



treasury

Department of  
Treasury  
FREE STATE PROVINCE

# CONSOLIDATED MUNICIPAL BUDGET PERFORMANCE REPORT FOR THE PERIOD ENDING 28 February 2022



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## A. METHODOLOGY AND APPROACH OF THIS REPORT

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

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

## B. PURPOSE OF REPORT

The consolidated report covers the financial performance of municipalities in Free State for the month ending **28 February 2022**. The purpose of this report is to indicate the extent to which the 22 delegated and one non-delegated municipalities have succeeded in fulfilling their Constitutional mandate. It also provides an analysis of the Section 71 report in terms of the Municipal Finance Management Act (MFMA).

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

The report is therefore structured as follows:

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

### C. COMPLIANCE MONITORING WITH LAWS AND REGULATIONS

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

- Monthly In-Year (M08)
- Creditors (CR08)
- Debtors (DB08)

b) Table 1 below shows the submission of the required data strings per municipality:

**Table 1: Submission of the monthly return forms**

Municipality	mSCOA Data String Submission						
	ORGB (Original Budget)	PROR (Project description - Original Budget)	ADJB (Original Budget)	PRAD (Project description - Adjusted Budget)	M08	CR08	DB08
Mangaung							
Letsemeng							
Kopanong							
Mohokare							
Xhariep							
Masilonyana							
Tokologo							
Tswelopele							
Matjhabeng							
Nala							
Lejweleputswa							
Setsoto							
Dihlabeng							
Nketoana							
Maluti a Phofung							
Phumelela							
Mantsopa							
Thabo Mofutsanyana							
Moqhaka							
Ngwathe							
Metsimaholo							
Mafube							
Fezile Dabi							

Source: LGDB as at 18 March 2022

Legend:

Successful	1st Phase error	2nd Phase error	Outstanding
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c) The non-compliance was due to:

Kopanong	Data string submitted with errors (Montly)
Mohokare	Backlog in capturing information (Adjustment budget and Monthly)
Xhariep	Data string submitted with errors

	(Adjustment budget)
Nala	System challenges (Adjustment budget)
Phumelela	Data string submitted with errors (Monthly)
Thabo Mofutsanyana	System challenges (Adjustment budget)
Ngwathe	System challenges (Adjustment budget)
Mafube	System challenges (Adjustment budget)

- d) Non-compliance is communicated with the municipalities via letters, e-mails and telephonic conversations, however, the lack of internal control measures and commitment by municipal officials to adhere to the reporting requirements also impacts on the compliance rate.
- e) 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.
- f) Provincial Treasury provides support and assistance to municipalities on the identification and correction of errors on the data strings on a continuous basis through internal monitoring tools.

## **D. OVERVIEW OF FREE STATE MUNICIPAL BUDGET PERFORMANCE**

### **1. FINANCIAL HEALTH**

#### **1.1 DEBTORS**

- 1.1.1 The total outstanding debt amounts to R28.37 billion having increased slightly with R0.32 billion from the previous month (*Jan 2022: R28.02 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 R6.59 billion. The municipal debt has grown substantially for debtors exceeding 90 days due to declining collection rates. It is vital for municipalities to manage their debt and implement effective strategies aimed at motivating consumers to pay for municipal services.
- 1.1.2 Section 75A of the Municipal Systems Act, 2000 (MSA) empowers a municipality to levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and to recover collection charges and interest on any outstanding amount subject to the provisions of the National Credit Act, 2005 (Act 34 of 2005). However, credit control and debt collection processes are often not implemented by municipalities.
- 1.1.3 70.4% (R19.98 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.

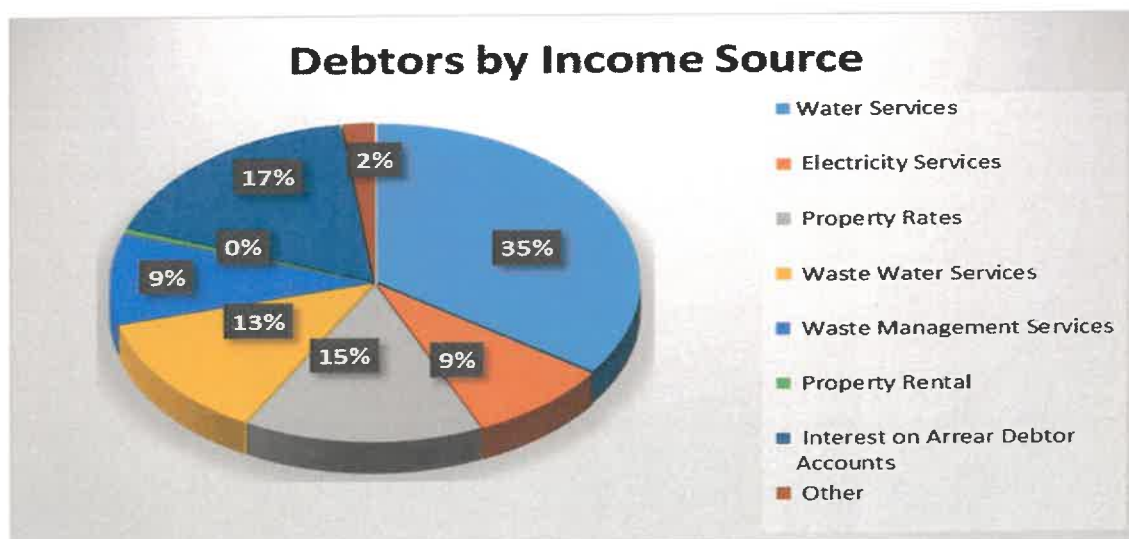
1.1.5 One municipality failed to submit the debtor's data strings for the month under review and for the purposes of consolidation information reported for prior months were included for this municipality. These municipality is:

Municipality	Reason for non-submission
Mohokare	Backlog in capturing information

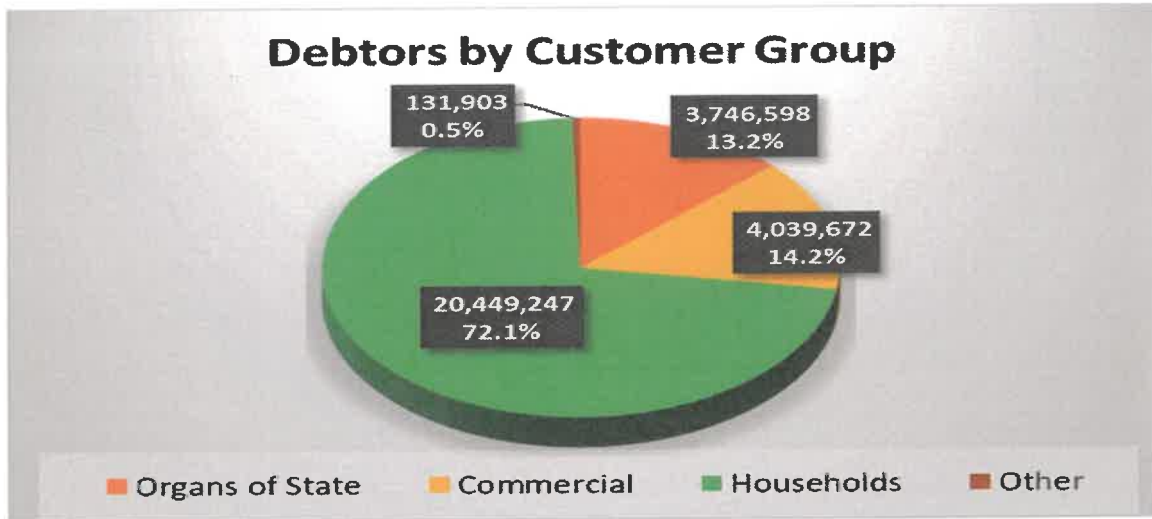
1.1.6 Debtors books should become an area of focus for municipalities. Seven municipalities reported outstanding debtors above a billion rand and contribute 75.3 per cent to the total outstanding debtors in the Province. These municipalities are:

Mangaung	R7.99 billion
Matjhabeng	R5.29 billion
Metsimaholo	R2.38 billion
Maluti a Phofung	R2.13 billion
Masilonyana	R1.25 billion
Dihlabeng	R1.22 billion
Moqhaka	R1.10 billion

1.1.7 *Water services* remains the largest contributor to the total outstanding debt and amounts to R9.86 billion (34.7 percent), followed by *interest on arrear accounts* amounting to R4.93 billion (17.4 percent). Debt relating to *property rates* contribute 14.7 percent (R4.18 billion) to the total outstanding debt, whilst *waste water services* accounts for 12.8% (R3.62 billion) of the total debt.

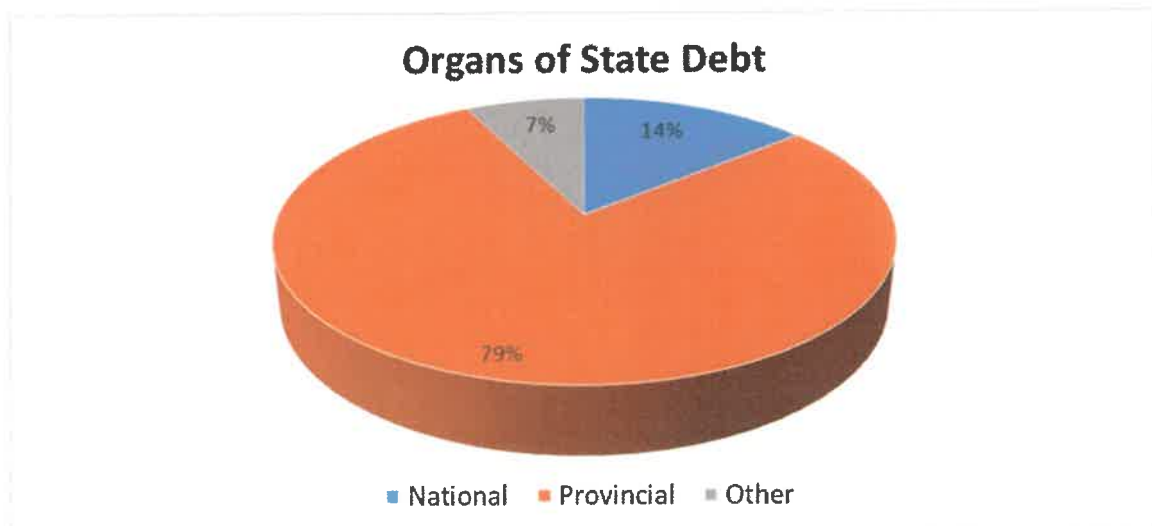


1.1.8 The majority of the debt is owed by *Households*, which contributes 72.1% (R20.45 billion) to the total debt, followed by *Businesses* with 14.2% (R4.04 billion).



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

1.1.9 The total debt owed by organs of state amounts to R3.75 billion which accounts for 13.2% of the total debt owed to municipalities.



1.1.10 The majority of the debt owed to municipalities relates to Provincially owned properties (see graph above). In the Free State Province the Department of Public Works & Infrastructure is responsible for the payment of the rates and services on behalf of all provincial departments, and the status at the end of February 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 R1.21 billion** (R310.9 million relating to Property Rates and R903.0 million for service charges).

## 1.2 CREDITORS

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

1.2.2 The total creditors **increased** with R0.27 billion to **R20.74 billion** for the month under review (*Jan 2022: R20.47 billion*). Annexure C and D provides the summary and breakdown of the outstanding creditors per type. Furthermore, one municipality failed to submit the creditor's information for February 2022 and for consolidation purposes prior months' information were used:

Municipality	Reason for non-submission
Mohokare	Backlog in capturing information

1.2.3 Payables relating to bulk service providers (Eskom & Water Boards) contribute 88.1 percent or **R18.26 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 R11.96 billion, however this amount is understated as seven 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 January 2022, the debt owed by all Free State municipalities, amounts to R15.68 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 cast verbatim from the monthly Eskom Section 41 report for Free State Municipalities compared to the MFMA Section 71 report.

Municipality	S71 Report (Municipal) (M08) R'000	S41 Report (Eskom) (M07) R'000	Details of actions taken and timeframes of actions to recover arrears as reported by Eskom for the month under review
Mangaung (Centlec)	155,959	117,821	In January 2022, a payment arrangement was concluded which the municipality is honouring.
Letsemeng	106,167	105,960	On 26 November 2021, the court reserved judgment on the existing litigation matter. A strategic meeting has been scheduled for 28 February 2022 with Eskom's attorneys handling the court case. The judgement is still withheld.
Kopanong	3,308	1,497	A payment reminder was issued for the outstanding amount. A breach notice was issued to the municipality on 14 February 2022.
Mohokare	-	755	Three LPU accounts were terminated for non-payment. A payment reminder was issued for the FBE account.
Masilonyana	-	105,848	A meeting took place on 31 January 2022. It was agreed that the municipality pay a minimum of R600 thousand per month until June 2022. The municipality to submit a payment plan by June 2022 and the current account must be paid monthly.
Tokologo	-	164,652	A letter will be sent to Provincial CoGTA informing them that Eskom plans to escalate the matter to the Minister of CoGTA.
Tswelopele	-	48,945	A meeting took place on 7 February 2022. It was agreed to allow the municipality to pay what they have collected and a minimum of R1 million to be paid each month. The municipality to submit a payment plan by the end of June 2022.
Majhabeng	4,363,194	4,299,794	On 11 February 2022, a letter was sent to Provincial CoGTA informing them that Eskom plans to escalate the matter to the Minister of CoGTA.
Nala	527,400	506,390	A letter will be sent to Provincial CoGTA informing them that Eskom plans to escalate the matter to the Minister of CoGTA. IRFA process is active. A breach notice was issued to the municipality on 11 February 2022.
Setsoiso	10	0	The municipality's account payments are up to date.
Ditlabeng	677,161	639,133	The municipality requested for a meeting with Eskom's attorneys. The meeting will take place on 3 March 2022.
Nketoana	-	486,704	The municipality's legal team will meet with Eskom's legal team before the end of February 2022.
Maluti a Phofung	3,413,389	6,598,410	In November 2021, Eskom filed supplementary affidavits seeking the court's intervention in making the active partnering agreement an order of the court. Awaiting for other parties to file their papers. Eskom still to be invited to a municipal MANCO meeting.

Municipality	S71 Report (Municipal) (M08) R'000	S41 Report (Eskom) (M07) R'000	Details of actions taken and timeframes of actions to recover arrears as reported by Eskom for the month under review
Phumelela	178,445	152,539	A NMD limitation letter as well as a letter of demand for the outstanding project cost was sent to the municipality on 4 February 2022. On 7 February Treasury wrote to the municipality and committed to pay R1.75 million for the project cost. Waiting for the municipality to pay the project cost, once received from Treasury. end of March 2022. Eskom to issue a breach letter to the municipality for non payment of the current account.
Mantsopa	355,740	241,124	The municipality paid R2 million on 3 February 2022. A letter will be sent to Provincial CoGTA informing them that Eskom plans to escalate the matter to the Minister of CoGTA. The municipality has requested that monthly IRFA technical team meetings take place as from March 2022.
Moghaka	638,408	596,490	The municipality paid R10 million on 4 February 2022. A meeting is being scheduled to discuss the payment arrangement. The municipality to submit a revised payment plan by 15 March 2022.
Ngwathe	1,483,725	1,447,305	A meeting is being arranged to finalise a payment arrangement. Awaiting feedback from the municipality with regards to a suitable date, based on Eskom's proposed meeting dates.
Metsimaholo	–	66	The municipality's account payments are up to date.
Mafube	57,489	170,165	A strategic meeting is to be scheduled with Eskom's attorneys handling the court case before the end of February 2022. A contempt of court application will be initiated.
<b>Total</b>	<b>11,960,398</b>	<b>15,683,600</b>	

#### Water Boards Debt

1.2.7 The total debt owed to Water Boards amounts to R6.30 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) M08 R'000	S41 Report (Water Boards) M08 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	279,499	746,660	<p>Bloemwater:</p> <ul style="list-style-type: none"> <li>● The payment plan does not override the settlement agreement but was a mere effort to receive payments, avoid enforcing legal action and to ensure water supply. The payments were mostly made in accordance with the agreement, however some late. The payments due on 31 December 2021 and 14 January 2022 for R39.6 million per payment, were not made. The matter was taken up with the Municipality whereafter the R20 million was paid and allocated to the settlement account. It has been a challenge subsequently as there has been legal challenges within the Municipal and provincial environments wrt the Acting City Manager appointments, the legality of decisions taken, etc. thus limited engagements and interaction could take place.</li> <li>● On 14 January 2022, Bloem Water was informed of Mangaung Metropolitan Municipality's intention to claim rental fees for all Bloem Water infrastructure that is accommodated in the Municipal servitude and that the Municipality will appoint an Actuary to determine the nature and extent of the estimate in due course, whereafter the Municipality shall engage Bloem Water.</li> <li>● On 1 February 2022 The Acting Municipal Manager was reminded that the Municipality's failure to adhere to its commitment to maintain its current account in good standing was converted to a Court Order on 25 February 2021. This imposed an obligation on the Municipality to abstain from defaulting under any circumstances. The Court Order also grants Bloem Water certain rights in the event that the Metro defaults.</li> <li>● Mangaung Metropolitan Municipality was informed that Bloem Water demands immediate settlement of the outstanding balance on the current account of R338 831 422, failing which the Entity intends to exercise its full rights in terms of the Court Order.</li> <li>● The Municipality was further notified that Bloem Water will be implementing water restrictions in terms of Section 4(5) of the Water Services Act of 1997 with effect from 1 March 2022. The Minister of Water and Sanitation and the Provincial Government was notified of Bloem Water's intended action. Subsequently, the Acting Municipal Manager requested meetings with Bloem Water on 2, 10 and 28 February 2022 to resolve on a way forward.</li> <li>● The total outstanding amount consisting of normal and drought tariff billing and interest as at the end of February 2022 amounts to R746 660 120.</li> </ul>
Letsemeng	-		

Municipality	S71 Report (Municipal) M08 R'000	S41 Report (Water Boards) M08 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	503,426	516,090	<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>• On 25 January 2022, Bloem Water informed the newly appointed Acting Municipal Manager of its right to restrict water that was suspended due to the pending lawsuit instituted by residents of Bethulie. However, since the application by the residents was dismissed, Bloem Water informed the Municipality of its intention to reinstate the Notice issued on 15 April 2021. The Municipality was further informed that, if no payment of the water account is received by the end of business on 25 January 2022, restrictions at a 30% level will be implemented on 26 January 2022.</li> <li>• On 1 February 2022, Bloem Water received a proposed Payment Plan from Kopanong Local Municipality with effect from February 2022. However, no payment was received for February 2022. On 8 February 2022, Bloem Water received an invitation from the Municipality to present to Council on 11 February 2022 on Kopanong Local Municipality's account as resolved during the meeting between the parties on 7 February 2022.</li> <li>• The Board presented to the Council with no yielding results, except that the Municipality committed to meet the Entity. No arrangements were made by month end.</li> <li>• The outstanding amount owed to Bloem Water as at the end of February 2022 is R516 090 438.</li> </ul>
Mohokare	-		
Masilonyana	25,699		
Tokologo	-		
Tswelopele	10,900		
Matjhabeng	4,655,604	4,685,171	<p>Sedibeng:</p> <ul style="list-style-type: none"> <li>• There is a mediation process that exist for the collection of the account.</li> <li>• The municipality was billed R62,990,053.07 in the month of February 2022.</li> <li>• The municipality paid R 10,000,000.00 during the month of February 2022, remaining balance is R 4,685,171,361.57.</li> <li>• There were payment reminder letters sent to the municipality.</li> <li>• There is no active payment arrangement as all the previous arrangements were not honored by the municipality.</li> <li>• There are active meetings to attend to the Service Level Agreement finalisation between the municipality and Sedibeng Water.</li> </ul>
Nala	245,125	250,446	Sedibeng:

Municipality	S71 Report (Municipal) M08 R'000	S41 Report (Water Boards) M08 R'000	Details of actions taken and timeframes of actions to recover arrears as reported by the Water Boards for the month under review
Setsoiso	-		<ul style="list-style-type: none"> <li>· The municipality was billed R5,310,344.90 in the month of February 2022.</li> <li>· No payment was received during the month, remaining balance is R 250,445,648.97</li> <li>· There were payment reminder letters sent to the municipality.</li> <li>· There is no active payment arrangement as all the previous arrangements were not honored by the municipality.</li> </ul>
Dihlabeng	-		
Nketoana	-		
Maluti a Phofung	-		
Phumelela	90,820		
Mantsopa	-	1,697	<p>Bloemwater:</p> <ul style="list-style-type: none"> <li>● A new Service Level Agreement was agreed upon during June 2021.</li> <li>● The Municipality was engaged, and a meeting could only be set on 3 August 2021 to discuss the outstanding accounts.</li> <li>● However, Bloem Water has since received a Payment Plan from Mantsopa Local Municipality on 25 August 2021, hence the legal processes were suspended.</li> <li>● 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.</li> <li>● The payments were made in accordance with the payment plan. However, no payment was received during October 2021.</li> <li>● The Municipality has been engaged on the matter and commitments were made to settle accounts by 30 November, which did not materialise. The commitments was then made to pay accounts with the receipt of the equitable share in December 2021.</li> <li>● On 18 January 2022, Bloem Water informed the Municipality that it failed to adhere to the payment plan and commitments made during the latter part of 2021. However, no payments have been received to date and the current accounts have also not been paid. The Municipality was requested to urgently attend to the payments, provide a payment plan and feedback by 21 February 2022.</li> <li>● The outstanding amount owed to Bloem Water as at the end of February 2022 is R1 696 959.</li> </ul>
Moghaka	-		

Municipality	S71 Report (Municipal) M08 R'000	S41 Report (Water Boards) M08 R'000	Details of actions taken and timeframes of actions to recover arrears as reported by the Water Boards for the month under review
Ngwathe*	15,586	8,482	Randwater: 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).
Meisimaholo*	48,133	15,617	Rand Water – Account up to date
Mafube	429,312		
<b>Total</b>	<b>6,304,104</b>	<b>6,224,164</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 February 2022 not yet received.

PAYE and Pension/Retirement Contributions Debt

1.2.8 Payables relating to 3<sup>rd</sup> parties (i.e PAYE and pensions/retirement contributions) amounted to R488.9 million of which 89.9% 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.

1.2.9 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	7,405	100.0%	–	0.0%	–	0.0%	–	0.0%	7,405	8.0%
Kopanong	1,420	7.3%	1,400	7.2%	1,554	8.0%	14,984	77.4%	19,358	20.9%
Matjhabeng	11,327	41.0%	15,491	56.1%	5	0.0%	784	2.8%	27,607	29.8%
Nala	13	100.0%	–	0.0%	–	0.0%	–	0.0%	13	0.0%
Thabo Mofutsanyana District	1,293	100.0%	–	0.0%	–	0.0%	–	0.0%	1,293	1.4%
Ngwathe	3,029	21.7%	4,703	33.8%	3,718	26.7%	2,478	17.8%	13,928	15.0%
Mafube	2,501	10.8%	1,656	7.2%	1,391	6.0%	17,537	76.0%	23,086	24.9%
<b>Total Debt</b>	<b>26,988</b>	<b>29.1%</b>	<b>23,250</b>	<b>25.1%</b>	<b>6,669</b>	<b>7.2%</b>	<b>35,783</b>	<b>38.6%</b>	<b>92,689</b>	<b>100.0%</b>

Creditors Age Analysis Pension/Retirement	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Kopanong	1,707	1.1%	1,657	1.1%	1,911	1.2%	150,792	96.6%	156,066	39.4%
Tswelopele	–	0.0%	–	0.0%	12	196.1%	(6)	-96.1%	6	0.0%
Matjhabeng	14,920	18.9%	12,125	15.4%	11,681	14.8%	40,044	50.8%	78,770	19.9%
Nala	11	100.0%	–	0.0%	–	0.0%	–	0.0%	11	0.0%
Setsotso	1,356	100.0%	–	0.0%	–	0.0%	–	0.0%	1,356	0.3%
Nketoana	65	100.0%	–	0.0%	–	0.0%	–	0.0%	65	0.0%
Ngwathe	3,029	100.0%	–	0.0%	–	0.0%	–	0.0%	3,029	0.8%
Mafube	1,223	0.8%	1,219	0.8%	612	0.4%	153,950	98.1%	157,004	39.6%
<b>Total Debt</b>	<b>22,311</b>	<b>5.6%</b>	<b>15,000</b>	<b>3.8%</b>	<b>14,215</b>	<b>3.6%</b>	<b>344,781</b>	<b>87.0%</b>	<b>396,308</b>	<b>100.0%</b>

### 1.3 CASH FLOW

1.3.1 Municipalities in the Province closed the month of February 2022 with a surplus cash and cash equivalent balance of R2.57 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 Nine 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 (28 Feb 2022)
Mangaung Metro	461,396	1,798,989	(440,330)	(44,290)	1,314,369	1,775,765
Letsemeng	–	–	–	(2)	(2)	(2)
Kopanong	–	73,439	–	(271)	73,167	73,836
Mohokare	5,067	21,869	(15,770)	–	6,099	11,165
Xhariep District	–	22,549	–	–	22,549	22,549
<b>DC 16 Total</b>	<b>5,067</b>	<b>117,857</b>	<b>(15,770)</b>	<b>(274)</b>	<b>101,813</b>	<b>107,549</b>
Maslonyana	–	–	–	(71)	(71)	(71)
Tokologo	–	(10,738)	12	(50)	(10,776)	(10,776)
Tswelopele	12,489	3,927	(2,982)	270	1,216	13,703
Matjhabeng	(37,081)	(504,250)	(32,194)	(6,890)	(543,334)	(486,166)
Nala	–	–	–	13	13	13
Lejweleputswa District	–	107,100	0	–	107,100	107,100
<b>DC 18 Total</b>	<b>(24,591)</b>	<b>(403,961)</b>	<b>(35,164)</b>	<b>(6,728)</b>	<b>(445,853)</b>	<b>(376,197)</b>
Setsootso	45,572	221,828	(82,751)	(3)	139,074	184,601
Dihlabeng	(11,417)	299,110	(32,557)	(5,154)	261,399	238,856
Nketoana	3,456	68,691	(23,965)	9	44,734	48,204
Maluti a Phofung	165,009	669,802	(132,284)	(12)	537,505	429,512
Phumelela	–	(60,871)	(939)	0	(61,810)	(61,810)
Mantsopa	–	(1,799)	(18,588)	(178)	(20,565)	(20,565)
Thabo Mofutsanyana	–	1,409	–	–	1,409	1,409
<b>DC 19 Total</b>	<b>202,620</b>	<b>1,198,169</b>	<b>(291,084)</b>	<b>(5,338)</b>	<b>901,747</b>	<b>820,206</b>
Moqhaka	–	270,205	(25,998)	(942)	243,266	243,211
Ngwathe	56,783	(70,153)	(52,563)	(470)	(123,187)	(66,478)
Metsimaholo	50,783	(32,765)	(58,266)	(2,621)	(93,651)	(42,676)
Mafube	(126,563)	54,899	(18,113)	(36)	36,750	(64,391)
Fezile Dabi	97,842	81,466	(1,548)	–	79,917	177,906
<b>DC 20 Total</b>	<b>78,845</b>	<b>303,652</b>	<b>(156,489)</b>	<b>(4,068)</b>	<b>143,096</b>	<b>247,572</b>
<b>Total</b>	<b>723,337</b>	<b>3,014,706</b>	<b>(938,836)</b>	<b>(60,698)</b>	<b>2,015,172</b>	<b>2,574,894</b>

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

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

## 2. FINANCIAL PERFORMANCE

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

### 2.1 REVENUE GENERATED

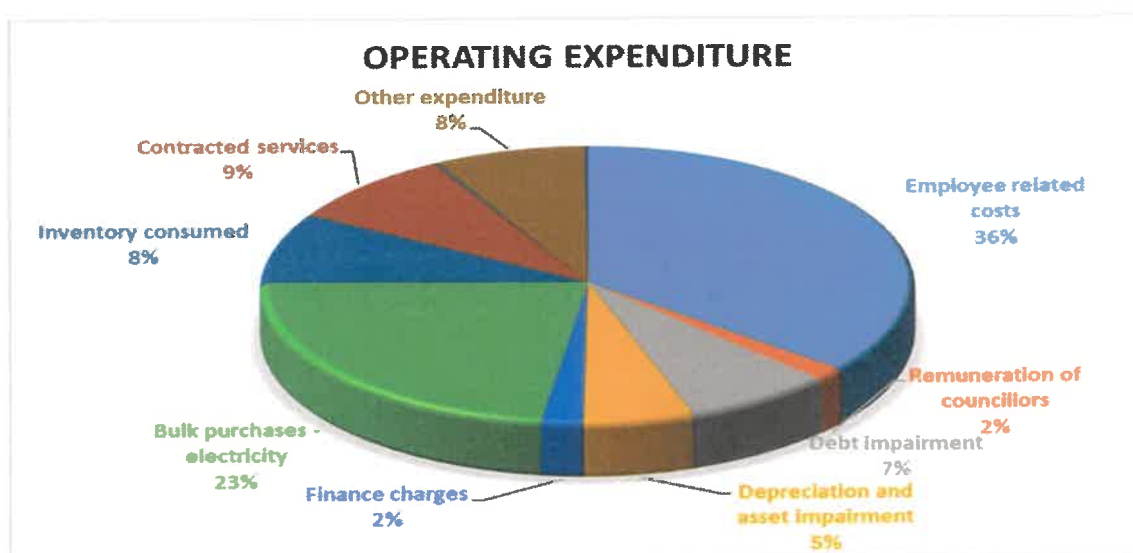
- 2.1.1 The total generated revenue (billed) amounts to R12.32 billion or 56.8 percent against the adjusted budget of R21.69 billion, whilst in respect of expenditure, municipalities spent an aggregate of 54 percent or R11.98 billion against the total adjusted budget of R22.19 billion. The revenue relates to the ability of the municipality to raise (generate) revenue, and does not take the actual collection into consideration.
- 2.1.2 The majority of the generated (billed) revenue relates to *service charges* with R6.54 billion (53 percent), followed by *transfers and subsidies* amounting to R2.64 billion or

22 percent of the total revenue. Property rates contribute 15 percent (R1.85 billion) to the total revenue generated.

2.1.3 An aggregate operational surplus of R340.3 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 February 2022 is *employee related cost* amounting to R4.30 billion or 36 per cent of the total expenditure, followed by *bulk purchases - electricity* amounting to R2.74 billion.



2.2.2 The performance of *employee related cost* against the adjusted budget is 70.9 per cent (R4.18 billion). The majority of the expenditure reported (98.4%) relates to salaries and wages for municipal staff as indicated in the table below:

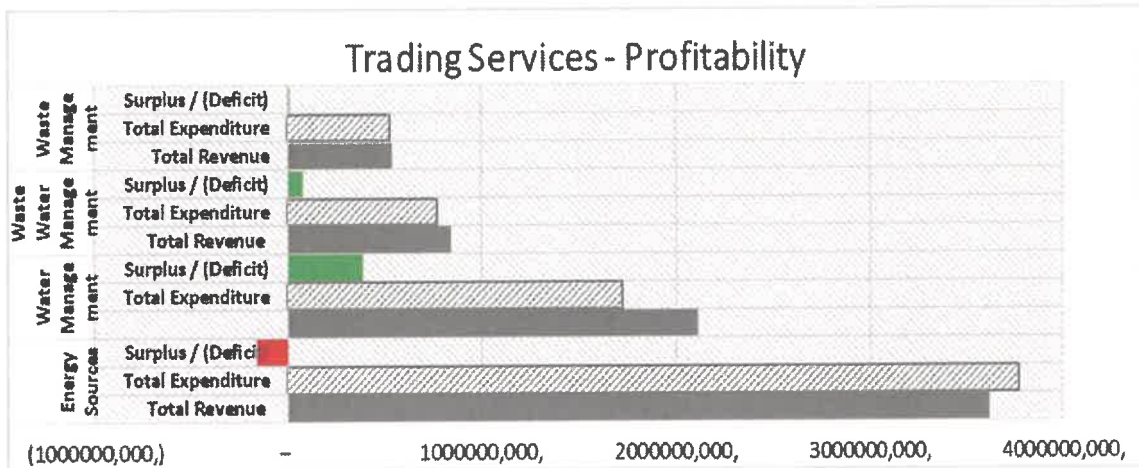
Employee Related Cost (ERC)	Original Budget R'000	Adjusted Budget R'000	Actual Year To Date R'000	% Spent on Adjusted Budget	% of Total ERC
Senior Management	206,334	173,592	70,375	40.5%	1.6%
Municipal Staff	6,495,857	6,069,918	4,358,721	71.8%	98.4%
Board Members	982	982	162	16.5%	0.0%
<b>Total</b>	<b>6,703,173</b>	<b>6,244,493</b>	<b>4,429,259</b>	<b>70.9%</b>	<b>100.0%</b>

## 2.3 PROFITABILITY OF TRADING SERVICES

2.3.1 An analysis of the trading services indicates that water, waste water services and waste management had operating surpluses for the period under review. However, energy sources reflected a deficit of R155.9 million for the period under review.

- Billed energy sources revenue totaled R3.62 billion against expenditure of R3.78 billion (**deficit of R155.9 million**);
- Billed water revenue totaled R2.11 billion against expenditure of R1.72 billion (**surplus of R389.1 million**);

- Billed waste water management revenue totaled R845.3 million against expenditure of R769.0 million (surplus of R76.3 million); and
- Billed waste management revenue totaled R540.2 million against expenditure R528.5 million (surplus of R11.7 million).

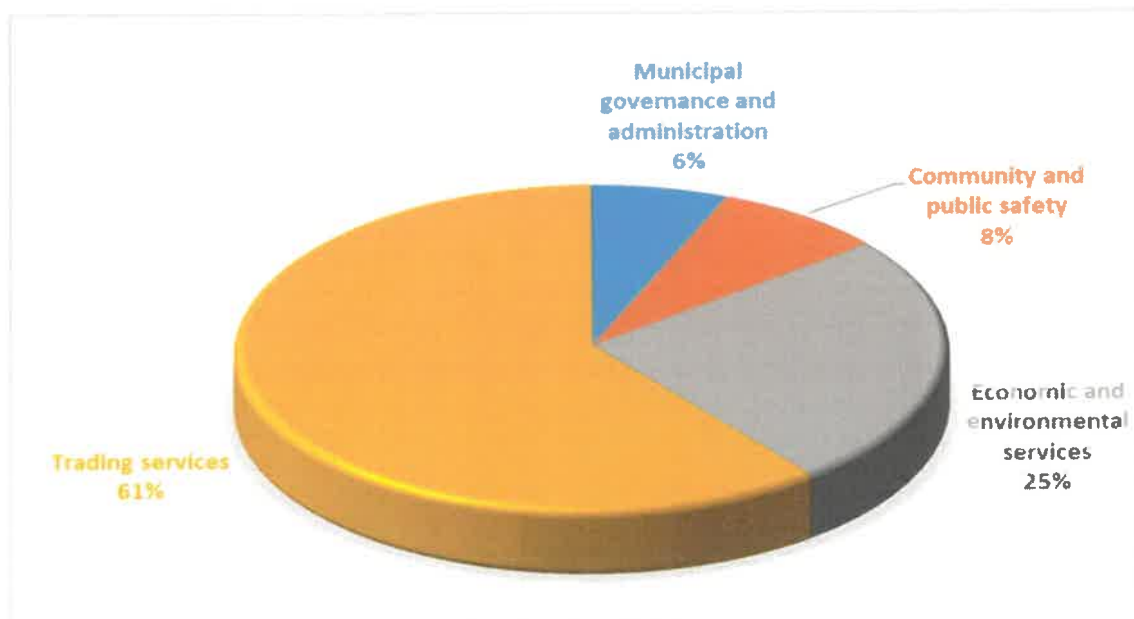


2.3.2 These deficits must be cross subsidized from other revenue sources, i.e property rates.

2.4 CAPITAL EXPENDITURE

2.4.1 The total capital expenditure amounts to R1.07 billion or 33.6% against the adjusted budget of R3.19 billion.

2.4.2 The majority (61%) of the expenditure relates to trading services projects amounting to R645.3 million. This consists of R143.1 million for *energy services*, R295.6 million for *water management*, R200.9 million for *waste water management* and R5.7 million for *waste management*.



## 2.5 REPAIRS AND MAINTENANCE

- 2.5.1 Repairs and maintenance of infrastructure is critical to ensure ongoing service delivery and avoid interruptions to services through unplanned and unnecessary breakdowns. Municipalities are required to budget for a minimum of 8 per cent of the PPE for repairs and maintenance. An adjusted budget of R1.29 billion was provided for repairs and maintenance in the 2021/22 financial year, which is however not sufficient. If the 8 per cent norm was adhered to the total budget should have been R3.44 billion.
- 2.5.2 It is concerning that most municipalities did not budget sufficiently funds for repairs and maintenance; it was observed that municipalities consistently under budget for maintenance and often sacrifice maintenance budgets for other priorities. This practice would severely affect revenue generating assets in the long term.
- 2.5.3 To date, a total of R804.6 million was reported spent on repairs and maintenance which amounts to 74.6% against the budget of R1.29 billion. The table below show the repairs and maintenance expenditure reported per municipality:

		Original Budget	Adjusted Budget	YTD Actual	%
<b>R thousands</b>	<b>Code</b>				
<b>FREE STATE</b>					
A	Mangaung MAN	497,607	513,374	389,032	75.8%
	<b>Total Metros</b>	<b>497,607</b>	<b>513,374</b>	<b>389,032</b>	<b>75.8%</b>
B	Letsemeng FS161	2,900	1,511	730	48.3%
B	Kopanong FS162	-	-	-	-
B	Mohokare FS163	2,160	2,640	804	30.5%
C	Xhariep DC16	215	343	156	45.4%
	<b>Total Xhariep</b>	<b>5,275</b>	<b>4,494</b>	<b>1,690</b>	<b>37.6%</b>
B	Masilonyana FS181	3,040	5,840	22	0.4%
B	Tokologo FS182	4,150	6,650	2,409	36.2%
B	Tswelopele FS183	9,381	13,878	9,082	65.4%
B	Matjhabeng FS184	8,051	18,360	12,735	69.4%
B	Nala FS185	250,000	250,000	126,640	50.7%
C	Lejweleputswa DC18	3,398	3,398	1,628	47.9%
	<b>Total Lejweleputswa</b>	<b>278,019</b>	<b>298,126</b>	<b>152,516</b>	<b>51.2%</b>
B	Setsotho FS191	25,255	17,123	6,560	38.3%
B	Dihlabeng FS192	5,074	13,478	8,466	62.8%
B	Nkeboana FS193	17,800	18,849	16,803	89.1%
B	Maluti-a-Phofung FS194	72,817	236,617	113,050	47.8%
B	Phumelela FS195	6,542	5,632	4,448	79.0%
B	Mantsopa FS196	-	-	-	-
C	Thabo Mofutsanyana DC19	535	331	783	236.5%
	<b>Total Thabo Mofutsanyana</b>	<b>128,023</b>	<b>292,029</b>	<b>150,109</b>	<b>51.4%</b>
B	Moqhaka FS201	64,366	84,323	44,660	53.0%
B	Ngwathe FS203	34,952	34,952	46,541	133.2%
B	Metsimaholo FS204	43,689	41,548	13,302	32.0%
B	Mafube FS205	21,106	21,106	3,810	18.1%
C	Fezile Dabi DC20	5,628	5,478	2,939	53.6%
	<b>Total Fezile Dabi</b>	<b>169,740</b>	<b>187,407</b>	<b>111,252</b>	<b>59.4%</b>
	<b>Total Free State</b>	<b>1,078,663</b>	<b>1,295,430</b>	<b>804,599</b>	<b>62.1%</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 February 2022 show a total spending of R741.9 million or 28.5 per cent against the allocation.

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

3.3 The negative spending reflected in the table below indicate incorrect reporting by municipalities due to the mapping (reporting) that was changed. Municipalities were requested to correct the reports in order to reflect the accurate spending.

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

Municipalities	2021/22 Conditional Grants					
	Allocated	Transferred	Spend Nat	Received Mun	Spend Mun	% spend
Mangaung	1,003,160	226,040	110,184	873,670	475,756	47.4%
Letsemeng	53,282	38,017	22,000	-	-	0.0%
Kopanong	56,896	33,091	7,559	-	-	0.0%
Mohokare	82,331	68,713	34,425	5,283	(32,137)	-39.0%
Xhariep	4,990	3,987	2,725	4,990	3,858	77.3%
Masilonyana	40,077	31,991	18,442	-	-	0.0%
Tokologo	35,112	29,811	15,704	9,311	15,941	45.4%
Tswelopele	32,277	22,664	8,393	10,647	(12,017)	-37.2%
Matjhabeng	164,133	93,353	41,938	-	-	0.0%
Nala	50,767	36,778	20,218	33,228	19,134	37.7%
Lejweleputswa	4,510	3,457	2,428	3,457	2,776	61.6%
Setsoto	196,706	133,069	70,740	-	-	0.0%
Dihlabeng	70,108	49,708	22,918	-	-	0.0%
Nketoana	55,346	28,512	11,960	-	2,651	4.8%
Maluti a Phofung	246,777	199,400	106,773	201,270	109,879	44.5%
Phumelela	62,073	45,551	19,397	9,194	1,571	2.5%
Mantsopa	40,123	33,666	16,966	12,010	1,259	3.1%
Thabo Mofutsanyana	14,306	7,904	5,670	737	-	0.0%
Moqhaka	63,928	50,980	25,938	61,126	-	0.0%
Ngwathe	164,333	107,809	47,215	117,447	49,185	29.9%
Metsimaholo	98,757	61,039	36,256	115,701	67,231	68.1%
Mafube	56,395	42,416	18,802	46,585	36,805	65.3%
Fezile Dabi	7,436	5,765	3,745	-	-	0.0%
<b>Total</b>	<b>2,603,823</b>	<b>1,353,721</b>	<b>670,396</b>	<b>1,504,656</b>	<b>741,893</b>	<b>28.5%</b>

3.3 The table below show the actual performance per grant:

Municipalities	2021/22 Conditional Grants					
	Allocated	Transferred	Spend Nat	Received Mun	Spend Mun	% spend
Energy Efficiency & Demand Man Grant	18,500	7,000	4,757	–	–	0.0%
Expanded Public Works Programme	41,224	26,934	23,414	14,858	12,326	29.9%
Finance Management Grant	57,400	57,400	24,378	21,650	3,636	6.3%
Integrated National Electrification Prog	108,119	76,000	27,604	69,700	47,268	43.7%
Metro Informal Settlements Partnership Grant	263,893	40,000	10,217	160,000	29,368	11.1%
Municipal Infrastructure Grant	781,076	541,276	301,875	299,495	120,805	15.5%
Neighbourhood Dev Partnership Grant	10,000	–	–	29,738	5,813	58.1%
Programme & Project Preperation Support Grant	6,934	2,311	–	4,934	–	0.0%
Public Transport network Grant	223,648	180,708	98,389	180,708	100,129	44.8%
Regional Bulk Infrastructure Grant	213,921	150,300	68,630	106,304	55,546	26.0%
Rural Roads Assets Man Systems Grant	9,222	6,455	4,401	4,565	3,568	38.7%
Urban settlement Development Grant	495,269	–	–	495,269	338,662	68.4%
Water Services Infrastructure Grant	374,617	265,337	106,731	117,434	24,771	6.6%
<b>Total</b>	<b>2,603,823</b>	<b>1,353,721</b>	<b>670,396</b>	<b>1,504,656</b>	<b>741,893</b>	<b>28.5%</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 28 February 2022 a cumulative total of **R306.7 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	116,448	–	–	–	4,668	<b>121,117</b>
Xhariep District	1,476	412	–	97	1,291	<b>3,276</b>
Lejweleputswa District	28,445	16,206	57	489	2,508	<b>47,705</b>
Thabo Mofutsanyana District	81,019	13,374	–	279	3,889	<b>98,560</b>
Fezile Dabi District	12,751	9,834	5,118	–	8,315	<b>36,018</b>
<b>TOTAL</b>	<b>240,139</b>	<b>39,826</b>	<b>5,175</b>	<b>864</b>	<b>20,672</b>	<b>306,677</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 Mid-year budget bilaterals were conducted during February 2022. The purpose of the sessions were to engage on the progress, challenges and operational strategies to reinforce the municipalities' budgetary performance and service delivery objectives for the current financial year. Whilst the purpose is primarily to review the municipality's mid-year performance, the following issues also constitute key focus areas of the engagement:

- Progress on the 2020/21 audit and achievements and challenges during this period;
- The actual mid-year results for the 2021/22 financial year, financial and non-financial, as measured against priorities in the Integrated Development Plan (IDP) and the targets set in the service Delivery and Budget Implementation Plan (SDBIP);
- Infrastructure delivery achievements against the Infrastructure Plan of the municipality;
- Performance and spending of all national and provincial conditional grants and progress made in achieving the grant conditions;
- The preparation of the 2021/22 adjustment budget and inputs thereto;
- The budget preparation schedule and progress made in achieving the milestones and timelines specified in the schedule in the compilation of the 2022/23 MTREF; and
- Compliance with laws and regulations, including conditions for withholding of conditional and the equitable share based on non-compliance.

## E. RECOMMENDATIONS & CONCLUSION

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

1. **Note** the overall compliance status with regard to the submission of the monthly data strings increased from 85.5% to 92.8%.
2. **Note** the aggregate revenue generated at the end of February 2022 is 56.8 percent whilst the operating expenditure is at 54 percent against the total budgets and is below the straight line projection of 66.7%.
3. **Note** the total capital expenditure amounts to R1.07 billion (33.6%) against the adjusted budget of R3.19 billion. If the current spending trend continues, the municipalities will under spent the capital budgets.
4. **Note** municipalities reported aggregate spending on repairs and maintenance amounting to R804.6 million or 62.1% against the adjusted budget.
5. **Note** the total outstanding debtors amount to R28.37 billion (*Jan 2021 – R28.02 billion*).
6. **Note** the total outstanding creditor's amount to R20.74 billion (*Jan 2021 – R20.47 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 February 2022 the total cumulative Covid-19 related expenditure amounted to R306.7 million (15 March 2020 – 28 February 2022). 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 28  
FEBRUARY 2022

Submitted by:



Ms. D Smit  
DEPUTY DIRECTOR: LEJWELEPUTSWA DISTRICT

Date: 2022/03/23

Reviewed by:



Dr. R Chetty  
DIRECTOR: THABO MOFUTSANYANA DISTRICT

Date: 2022/03/23

Noted / Comments by:



Mr. IE Pooe  
Acting CHIEF DIRECTOR: MUNICIPAL FINANCE MANAGEMENT

Date: 25/03/2022

Noted / Comments by:



Ms. MA Sesing  
ACTING HEAD OF DEPARTMENT  
FS PROVINCIAL TREASURY

Date: 29-03-2022

**Annexures**

- A : Debtors Age analysis
- B : Debtors Age analysis per municipality
- C : Creditors Age analysis
- D : Creditors Age analysis per municipality
- E : Financial Performance
- F : Operating Revenue per municipality
- G : Operating Expenditure per municipality
- H : Capital Expenditure & Source of Finance
- I : Capital Expenditure & Source of Finance per municipality
- 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	482,853	4.9%	222,525	2.3%	430,174	4.4%	8,719,656	88.5%	9,855,207	34.7%
Trade and Other Receivables from Exchange Transactions - Electricity	294,675	12.0%	78,873	3.2%	167,603	6.8%	1,909,031	77.9%	2,450,182	8.6%
Receivables from Non-exchange Transactions - Property Rates	433,574	10.4%	117,806	2.8%	267,667	6.4%	3,364,309	80.4%	4,183,357	14.7%
Receivables from Exchange Transactions - Waste Water Management	136,841	3.8%	75,579	2.1%	185,803	5.1%	3,224,355	89.0%	3,622,578	12.8%
Receivables from Exchange Transactions - Waste Management	81,140	3.1%	50,939	1.9%	146,996	5.6%	2,353,774	89.4%	2,632,849	9.3%
Receivables from Exchange Transactions - Property Rental Debtors	1,798	1.3%	1,726	1.2%	1,706	1.2%	134,373	96.3%	139,603	0.5%
Interest on Arrear Debtor Accounts	150,037	3.0%	96,551	2.0%	272,339	5.5%	4,410,278	89.5%	4,929,205	17.4%
Other	32,406	5.8%	7,084	1.3%	(30,863)	-5.6%	545,811	98.4%	554,437	2.0%
<b>Total By Income Source</b>	<b>1,613,325</b>	<b>5.7%</b>	<b>651,082</b>	<b>2.3%</b>	<b>1,441,426</b>	<b>5.1%</b>	<b>24,661,587</b>	<b>86.9%</b>	<b>28,367,420</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	384,548	10.3%	108,254	2.9%	203,805	5.4%	3,049,991	81.4%	3,746,598	13.2%
Commercial	453,446	11.2%	115,768	2.9%	280,752	6.9%	3,189,706	79.0%	4,039,672	14.2%
Households	777,295	3.8%	425,205	2.1%	995,268	4.9%	18,251,479	89.3%	20,449,247	72.1%
Other	(1,965)	-1.5%	1,855	1.4%	(38,399)	-29.1%	170,411	129.2%	131,903	0.5%
<b>Total By Customer Group</b>	<b>1,613,325</b>	<b>5.7%</b>	<b>651,082</b>	<b>2.3%</b>	<b>1,441,426</b>	<b>5.1%</b>	<b>24,661,587</b>	<b>86.9%</b>	<b>28,367,420</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	827,028	10.4%	203,975	2.6%	196,153	2.5%	6,759,516	84.6%	7,986,671	28.2%
Letsemeng	12,903	4.0%	6,822	2.1%	6,243	1.9%	297,762	92.0%	323,729	1.1%
Kopanong	10,656	2.4%	10,621	2.4%	25,456	5.8%	393,309	89.4%	440,042	1.6%
Mohokare*	11,503	2.8%	10,279	2.5%	18,471	4.5%	370,718	90.2%	410,971	1.4%
Xhariep District	–	0.0%	–	0.0%	–	0.0%	10,194	100.0%	10,194	0.0%
<b>DC 16 Total</b>	<b>35,062</b>	<b>3.0%</b>	<b>27,721</b>	<b>2.3%</b>	<b>50,170</b>	<b>4.2%</b>	<b>1,071,983</b>	<b>90.5%</b>	<b>1,184,937</b>	<b>4.2%</b>
Masilonyana	23,060	1.8%	20,580	1.6%	8,277	0.7%	1,197,731	95.8%	1,249,647	4.4%
Tokologo	6,128	1.8%	5,705	1.7%	5,711	1.7%	316,594	94.7%	334,137	1.2%
Tswelopele	7,726	5.5%	3,829	2.7%	2,805	2.0%	126,644	89.8%	141,003	0.5%
Matjhabeng	195,694	3.7%	133,722	2.5%	120,501	2.3%	4,843,633	91.5%	5,293,550	18.7%
Nala	26,286	2.7%	20,747	2.1%	18,935	1.9%	917,380	93.3%	983,347	3.5%
Lejweleputswa District	(28)	-0.1%	–	0.0%	–	0.0%	30,426	100.1%	30,398	0.1%
<b>DC 18 Total</b>	<b>258,865</b>	<b>3.2%</b>	<b>184,582</b>	<b>2.3%</b>	<b>156,229</b>	<b>1.9%</b>	<b>7,432,406</b>	<b>92.5%</b>	<b>8,032,082</b>	<b>28.3%</b>
Setsotso	24,055	4.1%	19,262	3.3%	17,906	3.0%	529,354	89.6%	590,577	2.1%
Dihlabeng	58,170	4.8%	23,106	1.9%	22,478	1.8%	1,111,985	91.5%	1,215,739	4.3%
Nketoana	24,485	2.9%	19,297	2.3%	16,692	2.0%	786,512	92.9%	846,986	3.0%
Maluti a Phofung	40,569	1.9%	38,225	1.8%	31,774	1.5%	2,018,314	94.8%	2,128,883	7.5%
Phumelela	(2,083)	-0.5%	6,141	1.5%	5,519	1.3%	408,443	97.7%	418,019	1.5%
Mantsopa	15,601	2.1%	13,499	1.8%	13,665	1.8%	708,776	94.3%	751,541	2.6%
Thabo Mofutsanyana District	–	0.0%	–	0.0%	–	0.0%	4,185	100.0%	4,185	0.0%
<b>DC 19 Total</b>	<b>160,798</b>	<b>2.7%</b>	<b>119,531</b>	<b>2.0%</b>	<b>108,033</b>	<b>1.8%</b>	<b>5,567,568</b>	<b>93.5%</b>	<b>5,955,930</b>	<b>21.0%</b>
Moqhaka	45,786	4.2%	21,623	2.0%	22,244	2.0%	1,011,353	91.9%	1,101,005	3.9%
Ngwathe	64,843	7.0%	26,160	2.8%	839,991	90.2%	–	0.0%	930,994	3.3%
Metsimaholo	194,832	8.2%	54,846	2.3%	56,956	2.4%	2,070,394	87.1%	2,377,028	8.4%
Mafube	26,111	3.3%	12,643	1.6%	11,651	1.5%	748,366	93.7%	798,771	2.8%
Fezile Dabi	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
<b>DC 16 Total</b>	<b>331,572</b>	<b>6.4%</b>	<b>115,272</b>	<b>2.2%</b>	<b>930,842</b>	<b>17.9%</b>	<b>3,830,113</b>	<b>73.5%</b>	<b>5,207,799</b>	<b>18.4%</b>
<b>Total Debt</b>	<b>1,613,325</b>	<b>5.7%</b>	<b>651,082</b>	<b>2.3%</b>	<b>1,441,426</b>	<b>5.1%</b>	<b>24,661,587</b>	<b>86.9%</b>	<b>28,367,420</b>	<b>100.0%</b>

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## 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	304,525	2.5%	139,448	1.2%	208,384	1.7%	11,308,042	94.5%	11,960,398	57.7%
Bulk Water	372,091	5.9%	64,884	1.0%	119,689	1.9%	5,747,440	91.2%	6,304,104	30.4%
PAYE deductions	26,988	29.1%	23,250	25.1%	6,669	7.2%	35,783	38.6%	92,689	0.4%
VAT (output less input)	1,983	100.0%	–	0.0%	–	0.0%	–	0.0%	1,983	0.0%
Pensions / Retirement	22,311	5.6%	15,000	3.8%	14,215	3.6%	344,781	87.0%	396,308	1.9%
Loan repayments	51,061	82.9%	828	1.3%	1,656	2.7%	8,061	13.1%	61,606	0.3%
Trade Creditors	264,889	17.4%	74,765	4.9%	185,067	12.2%	993,667	65.4%	1,518,388	7.3%
Auditor General	5,963	7.4%	4,403	5.5%	7,537	9.4%	62,360	77.7%	80,264	0.4%
Other	8,502	2.7%	25,085	7.8%	(16,374)	-5.1%	302,933	94.6%	320,146	1.5%
<b>Total Debt</b>	<b>1,058,313</b>	<b>5.1%</b>	<b>347,663</b>	<b>1.7%</b>	<b>526,843</b>	<b>2.5%</b>	<b>18,803,067</b>	<b>90.7%</b>	<b>20,735,886</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	649,646	92.3%	4,911	0.7%	9,902	1.4%	39,059	5.6%	703,518	3.4%
Letsemeng	(1,466)	-1.1%	6,700	5.1%	2,357	1.8%	124,460	94.3%	132,051	0.6%
Kopanong	13,884	1.9%	13,114	1.8%	14,506	2.0%	686,317	94.3%	727,821	3.5%
Mohokare*	2,185	2.1%	105	0.1%	1,357	1.3%	98,486	96.4%	102,133	0.5%
Xhariep District	(907)	-21.5%	(1,122)	-26.6%	(150)	-3.6%	6,392	151.7%	4,213	0.0%
<b>DC 16 Total</b>	<b>13,696</b>	<b>1.4%</b>	<b>18,797</b>	<b>1.9%</b>	<b>18,070</b>	<b>1.9%</b>	<b>915,654</b>	<b>94.8%</b>	<b>966,217</b>	<b>4.7%</b>
Masilonyana	1,267	1.7%	(3,154)	-4.1%	(31,062)	-40.8%	109,051	143.3%	76,102	0.4%
Tokologo	1,248	5.4%	1,269	5.5%	371	1.6%	20,272	87.5%	23,159	0.1%
Tswelopele	13,977	19.9%	–	0.0%	12	0.0%	56,259	80.1%	70,248	0.3%
Matjhabeng	166,055	1.8%	121,120	1.3%	235,796	2.5%	8,824,785	94.4%	9,347,758	45.1%
Nala	29,634	3.7%	22,458	2.8%	535	0.1%	757,937	93.5%	810,564	3.9%
Lejweleputswa District	39	100.0%	–	0.0%	–	0.0%	–	0.0%	39	0.0%
<b>DC 18 Total</b>	<b>212,220</b>	<b>2.1%</b>	<b>141,693</b>	<b>1.4%</b>	<b>205,651</b>	<b>2.0%</b>	<b>9,768,303</b>	<b>94.6%</b>	<b>10,327,867</b>	<b>49.8%</b>
Setsotho	27,534	84.2%	6	0.0%	1,686	5.2%	3,487	10.7%	32,713	0.2%
Dihlabeng	27,807	3.2%	42,882	5.0%	99,923	11.6%	688,467	80.1%	859,079	4.1%
Nketoana	15,431	5.0%	3,679	1.2%	10,681	3.4%	281,545	90.4%	311,336	1.5%
Maluti a Phofung	1,844	0.1%	75,438	2.2%	90,090	2.6%	3,330,631	95.2%	3,498,002	16.9%
Phumelela	217	0.1%	3,215	1.1%	115	0.0%	290,590	98.8%	294,137	1.4%
Mantsopa	5,923	1.5%	1,354	0.3%	5,620	1.4%	389,528	96.8%	402,426	1.9%
Thabo Mofutsanyana District	1,414	58.3%	–	0.0%	–	0.0%	1,011	41.7%	2,425	0.0%
<b>DC 19 Total</b>	<b>80,170</b>	<b>1.5%</b>	<b>126,574</b>	<b>2.3%</b>	<b>208,116</b>	<b>3.9%</b>	<b>4,985,258</b>	<b>92.3%</b>	<b>5,400,117</b>	<b>26.0%</b>
Moqhaka	37,176	5.4%	29,027	4.2%	33,086	4.8%	584,871	85.5%	684,160	3.3%
Ngwathe	49,498	2.8%	13,897	0.8%	39,009	2.2%	1,659,736	94.2%	1,762,140	8.5%
Metsimaholo	6,307	6.3%	703	0.7%	954	1.0%	91,938	92.0%	99,901	0.5%
Mafube	9,822	1.2%	12,060	1.5%	12,056	1.5%	758,249	95.7%	792,187	3.8%
Fezile Dabi	(222)	100.0%	–	0.0%	–	0.0%	–	0.0%	(222)	0.0%
<b>DC 20 Total</b>	<b>102,581</b>	<b>3.1%</b>	<b>55,687</b>	<b>1.7%</b>	<b>85,104</b>	<b>2.5%</b>	<b>3,094,793</b>	<b>92.7%</b>	<b>3,338,166</b>	<b>16.1%</b>
<b>Total Debt</b>	<b>1,058,313</b>	<b>5.1%</b>	<b>347,663</b>	<b>1.7%</b>	<b>526,843</b>	<b>2.5%</b>	<b>18,803,067</b>	<b>90.7%</b>	<b>20,735,886</b>	<b>100.0%</b>

\*M07

## Annexure E – Financial Performance

Description	Budget year 2021/22									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	M07 Jan Actual	M08 Feb Actual	M09 Mar Actual	Q3 Mar Actual	YTD Actual	%
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates	3,001,498	2,849,074	744,020	770,751	169,971	169,080		339,051	1,853,822	65.1%
Service charges - electricity revenue	6,340,190	6,515,665	940,894	1,806,750	436,278	373,520		809,797	3,557,442	54.6%
Service charges - water revenue	2,842,665	2,796,849	702,779	711,174	177,165	224,498		401,663	1,815,616	64.9%
Service charges - sanitation revenue	1,177,820	1,124,646	267,774	267,258	101,117	91,774		192,891	727,923	64.7%
Service charges - refuse revenue	718,849	713,963	160,269	163,778	61,429	57,725		119,154	443,201	62.1%
Rental of facilities and equipment	75,225	78,423	21,085	22,054	5,534	7,019		12,553	55,692	71.0%
Interest earned - external investments	56,787	57,476	6,262	1,236	2,783	2,414		5,197	12,695	22.1%
Interest earned - outstanding debtors	1,042,146	1,029,471	188,562	339,061	106,356	88,484		194,840	722,464	70.2%
Dividends received	6,246	6,251	156	280	194	4		198	634	10.1%
Fines, penalties and forfeits	111,530	87,332	9,269	8,634	3,598	3,194		6,792	24,695	28.3%
Licences and permits	901	705	352	364	123	179		302	1,018	144.5%
Transfers and subsidies	4,722,321	4,810,392	1,792,495	967,059	(144,408)	23,102		(121,306)	2,638,249	54.8%
Other revenue	1,678,860	1,555,948	218,125	186,021	39,135	23,303		62,438	466,584	30.0%
Gains	60,001	60,001	(3,498)	2,505	24	23		47	(946)	-1.6%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>21,835,041</b>	<b>21,686,198</b>	<b>5,048,544</b>	<b>5,246,926</b>	<b>959,299</b>	<b>1,064,320</b>	<b>-</b>	<b>2,023,619</b>	<b>12,319,090</b>	<b>56.8%</b>
<b>Expenditure By Type</b>										
Employee related costs	6,703,173	6,776,726	1,485,303	2,020,426	196,564	600,949		797,513	4,303,242	63.5%
Remuneration of councillors	342,853	332,051	73,723	75,684	1,839	29,697		31,535	180,942	54.5%
Debt impairment	2,807,136	2,558,067	354,511	334,155	102,627	91,279		193,906	882,571	34.5%
Depreciation and asset impairment	1,323,996	1,173,087	18,329	440,481	120,629	68,550		189,179	647,988	55.2%
Finance charges	710,869	639,546	45,008	181,348	(9,974)	33,781		23,807	250,163	39.1%
Bulk purchases - electricity	4,965,745	4,781,430	1,015,867	1,102,175	505,966	111,513		617,478	2,735,520	57.2%
Inventory consumed	1,930,510	1,838,363	243,947	505,534	38,825	197,372		236,197	985,679	53.6%
Contracted services	1,501,749	2,005,147	269,736	513,751	147,753	96,733		244,486	1,027,973	51.3%
Transfers and subsidies	223,799	234,631	15,009	9,139	4,275	18,087		22,362	46,510	19.8%
Other expenditure	1,311,551	1,550,485	275,018	436,871	87,411	103,756		191,167	903,055	58.2%
Losses	306,425	306,614	(541)	9,170		6,564		6,564	15,194	5.0%
<b>Total Expenditure</b>	<b>22,127,805</b>	<b>22,196,146</b>	<b>3,795,910</b>	<b>5,628,734</b>	<b>1,195,914</b>	<b>1,358,281</b>	<b>-</b>	<b>2,554,195</b>	<b>11,978,839</b>	<b>54.0%</b>
<b>Surplus/(Deficit)</b>	<b>(292,764)</b>	<b>(509,948)</b>	<b>1,252,634</b>	<b>(381,808)</b>	<b>(236,615)</b>	<b>(293,961)</b>	<b>-</b>	<b>(530,576)</b>	<b>340,250</b>	<b>-66.7%</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,551,222	2,563,449	205,086	591,323	111,039	60,059		171,097	967,506	37.7%
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	13,000	12,999	1,125	895	227	411		638	2,658	20.4%
Transfers and subsidies - capital (in-kind - all)	50,314	40,147		28,598		7		7	28,605	71.3%
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>2,321,772</b>	<b>2,106,646</b>	<b>1,458,846</b>	<b>239,008</b>	<b>(125,350)</b>	<b>(233,485)</b>	<b>-</b>	<b>(358,834)</b>	<b>1,339,020</b>	<b>63.6%</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>	<b>2,321,772</b>	<b>2,106,646</b>	<b>1,458,846</b>	<b>239,008</b>	<b>(125,350)</b>	<b>(233,485)</b>	<b>-</b>	<b>(358,834)</b>	<b>1,339,020</b>	<b>63.6%</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,321,772</b>	<b>2,106,646</b>	<b>1,458,846</b>	<b>239,008</b>	<b>(125,350)</b>	<b>(233,485)</b>	<b>-</b>	<b>(358,834)</b>	<b>1,339,020</b>	<b>63.6%</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/(Deficit) for the year</b>	<b>2,321,772</b>	<b>2,106,646</b>	<b>1,458,846</b>	<b>239,008</b>	<b>(125,350)</b>	<b>(233,485)</b>	<b>-</b>	<b>(358,834)</b>	<b>1,339,020</b>	<b>63.6%</b>

## Annexure F – Operating Revenue per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Property Rates Billed	Service Charges				Interest Earned: Outstanding Debtors	Transfers Recognised	Other Revenue Generated
						Electricity Billed	Water Billed	Sanitation Billed	Refuse Removal Billed			
Mangaung Metro	8,073,601	7,980,003	4,654,569	58.3%	923,383	1,973,154	683,056	266,465	99,778	217,104	108,640	382,989
Letsemeng	170,335	179,860	82,281	45.7%	11,434	16,609	3,935	7,958	7,640	17,544	22,494	(5,333)
Kopanong	333,865	323,948	251,861	77.7%	40,003	48,026	31,896	15,455	11,820	(0)	100,477	4,184
Mohokare	233,544	204,594	101,656	49.7%	9,085	—	49,833	5,109	3,051	9,042	24,923	613
Xhariep District	63,471	63,285	40,294	63.7%	—	—	—	—	—	—	39,252	1,043
<b>DC 16 Total</b>	<b>801,216</b>	<b>771,687</b>	<b>476,092</b>	<b>61.7%</b>	<b>60,523</b>	<b>64,635</b>	<b>85,664</b>	<b>28,523</b>	<b>22,511</b>	<b>26,586</b>	<b>187,146</b>	<b>506</b>
Masilonyana	326,771	327,071	123,048	37.6%	42,874	21,228	30,203	18,051	10,228	44	—	420
Tokologo	135,703	136,083	25,571	18.8%	3,385	2,337	753	6,170	4,027	7,674	757	467
Tswelopele	174,796	180,618	133,110	73.7%	23,176	31,893	4,071	5,321	2,595	2,096	59,861	4,098
Mafjhabeng	3,527,317	3,427,217	1,719,764	50.2%	268,844	471,871	278,173	117,619	71,034	162,346	327,201	22,676
Nala	540,928	540,928	268,788	49.7%	14,411	58,058	31,014	22,529	14,582	25,577	98,185	4,432
Lejweleputswa District	147,955	147,955	106,010	71.6%	—	—	—	—	—	224	104,869	917
<b>DC 18 Total</b>	<b>4,853,469</b>	<b>4,759,872</b>	<b>2,376,291</b>	<b>49.9%</b>	<b>352,690</b>	<b>585,388</b>	<b>344,213</b>	<b>169,690</b>	<b>102,466</b>	<b>197,961</b>	<b>590,872</b>	<b>33,010</b>
Setsoiso	576,399	577,149	398,187	69.0%	42,935	63,039	43,872	24,810	32,130	21,735	163,570	6,098
Dihlabeng	863,521	884,024	562,238	63.6%	93,489	155,133	46,177	35,409	36,359	37,299	150,534	7,839
Nketoana	386,789	417,409	295,184	70.7%	10,811	48,440	45,371	17,551	16,158	61,306	78,088	17,459
Maluti a Phofung	1,800,467	1,744,108	870,045	49.9%	76,337	46,050	66,399	29,194	28,232	15,045	551,335	57,453
Phumelela	167,557	172,823	77,234	44.7%	13,395	456	6,547	8,324	7,683	13,569	24,236	3,024
Mantsopa	335,414	335,414	59,796	17.8%	6,667	7,136	8,126	10,099	6,962	19,859	400	548
Thabo Mofutsanyana	155,228	158,233	129,901	82.1%	—	—	—	—	—	—	107,116	22,785
<b>DC 19 Total</b>	<b>4,285,375</b>	<b>4,289,161</b>	<b>2,392,586</b>	<b>55.8%</b>	<b>243,634</b>	<b>320,252</b>	<b>216,492</b>	<b>125,387</b>	<b>127,524</b>	<b>168,812</b>	<b>1,075,279</b>	<b>115,205</b>
Mochaka	1,019,732	1,040,460	613,188	58.9%	49,547	226,844	83,684	36,029	24,885	19,247	163,354	9,598
Ngwathe	882,440	882,440	527,290	59.8%	67,848	165,837	46,971	36,150	27,086	28,535	152,883	1,979
Metsimaholo	1,500,657	1,543,266	989,188	64.1%	142,346	221,331	332,088	50,787	27,895	38,477	164,393	11,870
Mafube	240,786	240,786	160,477	66.6%	13,850	0	23,448	14,892	11,056	25,742	68,951	2,537
Fezile Dabi	177,765	178,522	129,409	72.5%	—	—	—	—	—	—	126,731	2,678
<b>DC 20 Total</b>	<b>3,821,380</b>	<b>3,885,475</b>	<b>2,419,552</b>	<b>62.3%</b>	<b>273,592</b>	<b>614,012</b>	<b>486,192</b>	<b>137,858</b>	<b>90,922</b>	<b>112,001</b>	<b>676,312</b>	<b>28,663</b>
<b>Total</b>	<b>21,835,041</b>	<b>21,686,198</b>	<b>12,319,090</b>	<b>56.8%</b>	<b>1,853,822</b>	<b>3,557,442</b>	<b>1,815,616</b>	<b>727,923</b>	<b>443,201</b>	<b>722,464</b>	<b>2,638,249</b>	<b>560,373</b>

Source: NT Local Government Database

## Annexure G – Operating Expenditure per municipality

R thousands	Original Budget	Adjusted Budget	YTD	% of Budget	Employee Related Cost	Remuneration of Councillors	Debt Impairment	Depreciation & Asset Impairment	Bulk Purchases	Other Expenditure
Mangaung Metro	7,450,829	7,441,806	5,432,015	73.0%	1,549,468	43,714	626,875	600,593	1,500,995	1,110,369
Letsemeng	218,222	230,021	89,178	38.8%	39,158	2,584	120	20	19,186	28,110
Kopanong	414,918	396,266	180,130	45.5%	46,274	3,454	-	-	51,014	79,387
Mohokare	230,593	234,156	57,668	24.6%	41,012	2,377	-	-	1,324	12,954
Xhariep District	62,985	62,315	35,859	57.5%	30,759	2,936	-	605	-	1,560
<b>DC 16 Total</b>	<b>926,718</b>	<b>922,757</b>	<b>362,834</b>	<b>39.3%</b>	<b>157,203</b>	<b>11,352</b>	<b>120</b>	<b>624</b>	<b>71,524</b>	<b>122,011</b>
Masilonyana	366,799	373,984	1,228	0.3%	63	-	-	-	-	1,165
Tokologo	136,009	162,390	71,284	43.9%	39,010	2,482	121	-	965	28,707
Tswelopele	206,711	213,598	66,043	30.9%	3,779	-	137	-	26,046	36,082
Matjhabeng	3,499,848	3,230,972	1,149,679	35.6%	552,725	12,623	4,181	-	(16,078)	596,227
Nala	527,274	527,274	228,155	43.3%	104,120	5,014	-	-	49,080	69,942
Lejweleputswa District	181,251	176,953	98,685	55.8%	66,768	5,937	-	-	-	25,980
<b>DC 18 Total</b>	<b>4,917,892</b>	<b>4,685,171</b>	<b>1,615,075</b>	<b>34.5%</b>	<b>766,465</b>	<b>26,055</b>	<b>4,439</b>	-	<b>60,012</b>	<b>758,103</b>
Setsofso	634,745	663,277	294,588	44.4%	144,821	8,436	28,395	-	57,071	55,865
Ditlabeng	819,557	840,884	517,373	61.5%	222,498	10,888	35,335	46,771	98,044	103,836
Nketoana	416,243	445,958	169,063	37.9%	78,432	3,199	20,301	-	5,684	61,446
Matluli a Phofung	2,504,011	2,670,547	1,358,882	50.9%	453,646	18,863	4,100	-	478,301	403,971
Phumelela	168,583	173,875	110,336	63.5%	53,218	4,103	-	-	13,602	39,414
Mantsopa	313,588	309,005	93,204	30.2%	54,635	3,720	-	-	19,238	15,611
Tlhabo Mofutsanyana	151,644	161,659	101,967	63.1%	53,695	6,302	-	-	-	41,970
<b>DC 19 Total</b>	<b>5,008,369</b>	<b>5,265,206</b>	<b>2,645,413</b>	<b>50.2%</b>	<b>1,060,944</b>	<b>55,513</b>	<b>88,131</b>	<b>46,771</b>	<b>671,940</b>	<b>722,114</b>
Mochaka	998,410	1,029,371	386,659	37.6%	219,940	12,908	1,836	-	17,407	134,567
Ngwathe	902,413	902,413	538,119	59.6%	176,318	10,174	-	-	214,119	137,508
Metimaholo	1,499,194	1,529,183	776,998	50.8%	223,927	12,537	157,098	-	199,523	183,912
Matube	228,603	228,603	109,969	48.1%	71,835	4,131	4,072	-	-	29,932
Fezile Dabi	195,376	191,637	111,758	58.32%	77,142	4,558	-	-	-	30,058
<b>DC 20 Total</b>	<b>3,823,997</b>	<b>3,881,207</b>	<b>1,923,503</b>	<b>49.6%</b>	<b>769,163</b>	<b>44,308</b>	<b>163,006</b>	-	<b>431,049</b>	<b>515,977</b>
<b>Total</b>	<b>22,127,805</b>	<b>22,196,146</b>	<b>11,978,839</b>	<b>54.0%</b>	<b>4,303,242</b>	<b>180,942</b>	<b>882,571</b>	<b>647,988</b>	<b>2,735,520</b>	<b>3,228,575</b>

Source: NT Local Government Database

## Annexure H – Capital Expenditure and Source of Finance

Description	Budget year 2021/22									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	M07 Jan Actual	M08 Feb Actual	M09 Mar Actual	Q3 Mar Actual	YTD Actual	%
<b>Capital Expenditure - Functional</b>										
<b>Municipal governance and administration</b>	<b>161,060</b>	<b>160,098</b>	<b>19,486</b>	<b>25,526</b>	<b>9,764</b>	<b>12,882</b>	-	<b>22,645</b>	<b>67,657</b>	<b>42.3%</b>
Executive and council	55,596	41,844	3,377	5,568	341	657		997	9,943	23.8%
Finance and administration	105,464	118,239	16,108	19,943	9,423	12,225		21,648	57,699	48.8%
Internal audit		15		15					15	
<b>Community and public safety</b>	<b>491,553</b>	<b>471,152</b>	<b>13,501</b>	<b>46,085</b>	<b>10,915</b>	<b>14,551</b>	-	<b>25,466</b>	<b>85,051</b>	<b>18.1%</b>
Community and social services	39,370	32,582	37	4,026		1,739		1,739	5,801	17.8%
Sport and recreation	64,783	59,823	4,541	8,783	243	1,404		1,646	14,971	25.0%
Public safety	32,605	32,175	1	205	21	986		1,008	1,214	3.8%
Housing	354,146	345,922	8,884	33,070	10,651	10,422		21,073	63,027	18.2%
Health	650	650	37						37	5.7%
<b>Economic and environmental services</b>	<b>609,747</b>	<b>643,932</b>	<b>114,326</b>	<b>131,903</b>	<b>8,710</b>	<b>15,481</b>	-	<b>24,191</b>	<b>270,420</b>	<b>42.0%</b>
Planning and development	107,892	112,387	20,940	11,588	688	3,093		3,781	36,309	32.3%
Road transport	500,705	530,396	93,386	120,315	8,022	12,388		20,411	234,111	44.1%
Environmental protection	1,150	1,150								
<b>Trading services</b>	<b>1,917,240</b>	<b>1,901,451</b>	<b>201,807</b>	<b>346,947</b>	<b>55,054</b>	<b>41,528</b>	-	<b>96,583</b>	<b>645,336</b>	<b>33.9%</b>
Energy sources	387,558	416,589	26,666	91,843	12,480	12,141		24,621	143,130	34.4%
Water management	959,777	970,897	105,249	135,950	27,274	27,082		54,356	295,555	30.4%
Waste water management	520,079	485,147	66,850	117,367	15,296	1,356		16,652	200,869	41.4%
Waste management	49,826	28,818	3,041	1,787	4	950		954	5,782	20.1%
Other	12,070	9,455		30	317	334		651	681	7.2%
<b>Total Capital Expenditure - Functional</b>	<b>3,191,669</b>	<b>3,186,088</b>	<b>349,119</b>	<b>550,490</b>	<b>84,760</b>	<b>84,776</b>	-	<b>169,536</b>	<b>1,069,145</b>	<b>33.6%</b>
<b>Funded by</b>										
National Government	2,611,136	2,606,195	312,041	465,298	64,384	63,212		127,597	904,936	34.7%
Provincial Government	10,167	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	13,000	1,620	6,327	66	598		665	8,612	66.2%
<b>Transfers recognised - capital</b>	<b>2,634,303</b>	<b>2,629,362</b>	<b>316,815</b>	<b>471,625</b>	<b>64,451</b>	<b>63,811</b>	-	<b>128,261</b>	<b>916,702</b>	<b>34.8%</b>
<b>Borrowing</b>	<b>61,713</b>	<b>54,134</b>	<b>11,335</b>	<b>10,235</b>	<b>3,022</b>	<b>2,665</b>		<b>5,687</b>	<b>27,257</b>	<b>44.2%</b>
<b>Internally generated funds</b>	<b>486,757</b>	<b>494,467</b>	<b>20,061</b>	<b>68,407</b>	<b>17,121</b>	<b>16,819</b>		<b>33,940</b>	<b>122,408</b>	<b>25.1%</b>
<b>Total Capital Funding</b>	<b>3,182,774</b>	<b>3,177,962</b>	<b>348,211</b>	<b>550,267</b>	<b>84,593</b>	<b>83,295</b>	-	<b>167,889</b>	<b>1,066,367</b>	<b>33.5%</b>

## Annexure I – Capital Expenditure and Source of Finance

R thousands	% of Budget			Expenditure				Funding			
	Original Budget	Adjusted Budget	YTD	Energy Sources	Water Management	Waste Water Management	Waste Management	Other	Transfers Recognised Capital	Borrowing	Internally generated Funds
Mangaung Metro	1,221,006	1,195,936	482,694	40.4%	76,693	37,330	-	287,773	388,699	27,210	66,785
Letsemeng	51,283	51,243	4,861	9.5%	1,980	1,861	166	347	4,220	-	641
Kopanonong	62,567	62,567	6,179	9.9%	6,179	-	-	-	6,179	-	-
Mohokare	81,887	78,522	13,808	17.6%	9,312	3,622	-	874	13,768	-	41
Xhariep District	486	970	56	5.7%	-	-	-	56	-	-	56
<b>DC 16 Total</b>	<b>196,223</b>	<b>193,302</b>	<b>24,904</b>	<b>12.9%</b>	<b>17,471</b>	<b>5,483</b>	<b>166</b>	<b>1,277</b>	<b>24,167</b>	<b>-</b>	<b>737</b>
Masilonyana	35,148	37,448	1,549	4.1%	-	-	-	1,549	-	-	1,549
Tokologo	137,132	136,332	51,045	37.4%	45,253	-	-	5,792	51,045	-	-
Tswelopele	30,182	31,442	2,444	7.8%	58	955	-	1,431	944	-	1,409
Matjhabeng	157,833	159,213	32,256	20.3%	2,619	16,879	-	10,906	31,957	-	299
Nala	42,673	42,673	20,002	46.9%	6,551	-	-	13,451	20,002	-	-
Lejweleputswa District	13,150	13,150	2,943	22.4%	-	-	-	2,943	-	-	2,943
<b>DC 18 Total</b>	<b>416,118</b>	<b>420,259</b>	<b>110,238</b>	<b>26.2%</b>	<b>54,480</b>	<b>17,834</b>	<b>-</b>	<b>36,072</b>	<b>103,948</b>	<b>-</b>	<b>6,199</b>
Setsoiso	204,601	202,915	73,409	36.2%	57,591	7,259	4	313	64,834	47	8,227
Dihlabeng	122,361	121,537	32,557	26.8%	452	-	-	29,937	23,251	-	9,305
Nketoana	51,621	51,621	20,827	40.3%	6,611	13,318	-	897	20,827	-	-
Maluti a Phofung	266,961	284,959	132,284	46.4%	18,981	60,826	-	18,225	119,628	-	12,657
Phumelela	60,293	63,219	16,941	26.8%	4,938	9,429	-	882	16,941	-	-
Mantsopa	43,045	46,311	16,353	35.3%	2,731	5,097	1,726	4,780	10,411	-	5,943
Thabo Mofutsanyana	3,626	7,350	2,272	30.9%	-	-	-	2,272	-	-	-
<b>DC 19 Total</b>	<b>752,508</b>	<b>777,912</b>	<b>294,643</b>	<b>37.9%</b>	<b>91,304</b>	<b>95,929</b>	<b>1,731</b>	<b>57,306</b>	<b>255,891</b>	<b>47</b>	<b>36,132</b>
Moghaka	79,058	80,818	26,133	32.3%	5,729	6,705	2,609	10,824	23,527	-	2,491
Ngwathe	157,404	157,404	52,563	33.4%	33,640	7,476	1,276	8,658	49,727	-	2,836
Metsimaholo	259,034	245,641	58,270	23.7%	4,205	30,110	-	17,676	55,281	-	2,989
Mafube	109,689	109,689	18,150	16.5%	12,033	-	-	2,675	15,461	-	2,690
Fezile Dabi	630	5,126	1,548	30.20%	-	-	-	1,548	-	-	1,548
<b>DC 20 Total</b>	<b>605,814</b>	<b>598,679</b>	<b>156,665</b>	<b>26.2%</b>	<b>55,607</b>	<b>44,292</b>	<b>3,885</b>	<b>41,382</b>	<b>143,996</b>	<b>-</b>	<b>12,554</b>
<b>Total</b>	<b>3,191,669</b>	<b>3,186,088</b>	<b>1,069,145</b>	<b>33.6%</b>	<b>295,555</b>	<b>200,869</b>	<b>5,782</b>	<b>423,809</b>	<b>916,702</b>	<b>27,257</b>	<b>122,408</b>

Source: NT Local Government Database

## Annexure J – Covid-19 Expenditure as at 28 February 2022

Table 1

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	Tankerling 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	-	-	-	-	102,634	-	-	-	-	-	-	-	-	-
FS161	Letsameeng	817	562	-	-	-	-	-	-	-	4	350	-	-	-	-
FS162	Kopanong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FS163	Mohokare	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-
DC16	Xhariep	-	32	-	-	60	-	-	-	58	-	-	-	-	-	-
FS181	Masilonyana	-	-	-	4,004	669	397	-	-	-	-	-	-	-	-	-
FS182	Tokologo	38	-	-	84	513	-	-	700	225	-	-	-	-	57	-
FS183	Tswelopele	-	-	-	-	-	1,106	-	-	-	-	-	-	-	-	-
FS184	Matjhabeng	-	-	-	1,391	3,280	11,179	-	-	93	-	-	-	-	-	-
FS185	Nala	-	-	-	144	-	-	-	-	163	-	-	-	-	-	-
DC18	Lejweleputswa	-	-	-	372	-	5,267	-	-	843	-	-	-	-	-	-
FS191	Setso	-	-	-	88	138	3,042	-	-	5,529	-	-	-	-	-	-
FS192	Dihlabeng	-	-	-	-	1,042	29	-	-	412	-	-	-	-	-	-
FS193	Nketoana	-	-	-	28	767	-	-	-	-	-	-	-	-	-	-
FS194	Maluti-a-Phofung	-	-	-	20,416	1,158	52,092	-	-	4,500	-	-	-	-	-	-
FS195	Phumelela	-	-	-	120	285	19	-	-	54	-	-	-	-	-	-
FS196	Mantsopa	-	-	-	181	952	331	-	-	-	-	-	-	-	-	-
DC19	Thabo Mofutsanyana	-	-	-	101	167	66	-	-	200	-	-	-	523	-	-
FS201	Moqhaka	-	-	-	959	-	798	-	-	-	-	-	-	-	-	-
FS203	Ngwathe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FS204	Metsimaholo	1,782	-	636	2,818	1,415	881	-	-	1,844	-	-	-	-	242	-
FS205	Matube	-	-	-	-	-	-	-	-	3,315	-	-	503	-	-	4,876
DC20	Fezile Dabi	27	14	-	632	2,770	18	-	-	2,805	-	-	-	-	-	-
		<b>16,478</b>	<b>614</b>	<b>636</b>	<b>31,338</b>	<b>13,216</b>	<b>177,856</b>		<b>700</b>	<b>7,247</b>	<b>2,995</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/ N95	Particulate respirator, grade N95	Surgical mask - HCW	Apron	Gown	Heavy duty gloves	Boo covers		Sanitizer	Mask	Disinfectants	Cleansing coats	Decontamination of affected premises	Health - Other
	MAN	Mangung	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,653	121,117
	FS161	Letsemeng	-	-	97	-	22	-	-	-	-	-	-	-	39	14	-	-	-	-	-	1,905
	FS162	Kopanong	-	-	-	30	-	-	-	-	-	-	-	-	294	25	82	-	503	-	30	995
	FS163	Mohokare	-	-	-	-	30	-	83	-	-	-	-	-	16	20	3	-	-	-	-	166
	DC16	Xhariep	-	-	-	-	0	5	8	-	-	-	-	-	21	-	9	-	-	-	3	211
	FS181	Masilonjama	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,267
	FS182	Tokologo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,755
	FS183	Tswelopele	-	320	-	-	-	-	-	-	-	-	-	-	123	33	88	-	-	-	-	1,670
	FS184	Marjhabeng	-	-	-	-	-	-	-	-	-	-	-	-	2,065	-	-	42	-	-	-	20,562
	FS185	Nala	-	-	-	-	30	-	-	-	-	-	-	-	35	-	-	-	-	-	-	372
	DC18	Lejweleputswa	169	-	-	-	-	-	-	-	-	-	-	-	92	-	-	-	-	-	-	7,079
	FS191	Setso	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,796
	FS192	Dihlabeng	-	-	-	-	147	24	213	-	-	-	-	-	651	-	-	-	-	-	-	3,248
	FS193	Nketoana	-	-	-	-	21	-	-	-	-	-	-	-	2,186	214	-	-	-	-	57	4,338
	FS194	Maluti-a-Phofung	279	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,803
	FS195	Phumelela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	478
	FS196	Mantsoa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,464
	DC19	Thabo Mofutsanyana	-	-	-	-	-	130	-	-	-	-	-	-	247	-	-	-	-	-	-	1,434
	FS201	Moqhaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,757
	FS203	Ngwathe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FS204	Matimaholo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,155
	FS205	Mafube	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,010
	DC20	Fesile Dabi	447	320	97	30	250	156	5	309	5	11	8	7	5,768	306	181	42	503	13,058	306,677	