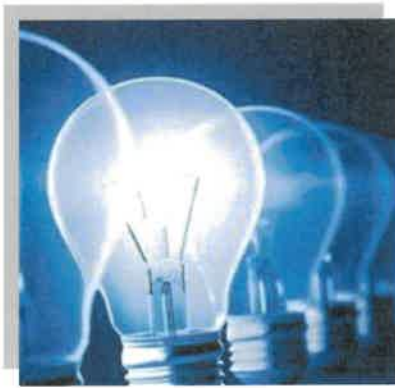
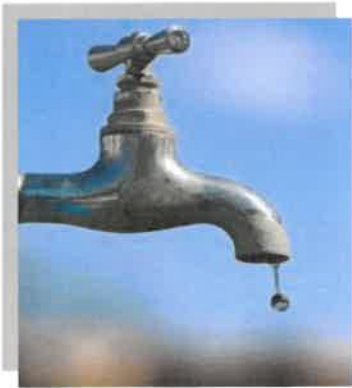




treasury

Department of  
Treasury  
FREE STATE PROVINCE

**STATUS OF MUNICIPAL FINANCES  
FIRST QUARTER  
1 JULY 2021 – 30 SEPTEMBER 2021**



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## 1. EXECUTIVE SUMMARY

In essence, the content of this report covers the expenditure performance against the budgets of the 23 municipalities in the Free State Province for the period ending 30 September 2021 of the 2021/22 municipal financial year. In addition, the report also includes the spending performance on conditional grant, as per the requirements of Division of Revenue Act, 2021.

The report is prepared by using the datasets from the Municipal Standard Chart of Accounts (mSCOA) data strings which were uploaded by municipalities. The mSCOA Regulations were promulgated on 22 April 2014 and prescribes the uniform recording and classification of municipal budget and financial information at a transaction level. All municipalities and municipal entities had to comply with the Regulations by 1 July 2017. The mSCOA Regulations require that municipalities upload their budget and financial information in a data string format to the Local Government portal across the six mSCOA regulated segments

The report is part of the *In-year Management, Monitoring and Reporting System for Local Government (IYM)*, which enables provincial and national government to exercise oversight over municipalities, and identify possible problems in implementing municipal budgets and conditional grants.

The credibility of the information contained in the mSCOA data strings is still a concern. At the core of the problem is:

- The incorrect use of the mSCOA and municipal accounting practices by municipalities;
- A large number of municipalities are not budgeting, transacting and reporting directly in or from their core financial systems. Instead they prepare their budgets and reports on excel spreadsheet and then import the excel spreadsheets into the system. Often this manipulation of data lead to unauthorised, irregular, fruitful and wasteful (UIFW) expenditure and fraud and corruption as the controls that are built into the core financial systems are not triggered and transactions go through that should not; and
- Municipalities are not locking their adopted budgets or their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2021/22, the Local Government Portal will be locked at the end of each quarter. System vendors were also requested to build this functionality into their municipal financial systems.

The reporting facilitates transparency, better in-year management as well as the oversight of budgets. This makes these reports management tools and early warning mechanisms for councils, provincial legislatures and officials in order to monitor and improve municipal performance.

The improvement of the credibility of the data strings is therefore a priority for National and provincial treasuries were continued technical support is provided to all municipalities.

## 2. KEY OBSERVATIONS

- 2.1 In aggregate, municipalities in the Free State Province have spent 17.2 per cent, or R3.79 billion, of the total expenditure budget of R22.13 billion as at 30 September 2021 (unaudited). In respect of revenue, aggregate billing and other revenue amounted to 23.1 per cent, or R5.05 billion, of the total revenue budget of R21.84 billion (unaudited).
- 2.2 The bulk of the total operating expenditure (41.1 per cent) relates to employee related cost and council remuneration, followed by bulk purchases at 27 per cent.
- 2.3 Municipalities budgeted for Compensation for Employees expenditure (including salaries and wages & council remuneration) at R7.05 billion, which constitutes 31.8 per cent of their total operational expenditure budget of R22.13 billion. As at 30 September 2021, spending on Compensation for Employees amounted to R1.56 billion or 22.1 per cent against the budget, which is in line with the straight line projection.
- 2.4 For the period under review the capital expenditure amounted to R349.1 million or 10.9 per cent against a total budget of R3.19 billion.
- 2.5 When billed revenue is measured against the budgets, the performance across three core services, namely water management, waste water management and waste management reflect surpluses at the end of the first quarter of 2021/22; whilst energy sources services reflected a deficit (shortfall). This does not take into account the collection rate.
- Billed energy sources revenue totaled R905.6 million against expenditure of R1.19 billion (**deficit of R283.0 million**), which is concerning and which impacts on the viability of the municipalities;
  - Billed water revenue totaled R814.2 million against expenditure of R497.9 million (surplus of R316.3 million);
  - Billed waste water management revenue totaled R319.9 million against expenditure of R194.0 million (surplus of R124.8 million); and
  - Billed waste management revenue totaled R197.4 million against expenditure R196.0 million (surplus of R1.3 million).
- 2.6 As at 30 September 2021 the aggregate municipal consumer debts amounted to R26.09 billion (*compared to R23.95 billion reported in the fourth quarter of 2020/21*). Organs of state accounts for 12.3 per cent or R3.2 billion (*R3.04 billion reported in the fourth quarter of 2020/21*) of the total outstanding debtors. The largest component of this debt relates to Households and represents 72.5 per cent or R18.92 billion (*R17.44 billion in the fourth quarter of 2020/21*).
- 2.7 It needs to be acknowledged that not all the outstanding debt of R26.09 billion is realistically collectable, as these amounts are inclusive of debt older than 90 days (historic debt that has accumulated over an extended period), interest on arrears and other recoveries. R22.32 billion of the total debt is outstanding for a period over 90 days.
- 2.8 If consumer debt is limited to below 90 days, then the actual realistically collectable amount is estimated at R3.76 billion. This should however not be interpreted that by

implication it is suggested that the balance must be written-off by municipalities. Relevant debt write-off policies must be followed and all efforts taken to ensure debt is not collectable, before it can be written off.

2.9 The following municipalities reported the highest debtors outstanding:

Mangaung	-	R7.49 billion
Matjhabeng	-	R4.87 billion
Metsimaholo	-	R2.19 billion
Maluti a Phofung	-	R2.04 billion
Masilonyana	-	R1.19 billion
Dihlabeng	-	R1.16 billion

2.10 Municipalities owed their creditors R1.68 billion as at 30 September 2021 (*R22.31 billion reported at the end of June 2021*), the majority of which relates to bulk services debt (R16.4 billion). Free State Municipalities are experiencing cash flow challenges and therefore the payment plans with Eskom and Water Boards are not adhered to.

2.11 Most distressing is Accounting Officers of the following municipalities reported outstanding debt related to PAYE and pension / retirement contributions above 30 days:

Kopanong	-	R160.2 million
Matjhabeng	-	R 34.9 million
Mafube	-	R174.5 million

2.12 The year-on-year increase in outstanding creditors is an indication that municipalities are experiencing liquidity and cash flow challenges.

2.13 The total balance on borrowing for all municipalities equates to R789.2 million. This includes long term loans of R789.1 million, long term instalment credit of R1 thousand and long term financial leases of R145 thousand.

2.14 As at 30 September 2021, the total investments made by municipalities equates to R581.8 million. Investments include bank deposits of R577.9 million, listed corporate bonds of R2.3 million.

### **Conditional Grants**

2.15 In terms of the Division of Revenue Act a total of R2.11 billion was allocated to the Free State municipalities in terms of direct transfers (infrastructure, capacity and other grants).

2.16 The total conditional grant expenditure as at 30 September 2021, reported by the National Transferring Departments amount to R240.8 million or 11.4 per cent against an allocation of R2.11 billion.

### *Capacity Building and Other Conditional Grants Expenditure as at 30 September 2021*

- 2.17 The overall expenditure reported by the National Transferring Departments on capacity building and other conditional grants (direct transfers) amounted to R20.1 million against the R124.1 million allocated to municipalities.
- 2.18 The highest performing conditional grant under this category is the Expanded Public Works Programme (EPWP) at 30.6 per cent, followed by the Finance Management Grant at 13.1 per cent against the allocation.

### *Infrastructure Conditional Grants Expenditure as at 30 September 2021*

- 2.19 Direct conditional grants allocated for Infrastructure amounts to R1.9 billion in the 2021/22 financial year. This amount excludes the indirect or in-kind allocations to transferring officers executing specific projects on behalf of municipalities in the municipal area.
- 2.20 From the R1.9 billion allocated, R603.9 million has been transferred to municipalities which constitutes 30.4 per cent. The total spending for the first quarter on Infrastructure reflected a total of R220.8 million or 11.1 per cent as reported by the National Transferring Departments.
- 2.21 The best performing grant against the allocation is the Municipal Infrastructure Grant (MIG) at 14.2 per cent, followed by the Water Services Infrastructure Grant (WSIG) at 14 per cent against the allocation.

### **3. MUNICIPALITIES MEETING CRITERIA FOR DETERMINING SERIOUS FINANCIAL PROBLEMS IN TERMS OF SECTION 138 & 140 OF THE MFMA**

- 3.1 In terms of section 138 of the MFMA, the following factors may indicate a serious financial problem:
- The municipality has failed to make payments as and when due;
  - The municipality has defaulted on financial obligations for financial reasons;
  - The actual current expenditure of the municipality has exceeded the sum of its actual current revenue plus available surpluses for at least two consecutive financial years (cash flow position);
  - The municipality had an operating deficit in excess of five per cent of revenue in the most recent financial year for which financial information is available;
  - The municipality is more than 60 days late in submitting its annual financial statements to the Auditor-General in accordance with section 126;
  - The Auditor-General has withheld an opinion or issued a disclaimer due to inadequacies in the financial statements or records of the municipality, or has issued an opinion which identifies a serious financial problem in the municipality;
  - Any of the above conditions exists in a municipal entity under the municipality's sole control;

- Any other material condition exists which indicates that the municipality, or a municipal entity under the municipality's sole control, is likely to be unable for financial reasons to meet its obligations.

3.2 In addition to the above section 140 of the MFMA indicates factors which may indicate that a municipality is in serious material breach of its obligations to meet its financial commitments, including the municipality has failed to make any other payment as and when due, which individually or in the aggregate is more than the amount as may be prescribed or, if not is prescribed, more than two per cent of the municipality's budgeted operating expenditure.

3.3 The table below indicate the triggers (criteria) identified per municipality which may indicate financial distress refer to Table 12: Municipalities meeting criteria for determining serious financial problems in terms of section 138 & 140 of the MFMA which provide a more user friendly of the status which is attached to this report.

3.4 19 Municipalities in the FS have 3 or more triggers (criteria) indicating these municipalities are in crisis and distress and need urgent intervention to improve the financial position and sustainability going forward.

Municipalities	Nr of Triggers identified	S138 Triggers	S140 Triggers (Creditors >2% of Opex Budget)	S140 Triggers - Severe (Creditors >40% of Opex Budget)	Financial Distress 2019
Mangaung	3	✓	✓		✓
Letsemeng	4	✓	✓	✓	✓
Kopanong	4	✓	✓	✓	✓
Mohokare	2	✓			✓
Xhariep	3	✓	✓		✓
Masilonyana	3	✓	✓		✓
Tokologo	4	✓	✓	✓	✓
Tswelopele	3	✓	✓		✓
Matjhabeng	4	✓	✓	✓	✓
Nala	4	✓	✓	✓	✓
Lejweleputswa	0				
Setsoto	3	✓	✓		✓
Dihlabeng	4	✓	✓	✓	✓
Nketoana	4	✓	✓	✓	✓
Maluti-a-Phofung	4	✓	✓	✓	✓
Phumelela	4	✓	✓	✓	✓
Mantsopa	4	✓	✓	✓	✓
Thabo Mofutsanyana	2	✓			✓
Moqhaka	4	✓	✓	✓	✓
Ngwathe	4	✓	✓	✓	✓
Metsimaholo	3	✓	✓		✓
Mafube	4	✓	✓	✓	✓
Fezile Dabi	1	✓			

#### **4. SUMMARY TABLES**

The following summary tables are attached to this report:

- 1. Consolidated statement of financial performance
- 2. Consolidated statement of financial position
- 3. Operating revenue & expenditure per function – Energy Sources
- 4. Operating revenue & expenditure per function – Water Management
- 5. Operating revenue & expenditure per function – Waste Water Management
- 6. Operating revenue & expenditure per function – Waste Management
- 7. Aggregated municipal debtors age analysis
- 8. Aggregated municipal debtors age analysis – per municipality
- 9. Aggregated municipal creditors age analysis
- 10. Aggregated municipal creditors age analysis – per municipality
- 11. Conditional grants
- 12. Municipalities meeting criteria for determining serious financial problems in terms of section 138 & 140 of the MFMA
- 13. List of Non-compliance

## 5. RECOMMENDATIONS

It is recommended that the HOD: FSPT requests the MEC for Finance to table this report in the FS Legislature as required by Section 71(7) of the MFMA, 2003 within 45 days after the end of each quarter. This report must also be serve at the Standing Committee for Finance (PROPAC) for municipalities to account for municipal failures that impact on sustaining basic service delivery.

Submitted by:

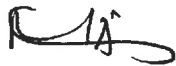


M/IE Poob

Acting CHIEF DIRECTOR: MUNICIPAL FINANCE MANAGEMENT

Date: 16/11/2021

Supported by:



Ms MA Sesing  
ACTING HEAD OF DEPARTMENT  
FREE STATE PROVINCIAL TREASURY

Date: 22-11-2021

Approved / Not approved:



Ms G Brown  
MEC FOR FINANCE

Date: 23-11-2021

## SUMMARY TABLES

Table 1: Consolidated statement of financial performance

Description	Budget year 2021/22								
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	3,001,498	744,020	-	-	-	744,020	758,500	(14,480)	(1.91)
Service charges	11,079,524	2,071,716	-	-	-	2,071,716	2,779,656	(707,940)	(25.47)
Investment revenue	56,787	6,262	-	-	-	6,262	14,355	(8,093)	(56.38)
Transfers and subsidies	4,722,321	1,792,495	-	-	-	1,792,495	1,241,509	550,985	44.38
Other own revenue	2,974,911	434,052	-	-	-	434,052	737,343	(303,291)	(41.13)
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>21,835,041</b>	<b>5,048,544</b>	-	-	-	<b>5,048,544</b>	<b>5,531,363</b>	<b>(482,819)</b>	<b>(8.73)</b>
Employee costs	6,703,173	1,485,303	-	-	-	1,485,303	1,677,295	(191,992)	(11.45)
Remuneration of councillors	342,853	73,723	-	-	-	73,723	85,689	(11,967)	(13.97)
Depreciation & asset impairment	1,323,996	18,329	-	-	-	18,329	318,670	(300,341)	(94.25)
Finance charges	710,869	45,008	-	-	-	45,008	174,854	(129,846)	(74.26)
Materials and bulk purchases	6,896,255	1,259,815	-	-	-	1,259,815	1,721,730	(461,916)	(26.83)
Transfers and subsidies	223,799	15,009	-	-	-	15,009	55,950	(40,940)	(73.17)
Other expenditure	5,926,860	898,724	-	-	-	898,724	1,480,893	(582,170)	(39.31)
<b>Total Expenditure</b>	<b>22,127,805</b>	<b>3,795,910</b>	-	-	-	<b>3,795,910</b>	<b>5,515,082</b>	<b>(1,719,171)</b>	<b>(31.17)</b>
<b>Surplus/(Deficit)</b>	<b>(292,764)</b>	<b>1,252,634</b>	-	-	-	<b>1,252,634</b>	<b>16,282</b>	<b>1,236,352</b>	<b>7,593.46</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,551,222	205,086	-	-	-	205,086	651,931	(446,845)	(68.54)
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) & Transfers and subsidies - capital (in-kind - all)	63,314	1,125	-	-	-	1,125	15,829	(14,703)	(92.89)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2,321,772</b>	<b>1,458,846</b>	-	-	-	<b>1,458,846</b>	<b>684,041</b>	<b>774,804</b>	<b>113.27</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>2,321,772</b>	<b>1,458,846</b>	-	-	-	<b>1,458,846</b>	<b>684,041</b>	<b>774,804</b>	<b>113.27</b>

Source: National Treasury Local Government database

Table 2: Consolidated statement of financial position

Description	Budget year 2021/22								
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
<b>R thousands</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	1,720,122	678,657				678,657	639,601	39,057	6.11
Call deposits and investments	341,224	493,064				493,064	88,335	404,728	458.17
Consumer debtors	12,844,464	7,605,535				7,605,535	5,605,544	1,999,991	35.68
Other debtors	1,987,851	8,773,389				8,773,389	736,257	8,037,132	1,091.62
Current portion of long-term receivables	375	792,331				792,331	300	792,031	263,665.84
Inventory	1,017,650	873,249				873,249	509,913	363,336	71.25
<b>Total current assets</b>	<b>17,911,686</b>	<b>19,216,225</b>	-	-	-	<b>19,216,225</b>	<b>7,579,950</b>	<b>11,636,275</b>	<b>153.51</b>
<b>Non current assets</b>									
Long-term receivables	246,769	1,125,283				1,125,283	245,602	879,681	358.17
Investments	3,193	6,956				6,956	2,672	4,284	160.33
Investment property	3,915,485	5,186,703				5,186,703	2,372,598	2,814,105	118.61
Investment in Associate	1,172	1,124				1,124	293	831	283.84
Property, plant and equipment	40,989,809	37,975,244				37,975,244	25,300,105	12,675,139	50.10
Biological	4,103	1,610				1,610	2,133	(523)	(24.54)
Intangible	190,019	86,519				86,519	137,901	(51,382)	(37.26)
Other non-current assets	83,127	1,716,544				1,716,544	21,220	1,695,325	7,989.46
<b>Total non current assets</b>	<b>45,433,677</b>	<b>46,099,984</b>	-	-	-	<b>46,099,984</b>	<b>28,082,524</b>	<b>18,017,460</b>	<b>64.16</b>
<b>TOTAL ASSETS</b>	<b>63,345,363</b>	<b>65,316,209</b>	-	-	-	<b>65,316,209</b>	<b>35,662,474</b>	<b>29,653,735</b>	<b>83.15</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	344						86	(86)	(100.00)
Borrowing	190,930	244,339				244,339	265,424	(21,085)	(7.94)
Consumer deposits	316,620	275,879				275,879	174,447	101,431	58.14
Trade and other payables	18,540,292	32,410,330				32,410,330	6,707,847	25,702,483	383.17
Provisions	1,002,232	2,561,498				2,561,498	301,229	2,260,269	750.35
<b>Total current liabilities</b>	<b>20,050,417</b>	<b>35,492,045</b>	-	-	-	<b>35,492,045</b>	<b>7,449,033</b>	<b>28,043,012</b>	<b>376.47</b>
<b>Non current liabilities</b>									
Financial liabilities	793,023	1,134,709				1,134,709	653,114	481,595	73.74
Provisions	1,845,610	2,308,270				2,308,270	1,564,585	743,684	47.53
<b>Total non current liabilities</b>	<b>2,638,633</b>	<b>3,442,979</b>	-	-	-	<b>3,442,979</b>	<b>2,217,699</b>	<b>1,225,280</b>	<b>55.25</b>
<b>TOTAL LIABILITIES</b>	<b>22,689,050</b>	<b>38,935,024</b>	-	-	-	<b>38,935,024</b>	<b>9,666,732</b>	<b>29,268,292</b>	<b>302.77</b>
<b>NET ASSETS</b>	<b>40,656,312</b>	<b>26,381,185</b>	-	-	-	<b>26,381,185</b>	<b>25,995,742</b>	<b>385,443</b>	<b>1.48</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	32,506,856	19,586,388				19,586,388	21,635,405	(2,049,017)	(0)
Reserves	6,811,151	6,503,160				6,503,160	6,725,094	(221,934)	(0)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>39,318,008</b>	<b>26,089,548</b>	-	-	-	<b>26,089,548</b>	<b>28,360,499</b>	<b>(2,270,951)</b>	<b>(0)</b>

**Table 3: Operating revenue and expenditure per function – Energy Sources**

Description	Budget year 2021/22									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates										
Service charges - electricity revenue	6,245,118	6,245,118	933,980				933,980	1,559,710	(625,730)	(40.12)
Service charges - water revenue			47				47		47	
Service charges - sanitation revenue										
Service charges - refuse revenue										
Rental of facilities and equipment	772	772	255				255	2,027	(1,773)	(87.44)
Interest earned - external investments	640	640	49				49	160	(111)	(69.53)
Interest earned - outstanding debtors	81,426	81,426	(46,405)				(46,405)	23,116	(69,522)	(300.75)
Dividends received										
Fines, penalties and forfeits	5,987	5,987	1,601				1,601	1,497	104	6.96
Licences and permits										
Agency services										
Transfers and subsidies	69,045	69,045	14,952				14,952	22,749	(7,797)	(34.27)
Other revenue	14,223	14,223	1,156				1,156	2,961	(1,805)	(60.95)
Gains	1	1	(13)				(13)	0	(13)	(5,158.91)
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6,417,211</b>	<b>6,417,211</b>	<b>905,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>905,621</b>	<b>1,612,220</b>	<b>(706,599)</b>	<b>(43.83)</b>
<b>Expenditure By Type</b>										
Employee related costs	610,486	610,486	85,221				85,221	152,838	(67,617)	(44.24)
Remuneration of councillors										
Debt impairment	302,745	302,745	11,147				11,147	72,628	(61,481)	(84.65)
Depreciation and asset impairment	145,584	145,584	18,107				18,107	34,422	(16,315)	(47.40)
Finance charges	120,119	120,119	30				30	30,030	(30,000)	(99.90)
Bulk purchases - electricity	4,965,745	4,965,745	1,015,867				1,015,867	1,234,664	(218,797)	(17.72)
Inventory consumed	77,802	77,802	8,195				8,195	18,502	(10,306)	(56.70)
Contracted services	228,329	302,329	43,017				43,017	61,164	(18,147)	(29.67)
Transfers and subsidies	880	880	1,241				1,241	220	1,021	464.00
Other expenditure	112,447	112,447	6,351				6,351	28,074	(21,723)	(77.38)
Losses	116	116	(541)				(541)	29	(570)	(1,962.89)
<b>Total Expenditure</b>	<b>6,564,252</b>	<b>6,638,252</b>	<b>1,188,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,188,636</b>	<b>1,632,571</b>	<b>(443,935)</b>	<b>(27.19)</b>
<b>Surplus/(Deficit)</b>	<b>(147,040)</b>	<b>(221,040)</b>	<b>(283,015)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(283,015)</b>	<b>(20,351)</b>	<b>(262,664)</b>	<b>1,290.66</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	119,524	120,645	9,090				9,090	31,493	(22,403)	(71.14)
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	13,000	13,000	1,126				1,126	3,250	(2,124)	(65.37)
Transfers and subsidies - capital (in-kind - all)	314	314						79	(79)	(100.00)
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>(14,203)</b>	<b>(87,082)</b>	<b>(272,799)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(272,799)</b>	<b>14,470</b>	<b>(287,270)</b>	<b>(1,985.22)</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>	<b>(14,203)</b>	<b>(87,082)</b>	<b>(272,799)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(272,799)</b>	<b>14,470</b>	<b>(287,270)</b>	<b>(1,985.22)</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(14,203)</b>	<b>(87,082)</b>	<b>(272,799)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(272,799)</b>	<b>14,470</b>	<b>(287,270)</b>	<b>(1,985.22)</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/(Deficit) for the year</b>	<b>(14,203)</b>	<b>(87,082)</b>	<b>(272,799)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(272,799)</b>	<b>14,470</b>	<b>(287,270)</b>	<b>(1,985.22)</b>

**Table 4: Operating revenue and expenditure per function – Water Management**

Description	Budget year 2021/22							
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates								
Service charges - electricity revenue	(1,973)					(494)	494	(100.00)
Service charges - water revenue	2,870,588	702,507			702,507	717,182	(14,675)	(2.05)
Service charges - sanitation revenue	21,509	1			1	5,377	(5,376)	(99.98)
Service charges - refuse revenue								
Rental of facilities and equipment	266					66	(66)	(100.00)
Interest earned - external investments								
Interest earned - outstanding debtors	378,677	90,086			90,086	94,669	(4,584)	(4.84)
Dividends received								
Fines, penalties and forfeits		2,002			2,002		2,002	
Licences and permits								
Agency services								
Transfers and subsidies	347,773	19,433			19,433	95,393	(75,960)	(79.63)
Other revenue	152	140			140	20	120	604.42
Gains								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3,616,992</b>	<b>814,168</b>	<b>-</b>	<b>-</b>	<b>814,168</b>	<b>912,214</b>	<b>(98,046)</b>	<b>(10.75)</b>
<b>Expenditure By Type</b>								
Employee related costs	395,746	97,517			97,517	99,006	(1,489)	(1.50)
Remuneration of councillors								
Debt impairment	1,049,997	209,961			209,961	262,548	(52,587)	(20.03)
Depreciation and asset impairment	81,223					19,532	(19,532)	(100.00)
Finance charges	160	13			13	40	(27)	(66.98)
Bulk purchases - electricity								
Inventory consumed	1,581,453	161,976			161,976	394,833	(232,856)	(58.98)
Contracted services	103,189	22,020			22,020	25,629	(3,609)	(14.08)
Transfers and subsidies		239			239		239	
Other expenditure	40,846	6,137			6,137	9,795	(3,658)	(37.35)
Losses	306,301					76,575	(76,575)	(100.00)
<b>Total Expenditure</b>	<b>3,558,915</b>	<b>497,863</b>	<b>-</b>	<b>-</b>	<b>497,863</b>	<b>887,958</b>	<b>(390,095)</b>	<b>(43.93)</b>
<b>Surplus/(Deficit)</b>	<b>58,076</b>	<b>316,305</b>	<b>-</b>	<b>-</b>	<b>316,305</b>	<b>24,256</b>	<b>292,049</b>	<b>1,204.05</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	626,890	48,810			48,810	168,866	(120,055)	(71.10)
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)								
Transfers and subsidies - capital (in-kind - all)								
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>684,966</b>	<b>365,115</b>	<b>-</b>	<b>-</b>	<b>365,115</b>	<b>193,121</b>	<b>171,994</b>	<b>89.06</b>
Taxation								
<b>Surplus/(Deficit) after taxation</b>	<b>684,966</b>	<b>365,115</b>	<b>-</b>	<b>-</b>	<b>365,115</b>	<b>193,121</b>	<b>171,994</b>	<b>89.06</b>
Attributable to minorities								
<b>Surplus/(Deficit) attributable to municipality</b>	<b>684,966</b>	<b>365,115</b>	<b>-</b>	<b>-</b>	<b>365,115</b>	<b>193,121</b>	<b>171,994</b>	<b>89.06</b>
Share of surplus/ (deficit) of associate								
<b>Surplus/(Deficit) for the year</b>	<b>684,966</b>	<b>365,115</b>	<b>-</b>	<b>-</b>	<b>365,115</b>	<b>193,121</b>	<b>171,994</b>	<b>89.06</b>

**Table 5: Operating revenue and expenditure per function – Waste Water Management**

Description	Budget year 2021/22								
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	8,571	(959)				(959)	2,143	(3,102)	(144.75)
Service charges - electricity revenue	(11,698)	(554)				(554)	(2,345)	1,791	(76.35)
Service charges - water revenue	(345)	241				241	(4)	245	(5,926.24)
Service charges - sanitation revenue	1,144,826	264,248				264,248	297,268	(33,020)	(11.11)
Service charges - refuse revenue									
Rental of facilities and equipment									
Interest earned - external investments									
Interest earned - outstanding debtors	85,782	35,959				35,959	21,446	14,513	67.67
Dividends received									
Fines, penalties and forfeits		895				895		895	
Licences and permits									
Agency services									
Transfers and subsidies	237,167	18,989				18,989	67,545	(48,555)	(71.89)
Other revenue	995	38				38	249	(211)	(84.77)
Gains									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,465,300</b>	<b>318,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,857</b>	<b>386,302</b>	<b>(67,444)</b>	<b>(17.46)</b>
<b>Expenditure By Type</b>									
Employee related costs	399,929	94,828				94,828	100,045	(5,217)	(5.21)
Remuneration of councillors									
Debt impairment	187,549	29,462				29,462	46,936	(17,474)	(37.23)
Depreciation and asset impairment	69,059						17,265	(17,265)	(100.00)
Finance charges	60,583	3,718				3,718	15,146	(11,427)	(75.45)
Bulk purchases - electricity									
Inventory consumed	53,591	7,618				7,618	13,068	(5,450)	(41.71)
Contracted services	136,093	21,926				21,926	34,004	(12,078)	(35.52)
Transfers and subsidies									
Other expenditure	110,613	36,494				36,494	27,273	9,221	33.81
Losses									
<b>Total Expenditure</b>	<b>1,017,415</b>	<b>194,046</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>194,046</b>	<b>253,736</b>	<b>(59,690)</b>	<b>(23.52)</b>
<b>Surplus/(Deficit)</b>	<b>447,884</b>	<b>124,811</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124,811</b>	<b>132,566</b>	<b>(7,754)</b>	<b>(5.85)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	96,140	432				432	27,659	(27,227)	(98.44)
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)									
Transfers and subsidies - capital (in-kind - all)	40,000						10,000	(10,000)	(100.00)
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>584,024</b>	<b>125,243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,243</b>	<b>170,224</b>	<b>(44,981)</b>	<b>(26.42)</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>584,024</b>	<b>125,243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,243</b>	<b>170,224</b>	<b>(44,981)</b>	<b>(26.42)</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>584,024</b>	<b>125,243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,243</b>	<b>170,224</b>	<b>(44,981)</b>	<b>(26.42)</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>584,024</b>	<b>125,243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,243</b>	<b>170,224</b>	<b>(44,981)</b>	<b>(26.42)</b>

**Table 6: Operating revenue and expenditure per function – Waste Management**

Description	Budget year 2021/22								
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	(609)						(152)	152	(100.00)
Service charges - electricity revenue	(3,944)						(986)	986	(100.00)
Service charges - water revenue	1,035						259	(259)	(100.00)
Service charges - sanitation revenue	(9,975)						(2,494)	2,494	(100.00)
Service charges - refuse revenue	683,491	155,822				155,822	170,897	(15,075)	(8.82)
Rental of facilities and equipment	1,738						435	(435)	(100.00)
Interest earned - external investments	274						68	(68)	(100.00)
Interest earned - outstanding debtors	72,067	23,575				23,575	18,039	5,536	30.69
Dividends received									
Fines, penalties and forfeits	161	822				822	40	782	1,939.74
Licences and permits									
Agency services									
Transfers and subsidies	425,014	17,158				17,158	112,888	(95,730)	(84.80)
Other revenue	2,271	6				6	568	(561)	(98.86)
Gains									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,171,522</b>	<b>197,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197,383</b>	<b>299,561</b>	<b>(102,178)</b>	<b>(34.11)</b>
<b>Expenditure By Type</b>									
Employee related costs	635,129	134,099				134,099	158,879	(24,779)	(15.60)
Remuneration of councillors									
Debt impairment	164,872	25,476				25,476	41,250	(15,774)	(38.24)
Depreciation and asset impairment	60,822						15,002	(15,002)	(100.00)
Finance charges	10,638	3,601				3,601	2,659	942	35.42
Bulk purchases - electricity									
Inventory consumed	17,095	3,638				3,638	4,281	(643)	(15.02)
Contracted services	73,141	7,420				7,420	18,161	(10,741)	(59.14)
Transfers and subsidies	8,000						2,000	(2,000)	(100.00)
Other expenditure	140,692	21,802				21,802	35,255	(13,453)	(38.16)
Losses									
<b>Total Expenditure</b>	<b>1,110,389</b>	<b>196,037</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>196,037</b>	<b>277,487</b>	<b>(81,451)</b>	<b>(29.35)</b>
<b>Surplus/(Deficit)</b>	<b>61,134</b>	<b>1,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,347</b>	<b>22,074</b>	<b>(20,728)</b>	<b>(93.90)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	26,621						6,655	(6,655)	(100.00)
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)									
Transfers and subsidies - capital (in-kind - all)	87,755	1,347	-	-	-	1,347	28,729	(27,383)	(95.31)
<b>Surplus/(Deficit) after capital transfers and contributions</b>									
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>87,755</b>	<b>1,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,347</b>	<b>28,729</b>	<b>(27,383)</b>	<b>(95.31)</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>87,755</b>	<b>1,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,347</b>	<b>28,729</b>	<b>(27,383)</b>	<b>(95.31)</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>87,755</b>	<b>1,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,347</b>	<b>28,729</b>	<b>(27,383)</b>	<b>(95.31)</b>

Table 7: Aggregated municipal debtors age analysis

Debtors Age Analysis By Income Source	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Trade and Other Receivables from Exchange Transactions - Water	472,333	5.3%	240,448	2.7%	381,078	4.3%	7,771,032	87.7%	8,864,892	34.0%
Trade and Other Receivables from Exchange Transactions - Electricity	504,881	20.8%	97,134	4.0%	164,723	6.8%	1,663,447	68.4%	2,430,185	9.3%
Receivables from Non-exchange Transactions - Property Rates	313,200	8.0%	198,781	5.1%	254,199	6.5%	3,147,141	80.4%	3,913,321	15.0%
Receivables from Exchange Transactions - Waste Water Management	138,957	4.2%	125,596	3.8%	131,851	4.0%	2,898,650	88.0%	3,295,053	12.6%
Receivables from Exchange Transactions - Waste Management	82,417	3.4%	47,145	2.0%	135,181	5.6%	2,145,772	89.0%	2,410,514	9.2%
Receivables from Exchange Transactions - Property Rental Debtors	1,805	1.4%	1,770	1.3%	1,862	1.4%	126,291	95.9%	131,728	0.5%
Interest on Arrear Debtor Accounts	119,346	2.7%	83,225	1.9%	249,072	5.5%	4,043,158	90.0%	4,494,802	17.2%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other	34,625	6.3%	9,121	1.7%	(23,962)	-4.4%	528,111	96.4%	547,894	2.1%
<b>Total By Income Source</b>	<b>1,667,564</b>	<b>6.4%</b>	<b>803,218</b>	<b>3.1%</b>	<b>1,294,004</b>	<b>5.0%</b>	<b>22,323,603</b>	<b>85.6%</b>	<b>26,088,389</b>	<b>100.0%</b>

Debtors Age Analysis By Customer Group	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Organs of State	304,602	9.5%	120,179	3.8%	175,894	5.5%	2,601,016	81.2%	3,201,692	12.3%
Commercial	554,824	14.3%	234,694	6.1%	263,387	6.8%	2,824,246	72.8%	3,877,151	14.9%
Households	807,127	4.3%	447,106	2.4%	887,471	4.7%	16,778,067	88.7%	18,919,761	72.5%
Other	1,011	1.1%	1,240	1.4%	(32,748)	-36.5%	120,274	134.0%	89,777	0.3%
<b>Total By Customer Group</b>	<b>1,667,564</b>	<b>6.4%</b>	<b>803,218</b>	<b>3.1%</b>	<b>1,294,004</b>	<b>5.0%</b>	<b>22,323,594</b>	<b>85.6%</b>	<b>26,088,381</b>	<b>100.0%</b>

Table 8: Aggregate Debtors age analysis per municipality

Debtors Age Analysis	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Mangaung Metro	777,049	10.4%	338,321	4.5%	178,018	2.4%	6,197,249	82.7%	7,490,638	28.7%
Letsemeng	13,546	4.5%	(662)	-0.2%	6,509	2.2%	280,180	93.5%	299,573	1.1%
Kopanong	25,870	6.1%	15,801	3.7%	8,332	2.0%	372,082	88.2%	422,086	1.6%
Mohokare*	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Xhariep District	-	0.0%	-	0.0%	-	0.0%	10,194	100.0%	10,194	0.0%
<b>DC 16 Total</b>	<b>39,416</b>	<b>5.4%</b>	<b>15,139</b>	<b>2.1%</b>	<b>14,841</b>	<b>2.0%</b>	<b>662,457</b>	<b>90.5%</b>	<b>731,853</b>	<b>2.8%</b>
Masilonyana	30,271	2.5%	(215)	0.0%	13,130	1.1%	1,149,413	96.4%	1,192,500	4.6%
Tokololo	12,070	3.9%	5,589	1.8%	4,872	1.6%	289,866	92.8%	312,397	1.2%
Tswelopele	7,461	5.4%	5,118	3.7%	19,111	13.8%	107,082	77.2%	138,772	0.5%
Majhabeng	229,979	4.7%	123,679	2.5%	90,354	1.9%	4,430,750	90.9%	4,874,763	18.7%
Nala	22,900	2.5%	20,427	2.3%	19,005	2.1%	839,159	93.1%	901,491	3.5%
Lejwelepuiswa District	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>DC 18 Total</b>	<b>302,682</b>	<b>4.1%</b>	<b>154,597</b>	<b>2.1%</b>	<b>146,473</b>	<b>2.0%</b>	<b>6,816,270</b>	<b>91.9%</b>	<b>7,420,022</b>	<b>28.4%</b>
Setsotho	25,536	4.7%	20,446	3.8%	18,931	3.5%	477,009	88.0%	541,921	2.1%
Dihlabeng	78,730	6.8%	29,665	2.6%	22,522	1.9%	1,025,399	88.7%	1,156,315	4.4%
Nketoana	21,724	2.8%	16,917	2.2%	19,758	2.5%	716,935	92.5%	775,335	3.0%
Maluti a Phofung	33,187	1.6%	37,117	1.8%	32,476	1.6%	1,934,983	95.0%	2,037,763	7.8%
Phumelela	(2,085)	-0.5%	6,058	1.5%	11,481	2.9%	381,210	96.1%	396,665	1.5%
Mantsopa*	16,143	2.3%	12,671	1.8%	31,454	4.6%	630,047	91.3%	690,316	2.6%
Thabo Mofutsanyana District	-	0.0%	-	0.0%	-	0.0%	4,124	100.0%	4,124	0.0%
<b>DC 19 Total</b>	<b>173,235</b>	<b>3.1%</b>	<b>122,874</b>	<b>2.2%</b>	<b>136,623</b>	<b>2.4%</b>	<b>5,169,707</b>	<b>92.3%</b>	<b>5,602,439</b>	<b>21.5%</b>
Moqhaka	66,537	6.4%	34,726	3.4%	23,194	2.2%	910,069	88.0%	1,034,526	4.0%
Ngwathe	66,714	7.8%	67,878	7.9%	720,033	84.3%	-	0.0%	854,624	3.3%
Metsimoholo	211,838	9.6%	51,431	2.3%	51,136	2.3%	1,882,619	85.7%	2,197,025	8.4%
Mafube	30,093	4.0%	18,251	2.4%	23,687	3.1%	685,222	90.5%	757,253	2.9%
Fezile Dabi	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>DC 20 Total</b>	<b>375,182</b>	<b>7.7%</b>	<b>172,286</b>	<b>3.6%</b>	<b>818,049</b>	<b>16.9%</b>	<b>3,477,911</b>	<b>71.8%</b>	<b>4,843,428</b>	<b>18.6%</b>
<b>Total Debt</b>	<b>1,667,564</b>	<b>6.4%</b>	<b>803,218</b>	<b>3.1%</b>	<b>1,294,004</b>	<b>5.0%</b>	<b>22,323,594</b>	<b>85.6%</b>	<b>26,088,381</b>	<b>100.0%</b>

Source: NT Local Government Database

\* Information for M03 not submitted

Table 9: Aggregate Creditors age analysis

Creditors by type	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Bulk Electricity	305,446	3.2%	136,769	1.4%	320,346	3.3%	8,833,746	92.1%	9,596,307	51.3%
Bulk Water	473,091	7.0%	68,923	1.0%	70,795	1.0%	6,193,327	91.0%	6,806,136	36.4%
PAYE deductions	27,460	43.2%	13,565	21.3%	2,635	4.1%	19,963	31.4%	63,623	0.3%
VAT (output less input)	82	100.0%	-	0.0%	-	0.0%	-	0.0%	82	0.0%
Pensions / Retirement deductions	69,724	17.3%	15,135	3.8%	14,933	3.7%	303,396	75.2%	403,188	2.2%
Loan repayments	1,121	9.6%	1,091	9.3%	2,091	17.8%	7,411	63.3%	11,714	0.1%
Trade Creditors	147,905	12.0%	78,985	6.4%	91,985	7.5%	913,838	74.1%	1,232,714	6.6%
Auditor General	6,703	14.6%	4,021	8.8%	503	1.1%	34,585	75.5%	45,812	0.2%
Other	24,471	4.6%	847	0.2%	(10,970)	-2.1%	518,517	97.3%	532,864	2.9%
<b>Total Debt</b>	<b>1,056,002</b>	<b>5.6%</b>	<b>319,337</b>	<b>1.7%</b>	<b>492,317</b>	<b>2.6%</b>	<b>16,824,784</b>	<b>90.0%</b>	<b>18,692,440</b>	<b>100.0%</b>

Table 10: Creditors age analysis per municipality

Creditors Age Analysis	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Mangaung Metro	607,926	89.3%	27,248	4.0%	16,227	2.4%	29,689	4.4%	681,090	3.6%
Letsemeng	1,006	0.8%	273	0.2%	(10,495)	-8.3%	135,788	107.3%	126,572	15.7%
Kopanong	10,548	1.6%	11,783	1.8%	6,642	1.0%	642,219	95.7%	671,192	83.4%
Mohokare*	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Xhariep District	(1,776)	-25.0%	(424)	-6.0%	(973)	-13.7%	10,266	144.7%	7,093	0.9%
<b>DC 16 Total</b>	<b>9,778</b>	<b>1.2%</b>	<b>11,631</b>	<b>1.4%</b>	<b>(4,825)</b>	<b>-0.6%</b>	<b>788,273</b>	<b>97.9%</b>	<b>804,857</b>	<b>4.3%</b>
Masilonyana	55	0.1%	204	0.2%	(13,263)	-14.7%	103,016	114.4%	90,012	0.9%
Tokologo	3,738	19.6%	6,721	35.3%	817	4.3%	7,755	40.7%	19,031	0.2%
Tswelopele	6,663	11.1%	419	0.7%	16,662	27.9%	36,080	60.3%	59,825	0.6%
Matjhabeng	148,917	1.5%	95,430	1.0%	207,051	2.1%	9,292,011	95.4%	9,743,409	98.3%
Nala*	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Lejweleputswa District	87	14.1%	-	0.0%	3	0.5%	529	85.4%	619	0.0%
<b>DC 18 Total</b>	<b>159,460</b>	<b>1.6%</b>	<b>102,775</b>	<b>1.0%</b>	<b>211,271</b>	<b>2.1%</b>	<b>9,439,390</b>	<b>95.2%</b>	<b>9,912,896</b>	<b>53.0%</b>
Setsofso	29,303	85.0%	1,369	4.0%	489	1.4%	3,317	9.6%	34,477	0.8%
Dihlabeng	60,068	8.0%	38,421	5.1%	27	0.0%	652,355	86.9%	750,871	18.3%
Nketoana	5,916	2.0%	-	0.0%	20,796	7.2%	262,350	90.8%	289,061	7.0%
Maluti a Phofung	18,277	0.8%	7,144	0.3%	132,175	5.5%	2,246,957	93.4%	2,404,554	58.5%
Phumelela	988	0.4%	249	0.1%	70	0.0%	273,518	99.5%	274,825	6.7%
Mantsopa*	7,452	2.1%	11,004	3.1%	9,518	2.7%	322,718	92.0%	350,692	8.5%
Thabo Mofutsanyana District	1,800	49.4%	-	0.0%	-	0.0%	1,846	50.6%	3,646	0.1%
<b>DC 19 Total</b>	<b>123,805</b>	<b>3.0%</b>	<b>58,187</b>	<b>1.4%</b>	<b>163,074</b>	<b>4.0%</b>	<b>3,763,060</b>	<b>91.6%</b>	<b>4,108,126</b>	<b>22.0%</b>
Moqhaka	34,681	5.6%	98,797	16.1%	39,611	6.4%	441,093	71.8%	614,183	3.3%
Ngwathe	54,893	3.3%	10,594	0.6%	56,582	3.4%	1,555,281	92.7%	1,677,350	9.0%
Metsimaholo	53,207	33.5%	2,478	1.6%	2,418	1.5%	100,667	63.4%	158,769	0.8%
Mafube	8,662	1.2%	7,626	1.0%	7,959	1.1%	707,331	96.7%	731,579	3.9%
Fezile Dabi	3,590	100.0%	-	0.0%	-	0.0%	-	0.0%	3,590	0.0%
<b>DC 20 Total</b>	<b>155,034</b>	<b>4.9%</b>	<b>119,496</b>	<b>3.8%</b>	<b>106,570</b>	<b>3.3%</b>	<b>2,804,371</b>	<b>88.0%</b>	<b>3,185,471</b>	<b>17.0%</b>
<b>Total Debt</b>	<b>1,056,002</b>	<b>5.6%</b>	<b>319,337</b>	<b>1.7%</b>	<b>492,317</b>	<b>2.6%</b>	<b>16,824,784</b>	<b>90.0%</b>	<b>18,692,440</b>	<b>100.0%</b>

Source: NT Local Government Database

\* Information for M03 not submitted

Table 11: Conditional grants status as at 30 September 2021

	Division of revenue Act No. 18 of 2019	Adjustment (Mid year)	Other Adjustments	Total Available 2021/22	Year to date Approved payment schedule	Transfers to municipalities for other grants	Actual expenditure by Department by 30 September 2021	Actual expenditure by municipalities by 30 September 2021	YTD Expenditure Actual expenditure by National Department	Actual expenditure by municipalities	% Change from 1st to 1st Q	% Change for the 1st Q Exp as % of Allocation National Department	Exp as % of Allocation by municipalities	Approved Roll Over Total Available 2021/22	YTD expenditure by municipalities
<b>R thousands</b>															
Direct Transfers	2,108,554	-	-	2,108,554	2,106,554	675,953	240,882	(10,014)	240,882	(10,014)	-	11.4%	(0.5%)	-	-
Infrastructure	1,984,496	-	-	1,984,496	1,984,496	603,831	220,782	(9,533)	220,782	(9,533)	-	11.1%	(0.5%)	-	-
Municipal Infrastructure Grant	781,076	-	-	781,076	781,076	218,093	111,156	1,719	111,156	1,719	-	14.2%	0.2%	-	-
Public Transport Infrastructure Grant	223,848	-	-	223,848	223,848	75,565	22,812	12,880	22,812	12,880	-	10.2%	11.6%	-	-
Integrated National Electrification Programme (Municipal) Grant	108,119	-	-	108,119	108,119	10,000	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant (Capital Grant)	10,000	-	-	10,000	10,000	-	-	-	-	-	-	-	-	-	-
2010 FIFA World Cup Stadium Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Road Assets Management Systems Grant	9,222	-	-	9,222	9,222	6,455	1,100	820	1,100	820	-	11.9%	8.9%	-	-
Municipal Drought Relief Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Integrated City Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)	213,921	-	-	213,921	213,921	82,300	23,202	(9,716)	23,202	(9,716)	-	10.8%	(4.5%)	-	-
Water Services Infrastructure Grant (Schedule 5B)	374,617	-	-	374,617	374,617	181,488	52,275	(15,237)	52,275	(15,237)	-	14.0%	(4.1%)	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant	263,893	-	-	263,893	263,893	40,000	10,217	(481)	10,217	(481)	-	3.9%	(0.4%)	-	-
Mkto Informal Settlements Partnership Grant	124,058	-	-	124,058	124,058	72,022	20,120	(481)	20,120	(481)	-	16.2%	(0.4%)	-	-
2010 FIFA World Cup Host City Operating Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Programme and Project Preparation Support Grant	6,934	-	-	6,934	6,934	2,311	7,493	(1,302)	7,493	(1,302)	-	13.1%	(2.3%)	-	-
Local Government Financial Management Grant	57,400	-	-	57,400	57,400	57,400	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant	41,224	-	-	41,224	41,224	10,311	12,927	821	12,927	821	-	30.6%	2.0%	-	-
Expanded Public Works Programme Integrated Grant (Municipality)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management	18,500	-	-	18,500	18,500	2,000	-	-	-	-	-	-	-	-	-
Municipal Disaster Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013 Africa Cup of Nations Host City Operating Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Operating Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Human Settlements Capacity Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Demerol Transition Grant (Schedule 5B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Transfers	1,120,614	-	-	1,120,614	1,120,614	-	-	-	-	-	-	-	-	-	-
Infrastructure	1,106,284	-	-	1,106,284	1,106,284	-	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	951,316	-	-	951,316	951,316	-	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme (Eskom) Grant	64,968	-	-	64,968	64,968	-	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant (Technical Assistance)	100	-	-	100	100	-	-	-	-	-	-	-	-	-	-
Backlogs in Water and Sanitation at Clinics and Schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backlogs in the Electrification of Clinics and Schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant (Indirect)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant (Indirect)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buckel Education Programme Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant (Schedule 5B)	90,000	-	-	90,000	90,000	-	-	-	-	-	-	-	-	-	-
Capacity and Others	14,330	-	-	14,330	14,330	-	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management (Eskom)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant (Indirect)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant (Schedule 5B)	14,330	-	-	14,330	14,330	-	-	-	-	-	-	-	-	-	-
Municipal Demerol Transition Grant (Schedule 5B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,229,168	-	-	3,229,168	3,229,168	675,953	240,882	(10,014)	240,882	(10,014)	-	7.5%	(0.5%)	-	-
Grants excluded from the publication	495,269	-	-	495,269	495,269	-	-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant	495,269	-	-	495,269	495,269	-	-	-	-	-	-	-	-	-	-
Finance Management Grant Technical Programme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total as per DoRA	3,724,437	-	-	3,724,437	3,729,168	675,953	240,882	(10,014)	240,882	(10,014)	-	-	-	-	-

Table 12: Municipalities meeting criteria for determining serious financial problems in terms of section 138 & 140 of the MFMA

MUNICIPALITIES MEETING CRITERIA FOR DETERMINING SERIOUS FINANCIAL PROBLEMS IN TERMS OF SECTION 138 & 140 OF THE MFMA - Q4 2020/21															
LEGEND		MFMA s138 Triggers				MFMA s140 Triggers Based on Full Year Adjusted Budget Q4 2020/21				MFMA s140 Triggers (SEVERE) Based on Full Year Adjusted Budget Q4 2020/21		State of LG Finance & Fin Management Report			
Code	Name	No of CAP	No of	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria
Code	Name	No of CAP	No of	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria	Meeting 1 or more Criteria
FREE STATE															
MAK	Manguang	3	H	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS101	Letsemeng	4	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS102	Kopaniang	4	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS103	Makhasani	2	L	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING
DC16	Xitamep	3	L	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS181	Moyonyana	3	L	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS182	Tokolopo	4	L	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS183	Tswelqele	3	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS184	Mqhlabaeng	4	H	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS185	Nala	4	M	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING	NO REPORTING
DC18	Lijane-papafane	1	L	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS191	Sebento	3	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS192	Dindabeng	4	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS193	Ne-rorana	4	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS194	Mthup-a-Pholony	4	H	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS195	Pitamejala	4	L	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS196	Amisepa	3	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
DC19	Thapo Mafichanyana	3	L	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS201	Mokhaka	4	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS203	Nkwatle	4	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS204	Makamatsholo	3	H	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
FS205	Mthup	4	M	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
DC20	Fezile Daba	1	L	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE

Source: ATLAS Database  
 Sect 61 Reports received from Eshom, Water Boards & DWS

Table 13: List of Non Compliance

**1. Municipalities that did not submit the performance indicator reports required for the period ending 30 September 2021 in terms of Section 74 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)**

FS161	Letsemeng
FS162	Kopanong
FS163	Mohokare
DC16	Xhariep
FS181	Masilonyana
FS182	Tokoloko
FS183	Tswelopele
FS184	Matjhabeng
FS185	Nala
DC18	Lejweleputswa
FS191	Setsoto
FS193	Nketoana
FS194	Maluti a Phofung
FS195	Phumelela
FS196	Mantsopa
DC19	Thabo Mofutsanyana
FS201	Moqhaka
FS203	Ngwathe
FS204	Metsimaholo
FS205	Mafube
DC20	Fezile Dabi

**2. Municipalities with incomplete reporting on monthly data strings required for the period ending 30 September 2021 in terms of Section 71 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).**

FS162	Kopanong
FS163	Mohokare
FS185	Nala

**3. Municipalities that did not submit the signed Section 71 report for the period ending 30 September 2021 in terms of Section 71 of the Municipal Financial Management Act, 2003 (Act No. 56 of 2003).**

FS162	Kopanong
FS163	Mohokare
FS181	Masilonyana
FS182	Tokoloko
FS184	Matjhabeng
FS185	Nala
DC18	Lejweleputswa
FS191	Setsoto
FS192	Dihlabeng
FS194	Maluti a Phofung
FS195	Phumelela
FS196	Mantsopa
FS203	Ngwathe
FS205	Mafube
DC20	Fezile Dabi

**4. Municipalities that have not submitted signed reports on Conditional Grant spending for the period ending 30 September 2021 in terms of Section 74(1) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).**

FS162	Kopanong
FS163	Mohokare
FS181	Masilonyana
FS182	Tokologo
FS184	Matjhabeng
FS185	Nala
DC18	Lejweleputswa
FS191	Setsoto
FS192	Dihlabeng
FS194	Maluti a Phofung
FS195	Phumelela
FS196	Mantsopa
FS203	Ngwathe
FS204	Metsimaholo
FS205	Mafube
DC20	Fezile Dabi

**5. Municipalities that did not submit the electronic data strings and sign-off on their external loans (BM) for the period ending 30 September 2021 in terms of Section 74(1) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).**

FS161	Letsemeng
FS162	Kopanong
FS163	Mohokare
DC16	Xhariep
FS181	Masilonyana
FS182	Tokologo
FS183	Tswelopele
FS184	Matjhabeng
FS185	Nala
DC18	Lejweleputswa
FS191	Setsoto
FS192	Dihlabeng
FS193	Nketoana
FS194	Maluti-a-Phofung
FS195	Phumelela
FS196	Mantsopa
DC19	Thabo Mofutsanyana
FS203	Ngwathe
FS205	Mafube
DC20	Fezile Dabi

**6. Municipalities that did not submit the electronic data strings and sign-off on their long term investments (IM) for the period ending 30 June 2021 in terms of Section 74(1) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).**

MAN	Mangaung
FS162	Kopanong
FS163	Mohokare
FS181	Masilonyana

FS182	Tokologo
FS183	Tswelopele
FS184	Matjhabeng
FS185	Nala
DC18	Lejweleputswa
FS191	Setsoto
FS192	Dihlabeng
FS193	Nketoana
FS194	Maluti-a-Phofung
FS195	Phumelela
FS196	Mantsopa
DC19	Thabo Mofutsanyana
FS203	Ngwathe
FS204	Metsimaholo
FS205	Mafube
DC20	Fezile Dabi

