



treasury

Department of  
Treasury  
FREE STATE PROVINCE

**CONSOLIDATED MUNICIPAL BUDGET  
PERFORMANCE REPORT  
FOR THE PERIOD ENDING  
31 May 2022**



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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 **31 May 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

### C. COMPLIANCE MONITORING WITH LAWS AND REGULATIONS

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

- Monthly In-Year (M11)
- Creditors (CR11)
- Debtors (DB11)

b) 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)	M11	CR11	DB11	C-schedule M11	Additional Reporting* M11
Mangaung									N/A
Letsemeng									
Kopanong									
Mohokare									
Xhariep									
Masilonyana									
Tokologo									
Tswelopele									
Matjhabeng									
Nala									
Lejweleputswa									
Setso									
Dihlabeng									
Nketoana									
Maluti a Phofung									
Phumelela									
Mantsoa									
Thabo Mofutsanyana									
Moqhaka									
Ngwathe									
Metsimaholo									
Mafube									
Fezile Dabi									

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

Source: LGDB as at 22 June 2022

Legend:

Successful	1st Phase error	2nd Phase error	Outstanding
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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

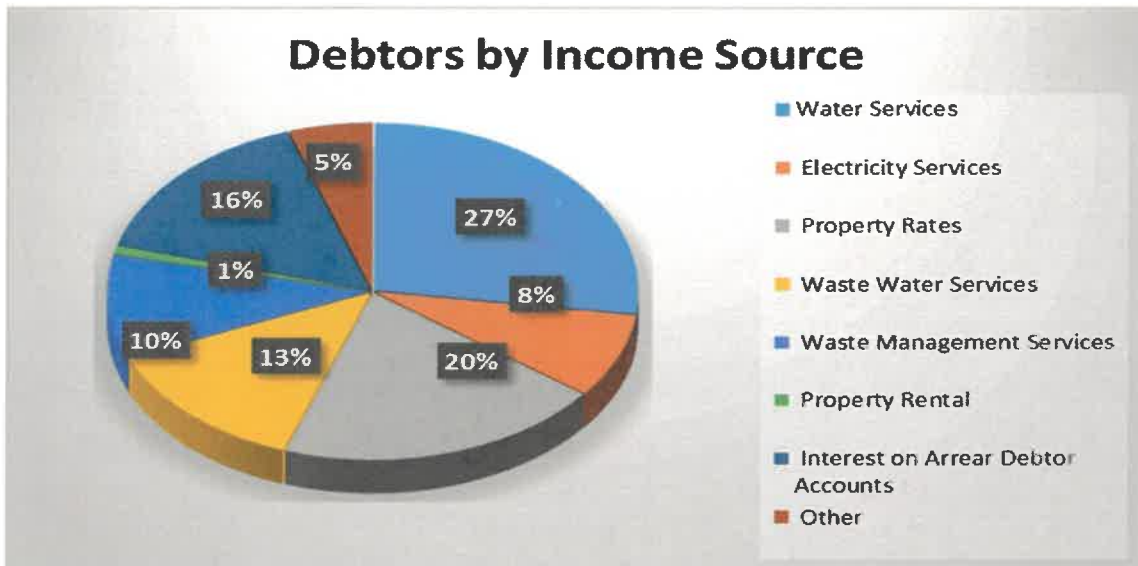
- 1.1.1 The total outstanding debt amounts to R29.31 billion having increased with R0.45 billion from the previous month (*Apr 2022: R28.86 billion*). Annexure A and B provides the summary and breakdown of the outstanding debtors per income source. The total debtors exceed the total revenue budget with R7.63 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 70.5% (R20.67 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 report the debtor's age analysis data 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	Discrepancies
Mohokare	Data string submitted did not have values
Mafube	Data string submitted with errors due to system challenges

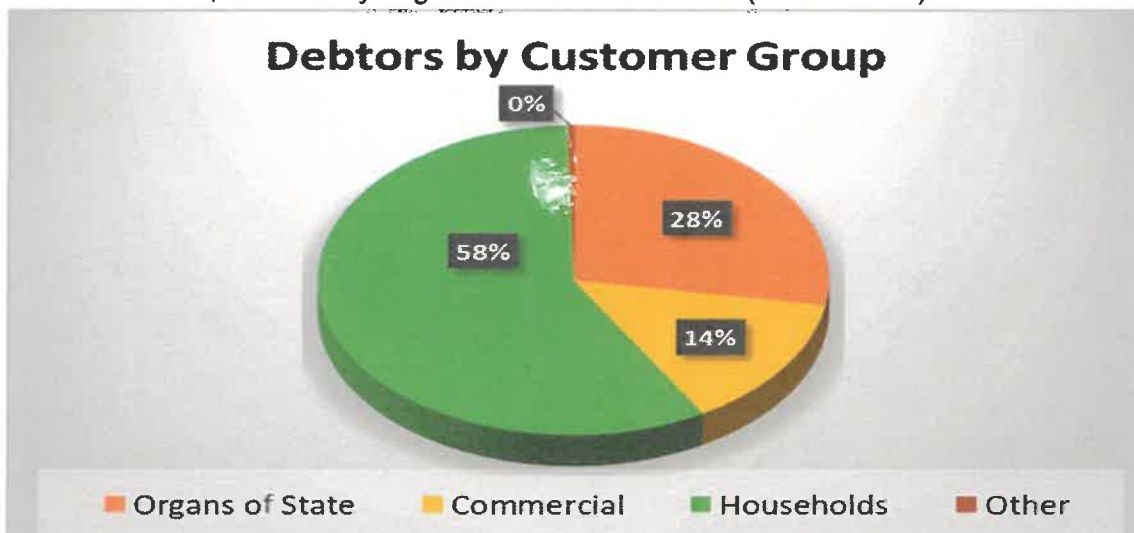
- 1.1.6 Debtors books should become an area of focus for municipalities. **Eight** municipalities reported outstanding debtors above a billion rand and contribute 78.3 per cent to the total outstanding debtors in the Province. These municipalities are:

Mangaung	R8.13 billion
Matjhabeng	R5.58 billion
Metsimaholo	R2.39 billion
Maluti a Phofung	R2.16 billion
Masilonyana	R1.28 billion
Dihlabeng	R1.27 billion
Moqhaka	R1.12 billion
Nala	R1.03 billion

1.1.7 *Water services* remains the largest contributor to the total outstanding debt and amounts to R7.98 billion (27.2 percent), followed by *property rates* amounting to R5.87 billion (20.0 percent). Debt relating to *interest on arrear debtor accounts* contribute 15.5 percent (R4.54 billion) to the total outstanding debt, whilst *waste water services* accounts for 13.1% (R3.84 billion) of the total debt.

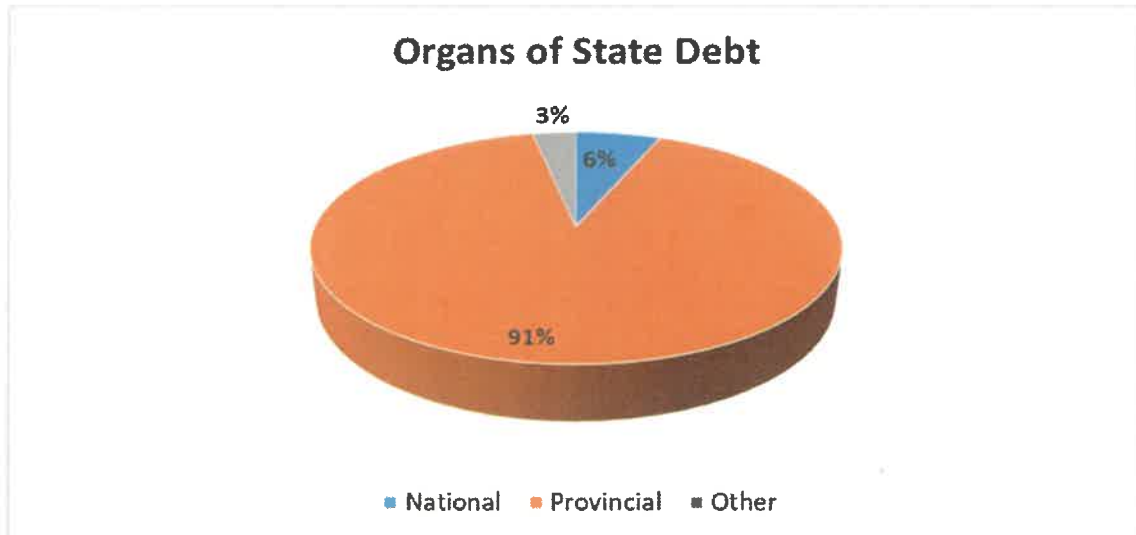


1.1.8 The majority of the debt is owed by *Households*, which contributes 58% (R17.01 billion) to the total debt, followed by *Organs of State* with 27.6% (R8.09 billion).



*Debt owed by Organs of State (Intergovernmental Debt)*

1.1.9 The total debt owed by organs of state amounts to R8.09 billion which accounts for 27.6% 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 2022 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 **decreased** with R0.46 billion to **R21.06 billion** for the month under review (*Apr 2022: R21.52 billion*). Annexure C and D provides the summary and breakdown of the outstanding creditors per type.

1.2.3 Payables relating to bulk service providers (Eskom & Water Boards) contribute 90.2 percent or **R18.99 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).

1.2.4 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.

1.2.5 Eskom issued breach notices to the following municipalities for the outstanding balances:

- Kopanong
- Mantsopa
- Nala

1.2.6 According to the Eskom report, the following litigation processes are still ongoing at the following municipalities:

- Mafube
- Maluti a Phofung
- Matjhabeng
- Nketoana

#### PAYE and Pension/Retirement Contributions Debt

1.2.7 Payables relating to 3<sup>rd</sup> parties (i.e PAYE and pensions/retirement contributions) amounted to R388.8 million of which 90.0% 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 3<sup>rd</sup> parties (PAYE and pensions). This could lead to litigation at these municipalities.

1.2.8 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	6,487	100.0%	–	0.0%	–	0.0%	–	0.0%	6,487	21.5%
Kopanong	1,193	7.7%	1,464	9.5%	1,717	11.1%	11,110	71.7%	15,485	51.4%
Matjhabeng	7	10.3%	5	7.5%	5	7.5%	52	74.8%	70	0.2%
Nala	13	100.0%	–	0.0%	–	0.0%	–	0.0%	13	0.0%
Setsofso	(17)	100.0%	–	0.0%	–	0.0%	–	0.0%	(17)	-0.1%
Thabo Mofutsanyana District	1,370	100.0%	–	0.0%	–	0.0%	–	0.0%	1,370	4.5%
Ngwathe	5,571	92.2%	471	7.8%	–	0.0%	–	0.0%	6,042	20.0%
Mafube	705	100.0%	–	0.0%	–	0.0%	–	0.0%	705	2.3%
<b>Total Debt</b>	<b>15,330</b>	<b>50.8%</b>	<b>1,941</b>	<b>6.4%</b>	<b>1,723</b>	<b>5.7%</b>	<b>11,162</b>	<b>37.0%</b>	<b>30,156</b>	<b>100.0%</b>

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	1,890	1.2%	1,883	1.2%	1,794	1.1%	157,650	96.6%	163,217	45.5%
Tswelopele	155	100.0%	–	0.0%	–	0.0%	–	0.0%	155	0.0%
Matjhabeng	15,861	60.4%	826	3.1%	3,404	13.0%	6,148	23.4%	26,240	7.3%
Nala	11	100.0%	–	0.0%	–	0.0%	–	0.0%	11	0.0%
Setsofso	1,207	100.0%	–	0.0%	–	0.0%	–	0.0%	1,207	0.3%
Ngwathe	3,044	100.0%	–	0.0%	–	0.0%	–	0.0%	3,044	0.8%
Mafube	1,216	0.7%	1,217	0.7%	1,223	0.7%	161,164	97.8%	164,820	46.0%
<b>Total Debt</b>	<b>23,384</b>	<b>6.5%</b>	<b>3,927</b>	<b>1.1%</b>	<b>6,421</b>	<b>1.8%</b>	<b>324,962</b>	<b>90.6%</b>	<b>358,694</b>	<b>100.0%</b>

### 1.3 CASH FLOW

1.3.1 Municipalities in the Province closed the month of May 2022 with a surplus cash and cash equivalent balance of R4.66 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 (31 May 2022)
Mangaung Metro	461,396	3,070,726	(595,231)	(69,118)	2,406,378	2,867,774
Letsemeng	–	–	–	–	–	–
Kopanong	–	97,332	–	–	97,332	101,373
Mohokare	5,067	19,596	(18,847)	(1)	748	5,814
Xhariep District	–	31,451	–	–	31,451	31,451
<b>DC 16 Total</b>	<b>5,067</b>	<b>148,378</b>	<b>(18,847)</b>	<b>(1)</b>	<b>129,530</b>	<b>138,639</b>
Masilonyana	–	–	–	–	–	–
Tokololo	–	(5,807)	12	–	(5,795)	(5,795)
Tswelopele	12,489	15,745	(3,364)	(153)	12,228	24,715
Matjhabeng	(37,081)	(684,993)	(72,404)	–	(757,397)	(700,228)
Nala	–	–	–	–	–	–
Lejweleputswa District	–	133,899	0	–	133,900	178,613
<b>DC 18 Total</b>	<b>(24,591)</b>	<b>(541,155)</b>	<b>(75,755)</b>	<b>(153)</b>	<b>(617,064)</b>	<b>(502,695)</b>
Setsofso	45,572	404,725	(121,908)	(52)	282,764	328,290
Dihlabeng	(11,417)	399,983	(53,100)	(6,838)	340,046	317,510
Nketoana	3,456	109,199	(36,496)	(295)	72,408	75,870
Maluti a Phofung	165,009	1,278,103	(165,975)	–	1,112,128	1,004,135
Phumelela	–	(9,278)	(7,848)	–	(17,126)	(17,126)
Mantsopa	–	22,780	(24,050)	–	(1,270)	(1,270)
Thabo Mofutsanyana	–	1,463	–	–	1,463	1,463
<b>DC 19 Total</b>	<b>202,620</b>	<b>2,206,975</b>	<b>(409,376)</b>	<b>(7,185)</b>	<b>1,790,414</b>	<b>1,708,873</b>
Moqhaka	–	368,819	(37,444)	–	331,374	331,319
Ngwathe	56,783	(91,341)	(70,921)	–	(162,262)	(105,551)
Metsimaholo	50,783	31,629	(98,864)	(480)	(67,715)	(16,739)
Mafube	(126,563)	161,576	(27,640)	–	133,936	32,795
Fezile Dabi	97,842	109,063	(1,891)	–	107,172	205,160
<b>DC 20 Total</b>	<b>78,845</b>	<b>579,746</b>	<b>(236,761)</b>	<b>(480)</b>	<b>342,505</b>	<b>446,983</b>
<b>Total</b>	<b>723,337</b>	<b>5,464,671</b>	<b>(1,335,970)</b>	<b>(76,938)</b>	<b>4,051,763</b>	<b>4,659,573</b>

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

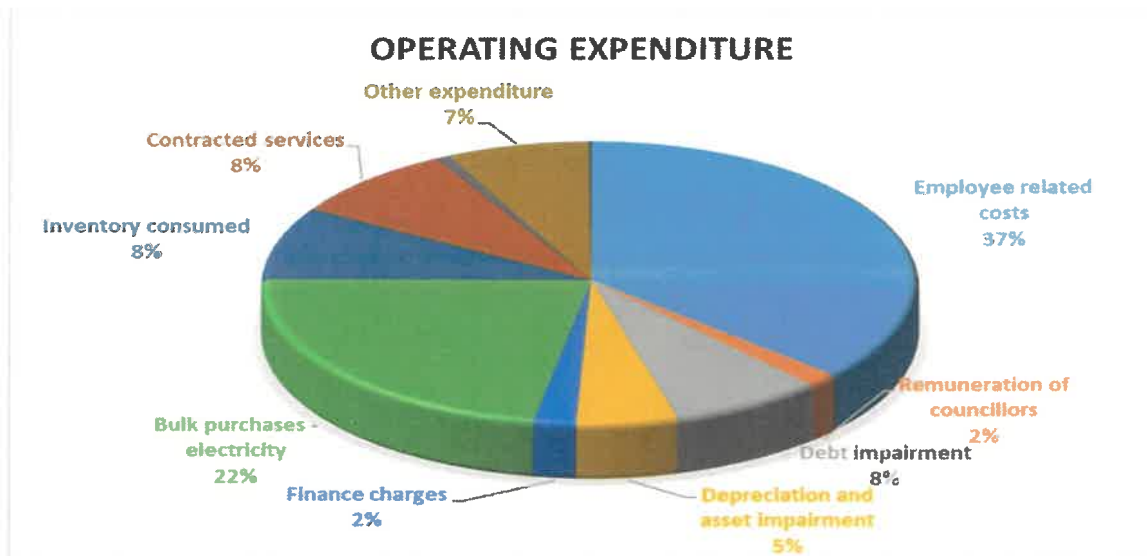
In terms of the budgeted monthly revenue and expenditure in support of the original budgets, Municipalities reported the following aggregated performance:

### 2.1 REVENUE GENERATED

- 2.1.1 The total generated revenue (billed) amounts to R17.78 billion or 82 percent against the adjusted budget of R21.67 billion, whilst in respect of expenditure, municipalities spent an aggregate of 74.6 percent or R16.56 billion against the total adjusted budget of R22.19 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 R8.77 billion (49 percent), followed by *transfers and subsidies* amounting to R4.52 billion or 25 percent of the total revenue. Property rates contribute 15 percent (R2.57 billion) to the total revenue generated.
- 2.1.3 An aggregate operational surplus of R1.21 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 May 2022 is *employee related cost* amounting to R6.07 billion or 37 per cent of the total expenditure, followed by *bulk purchases - electricity* amounting to R3.69 billion.



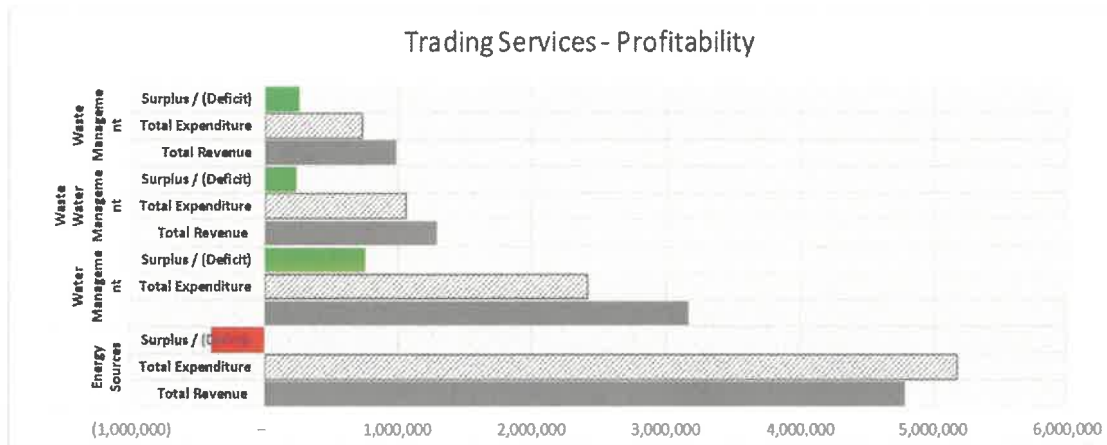
2.2.2 The performance of *employee related cost* against the adjusted budget is 89.4 per cent (R6.07 billion). The majority of the expenditure reported (98.3%) relates to salaries and wages for municipal staff as indicated in the table below:

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	192,247	101,402	52.7%	1.7%
Municipal Staff	6,495,857	6,599,074	5,972,142	90.5%	98.3%
Board Members	982	982	162	16.5%	0.0%
<b>Total</b>	<b>6,703,173</b>	<b>6,792,303</b>	<b>6,073,706</b>	<b>89.4%</b>	<b>100.0%</b>

## 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 R394.4 million for the period under review.

- Billed energy sources revenue totaled R4.79 billion against expenditure of R5.18 billion (deficit of R394.4 million);
- Billed water revenue totaled R3.17 billion against expenditure of R2.41 billion (surplus of R753.8 million);
- Billed waste water management revenue totaled R1.29 billion against expenditure of R1.06 million (surplus of R236.4 million); and
- Billed waste management revenue totaled R983.0 million against expenditure R730.4 million (surplus of R252.6 million).

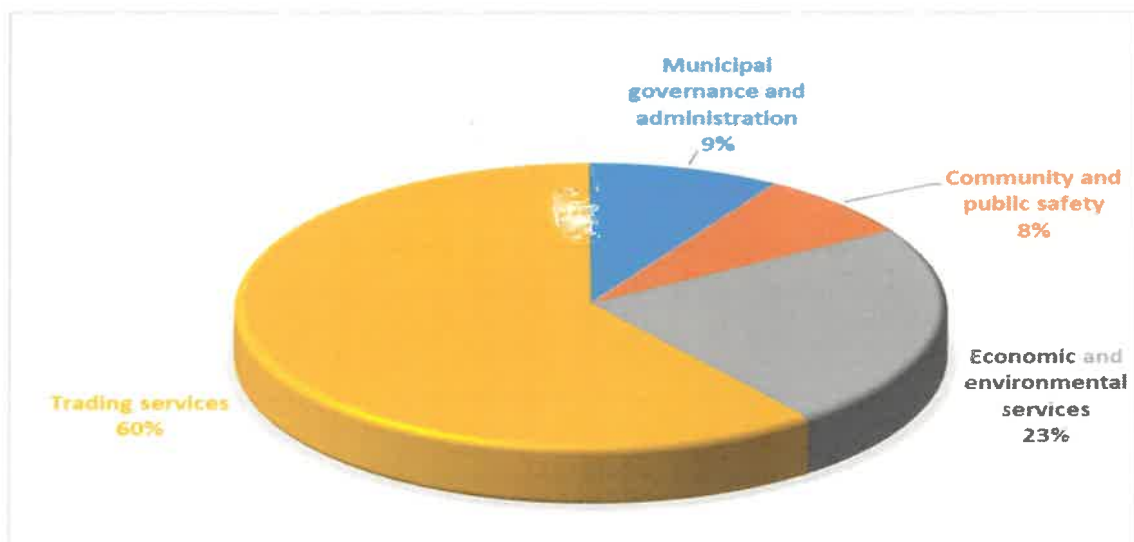


2.3.2 These deficits must be cross subsidized from other revenue sources, i.e property rates.

## 2.4 CAPITAL EXPENDITURE

2.4.1 The total capital expenditure amounts to R1.47 billion or 45.4% against the adjusted budget of R3.24 billion.

2.4.2 The majority (60%) of the expenditure relates to trading services projects amounting to R887.6 million. This consists of R184.8 million for *energy services*, R398.6 million for *water management*, R298.3 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 R1.12 billion was reported spent on repairs and maintenance which amounts to 86.9% 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	%
<b>FREE STATE</b>					
Mangaung	MAN	497,607	513,374	551,790	107.5%
<b>Total Metros</b>		<b>497,607</b>	<b>513,374</b>	<b>551,790</b>	<b>107.5%</b>
Letsemeng	FS161	2,900	1,511	817	54.1%
Kopanong	FS162	-	-	-	-
Mohokare	FS163	2,160	2,640	981	37.2%
Xhariep	DC16	215	343	231	67.5%
<b>Total Xhariep</b>		<b>5,275</b>	<b>4,494</b>	<b>2,030</b>	<b>45.2%</b>
Masilonyana	FS181	3,040	5,840	22	0.4%
Tokologo	FS182	4,150	6,650	2,774	41.7%
Tswelopele	FS183	9,381	13,878	12,697	91.5%
Matjhabeng	FS184	8,051	18,360	16,391	89.3%
Nala	FS185	250,000	239,093	187,306	78.3%
Lejweleputswa	DC18	3,398	3,298	1,905	57.8%
<b>Total Lejweleputswa</b>		<b>278,019</b>	<b>287,119</b>	<b>221,095</b>	<b>77.0%</b>
Setsotho	FS191	25,255	17,123	9,762	57.0%
Dihlabeng	FS192	5,074	13,478	11,489	85.2%
Nketoana	FS193	17,800	18,849	19,364	102.7%
Maluti-a-Phofung	FS194	72,817	236,617	125,133	52.9%
Phumelela	FS195	6,542	5,632	5,842	103.7%
Mantsopa	FS196	-	-	-	-
Thabo Mofutsanyana	DC19	535	331	783	236.5%
<b>Total Thabo Mofutsanyana</b>		<b>128,023</b>	<b>292,029</b>	<b>172,374</b>	<b>59.0%</b>
Moqhaka	FS201	64,366	84,323	70,183	83.2%
Ngwathe	FS203	34,952	36,991	63,510	171.7%
Metsimaholo	FS204	43,689	42,687	24,765	58.0%
Mafube	FS205	21,106	17,773	6,441	36.2%
Fezile Dabi	DC20	5,628	5,478	3,212	58.6%
<b>Total Fezile Dabi</b>		<b>169,740</b>	<b>187,252</b>	<b>168,111</b>	<b>89.8%</b>
<b>Total Free State</b>		<b>1,078,663</b>	<b>1,284,268</b>	<b>1,115,401</b>	<b>86.9%</b>

### 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 May 2022 show a total spending of R1.02 billion or 39.5 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	1,282,435	498,995	51.2%
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	4,408	88.3%
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	33,488	66.0%
Lejweleputswa	4,510	4,510	3,068	4,510	3,740	82.9%
Setsotho	203,706	203,706	87,724	197,617	93,114	45.7%
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	156,194	59.2%
Phumelela	54,849	54,849	31,562	28,594	2,512	4.6%
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%
Moqhaka	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	120,321	121.8%
Mafube	56,395	52,709	26,366	76,015	59,235	105.0%
Fezile Dabi	7,436	7,436	4,481	–	3,826	51.5%
<b>Total</b>	<b>2,568,757</b>	<b>2,073,488</b>	<b>897,169</b>	<b>2,372,525</b>	<b>1,015,659</b>	<b>39.5%</b>

- 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	19,967	14,100	34.2%
Finance Management Grant	57,400	57,400	35,260	21,650	23,175	40.4%
Integrated National Electrification Prog	125,789	125,789	37,714	116,606	52,782	42.0%
Metro Informal Settlements Partnership Grant	213,893	213,893	43,281	213,893	58,324	27.3%
Municipal Infrastructure Grant	779,352	779,352	392,274	456,879	188,182	24.1%
Municipal Systems Improvement Prog	–	–	–	3,100	–	0.0%
Neighbourhood Dev Partnership Grant	30,738	30,738	5,185	39,275	18,638	60.6%
Programme & Project Preparation Support Grant	6,934	6,934	–	6,934	–	0.0%
Public Transport network Grant	223,648	223,648	115,888	223,648	116,331	52.0%
Regional Bulk Infrastructure Grant	213,921	213,921	81,051	280,330	148,825	69.6%
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	303,532	61.3%
Water Services Infrastructure Grant	350,867	350,867	146,786	184,809	87,952	25.1%
<b>Total</b>	<b>2,568,757</b>	<b>2,073,488</b>	<b>897,169</b>	<b>2,375,625</b>	<b>1,015,659</b>	<b>39.5%</b>

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

- 4.1 Provincial Treasury 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 A meeting will be scheduled for July 2022 to discuss the performance of municipalities against their budgets, including the Eskom payment plans.

## 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 91.3% to 98.6%.
2. **Note** the aggregate revenue generated at the end of May 2022 is 82 percent whilst the operating expenditure is at 74.6 percent against the total budgets and is below the straight line projection of 92%.
3. **Note** the total capital expenditure amounts to R1.47 billion (45.4%) against the adjusted budget of R3.24 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 R1.12 billion or 86.9% against the adjusted budget.
5. **Note** the total outstanding debtors amount to R29.31 billion (*Apr 2022 – R28.86 billion*).
6. **Note** the total outstanding creditor's amount to R21.06 billion (*Mar 2022 – R21.52 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 31  
May 2022

Submitted by:

  
Mr. SB Mhlambi

Acting CHIEF DIRECTOR: MUNICIPAL FINANCE MANAGEMENT

Date:

29/06/22

Noted / Comments by:



Ms. MA Sesing

ACTING HEAD OF DEPARTMENT  
FS PROVINCIAL TREASURY

Date:

02-07-2022

**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	370,765	4.6%	187,241	2.3%	364,509	4.6%	7,061,977	88.4%	7,984,491	27.2%
Trade and Other Receivables from Exchange Transactions - Electricity	482,583	20.3%	68,229	2.9%	156,293	6.6%	1,675,675	70.3%	2,382,780	8.1%
Receivables from Non-exchange Transactions - Property Rates	380,907	6.5%	139,850	2.4%	440,194	7.5%	4,904,093	83.6%	5,865,044	20.0%
Receivables from Exchange Transactions - Waste Water Management	160,429	4.2%	80,657	2.1%	193,144	5.0%	3,409,885	88.7%	3,844,114	13.1%
Receivables from Exchange Transactions - Waste Management	98,961	3.4%	56,038	1.9%	148,360	5.0%	2,637,619	89.7%	2,940,977	10.0%
Receivables from Exchange Transactions - Property Rental Debtors	4,752	2.0%	3,198	1.3%	3,193	1.3%	226,842	95.3%	237,986	0.8%
Interest on Arrear Debtor Accounts	132,381	2.8%	84,479	1.9%	279,643	6.2%	4,043,703	89.1%	4,540,206	15.5%
Other	83,178	5.5%	26,118	1.7%	9,462	0.6%	1,391,398	92.1%	1,510,157	5.2%
<b>Total By Income Source</b>	<b>1,713,956</b>	<b>5.8%</b>	<b>645,809</b>	<b>2.2%</b>	<b>1,594,797</b>	<b>5.4%</b>	<b>25,351,192</b>	<b>86.5%</b>	<b>29,305,755</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	705,538	8.7%	210,910	2.6%	445,172	5.5%	6,730,498	83.2%	8,092,118	27.6%
Commercial	467,548	11.5%	137,959	3.4%	278,214	6.8%	3,180,099	78.3%	4,063,820	13.9%
Households	539,527	3.2%	295,319	1.7%	910,600	5.4%	15,266,140	89.7%	17,011,585	58.0%
Other	1,343	1.0%	1,622	1.2%	(39,189)	-28.4%	174,455	126.2%	138,231	0.5%
<b>Total By Customer Group</b>	<b>1,713,956</b>	<b>5.8%</b>	<b>645,809</b>	<b>2.2%</b>	<b>1,594,797</b>	<b>5.4%</b>	<b>25,351,192</b>	<b>86.5%</b>	<b>29,305,755</b>	<b>100.0%</b>

## 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	934,269	11.5%	199,493	2.5%	356,220	4.4%	6,641,515	81.7%	8,131,496	27.7%
Letsemerg	8,594	2.5%	7,616	2.2%	7,025	2.1%	316,770	93.2%	340,006	1.2%
Kopanong	4,774	1.0%	4,964	1.0%	4,648	1.0%	463,926	97.0%	478,313	1.6%
Mohokare*	12,124	2.8%	12,363	2.8%	14,547	3.3%	397,281	91.1%	436,315	1.5%
Xhariep District	-	0.0%	-	0.0%	-	0.0%	10,194	100.0%	10,194	0.0%
DC 16 Total	25,492	2.0%	24,943	2.0%	26,220	2.1%	1,188,172	93.9%	1,264,827	4.3%
Masilonyana	11,085	0.9%	11,987	0.9%	12,250	1.0%	1,245,808	97.2%	1,281,129	4.4%
Tokologo	6,496	1.9%	5,825	1.7%	5,712	1.6%	330,198	94.8%	348,231	1.2%
Tswelopele	6,459	4.5%	3,575	2.5%	2,982	2.1%	129,091	90.8%	142,107	0.5%
Matjhabeng	197,990	3.6%	120,792	2.2%	128,705	2.3%	5,128,141	92.0%	5,575,628	19.0%
Nala	28,246	2.8%	19,987	1.9%	19,242	1.9%	958,149	93.4%	1,025,623	3.5%
Lejweleputswa District	-	0.0%	-	0.0%	-	0.0%	30,485	100.0%	30,485	0.1%
DC 18 Total	250,275	3.0%	162,166	1.9%	168,890	2.0%	7,821,871	93.1%	8,403,202	28.7%
Setsotho	23,262	3.9%	18,359	3.1%	16,924	2.8%	542,676	90.3%	601,221	2.1%
Dihlabeng	74,880	5.9%	24,615	1.9%	21,821	1.7%	1,146,777	90.4%	1,268,093	4.3%
Nketoana	25,165	2.8%	17,768	2.0%	16,927	1.9%	823,738	93.2%	883,599	3.0%
Maluti a Phofung	43,514	2.0%	32,733	1.5%	39,917	1.8%	2,044,380	94.6%	2,160,545	7.4%
Phumelela	(2,455)	-0.6%	5,615	1.3%	5,791	1.4%	418,518	97.9%	427,469	1.5%
Mantsopa	16,875	2.1%	14,245	1.8%	14,017	1.8%	743,720	94.3%	788,857	2.7%
Thabo Mofutsanyana District	-	0.0%	-	0.0%	-	0.0%	4,177	100.0%	4,177	0.0%
DC 19 Total	181,242	3.0%	111,537	1.8%	115,397	1.9%	5,723,986	93.3%	6,133,962	20.9%
Moqhaka	48,580	4.3%	20,828	2.1%	20,828	1.9%	1,026,918	91.7%	1,119,251	3.8%
Ngwathe	74,836	7.9%	29,172	3.1%	844,112	89.0%	-	0.0%	948,119	3.2%
Metsimaholo	168,438	7.0%	79,420	3.3%	48,596	2.0%	2,101,966	87.6%	2,398,420	8.2%
Mafube*	30,825	3.4%	14,324	1.6%	14,534	1.6%	846,764	93.4%	906,447	3.1%
Fezile Dabi	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
DC 16 Total	322,678	6.0%	145,870	2.7%	928,070	17.3%	3,975,648	74.0%	5,372,267	18.3%
<b>Total Debt</b>	<b>1,713,956</b>	<b>5.8%</b>	<b>645,809</b>	<b>2.2%</b>	<b>1,594,797</b>	<b>5.4%</b>	<b>25,351,192</b>	<b>86.5%</b>	<b>29,305,755</b>	<b>100.0%</b>

\*M10

## 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	335,667	2.6%	190,607	1.5%	206,053	1.6%	11,943,140	94.2%	12,675,467	60.2%
Bulk Water	277,444	4.4%	74,337	1.2%	87,785	1.4%	5,876,239	93.0%	6,315,804	30.0%
PAYE deductions	15,330	50.8%	1,941	6.4%	1,723	5.7%	11,162	37.0%	30,156	0.1%
VAT (output less input)	2,235	100.0%	–	0.0%	–	0.0%	–	0.0%	2,235	0.0%
Pensions / Retirement	23,384	6.5%	3,927	1.1%	6,421	1.8%	324,962	90.6%	358,694	1.7%
Loan repayments	51,444	83.7%	828	1.3%	1,656	2.7%	7,529	12.3%	61,457	0.3%
Trade Creditors	370,983	29.6%	64,330	5.1%	61,533	4.9%	755,519	60.3%	1,252,365	5.9%
Auditor General	1,717	3.5%	273	0.6%	(661)	-1.4%	47,124	97.3%	48,453	0.2%
Other	6,899	2.2%	27,549	8.7%	677	0.2%	282,920	89.0%	318,046	1.5%
<b>Total Debt</b>	<b>1,085,103</b>	<b>5.2%</b>	<b>363,791</b>	<b>1.7%</b>	<b>365,187</b>	<b>1.7%</b>	<b>19,248,595</b>	<b>91.4%</b>	<b>21,062,675</b>	<b>100.0%</b>

## 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	446,618	83.6%	36,167	6.8%	13,476	2.5%	38,197	7.1%	534,457	2.5%
Letsemeng	(668)	-0.5%	(96)	-0.1%	(6,088)	-4.7%	135,488	105.3%	128,636	0.6%
Kopanong	7,292	1.0%	12,624	1.7%	11,751	1.6%	721,781	95.8%	753,449	3.6%
Mohokare	125,587	100.0%	–	0.0%	–	0.0%	–	0.0%	125,587	0.6%
Xhariep District	(350)	-6.4%	(441)	-8.1%	(531)	-9.7%	6,773	124.3%	5,451	0.0%
<b>DC 16 Total</b>	<b>131,861</b>	<b>13.0%</b>	<b>12,087</b>	<b>1.2%</b>	<b>5,132</b>	<b>0.5%</b>	<b>864,042</b>	<b>85.3%</b>	<b>1,013,123</b>	<b>4.8%</b>
Masilonyana	–	0.0%	1,448	1.8%	73	0.1%	79,129	98.1%	80,651	0.4%
Tokologo	400	1.7%	735	3.1%	3,839	16.0%	18,999	79.2%	23,974	0.1%
Tswelopele	125,241	100.0%	–	0.0%	–	0.0%	–	0.0%	125,241	0.6%
Matjhabeng	151,976	1.6%	57,801	0.6%	159,483	1.7%	9,272,834	96.2%	9,642,094	45.8%
Nala	46,247	5.5%	9,628	1.1%	19,867	2.3%	771,630	91.1%	847,373	4.0%
Lejweleputswa District	15	100.0%	–	0.0%	–	0.0%	–	0.0%	15	0.0%
<b>DC 18 Total</b>	<b>323,880</b>	<b>3.0%</b>	<b>69,612</b>	<b>0.6%</b>	<b>183,264</b>	<b>1.7%</b>	<b>10,142,592</b>	<b>94.6%</b>	<b>10,719,348</b>	<b>50.9%</b>
Setsoetsotso	25,967	100.0%	–	0.0%	–	0.0%	–	0.0%	25,967	0.1%
Dihlabeng	27,705	3.1%	25,646	2.9%	20,789	2.4%	809,097	91.6%	883,236	4.2%
Nketoana	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Maluti a Phofung	2,533	0.1%	138,120	3.7%	72,156	1.9%	3,538,355	94.3%	3,751,164	17.8%
Phumelela	431	0.1%	717	0.2%	2,036	0.7%	294,991	98.9%	298,175	1.4%
Mantsopa	79	0.0%	5,506	1.3%	6,913	1.7%	398,074	97.0%	410,572	1.9%
Thabo Mofutsanyana District	1,475	59.3%	–	0.0%	–	0.0%	1,011	40.7%	2,486	0.0%
<b>DC 19 Total</b>	<b>58,189</b>	<b>1.1%</b>	<b>169,989</b>	<b>3.2%</b>	<b>101,895</b>	<b>1.9%</b>	<b>5,041,528</b>	<b>93.9%</b>	<b>5,371,601</b>	<b>25.5%</b>
Mogale City	48,304	6.4%	29,346	3.9%	31,846	4.2%	646,174	85.5%	755,670	3.6%
Ngwenyane	62,015	3.4%	40,810	2.3%	15,792	0.9%	1,681,377	97.4%	1,799,994	8.5%
Metsimaholo	6,836	8.3%	869	1.1%	2,039	2.5%	72,841	88.2%	82,585	0.4%
Mafube	7,632	1.0%	4,910	0.6%	11,744	1.5%	761,844	96.9%	786,130	3.7%
Fezile Dabi	(232)	100.0%	–	0.0%	–	0.0%	–	0.0%	(232)	0.0%
<b>DC 20 Total</b>	<b>124,555</b>	<b>3.6%</b>	<b>75,936</b>	<b>2.2%</b>	<b>61,421</b>	<b>1.8%</b>	<b>3,162,236</b>	<b>92.4%</b>	<b>3,424,147</b>	<b>16.3%</b>
<b>Total Debt</b>	<b>1,085,103</b>	<b>5.2%</b>	<b>363,791</b>	<b>1.7%</b>	<b>365,187</b>	<b>1.7%</b>	<b>19,248,595</b>	<b>91.4%</b>	<b>21,062,675</b>	<b>100.0%</b>

## 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	%
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates	3,001,498	2,849,671	744,020	770,751	495,927	325,835	236,892		562,727	2,573,425	90.3%
Service charges - electricity revenue	6,340,190	6,519,433	940,894	1,806,750	1,231,867	413,670	304,165		717,835	4,697,346	72.1%
Service charges - water revenue	2,842,665	2,788,021	702,779	711,174	668,033	168,388	208,441		376,829	2,458,815	88.2%
Service charges - sanitation revenue	1,177,820	1,098,957	267,774	267,258	279,963	96,305	90,406		186,711	1,001,706	91.2%
Service charges - refuse revenue	718,849	709,820	160,269	163,778	176,822	60,926	55,785		116,711	617,580	87.0%
Rental of facilities and equipment	75,225	81,377	21,085	1,236	19,241	6,556	6,826		13,382	75,763	93.1%
Interest earned - external investments	56,787	58,730	6,262	1,236	(5,566)	6,451	5,746		12,197	14,129	24.1%
Interest earned - outstanding debtors	1,042,146	1,062,949	188,562	339,061	301,828	112,572	115,392		227,964	1,057,414	99.5%
Dividends received	6,246	6,251	156	280	437	130	132		262	1,135	18.2%
Fines, penalties and forfeits	111,530	87,332	9,269	8,634	8,728	4,922	3,917		8,839	35,470	40.6%
Licences and permits	901	705	352	364	558	133	138		271	1,545	219.3%
Transfers and subsidies	4,722,321	4,788,570	1,792,495	967,059	1,616,847	91,005	57,271		148,276	4,524,677	94.5%
Other revenue	1,678,860	1,553,954	218,125	186,021	197,619	86,184	31,978		118,163	719,927	46.3%
Gains	60,001	64,801	(3,498)	2,505	669	73	46		119	(206)	-0.3%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>21,835,041</b>	<b>21,670,572</b>	<b>5,048,544</b>	<b>5,246,928</b>	<b>4,992,973</b>	<b>1,373,150</b>	<b>1,117,134</b>	<b>-</b>	<b>2,490,284</b>	<b>17,778,728</b>	<b>82.0%</b>
<b>Expenditure By Type</b>											
Employee related costs	6,703,173	6,792,303	1,485,303	2,020,426	1,259,273	727,756	580,948		1,308,703	6,073,706	89.4%
Remuneration of councillors	342,853	333,662	73,723	75,684	52,861	30,938	23,981		54,919	257,187	77.1%
Debt impairment	2,807,136	2,532,808	354,511	334,155	341,618	106,697	108,534		215,230	1,245,514	49.2%
Depreciation and asset impairment	1,323,996	1,149,331	18,329	440,481	276,400	82,953	404		83,357	818,566	71.2%
Finance charges	710,869	640,338	45,008	181,348	42,320	69,377	15,111		84,488	353,164	55.2%
Bulk purchases - electricity	4,965,745	4,774,722	1,015,867	1,102,175	801,874	498,415	278,324		776,739	3,696,655	74.4%
Inventory consumed	1,930,510	1,855,212	243,947	505,534	380,882	118,170	134,946		253,116	1,383,479	74.6%
Contracted services	1,501,749	2,014,893	269,736	513,751	431,156	112,954	81,682		194,635	1,409,278	69.9%
Transfers and subsidies	223,799	235,630	15,009	9,139	62,806	17,925	18,817		36,742	123,697	52.5%
Other expenditure	1,311,551	1,558,823	275,018	436,871	316,150	83,258	71,943		155,200	1,183,240	75.9%
Losses	306,425	306,614	(541)	9,170	8,227	2,775	590		3,364	20,220	6.6%
<b>Total Expenditure</b>	<b>22,127,805</b>	<b>22,194,536</b>	<b>3,795,910</b>	<b>5,628,734</b>	<b>3,973,567</b>	<b>1,851,217</b>	<b>1,315,278</b>	<b>-</b>	<b>3,166,495</b>	<b>16,564,706</b>	<b>74.6%</b>
<b>Surplus/(Deficit)</b>	<b>(292,764)</b>	<b>(523,964)</b>	<b>1,252,634</b>	<b>(381,808)</b>	<b>1,019,406</b>	<b>(478,067)</b>	<b>(198,144)</b>	<b>-</b>	<b>(676,211)</b>	<b>1,214,021</b>	<b>-231.7%</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,551,222	2,571,162	205,086	591,323	428,041	(51,127)	(42,647)		(93,774)	1,130,675	24.9%
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	44		352	3,234	82.0%
Transfers and subsidies - capital (in-kind - all)	50,314	90,168		28,598	18,843		26,520		26,520	73,961	112.6%
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>2,321,772</b>	<b>2,150,385</b>	<b>1,458,846</b>	<b>239,008</b>	<b>1,467,151</b>	<b>(528,887)</b>	<b>(214,227)</b>	<b>-</b>	<b>(743,114)</b>	<b>2,421,891</b>	<b>112.6%</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>	<b>2,321,772</b>	<b>2,150,385</b>	<b>1,458,846</b>	<b>239,008</b>	<b>1,467,151</b>	<b>(528,887)</b>	<b>(214,227)</b>	<b>-</b>	<b>(743,114)</b>	<b>2,421,891</b>	<b>112.6%</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,321,772</b>	<b>2,150,385</b>	<b>1,458,846</b>	<b>239,008</b>	<b>1,467,151</b>	<b>(528,887)</b>	<b>(214,227)</b>	<b>-</b>	<b>(743,114)</b>	<b>2,421,891</b>	<b>112.6%</b>
Share of surplus/ (deficit) of associate											
<b>Surplus/(Deficit) for the year</b>	<b>2,321,772</b>	<b>2,150,385</b>	<b>1,458,846</b>	<b>239,008</b>	<b>1,467,151</b>	<b>(528,887)</b>	<b>(214,227)</b>	<b>-</b>	<b>(743,114)</b>	<b>2,421,891</b>	<b>112.6%</b>

## Annexure F – Operating Revenue per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Property Rates Billed	Service Charges			Interest Earned: Outstanding Debtors	Transfers Recognised	Other Revenue Generated
						Electricity Billed	Water Billed	Sanitation Billed			
						Refuse Removal Billed					
Mangaung Metro	8,073,601	7,980,003	7,073,768	88.6%	1,271,731	2,528,732	366,427	964,822	316,416	931,375	556,682
Letsemeng	170,335	179,860	109,246	60.7%	15,390	24,333	10,933	6,008	21,465	38,484	(18,012)
Kopanong	333,865	323,948	310,964	96.0%	40,900	76,868	23,059	49,650	(0)	100,477	2,071
Mohokare	233,544	204,594	116,098	56.7%	9,783	-	6,816	54,296	15,302	24,923	910
Xhariep District	63,471	63,285	53,048	83.8%	-	-	-	-	-	51,632	1,416
<b>DC 16 Total</b>	<b>801,216</b>	<b>771,687</b>	<b>589,356</b>	<b>76.4%</b>	<b>66,073</b>	<b>101,200</b>	<b>40,807</b>	<b>109,954</b>	<b>36,767</b>	<b>215,516</b>	<b>(13,616)</b>
Masilonyana	326,771	327,071	161,376	49.3%	58,133	23,804	24,684	39,987	126	-	667
Tokologo	135,703	136,083	43,887	32.3%	6,919	2,535	10,511	1,235	14,185	757	776
Tswelopele	174,796	180,618	171,487	94.9%	25,636	42,564	4,989	4,989	2,946	79,679	4,674
Matjhabeng	3,527,317	3,427,217	2,541,634	74.2%	406,674	631,210	161,071	379,103	234,018	542,659	89,497
Nala	540,928	530,741	379,942	71.6%	20,790	82,087	32,206	44,930	36,659	134,455	7,963
Lejweputswa District	147,955	149,344	143,850	96.3%	-	-	-	-	310	140,138	3,401
<b>DC 18 Total</b>	<b>4,853,469</b>	<b>4,751,074</b>	<b>3,442,175</b>	<b>72.5%</b>	<b>518,151</b>	<b>782,200</b>	<b>235,901</b>	<b>470,245</b>	<b>288,244</b>	<b>897,688</b>	<b>106,978</b>
Setsoiso	576,399	577,149	541,068	93.7%	59,343	85,039	34,392	60,803	31,399	216,782	8,992
Dihlabeng	863,521	884,024	762,868	86.3%	125,863	209,655	48,389	63,592	53,414	201,674	10,824
Nketoana	386,789	417,409	402,806	96.5%	14,869	66,337	23,626	58,815	87,811	106,113	23,131
Maluti a Phofung	1,800,467	1,744,108	1,202,221	68.9%	104,321	58,383	39,809	92,515	26,248	765,279	77,067
Phumelela	167,557	172,823	142,176	82.3%	15,826	580	11,063	8,817	19,149	72,708	3,803
Mantsopa	335,414	335,414	119,339	35.6%	11,731	25,983	17,641	14,860	35,757	471	711
Thabo Mofutsanyana	155,228	171,781	170,536	99.3%	-	-	-	-	-	138,643	31,892
<b>DC 19 Total</b>	<b>4,285,375</b>	<b>4,302,709</b>	<b>3,341,019</b>	<b>77.6%</b>	<b>331,954</b>	<b>445,977</b>	<b>174,919</b>	<b>299,401</b>	<b>253,780</b>	<b>1,501,671</b>	<b>156,419</b>
Moqhaka	1,019,732	1,040,460	838,380	80.6%	68,202	308,131	49,613	113,960	27,159	221,418	15,656
Ngwathe	882,440	846,535	726,397	85.8%	102,431	226,252	51,811	64,318	41,204	197,176	3,180
Metimaholo	1,500,657	1,543,266	1,293,255	83.8%	193,886	304,854	62,052	402,408	55,211	220,029	16,552
Mafube	240,786	256,315	299,723	116.9%	20,998	0	20,176	33,708	38,634	168,238	2,824
Fezile Dabi	177,765	178,522	174,654	97.8%	-	-	-	-	-	171,566	3,088
<b>DC 20 Total</b>	<b>3,821,380</b>	<b>3,865,099</b>	<b>3,332,409</b>	<b>86.2%</b>	<b>385,517</b>	<b>839,236</b>	<b>183,652</b>	<b>614,394</b>	<b>162,207</b>	<b>978,428</b>	<b>41,300</b>
<b>Total</b>	<b>21,835,041</b>	<b>21,670,572</b>	<b>17,778,728</b>	<b>82.0%</b>	<b>2,573,425</b>	<b>4,697,346</b>	<b>1,001,706</b>	<b>2,458,815</b>	<b>1,057,414</b>	<b>4,524,677</b>	<b>847,763</b>

Source: NT Local Government Database

## Annexure G – Operating Expenditure per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Employee Related Cost	Remuneration of Councillors	Debt Impairment	Depreciation & Asset Impairment	Bulk Purchases	Other Expenditure
Mangaung Metro	7,450,829	7,441,806	7,154,132	96.1%	2,131,051	60,595	864,174	746,562	1,823,343	1,528,408
Letsemeng	218,222	230,021	117,451	51.1%	58,037	3,919	128	20	21,192	34,154
Kopanong	414,918	396,266	277,510	70.0%	128,805	4,623	-	-	56,044	88,037
Mohokare	230,593	234,156	76,464	32.7%	54,592	3,228	-	-	1,324	17,321
Xhariep District	62,985	62,315	52,862	84.8%	44,523	4,050	-	605	-	3,684
<b>DC 16 Total</b>	<b>926,718</b>	<b>922,757</b>	<b>524,287</b>	<b>56.8%</b>	<b>285,957</b>	<b>15,821</b>	<b>128</b>	<b>624</b>	<b>78,561</b>	<b>143,196</b>
Masilonyana	366,799	373,984	1,919	0.5%	63	-	-	-	-	1,856
Tokologo	136,009	162,390	91,076	56.1%	47,893	3,397	121	-	3,526	36,139
Tswelopele	206,711	213,598	164,926	77.2%	66,301	5,466	158	-	34,529	58,472
Matjhabeng	3,499,848	3,230,972	1,673,304	51.8%	752,442	14,921	5,861	-	100,757	799,324
Nala	527,274	530,741	332,281	62.6%	145,734	7,252	-	-	70,659	108,635
Lejweleputswa District	181,251	179,567	149,659	83.3%	100,599	9,199	-	3,770	-	36,092
<b>DC 18 Total</b>	<b>4,917,892</b>	<b>4,691,252</b>	<b>2,413,166</b>	<b>51.4%</b>	<b>1,113,032</b>	<b>40,235</b>	<b>6,140</b>	<b>3,770</b>	<b>209,471</b>	<b>1,040,518</b>
Setsofso	634,745	663,277	412,594	62.2%	197,808	11,626	44,771	-	81,700	76,689
Dihlabeng	819,557	840,884	669,444	79.6%	304,542	15,353	35,695	66,816	91,349	155,688
Nketoana	416,243	445,958	359,659	80.6%	159,453	6,614	29,516	-	65,825	98,250
Maluti a Phofung	2,504,011	2,670,547	1,929,917	72.3%	613,962	26,101	4,117	-	728,874	556,863
Phumelela	168,583	173,875	148,013	85.1%	72,403	5,673	-	-	18,380	51,557
Mantsopa	313,588	309,005	132,627	42.9%	72,714	5,040	-	-	30,313	24,560
Thabo Mofutsanyana	151,644	173,835	140,006	80.5%	73,643	8,560	-	-	-	57,803
<b>DC 19 Total</b>	<b>5,008,369</b>	<b>5,277,382</b>	<b>3,792,260</b>	<b>71.9%</b>	<b>1,494,525</b>	<b>78,967</b>	<b>114,099</b>	<b>66,816</b>	<b>1,016,441</b>	<b>1,021,411</b>
Moghaka	998,410	1,029,371	552,858	53.7%	302,706	17,852	2,327	17	19,272	210,684
Ngwathe	902,413	866,508	700,306	80.8%	240,223	14,255	-	-	282,746	163,081
Metsimaholo	1,499,194	1,529,183	1,105,991	72.3%	304,479	17,424	253,888	-	266,821	263,379
Mafube	228,603	244,641	167,164	68.3%	97,395	5,624	4,757	-	-	59,387
Fezile Dabi	195,376	191,637	148,543	80.64%	104,338	6,414	-	777	-	43,014
<b>DC 20 Total</b>	<b>3,823,997</b>	<b>3,861,340</b>	<b>2,680,862</b>	<b>69.4%</b>	<b>1,049,141</b>	<b>61,569</b>	<b>260,973</b>	<b>794</b>	<b>568,839</b>	<b>739,546</b>
<b>Total</b>	<b>22,127,805</b>	<b>22,194,536</b>	<b>16,564,706</b>	<b>74.6%</b>	<b>6,073,706</b>	<b>257,187</b>	<b>1,245,514</b>	<b>818,566</b>	<b>3,696,655</b>	<b>4,473,079</b>

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	%
<b>R thousands</b>											
<b>Capital Expenditure - Functional</b>											
<i>Municipal governance and administration</i>	161,060	159,197	19,486	25,526	38,640	16,828	28,561	-	45,389	129,041	81.1%
Executive and council	55,596	41,844	3,377	5,568	5,302	7,471	8,197		15,667	29,915	71.5%
Finance and administration	105,464	117,338	16,108	19,943	33,338	9,358	20,364		29,722	99,111	84.5%
Internal audit		15		15						15	
<i>Community and public safety</i>	491,553	473,154	13,501	46,085	42,792	23,009	(14,593)	-	8,416	110,793	23.4%
Community and social services	39,370	33,585	37	4,026	3,351	4,138	667		4,805	12,219	36.4%
Sport and recreation	64,783	59,823	4,541	8,783	2,501	5,693	2,222		7,914	23,740	39.7%
Public safety	32,605	32,175	1	205	1,063	1,216	4		1,220	2,490	7.7%
Housing	354,146	345,922	8,884	33,070	35,876	11,938	(17,486)		(5,548)	72,283	20.9%
Health	650	1,650	37			24			24	62	3.7%
<i>Economic and environmental services</i>	609,747	643,182	114,326	131,903	62,499	9,430	25,287	-	34,717	343,445	53.4%
Planning and development	107,892	112,637	20,940	11,588	7,648	2,095	1,185		3,280	43,457	38.6%
Road transport	500,705	529,396	93,386	120,315	54,851	7,335	24,102		31,437	299,989	56.7%
Environmental protection	1,150	1,150									
<i>Trading services</i>	1,917,240	1,956,685	201,807	346,947	194,101	68,659	76,129	-	144,788	887,642	45.4%
Energy sources	387,558	417,589	26,666	91,843	34,084	19,934	12,275		32,209	184,802	44.3%
Water management	959,777	971,897	105,249	135,950	94,310	35,425	27,619		63,043	398,553	41.0%
Waste water management	520,079	538,381	66,850	117,367	64,511	13,300	36,235		49,536	298,264	55.4%
Waste management	49,826	28,818	3,041	1,787	1,196					6,024	20.9%
<i>Other</i>	12,070	9,455		30	998		193		193	1,220	12.9%
<b>Total Capital Expenditure - Functional</b>	<b>3,191,669</b>	<b>3,241,673</b>	<b>349,119</b>	<b>550,490</b>	<b>339,031</b>	<b>117,927</b>	<b>115,576</b>	<b>-</b>	<b>233,502</b>	<b>1,472,142</b>	<b>45.4%</b>
<b>Funded by</b>											
National Government	2,611,136	2,655,928	312,041	465,298	270,856	78,807	(19,632)		59,175	1,107,371	42.4%
Provincial Government	10,167	10,167	3,154				103,186		103,186	106,340	
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educ Institutions)	13,000	13,000	1,620	6,327	1,071	893	655		1,549	10,567	81.3%
Transfers recognised - capital	2,634,303	2,679,095	316,815	471,625	271,927	79,701	84,210	-	163,910	1,224,277	46.5%
Borrowing	61,713	54,134	11,335	10,235	8,398	2,686	2,239		4,926	34,894	56.5%
Internally generated funds	486,757	494,069	20,061	68,407	56,952	35,523	28,966		64,488	209,909	43.1%
<b>Total Capital Funding</b>	<b>3,182,774</b>	<b>3,227,298</b>	<b>348,211</b>	<b>550,267</b>	<b>337,277</b>	<b>117,910</b>	<b>115,415</b>	<b>-</b>	<b>233,324</b>	<b>1,469,080</b>	<b>46.2%</b>

## 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	Transfers Recognised Capital	Borrowing	Internally generated Funds
Mangaung Metro	1,221,006	1,195,936	637,595	53.3%	115,455	102,269	46,363	–	373,507	491,592	34,826	111,177
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	17,839	22.7%	–	10,477	5,634	–	1,728	17,572	–	268
Xhariep District	486	970	108	11.1%	–	–	–	–	108	–	–	108
<b>DC 16 Total</b>	<b>196,223</b>	<b>193,302</b>	<b>29,026</b>	<b>15.0%</b>	<b>507</b>	<b>18,636</b>	<b>7,495</b>	<b>166</b>	<b>2,222</b>	<b>27,971</b>	<b>–</b>	<b>1,055</b>
Masilonyana	35,148	37,448	2,808	7.5%	–	–	–	–	2,808	–	–	2,808
Tokologo	137,132	136,332	55,026	40.4%	–	49,235	–	–	5,792	55,026	–	–
Tswelopele	30,182	31,442	3,017	9.6%	–	78	990	–	1,949	944	–	1,948
Matjhabeng	157,833	159,213	72,466	45.5%	2,096	6,189	36,878	–	27,302	56,747	–	15,718
Nala	42,673	44,673	31,496	70.5%	–	8,175	–	–	23,321	31,496	–	–
Lejweputswa District	13,150	13,150	4,390	33.4%	–	–	–	–	4,390	–	–	4,390
<b>DC 18 Total</b>	<b>416,118</b>	<b>422,259</b>	<b>169,203</b>	<b>40.1%</b>	<b>2,096</b>	<b>63,677</b>	<b>37,867</b>	<b>–</b>	<b>65,562</b>	<b>144,214</b>	<b>–</b>	<b>24,865</b>
Setsotho	204,601	202,915	101,572	50.1%	9,077	81,004	11,095	22	376	92,082	68	9,056
Ditlabeng	122,361	121,537	53,100	43.7%	2,767	3,363	–	–	46,970	29,454	–	23,645
Nketoana	51,621	51,621	30,055	58.2%	–	10,490	18,540	–	1,025	30,055	–	–
Maluti a Phofung	266,961	284,959	165,975	58.2%	35,477	29,899	70,775	–	29,824	152,610	–	13,365
Phumelela	60,293	63,219	25,340	42.1%	1,692	4,938	14,602	–	4,108	25,340	–	–
Mantsopa	43,045	46,311	20,882	45.1%	3,754	4,930	5,097	1,726	5,375	13,204	–	7,678
Thabo Mofutsanyana	3,626	8,600	2,458	28.6%	–	–	–	–	2,458	–	–	–
<b>DC 19 Total</b>	<b>752,508</b>	<b>779,162</b>	<b>399,382</b>	<b>51.3%</b>	<b>52,766</b>	<b>134,625</b>	<b>120,108</b>	<b>1,748</b>	<b>90,136</b>	<b>342,746</b>	<b>68</b>	<b>53,744</b>
Moghaka	79,058	80,818	37,580	46.5%	296	9,696	8,354	2,609	16,625	32,413	–	5,052
Ngwathe	157,404	169,340	70,921	41.9%	2,296	46,232	10,208	1,500	10,685	66,515	–	4,407
Metsimaholo	259,034	290,641	98,867	34.0%	6,896	4,072	67,869	–	20,030	95,005	–	3,863
Mafube	109,689	105,089	27,677	26.3%	4,490	19,347	–	–	3,841	23,822	–	3,855
Fezile Dabi	630	5,126	1,891	36.89%	–	–	–	–	1,891	–	–	1,891
<b>DC 20 Total</b>	<b>605,814</b>	<b>651,014</b>	<b>236,937</b>	<b>36.4%</b>	<b>13,978</b>	<b>79,346</b>	<b>86,431</b>	<b>4,110</b>	<b>53,073</b>	<b>217,755</b>	<b>–</b>	<b>19,068</b>
<b>Total</b>	<b>3,191,669</b>	<b>3,241,673</b>	<b>1,472,142</b>	<b>45.4%</b>	<b>184,802</b>	<b>398,553</b>	<b>298,264</b>	<b>6,024</b>	<b>584,500</b>	<b>1,224,277</b>	<b>34,894</b>	<b>209,909</b>

Source: NT Local Government Database