

Kannaland Municipality



Financial Management Report January 2020

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.

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1 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.

2 Legislative Framework

This report has been prepared in terms of **The Municipal Finance Management Act 56 of 2003**

Legislative Requirements

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, and its service providers etc.

In accordance with Section 71(1) of the MFMA, the Accounting officer 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.

In accordance with regulation 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C.

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

3 Mayor's Report

This report is submitted in compliance with Section 71(1) of the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations (MBRR).

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 **January 2020**. An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality.

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 such as Eskom, Employee Related Cost including bonuses and service delivery. The municipality still experiences cash flow challenges due to constrained resources. A Financial Recovery Plan is in place to mitigate this risk.

4 Budget Summary

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M07 January

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									
<u>Financial Performance</u>									
Property rates	15 549	17 117	17 117	1 037	11 581	9 985	1 596	16%	17 117
Service charges	69 672	88 958	88 958	7 978	50 107	51 892	(1 785)	-3%	88 958
Investment revenue	669	526	526	–	510	307	203	66%	526
Transfers and subsidies	33 803	37 147	37 875	851	23 755	25 507	(1 752)	-7%	37 875
Other own revenue	17 519	18 336	18 336	888	4 998	10 696	(5 698)	-53%	18 336
Total Revenue (excluding capital transfers and contributions)	137 213	162 083	162 812	10 754	90 951	98 387	(7 435)	-8%	162 812
Employee costs	55 504	59 406	59 344	4 872	36 620	33 581	3 038	9%	59 344
Remuneration of Councillors	3 323	3 277	3 277	139	1 276	1 911	(635)	-33%	3 277
Depreciation & asset impairment	15 710	11 192	11 270	–	–	6 574	(6 574)	-100%	11 270
Finance charges	2 921	722	722	52	306	421	(115)	-27%	722
Materials and bulk purchases	36 457	44 282	43 967	238	22 475	25 647	(3 172)	-12%	43 967
Transfers and subsidies	1 899	558	558	–	27	325	(299)	-92%	558
Other expenditure	42 266	43 518	43 286	999	7 585	25 250	(17 665)	-70%	43 286
Total Expenditure	158 080	162 954	162 423	6 300	68 289	93 710	(25 422)	-27%	162 423
Surplus/(Deficit)	(20 867)	(871)	389	4 454	22 662	4 676	17 986	385%	389
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	54 838	–	932	33 176	(32 244)	-97%	54 838
Contributions & Contributed assets	382	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(9 665)	51 366	55 227	4 454	23 594	37 853	(14 258)	-38%	55 227
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(9 665)	51 366	55 227	4 454	23 594	37 853	(14 258)	-38%	55 227
<u>Capital expenditure & funds sources</u>									
Capital expenditure	7 237	52 626	55 972	–	–	30 791	(30 791)	-100%	55 972
Capital transfers recognised	7 340	52 236	55 482	324	7 340	30 505	(23 165)	-76%	55 482
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	89	390	490	25	89	286	(197)	-69%	490
Total sources of capital funds	7 429	52 626	55 972	350	7 429	30 791	(23 361)	-76%	55 972

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in her oversight role.

Operating Surplus/Deficit

Operating revenue amounted to **R10.75 million** a decrease from the previous month reporting of **R15.58 million** this as a result of decline in service charges collections, whilst operating expenditure amounted to **R6.30 million**, resulting in an operating **surplus** of **R4.45 million** showing an increase from the previously reported in **December 2019** deficit of **R855 thousand**.

Financial Performance

Property Rates

The property rates collection showed a collection of **R1.04 million** collection in the **January 2020** period and slight increase from the collection on **December 2019** of Just over **R39 thousand**.

Service Charges

The municipality recorded an overall service charge collection over **R7.98 million** for the **January 2020** period, representing a slight decrease of **R676 thousand** from the **December 2019** period.

Transfers and Subsidies

The municipality received transfer and subsidies to the amount **R851 thousand** in the **January 2020** period.

Other revenue

The municipality recorded an overall performance of **R888 thousand** from other revenue.

Total Expenditure

Employee related cost

The total expenditure on salaries including councillors was **R5.01 Million** in the **January 2020** period.

Materials and Bulk Purchases

Bulk purchases are slow due to the demand for electricity in the summer season. The municipality spent **R238 thousand** towards bulk purchase (water and electricity) with materials and supplies. This amount also includes a payments payment arrangement towards arrears on the ESKOM account.

Other expenditure

The municipality experienced slow spending during the **January 2020** period as a result of closure and late opening of municipal offices during the December 2019 and January 2020 holidays. The total other expenditure amounted to **R999 thousand**.

4.1 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

2019/20 Financial Performance (Revenue and Expenditure) - Not Audited										
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		15 549	17 117	17 117	1 037	11 581	9 985	1 596	16%	17 117
Service charges - electricity revenue		44 924	59 573	59 573	4 241	31 488	34 751	(3 263)	-9%	59 573
Service charges - water revenue		12 773	16 920	16 920	2 606	10 468	9 870	597	6%	16 920
Service charges - sanitation revenue		6 174	6 271	6 271	575	4 162	3 658	504	14%	6 271
Service charges - refuse revenue		5 801	6 193	6 193	556	3 989	3 613	376	10%	6 193
Service charges - other		-	-	-	-	-	-	-		-
Rental of facilities and equipment		533	956	956	43	312	558	(246)	-44%	956
Interest earned - external investments		669	526	526	-	510	307	203	66%	526
Interest earned - outstanding debtors		49	5 622	5 622	2	11	3 279	(3 268)	-100%	5 622
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		15 314	8 928	8 928	578	3 049	5 208	(2 159)	-41%	8 928
Licences and permits		173	160	160	10	113	93	20	21%	160
Agency services		828	1 010	1 010	125	574	589	(15)	-3%	1 010
Transfers and subsidies		33 803	37 147	37 875	851	23 755	25 507	(1 752)	-7%	37 875
Other revenue		622	1 660	1 660	130	940	968	(29)	-3%	1 660
Gains on disposal of PPE		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		137 213	162 083	162 812	10 754	90 951	98 387	(7 435)	-8%	162 812
Expenditure By Type										
Employee related costs		55 504	59 406	59 344	4 872	36 620	33 581	3 038	9%	59 344
Remuneration of councillors		3 323	3 277	3 277	139	1 276	1 911	(635)	-33%	3 277
Debt impairment		25 922	14 077	14 077	-	73	8 211	(8 138)	-99%	14 077
Depreciation & asset impairment		15 710	11 192	11 270	-	-	6 574	(6 574)	-100%	11 270
Finance charges		2 921	722	722	52	306	421	(115)	-27%	722
Bulk purchases		35 483	40 200	40 200	-	21 374	23 450	(2 076)	-9%	40 200
Other materials		974	4 082	3 767	238	1 101	2 197	(1 097)	-50%	3 767
Contracted services		7 849	15 531	16 926	494	3 457	9 874	(6 416)	-65%	16 926
Transfers and subsidies		1 899	558	558	-	27	325	(299)	-92%	558
Other expenditure		8 200	13 911	12 283	505	4 054	7 165	(3 110)	-43%	12 283
Loss on disposal of PPE		295	-	-	-	-	-	-		-
Total Expenditure		158 080	162 954	162 423	6 300	68 289	93 710	(25 422)	-27%	162 423

4.1.1 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 **R4.24 million** during **January 2020** which is above the reported figures in December 2019 of **R3.2 million**. There is an improvement in terms of revenue collection in the electricity with the year-to-date actual of surpassing the year-to-date budget.

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 **R2.60 Million** in water services in the **January 2020** period showing an increase on the previous reported figure of **R1.48 Million** in November 2019. There is an improvement in terms of revenue collection in the water collection with the year-to-date actual of surpassing the year-to-date budget. This rate could be more if electricity in the whole municipal boundary was serviced by the municipality, as we are unable to effectively implement our debt collection policies.

Sewerage

We have collected **R575 thousand** during January 2020 and this rate is less than the December 2019 period of **R581 thousand**. The sanitation is performing above expectation from the year to date actuals compared to year to date budget.

Refuse Removal

The municipality collected refuse and managed to generate **R556 thousand** for the **January 2020** which is less than the previous month of December 2019 figure of **R558 thousand**. The refuse removal is also performing above expectations from the year-to-date.

Interest earned (external investments and Outstanding debtors) and fines/Penalties forfeits

The interest earned on outstanding debtors raises concerns, which will be addressed as the municipality is not showing collections towards interest even though outstanding debtors are increasing. The interest earned seems to have been include in the actual revenue for service charges.

The municipality is showing underperformance on fines, penalties and forfeits by collecting **R578 thousand** representing less than 50 percent of the year-to-date actuals against the year to date budget.

Transfers and subsidies

The municipality received grant from the Western Cape government for the capacity building grant of **R852 thousand**.

Other revenue

The municipality received **R130 thousand** during the reporting period of **January 2020**. This is an improvement from the December 2019 of **R93 thousand**.

4.1.2 Operating Expenditure

Expenditure By Type										1900	
Employee related costs	55 504	59 406	59 344	4 872	36 620	33 581	3 038	9%	59 344	2000	C4 2000
Remuneration of councillors	3 323	3 277	3 277	139	1 276	1 911	(635)	-33%	3 277	2100	C4 2100
Debt impairment	25 922	14 077	14 077	–	73	8 211	(8 138)	-99%	14 077	2200	C4 2200
Depreciation & asset impairment	15 710	11 192	11 270	–	–	6 574	(6 574)	-100%	11 270	2300	C4 2300
Finance charges	2 921	722	722	52	306	421	(115)	-27%	722	2400	C4 2400
Bulk purchases	35 483	40 200	40 200	–	21 374	23 450	(2 076)	-9%	40 200	2500	C4 2500
Other materials	974	4 082	3 767	238	1 101	2 197	(1 097)	-50%	3 767	2600	C4 2600
Contracted services	7 849	15 531	16 926	494	3 457	9 874	(6 416)	-65%	16 926	2700	C4 2700
Transfers and subsidies	1 899	558	558	–	27	325	(299)	-92%	558	2800	C4 2800
Other expenditure	8 200	13 911	12 283	505	4 054	7 165	(3 110)	-43%	12 283	2900	C4 2900
Loss on disposal of PPE	295	–	–	–	–	–	–	–	–	3000	C4 3000
Total Expenditure	158 080	162 954	162 423	6 300	68 289	93 710	(25 422)	-27%	162 423	3100	

Employee Related Costs and Remuneration of councillors

Employee related cost amounted to **R4.87 million** and the total remuneration for councillors is reported as **R139 thousand**. This figure is understated due to system parameters, these have been corrected for the **February 2020** reporting period.

Bulk Purchases, Finance Charges and other materials

There were no recorded bulk purchases or payments for the **January 2020** period. The municipality made payments of **R52 thousand**, while other materials were **R238 thousand**.

Contracted services

The municipality has improved on the expenditure for contracted services from the **R477 thousand spent in December 2019 to R494 thousand for the January 2020 period**. The year-to-date actual represent **56 percent** of the total year-to-date budget. However due to constrained financial resources, we are making strides on the expenditure on contracted services. An improvement on the SCM processes is underway to ensure proper spending and planning.

Other expenditure

Other expenditure amounted to **R505 thousand** which represents **49 percent** of the year-to-date actuals against the year-to-date budget. This is due to cost containment measures that are being implemented as per the resolution of the Financial Recovery Plan.

5 Statement of Financial Position

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		1 732	—	3 852	12 035	3 852
Call investment deposits		8 289	—	—	10 753	—
Consumer debtors		101	96 784	199 443	12 946	199 443
Other debtors		26 043	3 326	7 661	21 577	7 661
Current portion of long-term receivables		5	—	—	—	—
Inventory		924	3 395	6 476	320	6 476
Total current assets		37 093	103 505	217 431	57 631	217 431
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		36	—	—	—	—
Investment property		211	—	—	—	—
Investments in Associate		—	—	—	—	—
Property, plant and equipment		7 208	52 626	67 134	7 429	67 134
Agricultural		—	—	—	—	—
Biological assets		—	—	—	—	—
Intangible assets		52	—	29	—	29
Other non-current assets		—	—	—	—	—
Total non current assets		7 507	52 626	67 164	7 429	67 164
TOTAL ASSETS		44 600	156 131	284 595	65 060	284 595
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		(566)	(437)	(873)	(288)	(873)
Consumer deposits		(11)	—	—	(60)	—
Trade and other payables		(4 359)	(133 603)	(261 776)	(1 460)	(261 776)
Provisions		(357)	—	—	—	—
Total current liabilities		(5 293)	(134 040)	(262 649)	(1 808)	(262 649)
Non current liabilities						
Borrowing		(116)	(1 157)	(1 157)	(26)	(1 157)
Provisions		(2 452)	—	(1 500)	—	(1 500)
Total non current liabilities		(2 567)	(1 157)	(2 657)	(26)	(2 657)
TOTAL LIABILITIES		(7 860)	(135 197)	(265 306)	(1 834)	(265 306)
NET ASSETS	2	52 460	291 328	549 900	66 894	549 900
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		1 347	—	—	—	—
Reserves		701	—	—	24	—
TOTAL COMMUNITY WEALTH/EQUITY	2	2 048	—	—	24	—

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 and other debtors

Although the municipality has a high debt book however prospects of collecting **85 percent** 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 **R7.43 million** which indicates **11 percent** expenditure of the total Capital Budget and a slight increase from Second Quarter of **9 percent**. The current month's Capital Expenditure is at **R350 thousand**.

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 February 2020 as we requested funding from the Western Cape Provincial Treasury Department.

Liabilities

Current Liabilities

Bank Overdraft

Due to the financial challenges experienced, the municipality makes use overdraft facility of **R4 million** and have used **R3.22 million** with balance of **R780 thousand** to fund some of the day to day operations.

Borrowings

We have a long-term financial obligation with the Development Bank of Southern Africa and currently paying **R60 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 are currently reconciling all our outstanding creditors to the system, as some outstanding order/payment were outside the system not a true reflection as per reporting.

6 Cash Receipts and Payments

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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		5 891	(2 488)	(1 259)	887	9 825	(734)	10 559	-1438%	(1 259)
Service charges		32 617	79 153	79 391	9 002	57 257	46 312	10 945	24%	79 391
Other revenue		(5 350)	8 625	8 610	880	4 966	5 022	(56)	-1%	8 610
Government - operating		31 150	9 452	9 885	540	15 364	10 236	5 129	50%	9 885
Government - capital		11 439	52 136	54 588	-	13 366	34 869	(21 503)	-62%	54 588
Interest		718	6 132	6 132	1	513	3 577	(3 064)	-86%	6 132
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(111 233)	(136 406)	(135 797)	(6 248)	(67 882)	(78 179)	(10 296)	13%	(135 797)
Finance charges		(2 921)	(722)	(722)	(52)	(306)	(421)	(115)	27%	(722)
Transfers and Grants		(406)	(558)	(558)	-	(27)	(325)	(299)	92%	(558)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(38 095)	15 325	20 270	5 010	33 077	20 357	(12 720)	-62%	20 270
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		36	-	-	-	-	-	-		-
Payments										
Capital assets		(778)	(52 626)	(55 972)	-	-	(30 791)	(30 791)	100%	(55 972)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(743)	(52 626)	(55 972)	-	-	(30 791)	(30 791)	100%	(55 972)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		11	-	-	(1)	60	-	60	0%	-
Payments										
Repayment of borrowing		0	(720)	(720)	-	(2)	(420)	(418)	99%	(720)
NET CASH FROM/(USED) FINANCING ACTIVITIES		11	(720)	(720)	(1)	57	(420)	(477)	114%	(720)
NET INCREASE/ (DECREASE) IN CASH HELD		(38 827)	(38 022)	(36 422)	5 010	33 134	(10 854)			(36 422)
Cash/cash equivalents at beginning:		(2)	-	-		-	-			-
Cash/cash equivalents at month/year end:		(38 829)	(38 022)	(36 422)		33 134	(10 854)			(36 422)

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. There are some positive performance with regards to reported receipts on the **January 2020** period. The receipt showed an amount of **R9 million** on service charges combined and **R887 thousand** for property rates with transfers and subsidies (operating and capital) amounting to **R1.42 million**.

The total bank balance as at **31 January 2020** was **R24 thousand** of which the Standard Bank main account is **R3.22 million** and the **R655 thousand** at the Traffic account and the deposit account has **R2.54 million**.

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.

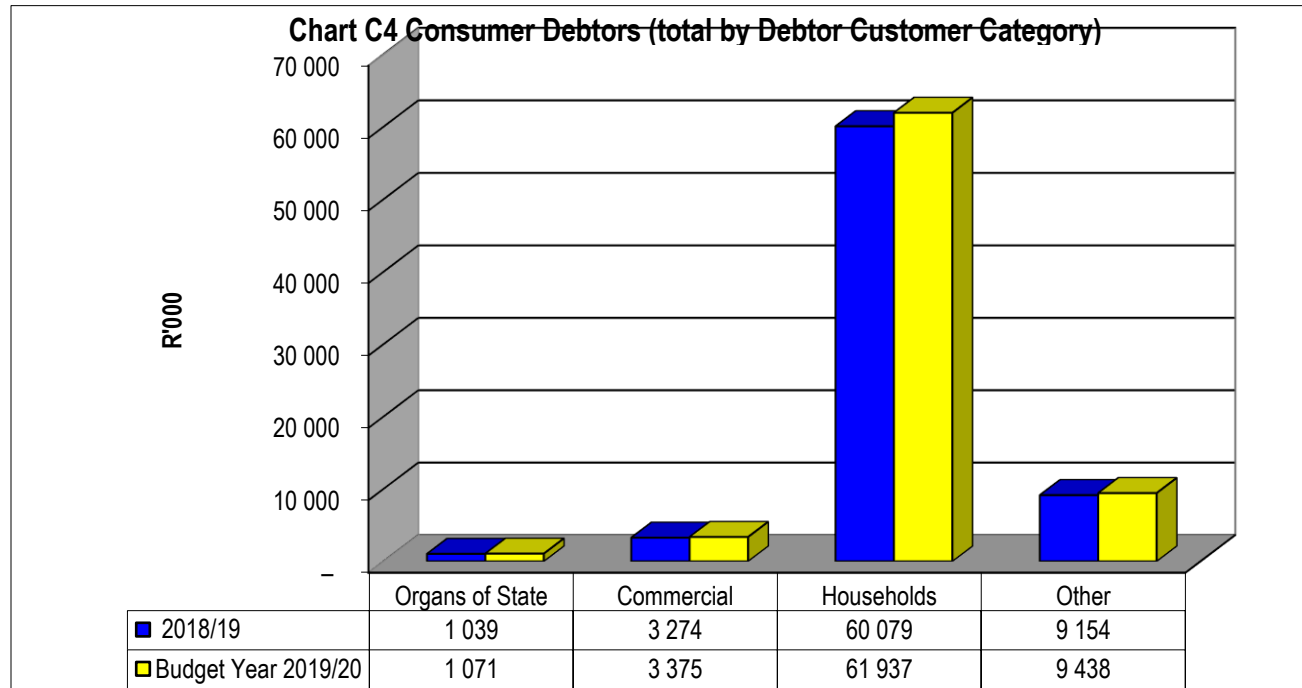
7 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

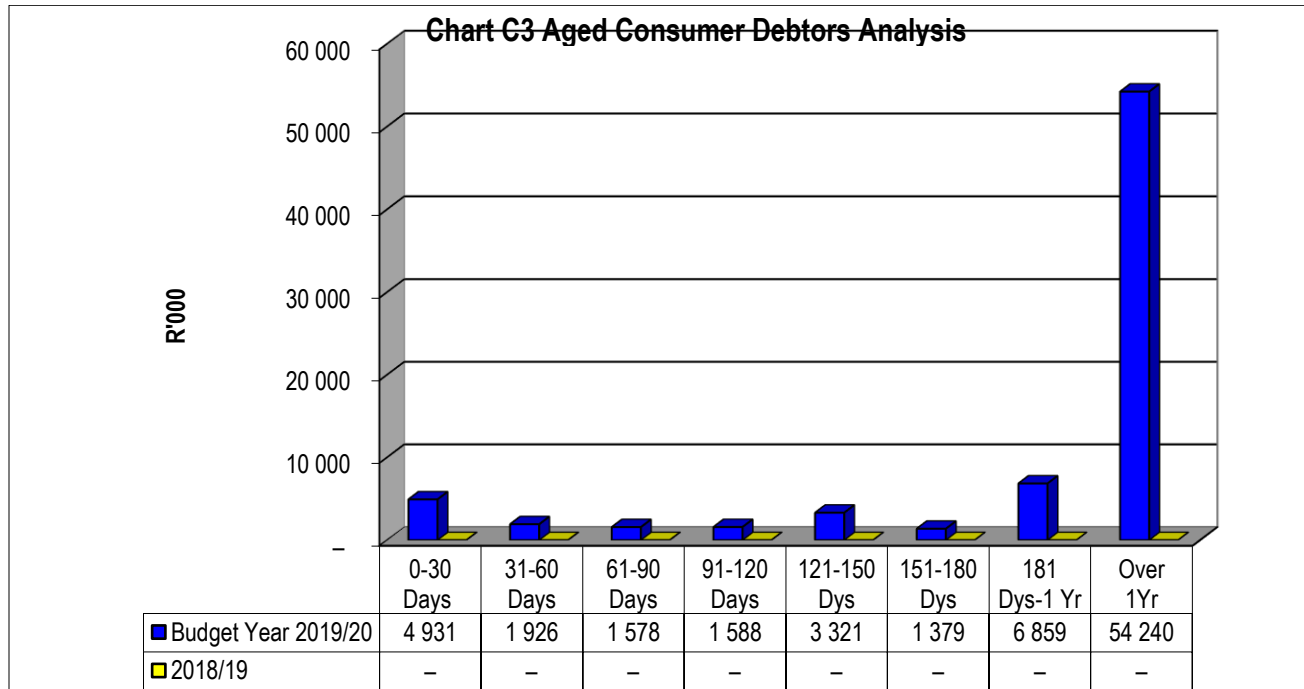
Description		NT Code	Budget Year 2019/20										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	3 063	743	462	494	447	402	1 917	9 744	17 272	13 003	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	957	79	51	57	56	45	182	1 304	2 731	1 644	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	1 229	278	248	230	1 883	212	1 288	12 057	17 425	15 670	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	505	237	238	240	237	237	1 111	7 356	10 161	9 181	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 149	439	427	418	499	348	1 550	8 150	12 980	10 965	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	24	24	24	-	-	
Interest on Arrear Debtor Accounts	1810	15	29	36	48	106	46	411	13 996	14 688	14 607	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(1 988)	120	116	101	93	88	401	1 608	540	2 292	-	-	
Total By Income Source	2000	4 931	1 926	1 578	1 588	3 321	1 379	6 859	54 240	75 821	67 386	-	-	
2018/19 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	(329)	26	24	21	822	17	41	449	1 071	1 350	-	-	
Commercial	2300	470	100	81	71	202	70	417	1 964	3 375	2 723	-	-	
Households	2400	4 977	1 671	1 344	1 375	1 663	1 192	5 628	44 088	61 937	53 946	-	-	
Other	2500	(187)	129	128	121	634	101	773	7 738	9 438	9 367	-	-	
Total By Customer Group	2600	4 931	1 926	1 578	1 588	3 321	1 379	6 859	54 240	75 821	67 386	-	-	

- The total amount owed to Kannaland Municipality amounted to R72.8 million during **January 2020**.
- R54.2 million or 71 percent of the total outstanding debtors are older than one year.
- R67 million or 89 percent 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.

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



7.2 Chart of debtors age analysis per consumer category



The problematic category is households, which represent 71 percent (R54 million) of the total amount of outstanding debt with a 3 percent year-on-year increase.

8 Creditors Age Analysis

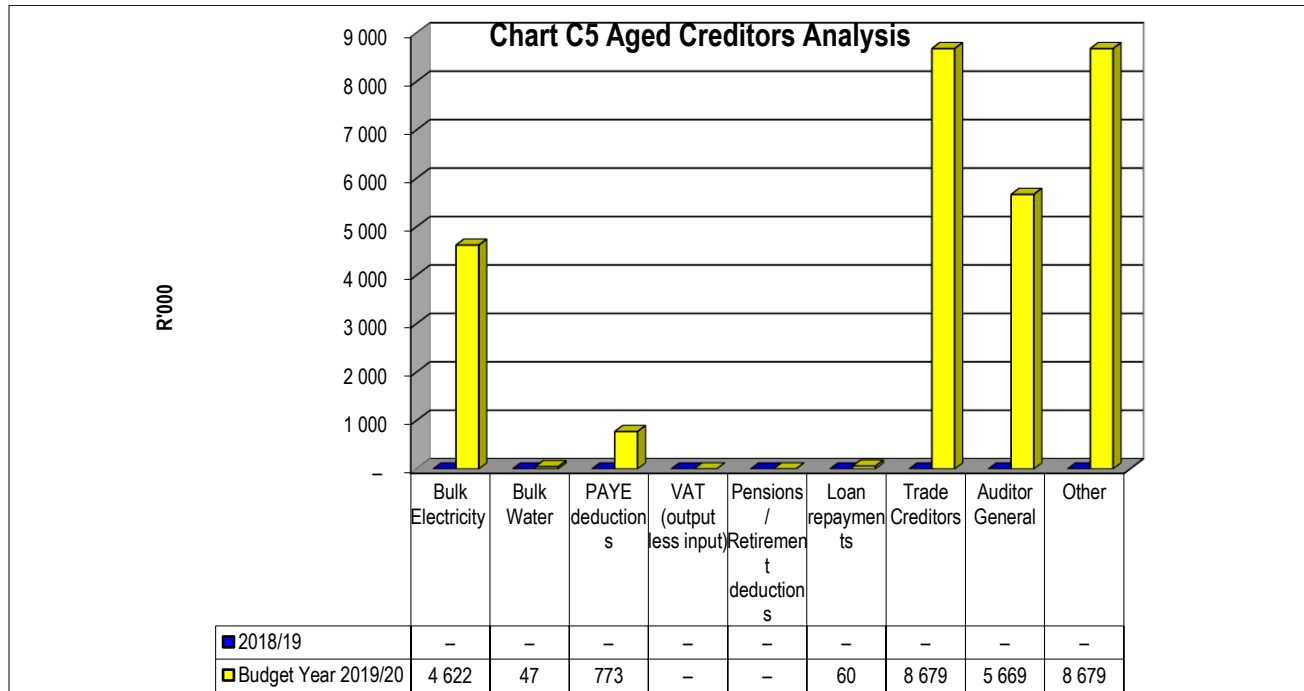
WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

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	3 611	–	–	–	1 011	–	–	–	4 622
Bulk Water	0200	30	–	–	–	16	–	–	–	47
PAYE deductions	0300	773	–	–	–	–	–	–	–	773
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	60	–	–	–	–	–	–	–	60
Trade Creditors	0700	114	218	304	1 180	–	6 863	–	–	8 679
Auditor General	0800	(300)	736	331	394	4 507	–	–	–	5 669
Other	0900	114	218	304	1 180	–	6 863	–	–	8 679
Total By Customer Type	1000	4 403	1 173	938	2 755	5 534	13 725	–	–	28 528

- The total outstanding creditors as at **31 January 2020** amounts to **R28.53** million.
- The biggest outstanding creditors are Eskom (R4.6 million), the Auditor-General of South Africa (R5 669 million). Combined, the before mentioned, represents 36 percent of all outstanding creditors.

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.

8.1 Chart of creditors expressed proportionately to the total amount owed



9 Conditional Grants Transferred and Expenditure

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.

Provincial Treasury – Library Services amount of **R958 thousand**

The following indicates expenditure on each respective grant received (Operational and Capital):

- Municipal Infrastructure Grant (MIG) and Water Service Infrastructure Grant to the amount of **R288 thousand**.
- Library Services and Fire services to the amount of **R36 thousand**.
- EPWP to the amount of **R119 thousand**.
- Financial Management Grant to the amount of **R64 thousand**.

10 Capital Revenue & Expenditure

Total Capital Expenditure	3	7 237	52 626	55 972	-	-	30 791	(30 791)	-100%
<u>Capital Expenditure - Functional Classification</u>									
<i>Governance and administration</i>		-	360	610	-	-	356	(356)	-100%
Executive and council		-	-	-	-	-	-	-	
Finance and administration		-	360	610	-	-	356	(356)	-100%
Internal audit		-	-	-	-	-	-	-	
<i>Community and public safety</i>		1 757	4 383	3 257	55	1 757	697	1 060	152%
Community and social services		-	700	700	-	-	408	(408)	-100%
Sport and recreation		1 257	3 105	1 979	29	1 257	-	1 257	#DIV/0!
Public safety		500	578	578	26	500	289	211	73%
Housing		-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	
Planning and development		-	-	-	-	-	-	-	
Road transport		-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	
<i>Trading services</i>		5 672	47 883	52 105	295	5 672	29 738	(24 065)	-81%
Energy sources		347	3 345	3 345	25	347	1 951	(1 604)	-82%
Water management		5 159	26 538	30 760	223	5 159	17 286	(12 128)	-70%
Waste water management		166	18 000	18 000	46	166	10 500	(10 334)	-98%
Waste management		-	-	-	-	-	-	-	
<i>Other</i>		-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification	3	7 429	52 626	55 972	350	7 429	30 791	(23 361)	-76%
<u>Funded by:</u>									
National Government		6 830	47 658	50 633	288	6 830	27 725	(20 895)	-75%
Provincial Government		511	4 578	4 849	36	511	2 780	(2 270)	-82%
District Municipality		-	-	-	-	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	
Transfers recognised - capital		7 340	52 236	55 482	324	7 340	30 505	(23 165)	-76%
Public contributions & donations	5	-	-	-	-	-	-	-	
Borrowing	6	-	-	-	-	-	-	-	
Internally generated funds		89	390	490	25	89	286	(197)	-69%
Total Capital Funding		7 429	52 626	55 972	350	7 429	30 791	(23 361)	-76%

- The actual year-to-date Capital Expenditure amounts to **R7.43 million**.
- Delays on the appointment of consulting engineers which was due to technical issues particularly the unforeseen changes in Supply Chain Management Regulation that we experienced.

11 Expenditure on Salaries

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	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	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		2 513	2 559	2 559	20	787	1 493	(705)	-47%	2 559
Pension and UIF Contributions		12	52	52	—	—	30	(30)	-100%	52
Medical Aid Contributions		—	32	32	9	42	19	23	125%	32
Motor Vehicle Allowance		143	282	282	22	128	165	(36)	-22%	282
Cellphone Allowance		656	352	352	89	318	205	113	55%	352
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		3 323	3 277	3 277	139	1 276	1 911	(635)	-33%	3 277
% increase	4		-1,4%	-1,4%						-1,4%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		1 145	3 120	3 120	8	1 048	1 820	(772)	-42%	3 120
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		1 644	—	—	—	—	—	—	—	—
Performance Bonus		491	273	273	—	90	159	(70)	-44%	273
Motor Vehicle Allowance		459	193	193	27	196	112	83	74%	193
Cellphone Allowance		13	—	32	—	—	19	(19)	-100%	32
Housing Allowances		—	10	10	—	—	6	(6)	-100%	10
Other benefits and allowances		2	26	50	—	—	29	(29)	-100%	50
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		3 755	3 622	3 679	35	1 333	2 146	(812)	-38%	3 679
% increase	4		-3,5%	-2,0%						-2,0%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		35 411	38 108	38 108	3 391	23 553	21 208	2 344	11%	38 108
Pension and UIF Contributions		5 300	6 823	6 823	491	3 430	3 980	(550)	-14%	6 823
Medical Aid Contributions		1 606	1 713	1 713	184	1 164	999	165	17%	1 713
Overtime		3 245	1 950	1 370	444	2 324	799	1 525	191%	1 370
Performance Bonus		2 186	—	—	53	1 810	—	1 810	#DIV/0!	—
Motor Vehicle Allowance		1 931	2 364	2 390	178	1 309	1 394	(86)	-6%	2 390
Cellphone Allowance		97	152	152	10	100	89	11	13%	152
Housing Allowances		291	337	337	22	141	196	(55)	-28%	337
Other benefits and allowances		933	4 337	4 773	56	1 419	2 770	(1 351)	-49%	4 773
Payments in lieu of leave		591	—	—	10	36	—	36	#DIV/0!	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	159	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		51 749	55 784	55 665	4 837	35 286	31 436	3 850	12%	55 665
% increase	4		7,8%	7,6%						7,6%
Total Parent Municipality		58 827	62 683	62 621	5 011	37 896	35 493	2 403	7%	62 621

12 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



					Accrued	Capitalized		Accruals	Accruals
Repayment Due		31.12.2019	31.12.2019	-41,504.91	0.00	-18,495.09	-60,000.00	1,696,741.94	1,696,741.94
Interest Accrual		31.01.2020	31.01.2020	0.00	18,013.36	0.00	18,013.36	1,714,755.30	1,696,741.94
Interest Capitalisation		31.01.2020	31.01.2020	0.00	-18,013.36	18,013.36	0.00	1,714,755.30	1,714,755.30
Repayment Due		31.01.2020	31.01.2020	-41,986.64	0.00	-18,013.36	-60,000.00	1,654,755.30	1,654,755.30

- The total outstanding long-term debt of Kannaland Municipality amounts to **R1.65 million** as at **31 January 2020**.
- A monthly instalment of **R60 thousand** at an interest rate of **12.52 percent** per annum is being paid.

- For the current month the instalment amount is made up out of **R18 thousand** in interest with a capital redemption amount of **R42 thousand**.

13 ANNEXURE A

13.1 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) - M07 January

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	1									
Vote 1 - MUNICIPAL MANAGER		20 220	8 740	8 116	–	18 425	4 734	13 690	289,2%	8 116
Vote 2 - CORPORATE SERVICES		17 345	25 275	26 509	1 273	5 918	15 720	(9 803)	-62,4%	26 509
Vote 3 - FINANCIAL SERVICES		26 667	24 910	24 535	1 505	16 726	15 408	1 317	8,5%	24 535
Vote 4 - TECHNICAL SERVICES		84 183	155 394	158 490	7 976	50 815	95 700	(44 885)	-46,9%	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	148 415	214 320	217 650	10 754	91 883	131 563	(39 680)	-30,2%	217 650
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		23 900	15 081	14 430	917	7 069	8 418	(1 349)	-16,0%	14 430
Vote 2 - CORPORATE SERVICES		24 755	28 843	29 654	1 638	13 092	16 263	(3 170)	-19,5%	29 654
Vote 3 - FINANCIAL SERVICES		21 006	30 062	29 017	1 447	11 187	16 927	(5 739)	-33,9%	29 017
Vote 4 - TECHNICAL SERVICES		87 854	88 330	88 732	2 274	36 692	51 760	(15 068)	-29,1%	88 732
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		566	639	589	23	248	343	(96)	-27,8%	589
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	158 080	162 954	162 423	6 300	68 289	93 710	(25 422)	-27,1%	162 423
Surplus/ (Deficit) for the year	2	(9 665)	51 366	55 227	4 454	23 594	37 853	(14 258)	-37,7%	55 227

14 ANNEXURE B

14.1 Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January 2020

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

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									
Revenue - Functional										
<i>Governance and administration</i>		47 263	34 370	33 371	1 536	35 332	20 563	14 769	72%	33 371
Executive and council		20 220	8 740	8 116	—	18 425	4 734	13 690	289%	8 116
Finance and administration		27 043	25 630	25 255	1 536	16 907	15 828	1 079	7%	25 255
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		17 058	17 122	18 356	965	4 994	11 062	(6 068)	-55%	18 356
Community and social services		5 569	14 723	14 949	858	3 395	9 075	(5 680)	-63%	14 949
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		10 699	2 019	2 019	107	1 599	1 177	422	36%	2 019
Housing		790	380	1 388	—	—	810	(810)	-100%	1 388
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		5 862	9 182	9 182	275	1 450	5 420	(3 970)	-73%	9 182
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		5 862	9 182	9 182	275	1 450	5 420	(3 970)	-73%	9 182
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		78 231	153 646	156 742	7 978	50 107	94 518	(44 411)	-47%	156 742
Energy sources		44 940	64 873	64 873	4 241	31 488	38 313	(6 825)	-18%	64 873
Water management		21 316	46 059	49 155	2 606	10 468	29 840	(19 373)	-65%	49 155
Waste water management		6 174	28 768	28 768	575	4 162	16 781	(12 619)	-75%	28 768
Waste management		5 801	13 946	13 946	556	3 989	9 584	(5 595)	-58%	13 946
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	148 415	214 320	217 650	10 754	91 883	131 563	(39 680)	-30%	217 650
Expenditure - Functional										
<i>Governance and administration</i>		59 197	58 160	55 972	3 367	25 844	32 650	(6 805)	-21%	55 972
Executive and council		24 733	15 081	14 430	917	7 069	8 418	(1 349)	-16%	14 430
Finance and administration		34 464	43 079	41 541	2 449	18 776	24 232	(5 457)	-23%	41 541
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		12 047	9 694	10 934	779	6 210	5 342	868	16%	10 934
Community and social services		6 275	7 670	7 871	435	3 443	3 556	(113)	-3%	7 871
Sport and recreation		524	325	305	22	240	178	62	35%	305
Public safety		3 208	59	59	260	2 045	34	2 011	5864%	59
Housing		2 040	1 640	2 698	62	482	1 574	(1 091)	-69%	2 698
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		8 332	18 573	18 383	500	4 371	10 723	(6 352)	-59%	18 383
Planning and development		21	—	—	—	—	—	—	—	—
Road transport		8 312	18 573	18 383	500	4 371	10 723	(6 352)	-59%	18 383
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		78 505	76 527	77 134	1 654	31 863	44 995	(13 132)	-29%	77 134
Energy sources		44 497	50 932	48 965	630	24 578	28 563	(3 985)	-14%	48 965
Water management		12 260	12 196	12 007	428	2 907	7 004	(4 098)	-59%	12 007
Waste water management		11 137	6 607	7 306	280	1 877	4 262	(2 385)	-56%	7 306
Waste management		9 611	6 792	8 856	317	2 502	5 166	(2 664)	-52%	8 856
<i>Other</i>		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	158 080	162 954	162 423	6 300	68 289	93 710	(25 422)	-27%	162 423
Surplus/ (Deficit) for the year		(9 665)	51 366	55 227	4 454	23 594	37 853	(14 258)	-38%	55 227

15 Annexure C

Table C1 Monthly Budget Statement Summary M07 January 2020

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M07 January

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									
<u>Financial Performance</u>									
Property rates	15 549	17 117	17 117	1 037	11 581	9 985	1 596	16%	17 117
Service charges	69 672	88 958	88 958	7 978	50 107	51 892	(1 785)	-3%	88 958
Investment revenue	669	526	526	—	510	307	203	66%	526
Transfers and subsidies	33 803	37 147	37 875	851	23 755	25 507	(1 752)	-7%	37 875
Other own revenue	17 519	18 336	18 336	888	4 998	10 696	(5 698)	-53%	18 336
Total Revenue (excluding capital transfers and contributions)	137 213	162 083	162 812	10 754	90 951	98 387	(7 435)	-8%	162 812
Employee costs	55 504	59 406	59 344	4 872	36 620	33 581	3 038	9%	59 344
Remuneration of Councillors	3 323	3 277	3 277	139	1 276	1 911	(635)	-33%	3 277
Depreciation & asset impairment	15 710	11 192	11 270	—	—	6 574	(6 574)	-100%	11 270
Finance charges	2 921	722	722	52	306	421	(115)	-27%	722
Materials and bulk purchases	36 457	44 282	43 967	238	22 475	25 647	(3 172)	-12%	43 967
Transfers and subsidies	1 899	558	558	—	27	325	(299)	-92%	558
Other expenditure	42 266	43 518	43 286	999	7 585	25 250	(17 665)	-70%	43 286
Total Expenditure	158 080	162 954	162 423	6 300	68 289	93 710	(25 422)	-27%	162 423
Surplus/(Deficit)	(20 867)	(871)	389	4 454	22 662	4 676	17 986	385%	389
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	54 838	—	932	33 176	(32 244)	-97%	54 838
Contributions & Contributed assets	382	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(9 665)	51 366	55 227	4 454	23 594	37 853	(14 258)	-38%	55 227
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	(9 665)	51 366	55 227	4 454	23 594	37 853	(14 258)	-38%	55 227
<u>Capital expenditure & funds sources</u>									
Capital expenditure	7 237	52 626	55 972	—	—	30 791	(30 791)	-100%	55 972
Capital transfers recognised	7 340	52 236	55 482	324	7 340	30 505	(23 165)	-76%	55 482
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	89	390	490	25	89	286	(197)	-69%	490
Total sources of capital funds	7 429	52 626	55 972	350	7 429	30 791	(23 361)	-76%	55 972
<u>Financial position</u>									
Total current assets	37 093	103 505	217 431		57 631				217 431
Total non current assets	7 507	52 626	67 164		7 429				67 164
Total current liabilities	(5 293)	(134 040)	(262 649)		(1 808)				(262 649)
Total non current liabilities	(2 567)	(1 157)	(2 657)		(26)				(2 657)
Community wealth/Equity	2 048	—	—		24				—
<u>Cash flows</u>									
Net cash from (used) operating	(38 095)	15 325	20 270	5 010	33 077	20 357	(12 720)	-62%	20 270
Net cash from (used) investing	(743)	(52 626)	(55 972)	—	—	(30 791)	(30 791)	100%	(55 972)
Net cash from (used) financing	11	(720)	(720)	(1)	57	(420)	(477)	114%	(720)
Cash/cash equivalents at the month/year end	(38 829)	(38 022)	(36 422)	—	33 134	(10 854)	(43 989)	405%	(36 422)

16 Capital expenditure and Revenue

16.1 Table C5 Capital expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote 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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—		—
Vote 2 - CORPORATE SERVICES		—	650	650	—	—	379	(379)	-100%	650
Vote 3 - FINANCIAL SERVICES		—	—	—	—	—	—	—		—
Vote 4 - TECHNICAL SERVICES		—	—	—	—	—	—	—		—
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 Capital Multi-year expenditure	4,7	—	650	650	—	—	379	(379)	-100%	650
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—		—
Vote 2 - CORPORATE SERVICES		—	3 733	2 607	—	—	318	(318)	-100%	2 607
Vote 3 - FINANCIAL SERVICES		—	360	610	—	—	356	(356)	-100%	610
Vote 4 - TECHNICAL SERVICES		7 237	47 883	52 105	—	—	29 738	(29 738)	-100%	52 105
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 Capital single-year expenditure	4	7 237	51 976	55 322	—	—	30 412	(30 412)	-100%	55 322
Total Capital Expenditure	3	7 237	52 626	55 972	—	—	30 791	(30 791)	-100%	55 972
Capital Expenditure - Functional Classification										
Governance and administration		—	360	610	—	—	356	(356)	-100%	610
Executive and council		—	—	—	—	—	—	—		—
Finance and administration		—	360	610	—	—	356	(356)	-100%	610
Internal audit		—	—	—	—	—	—	—		—
Community and public safety		1 757	4 383	3 257	55	1 757	697	1 060	152%	3 257
Community and social services		—	700	700	—	—	408	(408)	-100%	700
Sport and recreation		1 257	3 105	1 979	29	1 257	—	1 257	#DIV/0!	1 979
Public safety		500	578	578	26	500	289	211	73%	578
Housing		—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—		—
Economic and environmental services		—	—	—	—	—	—	—		—
Planning and development		—	—	—	—	—	—	—		—
Road transport		—	—	—	—	—	—	—		—
Environmental protection		—	—	—	—	—	—	—		—
Trading services		5 672	47 883	52 105	295	5 672	29 738	(24 065)	-81%	52 105
Energy sources		347	3 345	3 345	25	347	1 951	(1 604)	-82%	3 345
Water management		5 159	26 538	30 760	223	5 159	17 286	(12 128)	-70%	30 760
Waste water management		166	18 000	18 000	46	166	10 500	(10 334)	-98%	18 000
Waste management		—	—	—	—	—	—	—		—
Other		—	—	—	—	—	—	—		—
Total Capital Expenditure - Functional Classification	3	7 429	52 626	55 972	350	7 429	30 791	(23 361)	-76%	55 972
Funded by:										
National Government		6 830	47 658	50 633	288	6 830	27 725	(20 895)	-75%	50 633
Provincial Government		511	4 578	4 849	36	511	2 780	(2 270)	-82%	4 849
District Municipality		—	—	—	—	—	—	—		—
Other transfers and grants		—	—	—	—	—	—	—		—
Transfers recognised - capital		7 340	52 236	55 482	324	7 340	30 505	(23 165)	-76%	55 482
Public contributions & donations	5	—	—	—	—	—	—	—		—
Borrowing	6	—	—	—	—	—	—	—		—
Internally generated funds		89	390	490	25	89	286	(197)	-69%	490
Total Capital Funding		7 429	52 626	55 972	350	7 429	30 791	(23 361)	-76%	55 972

17 ANNEXURE D

17.1 Implementation of the Supply Chain Management policy

No deviations for **January 2020**.