

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



SECTION 52 REPORT: 2021/22

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	2021/22			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	546,626,097	-	316,494,298	58%
		-		
OPERATING EXPENDITURE	532,674,879	-	228,193,375	43%
		-		
TRANSFER - CAPITAL	79,332,000	-	33,420,442	42%
SURPLUS/(DEFICIT)	93,283,218	-	121,721,365	130%
CAPITAL EXPENDITURE	88,032,000	-	29,786,316	34%

Table C1: Quarterly Budget Statement Summary

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	39,442	38,865	-	9,839	19,978	19,723	255	1%	38,865
Service charges	97,738	113,490	-	26,135	53,696	54,778	(1,082)	-2%	113,490
Investment revenue	585	1,900	-	201	860	1,380	(521)	-38%	1,900
Transfers and subsidies	351,908	307,637	-	101,681	229,131	210,751	18,379	9%	307,637
Other own revenue	27,313	84,734	-	6,465	12,830	45,994	(33,163)	-72%	84,734
Total Revenue (excluding capital transfers and contributions)	516,985	546,626	-	144,321	316,494	332,627	(16,132)	-5%	546,626
Employee costs	150,619	163,212	-	45,292	80,591	81,437	(846)	-1%	163,212
Remuneration of Councillors	24,279	27,334	-	6,289	12,350	13,667	(1,317)	-10%	27,334
Depreciation & asset impairment	58,788	58,392	-	-	-	29,196	(29,196)	-100%	58,392
Finance charges	3,516	3,729	-	7	39	2,369	(2,330)	-98%	3,729
Materials and bulk purchases	114,603	129,586	-	30,169	62,868	61,516	1,353	2%	129,586
Transfers and subsidies	1,402	3,784	-	648	1,412	1,792	(380)	-21%	3,784
Other expenditure	189,313	146,638	-	36,677	70,933	80,014	(9,082)	-11%	146,638
Total Expenditure	542,520	532,675	-	119,083	228,193	269,992	(41,798)	-15%	532,675
Surplus/(Deficit)	(25,535)	13,951	-	25,238	88,301	62,635	25,666	41%	13,951
Transfers and subsidies - capital (monetary allocations)	68,450	79,332	-	13,280	33,420	44,235	(10,814)	-24%	79,332
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	42,916	93,283	-	38,518	121,721	106,870	14,851	14%	93,283
Surplus/ (Deficit) for the year	42,916	93,283	-	38,518	121,721	106,870	14,851	14%	93,283
Capital expenditure & funds sources									
Capital expenditure	85,102	88,032	-	12,807	29,786	64,655	(34,869)	-54%	88,032
Capital transfers recognised	79,029	79,332	-	12,309	28,829	58,768	(29,939)	-51%	79,332
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	6,073	8,700	-	498	957	5,886	(4,929)	-84%	8,700
Total sources of capital funds	85,102	88,032	-	12,807	29,786	64,655	(34,869)	-54%	88,032
Financial position									
Total current assets	155,157	165,299	-	-	245,426	-	-	-	165,299
Total non current assets	1,138,294	1,305,435	-	-	1,168,308	-	-	-	1,305,435
Total current liabilities	122,770	111,087	-	-	127,379	-	-	-	111,087
Total non current liabilities	74,813	114,907	-	-	77,486	-	-	-	114,907
Community wealth/Equity	1,095,868	1,244,739	-	-	1,208,869	-	-	-	1,244,739
Cash flows									
Net cash from (used) operating	102,726	97,304	-	63,095	102,630	164,559	61,929	38%	97,304
Net cash from (used) investing	(84,301)	(80,993)	-	(6,893)	(29,786)	(63,786)	(34,000)	53%	(80,993)
Net cash from (used) financing	(13,938)	(11,947)	-	25	(2,486)	(7,501)	(5,016)	67%	(11,947)
Cash/cash equivalents at the month/year end	6,415	31,852	-	-	76,773	120,758	43,985	36%	10,780
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	13,943	5,034	3,654	3,242	3,118	3,276	17,899	90,645	140,813
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Revenue

For the second quarter of July to December 2021, the year to date actual amounted to R316, 494 million with the year to date budget of R332, 627 which shows negative 5% year to date variance when compared to the year to date budget. Of the total revenue received during the second quarter, the major portion of R227, 092 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 R228, 193 million with the year to date budget of R269, 992 million which shows negative 15% 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 R29, 786 million and the year to date budget amounts to R64, 655 million and this deviates with negative 54% 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 2021 amounts to R121, 721 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of December amounts to R140, 813 million and this shows an increase of R15, 802 million as compared to R125, 011 million as at end of 2020/21 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 R89, 537 million and other debtors amounting to R51, 276 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	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	273,364	245,185	-	81,803	177,919	164,190	13,729	8%	245,185
Executive and council	56,129	48,669	-	22,573	42,852	32,927	9,925	30%	48,669
Finance and administration	203,805	184,328	-	56,170	126,930	123,652	3,278	3%	184,328
Internal audit	13,430	12,188	-	3,059	8,138	7,611	526	7%	12,188
Community and public safety	32,043	88,396	-	6,547	16,329	51,565	(35,237)	-68%	88,396
Community and social services	11,515	9,924	-	3,874	8,012	7,706	305	4%	9,924
Sport and recreation	17,675	13,472	-	2,627	8,227	9,952	(1,725)	-17%	13,472
Public safety	2,853	65,000	-	46	90	33,907	(33,817)	-100%	65,000
Economic and environmental services	136,383	126,286	-	36,677	83,320	70,572	12,748	18%	126,286
Planning and development	30,386	24,295	-	7,708	17,425	14,368	3,057	21%	24,295
Road transport	104,380	99,173	-	27,950	63,702	54,063	9,639	18%	99,173
Environmental protection	1,617	2,818	-	1,020	2,194	2,141	52	2%	2,818
Trading services	143,645	166,092	-	32,574	72,347	90,535	(18,188)	-20%	166,092
Energy sources	109,642	134,030	-	25,619	53,495	68,829	(15,334)	-22%	134,030
Waste management	34,003	32,062	-	6,954	18,852	21,706	(2,854)	-13%	32,062
Total Revenue - Functional	585,436	625,958	-	157,601	349,915	376,862	(26,947)	-7%	625,958
Expenditure - Functional									
Governance and administration	239,954	199,255	-	52,159	104,489	107,123	(2,634)	-2%	199,255
Executive and council	43,307	42,577	-	8,904	17,503	21,404	(3,901)	-18%	42,577
Finance and administration	188,602	148,683	-	38,693	81,175	81,059	116	0%	148,683
Internal audit	8,045	7,995	-	4,562	5,811	4,660	1,151	25%	7,995
Community and public safety	73,578	76,374	-	8,621	15,561	38,391	(22,830)	-59%	76,374
Community and social services	7,157	7,280	-	1,717	3,032	3,500	(468)	-13%	7,280
Sport and recreation	8,292	12,783	-	2,309	3,956	6,193	(2,237)	-36%	12,783
Public safety	58,129	56,311	-	4,595	8,573	28,698	(20,125)	-70%	56,311
Economic and environmental services	89,082	103,751	-	15,096	30,108	50,182	(20,073)	-40%	103,751
Planning and development	12,907	17,950	-	3,851	6,662	8,108	(1,446)	-18%	17,950
Road transport	75,556	85,136	-	11,192	23,249	41,746	(18,497)	-44%	85,136
Environmental protection	618	665	-	53	197	328	(131)	-40%	665
Trading services	139,906	153,295	-	43,206	78,035	74,296	3,739	5%	153,295
Energy sources	99,470	128,242	-	34,877	62,725	61,404	1,321	2%	128,242
Waste management	40,435	25,053	-	8,329	15,310	12,892	2,417	19%	25,053
Total Expenditure - Functional	542,520	532,675	-	119,083	228,193	269,992	(41,798)	-15%	532,675
Surplus/ (Deficit) for the year	42,916	93,283	-	38,518	121,721	106,870	14,851	14%	93,283

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

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	49,347	42,820	-	20,725	38,567	29,421	9,146	31%	42,820
Vote 2 - Municipal Manager	47,408	42,149	-	9,602	27,164	30,142	(2,978)	-10%	42,149
Vote 3 - Budget & Treasury	84,415	74,785	-	22,771	47,887	47,410	477	1%	74,785
Vote 4 - Corporate Services	51,431	46,749	-	14,388	33,867	29,638	4,229	14%	46,749
Vote 5 - Community Services	75,047	130,531	-	16,838	42,158	79,641	(37,483)	-47%	130,531
Vote 6 - Technical Services	233,125	250,001	-	58,272	129,456	133,407	(3,952)	-3%	250,001
Vote 7 - Developmental Planning	21,988	17,052	-	5,051	11,750	9,096	2,653	29%	17,052
Vote 8 - Executive Support	22,675	21,871	-	9,954	19,067	18,107	960	5%	21,871
Total Revenue by Vote	585,436	625,958	-	157,601	349,915	376,862	(26,947)	-7%	625,958
Expenditure by Vote									
Vote 1 - Executive & Council	37,311	37,114	-	7,815	15,616	18,749	(3,133)	-17%	37,114
Vote 2 - Municipal Manager	47,145	36,199	-	13,262	22,915	19,460	3,454	18%	36,199
Vote 3 - Budget & Treasury	78,812	56,980	-	13,084	33,582	33,895	(313)	-1%	56,980
Vote 4 - Corporate Services	31,806	35,707	-	6,508	12,981	18,251	(5,270)	-29%	35,707
Vote 5 - Community Services	122,250	109,512	-	19,402	35,275	55,343	(20,068)	-36%	109,512
Vote 6 - Technical Services	195,386	228,211	-	49,860	91,992	111,003	(19,011)	-17%	228,211
Vote 7 - Developmental Planning	8,333	13,293	-	2,498	4,320	5,614	(1,295)	-23%	13,293
Vote 8 - Executive Support	21,476	15,657	-	6,654	11,513	7,676	3,837	50%	15,657
Total Expenditure by Vote	542,520	532,675	-	119,083	228,193	269,992	(41,798)	-15%	532,675
Surplus/ (Deficit) for the year	42,916	93,283	-	38,518	121,721	106,870	14,851	14%	93,283

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	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	39,442	38,865		9,839	19,978	19,723	255	1%	38,865
Service charges - electricity revenue	88,812	104,214		23,734	48,891	50,243	(1,352)	-3%	104,214
Service charges - refuse revenue	8,926	9,276		2,401	4,805	4,535	270	6%	9,276
Rental of facilities and equipment	956	898		183	372	449	(77)	-17%	898
Interest earned - external investments	585	1,900		201	860	1,380	(521)	-38%	1,900
Interest earned - outstanding debtors	17,041	12,860		4,575	8,812	8,615	198	2%	12,860
Fines, penalties and forfeits	2,861	65,071		12	82	33,931	(33,849)	-100%	65,071
Licences and permits	4,635	5,240		1,516	3,139	2,667	473	18%	5,240
Transfers and subsidies	351,908	307,637		101,681	229,131	210,751	18,379	9%	307,637
Other revenue	1,819	664		179	424	332	93	28%	664
Gains							-		
Total Revenue (excluding capital transfers and contributions)	516,985	546,626	-	144,321	316,494	332,627	(16,132)	-5%	546,626
Expenditure By Type									
Employee related costs	150,619	163,212		45,292	80,591	81,437	(846)	-1%	163,212
Remuneration of councillors	24,279	27,334		6,289	12,350	13,667	(1,317)	-10%	27,334
Debt impairment	61,327	48,632		-	-	24,316	(24,316)	-100%	48,632
Depreciation & asset impairment	58,788	58,392		-	-	29,196	(29,196)	-100%	58,392
Finance charges	3,516	3,729		7	39	2,369	(2,330)	-98%	3,729
Bulk purchases	88,182	110,035		23,207	45,561	52,241	(6,680)	-13%	110,035
Other materials	26,421	19,551		6,962	17,308	9,275	8,033	87%	19,551
Contracted services	75,365	60,088		28,981	47,616	37,872	9,744	26%	60,088
Transfers and subsidies	1,402	3,784		648	1,412	1,792	(380)	-21%	3,784
Other expenditure	52,620	37,918		7,695	23,316	17,826	5,490	31%	37,918
Losses							-		
Total Expenditure	542,520	532,675	-	119,083	228,193	269,992	(41,798)	-15%	532,675
Surplus/(Deficit)	(25,535)	13,951	-	25,238	88,301	62,635	25,666	41%	13,951
Transfers and subsidies - capital (monetary allocations)	68,450	79,332		13,280	33,420	44,235	(10,814)	-24%	79,332
Transfers and subsidies - capital (monetary allocations)							-		-
Transfers and subsidies - capital (in-kind - all)							-		-
Surplus/(Deficit) after capital transfers & contributions	42,916	93,283	-	38,518	121,721	106,870			93,283
Taxation									
Surplus/(Deficit) after taxation	42,916	93,283	-	38,518	121,721	106,870			93,283
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	42,916	93,283	-	38,518	121,721	106,870			93,283
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	42,916	93,283	-	38,518	121,721	106,870		-	93,283

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.

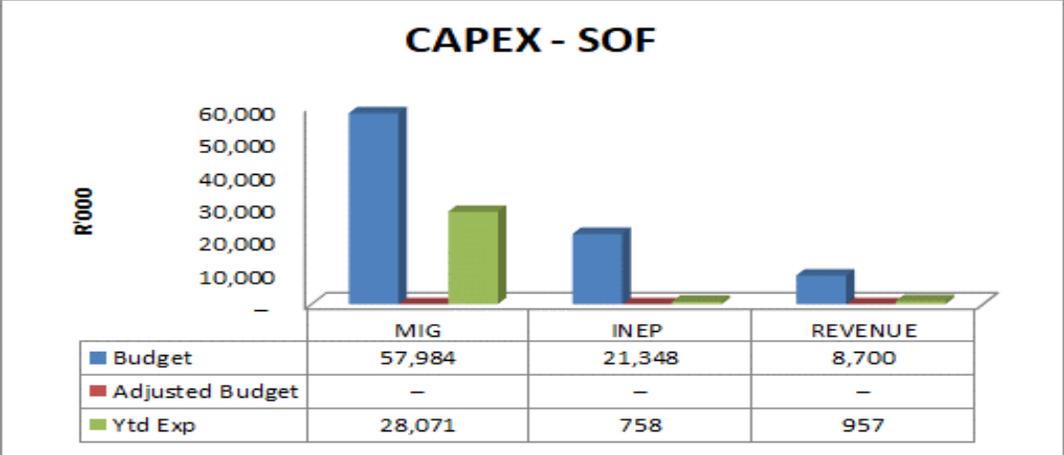
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,111	1,360	-	-	459	943	(484)	-51%	1,360
Executive and council							-		
Finance and administration	1,111	1,360		-	459	943	(484)	-51%	1,360
Internal audit							-		
Community and public safety	2,063	800	-	-	498	700	(202)	-29%	800
Community and social services	598	600		498	498	500	(2)	0%	600
Sport and recreation	1,465	200		-	-	200	(200)	-100%	200
Public safety	-						-		
Housing							-		
Health							-		
Economic and environmental services	62,035	63,584	-	12,218	28,071	51,588	(23,517)	-46%	63,584
Planning and development		1,100		-	-	-	-		1,100
Road transport	62,035	62,484		12,218	28,071	51,588	(23,517)	-46%	62,484
Environmental protection							-		
Trading services	19,894	22,288	-	91	758	11,423	(10,666)	-93%	21,988
Energy sources	19,894	21,988		91	758	11,123	(10,366)	-93%	21,988
Waste management	-	300		-	-	300	(300)	-100%	-
Other							-		
Total Capital Expenditure - Functional Classification	85,102	88,032	-	12,807	29,786	64,655	(34,869)	-54%	87,732
Funded by:									
National Government	79,029	79,332		12,309	28,829	58,768	(29,939)	-51%	79,332
Provincial Government							-		
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
Transfers recognised - capital	79,029	79,332	-	12,309	28,829	58,768	(29,939)	-51%	79,332
Borrowing							-		
Internally generated funds	6,073	8,700		498	957	5,886	(4,929)	-84%	8,700
Total Capital Funding	85,102	88,032	-	12,807	29,786	64,655	(34,869)	-54%	88,032

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,105	460	-	-	459	253	206	81%	460
Vote 5 - Community Services	-	300	-	-	-	300	(300)	-100%	300
Vote 6 - Technical Services	7,468	40,840	-	11,295	23,270	30,264	(6,995)	-23%	40,840
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	8,574	41,600	-	11,295	23,729	30,818	(7,089)	-23%	41,600
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	100	-	-	-	100	(100)	-100%	100
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1,972	800	-	498	498	700	(202)	-29%	800
Vote 6 - Technical Services	74,557	44,432	-	1,014	5,559	33,037	(27,478)	-83%	44,432
Vote 7 - Developmental Planning	-	1,100	-	-	-	-	-	-	1,100
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	76,528	46,432	-	1,512	6,057	33,837	(27,780)	-82%	46,432
Total Capital Funding	85,102	88,032	-	12,807	29,786	64,655	(34,869)	-54%	88,032

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. R29, 786 million spending was incurred on capital budget, year to date budget is R64, 655 million, and this gave rise to an under performance variance of R34, 869 million that translates to 54%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget, R57, 984 million is funded from Municipal Infrastructure grant, R21, 348 million from INEP and R8, 700 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	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	6,857	8,536		1,612	8,536
Call investment deposits		23,315		75,160	23,315
Consumer debtors	85,665	63,924		93,643	63,924
Other debtors	51,435	60,917		58,311	60,917
Current portion of long-term receivables	119				
Inventory	11,082	8,606		16,699	8,606
Total current assets	155,157	165,299	-	245,426	165,299
Non current assets					
Long-term receivables				-	
Investments	-	-		-	-
Investment property	80,312	60,343		80,312	60,343
Investments in Associate	-				
Property, plant and equipment	1,056,784	1,229,559		1,086,045	1,229,559
Biological				-	
Intangible	23	31		23	31
Other non-current assets	15,978	15,502		1,928	15,502
Total non current assets	1,153,097	1,305,435	-	1,168,308	1,305,435
TOTAL ASSETS	1,271,482	1,470,733	-	1,413,734	1,470,733
LIABILITIES					
Current liabilities					
Bank overdraft	-	-		-	-
Borrowing	2,441	12,271		1,872	12,271
Consumer deposits	5,778	5,700		5,740	5,700
Trade and other payables	86,298	87,165		117,514	87,165
Provisions	3,218	5,950		2,253	5,950
Total current liabilities	97,735	111,087	-	127,379	111,087
Non current liabilities					
Borrowing	-	19,467		2,058	19,467
Provisions	78,431	95,439		75,428	95,439
Total non current liabilities	78,431	114,907	-	77,486	114,907
TOTAL LIABILITIES	176,166	225,994	-	204,865	225,994
NET ASSETS	1,095,315	1,244,739	-	1,208,869	1,244,739
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,095,315	1,234,739		1,208,869	1,244,739
Reserves		10,000			
TOTAL COMMUNITY WEALTH/EQUITY	1,095,315	1,244,739	-	1,208,869	1,244,739

The above table shows that community wealth amounts to R1, 208 billion, total liabilities R204, 865 million and the total assets R1, 413 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 of 1.9:1 which is below the acceptable norm of 2:1.

Table C7: Quarterly Budgeted Statement Cash Flow

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	26,292	29,997		2,599	14,202	14,812	(610)	-4%	29,997
Service charges	82,882	107,419		8,107	48,136	55,974	(7,838)	-14%	107,419
Other revenue	71,970	20,923		1,989	19,513	9,330	10,183	109%	20,923
Transfers and Subsidies - Operational	283,458	307,637		100,929	231,410	226,372	5,038	2%	307,637
Transfers and Subsidies - Capital	68,450	79,332		6,594	63,942	63,786	(6,438)	-10%	79,332
Interest	585	3,018		570	1,440	928	512	55%	3,018
Payments									
Suppliers and employees	(429,250)	(443,509)		(57,527)	(274,557)	(202,497)	65,466	-32%	(443,509)
Finance charges	(2,123)	(3,729)		-	(43)	(2,344)	(2,301)	98%	(3,729)
Transfers and Grants	(1,523)	(3,784)		(166)	(1,412)	(1,803)	(391)	22%	(3,784)
NET CASH FROM/(USED) OPERATING ACTIVITIES	100,741	97,304	-	63,095	102,630	164,559	61,929	38%	97,304
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	451	-					-		-
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	(58)	-					-		-
Payments									
Capital assets	(85,238)	(80,993)		(6,893)	(29,786)	(63,786)	(34,000)	53%	(80,993)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(84,845)	(80,993)	-	(6,893)	(29,786)	(63,786)	(34,000)	53%	(80,993)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-						-		
Increase (decrease) in consumer deposits		325		25	(45)	(2,247)	2,202	-98%	325
Payments									
Repayment of borrowing	(10,978)	(12,271)		-	(2,441)	(5,255)	(2,813)	54%	(12,271)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(10,978)	(11,947)	-	25	(2,486)	(7,501)	(5,016)	67%	(11,947)
NET INCREASE/ (DECREASE) IN CASH HELD	4,919	4,364	-	56,226	70,358	93,271			4,364
Cash/cash equivalents at beginning:	1,929	27,487			6,415	27,487			6,415
Cash/cash equivalents at month/year end:	6,848	31,852			76,773	120,758			10,780

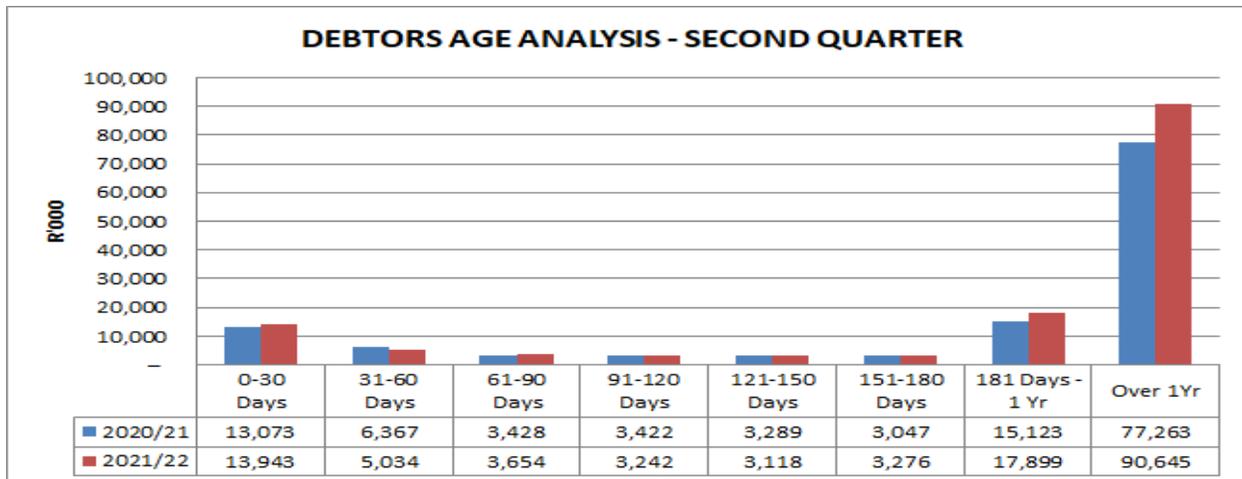
Table C7 provides details of the monthly cash in and outflow. For the quarter ending 31 December 2021 the net cash from operating activities is R102, 630 million whilst cash used for investing activities is R29, 786 million and the net cash from financing activities is R2, 486 million. The cash and cash equivalent held at end of the second quarter amounted to R76, 773 million.

PART 2: SUPPORTING TABLES

Table SC3: Debtors Analysis

Table provides a breakdown of the consumer and sundry debtors at the end of the second quarter. The outstanding debtors amounted to R140, 813 million as at 31 December 2021. Consumer debtors amounts to R86, 537 million and sundry debtors amounts to R 51, 276 million as at end of the second quarter.

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
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	7,431	1,255	386	135	87	100	433	2,074	11,901	2,829		
Receivables from Non-exchange Transactions - Property Rates	3,321	1,605	1,359	1,408	1,159	1,373	6,605	40,324	57,154	50,869		
Receivables from Exchange Transactions - Waste Management	802	504	426	412	405	398	2,268	13,792	19,007	17,275		
Receivables from Exchange Transactions - Property Rental Debtors	58	36	36	33	30	29	262	990	1,475	1,345		
Interest on Arrear Debtor Accounts	1,552	1,514	1,461	1,417	1,382	1,341	8,124	31,899	48,689	44,163		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	779	121	(13)	(163)	55	35	207	1,567	2,587	1,701		
Total By Income Source	13,943	5,034	3,654	3,242	3,118	3,276	17,899	90,645	140,813	118,182	-	-
2019/20 - totals only	13,073	6,367	3,428	3,422	3,289	3,047	15,123	77,263	125,011	102,144		
Debtors Age Analysis By Customer Group												
Organs of State	1,812	1,294	1,203	1,144	999	963	5,800	28,756	41,970	37,661		
Commercial	7,409	1,293	621	326	492	485	2,164	11,889	24,679	15,355		
Households	4,692	2,437	1,819	1,763	1,617	1,817	9,881	49,748	73,775	64,827		
Other	30	11	11	9	11	11	55	252	390	338		
Total By Customer Group	13,943	5,034	3,654	3,242	3,118	3,276	17,899	90,645	140,813	118,182	-	-



The graph compares debtors' age analysis for 2020/21 financial year and 2021/22 (as at end of second quarter) and noted from the graph there is an increase in the municipal debt book for 2021/22 financial year.

Table SC4: Creditors Analysis

Description	Budget Year 2021/22									Prior year totals
	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	
Creditors Age Analysis By Customer Type										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

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

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening balance	Investment Top Up	Withdrawal	Interest realised	Closing Balance
Standard Bank 038823527009	1 Month	Current Investment	4.5%		13-Jan-22	-	20,000,000	-	42,151	20,042,151
Standard Bank 0388235270010	1 Month	Current Investment	4.6%		14-Feb-22	-	25,000,000	-	53,271	25,053,271
Standard Bank 0388235270011	1 Month	Current Investment	4.7%		14-Mar-22	-	30,000,000	-	64,973	30,064,973
TOTAL INVESTMENTS AND INTEREST						-	75,000,000	-	160,394	75,160,394

Supporting Table SC5 displays the council's investments portfolio and indicates that the municipality had initially an investment of R75, 000 million at the beginning of the second quarter, earned interest of R160, 394 thousand and at the end of the second quarter closed off with an investment of R75, 160 million.

Table SC6- Allocation and grant receipts

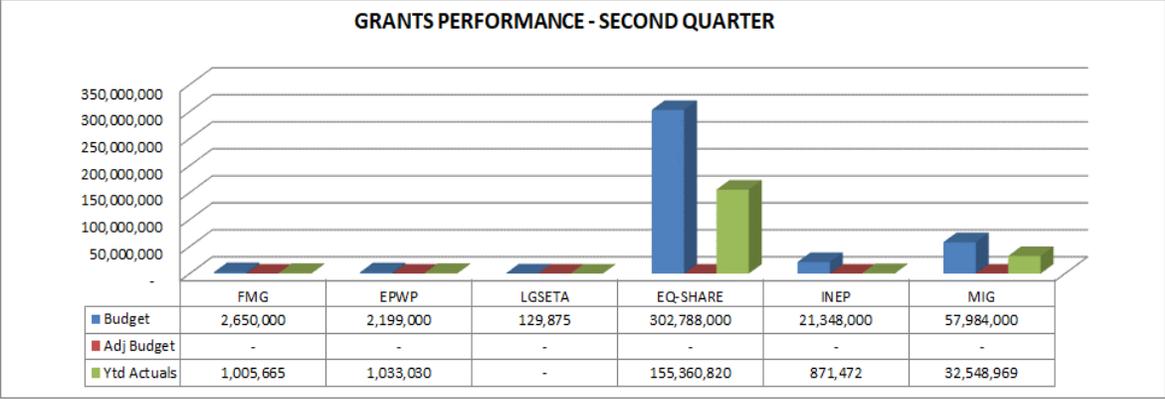
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	351,806	307,637	-	101,918	231,281	210,751	20,529	10%	307,637
Local Government Equitable Share	347,525	302,788		100,929	227,092	206,903	20,189	10%	302,788
Finance Management	2,600	2,650		-	2,650	2,650	-		2,650
EPWP Incentive	1,681	2,199		989	1,539	1,198	341	28%	2,199
Disaster Relief Grant COVID-19 (Corona virus)									
Other grant providers:	102	130	-	-	130	130	-	-	130
LGSETA Learnership and Development	102	130		-	130	130	-		130
Total Operating Transfers and Grants	351,908	307,767	-	101,918	231,411	210,881	20,529	10%	307,767
Capital Transfers and Grants									
National Government:	68,891	79,332	-	17,942	63,942	47,079	7,589	16%	79,332
Municipal Infrastructure Grant (MIG)	53,891	57,984		6,594	42,594	35,005	7,589	22%	57,984
Intergrated National Electrification Grant	15,000	21,348		11,348	21,348	12,075			21,348
Provincial Government:	-	-	-	-	-	-	-	-	-
Coghsta - Development									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Capital Transfers and Grants	68,891	79,332	-	17,942	63,942	47,079	7,589	16%	79,332
TOTAL RECEIPTS OF TRANSFERS & GRANTS	420,799	387,099	-	119,860	295,353	257,961	28,119	11%	387,099

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R295, 353 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	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	351,806	307,637	-	80,515	174,129	210,751	(36,623)	-17%	307,637
Local Government Equitable Share	347,525	302,788		79,763	172,090	206,903	(34,813)	-17%	302,788
Finance Management	2,600	2,650		226	1,006	2,650	(1,644)	-62%	2,650
EPWP Incentive	1,681	2,199		526	1,033	1,198	(165)	-14%	2,199
Disaster Relief Grant COVID-19 (Corona virus)							-		-
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	102	130	-	-	-	130	(130)	-100%	130
LGSETA Learnership and Development	102	130		-	-	130	(130)	-100%	130
Total operating expenditure of Transfers and Grants:	351,908	307,767	-	80,515	174,129	210,881	(36,753)	-17%	307,767
Capital expenditure of Transfers and Grants									
National Government:	68,891	79,332	-	13,280	33,420	47,079	(13,659)	-29%	79,332
Municipal Infrastructure Grant (MIG)	53,891	57,984		13,175	32,549	35,005	(2,456)	-7%	57,984
Intergrated National Electrification Grant	15,000	21,348		104	871	12,075	(11,203)	-93%	21,348
Provincial Government:	-	-	-	-	-	-	-		-
Coghsta - Development		-					-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							0		
Total capital expenditure of Transfers and Grants	68,891	79,332	-	13,280	33,420	47,079	(13,659)	-29%	79,332
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	420,799	387,099	-	93,795	207,549	257,961	(50,411)	-20%	387,099

A total amount of R207, 795 million that have been spent on grants during the second quarter and the year to date budget thereof amount to R257, 961 million and this resulted in underspending variance of R50, 411 million that translates to 20%. Of the total spending amounting to R207, 961 million, R174, 129 million is spent on operational grants whilst R33, 420 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 37.95%
- Expanded Public Work Programme 46.98%
- Equitable Share 51.31%
- Local Government Sector Education & Training: 0%
- Municipal Infrastructure Grant 51.13%
- Integrated National Electrification Grant 4.08%

Table SC8: Councilor Allowances and Employee Benefits

Summary of Employee and Councillor remuneration	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14,184	16,008		3,694	7,231	8,004	(773)	-10%	16,008
Pension and UIF Contributions	1,600	1,847		463	860	923	(63)	-7%	1,847
Medical Aid Contributions	396	399		48	150	199	(50)	-25%	399
Motor Vehicle Allowance	5,167	5,847		1,329	2,621	2,923	(302)	-10%	5,847
Cellphone Allowance	2,708	2,992		685	1,362	1,496	(134)	-9%	2,992
Other benefits and allowances	223	243		70	126	121	5	4%	243
Sub Total - Councillors	24,279	27,334	-	6,289	12,350	13,667	(1,317)	-10%	27,334
% increase		13%							13%
Senior Managers of the Municipality									
Basic Salaries and Wages	3,947	6,226		791	1,582	3,113	(1,532)	-49%	6,226
Pension and UIF Contributions	141	299		22	45	150	(105)	-70%	299
Medical Aid Contributions	81	92		13	26	46	(20)	-45%	92
Motor Vehicle Allowance	420	912		47	93	456	(363)	-80%	912
Cellphone Allowance	114	151		21	43	75	(33)	-43%	151
Other benefits and allowances	1,846	491		171	172	245	(74)	-30%	491
Payments in lieu of leave							-		
Sub Total - Senior Managers of Municipality	6,549	8,171	-	1,064	1,959	4,085	(2,127)	-52%	8,171
% increase		25%							25%
Other Municipal Staff									
Basic Salaries and Wages	93,585	99,214		25,253	48,783	49,607	(824)	-2%	99,214
Pension and UIF Contributions	18,983	27,125		4,921	9,657	13,562	(3,905)	-29%	27,125
Medical Aid Contributions	5,228	4,550		1,322	2,632	2,266	367	16%	4,550
Overtime	1,353	1,005		257	622	486	135	28%	1,005
Motor Vehicle Allowance	12,066	12,315		3,267	6,373	6,158	215	3%	12,315
Cellphone Allowance	1,901	1,284		479	957	634	323	51%	1,284
Housing Allowances	206	202		55	107	96	11	11%	202
Other benefits and allowances	2,655	8,457		8,113	8,595	4,175	4,420	106%	8,457
Payments in lieu of leave	6,688	173		261	408	-	408	#DIV/0!	173
Long service awards	1,405	714		301	498	368	130	35%	714
Post-retirement benefit obligations							-		
Sub Total - Other Municipal Staff	144,070	155,041	-	44,228	78,632	77,351	1,281	2%	155,041
% increase		8%							8%
Total Parent Municipality	174,898	190,546	-	51,582	92,941	95,104	(2,163)	-2%	190,546
% increase		9%							9%
TOTAL SALARY, ALLOWANCES & BENEFITS	174,898	190,546	-	51,582	92,941	95,104	(2,163)	-2%	190,546
% increase		9%							9%
TOTAL MANAGERS AND STAFF	150,619	163,212	-	45,292	80,591	81,437	(846)	-1%	163,212

This table provides the details for councilor and employee benefits. For the second quarter the total salaries, allowances and benefits amounted to R92, 941 million which deviates with R95, 104 million from the planned figure.

Table SC9: Actual and Revised Targets for Cash Receipts

Description					2020/21 Medium Term Revenue & Expenditure Framework		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year	Year +1	Year +2
	Outcome	Outcome	Budgeted	Budgeted	2020/21	2021/22	2022/23
Cash Receipts By Source							
Property rates	7,266	6,936	7,441	8,354	29,997	30,907	31,931
Service charges - electricity revenue	23,969	21,715	22,746	31,568	99,998	101,965	102,930
Service charges - refuse	1,264	1,187	1,903	3,067	7,421	8,755	9,978
Rental of facilities and equipment	142	179	178	399	898	936	977
Interest earned - external investments	357	160	245	1,138	1,900	1,980	2,067
Interest earned - outstanding debtors	337	586	231	(35)	1,118	796	641
Fines, penalties and forfeits	70	42	3,500	10,509	14,120	15,331	16,006
Licences and permits	1,623	1,516	700	1,401	5,240	5,460	5,701
Transfers and Subsidies - Operational	129,492	101,918	81,265	(5,038)	307,637	322,626	316,577
Other revenue	7,116	8,825	-	(15,278)	664	692	722
Cash Receipts by Source	171,636	143,065	118,207	36,086	468,994	489,449	487,530
Other Cash Flows by Source	-	-	-	-			
Transfers and subsidies - capital (monetary allocations)	46,000	17,942	15,546	6,438	79,332	72,606	76,364
Borrowing long term/refinancing	-	-	-	-			
Increase (decrease) in consumer deposits	(37)	(8)	(1,000)	1,369	325	(3,247)	(3,247)
Decrease (increase) in non-current receivables	-	-	-	-			
Decrease (increase) in non-current investments	-	-	-	-			
Total Cash Receipts by Source	217,599	160,999	132,753	43,893	548,651	558,808	560,648
Cash Payments by Type	-	-	-	-			
Employee related costs	35,298	45,292	37,065	45,556	163,212	170,102	177,553
Remuneration of councillors	6,061	6,289	6,413	8,571	27,334	28,428	29,565
Interest paid	37	7	1,084	2,601	3,729	2,653	1,880
Bulk purchases - Electricity	33,420	23,207	24,591	28,817	110,035	114,656	119,701
Other materials	22,702	6,962	2,374	651	32,689	28,778	30,507
Contracted services	27,525	28,981	17,289	(9,694)	64,102	51,538	45,479
Grants and subsidies paid - other	764	648	545	1,827	3,784	3,943	4,116
General expenses	20,358	18,460	7,680	(8,040)	31,864	33,203	34,663
Cash Payments by Type	146,166	129,847	97,041	70,288	436,748	433,300	443,465
Other Cash Flows/Payments by Type	-	-	-	-			
Capital assets	16,980	12,807	22,320	28,887	80,993	85,145	78,358
Repayment of borrowing	2,196	245	3,684	6,146	12,271	11,347	8,120
Other Cash Flows/Payments	-	-	-	14,274	14,274	19,580	29,705
Total Cash Payments by Type	165,342	142,899	123,045	119,595	544,286	549,373	559,648
NET INCREASE/(DECREASE) IN CASH HELD	52,257	18,100	9,709	(75,702)	4,364	9,435	1,000
Cash/cash equivalents at the month/year beginning:	191,959	106,580	148,626	176,122	6,415	10,780	20,214
Cash/cash equivalents at the month/year end:	244,216	124,681	158,335	100,421	10,780	20,214	21,214

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 R 160, 999 million whilst the total cash payment is R142, 899 million. The cash and cash equivalent at end the quarter amounted to R124 681 million that is inclusive of unspent conditional grants amounting to R87, 894 million.

Table SC12: Capital Expenditure Trend

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
First Quarter	18,111	38,757	–	16,980	29,859	38,757	8,898	66%	11%
Second Quarter	19,708	26,993	–	12,807	71,975	65,749	(6,226)	59%	27%
Third Quarter	23,441	12,341	–	–	–	78,090	78,090	–	0%
Fourth Quarter	23,842	9,942	–	–	–	88,032	88,032	–	0%
Total Capital expenditure	85,102	88,032	–	29,786					

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 R12, 807 million. The year to date actual amounts to R71, 975 and year to date capital budget is R65, 749 million that gives rise to underspending variance of R6, 226 million that translate to 59%.

Table SC13a: Quarterly Capital Expenditure on New Assets

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class									
Infrastructure	10,855	22,048	-	91	758	11,143	10,385	93%	22,048
Roads Infrastructure	-	500	-	-	-	460	460	100%	500
Roads		500		-	-	460	460	100%	500
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Storm water Conveyance							-		
Attenuation							-		
Electrical Infrastructure	10,855	21,348	-	91	758	10,483	9,726	93%	21,348
HV Substations							-		
HV Switching Station							-		
MV Networks	10,855	21,348		91	758	10,483	9,726	93%	21,348
LV Networks							-		
Solid Waste Infrastructure	-	200	-	-	-	200	200	100%	200
Landfill Sites							-		
Waste Transfer Stations							-		
Capital Spares		200		-	-	200	200	100%	200
Community Assets	-	100	-	-	-	-	-		100
Community Facilities	-	100	-	-	-	-	-		100
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Other assets	727	-	-	-	-	-	-		-
Municipal Offices	727						-		
Workshops	-						-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	769	460	-	-	459	253	(206)	-81%	460
Computer Equipment	769	460		-	459	253	(206)	-81%	460
Furniture and Office Equipment	1,607	-	-	-	-	-	-		-
Furniture and Office Equipment	1,607						-		
Machinery and Equipment	1,760	400	-	-	-	400	400	100%	400
Machinery and Equipment	1,760	400		-	-	400	400	100%	400
Transport Assets	-	800	-	-	-	590	590	100%	800
Transport Assets		800		-	-	590	590	100%	800
Land	-	1,100	-	-	-	-	-		1,100
Land		1,100		-	-	-	-		1,100
Total Capital Expenditure on new assets	15,718	24,908	-	91	1,217	12,386	11,169	90%	24,908

Table SC13b: Quarterly Expenditure on Existing Assets

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	52,855	39,750	-	5,069	16,128	32,257	16,129	50%	39,750
Roads Infrastructure	50,943	39,750	-	5,069	16,128	32,257	16,129	50%	39,750
Roads	50,943	39,750		5,069	16,128	32,257	16,129	50%	39,750
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	1,912	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
LV Networks	1,912	-					-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	687	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	687						-		
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	53,543	39,750	-	5,069	16,128	32,257	16,129	50.0%	39,750

Table SC13c: Quarterly Expenditure on Repairs & Maintenance

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Second Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	13,320	12,276	-	3,580	11,586	2,757	(8,829)	-320%	8,660
Roads Infrastructure	8,367	7,802	-	2,333	7,428	1,061	(6,367)	-600%	5,092
Roads	8,367	7,802		2,333	7,428	1,061	(6,367)	-600%	5,092
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	2,195	2,033	-	98	1,862	1,057	(805)	-76%	2,033
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,195	2,033		98	1,862	1,057	(805)	-76%	2,033
Solid Waste Infrastructure	2,757	2,441	-	1,148	2,296	640	(1,656)	-259%	1,536
Landfill Sites	2,757	2,441		1,148	2,296	640	(1,656)	-259%	1,536
Waste Transfer Stations							-		
Community Assets	164	385	-	84	155	154	(1)	0%	703
Community Facilities	164	385	-	84	155	154	(1)	0%	703
Police							-		
Parks	164	385		84	155	154	(1)	0%	703
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	1,991	1,756	-	304	513	795	281	35%	1,756
Operational Buildings	1,991	1,756	-	300	513	795	281	35%	1,756
Stores		1,229		4	19	431	412	96%	1,229
Intangible Assets	-	187	-	11	22	66	44	67%	187
Servitudes							-		
Computer Software and Applications		187		11	22	66	44	67%	187
Computer Equipment	5	-	-	-	-	-	-		-
Computer Equipment	5						-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	1,561	2,083	-	1,069	1,977	972	(1,005)	-103%	1,905
Machinery and Equipment	1,561	2,083		1,069	1,977	972	(1,005)	-103%	1,905
Transport Assets	3,099	1,313	-	750	1,327	1,076	(251)	-23%	1,513
Transport Assets	3,099	1,313		750	1,327	1,076	(251)	-23%	1,513
Total Repairs and Maintenance Expenditure	20,140	17,999	-	5,796	15,580	5,820	(9,760)	-167.7%	14,724

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 R1, 217 million for the second quarter, which reflects 90.0% variance when compared to the quarterly target.

For renewal and upgrading of existing assets to R16, 128 million has been spent during the second quarter on renewal of assets. This reflects 50.0% variance when compared to the target.

The repairs and maintenance for the second quarter amounted to R15, 580 million reflecting a 167.7% variance when compared to the second quarter target.

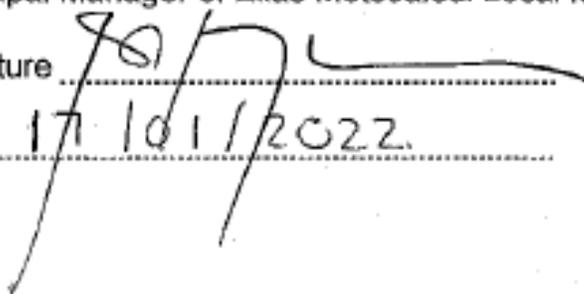
Quality Certificate

I, **KGWALE MAHLAGAUME MESHACK**, Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the quarterly report and supporting documentation for the quarter ending 31 December 2021 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

Date

Handwritten signature and date. The signature is a stylized cursive script. The date is written as 17/10/2022.