

# ELIAS MOTSOLEDI LOCAL MUNICIPALITY



## SECTION 52 REPORT: 2020/21

REPORTING PERIOD: SECOND 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	PERCENTAGE
OPERATING REVENUE	531,567,983	589,458,004	351,691,864	60%
		-		
OPERATING EXPENDITURE	512,448,796	557,451,548	199,746,591	36%
		-		
TRANSFER - CAPITAL	74,561,000	69,561,000	34,286,682	49%
SURPLUS/(DEFICIT)	93,680,187	101,567,456	186,231,954	183%
CAPITAL EXPENDITURE	89,279,520	84,279,520	37,819,407	45%

**Table C1: Quarterly Budget Statement Summary**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	35,773	38,345	38,345	9,814	19,639	15,977	3,662	23%	38,345
Service charges	95,493	110,873	110,873	25,498	48,446	46,197	2,248	5%	110,873
Investment revenue	2,068	3,042	3,042	142	225	1,474	(1,249)	-85%	3,042
Transfers and subsidies	273,218	293,916	351,806	141,215	271,840	74,157	197,683	267%	351,806
Other own revenue	32,632	85,393	85,393	5,505	11,542	31,866	(20,324)	-64%	85,393
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>439,184</b>	<b>531,568</b>	<b>589,458</b>	<b>182,173</b>	<b>351,692</b>	<b>169,671</b>	<b>182,020</b>	<b>107%</b>	<b>589,458</b>
Employee costs	141,837	169,749	170,616	43,100	78,690	67,190	11,500	17%	170,616
Remuneration of Councillors	24,575	26,525	26,525	6,097	12,157	11,052	1,105	10%	26,525
Depreciation & asset impairment	56,343	55,163	55,163	-	-	22,985	(22,985)	-100%	55,163
Finance charges	3,538	1,184	1,184	798	2,098	1,502	595	40%	1,184
Materials and bulk purchases	93,140	111,976	122,770	18,548	47,967	43,790	4,177	10%	122,770
Transfers and subsidies	2,984	3,468	3,468	858	1,653	1,307	346	26%	3,468
Other expenditure	142,158	144,385	177,726	40,354	57,182	66,075	(8,894)	-13%	177,726
<b>Total Expenditure</b>	<b>464,574</b>	<b>512,449</b>	<b>557,452</b>	<b>109,754</b>	<b>199,747</b>	<b>213,901</b>	<b>(14,155)</b>	<b>-7%</b>	<b>557,452</b>
<b>Surplus/(Deficit)</b>	<b>(25,390)</b>	<b>19,119</b>	<b>32,006</b>	<b>72,419</b>	<b>151,945</b>	<b>(44,230)</b>	<b>196,175</b>	<b>-444%</b>	<b>32,006</b>
Transfers and subsidies - capital (monetary allocations)	70,685	74,561	69,561	22,397	34,287	35,468	(1,181)	-3%	69,561
Transfers and subsidies - capital (monetary allocations)	21,471	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>66,766</b>	<b>93,680</b>	<b>101,567</b>	<b>94,816</b>	<b>186,232</b>	<b>(8,762)</b>	<b>194,994</b>		<b>101,567</b>
<b>Surplus/ (Deficit) for the year</b>	<b>66,766</b>	<b>93,680</b>	<b>101,567</b>	<b>94,816</b>	<b>186,232</b>	<b>(8,762)</b>	<b>194,994</b>		<b>101,567</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>92,168</b>	<b>89,280</b>	<b>84,280</b>	<b>19,708</b>	<b>37,819</b>	<b>31,721</b>	<b>6,098</b>	<b>19%</b>	<b>84,280</b>
Capital transfers recognised	78,193	74,561	69,561	16,212	29,337	26,702	2,635	10%	69,561
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13,975	14,719	14,719	3,496	8,483	5,020	3,463	69%	14,719
<b>Total sources of capital funds</b>	<b>92,168</b>	<b>89,280</b>	<b>84,280</b>	<b>19,708</b>	<b>37,819</b>	<b>31,721</b>	<b>6,098</b>	<b>19%</b>	<b>84,280</b>
<b>Financial position</b>									
Total current assets	129,467	134,416	147,899		284,760				147,899
Total non current assets	1,125,020	1,286,031	1,286,031		1,148,956				1,286,031
Total current liabilities	125,568	93,706	93,706		140,106				93,706
Total non current liabilities	79,251	94,548	94,548		73,611				94,548
Community wealth/Equity	1,049,667	1,232,193	1,245,677		1,219,999				1,245,677
<b>Cash flows</b>									
Net cash from (used) operating	25,247	108,434	121,917	86,244	137,712	187,663	49,951	27%	121,917
Net cash from (used) investing	(85,303)	(87,593)	(84,280)	(19,708)	(37,819)	(41,589)	(3,770)	9%	(84,280)
Net cash from (used) financing	(9,474)	(11,480)	(11,480)	(2,710)	(5,352)	(5,592)	(240)	4%	(11,480)
<b>Cash/cash equivalents at the month/year end</b>	<b>(44,548)</b>	<b>20,356</b>	<b>37,152</b>	<b>-</b>	<b>96,470</b>	<b>151,477</b>	<b>55,007</b>	<b>36%</b>	<b>28,087</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	11,646	4,355	3,416	3,259	2,965	898	14,896	80,488	121,922
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

## **Revenue**

For the Second quarter of October to December 2020, the year to date actual amounted to R 351, 691 million. Of the total revenue received during the Second quarter, the major portion of R270, 517 million is from equitable share. Other receipts are from property rates, service charges and other grants.

## **Operating Expenditure**

The operating expenditure for the Second quarter amounts to R89, 992 million with the year to date budget of R199, 746 million which shows 36% 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 Second quarter amounts to R37, 819 million and the year to date budget amounts to R31, 721 million and this deviates with 19% when compared to year to date target.

## **Surplus/Deficit**

Taking the above into consideration the net operating surplus for the Second quarter ending 31 December 2020 amounts to R186, 232 million.

## **Debtors**

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of December amounts to R121, 922 million and this shows an increase of R13, 684 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 R81, 750 million and other debtors amounting to R40, 172 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, the 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	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>223,026</b>	<b>228,630</b>	<b>265,347</b>	<b>97,567</b>	<b>200,354</b>	<b>72,825</b>	<b>127,529</b>	<b>175%</b>	<b>265,347</b>
Executive and council	46,559	49,315	57,497	17,808	44,886	27,240	17,646	65%	57,497
Finance and administration	167,516	169,450	194,961	70,438	144,504	43,941	100,563	229%	194,961
Internal audit	8,950	9,864	12,888	9,320	10,964	1,644	9,320	567%	12,888
<b>Community and public safety</b>	<b>36,265</b>	<b>94,154</b>	<b>100,671</b>	<b>15,555</b>	<b>19,559</b>	<b>28,521</b>	<b>(8,962)</b>	<b>-31%</b>	<b>100,671</b>
Community and social services	9,633	10,636	15,485	4,011	5,692	2,308	3,384	147%	15,485
Sport and recreation	12,104	13,344	15,012	11,402	13,621	2,238	11,382	509%	15,012
Public safety	14,529	70,174	70,174	142	246	23,974	(23,728)	-99%	70,174
<b>Economic and environmental services</b>	<b>132,942</b>	<b>121,857</b>	<b>131,744</b>	<b>50,270</b>	<b>84,588</b>	<b>39,825</b>	<b>44,763</b>	<b>112%</b>	<b>131,744</b>
Planning and development	21,248	23,604	27,619	16,959	21,129	4,725	16,403	347%	27,619
Road transport	110,541	96,853	102,596	32,744	61,842	34,068	27,774	82%	102,596
Environmental protection	1,153	1,400	1,529	567	1,617	1,032	585	57%	1,529
<b>Trading services</b>	<b>139,107</b>	<b>161,488</b>	<b>161,258</b>	<b>41,177</b>	<b>81,477</b>	<b>63,969</b>	<b>17,509</b>	<b>27%</b>	<b>161,258</b>
Energy sources	110,981	130,709	127,150	30,158	55,588	56,569	(980)	-2%	127,150
Waste management	28,126	30,779	34,107	11,019	25,889	7,400	18,489	250%	34,107
<b>Total Revenue - Functional</b>	<b>531,340</b>	<b>606,129</b>	<b>659,019</b>	<b>204,570</b>	<b>385,979</b>	<b>205,139</b>	<b>180,839</b>	<b>88%</b>	<b>659,019</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>210,068</b>	<b>216,242</b>	<b>243,085</b>	<b>61,119</b>	<b>100,935</b>	<b>95,845</b>	<b>5,090</b>	<b>5%</b>	<b>243,085</b>
Executive and council	50,877	49,314	56,334	10,251	20,253	20,561	(308)	-1%	56,334
Finance and administration	152,835	158,383	178,206	49,972	79,419	70,904	8,514	12%	178,206
Internal audit	6,356	8,545	8,545	896	1,263	4,379	(3,116)	-71%	8,545
<b>Community and public safety</b>	<b>25,269</b>	<b>61,707</b>	<b>66,773</b>	<b>8,274</b>	<b>14,972</b>	<b>25,143</b>	<b>(10,171)</b>	<b>-40%</b>	<b>66,773</b>
Community and social services	5,097	8,269	10,680	1,684	3,113	3,281	(168)	-5%	10,680
Sport and recreation	6,833	10,698	12,348	2,042	3,695	4,224	(529)	-13%	12,348
Public safety	13,339	42,740	43,745	4,548	8,164	17,638	(9,474)	-54%	43,745
<b>Economic and environmental services</b>	<b>91,700</b>	<b>97,667</b>	<b>103,541</b>	<b>14,479</b>	<b>23,808</b>	<b>40,713</b>	<b>(16,904)</b>	<b>-42%</b>	<b>103,541</b>
Planning and development	14,923	16,561	16,571	3,689	6,354	6,769	(414)	-6%	16,571
Road transport	76,178	80,487	86,341	10,606	17,125	33,703	(16,578)	-49%	86,341
Environmental protection	598	619	629	183	329	241	88	36%	629
<b>Trading services</b>	<b>137,538</b>	<b>136,832</b>	<b>144,052</b>	<b>25,883</b>	<b>60,032</b>	<b>52,201</b>	<b>7,831</b>	<b>15%</b>	<b>144,052</b>
Energy sources	93,187	111,667	116,511	17,878	45,517	42,363	3,154	7%	116,511
Waste management	44,351	25,165	27,541	8,005	14,514	9,838	4,677	48%	27,541
<b>Total Expenditure - Functional</b>	<b>464,574</b>	<b>512,449</b>	<b>557,452</b>	<b>109,754</b>	<b>199,747</b>	<b>213,901</b>	<b>(14,155)</b>	<b>-7%</b>	<b>557,452</b>
<b>Surplus/ (Deficit) for the year</b>	<b>66,766</b>	<b>93,680</b>	<b>101,567</b>	<b>94,816</b>	<b>186,232</b>	<b>(8,762)</b>	<b>194,994</b>		<b>101,567</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	Second 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	49,824	15,430	41,529	26,261	15,268	58%	49,824
Vote 2 - Municipal Manager	35,643	39,284	48,962	21,233	34,211	6,547	27,664	423%	48,962
Vote 3 - Budget & Treasury	72,301	66,279	74,294	28,661	47,089	24,320	22,770	94%	74,294
Vote 4 - Corporate Services	40,504	44,328	52,292	17,949	40,653	7,389	33,265	450%	52,292
Vote 5 - Community Services	69,521	135,511	146,509	29,383	50,489	42,227	8,262	20%	146,509
Vote 6 - Technical Services	239,261	241,319	246,627	69,947	134,951	89,184	45,767	51%	246,627
Vote 7 - Developmental Planning	14,650	16,332	18,118	14,015	16,972	3,513	13,459	383%	18,118
Vote 8 - Executive Support	18,229	19,633	22,392	7,950	20,083	5,697	14,386	253%	22,392
<b>Total Revenue by Vote</b>	<b>531,340</b>	<b>606,129</b>	<b>659,019</b>	<b>204,570</b>	<b>385,979</b>	<b>205,139</b>	<b>180,839</b>	<b>88%</b>	<b>659,019</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	42,975	41,789	44,789	9,217	18,042	17,536	506	3%	44,789
Vote 2 - Municipal Manager	49,330	39,198	48,238	14,449	22,684	17,019	5,665	33%	48,238
Vote 3 - Budget & Treasury	55,077	62,769	75,570	23,268	33,226	29,926	3,300	11%	75,570
Vote 4 - Corporate Services	24,723	36,795	36,863	5,325	9,425	16,582	(7,157)	-43%	36,863
Vote 5 - Community Services	77,292	96,097	103,549	18,602	33,805	38,626	(4,821)	-12%	103,549
Vote 6 - Technical Services	186,065	207,387	219,343	30,245	67,201	83,176	(15,975)	-19%	219,343
Vote 7 - Developmental Planning	8,942	11,455	11,465	2,311	3,847	4,625	(778)	-17%	11,465
Vote 8 - Executive Support	20,169	16,960	17,635	6,337	11,517	6,411	5,105	80%	17,635
<b>Total Expenditure by Vote</b>	<b>464,574</b>	<b>512,449</b>	<b>557,452</b>	<b>109,754</b>	<b>199,747</b>	<b>213,901</b>	<b>(14,155)</b>	<b>-7%</b>	<b>557,452</b>
<b>Surplus/ (Deficit) for the year</b>	<b>66,766</b>	<b>93,680</b>	<b>101,567</b>	<b>94,816</b>	<b>186,232</b>	<b>(8,762)</b>	<b>194,994</b>		<b>101,567</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	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	35,773	38,345	38,345	9,814	19,639	15,977	3,662	23%	38,345
Service charges - electricity revenue	87,068	101,945	101,945	23,271	44,015	42,477	1,538	4%	101,945
Service charges - refuse revenue	8,425	8,928	8,928	2,227	4,431	3,720	711	19%	8,928
Rental of facilities and equipment	897	1,220	1,220	171	307	508	(201)	-40%	1,220
Interest earned - external investments	2,068	3,042	3,042	142	225	1,474	(1,249)	-85%	3,042
Interest earned - outstanding debtors	12,170	6,656	6,656	3,932	8,333	2,135	6,198	290%	6,656
Fines, penalties and forfeits	14,570	70,242	70,242	68	181	23,992	(23,810)	-99%	70,242
Licences and permits	3,939	6,344	6,344	1,187	2,369	4,805	(2,436)	-51%	6,344
Transfers and subsidies	273,218	293,916	351,806	141,215	271,840	74,157	197,683	267%	351,806
Other revenue	1,056	931	931	145	351	427	(76)	-18%	931
Gains	-						-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>439,184</b>	<b>531,568</b>	<b>589,458</b>	<b>182,173</b>	<b>351,692</b>	<b>169,671</b>	<b>182,020</b>	<b>107%</b>	<b>589,458</b>
<b>Expenditure By Type</b>									
Employee related costs	141,837	169,749	170,616	43,100	78,690	67,190	11,500	17%	170,616
Remuneration of councillors	24,575	26,525	26,525	6,097	12,157	11,052	1,105	10%	26,525
Debt impairment	13,246	42,658	42,658	-	-	17,774	(17,774)	-100%	42,658
Depreciation & asset impairment	56,343	55,163	55,163	-	-	22,985	(22,985)	-100%	55,163
Finance charges	3,538	1,184	1,184	798	2,098	1,502	595	40%	1,184
Bulk purchases	81,428	94,047	94,047	14,527	40,973	34,206	6,767	20%	94,047
Other materials	11,713	17,929	28,723	4,021	6,994	9,584	(2,590)	-27%	28,723
Contracted services	83,969	60,660	80,799	23,400	34,990	29,200	5,790	20%	80,799
Transfers and subsidies	2,984	3,468	3,468	858	1,653	1,307	346	26%	3,468
Other expenditure	46,003	41,067	54,269	16,953	22,192	19,101	3,090	16%	54,269
Losses	(1,060)	-					-		-
<b>Total Expenditure</b>	<b>464,574</b>	<b>512,449</b>	<b>557,452</b>	<b>109,754</b>	<b>199,747</b>	<b>213,901</b>	<b>(14,155)</b>	<b>-7%</b>	<b>557,452</b>
<b>Surplus/(Deficit)</b>	<b>(25,390)</b>	<b>19,119</b>	<b>32,006</b>	<b>72,419</b>	<b>151,945</b>	<b>(44,230)</b>	<b>196,175</b>	<b>-444%</b>	<b>32,006</b>
Transfers and subsidies - capital (monetary allocations)	70,685	74,561	69,561	22,397	34,287	35,468	(1,181)	-3%	69,561
Transfers and subsidies - capital (monetary allocations)	21,471	-					-		-
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>66,766</b>	<b>93,680</b>	<b>101,567</b>	<b>94,816</b>	<b>186,232</b>	<b>(8,762)</b>			<b>101,567</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>66,766</b>	<b>93,680</b>	<b>101,567</b>	<b>94,816</b>	<b>186,232</b>	<b>(8,762)</b>			<b>101,567</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>66,766</b>	<b>93,680</b>	<b>101,567</b>	<b>94,816</b>	<b>186,232</b>	<b>(8,762)</b>			<b>101,567</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>66,766</b>	<b>93,680</b>	<b>101,567</b>	<b>94,816</b>	<b>186,232</b>	<b>(8,762)</b>			<b>101,567</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.

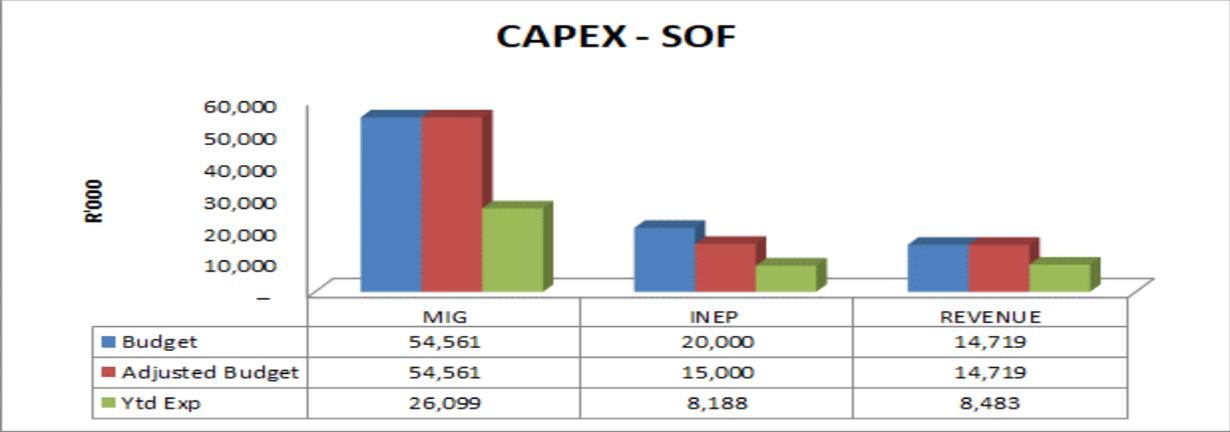
**Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding**

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	1,957	1,900	1,900	353	469	1,051	(582)	-55%	1,900
Executive and council							-		
Finance and administration	1,957	1,900	1,900	353	469	1,051	(582)	-55%	1,900
Internal audit							-		
<b>Community and public safety</b>	-	2,200	2,200	29	29	790	(761)	-96%	2,200
Community and social services		600	600	-	-	450	(450)	-100%	600
Sport and recreation		1,000	1,000	29	29	340	(311)	-92%	1,000
Public safety		600	600	-	-	-	-		600
Housing							-		
Health							-		
<b>Economic and environmental services</b>	69,833	64,830	64,830	14,993	30,256	21,673	8,583	40%	64,830
Planning and development							-		
Road transport	69,833	64,830	64,830	14,993	30,256	21,673	8,583	40%	64,830
Environmental protection							-		
<b>Trading services</b>	20,378	20,350	15,350	4,333	7,065	8,207	(1,142)	-14%	15,350
Energy sources	18,954	20,350	15,350	4,333	7,065	8,207	(1,142)	-14%	15,350
Waste management	1,424	-					-		-
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>92,168</b>	<b>89,280</b>	<b>84,280</b>	<b>19,708</b>	<b>37,819</b>	<b>31,721</b>	<b>6,098</b>	<b>19%</b>	<b>84,280</b>
<b>Funded by:</b>									
National Government	56,721	74,561	69,561	16,212	29,337	26,702	2,635	10%	69,561
Provincial Government	21,471	-					-		-
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	<b>78,193</b>	<b>74,561</b>	<b>69,561</b>	<b>16,212</b>	<b>29,337</b>	<b>26,702</b>	<b>2,635</b>	<b>10%</b>	<b>69,561</b>
Borrowing							-		
Internally generated funds	13,975	14,719	14,719	3,496	8,483	5,020	3,463	69%	14,719
<b>Total Capital Funding</b>	<b>92,168</b>	<b>89,280</b>	<b>84,280</b>	<b>19,708</b>	<b>37,819</b>	<b>31,721</b>	<b>6,098</b>	<b>19%</b>	<b>84,280</b>

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

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Second 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	1,050	299	415	500	(85)	-17%	1,050
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	46,151	13,240	8,629	3,407	7,234	3,770	3,463	92%	8,140
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>46,151</b>	<b>14,290</b>	<b>9,679</b>	<b>3,706</b>	<b>7,649</b>	<b>4,270</b>	<b>3,378</b>	<b>79%</b>	<b>9,190</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	350	350	-	-	350	(350)	-100%	350
Vote 4 - Corporate Services	633	500	500	54	54	201	(147)	-73%	500
Vote 5 - Community Services	1,424	2,200	2,200	29	29	790	(761)	-96%	2,200
Vote 6 - Technical Services	43,960	71,939	71,551	15,919	30,088	26,110	3,978	15%	72,039
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>46,017</b>	<b>74,989</b>	<b>74,601</b>	<b>16,002</b>	<b>30,171</b>	<b>27,451</b>	<b>2,720</b>	<b>10%</b>	<b>75,089</b>
<b>Total Capital Expenditure</b>	<b>92,168</b>	<b>89,280</b>	<b>84,280</b>	<b>19,708</b>	<b>37,819</b>	<b>31,721</b>	<b>6,098</b>	<b>19%</b>	<b>84,280</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. R37, 819 million spending was incurred on capital budget, year to date budget is R31, 721 million, and this gave rise to over performance variance of R6, 098 million that translates to 19%.



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, R15, 000 million from INEP and R14, 719 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	1,929	12,300	15,784	96,470	15,784
Call investment deposits	–	8,056	18,056	–	18,056
Consumer debtors	65,806	54,594	54,594	83,519	54,594
Other debtors	53,542	53,957	53,957	94,675	53,957
Current portion of long-term receivables	–			–	
Inventory	8,190	5,510	5,510	10,096	5,510
<b>Total current assets</b>	<b>129,467</b>	<b>134,416</b>	<b>147,899</b>	<b>284,760</b>	<b>147,899</b>
<b>Non current assets</b>					
Long-term receivables				–	
Investments	–	–		–	–
Investment property	60,324	48,000	48,000	60,324	48,000
Investments in Associate					
Property, plant and equipment	1,048,853	1,223,249	1,223,249	1,086,673	1,223,249
Biological				–	
Intangible	31	30	30	31	30
Other non-current assets	15,811	14,752	14,752	1,928	14,752
<b>Total non current assets</b>	<b>1,125,020</b>	<b>1,286,031</b>	<b>1,286,031</b>	<b>1,148,956</b>	<b>1,286,031</b>
<b>TOTAL ASSETS</b>	<b>1,254,487</b>	<b>1,420,447</b>	<b>1,433,930</b>	<b>1,433,716</b>	<b>1,433,930</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–		–	–
Borrowing	10,975	10,980	10,980	10,239	10,980
Consumer deposits	5,516	5,701	5,701	5,731	5,701
Trade and other payables	106,573	71,167	71,167	121,382	71,167
Provisions	2,504	5,857	5,857	2,754	5,857
<b>Total current liabilities</b>	<b>125,568</b>	<b>93,706</b>	<b>93,706</b>	<b>140,106</b>	<b>93,706</b>
<b>Non current liabilities</b>					
Borrowing	2,444	–	–	–	–
Provisions	76,807	94,548	94,548	73,611	94,548
<b>Total non current liabilities</b>	<b>79,251</b>	<b>94,548</b>	<b>94,548</b>	<b>73,611</b>	<b>94,548</b>
<b>TOTAL LIABILITIES</b>	<b>204,819</b>	<b>188,254</b>	<b>188,254</b>	<b>213,717</b>	<b>188,254</b>
<b>NET ASSETS</b>	<b>1,049,667</b>	<b>1,232,193</b>	<b>1,245,677</b>	<b>1,219,999</b>	<b>1,245,677</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>1,049,667</b>	<b>1,232,193</b>	<b>1,245,677</b>	<b>1,219,999</b>	<b>1,245,677</b>
<b>Reserves</b>					
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,049,667</b>	<b>1,232,193</b>	<b>1,245,677</b>	<b>1,219,999</b>	<b>1,245,677</b>

The above table shows that community wealth amounts to R1, 219 billion, total liabilities R213, 717 million and the total assets R1, 433 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	Second 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	26,841	6,227	12,504	13,479	(975)	-7%	26,841
Service charges	83,646	94,138	94,138	21,416	41,213	47,275	(6,062)	-13%	94,138
Other revenue	21,376	20,268	20,268	6,589	12,314	11,381	933	8%	20,268
Transfers and Subsidies - Operational	273,214	293,916	351,806	141,205	274,294	270,517	3,777	1%	351,806
Transfers and Subsidies - Capital	73,921	74,561	69,561	38,480	59,950	54,920	5,030	9%	69,561
Interest	1,768	4,373	4,373	335	747	2,506	(1,759)	-70%	4,373
<b>Payments</b>									
Suppliers and employees	(447,788)	(401,012)	(440,419)	(126,351)	(259,560)	(209,796)	49,764	-24%	(440,419)
Finance charges	(2,592)	(1,184)	(1,184)	(798)	(2,098)	(1,064)	1,034	-97%	(1,184)
Transfers and Grants	(2,632)	(3,468)	(3,468)	(858)	(1,653)	(1,554)	99	-6%	(3,468)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>25,247</b>	<b>108,434</b>	<b>121,917</b>	<b>86,244</b>	<b>137,712</b>	<b>187,663</b>	<b>49,951</b>	<b>27%</b>	<b>121,917</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)	(84,280)	(19,708)	(37,819)	(41,589)	(3,770)	9%	(84,280)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(85,303)</b>	<b>(87,593)</b>	<b>(84,280)</b>	<b>(19,708)</b>	<b>(37,819)</b>	<b>(41,589)</b>	<b>(3,770)</b>	<b>9%</b>	<b>(84,280)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	(500)	(500)	-	-	(281)	281	-100%	(500)
Increase (decrease) in consumer deposits	196	-	-	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	(9,670)	(10,980)	(10,980)	(2,710)	(5,352)	(5,311)	41	-1%	(10,980)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,474)</b>	<b>(11,480)</b>	<b>(11,480)</b>	<b>(2,710)</b>	<b>(5,352)</b>	<b>(5,592)</b>	<b>(240)</b>	<b>4%</b>	<b>(11,480)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(69,530)</b>	<b>9,361</b>	<b>26,158</b>	<b>63,826</b>	<b>94,541</b>	<b>140,483</b>			<b>26,158</b>
Cash/cash equivalents at beginning:	24,982	10,995	10,995		1,929	10,995			1,929
Cash/cash equivalents at month/year end:	(44,548)	20,356	37,152		96,470	151,477			28,087

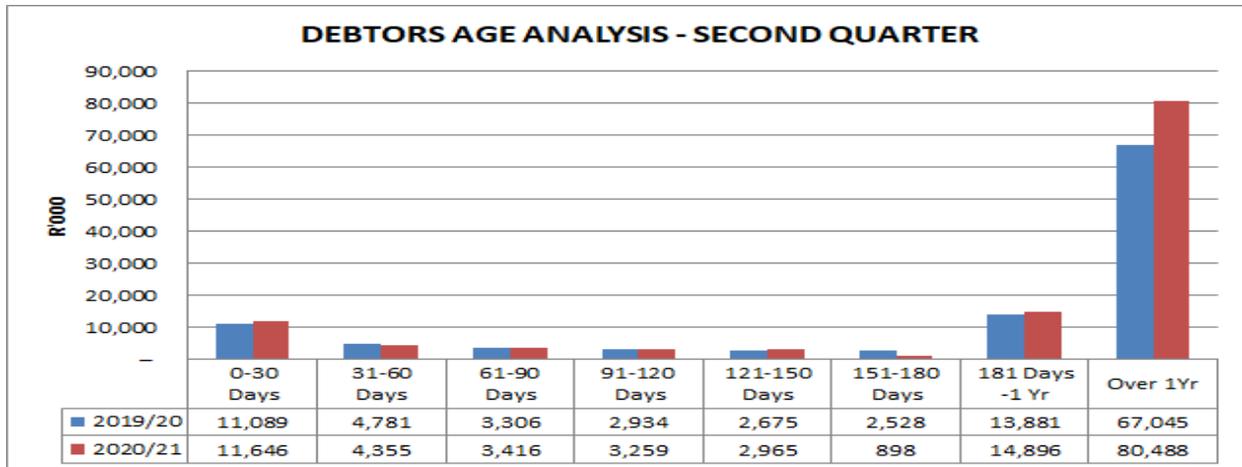
Table C7 provides details of the monthly cash in and outflow. For the quarter ending 31 December 2020 the net cash from operating activities is R137, 712 million whilst cash used for investing activities is R37, 819 million and the net cash from financing activities is R5, 352 million. The cash and cash equivalent held at end of the Second quarter amounted to R96, 470 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 - Electricity	8,312	1,020	553	328	116	(103)	348	3,072	13,646	3,761		
Receivables from Non-exchange Transactions - Property Rates	3,282	1,458	1,347	1,272	1,215	990	5,799	35,118	50,480	44,393		
Receivables from Exchange Transactions - Waste Management	743	489	429	410	394	382	2,176	11,447	16,470	14,809		
Receivables from Exchange Transactions - Property Rental Debtors	58	26	10	6	5	8	46	995	1,154	1,060		
Interest on Arrear Debtor Accounts	1,336	1,314	1,270	1,235	1,200	1,154	6,309	26,946	40,762	36,842		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	(2,087)	49	(194)	10	35	(1,533)	218	2,912	(590)	1,641		
<b>Total By Income Source</b>	<b>11,646</b>	<b>4,355</b>	<b>3,416</b>	<b>3,259</b>	<b>2,965</b>	<b>898</b>	<b>14,896</b>	<b>80,488</b>	<b>121,922</b>	<b>102,506</b>	<b>-</b>	<b>-</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>									13,684			
Organs of State	1,518	928	687	927	720	(772)	3,372	18,944	26,323	23,191		
Commercial	5,710	1,040	759	475	443	157	1,915	10,634	21,135	13,625		
Households	3,556	1,668	1,376	1,302	1,242	1,075	6,518	31,985	48,723	42,122		
Other	862	718	593	555	559	438	3,091	18,926	25,741	23,568		
<b>Total By Customer Group</b>	<b>11,646</b>	<b>4,355</b>	<b>3,416</b>	<b>3,259</b>	<b>2,965</b>	<b>898</b>	<b>14,896</b>	<b>80,488</b>	<b>121,922</b>	<b>102,506</b>	<b>-</b>	<b>-</b>

Table provides a breakdown of the consumer and sundry debtors at the end of the quarter. The outstanding debtors amounted to R121, 922 million as at 31 December 2020. Consumer debtors amounts to R81, 750 million and sundry debtors amounts to R 40, 172 million as at end of the Second quarter.



The graph compares debtors' age analysis for 2019/20 financial year and 2020/21 (as at end of Second 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 Second quarter.

**Table SC5: Investment Portfolio Analysis**

Supporting Table SC5 displays the council's investments portfolio and indicates that the municipality has not invested in the second quarter.

**Table SC6- Allocation and grant receipts**

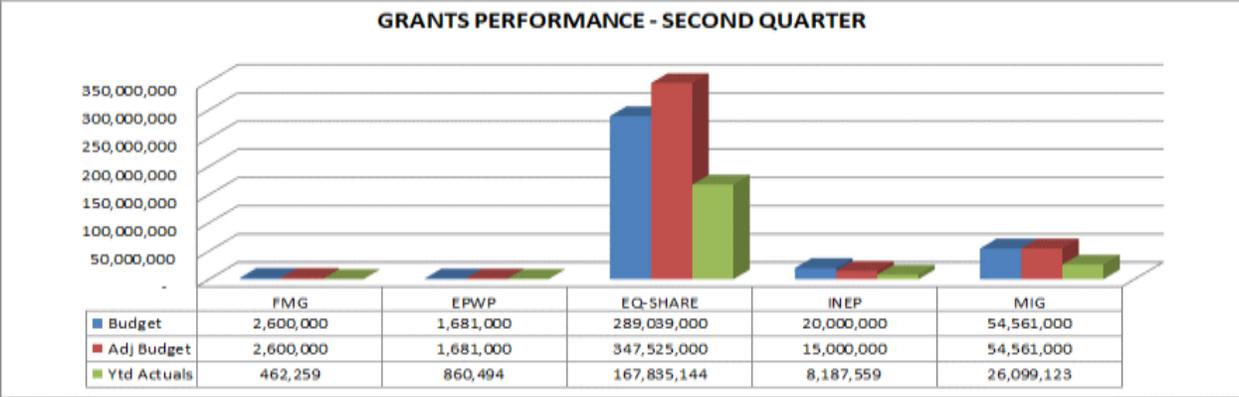
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>273,218</b>	<b>293,320</b>	<b>351,806</b>	<b>141,205</b>	<b>274,294</b>	<b>175,619</b>	<b>98,675</b>	<b>56%</b>	<b>351,806</b>
Local Government Equitable Share	269,013	289,039	347,525	140,449	270,517	172,056	98,461	57%	347,525
Finance Management	2,235	2,600	2,600	–	2,600	2,600	–		2,600
EPWP Incentive	1,374	1,681	1,681	756	1,177	963	214	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>
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 Transfers and Grants</b>	<b>273,218</b>	<b>293,320</b>	<b>351,806</b>	<b>141,205</b>	<b>274,294</b>	<b>175,619</b>	<b>229,420</b>	<b>56%</b>	<b>351,806</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>69,561</b>	<b>23,650</b>	<b>59,950</b>	<b>53,936</b>	<b>23,982</b>	<b>10%</b>	<b>69,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561	54,561	15,650	46,950	41,436	5,514	13%	54,561
Intergrated National Electrification Grant	19,000	20,000	15,000	8,000	13,000	12,500			15,000
<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 Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>69,561</b>	<b>23,650</b>	<b>59,950</b>	<b>53,936</b>	<b>5,514</b>	<b>10%</b>	<b>69,561</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>368,910</b>	<b>367,881</b>	<b>421,367</b>	<b>164,855</b>	<b>334,244</b>	<b>229,555</b>	<b>104,189</b>	<b>45%</b>	<b>421,367</b>

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R334, 244 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	Second 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>273,218</b>	<b>293,320</b>	<b>351,806</b>	<b>96,341</b>	<b>169,158</b>	<b>175,619</b>	<b>(6,461)</b>	<b>-4%</b>	<b>351,806</b>
Local Government Equitable Share	269,013	289,039	347,525	95,575	167,835	172,056	(4,221)	-2%	347,525
Finance Management	2,235	2,600	2,600	335	462	2,600	(2,138)	-82%	2,600
EPWP Incentive	1,374	1,681	1,681	431	860	963	(103)	-11%	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 expenditure of Transfers and Grants:</b>	<b>273,218</b>	<b>293,320</b>	<b>351,806</b>	<b>96,341</b>	<b>169,158</b>	<b>175,619</b>	<b>(6,461)</b>	<b>-4%</b>	<b>351,806</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>70,685</b>	<b>74,561</b>	<b>69,561</b>	<b>22,397</b>	<b>34,287</b>	<b>53,936</b>	<b>(19,649)</b>	<b>-36%</b>	<b>69,561</b>
Municipal Infrastructure Grant (MIG)	51,731	54,561	54,561	17,413	26,099	41,436	(15,337)	-37%	54,561
Intergrated National Electrification Grant	18,954	20,000	15,000	4,984	8,188	12,500	(4,312)	-34%	15,000
<b>Provincial Government:</b>	<b>21,471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Coghsta - Development	21,471	-	-	-	-	-	-	-	-
<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 expenditure of Transfers and Grants</b>	<b>92,156</b>	<b>74,561</b>	<b>69,561</b>	<b>22,397</b>	<b>34,287</b>	<b>53,936</b>	<b>(19,649)</b>	<b>-36%</b>	<b>69,561</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>365,374</b>	<b>367,881</b>	<b>421,367</b>	<b>118,738</b>	<b>203,445</b>	<b>229,555</b>	<b>(26,111)</b>	<b>-11%</b>	<b>421,367</b>

A total amount of R203, 445 million has been spent on grants during the Second quarter and the year to date budget thereof amount to R229, 555 million and this resulted in underspending variance of R26, 111 million that translates to 11%. Of the total spending amounting to R203, 445 million, R169, 158 million is spent on operational grants whilst R34, 287 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 Second quarter. The grants expenditure is shown below in percentages:

- Financial Management Grant 17.78%
- Expanded Public Work Programme 51.19%
- Equitable Share 58.07%
- Municipal Infrastructure Grant 47.83%
- Integrated National Electrification Grant 54.58%

**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	Second 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	15,692	3,575	7,110	6,538	571	9%	15,692
Pension and UIF Contributions	1,713	1,761	1,761	400	805	771	34	4%	1,761
Medical Aid Contributions	319	340	340	98	193	105	88	84%	340
Motor Vehicle Allowance	5,149	5,622	5,622	1,292	2,584	2,342	241	10%	5,622
Cellphone Allowance	2,701	2,877	2,877	677	1,354	1,199	156	13%	2,877
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	235	234	234	56	112	97	14	15%	234
<b>Sub Total - Councillors</b>	<b>24,575</b>	<b>26,525</b>	<b>26,525</b>	<b>6,097</b>	<b>12,157</b>	<b>11,052</b>	<b>1,105</b>	<b>10%</b>	<b>26,525</b>
<b>% increase</b>		<b>8%</b>	<b>8%</b>						<b>8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,938	6,540	6,540	921	2,104	2,725	(621)	-23%	6,540
Pension and UIF Contributions	178	202	202	32	78	90	(11)	-13%	202
Medical Aid Contributions	82	85	85	21	43	35	7	20%	85
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	661	791	791	108	246	330	(84)	-26%	791
Cellphone Allowance	168	–	103	28	63	54	8	15%	103
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	446	376	376	237	325	25	300	1203%	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>8,096</b>	<b>1,347</b>	<b>2,858</b>	<b>3,259</b>	<b>(401)</b>	<b>-12%</b>	<b>8,096</b>
<b>% increase</b>		<b>23%</b>	<b>25%</b>						<b>25%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	87,892	99,984	99,984	23,607	46,988	41,660	5,328	13%	99,984
Pension and UIF Contributions	17,806	26,133	26,133	4,775	9,508	10,889	(1,380)	-13%	26,133
Medical Aid Contributions	5,555	8,477	8,598	1,292	2,590	3,532	(942)	-27%	8,598
Overtime	1,443	974	974	254	541	406	135	33%	974
Motor Vehicle Allowance	11,056	12,848	12,955	3,041	5,993	5,353	640	12%	12,955
Cellphone Allowance	1,786	102	152	480	943	42	901	2122%	152
Housing Allowances	179	17	25	53	102	7	95	1342%	25
Other benefits and allowances	5,710	12,488	12,967	7,829	8,234	1,791	6,444	360%	12,967
Payments in lieu of leave	3,479	–	–	340	424	89	336	378%	–
Long service awards	439	733	733	81	509	305	203	67%	733
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>	<b>135,345</b>	<b>161,756</b>	<b>162,520</b>	<b>41,753</b>	<b>75,832</b>	<b>64,074</b>	<b>11,758</b>	<b>18%</b>	<b>162,520</b>
<b>% increase</b>		<b>20%</b>	<b>20%</b>						<b>20%</b>
<b>Total Parent Municipality</b>	<b>166,412</b>	<b>196,274</b>	<b>197,141</b>	<b>49,196</b>	<b>90,847</b>	<b>78,385</b>	<b>12,462</b>	<b>16%</b>	<b>197,141</b>
		<b>18%</b>	<b>18%</b>						<b>18%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>166,412</b>	<b>196,274</b>	<b>197,141</b>	<b>49,196</b>	<b>90,847</b>	<b>78,385</b>	<b>12,462</b>	<b>16%</b>	<b>197,141</b>
<b>% increase</b>		<b>18%</b>	<b>18%</b>						<b>18%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>141,837</b>	<b>169,749</b>	<b>170,616</b>	<b>43,100</b>	<b>78,690</b>	<b>67,333</b>	<b>11,357</b>	<b>17%</b>	<b>170,616</b>

This table provides the details for councilor and employee benefits. For the Second quarter the total salaries, allowances and benefits amounted to R78, 385 million which deviates with R11, 357 million from the planned figure.

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

Description	Budget Year 2020/21				2020/21 Medium Term Revenue		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Budget	Budget	Budget
	Outcome	Outcome	Budget	Budget	Year	Year +1	Year +2
<b>Cash Receipts By Source</b>							
Property rates	6,277	6,227	6,721	7,616	26,841	28,076	29,367
Service charges - electricity revenue	18,776	20,309	21,543	28,064	88,692	92,772	97,039
Service charges - refuse	1,021	1,107	1,408	1,910	5,446	5,697	5,959
Rental of facilities and equipment	137	96	215	412	860	899	941
Interest earned - external investments	83	29	503	2,426	3,042	3,182	3,328
Interest earned - outstanding debtors	329	305	233	464	1,331	1,392	1,457
Fines, penalties and forfeits	113	68	3,100	8,852	12,134	12,554	12,994
Licences and permits	1,182	1,187	412	3,562	6,344	6,635	6,941
Transfers and Subsidies - Operational	133,089	141,205	78,685	(59,063)	293,916	314,089	333,501
Other revenue	4,293	5,238	225	(8,825)	931	974	1,018
<b>Cash Receipts by Source</b>	<b>165,301</b>	<b>175,772</b>	<b>113,046</b>	<b>(14,582)</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	38,480	19,641	(5,030)	74,561	77,207	72,606
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	126	(126)	-	-	-
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	(108)	(392)	(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>214,252</b>	<b>132,705</b>	<b>(20,130)</b>	<b>513,598</b>	<b>542,997</b>	<b>564,630</b>
<b>Cash Payments by Type</b>							
Employee related costs	35,590	43,100	39,727	51,331	169,749	177,557	185,725
Remuneration of councillors	6,061	6,097	6,549	7,818	26,525	27,745	29,021
Interest paid	1,300	798	120	(1,034)	1,184	83	15
Bulk purchases - Electricity	39,478	15,371	25,269	13,930	94,047	98,937	107,743
Other materials	2,973	1,474	2,634	1,883	8,964	12,707	13,522
Contracted services	40,286	25,315	11,004	(15,945)	60,660	57,320	59,107
Grants and subsidies paid - other	794	858	1,172	643	3,468	3,605	3,747
General expenses	8,821	34,995	9,606	(12,356)	41,067	39,436	41,140
<b>Cash Payments by Type</b>	<b>135,303</b>	<b>128,008</b>	<b>96,082</b>	<b>46,271</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	19,708	22,358	27,416	87,593	93,994	94,483
Repayment of borrowing	2,642	2,710	2,784	2,844	10,980	2,489	-
Other Cash Flows/Payments							
<b>Total Cash Payments by Type</b>	<b>156,056</b>	<b>150,425</b>	<b>121,224</b>	<b>76,530</b>	<b>504,236</b>	<b>513,874</b>	<b>534,504</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>30,715</b>	<b>63,826</b>	<b>11,481</b>	<b>(96,660)</b>	<b>9,361</b>	<b>29,123</b>	<b>30,126</b>
Cash/cash equivalents at the month/year beginning:	150,821	43,800	208,922	240,179	1,929	11,291	40,414
Cash/cash equivalents at the month/year end:	181,536	107,626	220,403	143,519	11,291	40,414	70,540

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 Second quarter, cash receipts reflect an amount of R214, 252 million whilst the total cash payment is R150, 425 million. The cash and cash equivalent at end the quarter amounted to R107, 626 million that is inclusive of unspent conditional grants amounting to R38, 232 million.

**Table SC12: Capital Expenditure Trend**

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
First Quarter	14,245	19,670	19,670	18,111	26,647	36,915	10,268	122%	30%
Second Quarter	34,419	24,059	24,059	19,708	88,087	103,924	15,837	45%	99%
Third Quarter	23,714	14,999	14,999	–	–	158,673	–	0%	0%
Fourth Quarter	25,583	30,551	25,551	–	–	230,624	–	0%	0%
<b>Total Capital expenditure</b>	<b>97,961</b>	<b>89,280</b>	<b>84,280</b>	<b>37,819</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 Second quarter amounts to R19, 708 million. The year to date actual amounts to R88, 087 and year to date capital budget is R103, 924 million that gives rise to underspending variance of R15, 837 million that translate to 45%.

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Second 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>	67,457	20,000	15,000	4,333	7,065	7,997	932	12%	15,000
<b>Roads Infrastructure</b>	51,346	-	-	-	-	-	-		-
Roads	51,346	-	-	-	-	-	-		-
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	16,111	20,000	15,000	4,333	7,065	7,997	932	12%	15,000
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	16,111	20,000	15,000	4,333	7,065	7,997	932	12%	15,000
<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	2,339	307	1,350	739	(611)	-83%	2,339
Municipal Offices		600	600	-	-	-	-		600
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops		1,739	1,739	307	1,350	739	(611)	-83%	1,739
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	38	250	250	242	242	200	(42)	-21%	250
Computer Equipment	38	250	250	242	242	200	(42)	-21%	250
<b>Furniture and Office Equipment</b>	526	800	800	57	173	300	127	42%	800
Furniture and Office Equipment	526	800	800	57	173	300	127	42%	800
<b>Machinery and Equipment</b>	1,492	1,200	1,200	54	54	761	707	93%	1,200
Machinery and Equipment	1,492	1,200	1,200	54	54	761	707	93%	1,200
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on new assets</b>	69,514	24,589	19,589	4,993	8,884	9,997	1,113	11%	19,589

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Second 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>	10,527	46,940	46,940	13,521	27,741	15,729	(12,013)	-76%	46,940
<b>Roads Infrastructure</b>	10,527	39,222	45,864	13,521	27,741	10,741	(17,000)	-158%	39,222
Roads	10,527	39,222	45,864	13,521	27,741	10,741	(17,000)	-158%	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	1,076	-	-	4,988	4,988	100%	7,719
Landfill Sites		7,719	1,076			4,988	4,988	100%	7,719
Waste Transfer Stations							-		
<b>Community Assets</b>	-	600	600	-	-	450	450	100%	600
Community Facilities	-	600	600	-	-	450	450	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>	10,527	47,540	47,540	13,521	27,741	16,179	(11,563)	-71.5%	47,540

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Second 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	9,729	15,672	3,125	3,838	5,225	1,386	27%	17,772
<b>Roads Infrastructure</b>	161	4,892	5,783	2,111	2,189	1,857	(332)	-18%	7,783
Roads	161	4,892	5,783	2,111	2,189	1,857	(332)	-18%	7,783
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	2,180	1,845	5,689	220	222	2,121	1,899	90%	4,689
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,180	1,845	5,689	220	222	2,121	1,899	90%	4,689
<b>Solid Waste Infrastructure</b>	2,778	2,993	4,200	793	1,428	1,247	(181)	-14%	5,300
Landfill Sites	2,778	2,993	4,200	793	1,428	1,247	(181)	-14%	5,300
Waste Transfer Stations							-		
<b>Community Assets</b>	-	306	1,806	24	50	119	69	58%	1,806
Community Facilities	-	306	1,806	24	50	119	69	58%	1,806
Libraries							-		
Parks		306	1,806	24	50	119	69	58%	1,806
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	1,497	1,845	3,690	112	211	1,062	852	80%	3,690
Operational Buildings	1,497	1,845	3,690	112	211	1,062	852	80%	3,690
Workshops							-		
<b>Intangible Assets</b>	-	425	425	-	-	174	174	100%	425
Servitudes							-		
Licences and Rights	-	425	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	2,364	310	463	506	43	8%	2,364
Machinery and Equipment	1,306	1,214	2,364	310	463	506	43	8%	2,364
<b>Transport Assets</b>	2,727	1,854	2,368	99	1,656	590	(1,066)	-181%	3,038
Transport Assets	2,727	1,854	2,368	99	1,656	590	(1,066)	-181%	3,038
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,649</b>	<b>15,373</b>	<b>26,325</b>	<b>3,669</b>	<b>6,218</b>	<b>7,675</b>	<b>1,457</b>	<b>19.0%</b>	<b>29,095</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 R4, 993 million for the Second quarter, which reflects a 11% variance when compared to the quarterly target.

For renewal and upgrading of existing assets to R13, 521 million has been spent during the Second quarter on renewal of assets. This reflects 74.5% variance when compared to the target.

The repairs and maintenance for the Second quarter amounted to R 3, 669 million reflecting a 19% variance when compared to the Second 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 31 December 2020 have been prepared in accordance with the Municipal Finance Management Act and the regulation made under the Act

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature *Kgwale Meshack*  
Date 20/01/2021

**Elias Motsoaledi Local  
Municipality**  
20 JAN 2021  
**Municipal Manager**