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A. METHODOLOGY AND APPROACH OF THIS REPORT

The methodology and approach used for the compilation of this report included the following:

- The data for the analysis was extracted from the National Treasury Local Government Database. Provincial Treasury is concerned about the data reliability of budget and expenditure figures published as submitted by municipalities. A number of significant discrepancies have been identified in the data uploaded onto the Local Government Database by municipalities and municipalities were requested to correct errors identified (refer to page 5)
- 22 of 23 municipalities are delegated by the Minister of Finance to the MEC for Finance to report and monitor on their finance. However, in order to provide a holistic picture of municipalities in the Province, the non-delegated municipality namely, ***Mangaung Municipality is included in this report.***

B. PURPOSE OF REPORT

The consolidated report covers the financial performance of municipalities in Free State for the month ending **30 April 2022**. The purpose of this report is to indicate the extent to which the 22 delegated and one non-delegated municipalities have succeeded in fulfilling their Constitutional mandate. It also provides an analysis of the Section 71 report in terms of the Municipal Finance Management Act (MFMA).

The Section 71 report facilitates transparency, better in-year management as well as the oversight of budgets. These reports are 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.

The report is therefore structured as follows:

- C - Compliance Monitoring with Laws and Regulations
- D - Overview for the Free State Municipal Budget Performance
- E - Other MFMA Matters
- F - Recommendation & Conclusion
- G - Annexures – Detailed data per municipality

COMPLIANCE MONITORING WITH LAWS AND REGULATIONS

Municipalities were required to submit the following monthly mSCOA data strings for the period under review:

- Monthly In-Year (M10)
- Creditors (CR10)
- Debtors (DB10)

Table 1 below shows the submission of the required data strings per municipality:

Table 1: Submission of the monthly return forms

Municipality	mSCOA Data String Submission							Other Reporting	
	ORGB (Original Budget)	PROR (Project description - Original Budget)	ADJB (Original Budget)	PRAD (Project description - Adjusted Budget)	M10	CR10	DB10	C-schedule M10	Additional Reporting* M10
Mangaung									N/A
Letsemeng									
Kopanong									
Mohokare									
Xhariep									
Masilonyana									
Tokologo									
Tswelopele									
Matjhabeng									
Nala									
Lejweleputswa									
Setsoto									
Dihlabeng									
Nketoa									
Maluti a Phofung									
Phumelela									
Mantsopa									
Thabo Mofutsanyana									
Moqhaka									
Ngwathe									
Metsimaholo									
Mafube									
Fezile Dabi									

*Additional Reporting: Invoices outstanding over 30 days; 3rd party payments; councillor debt

Source: LGDB as at 20 May 2022

Legend:

Successful	1st Phase error	2nd Phase error	Outstanding	
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c) The non-compliance was due to:

Kopanong	Data strings resubmitted to correct errors (Monthly reports)
Mohokare	Financial system challenges
Phumelela	Data strings resubmitted to correct errors (Monthly reports)
Mafube	Financial system challenges

- d) Non-compliance is communicated with the municipalities via letters, e-mails and telephonic conversations, however, the lack of internal control measures and commitment by municipal officials to adhere to the reporting requirements also impacts on the compliance rate.
- e) Provincial Treasury provides support and assistance to municipalities on the identification and correction of errors on the data strings on a continuous basis through internal monitoring tools.

D. OVERVIEW OF FREE STATE MUNICIPAL BUDGET PERFORMANCE

1. FINANCIAL HEALTH

1.1 DEBTORS

- 1.1.1 The total outstanding debt amounts to R28.86 billion having increased with R0.26 billion from the previous month (*Mar 2022: R28.60 billion*). Annexure A and B provides the summary and breakdown of the outstanding debtors per income source. The total debtors exceed the total revenue budget with R7.20 billion. The municipal debt has grown substantially for debtors exceeding 90 days due to declining collection rates. It is vital for municipalities to manage their debt and implement effective strategies aimed at motivating consumers to pay for municipal services.
- 1.1.2 Section 75A of the Municipal Systems Act, 2000 (MSA) empowers a municipality to levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and to recover collection charges and interest on any outstanding amount subject to the provisions of the National Credit Act, 2005 (Act 34 of 2005). However, credit control and debt collection processes are often not implemented by municipalities.
- 1.1.3 70.8% (R20.43 billion) of the total debt owed to municipalities are outstanding for longer than 1 year, which is difficult to collect. The financial position of municipalities is overstated as the debt included in the debtor's books will not be realized.
- 1.1.4 The increase in the outstanding debt impacts on the municipal revenues as well as the ability of municipalities to render effective services.

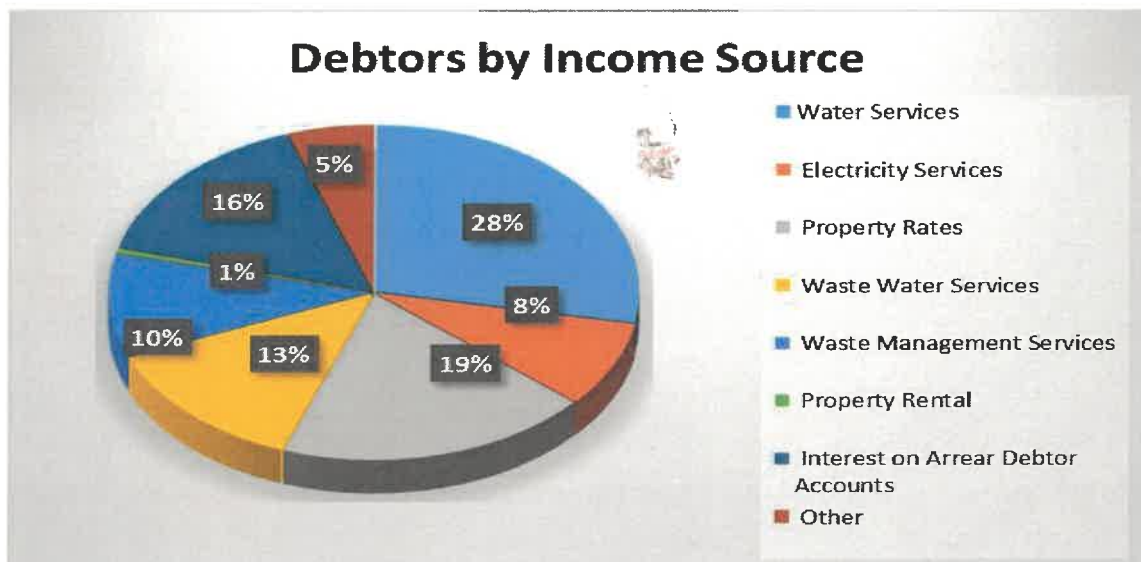
- 1.1.5 Two municipalities failed to submit the debtor's data strings for the month under review and for the purposes of consolidation information reported for prior months were included for this municipality. These municipality is:

Municipality	Reason for non-submission
Mohokare	System challenges
Mafube	System challenges

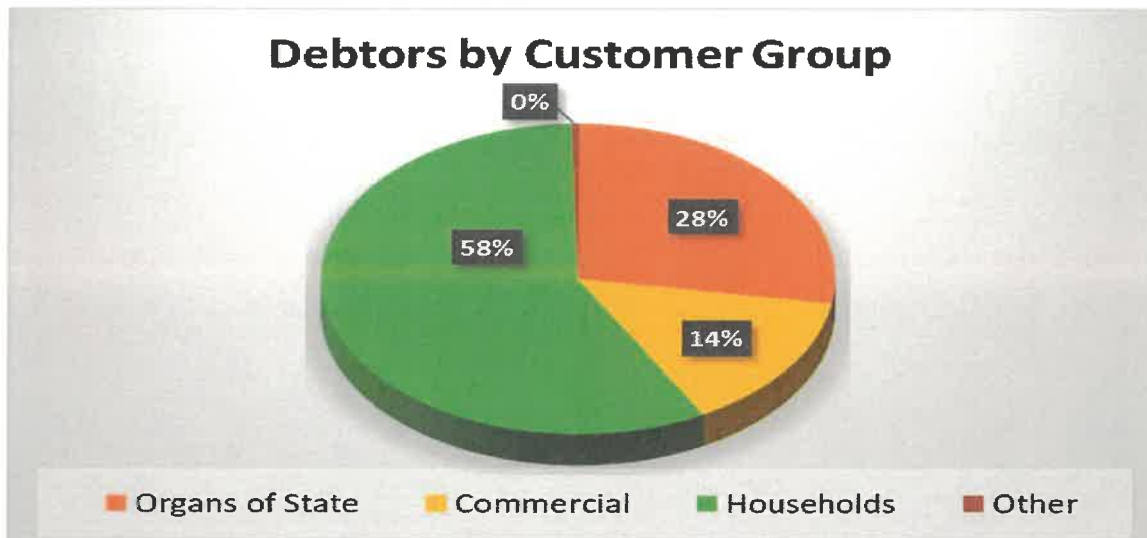
- 1.1.6 Debtors books should become an area of focus for municipalities. Seven municipalities reported outstanding debtors above a billion rand and contribute 75.3 per cent to the total outstanding debtors in the Province. These municipalities are:

Mangaung	R7.98 billion
Matjhabeng	R5.52 billion
Metsimaholo	R2.41 billion
Maluti a Phofung	R2.13 billion
Masilonyana	R1.27 billion
Dihlabeng	R1.27 billion
Moqhaka	R1.11 billion

- 1.1.7 *Water services* remains the largest contributor to the total outstanding debt and amounts to R8.08 billion (28 percent), followed by *interest on arrear accounts* amounting to R4.47 billion (15.5 percent). Debt relating to *property rates* contribute 19.2 percent (R5.55 billion) to the total outstanding debt, whilst *waste water services* accounts for 13.1% (R3.79 billion) of the total debt.

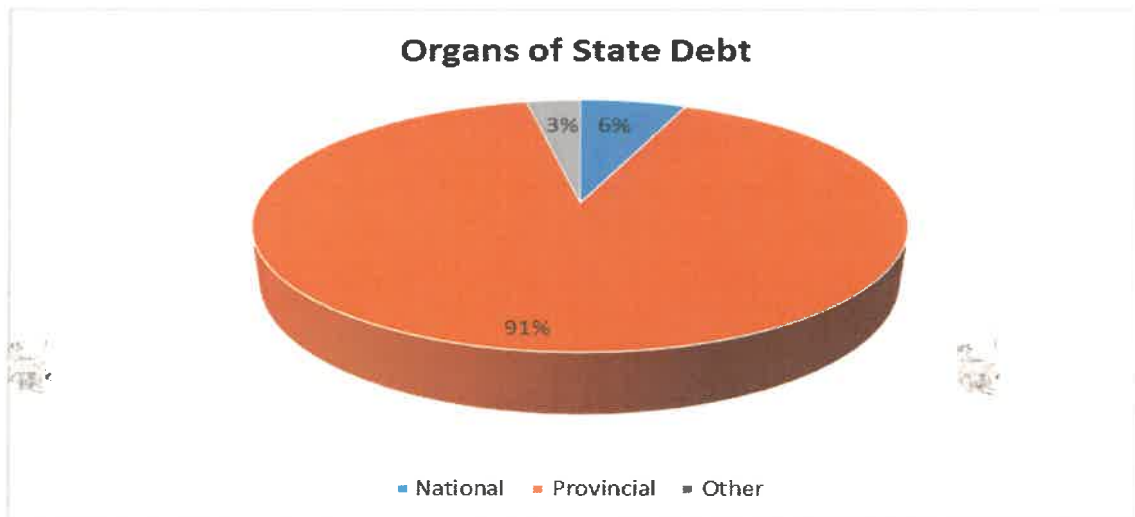


- 1.1.8 The majority of the debt is owed by *Households*, which contributes 57.7% (R16.6 billion) to the total debt, followed by *Organs of State* with 27.5% (R7.94 billion).



Debt owed by Organs of State (Intergovernmental Debt)

1.1.9 The total debt owed by organs of state amounts to R3.73 billion which accounts for 13.1% of the total debt owed to municipalities.



1.1.10 The majority of the debt owed to municipalities relates to Provincially owned properties (see graph above). In the Free State Province the Department of Public Works & Infrastructure is responsible for the payment of the rates and services on behalf of all provincial departments, and the status at the end of April 2021 is as follow:

- The budget for property rates is substantially covered for all the municipalities except for Mangaung Metro.
- The budget for municipal services (water, electricity, sanitation and refuse) is inadequate for all the municipalities. The current allocation covers the first 4 months of the financial year only. This was the case in the previous years as well.
- The current year's budget does not make provision for the arrears for the Metro and Centlec despite the payment plan entered into. This means that only part of the current year is provided for.
- Centlec and the Metro are under serious financial distress and disconnection of services cannot be avoided unless an extra allocation is done.

1.1.11 The **projected shortfall for the 2021/22 financial year amounts to R1.21 billion** (R310.9 million relating to Property Rates and R903.0 million for service charges).

1.2 CREDITORS

1.2.1 There is a strong correlation and dependence between collections and management of payables. The inability of municipalities to collect sufficient revenue causes them not to adhere to Section 65 of the MFMA, 2003 which requires payment within 30 days of receipt of the invoice.

1.2.2 The total creditors **increased** with R0.52 billion to **R21.52 billion** for the month under review (*Mar 2022: R21.00 billion*). Annexure C and D provides the summary and breakdown of the outstanding creditors per type. Furthermore, two municipalities failed to submit the creditor's information for April 2022 and for consolidation purposes prior months' information were used:

Municipality	Reason for non-submission
Kopanong	Data string submitted with errors
Mohokare	Backlog in capturing information

1.2.3 Payables relating to bulk service providers (Eskom & Water Boards) contribute 89 percent or **R19.15 billion** of the total outstanding debt. The following interventions were introduced to address the challenges:

- Payment agreements were entered into with service providers (current account to be paid in full and installments for accrued debt);
- Ring fencing of capital portion of debt;
- Reduction of interest on capital portion of debt (if current account is paid in full).

However, the payment agreements are often not realistic or sustainable, resulting in municipalities defaulting on the payment arrangements which cause an increase of the debt position and no corrective measures are timeously implemented by the Municipal Councils. These corrective measures include, amongst others:

- Increase of revenue (including completeness of revenue, decrease in rebates and subsidies, increase collection rate, implementation of credit control, etc.);
- Decrease distribution losses.

PAYE and Pension/Retirement Contributions Debt

1.2.8 Payables relating to 3rd parties (i.e PAYE and pensions/retirement contributions) amounted to R398.9 million of which 90.1% of the total is outstanding for periods longer than 30 days. Kopanong and Mafube reported the highest outstanding contribution payments over 30 days relating to 3rd parties (PAYE and pensions). This could lead to litigation at these municipalities.

1.2.9 The tables below indicate the age analysis regarding the outstanding amounts for pension fund contributions and PAYE per municipality:

Creditors Age Analysis PAYE	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	6,588	100.0%	–	0.0%	–	0.0%	–	0.0%	6,588	16.0%
Kopanong	1,717	13.1%	1,272	9.7%	1,343	10.2%	8,794	67.0%	13,126	31.9%
Matjhabeng	5	8.3%	5	8.3%	5	8.3%	47	75.1%	63	0.2%
Nala	13	100.0%	–	0.0%	–	0.0%	–	0.0%	13	0.0%
Thabo Mofutsanyana District	1,419	100.0%	–	0.0%	–	0.0%	–	0.0%	1,419	3.4%
Ngwathe	4,722	100.0%	–	0.0%	–	0.0%	–	0.0%	4,722	11.5%
Mafube	1,209	7.9%	1,380	9.1%	1,665	10.9%	10,964	72.0%	15,218	37.0%
Total Debt	15,674	38.1%	2,657	6.5%	3,013	7.3%	19,805	48.1%	41,149	100.0%

Creditors Age Analysis Pension/Retirement	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Kopanong	1,794	1.1%	1,881	1.2%	1,897	1.2%	153,872	96.5%	159,444	44.6%
Tswelopele	20	75.8%	–	0.0%	–	0.0%	6	24.2%	26	0.0%
Matjhabeng	6,104	29.7%	3,683	17.9%	3,951	19.2%	6,827	33.2%	20,566	5.7%
Nala	11	100.0%	–	0.0%	–	0.0%	–	0.0%	11	0.0%
Setsotho	856	100.0%	–	0.0%	–	0.0%	–	0.0%	856	0.2%
Ngwathe	2,996	100.0%	–	0.0%	–	0.0%	–	0.0%	2,996	0.8%
Mafube	12,231	7.0%	1,223	0.7%	1,219	0.7%	159,182	91.6%	173,854	48.6%
Total Debt	24,011	6.7%	6,787	1.9%	7,067	2.0%	319,887	89.4%	357,752	100.0%

1.3 CASH FLOW

1.3.1 Municipalities in the Province closed the month of April 2022 with a surplus cash and cash equivalent balance of R4.26 billion. This may however be incorrect due to municipalities that are not using the mSCOA segments correctly to populate the cash flow information, which is derived from the *item segment* in combination with the *fund segment*. The correct alignment of the segments will be part of mSCOA version 6.5.

1.3.2 Six municipalities (as indicated in the table below) reported negative closing balances and might indicate eminent financial constraints.

R thousands	Cash/Cash equivalents at year begin (1 Jul 2021)	Net Cashflow From/(Used) Operating Activities	Net Cashflow From/(Used) Investing Activities	Net Cashflow From/(Used) Financing Activities	Net Increase / (Decrease) In Cash Held	Cash/Cash equivalents month/year end (30 April 2022)
Mangaung Metro	461,396	3,111,923	(569,311)	(66,405)	2,476,207	2,937,603
Letsemeng	-	-	-	-	-	-
Kopanong	-	77,696	-	-	77,696	80,166
Mohokare	5,067	19,462	(15,963)	(1)	3,498	8,565
Xhariep District	-	29,037	-	-	29,037	29,037
DC 16 Total	5,067	126,194	(15,963)	(1)	110,230	117,768
Masilonyana	-	-	-	-	-	-
Tokologo	-	(7,681)	12	-	(7,670)	(7,670)
Tswelopele	12,489	17,717	(3,363)	(144)	14,210	26,697
Matjhabeng	(37,081)	(620,758)	(53,485)	-	(674,244)	(617,075)
Nala	-	-	-	-	-	-
Lejweleputswa District	-	133,899	0	-	133,900	178,613
DC 18 Total	(24,591)	(476,824)	(56,836)	(144)	(533,803)	(419,434)
Setsotso	45,572	386,990	(105,089)	(49)	281,852	327,378
Dihlabeng	(11,417)	365,363	(48,780)	(6,216)	310,367	287,831
Nketoana	3,456	113,797	(36,496)	(287)	77,014	80,476
Maluti a Phofung	165,009	785,215	(159,921)	-	625,294	517,300
Phumelela	-	(20,516)	(7,452)	-	(27,968)	(27,968)
Mantsopa	-	5,717	(23,600)	-	(17,882)	(17,882)
Thabo Mofutsanyana	-	1,494	-	-	1,494	1,494
DC 19 Total	202,620	1,638,060	(381,338)	(6,552)	1,250,171	1,168,629
Moqhaka	-	340,082	(33,701)	-	306,381	306,325
Ngwathe	56,783	(37,623)	(62,458)	-	(100,082)	(43,371)
Metsimaholo	50,783	44,292	(76,910)	(468)	(33,086)	17,889
Mafube	(126,563)	90,458	(21,289)	-	69,169	(31,972)
Fezile Dabi	97,842	113,654	(1,780)	-	111,874	209,862
DC 20 Total	78,845	550,863	(196,139)	(468)	354,256	458,733
Total	723,337	4,950,216	(1,219,586)	(73,569)	3,657,060	4,263,300

Source: NT Local Government Database

1.3.3 A deterioration in revenue collection can be attributed to:

- Impact of the economic slowdown and the increasing in rates and tariffs year-on-year which affect household budgets and affordability levels;
- The cash flow time difference between paying for the increased cost of bulk electricity and water and the collection of revenues from customers;
- Breakdown in service delivery resulting in non-supply, which impacts on loss of revenue;
- Illegal connections and tampering of water and electricity meters;
- Ineffective cash flow management on a monthly basis;
- Non-implementation of debt collection and credit control policies; and
- Non billing and system challenges.

2. FINANCIAL PERFORMANCE

In terms of the budgeted monthly revenue and expenditure in support of the original budgets, Municipalities reported the following aggregated performance:

2.1 REVENUE GENERATED

2.1.1 The total generated revenue (billed) amounts to R16.41 billion or 75.8 percent against the adjusted budget of R21.66 billion, whilst in respect of expenditure, municipalities spent an aggregate of 68.7 percent or R15.23 billion against the total adjusted budget of R22.18 billion. The revenue relates to the ability of the municipality to raise (generate) revenue, and does not take the actual collection into consideration.

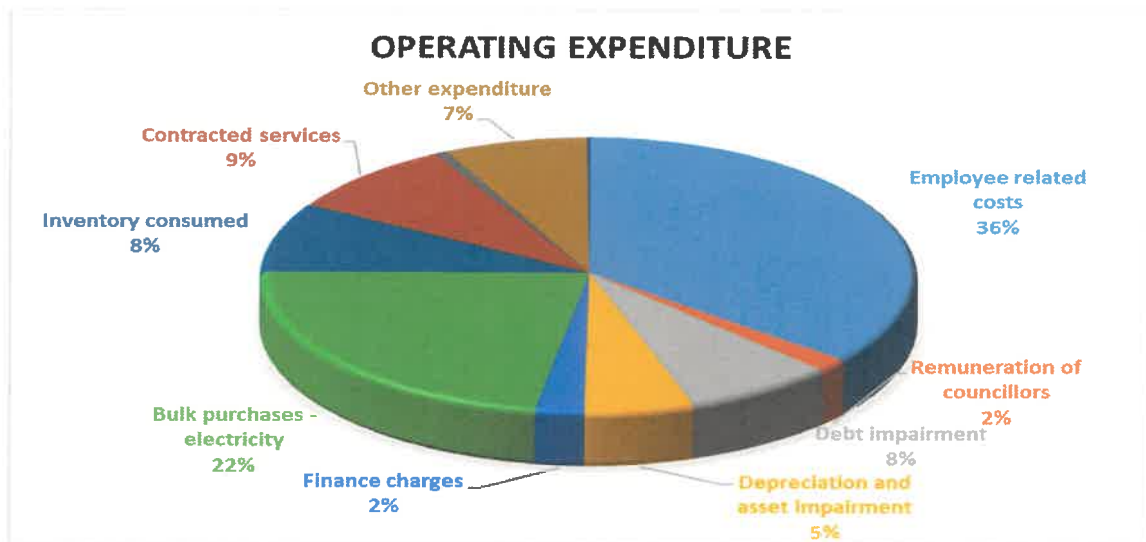
2.1.2 The majority of the generated (billed) revenue relates to *service charges* with R8.09 billion (49 percent), followed by *transfers and subsidies* amounting to R4.43 billion or

27 percent of the total revenue. Property rates contribute 13 percent (R2.16 billion) to the total revenue generated.

2.1.3 An aggregate operational surplus of R1.17 billion was reported for the period under review (year-to-date) excluding capital transfers.

2.2 OPERATING EXPENDITURE

2.2.1 The highest spending item reported at the end of April 2022 is *employee related cost* amounting to R5.46 billion or 36 per cent of the total expenditure, followed by *bulk purchases - electricity* amounting to R3.42 billion.



2.2.2 The performance of *employee related cost* against the adjusted budget is 80.5 per cent (R5.46 billion). The majority of the expenditure reported (98.3%) relates to salaries and wages for municipal staff as indicated in the table below:

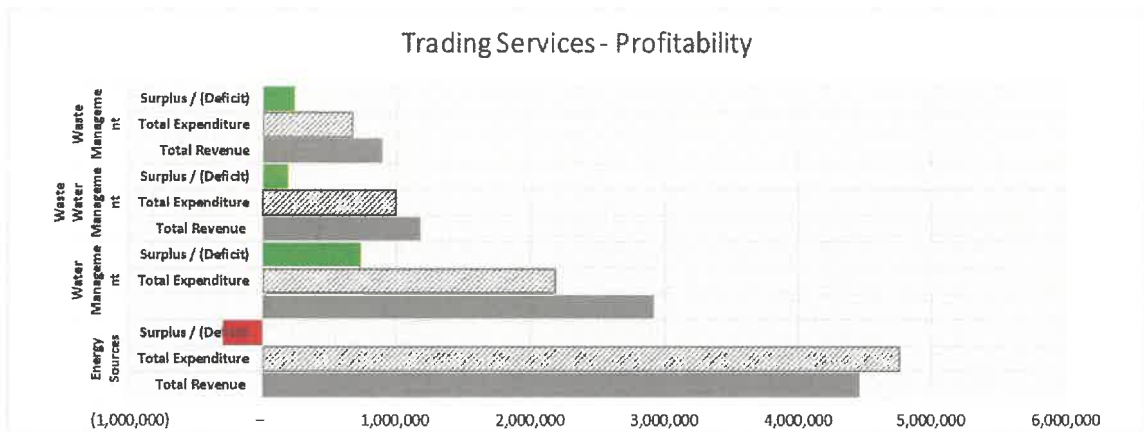
Employee Related Cost (ERC)	Original Budget R'000	Adjusted Budget R'000	Actual Year To Date R'000	% Spent on Adjusted Budget	% of Total ERC
Senior Management	206,334	191,321	91,607	47.9%	1.7%
Municipal Staff	6,495,857	6,592,743	5,368,237	81.4%	98.3%
Board Members	982	982	162	16.5%	0.0%
Total	6,703,173	6,785,046	5,460,007	80.5%	100.0%

2.3 PROFITABILITY OF TRADING SERVICES

2.3.1 An analysis of the trading services indicates that water, waste water services and waste management had operating surpluses for the period under review. However, energy sources reflected a deficit of R300.2 million for the period under review.

- Billed energy sources revenue totaled R4.46 billion against expenditure of R4.76 billion (**deficit of R300.2 million**);
- Billed water revenue totaled R2.92 billion against expenditure of R2.18 billion (surplus of R734.2 million);
- Billed waste water management revenue totaled R1.18 billion against expenditure of R995.1 million (surplus of R188.1 million); and

- Billed waste management revenue totaled R900.4 million against expenditure R667.4 million (surplus of R232.9 million).

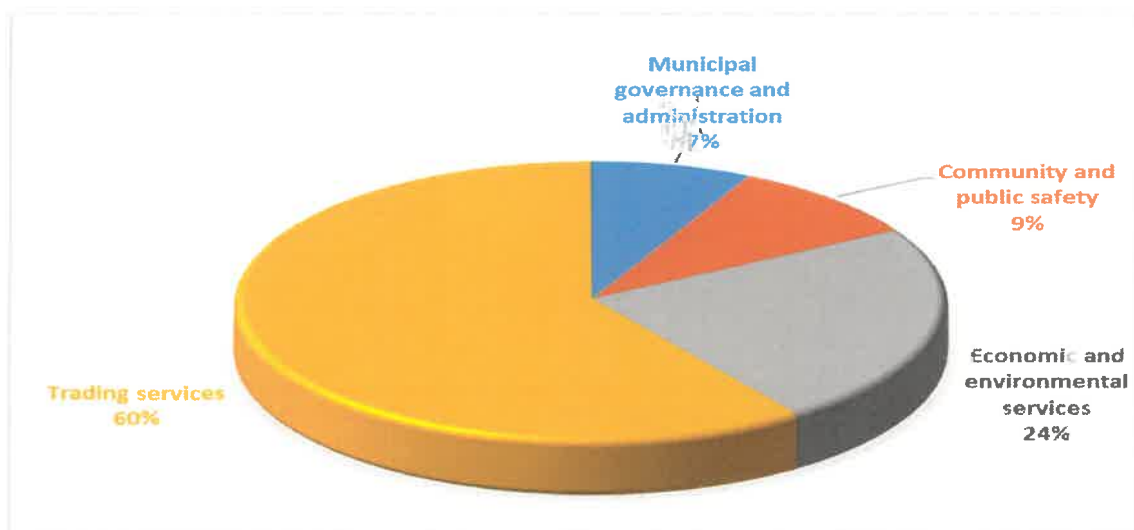


2.3.2 These deficits must be cross subsidized from other revenue sources, i.e property rates.

2.4 CAPITAL EXPENDITURE

2.4.1 The total capital expenditure amounts to R1.35 billion or 42.2% against the adjusted budget of R3.19 billion.

2.4.2 The majority (60%) of the expenditure relates to trading services projects amounting to R805.6 million. This consists of R172.2 million for *energy services*, R367.3 million for *water management*, R260.1 million for *waste water management* and R6 million for *waste management*.



2.5 REPAIRS AND MAINTENANCE

2.5.1 Repairs and maintenance of infrastructure is critical to ensure ongoing service delivery and avoid interruptions to services through unplanned and unnecessary breakdowns. Municipalities are required to budget for a minimum of 8 per cent of the PPE for repairs and maintenance. An adjusted budget of R1.28 billion was provided for repairs and

maintenance in the 2021/22 financial year, which is however not sufficient. If the 8 per cent norm was adhered to the total budget should have been R3.44 billion.

2.5.2 It is concerning that most municipalities did not budget sufficiently funds for repairs and maintenance; it was observed that municipalities consistently under budget for maintenance and often sacrifice maintenance budgets for other priorities. This practice would severely affect revenue generating assets in the long term.

2.5.3 To date, a total of R1.01 billion was reported spent on repairs and maintenance which amounts to 78.6% against the budget of R1.28 billion. The table below show the repairs and maintenance expenditure reported per municipality:

R thousands	Code	Original Budget	Adjusted Budget	YTD Actual	%
FREE STATE					
Mangaung	MAN	497,607	513,374	496,290	96.7%
Total Metros		497,607	513,374	496,290	96.7%
Letsemeng	FS161	2,900	1,511	774	51.2%
Kopanong	FS162	-	-	-	-
Mohokare	FS163	2,160	2,640	870	32.9%
Xhariep	DC16	215	343	167	48.6%
Total Xhariep		5,275	4,494	1,810	40.3%
Masilonyana	FS181	3,040	5,840	22	0.4%
Tokologo	FS182	4,150	6,650	2,505	37.7%
Tswelopele	FS183	9,381	13,878	12,392	89.3%
Matjhabeng	FS184	8,051	18,360	16,859	91.8%
Nala	FS185	250,000	239,093	155,324	65.0%
Lejweleputswa	DC18	3,398	3,398	1,879	55.3%
Total Lejweleputswa		278,019	287,219	188,980	65.8%
Setso	FS191	25,255	17,123	8,911	52.0%
Unilabeng	FS192	5,074	13,478	10,385	77.1%
Nketoana	FS193	17,800	18,849	18,576	98.6%
Maluti-a-Phofung	FS194	72,817	236,617	123,020	52.0%
Phumelela	FS195	6,542	5,632	5,842	103.7%
Mantsopa	FS196	-	-	-	-
Thabo Mofutsanyana	DC19	535	331	783	236.5%
Total Thabo Mofutsanyana		128,023	292,029	167,516	57.4%
Moqhaka	FS201	64,366	84,323	62,386	74.0%
Ngwathe	FS203	34,952	36,991	61,662	166.7%
Metsimaholo	FS204	43,689	41,548	21,684	52.2%
Mafube	FS205	21,106	17,773	4,687	26.4%
Fezile Dabi	DC20	5,628	5,478	3,120	57.0%
Total Fezile Dabi		169,740	186,113	153,540	82.5%
Total Free State		1,078,663	1,283,229	1,008,136	78.6%

3. **CONDITIONAL GRANTS**

3.1 In terms of the Division of Revenue Act, 2021 a total of R2.6 billion was allocated to municipalities in the Province. The performance at the end of April 2022 show a total spending of R1.01 billion or 39.2 per cent against the allocation.

- 3.2 It is important to note that this low spending reflected is mainly due to the change in the mapping for grants reporting which was done for this quarter. The mapping was changed to be consistent with the reporting on the annual financial statements where only 'conditions met' are recognized as grants expenditure. This is in line with the reporting as prescribed in GRAP 23. Municipalities will be advised in the change of reporting and a circular will be issued to provide further guidance.
- 3.3 The negative spending reflected in the table below indicate incorrect reporting by municipalities due to the mapping (reporting) that was changed. Municipalities were requested to correct the reports in order to reflect the accurate spending.
- 3.4 The table below indicate the conditional grant performance per municipality:

Municipalities	2021/22 Conditional Grants					
	Allocated	Transferred	Spend Nat	Received Mun	Spend Mun	% spend
Mangaung	973,898	478,629	166,810	1,273,898	573,730	58.9%
Letsemeng	58,282	58,282	25,804	1,082	–	0.0%
Kopanong	44,896	44,896	7,977	–	–	0.0%
Mohokare	82,331	82,331	35,861	5,283	(32,137)	-39.0%
Xhariep	4,990	4,990	3,863	4,990	4,140	83.0%
Masilonyana	40,077	40,077	20,641	–	–	0.0%
Tokologo	35,112	35,112	25,133	9,311	20,520	58.4%
Tswelopele	32,277	32,277	13,902	12,985	(19,292)	-59.8%
Matjhabeng	154,133	154,133	49,326	–	–	0.0%
Nala	50,767	50,767	33,320	46,414	25,980	51.2%
Lejweleputswa	4,510	4,510	3,068	4,510	3,436	76.2%
Setsotho	203,706	203,706	87,724	197,617	84,984	41.7%
Dihlabeng	70,108	70,108	29,497	–	–	0.0%
Nketoana	41,596	41,596	20,358	–	2,651	6.4%
Maluti a Phofung	263,777	263,777	146,764	263,777	135,874	51.5%
Phumelela	54,849	54,849	31,562	23,594	2,195	4.0%
Mantsopa	43,293	43,293	20,764	12,010	1,330	3.1%
Thabo Mofutsanyana	22,306	22,306	7,168	10,402	–	0.0%
Moghaka	60,928	64,614	36,443	69,062	–	0.0%
Ngwathe	164,333	164,333	61,330	164,333	66,753	40.6%
Metsimaholo	98,757	98,757	39,007	183,705	87,909	89.0%
Mafube	56,395	52,709	26,366	56,395	44,282	78.5%
Fezile Dabi	7,436	7,436	4,481	–	3,826	51.5%
Total	2,568,757	2,073,488	897,169	2,339,368	1,006,181	39.2%

- 3.3 The table below show the actual performance per grant:

Municipalities	2021/22 Conditional Grants					
	Allocated	Transferred	Spend Nat	Received Mun	Spend Mun	% spend
Energy Efficiency & Demand Man Grant	20,500	20,500	4,757	8,000	–	0.0%
Expanded Public Works Programme	41,224	41,224	28,891	19,321	13,259	32.2%
Finance Management Grant	57,400	57,400	35,260	21,650	14,585	25.4%
Integrated National Electrification Prog	125,789	125,789	37,714	109,796	48,694	38.7%
Metro Informal Settlements Partnership Grant	213,893	213,893	43,281	213,893	51,738	24.2%
Municipal Infrastructure Grant	779,352	779,352	392,274	444,715	166,307	21.3%
Neighbourhood Dev Partnership Grant	30,738	30,738	5,185	30,738	7,760	25.2%
Programme & Project Preperation Support Grant	6,934	6,934	–	6,934	–	0.0%
Public Transport network Grant	223,648	223,648	115,888	223,648	114,293	51.1%
Regional Bulk Infrastructure Grant	213,921	213,921	81,051	280,330	122,306	57.2%
Rural Roads Assets Man Systems Grant	9,222	9,222	6,082	5,265	3,818	41.4%
Urban settlement Development Grant	495,269	–	–	795,269	397,906	80.3%
Water Services Infrastructure Grant	350,867	350,867	146,786	179,809	65,516	18.7%
Total	2,568,757	2,073,488	897,169	2,339,368	1,006,181	39.2%

4. **ASSISTANCE PROVIDED & OTHER MFMA RELATED MATTERS**

- 4.1 FSPT conducts monthly analysis of the municipal performance and provides feedback to municipalities on financial performance (revenue & expenditure), cash flow, capital expenditure, grant management, creditor and debtor management as well as mSCOA issues. Non-compliance letters or communication is issued to municipalities that are not adhering to monthly reporting requirements.
- 4.2 The draft budgets for the 2022/23 MTREF were assessed and budget bilaterals were held and the purpose of the budget bilaterals were:
- To perform the monitoring and oversight function on the proposed 2022/23 MTREF budgets municipalities required in terms of section 23 of the MFMA;
 - To establish how municipalities are aligning their budget processes with the 2022/23 SONA, Budget Speech and SOPA; and their respective strategic development vision and objectives;
 - To discuss the long-term financial sustainability interventions by the municipality; and to reflect on the ability to use the budget as an enabler for improved service delivery; and
 - To assess the progress with regards to integrated intergovernmental planning and the alignment between planning, budgeting and reporting.

Work sessions were also held to provide technical assistance to municipalities where required.

Municipality	Date of tabling	Budget Position (Funded/Unfunded)	Date of support Session
Letsemeng	31/03/2022	Unfunded	16/05/2022
Kopanong	20/04/2022	Unfunded	16/05/2022 & 19/05/2022
Mohokare	25/03/2022	Unfunded	18/05/2022 & 23/05/2022
Xhariep District	30/3/2022	Funded	20/05/2022
Masilonyana	31/3/2022	Unfunded	
Tokologo	31/3/2022	Unfunded	17/05/2022 & 24/05/2022
Tswelopele	31/3/2022	Unfunded	26/04/2022 & 17/05/2022
Matjhabeng	31/3/2022	Unfunded	25/04/2022
Nala	31/03/2022	Unfunded	
Lejweleputswa	28/3/2022	Funded	25/04/2022
Setsotho	30/03/2022	Unfunded	05/04/2022
Dihlabeng	12/05/2022	Unfunded	18/05/2022
Nketoana	31/03/2022	Unfunded	09/05/2022
Maluti a Phofung	31/03/2022	Unfunded	
Phumelela	31/03/2022	Unfunded	17/05/2022
Mantsopa	31/03/2022	Unfunded	05/05/2022
Thabo	31/03/2022	Funded	06/05/2022
Moqhaka	31/03/2022	Unfunded	20/5/2022
Ngwathe	25/03/2022	Unfunded	06/05/2022
Metsimaholo	30/03/2022	Unfunded	05/05/2022
Mafube	31/03/2022	Unfunded	2022-11-05
Fezile Dabi	28/03/2022	Funded	

E. RECOMMENDATIONS & CONCLUSION

It is recommended that the Head of Department and the MEC: Finance take note of the following:

1. **Note** the overall compliance status with regard to the submission of the monthly data strings increased from 89.9% to 91.3%.
2. **Note** the aggregate revenue generated at the end of April 2022 is 75.8 percent whilst the operating expenditure is at 68.7 percent against the total budgets and is below the straight line projection of 83%.
3. **Note** the total capital expenditure amounts to R1.35 billion (42.2%) against the adjusted budget of R3.19 billion. If the current spending trend continues, the municipalities will under spent the capital budgets.
4. **Note** municipalities reported aggregate spending on repairs and maintenance amounting to R1.01 billion or 78.6% against the adjusted budget.
5. **Note** the total outstanding debtors amount to R28.86 billion (*Mar 2022 – R28.60 billion*).
6. **Note** the total outstanding creditor's amount to R21.52 billion (*Mar 2022 – R21.00 billion*) Due to low collections, municipalities are experiencing cash flow challenges which leads to the non-payment of bulk services accounts, pensions and salaries.
7. **Note** municipalities are not budgeting, transacting and reporting in the financial systems as per the mSCOA requirements, which **impacts on the completeness and accuracy of the information reported**. Provincial Treasury provides regular feedback on the information reported to municipalities, however, internal control measures should be implemented at municipalities to ensure accuracy of information.
8. **Note** the support initiatives provided by the Treasury, MFMA unit.

CONSOLIDATED MUNICIPAL BUDGET PERFORMANCE REPORT FOR THE PERIOD ENDING 30
APRIL 2022

Submitted by:

Mr. SB Mhlambi

Acting CHIEF DIRECTOR: MUNICIPAL FINANCE MANAGEMENT

Date: 

Noted / Comments by: 

Ms. MA Sesing

**ACTING HEAD OF DEPARTMENT
FS PROVINCIAL TREASURY**

Date: 07-06-2022

Annexures

- A : Debtors Age analysis
- B : Debtors Age analysis per municipality
- C : Creditors Age analysis
- D : Creditors Age analysis per municipality
- E : Financial Performance
- F : Operating Revenue per municipality
- G : Operating Expenditure per municipality
- H : Capital Expenditure & Source of Finance
- I : Capital Expenditure & Source of Finance per municipality

Annexure A – 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	383,894	4.7%	174,319	2.2%	391,439	4.8%	7,133,395	88.3%	8,083,046	28.0%
Trade and Other Receivables from Exchange Transactions - Electricity	325,401	13.6%	71,437	3.0%	162,334	6.8%	1,838,051	76.7%	2,397,223	8.3%
Receivables from Non-exchange Transactions - Property Rates	339,943	6.1%	290,983	5.2%	306,889	5.5%	4,612,949	83.1%	5,550,764	19.2%
Receivables from Exchange Transactions - Waste Water Management	163,248	4.3%	73,289	1.9%	190,274	5.0%	3,365,325	88.7%	3,792,136	13.1%
Receivables from Exchange Transactions - Waste Management	101,108	3.5%	51,650	1.8%	146,933	5.1%	2,602,331	89.7%	2,902,022	10.1%
Receivables from Exchange Transactions - Property Rental Debtors	1,803	1.3%	1,685	1.2%	1,764	1.2%	138,789	96.4%	144,041	0.5%
Interest on Arrear Debtor Accounts	117,855	2.6%	87,737	2.0%	281,203	6.3%	3,978,871	89.1%	4,465,667	15.5%
Other	94,160	6.2%	48,672	3.2%	(11,747)	-0.8%	1,389,132	91.4%	1,520,217	5.3%
Total By Income Source	1,527,412	5.3%	799,772	2.8%	1,469,089	5.1%	25,058,844	86.8%	28,855,117	100.0%

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	475,269	6.0%	380,839	4.8%	300,212	3.8%	6,778,808	85.4%	7,935,128	27.5%
Commercial	539,586	13.0%	108,620	2.6%	281,306	6.8%	3,217,714	77.6%	4,147,228	14.4%
Households	513,472	3.1%	308,933	1.9%	926,272	5.6%	14,889,736	89.5%	16,638,412	57.7%
Other	(915)	-0.7%	1,380	1.0%	(38,702)	-28.8%	172,586	128.5%	134,349	0.5%
Total By Customer Group	1,527,412	5.3%	799,772	2.8%	1,469,089	5.1%	25,058,844	86.8%	28,855,117	100.0%

Annexure B – 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	696,947	8.7%	371,023	4.7%	211,263	2.6%	6,697,799	84.0%	7,977,032	27.6%
Letsemeng	14,381	4.3%	966	0.3%	13,211	3.9%	306,421	91.5%	334,980	1.2%
Kopanong	10,656	2.4%	10,621	2.4%	25,456	5.8%	393,309	89.4%	440,042	1.5%
Mohokare*	47,439	10.4%	11,404	2.5%	10,142	2.2%	387,713	84.9%	456,697	1.6%
Xhariep District	-	0.0%	-	0.0%	-	0.0%	10,194	100.0%	10,194	0.0%
DC 16 Total	72,476	5.8%	22,990	1.9%	48,809	3.9%	1,097,637	88.4%	1,241,913	4.3%
Masilonyana	25,667	2.0%	(1,214)	-0.1%	24,342	1.9%	1,222,086	96.2%	1,270,881	4.4%
Tokologo	6,110	1.8%	5,808	1.7%	5,625	1.6%	325,532	94.9%	343,076	1.2%
Tswelopele	6,690	4.7%	4,242	3.0%	2,967	2.1%	128,171	90.2%	142,069	0.5%
Majhabeng	184,826	3.4%	143,851	2.6%	129,210	2.3%	5,058,518	91.7%	5,516,405	19.1%
Nala	22,120	2.2%	21,443	2.1%	17,801	1.8%	946,210	93.9%	1,007,574	3.5%
Lejweleputswa District	-	0.0%	-	0.0%	-	0.0%	30,455	100.0%	30,455	0.1%
DC 18 Total	245,413	3.0%	174,130	2.1%	179,945	2.2%	7,710,973	92.8%	8,310,461	28.8%
Setsoiso	20,534	3.5%	18,278	3.1%	17,486	3.0%	534,548	90.5%	590,846	2.0%
Ditlabeng	74,880	5.9%	24,615	1.9%	21,821	1.7%	1,146,777	90.4%	1,268,093	4.4%
Nketoana	24,999	2.9%	17,362	2.0%	17,385	2.0%	808,261	93.1%	868,006	3.0%
Maluti a Phofung	34,255	1.6%	40,710	1.9%	37,716	1.8%	2,021,601	94.7%	2,134,282	7.4%
Phumelela	(2,006)	-0.5%	6,006	1.4%	5,486	1.3%	416,366	97.8%	425,852	1.5%
Mantsopa	16,010	2.1%	15,135	2.0%	13,282	1.7%	731,654	94.3%	776,082	2.7%
Thabo Mofutsanyana District	-	0.0%	-	0.0%	-	0.0%	4,179	100.0%	4,179	0.0%
DC 19 Total	168,671	2.8%	122,107	2.0%	113,177	1.9%	5,663,385	93.3%	6,067,340	21.0%
Moqhaka	46,985	4.2%	24,375	2.2%	22,208	2.0%	1,012,620	91.5%	1,106,188	3.8%
Ngwalthe	78,069	8.4%	21,493	2.3%	830,730	89.3%	-	0.0%	930,292	3.2%
Metsimaholo	193,071	8.0%	50,455	2.1%	50,425	2.1%	2,118,861	87.8%	2,412,812	8.4%
Mafube**	25,779	3.2%	13,200	1.6%	12,531	1.5%	757,568	93.6%	809,078	2.8%
Fezile Dabi	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
DC 16 Total	343,904	6.5%	109,522	2.1%	915,895	17.4%	3,889,049	74.0%	5,258,370	18.2%
Total Debt	1,527,412	5.3%	799,772	2.8%	1,469,089	5.1%	25,058,844	86.8%	28,855,117	100.0%

*M08 / **M09

Annexure C – 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	400,377	3.2%	138,802	1.1%	154,787	1.2%	11,738,407	94.4%	12,432,374	57.8%
Bulk Water	303,696	4.5%	84,991	1.3%	283,922	4.2%	6,042,497	90.0%	6,715,107	31.2%
PAYE deductions	15,674	38.1%	2,657	6.5%	3,013	7.3%	19,805	48.1%	41,149	0.2%
VAT (output less input)	5,583	100.0%	–	0.0%	–	0.0%	–	0.0%	5,583	0.0%
Pensions / Retirement	24,011	6.7%	6,787	1.9%	7,067	2.0%	319,887	89.4%	357,752	1.7%
Loan repayments	50,779	91.2%	871	1.6%	1,656	3.0%	2,399	4.3%	55,705	0.3%
Trade Creditors	183,139	12.0%	81,381	5.3%	65,267	4.3%	1,199,428	78.4%	1,529,215	7.1%
Auditor General	2,125	3.7%	(499)	-0.9%	1,011	1.8%	54,338	95.4%	56,975	0.3%
Other	18,760	5.7%	6,832	2.1%	23,172	7.0%	281,843	85.3%	330,607	1.5%
Total Debt	1,004,144	4.7%	321,824	1.5%	539,895	2.5%	19,658,605	91.3%	21,524,468	100.0%

Annexure D – 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	489,497	89.9%	17,599	3.2%	7,782	1.4%	29,802	5.5%	544,681	2.5%
Letsemeng	(2,880)	-2.2%	(3,762)	-2.9%	2,923	2.3%	132,855	102.9%	129,136	0.6%
Kopanong**	11,751	1.6%	12,515	1.7%	12,213	1.7%	697,248	95.0%	733,727	3.4%
Mohokare*	1,310	1.3%	219	0.2%	101	0.1%	99,343	98.4%	100,973	0.5%
Xhariep District	(1,213)	-28.7%	(66)	-1.6%	(410)	-9.7%	5,919	139.9%	4,231	0.0%
DC 16 Total	8,969	0.9%	8,906	0.9%	14,827	1.5%	935,365	96.6%	968,067	4.5%
Masilonyana	1,448	1.8%	73	0.1%	1,267	1.6%	77,862	96.5%	80,651	0.4%
Tokologo	473	2.0%	3,933	16.7%	266	1.1%	18,921	80.2%	23,593	0.1%
Tswelopele	2,945	4.3%	–	0.0%	12,851	18.7%	53,092	77.1%	68,888	0.3%
Matjhabeng	132,228	1.3%	101,041	1.0%	344,719	3.5%	9,399,699	94.2%	9,977,687	46.4%
Nala	17,069	2.1%	21,170	2.6%	23,189	2.9%	749,359	92.4%	810,787	3.8%
Lejweleputswa District	103	43.1%	113	47.2%	23	9.7%	–	0.0%	239	0.0%
DC 18 Total	154,267	1.4%	126,329	1.2%	382,315	3.5%	10,298,933	94.0%	10,961,844	50.9%
Setsotso	14,709	69.2%	501	2.4%	1,823	8.6%	4,230	19.9%	21,262	0.1%
Dihlabeng	34,653	4.0%	24,409	2.8%	20,699	2.4%	793,191	90.9%	872,951	4.1%
Nketoana	85,848	22.2%	753	0.2%	9,324	2.4%	291,083	75.2%	387,009	1.8%
Maluti a Phofung	102,093	2.8%	71,812	2.0%	1,008	0.0%	3,488,656	95.2%	3,663,568	17.0%
Phumelela	411	0.1%	569	0.2%	2,150	0.7%	292,219	98.9%	295,349	1.4%
Mantsopa	236	0.1%	8,622	2.1%	6,261	1.5%	395,769	96.3%	410,888	1.9%
Thabo Mofutsanyana District	1,694	62.6%	–	0.0%	–	0.0%	1,011	37.4%	2,705	0.0%
DC 19 Total	239,643	4.2%	106,665	1.9%	41,266	0.7%	5,266,158	93.1%	5,653,732	26.3%
Moqhaka	38,201	5.3%	33,251	4.6%	29,167	4.1%	616,205	86.0%	706,825	3.3%
Ngwathe	49,660	2.8%	12,534	0.7%	55,103	3.1%	1,648,373	93.4%	1,765,570	8.2%
Metsimaholo	5,881	5.0%	4,251	3.6%	421	0.4%	107,606	91.1%	118,159	0.5%
Mafube	18,263	2.3%	12,287	1.5%	9,014	1.1%	756,162	95.0%	795,727	3.7%
Fezile Dabi	(235)	100.0%	–	0.0%	–	0.0%	–	0.0%	(235)	0.0%
DC 20 Total	111,770	3.3%	62,324	1.8%	93,706	2.8%	3,128,346	92.1%	3,396,145	15.8%
Total Debt	1,004,144	4.7%	321,824	1.5%	539,895	2.5%	19,658,605	91.3%	21,524,468	100.0%

*M08 / **M09

Annexure E – Financial Performance

Description	Budget year 2021/22										
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	M10 Apr Actual	M11 May Actual	M12 June Actual	Q4 June Actual	YTD Actual	%
Revenue By Source											
Property rates	3,001,498	2,849,671	744,020	770,751	495,927	154,423			154,423	2,165,121	76.0%
Service charges - electricity revenue	6,340,190	6,519,433	940,894	1,806,750	1,231,867	403,670			403,670	4,383,181	67.2%
Service charges - water revenue	2,842,665	2,788,021	702,779	711,174	668,033	188,362			188,362	2,270,348	81.4%
Service charges - sanitation revenue	1,177,820	1,098,957	267,774	267,258	279,963	74,288			74,288	889,284	80.9%
Service charges - refuse revenue	718,849	709,820	160,269	163,778	176,822	44,430			44,430	545,300	76.8%
Rental of facilities and equipment	75,225	81,377	21,085	22,054	19,241	6,079			6,079	68,460	84.1%
Interest earned - external investments	56,787	57,476	6,262	1,236	(5,566)	6,414			6,414	8,346	14.5%
Interest earned - outstanding debtors	1,042,146	1,062,949	188,562	339,061	301,828	99,638			99,638	929,089	87.4%
Dividends received	6,246	6,251	156	280	437	130			130	1,003	16.0%
Fines, penalties and forfeits	111,530	87,332	9,269	8,634	8,728	4,798			4,798	31,429	36.0%
Licences and permits	901	705	352	364	558	133			133	1,407	199.7%
Transfers and subsidies	4,722,321	4,774,887	1,792,495	967,059	1,616,847	57,835			57,835	4,434,236	92.9%
Other revenue	1,678,860	1,553,954	218,125	186,021	197,619	76,389			76,389	678,154	43.6%
Gains	60,001	64,801	(3,498)	2,505	669	73			73	(252)	-0.4%
Total Revenue (excluding capital transfers and contributions)	21,835,041	21,655,636	5,048,544	5,246,926	4,992,973	1,116,662	-	-	1,116,662	16,405,106	75.8%
Expenditure By Type											
Employee related costs	6,703,173	6,785,046	1,485,303	2,020,426	1,259,273	695,004			695,004	5,460,007	80.5%
Remuneration of councillors	342,853	333,209	73,723	75,684	52,861	29,305			29,305	231,572	69.5%
Debt impairment	2,807,136	2,532,808	354,511	334,155	341,618	106,468			106,468	1,136,752	44.9%
Depreciation and asset impairment	1,323,996	1,148,859	18,329	440,481	276,400	82,953			82,953	818,162	71.2%
Finance charges	710,869	640,338	45,008	181,348	42,320	100,373			100,373	369,049	57.6%
Bulk purchases - electricity	4,965,745	4,774,722	1,015,867	1,102,175	801,874	497,865			497,865	3,417,781	71.6%
Inventory consumed	1,930,510	1,855,247	243,947	505,534	380,882	117,556			117,556	1,247,920	67.3%
Contracted services	1,501,749	2,004,934	269,736	513,751	431,156	109,222			109,222	1,323,865	66.0%
Transfers and subsidies	223,799	235,712	15,009	9,139	62,806	17,975			17,975	104,930	44.5%
Other expenditure	1,311,551	1,562,257	275,018	436,871	316,150	74,127			74,127	1,102,167	70.5%
Losses	306,425	306,614	(541)	9,170	8,227	2,775			2,775	19,631	6.4%
Total Expenditure	22,127,805	22,179,746	3,795,910	5,628,734	3,973,567	1,833,624	-	-	1,833,624	15,231,835	68.7%
Surplus/(Deficit)	(292,764)	(524,110)	1,252,634	(381,808)	1,019,406	(716,962)	-	-	(716,962)	1,173,271	-223.9%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,551,222	2,571,182	205,086	591,323	428,041	(55,037)			(55,037)	1,169,412	24.5%
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educ Institutions)	13,000	12,999	1,125	895	862	307			307	3,190	
Transfers and subsidies - capital (in-kind - all)	50,314	40,147		28,598	18,843					47,441	118.2%
Surplus/(Deficit) after capital transfers and contributions	2,321,772	2,100,217	1,458,846	239,008	1,467,151	(771,691)	-	-	(771,691)	2,393,314	114.0%
Taxation											
Surplus/(Deficit) after taxation	2,321,772	2,100,217	1,458,846	239,008	1,467,151	(771,691)	-	-	(771,691)	2,393,314	114.0%
Attributable to minorities											
Surplus/(Deficit) attributable to municipality	2,321,772	2,100,217	1,458,846	239,008	1,467,151	(771,691)	-	-	(771,691)	2,393,314	114.0%
Share of surplus/ (deficit) of associate											
Surplus/(Deficit) for the year	2,321,772	2,100,217	1,458,846	239,008	1,467,151	(771,691)	-	-	(771,691)	2,393,314	114.0%

Annexure F – Operating Revenue per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Property Rates Billed	Electricity Billed	Service Charges			Refuse Removal Billed	Interest Earned: Outstanding Debtors	Transfers Recognised	Other Revenue Generated
							Water Billed	Sanitation Billed	Billed				
Mangaung Metro	8,073,601	7,980,003	6,618,016	82.9%	1,156,656	2,412,187	845,226	333,154	125,008	282,954	929,201	533,631	
Letsemeng	170,335	179,860	100,675	56.0%	14,097	21,749	5,187	9,937	9,675	20,697	38,484	(19,150)	
Kopanong	333,865	323,948	74,157	22.9%	(129,032)	65,668	40,750	3,559	3,217	(0)	100,477	(10,481)	
Mohokare	233,544	204,594	143,016	69.9%	9,686	—	86,089	5,960	3,560	12,149	24,923	649	
Xhariep District	63,471	63,285	52,635	83.2%	—	—	—	—	—	—	51,332	1,303	
DC 16 Total	801,216	771,687	370,483	48.0%	(105,250)	87,417	132,026	19,455	16,452	32,846	215,216	(27,679)	
Masilonyana	326,771	327,071	148,578	45.4%	53,053	22,837	36,742	22,504	12,771	51	—	620	
Tokologo	135,703	136,083	37,398	27.5%	5,578	2,491	1,026	9,007	5,994	11,879	757	667	
Tswelopele	174,796	180,618	165,305	91.5%	24,813	39,060	4,602	6,649	3,235	2,653	79,855	4,438	
Matjhabeng	3,527,317	3,427,217	2,365,143	69.0%	369,420	578,138	344,911	146,728	88,657	209,323	542,659	85,308	
Nala	540,928	530,741	345,220	65.0%	18,659	74,395	40,458	28,978	18,761	25,569	131,700	6,700	
Lejweputswa District	147,955	147,955	143,510	97.0%	—	—	—	—	—	280	139,834	3,396	
DC 18 Total	4,853,469	4,749,685	3,205,154	67.5%	471,523	716,921	427,739	213,866	129,417	249,755	894,804	101,129	
Setsoho	576,399	577,149	510,790	88.5%	53,864	77,665	55,142	31,087	40,225	28,012	216,650	8,145	
Dihlabeng	863,521	884,024	713,508	80.7%	115,057	191,682	58,050	44,082	45,113	47,921	201,674	9,929	
Nketoana	386,789	417,409	374,282	89.7%	13,493	59,799	53,929	21,496	20,123	78,510	106,079	20,851	
Maluti a Phofung	1,800,467	1,744,108	1,140,653	65.4%	90,824	51,642	84,911	36,261	35,142	20,598	748,895	72,378	
Phumelela	167,557	172,823	136,668	79.1%	14,973	573	8,025	10,122	9,391	17,308	72,708	3,568	
Mantsopa	335,414	335,414	90,582	27.0%	10,041	11,445	12,060	15,123	10,440	30,338	471	665	
Thabo Mofutsanyana	155,228	158,233	169,344	107.0%	—	—	—	—	—	—	138,643	30,700	
DC 19 Total	4,285,375	4,289,161	3,135,811	73.1%	298,252	392,806	272,118	158,171	160,434	222,687	1,485,121	146,236	
Moqhaka	1,019,732	1,040,460	777,166	74.7%	61,982	277,557	104,243	45,062	31,107	24,469	220,958	11,787	
Ngwathe	882,440	846,535	679,236	80.2%	89,150	210,228	61,065	46,365	35,654	36,791	197,176	2,807	
Meisimaholo	1,500,657	1,543,266	1,237,861	80.2%	176,575	286,065	401,062	56,558	34,808	49,548	218,147	15,098	
Matube	240,786	256,315	206,892	80.7%	16,233	0	26,868	16,653	12,420	30,039	102,047	2,633	
Fezile Dabi	177,765	178,522	174,473	97.7%	—	—	—	—	—	—	171,566	2,906	
DC 20 Total	3,821,380	3,865,099	3,075,627	79.6%	343,940	773,851	593,238	164,637	113,988	140,847	909,894	35,231	
Total	21,835,041	21,655,636	16,405,106	75.8%	2,165,121	4,383,181	2,270,348	889,284	545,300	929,089	4,434,236	788,547	

Source: NT Local Government Database

Annexure G – Operating Expenditure per municipality

	Original Budget	Adjusted Budget	YTD	% of Budget	Employee Related Cost	Remuneration of Councillors	Debt Impairment	Depreciation & Asset Impairment	Bulk Purchases	Other Expenditure
R thousands										
Mangaung Metro	7,450,829	7,441,806	6,538,356	87.9%	1,896,234	55,006	785,218	746,539	1,652,127	1,403,231
Letsemeng	218,222	230,021	106,843	46.4%	51,344	3,469	128	20	20,189	31,692
Kopanong	414,918	396,266	272,292	68.7%	105,347	3,694	-	-	50,394	112,856
Mohokare	230,593	234,156	59,469	25.4%	41,086	2,377	-	-	1,324	14,682
Xhariep District	62,985	62,315	47,304	75.9%	40,871	3,692	-	605	-	2,136
DC 16 Total	926,718	922,757	485,908	52.7%	238,648	13,233	128	624	71,907	161,367
Masilonyana	366,799	373,984	1,870	0.5%	63	-	-	-	-	1,807
Tokologo	136,009	162,390	89,798	55.3%	47,893	3,397	121	-	3,392	34,995
Tswelopele	206,711	213,598	141,354	66.2%	54,443	4,435	137	-	29,370	52,969
Matjhabeng	3,499,848	3,230,972	1,553,614	48.1%	684,355	14,155	5,462	-	86,472	763,169
Nala	527,274	530,741	284,727	53.6%	132,195	6,506	-	-	56,028	89,997
Lejweleputswa District	181,251	176,953	126,647	71.6%	83,763	7,544	-	3,406	-	31,933
DC 18 Total	4,917,892	4,688,638	2,198,008	46.9%	1,002,712	36,037	5,720	3,406	175,263	974,871
Setsooto	634,745	663,277	375,187	56.6%	180,230	10,595	39,491	-	74,728	70,143
Dihlabeng	819,557	840,884	626,539	74.5%	277,436	13,801	35,509	66,816	101,715	131,261
Nketoana	416,243	445,958	347,302	77.9%	159,276	6,610	29,419	-	60,192	91,805
Maluti a Phofung	2,504,011	2,670,547	1,337,248	68.4%	562,572	23,629	4,117	-	700,599	536,330
Phumelela	168,583	173,875	136,444	78.5%	65,943	5,109	-	-	17,297	48,095
Mantsopa	313,588	309,005	122,141	39.5%	63,441	4,379	-	-	30,247	24,075
Thabo Mofutsanyana	151,644	161,659	125,833	77.8%	66,967	7,815	-	-	-	51,051
DC 19 Total	5,008,369	5,265,206	3,560,694	67.6%	1,375,864	71,937	108,537	66,816	984,778	952,762
Moqhaka	998,410	1,029,371	501,127	48.7%	275,298	16,209	2,220	-	18,549	188,851
Ngwathe	902,413	866,508	671,799	77.5%	218,992	12,921	-	-	271,626	168,261
Metsimaholo	1,499,194	1,529,183	1,006,902	65.8%	277,194	15,795	230,630	-	243,530	239,753
Mafube	228,603	244,641	129,034	52.7%	80,355	4,629	4,300	-	-	39,750
Fezile Dabi	195,376	191,637	140,006	73.06%	94,709	5,805	-	777	-	38,715
DC 20 Total	3,823,997	3,861,340	2,448,869	63.4%	946,548	55,359	237,150	777	533,705	675,330
Total	22,127,805	22,179,746	15,231,835	68.7%	5,460,007	231,572	1,136,752	818,162	3,417,781	4,167,561

Source: NT Local Government Database

Annexure H – Capital Expenditure and Source of Finance

Description	Budget year 2021/22										
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	M10 Apr Actual	M11 May Actual	M12 June Actual	Q4 June Actual	YTD Actual	%
R thousands											
Capital Expenditure - Functional											
<i>Municipal governance and administration</i>	161,060	159,197	19,486	25,526	38,640	16,437	-	-	16,437	100,089	62.9%
Executive and council	55,596	41,844	3,377	5,568	5,302	7,471			7,471	21,718	51.9%
Finance and administration	105,464	117,338	16,108	19,943	33,338	8,966			8,966	78,355	66.8%
Internal audit		15		15						15	
<i>Community and public safety</i>	491,553	472,154	13,501	46,085	42,792	22,971	-	-	22,971	125,348	26.5%
Community and social services	39,370	33,585	37	4,026	3,351	4,138			4,138	11,552	34.4%
Sport and recreation	64,783	59,823	4,541	8,783	2,501	5,654			5,654	21,480	35.9%
Public safety	32,605	32,175	1	205	1,063	1,216			1,216	2,486	7.7%
Housing	354,146	345,922	8,884	33,070	35,876	11,938			11,938	89,769	26.0%
Health	650	650	37			24			24	62	9.5%
<i>Economic and environmental services</i>	609,747	642,932	114,326	131,903	62,499	8,761	-	-	8,761	317,489	49.4%
Planning and development	107,892	112,387	20,940	11,588	7,648	2,095			2,095	42,272	37.6%
Road transport	500,705	529,396	93,386	120,315	54,851	6,666			6,666	275,218	52.0%
Environmental protection	1,150	1,150									
<i>Trading services</i>	1,917,240	1,911,685	201,807	346,947	194,101	62,695	-	-	62,695	805,550	42.1%
Energy sources	387,558	417,589	26,666	91,843	34,084	19,585			19,585	172,178	41.2%
Water management	959,777	971,897	105,249	135,950	94,310	31,822			31,822	367,331	37.8%
Waste water management	520,079	493,381	66,850	117,367	64,511	11,289			11,289	260,017	52.7%
Waste management	49,826	28,818	3,041	1,787	1,196					6,024	20.9%
Other	12,070	9,455		30	998					1,028	10.9%
Total Capital Expenditure - Functional	3,191,669	3,195,423	349,119	550,490	339,031	110,864	-	-	110,864	1,349,503	42.2%
Funded by											
National Government	2,611,136	2,610,928	312,041	465,298	270,856	72,178			72,178	1,120,373	42.9%
Provincial Government	10,167	10,167	3,154							3,154	
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	13,000	13,000	1,620	6,327	1,071	893			893	9,911	76.2%
Transfers recognised - capital	2,634,303	2,634,095	316,815	471,625	271,927	73,071	-	-	73,071	1,133,438	43.0%
Borrowing	61,713	54,134	11,335	10,235	8,398	2,686			2,686	32,654	52.9%
Internally generated funds	486,757	494,069	20,061	68,407	56,952	35,089			35,089	180,509	37.1%
Total Capital Funding	3,182,774	3,182,298	348,211	550,267	337,277	110,847	-	-	110,847	1,346,602	42.3%

Annexure I – Capital Expenditure and Source of Finance

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Expenditure				Funding			
					Energy Sources	Water Management	Waste Water Management	Waste Management	Other	Recognised Capital	Borrowing	Internally generated Funds
Mangaung Metro	1,221,006	1,195,936	557,318	46.6%	88,772	84,975	45,996	-	337,575	452,450	29,825	75,043
Letsemeng	51,283	51,243	4,900	9.6%	507	1,980	1,861	166	386	4,220	-	679
Kopanong	62,567	62,567	6,179	9.9%	-	6,179	-	-	-	6,179	-	-
Mohokare	81,887	78,522	13,990	17.8%	-	9,312	3,622	-	1,056	13,768	-	222
Xhariep District	486	970	56	5.7%	-	-	-	-	56	-	-	56
DC 16 Total	196,223	193,302	25,125	13.0%	507	17,471	5,483	166	1,498	24,167	-	957
Masilonyana	35,148	37,448	1,549	4.1%	-	-	-	-	1,549	-	-	1,549
Tokologo	137,132	136,332	55,026	40.4%	-	49,235	-	-	5,792	55,026	-	-
Tswelopele	30,182	31,442	2,589	8.2%	-	78	990	-	1,521	944	-	1,521
Matjhlabeng	157,833	159,213	41,582	26.1%	1,906	2,619	24,646	-	12,411	40,230	-	1,352
Nala	42,673	42,673	24,042	56.3%	-	7,862	-	-	16,181	24,042	-	-
Lejweleputswa District	13,150	13,150	4,281	32.6%	-	-	-	-	4,281	-	-	4,281
DC 18 Total	416,118	420,259	129,069	30.7%	1,906	59,793	25,635	-	41,735	120,243	-	8,702
Seisotso	204,601	202,915	85,101	41.9%	8,263	66,457	9,927	22	433	76,368	143	8,242
Dihlabeng	122,361	121,537	43,481	35.8%	2,168	3,412	-	-	37,901	28,735	-	14,746
Nketoana	51,621	51,621	29,711	57.6%	-	10,490	18,195	-	1,025	29,711	-	-
Maluti a Phofung	266,961	284,959	142,095	49.9%	33,462	19,929	68,837	-	19,866	129,159	-	12,936
Phumelela	60,293	63,219	18,302	29.0%	1,692	4,938	10,108	-	1,565	18,302	-	-
Mantsopa	43,045	46,311	18,839	40.7%	3,407	3,234	5,097	1,726	5,375	11,509	-	7,331
Thabo Mofutsanyana	3,626	7,350	2,272	30.9%	-	-	-	-	2,272	-	-	-
DC 19 Total	752,508	777,912	339,802	43.7%	48,991	108,461	112,164	1,748	68,437	293,784	143	43,254
Moghaka	79,058	80,818	30,003	37.1%	266	6,621	6,784	2,609	13,723	25,413	-	4,476
Ngwathe	157,404	169,340	60,416	35.7%	1,955	39,337	8,212	1,500	9,411	55,917	-	4,499
Metsimaholo	259,034	245,641	73,791	30.0%	6,404	4,381	44,454	-	18,552	70,145	-	3,646
Mafube	109,689	105,089	21,326	20.3%	3,791	14,471	-	-	3,064	18,248	-	3,078
Fezile Dabi	630	5,126	1,765	34.43%	-	-	-	-	1,765	-	-	1,765
DC 20 Total	605,814	606,014	187,301	30.9%	12,416	64,810	59,450	4,110	46,515	169,723	-	17,463
Total	3,191,669	3,193,423	1,238,614	38.8%	152,593	335,509	248,728	6,024	495,760	1,060,367	29,968	145,420

Source: NT Local Government Database