



treasury

Department of
Treasury
FREE STATE PROVINCE

**STATUS OF MUNICIPAL FINANCES
SECOND QUARTER
1 OCTOBER 2022 – 31 DECEMBER 2022**

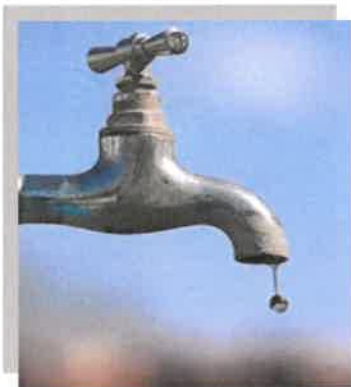


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1. EXECUTIVE SUMMARY

In essence, the content of this report covers the revenue and expenditure of the 23 municipalities in the Free State Province for the second quarter of the 2022/23 financial year. The report covers the performance against the adopted budgets for the quarter ending 31 December 2022 and includes spending against conditional grant allocations for the same period.

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

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

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

- The incorrect use of the mSCOA and municipal accounting practices by municipalities;
- A large number of municipalities are not budgeting, transacting and reporting directly in or from their core financial systems. Instead they prepare their budgets and reports on excel spreadsheet and then import the excel spreadsheets into the system. Often this manipulation of data lead to unauthorised, irregular, fruitful and wasteful (UIFW) expenditure and fraud and corruption as the controls that are built into the core financial systems are not triggered and transactions go through that should not; and
- Municipalities are not locking their adopted budgets or their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Portal will be locked at the end of each quarter. System vendors were also requested to build this functionality into their municipal financial systems.

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

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

2. KEY TRENDS

- 2.1 Municipalities in the Free State Province have spent on aggregate 39.1 per cent, or R9.178 billion, of the total expenditure budget of R23.459 billion as at 31 December 2022 (unaudited). In respect of revenue, aggregate billing and other revenue amounted to 47 per cent, or R11.036 billion, of the total revenue budget of R23.505 billion (unaudited).
- 2.2 Municipalities budgeted for employee related cost expenditure (including salaries and wages & council remuneration) at R7.560 billion, which constitutes 32.2 per cent of their total operational expenditure budget of R23.459 billion. As at 31 December 2022, spending on employee related cost and council remuneration amounted to R3.437 billion or 45.5 per cent against the budget, which is in line with the straight line projection.
- 2.3 The bulk of the total operating expenditure (37.5 per cent) relates to employee related cost and council remuneration, followed by bulk purchases - electricity at 25 per cent.
- 2.4 For the period under review the capital expenditure amounted to R820.628 million or 25 per cent against a total budget of R3.289 billion. The poor performance with regard to the spending on infrastructure remains a concern.
- 2.5 When billed revenue is measured against the budgets, the performance across three core services, namely water management, waste water management and waste management reflect surpluses at the end of the first quarter of 2022/23; whilst energy sources services reflected a deficit (shortfall). This does not take into account the collection rate.
- Billed energy sources revenue totaled R2.874 billion against expenditure of R3.097 billion (**deficit of R223.379 million**), which is concerning and which impacts on the viability of the municipalities;
 - Billed water revenue totaled R1.912 billion against expenditure of R1.473 million (surplus of R438.766 million);
 - Billed waste water management revenue totaled R804.379 million against expenditure of R480.845 million (surplus of R323.535 million); and
 - Billed waste management revenue totaled R568.334 million against expenditure R383.483 million (surplus of R184.851 million).
- 2.6 As at 31 December 2022 the aggregate municipal consumer debts amounted to R31.541 billion (*compared to R29.305 billion reported in the first quarter of the 2022/23 financial year*). Organs of state accounts for 11.2 per cent or R3.521 billion (*R3.950 billion reported in the first quarter of 2022/23*) of the total outstanding debtors. The largest component of this debt relates to Households and represents 73.9 per cent or R23.296 billion (*R20.936 billion in the first quarter of 2022/23*).
- 2.7 It needs to be acknowledged that not all the outstanding debt of R31.541 billion is realistically collectable, as these amounts are inclusive of debt older than 90 days (historic debt that has accumulated over an extended period), interest on arrears and

other recoveries. R27.644 billion (87.6 per cent) of the total debt is outstanding for a period over 90 days.

2.8 If consumer debt is limited to below 90 days, then the actual realistically collectable amount is estimated at R3.897 billion. This should however not be interpreted that by implication it is suggested that the balance must be written-off by municipalities. Relevant debt write-off policies must be followed and all efforts taken to ensure debt is not collectable, before it can be written off.

2.9 The following municipalities reported the highest debtors outstanding:

Mangaung	-	R8.939 billion
Matjhabeng	-	R6.023 billion
Metsimaholo	-	R2.636 billion
Maluti a Phofung	-	R2.287 billion
Dihlabeng	-	R1.389 billion
Masilonyana	-	R1.314 billion
Moqhaka	-	R1.232 billion

2.10 Municipalities owed their creditors R24.176 billion as at 31 December 2022 (*R22.566 billion reported at the end of September 2022*), the majority of which relates to bulk services debt (R21.078 billion). Free State Municipalities are experiencing cash flow challenges and therefore the payment plans with Eskom and Water Boards are not adhered to.

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

Kopanong	-	R197.3 million
Matjhabeng	-	R 2.7 million
Nketoana	-	R 0.4 million
Mafube	-	R177.6 million

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

Borrowing Monitoring

2.13 The total balance on borrowing for all municipalities equates to R579.605 million, which relates to long term loans.

2.14 96 Per cent (R557.4 million) relates to new borrowing and was sourced from Banks and the Development Bank of SA.

Investment Monitoring

2.15 As at 31 December 2022, the total investments made by municipalities equates to R1.093 billion. Investments include Securities (National Government) of R127.9 million and bank deposits of R961.4 million.

2.16 The majority of the investments (99 per cent) were made with banks.

Conditional Grants

2.17 In terms of the Division of Revenue Act a total of R2.214 billion was allocated to the Free State municipalities in terms of direct transfers (infrastructure, capacity and other grants).

2.18 The total conditional grant expenditure as at 31 December 2022, reported by the National Transferring Departments amount to R640.2 million or 28.9 per cent against an allocation of R2.214 billion.

Capacity Building and Other Conditional Grants Expenditure as at 31 December 2022

2.19 The overall expenditure reported by the National Transferring Departments on capacity building and other conditional grants (direct transfers) amounted to R41.8 million against the R142.400 million allocated to municipalities.

2.20 The highest performing conditional grant under this category is the Finance Management Grant, followed by the Expanded Public Works Programme Integrated Management Grant.

Infrastructure Conditional Grants Expenditure as at 31 December 2022

2.21 Direct conditional grants allocated for Infrastructure amounts to R2.072 billion in the 2022/23 financial year. This amount excludes the indirect or in-kind allocations to transferring officers executing specific projects on behalf of municipalities in the municipal area.

2.22 From the R2.072 billion allocated, R1.138 billion has been transferred to municipalities which constitutes 28.8 per cent. The total spending for the second quarter on Infrastructure reflected a total of R598.4 million or 28.9 per cent as reported by the National Transferring Departments.

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

3.1 In terms of section 138 of the MFMA, the following factors may indicate a serious financial problem:

- The municipality has failed to make payments as and when due;
- The municipality has defaulted on financial obligations for financial reasons;

- The actual current expenditure of the municipality has exceeded the sum of its actual current revenue plus available surpluses for at least two consecutive financial years (cash flow position);
- The municipality had an operating deficit in excess of five per cent of revenue in the most recent financial year for which financial information is available;
- The municipality is more than 60 days late in submitting its annual financial statements to the Auditor-General in accordance with section 126;
- The Auditor-General has withheld an opinion or issued a disclaimer due to inadequacies in the financial statements or records of the municipality, or has issued an opinion which identifies a serious financial problem in the municipality;
- Any of the above conditions exists in a municipal entity under the municipality's sole control;
- Any other material condition exists which indicates that the municipality, or a municipal entity under the municipality's sole control, is likely to be unable for financial reasons to meet its obligations.

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

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

3.4 20 Municipalities in the FS have 3 or more triggers (criteria), indicating these municipalities are in crisis and need urgent intervention to improve the financial position and sustainability going forward.

Municipalities	Nr of Triggers identified	S138 Triggers	S140 Triggers (Creditors >2% of Opex Budget)	S140 Triggers - Severe (Creditors >40% of Opex Budget)	Financial Distress 2020
Mangaung	3	✓	✓		✓
Letsemeng	4	✓	✓	✓	✓
Kopanong	4	✓	✓	✓	✓
Mohokare	4	✓	✓	✓	✓
Xhariep	3	✓	✓		✓
Masilonyana	3	✓	✓		✓
Tokologo	4	✓	✓	✓	✓
Tswelopele	3	✓	✓		✓
Matjhabeng	4	✓	✓	✓	✓
Nala	4	✓	✓	✓	✓
Lejweleputswa	1				✓
Setsoto	3	✓	✓		✓
Dihlabeng	4	✓	✓	✓	✓
Nketoana	4	✓	✓	✓	✓
Maluti-a-Phofung	4	✓	✓	✓	✓
Phumelela	4	✓	✓	✓	✓
Mantsopa	4	✓	✓	✓	✓
Thabo Mofutsanyana	0				
Moghaka	4	✓	✓	✓	✓
Ngwathe	4	✓	✓	✓	✓
Metsimaholo	3	✓	✓		✓
Mafube	4	✓	✓	✓	✓
Fezile Dabi	1	✓			

4. SUMMARY TABLES

The following summary tables are attached to this report:

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

5. RECOMMENDATIONS

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

Submitted by:


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Date: 20/02/23

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Date: 21-02-2023

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MEC FOR FINANCE

Date: 21/02/2023

SUMMARY TABLES

Table 1: Consolidated statement of financial performance

Description	Budget year 2022/23								
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
R thousands									
Financial Performance									
Property rates	2,961,987	736,065	722,429	-	-	1,458,494	1,483,932	(25,438)	(1.71)
Service charges	12,185,588	2,827,529	2,346,691	-	-	5,174,220	6,095,142	(920,922)	(15.11)
Investment revenue	68,442	6,957	27,459	-	-	34,416	34,963	(547)	(1.56)
Transfers and subsidies	5,420,847	1,903,072	1,163,755	-	-	3,066,826	2,804,782	262,045	9.34
Other own revenue	2,868,026	622,226	679,921	-	-	1,302,146	1,441,817	(139,671)	(9.69)
Total Revenue (excluding capital transfers and contributions)	23,504,889	6,095,848	4,940,254	-	-	11,036,102	11,860,635	(824,533)	(6.95)
Employee costs	7,219,863	1,638,094	1,664,041	-	-	3,292,135	3,611,866	(319,731)	(8.85)
Remuneration of councillors	340,714	71,714	73,600	-	-	145,314	170,436	(25,122)	(14.74)
Depreciation & asset impairment	1,283,363	221,836	224,803	-	-	446,639	642,450	(195,810)	(30.48)
Finance charges	567,994	110,078	89,216	-	-	199,295	279,445	(80,150)	(28.68)
Materials and bulk purchases	7,305,707	1,598,187	1,358,130	-	-	2,956,318	3,628,183	(671,865)	(18.52)
Transfers and subsidies	229,561	23,437	50,549	-	-	73,986	112,852	(38,866)	(34.44)
Other expenditure	6,511,551	977,486	1,086,992	-	-	2,064,477	3,247,608	(1,183,131)	(36.43)
Total Expenditure	23,458,752	4,640,832	4,537,331	-	-	9,178,164	11,692,840	(2,514,676)	(21.51)
Surplus/(Deficit)	46,137	1,455,016	402,923	-	-	1,857,938	167,795	1,690,143	1,007.26
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,624,801	190,653	2,392,174	-	-	2,582,827	1,306,080	1,276,747	97.75
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) & Transfers and subsidies - capital (in-kind - all)	80,148	15,197	16,264	-	-	31,460	40,074	(8,614)	(21.49)
Surplus/(Deficit) after capital transfers & contributions	2,751,086	1,660,866	2,811,360	-	-	4,472,226	1,513,950	2,958,276	195.40
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2,751,086	1,660,866	2,811,360	-	-	4,472,226	1,513,950	2,958,276	195.40

Source: National Treasury Local Government database

Table 2: Consolidated statement of financial position

Description	Budget year 2022/23								
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
R thousands									
ASSETS									
Current assets									
Cash	7,805,212	1,104,091	88,301			1,192,392	3,976,694	(2,784,302)	(70.02)
Call deposits and investments	416,927	1,703,111	69,793			1,772,904	226,580	1,546,324	682.46
Consumer debtors	9,352,675	6,266,089	1,625,799			8,091,889	5,359,042	2,732,846	51.00
Other debtors	3,538,619	9,044,927	1,020,640			10,065,566	1,908,938	8,156,629	427.29
Current portion of long-term receivables	516	814,875	(10,163)			804,712	352	804,359	228,330.22
Inventory	992,356	913,451	7,003			920,454	505,147	415,307	82.22
Total current assets	22,107,303	19,848,544	3,001,372	-	-	22,847,917	11,976,753	10,871,163	90.77
Non current assets									
Long-term receivables	246,544	1,121,343	29,846			1,151,190	245,651	905,539	368.63
Investments	6,835	7,964	(12)			7,952	6,475	1,478	22.82
Investment property	5,044,405	6,692,189	(1,118,751)			5,573,438	2,686,001	2,887,437	107.50
Investment in Associate	1,226	849				849	613	236	38.53
Property, plant and equipment	50,957,252	35,300,817	3,448,801			38,749,618	28,769,941	9,979,677	34.69
Biological	4,468	1,662	(79)			1,583	3,076	(1,493)	(48.54)
Intangible	150,836	78,022	(3,100)			74,922	75,534	(612)	(0.81)
Other non-current assets	135,468	1,558,206	113,678			1,671,884	103,802	1,568,081	1,510.64
Total non current assets	56,547,035	44,761,052	2,470,384	-	-	47,231,436	31,891,093	15,340,342	48.10
TOTAL ASSETS	78,654,338	64,609,596	5,471,756	-	-	70,079,352	43,867,847	26,211,506	59.75
LIABILITIES									
Current liabilities									
Bank overdraft	252						126	(126)	(100.00)
Borrowing	374,088	93,138	(44,203)			48,934	197,561	(148,627)	(75.23)
Consumer deposits	335,636	265,115	21,785			276,900	171,709	105,191	61.26
Trade and other payables	27,403,530	30,766,529	5,646,342			36,412,870	14,723,976	21,688,895	147.30
Provisions	766,322	2,116,870	517,479			2,634,349	405,371	2,228,978	549.86
Total current liabilities	28,879,628	33,231,651	6,141,402	-	-	39,373,053	15,498,742	23,874,312	154.04
Non current liabilities									
Financial liabilities	624,320	1,158,102	775			1,158,877	371,570	787,307	211.89
Provisions	2,374,368	2,271,133	37,064			2,308,198	1,292,922	1,015,276	78.53
Total non current liabilities	2,998,688	3,429,235	37,839	-	-	3,467,075	1,664,492	1,802,583	108.30
TOTAL LIABILITIES	31,878,316	36,660,887	6,179,241	-	-	42,840,128	17,163,234	25,676,895	149.60
NET ASSETS	46,775,822	27,948,709	(707,485)	-	-	27,239,224	26,704,613	534,611	2.00
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	38,657,420	20,871,971	(1,121,229)			19,750,741	21,719,118	(1,968,378)	(0)
Reserves	6,680,491	6,522,390	(83,698)			6,436,692	4,176,749	2,261,942	0
TOTAL COMMUNITY WEALTH/EQUITY	45,337,910	27,394,360	(1,204,927)	-	-	26,189,433	25,895,867	293,566	0

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

Description	Budget year 2022/23									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
R thousands										
Revenue By Source										
Property rates										
Service charges - electricity revenue	7,044,591	7,044,591	1,806,805	1,193,871			2,800,276	3,521,121	(720,845)	(20.47)
Service charges - water revenue			27	12			39		39	
Service charges - sanitation revenue										
Service charges - refuse revenue										
Rental of facilities and equipment	139	139	31	31			62	69	(7)	(10.70)
Interest earned - external investments	4,489	4,489	399	356			755	2,244	(1,489)	(66.35)
Interest earned - outstanding debtors	81,441	81,441	18,804	12,985			31,789	38,452	(6,663)	(17.33)
Dividends received										
Fines, penalties and forfeits	9,126	9,126	3,324	2,549			5,874	4,663	1,310	28.72
Licences and permits										
Agency services										
Transfers and subsidies	75,782	75,782	15,681	14,123			29,803	40,604	(10,801)	(26.60)
Other revenue	17,571	17,571	1,818	2,149			3,986	8,635	(4,649)	(54.07)
Gains	9,665	9,665		991			991	4,833	(3,842)	(79.50)
Total Revenue (excluding capital transfers and contributions)	7,242,804	7,242,804	1,846,889	1,226,867	-	-	2,873,555	3,620,522	(746,967)	(20.63)
Expenditure By Type										
Employee related costs	686,603	686,603	161,977	164,375			326,351	343,627	(17,176)	(5.00)
Remuneration of councillors										
Debt impairment	268,561	268,561	25,975	29,184			55,159	134,280	(79,121)	(58.92)
Depreciation and asset impairment	180,040	180,040	57,892	58,360			116,252	90,028	26,223	29.13
Finance charges	220,515	220,515	94,937	6,268			101,204	110,258	(9,054)	(8.21)
Bulk purchases - electricity	5,133,934	5,133,934	1,369,079	927,722			2,296,801	2,551,263	(254,463)	(9.97)
Inventory consumed	110,672	110,672	11,569	27,486			39,035	57,711	(18,676)	(32.36)
Contracted services	431,941	431,941	36,554	49,852			86,407	217,473	(131,066)	(60.27)
Transfers and subsidies	1	1	0				0	0	(0)	(92.86)
Other expenditure	146,860	146,860	30,961	44,756			75,716	73,383	2,334	3.16
Losses				9			9		9	
Total Expenditure	7,179,127	7,179,127	1,788,944	1,307,990	-	-	3,096,934	3,577,944	(481,009)	(13.44)
Surplus/(Deficit)										
Surplus/(Deficit)	63,677	63,677	(142,255)	(81,124)	-	-	(223,379)	42,579	(265,958)	(624.63)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	151,936	151,936	1,030	1,231,588			1,232,618	75,968	1,156,648	1,522.55
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educ Institutions)	14,300	14,300	610	995			1,605	7,150	(5,545)	(77.55)
Transfers and subsidies - capital (in-kind - all)										
Surplus/(Deficit) after capital transfers and contributions	229,913	229,913	(140,615)	1,151,457	-	-	1,010,842	125,697	885,145	704.19
Taxation										
Surplus/(Deficit) after taxation	229,913	229,913	(140,615)	1,151,457	-	-	1,010,842	125,697	885,145	704.19
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	229,913	229,913	(140,615)	1,151,457	-	-	1,010,842	125,697	885,145	704.19
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the Year	229,913	229,913	(140,615)	1,151,457	-	-	1,010,842	125,697	885,145	704.19

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

Description	Budget year 2022/23							
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
R thousands								
Revenue By Source								
Property rates								
Service charges - electricity revenue	3,532					1,767	(1,767)	(100.00)
Service charges - water revenue	3,010,849	732,995	730,599		1,463,594	1,508,190	(44,596)	(2.96)
Service charges - sanitation revenue	34,018					17,009	(17,009)	(100.00)
Service charges - refuse revenue								
Rental of facilities and equipment	278					139	(139)	(100.00)
Interest earned - external investments								
Interest earned - outstanding debtors	422,881	131,646	153,106		284,751	211,441	73,311	34.67
Dividends received								
Fines, penalties and forfeits		(296)	1,331		1,035		1,035	
Licences and permits								
Agency services								
Transfers and subsidies	452,196	144,401	17,959		162,359	232,982	(70,623)	(30.31)
Other revenue	271	53	159		212	115	97	84.15
Gains								
Total Revenue (excluding capital transfers and contributions)	3,924,026	1,008,798	903,154	-	1,911,952	1,971,642	(59,690)	(3.03)
Expenditure By Type								
Employee related costs	417,593	116,908	98,051		214,959	208,919	6,040	2.89
Remuneration of councillors								
Debt impairment	1,620,188	352,663	256,741		609,404	810,094	(200,690)	(24.77)
Depreciation and asset impairment	133,798	18,373	18,373		36,746	66,906	(30,160)	(45.08)
Finance charges	52	1	2		2	26	(24)	(90.79)
Bulk purchases - electricity								
Inventory consumed	1,692,080	173,951	348,327		522,278	835,759	(313,481)	(37.51)
Contracted services	130,238	11,771	18,788		30,559	65,159	(34,601)	(53.10)
Transfers and subsidies	2,500	2,406	2,747		5,154	1,250	3,904	312.29
Other expenditure	45,830	8,231	20,209		28,440	22,348	6,091	27.26
Losses	388,901	13,639	12,005		25,644	194,450	(168,806)	(86.81)
Total Expenditure	4,431,180	697,943	775,243	-	1,473,186	2,204,912	(731,726)	(33.19)
Surplus/(Deficit)	(507,154)	310,855	127,911	-	438,766	(233,270)	672,036	(288.09)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	555,839	85,116	28,775		113,892	274,427	(160,535)	(58.50)
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)								
Transfers and subsidies - capital (in-kind - all)	48,685	395,971	156,687		552,658	41,157	511,501	1,242.82
Surplus/(Deficit) after capital transfers and contributions	48,685	395,971	156,687	-	552,658	41,157	511,501	1,242.82
Taxation								
Surplus/(Deficit) after taxation	48,685	395,971	156,687	-	552,658	41,157	511,501	1,242.82
Attributable to minorities								
Surplus/(Deficit) attributable to municipality	48,685	395,971	156,687	-	552,658	41,157	511,501	1,242.82
Share of surplus/ (deficit) of associate								
Surplus/(Deficit) for the year	48,685	395,971	156,687	-	552,658	41,157	511,501	1,242.82

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

Description	Budget year 2022/23								
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
R thousands									
Revenue By Source									
Property rates		1,446	1,822			3,268		3,268	
Service charges - electricity revenue	(3,438)	(298)	(597)			(895)	(1,788)	893	(49.95)
Service charges - water revenue	(345)	(1,896)	(1,400)			(3,296)	(195)	(3,101)	1,586.85
Service charges - sanitation revenue	1,255,567	296,866	300,062			596,928	631,290	(34,362)	(5.44)
Service charges - refuse revenue	(2,899)	(522)	(525)			(1,048)	(1,450)	402	(27.72)
Rental of facilities and equipment		74	71			145		145	
Interest earned - external investments									
Interest earned - outstanding debtors	105,567	52,890	59,699			112,589	52,784	59,805	113.30
Dividends received									
Fines, penalties and forfeits		569	924			1,493		1,493	
Licences and permits									
Agency services									
Transfers and subsidies	344,885	75,447	19,282			94,728	174,163	(79,435)	(45.61)
Other revenue	2,094	26	442			468	1,492	(1,024)	(68.66)
Gains									
Total Revenue (excluding capital transfers and contributions)	1,701,430	424,601	379,779	-	-	804,379	856,295	(51,916)	(6.06)
Expenditure By Type									
Employee related costs	413,714	106,235	98,090			204,325	207,221	(2,895)	(1.40)
Remuneration of councillors									
Debt impairment	253,732	56,348	32,344			88,692	126,866	(38,174)	(30.09)
Depreciation and asset impairment	105,585	30,925	30,925			61,850	52,792	9,057	17.16
Finance charges	49,112	2,901	23,829			26,731	24,556	2,175	8.86
Bulk purchases - electricity									
Inventory consumed	50,231	4,321	12,989			17,311	24,541	(7,230)	(29.46)
Contracted services	139,411	(432)	27,617			27,185	69,689	(42,504)	(60.99)
Transfers and subsidies									
Other expenditure	117,718	16,365	38,387			54,752	58,677	(3,925)	(6.69)
Losses									
Total Expenditure	1,129,502	216,664	264,181	-	-	480,845	564,342	(83,497)	(14.80)
Surplus/(Deficit)	571,928	207,936	115,598	-	-	323,535	291,953	31,581	10.82
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	85,355		872,169			872,169	42,678	829,492	1,943.63
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educ Institutions)									
Transfers and subsidies - capital (in-kind - all)	50,000	13,467	15,188			28,656	25,000	3,656	14.62
Surplus/(Deficit) after capital transfers and contributions	707,283	221,404	1,002,956	-	-	1,224,360	359,631	864,729	240.45
Taxation									
Surplus/(Deficit) after taxation	707,283	221,404	1,002,956	-	-	1,224,360	359,631	864,729	240.45
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	707,283	221,404	1,002,956	-	-	1,224,360	359,631	864,729	240.45
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	707,283	221,404	1,002,956	-	-	1,224,360	359,631	864,729	240.45

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

Description	Budget year 2022/23								
	Original Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %
R thousands									
Revenue By Source									
Property rates									
Service charges - electricity revenue									
Service charges - water revenue									
Service charges - sanitation revenue									
Service charges - refuse revenue	177,674	42,509	42,263			84,772	88,837	(4,065)	(4.58)
Rental of facilities and equipment									
Interest earned - external investments									
Interest earned - outstanding debtors	14,787	7,245	8,297			15,542	7,393	8,149	110.22
Dividends received									
Fines, penalties and forfeits									
Licences and permits									
Agency services									
Transfers and subsidies	259,902	101,362				101,362	129,951	(28,589)	(22.00)
Other revenue									
Gains									
Total Revenue (excluding capital transfers and contributions)	452,363	151,115	50,560	-	-	201,676	226,181	(24,506)	(10.83)
Expenditure By Type									
Employee related costs	192,399	51,367	54,378			105,745	96,200	9,546	9.92
Remuneration of councillors									
Debt impairment	58,418	25,421	14,609			40,030	29,209	10,821	37.05
Depreciation and asset impairment	4,208						2,104	(2,104)	(100.00)
Finance charges									
Bulk purchases - electricity									
Inventory consumed	1,204	249	182			432	602	(170)	(28.30)
Contracted services	23,444	345	8,229			8,573	11,722	(3,149)	(26.86)
Transfers and subsidies									
Other expenditure	6,378	327	470			797	3,189	(2,392)	(75.01)
Losses									
Total Expenditure	286,052	77,709	77,868	-	-	155,577	143,026	12,551	8.78
Surplus/(Deficit)	166,311	73,406	(27,308)	-	-	46,098	83,155	(37,057)	(44.56)
Transfers and subsidies - capital (monetary allocators) (National / Provincial and District)									
Transfers and subsidies - capital (monetary allocators) (Nat / Prov Departm Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporators, Higher Educ Institutions)									
Transfers and subsidies - capital (in-kind - all)									
Surplus/(Deficit) after capital transfers and contributions	166,311	73,406	(27,308)	-	-	46,098	83,155	(37,057)	(44.56)
Taxation									
Surplus/(Deficit) after taxation	166,311	73,406	(27,308)	-	-	46,098	83,155	(37,057)	(44.56)
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	166,311	73,406	(27,308)	-	-	46,098	83,155	(37,057)	(44.56)
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	166,311	73,406	(27,308)	-	-	46,098	83,155	(37,057)	(44.56)

Table 7: Aggregated municipal debtors age analysis

Debtors Age Analysis By Income Source	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Trade and Other Receivables from Exchange Transactions - Water	542,658	5.0%	248,239	2.3%	457,297	4.2%	9,512,619	88.4%	10,760,812	34.1%
Trade and Other Receivables from Exchange Transactions - Electricity	301,670	11.8%	96,218	3.8%	208,863	8.2%	1,955,712	76.3%	2,562,463	8.1%
Receivables from Non-exchange Transactions - Property Rates	301,117	6.3%	127,645	2.7%	289,544	6.1%	4,063,622	85.0%	4,781,928	15.2%
Receivables from Exchange Transactions - Waste Water Management	155,139	3.8%	83,424	2.1%	204,829	5.1%	3,604,017	89.0%	4,047,409	12.8%
Receivables from Exchange Transactions - Waste Management	92,108	3.1%	54,071	1.8%	148,767	5.1%	2,636,151	89.9%	2,931,097	9.3%
Receivables from Exchange Transactions - Property Rental Debtors	1,936	1.2%	1,797	1.2%	1,801	1.2%	150,310	96.4%	155,845	0.5%
Interest on Arrear Debtor Accounts	204,420	3.5%	128,847	2.2%	320,356	5.6%	5,117,185	88.7%	5,770,809	18.3%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other	(7,920)	-1.5%	5,319	1.0%	(71,447)	-13.5%	604,575	114.0%	530,528	1.7%
Total By Income Source	1,591,128	5.0%	745,561	2.4%	1,560,011	4.9%	27,644,191	87.6%	31,540,892	100.0%

Debtors Age Analysis By Customer Group	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Organs of State	233,699	6.6%	99,624	2.8%	247,009	7.0%	2,941,116	83.5%	3,521,448	11.2%
Commercial	490,958	10.7%	132,265	2.9%	327,256	7.2%	3,621,613	79.2%	4,572,091	14.5%
Housholds	895,519	3.8%	505,211	2.2%	1,004,570	4.3%	20,889,378	89.7%	23,295,679	73.9%
Other	(29,048)	-19.2%	7,462	4.9%	(18,823)	-12.4%	192,084	126.6%	151,675	0.5%
Total By Customer Group	1,591,128	5.0%	745,561	2.4%	1,560,011	4.9%	27,644,191	87.6%	31,540,892	100.0%

Table 8: Aggregate Debtors age analysis per municipality

Debtors Age Analysis	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Mangaung Metro	757,551	8.5%	229,707	2.6%	280,951	3.1%	7,670,986	85.8%	8,939,195	28.3%
Letsemeng	8,731	2.3%	6,912	1.8%	7,157	1.9%	357,522	94.0%	380,322	1.2%
Kopanong	10,536	2.3%	10,208	2.2%	10,453	2.2%	436,256	93.3%	467,453	1.5%
Mohokare	11,112	2.4%	11,523	2.5%	10,748	2.3%	432,596	92.8%	465,979	1.5%
Xhariep District	-	0.0%	-	0.0%	-	0.0%	9,582	100.0%	9,582	0.0%
DC 16 Total	30,379	2.3%	28,643	2.2%	28,358	2.1%	1,235,956	93.4%	1,323,336	4.2%
Masilonyana	12,307	0.9%	4,070	0.3%	(47,242)	-3.6%	1,345,316	102.3%	1,314,451	4.2%
Tokologo	17,777	4.5%	8,259	2.1%	8,599	2.2%	364,272	91.3%	398,906	1.3%
Tswelopele	6,857	4.3%	4,727	2.9%	4,874	3.0%	144,528	89.8%	160,987	0.5%
Majhabeng	217,855	3.6%	182,840	3.0%	137,519	2.3%	5,484,543	91.1%	6,022,757	19.1%
Nala	28,219	2.9%	22,136	2.2%	20,138	2.0%	914,692	92.8%	985,185	3.1%
Lejweleputswa District	(0)	0.0%	-	0.0%	-	0.0%	30,724	100.0%	30,724	0.1%
DC 18 Total	283,015	3.2%	222,031	2.5%	123,889	1.4%	8,284,075	92.9%	8,913,010	28.3%
Setsofso	25,361	4.3%	20,049	3.4%	18,410	3.1%	523,767	89.1%	587,587	1.9%
Dihlabeng	77,363	5.6%	26,464	1.9%	24,540	1.8%	1,258,457	90.7%	1,386,824	4.4%
Nketoana	29,418	3.1%	28,194	3.0%	24,020	2.5%	865,726	91.4%	947,358	3.0%
Maluti a Phofung	28,536	1.2%	29,861	1.3%	29,157	1.3%	2,198,957	96.2%	2,266,510	7.2%
Phumelela	(1,116)	-0.2%	8,585	1.8%	7,932	1.7%	454,230	96.7%	469,631	1.5%
Mantsopa	35,459	4.0%	14,364	1.6%	23,318	2.6%	817,458	91.8%	890,599	2.8%
Thabo Mofutsanyana District	-	0.0%	-	0.0%	-	0.0%	4,163	100.0%	4,163	0.0%
DC 19 Total	195,022	3.0%	127,517	1.9%	127,377	1.9%	6,122,757	93.2%	6,572,672	20.8%
Moghaka	50,759	4.1%	32,387	2.6%	30,608	2.5%	1,117,852	90.8%	1,231,607	3.9%
Ngwathe	71,414	7.2%	29,327	2.9%	897,068	89.9%	-	0.0%	997,808	3.2%
Metsimaholo	176,912	6.7%	60,988	2.3%	58,404	2.2%	2,339,269	88.8%	2,635,573	8.4%
Mafube	26,076	2.8%	14,961	1.6%	13,357	1.4%	873,296	94.1%	927,690	2.9%
Fezile Dabi	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
DC 20 Total	325,161	5.6%	137,664	2.4%	999,437	17.3%	4,330,417	74.8%	5,792,678	18.4%
Total Debt	1,591,128	5.0%	745,561	2.4%	1,560,011	4.9%	27,644,191	87.6%	31,540,892	100.0%

Source: NT Local Government Database

Table 9: Aggregate Creditors age analysis

Creditors by type	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Bulk Electricity	382,888	2.7%	202,560	1.4%	4,469,449	31.0%	9,344,370	64.9%	14,399,268	59.2%
Bulk Water	112,410	1.7%	73,503	1.1%	75,403	1.1%	6,416,992	96.1%	6,678,308	27.5%
PAYE deductions	60,330	67.2%	2,742	3.1%	2,758	3.1%	23,938	26.7%	89,769	0.4%
VAT (output less input)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Pensions / Retirement deductions	87,162	20.0%	3,489	0.8%	5,306	1.2%	339,732	78.0%	435,689	1.8%
Loan repayments	828	9.0%	520	5.6%	1,243	13.5%	6,616	71.9%	9,207	0.0%
Trade Creditors	116,660	5.3%	209,360	9.4%	128,940	5.8%	1,760,510	79.5%	2,215,470	9.1%
Auditor General	8,639	12.4%	17,974	25.8%	1,509	2.2%	41,566	59.6%	69,688	0.3%
Other	7,629	1.9%	4,209	1.0%	855	0.2%	396,938	96.9%	409,632	1.7%
Total Debt	776,547	3.2%	514,357	2.1%	4,685,464	19.3%	18,330,663	75.4%	24,307,030	100.0%

Table 10: Creditors age analysis per municipality

331,580	54.9%	151,660	25.1%	11,695	1.9%	108,687	18.0%	603,621	2.5%
(14,971)	-11.6%	732	0.6%	(4,040)	-3.1%	147,625	114.1%	129,345	0.5%
15,449	1.9%	13,556	1.6%	14,445	1.7%	783,195	94.7%	826,646	3.4%
84	0.1%	1,035	0.8%	44	0.0%	130,260	99.1%	131,423	0.5%
(924)	-7.1%	1,778	13.7%	1,457	11.2%	10,716	82.3%	13,027	0.1%
(364)	0.0%	17,101	1.6%	11,907	1.1%	1,071,796	97.4%	1,100,440	4.5%
104	0.2%	265	0.5%	1,764	3.0%	56,470	96.4%	58,604	0.2%
795	2.0%	1,366	3.5%	8,278	21.1%	28,784	73.4%	39,222	0.2%
3,762	3.6%	3,428	3.3%	18,817	18.1%	78,239	75.1%	104,247	0.4%
181,057	1.7%	149,601	1.4%	143,743	1.3%	10,287,054	95.6%	10,761,455	44.3%
12,099	1.3%	18,692	2.0%	13,010	1.4%	873,957	95.2%	917,757	3.8%
149	100.0%	-	0.0%	-	0.0%	-	0.0%	149	0.0%
197,967	1.7%	173,351	1.5%	185,611	1.6%	11,324,504	95.3%	11,881,433	48.9%
6,996	47.1%	2,384	16.0%	3,500	23.5%	1,983	13.3%	14,862	0.1%
37,712	3.7%	7,744	0.8%	22,239	2.2%	949,091	93.3%	1,016,786	4.2%
17,033	2.7%	1,214	0.2%	14,529	2.3%	587,408	94.7%	620,184	2.6%
66,322	1.5%	62,861	1.4%	4,343,045	97.1%	-	0.0%	4,472,228	18.4%
575	0.2%	244	0.1%	1,026	0.3%	319,970	99.4%	321,816	1.3%
3	0.0%	8,784	2.0%	5,246	1.2%	435,927	96.9%	449,961	1.9%
2,955	78.4%	-	0.0%	-	0.0%	812	21.6%	3,767	0.0%
131,596	1.9%	83,232	1.2%	4,389,584	63.6%	2,295,192	33.3%	6,899,603	28.4%
37,364	4.1%	55,542	6.1%	39,082	4.3%	783,220	85.6%	915,208	3.8%
59,321	3.0%	17,585	0.9%	39,605	2.0%	1,883,428	94.2%	1,999,939	8.2%
3,426	5.8%	3,011	5.1%	1,059	1.8%	51,448	87.3%	58,943	0.2%
15,364	1.8%	12,875	1.5%	6,921	0.8%	812,389	95.9%	847,549	3.5%
293	100.0%	-	0.0%	-	0.0%	-	0.0%	293	0.0%
115,768	3.0%	89,013	2.3%	86,667	2.3%	3,530,484	92.4%	3,821,932	15.7%
776,547	3.2%	514,357	2.1%	4,685,464	19.3%	18,330,663	75.4%	24,307,030	100.0%

Table 11: Conditional grants status as at 31 December 2022

Summary

	Division of revenue Act No. 5 of 2022	Adjustment (M€ year)	Other Adjustments	Total Available 2022/23	Year to date		First Quarter		Second Quarter		YTD Expenditure		% Changes from 1st to 2nd Q		% Changes for the 2nd Q	
					Approved payment schedule	Transferred to municipalities for direct grants	Actual expenditure by municipalities Department by 30 September 2022	Actual expenditure by municipalities Department by 31 December 2022	Actual expenditure by municipalities Department by 30 September 2022	Actual expenditure by municipalities Department by 31 December 2022	Actual expenditure by municipalities Department	Actual expenditure by municipalities Department	Exp as % of Allocation National	Exp as % of Allocation Department	Exp as % of Allocation by municipalities	Exp as % of Allocation by municipalities
R thousands																
Direct Transfers	2,214,182	-	-	2,214,182	2,214,182	1,217,371	231,688	408,254	640,220	2,319,600	2,381,892	640,220	76,0%	28,9%	107,6%	
Infrastructure	2,071,782	-	-	2,071,782	1,131,986	213,558	32,384	384,773	588,372	2,270,313	2,270,313	588,372	88,1%	20,9%	114,4%	
Municipal Infrastructure Grant	844,877	-	-	844,877	416,006	106,870	1,385	151,078	263,346	2,100,114	2,100,114	263,346	47,0%	31,2%	254,5%	
Public Transport Infrastructure Grant	248,884	-	-	248,884	84,584	10,885	11,487	20,142	31,008	73,801	73,801	31,008	84,9%	12,4%	29,5%	
Public Transport Network Grant	123,396	-	-	123,396	85,774	8,345	1,389	37,892	46,337	18,637	18,637	46,337	355,3%	35,6%	14,3%	
Integrated National Electrification Programme (Municipal Grant)	20,738	-	-	20,738	10,000	6,385	9,633	9,108	15,493	18,748	18,748	15,493	42,6%	74,7%	90,4%	
Neighbourhood Development Partnership Grant (Capital Grant)	9,654	-	-	9,654	6,756	1,319	902	3,200	4,519	1,583	1,583	4,519	142,6%	46,8%	16,4%	
2010 FIFA World Cup Stadiums Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Drought Relief Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Integrated City Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)	204,407	-	-	204,407	151,907	18,892	(5,481)	55,311	74,303	55,000	55,000	74,303	191,2%	38,4%	27,4%	
Water Services Infrastructure Grant (Schedule 5B)	332,559	-	-	332,559	210,443	48,084	(6,481)	77,822	125,906	15,260	15,260	125,906	61,6%	37,9%	4,6%	
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Macro Informal Settlements Partnership Grant	279,617	-	-	279,617	172,956	12,702	12,479	24,126	36,828	36,370	36,370	36,828	89,9%	13,2%	13,0%	
Community and Others	142,400	-	-	142,400	78,465	18,373	(803)	22,475	41,848	11,079	11,079	41,848	27,8%	29,4%	7,8%	
2010 FIFA World Cup Host City Operating Grant	13,673	-	-	13,673	13,673	13,673	-	-	-	-	-	-	-	-	-	-
Programme and Project Preparation Support Grant	59,020	-	-	59,020	59,020	59,020	-	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant	46,707	-	-	46,707	46,707	46,707	-	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant (Municipality)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management	23,000	-	-	23,000	23,000	23,000	-	-	-	-	-	-	-	-	-	-
Municipal Disaster Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013 Africa Cup of Nations Host City Operating Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Operating Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Human Settlements Capacity Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Demarcation Transition Grant (Schedule 5B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Transfers	1,122,954	-	-	1,122,954	1,122,954	1,122,954	-	-	-	-	-	-	-	-	-	-
Infrastructure	1,109,689	-	-	1,109,689	1,109,689	1,109,689	-	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	945,817	-	-	945,817	945,817	945,817	-	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme (Eskom) Grant	101,354	-	-	101,354	101,354	101,354	-	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant (Technical Assistance)	1,800	-	-	1,800	1,800	1,800	-	-	-	-	-	-	-	-	-	-
Backlogs in Water and Sanitation at Cities and Schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backlogs in the Electrification of Cities and Schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant (Indirect)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant (Indirect)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buckled Electrification Programme Grant	60,638	-	-	60,638	60,638	60,638	-	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant (Schedule 5B)	14,345	-	-	14,345	14,345	14,345	-	-	-	-	-	-	-	-	-	-
Community and Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management (Eskom)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant (Indirect)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant (Schedule 6B)	14,345	-	-	14,345	14,345	14,345	-	-	-	-	-	-	-	-	-	-
Municipal Demarcation Transition Grant (Schedule 5B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,829,896	-	-	3,829,896	2,217,371	231,688	58,841	408,254	640,220	2,361,892	2,361,892	640,220	76,0%	19,2%	71,3%	
Grants excluded from the publication	491,780	-	-	491,780	1,217,371	231,688	28,850	408,254	408,220	2,361,892	2,361,892	408,220	76,0%	19,2%	71,3%	
Urban Settlement Development Grant	491,780	-	-	491,780	1,217,371	231,688	28,850	408,254	408,220	2,361,892	2,361,892	408,220	76,0%	19,2%	71,3%	
France Management Grant: Technical Programme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total as per DoRA	3,829,896	-	-	3,829,896	3,438,742	231,688	58,841	408,254	640,220	2,502,070	2,502,070	640,220	18,8%	24,7%	24,7%	

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

Municipalities Meeting Criteria for Determining Serious Financial Problems in terms of Section 138 & 140 of the MFMA - Q2 2022/23		0% MFMA s138 Triggers		0% MFMA s140 Triggers Based on Full Year Budget Q2 2022/23		0% MFMA s140 Triggers (SEVERE) Based on Full Year Budget Q2 2022/23		0% State of LG Finance & Fin Management Report 2019/20		
LEGENO	Number of Municipalities Meeting One or More Triggers Based on Adopted Budget	Failure to make payments as & when due (s138(a)) (90 days > R1m) Dec 2022	Operating Deficit > 5% of total direct revenue (s138(b)) Dec 2022	Negative / Outstanding Audit (s138(c) & (f)) FY 2020/21	s138 Trigger index (Meeting 1 or more Criteria)	Failure to make any other payment > 2% of operating expenditure (s140(2)(c)) December 2022	s140 Trigger index (Meeting 1 or more Criteria)	Failure to make any other payment > 40% of operating expenditure (s140(2)(c)) December 2022	Severe s140 Trigger index (Meeting 1 or more Criteria)	Financial Distress 2020
Code	Name	18	2	17	19	12	12	5	56.5%	23
Cat	Code	18	2	17	19	12	12	5	56.5%	23
A	FREE STATE									
B	MAN Mangalung	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS161 Letsameung	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	TRUE	TRUE
B	FS162 Kopanong	TRUE	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
B	FS163 Mafikeng	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	DC16 Xhobhep	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS161 Masilonyana	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS162 Tokologo	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS163 Tswelopele	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS164 Mafjhalong	TRUE	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
B	FS165 Nala	-	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
B	DC16 Kgetlengrivers	-	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
B	FS191 Setlamo	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS192 Dikhapeng	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS193 Merafika	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS194 Maluti-a-Phefung	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
B	FS195 Phumela	TRUE	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
B	FS196 Mantsopa	TRUE	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
B	DC19 Thabo Mafisanyane	TRUE	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
B	FS201 Mochaka	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS203 Njwathe	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS204 Merafika	TRUE	-	TRUE	TRUE	TRUE	TRUE	-	-	TRUE
B	FS205 Mafube	TRUE	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
C	DC20 Ficks Dals	-	-	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE

Table 13: List of Non Compliance

1. Municipalities with incomplete reporting on monthly data strings required for the period ending 31 December 2022 in terms of Section 71 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

FS163	Mohokare
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2. Municipalities that did not submit the signed reports for the period ending 31 December 2022 in terms of Sections 71 & 74(1) of the Municipal Financial Management Act, 2003 (Act No. 56 of 2003).

Cat Code	Demarc Code	Demarcation Description	CAP	Signed Borrowing Monitoring-Q1 (i.t.o S74(1) of the MFMA)	Signed CG quarterly report-Q1 (i.t.o S74(1) of the MFMA)	Signed Investment Monitoring-Q1 (i.t.o S74(1) of the MFMA)	Signed S71 quarterly report-Q1 (i.t.o S71 of the MFMA)
				2023	2023	2023	2023
A	MAN	Mangaung	H	2023-02-01	2023-02-01	2023-02-01	2023-02-01
B	FS161	Letsemeng	M	2023-02-02			
B	FS162	Kopanong	M	2023-01-30	2023-01-30		2023-02-02
B	FS163	Mohokare	L	2023-01-31	2023-01-31		2023-01-31
C	DC16	Xhariep	L	2023-02-02	2023-02-02	2023-02-02	2023-02-02
B	FS181	Masilonyana	L	2023-02-02	2023-02-02		2023-02-02
B	FS182	Tokologo	L				
B	FS183	Tswelopele	M	2023-01-30	2023-01-30	2023-01-30	2023-01-30
B	FS184	Majhabeng	H				
B	FS185	Nala	M				
C	DC18	Lejweleputswa	L	2023-01-30	2023-01-30	2023-02-03	2023-01-30
B	FS191	Setsotho	M				
B	FS192	Dihlabeng	M	2023-02-02	2023-02-02	2023-02-02	2023-02-02
B	FS193	Nketoana	M		2023-02-03		2023-02-03
B	FS194	Maluti-a-Phofung	H	2023-02-02	2023-02-02	2023-02-02	2023-02-02
B	FS195	Phumelela	L				
B	FS196	Mantsopa	M				
C	DC19	Thabo Mofutsanyana	L	2023-02-02	2023-02-02	2023-02-02	2023-02-02
B	FS201	Motlhaka	H	2023-01-31	2023-01-31	2023-01-31	2023-01-31
B	FS203	Ngwatho	M	2023-02-02	2023-02-02		2023-02-02
B	FS204	Metsimaholo	H	2023-02-02		2023-02-02	2023-02-02
B	FS205	Mafube	M	2023-02-02	2023-02-02	2023-02-02	2023-02-02
B	DC20	Fezile Dabi	L	2023-02-02		2023-01-19	2023-02-02