



treasury

Department of  
Treasury  
FREE STATE PROVINCE

CONSOLIDATED MUNICIPAL BUDGET  
PERFORMANCE REPORT  
FOR THE PERIOD ENDING  
31 MAY 2023



## TABLE OF CONTENTS

A.	Methodology and Approach of this Report	3
B.	Purpose Of Report	3
C.	Compliance Monitoring with Laws & Regulations	4
D.	Overview of the Free State Municipal Budget Performance	7
	1. Financial Health	
	- Debtors	7
	- Creditors	8
	- Cash Flow	10
	2. Financial Performance	
	- Revenue Generated	12
	- Operating Expenditure	13
	- Capital Expenditure	14
	- Repairs & Maintenance	15
	3. Conditional Grants	17
	4. Assistance Provided and Other MFMA related matters	18
E.	Recommendations & Conclusion	19
	Annexures	
	- A : Debtors Age Analysis	21
	- B : Debtors Age Analysis per Municipality	21
	- C : Creditors Age Analysis	22
	- D : Creditors Age Analysis per Municipality	22
	- E : Financial Performance	23
	- F : Operating Revenue per Municipality	24
	- G : Operating Expenditure per Municipality	25
	- H : Capital Expenditure and Source of Finance	26
	- I : Capital Expenditure and Source of Finance per Municipality	27

## A. METHODOLOGY AND APPROACH OF THIS REPORT

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

- Provincial Treasury uses the National Treasury Local Government Database as the primary source of data in the analysis of this report. It should be noted that the quality of this report largely depends on the credibility of the information contained in the reports submitted by municipalities.
- 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 provide a review of the implementation of the 2022/2023 Medium Term Revenue & Expenditure Framework (MTREF) of the 23 municipalities in Free State as at **31 May 2023** as per Section 71(6) 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 consolidated report focuses on the status of compliance, operating revenue, operating expenditure, capital expenditure and funding, grant reporting, cash flow position, debtors and creditors as per the reporting requirement set out in Section 71(1) of the MFMA.

The report covers the following:

- 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) Section 71 of the MFMA requires all municipalities to submit monthly budget statements to the Provincial Treasury within 10 working days after the end of each month in a prescribed format and in accordance with the Municipal Budget and Reporting Regulations (MBRR).
- b) Municipalities were required to submit the following monthly mSCOA data strings for the period under review:
- Monthly In-Year (M11)
  - Creditors (CR11)
  - Debtors (DB11)
- c) The compliance rate for the financial data strings for May 2023 remained at 91.3%; two municipalities (**Mohokare and Moqhaka**) failed to submit the data strings for May 2023. However, it was noted that 8 municipalities (**Kopanong, Masilonyana, Matjhabeng, Nala, Setsoto, Maluti a Phofung, Phumelela and Mantsopa**) submitted the financial data strings after the 10<sup>th</sup> working day, contrary to the legislated requirement.
- d) The submission of the creditors data string decreased to 91.3%, two municipalities (**Mohokare and Moqhaka**) failing to submit the information, whilst the debtors data strings remained on 95.65% with only **Mohokare municipality** not complying. A non-compliance letter was issued to the municipality in this regard.
- e) For the 2022/23 Adjustment Budget data strings, Nala municipality failed to submit the required data strings (financial and project details) whilst Nketoana municipality failed to submit the project details data string.
- g) Municipalities are also required to upload monthly reporting documents to the GoMuni portal. The monthly reporting tables (C-schedule) should be extracted directly from the financial system in PDF format and uploaded. This schedule should also be submitted to the Council. Nine municipalities (**Kopanong, Mohokare, Tokologo, Matjhabeng, Nala, Dihlabeng, Maluti a Phofung, Mantsopa, Moqhaka and Mafube**) did not comply with this requirement at the time of reporting.

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
Mangaung	Green	Green	Green	Green	Green	Green	Green	Green
Letsemeng	Green	Green	Green	Green	Green	Green	Green	Green
Kopanong	Green	Green	Green	Green	Green	Green	Green	Red
Mohokare	Green	Green	Green	Green	Red	Red	Red	Red
Xhariep	Green	Green	Green	Green	Green	Green	Green	Green
Masilonyana	Green	Green	Green	Green	Green	Green	Green	Green
Tokologo	Green	Green	Green	Green	Green	Green	Green	Red
Tswelopele	Green	Green	Green	Green	Green	Green	Green	Green
Matjhabeng	Green	Green	Green	Green	Green	Green	Green	Red
Nala	Green	Green	Red	Red	Green	Green	Green	Red
Lejweleputswa	Green	Green	Green	Green	Green	Green	Green	Green
Setsoto	Green	Green	Green	Green	Green	Green	Green	Red
Dihlabeng	Green	Green	Green	Green	Green	Green	Green	Red
Nketoana	Green	Green	Green	Red	Green	Green	Green	Green
Maluti a Phofung	Green	Green	Green	Green	Green	Green	Green	Red
Phumelela	Green	Green	Green	Green	Green	Green	Green	Green
Mantsopa	Green	Green	Green	Green	Green	Green	Green	Red
Thabo Mofutsanyana	Green	Green	Green	Green	Green	Green	Green	Green
Moqhaka	Green	Green	Green	Green	Red	Red	Green	Red
Ngwathe	Green	Green	Green	Green	Green	Green	Green	Green
Metsimaholo	Green	Green	Green	Green	Green	Green	Green	Green
Mafube	Green	Green	Green	Green	Green	Green	Green	Red
Fezile Dabi	Green	Green	Green	Green	Green	Green	Green	Green

Source: LGDB as at 22 June 2023

Legend:

Successful	Green	1st Phase error	Orange	2nd Phase error	Yellow	Outstanding	Red
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h) 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.

Segment Usage (data string analysis)

i) The following exceptions remains commonly found during the analysis of the data strings and it impacts on :

Revenue	<ul style="list-style-type: none"> <li>- Transactions recorded on line items without budget</li> <li>- Property rates are not split according to all property categories in terms of the MPRA</li> <li>- Free basic services are not budgeted and expensed correctly</li> </ul>
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	- Correct funding source not used
Expenditure	- Transactions recorded on line items without budgets - Use of one funding source for all expenditure (i.e equitable share or property rates) - Depreciation not split according to all asset classifications as per the asset register and not expensed monthly - Bulk water purchases not budgeted or expensed as inventory
Capital Expenditure	- Transactions recorded on line items without budgets
Conditional Grants	- Grant receipts not recorded under current liabilities (unspent grants) as per GRAP 23. <i>m</i> SCOA Circular 13 was issued as guidance for the correct recording of grants.
Cash Flow	- Cash flow mapping not correct. Cash flow statement compiled by transactions using a combination of the item and funding segments.

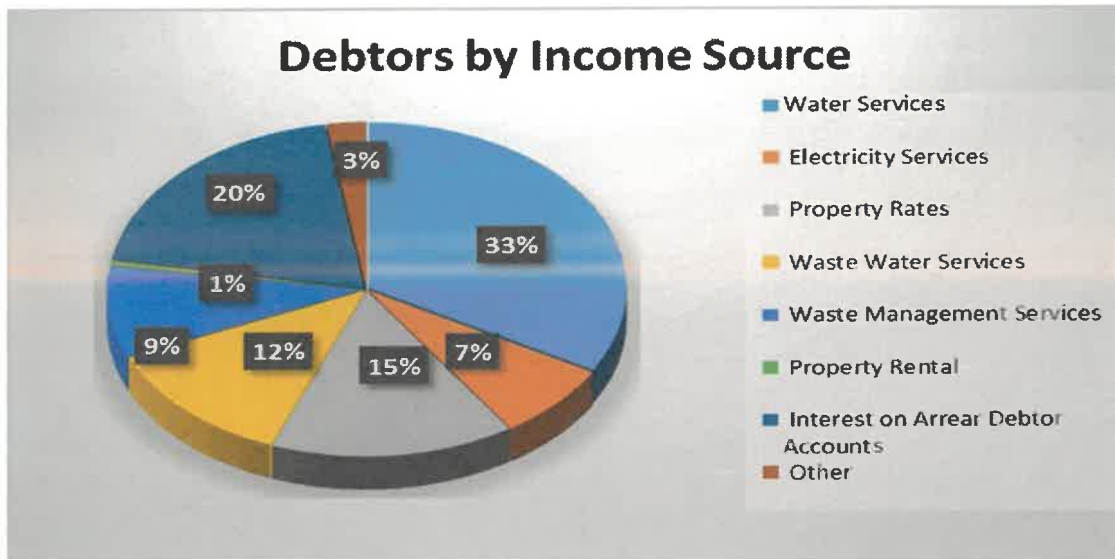
- j) Provincial Treasury provides support and assistance to municipalities on the identification and correction of errors on the data strings on a continuous basis through internal monitoring tools. National Treasury have invited the municipalities and system vendors to attend *m*SCOA Master Classes to also improve on the quality of data reported.

## D. OVERVIEW OF FREE STATE MUNICIPAL BUDGET PERFORMANCE

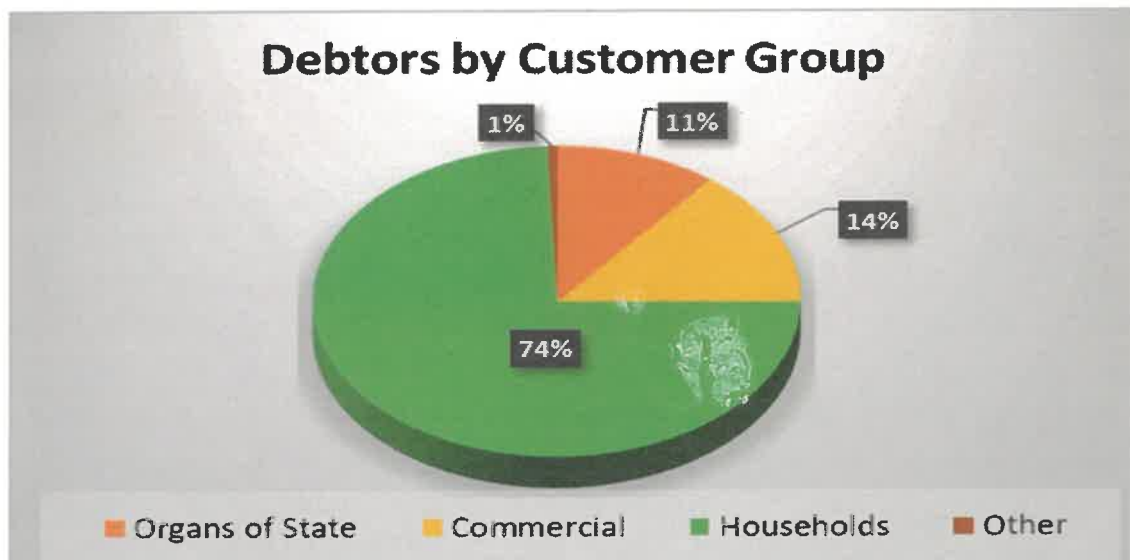
### 1. FINANCIAL HEALTH

#### 1.1 DEBTORS

- 1.1.1 Aggregated debtors as at 31 May 2023 amounted to R33.829 billion having **decreased** with R0.639 billion from the previous month (*Apr 2023: R34.468 billion*). Annexure A and B provides the summary and breakdown of the outstanding debtors per income source. The municipal debt has grown substantially for debtors exceeding 90 days due to declining collection rates.
- 1.1.2 88.4 Per cent (R29.881 billion) of the total debt owed to municipalities are outstanding for longer than 90 days and the majority of the debt is owed by households with R25.123 billion, commercial with R4.850 billion and organs of state with R3.635 billion.
- 1.1.3 The norm for **the net debtors' day's ratio is 30 days** and the ratio provides information about consumer payment patterns and how well the municipality manages its debtors. If the ratio is above the norm, it is indicative that the municipality is experiencing challenges in the collection of outstanding amounts due to it and exposes the municipality to significant cash flow risks. The late payment of municipal bills is as a result of a municipality's **failure to implement municipal credit control and debt collection systems**. In terms of the information submitted, the average debtors' day's ratio is 340 days.
- 1.1.4 Although 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), the **debt is increasing on a monthly basis**. The increase in the outstanding debt is a clear indication that credit control and debt collection processes are not implemented by municipalities in the Province.
- 1.1.5 *Water services* remains the largest contributor to the total outstanding debt and amounts to R11.269 billion (33.3 per cent), followed by *interest on arrear debtor accounts* amounting to R6.651 billion (19.7 per cent). Debt relating to *property rates* contribute 15.2 per cent (R5.156 billion) to the total outstanding debt, whilst *waste water services* accounts for 12.4 per cent (R4.208 billion) of the total debt.
- 1.1.6 *Electricity services* contributes only 7.4 per cent (R2.505 billion) to the total outstanding debt.



1.1.7 The report also show the majority of the debt is owed by *Households*, which contributes 74.3 per cent (R25.123 billion) to the total debt, followed by *Businesses* with 14.3 per cent (R4.850 billion) and *Organs of State* with 10.7 per cent (R3.635 billion).



## 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 R1.048 billion to **R26.397 billion** for the month under review (*Apr 2023: R25.349 billion*). Annexure C and D provides the summary and breakdown of the outstanding creditors per type.

1.2.3 Municipalities are not transacting correctly within the financial systems and therefore the **total outstanding creditors are understated**. Eskom and water boards debt are not reflected correctly on the financial systems.

1.2.4 Payables relating to bulk service providers (Eskom & Water Boards) contribute 87.9 per cent or **R23.214 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, **payment agreements** entered into between the municipalities and bulk service providers **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.);
- Implement cost reflective tariffs; and
- Decrease distribution losses.

1.2.5 According to the report submitted by Eskom in terms of section 41 of the MFMA (April 2023), the following breach notices or legal actions were taken in cases where municipalities defaulted on the payment of their accounts:

Letsemeng	Attachment of the bank account
Mafube	Attachment of the bank account
Mantsopa	Breach notice issued
Masilonyana	Breach notice issued
Matjhabeng	Ongoing litigation
Mohokare	Breach notice issued
Ngwathe	Breach notice issued
Tokologo	Legal process is ongoing
Tswelopele	Breach notice issued / Eskom issued a dispute letter

Eskom is still continuing with other engagements with regard to the outstanding debt with all other municipalities not listed above.

**PAYE and Pension/Retirement Contributions Debt**

1.2.6 Payables relating to 3<sup>rd</sup> parties (i.e PAYE and pensions/retirement contributions) amounted to R528.4 million of which 77.6 per cent 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.

1.2.7 This constitutes an act of financial misconduct in terms of section 171 of the MFMA, and these cases should be investigated by the Disciplinary Boards for investigations. The non-payment may result in the withholding of the equitable share which will place a further financial burden on the 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	6 792	100.0%	–	0.0%	–	0.0%	–	0.0%	6 792	10.8%
Kopanong	1 234	3.9%	1 430	4.5%	1 345	4.2%	27 937	87.5%	31 946	50.6%
Matjhabeng	12 367	100.0%	–	0.0%	–	0.0%	–	0.0%	12 367	19.6%
Nala	13	100.0%	–	0.0%	–	0.0%	–	0.0%	13	0.0%
Ngwathe	7 002	78.9%	805	9.1%	1 063	12.0%	(0)	0.0%	8 871	14.1%
Mafube	2 172	70.2%	194	6.3%	206	6.7%	521	16.8%	3 093	4.9%
<b>Total Debt</b>	<b>29 581</b>	<b>46.9%</b>	<b>2 428</b>	<b>3.8%</b>	<b>2 615</b>	<b>4.1%</b>	<b>28 458</b>	<b>45.1%</b>	<b>63 082</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	%
Mangaung Metro	52 757	100.0%	–	0.0%	–	0.0%	–	0.0%	52 757	11.3%
Kopanong	1 957	1.1%	1 979	1.1%	1 984	1.1%	178 930	96.8%	184 850	39.7%
Mohokare	39	91.7%	–	0.0%	4	8.3%	–	0.0%	43	0.0%
Matjhabeng	28 193	92.1%	2 425	7.9%	–	0.0%	–	0.0%	30 618	6.6%
Nala	4	100.0%	–	0.0%	–	0.0%	–	0.0%	4	0.0%
Ngwathe	3 087	100.0%	–	0.0%	–	0.0%	–	0.0%	3 087	0.7%
Mafube	1 239	0.6%	1 239	0.6%	1 242	0.6%	188 589	98.1%	192 308	41.3%
<b>Total Debt</b>	<b>88 984</b>	<b>19.1%</b>	<b>5 643</b>	<b>1.2%</b>	<b>3 230</b>	<b>0.7%</b>	<b>367 519</b>	<b>79.0%</b>	<b>465 375</b>	<b>100.0%</b>

### 1.3 CASH FLOW

1.3.1 Municipalities in the Province closed the month of May 2023 with a surplus cash and cash equivalent balance of **R6.864 billion**. It should however be noted that some municipalities continue to report incorrectly as per Table C7 (cash flow statement) *m*SCOA data strings and the inconsistencies negatively affect the credibility of the information presented on the cash flow statement.

1.3.2 Three municipalities (Matjhabeng, Ngwathe and Mafube municipalities) reported a negative closing balances which might indicate eminent financial constraints. It was however noted that six municipalities (Letsemeng, Kopanong, Mohokare, Masilonyana, Tokologo and Nala) are not recording information correctly and in full on the cash flow statements, which have a negative impact on the closing balance reported.

R thousands	Cash/Cash equivalents at year begin (1 Jul 2022)	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 2023)
Mangaung Metro	1 576 428	4 330 885	(428 806)	(103 944)	3 798 135	5 369 947
Letsemeng	-	20 628	-	-	20 628	20 628
Kopanong	-	706 437	-	-	706 437	706 437
Mohokare	1 594	26 263	(9 070)	(1)	17 192	18 786
Xhariep District	-	15 776	-	-	15 776	15 776
<b>DC 16 Total</b>	<b>1 594</b>	<b>769 104</b>	<b>(9 070)</b>	<b>(1)</b>	<b>760 033</b>	<b>761 628</b>
Masilonyana	-	-	-	-	-	7 592
Tokologo	-	15 943	12	-	15 955	15 955
Tswelopele	4 734	64 888	(2 857)	(37)	61 994	66 573
Matjhabeng	196 611	(700 999)	(142 362)	-	(843 361)	(639 854)
Nala	-	-	-	-	-	-
Lejweleputswa District	111 526	20 261	(548)	-	19 713	131 239
<b>DC 18 Total</b>	<b>312 871</b>	<b>(599 907)</b>	<b>(145 755)</b>	<b>(37)</b>	<b>(745 699)</b>	<b>(418 495)</b>
Setsotho	92 272	478 032	(157 666)	(22)	320 343	413 541
Dihlabeng	5 586	202 397	(73 762)	(6 216)	122 419	133 357
Nketoana	(930)	124 454	(40 470)	(105)	83 879	78 183
Maluti a Phofung	(64 264)	517 645	(157 291)	(372)	359 983	423 945
Phumelela	658	115 137	(21 374)	-	93 763	94 421
Mantsopa	-	44 069	(4 666)	-	39 403	39 403
Thabo Mofutsanyana	-	5 902	-	-	5 902	5 902
<b>DC 19 Total</b>	<b>33 321</b>	<b>1 487 636</b>	<b>(455 229)</b>	<b>(6 715)</b>	<b>1 025 691</b>	<b>1 188 751</b>
Moqhaka	(3 560)	88 763	(41 820)	(2 533)	44 409	30 306
Ngwathe	(0)	(7 101)	(29 127)	(21)	(36 250)	(28 554)
Metsimaholo	112 461	99 384	(93 185)	(38)	6 161	123 640
Mafube	9 455	54 622	(17 697)	114	37 040	(413 543)
Fezile Dabi	84 594	165 999	(684)	-	165 315	249 913
<b>DC 20 Total</b>	<b>202 949</b>	<b>401 667</b>	<b>(182 514)</b>	<b>(2 478)</b>	<b>216 674</b>	<b>(38 239)</b>
<b>Total</b>	<b>2 127 164</b>	<b>6 389 385</b>	<b>(1 221 374)</b>	<b>(113 175)</b>	<b>5 054 835</b>	<b>6 863 593</b>

1.3.3 The average collection rate reported by municipalities for the Province for the month under review is only **63.1 per cent**, which is significantly below the norm of 95 per cent and is not sustainable. However, the actual average collection rate in the Province might be lower due to incorrect reporting by municipalities.

1.3.4 Low collection rates can be attributed to the following factors:

- 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:

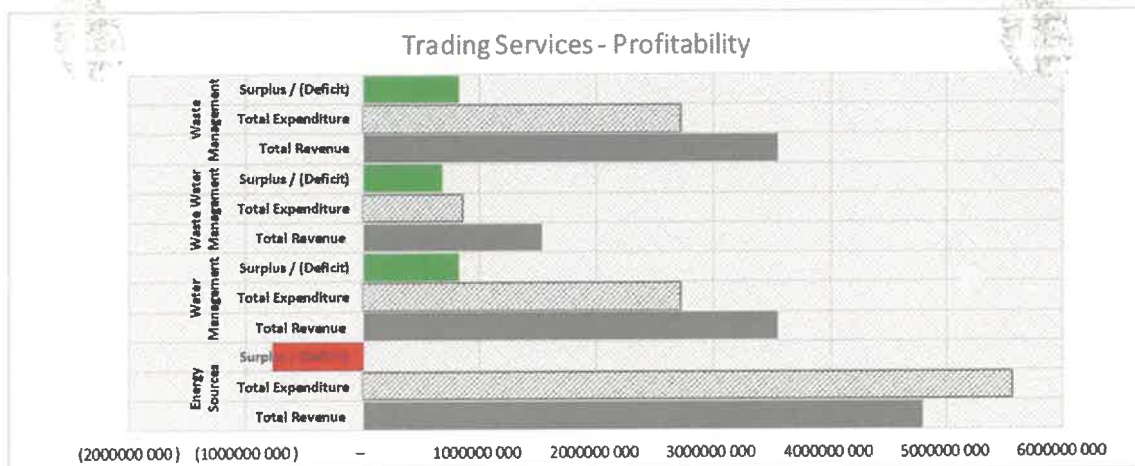
### 2.1 REVENUE GENERATED

2.1.1 The total generated revenue (billed) amounts to R10.059 billion or 83.5 per cent against the adjusted budget of R22.821 billion. 55.2 Per cent (R10.526 billion) is generated from **exchange revenue** (i.e service charges, interest, rental of facilities, etc); whilst 44.8 per cent (R8.460 billion) was generated from **non-exchange revenue** (i.e property taxes, fines and transfers & subsidies). 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 For **exchange revenue**, the majority (44%) of the generated (billed) revenue for exchange revenue relates to *electricity service charges*, followed by *water service charges* at 25%. **Non-exchange revenue** consists primarily of transfers and subsidies (61%) and property rates (32%).

2.1.3 An aggregate operational surplus of R2.241 billion was reported for the period under review (year-to-date) excluding capital transfers.

2.1.4 When analyzing the profitability of the trading services, it is notable that three trading services (water, waste water and waste management) reported aggregated trading surpluses in the Province as at 31 May 2023. Whilst **energy sources** recorded an operating **deficit of R771.0 million**.



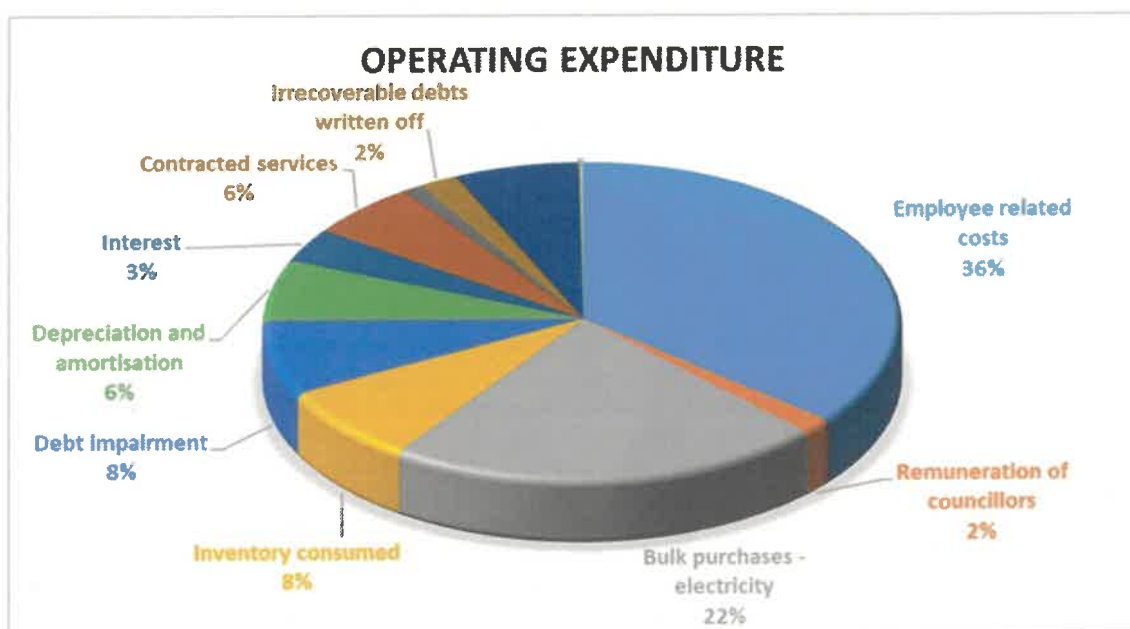
2.1.5 The table below show the aggregate surpluses / (deficits) recorded by municipalities on energy and water trading services, which may be an indication that the tariffs are not cost reflective. The trading surplus or deficit does not take the collection rates into account.

R thousands	Energy Trading Service Surplus / (Deficit)	Water Trading Service Surplus / (Deficit)
Mangaung Metro	(335 953)	(62 392)
Letsemeng	(17 460)	4 198
Kopanong	68 652	20 333
Mohokare	(1 074)	5 517
Masilonyana	1 007	40 686
Tokologo	(14 494)	(2 772)
Tswelopele	4 575	(12 637)
Matjhabeng	407 152	402 330
Nala	(13 618)	(10 911)
Setsoto	28 259	72 537
Dihlabeng	65 825	31 967
Nketoana	(39 363)	(8 246)
Maluti a Phofung	(1 012 515)	30 074
Phumelela	(20 386)	(6 996)
Mantsopa	8 107	4 024
Moqhaka	226 378	84 171
Ngwathe	(49 333)	45 916
Metsimaholo	(73 486)	145 120
Mafube	(3 293)	45 086

## 2.2 OPERATING EXPENDITURE

2.2.1 The total operating expenditure reported amounted to R16.819 billion or 69.2 per cent against the adjusted budget. The total expenditure is significantly below the straight line projection of 92%. Incorrect or non-reporting of expenditure also contributes to the poor performance reported.

2.2.2 The highest spending item reported at the end of May 2023 is *employee related cost* amounting to R6.065 billion or 36 per cent of the total expenditure, followed by *bulk purchases - electricity* amounting to R3.706 billion.



2.2.3 The performance of *employee related cost* against the adjusted budget is 86.2 per cent (R6.065 billion). The majority of the expenditure reported (98.6 per cent) 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	217 661	199 959	86 624	43.3%	1.4%
Municipal Staff	7 001 416	6 678 779	5 971 209	89.4%	98.6%
Board Members	785	785	74	9.4%	0.0%
<b>Total</b>	<b>7 219 863</b>	<b>7 039 660</b>	<b>6 057 908</b>	<b>86.1%</b>	<b>100.0%</b>

2.2.4 The tables below indicate the total employee related cost and council remuneration per capacity of municipality. 66 per cent of the total employee related cost budget is allocated to high capacity municipalities (incl. Mangaung, Matjhabeng, Maluti a Phofung, Moqhaka and Metsimaholo).

**Employee Related Cost - High Capacity Municipalities**

Municipality	Employee Related Cost				Council Remuneration			
	Original Budget	Adjusted Budget	YTD May 2023	%	Original Budget	Adjusted Budget	YTD May 2023	%
Mangaung	2 393 515 462	2 243 143 293	2 179 878 457	91.1%	70 667 842	75 231 032	63 709 791	90.2%
Matjhabeng	906 572 359	906 572 359	827 980 336	91.3%	39 971 641	39 971 641	8 726 827	21.8%
Maluti-a-Phofung	660 113 301	700 599 640	635 472 648	96.3%	30 608 225	30 901 092	27 425 967	89.6%
Moqhaka	364 983 798	374 675 335	294 412 981	80.7%	22 248 609	23 726 587	17 427 065	78.3%
Metsimaholo	434 807 480	399 156 720	314 101 856	72.2%	20 869 770	20 869 770	18 268 404	87.5%
<b>Total</b>	<b>4 759 992 400</b>	<b>4 624 147 347</b>	<b>4 251 846 278</b>	<b>89.3%</b>	<b>184 366 087</b>	<b>190 700 122</b>	<b>135 558 054</b>	<b>73.5%</b>

**Employee Related Cost - Medium Capacity Municipalities**

Municipality	Employee Related Cost				Council Remuneration			
	Original Budget	Adjusted Budget	YTD May 2023	%	Original Budget	Adjusted Budget	YTD May 2023	%
Letsemeng	73 052 844	73 052 844	47 442 380	64.9%	5 167 420	5 167 420	3 600 881	69.7%
Kopanong	141 883 225	138 883 225	120 967 647	85.3%	6 491 999	6 491 999	14 359 758	221.2%
Tswelopele	78 739 925	78 874 925	450 336	0.6%	6 568 726	6 568 726		0.0%
Nala	160 137 291	160 137 291	143 250 973	89.5%	9 490 853	9 490 853	6 945 013	73.2%
Setsole	228 323 196	229 654 752	202 911 460	88.9%	12 535 056	14 282 200	13 127 647	104.7%
Dhlabeng	348 057 308	342 815 159	309 636 408	89.0%	17 116 642	21 135 131	18 888 280	110.4%
Nketoana	151 733 243	151 733 243	61 445 151	40.5%	6 453 828	6 453 828	2 850 987	44.2%
Mantsopa	111 243 576	111 244 811	85 515 226	76.9%	6 221 546	6 221 549	6 034 128	97.0%
Ngwathe	266 190 371	266 190 371	242 175 315	91.0%	17 147 643	17 147 643	15 320 666	89.3%
Marube	130 593 358	112 069 940	92 967 914	71.2%	1 399 215	7 169 933	5 781 880	50.7%
<b>Total</b>	<b>1 689 954 337</b>	<b>1 664 656 561</b>	<b>1 306 762 810</b>	<b>77.3%</b>	<b>83 592 928</b>	<b>100 129 282</b>	<b>86 909 240</b>	<b>88.1%</b>

**Employee Related Cost - Low Capacity Municipalities**

Municipality	Employee Related Cost				Council Remuneration			
	Original Budget	Adjusted Budget	YTD May 2023	%	Original Budget	Adjusted Budget	YTD May 2023	%
Mohokare	87 809 399	85 362 742	72 247 816	82.3%	5 675 733	5 538 593	4 517 815	79.6%
Xhariep	47 107 343	45 673 584	42 897 928	91.1%	4 105 315	4 745 309	4 345 125	105.8%
Masilonyana	124 336 427	124 336 427		0.0%	7 921 835	7 921 835		0.0%
Tokoloso	65 061 962	64 061 962	39 215 413	60.3%	5 863 364	5 863 364	4 122 702	70.3%
Lejweleputswa	119 884 691	118 834 691	87 780 777	73.2%	10 671 632	10 671 632	9 232 882	86.5%
Phumelela	91 041 264	91 068 922	79 125 401	86.9%	6 891 170	6 878 315	6 538 240	94.9%
Thabo Mofutsanyana	102 434 027	98 127 193	80 756 688	78.8%	9 110 478	9 344 536	8 850 837	97.2%
Fezile Dabi	132 240 660	123 391 000	104 573 496	79.1%	7 515 130	8 243 000	7 139 123	95.0%
<b>Total</b>	<b>769 915 773</b>	<b>750 856 521</b>	<b>506 597 519</b>	<b>65.8%</b>	<b>57 754 657</b>	<b>59 204 584</b>	<b>44 746 724</b>	<b>77.5%</b>

2.2.5 Two municipalities, namely Masilonyana and Tswelopele municipalities did not report any employee related cost and council remuneration due to the non-integration of the payroll system with the main financial system.

## 2.3 CAPITAL EXPENDITURE

2.3.1 The aggregate capital expenditure amounts to R1.524 billion or 43.2 per cent against the approved budget of R3.532 billion. The majority of the municipalities (17) reported expenditure below 50%, which is a serious concern when considering the service delivery challenges experienced by the municipalities.

2.3.2 67 Per cent of the expenditure relates to trading services projects amounting to R1.024 billion and consist of R227.3 million for *energy services*, R505.2 million for *water management*, R267.3 million for *waste water management* and R23.9 million for *waste management*.

2.3.3 Although incorrect or non-recording of transactions on the financial systems contributes to the low performance reported, municipalities also have challenges in implementation of the capital projects. These challenges include:

- The financial sustainability of municipalities in the Province is regressing and therefore projects to be funded with own funding do not realize.
- Conditional Grants are not ring-fenced and therefore once it is paid into the bank account of a municipality, it is easily used for operational expenditure.
- Conditional Grants are spend on operational expenditure for example salaries, SARS, Eskom, etc.
- Late appointment of contractors due to delays in the procurement processes.
- The technical ability of municipalities to manage grants is not sufficient (e.g municipal staff appointed are not engineers with the technical skills to manage the implementation of a project).

## 2.4 REPAIRS AND MAINTENANCE

2.4.1 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 Property Plant and Equipment (PPE) for repairs and maintenance. An adjusted budget of R1.452 billion was provided for repairs and maintenance in the 2022/23 financial year, which is only 2.8 per cent of the total value of the PPE and is significantly below the norm of 8 per cent.

2.4.2 It is concerning that most municipalities did not budget sufficient 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.

2.4.3 To date, a total of R997.2 million was spent on repairs and maintenance which amounts to 68.7 per cent against the budget. 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	517 045	549 081	507 486	92.4%
<b>Total Metros</b>		<b>517 045</b>	<b>549 081</b>	<b>507 486</b>	<b>92.4%</b>
Letsemeng	FS161	6 584	5 815	1 596	27.4%
Kopanong	FS162	-	-	-	-
Mohokare	FS163	1 736	2 728	1 457	53.4%
Xhariep	DC16	405	251	145	57.9%
<b>Total Xhariep</b>		<b>8 725</b>	<b>8 794</b>	<b>3 198</b>	<b>36.4%</b>
Masilonyana	FS181	1 295	1 295	-	-
Tokologo	FS182	3 420	4 025	3 444	85.6%
Tswelopele	FS183	16 105	16 022	9 473	59.1%
Majhabeng	FS184	302 694	245 087	38 220	15.6%
Nala	FS185	255 699	255 699	182 655	71.4%
Lejweleputswa	DC18	3 531	3 531	1 109	31.4%
<b>Total Lejweleputswa</b>		<b>582 743</b>	<b>525 658</b>	<b>234 900</b>	<b>44.7%</b>
Setsoto	FS191	7 022	4 206	6 526	155.2%
Dihlabeng	FS192	19 403	16 544	10 622	64.2%
Nkeboana	FS193	20 758	23 558	10 290	43.7%
Maluti-a-Phofung	FS194	139 287	105 338	45 442	43.1%
Phumelela	FS195	13 780	9 208	8 288	90.0%
Mantsopa	FS196	-	-	-	-
Thabo Mofutsanyana	DC19	449	449	57	12.7%
<b>Total Thabo Mofutsanyana</b>		<b>200 698</b>	<b>159 302</b>	<b>81 225</b>	<b>51.0%</b>
Moqhaka	FS201	82 246	105 236	76 884	73.1%
Ngwathe	FS203	35 894	36 044	71 886	199.4%
Metsimaholo	FS204	47 447	49 532	16 666	33.6%
Mafube	FS205	16 479	14 641	4 394	30.0%
Fezile Dabi	DC20	1 891	3 243	548	16.9%
<b>Total Fezile Dabi</b>		<b>183 957</b>	<b>208 697</b>	<b>170 378</b>	<b>81.6%</b>
<b>Total Free State</b>		<b>1 493 169</b>	<b>1 451 530</b>	<b>997 187</b>	<b>68.7%</b>

### 3. CONDITIONAL GRANTS

- 3.1 In terms of the Division of Revenue Act, 2022 (as amended) a total of R2.557 billion was allocated to municipalities in the Province in terms of direct infrastructure grants, capacity building and other current transfers. The performance at the end of May 2023 show a total spending of R1.214 billion against the allocation (47.5 per cent).
- 3.2 The heart of the problem remains that municipalities are still not recording the receipting and spending on conditional grants correctly which impacts negatively on the information presented. Conditional grants must be recorded to be consistent with the reporting on the annual financial statements where only 'conditions met' are recognized as grants expenditure (GRAP 23). mSCOA Circular nr. 13 was issued to provide guidance to the municipalities in this regard.
- 3.3 The negative spending reflected in the table below indicate incorrect reporting by municipalities.
- 3.4 The table below indicate the conditional grant performance per municipality:

Municipalities	2022/23 Conditional Grants			
	Revised Allocated	Received Mun	Spend Mun	% spend
Mangaung	983 348	983 348	457 482	46.5%
Letsemeng	55 932	18 500	–	0.0%
Kopanong	33 788	–	–	0.0%
Mohokare	36 479	3 269	(23 359)	-64.0%
Xhariep	6 285	6 285	5 523	87.9%
Masilonyana	46 886	183	–	0.0%
Tokologo	50 462	–	98 256	194.7%
Tswelopele	49 573	18 417	(31 156)	-62.8%
Matjhabeng	138 125	–	–	0.0%
Nala	53 465	44 704	38 102	71.3%
Lejweleputswa	8 706	8 706	2 750	31.6%
Setsoto	223 389	231 556	106 884	47.8%
Dihlabeng	72 669	56 833	56 159	77.3%
Nketoana	35 935	64 089	190	0.5%
Maluti a Phofung	287 210	287 210	204 319	71.1%
Phumelela	43 077	31 981	16 736	38.9%
Mantsopa	53 432	–	727	1.4%
Thabo Mofutsanyana	18 229	(945)	(12 405)	-68.0%
Moqhaka	61 537	67 174	30 205	49.1%
Ngwathe	128 237	129 378	109 741	85.6%
Metsimaholo	107 843	148 136	99 176	92.0%
Mafube	57 260	57 260	54 989	96.0%
Fezile Dabi	4 918	–	–	0.0%
<b>Total</b>	<b>2 556 785</b>	<b>2 156 084</b>	<b>1 214 318</b>	<b>47.5%</b>

3.5 The table below show the actual performance per grant:

Municipalities	2022/23 Conditional Grants			
	Revised Allocated	Received Mun	Spend Mun	% spend
Energy Efficiency & Demand Man Grant	26 000	8 652	(5 217)	-20.1%
Expanded Public Works Programme	46 707	21 015	12 053	25.8%
Finance Management Grant	59 020	23 255	9 627	16.3%
Integrated National Electrification Prog	124 119	117 285	73 763	59.4%
Metro Informal Settlements Partnership Grant	204 617	204 617	56 712	27.7%
Municipal Infrastructure Grant	788 051	492 513	283 706	36.0%
Municipal Systems Improvement Prog	–	3 100	–	0.0%
Neighbourhood Dev Partnership Grant	19 738	19 738	29 537	149.6%
Programme & Project Preperation Support Grant	13 673	13 673	2 699	19.7%
Public Transport network Grant	249 894	249 894	95 140	38.1%
Regional Bulk Infrastructure Grant	204 407	278 449	266 118	130.2%
Rural Roads Assets Man Systems Grant	10 800	7 114	2 694	24.9%
Urban settlement Development Grant	491 760	491 760	271 093	55.1%
Water Services Infrastructure Grant	317 999	225 018	116 393	36.6%
<b>Total</b>	<b>2 556 785</b>	<b>2 156 084</b>	<b>1 214 318</b>	<b>47.5%</b>

3.5 Differences were also noted between expenditure reported to the Department of Cooperative Governance and Traditional Affairs (CoGTA) and the data strings, specifically with regards to the Municipal Infrastructure Grant.

#### 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 Budget bilaterals was be conducted during May 2023 and the assessments were done using the following criteria:
- Funding
  - Sustainability
  - Completeness of information
  - Credibility
- 4.3 Municipalities that have unfunded budgets must develop a funding plan which must be adopted in Council with the final budget, with clear measures to be implemented to move towards a funded budget.
- 4.4 Municipal budgets must be tabled in Council for consideration 30 days before the start of the financial year. The following schedule indicate the adoption dates of the 2023/24 MTREF budgets:

<b>Name of Municipality</b>	<b>2023/2024 Funded/ Unfunded</b>	<b>Date of Adoption Budget</b>
Mangaung Metro	Unfunded	22/06/2023
Letsemeng	Unfunded	31/05/2023
Kopangong	Unfunded	30/05/2023
Mohokare	Unfunded	31/05/2023
Xhariep	Unfunded	28/06/2023
Masilonyana	Unfunded	31/05/2023
Tokologo	Unfunded	31/05/2023
Tswelopele	Unfunded	31/05/2023
Matjhabeng	Unfunded	30/05/2023
Nala	Unfunded	31/05/2023
Lejweleputswa	Funded	25/05/2023
Setsoto	Funded	31/05/2023
Dihlabeng	Unfunded	31/05/2023
Nketoana	Unfunded	31/05/2023
Maluti a Phofung	Unfunded	23/06/2023
Phumelela	Unfunded	30/05/2023
Mantsopa	Unfunded	30/05/2023
Thabo Mofutsanyana	Funded	31/05/2023
Moghaka	Unfunded	30/06/2023
Ngwathe	Unfunded	31/05/2023
Metsimaholo	Funded	29/06/2023
Mafube	Unfunded	31/05/2023
Fezile Dabi	Funded	31/05/2023

## E. RECOMMENDATIONS & CONCLUSION

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

1. The aggregate revenue generated is 83.5% per cent whilst the operating expenditure is at 69.2 per cent against the total budgets and the expenditure is significantly **below the straight line projection of 92 per cent**. An operating surplus of R2.241 billion was reported. *The operating surplus does not take the actual collection rate into consideration.*
2. The performance of the capital expenditure for the period under review is **below the straight line projection of 92 per cent**, amounting to R1.523 billion (43.2 per cent) against the adjusted budget of R3.532 billion.
3. Municipalities reported aggregate spending on repairs and maintenance amounting to R997.2 million or 68.7 per cent against the adjusted budget of R1.451 billion. The provision (budget) for **repairs and maintenance is significantly below the norm of 8 per cent** of the total PPE value, amounting only to 2.8 per cent. **This practice would severely affect revenue generating assets in the long term.**
4. The total outstanding debtors amount to R33.829 billion (*Apr 2023 – R34.467 billion*).
5. The total outstanding creditor's amount to R26.397 billion (*Apr 2023 – R25.349 billion*). Due to low collections, municipalities are experiencing cash flow challenges which leads to the non-payment of bulk services accounts, pensions and salaries as well as the AGSA.
6. 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.
7. The support initiatives provided by the Treasury, MFMA unit.



**Ms MA Sesing**  
**HEAD OF DEPARTMENT**  
**FREE STATE PROVINCIAL TREASURY**

Date: 05-07-2020

## **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	427 280	3.8%	245 916	2.2%	443 711	3.9%	10 152 134	90.1%	11 269 042	33.3%
Trade and Other Receivables from Exchange Transactions - Electricity	293 665	11.7%	68 022	2.7%	173 673	6.9%	1 969 982	78.6%	2 505 342	7.4%
Receivables from Non-exchange Transactions - Property Rates	302 964	5.9%	136 465	2.6%	322 940	6.3%	4 393 891	85.2%	5 156 260	15.2%
Receivables from Exchange Transactions - Waste Water Management	151 152	3.6%	83 804	2.0%	208 458	5.0%	3 764 579	89.5%	4 207 993	12.4%
Receivables from Exchange Transactions - Waste Management	89 956	3.0%	54 081	1.8%	149 302	4.9%	2 753 591	90.4%	3 046 929	9.0%
Receivables from Exchange Transactions - Property Rental Debtors	1 832	1.2%	1 816	1.2%	1 856	1.2%	151 912	96.5%	157 417	0.5%
Interest on Arrear Debtor Accounts	243 213	3.7%	151 764	2.3%	346 616	5.2%	5 909 368	88.8%	6 650 961	19.7%
Other	(12 945)	-1.6%	10 017	1.2%	52 555	6.3%	785 164	94.1%	834 792	2.5%
<b>Total By Income Source</b>	<b>1 497 119</b>	<b>4.4%</b>	<b>751 884</b>	<b>2.2%</b>	<b>1 699 111</b>	<b>5.0%</b>	<b>29 880 622</b>	<b>88.3%</b>	<b>33 828 735</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	182 480	5.0%	100 718	2.8%	193 802	5.3%	3 157 976	86.9%	3 634 975	10.7%
Commercial	456 992	9.4%	128 466	2.6%	336 637	6.9%	3 928 280	81.0%	4 850 375	14.3%
Households	884 033	3.5%	515 494	2.1%	1 093 163	4.4%	22 630 210	90.1%	25 122 901	74.3%
Other	(30 590)	-13.9%	4 290	1.9%	46 601	21.1%	200 183	90.8%	220 484	0.7%
<b>Total By Customer Group</b>	<b>1 492 915</b>	<b>4.4%</b>	<b>748 968</b>	<b>2.2%</b>	<b>1 670 202</b>	<b>4.9%</b>	<b>29 916 650</b>	<b>88.4%</b>	<b>33 828 735</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	678 409	7.1%	246 964	2.6%	246 461	2.6%	8 449 057	87.8%	9 620 890	28.4%
Letsemeng	7 374	1.8%	7 573	1.8%	7 346	1.8%	388 333	94.6%	410 626	1.2%
Kopanong	12 520	2.0%	11 126	1.8%	37 663	6.1%	552 064	90.0%	613 374	1.8%
Mohokare*	11 680	2.4%	11 149	2.3%	10 520	2.1%	456 116	93.2%	489 464	1.4%
Xhariep District	-	0.0%	-	0.0%	-	0.0%	9 282	100.0%	9 282	0.0%
<b>DC 16 Total</b>	<b>31 574</b>	<b>2.1%</b>	<b>29 847</b>	<b>2.0%</b>	<b>55 529</b>	<b>3.6%</b>	<b>1 405 794</b>	<b>92.3%</b>	<b>1 522 745</b>	<b>4.5%</b>
Masilonyana	13 023	1.0%	12 921	0.9%	12 846	0.9%	1 322 680	97.2%	1 361 470	4.0%
Tokologo	22 637	5.2%	8 850	2.0%	8 520	1.9%	397 805	90.9%	437 812	1.3%
Tswelopele	6 444	3.7%	5 099	3.0%	11 743	6.8%	149 021	86.5%	172 306	0.5%
Matjhabeng	198 887	3.1%	153 154	2.4%	150 628	2.3%	5 988 668	92.3%	6 491 337	19.2%
Nala	32 491	3.1%	20 635	2.0%	19 007	1.8%	972 425	93.1%	1 044 557	3.1%
Lejweleputswa District	(0)	0.0%	-	0.0%	-	0.0%	30 890	100.0%	30 890	0.1%
<b>DC 18 Total</b>	<b>273 481</b>	<b>2.9%</b>	<b>200 659</b>	<b>2.1%</b>	<b>202 744</b>	<b>2.1%</b>	<b>8 861 488</b>	<b>92.9%</b>	<b>9 538 372</b>	<b>28.2%</b>
Setsotho	23 724	3.6%	19 660	3.0%	18 531	2.8%	588 444	90.5%	650 358	1.9%
Dihlabeng	74 810	5.1%	24 787	1.7%	24 138	1.6%	1 352 539	91.6%	1 476 273	4.4%
Nketoana	32 030	3.0%	30 541	2.9%	27 916	2.6%	965 392	91.4%	1 055 880	3.1%
Maluti a Phofung	38 449	1.6%	29 854	1.3%	25 019	1.1%	2 262 427	96.0%	2 355 750	7.0%
Phumelela	(1 050)	-0.2%	7 436	1.5%	6 951	1.4%	477 321	97.3%	490 657	1.5%
Mantsopa	17 527	1.9%	14 255	1.5%	14 642	1.6%	881 924	95.0%	928 347	2.7%
Thabo Mofutsanyana District	-	0.0%	-	0.0%	-	0.0%	4 152	100.0%	4 152	0.0%
<b>DC 19 Total</b>	<b>185 490</b>	<b>2.7%</b>	<b>126 533</b>	<b>1.8%</b>	<b>117 196</b>	<b>1.7%</b>	<b>6 532 198</b>	<b>93.8%</b>	<b>6 961 417</b>	<b>20.6%</b>
Moghaka	53 170	4.0%	31 634	2.4%	37 760	2.9%	1 201 683	90.7%	1 324 247	3.9%
Ngwathe	70 723	6.7%	26 751	2.5%	962 609	90.8%	-	0.0%	1 060 083	3.1%
Metsimaholo	169 188	6.0%	64 607	2.3%	58 425	2.1%	2 519 204	89.6%	2 811 424	8.3%
Mafube	35 083	3.5%	24 889	2.5%	18 387	1.9%	911 198	92.1%	989 556	2.9%
Fezile Dabi	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>DC 16 Total</b>	<b>328 164</b>	<b>5.3%</b>	<b>147 880</b>	<b>2.4%</b>	<b>1 077 182</b>	<b>17.4%</b>	<b>4 632 085</b>	<b>74.9%</b>	<b>6 185 311</b>	<b>18.3%</b>
<b>Total Debt</b>	<b>1 497 119</b>	<b>4.4%</b>	<b>751 884</b>	<b>2.2%</b>	<b>1 699 111</b>	<b>5.0%</b>	<b>29 880 622</b>	<b>88.3%</b>	<b>33 828 735</b>	<b>100.0%</b>

\*M11 Not submitted

## 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	416 942	2.7%	146 376	0.9%	218 079	1.4%	14 763 374	95.0%	15 544 770	58.9%
Bulk Water	671 187	8.8%	98 741	1.3%	55 640	0.7%	6 843 282	89.2%	7 668 851	29.1%
PAYE deductions	29 581	46.9%	2 428	3.8%	2 615	4.1%	28 458	45.1%	63 082	0.2%
VAT (output less input)	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Pensions / Retirement	88 984	19.1%	5 643	1.2%	3 230	0.7%	367 519	79.0%	465 375	1.8%
Loan repayments	828	11.0%	520	6.9%	1 243	16.4%	4 966	65.7%	7 557	0.0%
Trade Creditors	127 965	6.0%	77 946	3.6%	59 912	2.8%	1 870 893	87.6%	2 136 715	8.1%
Auditor General	1 541	3.2%	1 401	2.9%	1 274	2.7%	43 847	91.2%	48 063	0.2%
Other	63 183	13.7%	1 215	0.3%	7 006	1.5%	390 996	84.6%	462 399	1.8%
<b>Total Debt</b>	<b>1 400 210</b>	<b>5.3%</b>	<b>334 270</b>	<b>1.3%</b>	<b>348 998</b>	<b>1.3%</b>	<b>24 313 335</b>	<b>92.1%</b>	<b>26 396 812</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	853 693	94.9%	6 607	0.7%	1 249	0.1%	38 348	4.3%	899 897	3.4%
Letsameeng	460	0.2%	1 811	0.9%	6 738	3.5%	182 156	95.3%	191 165	0.7%
Kopanong	13 818	1.5%	13 903	1.6%	15 697	1.8%	851 851	95.2%	895 269	3.4%
Mohokare*	1 559	1.2%	87	0.1%	2 501	1.9%	129 087	96.9%	133 235	0.5%
Xhariep District	(127)	-1.1%	0	0.0%	(289)	-2.4%	12 294	103.5%	11 878	0.0%
<b>DC 16 Total</b>	<b>15 711</b>	<b>1.3%</b>	<b>15 802</b>	<b>1.3%</b>	<b>24 646</b>	<b>2.0%</b>	<b>1 175 388</b>	<b>95.4%</b>	<b>1 231 547</b>	<b>4.7%</b>
Masilonyana	–	0.0%	2	0.0%	222	0.5%	45 627	99.5%	45 850	0.2%
Tokologo	2 911	6.6%	91	0.2%	707	1.6%	40 447	91.6%	44 157	0.2%
Tswelopele	5 029	4.3%	4 713	4.0%	284	0.2%	108 244	91.5%	118 271	0.4%
Matjhabeng	174 311	1.5%	148 904	1.3%	96 191	0.8%	10 983 735	96.3%	11 403 141	43.2%
Nala	103 406	10.1%	7 292	0.7%	11 850	1.2%	903 429	88.1%	1 025 977	3.9%
Lejweleputswa District	63	100.0%	–	0.0%	–	0.0%	–	0.0%	63	0.0%
<b>DC 18 Total</b>	<b>285 721</b>	<b>2.3%</b>	<b>161 002</b>	<b>1.3%</b>	<b>109 254</b>	<b>0.9%</b>	<b>12 081 483</b>	<b>95.6%</b>	<b>12 637 460</b>	<b>47.9%</b>
Setsotso	15 367	85.2%	575	3.2%	30	0.2%	2 060	11.4%	18 032	0.1%
Dihlabeng	91 422	8.1%	26 484	2.3%	2 000	0.2%	1 011 424	89.4%	1 131 330	4.3%
Nketoana	21 775	3.2%	15 828	2.3%	10 689	1.6%	638 913	93.0%	687 206	2.6%
Maluti a Phofung	559	0.0%	2 407	0.0%	80 962	1.6%	4 846 683	98.3%	4 930 611	18.7%
Phumelela	454	0.1%	1 378	0.4%	3 345	1.0%	342 253	98.5%	347 430	1.3%
Mantsopa	4 616	1.0%	8 469	1.8%	4 497	1.0%	450 991	96.2%	468 573	1.8%
Thabo Mofutsanyana District	1 709	77.7%	–	0.0%	–	0.0%	491	22.3%	2 200	0.0%
<b>DC 19 Total</b>	<b>135 901</b>	<b>1.8%</b>	<b>55 141</b>	<b>0.7%</b>	<b>101 524</b>	<b>1.3%</b>	<b>7 292 816</b>	<b>96.1%</b>	<b>7 585 382</b>	<b>28.7%</b>
Moghaka*	38 591	4.0%	37 191	3.8%	61 885	6.4%	834 826	85.8%	972 493	3.7%
Ngwathe	57 638	2.7%	16 440	0.8%	38 750	1.8%	1 992 689	94.6%	2 105 517	8.0%
Metsimaholo	971	1.5%	4 235	6.5%	6 067	9.3%	53 822	82.7%	65 095	0.2%
Mafube	11 984	1.3%	37 852	4.2%	5 623	0.6%	843 964	93.8%	899 422	3.4%
Fezile Dabi	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
<b>DC 20 Total</b>	<b>109 184</b>	<b>2.7%</b>	<b>95 718</b>	<b>2.4%</b>	<b>112 325</b>	<b>2.8%</b>	<b>3 725 300</b>	<b>92.2%</b>	<b>4 042 527</b>	<b>15.3%</b>
<b>Total Debt</b>	<b>1 400 210</b>	<b>5.3%</b>	<b>334 270</b>	<b>1.3%</b>	<b>348 998</b>	<b>1.3%</b>	<b>24 313 335</b>	<b>92.1%</b>	<b>26 396 812</b>	<b>100.0%</b>

\*M11 Not submitted

## Annexure E – Financial Performance

Description	Budget year 2022/23											
	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</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	7 031 262	6 796 026	1 616 980	1 197 728	1 140 745	362 689	361 317		724 005	4 679 459	68.9%	
Service charges - Water	3 077 817	2 947 751	730 391	728 440	713 513	225 880	193 947		419 827	2 592 172	87.9%	
Service charges - Waste Water Management	1 289 476	1 250 849	296 790	299 950	312 464	99 776	91 981		191 757	1 100 961	88.0%	
Service charges - Waste Management	767 280	767 382	181 984	119 146	185 098	59 565	54 459		114 024	600 252	78.2%	
Agency services	2	2	0	0						1	26.8%	
Interest	286	441	(13 000)			26			26	(12 974)	-2943.9%	
Interest earned from Receivables	1 039 342	1 072 127	308 498	340 697	401 080	145 490	136 556		282 046	1 332 321	124.3%	
Interest earned from Current and Non Current Assets	68 156	76 022	19 957	27 459	30 817	14 644	9 523		24 167	102 399	134.7%	
Dividends	5 436	2 066	884	21	427	167	6		172	1 504	72.8%	
Rent on Land	411	387	759	445	620	146	130		276	2 100	542.8%	
Rental from Fixed Assets	101 041	101 881	21 800	18 778	20 790	6 467	6 281		12 749	74 117	72.7%	
Licence and permits	353	1 473	107	122	165	28	108		135	529	35.9%	
Operational Revenue	567 761	547 077	11 408	31 649	20 677	(17 253)	6 936		(10 317)	53 417	9.8%	
<b>Non-Exchange Revenue</b>												
Property rates	2 961 987	2 952 418	736 065	722 429	735 166	247 483	232 629		480 112	2 673 772	90.6%	
Surcharges and Taxes	17 819	17 819	168	1 835	1 690	2 276	(889)		1 387	5 081	28.5%	
Fines, penalties and forfeits	97 996	87 421	6 522	6 628	4 572	586	1 675		2 261	19 984	22.9%	
Licences or permits	730	1 053	379	351	403	105	144		249	1 382	131.2%	
Transfer and subsidies - Operational	5 420 847	5 444 923	1 903 072	1 163 755	1 727 406	288 099	47 885		335 984	5 130 216	94.2%	
Interest	111 565	147 584	57 657	71 188	77 903	26 095	23 370		49 465	256 214	173.6%	
Fuel Levy	363 435	363 435	121 145	121 145	121 145					363 435	100.0%	
Operational Revenue	19 753	19 099	1 383	1 427	1 461	480	414		894	5 166	27.0%	
Gains on disposal of Assets	72 900	72 919	54	3 434	340	9	155		164	3 992	5.5%	
Other Gains	365	368	93	295						389	105.7%	
<b>Discontinued Operations</b>												
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>23 189 089</b>	<b>22 820 616</b>	<b>6 035 613</b>	<b>4 865 273</b>	<b>5 578 998</b>	<b>1 406 146</b>	<b>1 173 491</b>	<b>-</b>	<b>2 579 637</b>	<b>19 059 521</b>	<b>83.5%</b>	
<b>Expenditure</b>												
Employee related costs	7 219 863	7 039 660	1 638 094	1 654 041	1 642 645	627 555	502 871		1 130 427	6 065 207	86.2%	
Remuneration of councillors	340 714	350 034	71 714	73 600	79 286	22 617	19 997		42 614	287 214	76.3%	
Bulk purchases - electricity	5 133 934	5 484 827	1 369 079	927 722	867 732	254 201	287 753		541 954	3 706 486	67.6%	
Inventory consumed	2 171 773	2 164 102	229 108	430 409	430 093	110 234	91 214		201 448	1 291 058	59.7%	
Debt impairment	1 606 225	1 575 011	341 240	341 239	349 978	122 486	122 486		244 972	1 277 430	81.1%	
Depreciation and amortisation	1 283 363	1 436 415	221 836	224 803	357 361	74 220	157 312		231 532	1 035 533	72.1%	
Interest	447 994	823 112	100 078	89 216	45 048	248 228	108 736		356 984	591 307	71.8%	
Contracted services	1 778 296	1 844 812	163 942	329 767	302 394	79 682	80 962		160 644	956 747	51.9%	
Transfers and subsidies	229 561	233 514	23 437	50 549	70 044	18 216	18 679		36 895	180 925	77.5%	
Irrecoverable debts written off	1 294 502	1 296 213	202 872	56 911	59 096	3 625	4 395		8 020	326 899	25.2%	
Operational costs	1 563 627	1 670 855	265 842	346 797	296 087	87 649	79 665		167 314	1 076 041	64.4%	
Losses on disposal of Assets	55	55			13 641	970			970	14 611	26726.3%	
Other Losses	388 846	388 850	13 590	12 278	3 468	6	5		11	29 346	7.5%	
<b>Total Expenditure</b>	<b>23 458 752</b>	<b>24 307 460</b>	<b>4 640 832</b>	<b>4 537 331</b>	<b>4 516 874</b>	<b>1 649 691</b>	<b>1 474 074</b>	<b>-</b>	<b>3 123 765</b>	<b>16 818 803</b>	<b>69.2%</b>	
<b>Surplus/(Deficit)</b>	<b>(269 663)</b>	<b>(1 486 845)</b>	<b>1 394 780</b>	<b>327 942</b>	<b>1 062 124</b>	<b>(243 545)</b>	<b>(300 584)</b>	<b>-</b>	<b>(544 128)</b>	<b>2 240 718</b>	<b>-150.7%</b>	

## Annexure F -- Operating Revenue per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Exchange Revenue					Non-Exchange Revenue				
					Service Charges - Electricity	Service Charges - Water	Service Charges - Waste Water	Service Charges - Waste	Interest	Other Revenue Generated	Property Rates	Surcharges & Taxes	Fines, penalties & forfeits	Transfers & Subsidies - Operational
Mangaung Metro	8 691 248	8 527 876	7 739 261	90.8%	2 632 007	1 069 261	434 162	155 328	448 186	91 600	1 382 811	8 737	1 039 129	477 989
Letsemeng	201 215	215 825	164 079	76.0%	25 231	1 672	10 204	9 898	13 957	714	23 281	12	71 175	7 200
Kopanong	356 403	347 659	600 313	172.7%	70 069	43 735	24 631	16 830	15 006	873	34 608	-	394 562	-
Mohokare	230 060	237 275	117 995	49.7%	-	26 443	10 942	6 679	81	854	12 075	4	26 911	34 006
Xhariep District	64 564	65 366	68 201	104.3%	-	-	-	-	456	206	-	-	67 519	20
<b>DC 16 Total</b>	<b>852 242</b>	<b>866 125</b>	<b>950 587</b>	<b>109.8%</b>	<b>95 320</b>	<b>71 850</b>	<b>45 777</b>	<b>33 407</b>	<b>29 500</b>	<b>2 647</b>	<b>69 964</b>	<b>16</b>	<b>560 167</b>	<b>41 226</b>
Masilonyana	362 877	361 582	112 948	31.2%	7 282	40 686	25 756	(46 451)	139	581	42 410	-	42 541	-
Tokologo	141 362	152 598	79 311	52.0%	287	2 090	16 802	10 900	23 699	571	13 399	-	302	11 262
Tswelopele	196 575	203 575	200 850	98.7%	42 620	5 076	3 600	3 440	1 303	5 499	37 072	99	96 517	5 624
Matjhabeng	3 677 907	3 677 907	2 684 765	73.0%	612 177	434 140	173 009	104 846	328 742	40 143	381 800	1 265	561 742	46 901
Nala	516 179	516 179	317 773	61.6%	68 147	46 901	30 836	19 967	33 146	3 066	20 213	97	91 036	7
Lejweleputswa District	156 028	154 573	154 421	99.9%	-	-	-	-	7 001	365	-	51	147 005	-
<b>DC 18 Total</b>	<b>5 050 929</b>	<b>5 066 415</b>	<b>3 550 068</b>	<b>70.1%</b>	<b>730 512</b>	<b>528 893</b>	<b>250 002</b>	<b>92 702</b>	<b>394 029</b>	<b>50 215</b>	<b>494 893</b>	<b>1 516</b>	<b>939 144</b>	<b>63 794</b>
Seisotso	612 167	622 099	592 782	95.3%	82 257	69 530	36 680	47 436	52 962	4 443	62 669	142	236 002	661
Dihlabeng	928 658	960 588	792 685	82.5%	198 636	62 159	51 181	51 621	69 963	10 276	131 149	385	202 534	14 781
Nketoana	443 163	440 335	461 676	104.8%	67 970	61 123	38 061	25 793	127 906	2 586	15 767	6 736	115 735	-
Matluli a Phofung	1 703 435	1 544 742	1 182 726	76.6%	103 477	93 440	41 852	41 581	3 759	11 030	109 437	412	777 736	2
Phumelela	197 775	208 794	157 571	75.5%	7 994	11 267	10 479	9 435	26 135	1 075	15 448	41	75 697	-
Mantsopa	342 670	350 283	84 206	24.0%	18 393	7 697	12 723	8 803	26 285	569	8 124	65	-	1 548
Thabo Mofutsanyana	161 756	162 795	132 184	81.2%	-	-	-	-	3 631	1 086	-	-	127 467	-
<b>DC 19 Total</b>	<b>4 389 624</b>	<b>4 289 637</b>	<b>3 403 830</b>	<b>79.4%</b>	<b>478 728</b>	<b>305 216</b>	<b>190 976</b>	<b>184 668</b>	<b>310 641</b>	<b>31 064</b>	<b>342 595</b>	<b>7 780</b>	<b>1 535 172</b>	<b>16 991</b>
Moghaka	1 129 762	1 135 158	870 483	76.7%	283 166	123 066	50 329	35 712	31 838	10 885	68 369	1 297	259 350	6 470
Ngwathe	936 722	937 015	781 848	83.4%	183 083	67 168	57 030	41 036	68 510	3 315	99 996	41	261 669	-
Metsemaholo	1 673 585	1 560 778	1 318 276	84.5%	276 591	382 128	58 128	41 423	85 456	11 902	192 607	463	251 651	17 927
Matlube	286 129	256 813	266 987	104.0%	0	44 589	14 556	15 976	49 602	2 972	22 538	134	110 441	6 179
Fezile Dabi	178 849	180 799	178 180	98.6%	-	-	-	-	3 983	702	-	-	173 494	-
<b>DC 20 Total</b>	<b>4 205 046</b>	<b>4 070 563</b>	<b>3 415 775</b>	<b>83.9%</b>	<b>742 841</b>	<b>616 952</b>	<b>180 044</b>	<b>134 148</b>	<b>239 389</b>	<b>29 776</b>	<b>383 510</b>	<b>1 935</b>	<b>1 056 605</b>	<b>30 576</b>
<b>Total</b>	<b>23 189 089</b>	<b>22 820 615</b>	<b>19 059 521</b>	<b>83.5%</b>	<b>4 679 459</b>	<b>2 592 172</b>	<b>1 100 961</b>	<b>600 252</b>	<b>1 421 746</b>	<b>205 302</b>	<b>2 673 772</b>	<b>19 984</b>	<b>5 130 216</b>	<b>630 577</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	Bulk purchases - electricity	Inventory Consumed	Debt Impairment	Depreciation & Amortisation	Contracted Services	Irrecoverable debts written off	Other Expenditure
Mangaung Metro	8 157 202	8 100 932	7 656 970	94.5%	2 179 878	63 710	1 952 918	715 050	1 025 471	850 418	312 958	134 631	421 935
Letsemeng	248 391	247 140	115 178	46.6%	47 442	3 601	23 532	4 968	-	24	7 487	43	28 079
Kopanong	457 775	430 832	167 540	38.9%	120 968	14 360	1 417	15 740	-	-	12 815	-	2 240
Mohokare	223 971	223 887	103 888	46.4%	72 248	4 518	446	436	-	-	8 903	-	17 338
Xhariep District	63 569	64 414	63 603	98.7%	42 898	4 345	-	159	-	375	4 893	-	10 933
<b>DC 16 Total</b>	<b>993 706</b>	<b>966 274</b>	<b>450 209</b>	<b>46.6%</b>	<b>283 556</b>	<b>26 824</b>	<b>25 395</b>	<b>21 303</b>	-	<b>399</b>	<b>34 099</b>	<b>43</b>	<b>58 590</b>
Masilonyana	418 858	418 858	1 021	0.2%	-	-	-	76	-	-	65	-	881
Tokolonyo	139 355	155 348	111 862	72.0%	39 215	4 123	12 849	3 154	-	-	36 842	-	15 678
Tswelopele	226 720	242 551	102 612	42.3%	450	-	32 801	9 046	-	-	33 416	451	26 449
Matjhabeng	3 677 446	3 621 386	1 506 439	41.6%	827 580	8 727	171 872	134 570	-	-	126 957	6 409	229 923
Nala	514 508	514 508	354 470	68.9%	143 251	6 945	65 207	65 388	-	-	23 065	-	50 615
Lejweleputswa District	198 134	194 321	132 216	68.0%	87 781	9 233	-	1 895	-	3 251	11 488	-	18 568
<b>DC 18 Total</b>	<b>5 175 021</b>	<b>5 146 973</b>	<b>2 208 620</b>	<b>42.9%</b>	<b>1 418 678</b>	<b>29 027</b>	<b>282 728</b>	<b>214 130</b>	-	<b>3 251</b>	<b>231 833</b>	<b>6 860</b>	<b>342 113</b>
Seisofo	612 385	621 934	419 670	67.5%	202 911	13 128	79 215	5 360	2	-	24 716	22 320	72 018
Ditlhabeng	877 035	869 517	702 111	80.7%	309 636	18 888	92 939	20 483	-	79 266	95 314	18 294	67 290
Nketoana	607 525	595 509	375 990	63.1%	61 445	2 851	62 687	12 566	-	20 159	22 367	112 393	81 522
Maluti a Phofung	2 081 050	3 060 372	1 995 962	65.2%	635 473	27 426	669 523	31 224	-	-	71 591	19 438	541 288
Phumelela	197 723	208 765	159 427	76.4%	79 125	6 538	24 347	6 227	-	-	7 634	-	35 555
Manisopa	338 180	439 598	97 336	22.1%	85 515	6 034	622	1 332	-	-	1 429	-	2 404
Thabo Mofutsanyana	182 984	176 886	109 757	62.0%	80 757	8 851	-	77	-	1 493	(4 286)	-	22 866
<b>DC 19 Total</b>	<b>4 896 881</b>	<b>5 972 582</b>	<b>3 860 253</b>	<b>64.6%</b>	<b>1 454 863</b>	<b>83 716</b>	<b>929 332</b>	<b>77 269</b>	<b>2</b>	<b>100 918</b>	<b>218 764</b>	<b>172 445</b>	<b>822 943</b>
Mochaka	1 101 002	1 086 180	531 273	48.9%	294 413	17 427	14 525	16 427	-	2	80 834	2 118	105 527
Ngwathe	1 012 124	1 012 417	660 253	65.2%	242 175	15 321	230 885	120 472	-	-	23 227	-	28 174
Meisimaholo	1 646 928	1 564 965	1 170 018	74.8%	314 102	18 268	270 455	115 795	251 957	76 720	39 801	6 315	76 605
Matube	284 082	265 514	137 255	51.7%	92 968	5 782	249	8 190	-	-	8 600	4 485	16 982
Fezile Dabi	191 805	191 625	143 951	75.1%	104 573	7 139	-	2 421	-	3 824	6 632	-	19 361
<b>DC 20 Total</b>	<b>4 235 942</b>	<b>4 120 701</b>	<b>2 642 751</b>	<b>64.1%</b>	<b>1 048 232</b>	<b>63 937</b>	<b>516 114</b>	<b>263 306</b>	<b>251 957</b>	<b>80 546</b>	<b>159 094</b>	<b>12 918</b>	<b>246 648</b>
<b>Total</b>	<b>23 456 752</b>	<b>24 307 460</b>	<b>16 818 803</b>	<b>69.2%</b>	<b>6 065 207</b>	<b>267 214</b>	<b>3 706 486</b>	<b>1 291 058</b>	<b>1 277 430</b>	<b>1 035 533</b>	<b>956 747</b>	<b>326 899</b>	<b>1 892 229</b>

Source: NT Local Government Database

## Annexure H – Capital Expenditure and Source of Finance

Description	Budget year 2022/23										
	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>	120 866	215 164	22 635	36 400	38 200	7 096	4 792	-	11 888	109 122	50.7%
Executive and council	28 615	89 474	11 226	30 042	31 370	3 186	872		4 058	76 696	85.7%
Finance and administration	92 196	125 451	11 390	6 187	6 829	3 910	3 885		7 794	32 201	25.7%
Internal audit	55	239	20	170			35		35	225	94.1%
<i>Community and public safety</i>	500 000	478 858	21 713	42 695	40 808	13 109	5 736	-	18 845	124 060	25.9%
Community and social services	58 044	55 734	9 795	4 702	3 192	70	2 118		2 188	19 878	35.7%
Sport and recreation	81 925	74 037	823	2 004	5 344	1 967	2 857		4 824	12 995	17.6%
Public safety	24 304	15 424	38	12	2 052	2 007	109		2 116	4 218	27.3%
Housing	333 479	331 414	11 056	35 977	30 220	9 065	622		9 687	86 940	26.2%
Health	2 250	2 250					30		30	30	1.3%
<i>Economic and environmental services</i>	646 917	755 754	35 810	118 329	63 015	23 093	26 056	-	49 149	266 304	35.2%
Planning and development	89 972	86 787	718	10 890	17 782	3 066	2 710		5 776	35 167	40.5%
Road transport	554 030	666 051	35 092	107 439	44 228	20 027	23 346		43 373	230 131	34.6%
Environmental protection	2 916	2 916			1 005					1 005	34.5%
<i>Trading services</i>	2 014 575	2 077 007	186 892	356 057	273 331	97 018	110 503	-	207 521	1 023 800	49.3%
Energy sources	481 396	440 156	30 357	82 294	54 315	30 407	29 964		60 371	227 337	51.6%
Water management	970 143	938 915	94 022	195 012	138 091	42 847	35 192		78 039	505 165	53.8%
Waste water management	465 253	640 675	56 267	71 387	76 795	18 334	44 516		62 850	267 300	41.7%
Waste management	97 783	57 262	6 246	7 363	4 130	5 430	830		6 260	23 999	41.9%
<i>Other</i>	6 657	5 509	72	27	278		641		641	1 019	18.5%
<b>Total Capital Expenditure - Functional</b>	<b>3 289 017</b>	<b>3 532 292</b>	<b>267 122</b>	<b>553 507</b>	<b>415 633</b>	<b>140 316</b>	<b>147 728</b>	<b>-</b>	<b>288 044</b>	<b>1 524 305</b>	<b>43.2%</b>
<b>Funded by</b>											
National Government	2 639 822	2 882 966	209 868	466 235	336 106	123 794	132 079		255 874	1 268 083	44.0%
Provincial Government		71 772	1 120		44	4			4	1 168	1.6%
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	14 310	15 620	2 258	3 277	4 500	(3 012)	891		(2 121)	7 914	50.7%
<b>Transfers recognised - capital</b>	<b>2 654 132</b>	<b>2 970 358</b>	<b>213 246</b>	<b>469 513</b>	<b>340 649</b>	<b>120 786</b>	<b>132 970</b>	<b>-</b>	<b>253 757</b>	<b>1 277 164</b>	<b>43.0%</b>
<b>Borrowing</b>	<b>92 504</b>	<b>93 525</b>	<b>7 451</b>	<b>2 947</b>	<b>1 726</b>	<b>579</b>	<b>580</b>	<b>-</b>	<b>1 159</b>	<b>13 283</b>	<b>14.2%</b>
<b>Internally generated funds</b>	<b>513 185</b>	<b>452 754</b>	<b>45 148</b>	<b>80 250</b>	<b>72 167</b>	<b>15 365</b>	<b>11 677</b>	<b>-</b>	<b>27 042</b>	<b>224 608</b>	<b>49.6%</b>
<b>Total Capital Funding</b>	<b>3 259 822</b>	<b>3 516 637</b>	<b>265 845</b>	<b>552 709</b>	<b>414 542</b>	<b>136 731</b>	<b>145 228</b>	<b>-</b>	<b>281 959</b>	<b>1 515 055</b>	<b>43.1%</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	1 280 835	1 309 633	483 720	36.9%	121 086	50 869	37 259	-	274 506	382 638	12 220	88 862
Letsemeng	56 944	57 265	11 186	19.5%	1 315	4 618	273	3 478	1 502	10 666	-	520
Kopanong	41 785	41 785	2 921	7.0%	-	2 000	-	-	921	2 921	-	-
Mohokare	46 476	46 586	6 921	14.9%	-	83	6 080	-	757	6 080	-	841
Xhariep District	1 024	952	724	76.1%	-	-	-	-	724	48	-	676
<b>DC 16 Total</b>	<b>146 229</b>	<b>146 589</b>	<b>21 752</b>	<b>14.8%</b>	<b>1 315</b>	<b>6 701</b>	<b>6 354</b>	<b>3 478</b>	<b>3 904</b>	<b>19 716</b>	-	<b>2 037</b>
Masilonyana	51 228	51 228	2	0.0%	-	-	-	-	2	-	-	2
Tokologo	120 871	120 871	87 842	72.7%	-	66 437	10 170	-	11 235	87 842	-	-
Tswelopele	38 430	45 034	3 702	8.2%	-	50	22	-	3 630	663	-	2 963
Matjhabeng	176 809	348 814	151 614	43.5%	4 481	6 354	49 880	-	90 899	69 308	-	82 305
Nala	47 295	47 295	29 459	62.3%	-	1 734	7 620	-	20 105	26 665	-	-
Lejweleputswa District	8 800	8 800	613	7.0%	-	-	-	-	613	-	-	613
<b>DC 18 Total</b>	<b>443 434</b>	<b>622 043</b>	<b>273 232</b>	<b>43.9%</b>	<b>4 481</b>	<b>74 576</b>	<b>67 692</b>	-	<b>126 484</b>	<b>184 479</b>	-	<b>85 883</b>
Setsotho	243 689	230 896	150 786	65.3%	1 106	137 121	7 907	2 227	2 424	144 083	1 063	913
Dihlabeng	130 167	129 810	80 741	62.2%	347	61 466	-	23	18 904	75 683	-	5 058
Nketoana	54 718	106 312	51 751	48.7%	503	40 749	4 830	-	5 670	50 594	-	604
Maluti a Phofung	294 505	333 954	228 160	68.3%	61 103	56 227	79 646	-	31 185	193 342	-	34 818
Phumelela	53 847	53 847	21 220	39.4%	-	799	12 182	-	8 239	21 220	-	-
Mantsopa	52 395	47 295	4 372	9.2%	269	3 791	304	-	8	4 372	-	-
Thabo Mofutsanyana	4 002	4 097	1 100	26.8%	-	-	-	-	1 100	-	-	-
<b>DC 19 Total</b>	<b>833 323</b>	<b>906 212</b>	<b>538 130</b>	<b>59.4%</b>	<b>63 327</b>	<b>300 153</b>	<b>104 869</b>	<b>2 250</b>	<b>67 531</b>	<b>489 295</b>	<b>1 063</b>	<b>41 393</b>
Moghaka	80 773	102 888	41 841	40.7%	1 477	7 515	7 237	18 193	7 419	38 427	-	3 414
Ngwathe	135 280	135 600	34 614	25.5%	(160)	33 651	41	-	1 083	34 577	-	37
Metsemaholo	309 640	238 894	101 374	42.4%	29 199	11 440	43 848	77	16 810	99 216	-	2 157
Matube	58 183	67 683	28 936	42.8%	6 612	20 260	-	-	2 064	28 816	-	120
Fezile Dabi	1 320	2 750	705	25.6%	-	-	-	-	705	-	-	705
<b>DC 20 Total</b>	<b>585 196</b>	<b>547 815</b>	<b>207 470</b>	<b>37.9%</b>	<b>37 128</b>	<b>72 866</b>	<b>51 126</b>	<b>18 270</b>	<b>28 080</b>	<b>201 037</b>	-	<b>6 433</b>
<b>Total</b>	<b>3 289 017</b>	<b>3 532 292</b>	<b>1 524 305</b>	<b>43.2%</b>	<b>227 337</b>	<b>505 165</b>	<b>267 300</b>	<b>23 999</b>	<b>500 505</b>	<b>1 277 164</b>	<b>13 283</b>	<b>224 608</b>

Source: NT Local Government Database