

Kannaland Municipality



Financial Management Report September 2019

**In-Year Report of the Municipality. Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003):
Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009.**

Contents

Glossary	4
Legislative Framework	7
3.1 Mayor’s Report	10
3.2 Budget Summary	10
3.3 Operating Revenue and Expenditure	12
3.3.1 Operating Revenue	14
3.3.2 Operating Expenditure	15
3.4 Statement of Financial Position	15
3.5 Cash Receipts and Payments	17
3.6 Debtor Age Analysis	20
3.6.1 Chart of aged debtors age analysis – Current year actuals vs. prior year audited outcome	21
3.6.2 Chart of debtors age analysis per consumer category	22
3.7 Creditors Age Analysis	23
3.7.1 Chart of creditors expressed proportionately to the total amount owed	24
3.8 Conditional Grants Transferred and Expenditure	25
3.9 Capital Revenue & Expenditure	28
3.10 Expenditure on Salaries	30
3.11 Long-term borrowing	32
ANNEXURE A	33
Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -	33
ANNEXURE B	34

Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September 2019	34
ANNEXURE C	36
Implementation of the Supply Chain Management policy	36

Glossary

Adjustments budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality September revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

Equitable share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement - A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF - Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure - Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - Generally, is spending without, or in excess of, an approved budget.

Virement - A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virement are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act 56 of 2003

Section 71: Monthly budget statements

71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on—
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of—
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and

(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

(2) The statement must include—

(a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and

(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

Section 66: Expenditure on staff benefits

66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely—

(a) salaries and wages;

(b) contributions for pensions and medical aid;

(c) travel, motor car, accommodation, subsistence and other allowances;

(d) housing benefits and allowances;

(e) overtime payments;

(f) loans and advances; and

(g) any other type of benefit or allowance related to staff.

Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009.

3.1 Mayor's Report

The purpose of this report is to inform the mayor and provincial treasury of the monthly financial performance against the budget of the municipality for the month of **September 2019**. The mayor will consider all deviations and take the necessary corrective actions if needed. It should be noted that the monthly budget has been set at a straight-line approach (simply dividing the annual budget by twelve), which is not practical as the flow of revenue and expenditure incurred are not only cyclical but can be subject to procurement processes and other predictable factors that can cause delays or timing issues, especially during the start-up phase of capital projects.

Financial problems and risks facing the municipality

Cash flow has and will for the foreseeable future be a problem, but in the short-term Kannaland Municipality has done well to meet the most pressing commitments. The municipality still experiences cash flow challenges due to constrained resources. A financial Recovery Plan is in place to mitigate this risk. The next scheduled meeting with Provincial Treasury to monitor progress on the implementation of this plan is on the **16th of October 2019** of which findings will be communicated on the Section 52(d) Report that will be tabled to the council in the next council meeting.

Other information considered relevant

The annual financial statement has been completed and submitted to office of the Auditor General on the 10th of OCTOBER 2019 as per council resolution. We have now official started with the audit process where in we require full support from all departments.

3.2 Budget Summary

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M03 September

Description	2018/19		Budget Year 2019/20						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	16 275	17 117	17 117	503	7 558	4 279	3 279	77%	17 117
Service charges	69 672	88 958	88 958	2 137	21 950	22 239	(289)	-1%	88 958
Investment revenue	669	526	526	82	277	131	145	110%	526
Transfers and subsidies	34 779	37 147	38 545	36	13 424	15 391	(1 968)	-13%	38 545
Other own revenue	12 633	18 336	18 336	771	1 646	4 584	(2 938)	-64%	18 336
Total Revenue (excluding capital transfers and contributions)	134 028	162 083	163 481	3 529	44 855	46 626	(1 771)	-4%	163 481
Employee costs	55 327	59 406	59 406	4 283	14 999	14 408	592	4%	59 406
Remuneration of Councillors	2 866	3 277	3 277	261	437	819	(382)	-47%	3 277
Depreciation & asset impairment	1 933	11 192	11 192	-	-	2 798	(2 798)	-100%	11 192
Finance charges	612	722	722	39	115	180	(65)	-36%	722
Materials and bulk purchases	26 623	44 282	44 297	453	5 718	11 074	(5 356)	-48%	44 297
Transfers and subsidies	2 139	558	558	-	-	139	(139)	-100%	558
Other expenditure	33 626	43 518	44 901	1 086	2 439	11 225	(8 786)	-78%	44 901
Total Expenditure	123 127	162 954	164 352	6 122	23 709	40 644	(16 935)	-42%	164 352
Surplus/(Deficit)	10 902	(871)	(871)	(2 592)	21 146	5 982	15 164	254%	(871)
Transfers and subsidies - capital (monetary allocations)	12 056	52 236	55 332	-	503	15 371	(14 868)	-97%	55 332
Contributions & Contributed assets	191	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	23 148	51 366	54 461	(2 592)	21 648	21 352	296	1%	54 461
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	23 148	51 366	54 461	(2 592)	21 648	21 352	296	1%	54 461
Capital expenditure & funds sources									
Capital expenditure	17 836	52 626	55 722	2 437	3 509	13 930	(10 422)	-75%	55 722
Capital transfers recognised	16 125	52 236	55 232	2 437	3 552	13 808	(10 256)	-74%	55 232
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	985	390	490	-	-	122	(122)	-100%	490
Total sources of capital funds	17 111	52 626	55 722	2 437	3 552	13 930	(10 379)	-75%	55 722
Financial position									
Total current assets	(17 335)	(96 715)	(207 232)	-	11 118	-	-	-	(207 232)
Total non current assets	5 823	52 626	66 914	-	3 552	-	-	-	66 914
Total current liabilities	(23 889)	(134 040)	(265 417)	-	(6 977)	-	-	-	(265 417)
Total non current liabilities	125	(1 157)	(2 657)	-	0	-	-	-	(2 657)
Community wealth/Equity	(91)	-	-	-	2	-	-	-	-
Cash flows									
Net cash from (used) operating	8 237	15 325	17 123	(2 561)	27 700	12 462	(15 238)	-122%	17 123
Net cash from (used) investing	87	(52 626)	(55 722)	-	-	(13 930)	(13 930)	100%	(55 722)
Net cash from (used) financing	11	(720)	(720)	8	36	(180)	(216)	120%	(720)
Cash/cash equivalents at the month/year end	8 333	(38 022)	(39 319)	-	27 736	(1 649)	(29 385)	1782%	(39 319)
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	9 100	1 608	1 273	1 287	1 183	1 086	6 517	49 787	71 841
Creditors Age Analysis									
Total Creditors	8 358	448	4 280	4 850	14 988	-	782	5 914	39 619

Operating /Deficit

The municipality recorded for the September month R2.5 million deficit. This can be attributed to the pre-payments received in August for the September month as the late year-end closure affected the billing process.

Financial Performance

Property Rates

The property rates showed a collection of R503 thousand indicating a 50% rates collection in the September period. This is due to pre-payments as mentioned earlier.

Service Charges

We have received R2.1 million on service charges this month as a result of the pre-payments received.

Transfers and Subsidies

The municipality received a grant from the Local Government Sector Education and Training Authority of R 45 thousand. The funds will be used for training projects.

3.3 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		16 275	17 117	17 117	503	7 558	4 279	3 279	77%	17 117
Service charges - electricity revenue		44 924	59 573	59 573	1 483	14 655	14 893	(238)	-2%	59 573
Service charges - water revenue		12 773	16 920	16 920	240	3 709	4 230	(521)	-12%	16 920
Service charges - sanitation revenue		6 174	6 271	6 271	225	1 825	1 568	257	16%	6 271
Service charges - refuse revenue		5 801	6 193	6 193	189	1 761	1 548	213	14%	6 193
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		516	956	956	43	131	239	(108)	-45%	956
Interest earned - external investments		669	526	526	82	277	131	145	110%	526
Interest earned - outstanding debtors		49	5 622	5 622	-	3	1 405	(1 402)	-100%	5 622
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		10 445	8 928	8 928	122	791	2 232	(1 441)	-65%	8 928
Licences and permits		173	160	160	8	56	40	16	39%	160
Agency services		828	1 010	1 010	83	226	252	(26)	-10%	1 010
Transfers and subsidies		34 779	37 147	38 545	36	13 424	15 391	(1 968)	-13%	38 545
Other revenue		622	1 660	1 660	516	440	415	25	6%	1 660
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		134 028	162 083	163 481	3 529	44 855	46 626	(1 771)	-4%	163 481
Expenditure By Type										
Employee related costs		55 327	59 406	59 406	4 283	14 999	14 408	592	4%	59 406
Remuneration of councillors		2 866	3 277	3 277	261	437	819	(382)	-47%	3 277
Debt impairment		17 112	14 077	14 077	16	56	3 519	(3 464)	-98%	14 077
Depreciation & asset impairment		1 933	11 192	11 192	-	-	2 798	(2 798)	-100%	11 192
Finance charges		612	722	722	39	115	180	(65)	-36%	722
Bulk purchases		25 263	40 200	40 200	368	5 420	10 050	(4 630)	-46%	40 200
Other materials		1 360	4 082	4 097	85	298	1 024	(726)	-71%	4 097
Contracted services		7 875	15 531	16 929	445	866	4 232	(3 366)	-80%	16 929
Transfers and subsidies		2 139	558	558	-	-	139	(139)	-100%	558
Other expenditure		8 492	13 911	13 896	625	1 518	3 474	(1 956)	-56%	13 896
Loss on disposal of PPE		148	-	-	-	-	-	-	-	-
Total Expenditure		123 127	162 954	164 352	6 122	23 709	40 644	(16 935)	-42%	164 352
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		10 902	(871)	(871)	(2 592)	21 146	5 982	15 164	0	(871)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		12 056	52 236	55 332	-	503	15 371	(14 868)	(0)	55 332
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
		191	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		23 148	51 366	54 461	(2 592)	21 648	21 352			54 461
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		23 148	51 366	54 461	(2 592)	21 648	21 352			54 461
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		23 148	51 366	54 461	(2 592)	21 648	21 352			54 461
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		23 148	51 366	54 461	(2 592)	21 648	21 352			54 461

3.3.1 Operating Revenue

The detailed operating revenue items are as follows:

Electricity

The Kannaland municipality supplies the following locations with electricity, Ladismith and Calitzdorp and we have sold about R1.4 million worth of electricity this month. However, areas that are serviced by ESKOM such Zoar and Van Wyks Dorp continue to be a challenge in terms of implementing our debt collection policy strategies and the council need to consider alternative ways of managing this problem.

Water

We have a revenue collection of R 240 thousand in water services in September. This collection could be more if electricity in the whole municipal boundary was serviced by the municipality as it affects debt collection measures where electricity is supplied directly by Eskom. No major water leaks were reported this month.

Sewerage

We have collected R 225 thousand during this month and this rate was in line totals 33% of the total billed in the September month.

Refuse Removal

The municipality collected refuse and managed to generate R189 thousand for the reporting month. There were no reported incidents regarding refuse collection this month.

3.3.2 Operating Expenditure

Employee Related Costs

Employee related expenditure is under spent by R 667 thousand due to posts that have not yet been filled. The BTO Manager and Accountant posts were however filled on the 1st of October 2019.

Bulk Purchase

The municipality made bulk purchases to the amount of R 368 thousand for the reporting period. The variance on electricity could be attributed due to consumption pattern fluctuations.

Contracted services

The under expenditure of 26% is due to cash flow challenges for contracted services and also misalignment of expenditure budget with the actual expenditure is ongoing for contracted services.

3.4 Statement of Financial Position

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 728	–	(6 933)	3 453	(6 933)
Call investment deposits		8 289	–	–	11 040	–
Consumer debtors		(873)	(96 784)	(199 443)	6 338	(199 443)
Other debtors		(27 063)	(3 326)	(7 661)	(9 760)	(7 661)
Current portion of long-term receivables		(2)	–	–	–	–
Inventory		587	3 395	6 805	47	6 805
Total current assets		(17 335)	(96 715)	(207 232)	11 118	(207 232)
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		(18)	–	–	–	–
Investment property		(105)	–	–	–	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		5 972	52 626	66 884	3 552	66 884
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		(26)	–	29	–	29
Other non-current assets		–	–	–	–	–
Total non current assets		5 823	52 626	66 914	3 552	66 914
TOTAL ASSETS		(11 512)	(44 088)	(140 318)	14 670	(140 318)
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		(566)	(437)	(873)	(123)	(873)
Consumer deposits		11	–	–	38	–
Trade and other payables		(23 340)	(133 603)	(264 543)	(6 892)	(264 543)
Provisions		7	–	–	–	–
Total current liabilities		(23 889)	(134 040)	(265 417)	(6 977)	(265 417)
Non current liabilities						
Borrowing		125	(1 157)	(1 157)	0	(1 157)
Provisions		–	–	(1 500)	–	(1 500)
Total non current liabilities		125	(1 157)	(2 657)	0	(2 657)
TOTAL LIABILITIES		(23 764)	(135 197)	(268 073)	(6 977)	(268 073)
NET ASSETS	2	12 252	91 108	127 755	21 647	127 755
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(1 519)	–	–	–	–
Reserves		1 427	–	–	2	–
TOTAL COMMUNITY WEALTH/EQUITY	2	(91)	–	–	2	–

Assets

Cash

The financial cash flow of the municipality remains an on-going challenge that is being addressed by the implementation of the financial recovery plan in collaboration with the Provincial Treasury.

Call Investment Deposits

We currently have short-term investments deposits which consist of the Conditional Grants received from National Treasury. These grants are more detailed under the Grants Schedule which is Table SC06 of this report.

Consumer Debtors

Although the municipality has a high debt book however prospects of collecting 85 per cent of this value is unlikely due to the reasons stated earlier which include areas that are serviced by ESKOM on Electricity.

Property, Plant and Equipment

The municipality did not make any asset acquisition for the reporting period. The year to date on capital expenditure is R 3.5 million which indicates a 5% expenditure of the total capital budget.

Intangible Assets

The acquisition of Intangible Assets such as software and antivirus will only take place after we have secured a new server. We anticipate to have both assets in January 2020.

Liabilities

Current Liabilities

Bank Overdraft

The municipality did not use any overdraft facility for the month of September 2019.

Borrowings

We have a long-term financial obligation with the Development Bank of Southern Africa and currently paying R 60 thousand per month inclusive of finance charges.

Trade and Other Payables

Due to the nature of our financial situation we are struggling to fulfil our obligations and we have been in negotiations with our creditors such as Eskom to negotiate payment plans that will suit our affordability. We have about R 6.9 million new obligations on since the beginning of the financial year.

3.5 Cash Receipts and Payments

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		8 832	(2 488)	(2 488)	665	6 898	(622)	7 520	-1209%	(2 488)
Service charges		53 259	79 153	79 148	8 235	24 942	19 787	5 155	26%	79 148
Other revenue		864	8 625	8 625	137	1 632	2 156	(524)	-24%	8 625
Government - operating		34 040	9 452	9 457	(1 193)	9 886	8 601	1 285	15%	9 457
Government - capital		12 674	52 136	55 332	-	7 719	15 333	(7 614)	-50%	55 332
Interest		718	6 132	6 132	81	276	1 533	(1 257)	-82%	6 132
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(101 133)	(136 406)	(137 804)	(6 952)	(23 538)	(34 007)	(10 469)	31%	(137 804)
Finance charges		(612)	(722)	(722)	(39)	(115)	(180)	(65)	36%	(722)
Transfers and Grants		(406)	(558)	(558)	-	-	(139)	(139)	100%	(558)
NET CASH FROM/(USED) OPERATING ACTIVITIES		8 237	15 325	17 123	933	27 700	12 462	(15 238)	-122%	17 123
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		18	-	-	-	-	-	-	-	-
Payments										
Capital assets		69	(52 626)	(55 722)	-	-	(13 930)	(13 930)	100%	(55 722)
NET CASH FROM/(USED) INVESTING ACTIVITIES		87	(52 626)	(55 722)	-	-	(13 930)	(13 930)	100%	(55 722)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		11	-	-	8	38	-	38	0%	-
Payments										
Repayment of borrowing		0	(720)	(720)	-	(2)	(180)	(178)	99%	(720)
NET CASH FROM/(USED) FINANCING ACTIVITIES		11	(720)	(720)	8	36	(180)	(216)	120%	(720)
NET INCREASE/ (DECREASE) IN CASH HELD		8 335	(38 022)	(39 319)	941	27 736	(1 649)			(39 319)
Cash/cash equivalents at beginning:		(2)	-	-		-	-			-
Cash/cash equivalents at month/year end:		8 333	(38 022)	(39 319)		27 736	(1 649)			(39 319)

Cash Receipts

As extensively reported earlier, the municipal cash flow position remains difficult and with the implementation of the Financial Recovery Plan we hope to turn this situation around in the near future. Provincial Treasury will be onsite on the 16th of October monitoring and evaluation of the plan.

The bank balance as at 30 September 2019 was R 1.7 million and no overdraft facilities were used this month.

The lack of revenue streams has left the municipality to be heavily dependent on Grant Funding to run its daily operations and the current national economic situation is not helping our situation.

We will keep the cash situation closely monitored and we hope to cut on unnecessary spending in order to improve our cash flow situation.

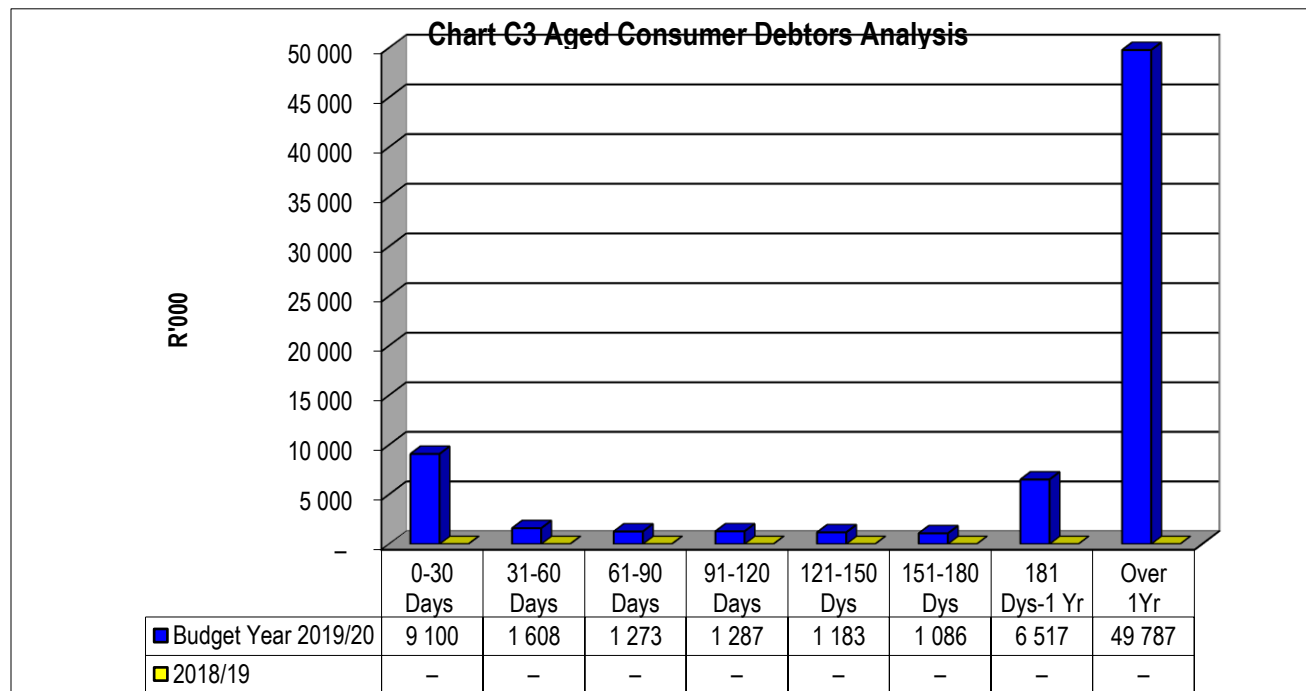
3.6 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

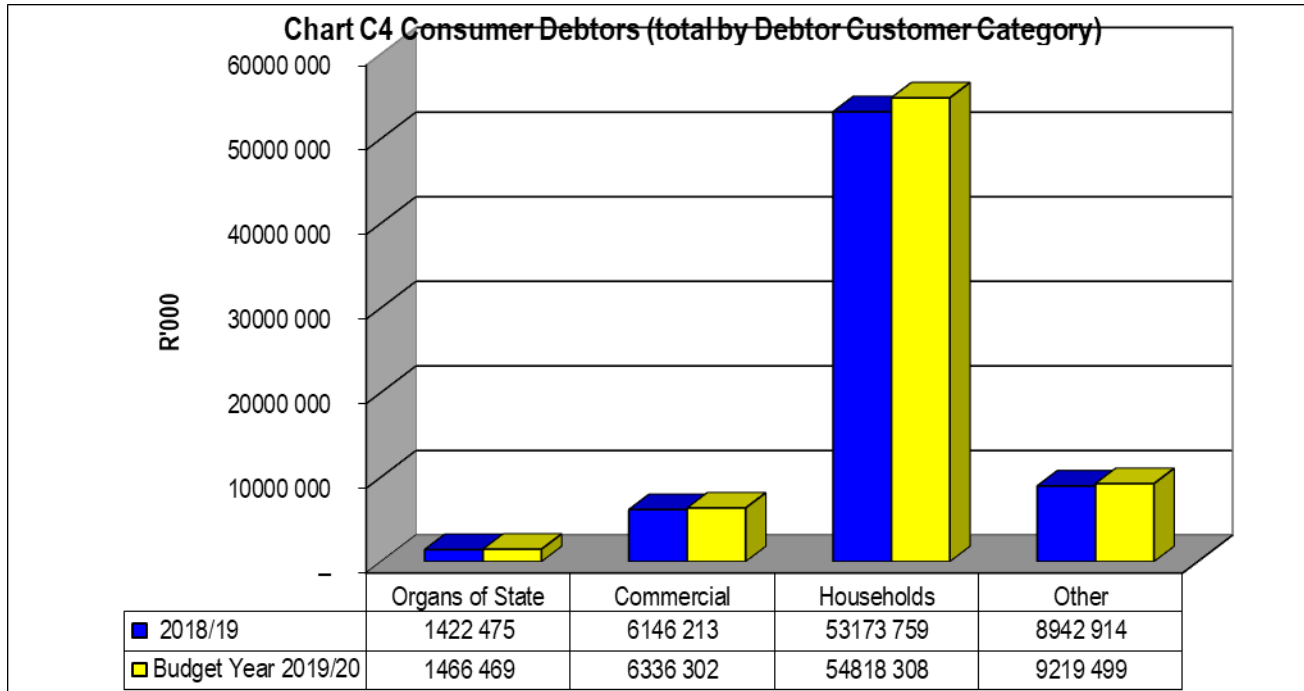
Description	NT Code	Budget Year 2019/20									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	2 039	463	385	425	341	272	1 707	8 746	14 378	11 491	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 648	104	59	44	35	42	160	1 235	5 328	1 516	
Receivables from Non-exchange Transactions - Property Rates	1400	3 037	275	268	250	248	221	1 196	11 612	17 107	13 527	
Receivables from Exchange Transactions - Waste Water Management	1500	524	248	191	188	187	186	1 107	6 665	9 296	8 333	
Receivables from Exchange Transactions - Waste Management	1600	1 288	389	279	270	268	262	1 559	7 443	11 758	9 802	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	24	24	24	
Interest on Arrear Debtor Accounts	1810	17	4	13	24	32	38	397	12 612	13 136	13 103	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(1 453)	124	78	86	71	64	391	1 450	811	2 063	
Total By Income Source	2000	9 100	1 608	1 273	1 287	1 183	1 086	6 517	49 787	71 841	59 860	
2018/19 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	897	58	18	18	16	12	29	419	1 466	494	
Commercial	2300	3 816	109	84	87	78	72	326	1 764	6 336	2 327	
Households	2400	4 135	1 330	1 032	1 047	950	867	5 379	40 079	54 818	48 321	
Other	2500	252	111	139	134	140	135	783	7 526	9 219	8 718	
Total By Customer Group	2600	9 100	1 608	1 273	1 287	1 183	1 086	6 517	49 787	71 841	59 860	

- The total amount owed to Kannaland Municipality amounted to R 71.8 million during September 2019.
- R 49.7 million or 74% of the total outstanding debtors are older than one year.
- R 59.8 million or 91% of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.
- There has been an increase in debtors from the previous month. This increase can be contributed to increasingly difficult economic circumstances.
- The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality.

3.6.1 Chart of aged debtors age analysis – Current year actuals vs. prior year audited outcome



3.6.2 Chart of debtors age analysis per consumer category



The problematic category is households, which represent 80% (R53 million) of the total amount of outstanding debt with a 3% year-on-year increase.

3.7 Creditors Age Analysis

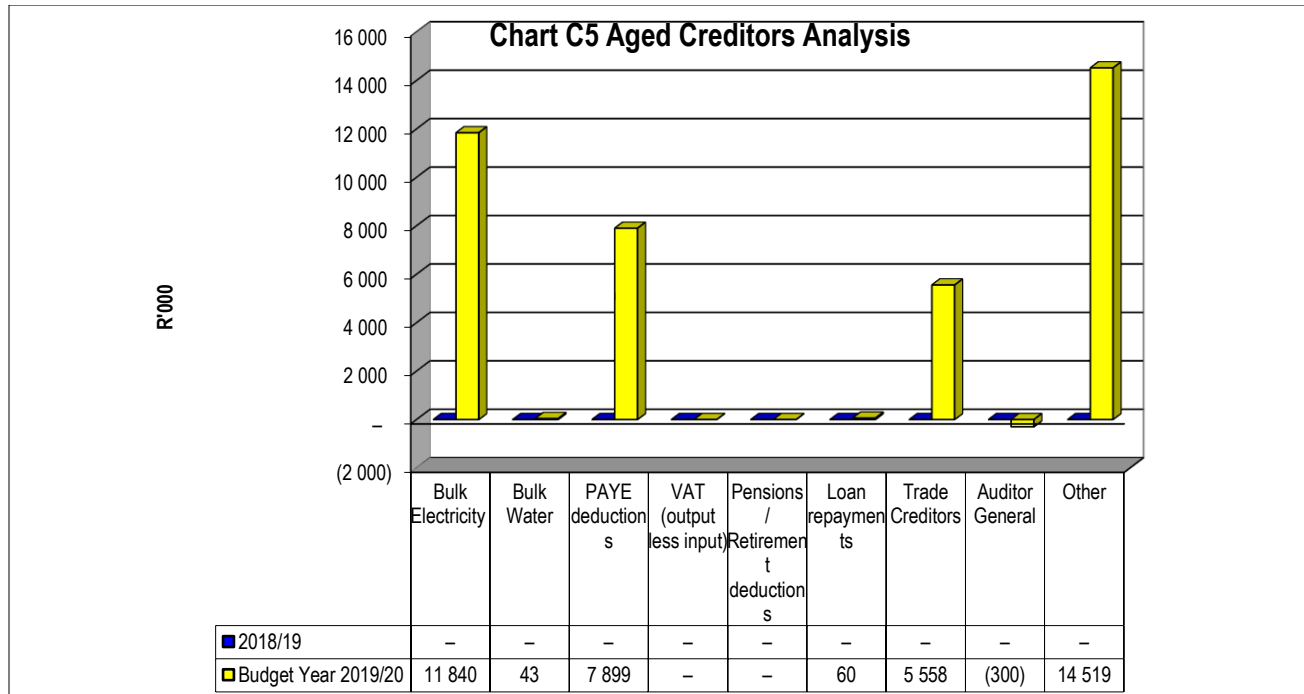
WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2019/20								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	4 865	-	3 613	2 489	873	-	-	-	11 840
Bulk Water	0200	21	-	-	-	-	-	22	-	43
PAYE deductions	0300	1 225	-	-	-	-	-	760	5 914	7 899
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	60	-	-	-	-	-	-	-	60
Trade Creditors	0700	376	152	618	2 357	2 055	-	-	-	5 558
Auditor General	0800	(300)	-	-	-	-	-	-	-	(300)
Other	0900	2 111	296	49	4	12 059	-	-	-	14 519
Total By Customer Type	1000	8 358	448	4 280	4 850	14 988	-	782	5 914	39 619

- The total outstanding creditors as at 30 September 2019 amounts to R39 619 million.
- The biggest outstanding creditors are Eskom (R11 million), the Auditor-General of South Africa (R5 668 million) and SARS (R7.4 million). Combined, the before mentioned, represents 60% of all outstanding creditors.
- The Eskom bulk account is in arrears to the amount of R 11.8 million.
- Kannaland Municipality entered into a 24-month payment arrangement with SARS during March 2018.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply to supply chain management regulations. Creditors are owed money for extended periods of time and this is causing a reluctance to quote and take part in competitive bidding processes. Pressure on cash flow is increasing with long outstanding creditors demanding settlement.

3.7.1 Chart of creditors expressed proportionately to the total amount owed



3.8 Conditional Grants Transferred and Expenditure

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	25 442	25 437	-	-	6 353	(6 353)	-100,0%	25 437
Operational Revenue:General Revenue:Equitable Share		-	21 611	21 606	-	-	5 395	(5 395)	-100,0%	21 606
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	1 184	1 184	-	-	296	(296)	-100,0%	1 184
HIV and Aids		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		-	2 215	2 215	-	-	554	(554)	-100,0%	2 215
Municipal Infrastructure Grant [Schedule 5B]		-	433	433	-	-	108	(108)	-100,0%	433
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	3 985	5 383	-	-	908	(908)	-100,0%	5 383
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	3 935	5 107	-	-	839	(839)	-100,0%	5 107
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		-	50	50	-	-	12	(12)	-100,0%	50
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	226	-	-	57	(57)	-100,0%	226
Total operating expenditure of Transfers and Grants:		-	29 428	30 821	-	-	7 261	(7 261)	-100,0%	30 821
Capital expenditure of Transfers and Grants										
National Government:		-	47 658	50 633	-	-	12 658	(12 658)	-100,0%	50 633
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	2 901	2 901	-	-	725	(725)	-100,0%	2 901
Regional Bulk Infrastructure Grant (Schedule 5B)		-	25 000	25 000	-	-	6 250	(6 250)	-100,0%	25 000
Water Services Infrastructure Grant [Schedule 5B]		-	10 000	12 975	-	-	3 244	(3 244)	-100,0%	12 975
Provincial Government:		-	4 578	4 599	-	-	1 150	(1 150)	-100,0%	4 599
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	1 278	1 278	-	-	319	(319)	-100,0%	1 278
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		-	3 300	3 321	-	-	830	(830)	-100,0%	3 321
Total capital expenditure of Transfers and Grants		-	52 236	55 232	-	-	13 808	(13 808)	-100,0%	55 232
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	81 664	86 053	-	-	21 069	(21 069)	-100,0%	86 053

WC041 Kannaland - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	Budget Year 2019/20								
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	32 729	32 729	-	-	13 664	(13 664)	-100,0%	32 729
Operational Revenue:General Revenue:Equitable Share		-	28 816	28 816	-	-	10 884	(10 884)	-100,0%	28 816
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	1 184	1 184	-	-	395	(395)	-100,0%	1 184
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		-	2 215	2 215	-	-	2 215	(2 215)	-100,0%	2 215
Municipal Infrastructure Grant [Schedule 5B]		-	514	514	-	-	171	(171)	-100,0%	514
Provincial Government:		-	4 268	5 666	-	-	1 727	(1 727)	-100,0%	5 666
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	4 218	5 616	-	-	1 677	(1 677)	-100,0%	5 616
Disaster and Emergency Services	4	-	-	-	-	-	-	-	-	-
Infrastructure	4	-	50	50	-	-	50	(50)	-100,0%	50
Total Operating Transfers and Grants	5	-	36 997	38 395	-	-	15 391	(15 391)	-100,0%	38 395
Capital Transfers and Grants										
National Government:		-	47 658	50 633	-	-	14 158	(14 158)	-100,0%	50 633
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	2 901	2 901	-	-	725	(725)	-100,0%	2 901
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)		-	25 000	25 000	-	-	7 750	(7 750)	-100,0%	25 000
Water Services Infrastructure Grant [Schedule 5B]		-	10 000	12 975	-	-	3 244	(3 244)	-100,0%	12 975
WiFi Connectivity		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	4 528	4 649	-	-	1 162	(1 162)	-100,0%	4 649
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	1 228	1 228	-	-	307	(307)	-100,0%	1 228
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		-	3 300	3 421	-	-	855	(855)	-100,0%	3 421
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	52 186	55 282	-	-	15 321	(15 321)	-100,0%	55 282
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	89 183	93 677	-	-	30 712	(30 712)	-100,0%	93 677

Supporting Table SC7 (1) sets out the expenditure against all grants to date while as Table SC6 sets out all grants received for this financial year.

The following grants have been received from National Departments:

- The Equitable Share amount of R11 728 000.
This is for the provision of free basic services and the administration thereof to subsidise the cost of providing basic services to the poor.
- Financial Management Grant to the amount of R2 215 000 has been received to assist in the financial management of Kannaland Municipality and to subsidise the appointment of 5 financial interns.
- Municipal Infrastructure Grant (MIG) to the amount of R 6 048 000.
The purpose of these funds is to address service delivery backlogs from the past and this forms part of the allocation that is directed at projects as identified within the IDP.
- Expanded Public Works Programme to the amount of R 296 000.
The purpose of the grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods.
- Water Infrastructure Grant to the amount of R 700 000.
This allocation is to improve service delivery relating to the supply of piped water and this allocation will be used for the construction of the Bloekomlaan Reservoir in Calitzdorp.
- Integrated National Electrification Programme Grant (INEG) the amount to R 901 000.
This allocation is to provide electricity to the houses in Bergsig Calitzdorp.

The following grants have been received from Provincial Departments:

- Department of Sport and Culture to the amount of R1 608 666 for Operational and Capital expenditure.
- The Fire services grant of an amount of R 830 000.

The following indicates expenditure on each respective grant received:

- Municipal Infrastructure Grant (MIG) to the amount of R387 568
- Expanded Public Works Programme to the amount of R 115 800
- Department of Sport and Culture to the amount of R 261 234

3.9 Capital Revenue & Expenditure

Capital Expenditure - Functional Classification										
Governance and administration		1 155	360	360	-	-	90	(90)	-100%	360
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		1 155	360	360	-	-	90	(90)	-100%	360
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		3 018	4 383	4 383	783	1 005	1 096	(91)	-8%	4 383
Community and social services		-	700	700	-	-	175	(175)	-100%	700
Sport and recreation		3 018	3 105	3 105	783	1 005	776	228	29%	3 105
Public safety		-	578	578	-	-	145	(145)	-100%	578
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		215	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		215	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		13 448	47 883	50 979	1 655	2 547	12 745	(10 197)	-80%	50 979
Energy sources		2 136	3 345	3 345	-	79	836	(757)	-91%	3 345
Water management		10 972	26 538	29 634	1 655	2 469	7 408	(4 940)	-67%	29 634
Waste water management		-	18 000	18 000	-	-	4 500	(4 500)	-100%	18 000
Waste management		340	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	17 836	52 626	55 722	2 437	3 552	13 930	(10 379)	-75%	55 722
Funded by:										
National Government		13 595	47 658	50 633	2 437	3 552	12 658	(9 106)	-72%	50 633
Provincial Government		2 530	4 578	4 599	-	-	1 150	(1 150)	-100%	4 599
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
Transfers recognised - capital		16 125	52 236	55 232	2 437	3 552	13 808	(10 256)	-74%	55 232
Public contributions & donations	5	-	-	-	-	-	-	-		-
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		985	390	490	-	-	122	(122)	-100%	490
Total Capital Funding		17 111	52 626	55 722	2 437	3 552	13 930	(10 379)	-75%	55 722

- The actual year to date capital expenditure amounts to R 3 6 million to which no capital expenditure for September 2019 funded from the National Government allocations.

- The year-to-date (YTD) budget is not realistic as it is the start of a new financial year and before capital projects can commence, the necessary procurement processes will have to be followed. The straight-line budgeting problem, that relates to the timing of capital expenditure, is not practical or realisable and not of much use for monitoring purposes and therefore will have to be revised within an adjustment budget. Most projects are still in the start-up phase and expenditure should increase significantly within the next quarter.

3.10 Expenditure on Salaries

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	Budget Year 2019/20								
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		2 286	2 559	2 559	213	381	640	(259)	-40%	2 559
Pension and UIF Contributions		3	52	52	0	-	13	(13)	-100%	52
Medical Aid Contributions		-	32	32	-	8	8	0	4%	32
Motor Vehicle Allowance		261	282	282	22	22	71	(49)	-69%	282
Cellphone Allowance		316	352	352	26	26	88	(62)	-71%	352
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		2 866	3 277	3 277	261	437	819	(382)	-47%	3 277
% increase	4		14,3%	14,3%						14,3%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 596	3 120	3 120	-	-	780	(780)	-100%	3 120
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		8	273	273	-	-	68	(68)	-100%	273
Motor Vehicle Allowance		459	193	193	35	88	48	39	82%	193
Cellphone Allowance		13	-	-	-	-	-	-	-	-
Housing Allowances		-	10	10	-	-	3	(3)	-100%	10
Other benefits and allowances		2	26	26	-	-	6	(6)	-100%	26
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2 078	3 622	3 622	35	88	906	(818)	-90%	3 622
% increase	4		74,3%	74,3%						74,3%
Other Municipal Staff										
Basic Salaries and Wages		36 831	38 108	38 108	2 926	10 944	9 089	1 855	20%	38 108
Pension and UIF Contributions		5 308	6 823	6 823	485	1 453	1 706	(253)	-15%	6 823
Medical Aid Contributions		2 035	1 713	1 713	129	449	428	20	5%	1 713
Overtime		3 245	1 950	1 950	331	986	487	498	102%	1 950
Performance Bonus		2 186	-	-	116	222	-	222	#DIV/0!	-
Motor Vehicle Allowance		2 152	2 364	2 364	189	564	591	(28)	-5%	2 364
Cellphone Allowance		97	152	152	15	62	38	24	62%	152
Housing Allowances		291	337	337	18	59	84	(25)	-30%	337
Other benefits and allowances		933	4 337	4 337	65	157	1 078	(921)	-85%	4 337
Payments in lieu of leave		171	-	-	9	17	-	17	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		53 249	55 784	55 784	4 283	14 912	13 502	1 410	10%	55 784
% increase	4		4,8%	4,8%						4,8%
Total Parent Municipality		58 194	62 683	62 683	4 578	15 436	15 227	210	1%	62 683
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		58 194	62 683	62 683	4 578	15 436	15 227	210	1%	62 683
% increase	4		7,7%	7,7%						7,7%
TOTAL MANAGERS AND STAFF		55 327	59 406	59 406	4 318	14 999	14 408	592	4%	59 406

Expenditure on employee salaries

There is also misalignment of expenditure budget with the actual expenditure for employee related costs that is ongoing for Councillors, Permanent Staff and Senior management.

3.11 Long-term borrowing

Kannaland Municipality (WC041)
32 Church Street
P.O. Box 30
Ladismith 6655
Republic of South Africa

Date: 10.09.2018

ACCOUNT STATEMENT



Interest Accrual		30.09.2019	30.09.2019	0.00	19,165.74	0.00	19,165.74	1,880,630.97	1,861,465.23
Interest Capitalisation		30.09.2019	30.09.2019	0.00	-19,165.74	19,165.74	0.00	1,880,630.97	1,880,630.97
Repayment Due		30.09.2019	30.09.2019	-40,834.26	0.00	-19,165.74	-60,000.00	1,820,630.97	1,820,630.97

- The total outstanding long-term debt of Kannaland Municipality amounts to R1 820 630.97 as at 30 September 2019
- A monthly instalment of R60 000 at an interest rate of 12.52% per annum is being paid.
- For the current month the instalment amount is made up out of R19 165.74 in interest with a capital redemption amount of R40 834.26.

ANNEXURE A

Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	20 220	8 740	8 786	39	10 237	3 944	6 293	159,5%	8 786
Vote 2 - CORPORATE SERVICES		13 407	25 275	26 509	372	2 693	6 900	(4 208)	-61,0%	26 509
Vote 3 - FINANCIAL SERVICES		27 250	24 910	25 029	851	10 226	8 079	2 148	26,6%	25 029
Vote 4 - TECHNICAL SERVICES		84 481	155 394	158 490	7 269	22 201	43 073	(20 871)	-48,5%	158 490
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	145 358	214 320	218 813	8 531	45 357	61 996	(16 639)	-26,8%	218 813
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	18 436	15 081	15 126	661	2 676	3 782	(1 106)	-29,2%	15 126
Vote 2 - CORPORATE SERVICES		22 864	28 843	30 077	2 035	5 262	7 075	(1 813)	-25,6%	30 077
Vote 3 - FINANCIAL SERVICES		21 025	30 062	30 180	1 544	4 135	7 545	(3 410)	-45,2%	30 180
Vote 4 - TECHNICAL SERVICES		60 236	88 330	88 330	2 756	11 526	22 082	(10 556)	-47,8%	88 330
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		566	639	639	11	109	160	(50)	-31,5%	639
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	123 127	162 954	164 352	7 006	23 709	40 644	(16 935)	-41,7%	164 352
Surplus/ (Deficit) for the year	2	22 231	51 366	54 461	1 524	21 648	21 352	296	1,4%	54 461

ANNEXURE B

Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September 2019

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2018/19	Budget Year 2019/20							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Functional										
Governance and administration		47 846	34 370	34 534	913	20 535	12 203	8 332	68%	34 534
Executive and council		20 220	8 740	8 786	39	10 237	3 944	6 293	160%	8 786
Finance and administration		27 626	25 630	25 749	874	10 298	8 259	2 040	25%	25 749
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		13 120	17 122	18 356	131	2 252	4 961	(2 709)	-55%	18 356
Community and social services		5 490	14 723	14 949	30	1 139	4 109	(2 970)	-72%	14 949
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 830	2 019	2 019	101	1 113	505	608	120%	2 019
Housing		1 799	380	1 388	-	-	347	(347)	-100%	1 388
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		5 842	9 182	9 182	215	620	2 376	(1 756)	-74%	9 182
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		5 842	9 182	9 182	215	620	2 376	(1 756)	-74%	9 182
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		79 467	153 646	156 742	7 272	21 950	42 457	(20 506)	-48%	156 742
Energy sources		44 940	64 873	64 873	4 788	14 655	16 653	(1 997)	-12%	64 873
Water management		22 551	46 059	49 155	1 310	3 709	13 789	(10 079)	-73%	49 155
Waste water management		6 174	28 768	28 768	596	1 825	7 192	(5 367)	-75%	28 768
Waste management		5 801	13 946	13 946	578	1 761	4 823	(3 063)	-63%	13 946
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	146 275	214 320	218 813	8 531	45 357	61 996	(16 639)	-27%	218 813
Expenditure - Functional										
Governance and administration		52 837	58 160	58 324	3 318	9 892	14 581	(4 688)	-32%	58 324
Executive and council		18 853	15 081	15 126	661	2 676	3 782	(1 106)	-29%	15 126
Finance and administration		33 984	43 079	43 197	2 657	7 217	10 799	(3 583)	-33%	43 197
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 071	9 694	10 928	1 177	2 601	2 288	313	14%	10 928
Community and social services		5 670	7 670	7 896	735	1 394	1 530	(136)	-9%	7 896
Sport and recreation		364	325	325	80	164	81	83	102%	325
Public safety		2 998	59	59	300	857	15	842	5731%	59
Housing		2 040	1 640	2 648	61	186	662	(476)	-72%	2 648
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		5 750	18 573	18 573	759	1 951	4 643	(2 692)	-58%	18 573
Planning and development		21	-	-	-	-	-	-	-	-
Road transport		5 729	18 573	18 573	759	1 951	4 643	(2 692)	-58%	18 573
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		53 468	76 527	76 527	1 753	9 265	19 132	(9 867)	-52%	76 527
Energy sources		31 144	50 932	50 932	792	6 602	12 733	(6 131)	-48%	50 932
Water management		9 869	12 196	12 196	439	1 156	3 049	(1 893)	-62%	12 196
Waste water management		5 712	6 607	6 607	224	633	1 652	(1 019)	-62%	6 607
Waste management		6 743	6 792	6 792	297	874	1 698	(824)	-49%	6 792
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	123 127	162 954	164 352	7 006	23 709	40 644	(16 935)	-42%	164 352
Surplus/ (Deficit) for the year		23 148	51 366	54 461	1 524	21 648	21 352	296	1%	54 461

Annexure C

Table C1 Monthly Budget Statement Summary M03 September 2019

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M03 September

Description	Budget Year 2019/20								
	2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	16 275	17 117	17 117	998	7 558	4 279	3 279	77%	17 117
Service charges	69 672	88 958	88 958	7 272	21 950	22 239	(289)	-1%	88 958
Investment revenue	669	526	526	82	277	131	145	110%	526
Transfers and subsidies	34 779	37 147	38 545	36	13 424	15 391	(1 968)	-13%	38 545
Other own revenue	12 633	18 336	18 336	143	1 646	4 584	(2 938)	-64%	18 336
Total Revenue (excluding capital transfers and contributions)	134 028	162 083	163 481	8 531	44 855	46 626	(1 771)	-4%	163 481
Employee costs	55 327	59 406	59 406	5 413	14 999	14 408	592	4%	59 406
Remuneration of Councillors	2 866	3 277	3 277	16	437	819	(382)	-47%	3 277
Depreciation & asset impairment	1 933	11 192	11 192	-	-	2 798	(2 798)	-100%	11 192
Finance charges	612	722	722	39	115	180	(65)	-36%	722
Materials and bulk purchases	26 623	44 282	44 297	453	5 718	11 074	(5 356)	-48%	44 297
Transfers and subsidies	2 139	558	558	-	-	139	(139)	-100%	558
Other expenditure	33 626	43 518	44 901	1 086	2 439	11 225	(8 786)	-78%	44 901
Total Expenditure	123 127	162 954	164 352	7 006	23 709	40 644	(16 935)	-42%	164 352
Surplus/(Deficit)	10 902	(871)	(871)	1 524	21 146	5 982	15 164	254%	(871)
Transfers and subsidies - capital (monetary allocations)	12 056	52 236	55 332	-	503	15 371	(14 868)	-97%	55 332
Contributions & Contributed assets	191	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	23 148	51 366	54 461	1 524	21 648	21 352	296	1%	54 461
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	23 148	51 366	54 461	1 524	21 648	21 352	296	1%	54 461
Capital expenditure & funds sources									
Capital expenditure	17 836	52 626	55 722	2 437	3 509	13 930	(10 422)	-75%	55 722
Capital transfers recognised	16 125	52 236	55 232	2 437	3 552	13 808	(10 256)	-74%	55 232
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	985	390	490	-	-	122	(122)	-100%	490
Total sources of capital funds	17 111	52 626	55 722	2 437	3 552	13 930	(10 379)	-75%	55 722
Financial position									
Total current assets	(17 335)	(96 715)	(207 232)	-	11 118	-	-	-	(207 232)
Total non current assets	5 823	52 626	66 914	3 552	3 552	-	-	-	66 914
Total current liabilities	(23 889)	(134 040)	(265 417)	(6 977)	(6 977)	-	-	-	(265 417)
Total non current liabilities	125	(1 157)	(2 657)	0	0	-	-	-	(2 657)
Community wealth/Equity	(91)	-	-	2	2	-	-	-	-
Cash flows									
Net cash from (used) operating	8 237	15 325	17 123	933	27 700	12 462	(15 238)	-122%	17 123
Net cash from (used) investing	87	(52 626)	(55 722)	-	-	(13 930)	(13 930)	100%	(55 722)
Net cash from (used) financing	11	(720)	(720)	8	36	(180)	(216)	120%	(720)
Cash/cash equivalents at the month/year end	8 333	(38 022)	(39 319)	-	27 736	(1 649)	(29 385)	1782%	(39 319)
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	9 100	1 608	1 273	1 287	1 183	1 086	6 517	49 787	71 841
Creditors Age Analysis									
Total Creditors	8 358	448	4 280	4 850	14 988	-	782	5 914	39 619

ANNEXURE D

Implementation of the Supply Chain Management policy

No deviations for September 2019