832,934.25	29,311,661.38
Capital expenditure	42,258,000.00	93,535,106.00	18,265,308.45	19,795,414.91	8,639,835.27	46,700,558.63	52,204,742.40	- 5,504,183.77

Table 1: Income for the third quarter 2025

NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

Description		Ref	2023/24	Budget Year 2024/25							
			Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity			14,600	18,637	18,637	4,329	13,341	13,978	(637)	-5%	18,637
Service charges - Water			3,264	3,663	5,196	1,161	3,759	3,897	(138)	-4%	5,196
Service charges - Waste Water Management			8,059	11,363	9,363	2,265	6,821	7,022	(202)	-3%	9,363
Service charges - Waste management			6,050	7,045	7,045	1,670	5,063	5,284	(221)	-4%	7,045
Sale of Goods and Rendering of Services			531	773	1,171	237	774	878	(105)	-12%	1,171
Agency services			-	-	-	-	-	-	-	-	-
Interest			-	-	-	-	-	-	-	-	-
Interest earned from Receivables			19,311	24,389	24,389	5,339	15,557	18,292	(2,734)	-15%	24,389
Interest from Current and Non Current Assets			357	-	44	-	22	33	(11)	-33%	44
Dividends			-	-	-	-	-	-	-	-	-
Rent on Land			9	2	36	3	21	27	(6)	-21%	36
Rental from Fixed Assets			6	3	149	(4)	10	112	(101)	-91%	149
Licence and permits			-	-	-	-	-	-	-	-	-
Operational Revenue			8,405	298	298	127	358	223	135	60%	298
Non-Exchange Revenue											
Property rates			12,916	14,608	14,608	3,365	10,143	10,956	(813)	-7%	14,608
Surcharges and Taxes			-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			395	586	586	-	-	440	(440)	-100%	586
Licence and permits			-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational			76,049	72,942	73,390	17,325	71,105	55,042	16,063	29%	73,390
Interest			5,986	7,146	7,146	1,813	5,226	5,360	(134)	-3%	7,146
Fuel Levy			-	-	-	-	-	-	-	-	-
Operational Revenue			208	-	-	-	-	-	-	-	-
Gains on disposal of Assets			175	-	-	-	-	-	-	-	-
Other Gains			-	-	-	-	-	-	-	-	-
Discontinued Operations			-	-	-	-	-	-	-	-	-
			156,319	161,455	162,058	37,631	132,201	121,543	10,658	9%	162,058
Total Revenue (excluding capital transfers and contributions)											

Operating Revenue

The operating revenue summary outlined in the table above has been extracted from the C4 table in the attached C Schedule. During the third quarter, the municipality accrued total operating revenue of R37.6 million. This figure comprises of R5.3 million from interest on receivables, R3.4 million from property rates, R9.4 million from service charges, and R17.3 million from Transfers & Subsidies - Operational. The majority of the revenue is attributed to transfers and subsidies, the municipality received the following grants for the quarter: R372 thousand from EPWP, R16.3 million from equitable share R599 from Library grant, R68 thousand from FBDM and R35 thousand from SETA. A comparison of the year-to-date budget of R121.5 million with the actual to date figures which amounts to R132.2 million reveals a positive variance of 9%, primarily driven by the Operational grants.

Detailed explanation on revenue by source items.

Property rates.

The municipality has reported billed revenue of R3.4 million for the quarter. This represents a 7% shortfall compared to the year to date budgeted revenue of R10.9 million and the year to date actual of R10.1 million for the reviewed period. This variance is deemed immaterial as it falls below the 10% threshold.

Service charges – Electricity.

The municipal revenue generated from the sale of electricity for the third quarter amounts to R4.3 million. However, the year-to-date budget stands at R13.9 million, resulting in a negative variance of 5% when compared to the year-to-date revenue of R13.3 million for the period under review. It is worth noting that the variance in electricity revenue is deemed immaterial, as it falls below the threshold of 10%.

Service charges – water.

The municipality reported total revenue of R1.2 million from water services for the quarter under review. However, the actual year-to-date revenue for this period is R3.8 million, resulting in a 4% shortfall compared to the actual year-to-date budget of R3.9 million. This variance is deemed immaterial as it falls below the 10% threshold.

Service charges – sanitation.

For the quarter under review, the municipality generated revenue of R2.3 million. The budgeted revenue for the year to date amounts to R7 million, which is 3% higher than the actual revenue of R6.8 million, recorded for the third quarter. It is worth noting that the variance in sanitation revenue is deemed immaterial, as it falls below the threshold of 10%.

Service charges – refuse.

The municipality generated R1.7 million and actual year to date budget amounts to R 5.3 million which is 4% above the year to date actual revenue that amounts to R 5.1 million during the period under review. The variance is considered to be immaterial as it is below the 10% threshold.

Rent from fixed assets.

During the quarter under review, the municipality recorded a reversal revenue of R4 thousand from fixed assets this is due to the refund being handed out to pupils who hire the sports facility should there be no damages, while the year-to-date actual budget stands at R112 thousand and the year to date actual amounts to R10 thousand of which results in a negative variance of 91%.

Interest earned – from receivables.

The municipality has generated revenue amounting to R 5.4 million, with the actual year-to-date budget standing at R 18.3 million, which is 15% above the actual year-to-date revenue of R 15.6 million for the third quarter. The major attribute to this variance is the interest accrued on outstanding debts owed to the municipality. This shortfall has negative implications for the municipal debtor's book, as the accounts remain unpaid for longer and continue to accrue interest.

Fines, penalties, and forfeits

The municipality did not generate any income on this line item for the quarter under review.

Licenses and Permits

The municipality did not budget for this line item. The license testing yard is not operational renovation are required as per the Department of Traffic regulations.

Transfers recognized – operational.

The municipality has received a total of R17.3 million in operating grants from various sources. The third trench amounting to R16.3 million was received from the Equitable share in March and this means the municipality has received the whole allocation as per DoRA allocation which amounts to R65 million, R372 thousand for EPWP for the quarter under review the municipality

also received the whole allocation for this grant as per the DoRA allocation, a total of R68 thousand was received from FBDM O & M for the quarter under review and in total the municipality received R611 thousand, R35 thousand was received from SETA in the third quarter with the year to date actual standing at R52 thousand and R599 thousand was received for the Library grant, the municipality received the expected allocation as per the allocation letter from Arts & Culture.

It's important to note that these grants were received according to the DoRA payment schedule. The municipality received all the operational grants allocations as per the DoRA, excluding the FBDM O & M.

Other revenue/ Operational Revenue

The municipality generated total revenue of R127 thousand from other revenue for the quarter under review. The year-to-date budget amounts to R223 thousand which is 60% less than the actual year to date revenue amounting to R 358 thousand.

Interest from current and non-current assets

The year to date actual in this line item stands at R22 thousand and the year to date budget amounts to R33 Thousand which results in a negative variance of 33%, this interest is from the closing of the traffic fines call account.

Rent on land

For the quarter under review the municipality generated total revenue of R3 thousand which reflects a negative variance of 21% when compared to the year to date budget of R27 thousand and the year to date actual of R21 thousand.

Interest non-exchange

The municipality generated R1.8 million and year to date budget amounts to R 5.4 million which is 3% above the year to date actual revenue that amounts to R 5.3 million during the period under review. The variance is considered to be immaterial as it is below the 10% threshold

Table 2: Expenditure for the third quarter 2025
The below table indicates expenditure items by type.

NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

Financial Performance (Revenue and Expenditure) - 2023/24		Budget Year 2024/25								
Description	Ref	2023/24								
		Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		47,180	54,352	54,377	12,402	37,504	40,783	(3,278)	-8%	54,377
Remuneration of councillors		5,257	5,587	5,365	1,285	3,966	4,024	(58)	-1%	5,365
Bulk purchases - electricity		26,694	25,000	24,290	4,435	11,462	18,218	(6,756)	-37%	24,290
Inventory consumed		10,606	13,333	13,018	1,352	5,077	9,763	(4,687)	-48%	13,018
Debt impairment		-	17,056	31,865	15,371	23,899	23,899	-	0%	31,865
Depreciation and amortisation		18,423	23,541	23,541	5,885	17,656	17,656	0	0%	23,541
Interest		1,958	1,887	1,415	146	146	1,062	(916)	-86%	1,415
Contracted services		11,680	7,750	11,632	2,866	8,145	8,724	(579)	-7%	11,632
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		63,729	-	-	-	-	-	-	-	-
Operational costs		19,054	15,824	20,401	5,701	16,286	15,301	985	6%	20,401
Losses on Disposal of Assets		3,105	-	-	-	-	-	-	-	-
Other Losses		-	579	579	-	-	434	(434)	-100%	579
Total Expenditure		207,686	164,908	186,482	49,442	124,139	139,862	(15,723)	-11%	186,482

Operating Expenditure

Table 2 provides a detailed overview of the municipality's operating expenditure. These figures are taken from C4 in the attached C-Schedule. During the quarter being assessed, the municipality spent a total of R49.4million on operating expenses. The current year-to-date actual budget indicates that the municipality should have spent at least R139.9million up to this point and the municipality has spent R124.1million. Considering this, the municipal variance for the third quarter stands at a negative 11% and it is deemed immaterial as the variance is not far below 10%. The variances will be explained per line item below.

Employee related costs

The municipality's expenditure on employee-related costs totaled to R12.4million for the quarter under review. This represents an 8% variance from the year-to-date budget of R40.8million and the year to date actual of R37.5million. This variance is deemed immaterial as it is below the 10% threshold.

Remuneration of councillors

Expenditure incurred in relation to councilor's remuneration amounts to R1.3million and the year-to-date actual budget amounts to R4million which reflects a negative variance of 1%, when we compare with the year to date actual amounting to R3.9million. The variance in Remuneration of councillors is immaterial.

Debt impairment

The municipality has recognized a debt impairment of R15.4million in the third quarter. Both the year-to-date budget and the year to date actual, stands at R24million, indicating a variance of 0%. This alignment between the year-to-date actual and budget figures is attributed to the diligent capture of monthly journals which reflect the movement, as per guidance from the Provincial Treasury. These actions are informed by current collection trends and the 2023/24 financial statements.

Depreciation

The municipality has incurred an amount of R5.9 million, classified as a non-cash item. The actual year-to-date expenditure also amounts to R17.7 million, reflecting a 0% variance when compared to the budgeted year-to-date amount of R17.7 million. This line item is being accorded the same treatment as the debt impairment.

Bulk purchases

The municipality spent R4.4 million on electricity for bulk purchases in the third quarter. The year-to-date budget for electricity is R18.2 million and the year to date actual amount to R11.5 million, which results in a negative variance of 37%. This variance is due to the municipality's inability to meet its payment commitments to Eskom because of current financial constraints. It's important to note that this amount only pertains to electricity expenses, as water costs are categorized as inventory items.

Inventory consumed.

The reclassification of MSCOA has resulted in water purchases being categorized under inventory consumed. For the reporting quarter the municipality has incurred an expenditure amounting to R 1.4 million and the year to date actual stands at R5.1 million, this reflects a variance of 48% less than the projected budget of R 9.8 million. The municipality cannot make monthly payments to Vaal-harts due to financial constraints, causing the variance.

Contracted Services.

Contracted services include Accountants and Auditors, Security service, professional consulting and other services related to maintenance of infrastructure as and when the need arises. The amount spent for Contracted Services amounts to R 2.9 million for the quarter and the year-to-date actual amounts to R 8.1 million which reflects a negative 7% variance when compared to the year to date budget which amounts to R8.7 million.

Other expenditure

This item has incurred expenditure amounting to R5.7million and the actual year to date amounts to R16.3million which reflects a positive variance of 6% when we compare with the year to date budget of R15.3million. Other/Operational expenditure includes items such as remuneration of ward committees, Assets consultants, insurance costs, external audit fees and other municipal running costs.

Table 3: Transfer and subsidies-capital and Surplus/(Deficit)

NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

Description		Ref	2023/24	Budget Year 2024/25							
			Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Surplus/(Deficit)			(51,368)	(3,453)	(24,425)	(11,811)	8,062	(18,318)	26,380	(0)	(24,425)
Transfers and subsidies - capital (monetary allocations)											
Transfers and subsidies - capital (in-kind)			50,290	42,258	93,535	19,410	73,083	70,151	2,931	4%	93,535
			4,894	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions			3,817	38,805	69,111	7,599	81,145	51,833	29,312	0	69,111
Income Tax									—		
Surplus/(Deficit) after income tax			3,817	38,805	69,111	7,599	81,145	51,833	29,312	0	69,111
Share of Surplus/Deficit attributable to Joint Venture									—		
Share of Surplus/Deficit attributable to Minorities									—		
Surplus/(Deficit) attributable to municipality			3,817	38,805	69,111	7,599	81,145	51,833	29,312	0	69,111
Share of Surplus/Deficit attributable to Associate									—		
Intercompany/Parent subsidiary transactions									—		
Surplus/ (Deficit) for the year			3,817	38,805	69,111	7,599	81,145	51,833	29,312	0	69,111

Table C4 of the attached C Schedule of the MBRR excludes the capital transfers (capital grants) revenue from the operational revenue and calculates surplus or deficit before and after adding the capital transfers.

For this financial year, the municipality budgeted R42.3 million and adjusted the amount to R93.5 million after the adjustment budget for capital grants, as per Dora payment schedule, the municipality has to date has received R19.4 million on capital grants for the reporting quarter and the total year to date actual amounts to R73.1 million, from the total capital grants received R25 million is from WSIG(Water Service Infrastructure Grant), R22.3 million is from MIG(Municipal Infrastructure Grant) and R23.7 million is from RBIG(Regional Bulk Infrastructure Grant). This results in a positive 4% variance when we compare both the year to date revenue and budget. The year-to-date deficit before inclusion of capital transfers amounted to R 11.8 million and with the inclusion of capital budget the surplus amounts to R7.6 million for the quarter under review.

Statement of financial performance

The tables above highlight the financial performance of the municipality per revenue source and expenditure type.

II. Executive Summary

Introduction

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.

When necessary, an explanation of any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote; any material variances from the service delivery and budget implementation plan; and any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipalities approved budget.

The statement must include a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

FINANCIAL PERFORMANCE vs. APPROVED BUDGET

III. IN YEAR BUDGET STATEMENT TABLES

Table C1: Quarterly Budget Statement Summary

NC093 Magareng - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	12,916	14,608	14,608	3,365	10,143	10,956	(813)	-7%	14,608
Service charges	31,972	40,709	40,241	9,425	28,984	30,181	(1,197)	-4%	40,241
Investment revenue	357	-	44	-	22	33	(11)	-33%	44
Transfers and subsidies - Operational	76,049	72,942	73,390	17,325	71,105	55,042	16,063	0	73,390
Other own revenue	35,025	33,197	33,775	7,516	21,947	25,331	(3,384)	-13%	-
Total Revenue (excluding capital transfers and contributions)	156,319	161,455	162,058	37,631	132,201	121,543	10,658	9%	162,058
Capital expenditure & funds sources									
Employee costs	47,180	54,352	54,377	12,402	37,504	40,783	(3,278)	-8%	54,377
Remuneration of Councillors	5,257	5,587	5,365	1,285	3,966	4,024	(58)	-1%	5,365
Depreciation and amortisation	18,423	23,541	23,541	5,885	17,656	17,656	0	0%	23,541
Interest	1,958	1,887	1,415	146	146	1,062	(916)	-86%	1,415
Inventory consumed and bulk purchases	37,300	38,333	37,308	5,787	16,539	27,981	(11,442)	-41%	37,308
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	97,568	41,209	64,476	23,937	48,329	48,357	(28)	-0%	64,476
Total Expenditure	207,686	164,908	186,482	49,442	124,139	139,862	(15,723)	-11%	186,482
Surplus/(Deficit)	(51,368)	(3,453)	(24,425)	(11,811)	8,062	(18,318)	26,380	-144%	(24,425)
Transfers and subsidies - capital (monetary)	50,290	42,258	93,535	19,410	73,083	70,151	2,931	4%	93,535
Transfers and subsidies - capital (in-kind)	4,894	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	3,817	38,805	69,111	7,599	81,145	51,833	29,312	57%	69,111
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	3,817	38,805	69,111	7,599	81,145	51,833	29,312	57%	69,111
Capital expenditure & funds sources									
Capital expenditure	51,549	42,258	93,924	9,007	47,067	52,360	(5,293)	-10%	93,924
Capital transfers recognised	51,549	42,258	93,536	8,640	46,701	52,205	(5,504)	-11%	93,536
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	388	367	367	155	212	136%	388
Total sources of capital funds	51,549	42,258	93,924	9,007	47,067	52,360	(5,293)	-10%	93,924
Financial position									
Total current assets	47,495	158,919	144,761		72,610				144,761
Total non current assets	480,911	395,757	430,556		508,701				430,556
Total current liabilities	309,212	383,573	373,845		366,936				373,845
Total non current liabilities	7,640	8,079	8,143		7,640				8,143
Community wealth/Equity	210,698	163,025	193,330		201,486				193,330
Cash flows									
Net cash from (used) operating	68,849	27,912	73,022	19,753	94,250	54,767	(39,483)	-72%	179,485
Net cash from (used) investing	(51,374)	(42,258)	(93,924)	(9,007)	(46,701)	(70,443)	(23,743)	34%	(93,924)
Net cash from (used) financing	(14)	325	325	7	41	244	203	83%	325
Cash/cash equivalents at the month/year end	18,194	(13,952)	(20,508)	26,897	48,694	(15,364)	(64,058)	417%	86,989
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	5,895	5,707	5,426	5,251	5,562	5,165	28,676	404,980	466,662
Creditors Age Analysis									
Total Creditors	11,466	14,032	14,822	14,345	12,842	57,072	55,991	94,329	274,898

Revenue

For the third quarter January to March 2025, the municipality billed R37.6 million and the year-to-date actual amounts to R132.2 million whilst the year to date budget amounts to R121.5 million this results in a positive 9% year to date variance when comparing year to date actual with the year to date budget. This revenue is not actual cash as it includes billed and realized revenue.

Monthly income for the 9 months ended 31 March 2025

Description	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEBRUARY	MARCH	YearTD actual
Revenue										
Exchange Revenue										
Service charges - Electricity	1,269,500	1,683,940	1,597,548	1,528,996	1,493,219	1,439,576	1,800,348	740,970	1,787,388	13,341,486
Service charges - Water	368,559	357,669	371,954	411,699	687,038	400,972	309,743	408,528	443,136	3,759,299
Service charges - Waste Water Management	762,276	751,368	762,247	760,173	759,796	759,481	751,506	754,550	759,158	6,820,554
Service charges - Waste management	571,186	566,226	565,990	562,257	561,436	565,801	551,222	556,322	562,295	5,062,735
Sale of Goods and Rendering of Services	47,015	30,624	43,192	31,553	231,502	216,371	72,107	43,493	121,126	773,877
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	1,617,876	1,688,208	1,724,555	1,682,173	1,723,744	1,781,830	1,748,710	1,747,910	1,842,437	15,557,444
Interest from Current and Non Current Assets	-	21,995	-	-	-	-	-	-	-	21,995
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	2,765	4,022	6,348	4,838	2,074	1,383	-	21,430
Rental from Fixed Assets	9,475	-	6,810	-	817	940	940	3,265	-	10,324
Licence and permits	-	-	-	-	-	-	-	-	-	-
Operational Revenue	17,780	-	84,913	56,993	53,871	17,731	42,974	41,139	43,026	358,427
Non-Exchange Revenue										
Property rates	1,134,794	1,128,547	1,128,547	1,128,547	1,122,301	1,134,794	1,122,301	1,108,199	1,134,794	10,142,825
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-
Licence and permits	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	27,374,887	3,311,000	599,500	251,606	16,979	22,226,000	68,320	372,000	16,884,745	71,105,037
Interest	548,643	556,326	564,689	572,446	580,830	589,286	598,741	603,471	611,194	5,225,627
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	33,721,992	10,095,904	7,452,711	6,927,360	7,236,248	29,135,740	7,067,103	6,374,701	24,189,298	132,201,059

Operating Expenditure

The operating expenditure for the third quarter amounts to R 49.4million, whilst the year to date budget is R139.9million, This results in a negative 11% year to date variance when comparing the year to date actual which amounts to R124.1million with the year to date budget of R139.9 million.

A breakdown of the total operating expenditure per month:

Description	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEBRUARY	MARCH	YearTD actual
Expenditure By Type										
Employee related costs	3,329,535	3,657,369	4,053,006	3,684,743	6,702,542	3,675,016	3,845,394	4,608,013	3,948,864	37,504,481
Remuneration of councillors	416,308	416,308	416,308	416,308	416,308	599,493	437,521	409,619	437,531	3,965,705
Bulk purchases - electricity	-	-	1,880,592	-	-	5,146,450	1,739,130	-	2,695,652	11,461,825
Inventory consumed	772,026	433,883	400,635	518,096	794,821	805,214	582,927	147,368	621,766	5,076,735
Debt impairment	1,421,298	1,421,298	1,421,298	1,421,298	1,421,298	1,421,298	1,421,298	11,294,038	2,655,390	23,898,513
Depreciation and amortisation	1,961,724	1,961,724	1,961,724	1,961,724	1,961,724	1,961,724	1,961,724	1,961,724	1,961,724	17,655,518
Interest	-	-	-	-	-	-	-	145,785	-	145,785
Contracted services	613,530	723,446	893,995	1,172,867	293,496	1,581,515	678,018	920,536	1,267,251	8,144,654
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-	-
Operational costs	849,754	1,378,420	2,762,939	1,153,801	1,567,846	2,872,411	1,169,728	323,999	4,206,904	16,285,801
Losses on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	9,364,175	9,992,448	13,790,496	10,328,837	13,158,035	18,063,121	11,835,741	19,811,083	17,795,082	124,139,018

Capital Expenditure

As of the end of the third quarter, the year-to-date actual capital expenditure amounts to R8.6 million, while the overall year-to-date expenditure totals R46.7million. These results in a negative variance of 11% compared to the year-to-date target of R70.2 million.

The following table summarizes the capital projects' performance of the municipality. The information presented in Figure 1 corresponds to the grant register and illustrates the capital expenditure performance, excluding VAT, as well as the allocation of conditional capital grants.

According to the Division of Revenue Act (DoRA), the municipality's total allocation is R93.5 million,

To date, the municipality has received a total of R73.1 million, comprising R22.2 million from the Municipal Infrastructure Grant (MIG), R25 million from the Water Services Infrastructure Grant (WSIG), R23.7 million from the RBIG and R2.2 million from the district municipality.

Figure 1

Description	Budget Year 2024/25					
	DORA Allocation	Adjustment	Funds Received to date	Spents to date Exc	Unspent Balance	% Spent to date
Grants and Subsidies						
Capital						
Municipal Infrastructure Grant	22,258,000.00	38,700,297.00	22,238,000.00	12,602,961.69	26,097,335.31	33%
Water Services Infrastructure Grant	20,000,000.00	20,000,000.00	25,000,000.00	14,623,761.24	5,376,238.76	73%
Regional Bulk Infrastructure Grant	-	32,834,809.00	23,659,554.77	17,573,835.70	15,260,973.30	54%
FBDM (Capital)	-	2,000,000.00	2,185,000.00	1,900,000.00	100,000.00	95%
Sub-Total	42,258,000.00	93,535,106.00	73,082,554.77	46,700,558.63	46,834,547.37	50%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	42,258,000.00	93,535,106.00	73,082,554.77	46,700,558.63	46,834,547.37	50%

Surplus/Deficit after capital transfers and contributions

Taking the above into consideration, the net operating surplus as at the end of 31th of March 2025 amounts to R 81,1 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of March amounts to R466.7 million and this shows an increase of R12.9 million as compared to R 453.7 million as at end of the previous quarter. 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 largest outstanding amount owed to the municipality comes from households; this category owes R427.9 million, which incurs interest each month. The long outstanding consumer debts may negatively affect the sustainability of the municipality. The average collection rate is reported to be at 25% for the third quarter. The effective implementation of the debt collection and credit control is critically essential to ensure the sustainability of the municipality; this figure is due to old debts. The municipality needs to work harder on collecting old debts.

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.

Creditors

The municipality is currently striving to pay 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 31st March 2025, the municipality had an outstanding creditors amounting to

R274.9 million and the bulk of this amount is made up by Bulk water: R 137 million and bulk electricity: R 126 million.

TOP 10 CREDITORS

CREDITORS	BALANCE
VAALHARTS WATER	-R 136 984 686.40
BULK ELECTRICITY	-R 126 028 239.77
AUDITOR GENERAL	-R 2 543 556.27
BUSINESS CONNEXION	-R 1 928 742.09
MOKE CONSTRUCTION AND PROJECTS	-R 1 662 716.00
COMPENSATION COMM	-R 1 659 067.31
KUNENE MAKOPO RISK SOLUTION	-R 850 167.73
DIRECT PRECISION MANAGEMENT287120	-R 769 625.41
DO DOT PROJECTS MAKWETE	-R 725 792.00
SMEC	-R 192 795.28
TOTAL	-R 273 345 388.26

Table C2 – Quarterly Financial Performance (Standard Classification)

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q3 Third Quarter

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		96,186	91,756	93,011	21,903	85,056	69,758	15,298	22%	93,011
Executive and council		65,798	66,243	66,691	16,622	66,243	50,018	16,225	32%	66,691
Finance and administration		30,388	25,513	26,320	5,281	18,813	19,740	(927)	-5%	26,320
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,982	2,206	2,329	722	1,581	1,747	(166)	-9%	2,329
Community and social services		1,290	1,321	1,299	600	1,220	974	246	25%	1,299
Sport and recreation		43	-	146	(4)	3	109	(107)	-98%	146
Public safety		649	884	884	127	358	663	(305)	-46%	884
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		176	450	450	-	-	338	(338)	-100%	450
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		176	450	450	-	-	338	(338)	-100%	450
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		113,159	109,302	159,803	34,416	118,646	119,852	(1,206)	-1%	159,803
Energy sources		19,481	21,682	21,682	4,737	14,480	16,261	(1,781)	-11%	21,682
Water management		48,508	35,805	88,615	13,488	57,900	66,461	(8,561)	-13%	88,615
Waste water management		34,601	40,008	37,700	13,213	37,420	28,275	9,145	32%	37,700
Waste management		10,569	11,807	11,807	2,979	8,847	8,855	(9)	0%	11,807
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	211,503	203,713	255,593	57,041	205,284	191,695	13,589	7%	255,593
Expenditure - Functional										
<i>Governance and administration</i>		62,676	65,048	75,254	19,135	54,567	56,441	(1,873)	-3%	75,361
Executive and council		13,681	13,862	16,537	3,140	9,877	12,403	(2,525)	-20%	16,719
Finance and administration		48,995	51,185	58,717	15,995	44,690	44,038	652	1%	58,642
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13,046	14,527	14,410	3,034	9,376	10,808	(1,431)	-13%	14,650
Community and social services		2,427	2,958	2,384	542	1,752	1,788	(36)	-2%	2,384
Sport and recreation		2,898	4,845	5,293	800	2,420	3,969	(1,549)	-39%	5,310
Public safety		3,459	3,463	3,463	889	2,735	2,597	137	5%	3,686
Housing		4,263	3,261	3,271	802	2,469	2,453	16	1%	3,271
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9,889	8,322	9,077	2,525	6,087	6,808	(721)	-11%	9,077
Planning and development		5,539	5,951	6,404	1,869	4,322	4,803	(481)	-10%	6,404
Road transport		4,351	2,371	2,673	657	1,765	2,005	(240)	-12%	2,673
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		122,074	77,011	87,741	24,748	54,109	65,806	(11,697)	-18%	87,394
Energy sources		55,978	39,251	41,462	10,160	23,687	31,097	(7,410)	-24%	41,154
Water management		37,168	18,282	21,426	5,657	12,583	16,070	(3,487)	-22%	21,408
Waste water management		19,276	15,818	18,634	6,068	13,650	13,976	(326)	-2%	18,632
Waste management		9,652	3,660	6,218	2,862	4,189	4,664	(475)	-10%	6,200
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	207,686	164,908	186,482	49,442	124,139	139,862	(15,723)	-11%	186,482
Surplus/ (Deficit) for the year		3,817	38,805	69,111	7,599	81,145	51,833	29,312	0.5655026	69,111

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

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		65,798	66,243	66,691	16,622	66,243	50,018	16,225	32.4%	66,691
Vote 02 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 03 - Corporate Services		175	–	–	35	52	–	52	#DIV/0!	–
Vote 04 - Financial Services		30,213	25,513	26,320	5,246	18,761	19,740	(979)	-5.0%	26,320
Vote 05 - Municipal Infrastructure		113,335	109,752	148,446	27,566	111,796	111,334	462	0.4%	148,446
Vote 06 - Community Services		–	2,206	14,136	7,458	7,524	10,602	(3,079)	-29.0%	14,136
Vote 07 - Public Safety & Transport		1,982	–	–	114	907	–	907	#DIV/0!	–
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 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	211,503	203,713	255,593	57,041	205,284	191,695	13,589	7.1%	255,593
Expenditure by Vote	1									
Vote 01 - Executive & Council		12,761	11,703	13,792	2,920	9,233	10,344	(1,111)	-10.7%	13,792
Vote 02 - Office Of The Municipal Manager		920	2,159	2,745	220	644	2,059	(1,415)	-68.7%	2,745
Vote 03 - Corporate Services		15,141	17,241	17,465	3,782	12,822	13,099	(277)	-2.1%	17,465
Vote 04 - Financial Services		33,854	33,945	41,253	12,213	31,869	30,939	929	3.0%	41,253
Vote 05 - Municipal Infrastructure		129,300	82,382	92,416	24,889	56,356	69,312	(12,956)	-18.7%	92,416
Vote 06 - Community Services		–	10,679	12,547	8,397	8,502	9,410	(908)	-9.7%	12,547
Vote 07 - Public Safety & Transport		8,784	587	0	(4,565)	5	0	5	8621.0%	0
Vote 08 - Sports, Arts, Parks, Culture		–	–	–	–	–	–	–	–	–
Vote 09 - Planning & Development		6,926	6,213	6,265	1,586	4,709	4,699	10	0.2%	6,265
Vote 10 - Hunan Settlements		–	–	–	–	–	–	–	–	–
Vote 11 - Idp, Pms Department		–	–	–	–	–	–	–	–	–
Vote 12 - Spatial Development, Planning & Traditional Affairs		–	–	–	–	–	–	–	–	–
Vote 13 - Electricity Department		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	207,686	164,908	186,482	49,442	124,139	139,862	(15,723)	-11.2%	186,482
Surplus/ (Deficit) for the year	2	3,817	38,805	69,111	7,599	81,145	51,833	29,312	56.6%	69,111

Table C2 and C3 measure 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) - Q3 Third Quarter

W0350 Magelang - Page 04 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - Q3 Third Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		14,600	18,637	18,637	4,329	13,341	13,978	(637)	-5%	18,637
Service charges - Water		3,264	3,663	5,196	1,161	3,759	3,897	(138)	-4%	5,196
Service charges - Waste Water Management		8,059	11,363	9,363	2,265	6,821	7,022	(202)	-3%	9,363
Service charges - Waste management		6,050	7,045	7,045	1,670	5,063	5,284	(221)	-4%	7,045
Sale of Goods and Rendering of Services		531	773	1,171	237	774	878	(105)	-12%	1,171
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		19,311	24,389	24,389	5,339	15,557	18,292	(2,734)	-15%	24,389
Interest from Current and Non Current Assets		357	-	44	-	22	33	(11)	-33%	44
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		9	2	36	3	21	27	(6)	-21%	36
Rental from Fixed Assets		6	3	149	(4)	10	112	(101)	-91%	149
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		8,405	298	298	127	358	223	135	60%	298
Non-Exchange Revenue										
Property rates		12,916	14,608	14,608	3,365	10,143	10,956	(813)	-7%	14,608
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		395	586	586	-	-	440	(440)	-100%	586
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		76,049	72,942	73,390	17,325	71,105	55,042	16,063	29%	73,390
Interest		5,986	7,146	7,146	1,813	5,226	5,360	(134)	-3%	7,146
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		208	-	-	-	-	-	-	-	-
Gains on disposal of Assets		175	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
		156,319	161,455	162,058	37,631	132,201	121,543	10,658	9%	162,058
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		47,180	54,352	54,377	12,402	37,504	40,783	(3,278)	-8%	54,377
Remuneration of councillors		5,257	5,587	5,365	1,285	3,966	4,024	(58)	-1%	5,365
Bulk purchases - electricity		26,694	25,000	24,290	4,435	11,462	18,218	(6,756)	-37%	24,290
Inventory consumed		10,606	13,333	13,018	1,352	5,077	9,763	(4,687)	-48%	13,018
Debt impairment		-	17,056	31,865	15,371	23,899	23,899	-	0%	31,865
Depreciation and amortisation		18,423	23,541	23,541	5,885	17,656	17,656	0	0%	23,541
Interest		1,958	1,887	1,415	146	146	1,062	(916)	-86%	1,415
Contracted services		11,680	7,750	11,632	2,866	8,145	8,724	(579)	-7%	11,632
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		63,729	-	-	-	-	-	-	-	-
Operational costs		19,054	15,824	20,401	5,701	16,286	15,301	985	6%	20,401
Losses on Disposal of Assets		3,105	-	-	-	-	-	-	-	-
Other Losses		-	579	579	-	-	434	(434)	-100%	579
Total Expenditure		207,686	164,908	186,482	49,442	124,139	139,862	(15,723)	-11%	186,482
Surplus/(Deficit)		(51,368)	(3,453)	(24,425)	(11,811)	8,062	(18,318)	26,380	(0)	(24,425)
Transfers and subsidies - capital (monetary allocations)										
Transfers and subsidies - capital (in-kind)		50,290	42,258	93,535	19,410	73,083	70,151	2,931	4%	93,535
Surplus/(Deficit) after capital transfers & contributions		4,894	-	-	-	-	-	-	-	-
Income Tax		3,817	38,805	69,111	7,599	81,145	51,833	29,312	0	69,111
Surplus/(Deficit) after income tax		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Joint Venture		3,817	38,805	69,111	7,599	81,145	51,833	29,312	0	69,111
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		3,817	38,805	69,111	7,599	81,145	51,833	29,312	0	69,111
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		3,817	38,805	69,111	7,599	81,145	51,833	29,312	0	69,111

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, Water, Sanitation, Sale of goods and rendering, 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, Employee related cost, Remuneration of councilors, Bulk purchases, other expenditure, Inventory consumed, Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% or more.

Table C5 Capex: Quarterly Capital Expenditure by Standard Classification and Funding

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q3 Third Quarter

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Q3	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 OfThe Municipal Manager		-	-	-	-	-	-	-		-
Vote 03 - Corporate Services		-	-	368	367	367	147	220	149%	368
Vote 04 - Financial Services		-	-	-	-	-	-	-		-
Vote 06 - Community Services		-	-	20	-	-	8	(8)	-100%	20
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	388	367	367	155	212	136%	388
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 05 - Municipal Infrastructure		51 549	42 258	93 536	8 640	46 701	52 205	(5 504)	-11%	93 536
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	51 549	42 258	93 536	8 640	46 701	52 205	(5 504)	-11%	93 536
Total Capital Expenditure		51 549	42 258	93 924	9 007	47 067	52 360	(5 293)	-10%	93 924
Capital Expenditure - Functional Classification										
Governance and administration		-	-	368	-	367	147	220	149%	368
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		-	-	368	-	367	147	220	149%	368
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	20	-	-	8	(8)	-100%	20
Community and social services		-	-	20	-	-	8	(8)	-100%	20
Environmental protection		-	-	-	-	-	-	-		-
Trading services		51 549	42 258	93 536	8 640	46 701	52 205	(5 504)	-11%	93 536
Energy sources		-	-	-	-	-	-	-		-
Water management		34 482	22 258	73 536	5 286	32 077	37 205	(5 128)	-14%	73 536
Waste water management		17 067	20 000	20 000	3 354	14 624	15 000	(376)	-3%	20 000
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	51 549	42 258	93 924	8 640	47 067	52 360	(5 293)	-10%	93 924
Funded by:										
National Government		36 794	42 258	91 536	6 740	44 801	51 405	(6 604)	-13%	91 536
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	2 000	1 900	1 900	800	1 100	138%	2 000
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		14 755	-	-	-	-	-	-		-
Transfers recognised - capital		51 549	42 258	93 536	8 640	46 701	52 205	(5 504)	-11%	93 536
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		-	-	388	367	367	155	212	136%	388
Total Capital Funding		51 549	42 258	93 924	9 007	47 067	52 360	(5 293)	-10%	93 924

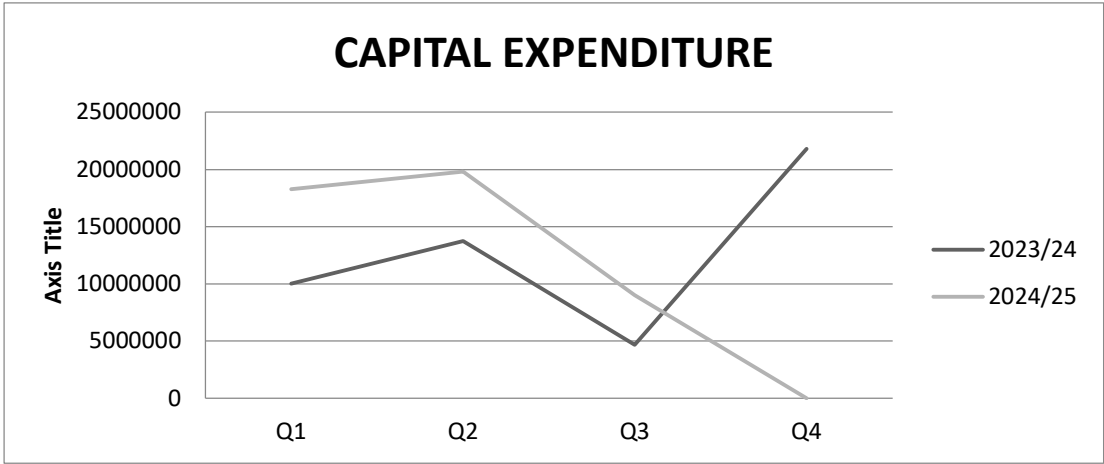
Table C5C: Quarterly Capital Expenditure by Vote

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - Q3 Third Quarter

Vote Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousand									
Capital expenditure - Municipal Vote									
Expenditure of multi-year capital appropriation	1								
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	368	367	367	147	220	149%
03.2 - Corporate Admin		-	-	368	367	367	147	220	149%
Vote 04 - Financial Services		-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		-	-	-	-	-	-	-	-
05.6 - Electricity		-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	20	-	-	8	(8)	-100%
06.2 - Cemetery		-	-	-	-	-	-	-	-
06.3 - Library		-	-	20	-	-	8	(8)	-100%
06.5 - Parks And Recreation		-	-	-	-	-	-	-	-
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 Affa		-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-
Total multi-year capital expenditure		-	-	388	367	367	155	212	136%
Capital expenditure - Municipal Vote									
Expenditure of single-year capital appropriation	1								
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-
03.2 - Corporate Admin		-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		51,549	42,258	93,536	8,640	46,701	52,205	(5,504)	-11%
05.4 - Sanitation		17,067	20,000	20,000	3,354	14,624	15,000	(376)	-3%
05.5 - Water		34,482	22,258	73,536	5,286	32,077	37,205	(5,128)	-14%
05.6 - Electricity		-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	-	-	-	-	-	-
06.5 - Parks And Recreation		-	-	-	-	-	-	-	-
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 Affa		-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-
Total single-year capital expenditure		51,549	42,258	93,536	8,640	46,701	52,205	(5,504)	-11%
Total Capital Expenditure		51,549	42,258	93,924	9,007	47,067	52,360	(5,293)	-10%

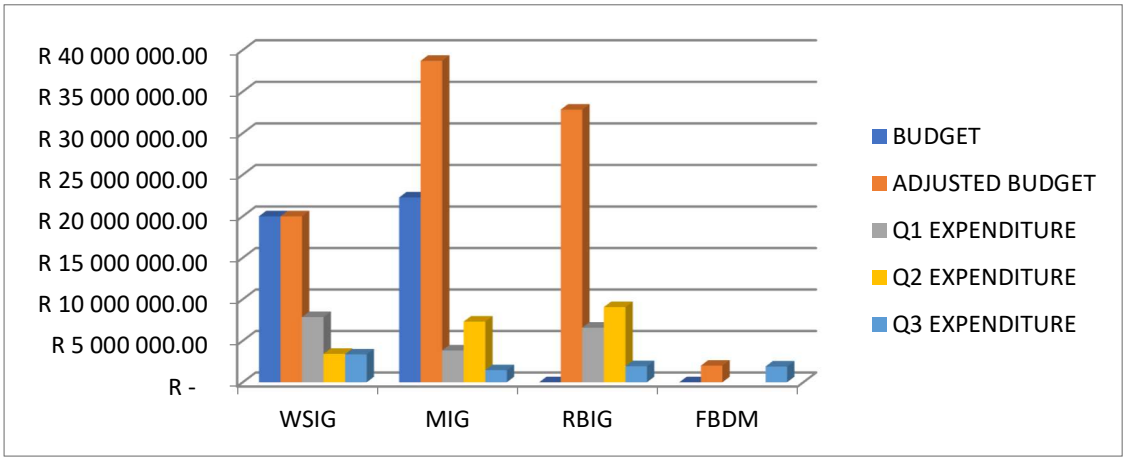
Table C5 Capex and C5C present capital expenditure performance for all votes, standard classification and the funding thereof and measures the year-to-date performance targets against the actual capital expenditure figures. R 47.1 million spending was incurred on the capital budget, year to date budget is R 52.3 million, and this gave an under-performance variance of R5.3 million that translates to a negative variance of 10%. It is imperative to note that out of the total capital expenditure R367 thousand is from internally generated funds.

FIGURE 2: QUARTELY CAPITAL EXPENDITURE PERFORMANCE



The above graph compares the 2023/24 and 2024/25 quarterly capital expenditure performance.

FIGURE 2: CAPITAL EXPENDITURE BY SOURCE OF FINANCE



The bar chart above clearly illustrates the different sources of funding for the capital budget, which totals R93.9 million. The Municipal Infrastructure Grant contributes R38.7 million, Water Services Infrastructure Grant provides R20 million, Regional Bulk Infrastructure Grant R32.8 million, FBDM R2 million and internally generated funds R388 thousand of the total budget allocation as specified in the Division of Revenue Act (DoRA) and the municipal budget. The graph above presents the expenditure from each source of finance in a clear and comprehensible manner.

Table C6: Quarterly Budget Statement Financial Position

NC093 Magareng - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		1,104	63,861	21,044	17,374	21,044
Trade and other receivables from exchange transactions		(20,998)	32,176	64,926	(21,828)	64,926
Receivables from non-exchange transactions		1,878	16,277	16,078	12,370	16,078
Current portion of non-current receivables						
Inventory		121	(994)	(994)	(56)	(994)
VAT		67,344	49,413	45,569	66,712	45,569
Other current assets		(1,953)	(1,814)	(1,862)	(1,961)	(1,862)
Total current assets		47,495	158,919	144,761	72,610	144,761
Non current assets						
Investments						
Investment property		24,867	23,831	23,831	24,867	23,831
Property, plant and equipment		455,660	371,544	406,347	483,449	406,347
Biological assets						
Living and non-living resources						
Heritage assets		371	371	371	371	371
Intangible assets		13	10	7	13	7
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		0	0	0	0	0
Other non-current assets						
Total non current assets		480,911	395,757	430,556	508,701	430,556
TOTAL ASSETS		528,406	554,676	575,317	581,311	575,317
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	0	0	-	0
Consumer deposits		1,330	1,309	1,309	1,371	1,309
Trade and other payables from exchange transactions		273,155	347,263	325,709	250,510	325,709
Trade and other payables from non-exchange transactions		805	3,236	11,417	78,130	11,417
Provision		8,962	7,404	7,404	8,893	7,404
VAT		24,960	24,362	28,007	28,032	28,007
Other current liabilities		-	-	-	-	-
Total current liabilities		309,212	383,573	373,845	366,936	373,845
Non current liabilities						
Financial liabilities		730	794	858	730	858
Provision		6,910	7,285	7,285	6,910	7,285
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		7,640	8,079	8,143	7,640	8,143
TOTAL LIABILITIES		316,852	391,651	381,987	374,575	381,987
NET ASSETS	2	211,554	163,025	193,330	206,735	193,330
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		210,698	163,025	193,330	201,486	193,330
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	210,698	163,025	193,330	201,486	193,330

Total Assets

Variances were noted between the budgeted values of assets and the actual recorded at the end of the review period. As at the end of March 2025, the municipality recorded total assets of R581.3 million which includes R 72.8 million and R508.7 million for both current assets and non-current assets respectively. Current assets are those assets that are likely to be converted into cash within twelve months; while non-current assets are likely to be converted into cash over a longer-term.

Trade and other received from exchange transactions/ non-exchange transactions.

As at the end of March 2025, the municipality recorded consumer debtors (Exchange and non-exchange transactions) of -R9.5 million, representing about 0% of the total assets. Looking at the annual budgeted trade and other receivables of R48.5 million, consumer debtors appear to be understated as compared to the debtor's age analysis. This is due to the failure of customers paying their debt as well as the impact of debt impairment which will be fully affected at the end of the financial year. This is also an indication of the rate at which consumer debtors are escalating. It will be important that council fast-track implementation of its credit control and debt collection strategies (revenue enhancement) to collect the outstanding debtors. The municipality will need to estimate the projected annual debtors and the provision for debt impairment to accurately budget for the consumer debtors projected at the end of the financial year.

Property Plant and Equipment (PPE)

As of 31st March 2024, the municipality recorded R 483.4 million for Property Plant and Equipment, which represents 83% of the total assets. These assets comprise of roads and storm water, water and infrastructure, electricity infrastructure, community assets, and other plants and equipment which the municipality has acquired mainly for service delivery and for its own use. Service delivery of the municipal is majored by its ability to provide these services to communities. This shows that recorded PPE is R483.4 million which is more than the projected amount of R406.3 million for the financial year ending 2024/25.

Total Liabilities

Variances were noted between the budgeted values of liabilities and the actual recorded at the end of March 2025 As at the end March 2025, the municipality recorded total liabilities of R374.6 million which entails of R 366.9 million and R7.6 million for both current liabilities and non-current liabilities respectively. Current liabilities are those liabilities that are payable by the municipality within the twelve months, while non-current liabilities are those liabilities that are payable over a period beyond twelve months.

The current ratio of the municipal's financial position equals to 0.2, which is current assets divided by current liabilities (72 610/ 366 936). According to the acceptable norms, a current ratio which is less than 1 shows that the municipality is unable to pay its shorts term debts (current liabilities) using its cash on hand (Current assets). This also shows that institution is not liquid enough and it is financial unstable. The municipality needs to improve on its abilities to raise current assets so that it can be in a better position to pay off debts when they become due.

A detailed breakdown on the individual items is attached on the above table C6– monthly budget statement.

Table C7: Quarterly Budgeted Statement Cash Flow

NC093 Magareng - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		6,993	7,742	7,742	2,249	4,293	5,807	(1,513)	-26%	7,742
Service charges		45,907	21,576	21,328	4,948	15,223	15,996	(773)	-5%	21,328
Other revenue		2,379	7,128	7,526	3,951	12,834	5,644	7,190	127%	8,273
Transfers and Subsidies - Operational		65,921	72,942	73,390	17,325	71,105	55,042	16,063	29%	73,390
Transfers and Subsidies - Capital		53,439	42,258	93,535	19,410	73,083	70,151	2,931	4%	93,535
Interest		357	-	-	56	296	-	296	#DIV/0!	-
Dividends								-		
Payments										
Suppliers and employees		(106,149)	(121,846)	(129,083)	(28,040)	(82,439)	(96,812)	(14,373)	15%	(23,367)
Interest		-	(1,887)	(1,415)	(146)	(146)	(1,062)	(916)	86%	(1,415)
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		68,849	27,912	73,022	19,753	94,250	54,767	(39,483)	-72%	179,485
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		175	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(51,549)	(42,258)	(93,924)	(9,007)	(46,701)	(70,443)	(23,743)	34%	(93,924)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(51,374)	(42,258)	(93,924)	(9,007)	(46,701)	(70,443)	(23,743)	34%	(93,924)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		(14)	5	5	7	41	4	37	909%	5
Payments										
Repayment of borrowing		-	319	319	-	-	239	239	100%	319
NET CASH FROM/(USED) FINANCING ACTIVITIES		(14)	325	325	7	41	244	203	83%	325
NET INCREASE/ (DECREASE) IN CASH HELD		17,461	(14,021)	(20,577)	10,754	47,590	(15,433)			85,885
Cash/cash equivalents at beginning:		734	69	69	16,143	1,104	69			1,104
Cash/cash equivalents at month/year end:		18,194	(13,952)	(20,508)	26,897	48,694	(15,364)			86,989

Table C7 provides details of the quarterly cash in and outflow. For the period ending 31st March 2025 the net cash from operating activities is R19.8 million whilst cash used for investing activities is R9 million and the net cash from financing activities is R7 hundred. The cash and cash equivalent held at end of the financial year amounted to R26.9 million and the net effect of the above cash flows is cash outflow movement of R 10.8 million.

PART 2: SUPPORTING TABLES

Table SC3: Debtors Analysis

The outstanding debtors as at 31st March 2025 amounts to R 466.7 million which shows an increase of R12.9 million in debtors' book when compared to the previous quarter of the current financial year, outstanding debtors that amounts to R453.7 million. The largest outstanding amount owed to the municipality comes from households; this category owes R427.9 million, which incurs interest each month. The long outstanding consumer debts may negatively affect the sustainability of the municipality. The average collection rate is reported to be at 25% for the quarter under review. The effective implementation of the debt collection and credit control is critically essential to ensure the sustainability of the municipality; this figure is due to old debts. The Municipality needs to work harder on collecting old debts.

NC093 Magareng - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

Description	NT Code	Budget Year 2024/25												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	439	449	385	390	720	377	2,061	69,356	74,177	72,904				
Trade and Other Receivables from Exchange Transactions - Electricity	1300	380	313	346	209	227	172	666	26,980	29,293	28,254				
Receivables from Non-exchange Transactions - Property Rates	1400	989	932	802	787	784	806	4,285	53,244	62,629	59,906				
Receivables from Exchange Transactions - Waste Water Management	1500	858	850	848	852	851	850	4,715	64,541	74,367	71,811				
Receivables from Exchange Transactions - Waste Management	1600	634	617	605	605	603	599	3,320	44,571	51,554	49,698				
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-				
Interest on Arrear Debtor Accounts	1810	2,454	2,476	2,389	2,360	2,331	2,316	13,396	142,544	170,267	162,947				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-				
Other	1900	141	70	50	49	46	45	232	3,743	4,375	4,114				
Total By Income Source	2000	5,895	5,707	5,426	5,251	5,562	5,165	28,676	404,980	466,662	449,634	-	-		
Q2 Totals		5,913	6,061	5,515	5,329	5,165	5,055	28,027	392,667	453,731	436,242				
Debtors Age Analysis By Customer Group															
Organs of State	2200	382	308	329	279	280	277	1,069	6,346	9,269	8,251				
Commercial	2300	508	428	367	313	312	268	1,501	23,287	26,984	25,681				
Households	2400	4,885	4,914	4,696	4,626	4,936	4,587	25,913	373,320	427,877	413,382				
Other	2500	120	57	34	34	33	33	193	2,027	2,531	2,320				
Total By Customer Group	2600	5,895	5,707	5,426	5,251	5,562	5,165	28,676	404,980	466,662	449,634	-	-		

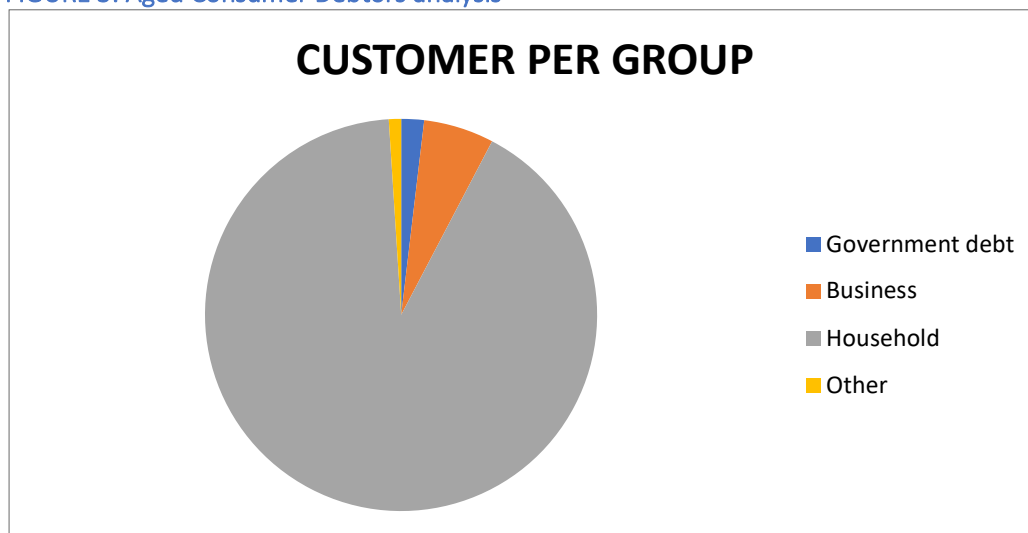
Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at the end of March amount to R 466.7 million. The debtors' book is made up of the following: Indicated in the table above, is the total outstanding debt per Income Source. The highest percentage weighting of debt owed is attributable to:

- Rates 13.4%
- Electricity 6.3%
- Water 15.9%
- Waste water management 15.9%
- Waste management 11%
- Interest on Debtors 36.5%
- Other 1%

Weighting per Customer Group

- Government debt constitutes 1.9%, Businesses 5.8%, Households 91.7% and other 1% 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

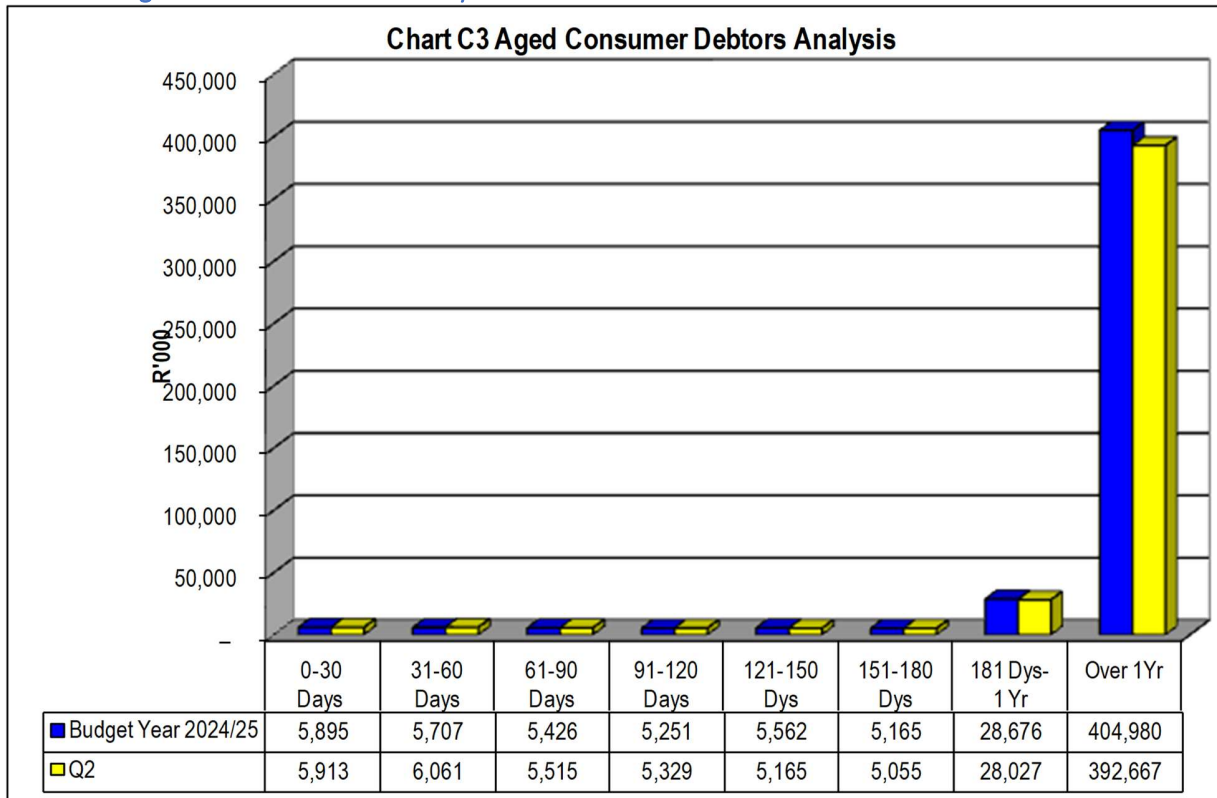


FIGURE 5: Consumer Debtors (Total by Debtor Consumer Category)

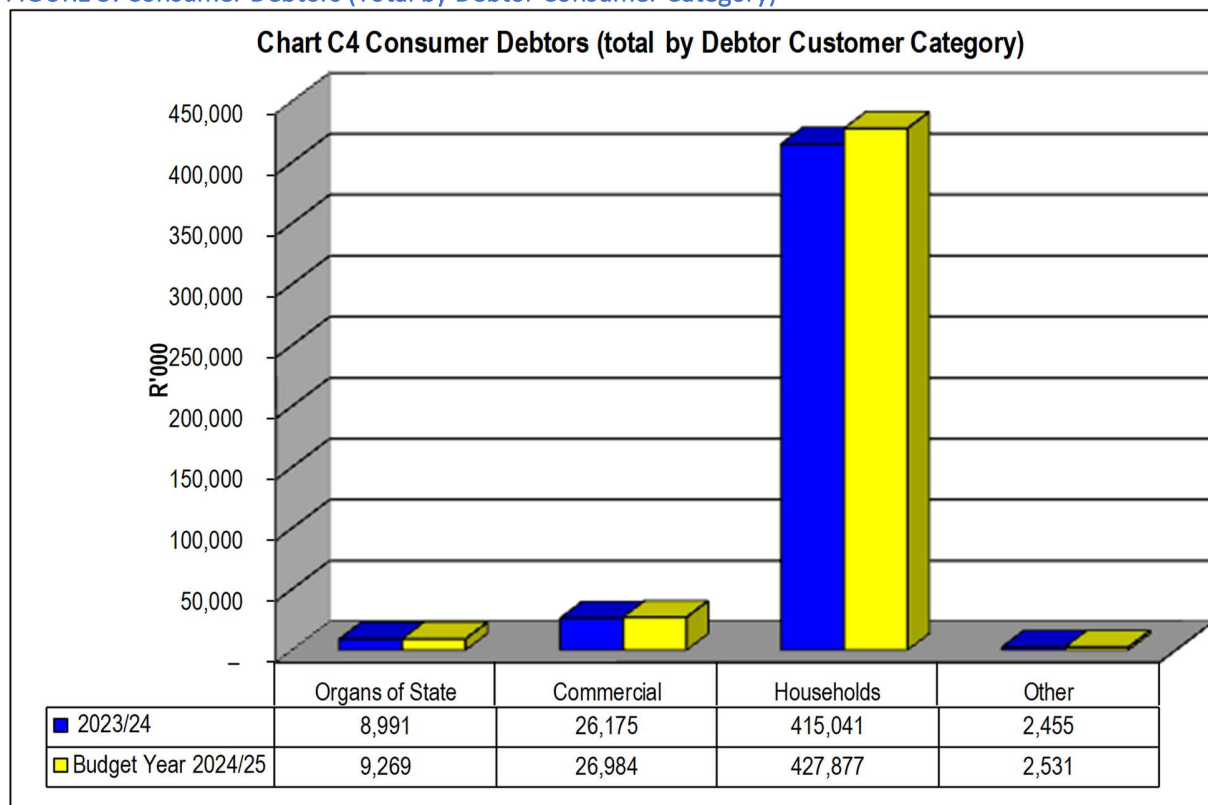


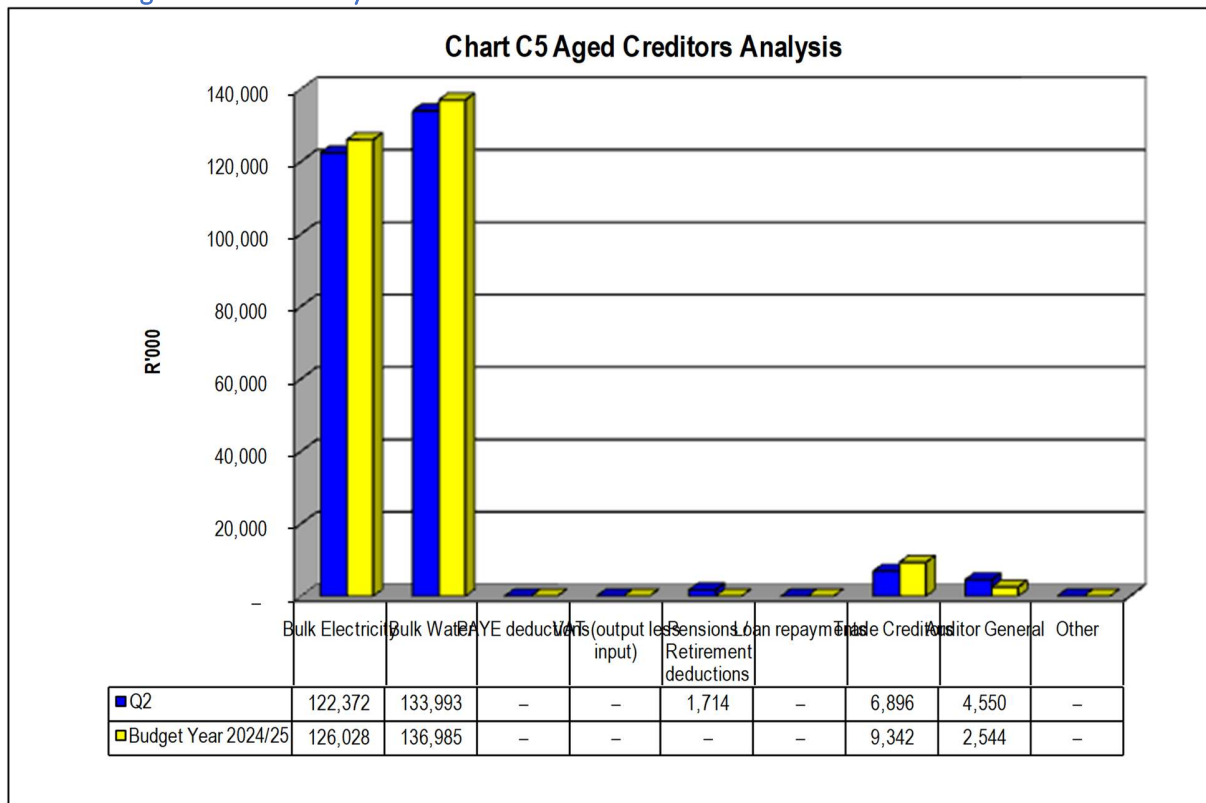
Table SC4: Creditors Analysis

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 March 31st, 2025, amount to R 274.9 million, including Eskom with R 126 million and Vaalharts Water with R 137 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.

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

Description	NT Code	Budget Year 2024/25								Total	Q2(2024/2025)
		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		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	7,583	8,098	8,817	9,567	8,118	43,199	40,646	-	126,028	122,372
Bulk Water	0200	3,519	4,290	4,023	2,911	3,207	12,406	14,231	92,398	136,985	133,993
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	1,714
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	1,301	1,708	1,430	1,266	1,160	868	1,609	9,342	6,896
Auditor General	0800	364	342	273	437	251	307	247	323	2,544	4,550
Other	0900	-	-	-	-	-	-	-	-	-	-
Medical Aid deductions		-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	11,466	14,032	14,822	14,345	12,842	57,072	55,991	94,329	274,898	269,525

FIGURE 7: Aged Creditors Analysis



The above graph analysis the 2024/2025 monthly aged creditors.

Table SC5: Investment Portfolio Analysis

NC093 Magareng - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q3 Third Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Magareng Local Municipality														–
Municipality sub-total										–	–	–	–	–
Entities														
ABSA(9380541602)		3 Months	Fixed						14 March 2025	6 201	118	(6 000)	–	320
														–
														–
														–
														–
Entities sub-total										6 201	118	(6 000)	–	320
TOTAL INVESTMENTS AND INTEREST	2									6 201	118	(6 000)	–	320

Supporting Table SC5 displays the council's investments portfolio and indicates that the municipality had an opening balance of R6.2 million, and earned interest of R118 thousand. Total amount of R6 million was withdrawn from investment account, as at the end of 31st March 2025 the municipality had a closing amount of R320 thousand.

Table SC6- Allocation and grant receipts

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		68,798	69,243	69,243	16,622	69,243	51,932	17,311	33.3%	69,243
Equitable Share		59,941	65,001	65,001	16,250	65,001	48,751	16,250	33.3%	65,001
Expanded Public Works Programme Integrated Grant		712	1,242	1,242	372	1,242	932	311	33.3%	1,242
Local Government Financial Management Grant		3,000	3,000	3,000	—	3,000	2,250	750	33.3%	3,000
Municipal Disaster Relief Grant		5,145	—	—	—	—	—	—	—	—
Other transfers and grants [insert description]		—	—	—	—	—	—	—	—	—
Provincial Government:		—	—	—	—	—	—	—	—	—
Other transfers and grants [insert description]		—	—	—	—	—	—	—	—	—
District Municipality:		6,071	2,500	2,948	68	611	2,054	(1,443)	-70.3%	2,948
FBDM (O & M)		6,071	2,500	2,948	68	611	2,054	(1,443)	-70.3%	2,948
Other grant providers:		1,180	1,199	1,199	635	1,251	899	352	39.1%	1,199
Education Training and Development Practices SETA		—	—	—	35	52	—	52	—	—
National Library South Africa		1,180	—	—	—	600	—	600	—	—
Northern Cape Arts and Cultural		—	1,199	1,199	600	600	899	(300)	-33.3%	1,199
Post Retirement Benefit		—	—	—	—	—	—	—	—	—
Total Operating Transfers and Grants	5	76,049	72,942	73,390	17,325	71,105	54,886	16,219	29.6%	73,390
Capital Transfers and Grants										
National Government:		50,290	42,258	91,535	17,225	70,898	68,651	2,246	3.3%	91,535
Integrated National Electrification Programme Grant		—	—	—	—	—	—	—	—	—
Municipal Disaster Relief Grant		—	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant		18,764	22,258	38,700	3,980	22,238	29,025	(6,787)	-23.4%	38,700
Regional Bulk Infrastructure Grant		12,011	—	32,835	4,245	23,660	24,626	(967)	-3.9%	32,835
Water Services Infrastructure Grant		19,515	20,000	20,000	9,000	25,000	15,000	10,000	66.7%	20,000
Provincial Government:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
District Municipality:		4,894	—	2,000	2,185	2,185	1,500	685	45.7%	2,000
FBDM(Capital)		4,894	—	2,000	2,185	2,185	1,500	685	45.7%	2,000
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Total Capital Transfers and Grants	5	55,184	42,258	93,535	19,410	73,083	70,151	2,931	4.2%	93,535
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	131,233	115,200	166,925	36,735	144,188	125,037	19,151	15.3%	166,925

In Supporting Tables SC6, you can find all the details of the received grants. During the third quarter, the municipality received a total of R36.7 million, taking into consideration both operational (R17.3 million) and capital grants (R19.4 million), and to date, the municipality has received a total of R71.1 million for operational grants and R73.1 million for Capital transfers and grants which total R144.2 million to date. All the gazetted grants were received in the reporting period according to the National Treasury's grants payment schedule and the conditions thereof.

Table SC7: Transfers and Grant Expenditure

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q3 Third Quarter

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Q3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		39,403	69,243	69,243	16,943	68,398	51,932	16,466	31.7%	39,111
Equitable Share		34,989	65,001	65,001	16,250	65,001	48,751	16,250	33.3%	34,869
Expanded Public Works Programme Integrated Grant		1,730	1,242	1,242	355	908	932	(24)	-2.5%	1,242
Local Government Financial Management Grant		2,684	3,000	3,000	338	2,489	2,250	239	10.6%	3,000
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		890	2,500	2,498	325	1,603	1,873	(271)	-14.4%	2,498
FBDM(O&M)		890	2,500	2,498	325	1,603	1,873	(271)	-14.4%	2,498
Other grant providers:		1,253	1,199	1,199	267	906	899	7	0.7%	1,199
Education Training and Development Practices SETA		–	–	–	–	–	–	–	–	–
National Library South Africa		1,253	–	–	–	–	–	–	–	–
Northern Cape Arts and Cultural		–	1,199	1,199	267	906	899	7	0.7%	1,199
Total operating expenditure of Transfers and Grants:		41,545	72,942	72,940	17,535	70,906	54,705	16,202	29.6%	42,808
Capital expenditure of Transfers and Grants										
National Government:		36,794	42,258	91,536	6,740	44,801	68,652	(23,852)	-34.7%	91,536
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant		827	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		18,900	22,258	38,701	1,454	12,603	29,026	(16,423)	-56.6%	38,701
Regional Bulk Infrastructure Grant		–	–	32,835	1,932	17,574	24,626	(7,052)	-28.6%	32,835
Water Services Infrastructure Grant		17,067	20,000	20,000	3,354	14,624	15,000	(376)	-2.5%	20,000
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	2,000	1,900	1,900	1,500	400	26.7%	2,000
FBDM (Capital)		–	–	2,000	1,900	1,900	1,500	400	26.7%	2,000
Other grant providers:		14,755	–	–	–	–	–	–	–	–
Pocket Money Households (Cash)		14,755	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		51,549	42,258	93,536	8,640	46,701	70,152	(23,452)	-33.4%	93,536
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		93,094	115,200	166,476	26,175	117,607	124,857	(7,250)	-5.8%	136,344

A total of R26.1 million has been spent on grants during the third quarter of the financial year, while the year-to-date actual stands at R117.6 million and the year to date budget amounts to R124.9 million. This has resulted in an under-spending variance of R7.3 million, which translates to a negative variance of 5.8%. Out of the total spending for the 3rd quarter, R17.5 million has been spent on operational grants, while R8.6 million has been spent on capital grants.

Description	Budget Year 2024/25							
	Original Budget	Adjustment	Funds Received to date	Spents to date	Spent to date Vat Inc & Rentals	Unspent Balance Vat Inc	% Spent to date VAT ECL	% Spent to date
Grants and Subsidies								
Operational								
Equitable Share	65,001,000.00	65,001,000.00	65,001,000.00	65,001,000.00	65,001,000.00	-	100%	100%
Expanded Public Works Programme Integrated Grant	1,242,000.00	1,242,000.00	1,242,000.00	907,889.45	907,889.45	334,110.55	73%	73%
Local Government Financial Management Grant	3,000,000.00	3,000,000.00	3,000,000.00	2,488,997.61	2,786,472.85	213,527.15	83%	93%
FBDM (Operational)	2,500,000.00	2,947,680.00	610,812.94	1,602,741.17	1,810,441.55	1,137,238.45	54%	61%
Education Training and Development Practices SETA	-	-	52,223.92	-	-	-	0%	-100%
Northern Cape Arts and Cultural	1,199,000.00	1,199,000.00	1,199,000.00	905,771.30	909,952.94	289,047.06	76%	76%
Sub-Total	72,942,000.00	73,389,680.00	71,105,036.86	70,906,399.53	71,415,756.78	2,035,600.47	97%	97%
Capital								
Municipal Infrastructure Grant	22,258,000.00	38,700,297.00	22,238,000.00	12,602,961.69	17,626,591.22	21,073,705.78	33%	46%
Water Services Infrastructure Grant	20,000,000.00	20,000,000.00	25,000,000.00	14,623,761.24	19,084,982.69	915,017.31	73%	95%
Regional Bulk Infrastructure Grant	-	32,834,809.00	23,659,554.77	17,573,835.70	21,661,590.59	11,173,218.41	54%	66%
FBDM (Capital)	-	2,000,000.00	2,185,000.00	1,900,000.00	2,185,000.00	185,000.00	95%	109%
Sub-Total	42,258,000.00	93,535,106.00	73,082,554.77	46,700,558.63	58,373,164.50	21,988,723.09	50%	62%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	115,200,000.00	166,924,786.00	144,187,591.63	117,606,958.16	129,788,921.29	24,024,323.56	70%	78%

The above table depicts the gazette and budgeted amounts for all the grants and the performance there of as at end of second quarter.

Financial Management grant

- The FMG grant is an essential funding source for the BTO program projects supported by the National Treasury. By the end of the first quarter, the municipality had received R3 million. However, no additional funds were received in the third quarter, as the entire allocation had already been disbursed. It is important to note that the municipality receives this grant only once. To date, 83% of the funds (excluding VAT) and 93% (including VAT) have been spent.

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 received the total allocation of this grant as per DoRA which amounts to R1.2 million and for the quarter under review the municipality received R372 thousand, as of the end of the third quarter, the municipality has already spent R907 thousand, which is equal to 73% (VAT exclusive and inclusive) of the total allocation.

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.
- During the quarter under review, the municipality received R68 thousand with a total expenditure amounting to R325 thousand. To date, the municipality has received a total of R611 thousand and incurred expenditures amounting to R1.6 million (excluding VAT), which represents 54% of the total budgeted allocation. Additionally, the total expenditures, including VAT, amount to R1.8 million, which equals 61% of the budget.
- Please note that FBDM (O&M) transfers are made on submission of invoices to the District Municipality.

Library Grant

- R1.2 million and for the current quarter the municipality has received R599 thousand. The municipality has already spent R906 thousand received which equates to 76% of the total allocation for both VAT Excl and Incl.

Municipal Infrastructure Grant

- The MIG expenditure as at 31 March 2025 is sitting at 33% (Vat exclusive) and 46% of the total allocation of R22.3 million for the year, The municipality has received R3.9 million for the 3rd quarter and to date it has received R22.2 million.
- The MIG expenditure for the 3rd quarter amounts to R1.5 million with the year to date of R12.6 million

Water Services Infrastructure Grant

- The WSIG expenditure as at 31ST March 2025 is sitting at 73% (Vat excl) of the total allocation of R20 million for the year. The municipality to date has received R25 million and R19.1 (Vat incl) million has been spent which equates to 95% of the total allocation of the grant.
- For the 3rd quarter the municipality received R9 million and to date it has received R25 million. The accumulated expenditure for the quarter amounts to R3.4 million and the actual year to date amounts to R14.6 million.

Regional Bulk Infrastructure Grant

- As at the 31st of March 2025 the total capital expenditure of the above-mentioned grant amounts to R17.6 million VAT excl and R21.7 million Vat incl of which equates to 54% and 66% of the total budgeted allocation.
- For the 3rd quarter the municipality received R4.2 million and to date it has received R23.7 million. The municipality has received 72% of the total allocation of R32.8m as per the DORA.

It can then be noted that a total of R144.2 million has been received to date for both operational and capital grants, total expenditure of R117.6 million has been committed or spent to date which translates into 70% spent on grants and subsidies exclusive of Vat.

Table SC8: Councilors and Staff Benefits

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

Summary of Employee and Councillor remuneration		Ref	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)		1									
Basic Salaries and Wages			3,574	3,843	3,843	1,027	1,899	1,921	(23)	-1%	3,843
Pension and UIF Contributions			477	555	555	108	215	278	(63)	-23%	555
Medical Aid Contributions			83	128	128	18	35	64	(29)	-45%	128
Motor Vehicle Allowance			585	551	551	162	299	276	23	8%	551
Cellphone Allowance			538	509	509	117	233	255	(22)	-8%	509
Housing Allowances			–	–	–	–	–	–	–	–	–
Other benefits and allowances			–	–	–	–	–	–	–	–	–
Sub Total - Councillors			5,257	5,587	5,587	1,432	2,681	2,794	(112)	-4%	5,587
% increase		4		6.3%	6.3%						6.3%
Senior Managers of the Municipality		3									
Basic Salaries and Wages			1,274	2,956	2,956	472	843	1,478	(635)	-43%	2,956
Pension and UIF Contributions			119	333	333	33	65	167	(101)	-61%	333
Medical Aid Contributions			50	126	126	13	26	63	(37)	-59%	126
Overtime			–	–	–	–	–	–	–	–	–
Performance Bonus			59	245	245	59	59	122	(63)	-51%	245
Motor Vehicle Allowance			666	1,590	1,590	–	–	795	(795)	-100%	1,590
Cellphone Allowance			9	27	27	–	–	14	(14)	-100%	27
Housing Allowances			–	164	164	–	–	82	(82)	-100%	164
Other benefits and allowances			0	1	1	0	0	0	(0)	-75%	1
Payments in lieu of leave			–	–	–	–	–	–	–	–	–
Long service awards			–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		2	–	–	–	–	–	–	–	–	–
Entertainment			–	–	–	–	–	–	–	–	–
Scarcity			99	195	195	–	–	98	(98)	-100%	195
Acting and post related allowance			–	–	–	–	–	–	–	–	–
In kind benefits			–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality			2,276	5,635	5,635	577	993	2,818	(1,824)	-65%	5,635
% increase		4		147.6%	147.6%						147.6%
Other Municipal Staff											
Basic Salaries and Wages			31,280	35,480	35,480	8,090	16,168	17,740	(1,572)	-9%	35,480
Pension and UIF Contributions			6,349	6,787	6,787	1,619	3,174	3,394	(220)	-6%	6,787
Medical Aid Contributions			2,269	2,627	2,627	629	1,212	1,313	(101)	-8%	2,627
Overtime			707	321	321	225	428	161	268	167%	321
Performance Bonus			2,861	2,846	2,846	2,741	2,771	1,423	1,348	95%	2,846
Motor Vehicle Allowance			25	56	56	–	–	28	(28)	-100%	56
Cellphone Allowance			56	109	109	37	72	54	17	32%	109
Housing Allowances			70	83	83	20	37	41	(4)	-11%	83
Other benefits and allowances			377	208	208	92	179	104	75	72%	208
Payments in lieu of leave			–	–	–	–	–	–	–	–	–
Long service awards			–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		2	–	–	–	–	–	–	–	–	–
Entertainment			–	–	–	–	–	–	–	–	–
Scarcity			–	–	–	–	–	–	–	–	–
Acting and post related allowance			254	100	100	32	68	50	18	36%	100
In kind benefits			657	100	100	–	–	50	(50)	-100%	100
Sub Total - Other Municipal Staff			44,904	48,716	48,716	13,486	24,109	24,358	(249)	-1%	48,716
% increase		4		8.5%	8.5%						8.5%
Total Parent Municipality			52,437	59,939	59,939	15,494	27,783	29,969	(2,186)	-7%	59,939

The table above illustrates expenditure on councillor's remuneration and employees.

Section 66 of the MFMA requires that the accounting officer of a municipality must, in a format and for the periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits and in a manner that discloses such expenditure per type of expenditure, namely-

- I. Salaries and wages
- II. Contribution for pension and medical aid
- III. Travel, motor car, accommodation, subsistence and other allowances.
- IV. Housing benefits

- V. Overtime
- VI. Any other benefit or allowance related to staff.

During the quarter under review, the municipality incurred expenditures totaling R13.7 million, bringing the year-to-date total to R41.5 million. This expenditure is slightly within the budget projection, as the year-to-date budget amounts to R44.9 million. Comparing the actual year-to-date expenditure to the budget reveals a negative variance of 8%. However, this variance is considered immaterial since it is below the 10% threshold.

PROGRESS ON THE BUDGET FUNDING PLAN

Pillar 1 - Positive Cash Flows

The municipality is required to maintain positive cash balances.

Opening cash balance as per bank statement = - R 500 683.60

Closing cash balance as per bank statement = R 21 178 164.82

Pillar 2 - Reduction in non-core expenditure

There are no unauthorised debit orders for the month of March; the municipality reverses these debit orders monthly.

The municipality was not charged penalties and interest for PAYE by SARS for late payment made for March 2025.

Pillar 3 - Trade Payables

Trade creditors for the previous quarter amounted to R269.5 million, which increased to R274.9 by R5.4 million in the reporting quarter.

Pillar 4 - Cash and Short-term liquidity

The municipality's short-term liabilities exceed short-term assets. The total current liabilities for the period ending March amounts to R366.9 million and the total current assets is R72.6 million, which shows that municipality is not able to meet its obligations with its available cash resources.

Pillar 5 - Collection Rate

- The collection rates for the months of July and August were notably low, at 3% and -4% respectively. However, there has been an improvement in the month of September, with the collection rate standing at 15%.
- Municipality has incurred 14% collection for October, 22% collection rates for the month of November 2024 which has decreased to 13% in the month of December 2024.
- For the month of January the collection rate was 14%, which slightly increased to 20% for

the month of February and there is a significant improvement for the month of March with a 43% collection.

- It is worth noting that the average collection rate for the third quarter amounted to 25.66%, which is an increase compared to the second quarter which had a collection rate of 16%.

Pillar 6 - Distribution losses

Electricity

- Total electricity losses as at Quarter 3 (January – March) 2025 are an average of 43% or R 2.9 million. The norm in terms of MFMA Circular 71 is 7% – 10%.

Total purchases		2,852,059.52
Total sold		1,619,966.20
Lossess		1,232,093.32
Cost per unit		2.38
Lossess in Rand		2,935,318.59
Loss %		43%

Water

- Total water losses as at Quarter 3 (January –March) are an average of 93% or R 2.5 million which also puts a risk on the realization of the budget and the debt relief program approved by the National Treasury. The norm in terms of MFMA Circular 123 is 15% - 30%.

Total purchases		485,793.00
Total sales		17,005.30
Losses		468,787.70
Cost per unit		5.36
Losses in Rand		2,510,438.31
Losses %		96%

Pillar 7 - Ring fencing of conditional grants

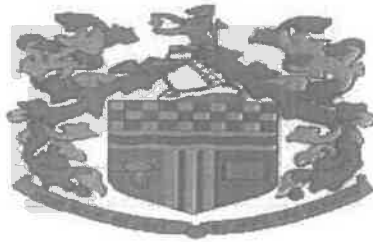
Description	Budget Year 2024/25					
	DORA Allocation	Adjustment	Funds Received to date	Spents to date Exc	Unspent Balance	% Spent to date
Grants and Subsidies						
Capital						
Municipal Infrastructure Grant	22,258,000.00	38,700,297.00	22,238,000.00	12,602,961.69	9,635,038.31	57%
Water Services Infrastructure Grant	20,000,000.00	20,000,000.00	25,000,000.00	14,623,761.24	10,376,238.76	58%
Regional Bulk Infrastructure Grant	-	32,834,809.00	23,659,554.77	17,573,835.70	6,085,719.07	74%
FBDM (Capital)	-	2,000,000.00	2,185,000.00	1,900,000.00	285,000.00	87%
Sub-Total	42,258,000.00	93,535,106.00	73,082,554.77	46,700,558.63	26,381,996.14	64%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	42,258,000.00	93,535,106.00	73,082,554.77	46,700,558.63	26,381,996.14	64%

The above table is the ring fencing of the conditional capital grants, as per the Dora allocation the municipality's allocation is R 42.3 million which is adjusted to R93.5 million, from the total allocation the municipality received R73.1 million and R46.7 million (VAT Excl) was spent to date.

PROGRESS ON THE FINANCIAL RECOVERY PLAN

Progress reports on the implementation of the Financial Recovery Plan will be submitted separately by the Office of the Municipal Manager to the Northern Cape Provincial Treasury and to the National Treasury.

Quality Certificate



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

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

The report for **January - March 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.



Mr T Thage
Acting Municipal Manager

25/04/2025
Date