

# ELIAS MOTSOLEDI LOCAL MUNICIPALITY



## SECTION 52 REPORT: 2020/21

REPORTING PERIOD: FIRST QUARTER

## **PART 1: QUARTERLY REPORT**

### **PURPOSE**

To submit a report to council within 30 days of the end of each quarter on implementation of the Budget and Financial state of the Municipality as required by Section 52 of the Municipal Finance Management Act

### **Executive Summary**

Section 52 of the Municipal Finance Management Act deals with requirements for quarterly reporting and further states that the Mayor of the Municipality must within 30 days of the end of each quarter submit a report to council on implementation of the Budget and the financial state of the Municipality.

### **IN YEAR BUDGET STATEMENT TABLES**

DESCRIPTION	2020/21			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	531,567,983	-	169,518,702	32%
		-		
OPERATING EXPENDITURE	512,448,796	-	89,992,264	18%
		-		
TRANSFER - CAPITAL	74,561,000	-	11,889,927	16%
SURPLUS/(DEFICIT)	93,680,187	-	91,416,365	98%
CAPITAL EXPENDITURE	89,279,520	-	18,111,494	20%

**Table C1: Quarterly Budget Statement Summary**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	35,773	38,345	-	9,825	9,825	9,586	239	2%	38,345
Service charges	91,506	110,873	-	22,948	22,948	27,718	(4,770)	-17%	110,873
Investment revenue	1,368	3,042	-	83	83	1,085	(1,002)	-92%	3,042
Transfers and subsidies	272,622	293,916	-	130,625	130,625	44,851	85,774	191%	293,916
Other own revenue	21,560	85,393	-	6,038	6,038	15,976	(9,938)	-62%	85,393
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,829</b>	<b>531,568</b>	<b>-</b>	<b>169,519</b>	<b>169,519</b>	<b>99,216</b>	<b>70,303</b>	<b>71%</b>	<b>531,568</b>
Employee costs	142,262	169,749	-	35,590	35,590	40,314	(4,723)	-12%	169,749
Remuneration of Councillors	24,574	26,525	-	6,061	6,061	6,631	(571)	-9%	26,525
Depreciation & asset impairment	273	55,163	-	-	-	13,791	(13,791)	-100%	55,163
Finance charges	2,345	1,184	-	1,300	1,300	624	676	108%	1,184
Materials and bulk purchases	78,477	111,976	-	29,419	29,419	25,132	4,287	17%	111,976
Transfers and subsidies	2,632	3,468	-	794	794	792	2	0%	3,468
Other expenditure	118,175	144,385	-	16,828	16,828	47,918	(31,090)	-65%	144,385
<b>Total Expenditure</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>89,992</b>	<b>89,992</b>	<b>135,201</b>	<b>(45,209)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/(Deficit)</b>	<b>54,091</b>	<b>19,119</b>	<b>-</b>	<b>79,526</b>	<b>79,526</b>	<b>(35,985)</b>	<b>115,512</b>	<b>-321%</b>	<b>19,119</b>
Transfers and subsidies - capital (monetary allocations)	62,183	74,561	-	11,890	11,890	30,968	(19,078)	-62%	74,561
Transfers and subsidies - capital (monetary allocations)	18,054	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>91,416</b>	<b>91,416</b>	<b>(5,017)</b>	<b>96,433</b>	<b>-1922%</b>	<b>93,680</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>91,416</b>	<b>91,416</b>	<b>(5,017)</b>	<b>96,433</b>	<b>-1922%</b>	<b>93,680</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>18,111</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>
Capital transfers recognised	70,327	74,561	-	13,125	13,125	13,818	(693)	-5%	74,561
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13,975	14,719	-	4,986	4,986	2,440	2,546	104%	14,719
<b>Total sources of capital funds</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>18,111</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>
<b>Financial position</b>									
Total current assets	132,048	134,416	-	-	208,449	-	-	-	134,416
Total non current assets	1,149,795	1,286,031	-	-	1,117,381	-	-	-	1,286,031
Total current liabilities	109,500	93,706	-	-	121,944	-	-	-	93,706
Total non current liabilities	102,417	94,548	-	-	87,505	-	-	-	94,548
Community wealth/Equity	1,069,926	1,232,193	-	-	1,116,381	-	-	-	1,232,193
<b>Cash flows</b>									
Net cash from (used) operating	25,884	108,434	-	50,939	50,939	86,057	35,117	41%	108,434
Net cash from (used) investing	(85,303)	(87,593)	-	(18,111)	(18,111)	(18,256)	(145)	1%	(87,593)
Net cash from (used) financing	(9,474)	(11,480)	-	(2,642)	(2,642)	(2,488)	154	-6%	(11,480)
<b>Cash/cash equivalents at the month/year end</b>	<b>(43,911)</b>	<b>20,356</b>	<b>-</b>	<b>32,644</b>	<b>32,644</b>	<b>76,307</b>	<b>43,663</b>	<b>57%</b>	<b>11,819</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Debtors Age Analysis									
Total By Income Source	12,791	4,866	1,580	3,086	2,787	2,661	14,444	75,091	117,306
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

## Revenue

For the first quarter of July to September 2020, the year to date actual amounted to R 169, 519 million. Of the total revenue received during the first quarter, the major portion of R130, 625 million is from equitable share. Other receipts are from property rates, service charges and other grants.

## **Operating Expenditure**

The operating expenditure for the first quarter amounts to R89, 992 million with the year to date budget of R135, 201 million which shows 33% year to date variance when compared to the year to date budget.

## **Capital Expenditure**

The year to date actual capital expenditure as at end of first quarter amounts to R18, 111 million and the year to date budget amounts to R16, 258 million and this deviates with 11% when compared to year to date target.

## **Surplus/Deficit**

Taking the above into consideration the net operating surplus for the first quarter ending 30 September 2019 amounts to R44, 090 million.

## **Debtors**

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of September amounts to R117, 306 million and this shows an increase of R9, 067 million as compared to R108, 238 million as at end of 2019/20 financial year. This increase portrays declining revenue collection of the municipality as the lesser the collection rate the more the increase in consumer debtors.

Consumer debtors is made up of service charges and property rates that amount to R61, 549 million and other debtors amounting to R36, 520 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, they do not form part of consumer debtors.

## **Creditors**

The municipality is currently striving for paying its creditors within 30 days of receipt of invoice as required by MFMA. However, the municipality has instances where the cash flow position was quite unfavorable and it was then unable to service certain creditors as and when became due. This resulted in the municipality incurring penalties and/or fruitless and wasteful expenditure due to late payment.

**Table C2 – Quarterly Financial Performance (Standard Classification)**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>223,172</b>	<b>228,630</b>	<b>-</b>	<b>102,787</b>	<b>102,787</b>	<b>37,983</b>	<b>64,804</b>	<b>171%</b>	<b>228,630</b>
Executive and council	46,559	49,315	-	27,078	27,078	2,690	24,388	907%	49,315
Finance and administration	167,663	169,450	-	74,066	74,066	33,649	40,416	120%	169,450
Internal audit	8,950	9,864	-	1,644	1,644	1,644	(0)	0%	9,864
<b>Community and public safety</b>	<b>24,327</b>	<b>94,154</b>	<b>-</b>	<b>4,004</b>	<b>4,004</b>	<b>16,919</b>	<b>(12,916)</b>	<b>-76%</b>	<b>94,154</b>
Community and social services	9,037	10,636	-	1,680	1,680	2,274	(594)	-26%	10,636
Sport and recreation	12,104	13,344	-	2,219	2,219	2,238	(20)	-1%	13,344
Public safety	3,186	70,174	-	104	104	12,407	(12,302)	-99%	70,174
<b>Economic and environmental services</b>	<b>123,212</b>	<b>121,857</b>	<b>-</b>	<b>34,318</b>	<b>34,318</b>	<b>34,690</b>	<b>(372)</b>	<b>-1%</b>	<b>121,857</b>
Planning and development	21,248	23,604	-	4,169	4,169	4,074	95	2%	23,604
Road transport	100,811	96,853	-	29,098	29,098	30,616	(1,518)	-5%	96,853
Environmental protection	1,153	1,400	-	1,050	1,050	-	1,050		1,400
<b>Trading services</b>	<b>132,355</b>	<b>161,488</b>	<b>-</b>	<b>40,300</b>	<b>40,300</b>	<b>40,592</b>	<b>(292)</b>	<b>-1%</b>	<b>161,488</b>
Energy sources	104,223	130,709	-	25,430	25,430	34,701	(9,270)	-27%	130,709
Waste management	28,132	30,779	-	14,870	14,870	5,891	8,979	152%	30,779
<b>Total Revenue - Functional</b>	<b>503,065</b>	<b>606,129</b>	<b>-</b>	<b>181,409</b>	<b>181,409</b>	<b>130,184</b>	<b>51,225</b>	<b>39%</b>	<b>606,129</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>195,732</b>	<b>216,242</b>	<b>-</b>	<b>39,816</b>	<b>39,816</b>	<b>65,233</b>	<b>(25,418)</b>	<b>-39%</b>	<b>216,242</b>
Executive and council	49,343	49,314	-	10,002	10,002	12,905	(2,903)	-22%	49,314
Finance and administration	140,290	158,383	-	29,446	29,446	49,035	(19,588)	-40%	158,383
Internal audit	6,099	8,545	-	368	368	3,294	(2,926)	-89%	8,545
<b>Community and public safety</b>	<b>25,616</b>	<b>61,707</b>	<b>-</b>	<b>6,698</b>	<b>6,698</b>	<b>15,224</b>	<b>(8,526)</b>	<b>-56%</b>	<b>61,707</b>
Community and social services	5,068	8,269	-	1,429	1,429	1,990	(561)	-28%	8,269
Sport and recreation	5,514	10,698	-	1,653	1,653	2,553	(900)	-35%	10,698
Public safety	15,034	42,740	-	3,616	3,616	10,680	(7,064)	-66%	42,740
<b>Economic and environmental services</b>	<b>45,576</b>	<b>97,667</b>	<b>-</b>	<b>9,329</b>	<b>9,329</b>	<b>24,944</b>	<b>(15,615)</b>	<b>-63%</b>	<b>97,667</b>
Planning and development	14,737	16,561	-	2,665	2,665	4,244	(1,579)	-37%	16,561
Road transport	30,241	80,487	-	6,519	6,519	20,556	(14,037)	-68%	80,487
Environmental protection	598	619	-	145	145	144	1	1%	619
<b>Trading services</b>	<b>101,814</b>	<b>136,832</b>	<b>-</b>	<b>34,149</b>	<b>34,149</b>	<b>29,800</b>	<b>4,349</b>	<b>15%</b>	<b>136,832</b>
Energy sources	75,508	111,667	-	27,639	27,639	23,742	3,898	16%	111,667
Waste management	26,306	25,165	-	6,510	6,510	6,058	451	7%	25,165
<b>Total Expenditure - Functional</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>89,992</b>	<b>89,992</b>	<b>135,201</b>	<b>(45,209)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>91,416</b>	<b>91,416</b>	<b>(5,017)</b>	<b>96,433</b>	<b>-1922%</b>	<b>93,680</b>

**Table C3 – Quarterly Fin’ Performance (Revenue and Expenditure by vote)**

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	41,231	43,443	–	26,099	26,099	1,711	24,388	1425%	43,443
Vote 2 - Municipal Manager	35,643	39,284	–	12,978	12,978	6,547	6,430	98%	39,284
Vote 3 - Budget & Treasury	72,458	66,279	–	18,428	18,428	17,134	1,294	8%	66,279
Vote 4 - Corporate Services	40,493	44,328	–	22,704	22,704	7,389	15,315	207%	44,328
Vote 5 - Community Services	57,897	135,511	–	21,106	21,106	24,837	(3,731)	-15%	135,511
Vote 6 - Technical Services	222,464	241,319	–	65,004	65,004	67,112	(2,109)	-3%	241,319
Vote 7 - Developmental Planning	14,650	16,332	–	2,957	2,957	2,862	95	3%	16,332
Vote 8 - Executive Support	18,229	19,633	–	12,133	12,133	2,592	9,541	368%	19,633
<b>Total Revenue by Vote</b>	<b>503,065</b>	<b>606,129</b>	<b>–</b>	<b>181,409</b>	<b>181,409</b>	<b>130,184</b>	<b>51,225</b>	<b>39%</b>	<b>606,129</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	41,936	41,788	–	8,825	8,825	11,068	(2,243)	-20%	41,788
Vote 2 - Municipal Manager	46,489	39,198	–	8,235	8,235	11,318	(3,083)	-27%	39,198
Vote 3 - Budget & Treasury	54,686	62,769	–	9,958	9,958	22,826	(12,868)	-56%	62,769
Vote 4 - Corporate Services	21,101	36,795	–	4,100	4,100	11,104	(7,004)	-63%	36,795
Vote 5 - Community Services	59,595	96,097	–	15,202	15,202	23,458	(8,255)	-35%	96,097
Vote 6 - Technical Services	115,674	207,387	–	36,955	36,955	48,851	(11,896)	-24%	207,387
Vote 7 - Developmental Planning	8,756	11,455	–	1,536	1,536	2,862	(1,326)	-46%	11,455
Vote 8 - Executive Support	20,146	16,960	–	5,180	5,180	3,715	1,465	39%	16,960
<b>Total Expenditure by Vote</b>	<b>368,383</b>	<b>512,449</b>	<b>–</b>	<b>89,992</b>	<b>89,992</b>	<b>135,201</b>	<b>(45,209)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,682</b>	<b>93,680</b>	<b>–</b>	<b>91,416</b>	<b>91,416</b>	<b>(5,017)</b>	<b>96,433</b>	<b>-1922%</b>	<b>93,680</b>

Table C2 and C3 measures the quarterly actual against the year to date performance targets which is realized by vote and standard classification. The variances are all reflected in the year to date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury’s standard classification.

**Table C4: Quarterly Financial performance by Revenue Source and Expenditure Type**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	35,773	38,345		9,825	9,825	9,586	239	2%	38,345
Service charges - electricity revenue	83,075	101,945		20,744	20,744	25,486	(4,742)	-19%	101,945
Service charges - refuse revenue	8,431	8,928		2,204	2,204	2,232	(28)	-1%	8,928
Rental of facilities and equipment	702	1,220		136	136	305	(169)	-55%	1,220
Interest earned - external investments	1,368	3,042		83	83	1,085	(1,002)	-92%	3,042
Interest earned - outstanding debtors	12,170	6,656		4,401	4,401	1,408	2,993	213%	6,656
Fines, penalties and forfeits	3,236	70,242		113	113	12,424	(12,311)	-99%	70,242
Licences and permits	4,240	6,344		1,182	1,182	1,557	(374)	-24%	6,344
Transfers and subsidies	272,622	293,916		130,625	130,625	44,851	85,774	191%	293,916
Other revenue	1,211	931		206	206	282	(76)	-27%	931
Gains							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,829</b>	<b>531,568</b>	<b>-</b>	<b>169,519</b>	<b>169,519</b>	<b>99,216</b>	<b>70,303</b>	<b>71%</b>	<b>531,568</b>
<b>Expenditure By Type</b>									
Employee related costs	142,262	169,749		35,590	35,590	40,314	(4,723)	-12%	169,749
Remuneration of councillors	24,574	26,525		6,061	6,061	6,631	(571)	-9%	26,525
Debt impairment	-	42,658		-	-	10,664	(10,664)	-100%	42,658
Depreciation & asset impairment	273	55,163		-	-	13,791	(13,791)	-100%	55,163
Finance charges	2,345	1,184		1,300	1,300	624	676	108%	1,184
Bulk purchases	68,417	94,047		26,446	26,446	19,036	7,410	39%	94,047
Other materials	10,059	17,929		2,973	2,973	6,096	(3,122)	-51%	17,929
Contracted services	74,997	60,660		11,590	11,590	22,841	(11,251)	-49%	60,660
Transfers and subsidies	2,632	3,468		794	794	792	2	0%	3,468
Other expenditure	43,178	41,067		5,238	5,238	14,412	(9,174)	-64%	41,067
Losses	-	-					-		-
<b>Total Expenditure</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>89,992</b>	<b>89,992</b>	<b>135,201</b>	<b>(45,209)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/(Deficit)</b>	<b>54,091</b>	<b>19,119</b>	<b>-</b>	<b>79,526</b>	<b>79,526</b>	<b>(35,985)</b>	<b>115,512</b>	<b>-321%</b>	<b>19,119</b>
Transfers and subsidies - capital (monetary allocations)	62,183	74,561		11,890	11,890	30,968	(19,078)	-62%	74,561
Transfers and subsidies - capital (monetary allocations)	18,054	-					-		-
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>91,416</b>	<b>91,416</b>	<b>(5,017)</b>			<b>93,680</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>91,416</b>	<b>91,416</b>	<b>(5,017)</b>			<b>93,680</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>91,416</b>	<b>91,416</b>	<b>(5,017)</b>			<b>93,680</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>91,416</b>	<b>91,416</b>	<b>(5,017)</b>		<b>-</b>	<b>93,680</b>

This table provides the quarterly details for revenue by source and expenditure by type. The reasons for deviations will only be provided in cases where the difference is more than 10% and can be viewed in supporting table SC1.

**Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding**

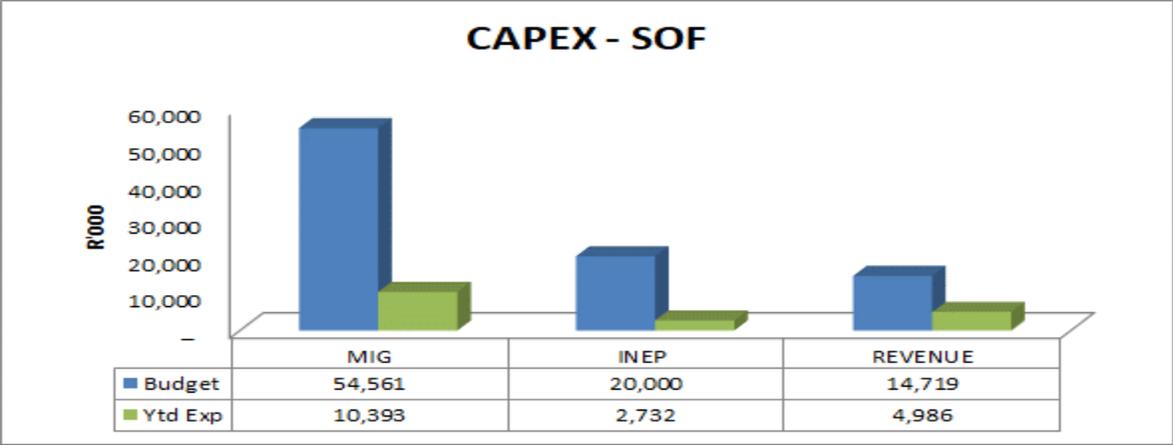
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	633	1,900	-	116	116	751	(635)	-85%	1,900
Executive and council							-		
Finance and administration	633	1,900		116	116	751	(635)	-85%	1,900
Internal audit							-		
<b>Community and public safety</b>	-	2,200	-	-	-	150	(150)	-100%	2,200
Community and social services		600		-	-	150	(150)	-100%	600
Sport and recreation		1,000		-	-	-	-		1,000
Public safety		600		-	-	-	-		600
Housing							-		
Health							-		
<b>Economic and environmental services</b>	66,134	64,830	-	15,264	15,264	11,946	3,317	28%	64,830
Planning and development							-		
Road transport	66,134	64,830		15,264	15,264	11,946	3,317	28%	64,830
Environmental protection							-		
<b>Trading services</b>	17,535	20,350	-	2,732	2,732	3,411	(679)	-20%	20,350
Energy sources	16,111	20,350		2,732	2,732	3,411	(679)	-20%	20,350
Waste management	1,424	-					-		-
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>18,111</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>
<b>Funded by:</b>									
National Government	54,628	74,561		13,125	13,125	13,818	(693)	-5%	74,561
Provincial Government	15,699	-					-		-
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	<b>70,327</b>	<b>74,561</b>	<b>-</b>	<b>13,125</b>	<b>13,125</b>	<b>13,818</b>	<b>(693)</b>	<b>-5%</b>	<b>74,561</b>
Borrowing							-		
Internally generated funds	13,975	14,719		4,986	4,986	2,440	2,546	104%	14,719
<b>Total Capital Funding</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>18,111</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>

**Table C5C: Monthly Capital Expenditure by Vote**

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	1,050	-	116	116	400	(284)	-71%	1,050
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	43,961	13,240	-	3,827	3,827	2,570	1,257	49%	13,240
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>43,961</b>	<b>14,290</b>	<b>-</b>	<b>3,943</b>	<b>3,943</b>	<b>2,970</b>	<b>973</b>	<b>33%</b>	<b>14,290</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	350	-	-	-	150	(150)	-100%	350
Vote 4 - Corporate Services	633	500	-	-	-	201	(201)	-100%	500
Vote 5 - Community Services	1,424	2,200	-	-	-	150	(150)	-100%	2,200
Vote 6 - Technical Services	38,284	71,939	-	14,169	14,169	12,787	1,382	11%	71,939
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>40,341</b>	<b>74,989</b>	<b>-</b>	<b>14,169</b>	<b>14,169</b>	<b>13,288</b>	<b>881</b>	<b>7%</b>	<b>74,989</b>
<b>Total Capital Expenditure</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>18,111</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>

Table C5 Capex and C5C present capital expenditure performance for all votes, standard classification and the funding thereof and measures the year-to-date performance targets against the actual capital expenditure figures.

R18, 111 million spending was incurred on capital budget and year to date budget is R16, 258 million and this gave rise to over performance variance of R1, 853 million that translates to 11%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget, R54, 561 million is funded from Municipal Infrastructure grant, R20, 000 million from INEP and R10, 393 million from own revenue and the spending per source of finance is presented in the above graph.

**Table C6: Quarterly Budget Statement Financial Position**

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	2,458	12,300		2,579	12,300
Call investment deposits	–	8,056		30,065	8,056
Consumer debtors	64,133	54,594		77,614	54,594
Other debtors	57,019	53,957		89,773	53,957
Current portion of long-term receivables	–			–	
Inventory	8,438	5,510		8,417	5,510
<b>Total current assets</b>	<b>132,048</b>	<b>134,416</b>	<b>–</b>	<b>208,449</b>	<b>134,416</b>
<b>Non current assets</b>					
Long-term receivables				–	
Investments	774	–		–	–
Investment property	60,900	48,000		60,112	48,000
Investments in Associate					
Property, plant and equipment	1,085,676	1,223,249		1,055,310	1,223,249
Biological				–	
Intangible	1,207	30		31	30
Other non-current assets	1,237	14,752		1,928	14,752
<b>Total non current assets</b>	<b>1,149,795</b>	<b>1,286,031</b>	<b>–</b>	<b>1,117,381</b>	<b>1,286,031</b>
<b>TOTAL ASSETS</b>	<b>1,281,843</b>	<b>1,420,447</b>	<b>–</b>	<b>1,325,830</b>	<b>1,420,447</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–			–
Borrowing	2,248	10,980		12,926	10,980
Consumer deposits	5,581	5,701		5,691	5,701
Trade and other payables	90,313	71,167		100,407	71,167
Provisions	11,358	5,857		2,920	5,857
<b>Total current liabilities</b>	<b>109,500</b>	<b>93,706</b>	<b>–</b>	<b>121,944</b>	<b>93,706</b>
<b>Non current liabilities</b>					
Borrowing	17,328	–			–
Provisions	85,088	94,548		87,505	94,548
<b>Total non current liabilities</b>	<b>102,417</b>	<b>94,548</b>	<b>–</b>	<b>87,505</b>	<b>94,548</b>
<b>TOTAL LIABILITIES</b>	<b>211,917</b>	<b>188,254</b>	<b>–</b>	<b>209,449</b>	<b>188,254</b>
<b>NET ASSETS</b>	<b>1,069,926</b>	<b>1,232,193</b>	<b>–</b>	<b>1,116,381</b>	<b>1,232,193</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>1,069,926</b>	<b>1,232,193</b>		<b>1,116,381</b>	<b>1,232,193</b>
<b>Reserves</b>					
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,069,926</b>	<b>1,232,193</b>	<b>–</b>	<b>1,116,381</b>	<b>1,232,193</b>

The above table shows that community wealth amounts to R1, 116 billion, total liabilities R209, 449 million and the total assets R1, 325 billion. Non-current liabilities are mainly made up of provisions for long service award, landfill site and bonus.

Total current assets appear to be fairly reasonable relative to total current liabilities and this as a result portray a much better picture of the municipality's current ratio.

**Table C7: Quarterly Budgeted Statement Cash Flow**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	24,332	26,841		6,277	6,277	6,769	(492)	-7%	26,841
Service charges	83,646	94,138		19,797	19,797	23,395	(3,598)	-15%	94,138
Other revenue	21,376	20,268		5,725	5,725	4,633	1,092	24%	20,268
Transfers and Subsidies - Operational	273,214	293,916		133,089	133,089	124,689	8,400	7%	293,916
Transfers and Subsidies - Capital	73,921	74,561		21,470	21,470	31,301	(9,831)	-31%	74,561
Interest	2,405	4,373		413	413	1,424	(1,011)	-71%	4,373
<b>Payments</b>									
Suppliers and employees	(447,788)	(401,012)		(133,737)	(133,737)	(104,739)	28,998	-28%	(401,012)
Finance charges	(2,592)	(1,184)		(1,300)	(1,300)	(624)	676	-108%	(1,184)
Transfers and Grants	(2,632)	(3,468)		(794)	(794)	(792)	2	0%	(3,468)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>25,884</b>	<b>108,434</b>	<b>-</b>	<b>50,939</b>	<b>50,939</b>	<b>86,057</b>	<b>35,117</b>	<b>41%</b>	<b>108,434</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-					-		-
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	-					-		-
<b>Payments</b>									
Capital assets	(85,303)	(87,593)		(18,111)	(18,111)	(18,256)	(145)	1%	(87,593)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(85,303)</b>	<b>(87,593)</b>	<b>-</b>	<b>(18,111)</b>	<b>(18,111)</b>	<b>(18,256)</b>	<b>(145)</b>	<b>1%</b>	<b>(87,593)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	(500)				125	(125)	-100%	(500)
Increase (decrease) in consumer deposits	196	-					-		-
<b>Payments</b>									
Repayment of borrowing	(9,670)	(10,980)		(2,642)	(2,642)	(2,613)	29	-1%	(10,980)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,474)</b>	<b>(11,480)</b>	<b>-</b>	<b>(2,642)</b>	<b>(2,642)</b>	<b>(2,488)</b>	<b>154</b>	<b>-6%</b>	<b>(11,480)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(68,893)</b>	<b>9,361</b>	<b>-</b>	<b>30,186</b>	<b>30,186</b>	<b>65,312</b>			<b>9,361</b>
Cash/cash equivalents at beginning:	24,982	10,995			2,458	10,995			2,458
Cash/cash equivalents at month/year end:	(43,911)	20,356	-		32,644	76,307			11,819

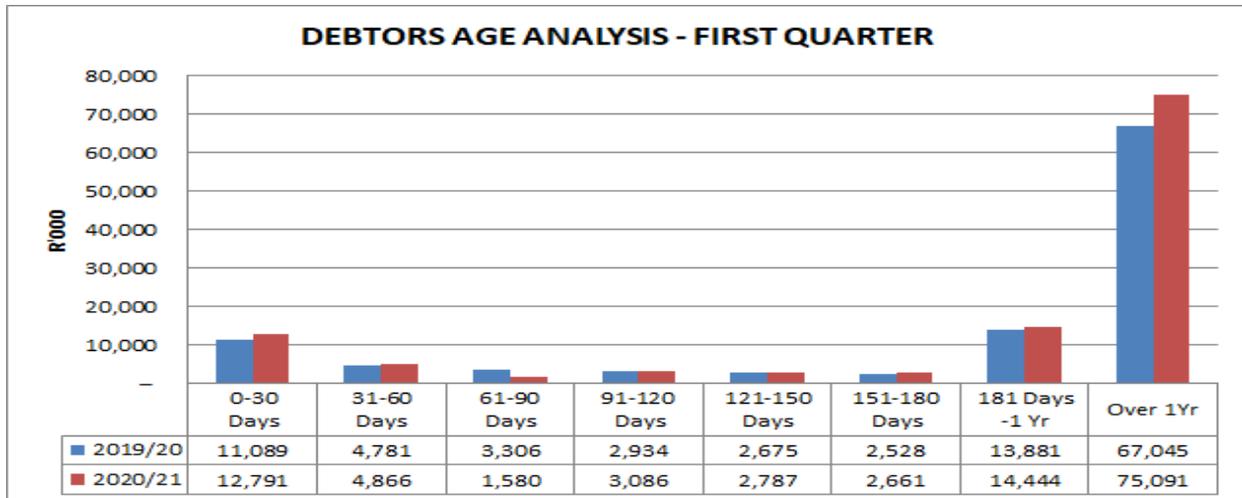
Table C7 provides details of the monthly cash in and outflow. For the quarter ending 30 September 2020 the net cash from operating activities is R50, 939 million whilst cash used for investing activities is R18, 111 million and the net cash from financing activities is R2, 642 million. The cash and cash equivalent held at end of the first quarter amounted to R32, 644 million.

## PART 2: SUPPORTING TABLES

### Table SC3: Debtors Analysis

Description	Budget Year 2020/21											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	6,761	1,277	329	306	174	155	418	3,089	12,509	4,142		
Receivables from Non-exchange Transactions - Property Rates	3,279	1,711	1,258	1,188	1,065	1,027	5,867	33,272	48,668	42,420		
Receivables from Exchange Transactions - Waste Management	741	507	440	391	379	374	2,181	10,614	15,626	13,938		
Receivables from Exchange Transactions - Property Rental Debtors	45	6	8	6	6	9	50	979	1,107	1,048		
Interest on Arrear Debtor Accounts	1,270	1,237	1,182	1,149	1,116	1,078	5,833	24,377	37,243	33,554		
Other	695	128	(1,636)	46	47	18	94	2,760	2,153	2,966		
<b>Total By Income Source</b>	<b>12,791</b>	<b>4,866</b>	<b>1,580</b>	<b>3,086</b>	<b>2,787</b>	<b>2,661</b>	<b>14,444</b>	<b>75,091</b>	<b>117,306</b>	<b>98,069</b>	-	-
<b>2019/20 - totals only</b>	<b>11,089</b>	<b>4,781</b>	<b>3,306</b>	<b>2,934</b>	<b>2,675</b>	<b>2,528</b>	<b>13,881</b>	<b>67,045</b>	<b>108,238</b>	<b>89,062</b>		
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	1,874	813	(813)	624	590	582	3,178	17,714	24,563	22,689		
Commercial	5,933	1,118	406	500	388	347	1,872	9,945	20,509	13,053		
Households	4,112	2,218	1,513	1,396	1,259	1,189	6,351	29,664	47,702	39,859		
Other	873	717	474	565	550	543	3,043	17,768	24,532	22,468		
<b>Total By Customer Group</b>	<b>12,791</b>	<b>4,866</b>	<b>1,580</b>	<b>3,086</b>	<b>2,787</b>	<b>2,661</b>	<b>14,444</b>	<b>75,091</b>	<b>117,306</b>	<b>98,069</b>	-	-

Table provides a breakdown of the consumer and sundry debtors at the end of the quarter. The outstanding debtors amounted to R117, 306 million as at 30 September 2020. Consumer debtors amounts to R61, 549 million and sundry debtors amounts to R 36, 520 million as at end of the first quarter.



The graph compares debtors' age analysis for 2019/20 financial year and 2020/21 (as at end of First quarter) and noted from the graph there is an increase in the municipal debt book for 2020/21 financial year.

**Table SC4: Creditors Analysis**

Description	Budget Year 2020/21									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. No creditors were outstanding for more than 30 days. All invoices were paid within the prescribed period for the first quarter.

**Table SC5: Investment Portfolio Analysis**

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening balance	Interest Realised	Withdrawal	Investment Top Up	Closing Balance
STANDARD BANK (038823527004)	1 Month	Current Investment	3.8%		22-Sep-20	-	18,493	(15,018,493)	15,000,000	-
STANDARD BANK (038823527005)	1 Month	Current Investment	4.0%		11-Oct-20	-	64,932		30,000,000	30,064,932
<b>TOTAL INVESTMENTS AND INTEREST</b>						-		(15,018,493)	45,000,000	30,064,932

Supporting Table SC5 displays the council's investments portfolio and indicates that R45, 000 million was invested and withdrew R15, 018 million as at end of the first quarter.

**Table SC6- Allocation and grant receipts**

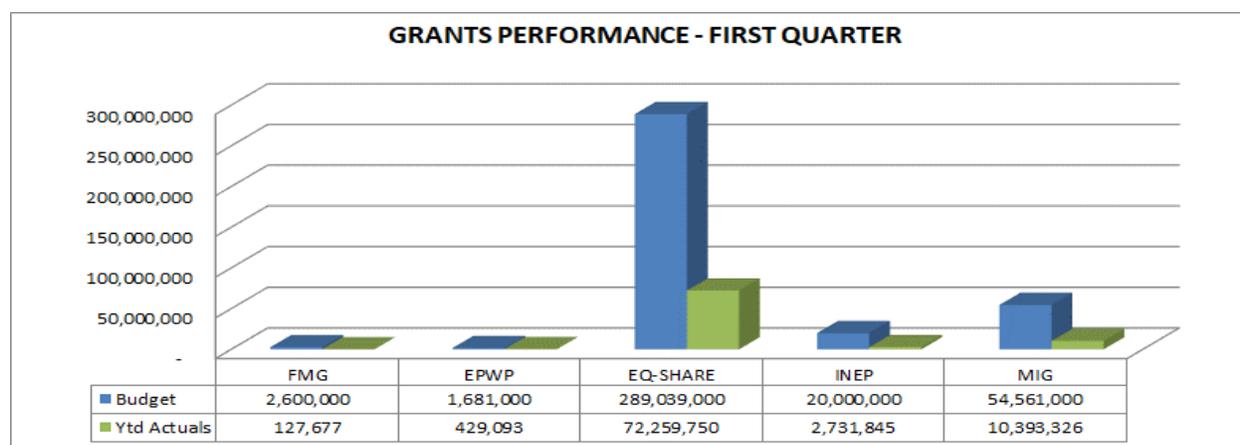
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>273,214</b>	<b>293,320</b>	<b>-</b>	<b>133,089</b>	<b>133,089</b>	<b>44,255</b>	<b>88,834</b>	<b>201%</b>	<b>293,320</b>
Local Government Equitable Share	269,009	289,039		130,068	130,068	41,311	88,757	215%	289,039
Finance Management	2,235	2,600		2,600	2,600	2,600	-		2,600
EPWP Incentive	1,374	1,681		421	421	344	77	22%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-		-	-	-	-		-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>Total Operating Transfers and Grants</b>	<b>273,214</b>	<b>293,320</b>	<b>-</b>	<b>133,089</b>	<b>133,089</b>	<b>44,255</b>	<b>88,834</b>	<b>201%</b>	<b>293,320</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>-</b>	<b>21,470</b>	<b>21,470</b>	<b>30,968</b>	<b>(6,498)</b>	<b>-21%</b>	<b>74,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561		16,470	16,470	22,968	(6,498)	-28%	54,561
Intergrated National Electrification Grant	19,000	20,000		5,000	5,000	8,000			20,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Coghsta - Development	21,771	-		-	-	-	-		-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A							-		
<b>Total Capital Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>-</b>	<b>21,470</b>	<b>21,470</b>	<b>30,968</b>	<b>(6,498)</b>	<b>-21%</b>	<b>74,561</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>368,906</b>	<b>367,881</b>	<b>-</b>	<b>154,559</b>	<b>154,559</b>	<b>75,223</b>	<b>82,336</b>	<b>109%</b>	<b>367,881</b>

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R154, 559 million of which the major portion is attributed to equitable share. In the reporting period, all gazetted grants were received according to National Treasury's grants payment schedule.

**Table SC7: Transfers and Grant Expenditure**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>273,214</b>	<b>293,320</b>	<b>-</b>	<b>72,817</b>	<b>72,817</b>	<b>44,255</b>	<b>28,562</b>	<b>65%</b>	<b>293,320</b>
Local Government Equitable Share	269,009	289,039		72,260	72,260	41,311	30,949	75%	289,039
Finance Management	2,235	2,600		128	128	2,600	(2,472)	-95%	2,600
EPWP Incentive	1,374	1,681		429	429	344	85	25%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-		-	-	-	-		-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>273,214</b>	<b>293,320</b>	<b>-</b>	<b>72,817</b>	<b>72,817</b>	<b>44,255</b>	<b>28,562</b>	<b>65%</b>	<b>293,320</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>-</b>	<b>11,890</b>	<b>11,890</b>	<b>30,968</b>	<b>(19,078)</b>	<b>-62%</b>	<b>74,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561		8,686	8,686	22,968	(14,282)	-62%	54,561
Intergrated National Electrification Grant	19,000	20,000		3,204	3,204	8,000	(4,796)	-60%	20,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development	21,771	-		-	-	-	-		-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total capital expenditure of Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>-</b>	<b>11,890</b>	<b>11,890</b>	<b>30,968</b>	<b>(19,078)</b>	<b>-62%</b>	<b>74,561</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>368,906</b>	<b>367,881</b>	<b>-</b>	<b>84,706</b>	<b>84,706</b>	<b>75,223</b>	<b>9,484</b>	<b>13%</b>	<b>367,881</b>

A total amount of R84, 706 million has been spent on grants during the first quarter and the year to date budget thereof amount to R75, 223 million and this resulted in underspending variance of R9, 484 million that translates to 13%. Of the total spending amounting to R84, 706 million, R72, 817 million is spent on operational grants whilst R11, 890 million is spent of capital grants.



The above graph depicts the gazetted and/or budgeted amounts for all the grants and the expenditure thereof as at end of first quarter. The grants expenditure is shown below in percentages:

- Financial Management Grant 4.91%
- Expanded Public Work Programme 25.53%
- Equitable Share 25%
- Municipal Infrastructure Grant 19.05%
- Integrated National Electrification Grant 13.66%

**Table SC8: Councilor Allowances and Employee Benefits**

Summary of Employee and Councilor remuneration	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,458	15,692		3,535	3,535	3,923	(388)	-10%	15,692
Pension and UIF Contributions	1,712	1,761		405	405	462	(57)	-12%	1,761
Medical Aid Contributions	319	340		95	95	63	33	52%	340
Motor Vehicle Allowance	5,149	5,622		1,292	1,292	1,405	(114)	-8%	5,622
Cellphone Allowance	2,701	2,877		677	677	719	(42)	-6%	2,877
Housing Allowances	-	-					-		-
Other benefits and allowances	235	234		56	56	58	(3)	-4%	234
<b>Sub Total - Councillors</b>	<b>24,574</b>	<b>26,525</b>	<b>-</b>	<b>6,061</b>	<b>6,061</b>	<b>6,631</b>	<b>(571)</b>	<b>-9%</b>	<b>26,525</b>
<b>% increase</b>		<b>8%</b>							<b>8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,938	6,540		1,183	1,183	1,635	(452)	-28%	6,540
Pension and UIF Contributions	178	202		46	46	54	(8)	-14%	202
Medical Aid Contributions	82	85		21	21	21	-		85
Overtime							-		
Performance Bonus							-		
Motor Vehicle Allowance	661	791		138	138	198	(60)	-30%	791
Cellphone Allowance	168	-		35	35	28	7	26%	-
Housing Allowances							-		
Other benefits and allowances	446	376		88	88	15	73	487%	376
Payments in lieu of leave	18	-					-		-
Long service awards							-		
Post-retirement benefit obligations							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,491</b>	<b>7,993</b>	<b>-</b>	<b>1,511</b>	<b>1,511</b>	<b>1,950</b>	<b>(440)</b>	<b>-23%</b>	<b>7,993</b>
<b>% increase</b>		<b>23%</b>							<b>23%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	88,856	99,984		23,381	23,381	24,996	(1,615)	-6%	99,984
Pension and UIF Contributions	17,801	26,133		4,734	4,734	6,533	(1,800)	-28%	26,133
Medical Aid Contributions	5,555	8,477		1,298	1,298	2,119	(821)	-39%	8,477
Overtime	1,443	974		286	286	244	43	18%	974
Motor Vehicle Allowance	11,056	12,848		2,951	2,951	3,212	(261)	-8%	12,848
Cellphone Allowance	1,786	102		463	463	25	438	1717%	102
Housing Allowances	179	17		49	49	4	45	1056%	17
Other benefits and allowances	8,248	12,488		405	405	1,074	(670)	-62%	12,488
Payments in lieu of leave	407	-		85	85	85	0	0%	-
Long service awards	439	733		427	427	183	244	133%	733
Post-retirement benefit obligations							-		
<b>Sub Total - Other Municipal Staff</b>	<b>135,771</b>	<b>161,756</b>	<b>-</b>	<b>34,080</b>	<b>34,080</b>	<b>38,476</b>	<b>(4,396)</b>	<b>-11%</b>	<b>161,756</b>
<b>% increase</b>		<b>19%</b>							<b>19%</b>
<b>Total Parent Municipality</b>	<b>166,836</b>	<b>196,274</b>	<b>-</b>	<b>41,651</b>	<b>41,651</b>	<b>47,057</b>	<b>(5,406)</b>	<b>-11%</b>	<b>196,274</b>
		<b>18%</b>							<b>18%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>166,836</b>	<b>196,274</b>	<b>-</b>	<b>41,651</b>	<b>41,651</b>	<b>47,057</b>	<b>(5,406)</b>	<b>-11%</b>	<b>196,274</b>
<b>% increase</b>		<b>18%</b>							<b>18%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>142,262</b>	<b>169,749</b>	<b>-</b>	<b>35,590</b>	<b>35,590</b>	<b>40,426</b>	<b>(4,836)</b>	<b>-12%</b>	<b>169,749</b>

This table provides the details for councilor and employee benefits. For the first quarter the total salaries, allowances and benefits amounted to R41, 651 million which deviates with R5, 406 million from the planned figure.

**Table SC9: Actual and Revised Targets for Cash Receipts**

Description					2020/21 Medium Term Revenue		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Budget	Budget	Budget
	Outcome	Budget	Budget	Budget	Year	Year +1	Year +2
<b>Cash Receipts By Source</b>							
Property rates	6,277	6,710	6,721	7,133	26,841	28,076	29,367
Service charges - electricity revenue	18,776	22,493	21,543	25,880	88,692	92,772	97,039
Service charges - refuse	1,021	1,386	1,408	1,631	5,446	5,697	5,959
Rental of facilities and equipment	137	216	215	291	860	899	941
Interest earned - external investments	83	732	503	1,723	3,042	3,182	3,328
Interest earned - outstanding debtors	329	350	233	419	1,331	1,392	1,457
Fines, penalties and forfeits	113	3,303	3,100	5,617	12,134	12,554	12,994
Licences and permits	1,182	3,009	412	1,740	6,344	6,635	6,941
Transfers and Subsidies - Operational	133,089	90,542	78,685	(8,400)	293,916	314,089	333,501
Other revenue	4,293	220	225	(3,806)	931	974	1,018
<b>Cash Receipts by Source</b>	<b>165,301</b>	<b>128,961</b>	<b>113,046</b>	<b>32,229</b>	<b>439,537</b>	<b>466,270</b>	<b>492,544</b>
<b>Other Cash Flows by Source</b>							
Transfers and subsidies - capital (monetary allocations)	21,470	23,619	19,641	9,831	74,561	77,207	72,606
Transfers and subsidies - capital (monetary allocations)		-	-	-			
Proceeds on Disposal of Fixed and Intangible Assets		425	126	(551)	-	-	-
Short term loans		-	-	-			
Borrowing long term/refinancing		(156)	(108)	(237)	(500)	(480)	(520)
Increase (decrease) in consumer deposits							
Decrease (increase) in non-current receivables							
Decrease (increase) in non-current investments							
<b>Total Cash Receipts by Source</b>	<b>186,771</b>	<b>152,849</b>	<b>132,705</b>	<b>41,272</b>	<b>513,598</b>	<b>542,997</b>	<b>564,630</b>
<b>Cash Payments by Type</b>							
Employee related costs	35,590	50,567	39,727	43,864	169,749	177,557	185,725
Remuneration of councillors	6,061	6,549	6,549	7,366	26,525	27,745	29,021
Interest paid	1,300	440	120	(676)	1,184	83	15
Bulk purchases - Electricity	39,478	23,182	25,269	6,119	94,047	98,937	107,743
Other materials	2,973	2,083	2,634	1,274	8,964	12,707	13,522
Contracted services	40,814	14,566	11,004	(5,725)	60,660	57,320	59,107
Grants and subsidies paid - other	794	762	1,172	740	3,468	3,605	3,747
General expenses	8,821	8,110	9,606	14,529	41,067	39,436	41,140
<b>Cash Payments by Type</b>	<b>135,831</b>	<b>106,259</b>	<b>96,082</b>	<b>67,491</b>	<b>405,664</b>	<b>417,391</b>	<b>440,021</b>
<b>Other Cash Flows/Payments by Type</b>							
Capital assets	18,111	23,333	22,358	23,791	87,593	93,994	94,483
Repayment of borrowing	2,642	2,697	2,784	2,856	10,980	2,489	-
Other Cash Flows/Payments							
<b>Total Cash Payments by Type</b>	<b>156,585</b>	<b>132,289</b>	<b>121,224</b>	<b>94,138</b>	<b>504,236</b>	<b>513,874</b>	<b>534,504</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>30,186</b>	<b>20,560</b>	<b>11,481</b>	<b>(52,866)</b>	<b>9,361</b>	<b>29,123</b>	<b>30,126</b>
Cash/cash equivalents at the month/year beginning:	151,350	28,560	79,124	110,381	2,458	11,819	40,943
Cash/cash equivalents at the month/year end:	181,536	49,120	90,605	57,516	11,819	40,943	71,069

Supporting Table SC9 provides the details of the cash inflow for the budget setting out receipt by source and payments by type. As at end of first quarter, cash receipts reflect an amount of R186, 771 million whilst the total cash payment is R156, 585 million. The cash and cash equivalent at end the quarter amounted to R181, 536 million that is inclusive of unspent conditional grants amounting to R71, 168 million that leaves the municipality with own cash and cash equivalent amounting to R26, 977 million (inclusive of equitable share) available to sustain the operations of the municipality till end of the financial year.

**Table SC12: Capital Expenditure Trend**

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
First Quarter	26,926	19,670	–	18,111	18,111	19,670	1,558	8%	20%
Second Quarter	27,422	24,059				43,729			
Third Quarter	30,135	14,999				58,728			
Fourth Quarter	28,619	30,551				89,280			
<b>Total Capital expenditure</b>	<b>113,103</b>	<b>89,280</b>	<b>–</b>	<b>18,111</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure and this table serves as a supporting table for table C5. In terms of this table the capital expenditure for first quarter amounts to R18, 111 million. The year to date capital budget is R19, 670 million that gives rise to underspending variance of R1, 558 million that translate to 8%.

**Table SC13a: Quarterly Capital Expenditure on New Assets**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	58,011	20,000	-	2,732	2,732	3,201	469	15%	20,000
<b>Roads Infrastructure</b>	41,899	-	-	-	-	-	-	-	-
Roads	41,899	-	-	-	-	-	-	-	-
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	16,111	20,000	-	2,732	2,732	3,201	469	15%	20,000
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	16,111	20,000		2,732	2,732	3,201	469	15%	20,000
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	-	2,339	-	1,043	1,043	-	(1,043)	0%	2,339
Municipal Offices		600				-	-		600
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops		1,739		1,043	1,043	-	(1,043)	#DIV/0!	1,739
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	38	250	-	-	-	100	100	100%	250
Computer Equipment	38	250				100	100	100%	250
<b>Furniture and Office Equipment</b>	526	800	-	116	116	300	184	61%	800
Furniture and Office Equipment	526	800		116	116	300	184	61%	800
<b>Machinery and Equipment</b>	1,492	1,200	-	-	-	561	561	100%	1,200
Machinery and Equipment	1,492	1,200				561	561	100%	1,200
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on new assets</b>	60,068	24,589	-	3,891	3,891	4,162	271	7%	24,589

**Table SC13b: Quarterly Expenditure on Existing Assets**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	13,885	46,940	-	14,220	14,220	10,441	(3,779)	-36%	46,940
<b>Roads Infrastructure</b>	13,885	39,222	-	14,220	14,220	8,941	(5,279)	-59%	39,222
Roads	13,885	39,222		14,220	14,220	8,941	(5,279)	-59%	39,222
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	7,719	-	-	-	1,500	1,500	100%	7,719
Landfill Sites		7,719				1,500	1,500	100%	7,719
Waste Transfer Stations							-		
<b>Community Assets</b>	-	600	-	-	-	150	150	100%	600
Community Facilities	-	600	-	-	-	150	150	100%	600
Libraries							-		
Police							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>13,885</b>	<b>47,540</b>	<b>-</b>	<b>14,220</b>	<b>14,220</b>	<b>10,591</b>	<b>(3,629)</b>	<b>-34.3%</b>	<b>47,540</b>

**Table SC13c: Quarterly Expenditure on Repairs & Maintenance**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	5,119	8,729	-	713	713	3,158	2,444	77%	8,729
<b>Roads Infrastructure</b>	161	2,892	-	78	78	1,335	1,257	94%	2,892
Roads	161	2,892		78	78	1,335	1,257	94%	2,892
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	2,180	2,845	-	1	1	1,075	1,074	100%	2,845
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,180	2,845		1	1	1,075	1,074	100%	2,845
<b>Solid Waste Infrastructure</b>	2,778	2,993	-	634	634	748	114	15%	2,993
Landfill Sites	2,778	2,993		634	634	748	114	15%	2,993
Waste Transfer Stations							-		
<b>Community Assets</b>	-	306	-	26	26	82	55	68%	306
Community Facilities	-	306	-	26	26	82	55	68%	306
Libraries							-		
Parks		306		26	26	82	55	68%	306
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	1,497	1,845	-	99	99	612	514	84%	1,845
Operational Buildings	1,497	1,845	-	99	99	612	514	84%	1,845
Workshops							-		
<b>Intangible Assets</b>	-	425	-	-	-	174	174	100%	425
Servitudes							-		
Licences and Rights		425				174	174	100%	425
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	1,306	1,214	-	153	153	445	291	66%	1,214
Machinery and Equipment	1,306	1,214		153	153	445	291	66%	1,214
<b>Transport Assets</b>	2,727	1,854	-	1,557	1,557	344	(1,213)	-353%	1,854
Transport Assets	2,727	1,854		1,557	1,557	344	(1,213)	-353%	1,854
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,649</b>	<b>14,373</b>	<b>-</b>	<b>2,549</b>	<b>2,549</b>	<b>4,814</b>	<b>2,266</b>	<b>47.1%</b>	<b>14,373</b>

Supporting Tables SC13a and SC13b provide the details of capital expenditure by asset classification for new and replacements of assets separately, whilst Supporting Table SC13c measure's the extent to which the municipality's assets are maintained.

The capital expenditure on new assets amounted to R3, 891 million for the first quarter which reflects a 7% variance when compared to the quarterly target.

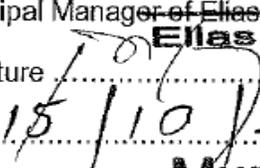
For renewal and upgrading of existing assets to R14, 220 million has been spent during the first quarter on renewal of assets. This reflects 34.3% variance when compared to the target.

The repairs and maintenance for the first quarter amounted to R 2,549 million reflecting a 47.1% variance when compared to the first quarter target.

## Quality Certificate

I, **KGWALE MAHLAGAUME MESHACK**, Acting Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the quarterly report and supporting documentation for the quarter ending 30 September 2020 have been prepared in accordance with the Municipal Finance Management Act and the regulation made under the Act

Municipal Manager of ~~Elías Motsoaledi Local Municipality~~ (LIM472)

Signature  ~~Elías Motsoaledi Local Municipality~~

Date 15/10/2020 ~~30 September 2020~~

**Municipal Manager**