GAMAGARA LOCAL MUNICIPALITY

NC 453

MONTHLY MFMA 71 REPORT

AUGUST 2024

2024/25 FINANCIAL YEAR

REPORT	**MONTHLY MFMA SECTION 71 REPORT**
Compiled by Acting Budget Manager	**Marco Marks**
Reviewed by Senior Manager	**Josephine Nampa**
Approved by CFO	**Aobakwe Makoku**

TABLE OF CONTENTS

List of Tables

List of charts

BACKGROUND

Purpose

The purpose of this report is to comply with Section 71 of the Municipal Finance Management Act, and Section 28 – 29 of the Municipal Budget and Reporting Regulations which require that specific information be reported on and in the prescribed formats.

Legislative Background

(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

(a) Actual revenue, per revenue source;

(b) actual borrowings;

(c) actual expenditure, per vote;

(d) actual capital expenditure, per vote;

(e) the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on –

(i) its share of the local government equitable share; and

(ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(i) when necessary, an explanation of any material variances from the municipality's projected revenue by source, and from the municipality's projected expenditure per vote,

(ii) any material variances from the service delivery and budget implementation plans; and

(iii) remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved get budget.

(2) The statement must include –

(a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projection; and

(b) 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).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (*e*) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each period, make public as may be prescribed, a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each period.

The statement also serves, additional to reporting on the implementation of the budget, to:

- Report on the progress on the implementation of the Debt Relief Conditions as required by MFMA Circular 124 and the National Treasury Letter of approval dated 30 August 2024; and
- Report on the implementation of the Financial Recovery Plan NCPT Provincial Executive in terms of Section 139 (1) (b) and Section 139 (5) (a) of the Constitution read with Section 139 on the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003).

PART 1 – IN-YEAR REPORT

1.1 Mayor's Report

Not Provided. (Only required if report is tabled to council)

1.2 Resolution

Not provided. (Only required if report is tabled to council)

1.3 Executive Summary

Operating Revenue Budget

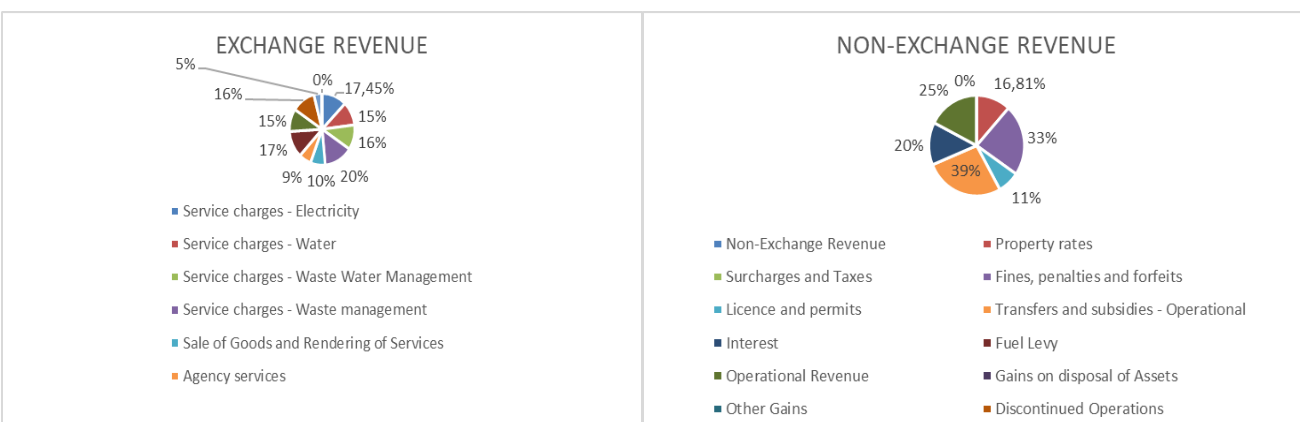
The total original revenue budget is allocated an amount of R 768 million for the 2024/25 financial year. For the period ending 31 August 2024, a total of R 140.2 million or 18% of the total budget has been recognized. The recognized revenue exceeded the year-to-date budget revenue by 10%. The highest contributor to the municipality's revenue is service charge-electricity at 17.4% followed by property rates at 16.8%. See the below table for details on the operating revenue budget.

NC453 Gamagara - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		–	250 960	–	22 088	43 788	41 827	1 962	5%	250 960
Service charges - Water		–	68 717	–	5 147	10 447	11 453	(1 005)	-9%	68 717
Service charges - Waste Water Management		–	52 124	–	4 107	8 325	8 687	(363)	-4%	52 124
Service charges - Waste management		–	43 001	–	4 238	8 627	7 167	1 460	20%	43 001
Sale of Goods and Rendering of Services		–	7 798	–	627	810	1 300	(490)	-38%	7 798
Agency services		–	594	–	47	51	99	(48)	-48%	594
Interest								–	0%	
Interest earned from Receivables		–	36 115	–	3 077	6 189	6 019	170	3%	36 115
Interest from Current and Non Current Assets		–	627	–	50	91	104	(13)	-13%	627
Dividends								–	0%	
Rent on Land								–	0%	
Rental from Fixed Assets		–	2 003	–	97	329	334	(4)	-1%	2 003
Licence and permits		–	33	–	–	2	6	(4)	-67%	33
Operational Revenue		–	21 479	–	42	79	3 580	(3 501)	-98%	21 479
Non-Exchange Revenue								–	0%	
Property rates		–	177 554	–	13 497	29 844	29 592	251	1%	177 554
Surcharges and Taxes								–	0%	
Fines, penalties and forfeits		–	699	–	46	232	116	115	99%	699
Licence and permits		–	1 814	–	167	194	302	(108)	-36%	1 814
Transfers and subsidies - Operational		–	70 797	–	27 529	27 529	11 800	15 729	133%	70 797
Interest		–	18 163	–	1 828	3 609	3 027	582	19%	18 163
Fuel Levy								–	0%	
Operational Revenue		–	500	–	63	127	83	43	52%	500
Gains on disposal of Assets								–	0%	
Other Gains		–	14 221	–	–	–	2 370	(2 370)	-100%	14 221
Discontinued Operations								–	0%	
Total Revenue (excluding capital transfers and contributions)		–	767 197	–	82 650	140 273	127 866	12 407	10%	767 197

The graph below shows revenue composition per source as a percentage of the total revenue billed for the period ending August 2024

Revenue composition by source as a % of the total Revenue



Operating Expenditure Budget

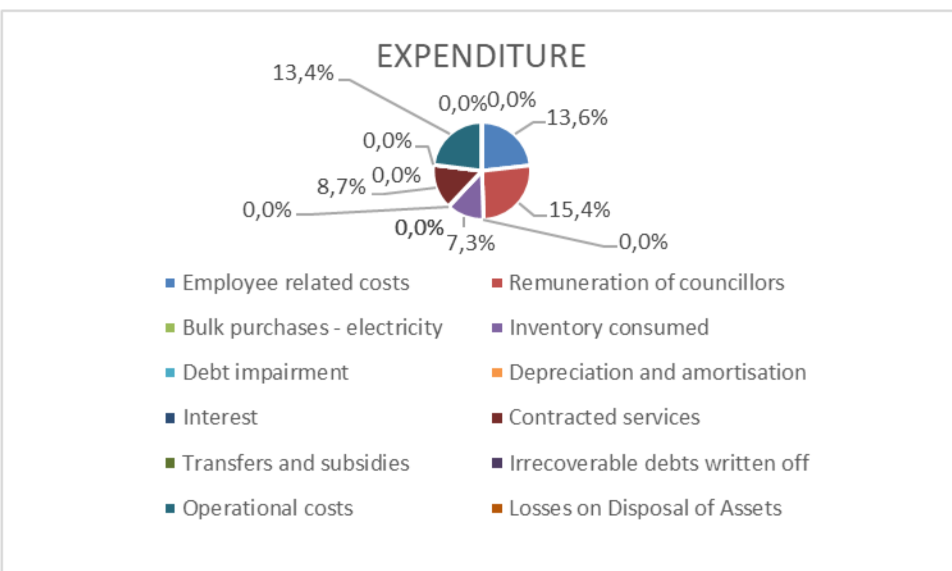
The total expenditure for the current year is R 829 million. To date, the total amount spent on the operating budget is R 38.5 million or 7.5% of the annual operating budget. Employee-related costs (including remuneration of Councilors) are the main contributors to the total spent to date. For the month of July and August 2024 the invoices for bulk purchases-electricity and water were not captured. See below table for details of the operating expenditure.

NC453 Gamagara - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		–	282 209	–	19 048	38 261	47 035	(8 774)	-19%	282 209
Remuneration of councillors		–	6 831	–	524	1 049	1 139	(90)	-8%	6 831
Bulk purchases - electricity		–	191 095	–	–	–	31 849	(31 849)	-100%	191 095
Inventory consumed		–	24 362	–	1 131	1 785	4 060	(2 275)	-56%	24 362
Debt impairment		–	24 547	–	–	–	4 091	(4 091)	-100%	24 547
Depreciation and amortisation		–	55 155	–	–	–	9 193	(9 193)	-100%	55 155
Interest		–	25 250	–	4	4	4 208	(4 205)	-100%	25 250
Contracted services		–	103 400	–	7 210	9 035	17 233	(8 198)	-48%	103 400
Transfers and subsidies		–	500	–	–	–	83	(83)	-100%	500
Irrecoverable debts written off		–	23 890	–	–	–	3 982	(3 982)	-100%	23 890
Operational costs		–	91 050	–	10 598	12 236	15 175	(2 939)	-19%	91 050
Losses on Disposal of Assets		–	–	–	–	–	–	–	0%	–
Other Losses		–	1 678	–	–	–	280	(280)	-100%	1 678
Total Expenditure		**–**	**829 968**	**–**	**38 515**	**62 370**	**138 328**	**(75 958)**	**-55%**	**829 968**

The graph below shows expenditure composition per category as a percentage of the total expenditure incurred for the period ending August 2024.

Composition of expenditure by type as a %of total expenditure



Capital Revenue Budget

The capital Revenue Budget for the financial year 2024/25 is R 98 897 000. To date the municipality has received R 11 557 000.00

See below tables for details.

Capital Revenue Budget			
Description	**Budget**	**Received**	**Variance**
Municipal Infrastructure grant	R 23 149 000	R 2 557 000,00	-R 20 592 000
Water Service Infrastructure Grant	R 15 000 000	R 7 500 000,00	-R 7 500 000
INEP	R 4 825 000	R 1 500 000,00	-R 3 325 000
Total	**R 42 947 000**	**R 11 557 000**	**-R 31 417 000**

The allocations above are derived from the Division of Revenue Act. The figures above differ from the July report due to the amounts the Gazetted for the 2425 financial year.

Capital Expenditure

The table below shows capital expenditure budget per vote or department. To date the municipality has spent 0% or R0.00 of the received funds of R 11,5 million. See below for details on capital spending.

	Capital Expenditure Budget			
Description	**Budget**	**Received**	**Spent**	**Variance (Rec-Spent)**
Municipal Infrastructure grant	R 23 149 000	R 2 557 000,00	R0.00	-R 2 557 000
Water Service Infrastructure Grant	R 15 000 000	R 7 500 000,00	R 1 327 273,18	-R 6 172 726,82
INEP	R 4 825 000	R 1 500 000,00	R0.00	-R 1 500 000
Total	**R 42 947 000**	**R 11 557 000**	**R 1 327 273.18hm**	**-R 10 229 726,82**

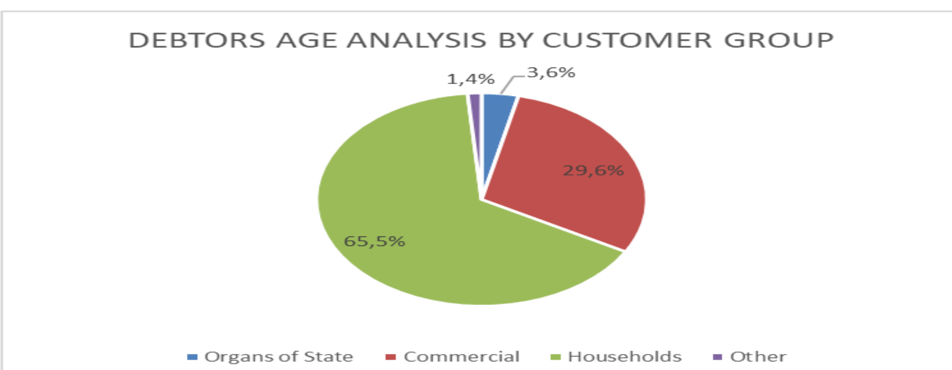
Debtors Ageing

The total debtors book as at end of August 2024 amounts to R 572 million with most of the debt being owed by households at R 374 million or 65% of the total Debtors. Organs of State and Commercial at 3.6% and 29.6% respectively.

NC453 Gamagara - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2024/25											
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	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	3 649	2 355	1 883	987	1 115	1 209	6 144	48 804	66 146	58 259	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11 857	7 131	4 245	3 050	2 636	8 029	5 840	86 248	129 037	105 803	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	12 092	7 858	3 804	3 069	3 589	2 549	11 903	66 935	111 799	88 045	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	4 349	2 675	2 169	1 344	1 704	1 305	8 221	27 856	49 624	40 431	–	–
Receivables from Exchange Transactions - Waste Management	1600	4 612	2 855	2 351	1 695	1 533	1 429	8 777	51 922	75 174	65 357	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	99	99	99	–	–
Interest on Arrear Debtor Accounts	1810	5 365	4 898	4 837	4 714	5 302	4 385	29 201	93 052	151 753	136 653	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(23 941)	1 032	799	421	4 777	437	1 154	3 757	(11 563)	10 546	–	–
Total By Income Source	**2000**	**17 984**	**28 804**	**20 087**	**15 279**	**20 656**	**19 344**	**71 241**	**378 673**	**572 069**	**505 193**	**–**	**–**
2023/24 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	409	3 121	526	412	392	3 581	2 388	9 710	20 541	16 484	–	–
Commercial	2300	9 304	6 243	5 652	4 021	5 436	3 133	19 805	115 590	169 183	147 985	–	–
Households	2400	8 562	18 568	13 169	10 483	10 108	12 263	48 240	253 179	374 571	334 272	–	–
Other	2500	(290)	872	740	363	4 720	367	808	194	7 773	6 451	–	–
Total By Customer Group	**2600**	**17 984**	**28 804**	**20 087**	**15 279**	**20 656**	**19 344**	**71 241**	**378 673**	**572 069**	**505 193**	**–**	**–**

The graph below shows outstanding debtors per category as a percentage of the total debtors outstanding for the period ending August 2024.



Creditors Ageing

The municipality owes Eskom a total debt of R 593 million. The debt was reduced by an amount of R 31 million due to the interests that were written-of as part of the debt relief programme. The current SC4 table is not fully updated

Top 10 Creditors

Top 10 Creditors - August 2024	AGING						
Supplier	**Current**	**01-30 days**	**31-60 days**	**61-90 days**	**91-120 days**	**120+ days**	**Outstanding Amount**
Eskom	R 28 471 165,45	R 32 320 874,58	R 25 134 133,52	R 15 971 385,77	R 14 776 177,53	R 477 255 173,41	R 593 928 910,26
Transport, Safety and Liaison - Northern cape	R 318 504,39	R 304 218,10	R 352 383,35	R 534 961,79	R 407 858,92	R 26 190 131,01	R 28 108 057,56
C-pac Pump & Valve	R 1 545 665,55	R 2 478 792,80	R -	R -	R -	-R 171 821,50	R 3 852 636,85
Kuleva Projects	R -	R 1 088 820,00	R 2 455 020,00	R -	R -	R -	R 3 543 840,00
SALGA	R 3 527 860,20		R -	R -	R -	R -	R 3 527 860,20
Involve SA	R 868 596,63	R 1 888 154,79	R -	R -			R 2 756 751,42
John Taolo District Municipality	R -	R 20 448,59	R 579 669,28	R 40 954,46	R 21 473,55	R 1 823 773,81	R 2 486 319,69
Mosekate Trading and Projects CC	R 1 179 891,77	R 1 171 508,27	R -	R -	R -	R -	R 2 351 400,04
SMART METERING	R -	R 163 300,00	R 323 782,50	R -	R -	R 1 561 147,97	R 2 048 230,47
Madiali Security	R 1 944 539,65	R -	R -	R -	R -	R -	R 1 944 539,65
CMG & Workmates	R 1 680 636,73	R -	R -	R -	R -	R -	R 1 680 636,73
Bloem Water	R 681 375,00	R 569 250,00	R -	R -	R -	R 48 294,47	R 1 298 919,47
PHOENIX	959 016,00		R -	R -	R -	R -	R 959 016,00
							R 648 487 118,34

1.4 In-Year Budget Statement Tables

1.4.1 Table C1: Monthly Budget Statement Summary

NC453 Gamagara - Table C1 Monthly Budget Statement Summary - M02 August

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	177 554	–	13 497	29 844	29 592	251	1%	177 554
Service charges	–	414 802	–	35 579	71 187	69 134	2 054	3%	414 802
Investment revenue	–	–	–	–	–	–	–		–
Transfers and subsidies - Operational	–	70 797	–	27 529	27 529	11 800	15 729	133%	70 797
Other own revenue	–	104 044	–	6 044	11 713	17 341	(5 628)	-32%	–
Total Revenue (excluding capital transfers and contributions)	**–**	**767 197**	**–**	**82 650**	**140 273**	**127 866**	**12 407**	**10%**	**767 197**
Employee costs	–	282 209	–	19 048	38 261	47 035	(8 774)	-19%	282 209
Remuneration of Councillors	–	6 831	–	524	1 049	1 139	(90)	-8%	6 831
Depreciation and amortisation	–	55 155	–	–	–	9 193	(9 193)	-100%	55 155
Interest	–	25 250	–	4	4	4 208	(4 205)	-100%	25 250
Inventory consumed and bulk purchases	–	215 457	–	1 131	1 785	35 910	(34 124)	-95%	215 457
Transfers and subsidies	–	500	–	–	–	83	(83)	-100%	500
Other expenditure	–	244 566	–	17 808	21 270	40 761	(19 490)	-48%	244 566
Total Expenditure	**–**	**829 968**	**–**	**38 515**	**62 370**	**138 328**	**(75 958)**	**-55%**	**829 968**
Surplus/(Deficit)	**–**	**(62 771)**	**–**	**44 134**	**77 903**	**(10 462)**	**88 365**	**-845%**	**(62 771)**
Transfers and subsidies - capital (monetary allocations)	–	43 464	–	–	–	7 244	(7 244)	-100%	43 464
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**–**	**(19 307)**	**–**	**44 134**	**77 903**	**(3 218)**	**81 121**	**-2521%**	**(19 307)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**(19 307)**	**–**	**44 134**	**77 903**	**(3 218)**	**81 121**	**-2521%**	**(19 307)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**90 872**	**–**	**9 439**	**10 202**	**15 145**	**(4 944)**	**-33%**	**90 872**
Capital transfers recognised	–	43 464	–	1 154	1 154	7 244	(6 090)	-84%	43 464
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	**47 408**	–	**8 285**	**9 048**	**7 901**	**1 146**	**15%**	**47 408**
Total sources of capital funds	**–**	**90 872**	**–**	**9 439**	**10 202**	**15 145**	**(4 944)**	**-33%**	**90 872**
Financial position									
Total current assets	–	(11 756 245)	–		12 943 836				(11 756 245)
Total non current assets	–	1 508 195	–		1 524 537				1 508 195
Total current liabilities	–	(11 497 693)	–		13 116 687				(11 497 693)
Total non current liabilities	–	160 405	–		172 412				160 405
Community wealth/Equity	**–**	**1 089 238**	**–**		**1 178 389**				**1 089 238**
Cash flows									
Net cash from (used) operating	–	42 226	–	94 380	152 544	8 038	(144 506)	-1798%	42 226
Net cash from (used) investing	–	(90 872)	–	(10 235)	(15 521)	(15 145)	376	-2%	(90 872)
Net cash from (used) financing	–	9 281	–	55	132	–	(132)	#DIV/0!	9 281
Cash/cash equivalents at the month/year end	**–**	**(94 027)**	**14 310**	**98 510**	**151 465**	**7 203**	**(144 262)**	**-2003%**	**(25 055)**
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	–	28 804	20 087	15 279	20 656	19 344	71 241	378 673	572 069
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

The budget statement summary table provides a high-level overview of the financial performance & position, capital spending by source of funding, cash flow as well as debtors and creditors age analysis. Detailed information regarding the above can be found in the tables below.

1.4.2 Table C2: Monthly Budget Statement – Financial Performance by Standard Classification

NC453 Gamagara - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		–	**304 590**	–	**43 040**	**61 490**	**50 765**	10 725	21%	**304 590**
Executive and council		–	66 809	–	27 537	27 687	11 135	16 553	149%	66 809
Finance and administration		–	237 781	–	15 503	33 803	39 630	(5 828)	-15%	237 781
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**1 191**	–	**301**	**311**	**198**	113	57%	**1 191**
Community and social services		–	1 191	–	8	18	198	(181)	-91%	1 191
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	293	293	–	293	#DIV/0!	–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		–	**8 077**	–	**528**	**812**	**1 346**	(535)	-40%	**8 077**
Planning and development		–	4 354	–	314	565	726	(161)	-22%	4 354
Road transport		–	3 720	–	214	245	620	(375)	-60%	3 720
Environmental protection		–	3	–	–	2	1	1	228%	3
Trading services		–	**496 804**	–	**38 780**	**77 660**	**82 801**	**(5 140)**	-6%	**496 804**
Energy sources		–	272 074	–	23 327	46 336	45 346	990	2%	272 074
Water management		–	114 653	–	5 772	11 714	19 109	(7 395)	-39%	114 653
Waste water management		–	58 724	–	4 546	9 197	9 787	(590)	-6%	58 724
Waste management		–	51 353	–	5 136	10 413	8 559	1 854	22%	51 353
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	–	**810 661**	–	**82 650**	**140 273**	**135 110**	**5 163**	**4%**	**810 661**
Expenditure - Functional										
Governance and administration		–	**237 827**	–	**19 581**	**28 802**	**39 638**	(10 836)	-27%	**237 827**
Executive and council		–	31 784	–	6 750	8 425	5 297	3 127	59%	31 784
Finance and administration		–	206 043	–	12 831	20 377	34 340	(13 963)	-41%	206 043
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**117 173**	–	**7 718**	**13 918**	**19 529**	(5 610)	-29%	**117 173**
Community and social services		–	70 055	–	4 999	8 639	11 676	(3 036)	-26%	70 055
Sport and recreation		–	45 314	–	2 541	4 921	7 552	(2 632)	-35%	45 314
Public safety		–	–	–	–	–	–	–		–
Housing		–	1 804	–	178	358	301	58	19%	1 804
Health		–	–	–	–	–	–	–		–
Economic and environmental services		–	**67 068**	–	**3 982**	**6 925**	**11 178**	(4 253)	-38%	**67 068**
Planning and development		–	29 043	–	2 265	3 629	4 840	(1 212)	-25%	29 043
Road transport		–	38 026	–	1 716	3 296	6 338	(3 041)	-48%	38 026
Environmental protection		–	–	–	–	–	–	–		–
Trading services		–	**407 900**	–	**7 235**	**12 725**	**67 983**	**(55 259)**	-81%	**407 900**
Energy sources		–	262 773	–	1 301	2 468	43 796	(41 327)	-94%	262 773
Water management		–	81 264	–	3 414	5 251	13 544	(8 293)	-61%	81 264
Waste water management		–	34 998	–	1 281	2 573	5 833	(3 260)	-56%	34 998
Waste management		–	28 866	–	1 238	2 432	4 811	(2 379)	-49%	28 866
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	–	**829 968**	–	**38 515**	**62 370**	**138 328**	**(75 958)**	**-55%**	**829 968**
Surplus/ (Deficit) for the year		–	**(19 307)**	–	**44 134**	**77 903**	**(3 218)**	**81 121**	**-2521%**	**(19 307)**

Table C2 reflects the financial performance in the standard classifications required by Government Finance Statistics Function and Sub-Functions. The table shows that most of the municipality's funds are received under Trading services.

Revenue

Total budget revenue including capital transfers is R 810.6 million and year-to-date actual is a total R 140.2 million or 17% has been recognized as at end of August 2024.

Expenditure

The total expenditure budget for the 2024/25 financial year is an amount of R 829 million and a total of R 62.3 million or 7.5% has been spent as at end of August 2024. It must be noted that the expenditure for the month of August is very low due to invoices from different departments that were not processed reporting period of August 2024. It is advised that management encourage departments to submit invoices so that they can be processed in the appropriate period.

1.4.3 Table C3: Monthly Budget Statement-Financial Performance by municipal vote.

NC453 Gamagara - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Budget & Treasury Office		–	215 899	–	15 503	33 803	35 983	(2 180)	-6,1%	215 899
Vote 2 - Corporate Services		–	21 882	–	–	–	3 647	(3 647)	-100,0%	21 882
Vote 3 - Community Services		–	55 050	–	5 358	10 678	9 175	1 503	16,4%	55 050
Vote 4 - Infrastructure Services		–	446 849	–	33 652	67 255	74 475	(7 220)	-9,7%	446 849
Vote 5 - Strategic Services		–	4 172	–	600	851	695	155	22,3%	4 172
Vote 6 - Executive & Council		–	66 809	–	27 537	27 687	11 135	16 553	148,7%	66 809
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**–**	**810 661**	**–**	**82 650**	**140 273**	**135 110**	**5 163**	**3,8%**	**810 661**
Expenditure by Vote	1									
Vote 1 - Budget & Treasury Office		–	109 356	–	8 302	12 342	18 226	(5 884)	-32,3%	109 356
Vote 2 - Corporate Services		–	96 687	–	4 529	8 036	16 114	(8 079)	-50,1%	96 687
Vote 3 - Community Services		–	160 129	–	9 890	18 121	26 688	(8 567)	-32,1%	160 129
Vote 4 - Infrastructure Services		–	406 875	–	6 827	11 966	67 813	(55 847)	-82,4%	406 875
Vote 5 - Strategic Services		–	25 138	–	2 217	3 481	4 190	(709)	-16,9%	25 138
Vote 6 - Executive & Council		–	31 784	–	6 750	8 425	5 297	3 127	59,0%	31 784
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**–**	**829 968**	**–**	**38 515**	**62 370**	**138 328**	**(75 958)**	**-54,9%**	**829 968**
Surplus/ (Deficit) for the year	2	**–**	**(19 307)**	**–**	**44 134**	**77 903**	**(3 218)**	**81 121**	**-2521,0%**	**(19 307)**

Reporting per municipal vote provides details on the spread of revenue and expenditure over the various functions of the municipality as required by Government Financial Statistics of the National Treasury.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where the expenditure is allocated. This is done to ensure implementation of the IDP through SDBIP.

<u>Expenditure by Vote or Department</u>

The narrations below indicate how individual departments have performed in relation to the expected spending of 100`% as at end of August 2024. The expenditure reflected in this section is the year-to-date spending of each department.

Vote 1 – Budget and Treasury

Budget and Treasury has spent 11.29% which translate into a total of R 12.34 million of the original budget allocated to the directorate for the period ending August 2024.

Vote 2 – Corporate Services

Corporate Services has spent 8.31% or R 8.03 million of the original budget allocated to the directorate for the period ending August 2024.

Vote 3 – Community Services

Community Services has spent 11.32% or R 18.2 million of the original budget allocated to the directorate for the period ending August 2024.

Vote 4 – Infrastructure Services

Infrastructure Services has spent 2.94% or R 11.96million of the original budget allocated to the directorate for the period ending August 2024.

Vote 5 – Strategic Services

Strategic Service has spent 13.85% or R 3.4 million of the original budget allocated to the directorate for the period ending August 2024.

Vote 6 – Executive and Council

Executive and Council has spent 26.5% or R8.42 million of the original budget allocated to the directorate for the period ending August 2024.

Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

NC453 Gamagara - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		–	250 960	–	22 088	43 788	41 827	1 962	5%	250 960
Service charges - Water		–	68 717	–	5 147	10 447	11 453	(1 005)	-9%	68 717
Service charges - Waste Water Management		–	52 124	–	4 107	8 325	8 687	(363)	-4%	52 124
Service charges - Waste management		–	43 001	–	4 238	8 627	7 167	1 460	20%	43 001
Sale of Goods and Rendering of Services		–	7 798	–	627	810	1 300	(490)	-38%	7 798
Agency services		–	594	–	47	51	99	(48)	-48%	594
Interest								–	0%	
Interest earned from Receivables		–	36 115	–	3 077	6 189	6 019	170	3%	36 115
Interest from Current and Non Current Assets		–	627	–	50	91	104	(13)	-13%	627
Dividends								–	0%	
Rent on Land								–	0%	
Rental from Fixed Assets		–	2 003	–	97	329	334	(4)	-1%	2 003
Licence and permits		–	33	–	–	2	6	(4)	-67%	33
Operational Revenue		–	21 479	–	42	79	3 580	(3 501)	-98%	21 479
Non-Exchange Revenue								–	0%	
Property rates		–	177 554	–	13 497	29 844	29 592	251	1%	177 554
Surcharges and Taxes								–	0%	
Fines, penalties and forfeits		–	699	–	46	232	116	115	99%	699
Licence and permits		–	1 814	–	167	194	302	(108)	-36%	1 814
Transfers and subsidies - Operational		–	70 797	–	27 529	27 529	11 800	15 729	133%	70 797
Interest		–	18 163	–	1 828	3 609	3 027	582	19%	18 163
Fuel Levy								–	0%	
Operational Revenue		–	500	–	63	127	83	43	52%	500
Gains on disposal of Assets								–	0%	
Other Gains		–	14 221	–	–	–	2 370	(2 370)	-100%	14 221
Discontinued Operations								–	0%	
Total Revenue (excluding capital transfers and contributions)		**–**	**767 197**	**–**	**82 650**	**140 273**	**127 866**	**12 407**	10%	**767 197**
Expenditure By Type										
Employee related costs		–	282 209	–	19 048	38 261	47 035	(8 774)	-19%	282 209
Remuneration of councillors		–	6 831	–	524	1 049	1 139	(90)	-8%	6 831
Bulk purchases - electricity		–	191 095	–	–	–	31 849	(31 849)	-100%	191 095
Inventory consumed		–	24 362	–	1 131	1 785	4 060	(2 275)	-56%	24 362
Debt impairment		–	24 547	–	–	–	4 091	(4 091)	-100%	24 547
Depreciation and amortisation		–	55 155	–	–	–	9 193	(9 193)	-100%	55 155
Interest		–	25 250	–	4	4	4 208	(4 205)	-100%	25 250
Contracted services		–	103 400	–	7 210	9 035	17 233	(8 198)	-48%	103 400
Transfers and subsidies		–	500	–	–	–	83	(83)	-100%	500
Irrecoverable debts written off		–	23 890	–	–	–	3 982	(3 982)	-100%	23 890
Operational costs		–	91 050	–	10 598	12 236	15 175	(2 939)	-19%	91 050
Losses on Disposal of Assets		–	–	–	–	–	–	–	0%	–
Other Losses		–	1 678	–	–	–	280	(280)	-100%	1 678
Total Expenditure		**–**	**829 968**	**–**	**38 515**	**62 370**	**138 328**	**(75 958)**	-55%	**829 968**
Surplus/(Deficit)		**–**	**(62 771)**	**–**	**44 134**	**77 903**	**(10 462)**	**88 365**	-845%	**(62 771)**
Transfers and subsidies - capital (monetary allocations)		–	43 464	–	–	–	7 244	(7 244)	-100%	43 464
Transfers and subsidies - capital (in-kind)								–	0%	
Surplus/(Deficit) after capital transfers & contributions		**–**	**(19 307)**	**–**	**44 134**	**77 903**	**(3 218)**	81 121	-2521%	**(19 307)**
Income Tax								–	0%	
Surplus/(Deficit) after income tax		**–**	**(19 307)**	**–**	**44 134**	**77 903**	**(3 218)**	81 121	-2521%	**(19 307)**
Share of Surplus/Deficit attributable to Joint Venture								–	0%	
Share of Surplus/Deficit attributable to Minorities								–	0%	
Surplus/(Deficit) attributable to municipality		**–**	**(19 307)**	**–**	**44 134**	**77 903**	**(3 218)**	81 121	-2521%	**(19 307)**
Share of Surplus/Deficit attributable to Associate								–	0%	
Intercompany/Parent subsidiary transactions								–	0%	
Surplus/ (Deficit) for the year		**–**	**(19 307)**	**–**	**44 134**	**77 903**	**(3 218)**	81 121	-2521%	**(19 307)**

Revenue by Source

Revenue by source explains the type of income budgeted for and the performance of these sources individually.

Property Rates – A year to date total of R 29.8 million was recognized with regards to property rates for the year as at end of August 2024. The year-to-date budget is R 29.5 million resulting in a variance of 1%. This means that actual revenue from property rates exceeded the year-to-date budget by 1%.

Service charges – Electricity – A total of R 43.7 million was recognized on service charges electricity for the year as at end of August 2024. The year-to-date budget is R 41.83 million resulting in a variance of 5%. The year-to-date actual revenue exceeded the year-to-date budget by 5%.

Service charges – Water – A total of R 10.44 million was recognized on service charges water for the year as at end of August 2024. The year-to-date budget is R 11.45 million resulting in a variance of -9%. This is due to lower water consumption, stuck and bypassed meters. Note: some areas are not metered, therefore, the estimation is made based on metered areas only. There is also an unwillingness to settle accounts by consumers. Collection on this service can still be improved if the municipality enforces the approved credit control and debt collection policies.

Service charges – Waste Water Management (Sanitation) - A total of R 8.32 million was recognized on service charges water for the year as at end of August 2024. The year-to-date budget is R 8.68 million resulting in a variance of -4%. This service charge is a basic charge and the variance could be attributed to poor payment by consumers. Collection on this service can still be improved if the municipality enforce the approved credit control and debt collection policies.

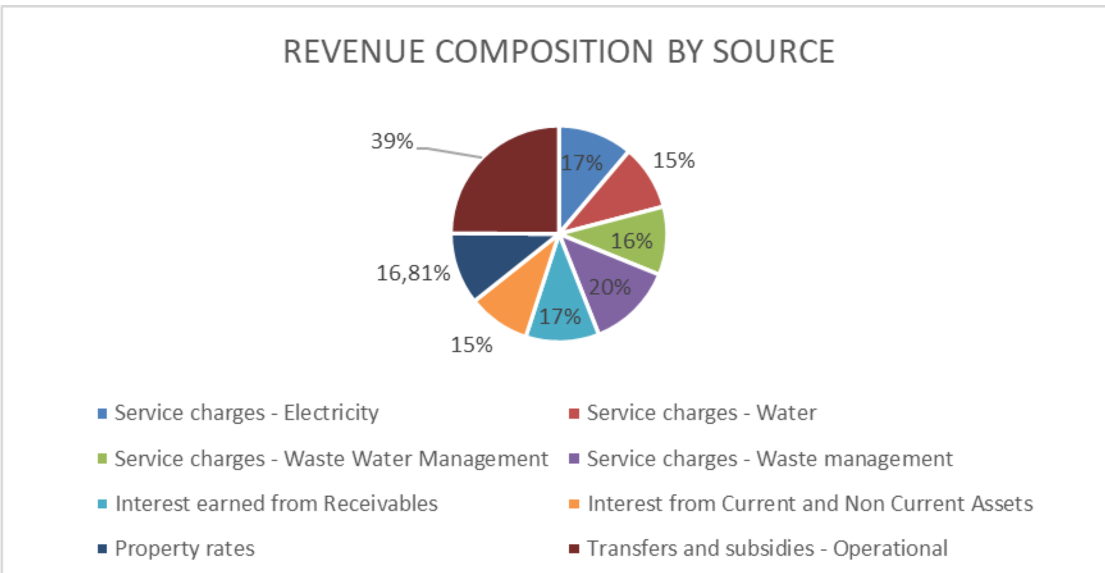
Service charges – Waste Management (Refuse) - A total of R 8.62 million was recognized on service charges waste management for the year as at end of August 2024. The year-to-date budget is R 7.16 million resulting in a variance of 20%.

Interest Earned from receivables (Outstanding Debtors) – Interest on outstanding debtors for the year as at end of August 2024 is an amount of R6.18 million. The year-to-date budget is R 6.01 million resulting in a variance of 3%.

Interest – Current and Non-Current Assets – Interest on current and non-current assets for the year as at the end of August 2024 is an amount of R 91 000.

Transfers and subsidies – A total of R 27.5 million was recognized for the Transfers and subsidies for the year as at end of August 2024. The year-to-date budget is R 11.8 million resulting in a variance of 133%. The transfers recognized represents the allocations as promulgated in the National and Provincial Division of Revenues Act'. The schedule demonstrates that no transfers were made, however is worth noting that transfers were made in the month of August and they are reflected in the grants register

The graph below shows revenue composition per source as a percentage of the total revenue billed for the period ending August 2024.



Expenditure by Type

Expenditure by type reflects the operational budget per main type / category of expenditure:

Employee Related Cost - Employee-related cost expenditure for the year as at end of August 2024 amounted to R 38.26 million. The year-to-date budget is R 47.03 million, resulting in a variance of -19% due to the positions that are were not filled as result many positions have other staff filling-in in the interim.

Remuneration of Councilors – remuneration of councilors amounted to R 1.04 million. The year-to-date budget is R 1.14 million, resulting in a variance of -8%. The expenditure did not exceed projections.

Debt impairment – a total of R 0 of the year-to-date budget was recognized for debt impairment for the year as at end of August 2024. The full impact of debt impairment will be effected at the end of the financial year.

Depreciation and Amortization – calculation on depreciation is usually done during assets verification process.

Bulk Purchases – electricity – amount spent on bulk electricity is R 0.00 as at end of August 2024. The year-to-date budget is R 31.8 million. This is an indication that the Bulk Eskom invoices for July and August are not processed

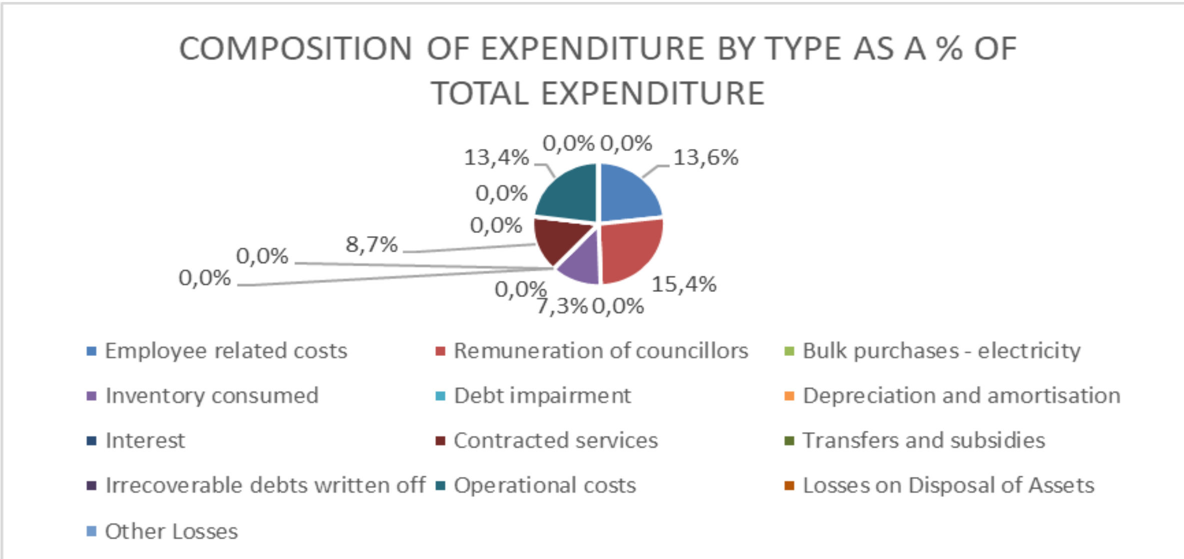
Inventory Consumed – a total of R 1.78 milion was spent for the year as at end of August 2024. The year-to-date budget is R 4.06 million, resulting in a variance of -56%. It should be noted that with the reclassification on mSCOA, water expenditure is now classified under inventory consumed.

Contracted Services – Contracted services amounted to R 9.03 million for the year as at end of August 2024. The year-to-date budget is R 17.23 million, resulting in a variance of -48%. Most of the invoices relating to contracted services were not processed in July 2024. The contracted services are contracts that result from competitive bidding process for the acquisition of professional services that are needed by the municipality to provide support due to the limited resources that municipality has. Contracted services include legal fees, security services, professional consulting and other services related to maintenance of infrastructure as and when the need arises.

Operational costs – a total of R 12.23 million was spent for the year as at end of August 2024. The year-to-date budget is R 15.18 million, resulting in a variance of -19%. The budgeted trends are based on historical information and therefore may differ from month to month.

Note: Since most of the invoices were not processed July 2024, this this has sharply increased the expenditure in August as result of processing invoices from other periods in August.

<u>The graph below shows expenditure composition per category as a percentage of the total expenditure incurred for the period ending August 2024.</u>



1.4.5 Table C5: Monthly Budget Statement – Capital Expenditure (Municipal vote, standard classification and funding)

NC453 Gamagara - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - Budget & Treasury Office		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services		–	16 000	–	6 274	7 037	2 667	4 370	164%	16 000
Vote 3 - Community Services		–	10 490	–	–	–	1 748	(1 748)	-100%	10 490
Vote 4 - Infrastructure Services		–	64 382	–	3 165	3 165	10 730	(7 565)	-71%	64 382
Vote 5 - Strategic Services		–	–	–	–	–	–	–		–
Vote 6 - Executive & Council		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**–**	**90 872**	**–**	**9 439**	**10 202**	**15 145**	**(4 944)**	**-33%**	**90 872**
Single Year expenditure appropriation	2									
Vote 1 - Budget & Treasury Office		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services		–	–	–	–	–	–	–		–
Vote 3 - Community Services		–	–	–	–	–	–	–		–
Vote 4 - Infrastructure Services		–	–	–	–	–	–	–		–
Vote 5 - Strategic Services		–	–	–	–	–	–	–		–
Vote 6 - Executive & Council		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	–	–	–	–	–	–		–
Total Capital Expenditure		**–**	**90 872**	**–**	**9 439**	**10 202**	**15 145**	**(4 944)**	**-33%**	**90 872**
Capital Expenditure - Functional Classification										
Governance and administration		**–**	**16 000**	**–**	**6 274**	**7 037**	**2 667**	4 370	164%	**16 000**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		–	16 000	–	6 274	7 037	2 667	4 370	164%	16 000
Internal audit								–		
Community and public safety		**–**	**10 490**	**–**	**–**	**–**	**1 748**	(1 748)	-100%	**10 490**
Community and social services		–	490	–	–	–	82	(82)	-100%	490
Sport and recreation		–	10 000	–	–	–	1 667	(1 667)	-100%	10 000
Public safety								–		
Housing								–		
Health								–		
Economic and environmental services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Planning and development		–	–	–	–	–	–	–		–
Road transport		–	–	–	–	–	–	–		–
Environmental protection								–		
Trading services		**–**	**64 382**	**–**	**3 165**	**3 165**	**10 730**	(7 565)	-71%	**64 382**
Energy sources		–	10 125	–	–	–	1 687	(1 687)	-100%	10 125
Water management		–	29 448	–	2 319	2 319	4 908	(2 589)	-53%	29 448
Waste water management		–	24 809	–	846	846	4 135	(3 289)	-80%	24 809
Waste management		–	–	–	–	–	–	–		–
Other								–		
Total Capital Expenditure - Functional Classification	3	**–**	**90 872**	**–**	**9 439**	**10 202**	**15 145**	**(4 944)**	**-33%**	**90 872**
Funded by:										
National Government		–	42 974	–	1 154	1 154	7 162	(6 008)	-84%	42 974
Provincial Government		–	490	–	–	–	82	(82)	-100%	490
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**–**	**43 464**	**–**	**1 154**	**1 154**	**7 244**	**(6 090)**	**-84%**	**43 464**
Borrowing	6							–		
Internally generated funds		–	47 408	–	8 285	9 048	7 901	1 146	15%	47 408
Total Capital Funding		**–**	**90 872**	**–**	**9 439**	**10 202**	**15 145**	**(4 944)**	**-33%**	**90 872**

The year-to-date capital expenditure amounts to R 10.2 million.

1.4.6 Table C6: MBS – Monthly Budget Statement of Financial Position

NC453 Gamagara - Table C6 Monthly Budget Statement - Financial Position - M02 August

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		–	(127 775)	–	40 449	(127 775)
Trade and other receivables from exchange transactions		–	374 350	–	363 796	374 350
Receivables from non-exchange transactions		–	56 335	–	127 563	56 335
Current portion of non-current receivables						
Inventory		–	(895)	–	1 418	(895)
VAT		–	(12 061 819)	–	12 406 228	(12 061 819)
Other current assets		–	3 558	–	4 381	3 558
Total current assets		**–**	**(11 756 245)**	**–**	**12 943 836**	**(11 756 245)**
Non current assets						
Investments						
Investment property		–	346 311	–	377 160	346 311
Property, plant and equipment		–	1 161 953	–	1 147 503	1 161 953
Biological assets						
Living and non-living resources						
Heritage assets		–	75	–	75	75
Intangible assets		–	(144)	–	(200)	(144)
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets		–	–	–	–	–
Total non current assets		**–**	**1 508 195**	**–**	**1 524 537**	**1 508 195**
TOTAL ASSETS		**–**	**(10 248 050)**	**–**	**14 468 373**	**(10 248 050)**
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		–	44 031	–	32 727	44 031
Consumer deposits		–	9 281	–	10 182	9 281
Trade and other payables from exchange transactions		–	496 576	–	634 590	496 576
Trade and other payables from non-exchange transactions		–	71 058	–	96 742	71 058
Provision		–	101	–	18 273	101
VAT		–	(12 118 740)	–	12 324 173	(12 118 740)
Other current liabilities						
Total current liabilities		**–**	**(11 497 693)**	**–**	**13 116 687**	**(11 497 693)**
Non current liabilities						
Financial liabilities		–	5 486	–	10 268	5 486
Provision		–	117 099	–	117 200	117 099
Long term portion of trade payables						
Other non-current liabilities		–	37 820	–	44 944	37 820
Total non current liabilities		**–**	**160 405**	**–**	**172 412**	**160 405**
TOTAL LIABILITIES		**–**	**(11 337 288)**	**–**	**13 289 099**	**(11 337 288)**
NET ASSETS	2	**–**	**1 089 238**	**–**	**1 179 274**	**1 089 238**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		–	1 089 238	–	1 178 389	1 089 238
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**–**	**1 089 238**	**–**	**1 178 389**	**1 089 238**

A statement of financial position is used to provide an overview of an institutions' financial position at a given point in time in terms of financial stability and potential risk. It includes items such as assets, liabilities and equity. According to the statement attached, community wealth or equity is at an amount of R 1.18 billion, which is calculated as a balance of assets less liabilities.

1.4.7 Table C7: Monthly Budget Statement – Cash Flow

NC453 Gamagara - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	177 554	–	5 514	12 938	29 592	(16 655)	-56%	177 554
Service charges		–	365 048	–	11 447	37 063	60 841	(23 779)	-39%	365 048
Other revenue		–	34 320	–	68 695	110 478	5 720	104 758	1831%	34 320
Transfers and Subsidies - Operational		–	70 797	–	0	0	11 800	(11 799)	-100%	70 797
Transfers and Subsidies - Capital		–	43 464	–	–	–	7 244	(7 244)	-100%	43 464
Interest		–	50 739	–	329	1 115	8 457	(7 342)	-87%	50 739
Dividends								–		
Payments										
Suppliers and employees		–	(698 947)	–	8 394	(9 049)	(115 491)	(106 441)	92%	(698 947)
Interest		–	(750)	–	–	–	(125)	(125)	100%	(750)
Transfers and Subsidies								–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**42 226**	**–**	**94 380**	**152 544**	**8 038**	**(144 506)**	**-1798%**	**42 226**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	32	–	32	#DIV/0!	–
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		–	(90 872)	–	(10 235)	(15 553)	(15 145)	408	-3%	(90 872)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(90 872)**	**–**	**(10 235)**	**(15 521)**	**(15 145)**	**376**	**-2%**	**(90 872)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		–	9 281	–	55	132	–	132	#DIV/0!	9 281
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**9 281**	**–**	**55**	**132**	**–**	**(132)**	**#DIV/0!**	**9 281**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(39 365)**	**–**	**84 199**	**137 155**	**(7 107)**			**(39 365)**
Cash/cash equivalents at beginning:		–	(54 661)	14 310	14 310	14 310	14 310			14 310
Cash/cash equivalents at month/year end:		–	(94 027)	14 310	98 510	151 465	7 203			(25 055)

Opening balance at the beginning was an amount of R 14.31 million, deposits made on the municipal account for the year to date amounted to R 152.54 million, total payments to date amounts to R 15.52 million resulting with a balance of R 151.46 million for the period ending August 2024. This revenue collected is in relation to property rates, service charges, government grants and sundry.

PART 2 – SUPPORTING DOCUMENTATION

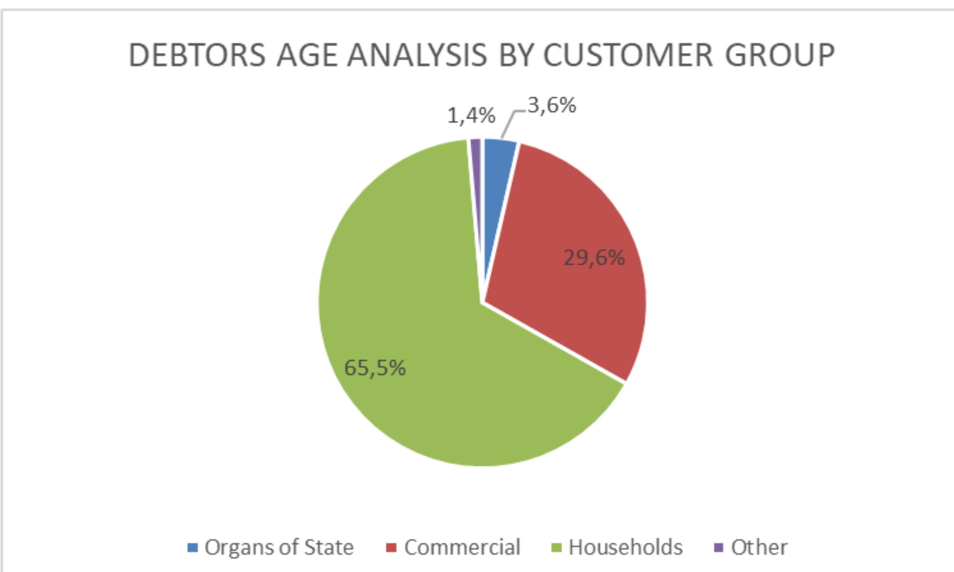
2.1 Debtors' Age Analysis

The total debtors book as at end of August 2024 amounts to R 572 million with most of the debt being owed by households at R 334 million or 65.5% of the total Debtors. Organs of State and Commercial at 3.6% and 29.6% respectively.

NC453 Gamagara - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2024/25											
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	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	3 649	2 355	1 883	987	1 115	1 209	6 144	48 804	66 146	58 259	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11 857	7 131	4 245	3 050	2 636	8 029	5 840	86 248	129 037	105 803	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	12 092	7 858	3 804	3 069	3 589	2 549	11 903	66 935	111 799	88 045	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	4 349	2 675	2 169	1 344	1 704	1 305	8 221	27 856	49 624	40 431	–	–
Receivables from Exchange Transactions - Waste Management	1600	4 612	2 855	2 351	1 695	1 533	1 429	8 777	51 922	75 174	65 357	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	99	99	99	–	–
Interest on Arrear Debtor Accounts	1810	5 365	4 898	4 837	4 714	5 302	4 385	29 201	93 052	151 753	136 653	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(23 941)	1 032	799	421	4 777	437	1 154	3 757	(11 563)	10 546	–	–
Total By Income Source	**2000**	**17 984**	**28 804**	**20 087**	**15 279**	**20 656**	**19 344**	**71 241**	**378 673**	**572 069**	**505 193**	**–**	**–**
2023/24 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	409	3 121	526	412	392	3 581	2 388	9 710	20 541	16 484	–	–
Commercial	2300	9 304	6 243	5 652	4 021	5 436	3 133	19 805	115 590	169 183	147 985	–	–
Households	2400	8 562	18 568	13 169	10 483	10 108	12 263	48 240	253 179	374 571	334 272	–	–
Other	2500	(290)	872	740	363	4 720	367	808	194	7 773	6 451	–	–
Total By Customer Group	**2600**	**17 984**	**28 804**	**20 087**	**15 279**	**20 656**	**19 344**	**71 241**	**378 673**	**572 069**	**505 193**	**–**	**–**

<u>**The graph below shows outstanding debtors per category as a percentage of the total debtors outstanding for the period ending August 2024.**</u>



2.2 Creditors' Age Analysis

The municipality owes Eskom a total debt of R 447.2 million. The current bill does not reflect in the creditors ageing as the August invoice was not processed on the system. According to the top 10 creditors, the debt owed is to Eskom to date is R 593 million. The debt was reduced by an amount of R 31 million due to the interests that were written-of as part of the debt relief programme. The current SC4 table is not fully updated

AGE ANALYSIS OF CREDITORS											
Month End	Mun										
M02-AUG	NC453										
Area	Item	Detail	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
	100	Bulk Electricity	-	-	-	20 623 900,70	10 123 662,60	16 723 949,34	62 690 030,24	337 075 804,93	447 237 347,81
	200	Bulk Water	-	569 250,00	-	-	-	-	-	-	569 250,00
	300	PAYE deductions	-	-	-	-	-	-	-	-	-
	400	VAT [output less input]	-	-	-	-	-	-	-	-	-
	500	Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
	600	Loan repayments	-	-	-	-	-	-	-	-	-
	700	Trade Creditors	1 091 534,00	-	-	-	-	-	-	-	1 091 534,00
	800	Auditor General	-	-	-	-	-	-	-	-	-
	900	Other	619 789,60	1 301 283,65	3 527 860,20	11 385,00	44 275,00	8 756,05	20 964,45	-	5 534 313,95
	950	Medical Aid Deductions	-	-	-	-	-	-	-	-	-
	1000	TOTAL	1 711 323,60	1 870 533,65	3 527 860,20	20 635 285,70	10 167 937,60	16 732 705,39	62 710 994,69	337 075 804,93	454 432 445,76

Top 10 Creditors - August 2024	**AGING**						
Supplier	**Current**	**01-30 days**	**31-60 days**	**61-90 days**	**91-120 days**	**120+ days**	**Outstanding Amount**
Eskom	R 28 471 165,45	R 32 320 874,58	R 25 134 133,52	R 15 971 385,77	R 14 776 177,53	R 477 255 173,41	R 593 928 910,26
Transport, Safety and Liaison - Northern cape	R 318 504,39	R 304 218,10	R 352 383,35	R 534 961,79	R 407 858,92	R 26 190 131,01	R 28 108 057,56
C-pac Pump & Valve	R 1 545 665,55	R 2 478 792,80	R -	R -	R -	-R 171 821,50	R 3 852 636,85
Kuleva Projects	R -	R 1 088 820,00	R 2 455 020,00	R -	R -	R -	R 3 543 840,00
SALGA	R 3 527 860,20		R -	R -	R -	R -	R 3 527 860,20
Involve SA	R 868 596,63	R 1 888 154,79	R -	R -			R 2 756 751,42
John Taolo District Municipality	R -	R 20 448,59	R 579 669,28	R 40 954,46	R 21 473,55	R 1 823 773,81	R 2 486 319,69
Mosekate Trading and Projects CC	R 1 179 891,77	R 1 171 508,27	R -	R -	R -	R -	R 2 351 400,04
SMART METERING	R -	R 163 300,00	R 323 782,50	R -	R -	R 1 561 147,97	R 2 048 230,47
Madiali Security	R 1 944 539,65	R -	R -	R -	R -	R -	R 1 944 539,65
CMG & Workmates	R 1 680 636,73	R -	R -	R -	R -	R -	R 1 680 636,73
Bloem Water	R 681 375,00	R 569 250,00	R -	R -	R -	R 48 294,47	R 1 298 919,47
PHOENIX	959 016,00		R -	R -	R -	R -	R 959 016,00
							R 648 487 118,34

2.3 Bank balance and Investment Portfolio

Bank balance as at 31 August 2024

	R
Call accounts:	
61366001025 Call Deposit -	63 088.37
62334040748 Call Deposit -	57 916.95
62380675193 Call Deposit -	80 980.68
71020950327 Fixed Deposit -	86 823.11
Cheque Accounts:	
53668006069 Cheque Account -	20 317 091.45
Total	**R20 605 900.56**

The bank balance of the municipality was R 20.6 million as at 31 August 2024

2.4 Allocation and grant receipts and expenditure

2.4.1 Transfers and grant receipts

The total grants received for the year as at 31 August 2024 amounts to R 41.3 million, broken down as follows;

- R 27.5 million from the Equitable Share Grant,
- R 2.55 million from the Municipal Infrastructure Grant,
- R 7.5 million from the Water Service Infrastructure Grant
- R1.5 million from the Integrated National Electrification Programme Grant (Municipal)
- R 305 409 from the EPWP grant
- R 2 million from the FMG

Grant register
July 2024- June 2025

	Grants	Unspent grant - PY 2023/2024	Roll over of Grants (approved/ denied)	Stopping of funds/Withheld	Total roll over approved	Amount as per DoRA OR Provisional Gazatte 2024/25 OR Adjusted DoRA	Adjusted DORA allocation	Amount Received to Date	Bank Statement	Trace to GL (income) - 2024/25	Outstanding Receits -2024/25	Amount spent as per expenses (Reports)-July 2024	Amount spent as per expenses (Reports)-August 2024	Unspect Grants as at August 2024
1	Equitable share					66 070 000,00		27 529 000,00	✓	✓	38 541 000,00			
						66 070 000,00	-	**27 529 000,00**	-					
	Conditional Grants													
1	FMG					2 000 000,00		2 000 000,00	✓	✓	-			2 000 000,00
2	EPWP					1 217 000,00		305 409,00	✓	✗	911 591,00			305 409,00
3	MIG	6 383 326,27				23 149 000,00		2 557 000,00	✓	✓	20 592 000,00	-	-	2 557 000,00
4	EEDSM	4 000 000,00				-					-			-
5	INEP					4 825 000,00		1 500 000,00	✓	✓	3 325 000,00	-	-	1 500 000,00
6	WSIG	1 438 207,15				15 000 000,00		7 500 000,00	✓	✓	7 500 000,00	-		7 500 000,00
	TOTAL	**11 821 533,42**	**-**	**-**		**46 191 000,00**	**-**	**13 862 409,00**	**-**		**32 328 591,00**	**-**	**-**	**13 862 409,00**
						112 261 000,00	-	41 391 409,00			70 869 591,00			13 862 409,00

2.4.2 Transfers and Grant Expenditure

Grant register													
July 2024- June 2025													
Grants	**Unspent grant - PY 2023/2024**	**Roll over of Grants (approved/ denied)**	**Stopping of funds/Withheld**	**Total roll over approved**	**Amount as per DoRA OR Provisional Gazatte 2024/25 OR Adjusted DoRA**	**Adjusted DORA allocation**	**Amount Received to Date**	**Bank Statement**	**Trace to GL (income) - 2024/25**	**Outstanding Receits -2024/25**	**Amount spent as per expenses (Reports)-July 2024**	**Amount spent as per expenses (Reports)-August 2024**	**Unspect Grants as at August 2024**
Equitable share					66 070 000,00		27 529 000,00	✔	✔	38 541 000,00			
					66 070 000,00	-	**27 529 000,00**	-					
Conditional Grants													
FMG					2 000 000,00		2 000 000,00	✔	✔	-	17 485,98	68 681,42	1 913 832,60
EPWP					1 217 000,00		305 409,00	✔	✕	911 591,00	10 429,36	156,00	294 823,64
MIG	6 383 326,27				23 149 000,00		2 557 000,00	✔	✔	20 592 000,00	-	-	2 557 000,00
EEDSM	4 000 000,00				-					-			-
INEP					4 825 000,00		1 500 000,00	✔	✔	3 325 000,00	-	-	1 500 000,00
WSIG	1 438 207,15				15 000 000,00		7 500 000,00	✔	✔	7 500 000,00	-	1 327 273,18	6 172 726,82
TOTAL	**11 821 533,42**	-	-		**46 191 000,00**	-	**13 862 409,00**	-		**32 328 591,00**	**27 915,34**	**1 396 110,60**	**12 438 383,07**

According to the manual grant register, the total year-to-date expenditure on the grants amounts to R 1 396 110.60. The equitable share is spent on operational requirements.

2.5 Councilor and Board Member Allowances and Employee Benefits

NC453 Gamagara - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		–	2 506	–	199	398	418	(20)	-5%	2 506
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	642	–	51	102	107	(5)	-5%	642
Cellphone Allowance		–	740	–	59	118	123	(6)	-5%	740
Housing Allowances								–		
Other benefits and allowances		–	2 943	–	216	431	490	(59)	-12%	2 943
Sub Total - Councillors		**–**	**6 831**	**–**	**524**	**1 049**	**1 139**	**(90)**	**-8%**	**6 831**
% increase	4		**#DIV/0!**							**#DIV/0!**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		–	4 565	–	183	572	761	(189)	-25%	4 565
Pension and UIF Contributions		–	10	–	1	1	2	(1)	-47%	10
Medical Aid Contributions								–		
Overtime								–		
Performance Bonus		–	8	–	57	57	1	56	4379%	8
Motor Vehicle Allowance		–	1 296	–	110	217	216	1	1%	1 296
Cellphone Allowance		–	127	–	6	11	21	(10)	-47%	127
Housing Allowances								–		
Other benefits and allowances		–	1	–	0	0	0	(0)	-29%	1
Payments in lieu of leave		–	1 642	–	34	205	274	(68)	-25%	1 642
Long service awards								–		
Post-retirement benefit obligations	2							–		
Entertainment								–		
Scarcity								–		
Acting and post related allowance		–	19	–	–	–	3	(3)	-100%	19
In kind benefits								–		
Sub Total - Senior Managers of Municipality		**–**	**7 667**	**–**	**391**	**1 065**	**1 278**	**(213)**	**-17%**	**7 667**
% increase	4		**#DIV/0!**							**#DIV/0!**
Other Municipal Staff										
Basic Salaries and Wages		–	170 960	–	11 553	23 213	28 493	(5 280)	-19%	170 960
Pension and UIF Contributions		–	27 424	–	1 932	3 864	4 571	(706)	-15%	27 424
Medical Aid Contributions		–	19 492	–	1 338	2 676	3 249	(573)	-18%	19 492
Overtime		–	20 448	–	1 946	3 735	3 408	327	10%	20 448
Performance Bonus		–	13 393	–	15	15	2 232	(2 217)	-99%	13 393
Motor Vehicle Allowance		–	9 209	–	654	1 312	1 535	(223)	-15%	9 209
Cellphone Allowance		–	783	–	62	125	130	(6)	-4%	783
Housing Allowances		–	2 124	–	179	367	354	13	4%	2 124
Other benefits and allowances		–	4 318	–	322	641	720	(78)	-11%	4 318
Payments in lieu of leave								–		
Long service awards		–	1 088	–	124	245	181	63	35%	1 088
Post-retirement benefit obligations	2	–	1 071	–	6	13	178	(166)	-93%	1 071
Entertainment		–	102	–	9	17	17	0	2%	102
Scarcity								–		
Acting and post related allowance		–	4 130	–	517	973	688	284	41%	4 130
In kind benefits								–		
Sub Total - Other Municipal Staff		**–**	**274 542**	**–**	**18 657**	**37 197**	**45 757**	**(8 560)**	**-19%**	**274 542**
% increase	4		**#DIV/0!**							**#DIV/0!**
Total Parent Municipality		**–**	**289 040**	**–**	**19 572**	**39 310**	**48 173**	**(8 863)**	**-18%**	**289 040**
TOTAL SALARY, ALLOWANCES & BENEFITS		**–**	**289 040**	**–**	**19 572**	**39 310**	**48 173**	**(8 863)**	**-18%**	**289 040**
% increase	4		**#DIV/0!**							**#DIV/0!**
TOTAL MANAGERS AND STAFF		**–**	**282 209**	**–**	**19 048**	**38 261**	**47 035**	**(8 774)**	**-19%**	**282 209**

Employees and remuneration related expenditure for the year as at end of August 2024 amounted to R 39.3 million. Municipal employees are the main contributor at 94.62%, followed by senior managers at 2.71% and lastly by Councilors at 2.67%.

2.6 Capital Programme Performance

The tables below report on the capital expenditure on new assets, renewal of existing assets, expenditure on repairs and maintenance, depreciation by asset class and expenditure on upgrading of exiting assets.

NC453 Gamagara - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M02 August

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	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	17 923	–	1 165	1 165	2 987	1 822	61,0%	17 923
Roads Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	8 625	–	–	–	1 437	1 437	100,0%	8 625
LV Networks		–	8 625	–	–	–	1 437	1 437	100,0%	8 625
Capital Spares								–		
Water Supply Infrastructure		–	9 298	–	1 165	1 165	1 550	384	24,8%	9 298
Dams and Weirs								–		
Boreholes								–		
Reservoirs		–	3 900	–	1 165	1 165	650	(515)	-79,2%	3 900
Pump Stations								–		
Water Treatment Works								–		
Bulk Mains								–		
Distribution		–	5 398	–	–	–	900	900	100,0%	5 398
Community Assets		–	10 000	–	–	–	1 667	1 667	100,0%	10 000
Sport and Recreation Facilities		–	10 000	–	–	–	1 667	1 667	100,0%	10 000
Indoor Facilities								–		
Outdoor Facilities		–	10 000	–	–	–	1 667	1 667	100,0%	10 000
Furniture and Office Equipment		–	80	–	–	–	13	13	100,0%	80
Furniture and Office Equipment		–	80	–	–	–	13	13	100,0%	80
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Transport Assets		–	16 000	–	6 274	7 037	2 667	(4 370)	-163,9%	16 000
Transport Assets		–	16 000	–	6 274	7 037	2 667	(4 370)	-163,9%	16 000
Total Capital Expenditure on new assets	1	–	44 003	–	7 439	8 202	7 334	(868)	-11,8%	44 003

- An expenditure of R 1.16 million was incurred for the water supply projects.
- An expenditure of R 7.04 million was incurred for transportation assets

Expenditure on repairs and maintenance

NC453 Gamagara - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	**41 500**	–	**1 157**	**1 176**	**6 917**	5 741	**83,0%**	**41 500**
Roads Infrastructure		–	2 200	–	63	66	367	300	**81,9%**	2 200
Roads								–		
Road Structures								–		
Road Furniture		–	1 700	–	63	66	283	217	**76,5%**	1 700
Capital Spares		–	500	–	–	–	83	83	**100,0%**	500
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
Electrical Infrastructure		–	6 700	–	145	160	1 117	956	**85,6%**	6 700
MV Networks		–	2 300	–	140	140	383	243	**63,4%**	2 300
LV Networks		–	4 100	–	–	–	683	683	**100,0%**	4 100
Capital Spares		–	300	–	5	20	50	30	**60,0%**	300
Water Supply Infrastructure		–	23 500	–	949	949	3 917	2 968	**75,8%**	23 500
Distribution		–	20 300	–	947	947	3 383	2 437	**72,0%**	20 300
Distribution Points								–		
PRV Stations								–		
Capital Spares		–	3 200	–	2	2	533	531	**99,6%**	3 200
Sanitation Infrastructure		–	9 100	–	–	–	1 517	1 517	**100,0%**	9 100
Pump Station								–		
Reticulation		–	6 200	–	–	–	1 033	1 033	**100,0%**	6 200
Waste Water Treatment Works		–	1 650	–	–	–	275	275	**100,0%**	1 650
Outfall Sewers								–		
Toilet Facilities								–		
Capital Spares		–	1 250	–	–	–	208	208	**100,0%**	1 250
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Community Assets		–	**755**	–	–	–	**126**	**126**	**100,0%**	**755**
Community Facilities		–	755	–	–	–	126	126	**100,0%**	755
Cemeteries/Crematoria		–	200	–	–	–	33	33	100,0%	200
Police								–		
Purls		–	150	–	–	–	25	25	100,0%	150
Capital Spares		–	405	–	–	–	68	68	100,0%	405
Other assets		–	**585**	–	–	–	**98**	**98**	**100,0%**	**585**
Operational Buildings		–	585	–	–	–	98	98	**100,0%**	585
Municipal Offices		–	585	–	–	–	98	98	100,0%	585
Intangible Assets		–	**13 015**	–	**2 227**	**2 227**	**2 169**	**(57)**	-2,6%	**13 015**
Servitudes								–		
Licences and Rights		–	13 015	–	2 227	2 227	2 169	(57)	**-2,6%**	13 015
Water Rights								–		
Effluent Licenses								–		
Solid Waste Licenses								–		
Computer Software and Applications		–	13 015	–	2 227	2 227	2 169	(57)	-2,6%	13 015
Load Settlement Software Applications								–		
Unspecified								–		
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	**175**	–	–	**1**	**29**	**28**	97,4%	**175**
Furniture and Office Equipment		–	175	–	–	1	29	28	97,4%	175
Machinery and Equipment		–	**200**	–	**24**	**24**	**33**	**10**	28,8%	**200**
Machinery and Equipment		–	200	–	24	24	33	10	28,8%	200
Transport Assets		–	**3 880**	–	**5**	**60**	**647**	**587**	90,7%	**3 880**
Transport Assets		–	3 880	–	5	60	647	587	90,7%	3 880
Total Repairs and Maintenance Expenditure	1	–	**60 110**	–	**3 412**	**3 487**	**10 018**	**6 532**	**65,2%**	**60 110**

There actual spent on repairs and maintenance expenditure is R 3.48 million or 5.87% of the budgeted R 60.1 million.

Depreciation by Asset class

NC453 Gamagara - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Depreciation by Asset Class/Sub-class										
Infrastructure		–	39 246	–	–	–	6 541	6 541	100,0%	39 246
Roads Infrastructure		–	10 769	–	–	–	1 795	1 795	100,0%	10 769
Roads		–	–	–	–	–	–	–		–
Road Structures		–	10 769	–	–	–	1 795	1 795	100,0%	10 769
Road Furniture								–		
Capital Spares								–		
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance								–		
Attenuation								–		
Electrical Infrastructure		–	8 146	–	–	–	1 358	1 358	100,0%	8 146
Power Plants								–		
HV Substations								–		
HV Switching Station								–		
HV Transmission Conductors								–		
MV Substations		–	34	–	–	–	6	6	100,0%	34
MV Switching Stations								–		
MV Networks		–	34	–	–	–	6	6	100,0%	34
LV Networks		–	8 079	–	–	–	1 346	1 346	100,0%	8 079
Capital Spares								–		
Water Supply Infrastructure		–	11 582	–	–	–	1 930	1 930	100,0%	11 582
Dams and Weirs								–		
Boreholes								–		
Reservoirs		–	153	–	–	–	25	25	100,0%	153
Pump Stations		–	8	–	–	–	1	1	100,0%	8
Water Treatment Works								–		
Bulk Mains								–		
Distribution		–	11 422	–	–	–	1 904	1 904	100,0%	11 422
Distribution Points								–		
PRV Stations								–		
Capital Spares								–		
Sanitation Infrastructure		–	8 749	–	–	–	1 458	1 458	100,0%	8 749
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	8 749	–	–	–	1 458	1 458	100,0%	8 749
Community Assets		–	4 365	–	–	–	728	728	100,0%	4 365
Community Facilities		–	4 365	–	–	–	728	728	100,0%	4 365
Halls		–	4 365	–	–	–	728	728	100,0%	4 365
Other assets		–	5 553	–	–	–	925	925	100,0%	5 553
Operational Buildings		–	5 553	–	–	–	925	925	100,0%	5 553
Municipal Offices		–	5 553	–	–	–	925	925	100,0%	5 553
Intangible Assets		–	–	–	–	–	–	–		–
Computer Equipment		–	1 122	–	–	–	187	187	100,0%	1 122
Computer Equipment		–	1 122	–	–	–	187	187	100,0%	1 122
Furniture and Office Equipment		–	1 382	–	–	–	230	230	100,0%	1 382
Furniture and Office Equipment		–	1 382	–	–	–	230	230	100,0%	1 382
Machinery and Equipment		–	1 338	–	–	–	223	223	100,0%	1 338
Machinery and Equipment		–	1 338	–	–	–	223	223	100,0%	1 338
Transport Assets		–	2 148	–	–	–	358	358	100,0%	2 148
Transport Assets		–	2 148	–	–	–	358	358	100,0%	2 148
Total Depreciation	1	–	55 155	–	–	–	9 193	9 193	100,0%	55 155

No depreciation recognized for the month of August 2024.

Capital expenditure on Upgrading of existing assets

NC453 Gamagara - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M02

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	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	**46 459**	–	**2 000**	**2 000**	**7 743**	5 743	**74,2%**	**46 459**
Roads Infrastructure		–	–	–	–	–	–	–		–
Roads		–	–	–	–	–	–	–		–
Road Structures								–		
Road Furniture								–		
Capital Spares								–		
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
									100,0%	
Electrical Infrastructure		–	1 500	–	–	–	250	250		1 500
Capital Spares		–	1 500	–	–	–	250	250	**100,0%**	1 500
Water Supply Infrastructure		–	20 150	–	1 154	1 154	3 358	2 204	**65,6%**	20 150
Bulk Mains		–	15 000	–	1 154	1 154	2 500	1 346	**53,8%**	15 000
Distribution		–	5 150	–	–	–	858	858	**100,0%**	5 150
Distribution Points								–		
PRV Stations								–		
Capital Spares								–		
Sanitation Infrastructure		–	24 809	–	846	846	4 135	3 289	**79,6%**	24 809
Pump Station		–	–	–	–	–	–	–		–
Reticulation								–		
Waste Water Treatment Works		–	24 809	–	846	846	4 135	3 289	**79,6%**	24 809
Outfall Sewers								–		
Community Assets		–	**410**	–	–	–	**68**	**68**	**100,0%**	**410**
Community Facilities		–	410	–	–	–	68	68	**100,0%**	410
Theatres								–		
Libraries		–	410	–	–	–	68	68	100,0%	410
Total Capital Expenditure on upgrading of existing assets	1	–	**46 869**	–	**2 000**	**2 000**	**7 812**	**5 812**	**74,4%**	**46 869**

An expenditure of R 2 million was incurred for the upgrading of existing assets for the month of August 2024

RECOMMENDATIONS

The Budget and Treasury office recommends the following

1. The monthly budget statement for the period ended 31 August 2024 be noted.
2. The need for municipality to ensure that credit control is enforced monthly to enhance revenue collection.
3. The urgency for departments to submit invoices on time to ensure that expenditures are reported in the correct period

Annexure B: Compliance with the conditions for Municipal Debt Relief

Annexure A2 - Monthly

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Select Assessor

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	Aug'24
National Financial Year	2024/25
Demarcation Code of Municipality being assessed	NC453
District	John Taolo Gaetsewe
Demarcation Description	Gamagara

I, name and surname of HOD ______, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in **MFMA Circular No. 124** and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6,3 + 6,12	**Maintaining the Eskom and bulk water current account –** (current account for the purpose of this exercise means the account for a single month's consumption):		Notes/Comments
1	6.12.2	- Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- refer condition 6.12 .2*	Yes	
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes	
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
4	6.3.1	- Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.*	Yes	The municipality paid an amount of 14 million out of an invoice of 28 million
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes	
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
	6,4	**Compliance with a funded MTREF –** ***(choose from drop down list the MTREF assessed)***	2024/25 Tabled MTREF	
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No	
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	No	
9	6.4.1	- Has the municipality made adequate provision for debt impairment *(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		Note *- For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also propert rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".*		
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		Note *- If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".*		
11	6.4.2	- ***If the municipality's MTREF is not funded***, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes	
		Note *- If the municipality has an FRP, a separate budget funding plan is not necesary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strenghtening.*		
12	6.4.2	- ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework***, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? ***Note*** *- only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	N/a	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
14	6,5	**Cost reflective tariffs –** (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
	6,6	**Electricity and water as collection tools –** has the municipality, with effect from the tabling of the 2023/24 MTREF, ***demonstrated, through its by-laws and budget related policies*** that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.	No	All indigent consumers are connected to pre paid meters
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? ***Note*** *– the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.*	Yes	All indigent consumers are connected to pre paid meters

	6.6	***Supporting evidence** : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.*	
	6,7	**Maintain a minimum average quarterly collection of property rates and services charges –**	
19	6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
		***Note** - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.*	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following** :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	Yes
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	No
	6,8	**Municipality's Completeness of the revenue base –**	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? ***Note** - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement*	Yes
28	6.8.2	- **For the latest ending Quarte**r -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes
	6,9	**Monitor and report on implementation –**	
29	6.9.1	- **MFMA section 71 reporting –** has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? ***Note** - condition 6.9.2 has a typing error and must refer to 6.9.1.*	Yes
31	6.9.3	- **Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No FRP
		Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.	
	6.10	*Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:*	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Select
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? ***Note** - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.*	Select
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	Select
		***Note** - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.*	
36	**6,11**	**Limitation on municipality borrowing powers -** has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	Select
		***Note** - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.*	
	6,12	**For the duration of the Municipal Debt Relief (to ensure proper management of resources):**	
37	6.12.1	- has the municipality **apportioned and ring-fenced in a sub-account** to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) **the component of the** Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	No
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	No
		***Note:** Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).*	
39		***Supporting evidence*** : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	No
40	**6,13**	**Accounting Treatment -** has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? ***Note** - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.*	Yes
41	**6,14**	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Select
		***Note:** By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.*	

Municipal Debt Relief Performance across the period of debt relief participation

The table below shows the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective date of 01 July 2024:

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Province				
WC				
Code		John Taolo		Ga Magara
NC453		John Taolo Gaetsewe		Gamagara

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/BFP & Tariff Assessment		
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14
1.July	Gamagara	NC453	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	N/A	Yes	Yes
2.August	Gamagara	NC453	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	N/A	Yes	Yes
3.September	Gamagara	NC453														
4.October	Gamagara	NC453														
5.November	Gamagara	NC453														
6.December	Gamagara	NC453														
7.January	Gamagara	NC453														
8.February	Gamagara	NC453														
9.March	Gamagara	NC453														
10.April	Gamagara	NC453														
11.May	Gamagara	NC453														
12.June	Gamagara	NC453														

Month	Part D: Electricity and water as collection tools				Part C: Quarterly collection of property rates and services charges							Maximization of Revenue Base		
	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28
1.July	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
2.August	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
3.September														
4.October														
5.November														
6.December														
7.January														
8.February														
9.March														
10.April														
11.May														
12.June														

Month	Part E: Oversight													Part F: Compliance Status		Month applicable
	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score		
1.July	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance	Yes
2.August	Yes	Yes	N/A	N/A					No	No	No	Yes		68%	Non Compliance	Yes
3.September														0%	Non Compliance	Yes
4.October														0%	Non Compliance	Yes
5.November														0%	Non Compliance	Yes
6.December														0%	Non Compliance	Yes
7.January														0%	Non Compliance	Yes
8.February														0%	Non Compliance	Yes
9.March														0%	Non Compliance	Yes
10.April														0%	Non Compliance	Yes
11.May														0%	Non Compliance	Yes
12.June														0%	Non Compliance	Yes

		Comments/Motivation
HOD Name:	B. Mgaguli	
Signature of HOD:		
Date:	29-Aug-24	

** Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procuration of the HOD must be attached as an Annexure to this Certificate of Compliance.

The Provincial Treasury Debt Relief Compliance Assessment

The Provincial Treasury debt relief compliance certificate and report issued to the municipality

NOTE: We haven't received the compliance certificate from the province yet

MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)

Aggregate Collection	Summary - Quarter 1				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	86 270 540	42 999 600	43 270 941	50%	50%
2.Collection excl Eskom supplied areas	86 270 540	42 999 600	43 270 941	50%	50%
3.Collection: **Property Rates**	33 554 052	12 916 108	20 637 944	38%	38%
4.Total average collection: **Electricity** (Municipal supplied areas)	18 674 098	20 704 353	(2 030 255)	111%	111%
5.Total average collection: **Water**	7 766 196	3 851 868	3 914 329	50%	50%
6.Total average collection: **Wastewater**	8 253 037	2 257 351	5 995 686	27%	27%
7.Total average collection: **Refuse**	8 884 048	2 267 776	6 616 273	26%	26%
8.Total average collection: **Interest**	9 139 109	1 002 144	8 136 964	11%	0%

Monthly - Restriction of Free Basic Services to Indigent Households

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))

Instruction - *complete only with information of the current households registered as indigent with the municipality (Do NOT include the information of all households unless explicitly stated otherwise)*

Description	Ref	As Per Debt Relief Application	Select Current Financial Year			Select Year Monitored											
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																
Water *: (Include All Indigent households also in Eskom supplied areas)*																	
Indigent HH's with piped water inside dwelling		754 560	754 560	754 560													
Indigent HH's with piped water inside yard (but not in dwelling)																	
Indigent HH's using public tap (at least min.service level)	2																
Indigent HH's with other water supply (at least min.service level)	4																
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		**754 560**	**754 560**	**754 560**	–	–	–	–	–	–	–	–	–	–	–	–	–
Indigent HH's using public tap (< min.service level)	3																
Indigent HH's with other water supply (< min.service level)	4					543	1 223										
Indigent HH's with No water supply																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		–	–	–	–	**543**	**1 223**	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	5	**754 560**	**754 560**	**754 560**	–	**543**	**1 223**	–	–	–	–	–	–	–	–	–	–
Status of Water meters :																	
Number of Indigent HH's with prepaid Water																	
Number of Indigent HH's with conventional metered Water																	
Number of Indigent HH's NOT metered currently - Water																	
Number of Indigent HH's with NO Water supply - No metering		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Status of unlimited supply of Water :																	
Number of Indigent HH's with conventional metered Water - where the municipality is *NOT physcally restricting Water to the national free basic limit of 6 kilolitres per \household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households receiving unlimited supply - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres**	11																
Energy *: (Include All Indigent households also in Eskom supplied areas)*																	
Indigent HH's with Electricity (at least min.service level)						543	1 223										
Indigent HH's with Electricity - prepaid (min.service level)						–											
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		–	–	–	–	**543**	**1 223**	–	–	–	–	–	–	–	–	–	–
Indigent HH's with Electricity (< min.service level)						–											
Indigent HH's with Electricity - prepaid (< min. service level)						–											
Indigent HH's with other energy sources						–											
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	5	–	–	–	–	**543**	**1 223**	–	–	–	–	–	–	–	–	–	–
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity						543	1 223										
Number of Indigent HH's with conventional metered Electricity																	
Number of Indigent HH's NOT metered currently - Electricity						–											
Number of indigent HH's with other energy sources - No metering		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	12	–	–	–	–	**543**	**1 223**	–	–	–	–	–	–	–	–	–	–
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physcally restricting Electricity to the national free basic limit of 50kwh per \household per month*						–											
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households receiving unlimited supply - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's **billed for consumption above the 50 kwh**	13					–											
Number of ALL Households receiving Free Basic Service *(including registered Indigent Households)*	7																
Water (6 kilolitres per household per month)						543	1 223										
Electricity/other energy (50kwh per household per month)						543	1 223										
Cost of Free Basic Services provided to ALL Househols in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
Total cost of FBS Water and Electricity provided to ALL Households	8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)						15 000	15 000										
Water (kilolitres per household per month)						6	6										
Sanitation (kilolitres per household per month)						6	6										
Sanitation (Rand per household per month)						343	343										
Electricity (kwh per household per month)						50	50										
Refuse (average litres per week)						1	1										
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**	14(a)					15 000	15 000										
PSI Category : Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates **in excess of section 17 of MPRA)**																	
Water **(in excess of 6 kilolitres per indigent household per month)**	15					265	265										
Sanitation **(in excess of free sanitation service to indigent households)**	16					343	343										
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**						96	96										
Refuse **(in excess of one removal a week for indigent households)**						343	343										
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		–	–	–	–	**16 045**	**16 047**	–	–	–	–	–	–	–	–	–	–

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
*5. Must agree to total number of **registered indigent households** in municipal area (formal and informal settlements receiving services must be included)*
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (formal and informal settlements must be included)
*8. Must reflect the cost to the municipality of providing the Free Basic Service (Water and Electricity) to **ALL Households***
9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share
10.The total number of registered HH's reported on rows 19 & 24 must be the same
11. Of the Total number of registered indigents HH's receiving unlimited supply of Water reported on row 27, provide number of these Indigent HH's that are issued with a monthly bill for the consumption above the 6 kilolitres FBS water
12. The total number of registered HH's reported on rows 39 & 44 must be the same
13. Of the Total number of registered indigents HH's receiving unlimited supply of Electricity reported on row 51, provide number of these Indigent HH's that are issued with a monthly bill for consumption above 50 kwh FBS electricity
*14.(a) Impermissibles on Residential Properties - (15000 * Number of Residential properties) - Provide the actual rand value not to be billed*
*14.(b) Impermissibles on Public Service Infrastructure (PSI) - (30% * Property Market Value * Number of PSI Properties) - Provide the actual rand value not to be billed*
15.(a) Free Water to Indigent HH's exceeding the 6 killolitres FBS water
15.(b) Free Water to any HH's that is not Indigent
16.If the Municipality provides unlimited free basic water to any indigent and / or any other household , it must also account for the related unlimited sanitation

MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

Property Rates Reconciliation

Province	NC
District	John Taolo Gaetsewe District
Type	LM
Municipal Name	Gamagara
GV Period	01/07/2019 - 30/06/2024
Financial Year	2021/2022
Reconciliation Period	Quarter 1

Reconciliation Overview

High Level Reconciliation

Propety Categories	**# of Properties**			**Market Values**		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	15078	9166	5912	7 122 629 840,00	5 904 110 580,00	1 218 519 260,00
Industrial	80	65	15	192 760 500,00	157 384 500,00	35 376 000,00
Business and Commercial	321	168	153	1 431 164 112,00	584 136 800,00	847 027 312,00
Agricultural	360	1	359	1 649 524 000,00	-	1 649 524 000,00
Mining	49	1	48	393 388 100,00	889 000,00	392 499 100,00
State Owned for Public Purpose	27	3	24	261 664 000,00	56 073 000,00	205 591 000,00
PSI	238	84	154	73 792 349,00	143 858 000,00	- 70 065 651,00
PBO	8	5	3	27 522 000,00	7 359 000,00	20 163 000,00
Multi Use	1	0	1	5 888 000,00	-	5 888 000,00
Vacant	126	495	-369	131 240 960,00	158 927 934,00	- 27 686 974,00
POW	0	0	0	-	-	-
Municipal	85	58	27	191 664 223,00	31 231 450,00	160 432 773,00
Other	115	190	-75	178 599 932,00	139 028 900,00	39 571 032,00
	16488	10236	6252	11 659 838 016,00	7 182 999 164,00	4 476 838 852,00

Detailed Reconciliation

Propety Categories	**Monthly Billing**			**Quarterly**		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	8 258 180	-	8 258 180	24 774 539,52	-	24 774 539,52
Industrial	424 311	-	424 311	1 272 934,15	-	1 272 934,15
Business and Commercial	3 600 458	-	3 600 458	10 801 373,84	-	10 801 373,84
Agricultural	56 136	-	56 136	168 409,11	-	168 409,11
Mining	989 668	-	989 668	2 969 003,97	-	2 969 003,97
State Owned for Public Purpose	329 152	-	329 152	987 455,86	-	987 455,86
PSI	-	-	-	-	-	-
PBO	-	-	-	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	############	R0,00	R13 657 905,48	40 973 716,45	-	40 973 716,45

COST REFLECTIVE TARIFFS

NC	John Taolo Gaetsewe	Gamagara	NC453

Tariff Assessments for the MTREF Period

	Assessment Status	Financial Year	Period	Item	Water	Waste Water	Electricity	Solid Waste	Total Surplus/Deficit	
Year 1	Cost Reflective	2024/25	Year1	Revenue Required by NT Tariff Tool	0	0	0	0	-	Year 1
				Revenue Budgeted	68 717 109	52 123 576	244 413 247	43 001 154	408 255 086	
				Shortfall/Excess	68 717 109	52 123 576	244 413 247	43 001 154	408 255 086	
	Assessment Outcome per Service				Cost Reflective	Cost Reflective	Cost Reflective	Cost Reflective	Cost Reflective	
Year 2		2025/26	Year2	Revenue Required by NT Tariff Tool	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	Year 2
				Revenue Budgeted	71 878 094	54 521 260	255 656 257	44 979 206	427 034 817	
				Surplus /Deficit	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	
	Assessment Outcome per Service									
Year 3		2026/27	Year3	Revenue Required by NT Tariff Tool	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	Year 3
				Revenue Budgeted	75 184 487	57 029 238	267 416 445	47 048 250	446 678 420	
				Surplus /Deficit	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	
	Assessment Outcome per Service									

MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources)

The municipality need to include as part of the MFMA s.71 narrative statement in this part –

i. Any Eskom Bulk current account invoice(s) due and payable during the month of reporting;
ii. The municipality's proof of payment of any such Eskom Bulk current account invoice(s) during the month of reporting;
iii. The municipality's reconciliation statement for electricity aligning to the MFMA S71 mSCOA data strings upload; and
iv. If the municipality has the water function, the bulk water current account invoice(s) and municipality water reconciliation statement (aligning to the mSCOA data string upload for the period) should similarly be included in this part

Conclusion

The municipality's MFMA S71 statement content -

as part of the monthly conclusion paragraphs, must advise as part of the MFMA Circular 124: Condition 6.9 reporting –

The mitigating factors:

1. The Municipality is in the process of performing meter audits for the purpose of determining stuck, bridged and damaged water and electricity meters

The audit will also assist to cleanse municipal data to ensure that all the appropriate services are levied on the consumer accounts

Municipal Manager's Quality Certificate

Quality Certificate

I, Lesogang Seetile, the Municipal Manager of **Gamagara Local Municipality (NC453)**, hereby certify that;

- Monthly budget statement in line with MFMA Section 71 for the period ended 31 August 2024 has been prepared in accordance with the Municipal Finance Management Act no.56 of 2003 and regulations made under the Act.

the Municipal Manager of **Gamagara Local Municipality (NC453)**

Signature Seetile

Date 09/09/2024