

MAGARENG



MUNICIPALITY

QUARTERLY BUDGET & PERFORMANCE ASSESSMENT 2025/2026

DISTRIBUTION:

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

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REPORT TO COUNCIL: 30 OCTOBER 2025

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2025/26 BUDGET FOR THE PERIOD ENDED 30 SEPTEMBER 2025.

1. PURPOSE

The purpose of the report is for Council to consider and note the statement of financial performance and the implementation of the 2025/26 budget of the Magareng Local Municipality for the period ended 30 September 2025.

2. AUTHORITY

Magareng Local Municipality Council.

3. LEGAL / STATUTORY REQUIREMENTS

- The Constitution of the Republic of South Africa, 1996
- Municipal Finance Management Act No 56, 2003 Chapter 7, Section 52
- Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

In terms of Section 52 (d) of the Municipal Finance Management Act No 56, 2003 Chapter 7, “the Mayor must within 30 (thirty) days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state affairs of the Municipality”.

According to the Municipal Budget Reporting and Regulations (MBRR), 2009, “the monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act” (MFMA).

This report follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule C format).

PART1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) Council **CONSIDERS** and **NOTES** the report on the statement of financial performance and the implementation of the 2025/2026 budget for the period ended 30 September 2025 including supporting documentation attached.
- (ii) Council **NOTES** the spending trend on capital and operating performance as well as the reasons for such an expenditure as indicated in table 17 and 18 respectively of this report.
- (iii) The Council **NOTES** the collection rate average for the period under review stands at **35%** (July- September 2025).

N. MASE

EXECUTIVE MAYOR

MAGARENG LOCAL MUNICIPALITY

DATE

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 30 SEPTEMBER 2025

Table 1: Dashboard / Performance Summary: Performance Summary

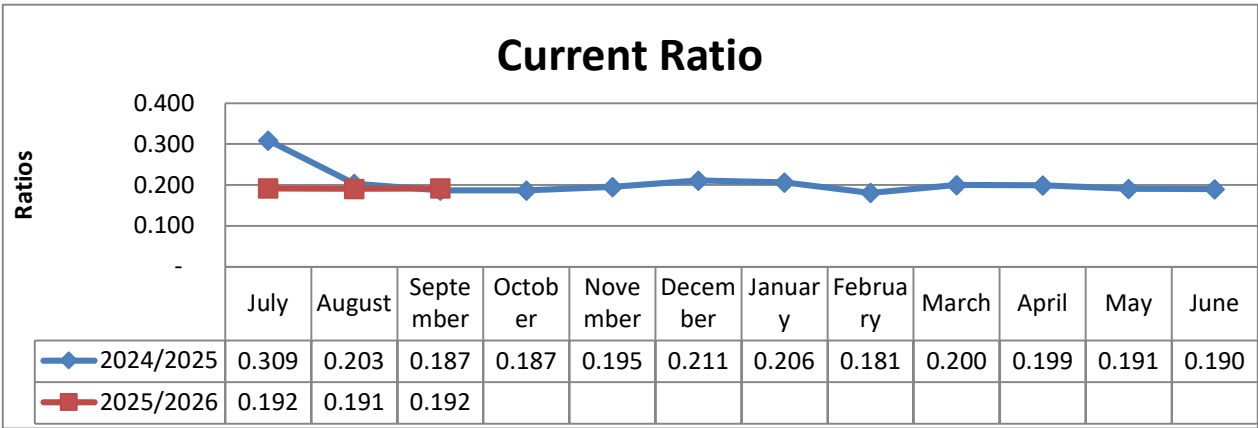
OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 54,276,048.45	Bank Balance	R 4,404,071.46
Expenditure	-R 38,825,102.05	Call investments (excl. int.)	R 4,978,976.00
Operating Surplus	R 15,450,946.40	Cash and cash equivalents	R 28,114,568.40
Transfers and Subsidies Recognised – Capital	R 15,157,407.27	Account Payables	R 287,807,140.00
Surplus After Capital Transfers	R 30,608,353.67	Unspent conditional grants	
DEBTORS		Committed to Capital budget-own funds	R 204,859.74
Total debtors book (incl. impairment)	R 493,387,802.00	Total Long term loans	R -
Total debtors - Government	R 7,267,409.00		
Total debtors - Business	R 28,628,692.00		
Total debtors - Households	R 454,979,253.00	SURPLUS / (DEFICIT) PER SERVICE	
Other	R 2,512,448.00	Water	R 6,810,221.22
REPAIRS AND MAINTENANCE		Electricity	R 1,110,043.75
2025/2026	2024/2025	Refuse	R 1,719,225.42
Exp.= R1 915 million, which is 25% of budget of R7 650 million	Exp.= R233 thousand, which is 3.8% of budget of R6 112 million	Sewerage	R 4,642,868.19
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
2025/2026: Budget=R32 601 million	2024/2025: Budget=42 258 million	2025/2026: Budget=76 862	2024/2025: Budget=72 942 million
Exp. (excl. vat) = R7 122 million	Exp. (excl. vat) = R10 417 million	Exp. (excl. vat) = R30 126 million	Exp. (excl. vat) = R9 876
% exp. (Excl. vat) :22%	% exp. (Excl. vat) :25%	% exp. (excl. vat): 39%	% exp. (excl. vat): 14%
Exp. (incl. vat) = R8 362 million	Exp. (incl. vat) = R12 255 million	Exp. (incl. vat) = R30 200 million	Exp. (incl. vat) = R10 098 million
% exp. (incl. vat): 26%	% exp. (incl. vat): 29%	% exp. (incl. vat): 39%	% exp. (incl. vat): 14%
FINANCIAL		HUMAN RESOURCES	
Operating deficit before Capital	R 15,450,946.40	Total staff complement	234
Debtors collection ratio	76%	Staff Appointments	4
YTD Grants and subsidies: recognized-Capital	R 15,157,407.27	Staff Terminations	1
Creditors payment days	11629 Days	Number of vacant posts	91
Current ratio	0.19:1	Total overtime paid (YTD)	R 405,373.00
		Allowances and benefits – Councillors	R 1,313,592.00
		Salary bill – Officials	R 12,809,341.00

Liquidity position

Magareng Local Municipality’s liquidity is considered unstable as the Current Ratio is **0.19:1** which indicates the inability of municipality’s current assets to cover its current liabilities. This is below the acceptable norm of 1. 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. This ratio denotes that the municipality cannot meet its short-term liabilities and is below the norm.

The graph below shows comparison of the current ratio for the current financial year and the previous financial year (2024/2025).

Figure 1: Current Ratio

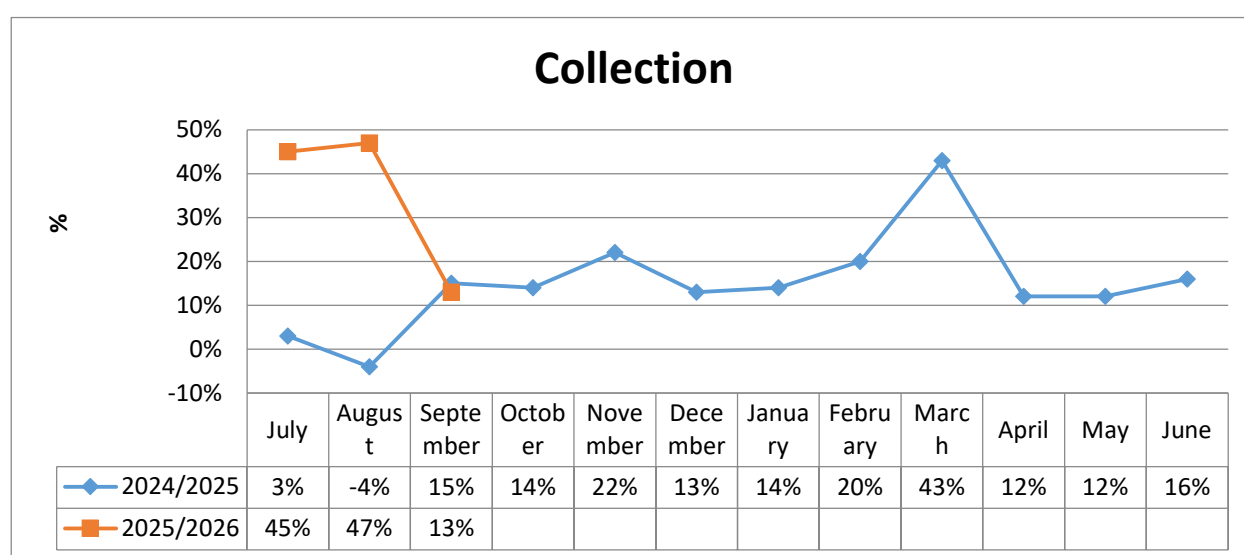


Collection Rate and Outstanding Debtors

The year to date collection rate for the month ended 30 September 2025 is **13%**, and for the month of July it was **45%** and **47%** for the month of August 2025. The average collection rate stands at **35%** for the 1st quarter. The collection rate has decreased by **34%** when compared to August 2025.

The graph below shows comparison of the monthly collection ratio for the current financial year and the previous financial year.

Figure 2: Collection Ratio



Total gross debtors book (including current accounts) as at 30 September 2025 amounts to R493.4 million (August: R488.1 million). Households: **R455 million**, Business: **R28.6 million**, Government: **R7.3 million**. And Other: **R2.5 million**.

Refer to table 12 of the report for details on debtors' management. The debtors' age analysis report is reflected on SC3.

Transfers and Subsidies Grants – Capital

Magareng Local municipality has spent **19% (R6.2 million**, exclusive of vat and retention) of the **R32.6 million** capital budget as at 30 September 2025. This reflects slow spending in rand value when compared to the same period in the previous financial year where **44% (R18.3 million**, vat exclusive) of the adjusted capital budget of **R82.3 million** was spent. It is expected that the expenditure will improve in the second quarter as procurement processes will be concluded.

Transfers and Subsidies Grants – Operational

The Municipality spent **40% (R30.5 million**, vat exclusive) of the operational grants budget **R76,9 million** as at 30 September 2025. This reflects a slight decline in percentage terms when compared to the same period in the previous financial year where **40% (R28.9 million**, vat exclusive) of the operational transfers and subsidies budget of **R73 million** was spent. It is expected that the expenditure will improve in the second quarter as procurement processes will be concluded.

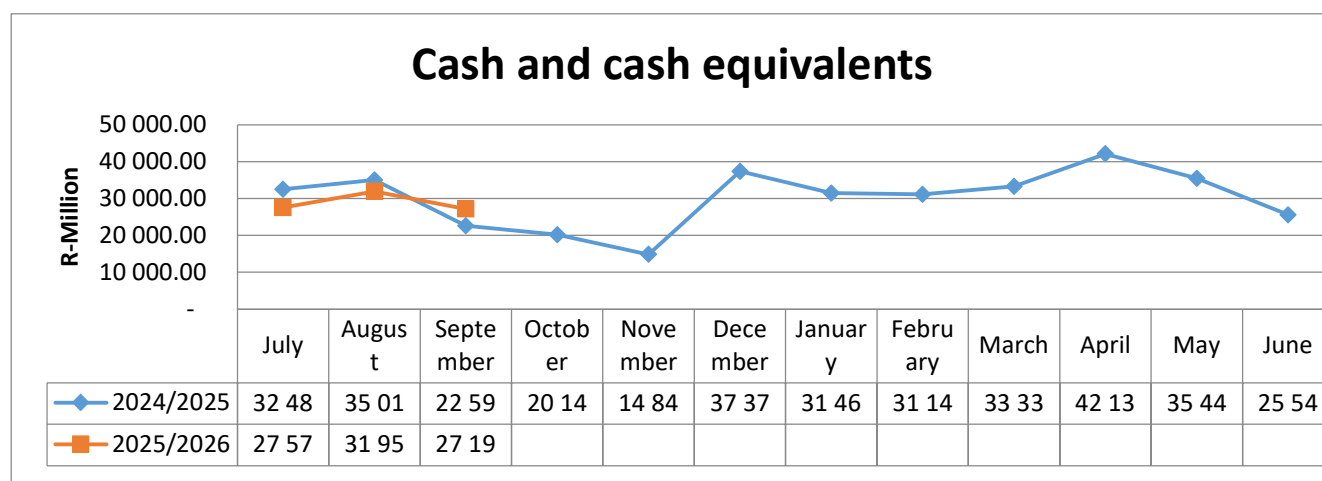
Cash and Cash Equivalents

The cash and cash equivalents of the municipality as at 30 September 2025 are **R27.1 million** made up of cash at the primary bank account amounting to **R4.4 million** and call investment deposits of **R5 million**. This funding is invested with ABSA financial institution in compliance with the MFMA.

Refer to Table 8 – C7 for the cash flow statement and Table 14 – SC5 for the investment portfolio breakdown.

The graph below shows comparison of the monthly cash and cash equivalents over the 2-year period.

Figure 3: Cash and Cash Equivalents



Outstanding 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. Refer to Table 14 – SC4 for detail.

As of 30th of September 2025, the municipality had an outstanding creditor amounting to **R287.8 million** and the bulk of this amount is made up by Bulk water: **R137 million** and bulk electricity: **R140 million**.

Repairs and maintenance/Inventory

Table 6 below reflects that as at 30 September 2025, the repairs and maintenance expenditure is 25% of the budget of **R7 650 million**. This reflects a negative variance of **R2.8 thousand** when we compare the year to date budget with the year to date actual. Refer to the table below and SC13c (repairs and maintenance by asset class).

Table 1 : Repairs and Maintenance per Directorate

PERFORMANCE ON REPAIRS & MAINTENANCE				
Directorate	Annual Budget	Year to Date Budget	Actual Expenditure	Variance
<i>Executive & Council</i>	R -	R -	R -	R -
<i>Office of the Municipal Manager</i>	R -	R -	R -	R -
<i>Corporate Services</i>	R 500 000.00	R 125 000.00	R 28 850.00	R 96 150.00
<i>Financial Services</i>	R -	R -	R -	R -
<i>Municipal Infrastructure</i>	R 6 150 000.00	R 1 537 500.00	R 1 880 539.35	-R 343 039.35
<i>Community Services</i>	R 1 000 000.00	R 250 000.00	R 5 959.00	R 244 041.00
TOTAL	R 7 650 000.00	R 1 912 500.00	R 1 915 348.35	-R 2 848.35

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Table 2: Monthly Budget Statement Summary

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

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	13,247	15,251	15,251	3,760	3,760	3,813	(52)	-1%	15,251
Service charges	38,331	42,146	42,146	10,376	10,376	10,537	(160)	-2%	42,146
Investment revenue	385	46	46	—	—	11	(11)	-100%	46
Transfers and subsidies - Operational	73,429	76,862	76,862	32,393	32,393	19,216	13,177	0	76,862
Other own revenue	33,029	36,184	36,184	7,746	7,746	9,046	(1,300)	-14%	36,184
Total Revenue (excluding capital transfers and contributions)	158,421	170,489	170,489	54,276	54,276	42,622	11,654	27%	170,489
Employee costs	51,011	59,997	59,997	12,809	12,809	14,999	(2,190)	-15%	59,997
Remuneration of Councillors	5,278	5,270	5,270	1,313	1,313	1,318	(5)	-0%	5,270
Depreciation and amortisation	76,675	23,541	23,541	5,885	5,885	5,885	0	0%	23,541
Interest	5,667	600	600	—	—	150	(150)	-100%	600
Inventory consumed and bulk purchases	47,909	39,050	39,050	3,729	3,729	9,763	(6,034)	-62%	39,050
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	86,583	68,581	68,581	16,089	16,089	17,145	(1,056)	-6%	68,581
Total Expenditure	273,124	197,039	197,039	39,825	39,825	49,260	(9,435)	-19%	197,039
Surplus/(Deficit)	(114,703)	(26,549)	(26,549)	14,451	14,451	(6,637)	21,088	-318%	(26,549)
Transfers and subsidies - capital (monetary)	71,924	32,601	32,601	15,157	15,157	8,150	7,007	86%	32,601
Transfers and subsidies - capital (in-kind)	2,252	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(40,527)	6,052	6,052	29,608	29,608	1,513	28,095	1857%	6,052
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	(40,527)	6,052	6,052	29,608	29,608	1,513	28,095	1857%	6,052
Capital expenditure & funds sources									
Capital expenditure	62,335	36,361	36,361	6,410	6,410	9,090	(2,680)	-29%	36,361
Capital transfers recognised	61,941	32,601	32,601	6,205	6,205	8,150	(1,945)	-24%	32,601
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	394	3,760	3,760	205	205	940	(735)	-78%	3,760
Total sources of capital funds	62,335	36,361	36,361	6,410	6,410	9,090	(2,680)	-29%	36,361
Financial position									
Total current assets	56,306	23,633	23,633		65,343				23,633
Total non current assets	459,823	515,142	515,142		461,067				515,142
Total current liabilities	341,313	306,432	306,432		340,506				306,432
Total non current liabilities	6,802	7,940	7,940		6,802				7,940
Community wealth/Equity	189,696	224,403	224,403		179,103				224,403
Cash flows									
Net cash from (used) operating	94,931	26,087	26,087	32,095	32,095	6,522	(25,573)	-392%	23,452
Net cash from (used) investing	(62,636)	(36,076)	(36,076)	(6,410)	(6,410)	(9,019)	(2,609)	29%	(36,076)
Net cash from (used) financing	38	25	25	16	16	6	(10)	-153%	25
Cash/cash equivalents at the month/year end	33,438	(8,859)	(8,859)	27,115	27,115	(2,215)	(29,329)	1324%	(11,185)
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	6,576	5,941	5,969	5,682	5,455	5,265	31,022	427,478	493,388
Creditors Age Analysis									
Total Creditors	14,394	17,152	17,957	16,168	16,315	55,502	55,991	94,329	287,807

The table above provides a high-level summation of the Municipality's financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis.

7.2 Table 3: C2: Monthly Budget Statement – Financial Performance (standard classification)

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		93 074	97 779	97 779	38 068	38 068	24 445	13 623	56%	97 779
Executive and council		66 243	67 612	67 612	27 950	27 950	16 903	11 047	65%	67 612
Finance and administration		26 831	30 167	30 167	10 118	10 118	7 542	2 576	34%	30 167
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		2 002	3 023	3 023	104	104	756	(651)	-86%	3 023
Community and social services		1 195	1 354	1 354	2	2	339	(337)	-100%	1 354
Sport and recreation		51	324	324	–	–	81	(81)	-100%	324
Public safety		756	1 345	1 345	103	103	336	(233)	-69%	1 345
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		–	450	450	–	–	113	(113)	-100%	450
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		–	450	450	–	–	113	(113)	-100%	450
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		137 520	101 838	101 838	31 261	31 261	25 459	5 802	23%	101 838
Energy sources		19 618	22 750	22 750	5 757	5 757	5 688	70	1%	22 750
Water management		64 584	38 293	38 293	13 039	13 039	9 573	3 466	36%	38 293
Waste water management		41 434	28 468	28 468	9 355	9 355	7 117	2 238	31%	28 468
Waste management		11 884	12 327	12 327	3 110	3 110	3 082	28	1%	12 327
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	232 597	203 090	203 090	69 433	69 433	50 773	18 661	37%	203 090
Expenditure - Functional										
<i>Governance and administration</i>		82 379	77 321	77 321	17 873	17 873	19 330	(1 457)	-8%	77 433
Executive and council		13 469	14 884	14 884	3 591	3 591	3 721	(130)	-4%	15 074
Finance and administration		68 909	62 437	62 437	14 283	14 283	15 609	(1 327)	-8%	62 359
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		12 247	16 506	16 506	3 059	3 059	4 127	(1 067)	-26%	16 757
Community and social services		2 301	2 467	2 467	584	584	617	(32)	-5%	2 467
Sport and recreation		3 314	6 695	6 695	725	725	1 674	(948)	-57%	6 712
Public safety		3 746	3 913	3 913	925	925	978	(53)	-5%	4 146
Housing		2 885	3 432	3 432	824	824	858	(34)	-4%	3 432
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		68 919	9 782	9 782	1 914	1 914	2 446	(532)	-22%	9 782
Planning and development		5 950	6 883	6 883	1 449	1 449	1 721	(272)	-16%	6 883
Road transport		62 969	2 899	2 899	464	464	725	(260)	-36%	2 899
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		109 580	93 429	93 429	16 979	16 979	23 357	(6 378)	-27%	93 067
Energy sources		38 947	42 339	42 339	4 647	4 647	10 585	(5 938)	-56%	42 018
Water management		33 986	24 944	24 944	6 229	6 229	6 236	(7)	0%	24 925
Waste water management		25 178	19 995	19 995	4 712	4 712	4 999	(287)	-6%	19 993
Waste management		11 468	6 150	6 150	1 391	1 391	1 538	(147)	-10%	6 130
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	273 124	197 039	197 039	39 825	39 825	49 260	(9 435)	-19%	197 039
Surplus/ (Deficit) for the year		(40 527)	6 052	6 052	29 608	29 608	1 513	28 095	18.570088	6 052

The table above is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

7.2 Table 4 : C3: Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote)

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

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		66 243	67 612	67 612	27 950	27 950	16 903	11 047	65.4%	67 612
Vote 03 - Corporate Services		(236)	–	–	–	–	–	–	–	–
Vote 04 - Financial Services		27 067	30 167	30 167	10 118	10 118	7 542	2 576	34.2%	30 167
Vote 05 - Municipal Infrastructure		130 670	89 961	89 961	31 261	31 261	22 490	8 771	39.0%	89 961
Vote 06 - Community Services		6 923	15 350	15 350	12	12	3 837	(3 826)	-99.7%	15 350
Vote 07 - Public Safety & Transport		1 930	–	–	93	93	–	93	#DIV/0!	–
Total Revenue by Vote	2	232 597	203 090	203 090	69 433	69 433	50 773	18 661	36.8%	203 090
Expenditure by Vote	1									
Vote 01 - Executive & Council		12 397	12 407	12 407	3 383	3 383	3 102	281	9.1%	12 407
Vote 02 - Office Of The Municipal Manager		849	2 478	2 478	208	208	619	(412)	-66.5%	2 478
Vote 03 - Corporate Services		17 570	19 293	19 293	4 516	4 516	4 823	(307)	-6.4%	19 293
Vote 04 - Financial Services		51 414	43 144	43 144	9 767	9 767	10 786	(1 019)	-9.4%	43 144
Vote 05 - Municipal Infrastructure		175 162	93 982	93 982	16 874	16 874	23 496	(6 622)	-28.2%	93 982
Vote 06 - Community Services		9 699	18 878	18 878	3 539	3 539	4 719	(1 180)	-25.0%	18 878
Vote 07 - Public Safety & Transport		173	–	–	–	–	–	–	–	–
Vote 09 - Planning & Development		5 860	6 857	6 857	1 539	1 539	1 714	(175)	-10.2%	6 857
Total Expenditure by Vote	2	273 124	197 039	197 039	39 825	39 825	49 260	(9 435)	-19.2%	197 039
Surplus/ (Deficit) for the year	2	(40 527)	6 052	6 052	29 608	29 608	1 513	28 095	1857.0%	6 052

The table above shows budgeted financial performance in relation to the revenue and expenditure by vote as well as the operating surplus or deficit for the municipality.

7.4 Table 5: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

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

Revenue Statement - Financial Performance (Revenue and Expenditure) - Q1 First Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		17 723	19 592	19 592	5 128	5 128	4 898	230	5%	19 592
Service charges - Water		4 786	5 424	5 424	1 031	1 031	1 356	(325)	-24%	5 424
Service charges - Waste Water Management		9 085	9 775	9 775	2 418	2 418	2 444	(25)	-1%	9 775
Service charges - Waste management		6 737	7 355	7 355	1 799	1 799	1 839	(40)	-2%	7 355
Sale of Goods and Rendering of Services		943	1 232	1 232	398	398	308	90	29%	1 232
Interest earned from Receivables		21 670	25 462	25 462	5 499	5 499	6 365	(867)	-14%	25 462
Interest from Current and Non Current Assets		385	46	46	—	—	11	(11)	-100%	46
Rent on Land		23	38	38	7	7	9	(3)	-27%	38
Rental from Fixed Assets		16	327	327	—	—	82	(82)	-100%	327
Operational Revenue		3 520	732	732	103	103	183	(80)	-44%	732
Non-Exchange Revenue										
Property rates		13 247	15 251	15 251	3 760	3 760	3 813	(52)	-1%	15 251
Fines, penalties and forfeits		225	612	612	—	—	153	(153)	-100%	612
Transfers and subsidies - Operational		73 429	76 862	76 862	32 393	32 393	19 216	13 177	69%	76 862
Interest		6 681	7 781	7 781	1 740	1 740	1 945	(205)	-11%	7 781
Operational Revenue		252	—	—	—	—	—	—	—	—
Gains on disposal of Assets		(301)	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		158 421	170 489	170 489	54 276	54 276	42 622	11 654	27%	170 489
Expenditure By Type										
Employee related costs		51 011	59 997	59 997	12 809	12 809	14 999	(2 190)	-15%	59 997
Remuneration of councillors		5 278	5 270	5 270	1 313	1 313	1 318	(5)	0%	5 270
Bulk purchases - electricity		31 322	25 000	25 000	—	—	6 250	(6 250)	-100%	25 000
Inventory consumed		16 587	14 050	14 050	3 729	3 729	3 513	216	6%	14 050
Debt impairment		50 156	31 883	31 883	7 971	7 971	7 971	0	0%	31 883
Depreciation and amortisation		76 675	23 541	23 541	5 885	5 885	5 885	0	0%	23 541
Interest		5 667	600	600	—	—	150	(150)	-100%	600
Contracted services		14 322	16 283	16 283	2 501	2 501	4 071	(1 570)	-39%	16 283
Operational costs		18 177	19 810	19 810	5 618	5 618	4 953	665	13%	19 810
Other Losses		3 928	604	604	—	—	151	(151)	-100%	604
Total Expenditure		273 124	197 039	197 039	39 825	39 825	49 260	(9 435)	-19%	197 039
Surplus/(Deficit)		(114 703)	(26 549)	(26 549)	14 451	14 451	(6 637)	21 088	-318%	(26 549)
Transfers and subsidies - capital (monetary allocations)		71 924	32 601	32 601	15 157	15 157	8 150	7 007	86%	32 601
Transfers and subsidies - capital (in-kind)		2 252	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(40 527)	6 052	6 052	29 608	29 608	1 513	28 095	1857%	6 052
Income Tax								—		
Surplus/(Deficit) after income tax		(40 527)	6 052	6 052	29 608	29 608	1 513	28 095	1857%	6 052
Share of Surplus/Deficit attributable to Joint Venture								—		
Share of Surplus/Deficit attributable to Minorities								—		
Surplus/(Deficit) attributable to municipality		(40 527)	6 052	6 052	29 608	29 608	1 513	28 095	1857%	6 052
Share of Surplus/Deficit attributable to Associate								—		
Intercompany/Parent subsidiary transactions								—		
Surplus/ (Deficit) for the year		(40 527)	6 052	6 052	29 608	29 608	1 513	28 095	1857%	6 052

The statement of financial performance presented in table above compares the expenditure and revenue on accrual basis against budget for the period ended 30 September 2025.

ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

The explanation below pertains to all variances in excess of **10%**.

1. Operational Revenue

For the first quarter July 2025 to September 2025, the municipality billed **R54.3 million** and the year-to-date actual amounts to **R54.3 million** whilst the year to date budget amounts to **R42.6 million** this results in a positive 27% 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.

Service Charges –Water

The municipality billed **R1 million** for the quarter under review, resulting in a 24% shortfall compared to the actual year-to-date budget of **R1.4 million**. This is due to the water meters that are not working and, in some instances; there are no water meters at all which makes it impossible for the municipality to get full consumption for water as projected.

Sale of Goods and Rendering of Services

The municipality has billed **R398 thousands** which results in a positive variance of 29% when compared to year-to-date budget amounting to **R308 thousands**. This variance is due income received from the Auction for dilapidated assets of the municipality.

Interest earned – Receivables

The municipality has generated revenue amounting to **R5.5 million**, which is 14% less than the year-to-date budget of **R6.4 million** for the quarter under review. 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 a more extended period and continue to accrue interest.

Rental from fixed assets

For the reporting quarter, the municipality did not generate income from Rent on Fixed assets which resulted in a negative variance of 100% when compared to year-to-date budget of **R82 thousands**. This variance is due to the municipal rental assets (community halls and the sports facility) that are dilapidated.

Operational Revenue

The municipality received **R103 thousand** from other revenue for this quarter which is **44%** less than the projected revenue that amounts to **R103 thousand** for the period under review.

Fines, penalties and forfeits

Municipality did not generate any revenue from Fines, penalties and forfeits for the quarter under review, which is 100% less than the year-to-date budget that amounts to **R153 thousands**. The material variance in Fines & Penalties is caused by the following factors:

- (i) Tracing offenders is a challenge due to people not updating their particulars i.e. address etc. when relocating.
- (ii) Buyers of vehicles not registering their vehicles in their name thus details are not updated to new owners details which makes it difficult to trace traffic offenders
- (iii) Corrective Measure: Traffic Department to increase its operations & roadblocks to get offenders to pay for their traffic fines.

Transfers and Subsidies operational

The municipality received **R1 million** from FBDM for Vending System, **R27.6 million** for Equitable share, **R322 thousand** for EPWP, **R3 million** from FMG and **R413 million** Capacity Building Grant - Audit readiness thousand was received from Provincial Government for in the first quarter. The year to date actual for the operational grants amounts to **R32.4 million** which is **69%** above the year to date budget of **R19, 2 million**.

It is with noting that all operational grants were received according to the DoRA, allocation, letters from funders, and the payment schedule from National Treasury. FBDM operational grant revenue is recognised as per the expenditure incurred which amounts to the allocation, expenditure is incurred through invoice claimed to the district.

Interest from current and non-current assets

There are no transactions on this line item, whilst the year to date budget amounts to **R11 thousand**, this results in a negative variance of 100%, this interest is from the closing of the traffic fines call account. This call account was closed due to no collection and speed camera contract ended.

2. Operational Expenditure

The operating expenditure for the quarter under review amounts to **R39.8 million**, whilst the year to date budget is **R49.3 million**, this results in a negative **19%** year-to-date variance when comparing the year to date actual which amounts to **R39.8 million** with the year to date budget of **R49.3 million**.

Employee Related

The municipality incurred **R12.8 million** on employee-related costs, which reflects a negative variance of **15%**, which indicates that the municipality has spent less than the year-to-date budget which amounts to **R15 million** in the current quarter. The variance between the projected budget and actual year to date is due to unfilled posts which are budgeted for.

Bulk Purchase-Electricity

There are no transactions for electricity bulk purchases in the first quarter. The year-to-date budget for electricity is **R6.3 million**, which results in a negative variance of 100%. This variance is due to the municipality's inability to meet its payment commitments to Eskom because of current financial constraints, and low collection rate.

Interest

There are no transactions in this line item which results in a negative variance of 100% when taking into consideration the year to date budget which amounts to **R150 thousand**.

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 **R2.5 million** for the quarter which reflects a negative **39%** variance when compared to the year to date budget which amounts to **R4.1 million**. This variance is caused by the municipality's inability to service its creditors regularly due to cash constraints and low collection rate.

Debt Impairment

The municipality has recognized a debt impairment of **R7.9 million** for the quarter under review, this is due to reversal of journal to be on par with the year to date budget. Both the year-to-date budget and the year to date actual, stand at **R7.9 million**, 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.

Depreciation

The municipality has recognized a depreciation of **R5.9 million** for the quarter under review, this is due to reversal of journal to be on par with the year to date budget. Both the year-to-date budget and the year to date actual, stand at **R5.9 million**, 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.

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 **R3.7 million** and the year to date actual is **R3.7 million**, this reflects a variance of 6% more than the projected budget of **R3.5 million**. The municipality entered into a debt relief program with Vaalharts through Provincial Treasury and maintenance.

Operation cost

This item has incurred expenditure amounting to **R5.6 million** and the actual year to date amounts to **R5.6 million**, which reflects a negative variance of **13%** when we compare it with the year to date budget of **R5 million**. Other/Operational expenditure includes items such as remuneration of ward committees, Assets consultants, insurance costs, external audit fees and other municipal running costs. The variance is due to cost containment policy implementation.

7.5 Table 6: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)

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

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		394	1 810	1 810	31	31	452	(421)	-93%	1 810
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		394	1 810	1 810	31	31	452	(421)	-93%	1 810
Internal audit								–		
<i>Community and public safety</i>		–	1 450	1 450	174	174	362	(189)	-52%	1 450
Community and social services		–	300	300	–	–	75	(75)	-100%	300
Sport and recreation		–	1 150	1 150	174	174	287	(114)	-40%	1 150
Public safety								–		
Housing								–		
Health								–		
<i>Economic and environmental services</i>		–	–	–	–	–	–	–		–
Planning and development								–		
Road transport		–	–	–	–	–	–	–		–
Environmental protection								–		
<i>Trading services</i>		61 941	33 101	33 101	6 205	6 205	8 275	(2 070)	-25%	33 101
Energy sources		–	500	500	–	–	125	(125)	-100%	500
Water management		44 398	22 601	22 601	3 680	3 680	5 650	(1 970)	-35%	22 601
Waste water management		17 543	10 000	10 000	2 525	2 525	2 500	25	1%	10 000
Waste management								–		
<i>Other</i>								–		
Total Capital Expenditure - Functional Classification	3	62 335	36 361	36 361	6 410	6 410	9 090	(2 680)	-29%	36 361
<u>Funded by:</u>										
National Government		61 941	32 601	32 601	6 205	6 205	8 150	(1 945)	-24%	32 601
Provincial Government								–		
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		61 941	32 601	32 601	6 205	6 205	8 150	(1 945)	-24%	32 601
Borrowing	6							–		
Internally generated funds		394	3 760	3 760	205	205	940	(735)	-78%	3 760
Total Capital Funding		62 335	36 361	36 361	6 410	6 410	9 090	(2 680)	-29%	36 361

The table above reflects the Municipality's capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification and funding sources.

7.6 Table 7 : C6: Monthly Budget Statement – Financial Position

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

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		1,414	(60,742)	(60,742)	8,458	(60,742)
Trade and other receivables from exchange transactions		(30,730)	20,262	20,262	(27,194)	20,262
Receivables from non-exchange transactions		16,114	14,699	14,699	16,604	14,699
Current portion of non-current receivables						
Inventory		6	121	121	(58)	121
VAT		71,297	50,562	50,562	69,329	50,562
Other current assets		(1,795)	(1,270)	(1,270)	(1,796)	(1,270)
Total current assets		56,306	23,633	23,633	65,343	23,633
Non current assets						
Investments						
Investment property		21,079	24,868	24,868	21,079	24,868
Property, plant and equipment		436,542	489,691	489,691	437,786	489,691
Biological assets						
Living and non-living resources						
Heritage assets		371	371	371	371	371
Intangible assets		1,831	213	213	1,831	213
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		459,823	515,142	515,142	461,067	515,142
TOTAL ASSETS		516,129	538,775	538,775	526,410	538,775
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1,358	1,334	1,334	1,374	1,334
Trade and other payables from exchange transactions		299,749	266,511	266,511	276,699	266,511
Trade and other payables from non-exchange transactions		1,451	9,019	9,019	22,662	9,019
Provision		10,167	8,837	8,837	10,076	8,837
VAT		28,589	20,731	20,731	29,695	20,731
Other current liabilities		–	–	–	–	–
Total current liabilities		341,313	306,432	306,432	340,506	306,432
Non current liabilities						
Financial liabilities		669	1,085	1,085	669	1,085
Provision		6,133	6,855	6,855	6,133	6,855
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		6,802	7,940	7,940	6,802	7,940
TOTAL LIABILITIES		348,114	314,372	314,372	347,307	314,372
NET ASSETS	2	168,015	224,403	224,403	179,103	224,403
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		189,696	224,403	224,403	179,103	224,403
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	189,696	224,403	224,403	179,103	224,403

The table above reflects the financial position of the Municipality. The current ratio of the municipal's financial position equals **0.19**, which is current assets divided by current liabilities (**65 343/ 340 506**). 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.

7.8 Table 8: C7: Monthly Budget Statement – Cash Flow

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		5 068	9 150	9 150	4 298	4 298	2 288	2 010	88%	9 150
Service charges		20 156	25 207	25 207	5 205	5 205	6 302	(1 096)	-17%	25 207
Other revenue		58 431	2 959	2 959	542	542	740	(198)	-27%	2 865
Transfers and Subsidies - Operational		69 243	76 862	76 862	32 393	32 393	19 216	13 177	69%	76 862
Transfers and Subsidies - Capital		72 545	32 601	32 601	15 157	15 157	8 150	7 007	86%	32 601
Interest		790	20 319	20 319	469	469	5 080	(4 611)	-91%	20 319
Dividends							-	-		
Payments										
Suppliers and employees		(131 302)	(140 411)	(140 411)	(25 969)	(25 969)	(35 103)	(9 134)	26%	(142 952)
Interest		-	(600)	(600)	-	-	(150)	(150)	100%	(600)
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		94 931	26 087	26 087	32 095	32 095	6 522	(25 573)	-392%	23 452
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(301)	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(62 335)	(36 076)	(36 076)	(6 410)	(6 410)	(9 019)	(2 609)	29%	(36 076)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(62 636)	(36 076)	(36 076)	(6 410)	(6 410)	(9 019)	(2 609)	29%	(36 076)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		38	25	25	16	16	6	10	153%	25
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		38	25	25	16	16	6	(10)	-153%	25
NET INCREASE/ (DECREASE) IN CASH HELD		32 334	(9 964)	(9 964)	25 701	25 701	(2 491)			(12 598)
Cash/cash equivalents at beginning:		1 104	1 104	1 104	1 414	1 414	276			1 414
Cash/cash equivalents at month/year end:		33 438	(8 859)	(8 859)	27 115	27 115	(2 215)			(11 185)

The Municipality's cash flow position and cash/cash equivalent outcome is shown in the table above. The Municipality's cash position reflects a net increase of **R26 million**, resulting in cash and cash equivalents closing balance of **R27.1 million** as at 30 September 2025.

PART 2: SUPPORTING DOCUMENTATION

8. DEBTORS ANALYSIS

8.1 Table 9: SC3 Monthly Budget Statement Aged Debtors

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

Description	NT Code	Budget Year 2025/26										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	475	388	385	367	345	343	2,607	70,886	75,796	74,549		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	613	365	453	196	252	127	839	27,265	30,110	28,679		
Receivables from Non-exchange Transactions - Property Rates	1400	1,261	1,115	1,074	975	886	821	4,426	53,556	64,113	60,664		
Receivables from Exchange Transactions - Waste Water Management	1500	922	908	903	838	836	859	5,085	69,101	79,453	76,719		
Receivables from Exchange Transactions - Waste Management	1600	681	661	647	604	608	606	3,568	47,529	54,903	52,914		
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–		
Interest on Arrear Debtor Accounts	1810	2,513	2,461	2,472	2,660	2,486	2,466	14,245	155,251	184,553	177,108		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–		
Other	1900	112	42	36	43	43	43	252	3,890	4,460	4,270		
Total By Income Source	2000	6,576	5,941	5,969	5,682	5,455	5,265	31,022	427,478	493,388	474,902	–	–
2024/25 - totals only		6,026	5,716	5,582	5,371	5,408	5,200	30,386	417,700	481,390	464,066		
Debtors Age Analysis By Customer Group													
Organs of State	2200	438	447	433	369	341	288	1,247	3,703	7,267	5,949		
Commercial	2300	762	447	547	318	361	278	1,605	24,311	28,629	26,873		
Households	2400	5,352	5,020	4,967	4,965	4,723	4,670	27,981	397,300	454,979	439,640		
Other	2500	24	27	22	29	29	29	188	2,164	2,512	2,441		
Total By Customer Group	2600	6,576	5,941	5,969	5,682	5,455	5,265	31,022	427,478	493,388	474,902	–	–

The debtor analysis above provides an age analysis summary by revenue source and customer category for the total debtors.

Additional debtors' information

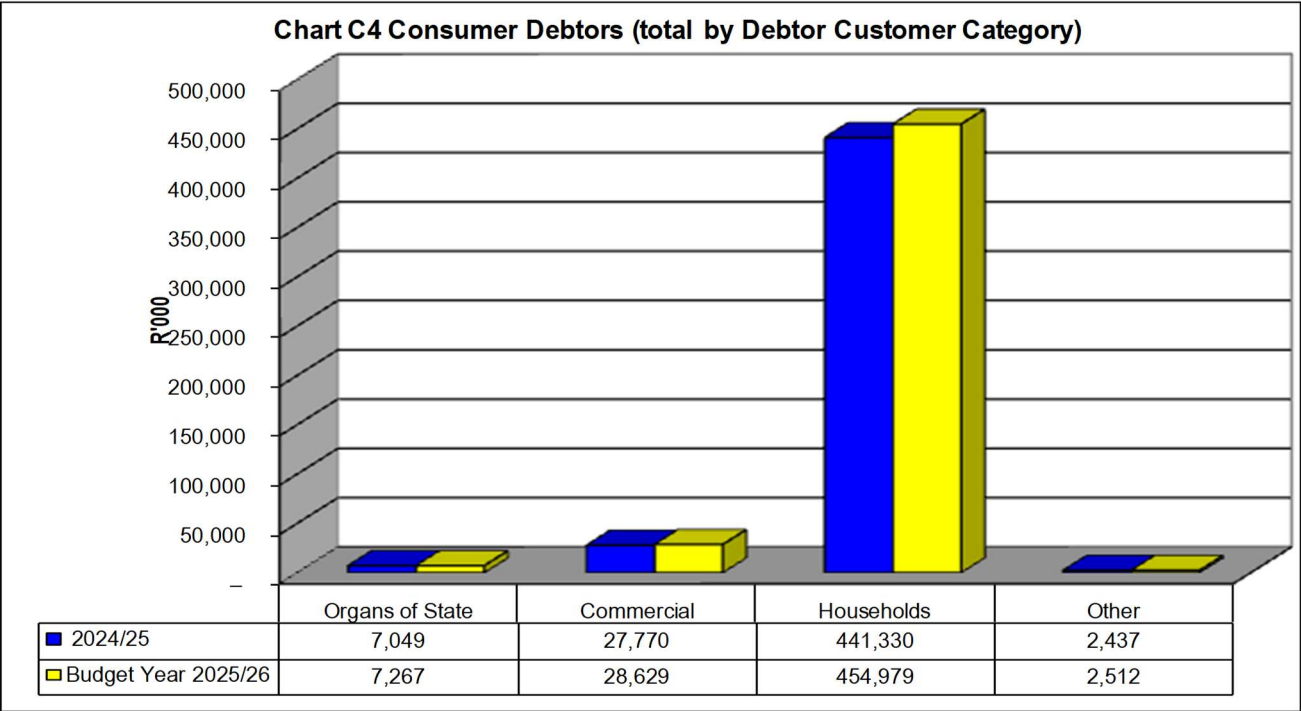
The total debtor's book, which includes all charges excluding VAT, amounted to **R493.4 million** as at 30 September 2025 which is an increase of **R12 million** over the amount of **R481.4 million** as at 30 June 2025 (Quarter 4 of last financial year).

During the month, credit control and debt collection policy was implemented. Challenges that the municipality experienced during the quarter which continue to affect revenue collection are as follows:

- a) Illegal connections / Meter Tampering;
- b) Inability to collect service charges mainly in Ikhutseng where electricity is not supplied by the municipality;
- c) Illegal reconnection by customer's where the supply is self reconnected without the payment.

The long outstanding consumer debts may negatively affect the sustainability of the municipality. The average collection rate is reported to be at **35%** for the quarter. The effective implementation of 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 graph below shows comparison of annual movements in debtors for the 2-year period.

Figure 4: Debtors age analysis over the 2-year period



Additional debtor's information.

Age Analysis per Category

Table 11 below details debtors age analysis by income source as at 30 September 2025. It also provides comparison with the previous month (31 August 2025), which indicates an increase from **R423.2 million** to **R427.5 million**.

8.2 Table 11: Debtor's Age Analysis by Income Source Comparison

R thousands	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 By Income Source																		
Trade and Other Receivables from Exchange Transactions - Water	R	474,830	R	387,605	R	384,621	R	367,084	R	345,491	R	342,876	R	2,607,283	R	70,886,261	R	75,796,051
Trade and Other Receivables from Exchange Transactions - Electricity	R	612,710	R	365,289	R	453,369	R	195,704	R	252,189	R	127,398	R	838,960	R	27,264,646	R	30,110,265
Receivables from Non-exchange Transactions - Property Rates	R	1,260,731	R	1,114,719	R	1,073,592	R	974,780	R	886,067	R	821,464	R	4,425,630	R	53,555,870	R	64,112,853
Receivables from Exchange Transactions - Waste Water Management	R	922,255	R	908,430	R	902,963	R	838,257	R	835,508	R	859,169	R	5,085,460	R	69,100,506	R	79,452,548
Receivables from Exchange Transactions - Waste Management	R	680,522	R	660,835	R	647,252	R	604,022	R	607,515	R	605,845	R	3,567,788	R	47,529,199	R	54,902,978
Receivables from Exchange Transactions - Property Rental Debtors	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Interest on Arrear Debtor Accounts	R	2,512,701	R	2,461,346	R	2,471,663	R	2,659,735	R	2,485,578	R	2,466,187	R	14,244,846	R	155,251,287	R	184,553,343
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Other	R	111,907	R	42,298	R	35,958	R	42,767	R	42,636	R	42,503	R	251,564	R	3,890,131	R	4,459,764
Total By Income Source	R	6,575,656	R	5,940,522	R	5,969,418	R	5,682,349	R	5,454,984	R	5,265,442	R	31,021,531	R	427,477,900	R	493,387,802
August Totals	R	6,238,303	R	6,068,543	R	5,751,614	R	5,498,023	R	5,329,408	R	5,327,653	R	30,722,045	R	423,157,646	R	488,093,235
DIFFERENCE	R	337,353	-R	128,021	R	217,804	R	184,326	R	125,576	-R	62,211	R	299,486	R	4,320,254	R	5,294,567

Age Analysis per Category

Table 10 below details debtors age analysis per category type as at 30 September 2025. It also reflects the percentage split per category with domestic consumers having the highest share followed by business. Please note that the financial system is not able to produce a collection ratio per category, however the collection ratio is reported on total debtors. From the table below it can be depicted that the highest debt is attributed to the Household with **92%** of the total debtors.

8.3 Table 10: Age Analysis per Category Type

	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	% Share	
Debtors Age Analysis By Customer Group																			
Organs of State	R	438,314	R	447,045	R	433,207	R	369,314	R	341,340	R	288,159	R	1,247,050	R	3,702,980	R	7,267,409	1%
Commercial	R	761,855	R	446,682	R	547,489	R	318,136	R	360,996	R	277,786	R	1,605,123	R	24,310,625	R	28,628,692	6%
Households	R	5,351,776	R	5,020,234	R	4,967,167	R	4,965,422	R	4,723,302	R	4,670,284	R	27,981,150	R	397,299,918	R	454,979,253	92%
Other	R	23,711	R	26,561	R	21,555	R	29,477	R	29,346	R	29,213	R	188,208	R	2,164,377	R	2,512,448	1%
Total By Customer Group	R	6,575,656	R	5,940,522	R	5,969,418	R	5,682,349	R	5,454,984	R	5,265,442	R	31,021,531	R	427,477,900	R	493,387,802	100%

Note*: The municipality should consider implementing stop order deduction for all municipal staff and councilors in area.

Government Accounts

The total arrears owed by Government Departments to Magareng Local Municipality as at 30 September 2025 amounted to **R7.2 million** and this is a increase of **R357 thousand** when compared to previous month which amounted to **R6.9 million**. From the table below it can be depicted that the department of education attributes the highest debt.

The breakdowns per department are indicated in the table hereunder, as at 30 September 2025.

8.4 Table 11: Analysis of Government Debtors

Department	Property Rates	Services	Total	%
Department of Education	1,016,285.48	1,397,469.06	2,413,754.54	33%
Department of Health	-	282,098.39	282,098.39	4%
Department of Nat. P/W	570,201.89	1,251,394.77	1,821,596.66	25%
Department of Prov. P/W	1,244,505.45	633,098.72	1,877,604.17	26%
Department of Rural Dev.	506,222.04	242,681.18	748,903.22	10%
Department of Social Dev.	-	123,447.83	123,447.83	2%
Total	3,337,214.86	3,930,189.95	7,267,404.81	100%

9. CREDITORS ANALYSIS

9.1 Table 12: SC4 Monthly Budget Statement Aged Creditors

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

Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (Q4 24/25)
		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	11,049	11,565	11,571	11,864	10,133	43,199	40,646	–	140,028	135,042
Bulk Water	0200	2,419	4,470	4,204	3,091	4,465	12,406	14,231	92,398	137,683	137,072
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	920	–	–	–	–	–	920	917
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	617	772	898	901	1,286	(220)	868	1,609	6,729	12,404
Auditor General	0800	309	345	364	312	432	116	247	323	2,446	1,929
Other	0900	–	–	–	–	–	–	–	–	–	–
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	14,394	17,152	17,957	16,168	16,315	55,502	55,991	94,329	287,807	287,364

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 September 30th, 2025, amounted to **R287.8 million**, including Eskom with **R140 million** and Vaal-harts Water with **R137.7 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.

9.2 Table 13: Top ten creditors– September 2025

CREDITORS	BALANCE
BULK ELECTRICITY	-R 140 028 024.81
VAALHARTS WATER	-R 137 682 838.35
AUDITOR GENERAL	-R 2 446 441.85
COMPENSATION COMM	-R 1 659 067.31
BUSINESS CONNEXION	-R 1 393 675.61
PENSION FUND	-R 920 497.00
SMEC	-R 620 964.58
MEGA WATER CHEM	-R 480 872.50
MAKOMOTA	-R 421 337.00
SALGA	-R 225 763.16
TOTAL	-R 285 879 482.17

10. INVESTMENT PORTFOLIO ANALYSIS

10.1 Table 14: SC5 Monthly Budget Statement – investment portfolio

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<u>Municipality</u>														
Magareng Local Municipality														-
Municipality sub-total										-	-	-	-	-
<u>Entities</u>														
ABSA (9380541602)		3 Month	7 Day	YES	FIXED				9/1/2025	903	21	(918)	5,000	5,006
														-
														-
														-
														-
														-
Entities sub-total										903	21	(918)	5,000	5,006
TOTAL INVESTMENTS AND INTEREST	2									903	21	(918)	5,000	5,006

The investment portfolio analysis detailed table above includes information on the institution where funds are invested, period of investment, type of investment and accrued interest for the month. Investment portfolio Supporting Table SC5 displays the council's investments portfolio and indicates that the municipality had an opening balance of **R903 thousand**, municipality top up the investment by **R5 million** and earned interest of **R21 thousand**. From the total investment, amount of **R918 thousand** was withdrawn from investment account, as at the end of 30 September 2025 the municipality had a closing balance of **R5 million**.

11. TRANSFERS AND SUBSIDIES: CAPITAL AND OPERATION PERFORMANCE

11.1 Table 15: ALLOCATION AND GRANT AND RECEIPTS

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		69 243	70 612	70 612	30 950	30 950	17 653	13 297	75.3%	70 612
Equitable Share		65 001	66 283	66 283	27 618	27 618	16 571	11 047	66.7%	66 283
Expanded Public Works Programme Integrated Grant		1 242	1 329	1 329	332	332	332	(0)	-0.1%	1 329
Local Government Financial Management Grant		3 000	3 000	3 000	3 000	3 000	750	2 250	300.0%	3 000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	1 500	1 500	413	413	375	38	10.0%	1 500
Capacity Building and Other Grants		-	1 500	1 500	413	413	375	38	10.0%	1 500
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
District Municipality:		2 948	3 500	3 500	1 030	1 030	875	155	17.8%	3 500
FBDM		2 948	3 500	3 500	1 030	1 030	875	155	17.8%	3 500
Other grant providers:		1 239	1 250	1 250	-	-	313	(313)	-100.0%	1 250
Education Training and Development Practices SETA		65	-	-	-	-	-	-		-
National Library South Africa		1 174	-	-	-	-	-	-		-
Northern Cape Arts and Cultural		-	1 250	1 250	-	-	313	(313)	-100.0%	1 250
Post Retirement Benefit		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	73 429	76 862	76 862	32 393	32 393	19 215	13 177	68.6%	76 862
Capital Transfers and Grants										
National Government:		71 924	32 601	32 601	15 157	15 157	8 150	7 007	86.0%	32 601
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		22 197	12 641	12 641	3 000	3 000	3 160	(160)	-5.1%	12 641
Regional Bulk Infrastructure Grant		25 306	9 960	9 960	7 157	7 157	2 490	4 667	187.4%	9 960
Water Services Infrastructure Grant		24 421	10 000	10 000	5 000	5 000	2 500	2 500	100.0%	10 000
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
District Municipality:		2 252	-	-	-	-	-	-		-
Specify (Add grant description)		2 252	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	74 176	32 601	32 601	15 157	15 157	8 150	7 007	86.0%	32 601
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	147 605	109 463	109 463	47 550	47 550	27 366	20 185	73.8%	109 463

11.2 Table 16: TRANSFERS AND GRANT EXPENDITURE

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		43 281	70 612	70 612	28 421	28 421	17 653	10 768	61.0%	50 956
Equitable Share		39 630	66 283	66 283	27 618	27 618	16 571	11 047	66.7%	46 627
Expanded Public Works Programme Integrated Grant		1 270	1 329	1 329	551	551	332	218	65.7%	1 329
Local Government Financial Management Grant		2 382	3 000	3 000	252	252	750	(498)	-66.4%	3 000
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		–	1 500	1 500	413	413	375	38	10.0%	1 500
Capacity Building and Other Grants		–	1 500	1 500	413	413	375	38	10.0%	1 500
District Municipality:		421	3 500	3 500	1 418	1 418	875	543	62.1%	3 500
FBDM (Operational)		421	3 500	3 500	1 418	1 418	875	543	62.1%	3 500
Other grant providers:		1 126	1 250	1 250	288	288	313	(24)	-7.8%	1 250
Education Training and Development Practices SETA		–	–	–	–	–	–	–	–	–
National Library South Africa		1	–	–	–	–	–	–	–	–
Northern Cape Arts and Cultural		1 125	1 250	1 250	288	288	313	(24)	-7.8%	1 250
Total operating expenditure of Transfers and Grants:		44 828	76 862	76 862	30 539	30 539	19 216	11 324	58.9%	57 206
Capital expenditure of Transfers and Grants										
National Government:		61 941	32 601	32 601	7 122	7 122	8 150	(1 028)	-12.6%	32 601
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		22 322	12 641	12 641	–	–	3 160	(3 160)	-100.0%	12 641
Regional Bulk Infrastructure Grant		22 076	9 960	9 960	4 597	4 597	2 490	2 107	84.6%	9 960
Water Services Infrastructure Grant		17 543	10 000	10 000	2 525	2 525	2 500	25	1.0%	10 000
Total capital expenditure of Transfers and Grants		61 941	32 601	32 601	7 122	7 122	8 150	(1 028)	-12.6%	32 601
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		106 769	109 463	109 463	37 661	37 661	27 366	10 295	37.6%	89 807

Transfers and grants receipts per allocation are provided on the table above. Further details on grants expenditure performance (including vat) are detailed in table 18 below.

Table 17: Spending per Conditional Grant Funding Allocation

Description	Budget Year 2025/26						
	Original Budget	Funds Received to date	Spents to date	Spent to date Vat Inc & Retentions	Unspent Balance Vat Inc	% Spent to date VAT excl	% Spent to date VAT incl
Grants and Subsidies							
Operational							
Equitable Share	66 283 000.00	27 618 000.00	27 618 000.00	27 618 000.00	38 665 000.00		42%
Expanded Public Works Programme Integrated Grant	1 329 000.00	332 000.00	550 640.05	550 640.05	778 359.95	41%	41%
Local Government Financial Management Grant	3 000 000.00	3 000 000.00	252 012.31	260 176.23	2 739 823.77	8%	9%
Capacity Building and Other Grants	1 500 000.00	412 513.17	412 513.17	412 513.17	1 087 486.83	28%	28%
FBDM (Operational)	3 500 000.00	1 030 480.00	1 418 150.00	1 480 872.50	2 019 127.50	41%	42%
Northern Cape Arts and Cultural	1 250 000.00	-	288 007.23	290 932.23	959 067.77	23%	23%
Sub-Total	76 862 000.00	32 392 993.17	30 539 322.76	30 613 134.18	46 248 865.82	40%	40%
Capital							
Municipal Infrastructure Grant	12 641 000.00	3 000 000.00	-	-	12 641 000.00	0%	0%
Water Services Infrastructure Grant	10 000 000.00	5 000 000.00	2 525 236.79	3 076 874.21	6 923 125.79	25%	31%
Regional Bulk Infrastructure Grant	9 960 000.00	7 157 407.27	3 680 122.78	4 232 141.17	5 727 858.83	37%	42%
Sub-Total	32 601 000.00	15 157 407.27	6 205 359.57	7 309 015.38	25 291 984.62	19%	22%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	109 463 000.00	47 550 400.44	36 744 682.33	37 922 149.56	71 540 850.44	34%	35%

Comments on performance of programmes that are implemented by the above funding are detailed below.

It should be noted that a total of **R47.6 million** was received to date for conditional grants including Equitable share, with a total expenditure of **R 36.7 million** exclusive of Vat and retention has been committed or spent to date which translates into **35%**.

Details of the performance on each grant are reflected in both table 17 & 18.

Operational Transfers and subsidies:

1. Finance Management Grant (FMG)

There are currently four (4) interns appointed on the internship programme. The interns are being remunerated according to the FMG Framework. 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** which is in accordance with the DoRA.

This grant is mainly used for the finance interns, and it covers the intern's stipend, MFMA program costs (Travel cost and the service provider appointed), tools of trade and BTO officials selected to participate in the programme. To date, 8% of the funds

(excluding VAT) and 9% (including VAT) have been spent. A recruitment process to advertise for one (1) additional intern position has already been started as the target for the current financial year is to have five (5) interns. Grant funding is being utilized in line with the targets set.

2. Expanded Public Work Programme

It is important to note that the municipality has received the first tranche of the allocation, amounting to **R332 thousand**, as of the end of the first quarter, the municipality has already spent **R551 thousand**, which equals to 41% (VAT exclusive) of the total allocation.

3. Frances Baard District Municipality Grant

For the quarter under review, the municipality received **R1 million** for the Vending System and **R418 thousand** for O & M with total expenditure amounting to **R1.4 million** to date, the municipality has incurred expenditures amounting to **R1.5 million** (inclusive of VAT), which represents **42%** of the total budgeted allocation.

Please note that FBDM (O&M) transfers are made on submission of invoices to the District Municipality.

4. Library Grant

The municipality is yet to receive allocation for this grant for the quarter under review and to date the municipality has spent **R288 thousand**, which equates to **23%** of the total allocation for both VAT Excl and Incl. It should be noted that this grant is for the library employees, salaries, library programmes, building maintenance and tools of trade.

Capital Transfers and subsidies:

1. Municipal Infrastructure Grant (MIG)

The municipality has received **R3 million** for the quarter under review and it is yet to be spent on the grant, which is at Bid Committee processes for the contract appointment stage. This grant is mainly used for capital project - upgrading of Internal

Water Reticulation Network in Chris Hani, Richblock& Las Vegas- the expenditure is for the contractor and consultant.

2. Water Service Infrastructure Grant (WSIG)

The WSIG expenditure as at 30th September 2025 is at **25%** (Vat excl) and the allocation of **R5 million** was received for the quarter under review. The accumulated expenditure for the quarter Vat incl amounts to **R3.1 million** which equates to **31%**. This grant is used for capital project - Repairs to Warrenton WWTP and Surrounding Pump stations – the expenditure incurred is for the contractor and the consultant.

3. Regional Bulk Infrastructure Grant (RBIG)

As at the 30th of September 2025 the accumulated expenditure for the quarter amounts to **R3.6 million** (Vat excl) and **R4.2 million** (Vat incl) of which equates to **37%** and **42%** out of the total allocation. The municipality received **R7.2 million** for the quarter under review. This grant is used for capital project - Upgrade of the Warrenton Water Treatment Works for Magareng Municipality – the expenditure incurred is for the contractor and the consultant. It should be noted that this grant is based on invoice claimed.

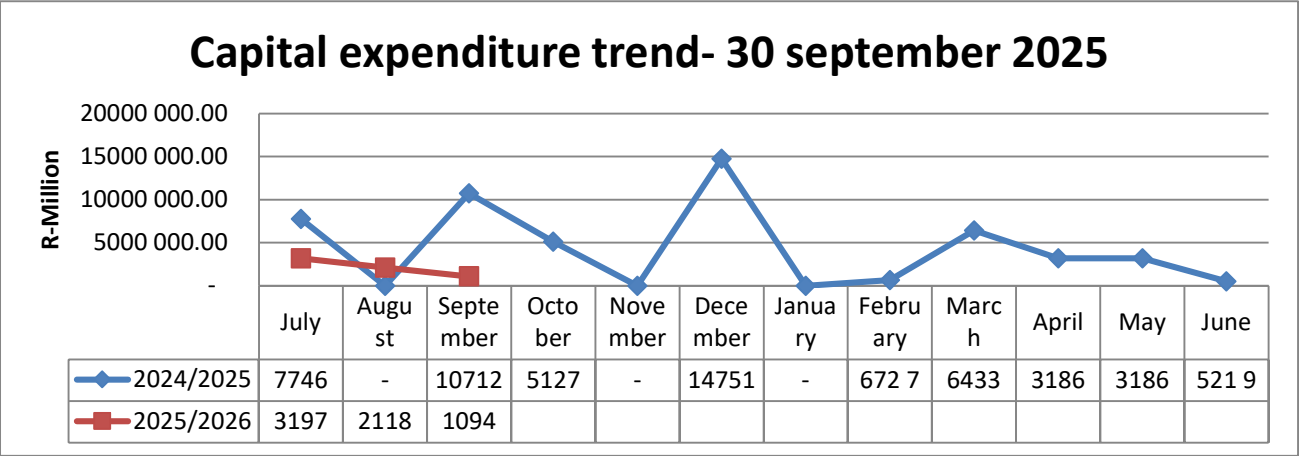
Table 18: SC12 Monthly Budget Statement – capital expenditure trend

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

Month	2024/25	Budget Year 2025/26							
	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	7 747	3 030	3 030	3 197	3 197	3 030	(167)	-5.5%	9%
August	–	3 030	3 030	2 119	2 119	6 060	3 941	65.0%	6%
September	10 713	3 030	3 030	1 094	1 094	9 090	7 996	88.0%	3%
October	5 128	3 030	3 030	–	–	12 120	12 120	100.0%	0%
November	–	3 030	3 030	–	–	15 150	15 150	100.0%	0%
December	14 752	3 030	3 030	–	–	18 180	18 180	100.0%	0%
January	–	3 030	3 030	–	–	21 211	21 211	100.0%	0%
February	673	3 030	3 030	–	–	24 241	24 241	100.0%	0%
March	6 434	3 030	3 030	–	–	27 271	27 271	100.0%	0%
April	3 186	3 030	3 030	–	–	30 301	30 301	100.0%	–
May	(695)	3 030	3 030	–	–	33 331	33 331	100.0%	–
June	8 173	3 030	3 030	–	–	36 361	36 361	100.0%	–
Total Capital expenditure	56 110	36 361	36 361	6 410					

The graph below shows the capital expenditure trend exclusive of reclaimed vat for the current financial year and the previous financial year.

Figure 6: Capital Expenditure Trend



12. COUNCILOR AND STAFF BENEFITS

Table19 : SC8 Monthly Budget Statement – Councilor and Staff Benefits

NC093 Magareng - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Q1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,615	3,563	3,563	882	882	891	(9)	-1%	3,563
Pension and UIF Contributions		517	535	535	132	132	134	(1)	-1%	535
Medical Aid Contributions		82	78	78	25	25	20	5	28%	78
Motor Vehicle Allowance		584	585	585	146	146	146	(1)	0%	
Cellphone Allowance		480	509	509	127	127	127	-		509
Sub Total - Councillors		5,278	5,270	5,270	1,313	1,313	1,318	(5)	0%	5,270
% increase	4		-0.2%	-0.2%						-0.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1,959	3,467	3,467	522	522	867	(345)	-40%	3,467
Pension and UIF Contributions		133	250	250	34	34	63	(29)	-46%	250
Medical Aid Contributions		71	136	136	24	24	34	(10)	-29%	136
Performance Bonus		112	264	264	-	-	66	(66)	-100%	264
Motor Vehicle Allowance		755	1,026	1,026	158	158	256	(99)	-38%	1,026
Cellphone Allowance		17	54	54	0	0	14	(13)	-98%	54
Housing Allowances		-	154	154	-	-	39	(39)	-100%	154
Other benefits and allowances		0	0	0	0	0	0	(0)	-37%	0
Scarcity		83	165	165	20	20	41	(21)	-51%	165
Acting and post related allowance		106	106	106	18	18	26	(9)	-33%	106
Sub Total - Senior Managers of Municipality		3,236	5,622	5,622	776	776	1,406	(630)	-45%	5,622
% increase	4		73.7%	73.7%						73.7%
Other Municipal Staff										
Basic Salaries and Wages		33,386	39,111	39,111	8,986	8,986	9,778	(792)	-8%	39,111
Pension and UIF Contributions		6,580	7,352	7,352	1,772	1,772	1,838	(66)	-4%	7,352
Medical Aid Contributions		2,547	2,815	2,815	653	653	704	(51)	-7%	2,815
Overtime		792	612	612	405	405	153	252	165%	612
Performance Bonus		2,850	3,688	3,688	51	51	922	(870)	-94%	3,688
Cellphone Allowance		126	138	138	21	21	35	(13)	-39%	138
Housing Allowances		79	81	81	24	24	20	4	17%	81
Other benefits and allowances		428	428	428	111	111	107	4	4%	428
Acting and post related allowance		36	50	50	10	10	13	(3)	-24%	50
In kind benefits		-	100	100	-	-	25	(25)	-100%	100
Sub Total - Other Municipal Staff		47,775	54,375	54,375	12,033	12,033	13,594	(1,560)	-11%	54,375
% increase	4		13.8%	13.8%						13.8%
Total Parent Municipality		56,289	65,267	65,267	14,122	14,122	16,317	(2,195)	-13%	65,267
% increase	4		16.0%	16.0%						16.0%
TOTAL MANAGERS AND STAFF		51,011	59,997	59,997	12,809	12,809	14,999	(2,190)	-15%	59,997

Table SC8 below illustrates expenditure on councilor'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-

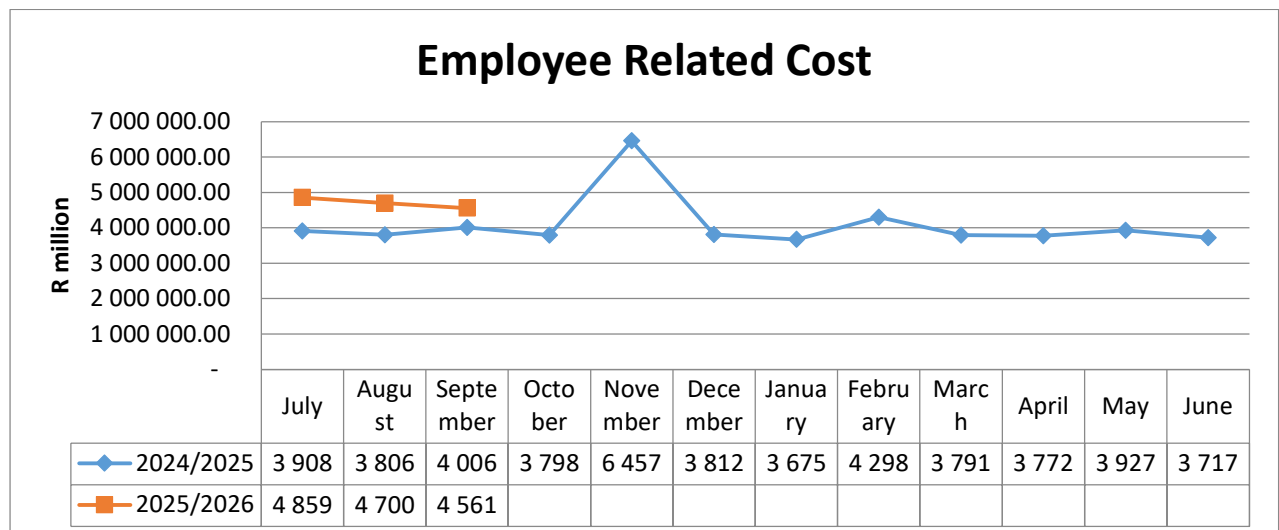
- Salaries and wages
- Contribution for pension and medical aid
- Travel, motor car, accommodation, subsistence and other allowances.
- Housing benefits
- Overtime

- Any other benefit or allowance related to staff.

During the quarter under review, the municipality incurred expenditures totaling **R14.1 million**. This expenditure is slightly within the budget projection, as the year-to-date budget amounts to **R16.3 million**. Comparing the actual year-to-date expenditure to the budget reveals a negative variance of **13%**. The variance is due to vacant posts that the municipality has budgeted for.

The graph below shows the workforce costs as a percentage of total expenditure for the current financial year and the two previous financial years

Figure 5: Workforce (Employee) Costs



Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 30 September 2025. Table 20 below details overtime expenditure incurred per cost center for the past three months ended 30 September 2025.

Table 20: Overtime per Directorate

Directorate Overtime	2025/2026 Annual Budget	2025/2026 YTD Budget	2025/2026 YTD Budget Expebditure	2025/2026 YTD Variance	2025/2026 % of YTD Budget
	R	R	R	R	%
Directorate Of Executive & Council					
Directorate Of Executive & Council	R -	R -	R -	R -	0%
Council & Administration	R -	R -	R -	R -	0%
Directorate Of Corporate Services					
Directorate Of Corporate Services	R -	R -	R -	R -	0%
Administration & Legal	R -	R -	R -	R -	0%
Corporate Admin	R -	R -	R -	R -	0%
Human Resource	R -	R -	R -	R -	0%
Directorate Of Development & Planning					
Planning & Development	R -	R -	R -	R -	0%
LED	R -	R -	R -	R -	0%
IDP	R -	R -	R -	R -	0%
Land use	R -	R -	R -	R -	0%
Directorate Of Finance Services					
Directorate Of Finance Services	R -	R -	R -	R -	0%
Finance & Admin	R -	R -	R -	R -	0%
Directorate Of Community Services					
Directorate Of Community Services	R -	R -	R -	R -	0%
Refuse	R -	R -	R -	R -	0%
Cemetery	R -	R -	R -	R -	0%
Library	R -	R -	R -	R -	0%
Traffic	R -	R -	R -	R -	0%
Parks & Recreation	R -	R -	R -	R -	0%
Directorate Of Municipal Infrastructure Service					
Directorate Of Municipal Infrastructure Service	R 499,998.00	R 124,998.00	R 405,872.33	-R 280,874.33	325%
Sanitation	R 166,666.00	R 41,666.00	R 135,873.00	-R 94,207.00	326%
Technical Admin	R -	R -	R -	R -	0%
Roads & Stormwater	R -	R -	R -	R -	0%
Solid Waste Management	R -	R -	R -	R -	0%
Electricity	R -	R -	R -	R -	0%
Water	R 166,666.00	R 41,666.00	R 161,125.48	-R 119,459.48	387%
Electricity	R 166,666.00	R 41,666.00	R 108,873.85	-R 67,207.85	261%
Total	R 499,998.00	R 124,998.00	R 405,872.33	-R 280,874.33	325%

The total overtime payment for the quarter amounts to **R406 thousand** is reflected on the table above.

The measures that have been put in place to reduce overtime are the following:

- All planned overtime is capped at forty (40) hours per month - this is in line with the Basic Conditions of Employment Act.
- All emergency overtime to be signed and approved by Heads of Directorates to ensure accountability and emphasis on control measures.
- Further to the above, an in-depth study to be undertaken on overtime work in comparison to the delivery service need, available staff complement and allocated overtime budget.
- Employees can be granted time off instead of paying overtime.

Directorate of Infrastructure Services

- a) Electricity – This is due to random inspections which are carried out after hours to eradicate illegal connections as well as power outages.
- b) Sanitation – Overtime expenditure is due to emergency callouts for sewer blockages and replacement of shift workers at wastewater treatment works and pump stations.
- c) Water - Overtime expenditure is due to emergency callouts for pipe bursts and replacement of shift workers at water treatment works and pump stations.

Standby and Shift Allowance Analysis

Table 21 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 30 September 2025. The total standby and shift payment for the months of July, August and September is constant, and it amounts to **R31 thousand**.

Table 21: Standby & Shift Allowance per Directorate

Standby allowance by vote		JULY 2025		AUGUST 2025		SEPTEMBER 2025	
Vote 01 - Executive & Council	R	-	R	-	R	-	
Vote 02 - Office Of The Municipal Manager	R	-	R	-	R	-	
Vote 03 - Corporate Services	R	-	R	-	R	-	
Vote 04 - Financial Services	R	-	R	-	R	-	
Vote 05 - Municipal Infrastructure	R	30,634.53	R	30,634.53	R	30,634.53	
Vote 06 - Community Services	R	-	R	-	R	-	
Vote 07 - Public Safety & Transport	R	-	R	-	R	-	
Vote 08 - Sports, Arts, Parks, Culture	R	-	R	-	R	-	
Total	R	30,634.53	R	30,634.53	R	30,634.53	

13. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

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 **July- September 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.



Mr. T Thage
Municipal Manager

31 Oct 2025

Date