

# **Kannaland Municipality**



## **Financial Management Report February 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 **February 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 - M08 February

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
<b>R thousands</b>									
<b><u>Financial Performance</u></b>									
Property rates	15 549	17 117	17 117	977	12 558	11 411	1 147	10%	17 117
Service charges	69 672	88 958	90 425	7 650	57 759	60 283	(2 524)	-4%	90 425
Investment revenue	669	526	778	93	603	519	84	16%	778
Transfers and subsidies	33 803	37 147	40 744	700	24 454	29 188	(4 734)	-16%	40 744
Other own revenue	17 519	18 336	16 606	944	5 942	11 070	(5 128)	-46%	16 606
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>137 213</b>	<b>162 083</b>	<b>165 669</b>	<b>10 363</b>	<b>101 317</b>	<b>112 472</b>	<b>(11 155)</b>	<b>-10%</b>	<b>165 669</b>
Employee costs	55 504	59 406	61 192	4 984	41 603	39 611	1 992	5%	61 192
Remuneration of Councillors	3 323	3 277	3 408	170	1 446	2 272	(826)	-36%	3 408
Depreciation & asset impairment	26 698	11 192	9 336	–	–	6 224	(6 224)	-100%	9 336
Finance charges	2 921	722	670	50	356	446	(91)	-20%	670
Materials and bulk purchases	36 457	44 282	43 883	1 896	24 371	29 255	(4 884)	-17%	43 883
Transfers and subsidies	1 899	558	308	30	57	205	(148)	-72%	308
Other expenditure	42 266	43 518	42 011	1 958	9 543	28 007	(18 464)	-66%	42 011
<b>Total Expenditure</b>	<b>169 068</b>	<b>162 954</b>	<b>160 807</b>	<b>9 087</b>	<b>77 376</b>	<b>106 020</b>	<b>(28 645)</b>	<b>-27%</b>	<b>160 807</b>
<b>Surplus/(Deficit)</b>	<b>(31 855)</b>	<b>(871)</b>	<b>4 862</b>	<b>1 276</b>	<b>23 941</b>	<b>6 452</b>	<b>17 490</b>	<b>271%</b>	<b>4 862</b>
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	35 346	–	932	23 564	(22 632)	-96%	35 346
Contributions & Contributed assets	382	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(20 653)</b>	<b>51 366</b>	<b>40 208</b>	<b>1 276</b>	<b>24 873</b>	<b>30 016</b>	<b>(5 142)</b>	<b>-17%</b>	<b>40 208</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>(20 653)</b>	<b>51 366</b>	<b>40 208</b>	<b>1 276</b>	<b>24 873</b>	<b>30 016</b>	<b>(5 142)</b>	<b>-17%</b>	<b>40 208</b>
<b><u>Capital expenditure &amp; funds sources</u></b>									
<b>Capital expenditure</b>	<b>18 776</b>	<b>52 626</b>	<b>35 692</b>	<b>610</b>	<b>8 039</b>	<b>23 684</b>	<b>(15 644)</b>	<b>-66%</b>	<b>35 692</b>
Capital transfers recognised	7 941	52 236	35 202	601	7 941	23 357	(15 416)	-66%	35 202
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	98	390	490	9	98	327	(228)	-70%	490
<b>Total sources of capital funds</b>	<b>8 039</b>	<b>52 626</b>	<b>35 692</b>	<b>610</b>	<b>8 039</b>	<b>23 684</b>	<b>(15 644)</b>	<b>-66%</b>	<b>35 692</b>

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 **R10.36 million** a decrease from the previous month reporting of **R10.75 million** this as a result of decline in service charges collections, whilst operating expenditure amounted to **R9.09 million**, resulting in an operating **surplus** of **R1.27 million** showing decrease from the previously reported in **January 2020** deficit of **R4.45 million**.

### **Financial Performance**

#### *Property Rates*

The property rates collection showed a collection of **R977 thousand** collection in the **February 2020** period and slight decrease from the collection on **January 2020** of **R1.04 million**.

#### *Service Charges*

The municipality recorded an overall service charge collection over **R7.65 million** for the **February 2020** period, representing a slight decrease from **R7.98 million** from the **January 2020** period.

#### *Transfers and Subsidies*

The municipality received transfer and subsidies to the amount **R700 thousand** in the **February 2020** period.

#### *Other revenue*

The municipality recorded an overall performance of **R944 thousand** in **February 2020** from other revenue an increase from the **R888 thousand** in the **January 2020** period.

### **Total Expenditure**

#### *Employee related cost*

The total expenditure on salaries including councillors is **R5.15 Million** in **February 2020** and an increase from **R5.01 Million** in the **January 2020** period. This is due to the overtime; notch increases and standby paid over the period.

#### *Materials and Bulk Purchases*

Bulk purchases are slow due to the demand for electricity in the summer season. The municipality spent **R1.90 million** in the **February 2020** towards bulk purchase (water and electricity) with materials and supplies. This amount also includes payment arrangement towards arrears on the ESKOM account.

#### *Other expenditure*

The total other expenditure for **February 2020** is **R1.96 million** an increase from the **R999 thousand** in the **January 2020**.

## 4.1 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description		Ref	2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2019/20				Full Year Forecast
							YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands											
Revenue By Source											
Property rates			15 549	17 117	17 117	977	12 558	11 411	1 147	10%	17 117
Service charges - electricity revenue			44 924	59 573	60 970	4 317	35 808	40 647	(4 839)	-12%	60 970
Service charges - water revenue			12 773	16 920	16 920	2 202	12 670	11 280	1 390	12%	16 920
Service charges - sanitation revenue			6 174	6 271	6 271	583	4 745	4 181	565	14%	6 271
Service charges - refuse revenue			5 801	6 193	6 263	547	4 536	4 176	360	9%	6 263
Service charges - other			—	—	—	—	—	—	—	—	—
Rental of facilities and equipment			533	956	881	42	354	587	(233)	-40%	881
Interest earned - external investments			669	526	778	93	603	519	84	16%	778
Interest earned - outstanding debtors			49	5 622	5 622	2	13	3 748	(3 735)	-100%	5 622
Dividends received			—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits			15 314	8 928	7 370	673	3 722	4 913	(1 191)	-24%	7 370
Licences and permits			173	160	198	18	132	132	(0)	0%	198
Agency services			828	1 010	1 010	62	636	673	(37)	-6%	1 010
Transfers and subsidies			33 803	37 147	40 744	700	24 454	29 188	(4 734)	-16%	40 744
Other revenue			622	1 660	1 526	146	1 086	1 017	68	7%	1 526
Gains on disposal of PPE			—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)			137 213	162 083	165 669	10 363	101 317	112 472	(11 155)	-10%	165 669
Expenditure By Type											
Employee related costs			55 504	59 406	61 192	4 984	41 603	39 611	1 992	5%	61 192
Remuneration of councillors			3 323	3 277	3 408	170	1 446	2 272	(826)	-36%	3 408
Debt impairment			25 922	14 077	11 584	—	73	7 722	(7 649)	-99%	11 584
Depreciation & asset impairment			26 698	11 192	9 336	—	—	6 224	(6 224)	-100%	9 336
Finance charges			2 921	722	670	50	356	446	(91)	-20%	670
Bulk purchases			35 483	40 200	40 200	1 733	23 107	26 800	(3 693)	-14%	40 200
Other materials			974	4 082	3 683	163	1 264	2 455	(1 191)	-49%	3 683
Contracted services			7 849	15 531	18 561	1 415	4 872	12 374	(7 501)	-61%	18 561
Transfers and subsidies			1 899	558	308	30	57	205	(148)	-72%	308
Other expenditure			8 200	13 911	11 867	543	4 597	7 911	(3 314)	-42%	11 867
Loss on disposal of PPE			295	—	—	—	—	—	—	—	—
Total Expenditure			169 068	162 954	160 807	9 087	77 376	106 020	(28 645)	-27%	160 807
Surplus/(Deficit)			(31 855)	(871)	4 862	1 276	23 941	6 452	17 490	0	4 862
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			10 820	52 236	35 346	—	932	23 564	(22 632)	(0)	35 346
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)			—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)			382	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions			(20 653)	51 366	40 208	1 276	24 873	30 016			40 208
Taxation			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation			(20 653)	51 366	40 208	1 276	24 873	30 016			40 208
Attributable to minorities			—	—	—	—	—	—			—
Surplus/(Deficit) attributable to municipality			(20 653)	51 366	40 208	1 276	24 873	30 016			40 208
Share of surplus/ (deficit) of associate			—	—	—	—	—	—			—
Surplus/ (Deficit) for the year			(20 653)	51 366	40 208	1 276	24 873	30 016			40 208

#### 4.1.1 Operating Revenue

**WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February**

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	977	12 558	11 411	1 147	10%	17 117
Service charges - electricity revenue		44 924	59 573	60 970	4 317	35 808	40 647	(4 839)	-12%	60 970
Service charges - water revenue		12 773	16 920	16 920	2 202	12 670	11 280	1 390	12%	16 920
Service charges - sanitation revenue		6 174	6 271	6 271	583	4 745	4 181	565	14%	6 271
Service charges - refuse revenue		5 801	6 193	6 263	547	4 536	4 176	360	9%	6 263
Service charges - other		—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		533	956	881	42	354	587	(233)	-40%	881
Interest earned - external investments		669	526	778	93	603	519	84	16%	778
Interest earned - outstanding debtors		49	5 622	5 622	2	13	3 748	(3 735)	-100%	5 622
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		15 314	8 928	7 370	673	3 722	4 913	(1 191)	-24%	7 370
Licences and permits		173	160	198	18	132	132	(0)	0%	198
Agency services		828	1 010	1 010	62	636	673	(37)	-6%	1 010
Transfers and subsidies		33 803	37 147	40 744	700	24 454	29 188	(4 734)	-16%	40 744
Other revenue		622	1 660	1 526	146	1 086	1 017	68	7%	1 526
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		137 213	162 083	165 669	10 363	101 317	112 472	(11 155)	-10%	165 669

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 **R4.32 million** during **February 2020** which is above the reported figures in **January 2020** of **R4.24 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 **R2.20 Million** in water services in the **February 2020** period showing a slight decrease on the previous reported figure of **R2.60 Million** in **January 2020**. 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 **R583 thousand** during **February 2020** and more than the **January 2020** period of **R575 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 **R547 thousand** for the **February 2020** which is less than the previous month of **January 2020** figure of **R556 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. It seems to have been included in the actual revenue for service charges. While the municipality is getting **R93 thousand** on external investments.

The municipality is showing underperformance on fines, penalties and forfeits by collecting **R673 thousand** representing 73 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, Expanded Public Works Programme and Public Sector SETA **R700 thousand**.

## Other revenue

The municipality received **R146 thousand** during the reporting period of **February 2020**. This is an improvement from the January 2020 of **R130 thousand**.

### 4.1.2 Operating Expenditure

**WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February**

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
<u>Expenditure By Type</u>										
Employee related costs		55 504	59 406	61 192	4 984	41 603	39 611	1 992	5%	61 192
Remuneration of councillors		3 323	3 277	3 408	170	1 446	2 272	(826)	-36%	3 408
Debt impairment		25 922	14 077	11 584	–	73	7 722	(7 649)	-99%	11 584
Depreciation & asset impairment		26 698	11 192	9 336	–	–	6 224	(6 224)	-100%	9 336
Finance charges		2 921	722	670	50	356	446	(91)	-20%	670
Bulk purchases		35 483	40 200	40 200	1 733	23 107	26 800	(3 693)	-14%	40 200
Other materials		974	4 082	3 683	163	1 264	2 455	(1 191)	-49%	3 683
Contracted services		7 849	15 531	18 561	1 415	4 872	12 374	(7 501)	-61%	18 561
Transfers and subsidies		1 899	558	308	30	57	205	(148)	-72%	308
Other expenditure		8 200	13 911	11 867	543	4 597	7 911	(3 314)	-42%	11 867
Loss on disposal of PPE		295	–	–	–	–	–	–		–
Total Expenditure		169 068	162 954	160 807	9 087	77 376	106 020	(28 645)	-27%	160 807

## Employee Related Costs and Remuneration of councillors

Employee related cost amounted to **R4.98 million** and the total remuneration for councillors is reported as **R170 thousand**. The increase on employee related costs include fluctuating overtime, standby and notch increases during the **February 2020** reporting period. Remuneration of councillors is expected to increase with the implementation of upper limits during the **March reporting period**.

### **Bulk Purchases, Finance Charges and other materials**

The bulk purchases for the **February 2020** period amounted to **R1.73 million**. The municipality made payments of **R50 thousand**, while other materials were **R163 thousand**.

### **Contracted services**

The municipality has improved on the expenditure for contracted services from the **R494 thousand** spent in **January 2020** to **R1.42 million for the February 2020 period**. The year-to-date actual represent **36 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 **R543 thousand** which represents **58 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 - M08 February**

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b><u>ASSETS</u></b>						
<b>Current assets</b>						
Cash		1 732	2 440	12 311	22 376	(12 311)
Call investment deposits		8 289	—	—	18 385	—
Consumer debtors		(101)	5 874	(101 096)	14 999	(105 500)
Other debtors		(26 043)	1 010	(2 090)	24 673	(2 382)
Current portion of long-term receivables		(5)	—	—	—	—
Inventory		924	3 395	6 125	456	6 125
<b>Total current assets</b>		<b>(15 205)</b>	<b>12 719</b>	<b>(84 750)</b>	<b>80 889</b>	<b>(114 068)</b>
<b>Non current assets</b>						
Long-term receivables		—	—	—	—	—
Investments		(36)	—	—	—	—
Investment property		(211)	—	—	—	—
Investments in Associate		—	—	—	—	—
Property, plant and equipment		(7 208)	52 626	35 692	8 039	35 692
Agricultural		—	—	—	—	—
Biological assets		—	—	—	—	—
Intangible assets		(52)	—	29	—	29
Other non-current assets		—	—	—	—	—
<b>Total non current assets</b>		<b>(7 507)</b>	<b>52 626</b>	<b>35 721</b>	<b>8 039</b>	<b>35 721</b>
<b>TOTAL ASSETS</b>		<b>(22 712)</b>	<b>65 346</b>	<b>(49 029)</b>	<b>88 928</b>	<b>(78 347)</b>
<b><u>LIABILITIES</u></b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	3 168	—
Borrowing		(566)	437	—	332	(873)
Consumer deposits		11	—	—	53	—
Trade and other payables		(4 359)	133 603	(110 243)	7 790	(264 010)
Provisions		(357)	—	—	—	—
<b>Total current liabilities</b>		<b>(5 271)</b>	<b>134 040</b>	<b>(110 243)</b>	<b>11 343</b>	<b>(264 884)</b>
<b>Non current liabilities</b>						
Borrowing		116	1 157	1 157	40	(1 157)
Provisions		2 452	—	(1 500)	—	(1 500)
<b>Total non current liabilities</b>		<b>2 567</b>	<b>1 157</b>	<b>(343)</b>	<b>40</b>	<b>(2 657)</b>
<b>TOTAL LIABILITIES</b>		<b>(2 704)</b>	<b>135 197</b>	<b>(110 586)</b>	<b>11 383</b>	<b>(267 541)</b>
<b>NET ASSETS</b>	<b>2</b>	<b>(20 008)</b>	<b>(69 851)</b>	<b>61 558</b>	<b>77 545</b>	<b>189 193</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>						
Accumulated Surplus/(Deficit)		(1 347)	—	—	—	—
Reserves		701	—	—	48	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>(645)</b>	<b>—</b>	<b>—</b>	<b>48</b>	<b>—</b>

## 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 **R8.39 million** which indicates **23 percent** expenditure of the total Capital Budget and a slight increase from **January 2020** of **11 percent**. The current month's Capital Expenditure is at **R610 thousand** an increase from **R350 thousand** reported in **January 2020**.

### 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 **March 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 **R3.17 million** with balance of **R830 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 - M08 February**

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
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		15 653	15 899	15 899	1 593	15 653	19 271	(3 618)	-19%	(28 907)
Service charges		42 321	79 885	85 315	4 450	42 321	48 855	(6 534)	-13%	(73 283)
Other revenue		(2 562)	8 625	3 717	270	2 562	2 478	84	3%	(3 717)
Government - operating		(16 277)	38 385	41 932	2 696	16 277	20 296	(4 019)	-20%	(32 219)
Government - capital		-	52 186	54 890	5 862	18 339	-	18 339	0%	-
Interest		(8)	526	778	1	8	10	(2)	-20%	16
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(76 889)	(136 406)	(138 910)	(9 007)	(76 889)	(91 422)	(14 533)	16%	(138 910)
Finance charges		(356)	(722)	(670)	(50)	(356)	(446)	(91)	20%	(670)
Transfers and Grants		(57)	(558)	(308)	(30)	(57)	(205)	(148)	72%	(308)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(38 174)</b>	<b>57 821</b>	<b>62 643</b>	<b>5 785</b>	<b>17 858</b>	<b>(1 165)</b>	<b>(19 023)</b>	<b>1633%</b>	<b>(277 998)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		-	(52 626)	(35 692)	-	-	(23 684)	(23 684)	100%	(35 692)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(52 626)</b>	<b>(35 692)</b>	<b>-</b>	<b>-</b>	<b>(23 684)</b>	<b>(23 684)</b>	<b>100%</b>	<b>(35 692)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		53	-	-	(7)	53	-	53	0%	-
<b>Payments</b>										
Repayment of borrowing		(2)	(720)	(720)	-	(2)	(480)	(478)	99%	(720)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>51</b>	<b>(720)</b>	<b>(720)</b>	<b>(7)</b>	<b>51</b>	<b>(480)</b>	<b>(531)</b>	<b>111%</b>	<b>(720)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(38 124)</b>	<b>4 474</b>	<b>26 231</b>	<b>5 778</b>	<b>17 908</b>	<b>(25 328)</b>			<b>(314 409)</b>
Cash/cash equivalents at beginning:		-	-	-		-	-			-
Cash/cash equivalents at month/year end:		(38 124)	4 474	26 231		17 908	(25 328)			(314 409)

## 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 **February 2020** period. The receipt showed an amount of **R4.45 million** on service charges combined and **R1.59 million** for property rates with transfers and subsidies (operating and capital) amounting to **R2.7 million**.

The total bank balance as at **29 February 2020** was as follows Standard Bank main account is **-R3.17 million** and the **R817 thousand** at the Traffic Account and the Deposit Account has **R1.40 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.

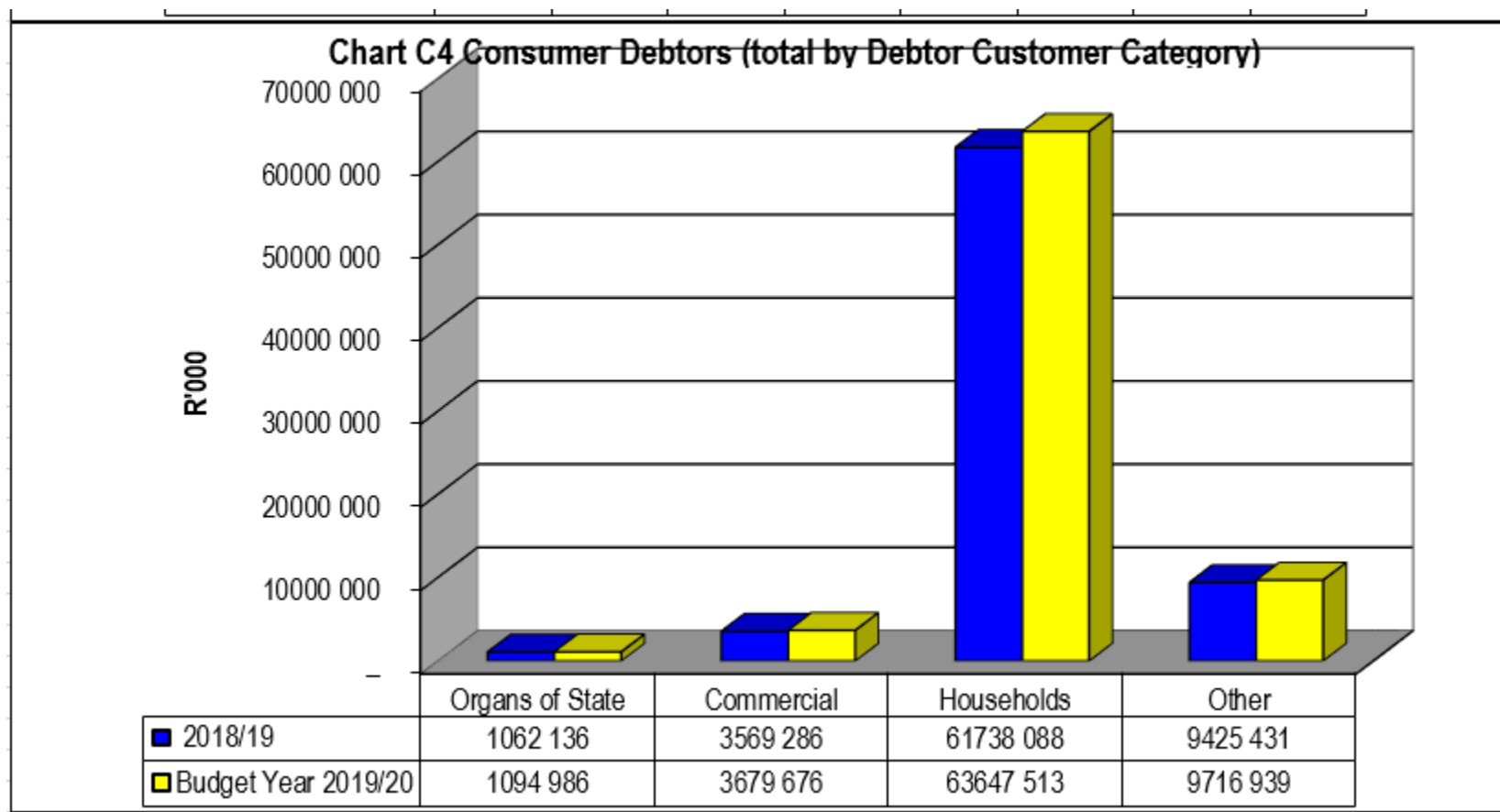
## 7 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

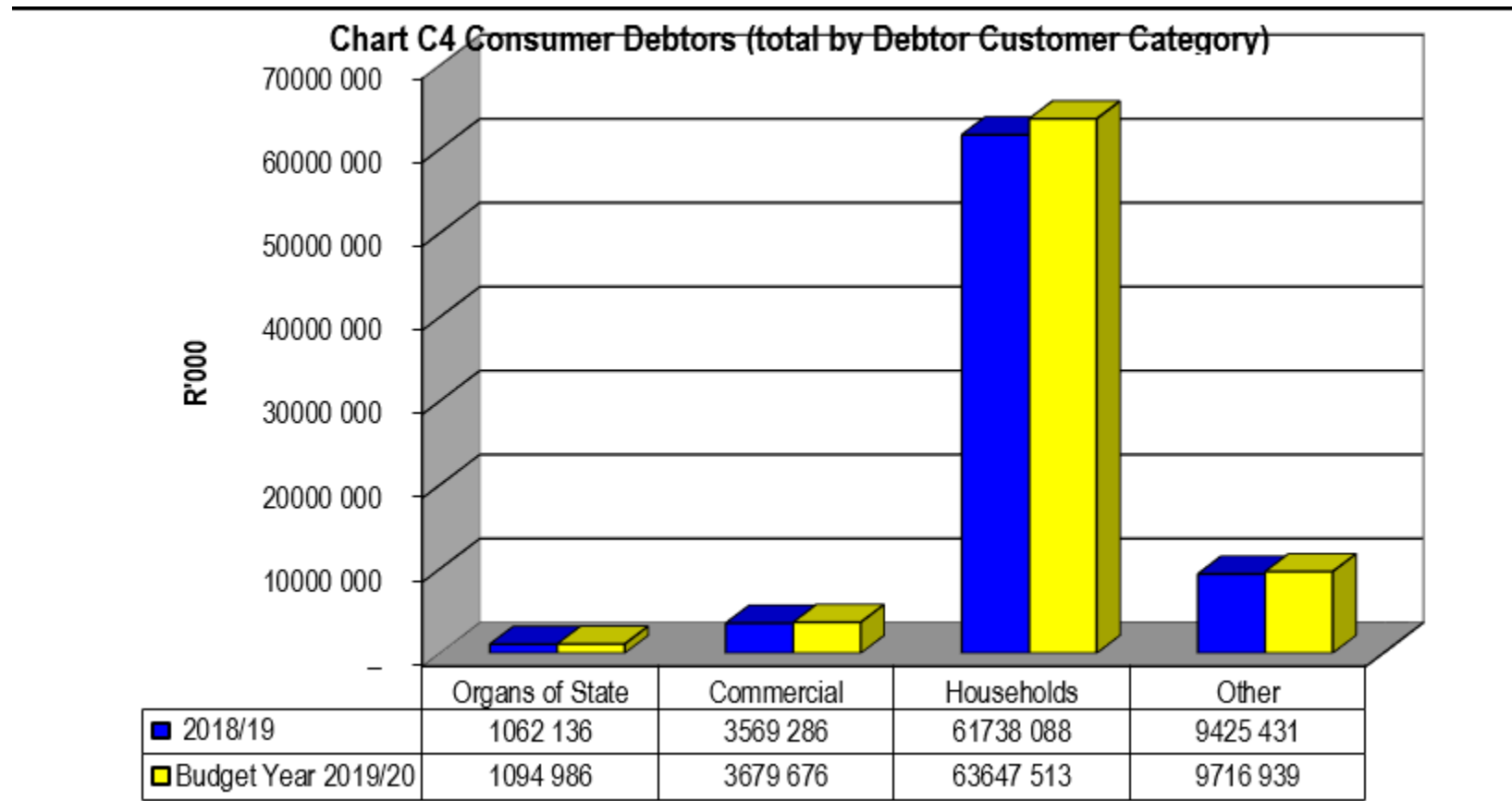
W0047 Ramulana - Supporting Table 000 Monthly Budget Statement - aged debtors - 1900 February													
Description	NT Code	Budget Year 2019/20										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	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	3 471	617	704	450	483	441	1 946	10 063	18 175	13 382	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 001	107	60	49	55	50	180	1 318	2 820	1 653	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 387	268	237	221	214	1 829	1 254	12 136	17 546	15 653	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	499	235	234	235	237	235	1 160	7 526	10 361	9 393	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 135	434	421	417	412	491	1 627	8 611	13 546	11 557	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	26	28	41	46	58	145	413	14 377	15 134	15 039	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(2 050)	125	104	104	96	89	417	1 650	534	2 355	-	-
Total By Income Source	2000	5 469	1 813	1 801	1 522	1 555	3 279	6 996	55 681	78 115	69 032	-	-
2018/19 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(330)	54	20	23	20	827	34	448	1 095	1 351	-	-
Commercial	2300	701	115	85	77	69	180	416	2 037	3 680	2 779	-	-
Households	2400	5 350	1 517	1 572	1 304	1 349	1 634	5 811	45 111	63 648	55 209	-	-
Other	2500	(252)	128	124	118	118	638	735	8 110	9 717	9 718	-	-
Total By Customer Group	2600	5 469	1 813	1 801	1 522	1 555	3 279	6 996	55 705	78 139	69 056	-	-

- The total amount owed to Kannaland Municipality amounted to **R78.13 million** during **February 2020**.
- **R55.68 million or 71 percent** of the total outstanding debtors are older than one year.
- **R69.03 million or 88 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 72 percent (**R61 million**) of the total amount of outstanding debt with a **3 percent** year-on-year increase.



## 8 Creditors Age Analysis

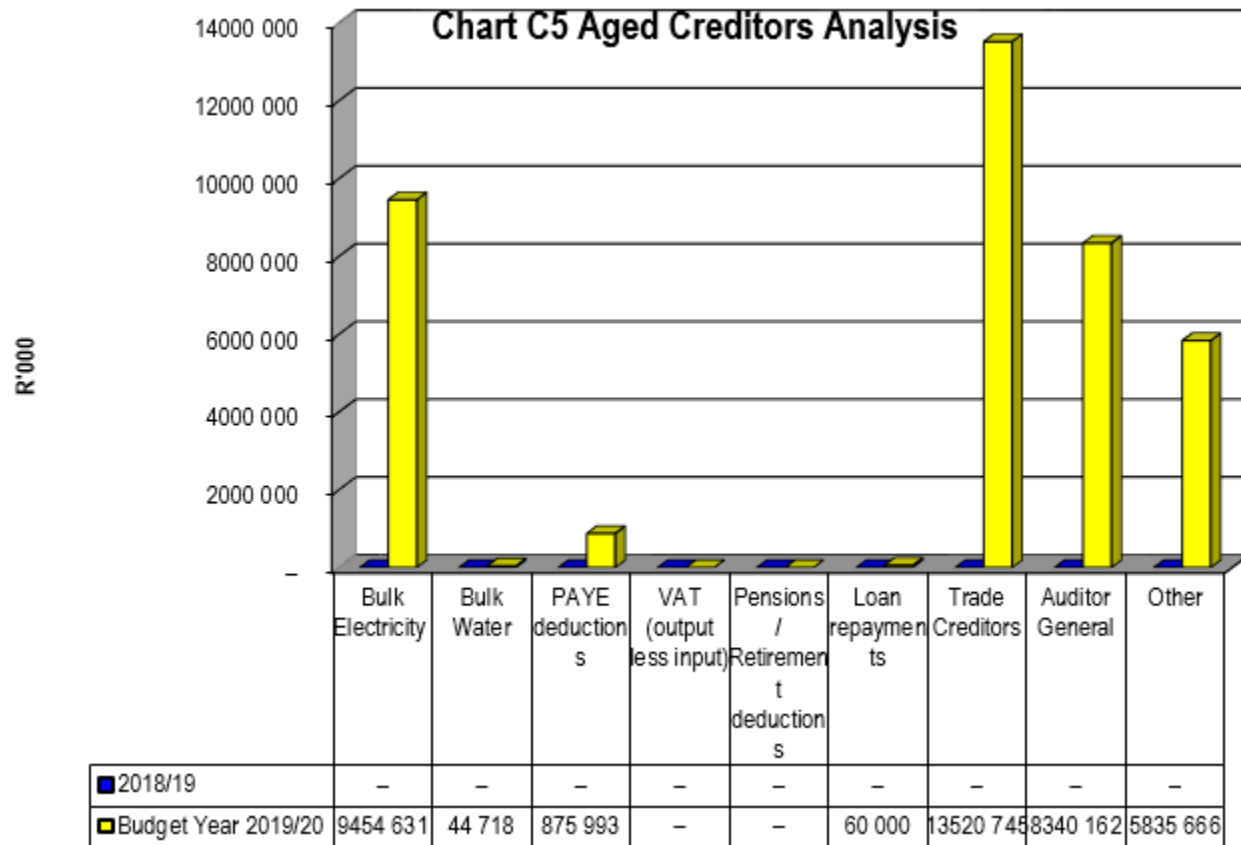
**WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February**

Description R thousands	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	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	4 078	1 889	–	2 751	736	–	–	–	9 455
Bulk Water	0200	28	–	–	–	16	–	–	–	45
PAYE deductions	0300	876	–	–	–	–	–	–	–	876
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	60	–	–	–	–	–	–	–	60
Trade Creditors	0700	1 672	249	60	132	9 541	1 867			13 521
Auditor General	0800	(323)	634	1 479	465	–	–	6 086	–	8 340
Other	0900	981	173	35	85	3 577	985		–	5 836
<b>Total By Customer Type</b>	<b>1000</b>	<b>7 372</b>	<b>2 944</b>	<b>1 574</b>	<b>3 433</b>	<b>13 870</b>	<b>2 852</b>	<b>6 086</b>	<b>–</b>	<b>38 132</b>

- The total outstanding creditors as at **29 February 2020** amounts to **R38.13** 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

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		15 658	25 442	24 023	2 630	15 658	15 999	(342)	-2,1%	24 023
Operational Revenue:General Revenue:Equitable Share		12 798	21 611	20 208	1 569	12 798	13 456	(658)	-4,9%	20 208
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		890	1 184	1 184	112	890	789	101	12,8%	1 184
Local Government Financial Management Grant [Schedule 5B]		1 931	2 215	2 215	949	1 931	1 477	454	30,8%	2 215
Municipal Infrastructure Grant [Schedule 5B]		39	433	416	–	39	278	(239)	-86,0%	416
<b>Provincial Government:</b>		536	3 985	8 057	56	536	4 204	(3 667)	-87,2%	8 057
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		535	3 935	8 027	56	535	4 184	(3 649)	-87,2%	8 027
Infrastructure		1	50	30	–	1	20	(19)	-93,5%	30
<b>Total operating expenditure of Transfers and Grants:</b>		16 194	29 428	32 080	2 686	16 194	20 203	(4 009)	-19,8%	32 080
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		6 835	47 658	25 633	5	6 835	16 978	(10 143)	-59,7%	25 633
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		–	2 901	2 901	–	–	1 934	(1 934)	-100,0%	2 901
Municipal Infrastructure Grant [Schedule 5B]		3 893	9 757	9 757	5	3 893	6 394	(2 501)	-39,1%	9 757
Regional Bulk Infrastructure Grant (Schedule 5B)		–	25 000	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		2 942	10 000	12 975	–	2 942	8 650	(5 708)	-66,0%	12 975
<b>Provincial Government:</b>		1 106	4 578	9 569	596	1 106	6 379	(5 273)	-82,7%	9 569
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		500	1 278	1 578	–	500	1 052	(551)	-52,4%	1 578
Infrastructure		606	3 300	7 991	596	606	5 327	(4 722)	-88,6%	7 991
<b>Other grant providers:</b>		98	390	490	9	98	327	(228)	-69,9%	490
Transfer from Operational Revenue		98	390	490	9	98	327	(228)	-69,9%	490
<b>Total capital expenditure of Transfers and Grants</b>		8 039	52 626	35 692	610	8 039	23 684	(15 644)	-66,1%	35 692
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		24 233	82 054	67 772	3 296	24 233	43 887	(19 653)	-44,8%	67 772

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 indicates expenditure on each respective grant received (Operational)

- Library Services and Fire services to the amount of **R56 thousand**.
- EPWP to the amount of **R112 thousand** for the basic salaries of temp EPWP workers.

- Financial Management Grant to the amount of **R949 thousand**, expenditure for the assistance of the Annual Financial statements and budget related trainings.

The following indicates expenditure on each respective grant spent (Capital)

- Drought relief grant to the amount of **R596 thousand**
- Own funded capital to the amount of **R9 thousand**
- Municipal infrastructure grant to the amount of **R5 thousand**

The following indicates expenditure on each respective grant received

- Integrated National Electrification Grant **R1 million**.
- Housing Grant **R380 thousand**
- Municipal infrastructure Grant **R1.44 million**
- Expanded Public Works **R355 thousand**
- Drought relief grant **R4.3 million**
- Library grant **R21 thousand**
- Community Development worker **R592 000**

## 10 Capital Revenue & Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		–	650	650	–	–	433	(433)	-100%	650
<b>Total Capital Multi-year expenditure</b>	4,7	–	<b>650</b>	<b>650</b>	–	–	<b>433</b>	<b>(433)</b>	<b>-100%</b>	<b>650</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		3 161	3 733	4 272	–	1 757	2 848	(1 091)	-38%	4 272
Vote 3 - FINANCIAL SERVICES		2 095	360	610	–	–	407	(407)	-100%	610
Vote 4 - TECHNICAL SERVICES		13 520	47 883	30 159	610	6 282	19 995	(13 713)	-69%	30 159
<b>Total Capital single-year expenditure</b>	4	<b>18 776</b>	<b>51 976</b>	<b>35 042</b>	<b>610</b>	<b>8 039</b>	<b>23 250</b>	<b>(15 211)</b>	<b>-65%</b>	<b>35 042</b>
<b>Total Capital Expenditure</b>	3	<b>18 776</b>	<b>52 626</b>	<b>35 692</b>	<b>610</b>	<b>8 039</b>	<b>23 684</b>	<b>(15 644)</b>	<b>-66%</b>	<b>35 692</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		–	<b>360</b>	<b>610</b>	–	–	<b>407</b>	(407)	-100%	<b>610</b>
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		–	360	610	–	–	407	(407)	-100%	610
Internal audit		–	–	–	–	–	–	–		–
<b>Community and public safety</b>		<b>1 757</b>	<b>4 383</b>	<b>4 922</b>	–	<b>1 757</b>	<b>3 282</b>	(1 524)	-46%	<b>4 922</b>
Community and social services		–	700	650	–	–	433	(433)	-100%	650
Sport and recreation		1 257	3 105	3 595	–	1 257	2 396	(1 140)	-48%	3 595
Public safety		500	578	678	–	500	452	49	11%	678
<b>Trading services</b>		<b>6 282</b>	<b>47 883</b>	<b>30 159</b>	<b>610</b>	<b>6 282</b>	<b>19 995</b>	(13 713)	-69%	<b>30 159</b>
Energy sources		347	3 345	3 520	–	347	2 347	(1 999)	-85%	3 520
Water management		5 769	26 538	24 437	610	5 769	16 181	(10 412)	-64%	24 437
Waste water management		166	18 000	2 202	–	166	1 468	(1 302)	-89%	2 202
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>8 039</b>	<b>52 626</b>	<b>35 692</b>	<b>610</b>	<b>8 039</b>	<b>23 684</b>	<b>(15 644)</b>	<b>-66%</b>	<b>35 692</b>
<b>Funded by:</b>										
National Government		6 835	47 658	25 633	5	6 835	16 978	(10 143)	-60%	25 633
Provincial Government		1 106	4 578	9 569	596	1 106	6 379	(5 273)	-83%	9 569
District Municipality		–	–	–	–	–	–	–		–
Other transfers and grants		–	–	–	–	–	–	–		–
<b>Transfers recognised - capital</b>		<b>7 941</b>	<b>52 236</b>	<b>35 202</b>	<b>601</b>	<b>7 941</b>	<b>23 357</b>	<b>(15 416)</b>	<b>-66%</b>	<b>35 202</b>
<b>Public contributions &amp; donations</b>	5	–	–	–	–	–	–	–		–
<b>Borrowing</b>	6	–	–	–	–	–	–	–		–
<b>Internally generated funds</b>		<b>98</b>	<b>390</b>	<b>490</b>	<b>9</b>	<b>98</b>	<b>327</b>	<b>(228)</b>	<b>-70%</b>	<b>490</b>
<b>Total Capital Funding</b>		<b>8 039</b>	<b>52 626</b>	<b>35 692</b>	<b>610</b>	<b>8 039</b>	<b>23 684</b>	<b>(15 644)</b>	<b>-66%</b>	<b>35 692</b>

- The actual year-to-date Capital Expenditure amounts to **R8.04 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 - M08 February**

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
<b>R thousands</b>										
	1	A	B	C						D
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages		2 513	2 559	2 661	102	890	1 774	(884)	-50%	2 661
Pension and UIF Contributions		12	52	54	9	9	36	(27)	-74%	54
Medical Aid Contributions		—	32	33	11	53	22	31	137%	33
Motor Vehicle Allowance		143	282	294	22	150	196	(46)	-23%	294
Cellphone Allowance		656	352	366	26	344	244	100	41%	366
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
<b>Sub Total - Councillors</b>		<b>3 323</b>	<b>3 277</b>	<b>3 408</b>	<b>170</b>	<b>1 446</b>	<b>2 272</b>	<b>(826)</b>	<b>-36%</b>	<b>3 408</b>
<b>% increase</b>	4		<b>-1,4%</b>	<b>2,5%</b>						<b>2,5%</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages		1 145	3 120	3 120	160	1 209	2 080	(872)	-42%	3 120
Pension and UIF Contributions		—	—	—	0	0	—	0	#DIV/0!	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		1 644	—	—	—	—	—	—	—	—
Performance Bonus		491	273	273	—	90	182	(93)	-51%	273
Motor Vehicle Allowance		459	193	290	22	218	193	24	13%	290
Cellphone Allowance		13	—	32	3	3	21	(19)	-88%	32
Housing Allowances		—	10	10	—	—	7	(7)	-100%	10
Other benefits and allowances		2	26	50	8	8	33	(25)	-75%	50
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>		<b>3 755</b>	<b>3 622</b>	<b>3 776</b>	<b>193</b>	<b>1 527</b>	<b>2 517</b>	<b>(990)</b>	<b>-39%</b>	<b>3 776</b>
<b>% increase</b>	4		<b>-3,5%</b>	<b>0,6%</b>						<b>0,6%</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages		35 411	38 108	38 309	3 212	26 765	24 372	2 393	10%	38 309
Pension and UIF Contributions		5 300	6 823	6 600	482	3 912	4 400	(488)	-11%	6 600
Medical Aid Contributions		1 606	1 713	2 050	178	1 342	1 367	(24)	-2%	2 050
Overtime		3 245	1 950	3 280	508	2 832	2 187	645	30%	3 280
Performance Bonus		2 186	—	—	48	1 858	—	1 858	#DIV/0!	—
Motor Vehicle Allowance		1 931	2 364	2 472	177	1 485	1 648	(163)	-10%	2 472
Cellphone Allowance		97	152	204	10	109	136	(26)	-20%	204
Housing Allowances		291	337	344	24	165	229	(64)	-28%	344
Other benefits and allowances		933	4 337	4 111	69	1 488	2 725	(1 237)	-45%	4 111
Payments in lieu of leave		591	—	47	84	120	31	88	282%	47
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	159	—	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>		<b>51 749</b>	<b>55 784</b>	<b>57 416</b>	<b>4 790</b>	<b>40 076</b>	<b>37 094</b>	<b>2 983</b>	<b>8%</b>	<b>57 416</b>
<b>% increase</b>	4		<b>7,8%</b>	<b>11,0%</b>						<b>11,0%</b>
<b>Total Parent Municipality</b>		<b>58 827</b>	<b>62 683</b>	<b>64 600</b>	<b>5 154</b>	<b>43 049</b>	<b>41 883</b>	<b>1 166</b>	<b>3%</b>	<b>64 600</b>

## 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



Repayment Due		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 Accrual		31.01.2020	31.01.2020	0.00	-18,013.36	18,013.36	0.00	1,714,755.30	1,714,755.30
Interest Capitalisation		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
Repayment Due		29.02.2020	29.02.2020	0.00	16,434.21	0.00	16,434.21	1,671,189.51	1,654,755.30
Interest Accrual		29.02.2020	29.02.2020	0.00	-16,434.21	16,434.21	0.00	1,671,189.51	1,671,189.51
Interest Capitalisation									

- The total outstanding long-term debt of Kannaland Municipality amounts to **R1.67 million** as at **29 February 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) - M08 February**

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - MUNICIPAL MANAGER		20 220	8 740	8 116	60	18 485	5 411	13 074	241,6%	8 116
Vote 2 - CORPORATE SERVICES		17 345	25 275	27 669	713	6 630	18 446	(11 816)	-64,1%	27 669
Vote 3 - FINANCIAL SERVICES		26 667	24 910	25 753	1 631	18 357	18 014	343	1,9%	25 753
Vote 4 - TECHNICAL SERVICES		84 183	155 394	139 477	7 959	58 776	94 165	(35 389)	-37,6%	139 477
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]		-	-	-	-	-	-	-		-
<b>Total Revenue by Vote</b>	2	<b>148 415</b>	<b>214 320</b>	<b>201 015</b>	<b>10 363</b>	<b>102 249</b>	<b>136 036</b>	<b>(33 787)</b>	<b>-24,8%</b>	<b>201 015</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - MUNICIPAL MANAGER		23 900	15 081	14 532	1 026	8 095	9 688	(1 592)	-16,4%	14 532
Vote 2 - CORPORATE SERVICES		25 490	28 843	31 951	1 737	14 829	20 117	(5 288)	-26,3%	31 951
Vote 3 - FINANCIAL SERVICES		21 006	30 062	28 789	2 343	13 530	19 192	(5 662)	-29,5%	28 789
Vote 4 - TECHNICAL SERVICES		98 107	88 330	84 947	3 956	40 648	56 631	(15 982)	-28,2%	84 947
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Vote 6 - CORPORATE SERVICES (Continued)		566	639	589	25	273	393	(120)	-30,5%	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]		-	-	-	-	-	-	-		-
<b>Total Expenditure by Vote</b>	2	<b>169 068</b>	<b>162 954</b>	<b>160 807</b>	<b>9 087</b>	<b>77 376</b>	<b>106 020</b>	<b>(28 645)</b>	<b>-27,0%</b>	<b>160 807</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(20 653)</b>	<b>51 366</b>	<b>40 208</b>	<b>1 276</b>	<b>24 873</b>	<b>30 016</b>	<b>(5 142)</b>	<b>-17,1%</b>	<b>40 208</b>

## 14 ANNEXURE B

### 14.1 Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

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
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>47 263</b>	<b>34 370</b>	<b>34 344</b>	<b>1 741</b>	<b>37 072</b>	<b>23 741</b>	13 332	56%	<b>34 344</b>
Executive and council		20 220	8 740	8 116	60	18 485	5 411	13 074	242%	8 116
Finance and administration		27 043	25 630	26 227	1 680	18 587	18 330	257	1%	26 227
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		<b>17 058</b>	<b>17 122</b>	<b>21 282</b>	<b>749</b>	<b>5 744</b>	<b>14 188</b>	(8 444)	-60%	<b>21 282</b>
Community and social services		5 569	14 723	15 029	312	3 707	10 019	(6 312)	-63%	15 029
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		10 699	2 019	2 019	107	1 706	1 346	360	27%	2 019
Housing		790	380	4 234	330	330	2 823	(2 492)	-88%	4 234
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		<b>5 862</b>	<b>9 182</b>	<b>7 611</b>	<b>224</b>	<b>1 674</b>	<b>5 074</b>	(3 400)	-67%	<b>7 611</b>
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		5 862	9 182	7 611	224	1 674	5 074	(3 400)	-67%	7 611
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		<b>78 231</b>	<b>153 646</b>	<b>137 779</b>	<b>7 650</b>	<b>57 760</b>	<b>93 033</b>	(35 274)	-38%	<b>137 779</b>
Energy sources		44 940	64 873	66 270	4 317	35 808	44 470	(8 662)	-19%	66 270
Water management		21 316	46 059	43 725	2 202	12 670	29 150	(16 480)	-57%	43 725
Waste water management		6 174	28 768	13 768	583	4 745	9 178	(4 433)	-48%	13 768
Waste management		5 801	13 946	14 016	547	4 536	10 235	(5 699)	-56%	14 016
<i><b>Other</b></i>	<b>4</b>	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	<b>2</b>	<b>148 415</b>	<b>214 320</b>	<b>201 015</b>	<b>10 363</b>	<b>102 249</b>	<b>136 036</b>	<b>(33 787)</b>	<b>-25%</b>	<b>201 015</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>59 197</b>	<b>58 160</b>	<b>55 399</b>	<b>4 399</b>	<b>30 243</b>	<b>36 932</b>	(6 689)	-18%	<b>55 399</b>
Executive and council		24 733	15 081	14 532	1 026	8 095	9 688	(1 592)	-16%	14 532
Finance and administration		34 464	43 079	40 867	3 372	22 148	27 244	(5 096)	-19%	40 867
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		<b>12 782</b>	<b>9 694</b>	<b>13 860</b>	<b>843</b>	<b>7 053</b>	<b>8 056</b>	(1 003)	-12%	<b>13 860</b>
Community and social services		6 849	7 670	7 764	490	3 933	3 992	(59)	-1%	7 764
Sport and recreation		684	325	611	19	259	408	(149)	-36%	611
Public safety		3 208	59	59	269	2 314	39	2 275	5805%	59
Housing		2 040	1 640	5 426	64	547	3 617	(3 070)	-85%	5 426
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		<b>10 914</b>	<b>18 573</b>	<b>16 044</b>	<b>187</b>	<b>4 558</b>	<b>10 696</b>	(6 137)	-57%	<b>16 044</b>
Planning and development		21	—	—	—	—	—	—	—	—
Road transport		10 894	18 573	16 044	187	4 558	10 696	(6 137)	-57%	16 044
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		<b>86 175</b>	<b>76 527</b>	<b>75 505</b>	<b>3 658</b>	<b>35 521</b>	<b>50 336</b>	(14 816)	-29%	<b>75 505</b>
Energy sources		46 368	50 932	49 310	2 324	26 901	32 873	(5 972)	-18%	49 310
Water management		16 647	12 196	12 744	684	3 590	8 496	(4 906)	-58%	12 744
Waste water management		13 509	6 607	6 728	318	2 195	4 485	(2 290)	-51%	6 728
Waste management		9 652	6 792	6 724	332	2 834	4 482	(1 649)	-37%	6 724
<i><b>Other</b></i>		—	—	—	—	—	—	—	—	—
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>169 068</b>	<b>162 954</b>	<b>160 807</b>	<b>9 087</b>	<b>77 376</b>	<b>106 020</b>	<b>(28 645)</b>	<b>-27%</b>	<b>160 807</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(20 653)</b>	<b>51 366</b>	<b>40 208</b>	<b>1 276</b>	<b>24 873</b>	<b>30 016</b>	<b>(5 142)</b>	<b>-17%</b>	<b>40 208</b>

## 15 Annexure C

**Table C1 Monthly Budget Statement Summary M08 January 2020**

**WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M08 February**

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	15 549	17 117	17 117	977	12 558	11 411	1 147	10%	17 117
Service charges	69 672	88 958	90 425	7 650	57 759	60 283	(2 524)	-4%	90 425
Investment revenue	669	526	778	93	603	519	84	16%	778
Transfers and subsidies	33 803	37 147	40 744	700	24 454	29 188	(4 734)	-16%	40 744
Other own revenue	17 519	18 336	16 606	944	5 942	11 070	(5 128)	-46%	16 606
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>137 213</b>	<b>162 083</b>	<b>165 669</b>	<b>10 363</b>	<b>101 317</b>	<b>112 472</b>	<b>(11 155)</b>	<b>-10%</b>	<b>165 669</b>
Employee costs	55 504	59 406	61 192	4 984	41 603	39 611	1 992	5%	61 192
Remuneration of Councillors	3 323	3 277	3 408	170	1 446	2 272	(826)	-36%	3 408
Depreciation & asset impairment	26 698	11 192	9 336	—	—	6 224	(6 224)	-100%	9 336
Finance charges	2 921	722	670	50	356	446	(91)	-20%	670
Materials and bulk purchases	36 457	44 282	43 883	1 896	24 371	29 255	(4 884)	-17%	43 883
Transfers and subsidies	1 899	558	308	30	57	205	(148)	-72%	308
Other expenditure	42 266	43 518	42 011	1 958	9 543	28 007	(18 464)	-66%	42 011
<b>Total Expenditure</b>	<b>169 068</b>	<b>162 954</b>	<b>160 807</b>	<b>9 087</b>	<b>77 376</b>	<b>106 020</b>	<b>(28 645)</b>	<b>-27%</b>	<b>160 807</b>
<b>Surplus/(Deficit)</b>	<b>(31 855)</b>	<b>(871)</b>	<b>4 862</b>	<b>1 276</b>	<b>23 941</b>	<b>6 452</b>	<b>17 490</b>	<b>271%</b>	<b>4 862</b>
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	35 346	—	932	23 564	(22 632)	-96%	35 346
Contributions & Contributed assets	382	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(20 653)</b>	<b>51 366</b>	<b>40 208</b>	<b>1 276</b>	<b>24 873</b>	<b>30 016</b>	<b>(5 142)</b>	<b>-17%</b>	<b>40 208</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>(20 653)</b>	<b>51 366</b>	<b>40 208</b>	<b>1 276</b>	<b>24 873</b>	<b>30 016</b>	<b>(5 142)</b>	<b>-17%</b>	<b>40 208</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>18 776</b>	<b>52 626</b>	<b>35 692</b>	<b>610</b>	<b>8 039</b>	<b>23 684</b>	<b>(15 644)</b>	<b>-66%</b>	<b>35 692</b>
Capital transfers recognised	7 941	52 236	35 202	601	7 941	23 357	(15 416)	-66%	35 202
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	98	390	490	9	98	327	(228)	-70%	490
<b>Total sources of capital funds</b>	<b>8 039</b>	<b>52 626</b>	<b>35 692</b>	<b>610</b>	<b>8 039</b>	<b>23 684</b>	<b>(15 644)</b>	<b>-66%</b>	<b>35 692</b>
<b>Financial position</b>									
Total current assets	(15 205)	12 719	(84 750)		80 889				(114 068)
Total non current assets	(7 507)	52 626	45 200		8 039				45 200
Total current liabilities	(5 271)	134 040	(110 243)		11 343				(264 884)
Total non current liabilities	2 567	1 157	(343)		40				(2 657)
<b>Community wealth/Equity</b>	<b>(645)</b>	<b>—</b>	<b>—</b>		<b>48</b>				<b>—</b>
<b>Cash flows</b>									
Net cash from (used) operating	(38 174)	57 821	62 643	(77)	(481)	(1 165)	(683)	59%	(277 998)
Net cash from (used) investing	—	(52 626)	(35 692)	—	—	(23 684)	(23 684)	100%	(35 692)
Net cash from (used) financing	51	(720)	(720)	(7)	51	(480)	(531)	111%	(720)
<b>Cash/cash equivalents at the month/year end</b>	<b>(38 124)</b>	<b>4 474</b>	<b>26 231</b>	<b>—</b>	<b>(431)</b>	<b>(25 328)</b>	<b>(24 898)</b>	<b>98%</b>	<b>(314 409)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	5 469	1 813	1 801	1 522	1 555	3 279	6 996	55 681	78 115
<b>Creditors Age Analysis</b>									
Total Creditors	7 231	628	168	94	161	236	1 302	16 166	25 984

## 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) - M08 February

Vote 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 %	
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—		—
Vote 2 - CORPORATE SERVICES		—	650	650	—	—	433	(433)	-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]		—	—	—	—	—	—	—		—
<b>Total Capital multi-year expenditure</b>	4,7	—	650	650	—	—	433	(433)	-100%	650
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—		—
Vote 2 - CORPORATE SERVICES		3 161	3 733	4 272	—	1 757	2 848	(1 091)	-38%	4 272
Vote 3 - FINANCIAL SERVICES		2 095	360	610	—	—	407	(407)	-100%	610
Vote 4 - TECHNICAL SERVICES		13 520	47 883	30 159	610	6 282	19 995	(13 713)	-69%	30 159
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]		—	—	—	—	—	—	—		—
<b>Total Capital single-year expenditure</b>	4	18 776	51 976	35 042	610	8 039	23 250	(15 211)	-65%	35 042
<b>Total Capital Expenditure</b>	3	18 776	52 626	35 692	610	8 039	23 684	(15 644)	-66%	35 692
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>										
Executive and council		—	360	610	—	—	407	(407)	-100%	610
Finance and administration		—	360	610	—	—	407	(407)	-100%	610
Internal audit		—	—	—	—	—	—	—		—
<b>Community and public safety</b>		1 757	4 383	4 922	—	1 757	3 282	(1 524)	-46%	4 922
Community and social services		—	700	650	—	—	433	(433)	-100%	650
Sport and recreation		1 257	3 105	3 595	—	1 257	2 396	(1 140)	-48%	3 595
Public safety		500	578	678	—	500	452	49	11%	678
Housing		—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—		—
<b>Economic and environmental services</b>		—	—	—	—	—	—	—		—
Planning and development		—	—	—	—	—	—	—		—
Road transport		—	—	—	—	—	—	—		—
Environmental protection		—	—	—	—	—	—	—		—
<b>Trading services</b>		6 282	47 883	30 159	610	6 282	19 995	(13 713)	-69%	30 159
Energy sources		347	3 345	3 520	—	347	2 347	(1 999)	-85%	3 520
Water management		5 769	26 538	24 437	610	5 769	16 181	(10 412)	-64%	24 437
Waste water management		166	18 000	2 202	—	166	1 468	(1 302)	-89%	2 202
Waste management		—	—	—	—	—	—	—		—
<b>Other</b>		—	—	—	—	—	—	—		—
<b>Total Capital Expenditure - Functional Classification</b>	3	8 039	52 626	35 692	610	8 039	23 684	(15 644)	-66%	35 692
<b>Funded by:</b>										
National Government		6 835	47 658	25 633	5	6 835	16 978	(10 143)	-60%	25 633
Provincial Government		1 106	4 578	9 569	596	1 106	6 379	(5 273)	-83%	9 569
District Municipality		—	—	—	—	—	—	—		—
Other transfers and grants		—	—	—	—	—	—	—		—
<b>Transfers recognised - capital</b>		7 941	52 236	35 202	601	7 941	23 357	(15 416)	-66%	35 202
<b>Public contributions &amp; donations</b>	5	—	—	—	—	—	—	—		—
<b>Borrowing</b>	6	—	—	—	—	—	—	—		—
<b>Internally generated funds</b>		98	390	490	9	98	327	(228)	-70%	490
<b>Total Capital Funding</b>		8 039	52 626	35 692	610	8 039	23 684	(15 644)	-66%	35 692

## 17 ANNEXURE D

### 17.1 Implementation of the Supply Chain Management policy

No deviations for **February 2020**.