



treasury

Department of  
Treasury  
FREE STATE PROVINCE

# CONSOLIDATED MUNICIPAL BUDGET PERFORMANCE REPORT FOR THE PERIOD ENDING 31 October 2021



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## A. METHODOLOGY AND APPROACH OF THIS REPORT

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

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

## B. PURPOSE OF REPORT

The consolidated report covers the financial performance of municipalities in Free State for the month ending **31 October 2021**. The purpose of this report aims to indicate to an extent to which the 22 delegated and one non-delegated municipalities have succeeded in fulfilling their Constitutional mandate and also provides an analysis of the Section 71 report in terms of the Municipal Finance Management Act (MFMA).

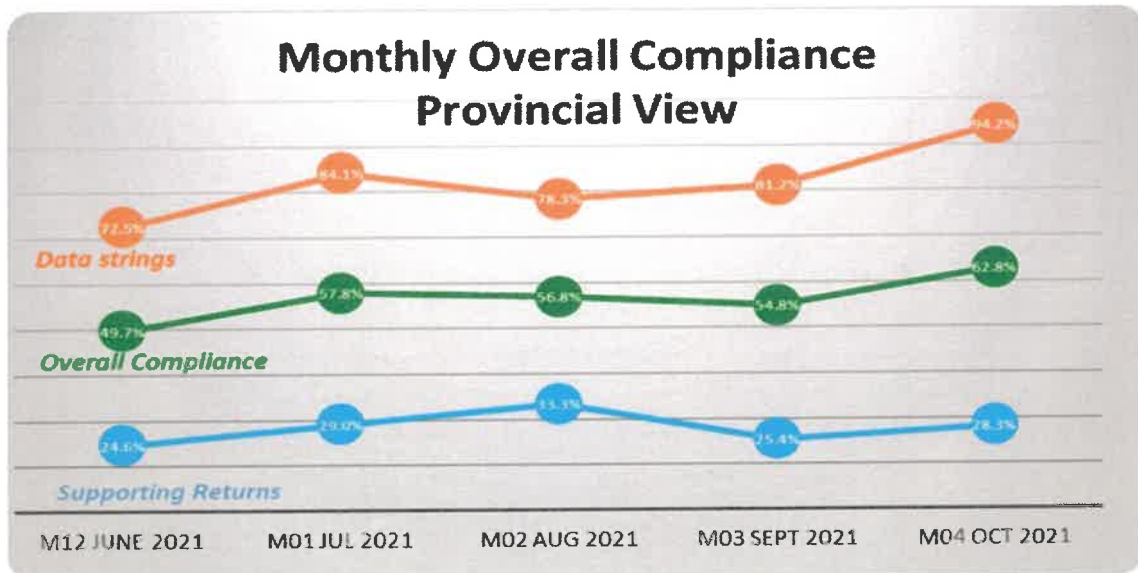
The Section 71 report facilitates transparency, better in-year management as well as the oversight of budgets. This makes these reports management tools and early warning mechanisms for councils, provincial legislatures and officials in order to monitor and improve municipal performance. The improvement of the credibility of the data strings is therefore a priority for national and provincial treasuries.

The report is therefore structured as follows:

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

### C. COMPLIANCE MONITORING WITH LAWS AND REGULATIONS

- a) Municipalities were required to submit the following monthly mSCOA data strings for the period under review:
- Monthly In-Year (M04)
  - Creditors (CR04)
  - Debtors (DB04)
- b) In addition to the above, municipalities are also required to submit the following information monthly, as per Provincial Treasury MFMA Circular no. 6:
- C-Schedule (as required by the Municipal Budget and Reporting Regulations in PDF format);
  - Intergovernmental Debt Return; and
  - Additional reporting template (e.g outstanding 3<sup>rd</sup> party payments, councilor debt)
- c) Item 4.2, reflects the actual COVID-19 expenditure incurred by municipalities. It is based on the mSCOA submissions by municipalities as part of the weekly COVID-19 manual reporting instituted since the inception of the lockdown.
- d) The graph below shows the monthly overall compliance for the 2021/22 financial year.



- e) The non-compliance was due to:
- Municipalities are reliant on system vendors to extract the data strings.
  - Municipalities are not uploading the C-schedule (as per the MBRR) on the local government database as per mandated timeline.
- f) Table 1 below shows the submission of the required data strings / returns per municipality:

Table 1: Submission of the monthly return forms

Municipality	mSCOA Data String Submission					Other Reporting		
	ORGB	PROR	M04	CR04	DB04	C-schedule M04	Debt Return M04	Additional Reporting * M04
Mangaung							N/A	N/A
Letsemeng								
Kopanong								
Mohokare								
Xhariep							N/A	
Masilonyana								
Tokologo								
Tswelopele								
Matjhabeng								
Nala								
Lejweleputswa							N/A	
Setsoto								
Dihlabeng								
Nketoana								
Maluti a Phofung								
Phumelela								
Mantsopa								
Thabo Mofutsanyana							N/A	
Moqhaka								
Ngwathe								
Metsimaholo								
Mafube								
Fezile Dabi							N/A	

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

Source: LGDB as at 23 November 2021

Legend:

Successful	1st Phase error	2nd Phase error	Outstanding
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- g) 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.
- h) 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 tools.

## D. OVERVIEW OF FREE STATE MUNICIPAL BUDGET PERFORMANCE

### 1. FINANCIAL HEALTH

#### 1.1 DEBTORS

- 1.1.1 The total outstanding debt amounts to R26.67 billion having increased slightly with R0.29 billion from the previous month (*Sept 2021: R26.38 billion*). Annexure A and B provides the summary and breakdown of the outstanding debtors per income source. The total debtors exceed the total revenue budget with R4.83 billion. The municipal debt has grown substantially for debtors exceeding 90 days due to declining collection rates. It is vital for municipalities to manage their debt and implement effective strategies aimed at motivating consumers to pay for municipal services.
- 1.1.2 The MSA, 2000, empowers a municipality to levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and to recover collection charges and interest on any outstanding amount subject to the provisions of the National Credit Act, 2005 (Act 34 of 2005). However, credit control and debt collection processes are often not implemented by municipalities.
- 1.1.3 76.9% (R18.79 billion) of the total debt owed to municipalities are outstanding for longer than 1 year, which is difficult to collect. The financial position of municipalities is overstated as the debt included in the debtor's books will not be realized.
- 1.1.4 The increase in the outstanding debt impacts on the municipal revenues as well as the ability of municipalities to render effective services.
- 1.1.5 One municipality failed to submit the debtor's data strings for the month under review and for the purposes of consolidation information reported for prior months were included for this municipality. These municipality is:

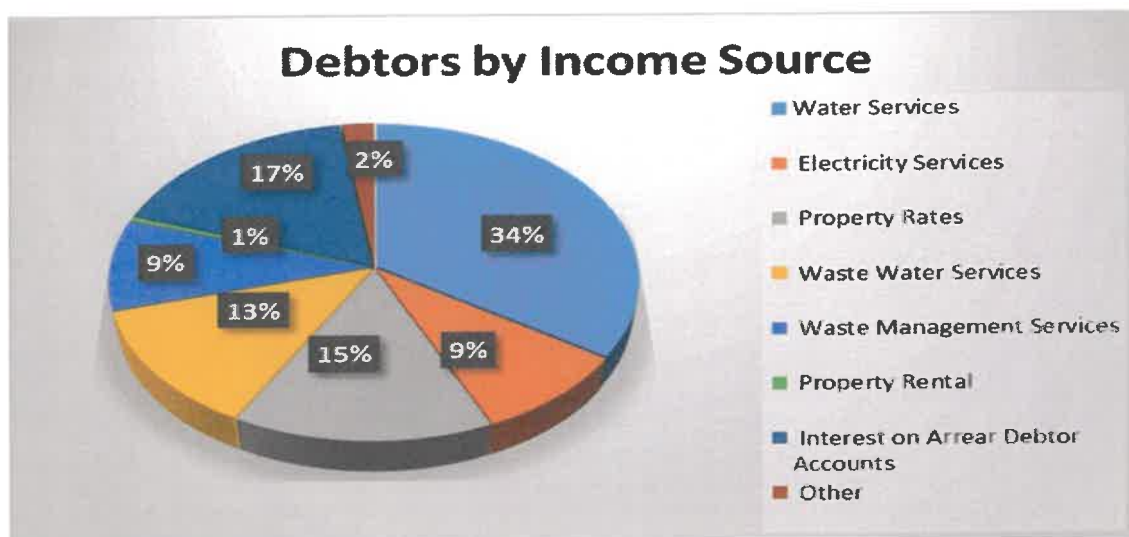
Municipality	Reason for non-submission
Kopanong	Data string rejected due to errors.

- 1.1.6 Debtors books should become an area of focus for municipalities. Seven municipalities reported outstanding debtors above a billion rand and contribute 75.1 per cent to the total outstanding debtors in the Province. These municipalities are:

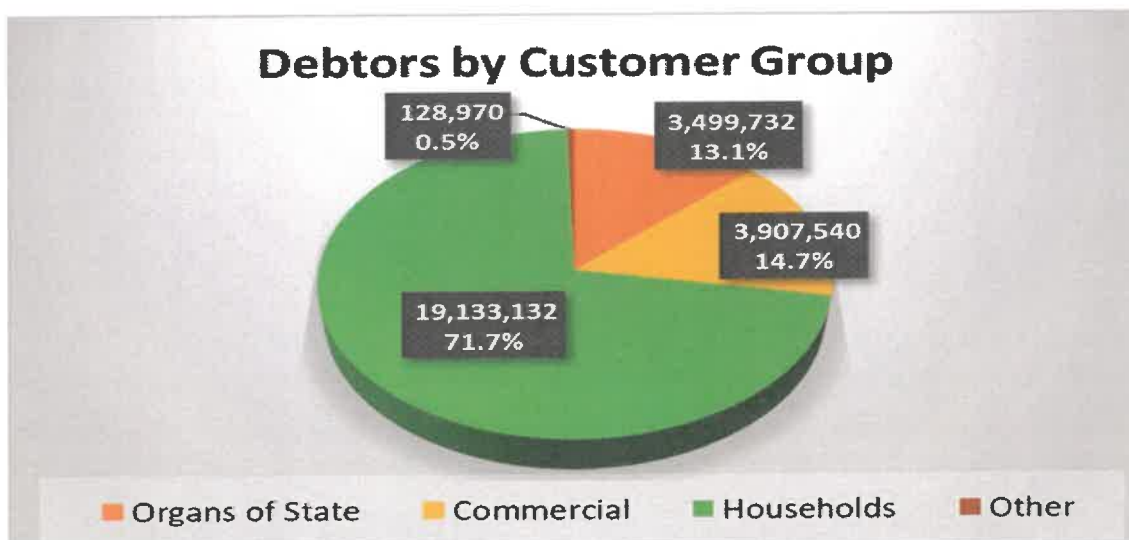
Mangaung	R7.48 billion
Matjhabeng	R4.87 billion
Metsimaholo	R2.23 billion
Maluti a Phofung	R2.05 billion
Masilonyana	R1.20 billion
Dihlabeng	R1.17 billion
Moqhaka	R1.03 billion

- 1.1.7 *Water services* remains the largest contributor to the total outstanding debt and amounts to R9.17 billion (34.4 percent), followed by *interest on arrear accounts* amounting to R4.61 billion (17.3 percent). Debt relating to *property rates* contribute

14.7 percent (R3.91 billion) to the total outstanding debt, whilst *waste water services* accounts for 12.7% (R3.39 billion) of the total debt.

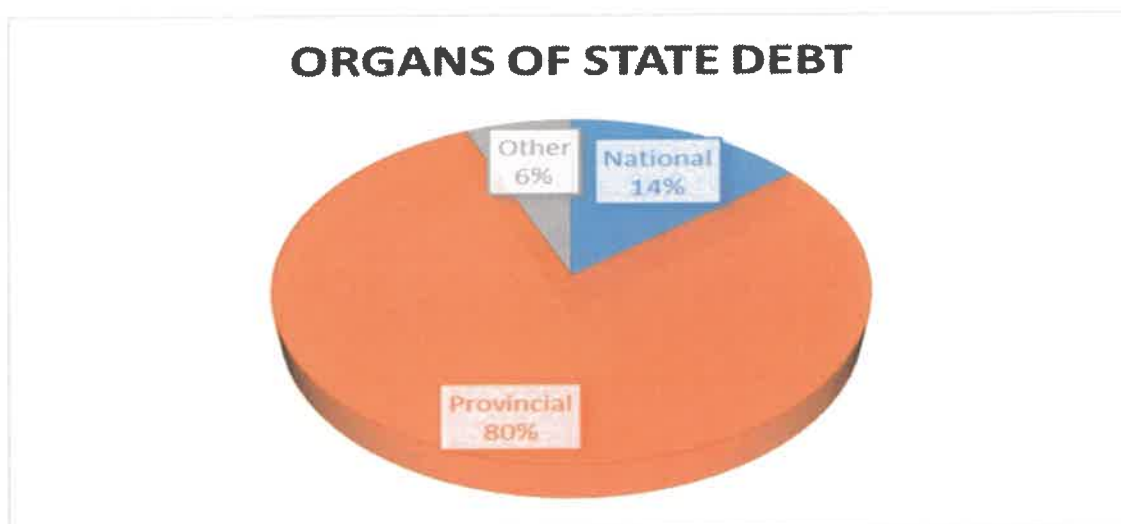


1.1.8 The majority of the debt is owed by *Households*, which contributes 71.7% (R19.13 billion) to the total debt, followed by *Commercial properties* with 14.7% (R3.91 billion).



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

1.1.9 The total debt owed by organs of state amounts to R3.49 billion which accounts for 13.1% of the total debt owed to municipalities.



1.1.10 In the Free State Province the Department of Public Works & Infrastructure is responsible for the payment of the rates and services on behalf of all provincial departments, and the status at the end of October 2021 is as follow:

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

1.1.11 The **projected shortfall for the 2021/22 financial year amounts to R1.31 billion** (R310.9 million relating to Property Rates and R996.6 million for service charges).

## 1.2 CREDITORS

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

1.2.2 The total creditors **decreased** with R5.95 billion to **R13.39 billion** for the month under review (*Sept 2021: R19.34 billion*). Annexure C and D provides the summary and breakdown of the outstanding creditors per type. The reduction is due a municipality (Maluti a Phofung) not reporting the total debt owed to Eskom. Furthermore, two municipalities failed to submit the creditor's information for October 2021 and for consolidation purposes prior months' information were used:

Municipality	Reason for non-submission
Nala	Data string submitted with errors
Mafube	Backlog in capturing data

1.2.3 Payables relating to bulk service providers (Eskom & Water Boards) contribute 83.6 percent or **R11.2 billion** of the total outstanding debt. The following interventions were introduced to address the challenges:

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

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

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

#### Eskom Debt

1.2.4 The total debt owed to Eskom amounts to R9.53 billion, however this amount is understated as eight municipalities did not disclose the debt owed to Eskom on the Section 71 reports correctly. According to the monthly Eskom Section 41 report for Free State Municipalities received for September 2021, the debt owed by all Free State municipalities, amounts to R14.63 billion (overdue).

1.2.5 The HoD: CoGTA together with National and Provincial Treasury Officials are conducting intergovernmental sessions with municipalities on their Eskom Account to arrange payment agreements.

1.2.6 The table below shows the electricity bulk services debt per municipality as reported by the municipalities as well as the overdue debt reported by Eskom. Note the details of action are casted verbatim from the monthly Eskom Section 41 report for Free State Municipalities compared to the MFMA Section 71 report.

Municipality	S71 Report (Municipal) (M04) R'000	S41 Report (Eskom) (M03) R'000	Details of actions taken and timeframes of actions to recover arrears as reported by Eskom for the month under review
Mangaung (Centlec)	148,224	19,464	The municipality requested to pay within 30 days instead of 15 days until the end of November 2021. Eskom is evaluating the request.
Letsemeng	96,672	94,181	A court date has been set for 26 November 2021 for the appeal application.
Kopanong	3,027	1,444	The municipality paid the overdue LPU accounts on 5 October 2021. The FBE account is still outstanding.
Mohokare	-	1,286	The municipality's accounts are up to date.
Masilonyana	-	92,464	A meeting took place on 23 September 2021 and the municipality indicated that they plan to catch up on the short payments of the July 2021 and August 2021 current accounts by December 2021.
Tokologo	-	150,561	A dispute meeting took place on 23 September 2021, chaired by HOD FS CoGTA. It was agreed that a technical team will be formed to try and find a solution. The terms of reference (TOR) was sent to all stakeholders on 28 September 2021. The TOR meeting was held on the 7 October 2021 and a follow up meeting on 15 October 2021, of which the outcome was the establishment of 3 task teams.
Tswelopele	-	43,538	On 1 October 2021, a breach notice was issued to the municipality. Negotiations in progress with regards to a possible new payment arrangement.
Matjhabeng	4,267,497	4,043,722	A notice to declare a dispute was issued on 29 September 2021. An engagement meeting is scheduled for mid October 2021. Inter Governmental Relations process is in progress. Task team has been established.
Nala	442,482	470,055	Another breach notice was issued to the municipality on 14 September 2021. On 1 October 2021, a declaration of dispute was issued. An Intergovernmental Relations Framework Act (IRFA) meeting took place in October 2021 where work streams were established to look at certain matters. The work streams will convene weekly.
Setotso	8	13,282	A notice of breach was issued on 14 September 2021. A meeting was held with the municipality on 6 October 2021. A conclusion could not be reached and the municipality indicated that they will send a letter requesting a meeting with Eskom's General Manager. No meeting has been scheduled as yet.
Dihlabeng	606,241	574,944	On 22 September 2021, the municipal attorneys sent Eskom a letter requesting meeting dates. However, the municipality did not respond to Eskom's Inter Governmental Relations meeting request. A notice to declare a dispute was issued on 29 September 2021. No response received from the municipality after the dispute notice was issued.
Nketoana	-	442,208	Eskom's attorneys responded to the municipal attorneys on 23 September 2021 indicating that the Intergovernmental Relations Framework Act (IRFA) process will continue. Legal teams to confirm a meeting date. The municipality's proposed payment plan over a period of 20 years, has been rejected.
Maluti a	1,425,439	6,264,424	Eskom will proceed with the filing of the supplementary affidavits, seeking the court's intervention in making

Municipality	S71 Report (Municipal) (M04) R'000	S41 Report (Eskom) (M03) R'000	Details of actions taken and timeframes of actions to recover arrears as reported by Eskom for the month under review
Phofung			the active partnering agreement an order of the court.
Phumelela	165,353	147,250	Eskom to take over the billing and collections for all the municipal customers. A payment arrangement will be developed once more information is available from the enhanced collection process.
Mantsopa	309,288	224,402	A meeting was held on 29 September 2021 which was chaired by Provincial Treasury. A resolution was made that the payment plan must be fully adhered to.
Moqhaka	573,002	507,259	The municipality responded to Eskom's notice of breach on 28 September 2021. A notice of engagement was issued on 30 September 2021. A meeting took place on 15 October 2021 and the outcome was that the municipality must pay the current account.
Ngwathe	1,433,954	1,383,382	Another meeting took place on 29 September 2021 and again no agreement could be reached. Provincial CoGTA and SALGA were requested to arrange a meeting that will involve all Inter Governmental Relations parties. A meeting has been scheduled for 21 October 2021. Failure to reach agreement will result in Eskom declaring a dispute.
Metsimaholo	-	0	The municipality's accounts are up to date.
Mafube	55,489	157,798	It was planned to issue a breach notice on 29 September 2021. However, this was not done as Eskom is evaluating other alternatives.
<b>Total</b>	<b>9,526,676</b>	<b>14,631,665</b>	

\*Section 41 report for October 2021 not yet received.

#### Water Boards Debt

1.2.5 The total debt owed to Water Boards amounts to R1.67 billion. Two municipalities (Mangaung and Matjhabeng) did not disclose the total outstanding debt, therefore the total debt reported for bulk water services are understated. The table below shows the Section 41 report for Free State Municipalities for bulk water services debt per municipality compared to the MFMA Section 71 report. The details of action are casted as per Section 41 from the water boards.

Municipality	S71 Report (Municipal) M04 R'000	S41 Report (Water Boards) M04 R'000	Details of actions taken and timeframes of actions to recover arrears as reported by the Water Boards for the month under review
Mangaung	389,499	722,708	<p>Bloemwater:</p> <ul style="list-style-type: none"> <li>● On 1 June 2021, Bloem Water informed Mangaung Metropolitan Municipality of its intention to restrict the water supply in terms of Section 4(5) of the Water Services Act and that the restriction will take effect on 2 July 2021.</li> <li>● A Ministerial delegation met with the Metro and other Stakeholders, including Bloem Water to monitor the progress on the recovery plan. However, Bloem Water received a Payment Plan from the Municipality subsequent to the meeting held between Bloem Water and Mangaung Metropolitan Municipality on 24 June 2021 to avoid the implementation of the restrictions.</li> <li>● Following numerous follow-ups regarding non-payment of outstanding and overdue accounts and payments in terms of the Settlement Agreement, Bloem Water received an email from the CFO of Mangaung Metropolitan Municipality on 15 October 2021 indicating that the second tranche of the equitable share will only be received in December 2021.</li> <li>● Furthermore, that the Municipality is currently facing serious cash flow constraints for the month of October 2021 and will thus only be able to pay its account by Monday, 18 October 2021. On 18 October 2021, Bloem Water responded to the email in writing and informed the Metro that the constant failure to adhere to the Payment Plan has driven Bloem Water into a dire financial situation given that the Entity solely survives on the proceeds of the sale of water.</li> <li>● On 20 October 2021, Bloem Water informed the Minister of Water and Sanitation of the disastrous impact on Bloem Water's operations as a result of the Municipality's water account which continues to be underserviced and has thus invoked provisions of Section 4(5) of the Water Services Act by notifying the Municipality of its intention to restrict the water supply within 30 days which becomes effective on 19 November 2021.</li> <li>● The total outstanding amount consisting of normal and drought tariff billing and interest as at the end of October 2021 amounts to R722 707 535.</li> </ul>
Letsemeng	-		

Municipality	S71 Report (Municipal) M04 R'000	S41 Report (Water Boards) M04 R'000	Details of actions taken and timeframes of actions to recover arrears as reported by the Water Boards for the month under review
Kopanong	489,125	489,398	<p>Bloemwater:</p> <ul style="list-style-type: none"> <li>• Bloem Water continues to render bulk treated water supply services to Kopanong Local Municipality (KLM) and its respective towns, despite the Municipality's non-payment trend.</li> <li>• The restrictions will again be imposed after the lockdown period if the outstanding debt is not settled.</li> <li>• A new Service Level Agreement was signed between Bloem Water and Kopanong Local Municipality. Bloem Water will continue to provide bulk water services to the Municipality for a period of 5 (five) years effective from 25 February 2021.</li> <li>• No payment was received from Kopanong Local Municipality during April 2021. A notice of restrictions was issued in accordance with Section 4(5) of the Water Services Act with a due date to be implemented on 14 May 2021.</li> <li>• The Tax-payers Associations within the service area of Bloem Water, in support of the UFS, took legal action against Bloem Water on the intended water restrictions implemented by the Entity. The legal process was initiated, and the Court date was set for 17 June 2021, but was postponed.</li> <li>• This also resulted in an out of Court agreement that the water restrictions will be postponed and be considered after the Court ruling is issued.</li> <li>• The Municipality was engaged but did not yield results. No payment was received from Kopanong Local Municipality during June 2021.</li> <li>• The Municipality had to present a payment plan but failed to provide any to date. Stakeholder forums involving the Minister, Cogta and other stakeholders did not yield any results. The Municipality made no payments in July 2021.</li> <li>• The outstanding amount owed to Bloem Water as at the end of October 2021 is R489 398 476.</li> </ul>
Mohokare	-		
Masilonyana	16,103		
Tokologo	-		
Tswelopele	10,158		
Matjhabeng	-	4,517,383	<p>Sedibeng:</p> <ul style="list-style-type: none"> <li>• Municipality committed to pay an amount of R10m and R20m pledged by the province.</li> <li>• An engagement was done with the attorneys (AA Solwandle Attorney's) to assist with Debt Collection for the municipality.</li> <li>• A letter of instruction for attachment of Equitable Share was given to the attorneys on 02 February 2021.</li> </ul>

Municipality	S71 Report (Municipal) M04 R'000	S41 Report (Water Boards) M04 R'000	Details of actions taken and timeframes of actions to recover arrears as reported by the Water Boards for the month under review
Nala	236,670	247,023	<ul style="list-style-type: none"> <li>· A service level agreement of this Debt Collection effect was signed with the attorneys on 17 February 2021.</li> <li>· AA Solwandle sent summons to the relevant parties demanding payments.</li> <li>· The municipality was billed R 73,814,995.14 in the month of October 2021.</li> <li>· A payment of an amount R 17,000,000 was received during the month, remaining balance is R 4,517,382,721.69</li> </ul>
Setsotso	-		<p>Sedibeng:</p> <ul style="list-style-type: none"> <li>· A letter of demand was sent on the 23rd of March 2021, the municipality was requested to make a minimum payment of an amount R 13,372,463.00.</li> <li>· No payment was received from the municipality following the date of the letter of demand.</li> <li>· The municipality was billed R 9,521,848.90 in the month of October 2021.</li> <li>· No payment was received during the month, remaining balance is R247,022,870.10</li> </ul>
Dihlabeng	-		
Nketoana	-		
Maluti a Phofung	57,770		
Phumelela	86,061		
Mantsopa	-	1,844	<p>Bloemwater:</p> <ul style="list-style-type: none"> <li>● The Municipality continuously defaults on normal payment terms.</li> <li>● On 23 November 2020, Bloem Water informed the Municipality of its intention to implement gradual suspension of operations with effect from 26 November 2020 due to the continued non-payment of monthly accounts and arrears agreed upon during the intervention by stakeholders which has further affected the sustainability of the entity.</li> <li>● No payment was received from the Municipality, despite the fact that Mantsopa Local Municipality received its equitable share during December 2020. On 10 December 2020, Bloem Water informed the Municipality of its intentions to implement water restrictions without further notice if no payment is received to liquidate the arrears within one week.</li> <li>● However, no payments nor a payment plan has been forthcoming to date and the Municipality does not respond to correspondence or calls from Bloem Water. The water supply has been restricted as the Municipality have other water sources at their disposal. Legal processes are considered to be followed, while formal letters were submitted to the Municipality.</li> </ul>

Municipality	S71 Report (Municipal) M04 R'000	S41 Report (Water Boards) M04 R'000	Details of actions taken and timeframes of actions to recover arrears as reported by the Water Boards for the month under review
Moqhaka	–		<ul style="list-style-type: none"> <li>• A new Service Level Agreement was agreed upon during June 2021. The Municipality was engaged, and a meeting could only be set on 3 August 2021 on the outstanding accounts. However, Bloem Water has since received a Payment Plan from Mantsopa Local Municipality on 25 August 2021, hence the legal processes are being held in abeyance. Bloem Water accepted the payment plan up to 30 June 2021. It included the full supply of water and the payment of current accounts. Nominal payments were received during July, August and September 2021. The payments were made in accordance with the payment plan. However, no payment was received during October 2021. The Municipality has been engaged on the matter.</li> <li>• The outstanding amount owed to Bloem Water as at the end of October 2021 is R1 843 853.</li> </ul>
Ngwathe	12,757	8,482	<p>Randwater:</p> <p>The 3 months (Jan 2021 to March 2021) extended payment terms relief option has concluded. Overdue debt to be settled in 12 months (until 31 December 2021).</p> <p>Rand Water – Account up to date</p>
Metsimaholo	–	15,617	
Mafube	376,845		
<b>Total</b>	<b>1,674,988</b>	<b>6,002,455</b>	

\*Municipalities not included in S41 reports are not making use of water boards for the provision of water (process own water).

\*Section 41 report for October 2021 (RandWater) not yet received.

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 R497.7 million of which 73.5% 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 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	42,775	100.0%	–	0.0%	–	0.0%	–	0.0%	42,775	53.7%
Kopanong	–	0.0%	1,393	32.6%	1,304	30.6%	1,570	36.8%	4,267	5.4%
Matjhabeng	12,663	47.7%	13,832	52.2%	7	0.0%	21	0.1%	26,523	33.3%
Nala	172	100.0%	–	0.0%	–	0.0%	–	0.0%	172	0.2%
Thabo Mofutsanyana District	1,997	100.0%	–	0.0%	–	0.0%	–	0.0%	1,997	2.5%
Ngwathe	3,917	100.0%	0	0.0%	–	0.0%	–	0.0%	3,917	4.9%
<b>Total Debt</b>	<b>61,525</b>	<b>77.2%</b>	<b>15,225</b>	<b>19.1%</b>	<b>1,311</b>	<b>1.6%</b>	<b>1,591</b>	<b>2.0%</b>	<b>79,652</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	53,063	100.0%	–	0.0%	–	0.0%	–	0.0%	53,063	12.7%
Kopanong	–	0.0%	1,889	1.2%	1,878	1.2%	154,866	97.6%	158,633	37.9%
Matjhabeng	12,960	25.4%	13,832	27.1%	12,192	23.9%	12,097	23.7%	51,081	12.2%
Nala	4	100.0%	–	0.0%	–	0.0%	–	0.0%	4	0.0%
Ngwathe	3,161	100.0%	–	0.0%	–	0.0%	–	0.0%	3,161	0.8%
Mafube	1,215	0.8%	1,215	0.8%	87,539	57.6%	62,122	40.8%	152,091	36.4%
<b>Total Debt</b>	<b>70,404</b>	<b>16.8%</b>	<b>16,936</b>	<b>4.1%</b>	<b>101,609</b>	<b>24.3%</b>	<b>229,085</b>	<b>54.8%</b>	<b>418,034</b>	<b>100.0%</b>

Fleet Management Debt

1.2.8 The total outstanding debt of municipalities amounts to R237.4 million and are older than 1095 days. The table below show the debt owed per municipality:

MUNICIPALITY	TOTAL
Dihlabeng Municipality	62,681,782.43
Maluti A Phofung Municipality	55,363,991.91
Masilonyana Municipality	26,049,239.30
Mangaung Municipality	23,301,380.64
Ngwathe Municipality	16,610,940.01
Metsimaholo Municipality	16,455,510.12
Nala Municipality	12,603,955.16
Moqhaka Municipality	7,423,365.71
Phumelela Municipality	3,665,362.27
Mohokare Municipality	3,231,146.63
Letsemeng Municipality	2,349,704.54
Naledi Municipality	2,013,015.03
Xhariep Municipality	1,986,158.78
Matjhabeng Municipality	1,723,354.67
Mafube Municipality	1,605,309.98
Mantsopa Municipality	199,408.52
Tswelopele Municipality	93,439.88
Kopanong Municipality	22,782.93
<b>TOTAL</b>	<b>237,379,848.51</b>

Source: PRT (Fleet Management Trading Entity)

### 1.3 CASH FLOW

- 1.3.1 Municipalities in the Province closed the month of Oct 2021 with a surplus cash and cash equivalent balance of R837.3 million. This may however be incorrect due to municipalities that are not using the mSCOA segments correctly to populate the cash flow information, which is derived from the *item segment* in combination with the *fund segment*. The correct alignment of the segments will be part of mSCOA version 6.5.
- 1.3.2 Eleven municipalities (as indicated in the table below) reported negative closing balances and might indicate eminent financial constraints.

R thousands	Cash/Cash equivalents at year begin (1 Jul 2021)	Net Cashflow From/(Used) Operating Activities	Net Cashflow From/(Used) Investing Activities	Net Cashflow From/(Used) Financing Activities	Net Increase / (Decrease) in Cash Held	Cash/Cash equivalents month/year end (31 Oct 2021)
Mangaung Metro	461,396	1,059,789	(264,706)	(6,444)	788,639	1,250,035
Letsameeng	-	-	-	(2)	(2)	(2)
Kopanong	-	73,439	-	2,986	76,425	76,643
Mohokare	5,067	14,070	(15,732)	1	(1,661)	3,406
Xhariep District	-	9,546	-	-	9,546	9,546
<b>DC 16 Total</b>	<b>5,067</b>	<b>97,055</b>	<b>(15,732)</b>	<b>2,984</b>	<b>84,307</b>	<b>89,593</b>
Masilonyana	-	-	-	(92)	(92)	(92)
Tokologo	-	(6,478)	12	(50)	(6,517)	(6,517)
Tswelopele	12,489	2,937	(1,623)	19	1,333	13,771
Majhabeng	(37,081)	(275,824)	(11,938)	(6,987)	(294,748)	(231,930)
Nala	-	-	-	49	49	49
Lejweleputs District	-	61,180	-	-	61,180	61,180
<b>DC 18 Total</b>	<b>(24,591)</b>	<b>(218,184)</b>	<b>(13,549)</b>	<b>(7,061)</b>	<b>(238,794)</b>	<b>(163,538)</b>
Setsootso	45,572	175,365	(55,561)	3	119,807	165,333
Dihlabeng	(11,417)	133,328	(25,590)	(2,716)	105,022	93,750
Nketoana	3,456	50,743	(8,856)	-	41,887	45,343
Maluti a Phofung	165,009	(340,379)	(54,374)	(25,473)	(420,227)	(420,227)
Phumelela	-	(29,871)	-	2	(29,869)	(29,869)
Mantsopa	-	(20,470)	(17,522)	(186)	(38,178)	(38,178)
Thabo Mofutsanyana	-	(119)	-	-	(119)	(119)
<b>DC 19 Total</b>	<b>202,620</b>	<b>(31,403)</b>	<b>(161,903)</b>	<b>(28,370)</b>	<b>(221,676)</b>	<b>(183,967)</b>
Moqhaka	-	113,752	(6,464)	(977)	106,311	107,815
Ngwathe	56,783	(65,521)	(18,642)	(477)	(84,640)	(27,935)
Metsimaholo	50,783	(137,659)	(29,753)	(2,677)	(170,089)	(119,114)
Mafube	(126,563)	8,900	(9,564)	(45)	(709)	(257,551)
Fezile Dabi	97,842	43,982	-	-	43,982	141,970
<b>DC 20 Total</b>	<b>78,845</b>	<b>(36,548)</b>	<b>(64,422)</b>	<b>(4,176)</b>	<b>(105,146)</b>	<b>(154,814)</b>
<b>Total</b>	<b>723,337</b>	<b>870,709</b>	<b>(520,312)</b>	<b>(43,066)</b>	<b>307,331</b>	<b>837,309</b>

Source: NT Local Government Database

#### 1.3.3 A deterioration in revenue collection can be attributed to:

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

## 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

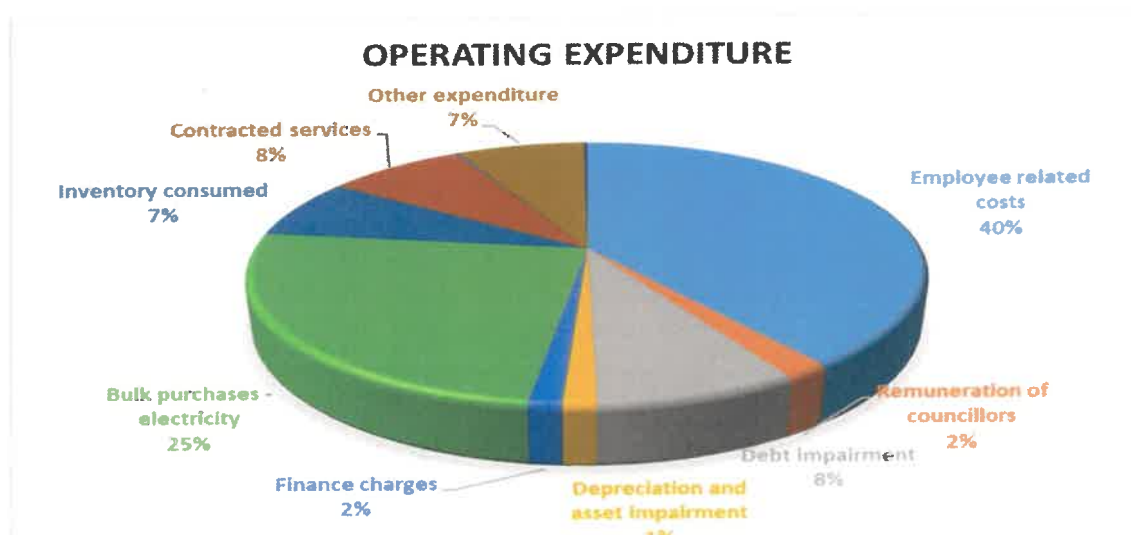
2.1.1 The total generated revenue (billed) amounts to R6.96 billion or 31.8 percent against the adopted budget of R21.84 billion, whilst in respect of expenditure, municipalities spent an aggregate of 25.5 percent or R5.69 billion against the total budget of R22.13 billion. The revenue relates to the ability of the municipality to raise (generate) revenue, and does not take the actual collection into consideration.

2.1.2 The majority of the generated (billed) revenue relates to *service charges* with R3.46 billion (50 percent), followed by *transfers and subsidies* amounting to R1.87 billion or 27 percent of the total revenue. Property rates contribute 14 percent (R1.01 billion) to the total revenue generated.

2.1.3 An aggregate operational surplus of R1.27 billion was reported for the period under review (year-to-date) excluding capital transfers.

### 2.2 OPERATING EXPENDITURE

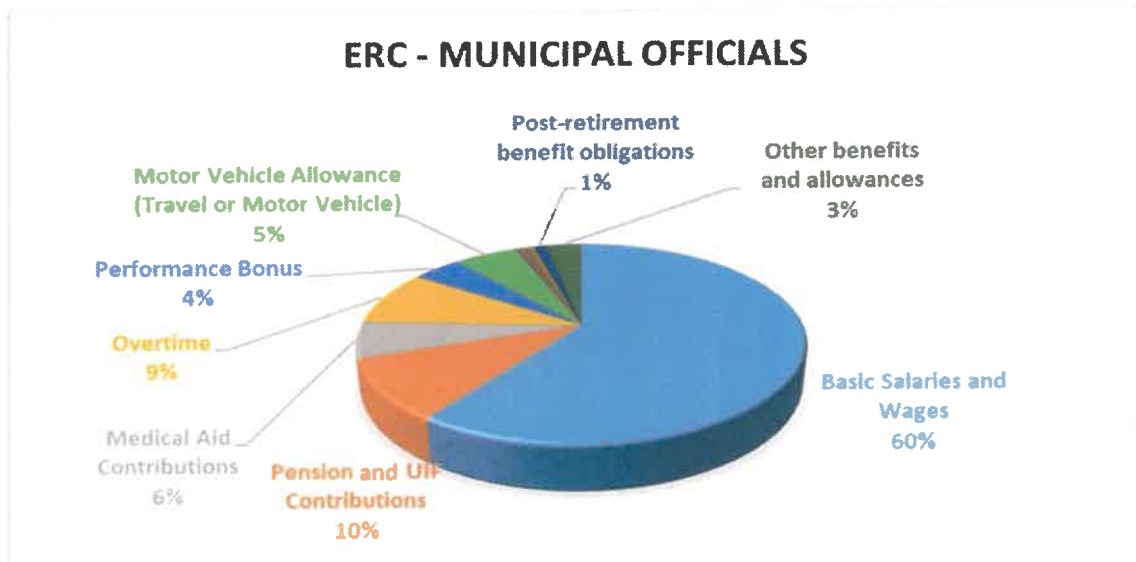
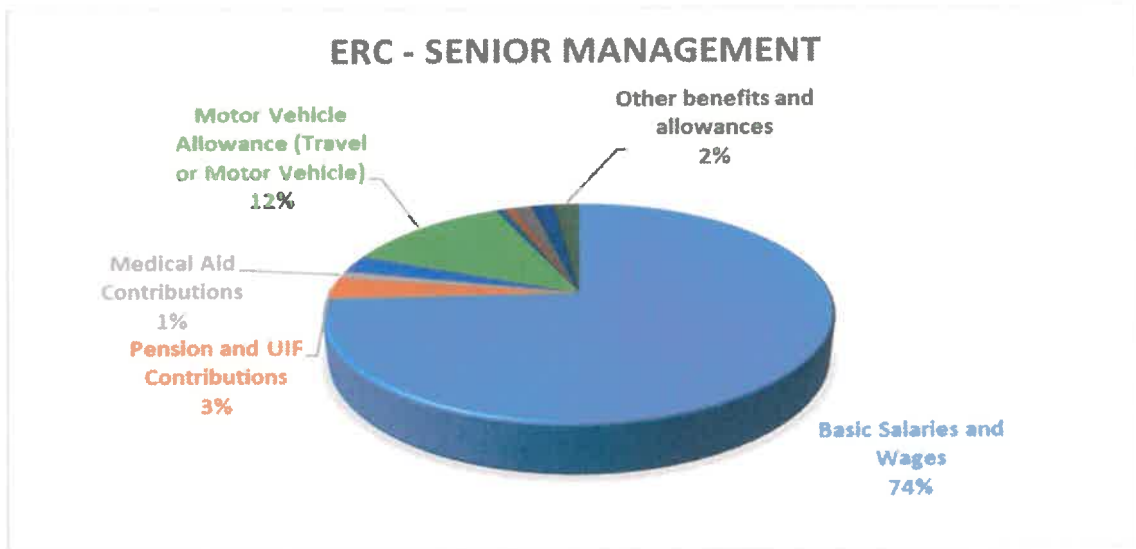
2.2.1 The highest spending item reported at the end of October 2021 is *employee related cost* amounting to R2.25 billion or 40 per cent of the total expenditure, followed by *bulk purchases - electricity* amounting to R1.41 billion.



2.2.2 The performance of *employee related cost* against the adopted budget is 31.9 per cent and the majority (98.3per cent) of the total expenditure relates to salaries and wages for municipal staff as indicated in the table below:

Employee Related Cost	ORGB R'000	Actual YTD R'000	% Spent	% of Total ERC
Senior Management	206,334	36,696	17.8%	1.7%
Municipal Staff	6,495,857	2,100,464	32.3%	98.3%
Board Members	982	107	10.9%	0.0%
<b>Total</b>	<b>6,703,173</b>	<b>2,137,267</b>	<b>31.9%</b>	<b>100.0%</b>

2.2.3 The graphs below show the breakdown of the employee related cost for senior managers and municipal staff:

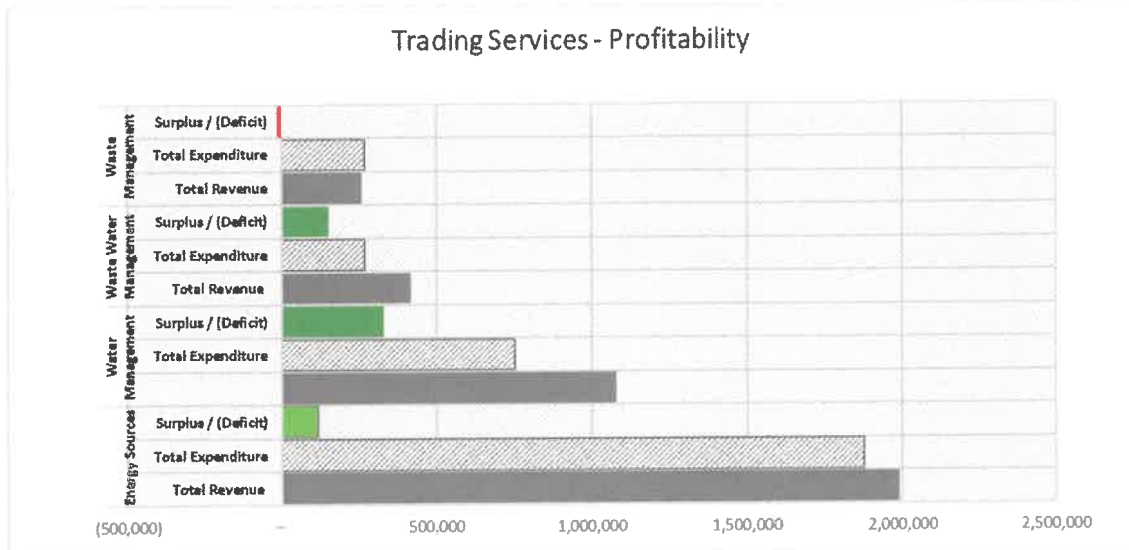


## 2.3 PROFITABILITY OF TRADING SERVICES

2.3.1 An analysis of the trading services indicates that energy sources, water and waste water services had operating surpluses for the period under review. However, waste management reflected a deficit of R77.5 million for the same period.

- Billed energy sources revenue totaled R1.99 billion against expenditure of R1.88 billion (surplus of R114.1 million);

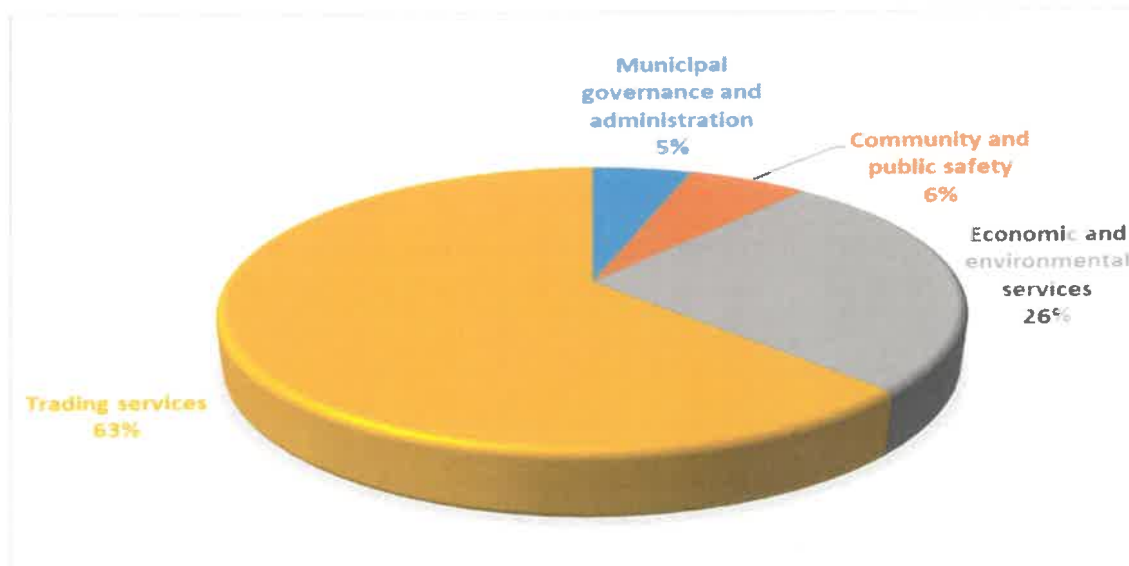
- Billed water revenue totaled R1.08 billion against expenditure of R749.5 million (surplus of R328.0 million);
- Billed waste water management revenue totaled R416.8 million against expenditure of R265.7 million (surplus of R151.1 million); and
- Billed waste management revenue totaled R256.7 million against expenditure R266.8 million (deficit of R10.1 million).



**2.4 CAPITAL EXPENDITURE**

2.4.1 The total capital expenditure amounts to R555.8 million or 17.4% against the adopted budget of R3.19 billion.

2.4.2 The majority (63%) of the expenditure relates to trading services projects amounting to R346.9 million. This consists of R89.3 million for *energy services*, R156.8 million for *water management*, R96.7 million for *waste water management* and R4.1 million for *waste management*.



## 2.5 REPAIRS AND MAINTENANCE

- 2.5.1 Repairs and maintenance of infrastructure is critical to ensure ongoing service delivery and avoid interruptions to services through unplanned and unnecessary breakdowns. Municipalities are required to budget for a minimum of 8 per cent of the PPE for repairs and maintenance.
- 2.5.2 It is concerning that most municipalities did not allocate 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.
- 2.5.3 To date, a total of R358.2 million was reported spent on repairs and maintenance which amounts to 33.2% against a budget of R1.08 billion. The table below show the repairs and maintenance expenditure reported per municipality:

<b>R thousands</b>	<b>Code</b>	<b>Original Budget</b>	<b>YTD Actual</b>	<b>%</b>
<b>FREE STATE</b>				
Mangaung	MAN	497,607	179,642	36.1%
<b>Total Metros</b>		<b>497,607</b>	<b>179,642</b>	<b>36.1%</b>
Letsemeng	FS161	2,900	286	9.8%
Kopanong	FS162	-	-	-
Mohokare	FS163	2,160	427	19.8%
Xhariep	DC16	215	11	5.3%
<b>Total Xhariep</b>		<b>5,275</b>	<b>724</b>	<b>13.7%</b>
Masilonyana	FS181	3,040	-	-
Tokologo	FS182	4,150	1,749	42.2%
Tswelopele	FS183	9,381	4,606	49.1%
Matjhabeng	FS184	8,051	3,546	44.0%
Nala	FS185	250,000	55,049	22.0%
Lejweleputswa	DC18	3,398	751	22.1%
<b>Total Lejweleputswa</b>		<b>278,019</b>	<b>65,702</b>	<b>23.6%</b>
Setsoto	FS191	25,255	2,025	8.0%
Dihlabeng	FS192	5,074	4,550	89.7%
Nketoana	FS193	17,800	4,737	26.6%
Maluti-a-Phofung	FS194	72,817	52,329	71.9%
Phumelela	FS195	6,542	1,721	26.3%
Mantsopa	FS196	-	-	-
Thabo Mofutsanyana	DC19	535	275	51.3%
<b>Total Thabo Mofutsanyana</b>		<b>128,023</b>	<b>65,637</b>	<b>51.3%</b>
Moqhaka	FS201	64,366	18,371	28.5%
Ngwathe	FS203	34,952	22,291	63.8%
Metsimaholo	FS204	43,689	4,267	9.8%
Mafube	FS205	21,106	1,369	6.5%
Fezile Dabi	DC20	5,628	175	3.1%
<b>Total Fezile Dabi</b>		<b>169,740</b>	<b>46,472</b>	<b>27.4%</b>
<b>Total Free State</b>		<b>1,078,663</b>	<b>358,177</b>	<b>33.2%</b>
<b>Total National</b>		<b>1,078,663</b>	<b>358,177</b>	<b>33.2%</b>

## 3. CONDITIONAL GRANTS

- 3.1 In terms of the Division of Revenue Act, 2021 a total of R2.6 billion was allocated to municipalities in the Province. The performance at the end of October 2021 show a total spending of R334.4 million or 12.8 per cent against the allocation.

3.2 It is important to note that this low spending reflected is mainly due to the change in the mapping for grants reporting which was done for this quarter. The mapping was changed to be consistent with the reporting on the annual financial statements where only 'conditions met' are recognized as grants expenditure. This is in line with the reporting as prescribed in GRAP 23. Municipalities will be advised in the change of reporting and a circular will be issued to provide further guidance.

3.2 The table below indicate the conditional grant performance per municipality:

Municipalities	2021/22 Conditional Grants					
	Allocated	Transferred	Spend Nat	Received Mun	Spend Mun	% spend
Mangaung	1,003,160	120,335	33,149	244,152	244,491	24.4%
Letsemeng	53,282	18,123	13,947	–	–	0.0%
Kopanong	56,896	16,396	6,093	–	–	0.0%
Mohokare	82,331	51,179	17,454	283	(28,903)	-35.1%
Xhariep	4,990	3,473	1,483	3,473	1,697	34.0%
Masilonyana	40,077	18,414	8,679	–	–	0.0%
Tokologo	35,112	19,179	8,624	9,311	15,941	45.4%
Tswelopele	32,277	13,289	625	6,047	(7,242)	-22.4%
Matjhabeng	164,133	46,366	13,213	–	–	0.0%
Nala	50,767	14,451	6,679	24,294	9,223	18.2%
Lejweleputswa	4,510	2,927	329	3,457	593	13.2%
Setsoto	196,706	66,251	30,239	–	–	0.0%
Dihlabeng	70,108	21,421	15,667	–	–	0.0%
Nketoana	55,346	23,079	2,720	–	2,651	4.8%
Maluti a Phofung	246,777	63,856	44,385	147,713	42,263	17.1%
Phumelela	62,073	19,324	4,076	–	632	1.0%
Mantsopa	40,123	24,386	5,901	12,010	1,259	3.1%
Thabo Mofutsanyana	14,306	5,408	2,000	–	–	0.0%
Moqhaka	63,928	18,786	4,892	19,286	–	0.0%
Ngwathe	164,333	52,785	10,046	54,785	14,129	8.6%
Metsimaholo	98,757	18,644	1,471	51,098	23,373	23.7%
Mafube	56,395	34,116	8,636	39,416	14,325	25.4%
Fezile Dabi	7,436	3,765	574	–	–	0.0%
<b>Total</b>	<b>2,603,823</b>	<b>675,953</b>	<b>240,882</b>	<b>615,324</b>	<b>334,433</b>	<b>12.8%</b>

3.3 The table below show the actual performance per grant:

Municipalities	2021/22 Conditional Grants					
	Allocated	Transferred	Spend Nat	Received Mun	Spend Mun	% spend
Energy Efficiency & Demand Man Grant	18,500	2,000	–	269	–	0.0%
Expanded Public Works Programme	41,224	10,311	12,627	4,700	1,750	4.2%
Finance Management Grant	57,400	57,400	7,493	21,650	(360)	-0.6%
Integrated National Electrification Prog	108,119	–	–	32,400	20,943	19.4%
Metro Informal Settlements Partnership Grant	263,893	40,000	10,217	40,000	14,907	5.6%
Municipal Infrastructure Grant	781,076	218,093	111,156	170,399	45,352	5.8%
Neighbourhood Dev Partnership Grant	10,000	–	–	–	–	0.0%
Programme & Project Preperation Support Grant	6,934	2,311	–	2,311	–	0.0%
Public Transport network Grant	223,648	75,595	22,812	75,595	35,944	16.1%
Regional Bulk Infrastructure Grant	213,921	82,300	23,202	58,514	24,194	11.3%
Rural Roads Assets Man Systems Grant	9,222	6,455	1,100	3,169	1,273	13.8%
Urban settlement Development Grant	495,269	–	–	123,817	193,465	39.1%
Water Services Infrastructure Grant	374,617	181,488	52,275	82,500	(3,035)	-0.8%
<b>Total</b>	<b>2,603,823</b>	<b>675,953</b>	<b>240,882</b>	<b>615,324</b>	<b>334,433</b>	<b>12.8%</b>

#### 4. **IMPACT OF COVID-19 ON LOCAL GOVERNMENT FINANCES**

4.1 Since a state of disaster was declared by the President on 15 March 2020, municipalities are required to submit weekly manual Covid-19 reports. The weekly report is based on expenditure within the following 5 categories:

- General
- Community and Social Services
- Public Safety
- Housing
- Health

4.2 As at 31 October 2021 a cumulative total of **R306.4 million** was reported and is broken down as follow:

##### **Covid-19 Spending per District**

Municipality	General	Community & Social Services	Public Safety	Housing	Health	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Mangaung	115,845	-	-	-	4,668	<b>120,513</b>
Xhariep District	1,476	412	-	97	1,291	<b>3,276</b>
Lejweleputswa District	31,864	13,998	57	489	1,906	<b>48,314</b>
Thabo Mofutsanyana District	81,008	13,374	-	279	3,889	<b>98,549</b>
Fezile Dabi District	12,514	9,834	5,118	-	8,315	<b>35,782</b>
<b>TOTAL</b>	<b>242,708</b>	<b>37,618</b>	<b>5,175</b>	<b>864</b>	<b>20,070</b>	<b>306,435</b>

4.3 The detail spending reported by each municipality is attached as an annexure.

#### 5. **ASSISTANCE PROVIDED & OTHER MFMA RELATED MATTERS**

5.1 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.

5.2 The National Treasury will be considering withholding the second tranche of the equitable share based on non-compliance to the MFMA, 2003. Provincial Treasury is supporting municipalities comply with the conditions. It was noted that a number of municipalities are slow to respond to the conditions set by National Treasury.

## E. RECOMMENDATIONS & CONCLUSION

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

1. **Note** the overall compliance status with regard to the submission of the monthly data strings and returns decreased slightly from 54.8% to 62.8%. Although the data string submission rate is 94.2%, the submission rate of the supporting documents remains low at 28.3%.
2. **Note** the aggregate revenue generated at the end of October 2021 is 31.8 percent whilst the operating expenditure is at 25.5 percent against the total budgets.
3. **Note** the total capital expenditure amounts to R555.7 million (17.4%) against the budget of R3.19 billion.
4. **Note** municipalities reported aggregate spending on repairs and maintenance amounting to R358.2 million or 33.2% against the budget.
5. Note the total outstanding debtors amount to R26.67 billion (Sept 2021 – R26.38 billion).
6. **Note** the total outstanding creditor's amount to R13.4 billion (Sept 2021 – R19.47 billion) Due to low collections, municipalities are experiencing cash flow challenges which leads to the non-payment of bulk services accounts, pensions and salaries.
7. **Note** the impact of the Covid-19 on the municipal finances. At the end of October 2021 the total cumulative Covid-19 related expenditure amounted to R306.4 million (15 March 2020 – 31 October 2021). However, there is no alignment of the expenditure reported to the data strings.
8. **Note** municipalities are not budgeting, transacting and reporting in the financial systems as per the mSCOA requirements, which **impacts on the completeness and accuracy of the information reported**. Provincial Treasury provides regular feedback on the information reported to municipalities, however, internal control measures should be implemented at municipalities to ensure accuracy of information.
9. **Note** the support initiatives provided by the Treasury, MFMA unit.

CONSOLIDATED MUNICIPAL BUDGET PERFORMANCE REPORT FOR THE PERIOD ENDING 31  
October 2021

Submitted by:



Ms. D Smit  
DEPUTY DIRECTOR: LEJWELEPUTSWA DISTRICT

Date: 2021/11/30

Reviewed by:



Dr. R Chetty  
DIRECTOR: THABO MOFUTSANYANA DISTRICT

Date: 2021/11/30

Noted / Comments by:

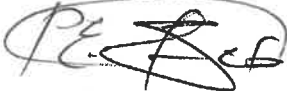


Mr. IE Page

Acting CHIEF DIRECTOR: MUNICIPAL FINANCE MANAGEMENT

Date: 08/12/2021

Noted / Comments by:



Ms. MA Sesing  
ACTING HEAD OF DEPARTMENT  
FS PROVINCIAL TREASURY

Date: 10-12-2021

**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
- J : Covid-19 Expenditure 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	479,682	5.2%	227,261	2.5%	397,273	4.3%	8,070,080	88.0%	9,174,296	34.4%
Trade and Other Receivables from Exchange Transactions - Electricity	424,052	17.7%	98,057	4.1%	180,081	7.5%	1,687,937	70.6%	2,390,127	9.0%
Receivables from Non-exchange Transactions - Property Rates	296,462	7.6%	114,365	2.9%	327,989	8.4%	3,172,376	81.1%	3,911,192	14.7%
Receivables from Exchange Transactions - Waste Water Management	134,198	4.0%	73,461	2.2%	190,672	5.6%	2,998,993	88.3%	3,397,325	12.7%
Receivables from Exchange Transactions - Waste Management	80,319	3.2%	50,155	2.0%	135,321	5.5%	2,207,964	89.3%	2,473,759	9.3%
Receivables from Exchange Transactions - Property Rental Debtors	1,758	1.3%	1,745	1.3%	1,741	1.3%	126,637	96.0%	131,881	0.5%
Interest on Arrear Debtor Accounts	127,782	2.8%	80,057	1.7%	258,231	5.6%	4,145,378	89.9%	4,611,448	17.3%
Other	12,151	2.1%	29,000	5.0%	(28,900)	-5.0%	567,095	97.9%	579,346	2.2%
<b>Total By Income Source</b>	<b>1,556,403</b>	<b>5.8%</b>	<b>674,101</b>	<b>2.5%</b>	<b>1,462,410</b>	<b>5.5%</b>	<b>22,976,460</b>	<b>86.2%</b>	<b>26,669,375</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	283,885	8.1%	120,091	3.4%	191,766	5.5%	2,903,990	83.0%	3,499,732	13.1%
Commercial	509,689	13.0%	109,545	2.8%	386,037	9.9%	2,902,269	74.3%	3,907,540	14.7%
Households	762,272	4.0%	441,877	2.3%	922,494	4.8%	17,006,489	88.9%	19,133,132	71.7%
Other	557	0.4%	2,588	2.0%	(37,888)	-29.4%	163,711	126.9%	128,970	0.5%
<b>Total By Customer Group</b>	<b>1,556,403</b>	<b>5.8%</b>	<b>674,101</b>	<b>2.5%</b>	<b>1,462,410</b>	<b>5.5%</b>	<b>22,976,460</b>	<b>86.2%</b>	<b>26,669,375</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	696,930	9.3%	233,520	3.1%	325,957	4.4%	6,219,935	83.2%	7,476,341	28.0%
Letsemeng	6,869	2.3%	7,223	2.4%	4,947	1.6%	284,853	93.7%	303,892	1.1%
Kopanong*	16,552	4.1%	15,941	3.9%	7,044	1.7%	364,743	90.2%	404,279	1.5%
Mohokare	10,493	2.7%	6,401	1.7%	6,739	1.8%	359,225	93.8%	382,859	1.4%
Khariap District	–	0.0%	–	0.0%	–	0.0%	10,194	100.0%	10,194	0.0%
<b>DC 16 Total</b>	<b>33,915</b>	<b>3.1%</b>	<b>29,564</b>	<b>2.7%</b>	<b>18,729</b>	<b>1.7%</b>	<b>1,019,015</b>	<b>92.5%</b>	<b>1,101,224</b>	<b>4.1%</b>
Masilonyana	13,628	1.1%	13,109	1.1%	16,929	1.4%	1,159,650	96.4%	1,203,316	4.5%
Tokologo	5,778	1.8%	7,289	2.3%	5,569	1.8%	294,813	94.1%	313,450	1.2%
Tswelopele	7,423	5.3%	4,763	3.4%	3,789	2.7%	123,423	88.5%	139,398	0.5%
Matjhabeng	229,979	4.7%	123,679	2.5%	90,354	1.9%	4,430,750	90.9%	4,874,763	18.3%
Nala	22,966	2.5%	20,876	2.3%	18,550	2.0%	861,147	93.2%	923,539	3.5%
Lejweleputswa District	(28)	-0.1%	–	0.0%	–	0.0%	30,315	100.1%	30,287	0.1%
<b>DC 18 Total</b>	<b>279,747</b>	<b>3.7%</b>	<b>169,717</b>	<b>2.3%</b>	<b>135,192</b>	<b>1.8%</b>	<b>6,900,097</b>	<b>92.2%</b>	<b>7,484,753</b>	<b>28.1%</b>
Setsotho	24,819	4.5%	20,484	3.7%	19,078	3.5%	487,449	88.3%	551,830	2.1%
Dihlabeng	74,668	6.4%	23,566	2.0%	27,872	2.4%	1,044,058	89.2%	1,170,165	4.4%
Nketoana	24,305	3.1%	17,501	2.2%	16,110	2.0%	731,283	92.7%	789,198	3.0%
Maluti a Phofung	41,410	2.0%	31,854	1.6%	35,782	1.7%	1,943,283	94.7%	2,052,329	7.7%
Phumelela	(1,866)	-0.5%	5,679	1.4%	5,973	1.5%	391,578	97.6%	401,365	1.5%
Mantsopa	22,828	3.2%	13,106	1.8%	12,624	1.8%	663,599	93.2%	712,158	2.7%
Thabo Mofutsanyana District	1,869	29.8%	–	0.0%	–	0.0%	4,395	70.2%	6,264	0.0%
<b>DC 19 Total</b>	<b>188,035</b>	<b>3.3%</b>	<b>112,190</b>	<b>2.0%</b>	<b>117,439</b>	<b>2.1%</b>	<b>5,265,645</b>	<b>92.7%</b>	<b>5,683,309</b>	<b>21.3%</b>
Moqhaka	42,524	4.1%	32,837	3.2%	25,540	2.5%	924,146	90.2%	1,025,048	3.8%
Ngwathe	70,935	8.1%	22,568	2.6%	778,450	89.3%	–	0.0%	871,953	3.3%
Metsimaholo	213,590	9.6%	57,569	2.6%	46,402	2.1%	1,910,472	85.7%	2,228,034	8.4%
Mafube	30,728	3.8%	16,136	2.0%	14,700	1.8%	737,149	92.3%	798,713	3.0%
Fezile Dabi	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
<b>DC 16 Total</b>	<b>357,777</b>	<b>7.3%</b>	<b>129,110</b>	<b>2.6%</b>	<b>865,092</b>	<b>17.6%</b>	<b>3,571,767</b>	<b>72.5%</b>	<b>4,923,747</b>	<b>18.5%</b>
<b>Total Debt</b>	<b>1,556,403</b>	<b>5.8%</b>	<b>674,101</b>	<b>2.5%</b>	<b>1,462,410</b>	<b>5.5%</b>	<b>22,976,460</b>	<b>86.2%</b>	<b>26,669,375</b>	<b>100.0%</b>

\*M03

### 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	290,532	3.0%	159,332	1.7%	165,544	1.7%	8,911,268	93.5%	9,526,676	71.1%
Bulk Water	405,785	24.2%	15,341	0.9%	16,171	1.0%	1,237,692	73.9%	1,674,988	12.5%
PAYE deductions	61,525	77.2%	15,225	19.1%	1,311	1.6%	1,591	2.0%	79,652	0.6%
VAT (output less input)	7,315	24.8%	1,332	4.5%	1,338	4.5%	19,543	66.2%	29,528	0.2%
Pensions / Retirement	70,404	16.8%	16,936	4.1%	101,609	24.3%	229,085	54.8%	418,034	3.1%
Loan repayments	1,121	9.6%	1,091	9.3%	2,091	17.8%	7,411	63.3%	11,714	0.1%
Trade Creditors	244,869	19.3%	102,390	8.1%	37,276	2.9%	883,038	69.7%	1,267,574	9.5%
Auditor General	8,840	17.5%	5,194	10.3%	3,598	7.1%	32,928	65.1%	50,560	0.4%
Other	3,503	1.0%	(659)	-0.2%	(4,663)	-1.4%	337,132	100.5%	335,313	2.5%
<b>Total Debt</b>	<b>1,093,893</b>	<b>8.2%</b>	<b>316,182</b>	<b>2.4%</b>	<b>324,275</b>	<b>2.4%</b>	<b>11,659,688</b>	<b>87.1%</b>	<b>13,394,038</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	657,382	89.9%	26,424	3.6%	16,158	2.2%	31,610	4.3%	731,574	5.5%
Letsemeng	4,283	3.4%	(4,432)	-3.5%	(211)	-0.2%	125,510	100.3%	125,150	0.9%
Kopanong	7,227	1.1%	10,460	1.5%	11,783	1.7%	648,291	95.7%	677,761	5.1%
Mohokare	5,435	5.2%	3	0.0%	379	0.4%	99,206	94.5%	105,023	0.8%
Xhariep District	(457)	-6.2%	(1,500)	-20.2%	(174)	-2.4%	9,539	128.8%	7,408	(0.1%)
<b>DC 16 Total</b>	<b>16,488</b>	<b>1.8%</b>	<b>4,531</b>	<b>0.5%</b>	<b>11,777</b>	<b>1.3%</b>	<b>882,546</b>	<b>96.4%</b>	<b>915,342</b>	<b>6.8%</b>
Masilonyana	659	0.8%	(1,364)	-1.6%	(14,525)	-17.0%	100,674	117.8%	85,443	0.6%
Tokologo	743	4.7%	6,352	39.8%	501	3.1%	8,377	52.4%	15,972	0.1%
Tswelopele	6,730	11.2%	3	0.0%	419	0.7%	52,742	88.1%	59,894	0.4%
Matjhabeng	213,186	4.7%	41,174	0.9%	88,671	2.0%	4,180,372	92.4%	4,523,402	33.8%
Nala***	37,812	5.3%	6,297	0.9%	25,021	3.5%	646,257	90.3%	715,387	5.3%
Lejweleputswa District	96	45.6%	114	54.4%	-	0.0%	-	0.0%	209	0.0%
<b>DC 18 Total</b>	<b>259,225</b>	<b>4.8%</b>	<b>52,576</b>	<b>1.0%</b>	<b>100,086</b>	<b>1.9%</b>	<b>4,988,421</b>	<b>92.4%</b>	<b>5,400,308</b>	<b>40.3%</b>
Setsooto	21,354	44.3%	25,259	52.4%	808	1.7%	801	1.7%	48,223	0.4%
Dihlabeng	5,432	0.7%	33,996	4.6%	36,501	4.9%	667,642	89.8%	743,570	5.6%
Nketoana	5,847	2.0%	1,652	0.6%	-	0.0%	281,752	97.4%	289,251	2.2%
Maluti a Phofung	852	0.1%	8,899	0.6%	1,377	0.1%	1,492,185	99.3%	1,503,313	11.2%
Phumelela	2,380	0.9%	357	0.1%	75	0.0%	276,451	99.0%	279,263	2.1%
Mantsopa	6,129	1.7%	9,949	2.7%	10,672	2.9%	337,974	92.7%	364,725	2.7%
Thabo Mofutsanyana District	2,393	51.5%	282	6.1%	-	0.0%	1,973	42.4%	4,648	0.0%
<b>DC 19 Total</b>	<b>44,388</b>	<b>1.4%</b>	<b>80,396</b>	<b>2.5%</b>	<b>49,433</b>	<b>1.5%</b>	<b>3,058,777</b>	<b>94.6%</b>	<b>3,232,993</b>	<b>24.1%</b>
Moqhaka	34,681	5.6%	98,797	16.1%	39,611	6.4%	441,093	71.8%	614,183	4.6%
Ngwathe	53,356	3.1%	44,115	2.6%	11,571	0.7%	1,588,104	93.6%	1,697,147	12.7%
Metsimaholo	5,798	9.1%	3,021	4.8%	883	1.4%	53,773	84.7%	63,476	0.5%
Mafube*	9,543	1.3%	6,322	0.9%	94,756	13.1%	615,364	84.8%	725,985	5.4%
Fezile Dabi	13,031	100.0%	-	0.0%	-	0.0%	-	0.0%	13,031	0.1%
<b>DC 20 Total</b>	<b>116,410</b>	<b>3.7%</b>	<b>152,256</b>	<b>4.9%</b>	<b>146,822</b>	<b>4.7%</b>	<b>2,698,334</b>	<b>86.7%</b>	<b>3,113,822</b>	<b>23.2%</b>
<b>Total Debt</b>	<b>1,093,893</b>	<b>8.2%</b>	<b>316,182</b>	<b>2.4%</b>	<b>324,275</b>	<b>2.4%</b>	<b>11,659,688</b>	<b>87.1%</b>	<b>13,394,038</b>	<b>100.0%</b>

\*M03 / \*\*\*M11 (2021)

## Annexure E – Financial Performance

Description	Budget year 2021/22							
	Original Budget	Q1 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Q2 Dec Actual	YTD Actual	%
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates	3,001,498	744,020	263,680			263,680	1,007,700	33.6%
Service charges - electricity revenue	6,340,190	940,894	1,017,820			1,017,820	1,958,714	30.9%
Service charges - water revenue	2,842,665	702,779	236,738			236,738	939,517	33.1%
Service charges - sanitation revenue	1,177,820	267,774	84,884			84,884	352,657	29.9%
Service charges - refuse revenue	718,849	160,269	51,038			51,038	211,307	29.4%
Rental of facilities and equipment	75,225	21,085	6,911			6,911	27,997	37.2%
Interest earned - external investments	56,787	6,262	2,196			2,196	8,458	14.9%
Interest earned - outstanding debtors	1,042,146	188,562	136,416			136,416	324,978	31.2%
Dividends received	6,246	156	1,495			1,495	1,651	26.4%
Fines, penalties and forfeits	111,530	9,269	1,476			1,476	10,745	9.6%
Licences and permits	901	352	124			124	477	52.9%
Transfers and subsidies	4,722,321	1,792,495	78,246			78,246	1,870,741	39.6%
Other revenue	1,678,860	218,125	25,572			25,572	243,697	14.2%
Gains	60,001	(3,498)	2,436			2,436	(1,061)	-1.8%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>21,835,041</b>	<b>5,048,544</b>	<b>1,909,034</b>	<b>-</b>	<b>-</b>	<b>1,909,034</b>	<b>6,957,579</b>	<b>31.8%</b>
<b>Expenditure By Type</b>								
Employee related costs	6,703,173	1,485,303	768,860			768,860	2,254,163	33.6%
Remuneration of councillors	342,853	73,723	29,082			29,082	102,805	30.0%
Debt impairment	2,807,136	354,511	110,497			110,497	465,008	16.6%
Depreciation and asset impairment	1,323,996	18,329	57,451			57,451	75,780	5.7%
Finance charges	710,869	45,008	33,107			33,107	78,115	11.0%
Bulk purchases - electricity	4,965,745	1,015,867	395,383			395,383	1,411,250	28.4%
Inventory consumed	1,930,510	243,947	170,864			170,864	414,811	20.8%
Contracted services	1,501,749	269,736	175,495			175,495	445,230	27.6%
Transfers and subsidies	223,799	15,009	3,393			3,393	18,402	8.2%
Other expenditure	1,311,551	275,018	134,131			134,131	409,149	31.2%
Losses	306,425	(541)	11,465			11,465	10,924	3.6%
<b>Total Expenditure</b>	<b>22,127,805</b>	<b>3,795,910</b>	<b>1,889,726</b>	<b>-</b>	<b>-</b>	<b>1,889,726</b>	<b>5,685,636</b>	<b>25.5%</b>
<b>Surplus/(Deficit)</b>	<b>(292,764)</b>	<b>1,252,634</b>	<b>19,308</b>	<b>-</b>	<b>-</b>	<b>19,308</b>	<b>1,271,942</b>	<b>-298.8%</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,551,222	205,086	324,269			324,269	529,356	20.7%
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	13,000	1,125	101			101	1,226	9.4%
Transfers and subsidies - capital (in-kind - all)	50,314		15,011			15,011	15,011	29.8%
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>2,321,772</b>	<b>1,458,846</b>	<b>358,689</b>	<b>-</b>	<b>-</b>	<b>358,689</b>	<b>1,817,535</b>	<b>83.0%</b>
Taxation								
<b>Surplus/(Deficit) after taxation</b>	<b>2,321,772</b>	<b>1,458,846</b>	<b>358,689</b>	<b>-</b>	<b>-</b>	<b>358,689</b>	<b>1,817,535</b>	<b>83.0%</b>
Attributable to minorities								
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,321,772</b>	<b>1,458,846</b>	<b>358,689</b>	<b>-</b>	<b>-</b>	<b>358,689</b>	<b>1,817,535</b>	<b>83.0%</b>
Share of surplus/ (deficit) of associate								
<b>Surplus/(Deficit) for the year</b>	<b>2,321,772</b>	<b>1,458,846</b>	<b>358,689</b>	<b>-</b>	<b>-</b>	<b>358,689</b>	<b>1,817,535</b>	<b>83.0%</b>

## Annexure F – Operating Revenue per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Property Rates Billed	Service Charges			Interest Earned: Outstanding Debtors	Transfers Recognised	Other Revenue Generated	
						Electricity Billed	Water Billed	Sanitation Billed				Refuse Removal Billed
Mangaung Metro	8,073,601	8,073,601	2,791,049	34.6%	459,316	1,130,996	331,447	132,853	49,694	111,004	383,179	192,560
Letsemeng	170,335	170,335	34,104	20.0%	5,482	8,224	2,419	3,974	3,870	9,348	281	507
Kopanong	333,865	333,865	157,427	47.2%	42,022	3,786	33,607	3,631	2,698	1,541	67,813	2,328
Mohokare	233,544	233,544	72,510	31.0%	7,123	—	36,032	2,560	1,526	(3)	24,923	350
Xhariep District	63,471	63,471	21,921	34.5%	—	—	—	—	—	—	21,360	561
<b>DC 16 Total</b>	<b>801,216</b>	<b>801,216</b>	<b>285,963</b>	<b>35.7%</b>	<b>54,627</b>	<b>12,010</b>	<b>72,058</b>	<b>10,165</b>	<b>8,093</b>	<b>10,886</b>	<b>114,378</b>	<b>3,747</b>
Masilonyana	326,771	326,771	64,172	19.6%	22,348	11,522	15,704	9,126	5,228	15	—	229
Tokologo	135,703	135,703	8,475	6.2%	847	1,928	191	1,630	1,072	1,783	757	268
Tswelopele	174,796	174,796	79,536	45.5%	19,991	17,339	1,807	2,660	1,312	1,021	33,407	1,999
Matjhabeng	3,527,317	3,527,317	1,014,692	28.8%	183,263	267,466	144,302	58,816	35,574	76,638	237,839	10,795
Nala	540,928	540,928	124,542	23.0%	6,155	26,591	13,415	9,644	6,239	4,896	55,598	2,005
Lejweleputswa District	147,955	147,955	58,689	39.7%	—	—	—	—	—	113	58,183	393
<b>DC 18 Total</b>	<b>4,853,469</b>	<b>4,853,469</b>	<b>1,350,107</b>	<b>27.8%</b>	<b>232,604</b>	<b>324,846</b>	<b>175,418</b>	<b>81,877</b>	<b>49,424</b>	<b>84,466</b>	<b>385,784</b>	<b>15,689</b>
Setsotho	576,399	576,399	210,276	36.5%	21,253	34,264	22,174	12,295	15,965	10,235	91,063	3,026
Dihlabeng	863,521	863,521	303,975	35.2%	50,093	86,320	24,438	17,831	18,352	17,591	83,804	5,545
Nketoana	386,789	386,789	127,698	33.0%	4,047	15,565	19,325	6,548	6,108	21,744	48,365	5,997
Maluti a Phofung	1,800,467	1,840,467	481,110	26.7%	37,119	29,866	33,104	14,872	14,474	5,327	308,991	37,357
Phumelela	167,557	167,557	29,621	17.7%	9,835	433	3,338	4,140	3,805	6,500	—	1,571
Mantsopa	335,414	335,414	13,383	4.0%	1,663	(43)	2,030	2,520	1,737	4,737	400	338
Thabo Mofutsanyana	155,228	155,228	74,340	47.9%	—	—	—	—	—	—	61,952	12,388
<b>DC 19 Total</b>	<b>4,285,375</b>	<b>4,325,375</b>	<b>1,240,403</b>	<b>28.9%</b>	<b>124,009</b>	<b>166,406</b>	<b>104,410</b>	<b>58,205</b>	<b>60,442</b>	<b>66,133</b>	<b>594,575</b>	<b>66,222</b>
Moqhaka	1,019,732	1,019,732	328,849	32.2%	24,655	119,262	45,055	17,964	12,440	9,268	96,007	4,197
Ngwathe	882,440	882,440	281,045	31.8%	35,053	85,203	25,213	17,830	13,245	12,796	90,492	1,214
Meisimaholo	1,500,657	1,500,657	519,019	34.6%	73,006	119,991	173,885	25,700	12,126	17,794	90,725	5,793
Matube	240,786	240,786	89,904	37.3%	4,430	0	12,031	8,064	5,843	12,632	45,053	1,852
Fezile Dabi	177,765	177,765	71,240	40.1%	—	—	—	—	—	—	70,548	692
<b>DC 20 Total</b>	<b>3,821,380</b>	<b>3,821,380</b>	<b>1,290,057</b>	<b>33.8%</b>	<b>137,144</b>	<b>324,457</b>	<b>256,183</b>	<b>69,558</b>	<b>43,654</b>	<b>52,489</b>	<b>392,825</b>	<b>13,746</b>
<b>Total</b>	<b>21,835,041</b>	<b>21,875,041</b>	<b>6,957,579</b>	<b>31.9%</b>	<b>1,007,700</b>	<b>1,958,714</b>	<b>939,517</b>	<b>352,657</b>	<b>211,307</b>	<b>324,978</b>	<b>1,870,741</b>	<b>291,963</b>

Source: NT Local Government Database

## Annexure G – Operating Expenditure per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Employee Related Cost	Remuneration of Councillors	Debt Impairment	Depreciation & Asset Impairment	Bulk Purchases	Other Expenditure
Mangaung Metro	7,450,829	7,450,829	2,674,020	35.9%	763,157	22,103	314,783	75,156	1,018,699	480,122
Letsemeng	218,222	218,222	47,304	21.7%	21,387	1,377	77	20	10,859	13,583
Kopanong	414,918	414,918	263,323	63.5%	168,062	9,328	–	–	–	85,934
Mohokare	230,593	230,593	30,178	13.1%	20,150	1,148	–	–	900	7,980
Xhariep District	62,985	62,985	18,359	29.1%	15,622	1,616	–	605	–	517
<b>DC 16 Total</b>	<b>926,718</b>	<b>926,718</b>	<b>359,164</b>	<b>38.8%</b>	<b>225,220</b>	<b>13,469</b>	<b>77</b>	<b>624</b>	<b>11,759</b>	<b>108,014</b>
Masilonyana	366,799	366,799	671	0.2%	63	–	–	–	–	608
Tokologo	136,009	136,009	41,492	30.5%	26,103	1,482	121	–	678	13,108
Tswelopele	206,711	206,711	24,176	11.7%	44	–	62	–	7,127	16,943
Matjhabeng	3,499,848	3,499,848	416,370	11.9%	268,217	9,198	2,054	–	(57,675)	194,576
Nala	527,274	527,274	96,551	18.3%	43,087	2,111	–	–	19,709	31,644
Lejweputswa District	181,251	181,251	52,965	29.2%	33,413	3,109	–	–	–	16,443
<b>DC 18 Total</b>	<b>4,917,892</b>	<b>4,917,892</b>	<b>632,225</b>	<b>12.9%</b>	<b>370,926</b>	<b>15,900</b>	<b>2,237</b>	<b>–</b>	<b>(30,160)</b>	<b>273,322</b>
Setsoiso	634,745	634,745	146,575	23.1%	70,587	4,184	11,399	–	37,051	23,354
Dihlabeng	819,557	819,557	201,953	24.6%	110,421	5,426	34,600	(1)	(7,390)	58,897
Nketoana	416,243	416,243	62,256	15.0%	30,883	969	10,372	–	13	20,020
Maluti a Phofung	2,504,011	2,676,966	474,181	18.9%	212,734	9,584	970	–	104,985	145,909
Phumelela	168,583	168,583	45,536	27.0%	26,400	2,119	–	–	1,343	15,673
Mantsopa	313,588	313,588	64,615	20.6%	36,344	2,466	–	–	15,712	10,093
Thabo Mofutsanyana	151,644	151,644	54,322	35.8%	28,038	3,642	–	–	–	22,642
<b>DC 19 Total</b>	<b>5,008,369</b>	<b>5,181,325</b>	<b>1,049,437</b>	<b>21.0%</b>	<b>515,407</b>	<b>28,389</b>	<b>57,340</b>	<b>(1)</b>	<b>151,713</b>	<b>296,588</b>
Mohaka	998,410	998,410	185,886	18.6%	108,083	6,623	541	–	15,477	55,162
Ngwathe	902,413	902,413	289,282	32.1%	88,135	5,175	–	–	135,051	60,920
Metsimaholo	1,499,194	1,499,194	386,325	25.8%	108,162	6,460	87,873	–	108,710	75,120
Mafube	228,603	228,603	54,767	24.0%	36,950	2,099	2,155	–	–	13,564
Fezile Dabi	195,376	195,376	54,531	27.91%	38,123	2,588	–	–	–	13,820
<b>DC 20 Total</b>	<b>3,823,997</b>	<b>3,823,997</b>	<b>970,789</b>	<b>25.4%</b>	<b>379,452</b>	<b>22,944</b>	<b>90,570</b>	<b>–</b>	<b>259,238</b>	<b>218,585</b>
<b>Total</b>	<b>22,127,805</b>	<b>22,300,760</b>	<b>5,685,636</b>	<b>25.7%</b>	<b>2,254,163</b>	<b>102,805</b>	<b>465,008</b>	<b>75,780</b>	<b>1,411,250</b>	<b>1,376,631</b>

Source: NT Local Government Database

## Annexure H – Capital Expenditure and Source of Finance

Description	Budget year 2021/22							
	Original Budget	Q1 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Q2 Dec Actual	YTD Actual	%
<b>R thousands</b>								
<b>Capital Expenditure - Functional</b>								
<b>Municipal governance and administration</b>	<b>161,060</b>	<b>19,486</b>	<b>9,518</b>	-	-	<b>9,518</b>	<b>29,004</b>	<b>18.0%</b>
Executive and council	55,596	3,377	2,688			2,888	6,065	10.9%
Finance and administration	105,464	16,108	6,830			6,830	22,938	21.7%
Internal audit								
<b>Community and public safety</b>	<b>491,553</b>	<b>13,501</b>	<b>21,074</b>	-	-	<b>21,074</b>	<b>34,575</b>	<b>7.2%</b>
Community and social services	39,370	37	299			299	335	1.0%
Sport and recreation	64,783	4,541	4,196			4,196	8,738	14.3%
Public safety	32,605	1	84			84	85	0.3%
Housing	354,146	8,884	16,496			16,496	25,380	7.2%
Health	650	37					37	5.7%
<b>Economic and environmental services</b>	<b>609,747</b>	<b>114,326</b>	<b>30,854</b>	-	-	<b>30,854</b>	<b>145,180</b>	<b>24.1%</b>
Planning and development	107,892	20,940	5,759			5,759	26,699	24.7%
Road transport	500,705	93,386	25,095			25,095	118,481	24.0%
Environmental protection	1,150							
<b>Trading services</b>	<b>1,917,240</b>	<b>201,807</b>	<b>145,189</b>	-	-	<b>145,189</b>	<b>346,996</b>	<b>17.9%</b>
Energy sources	387,558	26,666	62,624			62,624	89,290	23.0%
Water management	959,777	105,249	51,577			51,577	156,826	16.6%
Waste water management	520,079	66,850	29,881			29,881	96,731	17.4%
Waste management	49,826	3,041	1,107			1,107	4,148	8.3%
<b>Other</b>	<b>12,070</b>							<b>0.0%</b>
<b>Total Capital Expenditure - Functional</b>	<b>3,191,669</b>	<b>349,119</b>	<b>206,635</b>	-	-	<b>206,635</b>	<b>555,754</b>	<b>17.4%</b>
<b>Funded by</b>								
National Government	2,611,136	312,041	151,453			151,453	463,495	17.8%
Provincial Government	10,167	3,154					3,154	
District Municipality								
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	13,000	1,620	5,531			5,531	7,152	55.0%
<b>Transfers recognised - capital</b>	<b>2,634,303</b>	<b>316,815</b>	<b>156,985</b>	-	-	<b>156,985</b>	<b>473,800</b>	<b>18.0%</b>
<b>Borrowing</b>	<b>61,713</b>	<b>11,335</b>	<b>3,593</b>			<b>3,593</b>	<b>14,928</b>	<b>24.2%</b>
<b>Internally generated funds</b>	<b>486,757</b>	<b>20,061</b>	<b>45,932</b>			<b>45,932</b>	<b>65,993</b>	<b>13.6%</b>
<b>Total Capital Funding</b>	<b>3,182,774</b>	<b>348,211</b>	<b>206,510</b>	-	-	<b>206,510</b>	<b>554,722</b>	<b>17.4%</b>

## Annexure I – Capital Expenditure and Source of Finance

R thousands	Original Budget		Adjusted Budget	YTD	% of Budget	Expenditure				Funding		
	Budget	Budget				Energy Sources	Water Management	Waste Water Management	Waste Management	Other	Transfers Recognised - Capital	Borrowing
Mangaung Metro	1,221,006	1,221,006	264,699	21.7%	52,986	42,908	20,270	148,536	209,478	14,881	40,340	
Letsemeng	51,283	51,283	2,434	4.7%	-	1,980	88	200	1,941	-	493	
Kopanong	62,567	62,567	6,179	9.9%	-	6,179	-	-	6,179	-	-	
Mohokare	81,887	81,887	13,775	16.8%	-	9,296	3,622	857	13,768	-	7	
Xhariep District	486	486	15	3.2%	-	-	-	15	-	-	15	
<b>DC 16 Total</b>	<b>196,223</b>	<b>196,223</b>	<b>22,403</b>	<b>11.4%</b>	-	<b>17,455</b>	<b>3,711</b>	<b>1,072</b>	<b>21,888</b>	-	<b>516</b>	
Masilonyana	35,148	35,148	139	0.4%	-	-	-	139	-	-	139	
Tokologo	137,132	137,132	24,539	17.9%	-	21,545	-	2,994	24,539	-	-	
Tswelopele	30,182	30,182	1,482	4.9%	2	-	-	1,480	-	-	1,435	
Majhabeng	157,833	157,833	12,000	7.6%	576	(0)	8,177	3,247	12,000	-	-	
Nala	42,673	42,673	8,790	20.6%	-	1,209	-	7,581	8,790	-	-	
Lejweleputswa District	13,150	13,150	2,855	21.7%	-	-	-	2,855	-	-	2,855	
<b>DC 18 Total</b>	<b>416,118</b>	<b>416,118</b>	<b>49,805</b>	<b>12.0%</b>	<b>576</b>	<b>22,756</b>	<b>8,177</b>	<b>18,295</b>	<b>45,329</b>	-	<b>4,429</b>	
Setsoho	204,601	204,601	44,363	21.7%	6,576	32,495	5,131	161	37,610	47	6,545	
Dihlabeng	122,361	122,361	25,590	20.9%	1,426	452	-	23,712	22,551	-	3,039	
Nketoana	51,621	51,621	5,438	10.5%	-	1,303	3,238	897	5,438	-	-	
Maluti a Phofung	266,961	272,961	54,230	20.3%	16,737	10,495	22,452	4,546	50,754	-	3,476	
Phumelela	60,293	60,293	8,556	14.2%	1,692	3,693	2,700	472	8,556	-	-	
Mantsopa	43,045	43,045	15,362	35.7%	2,019	2,731	5,097	3,789	9,996	-	5,366	
Thabo Mofutsanyana	3,626	3,626	824	22.7%	-	-	-	824	-	-	-	
<b>DC 19 Total</b>	<b>752,508</b>	<b>758,508</b>	<b>154,364</b>	<b>20.5%</b>	<b>28,449</b>	<b>51,169</b>	<b>38,617</b>	<b>34,402</b>	<b>134,906</b>	<b>47</b>	<b>18,426</b>	
Moghaka	79,058	79,058	6,485	8.2%	-	1,631	2,097	1,510	6,029	-	455	
Ngwathe	157,404	157,404	18,642	11.8%	-	13,009	2,492	2,132	18,642	-	-	
Metsimaholo	259,034	259,034	29,757	11.5%	5,169	2,029	21,368	1,190	29,423	-	333	
Mafube	109,689	109,689	9,601	8.8%	2,109	5,870	-	1,621	8,106	-	1,495	
Fezile Dabi	630	630	-	0.00%	-	-	-	-	-	-	-	
<b>DC 20 Total</b>	<b>605,814</b>	<b>605,814</b>	<b>64,484</b>	<b>10.6%</b>	<b>7,279</b>	<b>22,539</b>	<b>25,957</b>	<b>6,453</b>	<b>62,200</b>	-	<b>2,283</b>	
<b>Total</b>	<b>3,191,669</b>	<b>3,197,669</b>	<b>555,754</b>	<b>17.4%</b>	<b>89,290</b>	<b>156,826</b>	<b>96,731</b>	<b>208,759</b>	<b>473,800</b>	<b>14,928</b>	<b>65,993</b>	

Source: NT Local Government Database

## Annexure J – Covid-19 Expenditure as at 31 October 2021

Table 1

R thousand	Dem	Name	General					Community & Social Services						Public Safety			
			Overtime	Travel and subsistence	Danger allowance	Protective clothing (other general workers not only health workers)	Sanitisation of office building	General - Other	Tankering of Water	Chemical Toilets	Feeding of Homeless/ Food distribution	Sanitisation of taxi ranks/ public facilities/inner cities	Community and awareness campaigns	Cemetery sites and preparation/cremation	Community & Social Services - Other	Implementing roadblocks	Public Safety - Other
	MAN	Mangaung	13,814	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FS161	Letsameeng	817	562	-	-	-	-	-	-	-	-	-	4	350	-	-
	FS162	Ko panong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FS163	Mohokare	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-
	DC16	Xhariep	-	32	-	-	-	60	-	-	-	-	58	-	-	-	-
	FS181	Masilonyana	-	-	-	1,550	669	513	7,988	787	350	700	225	-	-	-	-
	FS182	Tokolologo	38	-	-	84	-	-	-	-	-	-	-	-	-	-	57
	FS183	Tswelopele	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FS184	Mat'habeng	-	-	-	1,391	3,280	-	2,020	-	494	-	93	-	-	-	-
	FS185	Nala	-	-	-	144	-	-	-	-	163	-	-	-	-	-	-
	DC18	Lejweleputswa	-	-	-	372	-	-	335	-	843	-	-	-	-	-	-
	FS191	Setso	-	-	-	88	138	-	5,529	-	-	-	-	-	-	-	-
	FS192	Dihlabeng	-	-	-	-	1,042	-	412	-	732	-	-	-	-	-	-
	FS193	Nketoana	-	-	-	28	767	-	-	-	-	-	-	-	-	-	-
	FS194	Maluti-a-Phofung	-	-	-	20,416	1,158	-	4,500	-	-	-	359	-	-	-	-
	FS195	Phumelela	-	-	-	120	285	-	54	-	-	-	-	-	-	-	-
	FS196	Mantsojia	-	-	-	181	941	-	-	-	-	-	-	-	-	-	-
	DC19	Thabo Mofutsanyana	-	-	-	101	167	-	-	-	200	-	-	-	-	523	-
	FS201	Moqhaka	-	-	-	959	-	-	-	-	-	-	-	-	-	-	-
	FS203	Ngwathe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FS204	Metsimaholo	1,782	-	636	2,582	1,415	-	1,844	-	537	-	-	-	-	-	242
	FS205	Mafube	-	-	-	-	-	-	3,315	-	-	-	-	-	503	-	4,876
	DC20	Fezile Dabi	27	14	-	632	2,770	-	-	-	2,805	-	771	-	60	-	-
			<b>16,478</b>	<b>614</b>	<b>636</b>	<b>28,648</b>	<b>13,205</b>	<b>183,127</b>	<b>25,996</b>	<b>787</b>	<b>7,247</b>	<b>700</b>	<b>1,451</b>	<b>853</b>	<b>583</b>	<b>299</b>	<b>4,876</b>

Table 2

R thousand Dem	Name	Housing				Health											Total Per Municipality		
		Quarantine Facilities	Installation of VIP toilets (informal Settlements)	Provision of waste container for informal settlement	Cost of Mobile Testing	Cost of Screening and Testing	Gloves, sterile	Goggles/Face shield/Mask	Particulate respirator, grade N95	Surgical mask HCW	Apron	Gown	Heavy duty gloves	Boot covers	Sanitizer	Mask		Disinfectants	Decontamination of affected premises
MAN	Manjaung	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	4,653	120,513
FS161	Letsemeng	-	-	97	-	-	22	-	-	-	-	-	-	39	14	-	-	-	1,905
FS162	Koisanong	-	-	-	30	-	-	-	-	-	-	-	-	294	25	82	503	30	995
FS163	Mohokare	-	-	-	-	-	30	-	88	20	2	-	-	16	20	3	-	-	166
DC16	Xharitep	-	-	-	-	-	0	0	5	8	9	-	7	21	-	9	-	3	211
FS181	Masilonyana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,586
FS182	Tokolop	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,755
FS183	Tswelolele	-	320	-	-	-	-	-	-	-	-	-	-	77	33	80	-	-	1,615
FS184	Matjhabeng	-	-	-	-	-	-	-	-	-	-	-	-	1,560	-	-	-	-	19,907
FS185	Nala	-	-	-	-	-	30	-	-	-	-	-	-	35	-	-	-	-	972
DC18	Le iwaleputswa	169	-	-	-	-	-	-	-	-	-	-	-	92	-	-	-	-	7,079
FS191	Setoto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,796
FS192	Dihlabeng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,248
FS193	Nketoana	-	-	-	-	-	147	24	213	-	-	-	-	651	-	-	-	-	4,398
FS194	Maluti-a-Phofun	279	-	-	-	-	21	-	-	-	-	-	-	2,186	214	-	-	57	78,803
FS195	Phumelela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	478
FS196	Mantsoia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,453
DC19	Thabo Mofutsanyana	-	-	-	-	-	-	130	-	-	-	-	-	247	-	-	-	-	1,434
FS201	Moqhaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,757
FS203	Mogwatho	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FS204	Metsimaholo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,918
FS205	Mafube	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,315
DC20	Fesile Dabi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,096
		447	320	97	30	30	250	156	5	309	5	11	8	7	5,217	306	173	503	13,058
																			306,635



**TO: MEMBERS OF THE EXECUTIVE COUNCIL  
HEADS OF DEPARTMENTS  
STAFF IN THE DEPARTMENT OF TREASURY**

**APPOINTMENT AS THE ACTING HOD: DEPARTMENT OF FINANCE**

Kindly be advised that in terms of Section 32 of the Public Service Act, 1994 (Proclamation No. 103 Of 1994), I wish to inform you that I have appointed Mr. Pakiso Lebone as Acting Head of the Department of Finance from 09<sup>th</sup> to 10<sup>th</sup> December 2021 as the Acting Head of Department, Ms M. Sesing will not be available during this period.

This official will be responsible for the performance of the duties of the abovementioned post and the concomitant delegated powers attached to the said post.

Yours sincerely

A handwritten signature in black ink that reads 'Ms S.H. Ntombela'.

**MS S.H. NTOMBELA, MPL  
PREMIER: FREE STATE**

**DATE: 08<sup>TH</sup> DECEMBER 2021**

PREMIER2021: DEC ACTING HOD TREASURY

The Premier of the Free State  
Private Bag X20538, Bloemfontein, 9300  
O.R. Tambo House, 4<sup>th</sup> Floor, Cnr St Andrew and Markgraaff Streets, Bloemfontein  
Tel: (051) 405 5799 Fax: (086) 576 4807  
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