

# **ELIAS MOTSOALEDI LOCAL MUNICIPALITY**



## **SECTION 52 REPORT: 2021/22**

**REPORTING PERIOD: THIRD 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	546,753,316	431,342,320	79%
OPERATING EXPENDITURE	532,674,879	525,975,343	330,461,295	63%
TRANSFER - CAPITAL	79,332,000	80,071,762	49,057,834	61%
SURPLUS/(DEFICIT)	93,283,218	100,849,735	149,938,859	149%
CAPITAL EXPENDITURE	88,032,000	94,234,423	57,479,299	61%

**Table C1: Quarterly Budget Statement Summary**

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	39,442	38,865	42,616	9,938	29,916	26,555	3,361	13%	42,616
Service charges	97,738	113,490	130,911	28,853	82,549	87,061	(4,513)	-5%	130,911
Investment revenue	585	1,900	2,432	596	1,456	1,611	(155)	-10%	2,432
Transfers and subsidies	351,908	307,637	307,637	67,009	296,139	302,346	(6,206)	-2%	307,637
Other own revenue	27,313	84,734	63,158	8,452	21,282	26,757	(5,474)	-20%	63,158
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>516,985</b>	<b>546,626</b>	<b>546,753</b>	<b>114,848</b>	<b>431,342</b>	<b>444,330</b>	<b>(12,987)</b>	<b>-3%</b>	<b>546,753</b>
Employee costs	150,619	163,212	154,891	38,218	118,808	118,379	429	0%	154,891
Remuneration of Councillors	24,279	27,334	25,386	6,226	18,576	18,811	(235)	-1%	25,386
Depreciation & asset impairment	58,788	58,392	57,692	-	-	41,256	(41,256)	-100%	57,692
Finance charges	3,516	3,729	745	193	232	616	(384)	-62%	845
Materials and bulk purchases	114,603	129,586	134,252	38,063	100,931	96,730	4,201	4%	132,762
Transfers and subsidies	1,402	3,784	3,771	714	2,127	2,573	(447)	-17%	3,271
Other expenditure	189,313	146,638	149,238	18,854	89,787	102,220	(12,433)	-12%	151,128
<b>Total Expenditure</b>	<b>542,520</b>	<b>532,675</b>	<b>525,975</b>	<b>102,268</b>	<b>330,461</b>	<b>380,585</b>	<b>(50,124)</b>	<b>-13%</b>	<b>525,975</b>
<b>Surplus/(Deficit)</b>	<b>(25,535)</b>	<b>13,951</b>	<b>20,778</b>	<b>12,580</b>	<b>100,881</b>	<b>63,744</b>	<b>37,137</b>	<b>58%</b>	<b>20,778</b>
Transfers and subsidies - capital (monetary allocations)	68,450	79,332	80,072	15,637	49,058	44,715	4,342	10%	80,072
Surplus/(Deficit) after capital transfers & contributions	42,916	93,283	100,850	28,217	149,939	108,460	41,479	38%	100,850
<b>Share of surplus/ (deficit) of associate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/ (Deficit) for the year</b>	<b>42,916</b>	<b>93,283</b>	<b>100,850</b>	<b>28,217</b>	<b>149,939</b>	<b>108,460</b>	<b>41,479</b>	<b>38%</b>	<b>100,850</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>85,102</b>	<b>88,032</b>	<b>94,234</b>	<b>27,693</b>	<b>57,479</b>	<b>59,348</b>	<b>(1,869)</b>	<b>-3%</b>	<b>94,234</b>
Capital transfers recognised	79,029	79,332	80,072	14,936	43,765	45,648	(1,883)	-4%	80,072
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	6,073	8,700	14,163	12,757	13,714	13,700	14	0%	14,163
<b>Total sources of capital funds</b>	<b>85,102</b>	<b>88,032</b>	<b>94,234</b>	<b>27,693</b>	<b>57,479</b>	<b>59,348</b>	<b>(1,869)</b>	<b>-3%</b>	<b>94,234</b>
<b>Financial position</b>									
Total current assets	155,157	165,299	151,516		244,327				151,516
Total non current assets	1,138,294	1,305,435	1,302,263		1,196,311				1,302,263
Total current liabilities	122,770	111,087	112,685		132,497				112,685
Total non current liabilities	74,813	114,907	114,907		77,486				114,907
Community wealth/Equity	1,095,868	1,244,739	1,226,187		1,230,655				1,226,187
<b>Cash flows</b>									
Net cash from (used) operating	102,726	97,304	101,165	27,373	130,003	140,166	10,163	7%	101,165
Net cash from (used) investing	(84,301)	(80,993)	(78,458)	(27,693)	(57,479)	(53,623)	3,857	-7%	(78,458)
Net cash from (used) financing	(13,938)	(11,947)	(11,947)	19	(2,467)	(3,445)	(978)	28%	(11,947)
<b>Cash/cash equivalents at the month/year end</b>	<b>6,415</b>	<b>31,852</b>	<b>17,609</b>	<b>-</b>	<b>76,472</b>	<b>89,947</b>	<b>13,474</b>	<b>15%</b>	<b>17,176</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	14,890	5,755	3,743	3,434	3,267	3,183	18,009	98,189	150,470
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

## **Revenue**

For the third quarter of January to March 2021, the year to date actual amounted to R431, 342 million with the year to date budget of R444, 330 which shows negative 3% year to date variance when compared to the year to date budget. Of the total revenue received during the third quarter, the major portion of R302, 789 million is from equitable share. Other receipts are from property rates, service charges and other grants.

## **Operating Expenditure**

The operating expenditure for the third quarter amounts to R330, 461 million with the year to date budget of R380, 585 million which shows negative 13% 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 third quarter amounts to R57, 479 million and the year to date budget amounts to R59, 348 million and this deviates with negative 3% when compared to year to date target.

## **Surplus/Deficit**

Taking the above into consideration the net operating surplus for the third quarter ending 31 March 2022 amounts to R149, 939 million.

## **Debtors**

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of March amounts to R150, 470 million and this shows an increase of R25, 459 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 R94, 155 million and other debtors amounting to R56, 315 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, they do not form part of consumer debtors.

## **Creditors**

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

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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>273,364</b>	<b>245,185</b>	<b>263,642</b>	<b>59,195</b>	<b>237,114</b>	<b>234,474</b>	<b>2,640</b>	<b>1%</b>	<b>263,642</b>
Executive and council	56,129	48,669	48,669	10,580	53,432	53,139	293	1%	48,669
Finance and administration	203,805	184,328	202,786	45,965	172,895	169,147	3,748	2%	202,786
Internal audit	13,430	12,188	12,188	2,650	10,787	12,188	(1,401)	-11%	12,188
<b>Community and public safety</b>	<b>32,043</b>	<b>88,396</b>	<b>54,277</b>	<b>5,262</b>	<b>21,590</b>	<b>32,805</b>	<b>(11,215)</b>	<b>-34%</b>	<b>54,277</b>
Community and social services	11,515	9,924	9,914	1,456	10,164	13,296	(3,132)	-24%	9,914
Sport and recreation	17,675	13,472	13,438	3,618	11,148	11,618	(469)	-4%	13,438
Public safety	2,853	65,000	30,925	188	278	7,892	(7,613)	-96%	30,925
<b>Economic and environmental services</b>	<b>136,383</b>	<b>126,286</b>	<b>127,453</b>	<b>25,872</b>	<b>109,192</b>	<b>105,154</b>	<b>4,038</b>	<b>4%</b>	<b>127,453</b>
Planning and development	30,386	24,295	24,422	5,502	22,927	22,901	26	0%	24,422
Road transport	104,380	99,173	100,213	19,758	83,460	77,242	6,218	8%	100,213
Environmental protection	1,617	2,818	2,818	613	2,806	5,011	(2,205)	-44%	2,818
<b>Trading services</b>	<b>143,645</b>	<b>166,092</b>	<b>181,452</b>	<b>40,157</b>	<b>112,503</b>	<b>116,612</b>	<b>(4,108)</b>	<b>-4%</b>	<b>181,452</b>
Energy sources	109,642	134,030	149,100	32,993	86,487	91,671	(5,184)	-6%	149,100
Waste management	34,003	32,062	32,353	7,164	26,016	24,941	1,075	4%	32,353
<b>Total Revenue - Functional</b>	<b>585,436</b>	<b>625,958</b>	<b>626,825</b>	<b>130,485</b>	<b>480,400</b>	<b>489,045</b>	<b>(8,645)</b>	<b>-2%</b>	<b>626,825</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>239,954</b>	<b>199,255</b>	<b>198,346</b>	<b>50,799</b>	<b>155,288</b>	<b>151,832</b>	<b>3,457</b>	<b>2%</b>	<b>198,126</b>
Executive and council	43,307	42,577	38,500	9,869	27,373	27,900	(528)	-2%	38,500
Finance and administration	188,602	148,683	149,540	37,733	118,908	115,135	3,773	3%	149,321
Internal audit	8,045	7,995	10,305	3,197	9,008	8,796	212	2%	10,305
<b>Community and public safety</b>	<b>73,578</b>	<b>76,374</b>	<b>69,101</b>	<b>7,143</b>	<b>22,704</b>	<b>37,410</b>	<b>(14,707)</b>	<b>-39%</b>	<b>69,071</b>
Community and social services	7,157	7,280	5,977	911	4,503	4,500	2	0%	5,947
Sport and recreation	8,292	12,783	8,609	2,314	5,711	5,686	24	0%	8,609
Public safety	58,129	56,311	54,515	3,918	12,490	27,224	(14,733)	-54%	54,515
<b>Economic and environmental services</b>	<b>89,082</b>	<b>103,751</b>	<b>99,891</b>	<b>14,593</b>	<b>44,701</b>	<b>78,371</b>	<b>(33,671)</b>	<b>-43%</b>	<b>98,721</b>
Planning and development	12,907	17,950	13,868	3,289	9,951	10,306	(355)	-3%	14,188
Road transport	75,556	85,136	85,826	11,304	34,553	67,868	(33,315)	-49%	84,336
Environmental protection	618	665	197	-	197	197	-		197
<b>Trading services</b>	<b>139,906</b>	<b>153,295</b>	<b>158,638</b>	<b>29,734</b>	<b>107,768</b>	<b>112,972</b>	<b>(5,203)</b>	<b>-5%</b>	<b>160,058</b>
Energy sources	99,470	128,242	125,419	21,789	84,514	88,945	(4,432)	-5%	126,809
Waste management	40,435	25,053	33,219	7,945	23,255	24,026	(772)	-3%	33,249
<b>Total Expenditure - Functional</b>	<b>542,520</b>	<b>532,675</b>	<b>525,975</b>	<b>102,268</b>	<b>330,461</b>	<b>380,585</b>	<b>(50,124)</b>	<b>-13%</b>	<b>525,975</b>
<b>Surplus/ (Deficit) for the year</b>	<b>42,916</b>	<b>93,283</b>	<b>100,850</b>	<b>28,217</b>	<b>149,939</b>	<b>108,460</b>	<b>41,479</b>	<b>38%</b>	<b>100,850</b>

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

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	49,347	42,820	42,820	9,309	47,876	47,174	701	1%	42,820
Vote 2 - Municipal Manager	47,408	42,149	42,149	9,163	36,327	42,256	(5,929)	-14%	42,149
Vote 3 - Budget & Treasury	84,415	74,785	93,243	22,069	69,957	64,965	4,992	8%	93,243
Vote 4 - Corporate Services	51,431	46,749	46,748	10,245	44,112	42,651	1,461	3%	46,748
Vote 5 - Community Services	75,047	130,531	97,480	15,113	57,271	69,367	(12,097)	-17%	97,480
Vote 6 - Technical Services	233,125	250,001	265,336	55,905	185,360	185,351	9	0%	265,336
Vote 7 - Developmental Planning	21,988	17,052	17,179	3,927	15,677	15,411	266	2%	17,179
Vote 8 - Executive Support	22,675	21,871	21,871	4,755	23,821	21,871	1,950	9%	21,871
<b>Total Revenue by Vote</b>	<b>585,436</b>	<b>625,958</b>	<b>626,825</b>	<b>130,485</b>	<b>480,400</b>	<b>489,045</b>	<b>(8,645)</b>	<b>-2%</b>	<b>626,825</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	37,311	37,114	33,832	8,240	23,856	24,277	(421)	-2%	33,832
Vote 2 - Municipal Manager	47,145	36,199	38,707	11,935	34,849	34,357	492	1%	38,707
Vote 3 - Budget & Treasury	78,812	56,980	58,943	16,179	49,761	46,020	3,741	8%	58,943
Vote 4 - Corporate Services	31,806	35,707	26,629	6,242	19,223	20,075	(852)	-4%	26,629
Vote 5 - Community Services	122,250	109,512	110,688	17,145	52,420	67,872	(15,452)	-23%	110,688
Vote 6 - Technical Services	195,386	228,211	226,006	34,939	126,931	164,414	(37,483)	-23%	226,006
Vote 7 - Developmental Planning	8,333	13,293	9,215	2,179	6,498	6,827	(328)	-5%	9,215
Vote 8 - Executive Support	21,476	15,657	21,955	5,409	16,922	16,743	179	1%	21,955
<b>Total Expenditure by Vote</b>	<b>542,520</b>	<b>532,675</b>	<b>525,975</b>	<b>102,268</b>	<b>330,461</b>	<b>380,585</b>	<b>(50,124)</b>	<b>-13%</b>	<b>525,975</b>
<b>Surplus/ (Deficit) for the year</b>	<b>42,916</b>	<b>93,283</b>	<b>100,850</b>	<b>28,217</b>	<b>149,939</b>	<b>108,460</b>	<b>41,479</b>	<b>38%</b>	<b>100,850</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	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	39,442	38,865	42,616	9,938	29,916	26,555	3,361	13%	42,616
Service charges - electricity revenue	88,812	104,214	121,343	26,642	75,533	80,490	(4,957)	-6%	121,343
Service charges - refuse revenue	8,926	9,276	9,568	2,211	7,015	6,571	444	7%	9,568
Rental of facilities and equipment	956	898	958	233	605	525	81	15%	958
Interest earned - external investments	585	1,900	2,432	596	1,456	1,611	(155)	-10%	2,432
Interest earned - outstanding debtors	17,041	12,860	18,360	4,800	13,613	12,494	1,119	9%	18,360
Fines, penalties and forfeits	2,861	65,071	30,986	191	273	7,909	(7,636)	-97%	30,986
Licences and permits	4,635	5,240	6,026	1,645	4,784	4,693	91	2%	6,026
Transfers and subsidies	351,908	307,637	307,637	67,009	296,139	302,346	(6,206)	-2%	307,637
Other revenue	1,819	664	6,829	1,583	2,007	1,137	871	77%	6,829
Gains	-	-	-	-	-	-	-	0%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>516,985</b>	<b>546,626</b>	<b>546,753</b>	<b>114,848</b>	<b>431,342</b>	<b>444,330</b>	<b>(12,987)</b>	<b>-3%</b>	<b>546,753</b>
<b>Expenditure By Type</b>									
Employee related costs	150,619	163,212	154,891	38,218	118,808	118,379	429	0%	154,891
Remuneration of councillors	24,279	27,334	25,386	6,226	18,576	18,811	(235)	-1%	25,386
Debt impairment	61,327	48,632	48,932	-	-	19,573	(19,573)	-100%	48,932
Depreciation & asset impairment	58,788	58,392	57,692	-	-	41,256	(41,256)	-100%	57,692
Finance charges	3,516	3,729	745	193	232	616	(384)	-62%	845
Bulk purchases	88,182	110,035	100,035	22,882	68,442	68,996	(554)	-1%	100,035
Other materials	26,421	19,551	34,217	15,181	32,489	27,734	4,755	17%	32,727
Contracted services	75,365	60,088	59,987	11,814	59,430	53,977	5,453	10%	61,570
Transfers and subsidies	1,402	3,784	3,771	714	2,127	2,573	(447)	-17%	3,271
Other expenditure	52,620	37,918	40,320	7,041	30,357	28,670	1,687	6%	40,626
Losses	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>542,520</b>	<b>532,675</b>	<b>525,975</b>	<b>102,268</b>	<b>330,461</b>	<b>380,585</b>	<b>(50,124)</b>	<b>-13%</b>	<b>525,975</b>
<b>Surplus/(Deficit)</b>	<b>(25,535)</b>	<b>13,951</b>	<b>20,778</b>	<b>12,580</b>	<b>100,881</b>	<b>63,744</b>	<b>37,137</b>	<b>58%</b>	<b>20,778</b>
Transfers and subsidies - capital (monetary allocations)	68,450	79,332	80,072	15,637	49,058	44,715	4,342	10%	80,072
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>42,916</b>	<b>93,283</b>	<b>100,850</b>	<b>28,217</b>	<b>149,939</b>	<b>108,460</b>			<b>100,850</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>42,916</b>	<b>93,283</b>	<b>100,850</b>	<b>28,217</b>	<b>149,939</b>	<b>108,460</b>			<b>100,850</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>42,916</b>	<b>93,283</b>	<b>100,850</b>	<b>28,217</b>	<b>149,939</b>	<b>108,460</b>			<b>100,850</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>42,916</b>	<b>93,283</b>	<b>100,850</b>	<b>28,217</b>	<b>149,939</b>	<b>108,460</b>			<b>100,850</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.

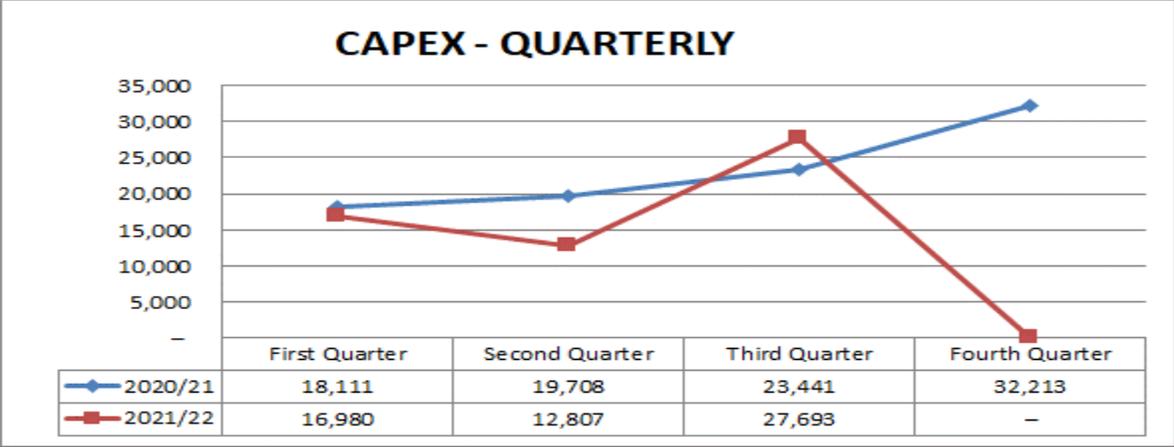
**Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding**

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	1,111	1,360	1,939	1,138	1,598	1,664	(66)	-4%	1,939
Executive and council							-		
Finance and administration	1,111	1,360	1,939	1,138	1,598	1,664	(66)	-4%	1,939
Internal audit							-		
<b>Community and public safety</b>	2,063	800	500	-	498	498	-		500
Community and social services	598	600	500	-	498	498	-		500
Sport and recreation	1,465	200	-	-	-	-	-		-
Public safety	-						-		
Housing							-		
Health							-		
<b>Economic and environmental services</b>	62,035	63,584	58,284	9,465	37,536	39,081	(1,545)	-4%	58,284
Planning and development		1,100	-	-	-	-	-		-
Road transport	62,035	62,484	58,284	9,465	37,536	39,081	(1,545)	-4%	58,284
Environmental protection							-		
<b>Trading services</b>	19,894	22,288	33,512	17,090	17,848	18,106	(258)	-1%	33,512
Energy sources	19,894	21,988	33,512	17,090	17,848	18,106	(258)	-1%	33,512
Waste management	-	300	-	-	-	-	-		-
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>85,102</b>	<b>88,032</b>	<b>94,234</b>	<b>27,693</b>	<b>57,479</b>	<b>59,348</b>	<b>(1,869)</b>	<b>-3%</b>	<b>94,234</b>
<b>Funded by:</b>									
National Government	79,029	79,332	79,772	14,936	43,765	45,482	(1,717)	-4%	79,772
Provincial Government			300	-	-	166	(166)	-100%	300
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	<b>79,029</b>	<b>79,332</b>	<b>80,072</b>	<b>14,936</b>	<b>43,765</b>	<b>45,648</b>	<b>(1,883)</b>	<b>-4%</b>	<b>80,072</b>
Borrowing							-		
Internally generated funds	6,073	8,700	14,163	12,757	13,714	13,700	14	0%	14,163
<b>Total Capital Funding</b>	<b>85,102</b>	<b>88,032</b>	<b>94,234</b>	<b>27,693</b>	<b>57,479</b>	<b>59,348</b>	<b>(1,869)</b>	<b>-3%</b>	<b>94,234</b>

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

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third 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	1,105	460	860	59	518	585	(67)	-11%	860
Vote 5 - Community Services	-	300	-	-	-	-	-	-	-
Vote 6 - Technical Services	7,468	40,840	58,280	16,407	39,677	42,280	(2,604)	-6%	58,280
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>8,574</b>	<b>41,600</b>	<b>59,140</b>	<b>16,466</b>	<b>40,195</b>	<b>42,865</b>	<b>(2,671)</b>	<b>-6%</b>	<b>59,140</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	100	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1,972	800	500	-	498	498	-	-	500
Vote 6 - Technical Services	74,557	44,432	34,595	11,227	16,786	15,985	802	5%	34,595
Vote 7 - Developmental Planning	-	1,100	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>76,528</b>	<b>46,432</b>	<b>35,095</b>	<b>11,227</b>	<b>17,284</b>	<b>16,483</b>	<b>802</b>	<b>5%</b>	<b>35,095</b>
<b>Total Capital Expenditure</b>	<b>85,102</b>	<b>88,032</b>	<b>94,234</b>	<b>27,693</b>	<b>57,479</b>	<b>59,348</b>	<b>(1,869)</b>	<b>-3%</b>	<b>94,234</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. R57, 479 million spending was incurred on capital budget, year to date budget is R59, 348 million, and this gave rise to an under performance variance of R1, 869 million that translates to 3%.



The above graph shows the components of sources of finance for capital budget. Of the total capital adjusted budget, R57, 984 million is funded from Municipal Infrastructure grant, R21, 788 million from INEP and R14, 163 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
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	6,857	8,536	17,310	16,442	17,310
Call investment deposits	–	23,315	–	60,031	–
Consumer debtors	85,665	63,924	62,496	102,878	62,496
Other debtors	51,435	60,917	62,766	53,974	62,766
Current portion of long-term receivables	119	–	119	–	119
Inventory	11,082	8,606	8,826	11,003	8,826
<b>Total current assets</b>	<b>155,157</b>	<b>165,299</b>	<b>151,516</b>	<b>244,327</b>	<b>151,516</b>
<b>Non current assets</b>					
Long-term receivables				–	
Investments	1,465	–	15,039	–	15,039
Investment property	80,022	60,343	55,840	80,622	55,840
Investments in Associate	–				
Property, plant and equipment	1,056,321	1,229,559	1,230,890	1,113,738	1,230,890
Biological	–			–	
Intangible	23	31	31	23	31
Other non-current assets	463	15,502	463	1,928	463
<b>Total non current assets</b>	<b>1,138,294</b>	<b>1,305,435</b>	<b>1,302,263</b>	<b>1,196,311</b>	<b>1,302,263</b>
<b>TOTAL ASSETS</b>	<b>1,293,451</b>	<b>1,470,733</b>	<b>1,453,779</b>	<b>1,440,638</b>	<b>1,453,779</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–		–	–
Borrowing	3,014	12,271	12,271	1,872	12,271
Consumer deposits	5,797	5,700	5,700	5,758	5,700
Trade and other payables	110,690	87,165	88,763	122,614	88,763
Provisions	3,269	5,950	5,950	2,253	5,950
<b>Total current liabilities</b>	<b>122,770</b>	<b>111,087</b>	<b>112,685</b>	<b>132,497</b>	<b>112,685</b>
<b>Non current liabilities</b>					
Borrowing	(386)	19,467	19,467	2,058	19,467
Provisions	75,199	95,439	95,439	75,428	95,439
<b>Total non current liabilities</b>	<b>74,813</b>	<b>114,907</b>	<b>114,907</b>	<b>77,486</b>	<b>114,907</b>
<b>TOTAL LIABILITIES</b>	<b>197,583</b>	<b>225,994</b>	<b>227,592</b>	<b>209,983</b>	<b>227,592</b>
<b>NET ASSETS</b>	<b>1,095,868</b>	<b>1,244,739</b>	<b>1,226,187</b>	<b>1,230,655</b>	<b>1,226,187</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1,095,868	1,234,739	1,216,187	1,230,655	1,216,187
Reserves		10,000	10,000	–	10,000
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,095,868</b>	<b>1,244,739</b>	<b>1,226,187</b>	<b>1,230,655</b>	<b>1,226,187</b>

The above table shows that community wealth amounts to R1, 230 billion, total liabilities R209, 983 million and the total assets R1, 440 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 1.8:1 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	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	47,281	29,997	34,083	7,261	21,463	21,108	355	2%	34,083
Service charges	128,148	107,419	99,738	24,646	72,781	70,892	1,889	3%	99,738
Other revenue	13,218	20,923	22,389	29,994	49,507	40,170	9,337	23%	22,389
Transfers and Subsidies - Operational	249,240	307,637	307,637	76,357	307,767	307,767	0	0%	307,637
Transfers and Subsidies - Capital	70,918	79,332	79,772	15,390	79,332	79,332	-	0%	79,772
Interest	941	3,018	2,432	950	2,390	2,288	102	4%	2,432
<b>Payments</b>									
Suppliers and employees	(404,748)	(443,509)	(443,527)	(126,317)	(400,874)	(378,223)	22,650	-6%	(443,527)
Finance charges	(786)	(3,729)	(845)	(193)	(237)	(617)	(381)	62%	(845)
Transfers and Grants	(1,487)	(3,784)	(513)	(714)	(2,127)	(2,550)	(423)	17%	(513)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>102,726</b>	<b>97,304</b>	<b>101,165</b>	<b>27,373</b>	<b>130,003</b>	<b>140,166</b>	<b>10,163</b>	<b>7%</b>	<b>101,165</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	(58)	-	5,544	-	-	-	-	-	5,544
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(84,243)	(80,993)	(84,002)	(27,693)	(57,479)	(53,623)	3,857	-7%	(84,002)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(84,301)</b>	<b>(80,993)</b>	<b>(78,458)</b>	<b>(27,693)</b>	<b>(57,479)</b>	<b>(45,269)</b>	<b>12,211</b>	<b>-27%</b>	<b>(78,458)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	325	325	19	(26)	(45)	19	-42%	325
<b>Payments</b>									
Repayment of borrowing	(13,938)	(12,271)	(12,271)	-	(2,441)	(3,401)	(959)	28%	(12,271)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(13,938)</b>	<b>(11,947)</b>	<b>(11,947)</b>	<b>19</b>	<b>(2,467)</b>	<b>(3,445)</b>	<b>(978)</b>	<b>28%</b>	<b>(11,947)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>4,486</b>	<b>4,364</b>	<b>10,761</b>	<b>(301)</b>	<b>70,057</b>	<b>83,099</b>			<b>10,761</b>
Cash/cash equivalents at beginning:	1,929	27,487	6,848		6,415	6,848			6,415
Cash/cash equivalents at month/year end:	6,415	31,852	17,609		76,472	89,947			17,176

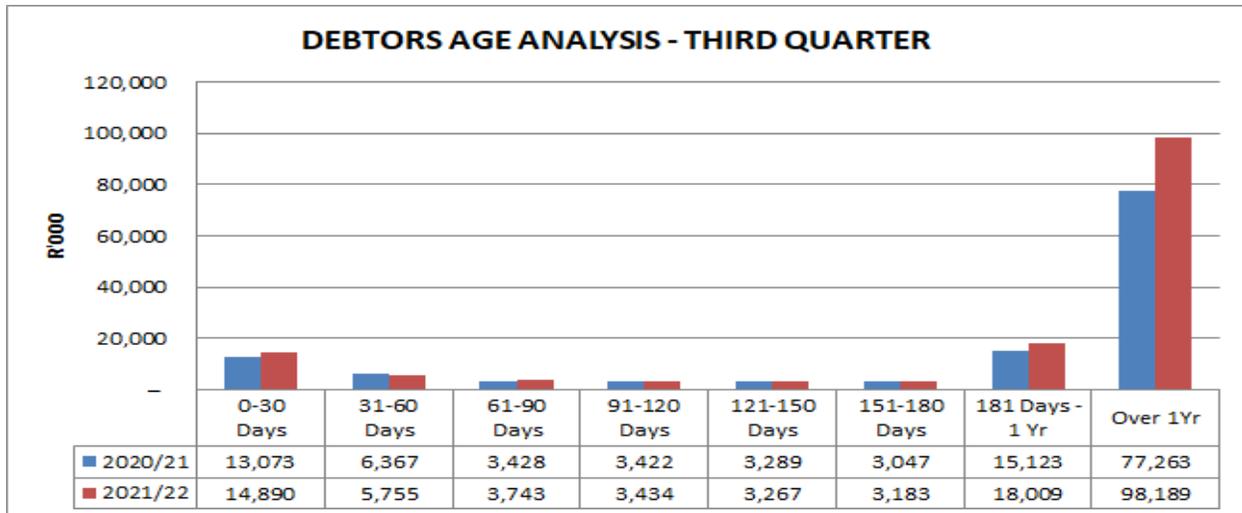
Table C7 provides details of the monthly cash in and outflow. For the quarter ending 31 March 2022 the net cash from operating activities is R130, 003 million whilst cash used for investing activities is R57, 479 million and the net cash from financing activities is R2, 467 million. The cash and cash equivalent held at end of the third quarter amounted to R76, 472 million.

## PART 2: SUPPORTING TABLES

### Table SC3: Debtors Analysis

Table provides a breakdown of the consumer and sundry debtors at the end of the third quarter. The outstanding debtors amounted to R150, 470 million as at 31 March 2022. Consumer debtors amounts to R94, 155 million and sundry debtors amounts to R 56, 315 million as at end of the third quarter.

Description	Budget Year 2021/22											
	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	7,904	1,856	321	195	103	113	448	2,195	13,134	3,054		
Receivables from Non-exchange Transactions - Property Rates	3,353	1,662	1,346	1,262	1,227	1,176	6,680	42,861	59,568	53,206		
Receivables from Exchange Transactions - Waste Management	793	504	422	410	407	404	2,328	14,681	19,950	18,230		
Receivables from Exchange Transactions - Property Rental Debtors	67	48	40	35	31	31	150	1,100	1,503	1,349		
Interest on Arrear Debtor Accounts	1,667	1,608	1,555	1,512	1,477	1,436	8,171	35,504	52,930	48,100		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	1,106	77	58	21	22	23	232	1,847	3,385	2,145		
<b>Total By Income Source</b>	<b>14,890</b>	<b>5,755</b>	<b>3,743</b>	<b>3,434</b>	<b>3,267</b>	<b>3,183</b>	<b>18,009</b>	<b>98,189</b>	<b>150,470</b>	<b>126,083</b>	<b>-</b>	<b>-</b>
<b>2019/20 - totals only</b>	<b>13,073</b>	<b>6,367</b>	<b>3,428</b>	<b>3,422</b>	<b>3,289</b>	<b>3,047</b>	<b>15,123</b>	<b>77,263</b>	<b>125,011</b>	<b>102,144</b>		
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2,144	1,217	1,085	1,021	992	993	5,755	31,311	44,517	40,071		
Commercial	7,809	1,716	666	541	503	455	2,134	12,319	26,142	15,951		
Households	4,896	2,810	1,982	1,863	1,762	1,724	10,063	54,281	79,381	69,693		
Other	40	11	11	10	11	11	58	278	430	368		
<b>Total By Customer Group</b>	<b>14,890</b>	<b>5,755</b>	<b>3,743</b>	<b>3,434</b>	<b>3,267</b>	<b>3,183</b>	<b>18,009</b>	<b>98,189</b>	<b>150,470</b>	<b>126,083</b>	<b>-</b>	<b>-</b>



The graph compares debtors' age analysis for 2020/21 financial year and 2021/22 (as at end of Third 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										-
<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 Third quarter.

**Table SC5: Investment Portfolio Analysis**

Name of Institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry Date	Opening Balance	Interest Realised	Withdrawal	Investment Top Up	Closing Balance
Standard Bank 0388235270011	1 Month	Current Investment	4.7%		14-Mar-22	30,290,466	53,507	-30,343,973	-	-
Standard Bank 0388235270012	1 Month	Current Investment	4.8%		21-Apr-22	-	7,890	-	20,000,000	20,007,890
Nedbank 03/7881068264/000063	2 Month	Current Investment	5.1%		23-May-22	-	11,266	-	20,000,000	20,011,266
Nedbank 03/7881068264/000062	3 Month	Current Investment	5.2%		22-Jun-22	-	11,375		20,000,000	20,011,375
<b>TOTAL INVESTMENTS AND INTEREST</b>						<b>30,290,466</b>		<b>-30,343,973</b>	<b>60,000,000</b>	<b>60,030,532</b>

Supporting Table SC5 displays the council's investments portfolio and indicates that the municipality had initial investment of R30, 290 million at the beginning of the third quarter, earned interest of R53, 507 thousand and withdrew it, recently the municipality made an investment of R60, 000 million in different investment portfolios.

**Table SC6- Allocation and grant receipts**

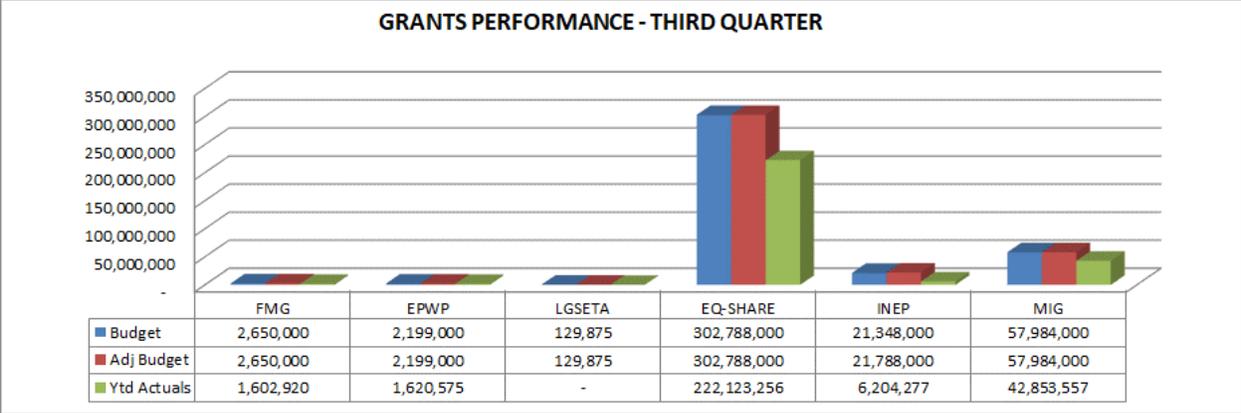
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>351,806</b>	<b>307,637</b>	<b>307,637</b>	<b>76,357</b>	<b>307,638</b>	<b>307,638</b>	-		<b>307,637</b>
Local Government Equitable Share	347,525	302,788	302,788	75,697	302,789	302,789	-		302,788
Finance Management	2,600	2,650	2,650	-	2,650	2,650	-		2,650
EPWP Incentive	1,681	2,199	2,199	660	2,199	2,199	-		2,199
Disaster Relief Grant COVID-19 (Corona virus)							-		-
<b>Other grant providers:</b>	<b>102</b>	<b>130</b>	<b>130</b>	<b>-</b>	<b>130</b>	<b>130</b>	-		<b>130</b>
LGSETA Learnership and Development	102	130	130	-	130	130	-		130
<b>Total Operating Transfers and Grants</b>	<b>351,908</b>	<b>307,767</b>	<b>307,767</b>	<b>76,357</b>	<b>307,768</b>	<b>307,768</b>	-		<b>307,767</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>68,891</b>	<b>79,332</b>	<b>79,332</b>	<b>15,390</b>	<b>79,332</b>	<b>79,332</b>	-		<b>79,332</b>
Municipal Infrastructure Grant (MIG)	53,891	57,984	57,984	15,390	57,984	57,984	-		57,984
Intergrated National Electrification Grant	15,000	21,348	21,348	-	21,348	21,348			21,348
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-		<b>-</b>
Coghsta - Development		-	-	-	-	-	-		-
<b>District Municipality:</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>
N/A							-		
<b>Total Capital Transfers and Grants</b>	<b>68,891</b>	<b>79,332</b>	<b>79,332</b>	<b>15,390</b>	<b>79,332</b>	<b>79,332</b>	-		<b>79,332</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>420,799</b>	<b>387,099</b>	<b>387,099</b>	<b>91,747</b>	<b>387,100</b>	<b>387,100</b>	-		<b>387,099</b>

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R387, 100 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	Third 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>351,806</b>	<b>307,637</b>	<b>307,637</b>	<b>67,947</b>	<b>225,347</b>	<b>226,372</b>	<b>(1,025)</b>	<b>0%</b>	<b>307,637</b>
Local Government Equitable Share	347,525	302,788	302,788	66,762	222,123	222,123	-		302,788
Finance Management	2,600	2,650	2,650	597	1,603	2,650	(1,047)	-40%	2,650
EPWP Incentive	1,681	2,199	2,199	588	1,621	1,598	22	1%	2,199
Disaster Relief Grant COVID-19 (Corona virus)							-		-
<b>Other grant providers:</b>	<b>102</b>	<b>130</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>130</b>	<b>(130)</b>	<b>-100%</b>	<b>130</b>
LGSETA Learnership and Development	102	130	130	-	-	130	(130)	-100%	130
<b>Total operating expenditure of Transfers and Grants:</b>	<b>351,908</b>	<b>307,767</b>	<b>307,767</b>	<b>67,947</b>	<b>225,347</b>	<b>226,501</b>	<b>(1,155)</b>	<b>-1%</b>	<b>307,767</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>68,891</b>	<b>79,332</b>	<b>79,772</b>	<b>15,637</b>	<b>49,058</b>	<b>50,918</b>	<b>(1,860)</b>	<b>-4%</b>	<b>79,772</b>
Municipal Infrastructure Grant (MIG)	53,891	57,984	57,984	10,305	42,854	38,843	4,011	10%	57,984
Intergrated National Electrification Grant	15,000	21,348	21,788	5,333	6,204	12,075	(5,870)	-49%	21,788
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development		-					-		
<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							0		
<b>Total capital expenditure of Transfers and Grants</b>	<b>68,891</b>	<b>79,332</b>	<b>79,772</b>	<b>15,637</b>	<b>49,058</b>	<b>50,918</b>	<b>(1,860)</b>	<b>-4%</b>	<b>79,772</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>420,799</b>	<b>387,099</b>	<b>387,539</b>	<b>83,585</b>	<b>274,405</b>	<b>277,419</b>	<b>(3,014)</b>	<b>-1%</b>	<b>387,539</b>

A total amount of R274, 405 million that have been spent on grants during the third quarter and the year to date budget thereof amount to R277, 419 million and this resulted in underspending variance of R3, 014 million that translates to 1%. Of the total spending amounting to R274, 405 million, R225, 347 million is spent on operational grants whilst R49, 058 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 third quarter. The grants expenditure is shown below in percentages:

- Financial Management Grant 60.49%
- Expanded Public Work Programme 73.70%
- Equitable Share 73.36%
- Local Government Sector Education & Training: 0%
- Municipal Infrastructure Grant 73.91%
- Integrated National Electrification Grant 28.48%

**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	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,184	16,008	14,794	3,625	10,856	10,985	(129)	-1%	14,794
Pension and UIF Contributions	1,600	1,847	1,889	503	1,363	1,373	(10)	-1%	1,889
Medical Aid Contributions	396	399	319	22	172	217	(45)	-21%	319
Motor Vehicle Allowance	5,167	5,847	5,408	1,332	3,953	4,004	(51)	-1%	5,408
Cellphone Allowance	2,708	2,992	2,738	688	2,050	2,050	-	0%	2,738
Other benefits and allowances	223	243	238	56	182	182	-	0%	238
<b>Sub Total - Councillors</b>	<b>24,279</b>	<b>27,334</b>	<b>25,386</b>	<b>6,226</b>	<b>18,576</b>	<b>18,811</b>	<b>(235)</b>	<b>-1%</b>	<b>25,386</b>
<b>% increase</b>		<b>13%</b>	<b>5%</b>						<b>5%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3,947	6,226	3,162	782	2,364	2,372	(8)	0%	3,162
Pension and UIF Contributions	141	299	89	22	66	67	(1)	-1%	89
Medical Aid Contributions	81	92	52	22	47	39	9	23%	52
Motor Vehicle Allowance	420	912	186	47	140	140	-	0%	186
Cellphone Allowance	114	151	85	21	64	64	-	0%	85
Other benefits and allowances	1,846	491	172	0	172	172	-	0%	172
Payments in lieu of leave							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,549</b>	<b>8,171</b>	<b>3,746</b>	<b>894</b>	<b>2,853</b>	<b>2,852</b>	<b>0</b>	<b>0%</b>	<b>3,746</b>
<b>% increase</b>		<b>25%</b>	<b>-43%</b>						<b>-43%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	93,585	99,214	98,352	24,755	73,538	73,555	(17)	0%	98,352
Pension and UIF Contributions	18,983	27,125	19,631	4,970	14,627	14,641	(14)	0%	19,631
Medical Aid Contributions	5,228	4,550	5,403	1,397	4,030	4,017	13	0%	5,403
Overtime	1,353	1,005	1,197	248	870	900	(30)	-3%	1,197
Motor Vehicle Allowance	12,066	12,315	13,024	3,315	9,687	9,695	(8)	0%	13,024
Cellphone Allowance	1,901	1,284	1,916	480	1,437	1,437	-	0%	1,916
Housing Allowances	206	202	217	57	164	162	2	1%	217
Other benefits and allowances	2,655	8,457	10,233	1,454	10,049	9,963	86	1%	10,233
Payments in lieu of leave	6,688	173	421	197	605	408	197	48%	421
Long service awards	1,405	714	749	452	950	749	201	27%	749
Post-retirement benefit obligations							-		
<b>Sub Total - Other Municipal Staff</b>	<b>144,070</b>	<b>155,041</b>	<b>151,144</b>	<b>37,323</b>	<b>115,956</b>	<b>115,527</b>	<b>429</b>	<b>0%</b>	<b>151,144</b>
<b>% increase</b>		<b>8%</b>	<b>5%</b>						<b>5%</b>
<b>Total Parent Municipality</b>	<b>174,898</b>	<b>190,546</b>	<b>180,276</b>	<b>44,443</b>	<b>137,384</b>	<b>137,190</b>	<b>194</b>	<b>0%</b>	<b>180,276</b>
		<b>9%</b>	<b>3%</b>						<b>3%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>174,898</b>	<b>190,546</b>	<b>180,276</b>	<b>44,443</b>	<b>137,384</b>	<b>137,190</b>	<b>194</b>	<b>0%</b>	<b>180,276</b>
<b>% increase</b>		<b>9%</b>	<b>3%</b>						<b>3%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>150,619</b>	<b>163,212</b>	<b>154,891</b>	<b>38,218</b>	<b>118,808</b>	<b>118,379</b>	<b>429</b>	<b>0%</b>	<b>154,891</b>

This table provides the details for councilor and employee benefits. For the third quarter the total salaries, allowances and benefits amounted to R137, 384 million which deviates with R137, 190 million from the planned figure.

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

Description	Current Year				2021/22 Medium Term Revenue & Expenditure Framework		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year	Year +1	Year +2
	Outcome	Outcome	Outcome	Budgeted	2021/22	2022/23	2023/24
<b>Cash Receipts By Source</b>							
Property rates	7,266	6,936	7,261	8,534	29,997	30,907	31,931
Service charges - electricity revenue	23,969	21,715	23,416	30,898	99,998	101,965	102,930
Service charges - refuse	1,264	1,187	1,230	3,740	7,421	8,755	9,978
Rental of facilities and equipment	142	179	169	409	898	936	977
Interest earned - external investments	357	160	405	977	1,900	1,980	2,067
Interest earned - outstanding debtors	337	586	545	(349)	1,118	796	641
Fines, penalties and forfeits	70	42	191	13,818	14,120	15,331	16,006
Licences and permits	1,623	1,516	1,645	456	5,240	5,460	5,701
Transfers and Subsidies - Operational	129,492	101,918	76,357	(130)	307,637	322,626	316,577
Other revenue	7,116	8,825	27,990	(43,267)	664	692	722
<b>Cash Receipts by Source</b>	<b>171,636</b>	<b>143,065</b>	<b>139,208</b>	<b>15,086</b>	<b>468,994</b>	<b>489,449</b>	<b>487,530</b>
<b>Other Cash Flows by Source</b>	-	-	-	-			
Transfers and subsidies - capital (monetary allocations)	46,000	17,942	15,390	-	79,332	72,606	76,364
Borrowing long term/refinancing	-	-	-	-			
Increase (decrease) in consumer deposits	(37)	(8)	19	350	325	(3,247)	(3,247)
Decrease (increase) in non-current receivables	-	-	-	-			
Decrease (increase) in non-current investments	-	-	-	-			
<b>Total Cash Receipts by Source</b>	<b>217,599</b>	<b>160,999</b>	<b>154,616</b>	<b>15,436</b>	<b>548,651</b>	<b>558,808</b>	<b>560,648</b>
<b>Cash Payments by Type</b>	-	-	-	-			
Employee related costs	35,298	45,292	38,218	44,403	163,212	170,102	177,553
Remuneration of councillors	6,061	6,289	6,226	8,759	27,334	28,428	29,565
Interest paid	37	7	193	3,492	3,729	2,653	1,880
Bulk purchases - Electricity	33,420	23,207	22,882	30,526	110,035	114,656	119,701
Other materials	22,702	6,962	15,181	(12,157)	32,689	28,778	30,507
Contracted services	27,525	28,981	11,814	(4,219)	64,102	51,538	45,479
Grants and subsidies paid - other	764	648	714	1,657	3,784	3,943	4,116
General expenses	20,358	18,460	31,997	(38,951)	31,864	33,203	34,663
<b>Cash Payments by Type</b>	<b>146,166</b>	<b>129,847</b>	<b>127,224</b>	<b>33,511</b>	<b>436,748</b>	<b>433,300</b>	<b>443,465</b>
<b>Other Cash Flows/Payments by Type</b>	-	-	-	-			
Capital assets	16,980	12,807	27,693	23,514	80,993	85,145	78,358
Repayment of borrowing	2,196	245	-	9,830	12,271	11,347	8,120
Other Cash Flows/Payments	-	-	-	14,274	14,274	19,580	29,705
<b>Total Cash Payments by Type</b>	<b>165,342</b>	<b>142,899</b>	<b>154,917</b>	<b>81,129</b>	<b>544,286</b>	<b>549,373</b>	<b>559,648</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>52,257</b>	<b>18,100</b>	<b>(301)</b>	<b>(65,693)</b>	<b>4,364</b>	<b>9,435</b>	<b>1,000</b>
Cash/cash equivalents at the month/year beginning:	191,959	106,580	175,917	146,094	6,415	10,780	20,214
Cash/cash equivalents at the month/year end:	244,216	124,681	175,616	80,402	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 third quarter, cash receipts reflect an amount of R154, 616 million whilst the total cash payment is R154, 917 million. The cash and cash equivalent at end the quarter amounted to R175 616 million that is inclusive of unspent conditional grants amounting to R112, 694 million.

**Table SC12: Capital Expenditure Trend**

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
First Quarter	18,111	38,757	16,980	16,980	29,859	29,859	(0)	(0)	34%
Second Quarter	19,708	26,993	12,807	12,807	71,975	71,975	-	-	82%
Third Quarter	23,441	12,341	22,200	27,693	137,865	132,372	(5,493)	(0)	157%
Fourth Quarter	23,842	9,942	42,248	-	-	212,969	-	-	0%
<b>Total Capital expenditure</b>	<b>85,102</b>	<b>88,032</b>	<b>94,234</b>	<b>57,479</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 third quarter amounts to R27, 693 million. The year to date actual amounts to R137, 865 and year to date capital budget is R132, 372 million that gives rise to underspending variance of R5, 493 million that translate to 157%.

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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third 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>	10,855	22,048	28,088	11,772	12,529	17,065	4,536	27%	28,088
<b>Roads Infrastructure</b>	-	500	-	-	-	-	-		-
Roads		500	-	-	-	-	-		-
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
<b>Electrical Infrastructure</b>	10,855	21,348	28,088	11,772	12,529	17,065	4,536	27%	28,088
HV Substations							-		
HV Switching Station							-		
MV Networks	10,855	21,348	28,088	11,772	12,529	17,065	4,536	27%	28,088
LV Networks							-		
<b>Solid Waste Infrastructure</b>	-	200	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Capital Spares		200	-	-	-	-	-		-
<b>Community Assets</b>	-	100	-	-	-	-	-		-
Community Facilities	-	100	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	727	-	-	-	-	-	-		-
Municipal Offices	727						-		
Workshops	-						-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	769	460	860	59	518	585	67	11%	860
Computer Equipment	769	460	860	59	518	585	67	11%	860
<b>Furniture and Office Equipment</b>	1,607	-	-	-	-	-	-		-
Furniture and Office Equipment	1,607						-		
<b>Machinery and Equipment</b>	1,760	400	300	194	194	114	(80)	-70%	300
Machinery and Equipment	1,760	400	300	194	194	114	(80)	-70%	300
<b>Transport Assets</b>	-	800	1,079	1,079	1,079	1,079	(1)	0%	1,079
Transport Assets		800	1,079	1,079	1,079	1,079	(1)	0%	1,079
<b>Land</b>	-	1,100	-	-	-	-	-		-
Land		1,100	-	-	-	-	-		-
<b>Total Capital Expenditure on new assets</b>	15,718	24,908	30,326	13,104	14,321	18,843	4,522	24%	30,326

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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third 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>	52,855	39,750	44,874	12,901	29,029	25,666	(3,363)	-13%	44,874
Roads Infrastructure	50,943	39,750	39,750	7,777	23,905	20,542	(3,363)	-16%	39,750
Roads	50,943	39,750	39,750	7,777	23,905	20,542	(3,363)	-16%	39,750
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	1,912	-	5,124	5,124	5,124	5,124	-		5,124
HV Substations							-		
MV Networks			5,124	5,124	5,124	5,124	-		5,124
LV Networks	1,912	-					-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Community Assets</b>	687	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	687						-		
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>	53,543	39,750	44,874	12,901	29,029	25,666	(3,363)	-13.1%	44,874

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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	13,320	12,276	25,528	12,224	23,810	20,548	(3,262)	-16%	24,138
<b>Roads Infrastructure</b>	8,367	7,802	11,748	4,424	11,852	8,166	(3,685)	-45%	10,358
Roads	8,367	7,802	11,748	4,424	11,852	8,166	(3,685)	-45%	10,358
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	2,195	2,033	9,099	7,030	8,891	8,891	(0)	0%	9,099
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,195	2,033	9,099	7,030	8,891	8,891	(0)	0%	9,099
<b>Solid Waste Infrastructure</b>	2,757	2,441	4,681	771	3,067	3,491	424	12%	4,681
Landfill Sites	2,757	2,441	4,681	771	3,067	3,491	424	12%	4,681
Waste Transfer Stations							-		
<b>Community Assets</b>	164	385	185	1	156	155	(1)	0%	185
Community Facilities	164	385	185	1	156	155	(1)	0%	185
Police							-		
Parks	164	385	185	1	156	155	(1)	0%	185
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	1,991	1,756	616	16	529	518	(11)	-2%	616
Operational Buildings	1,991	1,756	616	7	529	518	(11)	-2%	616
Stores		1,229	79	9	28	28	-		79
<b>Intangible Assets</b>	-	187	60	5	27	44	16	38%	60
Servitudes							-		
Computer Software and Applications		187	60	5	27	44	16	38%	60
<b>Computer Equipment</b>	5	-	-	-	-	-	-		-
Computer Equipment	5						-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	1,561	2,083	2,195	267	2,244	1,928	(316)	-16%	2,195
Machinery and Equipment	1,561	2,083	2,195	267	2,244	1,928	(316)	-16%	2,195
<b>Transport Assets</b>	3,099	1,313	2,589	919	2,246	1,951	(295)	-15%	2,589
Transport Assets	3,099	1,313	2,589	919	2,246	1,951	(295)	-15%	2,589
<b>Total Repairs and Maintenance Expenditure</b>	20,140	17,999	31,174	13,432	29,012	25,145	(3,867)	-15.4%	29,784

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 R14, 321 million for the third quarter, which reflects 24.0% variance when compared to the quarterly target.

For renewal and upgrading of existing assets to R29, 029 million has been spent during the third quarter on renewal of assets. This reflects negative 13.1% variance when compared to the target.

The repairs and maintenance for the third quarter amounted to R29, 012 million reflecting a 15.4% variance when compared to the third 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 March 2022 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

*PP. G. Mashack*  
14/04/2022