



treasury

Department of
Treasury
FREE STATE PROVINCE

CONSOLIDATED MUNICIPAL BUDGET PERFORMANCE REPORT FOR THE PERIOD ENDING 31 March 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 **31 March 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 (M09)
- Creditors (CR09)
- Debtors (DB09)

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)	M09	CR09	DB09
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 20 April 2022

Legend:

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

Mohokare	Financial system challenges
Xhariep	Data string submitted with errors (Adjustment budget)
Nala	System challenges (Adjustment budget)
Dihlabeng	System challenges (Monthly reports)
Thabo Mofutsanyana	Community strikes (Monthly reports)

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) 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 R28.60 billion having increased slightly with R0.23 billion from the previous month (*Feb 2022: R28.37 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 R6.94 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 71.1% (R20.29 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.

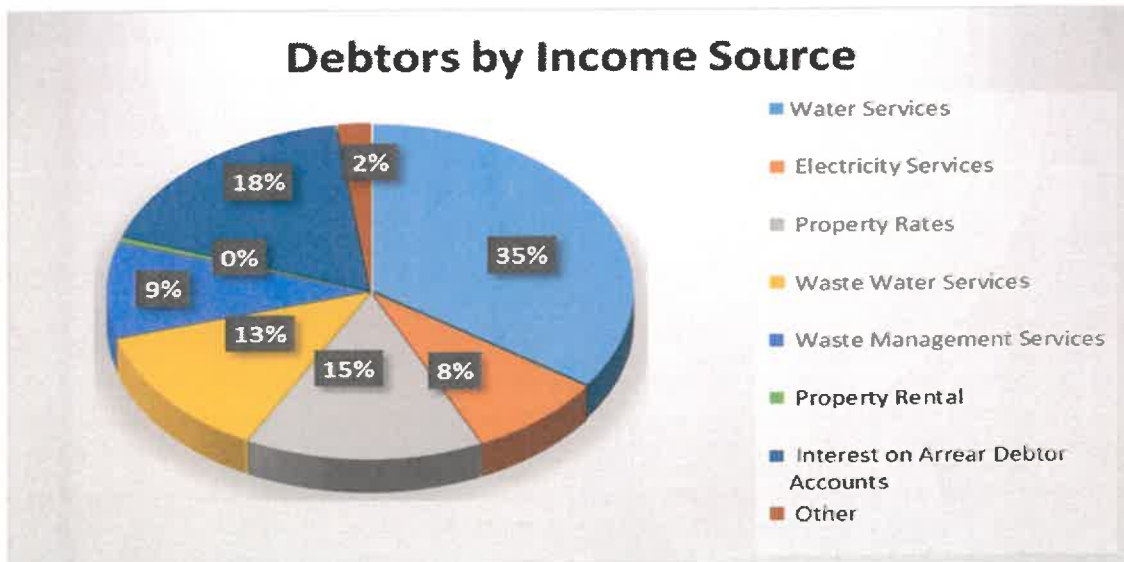
- 1.1.5 Two municipalities failed to submit the debtor's data strings for the month under review and for the purposes of consolidation information reported for prior months were included for this municipality. These municipality is:

Municipality	Reason for non-submission
Mohokare	System challenges
Thabo Mofutsanyana	Community strike

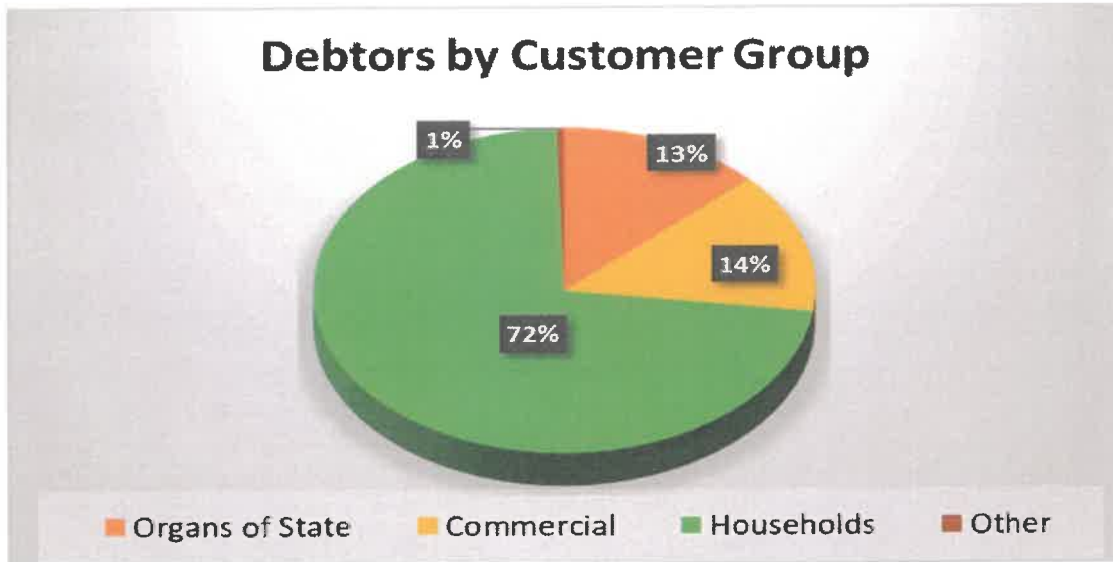
- 1.1.6 Debtors books should become an area of focus for municipalities. Seven municipalities reported outstanding debtors above a billion rand and contribute 75.3 per cent to the total outstanding debtors in the Province. These municipalities are:

Mangaung	R7.94 billion
Matjhabeng	R5.45 billion
Metsimaholo	R2.38 billion
Maluti a Phofung	R2.13 billion
Masilonyana	R1.26 billion
Dihlabeng	R1.23 billion
Moqhaka	R1.12 billion

- 1.1.7 *Water services* remains the largest contributor to the total outstanding debt and amounts to R9.94 billion (34.7 percent), followed by *interest on arrear accounts* amounting to R5.03 billion (17.6 percent). Debt relating to *property rates* contribute 14.7 percent (R4.19 billion) to the total outstanding debt, whilst *waste water services* accounts for 12.8% (R3.66 billion) of the total debt.

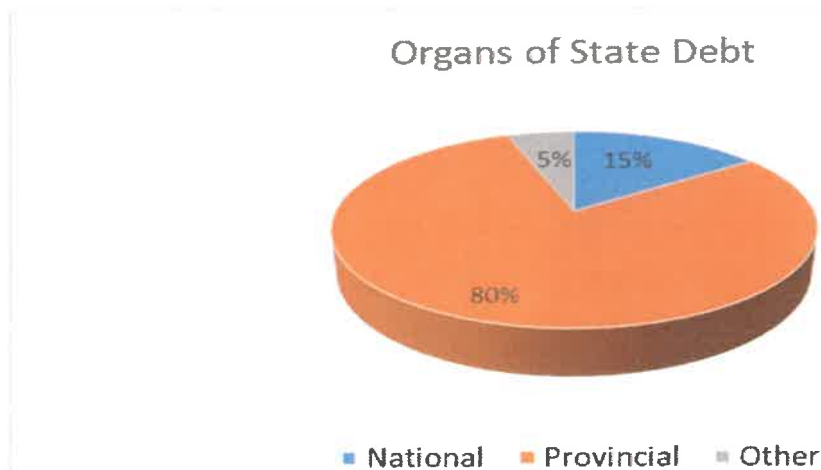


- 1.1.8 The majority of the debt is owed by *Households*, which contributes 72.5% (R20.71 billion) to the total debt, followed by *Businesses* with 13.9% (R4.01 billion).



Debt owed by Organs of State (Intergovernmental Debt)

1.1.9 The total debt owed by organs of state amounts to R3.73 billion which accounts for 13.1% 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 March 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 R0.26 billion to **R21.00 billion** for the month under review (*Feb 2022: R20.74 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 March 2022 and for consolidation purposes prior months' information were used:

Municipality	Reason for non-submission
Mohokare	Backlog in capturing information
Dihlabeng	System challenges
Thabo Mofutsanyana	Community Strike

1.2.3 Payables relating to bulk service providers (Eskom & Water Boards) contribute 89 percent or **R18.70 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.

PAYE and Pension/Retirement Contributions Debt

1.2.8 Payables relating to 3rd parties (i.e PAYE and pensions/retirement contributions) amounted to R469.1 million of which 88.8% 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 3rd 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	32,538	100.0%	–	0.0%	–	0.0%	–	0.0%	32,538	51.2%
Matjhabeng	5	8.3%	5	8.3%	5	8.3%	47	75.1%	63	0.1%
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	2.0%
Ngwathe	1,242	100.0%	–	0.0%	–	0.0%	–	0.0%	1,242	2.0%
Mafube	1,209	7.9%	1,380	9.1%	1,665	10.9%	10,964	72.0%	15,218	24.0%
Total Debt	38,018	59.9%	2,657	4.2%	3,013	4.7%	19,805	31.2%	63,493	100.0%

Creditors Age Analysis Pension/Retirement	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Mangaung Metro	49,951	100.0%	–	0.0%	–	0.0%	–	0.0%	49,951	12.3%
Kopanong	1,794	1.1%	1,881	1.2%	1,897	1.2%	153,872	96.5%	159,444	39.3%
Tswelopele	–	0.0%	–	0.0%	–	0.0%	6	100.0%	6	0.0%
Matjhabeng	4,013	20.7%	3,626	18.7%	3,658	18.9%	8,052	41.6%	19,350	4.8%
Nala	11	100.0%	–	0.0%	–	0.0%	–	0.0%	11	0.0%
Setsotso	23	100.0%	–	0.0%	–	0.0%	–	0.0%	23	0.0%
Ngwathe	3,003	100.0%	–	0.0%	–	0.0%	–	0.0%	3,003	0.7%
Mafube	12,231	7.0%	1,223	0.7%	1,219	0.7%	159,182	91.6%	173,854	42.9%
Total Debt	71,026	17.5%	6,731	1.7%	6,773	1.7%	321,112	79.2%	405,643	100.0%

1.3 CASH FLOW

1.3.1 Municipalities in the Province closed the month of March 2022 with a surplus cash and cash equivalent balance of R4.08 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 Six municipalities (as indicated in the table below) reported negative closing balances and might indicate eminent financial constraints.

R thousands	Cash/Cash equivalents at year begin (1 Jul 2021)	Net Cashflow From/(Used) Operating Activities	Net Cashflow From/(Used) Investing Activities	Net Cashflow From/(Used) Financing Activities	Net Increase / (Decrease) in Cash Held	Cash/Cash equivalents month/year end (31 Mar 2022)
Mangaung Metro	461,396	2,970,972	(514,953)	(42,096)	2,413,923	2,875,319
Letsemeng	-	-	-	-	-	-
Kopanong	-	75,567	-	-	75,567	77,922
Mohokare	5,067	19,462	(15,963)	(1)	3,498	8,565
Xhariep District	-	25,009	-	-	25,009	25,009
DC 16 Total	5,067	120,038	(15,963)	(1)	104,074	111,496
Masilonyana	-	-	-	-	-	-
Tokologo	-	(9,169)	12	-	(9,157)	(9,157)
Tswelopele	12,489	22,675	(3,099)	(122)	19,454	31,941
Matjhabeng	(37,081)	(691,282)	(41,520)	-	(732,802)	(675,633)
Nala	-	-	-	-	-	-
Lejweleputswa District	-	142,833	0	-	142,834	142,834
DC 18 Total	(24,591)	(534,943)	(44,607)	(122)	(579,671)	(510,016)
Setsootso	45,572	350,583	(102,824)	(46)	247,712	293,239
Dihlabeng	(11,417)	355,119	(43,481)	(5,595)	306,043	283,508
Nketoana	3,456	112,440	(28,522)	(285)	83,632	87,094
Maluti a Phofung	165,009	842,327	(142,095)	-	700,232	592,238
Phumelela	-	(73,514)	-	-	(73,514)	(73,514)
Mantsopa	-	1,634	(21,649)	-	(20,015)	(20,015)
Thabo Mofutsanyana	-	1,409	-	-	1,409	1,409
DC 19 Total	202,620	1,589,997	(338,573)	(5,926)	1,245,499	1,163,958
Moghaka	-	280,171	(29,868)	-	250,304	250,248
Ngwathe	56,783	(43,194)	(60,416)	-	(103,610)	(46,900)
Metsimaholo	50,783	71,194	(73,787)	(456)	(3,049)	47,926
Mafube	(126,563)	90,458	(21,289)	-	69,169	(31,972)
Fezile Dabi	97,842	120,017	(1,765)	-	118,252	216,240
DC 20 Total	78,845	518,646	(187,124)	(456)	331,066	435,542
Total	723,337	4,664,711	(1,101,220)	(48,600)	3,514,891	4,076,299

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 R15.28 billion or 70.5 percent against the adjusted budget of R21.67 billion, whilst in respect of expenditure, municipalities spent an aggregate of 60.4 percent or R13.39 billion against the total adjusted budget of R22.18 billion. The revenue relates to the ability of the municipality to raise (generate) revenue, and does not take the actual collection into consideration.

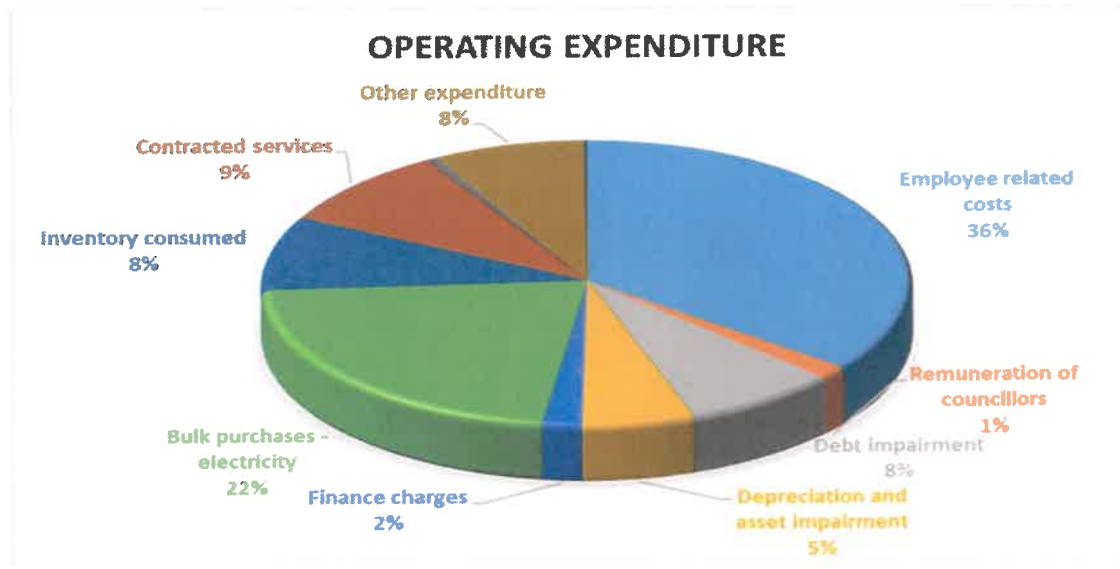
2.1.2 The majority of the generated (billed) revenue relates to *service charges* with R7.38 billion (48 percent), followed by *transfers and subsidies* amounting to R4.34 billion or

29 percent of the total revenue. Property rates contribute 13 percent (R2.04 billion) to the total revenue generated.

2.1.3 An aggregate operational surplus of R1.89 billion was reported for the period under review (year-to-date) excluding capital transfers.

2.2 OPERATING EXPENDITURE

2.2.1 The highest spending item reported at the end of March 2022 is *employee related cost* amounting to R4.76 billion or 36 per cent of the total expenditure, followed by *bulk purchases - electricity* amounting to R2.92 billion.



2.2.2 The performance of *employee related cost* against the adjusted budget is 70.1 per cent (R4.76 billion). The majority of the expenditure reported (98.3%) relates to salaries and wages for municipal staff as indicated in the table below:

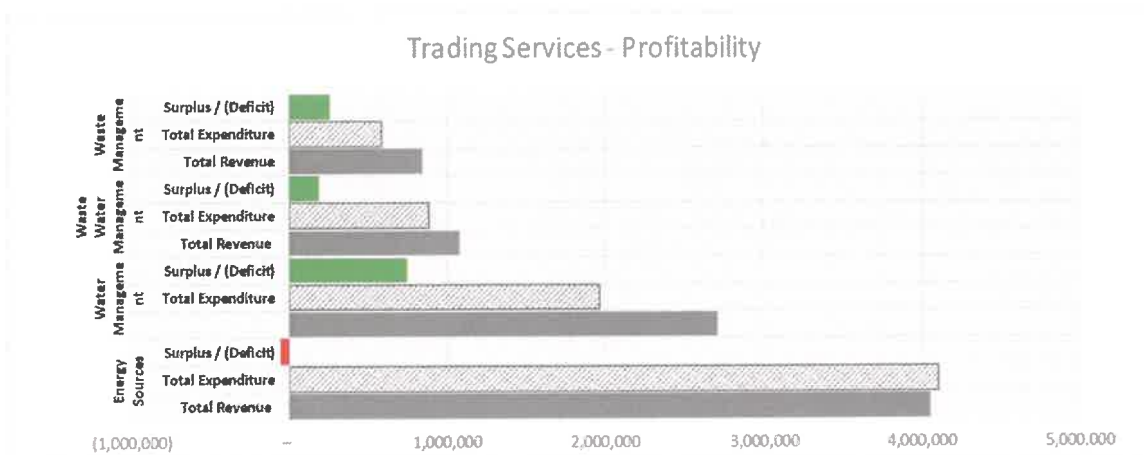
Employee Related Cost (ERC)	Original Budget R'000	Adjusted Budget R'000	Actual Year To Date R'000	% Spent on Adjusted Budget	% of Total ERC
Senior Management	206,334	187,012	80,300	42.9%	1.7%
Municipal Staff	6,495,857	6,426,495	4,677,954	72.8%	98.3%
Board Members	982	982	162	16.5%	0.0%
Total	6,703,173	6,614,490	4,758,416	71.9%	100.0%

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 R51.9 million for the period under review.

- Billed energy sources revenue totaled R4.06 billion against expenditure of R4.11 billion (deficit of R51.9 million);
- Billed water revenue totaled R2.71 billion against expenditure of R1.96 billion (surplus of R744.2 million);

- Billed waste water management revenue totaled R1.08 billion against expenditure of R885.8 million (surplus of R192.8 million); and
- Billed waste management revenue totaled R844.0 million against expenditure R583.8 million (surplus of R260.2 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 R1.24 billion or 38.8% against the adjusted budget of R3.19 billion.

2.4.2 The majority (60%) of the expenditure relates to trading services projects amounting to R742.9 million. This consists of R152.6 million for *energy services*, R335.5 million for *water management*, R248.7 million for *waste water management* and R6 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 R890.3 million was reported spent on repairs and maintenance which amounts to 68.8% against the budget of R1.29 billion. The table below show the repairs and maintenance expenditure reported per municipality:

R thousands	Code	Original Budget	Adjusted Budget	YTD Actual	%
FREE STATE					
Mangaung	MAN	497,607	513,374	418,288	81.5%
Total Metros		497,607	513,374	418,288	81.5%
Letsemeng	FS161	2,900	1,511	730	48.3%
Kopanong	FS162	-	-	-	-
Mohokare	FS163	2,160	2,640	870	32.9%
Xhariep	DC16	215	343	159	46.5%
Total Xhariep		5,275	4,494	1,759	39.1%
Masilonyana	FS181	3,040	5,840	22	0.4%
Tokologo	FS182	4,150	6,650	2,409	36.2%
Tswelopele	FS183	9,381	13,878	11,486	82.8%
Matjhabeng	FS184	8,051	18,360	15,987	87.1%
Nala	FS185	250,000	250,000	140,208	56.1%
Lejweleputswa	DC18	3,398	3,398	1,878	55.3%
Total Lejweleputswa		278,019	298,126	171,990	57.7%
Setsotho	FS191	25,255	17,123	7,732	45.2%
Dihlabeng	FS192	5,074	13,478	9,811	72.8%
Nketoana	FS193	17,800	18,849	18,097	96.0%
Maluti-a-Phofung	FS194	72,817	236,617	122,713	51.9%
Phumelela	FS195	6,542	5,632	5,842	103.7%
Mantsopa	FS196	-	-	-	-
Thabo Mofutsanyana	DC19	535	331	783	236.5%
Total Thabo Mofutsanyana		128,023	292,029	164,979	56.5%
Moqhaka	FS201	64,366	84,323	54,250	64.3%
Ngwathe	FS203	34,952	36,991	54,907	148.4%
Metsimaholo	FS204	43,689	41,548	16,437	39.6%
Mafube	FS205	21,106	17,773	4,687	26.4%
Fezile Dabi	DC20	5,628	5,478	2,974	54.3%
Total Fezile Dabi		169,740	186,113	133,255	71.6%
Total Free State		1,078,663	1,294,136	890,270	68.8%

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 March 2022 show a total spending of R857.6 million or 32.9 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	1,273,898	540,376	53.9%
Letsemeng	53,282	38,017	22,000	1,082	-	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	3,961	79.4%
Masilonyana	40,077	31,991	18,442	-	-	0.0%
Tokologo	35,112	29,811	15,704	9,311	20,520	58.4%
Tswelopele	32,277	22,664	8,393	12,985	(19,292)	-59.8%
Matjhabeng	164,133	93,353	41,938	-	-	0.0%
Nala	50,767	36,778	20,218	46,414	25,980	51.2%
Lejweleputswa	4,510	3,457	2,428	4,510	3,227	71.6%
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	258,027	122,602	49.7%
Phumelela	62,073	45,551	19,397	12,519	1,887	3.0%
Mantsopa	40,123	33,666	16,966	12,010	1,330	3.3%
Thabo Mofutsanyana	14,306	7,904	5,670	737	-	0.0%
Moqhaka	63,928	50,980	25,938	68,267	-	0.0%
Ngwathe	164,333	107,809	47,215	164,333	54,670	33.3%
Metsimaholo	98,757	61,039	36,256	183,705	87,510	88.6%
Mafube	56,395	42,416	18,802	56,395	44,282	78.5%
Fezile Dabi	7,436	5,765	3,745	-	-	0.0%
Total	2,603,823	1,353,721	670,396	2,114,466	857,567	32.9%

- 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	17,656	12,820	31.1%
Finance Management Grant	57,400	57,400	24,378	21,650	7,779	13.6%
Integrated National Electrification Prog	108,119	76,000	27,604	107,187	47,986	44.4%
Metro Informal Settlements Partnership Grant	263,893	40,000	10,217	213,893	42,713	16.2%
Municipal Infrastructure Grant	781,076	541,276	301,875	386,457	126,716	16.2%
Neighbourhood Dev Partnership Grant	10,000	–	–	30,738	7,760	77.6%
Programme & Project Preparation Support Grant	6,934	2,311	–	6,934	–	0.0%
Public Transport network Grant	223,648	180,708	98,389	223,648	108,797	48.6%
Regional Bulk Infrastructure Grant	213,921	150,300	68,630	170,330	82,272	38.5%
Rural Roads Assets Man Systems Grant	9,222	6,455	4,401	5,265	3,818	41.4%
Urban settlement Development Grant	495,269	–	–	795,269	379,323	76.6%
Water Services Infrastructure Grant	374,617	265,337	106,731	135,439	37,583	10.0%
Total	2,603,823	1,353,721	670,396	2,114,466	857,567	32.9%

4. **ASSISTANCE PROVIDED & OTHER MFMA RELATED MATTERS**

- 4.1 FSPT conducts monthly analysis of the municipal performance and provides feedback to municipalities on financial performance (revenue & expenditure), cash flow, capital expenditure, grant management, creditor and debtor management as well as mSCOA issues. Non-compliance letters or communication is issued to municipalities that are not adhering to monthly reporting requirements.
- 4.2 Municipalities were required to table the draft budget for the 2022/23 MTREF period on 31 March 2022. The following municipalities failed to comply with this requirement:
- Kopanong
 - Dihlabeng

Non-compliance letters were issued to above mentioned municipalities. Draft Budget Bilaterals will be scheduled during April and May 2022.

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 decreased from 92.8% to 89.9%.
2. **Note** the aggregate revenue generated at the end of March 2022 is 70.5 percent whilst the operating expenditure is at 60.4 percent against the total budgets and is below the straight line projection of 75%.
3. **Note** the total capital expenditure amounts to R1.24 billion (38.8%) 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 R890.3 million or 68.8% against the adjusted budget.
5. **Note** the total outstanding debtors amount to R28.60 billion (*Feb 2022 – R28.37 billion*).
6. **Note** the total outstanding creditor's amount to R21.00 billion (*Feb 2022 – R20.74 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** 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.
8. **Note** the support initiatives provided by the Treasury, MFMA unit.

CONSOLIDATED MUNICIPAL BUDGET PERFORMANCE REPORT FOR THE PERIOD ENDING 31
MARCH 2022

Submitted by:



Mr. I.E. Rooe

Acting CHIEF DIRECTOR: MUNICIPAL FINANCE MANAGEMENT

Date: 25/04/2022

Noted / Comments by:



Ms. MA Sesing

**ACTING HEAD OF DEPARTMENT
FS PROVINCIAL TREASURY**

Date: 28-04-2022

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

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	402,685	4.1%	239,664	2.4%	440,303	4.4%	8,857,230	89.1%	9,939,881	34.7%
Trade and Other Receivables from Exchange Transactions - Electricity	299,276	12.5%	76,707	3.2%	167,669	7.0%	1,858,615	77.4%	2,402,267	8.4%
Receivables from Non-exchange Transactions - Property Rates	234,440	5.6%	272,054	6.5%	268,529	6.4%	3,421,375	81.5%	4,196,398	14.7%
Receivables from Exchange Transactions - Waste Water Management	107,482	2.9%	101,127	2.8%	191,370	5.2%	3,263,137	89.1%	3,663,117	12.8%
Receivables from Exchange Transactions - Waste Management	69,557	2.6%	50,908	1.9%	142,449	5.4%	2,379,449	90.1%	2,642,363	9.2%
Receivables from Exchange Transactions - Property Rental Debtors	1,758	1.2%	1,783	1.3%	1,712	1.2%	137,239	96.3%	142,492	0.5%
Interest on Arrear Debtor Accounts	115,817	2.3%	106,985	2.1%	283,510	5.6%	4,525,186	89.9%	5,031,498	17.6%
Other	2,559	0.4%	27,370	4.7%	(32,070)	-5.5%	588,304	100.4%	586,163	2.0%
Total By Income Source	1,233,574	4.3%	876,598	3.1%	1,463,472	5.1%	25,030,535	87.5%	28,604,178	100.0%

Debtors Age Analysis By Customer Group	0-30 Days		31-60 Days		61-90 Days		Over 90 Days		Total	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Organs of State	156,274	4.2%	306,256	8.2%	201,338	5.4%	3,080,401	82.3%	3,744,270	13.1%
Commercial	464,311	11.6%	119,840	3.0%	286,526	7.1%	3,141,879	78.3%	4,012,557	14.0%
Households	614,345	3.0%	448,109	2.2%	1,013,015	4.9%	18,636,747	90.0%	20,712,216	72.4%
Other	(1,357)	-1.0%	2,392	1.8%	(37,408)	-27.7%	171,508	126.9%	135,135	0.5%
Total By Customer Group	1,233,574	4.3%	876,598	3.1%	1,463,472	5.1%	25,030,535	87.5%	28,604,178	100.0%

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	446,306	5.6%	412,451	5.2%	226,119	2.8%	6,852,047	86.3%	7,936,922	27.7%
Letsemeng	7,150	2.2%	14,361	4.3%	6,707	2.0%	302,699	91.5%	330,916	1.2%
Kopanong	10,656	2.4%	10,621	2.4%	25,456	5.8%	393,309	89.4%	440,042	1.5%
Mohokare*	47,439	10.4%	11,404	2.5%	10,142	2.2%	387,713	84.9%	456,697	1.6%
Xhariep District	-	0.0%	-	0.0%	-	0.0%	10,194	100.0%	10,194	0.0%
DC 16 Total	65,245	5.3%	36,385	2.9%	42,305	3.4%	1,093,915	88.4%	1,237,850	4.3%
Masilonyana	12,004	1.0%	24,445	1.9%	20,478	1.6%	1,202,980	95.5%	1,259,907	4.4%
Tokoloko	6,169	1.8%	5,704	1.7%	5,591	1.7%	321,185	94.8%	338,649	1.2%
Tswelopele	6,721	4.8%	4,132	2.9%	3,146	2.2%	126,447	90.0%	140,446	0.5%
Matjhabeng	179,469	3.3%	139,929	2.6%	124,464	2.3%	5,001,745	91.8%	5,445,608	19.0%
Nala	22,415	2.3%	19,593	2.0%	18,643	1.9%	931,473	93.9%	992,124	3.5%
Lejweleputswa District	(28)	-0.1%	-	0.0%	-	0.0%	30,455	100.1%	30,427	0.1%
DC 18 Total	226,751	2.8%	193,803	2.4%	172,323	2.1%	7,614,285	92.8%	8,207,162	28.7%
Setsooto	22,491	3.9%	18,598	3.2%	16,735	2.9%	524,347	90.1%	582,172	2.0%
Dihlabeng	73,043	5.9%	22,988	1.8%	22,489	1.8%	1,129,306	90.5%	1,247,825	4.4%
Nketoana	22,486	2.6%	18,498	2.2%	17,410	2.0%	791,616	93.1%	850,012	3.0%
Matuli a Phofung	43,218	2.0%	38,807	1.8%	35,978	1.7%	2,008,572	94.5%	2,126,575	7.4%
Phumelela	(1,722)	-0.4%	5,597	1.3%	6,023	1.4%	411,711	97.7%	421,610	1.5%
Mantsopa	15,913	2.1%	13,674	1.8%	13,028	1.7%	719,863	94.4%	762,478	2.7%
Thabo Mofutsanyana District*	-	0.0%	-	0.0%	-	0.0%	4,185	100.0%	4,185	0.0%
DC 19 Total	175,430	2.9%	118,163	2.0%	111,664	1.9%	5,589,600	93.2%	5,994,857	21.0%
Moqhaka	42,893	3.8%	25,855	2.3%	20,060	1.8%	1,026,463	92.0%	1,115,271	3.9%
Ngwathe	69,231	7.5%	21,822	2.4%	832,791	90.1%	-	0.0%	923,844	3.2%
Metsimaholo	181,940	7.6%	54,919	2.3%	45,679	1.9%	2,096,657	88.1%	2,379,194	8.3%
Mafube	25,779	3.2%	13,200	1.6%	12,531	1.5%	757,568	93.6%	809,078	2.8%
Fezile Dabi	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
DC 16 Total	319,842	6.1%	115,795	2.2%	911,061	17.4%	3,880,689	74.2%	5,227,387	18.3%
Total Debt	1,233,574	4.3%	876,598	3.1%	1,463,472	5.1%	25,030,535	87.5%	28,604,178	100.0%

*M8

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	306,536	2.5%	117,983	1.0%	388,209	3.2%	11,340,070	93.3%	12,152,799	57.9%
Bulk Water	311,897	4.8%	88,127	1.3%	196,444	3.0%	5,954,052	90.9%	6,550,521	31.2%
PAYE deductions	38,018	59.9%	2,657	4.2%	3,013	4.7%	19,805	31.2%	63,493	0.3%
VAT (output less input)	1,764	100.0%	–	0.0%	–	0.0%	–	0.0%	1,764	0.0%
Pensions / Retirement	71,026	17.5%	6,731	1.7%	6,773	1.7%	321,112	79.2%	405,643	1.9%
Loan repayments	828	7.4%	828	7.4%	1,656	14.7%	7,942	70.6%	11,254	0.1%
Trade Creditors	205,160	14.2%	80,990	5.6%	145,528	10.1%	1,014,562	70.2%	1,446,241	6.9%
Auditor General	1,055	1.8%	1,314	2.2%	3,160	5.3%	54,109	90.7%	59,637	0.3%
Other	3,415	1.1%	24,844	8.0%	1,617	0.5%	281,574	90.4%	311,450	1.5%
Total Debt	939,700	4.5%	323,474	1.5%	746,400	3.6%	18,993,227	90.4%	21,002,802	100.0%

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	501,747	94.0%	7,086	1.3%	2,551	0.5%	22,649	4.2%	534,033	2.5%
Letsemeng	(9,997)	-8.0%	2,035	1.6%	6,749	5.4%	126,769	101.0%	125,556	0.6%
Kopanong	11,751	1.6%	12,515	1.7%	12,213	1.7%	697,248	95.0%	733,727	3.5%
Mohokare*	1,310	1.3%	219	0.2%	101	0.1%	99,343	98.4%	100,973	0.5%
Xhariep District	(1,926)	-62.6%	(907)	-29.5%	(866)	-28.1%	6,779	220.1%	3,079	0.0%
DC 16 Total	1,138	0.1%	13,863	1.4%	18,197	1.9%	930,138	96.6%	963,335	4.6%
Masilonyana	73	0.1%	1,267	1.6%	(2,356)	-3.0%	79,872	101.3%	78,857	0.4%
Tokologo	256	1.3%	266	1.3%	258	1.3%	19,143	96.1%	19,922	0.1%
Tswelopele	2,926	4.2%	12,851	18.7%	–	0.0%	53,092	77.1%	68,869	0.3%
Matjhabeng	168,007	1.7%	96,149	1.0%	333,771	3.4%	9,165,779	93.9%	9,763,706	46.5%
Nala	25,145	3.1%	23,208	2.9%	22,337	2.8%	727,771	91.1%	798,462	3.8%
Lejweleputswa District	68	6.6%	2	0.2%	–	0.0%	965	93.3%	1,035	0.0%
DC 18 Total	196,474	1.8%	133,743	1.2%	354,010	3.3%	10,046,623	93.6%	10,730,850	51.1%
Setsotso	8,869	58.4%	2,123	14.0%	6	0.0%	4,196	27.6%	15,194	0.1%
Dihlabeng*	27,807	3.2%	42,882	5.0%	99,923	11.6%	688,467	80.1%	859,079	4.1%
Nketoana	84,765	22.0%	9,339	2.4%	3,158	0.8%	287,945	74.8%	385,207	1.8%
Maluti a Phofung	1,316	0.0%	1,003	0.0%	66,503	1.9%	3,419,978	98.0%	3,488,800	16.6%
Phumelela	567	0.2%	2,338	0.8%	2,427	0.8%	289,966	98.2%	295,298	1.4%
Mantsopa	6,147	1.5%	6,091	1.5%	5,812	1.4%	390,106	95.6%	408,156	1.9%
Thabo Mofutsanyana District*	1,414	58.3%	–	0.0%	–	0.0%	1,011	41.7%	2,425	0.0%
DC 19 Total	130,884	2.4%	63,776	1.2%	177,830	3.3%	5,081,669	93.2%	5,454,159	26.0%
Moqhaka	36,474	5.3%	58,029	8.4%	152,497	22.1%	443,546	64.2%	690,547	3.3%
Ngwathe	43,367	2.5%	34,196	2.0%	31,797	1.8%	1,638,429	93.7%	1,747,789	8.3%
Metsimaholo	11,575	13.4%	495	0.6%	504	0.6%	74,011	85.5%	86,584	0.4%
Mafube	18,263	2.3%	12,287	1.5%	9,014	1.1%	756,162	95.0%	795,727	3.8%
Fezile Dabi	(222)	100.0%	–	0.0%	–	0.0%	–	0.0%	(222)	0.0%
DC 20 Total	109,457	3.3%	105,007	3.2%	193,812	5.8%	2,912,149	87.7%	3,320,425	15.8%
Total Debt	939,700	4.5%	323,474	1.5%	746,400	3.6%	18,993,227	90.4%	21,002,802	100.0%

*M08

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	%
R thousands										
Revenue By Source										
Property rates	3,001,498	2,848,062	744,020	770,751	273,177	66,643	185,236	525,056	2,039,827	71.6%
Service charges - electricity revenue	6,340,190	6,515,665	940,894	1,806,750	356,024	457,415	418,428	1,231,867	3,979,511	61.1%
Service charges - water revenue	2,842,665	2,798,530	702,779	711,174	227,288	211,285	229,460	668,033	2,081,986	74.4%
Service charges - sanitation revenue	1,177,820	1,125,550	267,774	267,258	80,804	129,041	70,118	279,963	814,995	72.4%
Service charges - refuse revenue	718,849	714,856	160,269	163,778	46,589	84,717	45,516	176,822	500,870	70.1%
Rental of facilities and equipment	75,225	81,377	21,085	22,054	6,894	5,687	6,660	19,241	62,380	76.7%
Interest earned - external investments	56,787	57,476	6,262	1,236	2,783	2,415	(10,950)	(5,753)	1,746	3.0%
Interest earned - outstanding debtors	1,042,146	1,042,884	188,562	339,061	97,894	100,054	103,879	301,828	829,451	79.5%
Dividends received	6,246	6,251	156	280	194	4	239	437	873	14.0%
Fines, penalties and forfeits	111,530	87,332	9,269	8,634	3,598	3,194	1,936	8,728	26,631	30.5%
Licences and permits	901	705	352	364	123	179	256	558	1,274	180.8%
Transfers and subsidies	4,722,321	4,774,487	1,792,495	967,059	(144,408)	23,102	1,706,625	1,585,320	4,344,874	91.0%
Other revenue	1,678,860	1,552,645	218,125	186,021	42,634	17,329	130,315	190,278	594,424	38.3%
Gains	60,001	60,001	(3,498)	2,505	24	23	622	669	(324)	-0.5%
Total Revenue (excluding capital transfers and contributions)	21,835,041	21,665,822	5,048,544	5,246,926	993,619	1,101,089	2,888,341	4,983,048	15,278,519	70.5%
Expenditure By Type										
Employee related costs	6,703,173	6,784,695	1,485,303	2,020,426	322,580	521,564	408,543	1,252,687	4,758,416	70.1%
Remuneration of councillors	342,853	333,209	73,723	75,684	9,102	23,256	19,709	52,067	201,473	60.5%
Debt impairment	2,807,136	2,537,058	354,511	334,155	102,627	91,279	147,712	341,618	1,030,283	40.6%
Depreciation and asset impairment	1,323,996	1,173,087	18,329	440,481	120,629	68,550	87,221	276,400	735,209	62.7%
Finance charges	710,869	634,546	45,008	181,348	10,026	(22,617)	54,911	42,320	268,676	42.3%
Bulk purchases - electricity	4,965,745	4,751,430	1,015,867	1,102,175	485,966	120,893	195,015	801,874	2,919,916	61.5%
Inventory consumed	1,930,510	1,845,128	243,947	505,534	71,825	164,001	145,046	380,872	1,130,354	61.3%
Contracted services	1,501,749	2,013,778	269,736	513,751	147,753	97,368	185,556	430,677	1,214,163	60.3%
Transfers and subsidies	223,799	235,712	15,009	9,139	4,680	17,768	39,704	62,152	86,301	36.6%
Other expenditure	1,311,551	1,561,021	275,018	436,871	79,303	105,688	128,542	313,532	1,025,421	65.7%
Losses	306,425	306,614	(541)	9,170		6,564	1,662	8,227	16,856	5.5%
Total Expenditure	22,127,805	22,176,279	3,795,910	5,628,734	1,354,490	1,194,313	1,413,621	3,962,424	13,387,069	60.4%
Surplus/(Deficit)	(292,764)	(510,457)	1,252,634	(381,808)	(360,871)	(93,224)	1,474,720	1,020,624	1,891,450	-370.5%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,551,222	2,571,182	205,086	591,323	111,039	60,059	256,944	428,041	1,224,450	47.6%
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	224	862	2,882	22.2%
Transfers and subsidies - capital (in-kind - all)	50,314	40,147		28,598		7	18,836	18,843	47,441	118.2%
Surplus/(Deficit) after capital transfers and contributions	2,321,772	2,113,871	1,458,846	239,008	(249,606)	(32,748)	1,750,723	1,468,369	3,166,223	149.8%
Taxation										
Surplus/(Deficit) after taxation	2,321,772	2,113,871	1,458,846	239,008	(249,606)	(32,748)	1,750,723	1,468,369	3,166,223	149.8%
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	2,321,772	2,113,871	1,458,846	239,008	(249,606)	(32,748)	1,750,723	1,468,369	3,166,223	149.8%
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	2,321,772	2,113,871	1,458,846	239,008	(249,606)	(32,748)	1,750,723	1,468,369	3,166,223	149.8%

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	6,115,469	76.6%	1,041,187	2,192,910	783,947	299,818	112,362	249,218	923,454	512,573
Letsemeng	170,335	179,860	90,355	50.2%	12,804	19,165	4,366	8,940	8,704	18,180	38,484	(20,289)
Kopanong	333,865	323,948	191,562	59.1%	(29,866)	58,668	36,650	17,559	13,340	(0)	100,477	(5,265)
Mohokare	233,544	204,594	143,016	69.9%	9,686	—	86,089	5,960	3,560	12,149	24,923	649
Xhariep District	63,471	63,285	52,322	82.7%	—	—	—	—	—	—	51,153	1,170
DC 16 Total	801,216	771,687	477,256	61.8%	(7,376)	77,833	127,105	32,459	25,604	30,329	215,037	(23,735)
Masilonyana	326,771	327,071	136,109	41.6%	47,966	21,972	33,758	20,287	11,504	47	—	574
Tokologo	135,703	136,083	31,135	22.9%	4,235	2,423	865	7,493	5,009	9,779	757	575
Tswelopele	174,796	180,618	159,240	88.2%	23,996	35,426	4,167	5,986	2,916	2,375	80,033	4,342
Majhabeng	3,527,317	3,427,217	2,141,970	62.5%	332,316	531,172	312,849	132,205	79,867	185,298	542,662	25,601
Nala	540,928	540,928	324,112	59.9%	16,531	66,341	35,268	25,757	16,674	25,569	131,700	6,272
Lejweleputswa District	147,955	147,955	143,238	96.8%	—	—	—	—	—	253	139,625	3,360
DC 18 Total	4,853,469	4,759,872	2,935,804	61.7%	425,043	657,334	386,907	191,727	115,970	223,321	894,776	40,725
Setsotho	576,399	577,149	480,934	83.3%	48,394	70,424	49,490	27,947	36,175	24,848	216,650	7,006
Dihlabeng	863,521	884,024	663,313	75.0%	104,303	173,454	52,294	39,747	40,722	42,496	201,674	8,622
Nketoana	386,789	417,409	347,417	83.2%	12,154	54,114	49,181	19,333	18,141	69,739	106,079	18,677
Maluti a Phofung	1,800,467	1,744,108	1,088,636	62.4%	81,541	48,390	75,991	32,782	31,706	20,598	733,867	63,762
Phumelela	167,557	172,823	100,587	58.2%	14,149	561	7,272	9,069	8,418	15,370	42,413	3,334
Mantsopa	335,414	335,414	75,016	22.4%	8,355	9,230	9,969	12,612	8,707	25,067	471	605
Thabo Mofutsanyana	155,228	158,233	129,901	82.1%	—	—	—	—	—	—	107,116	22,785
DC 19 Total	4,285,375	4,289,161	2,885,805	67.3%	288,895	356,173	244,197	141,490	143,870	198,118	1,408,270	124,790
Mochaka	1,019,732	1,040,460	723,103	69.5%	55,762	251,528	93,272	40,554	27,992	21,827	220,958	11,210
Ngwathe	882,440	846,535	626,294	74.0%	80,385	190,726	53,200	41,151	31,301	32,672	194,445	2,413
Metsimaholo	1,500,657	1,543,266	1,137,367	73.7%	159,697	253,007	366,490	51,143	31,351	43,925	218,147	13,606
Mafube	240,786	256,315	206,892	80.7%	16,233	0	26,868	16,653	12,420	30,039	102,047	2,633
Fezile Dabi	177,765	178,522	170,528	95.5%	—	—	—	—	—	—	167,740	2,788
DC 20 Total	3,821,380	3,865,099	2,864,185	74.1%	312,078	695,260	539,830	149,501	103,064	128,464	903,337	32,651
Total	21,835,041	21,665,822	15,278,519	70.5%	2,039,827	3,979,511	2,081,986	814,995	500,870	829,451	4,344,874	687,004

Source: NT Local Government Database

Annexure G – Operating Expenditure per municipality

	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	5,796,732	77.9%	1,590,403	43,714	705,878	674,450	1,523,291	1,258,995
Letsemeng	218,222	230,021	96,029	41.7%	44,651	3,019	128	20	19,186	29,025
Kopanong	414,918	396,266	222,614	56.2%	99,089	3,985	-	-	45,394	74,145
Mohokare	230,593	234,156	59,469	25.4%	41,086	2,377	-	-	1,324	14,682
Xhariep District	62,985	62,315	40,017	64.2%	34,435	3,286	-	605	-	1,691
DC 16 Total	926,718	922,757	418,129	45.3%	219,261	12,668	128	624	65,904	119,543
Masilonyana	366,799	373,984	1,725	0.5%	63	-	-	-	-	1,662
Tokologo	136,009	162,390	79,640	49.0%	43,488	2,861	121	-	1,002	32,168
Tswelopele	206,711	213,598	136,725	64.0%	54,393	4,435	137	-	28,992	48,769
Majhabeng	3,499,848	3,230,972	1,354,817	41.9%	618,171	13,389	4,442	-	4,432	714,382
Nala	527,274	527,274	256,319	48.6%	118,049	5,760	-	-	56,028	76,482
Lejweleputswa District	181,251	176,953	111,855	63.2%	75,454	6,879	-	-	-	29,522
DC 18 Total	4,917,892	4,685,171	1,941,081	41.4%	909,619	33,324	4,699	-	90,454	902,984
Setsofo	634,745	663,277	338,950	51.1%	162,447	9,563	35,821	-	68,807	62,311
Dihlabeng	819,557	840,884	582,539	69.3%	249,925	12,358	35,486	60,134	100,077	124,558
Nketoana	416,243	445,958	250,477	56.2%	78,508	3,199	29,251	-	54,615	84,904
Maluti a Phofung	2,504,011	2,670,547	1,488,138	55.7%	508,229	21,246	4,118	-	486,874	467,671
Phumelela	168,583	173,875	127,425	73.3%	59,759	4,604	-	-	17,180	45,883
Mantsopa	313,588	309,005	120,005	38.8%	63,441	4,379	-	-	30,011	22,174
Thabo Mofutsanyana	151,644	161,659	101,967	63.1%	53,695	6,302	-	-	-	41,970
DC 19 Total	5,008,369	5,265,206	3,009,501	57.2%	1,176,003	61,652	104,676	60,134	757,565	849,471
Moghaka	998,410	1,029,371	451,653	43.9%	248,258	14,549	2,144	-	18,019	168,684
Ngwathe	902,413	866,508	611,538	70.6%	197,706	11,589	-	-	244,791	157,452
Metsimaholo	1,499,194	1,529,183	903,264	59.1%	250,390	14,166	208,458	-	219,891	210,358
Matube	228,603	244,641	129,034	52.7%	80,355	4,629	4,300	-	-	39,750
Fezile Dabi	195,376	191,637	126,137	65.82%	86,421	5,183	-	-	-	34,534
DC 20 Total	3,823,997	3,861,340	2,221,627	57.5%	863,130	50,115	214,902	-	482,702	610,778
Total	22,127,805	22,176,279	13,387,069	60.4%	4,758,416	201,473	1,030,283	735,209	2,919,916	3,741,771

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	%
R thousands										
Capital Expenditure - Functional										
Municipal governance and administration	161,060	155,697	19,486	25,526	9,764	13,063	15,788	38,615	83,627	53.7%
Executive and council	55,596	41,844	3,377	5,568	341	657	4,305	5,302	14,248	34.0%
Finance and administration	105,464	113,838	16,108	19,943	9,423	12,407	11,483	33,313	69,364	60.9%
Internal audit		15		15					15	
Community and public safety	491,553	472,154	13,501	46,085	10,915	14,551	17,326	42,792	102,377	21.7%
Community and social services	39,370	33,585	37	4,026		1,739	1,613	3,351	7,414	22.1%
Sport and recreation	64,783	59,823	4,541	8,783	243	1,404	855	2,501	15,826	26.5%
Public safety	32,605	32,175	1	205	21	986	56	1,063	1,270	3.9%
Housing	354,146	345,922	8,884	33,070	10,651	10,422	14,803	35,876	77,831	22.5%
Health	650	650	37						37	5.7%
Economic and environmental services	609,747	644,432	114,326	131,903	8,710	15,481	38,308	62,499	308,728	47.9%
Planning and development	107,892	112,387	20,940	11,588	688	3,093	3,867	7,648	40,176	35.7%
Road transport	500,705	530,896	93,386	120,315	8,022	12,388	34,441	54,851	268,552	50.6%
Environmental protection	1,150	1,150								
Trading services	1,917,240	1,911,685	201,807	346,947	55,054	41,528	97,518	194,101	742,855	38.9%
Energy sources	387,558	417,589	26,666	91,843	12,480	12,141	9,463	34,084	152,593	36.5%
Water management	959,777	971,897	105,249	135,950	27,274	27,082	39,954	94,310	335,509	34.5%
Waste water management	520,079	493,381	66,850	117,367	15,296	1,356	47,860	64,511	248,728	50.4%
Waste management	49,826	28,818	3,041	1,787	4	950	242	1,196	6,024	20.9%
Other	12,070	9,455	30	30	317	334	347	898	1,028	10.9%
Total Capital Expenditure - Functional	3,191,669	3,193,423	349,119	550,490	84,760	84,958	169,287	339,006	1,238,614	38.8%
Funded by										
National Government	2,611,136	2,613,928	312,041	465,298	64,384	63,212	143,259	270,856	1,048,195	40.1%
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	406	1,071	9,018	69.4%
Transfers recognised - capital	2,634,303	2,637,095	316,815	471,625	64,451	63,811	143,666	271,927	1,060,367	40.3%
Borrowing	61,713	54,134	11,335	10,235	3,022	2,665	2,711	8,398	29,968	48.6%
Internally generated funds	486,757	494,069	20,061	68,407	17,121	17,001	22,831	56,952	145,420	29.9%
Total Capital Funding	3,182,774	3,185,298	348,211	550,267	84,593	83,477	169,207	337,277	1,235,755	38.8%

Annexure I – Capital Expenditure and Source of Finance

R thousands	Budget			% 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	557,318	46.6%	88,772	84,975	45,996	-	337,575	452,450	29,825	75,043	
Letsemeng	51,283	51,243	4,900	9.6%	507	1,980	1,861	166	386	4,220	-	679	
Kopanong	62,567	62,567	6,179	9.9%	-	6,179	-	-	-	6,179	-	-	
Mohokare	81,887	78,522	13,990	17.8%	-	9,312	3,622	-	1,056	13,768	-	222	
Xhariep District	486	970	56	5.7%	-	-	-	-	56	-	-	56	
DC 16 Total	196,223	193,302	25,125	13.0%	507	17,471	5,483	166	1,498	24,167	-	957	
Masilonyana	35,148	37,448	1,549	4.1%	-	-	-	-	1,549	-	-	1,549	
Tokologo	137,132	136,332	55,026	40.4%	-	49,235	-	-	5,792	55,026	-	-	
Tswelopele	30,182	31,442	2,589	8.2%	-	78	990	-	1,521	944	-	1,521	
Matjhabeng	157,833	159,213	41,582	26.1%	1,906	2,619	24,646	-	12,411	40,230	-	1,352	
Nala	42,673	42,673	24,042	56.3%	-	7,862	-	-	16,181	24,042	-	-	
Lejweleputswa District	13,150	13,150	4,281	32.6%	-	-	-	-	4,281	-	-	4,281	
DC 18 Total	416,118	420,259	129,069	30.7%	1,906	59,793	25,635	-	41,735	120,243	-	8,702	
Setsofiso	204,601	202,915	85,101	41.9%	8,263	66,457	9,927	22	433	76,368	143	8,242	
Dihlabeng	122,361	121,537	43,481	35.8%	2,168	3,412	-	-	37,901	28,735	-	14,746	
Nketoana	51,621	51,621	29,711	57.6%	-	10,490	18,195	-	1,025	29,711	-	-	
Maluti a Phofung	266,961	284,959	142,095	49.9%	33,462	19,929	68,837	-	19,866	129,159	-	12,936	
Phumelela	60,293	63,219	18,302	29.0%	1,692	4,938	10,108	-	1,565	18,302	-	-	
Mantsopa	43,045	46,311	18,839	40.7%	3,407	3,234	5,097	1,726	5,375	11,509	-	7,331	
Thabo Mofutsanyana	3,626	7,350	2,272	30.9%	-	-	-	-	2,272	-	-	-	
DC 19 Total	752,508	777,912	339,802	43.7%	48,991	108,461	112,164	1,748	68,437	293,784	143	43,254	
Moghaka	79,058	80,818	30,003	37.1%	266	6,621	6,784	2,609	13,723	25,413	-	4,476	
Ngwathe	157,404	169,340	60,416	35.7%	1,955	39,337	8,212	1,500	9,411	55,917	-	4,499	
Metsimaholo	259,034	245,641	73,791	30.0%	6,404	4,381	44,454	-	18,552	70,145	-	3,646	
Matjube	109,689	105,089	21,326	20.3%	3,791	14,471	-	-	3,064	18,248	-	3,078	
Fezile Dabi	630	5,126	1,765	34.43%	-	-	-	-	1,765	-	-	1,765	
DC 20 Total	605,814	606,014	187,301	30.9%	12,416	64,810	59,450	4,110	46,515	169,723	-	17,463	
Total	3,191,669	3,193,423	1,238,614	38.8%	152,593	335,509	248,728	6,024	495,760	1,060,367	29,968	145,420	

Source: NT Local Government Database