



<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
A. Methodology and Approach of this Report	3
B. Purpose of Report	3
C. Compliance Monitoring with Laws & Regulations	4
D. Overview of the Free State Municipal Budget Performance	6
1. Financial Health	6
➤ Debtors	6
➤ Creditors	8
➤ Cash Flow	16
2. Financial Performance	17
➤ Revenue Generated	17
➤ Operating Expenditure	18
➤ Profitability of Trading Services	18
➤ Capital Expenditure	19
➤ Repairs & Maintenance	20
3. Conditional Grants	21
4. Impact of Covid-19 on Local Government Finances	22
5. Assistance Provided and Other MFMA related matters	22
E. Recommendations & Conclusion	24
Annexures	26
- 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 and Source of Finance	
- I : Capital Expenditure and Source of Finance per Municipality	
- J : Covid-19 Expenditure per municipality	

## A. METHODOLOGY AND APPROACH OF THIS REPORT

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

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

## B. PURPOSE OF REPORT

The consolidated report covers the financial performance of municipalities in Free State for the month ending **30 November 2021**. The purpose of this report is to indicate the extent to which the 22 delegated and one non-delegated municipalities have succeeded in fulfilling their Constitutional mandate. It also provides an analysis of the Section 71 report in terms of the Municipal Finance Management Act (MFMA).

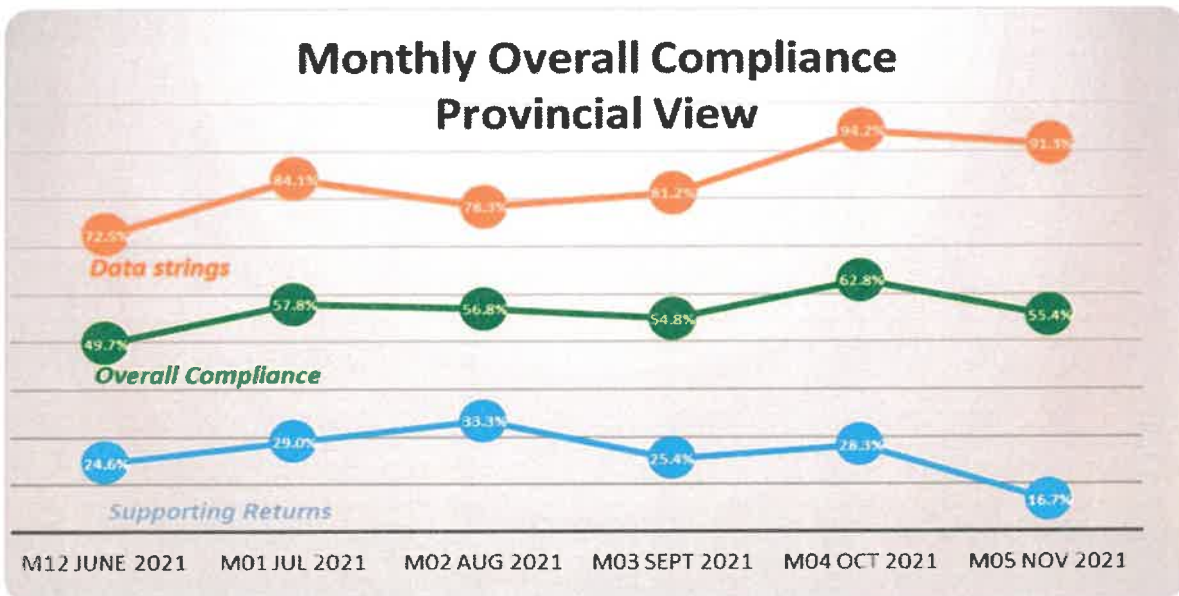
The Section 71 report facilitates transparency, better in-year management as well as the oversight of budgets. This makes these reports management tools and early warning mechanisms for councils, provincial legislatures and officials in order to monitor and improve municipal performance. The improvement 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 (M05)
  - Creditors (CR05)
  - Debtors (DB05)
- 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	M05	CR05	DB05	C-schedule M05	Debt Return M05	Additional Reporting * M05
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	
Moghaka								
Ngwathe								
Metsimaholo								
Mafube								
Fezile Dabi							N/A	

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

Source: LGDB as at 10 January 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) The other reporting relates to the intergovernmental debt return and the additional report (outstanding 3<sup>rd</sup> party debt, council debt, etc) which is not regulated and is used internally by Provincial Treasury for reporting purposes. The non-compliance is also addressed during various platforms (e.g mid-year bilaterals, budget bilaterals, etc) to improve the submission rate of the reports.
- i) 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 R26.84 billion having increased slightly with R0.17 billion from the previous month (*Oct 2021: R26.67 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 R5.15 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 70.3% (R18.98 billion) of the total debt owed to municipalities are outstanding for longer than 1 year, which is difficult to collect. The financial position of municipalities is overstated as the debt included in the debtor's books will not be realized.
- 1.1.4 The increase in the outstanding debt impacts on the municipal revenues as well as the ability of municipalities to render effective services.
- 1.1.5 Two municipalities failed to submit the debtor's data strings for the month under review and for the purposes of consolidation information reported for prior months were included for this municipality. These municipality is:

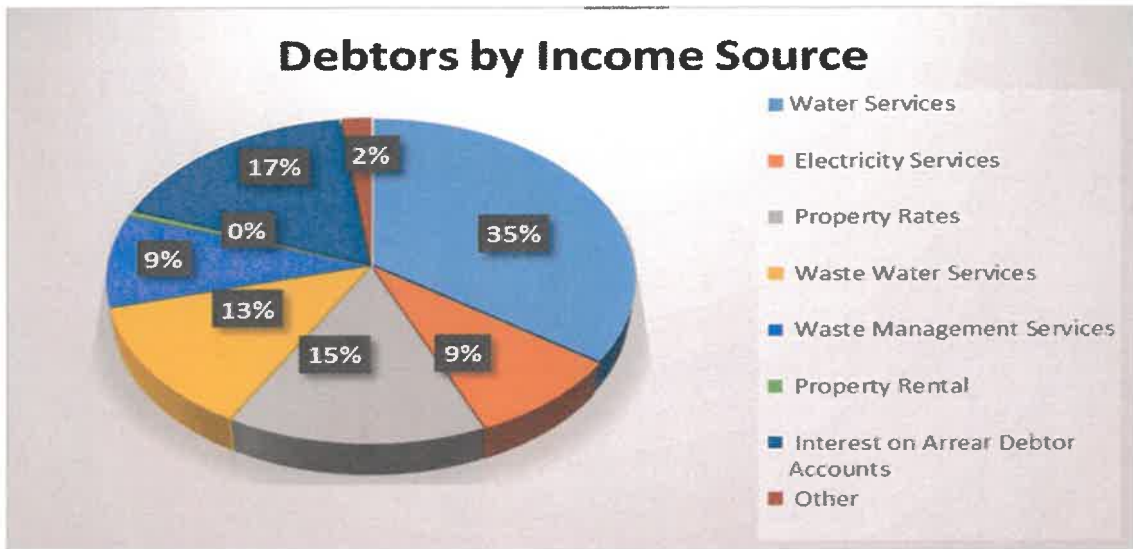
<b>Municipality</b>	<b>Reason for non-submission</b>
Kopanong	Officials not at work (strike action).
Thabo Mofutsanyana	Data string submitted with errors.

- 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:

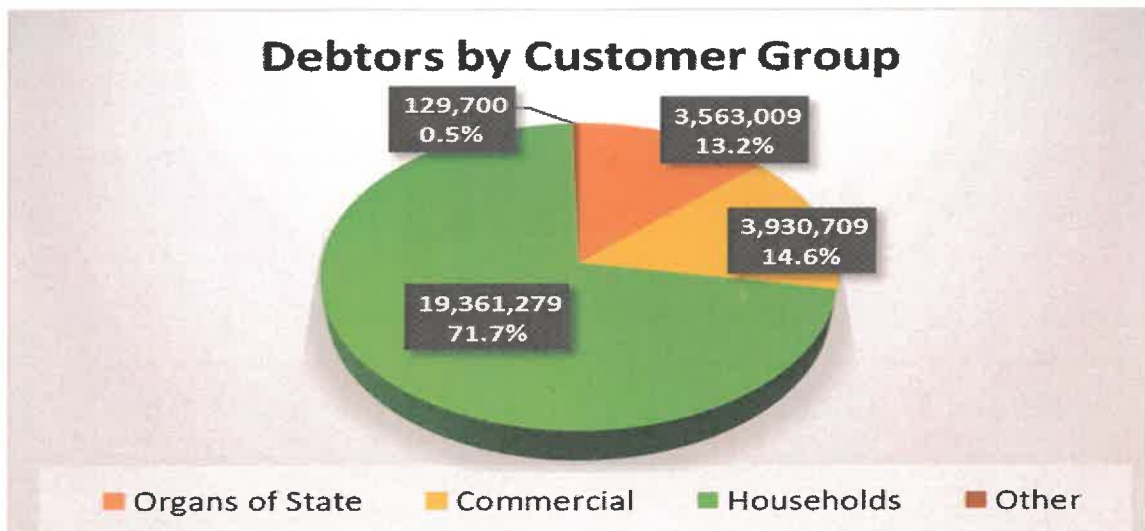
Mangaung	R7.61 billion
Matjhabeng	R4.84 billion
Metsimaholo	R2.28 billion
Maluti a Phofung	R2.06 billion
Masilonyana	R1.21 billion
Dihlabeng	R1.19 billion
Moqhaka	R1.06 billion

- 1.1.7 *Water services* remains the largest contributor to the total outstanding debt and amounts to R9.37 billion (34.7 percent), followed by *interest on arrear accounts*

amounting to R4.67 billion (17.3 percent). Debt relating to *property rates* contribute 14.6 percent (R3.95 billion) to the total outstanding debt, whilst *waste water services* accounts for 12.7% (R3.44 billion) of the total debt.



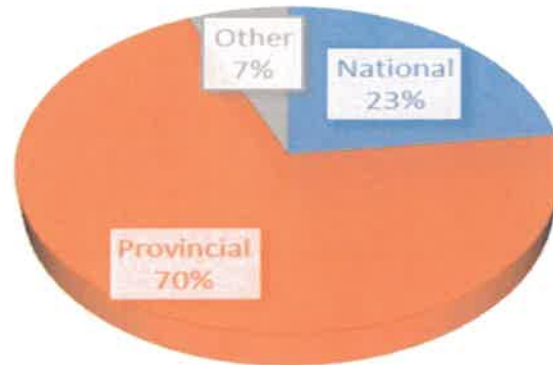
1.1.8 The majority of the debt is owed by *Households*, which contributes 71.7% (R19.36 billion) to the total debt, followed by *Commercial properties* with 14.6% (R3.93 billion).



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

1.1.9 The total debt owed by organs of state amounts to R3.56 billion which accounts for 13.2% of the total debt owed to municipalities.

## ORGANS OF STATE DEBT



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 not make provision for the arrears for the Metro and Centlec despite the payment plan entered into. This means that only part of the current year is provided for.**
- Centlec and the Metro are under serious financial distress and disconnection of services cannot be avoided unless an extra allocation is done.
- 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 **increased** with R5.52 billion to **R18.91 billion** for the month under review (Oct 2021: R13.39 billion). Annexure C and D provides the summary and breakdown of the outstanding creditors per type. The increase is due a municipality (Maluti a Phofung) correcting reporting the debt that was reported previously, the total

debt owed to Eskom is now included. Furthermore, three municipalities failed to submit the creditor's information for November 2021 and for consolidation purposes prior months' information were used:

<b>Municipality</b>	<b>Reason for non-submission</b>
Kopanong	Officials not at work (strike action)
Nala	Data string submitted with errors
Mafube	Backlog in capturing data

1.2.3 Payables relating to bulk service providers (Eskom & Water Boards) contribute 87.6 percent or **R16.56 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 R10.42 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). The Section 41 for October and November 2021 have not yet been received.

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 cast verbatim from the monthly Eskom Section 41 report for Free State Municipalities compared to the MFMA Section 71 report.

Municipality	S71 Report (Municipal) (M05) 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)	156,357	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	99,390	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	4,326,579	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.
Setsofo	–	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	627,003	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	2,166,848	6,264,424	Eskom will proceed with the filing of the supplementary affidavits, seeking the court's intervention in making

Municipality	S71 Report (Municipal) (M05) 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	165,595	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	353,579	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	1,446,691	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>10,416,044</b>	<b>14,631,665</b>	

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

#### Water Boards Debt

1.2.5 The total debt owed to Water Boards amounts to R6.15 billion. 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) M05 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	369,499	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 underserved 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) M05 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	25,699		
Tokologo	-		
Tswelopele	10,158		
Matjhabeng	4,479,163	4,513,680	<p>Sedibeng:          · The municipality paid R33 million in December 2021.</p>
Nala	236,670	241,806	<p>Sedibeng:          · The municipality paid R10 million in December 2021.</p>
Setsotso	-		

Municipality	S71 Report (Municipal) M05 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
Dinlabeng	-		
Nketoana	-		
Maluti a Phofung	57,770		
Phumelela	88,696		
Mantsopa	-	1,844	<p><b>Bloemwater:</b></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> <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>
Moqhaka	-		
Ngwathe	15,178	8,482	<p><b>Randwater:</b></p> <p>The 3 months (Jan 2021 to March 2021) extended payment terms relief option has concluded. Overdue debt to be</p>

Municipality	S71 Report (Municipal) M05 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
			settled in 12 months (until 31 December 2021).
Metsimaholo	–	15,617	Rand Water – Account up to date
Mafube	376,845		
<b>Total</b>	<b>6,148,803</b>	<b>5,993,535</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 / November 2021 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	6,471	100.0%	–	0.0%	–	0.0%	–	0.0%	6,471	19.3%
Kopanong	–	0.0%	1,393	32.6%	1,304	30.6%	1,570	36.8%	4,267	12.7%
Matjhabeng	14,361	94.8%	5	0.0%	752	5.0%	26	0.2%	15,145	45.1%
Nala	172	100.0%	–	0.0%	–	0.0%	–	0.0%	172	0.5%
Thabo Mofutsanyana District	1,082	100.0%	–	0.0%	–	0.0%	–	0.0%	1,082	3.2%
Ngwathe	6,413	100.0%	–	0.0%	–	0.0%	–	0.0%	6,413	19.1%
<b>Total Debt</b>	<b>28,499</b>	<b>84.9%</b>	<b>1,398</b>	<b>4.2%</b>	<b>2,057</b>	<b>6.1%</b>	<b>1,596</b>	<b>4.8%</b>	<b>33,550</b>	<b>100.0%</b>

Creditors Age Analysis Pension/Retirement	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Kopanong	–	0.0%	1,889	1.2%	1,878	1.2%	154,866	97.6%	158,633	41.2%
Tswelopele	(6)	100.0%	–	0.0%	–	0.0%	–	0.0%	(6)	0.0%
Matjhabeng	12,991	20.3%	13,106	20.5%	13,654	21.3%	24,289	37.9%	64,040	16.6%
Nala	4	100.0%	–	0.0%	–	0.0%	–	0.0%	4	0.0%
Setsoiso	14	100.0%	–	0.0%	–	0.0%	–	0.0%	14	0.0%
Dihlabeng	7,143	100.0%	–	0.0%	–	0.0%	–	0.0%	7,143	1.9%
Ngwathe	3,124	100.0%	–	0.0%	–	0.0%	–	0.0%	3,124	0.8%
Mafube	1,215	0.8%	1,215	0.8%	87,539	57.6%	62,122	40.8%	152,091	39.5%
<b>Total Debt</b>	<b>24,484</b>	<b>6.4%</b>	<b>16,210</b>	<b>4.2%</b>	<b>103,071</b>	<b>26.8%</b>	<b>241,277</b>	<b>62.7%</b>	<b>385,042</b>	<b>100.0%</b>

### 1.3 CASH FLOW

1.3.1 Municipalities in the Province closed the month of November 2021 with a surplus cash and cash equivalent balance of R1.40 billion. This may however be incorrect due to municipalities that are not using the mSCOA segments correctly to populate the cash flow information, which is derived from the *item segment* in combination with the *fund segment*. The correct alignment of the segments will be part of mSCOA version 6.5.

1.3.2 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 (30 Nov 2021)
Mangaung Metro	461,396	1,598,693	(347,072)	(4,445)	1,247,176	1,708,572
Letsemeng	-	-	-	(8)	(8)	(8)
Kopanong	-	73,439	-	(271)	73,167	73,386
Mohokare	5,067	19,660	(15,752)	4	3,912	8,979
Xhariep District	-	11,473	-	-	11,473	11,473
<b>DC 16 Total</b>	<b>5,067</b>	<b>104,572</b>	<b>(15,752)</b>	<b>(276)</b>	<b>88,544</b>	<b>93,830</b>
Masilonyana	-	-	-	(84)	(84)	(84)
Tokologo	-	(9,803)	12	(50)	(9,842)	(9,842)
Tswelopele	12,489	(2,931)	(1,751)	4	(4,677)	7,810
Matjhabeng	(37,081)	(283,414)	(22,768)	(6,867)	(313,048)	(250,230)
Nala	-	-	-	12	12	12
Lejweleputswa District	-	61,205	-	-	61,205	61,205
<b>DC 18 Total</b>	<b>(24,591)</b>	<b>(234,942)</b>	<b>(24,507)</b>	<b>(6,985)</b>	<b>(266,433)</b>	<b>(191,128)</b>
Setsooto	45,572	218,250	(60,687)	(1)	157,562	203,088
Dihlabeng	(11,417)	171,119	(26,129)	7,754	152,744	130,199
Nketoana	3,456	35,834	(10,856)	23	25,001	28,457
Maluti a Phofung	165,009	(389,828)	(75,969)	25,515	(440,282)	(261,511)
Phumelela	-	(36,510)	2	2	(36,506)	(36,506)
Mantsopa	-	(15,381)	(17,999)	(174)	(33,554)	(33,554)
Thabo Mofutsanyana	-	(109)	-	-	(109)	(109)
<b>DC 19 Total</b>	<b>202,620</b>	<b>(16,625)</b>	<b>(191,638)</b>	<b>33,120</b>	<b>(175,143)</b>	<b>30,064</b>
Moghaka	-	143,562	(17,582)	(997)	124,983	124,928
Ngwathe	56,783	(87,113)	(29,985)	(480)	(117,577)	(80,872)
Metsimaholo	50,783	(195,066)	(40,133)	(2,439)	(237,638)	(186,662)
Mafube	(126,563)	14,758	(11,442)	(44)	3,272	(253,569)
Fezile Dabi	97,842	40,959	-	-	40,959	138,947
<b>DC 20 Total</b>	<b>78,845</b>	<b>(82,900)</b>	<b>(99,142)</b>	<b>(3,959)</b>	<b>(186,001)</b>	<b>(237,229)</b>
<b>Total</b>	<b>723,337</b>	<b>1,368,797</b>	<b>(678,109)</b>	<b>17,455</b>	<b>708,143</b>	<b>1,404,108</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;
- Non-implementation of debt collection and credit control policies; and
- Non billing and system challenges.

## 2. FINANCIAL PERFORMANCE

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

### 2.1 REVENUE GENERATED

2.1.1 The total generated revenue (billed) amounts to R8.26 billion or 37.8 percent against the adopted budget of R21.84 billion, whilst in respect of expenditure, municipalities spent an aggregate of 34 percent or R7.57 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.

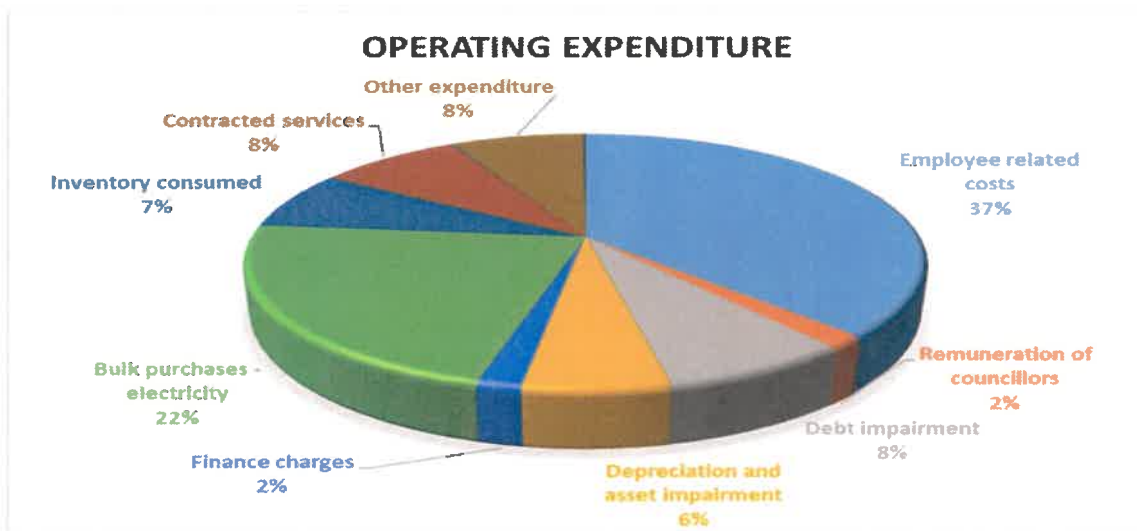
2.1.2 The majority of the generated (billed) revenue relates to *service charges* with R4.31 billion (52 percent), followed by *transfers and subsidies* amounting to R1.94 billion or

24 percent of the total revenue. Property rates contribute 15 percent (R1.25 billion) to the total revenue generated.

2.1.3 An aggregate operational surplus of R687.2 million 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 November 2021 is *employee related cost* amounting to R2.83 billion or 37 per cent of the total expenditure, followed by *bulk purchases - electricity* amounting to R1.69 billion.



2.2.2 The performance of *employee related cost* against the adopted budget is 42.3 per cent (R2.83 billion). 98.5 Per cent of the total employee related cost expenditure relates to salaries and wages for municipal staff as indicated in the table below:

Employee Related Cost (ERC)	Original Budget R'000	Actual Year To Date R'000	% Spent	% of Total ERC
Senior Management	206,334	45,802	22.2%	1.5%
Municipal Staff	6,495,857	2,941,045	45.3%	98.5%
Board Members	982	107	10.9%	0.0%
<b>Total</b>	<b>6,703,173</b>	<b>2,986,954</b>	<b>44.6%</b>	<b>100.0%</b>

## 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.

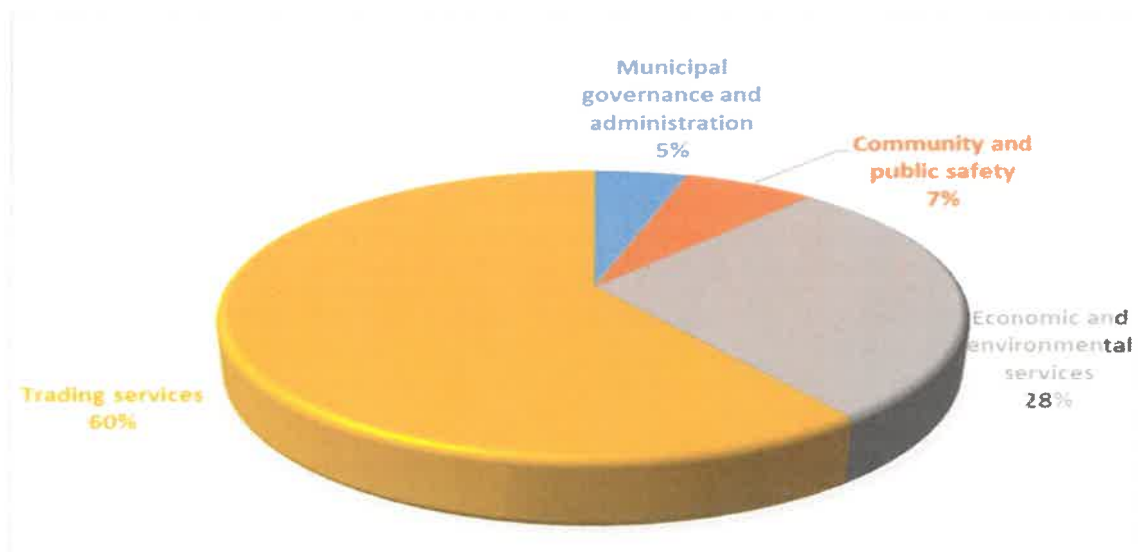
- Billed energy sources revenue totaled R2.39 billion against expenditure of R2.29 billion (surplus of R99.4 million);
- Billed water revenue totaled R1.41 billion against expenditure of R1.07 billion (surplus of R339.5 million);

- Billed waste water management revenue totaled R524.5 million against expenditure of R488.5 million (surplus of R36.0 million); and
- Billed waste management revenue totaled R326.2 million against expenditure R348.1 million (deficit of R21.9 million).



2.4 CAPITAL EXPENDITURE

- 2.4.1 The total capital expenditure amounts to R734.2 million or 23% against the adopted budget of R3.19 billion.
- 2.4.2 The majority (60%) of the expenditure relates to trading services projects amounting to R441.9 million. This consists of R99.2 million for *energy services*, R195.0 million for *water management*, R142.8 million for *waste water management* and R4.8 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. A budget of R1.08 billion was provided for repairs and maintenance in the 2021/22 financial year, however, if the 8 per cent norm was adhered to the total budget should therefore have been R3.44 billion.

2.5.2 It is concerning that most municipalities did not budget sufficiently 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 R471.6 million was reported spent on repairs and maintenance which amounts to 43.7% against a budget of R1.08 billion. The table below show the repairs and maintenance expenditure reported per municipality:

R thousands	Code	Original Budget	YTD Actual	%
<b>FREE STATE</b>				
Mangaung	MAN	497,607	240,327	48.3%
<b>Total Metros</b>		<b>497,607</b>	<b>240,327</b>	<b>48.3%</b>
Letsemeng	FS161	2,900	422	14.5%
Kopanong	FS162	-	-	-
Mohokare	FS163	2,160	729	33.8%
Xhariep	DC16	215	41	19.2%
<b>Total Xhariep</b>		<b>5,275</b>	<b>1,192</b>	<b>22.6%</b>
Masilonyana	FS181	3,040	-	-
Tokologo	FS182	4,150	2,130	51.3%
Tswelopele	FS183	9,381	5,586	59.5%
Matjhabeng	FS184	8,051	4,989	62.0%
Nala	FS185	250,000	77,443	31.0%
Lejweleputswa	DC18	3,398	1,260	37.1%
<b>Total Lejweleputswa</b>		<b>278,019</b>	<b>91,408</b>	<b>32.9%</b>
Setsotho	FS191	25,255	2,612	10.3%
Dihlabeng	FS192	5,074	4,684	92.3%
Nketoana	FS193	17,800	8,628	48.5%
Maluti-a-Phofung	FS194	72,817	54,299	74.6%
Phumelela	FS195	6,542	1,721	26.3%
Mantsopa	FS196	-	-	-
Thabo Mofutsanyana	DC19	535	576	107.7%
<b>Total Thabo Mofutsanyana</b>		<b>128,023</b>	<b>72,520</b>	<b>56.6%</b>
Moqhaka	FS201	64,366	27,992	43.5%
Ngwathe	FS203	34,952	27,898	79.8%
Metsimaholo	FS204	43,689	5,718	13.1%
Mafube	FS205	21,106	1,922	9.1%
Fezile Dabi	DC20	5,628	2,670	47.4%
<b>Total Fezile Dabi</b>		<b>169,740</b>	<b>66,200</b>	<b>39.0%</b>
<b>Total Free State</b>		<b>1,078,663</b>	<b>471,647</b>	<b>43.7%</b>
<b>Total National</b>		<b>1,078,663</b>	<b>471,647</b>	<b>43.7%</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 November 2021 show a total spending of R506.6 million or 19.5 per cent against the allocation.
- 3.2 It is important to note that this low spending reflected is mainly due to the change in the mapping for grants reporting which was done for this quarter. The mapping was changed to be consistent with the reporting on the annual financial statements where only 'conditions met' are recognized as grants expenditure. This is in line with the reporting as prescribed in GRAP 23. Municipalities will be advised in the change of reporting and a circular will be issued to provide further guidance.
- 3.3 The negative spending reflected by municipalities indicate incorrect reporting due to the mapping (reporting) that was changed. Municipalities were requested to correct the reports in order to reflect the accurate spending.
- 3.4 The table below indicate the conditional grant performance per municipality:

Municipalities	2021/22 Conditional Grants					
	Allocated	Transferred	Spend Nat	Received Mun	Spend Mun	% spend
Mangaung	1,003,160	120,335	33,149	577,118	334,663	33.4%
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	5,283	(32,137)	-39.0%
Xhariep	4,990	3,473	1,483	3,987	2,865	57.4%
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	27,294	12,354	24.3%
Lejweleputswa	4,510	2,927	329	3,457	1,086	24.1%
Setsotho	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	150,517	51,083	20.7%
Phumelela	62,073	19,324	4,076	4,913	840	1.4%
Mantsopa	40,123	24,386	5,901	12,010	1,259	3.1%
Thabo Mofutsanyana	14,306	5,408	2,000	–	–	0.0%
Moghaka	63,928	18,786	4,892	36,560	–	0.0%
Ngwathe	164,333	52,785	10,046	107,809	49,185	29.9%
Metsimaholo	98,757	18,644	1,471	89,637	57,853	58.6%
Mafube	56,395	34,116	8,636	39,416	16,216	28.8%
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>1,073,359</b>	<b>506,617</b>	<b>19.5%</b>

- 3.5 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	-	-	-	0.0%
Expanded Public Works Programme	41,224	10,311	12,627	10,394	3,488	8.5%
Finance Management Grant	57,400	57,400	7,493	21,650	804	1.4%
Integrated National Electrification Prog	108,119	-	-	55,400	26,669	24.7%
Metro Informal Settlements Partnership Grant	263,893	40,000	10,217	160,000	19,101	7.2%
Municipal Infrastructure Grant	781,076	218,093	111,156	221,578	89,367	11.4%
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	79,805	35.7%
Regional Bulk Infrastructure Grant	213,921	82,300	23,202	90,059	50,727	23.7%
Rural Roads Assets Man Systems Grant	9,222	6,455	1,100	3,169	2,146	23.3%
Urban settlement Development Grant	495,269	-	-	336,783	235,540	47.6%
Water Services Infrastructure Grant	374,617	181,488	52,275	96,420	(1,032)	-0.3%
<b>Total</b>	<b>2,603,823</b>	<b>675,953</b>	<b>240,882</b>	<b>1,073,359</b>	<b>506,617</b>	<b>19.5%</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 30 November 2021 a cumulative total of **R306.9 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	115,859	-	-	-	4,668	120,527
Xhariep District	1,476	412	-	97	1,291	3,276
Lejweleputswa District	31,972	13,998	57	489	2,194	48,710
Thabo Mofutsanyana District	81,008	13,374	-	279	3,889	98,549
Fezile Dabi District	12,547	9,834	5,118	-	8,315	35,815
<b>TOTAL</b>	<b>242,863</b>	<b>37,618</b>	<b>5,175</b>	<b>864</b>	<b>20,357</b>	<b>306,877</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 considered withholding the second tranche of the equitable share based on non-compliance to the MFMA, 2003 during December 2021. Provincial Treasury supported municipalities to comply with the required conditions. All municipalities in the Free State Province received their equitable share allocation in December 2021.

## 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 62.8% to 55.4%. Although the data string submission rate is 91.3%, the submission rate of the supporting documents remains low at 16.7%. Poor compliance is due to the unavailability of municipal officials during the holiday season.
2. **Note** the aggregate revenue generated at the end of November 2021 is 37.8 percent whilst the operating expenditure is at 34 percent against the total budgets.
3. **Note** the total capital expenditure amounts to R734.2 million (23%) against the budget of R3.19 billion.
4. **Note** municipalities reported aggregate spending on repairs and maintenance amounting to R471.6 million or 43.7% against the budget.
5. **Note** the total outstanding debtors amount to R26.98 billion (Oct 2021 – R26.67 billion).
6. **Note** the total outstanding creditor's amount to R18.9 billion (Oct 2021 – R13.4 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 November 2021 the total cumulative Covid-19 related expenditure amounted to R306.8 million (15 March 2020 – 30 November 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 30  
November 2021

**Submitted by:**



**Ms. D Smit**  
**DEPUTY DIRECTOR: LEJWELEPUTSWA DISTRICT**

**Date: 2022/01/12**

**Reviewed by:**




**Dr. R Chetty**  
**DIRECTOR: THABO MOFUTSANYANA DISTRICT**

**Date: 2022/01/12**

**Noted / Comments by:**

**Mr. IE Pooe**  
**Acting CHIEF DIRECTOR: MUNICIPAL FINANCE MANAGEMENT**

**Date:**  \_\_\_\_\_

**Noted / Comments by:**

**Ms. MA Sesing**  
**ACTING HEAD OF DEPARTMENT**  
**FS PROVINCIAL TREASURY**

**Date:**  \_\_\_\_\_

**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	530,923	5.7%	267,268	2.9%	386,258	4.1%	8,188,459	87.4%	9,372,907	34.7%
Trade and Other Receivables from Exchange Transactions - Electricity	336,202	14.1%	144,725	6.1%	175,694	7.4%	1,724,771	72.4%	2,381,293	8.8%
Receivables from Non-exchange Transactions - Property Rates	294,270	7.5%	111,082	2.8%	241,359	6.1%	3,298,472	83.6%	3,945,183	14.6%
Receivables from Exchange Transactions - Waste Water Management	135,919	4.0%	69,763	2.0%	180,387	5.3%	3,049,199	88.8%	3,435,269	12.7%
Receivables from Exchange Transactions - Waste Management	85,174	3.4%	47,008	1.9%	137,784	5.5%	2,233,756	89.2%	2,503,722	9.3%
Receivables from Exchange Transactions - Property Rental Debtors	1,792	1.4%	1,694	1.3%	1,666	1.3%	126,813	96.1%	131,965	0.5%
Interest on Arrear Debtor Accounts	134,446	2.9%	85,698	1.8%	255,456	5.5%	4,195,955	89.8%	4,671,556	17.3%
Other	10,161	1.9%	8,188	1.5%	(8,610)	-1.6%	533,064	98.2%	542,803	2.0%
<b>Total By Income Source</b>	<b>1,528,888</b>	<b>5.7%</b>	<b>735,427</b>	<b>2.7%</b>	<b>1,369,895</b>	<b>5.1%</b>	<b>23,350,488</b>	<b>86.5%</b>	<b>26,984,698</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	228,023	6.4%	174,847	4.9%	190,603	5.3%	2,969,536	83.3%	3,563,009	13.2%
Commercial	462,371	11.8%	149,133	3.8%	264,458	6.7%	3,054,748	77.7%	3,930,709	14.6%
Households	836,904	4.3%	409,645	2.1%	952,994	4.9%	17,161,736	88.6%	19,361,279	71.7%
Other	1,590	1.2%	1,801	1.4%	(38,161)	-29.4%	164,470	126.8%	129,700	0.5%
<b>Total By Customer Group</b>	<b>1,528,888</b>	<b>5.7%</b>	<b>735,427</b>	<b>2.7%</b>	<b>1,369,895</b>	<b>5.1%</b>	<b>23,350,488</b>	<b>86.5%</b>	<b>26,984,698</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	657,589	8.6%	265,608	3.5%	219,510	2.9%	6,469,801	85.0%	7,612,509	28.2%
Letsemeng	13,502	4.4%	(467)	-0.2%	6,772	2.2%	287,915	93.6%	307,722	1.1%
Kopanong*	16,552	4.1%	15,941	3.9%	7,044	1.7%	364,743	90.2%	404,279	1.5%
Mohokare	19,916	5.0%	10,362	2.6%	6,260	1.6%	360,296	90.8%	396,834	1.5%
Xhariep District	-	0.0%	-	0.0%	-	0.0%	10,194	100.0%	10,194	0.0%
<b>DC 16 Total</b>	<b>49,970</b>	<b>4.5%</b>	<b>25,835</b>	<b>2.3%</b>	<b>20,076</b>	<b>1.8%</b>	<b>1,023,148</b>	<b>91.4%</b>	<b>1,119,029</b>	<b>4.1%</b>
Masilonyana	28,460	2.3%	(894)	-0.1%	13,241	1.1%	1,172,863	96.6%	1,213,670	4.5%
Tokologo	6,089	1.9%	5,687	1.8%	7,274	2.3%	300,131	94.0%	319,182	1.2%
Tswelopele	6,868	4.9%	4,549	3.2%	3,622	2.6%	124,962	89.3%	140,001	0.5%
Matjhabeng	229,979	4.8%	123,679	2.6%	90,354	1.9%	4,391,468	90.8%	4,835,481	17.9%
Nala	26,937	2.9%	21,065	2.2%	18,935	2.0%	874,263	92.9%	941,200	3.5%
Lejweleputswa District	(28)	-0.1%	-	0.0%	-	0.0%	30,343	100.1%	30,315	0.1%
<b>DC 18 Total</b>	<b>298,306</b>	<b>4.0%</b>	<b>154,087</b>	<b>2.1%</b>	<b>133,426</b>	<b>1.8%</b>	<b>6,894,030</b>	<b>92.2%</b>	<b>7,479,848</b>	<b>27.7%</b>
Setsoiso	24,764	4.4%	19,894	3.5%	18,880	3.4%	498,467	88.7%	562,006	2.1%
Dihlabeng	73,565	6.2%	25,118	2.1%	22,712	1.9%	1,068,596	89.8%	1,189,991	4.4%
Nketoana	24,546	3.1%	17,270	2.1%	17,132	2.1%	745,084	92.7%	804,031	3.0%
Maluti a Phofung	31,720	1.5%	39,899	1.9%	31,022	1.5%	1,960,869	95.0%	2,063,510	7.6%
Phumelela	(2,288)	-0.6%	5,828	1.4%	5,517	1.4%	396,219	97.8%	405,276	1.5%
Mantsopa	17,061	2.4%	17,053	2.4%	12,704	1.8%	674,332	93.5%	721,151	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>171,238</b>	<b>3.0%</b>	<b>125,062</b>	<b>2.2%</b>	<b>107,969</b>	<b>1.9%</b>	<b>5,347,961</b>	<b>93.0%</b>	<b>5,752,229</b>	<b>21.3%</b>
Moqhaka	56,115	5.3%	31,299	3.0%	27,192	2.6%	941,262	89.1%	1,055,867	3.9%
Ngwathe	69,880	7.9%	25,741	2.9%	792,671	89.2%	-	0.0%	888,292	3.3%
Metsimaholo	195,063	8.6%	91,659	4.0%	54,351	2.4%	1,937,138	85.0%	2,278,210	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>351,786</b>	<b>7.0%</b>	<b>164,835</b>	<b>3.3%</b>	<b>888,914</b>	<b>17.7%</b>	<b>3,615,548</b>	<b>72.0%</b>	<b>5,021,083</b>	<b>18.6%</b>
<b>Total Debt</b>	<b>1,528,888</b>	<b>5.7%</b>	<b>735,427</b>	<b>2.7%</b>	<b>1,369,895</b>	<b>5.1%</b>	<b>23,350,488</b>	<b>86.5%</b>	<b>26,984,698</b>	<b>100.0%</b>

\*M03 / \*\*M04

## 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	577,740	5.5%	170,253	1.6%	209,096	2.0%	9,458,956	90.8%	10,416,044	55.1%
Bulk Water	422,731	6.9%	70,652	1.1%	77,354	1.3%	5,578,066	90.7%	6,148,803	32.5%
PAYE deductions	28,499	84.9%	1,398	4.2%	2,057	6.1%	1,596	4.8%	33,550	0.2%
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	24,484	6.4%	16,210	4.2%	103,071	26.8%	241,277	62.7%	385,042	2.0%
Loan repayments	50,526	82.4%	828	1.4%	1,656	2.7%	8,298	13.5%	61,308	0.3%
Trade Creditors	281,121	19.7%	141,694	9.9%	126,804	8.9%	880,771	61.6%	1,430,390	7.6%
Auditor General	14,846	20.7%	8,596	12.0%	5,700	8.0%	42,469	59.3%	71,611	0.4%
Other	1,300	0.4%	(743)	-0.2%	24,713	7.4%	310,201	92.5%	335,471	1.8%
<b>Total Debt</b>	<b>1,408,562</b>	<b>7.4%</b>	<b>410,220</b>	<b>2.2%</b>	<b>551,789</b>	<b>2.9%</b>	<b>16,541,176</b>	<b>87.5%</b>	<b>18,911,748</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	624,650	88.3%	24,470	3.5%	18,084	2.6%	39,976	5.7%	707,181	3.7%
Letsemeng	6,726	5.3%	(1,811)	-1.4%	(4,432)	-3.5%	125,299	99.6%	125,781	0.7%
Kopanong**	7,227	1.1%	10,460	1.5%	11,783	1.7%	648,291	95.7%	677,761	3.6%
Mohokare	4,538	4.3%	603	0.6%	3	0.0%	99,584	95.1%	104,727	0.6%
Khariep District	(1,855)	-33.5%	(470)	-8.5%	(1,500)	-27.1%	9,367	169.0%	5,543	0.0%
<b>DC 16 Total</b>	<b>16,635</b>	<b>1.8%</b>	<b>8,781</b>	<b>1.0%</b>	<b>5,854</b>	<b>0.6%</b>	<b>882,542</b>	<b>96.6%</b>	<b>913,812</b>	<b>4.8%</b>
Masilonyana	(1,923)	-9.7%	(2,869)	-14.5%	(138)	-0.7%	24,654	125.0%	19,724	0.1%
Tokologo	3,272	18.7%	-	0.0%	5,877	33.6%	8,351	47.7%	17,500	0.1%
Tswelopele	1,090	1.8%	6,660	10.9%	3	0.0%	53,161	87.3%	60,915	0.3%
Matjhabeng	246,531	2.7%	207,483	2.3%	182,263	2.0%	8,547,698	93.1%	9,183,975	48.6%
Nala***	37,812	5.3%	6,297	0.9%	25,021	3.5%	646,257	90.3%	715,387	3.8%
Lejweleputswa District	3	100.0%	-	0.0%	-	0.0%	-	0.0%	3	0.0%
<b>DC 18 Total</b>	<b>286,785</b>	<b>2.9%</b>	<b>217,572</b>	<b>2.2%</b>	<b>213,026</b>	<b>2.1%</b>	<b>9,280,121</b>	<b>92.8%</b>	<b>9,997,503</b>	<b>52.9%</b>
Setsetso	20,609	42.0%	1,525	3.1%	25,288	51.5%	1,637	3.3%	49,059	0.3%
Dihlabeng	35,103	4.2%	5,247	0.6%	98,754	11.8%	698,766	83.4%	837,871	4.4%
Nketoana	27,780	8.9%	1,817	0.6%	1,580	0.5%	281,211	90.0%	312,387	1.7%
Maluti a Phofung	273,137	12.2%	953	0.0%	8,568	0.4%	1,960,157	87.4%	2,242,815	11.9%
Phumelela	2,183	0.8%	4,324	1.5%	166	0.1%	277,005	97.6%	283,678	1.5%
Mantsopa	1,236	0.3%	9,482	2.3%	10,474	2.5%	391,208	94.9%	412,400	2.2%
Thabo Mofutsanyana District	1,303	39.1%	-	0.0%	-	0.0%	2,032	60.9%	3,335	0.0%
<b>DC 19 Total</b>	<b>361,351</b>	<b>8.7%</b>	<b>23,346</b>	<b>0.6%</b>	<b>144,830</b>	<b>3.5%</b>	<b>3,612,017</b>	<b>87.2%</b>	<b>4,141,544</b>	<b>21.9%</b>
Moqhaka	41,127	6.6%	100,256	16.1%	40,503	6.5%	441,580	70.8%	623,467	3.3%
Ngwathe	53,945	3.1%	20,486	1.2%	32,489	1.9%	1,616,526	93.8%	1,723,445	9.1%
Metsimaholo	14,747	18.7%	8,987	11.4%	2,247	2.8%	53,051	67.1%	79,032	0.4%
Mafube*	9,543	1.3%	6,322	0.9%	94,756	13.1%	615,364	84.8%	725,985	3.8%
Fezile Dabi	(222)	100.0%	-	0.0%	-	0.0%	-	0.0%	(222)	0.0%
<b>DC 20 Total</b>	<b>119,140</b>	<b>3.8%</b>	<b>136,051</b>	<b>4.3%</b>	<b>169,995</b>	<b>5.4%</b>	<b>2,726,521</b>	<b>86.5%</b>	<b>3,151,707</b>	<b>16.7%</b>
<b>Total Debt</b>	<b>1,408,562</b>	<b>7.4%</b>	<b>410,220</b>	<b>2.2%</b>	<b>551,789</b>	<b>2.9%</b>	<b>16,541,176</b>	<b>87.5%</b>	<b>18,911,748</b>	<b>100.0%</b>

\*M03 / \*\*M04 / \*\*\*M11 (2021)

## Annexure E – Financial Performance

Description	Budget year 2021/22								
	R thousands	Original Budget	Q1 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Q2 Dec Actual	YTD Actual	%
<b>Revenue By Source</b>									
Property rates	3,001,498	744,020	265,030	238,173			503,203	1,247,223	41.6%
Service charges - electricity revenue	6,340,190	940,894	1,027,502	387,499			1,415,000	2,355,894	37.2%
Service charges - water revenue	2,842,665	702,779	241,945	287,390			529,335	1,232,114	43.3%
Service charges - sanitation revenue	1,177,820	267,774	87,047	91,404			178,451	446,225	37.9%
Service charges - refuse revenue	718,849	160,269	53,053	57,683			110,736	271,005	37.7%
Rental of facilities and equipment	75,225	21,085	7,038	7,927			14,965	36,051	47.9%
Interest earned - external investments	56,787	6,262	2,196	1,929			4,125	10,387	18.3%
Interest earned - outstanding debtors	1,042,146	188,562	143,900	98,516			242,416	430,978	41.4%
Dividends received	6,246	156	1,495	65			1,560	1,716	27.5%
Fines, penalties and forfeits	111,530	9,269	3,812	2,789			6,600	15,870	14.2%
Licences and permits	901	352	128	143			272	624	69.2%
Transfers and subsidies	4,722,321	1,792,495	78,246	69,806			148,052	1,940,547	41.1%
Other revenue	1,678,860	218,125	25,696	28,235			53,931	272,056	15.8%
Gains	60,001	(3,498)	2,436	52			2,488	(1,009)	-1.7%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>21,835,041</b>	<b>5,048,544</b>	<b>1,939,524</b>	<b>1,271,610</b>	<b>-</b>	<b>3,211,134</b>	<b>8,259,678</b>	<b>37.8%</b>	
<b>Expenditure By Type</b>									
Employee related costs	6,703,173	1,485,303	780,689	568,372			1,349,060	2,834,363	42.3%
Remuneration of councillors	342,853	73,723	29,566	15,161			44,727	118,449	34.5%
Debt impairment	2,807,136	354,511	114,968	110,363			225,331	579,842	20.7%
Depreciation and asset impairment	1,323,996	18,329	57,451	364,021			421,472	439,801	33.2%
Finance charges	710,869	45,008	33,107	61,768			94,875	139,883	19.7%
Bulk purchases - electricity	4,965,745	1,015,867	395,383	274,788			670,171	1,686,038	34.0%
Inventory consumed	1,930,510	243,947	171,131	142,967			314,098	558,046	28.0%
Contracted services	1,501,749	269,736	177,254	173,548			350,802	620,538	38.5%
Transfers and subsidies	223,799	15,009	2,699	2,779			5,478	20,488	9.2%
Other expenditure	1,311,551	275,018	139,969	150,397			290,366	565,384	43.1%
Losses	306,425	(541)	11,465	(1,233)			10,231	9,690	3.2%
<b>Total Expenditure</b>	<b>22,127,805</b>	<b>3,795,910</b>	<b>1,913,682</b>	<b>1,862,931</b>	<b>-</b>	<b>3,776,613</b>	<b>7,572,523</b>	<b>34.0%</b>	
<b>Surplus/(Deficit)</b>									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(292,764)	1,252,634	25,842	(591,320)			(565,479)	687,156	-161.4%
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	2,551,222	205,086	324,269	93,480			417,749	622,835	24.4%
Transfers and subsidies - capital (in-kind - all)	13,000	1,125	101	402			504	1,629	12.5%
Surplus/(Deficit) after capital transfers and contributions	50,314	15,011	15,011				15,011	15,011	29.8%
<b>Surplus/(Deficit) after taxation</b>	<b>2,321,772</b>	<b>1,458,846</b>	<b>365,223</b>	<b>(497,438)</b>	<b>-</b>	<b>(132,215)</b>	<b>1,326,630</b>	<b>60.6%</b>	
Taxation									
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,321,772</b>	<b>1,458,846</b>	<b>365,223</b>	<b>(497,438)</b>	<b>-</b>	<b>(132,215)</b>	<b>1,326,630</b>	<b>60.6%</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>365,223</b>	<b>(497,438)</b>	<b>-</b>	<b>(132,215)</b>	<b>1,326,630</b>	<b>60.6%</b>	

## Annexure F – Operating Revenue per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Property Rates Billed	Service Charges			Interest Earned: Outstanding Debtors	Transfers Recognised	Other Revenue Generated	
						Electricity Billed	Water Billed	Sanitation Billed				Refuse Removal Billed
Mangaung Meiro	8,073,601	8,073,601	3,384,328	41.9%	575,909	1,343,122	454,178	166,565	62,501	140,611	427,081	214,360
Letsemeng	170,335	170,335	41,128	24.1%	6,879	8,888	3,005	4,971	4,841	11,725	281	539
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	86,383	37.0%	7,713	—	44,875	3,407	2,033	2,938	24,923	495
Xhariep District	63,471	63,471	23,203	36.6%	—	—	—	—	—	—	22,528	675
<b>DC 16 Total</b>	<b>801,216</b>	<b>801,216</b>	<b>308,142</b>	<b>38.5%</b>	<b>56,613</b>	<b>12,675</b>	<b>81,487</b>	<b>12,008</b>	<b>9,572</b>	<b>16,204</b>	<b>115,546</b>	<b>4,037</b>
Masilonyana	326,771	326,771	80,077	24.5%	28,411	13,821	19,671	11,349	6,499	43	—	285
Tokologo	135,703	135,703	14,747	10.9%	1,696	2,718	384	3,143	2,055	3,674	757	320
Tswelopele	174,796	174,796	85,729	49.0%	20,795	20,873	2,339	3,325	1,633	1,288	33,239	2,236
Matjhabeng	3,527,317	3,527,317	1,190,808	33.8%	229,588	317,941	176,851	73,332	44,451	96,700	237,842	14,103
Nala	540,928	540,928	150,072	27.7%	8,115	34,495	17,732	12,865	8,325	9,958	55,756	2,825
Lejweleputswa District	147,955	147,955	59,509	40.2%	—	—	—	—	—	140	58,387	982
<b>DC 18 Total</b>	<b>4,853,469</b>	<b>4,853,469</b>	<b>1,580,943</b>	<b>32.6%</b>	<b>288,606</b>	<b>389,848</b>	<b>216,977</b>	<b>104,014</b>	<b>62,963</b>	<b>111,803</b>	<b>385,981</b>	<b>20,750</b>
Setsofso	576,399	576,399	239,785	41.6%	26,621	41,182	27,601	15,413	19,995	12,998	92,139	3,836
Dihlabeng	863,521	863,521	356,400	41.3%	60,937	103,911	30,624	22,243	22,873	22,392	87,133	6,287
Nketoana	386,789	386,789	184,759	47.8%	6,749	31,035	29,624	10,860	10,139	37,015	48,452	10,885
Maluti a Phofung	1,800,467	1,840,467	527,834	29.3%	46,511	34,225	40,576	18,438	17,910	5,304	325,554	39,315
Phumelela	167,557	167,557	35,402	21.1%	10,737	433	4,058	5,205	4,785	8,219	—	1,965
Mantsopa	335,414	335,414	29,161	8.7%	3,341	2,669	4,113	5,031	3,495	9,706	400	407
Thabo Mofutsanyana	155,228	155,228	77,855	50.2%	—	—	—	—	—	—	61,952	15,903
<b>DC 19 Total</b>	<b>4,285,375</b>	<b>4,325,375</b>	<b>1,451,196</b>	<b>33.9%</b>	<b>154,896</b>	<b>213,455</b>	<b>136,596</b>	<b>77,190</b>	<b>79,196</b>	<b>95,634</b>	<b>615,631</b>	<b>78,599</b>
Mophaka	1,019,732	1,019,732	402,187	39.4%	30,874	147,845	71,317	22,466	15,551	11,656	96,007	6,469
Ngwathe	882,440	882,440	330,150	37.4%	43,341	107,167	32,545	22,211	16,430	16,574	90,492	1,390
Metsimaholo	1,500,657	1,500,657	628,599	41.9%	90,295	141,782	225,130	31,876	17,562	22,661	92,062	7,230
Mafube	240,786	240,786	100,689	41.8%	6,688	0	13,884	9,893	7,230	15,834	45,199	1,960
Fezile Dabi	177,765	177,765	73,445	41.3%	—	—	—	—	—	—	72,548	897
<b>DC 20 Total</b>	<b>3,821,380</b>	<b>3,821,380</b>	<b>1,535,069</b>	<b>40.2%</b>	<b>171,198</b>	<b>396,794</b>	<b>342,877</b>	<b>86,447</b>	<b>56,773</b>	<b>66,726</b>	<b>396,308</b>	<b>17,946</b>
<b>Total</b>	<b>21,835,041</b>	<b>21,875,041</b>	<b>8,259,678</b>	<b>37.8%</b>	<b>1,247,223</b>	<b>2,355,894</b>	<b>1,232,114</b>	<b>446,225</b>	<b>271,005</b>	<b>430,978</b>	<b>1,940,547</b>	<b>335,693</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	3,562,816	47.8%	979,390	26,116	393,764	439,177	1,075,794	648,575
Letsemeng	218,222	218,222	59,689	27.4%	27,098	1,673	120	20	13,043	17,735
Kopanong	414,918	414,918	262,629	63.3%	168,062	9,328	-	-	-	85,239
Mohokare	230,593	230,593	39,027	16.9%	26,793	1,423	-	-	900	9,911
Xhariep District	62,985	62,985	22,235	35.3%	19,024	1,866	-	605	-	741
<b>DC 16 Total</b>	<b>926,718</b>	<b>926,718</b>	<b>383,580</b>	<b>41.4%</b>	<b>240,977</b>	<b>14,289</b>	<b>120</b>	<b>624</b>	<b>13,943</b>	<b>113,626</b>
Masilonyana	366,799	366,799	1,014	0.3%	63	-	-	-	-	951
Tokologo	136,009	136,009	50,577	37.2%	30,262	1,829	121	-	691	17,674
Tswelopele	206,711	206,711	28,866	14.0%	53	-	137	-	7,589	21,088
Majjhabeng	3,499,848	3,499,848	647,599	18.5%	339,369	10,093	2,786	-	(56,359)	351,709
Nala	527,274	527,274	132,694	25.2%	57,771	2,792	-	-	26,867	45,264
Lejweleputswa District	181,251	181,251	63,410	35.0%	41,147	3,131	-	-	-	19,131
<b>DC 18 Total</b>	<b>4,917,892</b>	<b>4,917,892</b>	<b>924,161</b>	<b>18.8%</b>	<b>468,666</b>	<b>17,845</b>	<b>3,044</b>	<b>-</b>	<b>(21,211)</b>	<b>455,817</b>
Seisotso	634,745	634,745	176,810	27.9%	87,912	5,089	16,125	-	37,778	29,906
Dihlabeng	819,557	819,557	238,243	29.1%	139,159	6,256	34,734	(1)	(4,493)	62,587
Nketoana	416,243	416,243	114,409	27.5%	54,855	2,044	15,520	-	13	41,978
Maluti a Phofung	2,504,011	2,676,966	759,403	30.3%	274,169	9,584	2,118	-	272,693	200,839
Phumelela	168,583	168,583	59,986	35.6%	32,822	2,600	-	-	2,133	22,430
Mantsopa	313,588	313,588	75,866	24.2%	45,641	3,108	-	-	15,712	11,405
Thabo Mofutsanyana	151,644	151,644	65,040	42.9%	33,995	4,142	-	-	-	26,903
<b>DC 19 Total</b>	<b>5,008,369</b>	<b>5,181,325</b>	<b>1,489,757</b>	<b>29.7%</b>	<b>668,554</b>	<b>32,823</b>	<b>68,498</b>	<b>(1)</b>	<b>323,835</b>	<b>396,047</b>
Moghaka	998,410	998,410	240,448	24.1%	136,725	8,020	945	-	16,059	78,699
Ngwathe	902,413	902,413	345,796	38.3%	110,806	6,193	-	-	145,028	83,769
Metsimaholo	1,499,194	1,499,194	489,495	32.7%	136,664	7,922	110,747	-	132,589	101,573
Mafube	228,603	228,603	67,255	29.4%	45,448	2,591	2,725	-	-	16,492
Fezile Dabi	195,376	195,376	69,215	35.43%	47,134	2,650	-	-	-	19,430
<b>DC 20 Total</b>	<b>3,823,997</b>	<b>3,823,997</b>	<b>1,212,209</b>	<b>31.7%</b>	<b>476,777</b>	<b>27,375</b>	<b>114,417</b>	<b>-</b>	<b>293,676</b>	<b>299,963</b>
<b>Total</b>	<b>22,127,805</b>	<b>22,300,760</b>	<b>7,572,523</b>	<b>34.2%</b>	<b>2,834,363</b>	<b>118,449</b>	<b>579,842</b>	<b>439,801</b>	<b>1,686,038</b>	<b>1,914,029</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>								
<i>Municipal governance and administration</i>	161,060	19,486	9,518	6,768	-	16,286	35,772	22.2%
Executive and council	55,596	3,377	2,688	227		2,916	6,293	11.3%
Finance and administration	105,464	16,108	6,830	6,526		13,355	29,464	27.9%
Internal audit				15		15	15	
<i>Community and public safety</i>	491,553	13,501	21,074	15,496	-	36,571	50,071	10.4%
Community and social services	39,370	37	299	1,792		2,091	2,127	6.3%
Sport and recreation	64,783	4,541	4,196	3,061		7,257	11,799	19.3%
Public safety	32,605	1	84	62		146	148	0.4%
Housing	354,146	8,884	16,496	10,581		27,077	35,961	10.2%
Health	650	37					37	5.7%
<i>Economic and environmental services</i>	609,747	114,326	30,854	61,283	-	92,137	206,463	34.3%
Planning and development	107,892	20,940	5,759	379		6,138	27,078	25.1%
Road transport	500,705	93,386	25,095	60,903		85,999	179,384	36.4%
Environmental protection	1,150							
<i>Trading services</i>	1,917,240	201,807	145,189	94,885	-	240,074	441,880	22.8%
Energy sources	387,558	26,666	62,624	9,922		72,546	99,212	25.5%
Water management	959,777	105,249	51,577	38,199		89,776	195,025	20.6%
Waste water management	520,079	66,850	29,881	46,084		75,965	142,816	25.7%
Waste management	49,826	3,041	1,107	679		1,787	4,828	9.7%
<i>Other</i>	12,070							0.0%
<b>Total Capital Expenditure - Functional</b>	<b>3,191,669</b>	<b>349,119</b>	<b>206,635</b>	<b>178,432</b>	<b>-</b>	<b>385,067</b>	<b>734,186</b>	<b>23.0%</b>
<b>Funded by</b>								
National Government	2,611,136	312,041	151,453	161,387		312,840	624,882	23.9%
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	611		6,143	7,763	59.7%
<b>Transfers recognised - capital</b>	<b>2,634,303</b>	<b>316,815</b>	<b>156,985</b>	<b>161,998</b>	<b>-</b>	<b>318,983</b>	<b>635,798</b>	<b>24.1%</b>
<b>Borrowing</b>	<b>61,713</b>	<b>11,335</b>	<b>3,593</b>	<b>3,609</b>		<b>7,202</b>	<b>18,537</b>	<b>30.0%</b>
<b>Internally generated funds</b>	<b>486,757</b>	<b>20,061</b>	<b>45,932</b>	<b>12,744</b>		<b>58,676</b>	<b>78,737</b>	<b>16.2%</b>
<b>Total Capital Funding</b>	<b>3,182,774</b>	<b>348,211</b>	<b>206,510</b>	<b>178,351</b>	<b>-</b>	<b>384,861</b>	<b>733,073</b>	<b>23.0%</b>

## Annexure I – Capital Expenditure and Source of Finance

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Expenditure				Funding			
					Energy Sources	Water Management	Waste Water Management	Waste Management	Other	Transfers Recognised - Capital	Borrowing	Internally generated Funds
Mangaung Metro	1,221,006	1,221,006	347,065	28.4%	59,760	49,754	24,914	-	212,636	283,433	18,490	45,142
Letsemeng	51,283	51,283	2,465	4.8%	-	1,980	88	166	231	1,941	-	524
Kopanong	62,567	62,567	6,179	9.9%	-	6,179	-	-	-	6,179	-	-
Monokare	81,887	81,887	13,792	16.8%	-	9,296	3,622	-	874	13,768	-	24
Xhariep District	486	486	15	3.2%	-	-	-	-	15	-	-	15
<b>DC 16 Total</b>	<b>196,223</b>	<b>196,223</b>	<b>22,452</b>	<b>11.4%</b>	-	<b>17,455</b>	<b>3,711</b>	<b>166</b>	<b>1,121</b>	<b>21,888</b>	-	<b>564</b>
Masilonyana	35,148	35,148	466	1.3%	-	-	-	-	466	-	-	466
Tokologo	137,132	137,132	34,214	24.9%	-	30,049	-	-	4,165	34,214	-	-
Tswelopele	30,182	30,182	1,606	5.3%	-	2	-	-	1,604	-	-	1,559
Majhabeng	157,833	157,833	22,829	14.5%	576	2,170	12,508	-	7,576	22,829	-	-
Nala	42,673	42,673	11,741	27.5%	-	2,465	-	-	9,277	11,741	-	-
Lejweputswa District	13,150	13,150	2,861	21.8%	-	-	-	-	2,861	-	-	2,861
<b>DC 18 Total</b>	<b>416,118</b>	<b>416,118</b>	<b>73,718</b>	<b>17.7%</b>	<b>576</b>	<b>34,685</b>	<b>12,508</b>	-	<b>25,948</b>	<b>68,785</b>	-	<b>4,886</b>
Setsotho	204,601	204,601	48,151	23.5%	6,610	35,795	5,487	-	259	41,267	47	6,595
Dihlabeng	122,361	122,361	26,129	21.4%	1,769	452	-	-	23,908	22,551	-	3,578
Nketoana	51,621	51,621	12,275	23.8%	-	2,489	8,889	-	897	12,275	-	-
Maluti a Phofung	266,961	272,961	76,113	28.5%	18,081	11,337	37,558	-	9,137	69,435	-	6,678
Phumelela	60,293	60,293	12,478	20.7%	1,692	4,779	5,269	-	738	12,478	-	-
Mantsopa	43,045	43,045	15,777	36.7%	2,019	2,731	5,097	1,726	4,204	10,411	-	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>191,748</b>	<b>25.5%</b>	<b>30,171</b>	<b>57,583</b>	<b>62,300</b>	<b>1,726</b>	<b>39,968</b>	<b>168,417</b>	<b>47</b>	<b>22,217</b>
Moghaka	79,058	79,058	17,603	22.3%	266	3,659	5,914	1,660	6,103	15,297	-	2,306
Ngwathe	157,404	157,404	29,985	19.0%	521	20,543	5,424	1,276	2,222	28,996	-	989
Metsimaholo	259,034	259,034	40,137	15.5%	5,770	3,853	28,045	-	2,469	39,216	-	920
Mafube	109,689	109,689	11,479	10.5%	2,147	7,493	-	-	1,838	9,767	-	1,712
Fezile Dabi	630	630	-	0.00%	-	-	-	-	-	-	-	-
<b>DC 20 Total</b>	<b>605,814</b>	<b>605,814</b>	<b>99,203</b>	<b>16.4%</b>	<b>8,705</b>	<b>35,548</b>	<b>39,383</b>	<b>2,935</b>	<b>12,633</b>	<b>93,276</b>	-	<b>5,928</b>
<b>Total</b>	<b>3,191,669</b>	<b>3,197,669</b>	<b>734,166</b>	<b>23.0%</b>	<b>99,212</b>	<b>195,025</b>	<b>142,816</b>	<b>4,828</b>	<b>292,306</b>	<b>635,798</b>	<b>18,537</b>	<b>78,737</b>

Source: NT Local Government Database

## Annexure J – Covid-19 Expenditure as at 30 November 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	Letsemeng	817	562	-	-	-	-	-	-	102,044	-	-	-	-	-	-
	FS162	Kopanong	-	-	-	-	-	-	-	-	-	-	-	4	350	-	-
	FS163	Mohokare	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-
	DC16	Xhariep	-	32	-	-	60	-	-	-	-	-	58	-	-	-	-
	FS181	Masilonyana	-	-	-	1,550	669	-	-	-	6,379	-	-	-	-	-	-
	FS182	Tokolologo	38	-	-	84	513	-	-	-	1,106	-	787	350	700	225	57
	FS183	Tswelomele	-	-	-	-	-	-	-	1,106	-	-	-	-	-	-	-
	FS184	Matjhabeng	-	-	-	1,391	3,280	-	-	11,179	-	2,020	-	494	-	93	-
	FS185	Nala	-	-	-	144	-	-	-	-	-	-	-	163	-	-	-
	DC18	Lejwele putsw	-	-	-	372	-	-	-	5,267	-	335	-	843	-	-	-
	FS191	Setsoto	-	-	-	88	138	-	-	3,042	-	5,529	-	-	-	-	-
	FS192	Dihlabeng	-	-	-	-	1,042	-	-	29	-	412	-	732	-	-	-
	FS193	Nketoana	-	-	-	28	767	-	-	-	-	-	-	1,066	-	-	-
	FS194	Maluti-a-Phof	-	-	-	20,416	1,158	-	-	52,092	-	4,500	-	-	359	-	-
	FS195	Phumelela	-	-	-	120	285	-	-	19	-	54	-	-	-	-	-
	FS196	Mantsope	-	-	-	181	941	-	-	331	-	-	-	-	-	-	-
	DC19	Thabo Mofuts	-	-	-	101	167	-	-	66	-	-	-	200	-	-	523
	FS201	Moghaka	-	-	-	959	-	-	-	798	-	-	-	-	-	-	-
	FS203	Ngwathe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FS204	Metsimaholo	1,782	-	636	2,615	1,415	-	-	881	-	1,844	-	537	-	-	242
	FS205	Mafube	-	-	-	-	-	-	-	-	-	3,315	-	-	-	-	503
	DC20	Fezile Dabi	27	14	-	632	2,770	-	-	18	-	-	-	2,805	-	771	60
			<b>16,478</b>	<b>614</b>	<b>636</b>	<b>28,681</b>	<b>13,205</b>	<b>183,248</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/Mar	Particulate respirator, grade N95	Surgical mask HCW	Apron	Gown	Heavy duty gloves	Boot covers	Sanitizer	Mask		Disinfectants	Decontamination of affected premises	Health - Other
MAN	Mangaung	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,653	120 527
FS161	Letsemeng	-	-	97	-	-	22	-	-	-	-	-	-	14	39	-	-	-	-	1 905
FS162	Kojoanong	-	-	-	30	-	-	-	-	-	-	0	-	294	25	82	503	30	-	995
FS163	Mohokare	-	-	-	-	-	30	-	88	-	2	-	-	16	20	3	-	-	-	166
DC16	Xhariep	-	-	-	-	-	0	0	8	-	9	-	7	21	-	9	-	-	3	211
FS181	Masilonyama	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,586
FS182	Tokologo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,755
FS183	Tswelopele	-	320	-	-	-	-	-	-	-	-	-	-	77	33	80	-	-	-	1 615
FS184	Matjhabeng	-	-	-	-	-	30	-	-	-	-	-	-	1,847	-	-	-	-	-	20 303
FS185	Nala	-	-	-	-	-	-	-	-	-	-	-	-	35	-	-	-	-	-	372
DC18	Le Iwete putsi	169	-	-	-	-	-	-	-	-	-	-	-	92	-	-	-	-	-	7 079
FS191	Setso	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 796
FS192	Dihlabeng	-	-	-	-	-	147	-	213	-	-	-	-	651	-	-	-	-	-	3 248
FS193	Nketoana	-	-	-	-	-	21	-	-	-	-	-	-	2,186	214	-	-	-	57	4 338
FS194	Maluti-a-Phof	279	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78 803
FS195	Phumelela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	478
FS196	Mantsopa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 453
DC19	Thabo Mofuts	-	-	-	-	-	-	130	-	-	-	-	-	247	-	-	-	-	-	1 484
FS201	Moqhaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 757
FS203	Ngwathe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FS204	Metimaholo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 951
FS205	Mafube	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17 010
DC20	Fezile Dabi	447	320	97	30	30	250	156	309	5	11	8	7	5 504	306	173	503	13 058	7 096	306 877