

Kannaland Municipality



Financial Management Report March 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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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.

1 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.

2 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 **March 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.

On the 25th March 2020, the President of South Africa, Mr Cyril Ramaphosa declared a state of emergency lockdown for 21 days. The country and the world at large are currently faced with an epidemic of Corona Virus. The lockdown affected the whole country, businesses and government, no people are allowed to work except for essential workers. To some extent, this has affected some operations in the municipality when the lockdown was implemented.

Budget Summary

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M09 March

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	15 549	17 117	17 117	1 101	13 660	12 838	822	6%	17 117
Service charges	69 672	88 958	90 425	8 188	65 948	67 819	(1 871)	-3%	90 425
Investment revenue	669	526	778	118	721	583	138	24%	778
Transfers and subsidies	33 803	37 147	45 565	6 119	30 573	37 566	(6 992)	-19%	45 565
Other own revenue	17 519	18 336	16 606	714	6 656	12 454	(5 798)	-47%	16 606
Total Revenue (excluding capital transfers and contributions)	137 213	162 083	170 490	16 242	117 558	131 260	(13 702)	-10%	170 490
Employee costs	55 504	59 406	61 192	4 606	46 209	44 562	1 647	4%	61 192
Remuneration of Councillors	3 323	3 277	3 408	170	1 616	2 556	(940)	-37%	3 408
Depreciation & asset impairment	26 698	11 192	9 336	—	—	7 002	(7 002)	-100%	9 336
Finance charges	2 921	722	670	45	401	502	(101)	-20%	670
Materials and bulk purchases	36 457	44 282	43 883	120	24 490	32 912	(8 422)	-26%	43 883
Transfers and subsidies	1 899	558	308	—	57	231	(174)	-75%	308
Other expenditure	42 266	43 518	45 511	2 448	11 991	34 133	(22 142)	-65%	45 511
Total Expenditure	169 068	162 954	164 307	7 389	84 765	121 898	(37 133)	-30%	164 307
Surplus/(Deficit)	(31 855)	(871)	6 183	8 852	32 793	9 362	23 432	250%	6 183
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	35 346	—	932	26 509	(25 577)	-96%	35 346
Contributions & Contributed assets	382	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(20 653)	51 366	41 529	8 852	33 726	35 871	(2 146)	-6%	41 529
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	(20 653)	51 366	41 529	8 852	33 726	35 871	(2 146)	-6%	41 529
Capital expenditure & funds sources									
Capital expenditure	18 776	52 626	35 692	377	8 416	26 644	(18 228)	-68%	35 692
Capital transfers recognised	16 125	52 236	35 202	377	8 318	26 277	(17 958)	-68%	35 202
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	985	390	490	—	98	367	(269)	-73%	490
Total sources of capital funds	17 111	52 626	35 692	377	8 416	26 644	(18 228)	-68%	35 692
Financial position									
Total current assets	(15 205)	(96 715)	21 584		95 010				21 584
Total non current assets	(7 507)	52 626	26 184		8 416				26 184
Total current liabilities	(5 271)	(134 040)	5 896		16 244				5 896
Total non current liabilities	2 567	(1 157)	343		40				343
Community wealth/Equity	645	—	—		(52)				—
Cash flows									
Net cash from (used) operating	(1 353)	(290 697)	(1 747)	(12)	(493)	(1 310)	(817)	62%	(1 747)
Net cash from (used) investing	(835)	(52 626)	(35 692)	—	—	(26 644)	(26 644)	100%	(35 692)
Net cash from (used) financing	11	(720)	(720)	(2)	109	(540)	(649)	120%	(720)
Cash/cash equivalents at the month/year end	(2 179)	(344 043)	(38 159)	—	(384)	(28 494)	(28 110)	99%	(38 159)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5 813	2 911	1 721	1 764	1 499	1 529	8 604	56 813	80 653
Creditors Age Analysis									
Total Creditors	5 136	5 891	2 945	1 347	16 175	2 124	—	—	33 617

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 **R16.24 million** an increase from the previous month reporting of **R10.35 million** this as a result of the government grants received in the third quarter, whilst Operating Expenditure amounted to **R7.39 million**, resulting in an **operating surplus** of **R8.85 million** showing an increase from the previously reported in **February 2020** deficit of **R4.45 million**.

Financial Performance

Property Rates

The property rates collection showed a collection of **R1.1 million** collection in the **March 2020** period and slight increase from the collection on **February 2020** of **R977 thousand**.

Service Charges

The municipality recorded an overall service charge collection over **R8.18 million** for the **March 2020** period, representing a slight increase from **R7.65 million** from the **February 2020** period.

Transfers and Subsidies

The municipality received transfer and subsidies to the amount **R6.1 million** in the **March 2020** period.

Other revenue

The municipality recorded an overall performance of **R714 thousand** in **March 2020** from other revenue an increase from the **R944 thousand** in the **February 2020** period.

Total Expenditure

Employee related cost

The total expenditure on salaries including councillors is **R4.78 Million** in **March 2020** slight decrease from **R5.15 Million** in the **February 2020** period.

Materials and Bulk Purchases

Bulk purchases are slow due to the demand for electricity in the summer season. The municipality spent **R120 thousand** in the **March 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 **March 2020** is **R2.45 million** an increase from the **R1.96 thousand** in the **February 2020**.

3.1 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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	1 101	13 660	12 838	822	6%	17 117
Service charges - electricity revenue			44 924	59 573	60 970	4 508	40 316	45 727	(5 412)	-12%	60 970
Service charges - water revenue			12 773	16 920	16 920	2 556	15 226	12 690	2 536	20%	16 920
Service charges - sanitation revenue			6 174	6 271	6 271	572	5 318	4 703	615	13%	6 271
Service charges - refuse revenue			5 801	6 193	6 263	552	5 088	4 698	390	8%	6 263
Service charges - other			—	—	—	—	—	—	—	—	—
Rental of facilities and equipment			533	956	881	41	395	661	(265)	-40%	881
Interest earned - external investments			669	526	778	118	721	583	138	24%	778
Interest earned - outstanding debtors			49	5 622	5 622	2	14	4 216	(4 202)	-100%	5 622
Dividends received			—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits			15 314	8 928	7 370	447	4 169	5 527	(1 358)	-25%	7 370
Licences and permits			173	160	198	13	144	148	(4)	-3%	198
Agency services			828	1 010	1 010	95	731	757	(26)	-3%	1 010
Transfers and subsidies			33 803	37 147	45 565	6 119	30 573	37 566	(6 992)	-19%	45 565
Other revenue			622	1 660	1 526	117	1 202	1 145	58	5%	1 526
Gains on disposal of PPE			—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)			137 213	162 083	170 490	16 242	117 558	131 260	(13 702)	-10%	170 490
Expenditure By Type											
Employee related costs			55 504	59 406	61 192	4 606	46 209	44 562	1 647	4%	61 192
Remuneration of councillors			3 323	3 277	3 408	170	1 616	2 556	(940)	-37%	3 408
Debt impairment			25 922	14 077	11 584	(3)	70	8 688	(8 618)	-99%	11 584
Depreciation & asset impairment			26 698	11 192	9 336	—	—	7 002	(7 002)	-100%	9 336
Finance charges			2 921	722	670	45	401	502	(101)	-20%	670
Bulk purchases			35 483	40 200	40 200	2	23 109	30 150	(7 041)	-23%	40 200
Other materials			974	4 082	3 683	118	1 382	2 762	(1 380)	-50%	3 683
Contracted services			7 849	15 531	22 051	1 977	6 849	16 538	(9 689)	-59%	22 051
Transfers and subsidies			1 899	558	308	—	57	231	(174)	-75%	308
Other expenditure			8 200	13 911	11 877	474	5 071	8 907	(3 836)	-43%	11 877
Loss on disposal of PPE			295	—	—	—	—	—	—	—	—
Total Expenditure			169 068	162 954	164 307	7 389	84 765	121 898	(37 133)	-30%	164 307
Surplus/(Deficit)			(31 855)	(871)	6 183	8 852	32 793	9 362	23 432	0	6 183
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			10 820	52 236	35 346	—	932	26 509	(25 577)	(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	41 529	8 852	33 726	35 871			41 529
Taxation			—	—	—	—	—	—	—		—
Surplus/(Deficit) after taxation			(20 653)	51 366	41 529	8 852	33 726	35 871			41 529
Attributable to minorities			—	—	—	—	—	—			—
Surplus/(Deficit) attributable to municipality			(20 653)	51 366	41 529	8 852	33 726	35 871			41 529
Share of surplus/ (deficit) of associate			—	—	—	—	—	—			—
Surplus/ (Deficit) for the year			(20 653)	51 366	41 529	8 852	33 726	35 871			41 529

3.1.1 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 **R4.51 million** during **March 2020** which is above the reported figures in **February 2020** of **R4.32 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 **R2.56 Million** in water services in the **March 2020** period showing a slight increase on the previous reported figure of **R2.20 Million** in **February 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 **R572 thousand** during **March 2020** and more than the **February 2020** period of **R583 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 **R552 thousand** for the **March 2020** which is more than the previous month of **February 2020** figure of **R547 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 **R118 thousand** on external investments.

The municipality is showing underperformance on fines, penalties and forfeits by collecting **R447 thousand** representing **73 percent** of the year-to-date actuals against the year to date budget.

Transfers and subsidies

The municipality received the last trench of the Equitable share allocation from National Government of **R6.12 million**.

Other revenue

The municipality received **R117 thousand** during the reporting period of **March 2020**. This is an improvement from the **February 2020** of **R146 thousand**.

3.1.2 Operating Expenditure

Employee Related Costs and Remuneration of councillors

Employee related cost amounted to **R4.61 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. The municipality is still awaiting latest gazette regarding councillors increases.

Bulk Purchases, Finance Charges and other materials

The bulk purchases for the **March 2020** period amounted to **R2 thousand** for Water only no electricity was paid. The materials were **R118 thousand**.

Contracted services

The municipality has spent more on the contracted services from the **R1.42 million** spent in **February 2020** to **R1.98 million for the March 2020 period**. The year-to-date actual represent **41 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 **R474 thousand** which represents **56 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.

4 Statement of Financial Position

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M09 March

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	—	17 132	18 702	17 132
Call investment deposits		8 289	—	—	30 281	—
Consumer debtors		(101)	(96 784)	4 404	16 715	4 404
Other debtors		(26 043)	(3 326)	(618)	28 659	(618)
Current portion of long-term receivables		(5)	—	—	—	—
Inventory		924	3 395	666	654	666
Total current assets		(15 205)	(96 715)	21 584	95 010	21 584
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		(36)	—	—	—	—
Investment property		(211)	—	—	—	—
Investments in Associate		—	—	—	—	—
Property, plant and equipment		(7 208)	52 626	26 213	8 416	26 213
Agricultural		—	—	—	—	—
Biological assets		—	—	—	—	—
Intangible assets		(52)	—	(29)	—	(29)
Other non-current assets		—	—	—	—	—
Total non current assets		(7 507)	52 626	26 184	8 416	26 184
TOTAL ASSETS		(22 712)	(44 088)	47 768	103 427	47 768
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		—	—	—	3 100	—
Borrowing		(566)	(437)	—	375	—
Consumer deposits		11	—	—	51	—
Trade and other payables		(4 359)	(133 603)	5 896	12 719	5 896
Provisions		(357)	—	—	—	—
Total current liabilities		(5 271)	(134 040)	5 896	16 244	5 896
Non current liabilities						
Borrowing		116	(1 157)	(1 157)	40	(1 157)
Provisions		2 452	—	1 500	—	1 500
Total non current liabilities		2 567	(1 157)	343	40	343
TOTAL LIABILITIES		(2 704)	(135 197)	6 239	16 285	6 239
NET ASSETS	2	(20 008)	91 108	41 529	87 142	41 529

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 **32 percent** expenditure of the total Capital Budget. The current month's Capital Expenditure is at **R377 thousand** a decrease from **R650 thousand** reported in **February 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 **April 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 **R3.19 million** with balance of **R809 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 that is broken down between interest **R 17 thousand** and Capital amount of **R 43 thousand**.

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.

5 Cash Receipts and Payments

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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		23 137	2 488	28 907	1 565	17 218	21 680	(4 462)	-21%	28 907
Service charges		61 683	(79 153)	73 303	2 147	44 468	54 977	(10 509)	-19%	73 303
Other revenue		2 787	(8 625)	3 717	255	2 817	2 787	29	1%	3 717
Government - operating		25 481	(9 452)	35 699	3 414	19 690	25 443	(5 752)	-23%	35 699
Government - capital		118	(52 136)	—	—	—	—	—	—	—
Interest		—	(6 132)	16	1	9	12	(2)	-21%	16
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(111 233)	(136 406)	(142 410)	(7 347)	(84 236)	(105 475)	(21 239)	20%	(142 410)
Finance charges		(2 921)	(722)	(670)	(45)	(401)	(502)	(101)	20%	(670)
Transfers and Grants		(406)	(558)	(308)	—	(57)	(231)	(174)	75%	(308)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 353)	(290 697)	(1 747)	(12)	(493)	(1 310)	(817)	62%	(1 747)
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		(871)	(52 626)	(35 692)	—	—	(26 644)	(26 644)	100%	(35 692)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(835)	(52 626)	(35 692)	—	—	(26 644)	(26 644)	100%	(35 692)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		11	—	—	(2)	51	—	51	0%	—
Payments										
Repayment of borrowing		0	(720)	(720)	—	(2)	(540)	(538)	100%	(720)
NET CASH FROM/(USED) FINANCING ACTIVITIES		11	(720)	(720)	(2)	49	(540)	(589)	109%	(720)
NET INCREASE/ (DECREASE) IN CASH HELD		(2 177)	(344 043)	(38 159)	(14)	(444)	(28 494)			(38 159)
Cash/cash equivalents at beginning:		(2)	—	—		—	—			—
Cash/cash equivalents at month/year end:		(2 179)	(344 043)	(38 159)		(444)	(28 494)			(38 159)

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 **R2.15 million** on service charges combined and **R1.56 million** for property rates with transfers and subsidies (operating and capital) amounting to **R3.4 million**.

The total bank balance as at **31 March 2020** was as follows Standard Bank main account is **-R3.17 million** and the **R681 thousand** at the Traffic Account and the Deposit Account has **R525 thousand**.

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.

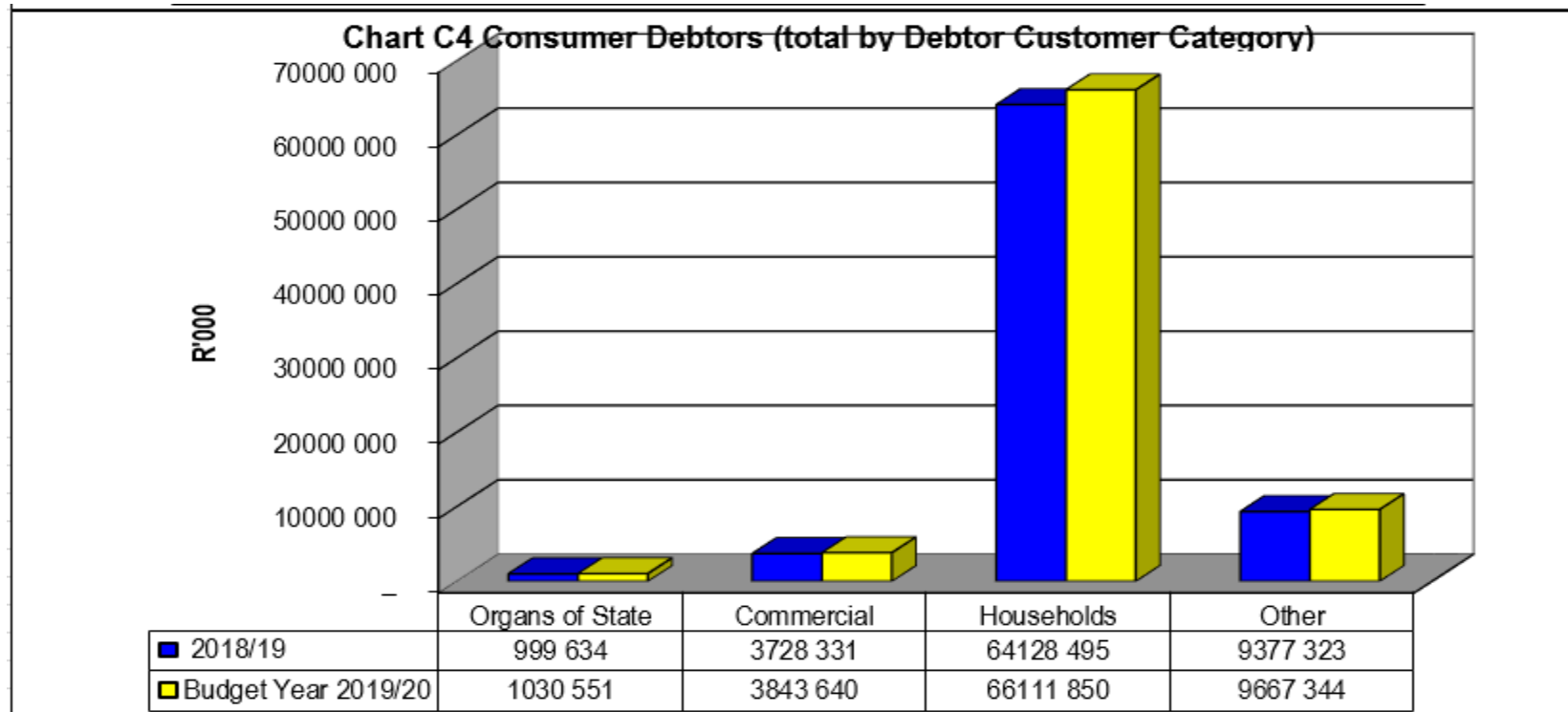
6 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

W0647 Ramulunda - Supporting Table 006 Monthly Budget Statement - aged debtors - 1900 march													
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	3 123	1 645	599	691	444	472	2 128	10 286	19 388	14 021	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	937	135	79	57	46	48	173	1 338	2 812	1 662	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 759	280	241	219	209	206	2 318	12 197	17 428	15 149	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	498	234	233	233	234	237	1 211	7 701	10 582	9 616	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 143	433	422	414	411	408	1 859	8 844	13 933	11 936	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	24	24	24	-	-
Interest on Arrear Debtor Accounts	1810	3	43	38	52	55	68	497	14 699	15 455	15 371	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(1 649)	142	109	99	99	91	417	1 723	1 030	2 429	-	-
Total By Income Source	2000	5 813	2 911	1 721	1 764	1 499	1 529	8 604	56 813	80 653	70 209	-	-
2018/19 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	54	80	23	19	22	15	363	455	1 031	873	-	-
Commercial	2300	791	126	98	76	71	68	520	2 093	3 844	2 828	-	-
Households	2400	5 309	2 538	1 474	1 548	1 288	1 329	6 505	46 120	66 112	56 791	-	-
Other	2500	(342)	167	125	122	117	117	1 216	8 145	9 667	9 717	-	-
Total By Customer Group	2600	5 813	2 911	1 721	1 764	1 499	1 529	8 604	56 813	80 653	70 209	-	-

- The total amount owed to Kannaland Municipality amounted to **R80.65** million during **March 2020**.
- **R56.81 million or 70 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.

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



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.

7 Creditors Age Analysis

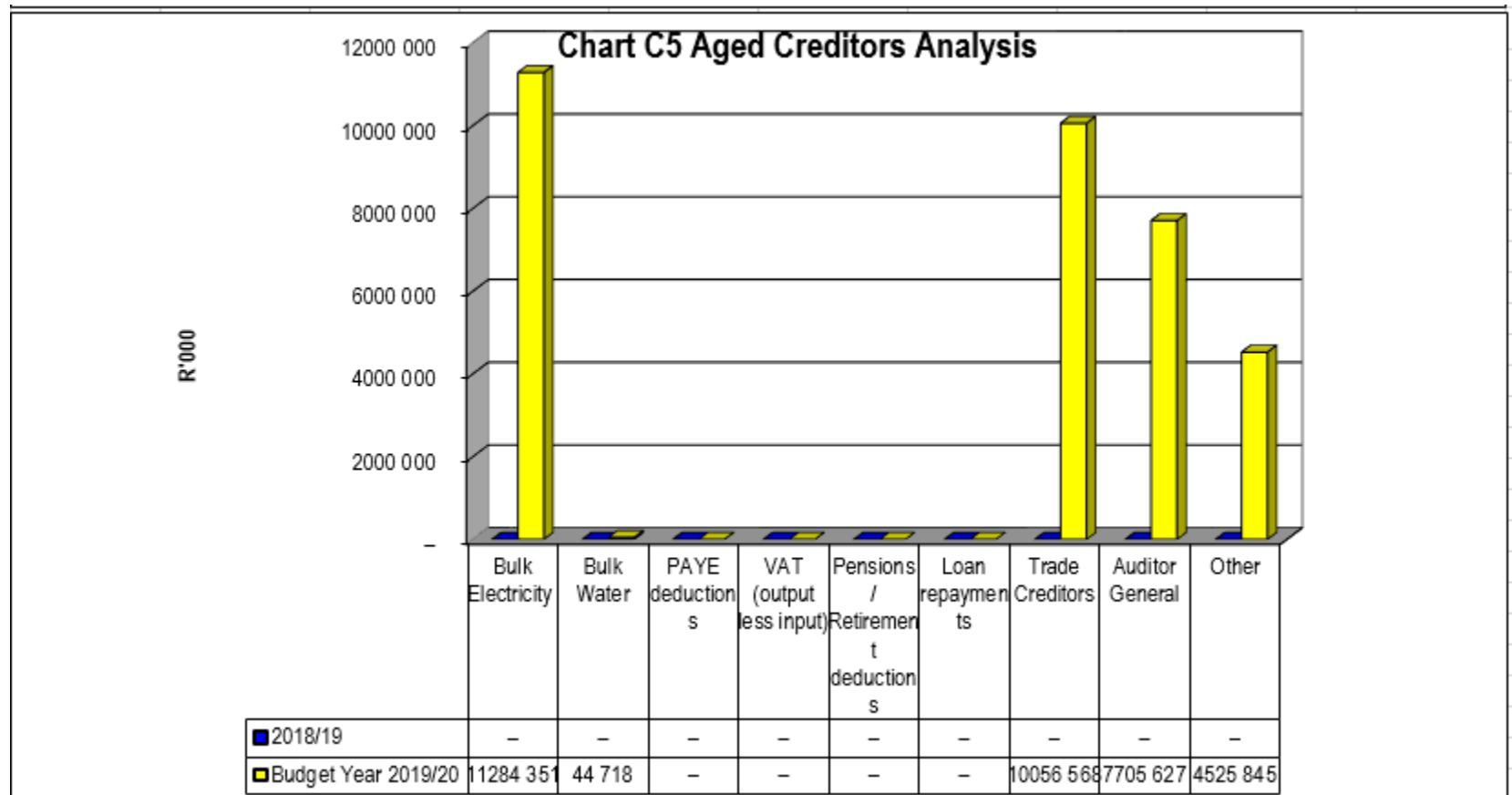
WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2019/20								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	4 005	3 403	2 799	1 077	–	–	–	–	11 284
Bulk Water	0200	–	28	–	–	16	–	–	–	45
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	985	149	60	132	7 492	1 238	–	–	10 057
Auditor General	0800	(635)	2 149	51	52	6 089	–	–	–	7 706
Other	0900	780	163	35	85	2 578	885	–	–	4 526
Total By Customer Type	1000	5 136	5 891	2 945	1 347	16 175	2 124	–	–	33 617

- The total outstanding creditors as at **31 March 2020** amounts to **R3.62** million.
- The biggest outstanding creditors are Eskom (R4.6 million), the Auditor-General of South Africa R 7.71 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.

7.1 Chart of creditors expressed proportionately to the total amount owed



8 Conditional Grants Transferred and Expenditure

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description	Ref	2018/19	Budget Year 2019/20						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:		23 682	25 442	24 003	1 034	16 692	17 984	(1 293)	-7,2%
Operational Revenue:General Revenue:Equitable Share		20 713	21 611	20 188	1 406	14 204	15 123	(919)	-6,1%
Energy Efficiency and Demand-side [Schedule 5B]		—	—	—	—	—	—	—	—
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 038	1 184	1 184	100	990	888	102	11,5%
Local Government Financial Management Grant [Schedule 5B]		1 493	2 215	2 215	(472)	1 459	1 661	(202)	-12,2%
Municipal Infrastructure Grant [Schedule 5B]		438	433	416	—	39	312	(273)	-87,5%
Water Services Infrastructure Grant		—	—	—	—	—	—	—	—
Provincial Government:		6 537	3 985	11 557	2 358	2 894	7 354	(4 460)	-60,6%
Capacity Building		1 645	—	—	—	—	—	—	—
Capacity Building and Other		—	3 935	11 527	2 358	2 893	7 332	(4 439)	-60,5%
Housing		1 061	—	—	—	—	—	—	—
Infrastructure		—	50	30	—	1	23	(21)	-94,2%
Libraries, Archives and Museums		2 058	—	—	—	—	—	—	—
Other		1 773	—	—	—	—	—	—	—
Parent Municipality / Entity		—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:		30 219	29 428	35 560	3 392	19 586	25 338	(5 753)	-22,7%
Capital expenditure of Transfers and Grants									
National Government:		14 210	47 658	25 633	—	6 835	19 100	(12 265)	-64,2%
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		1 918	2 901	2 901	—	—	2 176	(2 176)	-100,0%
Municipal Infrastructure Grant [Schedule 5B]		8 367	9 757	9 757	—	3 893	7 193	(3 300)	-45,9%
Regional Bulk Infrastructure Grant (Schedule 5B)		—	25 000	—	—	—	—	—	—
Water Services Infrastructure Grant [Schedule 5B]		3 925	10 000	12 975	—	2 942	9 731	(6 789)	-69,8%
WiFi Connectivity		—	—	—	—	—	—	—	—
Metro Informal Settlements Partnership Grant		—	—	—	—	—	—	—	—
Provincial Government:		2 034	4 578	9 569	377	1 483	7 177	(5 693)	-79,3%
Capacity Building		—	—	—	—	—	—	—	—
Capacity Building and Other		—	1 278	1 578	—	500	1 183	(683)	-57,7%
Infrastructure		—	3 300	7 991	377	983	5 993	(5 010)	-83,6%
Libraries, Archives and Museums		—	—	—	—	—	—	—	—
Water Supply Infrastructure		2 031	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—
All Grants		—	—	—	—	—	—	—	—
Other grant providers:		985	390	490	—	98	367	(269)	-73,3%
Departmental Agencies and Accounts		—	—	—	—	—	—	—	—
Transfer from Operational Revenue		985	390	490	—	98	367	(269)	-73,3%
Total capital expenditure of Transfers and Grants		17 229	52 626	35 692	377	8 416	26 644	(18 228)	-68,4%
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		47 448	82 054	71 252	3 769	28 002	51 983	(23 981)	-46,1%

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 **R100 thousand** for the basic salaries of temp EPWP workers.
- Financial Management Grant to the amount of **(R472 thousand)** correction of expenditure for the assistance of the Annual Financial statements and budget related trainings.
- The capacity building and other amounted to **R2.36 million**

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

- Drought relief grant to the amount of **R377 thousand**.

At the time of reporting there, are some receipts for National and Provincial grants that were not yet allocated. The allocation will be corrected in the next reporting period due to lockdown.

9 Capital Revenue & Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—		—
Vote 2 - CORPORATE SERVICES		—	650	650	—	—	487	(487)	-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	—	—	487	(487)	-100%	650
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—		—
Vote 2 - CORPORATE SERVICES		3 161	3 733	4 272	—	1 757	3 204	(1 447)	-45%	4 272
Vote 3 - FINANCIAL SERVICES		2 095	360	610	—	—	457	(457)	-100%	610
Vote 4 - TECHNICAL SERVICES		13 520	47 883	30 159	377	6 659	22 495	(15 835)	-70%	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]		—	—	—	—	—	—	—		—
Total Capital single-year expenditure	4	18 776	51 976	35 042	377	8 416	26 157	(17 740)	-68%	35 042
Total Capital Expenditure	3	18 776	52 626	35 692	377	8 416	26 644	(18 228)	-68%	35 692
Capital Expenditure - Functional Classification										
Governance and administration		2 095	360	610	—	—	457	(457)	-100%	610
Executive and council		—	—	—	—	—	—	—		—
Finance and administration		2 095	360	610	—	—	457	(457)	-100%	610
Internal audit		—	—	—	—	—	—	—		—
Community and public safety		2 945	4 383	4 922	—	1 757	3 692	(1 935)	-52%	4 922
Community and social services		—	700	650	—	—	487	(487)	-100%	650
Sport and recreation		2 945	3 105	3 595	—	1 257	2 696	(1 439)	-53%	3 595
Public safety		—	578	678	—	500	508	(8)	-2%	678
Housing		—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—		—
Economic and environmental services		215	—	—	—	—	—	—		—
Planning and development		—	—	—	—	—	—	—		—
Road transport		215	—	—	—	—	—	—		—
Environmental protection		—	—	—	—	—	—	—		—
Trading services		13 520	47 883	30 159	377	6 659	22 495	(15 835)	-70%	30 159
Energy sources		2 208	3 345	3 520	—	347	2 640	(2 293)	-87%	3 520
Water management		10 972	26 538	24 437	377	6 146	18 203	(12 058)	-66%	24 437
Waste water management		—	18 000	2 202	—	166	1 652	(1 485)	-90%	2 202
Waste management		340	—	—	—	—	—	—		—
Other		—	—	—	—	—	—	—		—
Total Capital Expenditure - Functional Classification	3	18 776	52 626	35 692	377	8 416	26 644	(18 228)	-68%	35 692
Funded by:										
National Government		14 094	47 658	25 633	—	6 835	19 100	(12 265)	-64%	25 633
Provincial Government		2 031	4 578	9 569	377	1 483	7 177	(5 693)	-79%	9 569
District Municipality		—	—	—	—	—	—	—		—
Other transfers and grants		—	—	—	—	—	—	—		—
Transfers recognised - capital	5	16 125	52 236	35 202	377	8 318	26 277	(17 958)	-68%	35 202
Public contributions & donations	6	—	—	—	—	—	—	—		—
Borrowing		—	—	—	—	—	—	—		—
Internally generated funds		985	390	490	—	98	367	(269)	-73%	490
Total Capital Funding		17 111	52 626	35 692	377	8 416	26 644	(18 228)	-68%	35 692

- The actual year-to-date Capital Expenditure amounts to **R8.42 million** which is **31 percent** capital spent to date.
- 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.
- The municipality anticipates to increase its capital expenditure on the last Quarter.

10 Expenditure on Salaries

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration R thousands	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
	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		2 513	2 559	2 661	102	992	1 996	(1 003)	-50%	2 661
Pension and UIF Contributions		12	52	54	9	18	40	(22)	-54%	54
Medical Aid Contributions		—	32	33	11	63	25	38	154%	33
Motor Vehicle Allowance		143	282	294	22	172	220	(48)	-22%	294
Cellphone Allowance		656	352	366	26	370	275	95	35%	366
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		3 323	3 277	3 408	170	1 616	2 556	(940)	-37%	3 408
% increase	4		-1,4%	2,5%						2,5%
<u>Senior Managers of the Municipality</u>										
Basic Salaries and Wages	3	1 145	3 120	3 120	160	1 369	2 340	(971)	-42%	3 120
Pension and UIF Contributions		—	—	—	0	0	—	0	#DIV/0!	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		1 644	—	—	—	—	—	—	—	—
Performance Bonus		491	273	273	—	90	205	(115)	-56%	273
Motor Vehicle Allowance		459	193	290	22	240	217	22	10%	290
Cellphone Allowance		13	—	32	3	5	24	(19)	-79%	32
Housing Allowances		—	10	10	—	—	8	(8)	-100%	10
Other benefits and allowances		2	26	50	8	17	37	(21)	-55%	50
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		3 755	3 622	3 776	193	1 720	2 832	(1 112)	-39%	3 776
% increase	4		-3,5%	0,6%						0,6%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		35 411	38 108	38 309	3 094	29 859	27 418	2 440	9%	38 309
Pension and UIF Contributions		5 300	6 823	6 600	476	4 388	4 950	(563)	-11%	6 600
Medical Aid Contributions		1 606	1 713	2 050	174	1 516	1 537	(21)	-1%	2 050
Overtime		3 245	1 950	3 280	294	3 126	2 460	666	27%	3 280
Performance Bonus		2 186	—	—	115	1 973	—	1 973	#DIV/0!	—
Motor Vehicle Allowance		1 931	2 364	2 472	175	1 660	1 854	(193)	-10%	2 472
Cellphone Allowance		97	152	204	10	119	153	(34)	-22%	204
Housing Allowances		291	337	344	23	188	258	(70)	-27%	344
Other benefits and allowances		933	4 337	4 111	48	1 536	3 065	(1 529)	-50%	4 111
Payments in lieu of leave		591	—	47	5	124	35	89	252%	47
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	159	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		51 749	55 784	57 416	4 413	44 489	41 731	2 759	7%	57 416
% increase	4		7,8%	11,0%						11,0%
Total Parent Municipality		58 827	62 683	64 600	4 776	47 826	47 118	707	2%	64 600

- **Employee Related Costs:** The budget amounts to R64.6 million, while the expenditure to date amounts to R47.76 million or 74 percent of the budget. It should be noted that the municipality is still awaiting the government gazette relating to annual increases for Sec 56 managers.

- **Remuneration of Councillors:** The budget amounts to R3.41 million, while the expenditure to date amounts to R1.61 million or 47 percent of the budget. It should be noted that the municipality is still awaiting the government gazette relating to annual increases for Councillors which is normally received during December every year.

11 Long-term borrowing

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

Date: 10.09.2018

ACCOUNT STATEMENT



Interest Accrual		31.03.2020	31.03.2020	0.00	17,146.19	0.00	17,146.19	1,628,335.70	1,611,189.51
Interest Capitalisation		31.03.2020	31.03.2020	0.00	-17,146.19	17,146.19	0.00	1,628,335.70	1,628,335.70
Repayment Due		31.03.2020	31.03.2020	-42,853.81	0.00	-17,146.19	-60,000.00	1,568,335.70	1,568,335.70

- The total outstanding long-term debt of Kannaland Municipality amounts to **R1.57 million** as at **31 March 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**.

12 ANNEXURE A

12.1 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) - A - M09 March										
R thousand	Vote Description	Ref	2018/19	Budget Year 2019/20						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
									YTD variance %	
Revenue by Vote										
	Vote 1 - MUNICIPAL MANAGER	1	20 220	8 740	8 116	6 119	24 604	6 087	18 517	304%
	1.1 - Executive		20 220	8 740	8 071	6 119	24 604	6 053	18 551	306%
	1.2 - Executive Support		0	—	45	—	—	34	(34)	-100%
	1.3 - Tourism		—	—	—	—	—	—	—	—
	1.4 - LED & IDP		—	—	—	—	—	—	—	—
	Vote 2 - CORPORATE SERVICES		17 345	25 275	27 669	285	6 916	20 752	(13 836)	-67%
	2.1 - Administration		376	720	474	25	255	355	(101)	-28%
	2.2 - Municipal Buildings		—	—	2	—	1	—	(1)	-38%
	2.3 - Community Hall		478	252	534	1	182	401	(219)	-55%
	2.4 - Cemeteries		2 316	9 757	9 757	0	16	7 318	(7 302)	-100%
	2.5 - Libraries		1 857	3 529	3 551	0	2 480	2 663	(184)	-7%
	2.6 - Housing		790	380	4 234	—	330	3 176	(2 845)	-90%
	2.7 - Swimming Pools		—	—	—	—	—	—	—	—
	2.8 - Parks and Recreation		—	—	—	—	—	—	—	—
	2.9 - Traffic		11 528	8 618	7 097	174	2 086	5 323	(3 237)	-61%
	2.10 - Fire Department		—	2 019	2 019	85	1 565	1 514	52	3%
	Vote 3 - FINANCIAL SERVICES		26 667	24 910	30 574	1 649	20 006	23 685	(3 679)	-16%
	3.1 - Postal Agency		—	—	—	—	—	—	—	—
	3.2 - Property Rates		15 549	20 804	20 804	1 101	13 660	15 803	(2 143)	-14%
	3.3 - Chief Financial Services		11 118	4 106	9 771	547	6 346	7 882	(1 536)	-19%
	Vote 4 - TECHNICAL SERVICES		84 183	155 394	139 477	8 188	66 965	107 246	(40 281)	-38%
	4.1 - Refuse		5 801	13 946	14 016	552	5 088	12 183	(7 095)	-58%
	4.2 - Sewerage		6 174	28 768	13 768	572	5 318	10 326	(5 008)	-48%
	4.3 - Public Works		5 034	1 698	1 698	—	1 017	1 698	(681)	-40%
	4.4 - Proclaimed Roads		—	50	—	—	—	—	—	—
	4.5 - Water Services		21 316	46 059	43 725	2 556	15 226	32 794	(17 568)	-54%
	4.6 - Electricity Services		44 940	64 873	66 270	4 508	40 316	50 246	(9 930)	-20%
	4.7 - Irrigation Water		—	—	—	—	—	—	—	—
			917	—	—	—	—	—	—	—
	Total Revenue by Vote	2	148 415	214 320	205 836	16 242	118 490	157 769	(39 279)	-25%
Expenditure by Vote										
	Vote 1 - MUNICIPAL MANAGER	1	23 900	15 081	14 532	894	8 989	10 899	(1 910)	-18%
	1.1 - Executive		18 194	8 751	8 255	474	4 487	6 191	(1 704)	-28%
	1.2 - Executive Support		5 705	6 330	6 276	420	4 502	4 707	(206)	-4%
	1.3 - Tourism		—	—	—	—	—	—	—	—
	1.4 - LED & IDP		—	—	—	—	—	—	—	—
	Vote 2 - CORPORATE SERVICES		25 490	28 843	31 951	1 750	16 579	22 632	(6 052)	-27%
	2.1 - Administration		13 746	12 378	11 489	975	9 320	8 617	703	8%
	2.2 - Municipal Buildings		2 444	1 713	1 640	185	1 156	1 230	(74)	-6%
	2.3 - Community Hall		940	903	989	16	216	742	(526)	-71%
	2.4 - Cemeteries		342	341	343	25	245	240	5	2%
	2.5 - Libraries		2 058	2 826	2 899	210	1 846	861	985	114%
	2.6 - Housing		2 040	1 617	5 402	65	612	4 052	(3 440)	-85%
	2.7 - Swimming Pools		221	43	12	—	3	9	(6)	-62%
	2.8 - Parks and Recreation		463	282	599	22	278	449	(171)	-38%
	2.9 - Traffic		3 220	7 978	7 810	252	2 887	5 857	(2 971)	-51%
	2.10 - Fire Department		17	762	767	—	17	575	(558)	-97%
	Vote 3 - FINANCIAL SERVICES		21 006	30 062	32 289	2 860	16 391	24 216	(7 826)	-32%
	3.1 - Postal Agency		—	—	—	—	—	—	—	—
	3.2 - Property Rates		10	1 634	1 634	3	273	1 225	(952)	-78%
	3.3 - Chief Financial Services		20 996	28 428	30 655	2 857	16 118	22 991	(6 873)	-30%
	Vote 4 - TECHNICAL SERVICES		98 107	88 330	84 947	1 858	42 506	63 709	(21 203)	-33%
	4.1 - Refuse		9 652	6 792	6 724	317	3 151	5 043	(1 892)	-38%
	4.2 - Sewerage		13 509	6 607	6 728	295	2 490	5 046	(2 555)	-51%
	4.3 - Public Works		10 894	10 618	8 257	210	4 448	6 193	(1 745)	-28%
	4.4 - Proclaimed Roads		—	—	—	—	—	—	—	—
	4.5 - Water Services		16 647	12 196	12 744	566	4 156	9 558	(5 402)	-57%
	4.6 - Electricity Services		46 368	50 932	49 310	371	27 272	36 982	(9 710)	-26%
	4.7 - Irrigation Water		—	—	—	—	—	—	—	—
			1 038	1 184	1 184	100	990	888	102	11%
	Vote 6 - CORPORATE SERVICES (Continued)		566	639	589	27	299	442	(142)	-32%
	6.1 - Municipal Vehicles		566	639	589	27	299	442	(142)	-32%
	Total Expenditure by Vote	2	169 068	162 954	164 307	7 389	84 765	121 898	(37 133)	(0)
	Surplus/ (Deficit) for the year	2	(20 653)	51 366	41 529	8 852	33 726	35 871	(2 146)	(0)

13 ANNEXURE B

13.1 Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

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										
Municipal governance and administration		47 263	34 370	39 165	7 793	44 865	30 127	14 738	49%	39 165
Executive and council		20 220	8 740	8 116	6 119	24 604	6 087	18 517	0	8 116
Mayor and Council		20 220	8 740	8 071	6 119	24 604	6 053	18 551	0	8 071
Municipal Manager, Town Secretary and Chief Executive		0	—	45	—	—	34	(34)	(0)	45
Finance and administration		27 043	25 630	31 048	1 674	20 261	24 040	(3 779)	(0)	31 048
Administrative and Corporate Support		376	520	274	25	255	205	49	0	274
Asset Management		26 667	20 625	26 289	1 649	20 006	20 470	(465)	(0)	26 289
Finance		—	—	—	—	—	—	—	—	—
Fleet Management		—	200	200	—	—	150	(150)	(0)	200
Human Resources		—	4 286	4 286	—	—	3 214	(3 214)	(0)	4 286
Property Services		17 058	17 122	21 282	104	5 848	16 257	(10 409)	(0)	21 282
Community and public safety		5 569	14 723	15 029	1	3 708	11 568	(7 859)	(0)	15 029
Community and social services		2 316	9 757	9 757	0	16	7 318	(7 302)	(0)	9 757
Cemeteries, Funeral Parlours and Crematoriums		478	252	536	1	183	402	(219)	(0)	536
Community Halls and Facilities		1 857	3 529	3 551	0	2 480	2 663	(184)	(0)	3 551
Libraries and Archives		918	1 184	1 184	—	1 030	1 184	(154)	(0)	1 184
Literacy Programmes		10 699	2 019	2 019	103	1 809	1 514	295	0	2 019
Public safety		10 699	2 019	2 019	85	1 565	1 514	52	0	2 019
Fire Fighting and Protection		—	—	—	18	244	—	—	#DIV/0!	—
Police Forces, Traffic and Street Parking Control		—	—	—	—	—	—	—	—	—
Pounds		790	380	4 234	—	330	3 176	(2 845)	(0)	4 234
Housing		790	380	4 234	—	330	3 176	(2 845)	(0)	4 234
Economic and environmental services		5 862	9 182	7 611	156	1 830	5 837	(4 007)	(0)	7 611
Planning and development		5 862	9 182	7 611	156	1 830	5 837	(4 007)	(0)	7 611
Road transport		—	—	—	—	—	—	—	—	—
Public Transport		828	8 618	7 097	156	1 843	5 323	(3 481)	(0)	7 097
Road and Traffic Regulation		5 034	564	514	—	(13)	514	(526)	(0)	514
Roads		—	—	—	—	—	—	—	—	—
Taxi Ranks		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		78 231	153 646	137 779	8 188	65 948	105 548	(39 600)	(0)	137 779
Energy sources		44 940	64 873	66 270	4 508	40 316	50 246	(9 930)	(0)	66 270
Electricity		44 940	64 873	66 270	4 508	40 316	50 246	(9 930)	(0)	66 270
Water management		21 316	46 059	43 725	2 556	15 226	32 794	(17 568)	(0)	43 725
Water Treatment		2 822	—	—	—	—	—	—	—	—
Water Distribution		18 494	46 059	43 725	2 556	15 226	32 794	(17 568)	(0)	43 725
Water Storage		—	—	—	—	—	—	—	—	—
Waste water management		6 174	28 768	13 768	572	5 318	10 326	(5 008)	(0)	13 768
Sewerage		6 174	28 768	13 768	572	5 318	10 326	(5 008)	(0)	13 768
Waste management		5 801	13 946	14 016	552	5 088	12 183	(7 095)	(0)	14 016
Solid Waste Removal		5 801	13 946	14 016	552	5 088	12 183	(7 095)	(0)	14 016
Street Cleaning		—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	148 415	214 320	205 836	16 242	118 490	157 769	(39 279)	(0)	205 836
Expenditure - Functional										
Municipal governance and administration		59 197	58 160	58 899	4 756	34 999	44 173	(9 174)	(0)	58 899
Executive and council		24 733	15 081	14 532	894	8 989	10 899	(1 910)	(0)	14 532
Mayor and Council		19 027	8 751	8 255	474	4 487	6 191	(1 704)	(0)	8 255
Municipal Manager, Town Secretary and Chief Executive		5 705	6 330	6 276	420	4 502	4 707	(206)	(0)	6 276
Finance and administration		34 464	43 079	44 367	3 862	26 010	33 275	(7 265)	(0)	44 367
Administrative and Corporate Support		13 725	12 178	11 289	953	9 215	8 467	748	0	11 289
Asset Management		20 163	28 428	30 655	2 857	16 118	22 991	(6 873)	(0)	30 655
Finance		566	639	589	27	299	442	(142)	(0)	589
Fleet Management		10	200	200	22	105	150	(45)	(0)	200
Human Resources		—	1 634	1 634	—	273	1 225	(952)	(0)	1 634
Property Services		12 782	9 694	13 860	875	7 929	9 063	(1 135)	(0)	13 860
Community and public safety		6 849	7 670	7 764	536	4 470	4 491	(22)	(0)	7 764
Community and social services		342	341	343	25	245	240	5	0	343
Cemeteries, Funeral Parlours and Crematoriums		—	—	—	—	—	—	—	—	—
Child Care Facilities		3 395	2 616	2 629	202	1 372	1 972	(600)	(0)	2 629
Community Halls and Facilities		17	703	708	—	17	531	(513)	(0)	708
Consumer Protection		3 096	4 010	4 083	310	2 836	1 749	1 086	0	4 083
Disaster Management		—	—	—	—	—	—	—	—	—
Literacy Programmes		—	—	—	—	—	—	—	—	—
Zoo's		684	325	611	22	281	458	(177)	(0)	611
Sport and recreation		215	43	12	—	3	9	(6)	(0)	12
Recreational Facilities		3 208	59	59	252	2 566	44	2 522	0	59
Sports Grounds and Stadiums		—	59	59	—	—	44	(44)	(0)	59
Public safety		—	—	—	—	—	—	—	—	—
Fire Fighting and Protection		3 208	—	—	252	2 566	—	2 566	#DIV/0!	—
Licensing and Control of Animals		—	—	—	—	—	—	—	—	—
Police Forces, Traffic and Street Parking Control		—	—	—	—	—	—	—	—	—
Pounds		2 040	1 640	5 426	65	612	4 069	(3 458)	(0)	5 426
Housing		2 040	1 640	5 426	65	612	4 069	(3 458)	(0)	5 426
Economic and environmental services		10 914	18 573	16 044	210	4 768	12 033	(7 264)	(0)	16 044
Planning and development		21	—	—	—	—	—	—	—	—
Economic Development/Planning		21	—	—	—	—	—	—	—	—
Road transport		10 894	18 573	16 044	210	4 768	12 033	(7 264)	(0)	16 044
Public Transport		—	7 978	7 810	—	321	5 857	(5 537)	(0)	7 810
Road and Traffic Regulation		10 894	10 595	8 234	210	4 448	6 175	(1 728)	(0)	8 234
Roads		—	—	—	—	—	—	—	—	—
Taxi Ranks		86 175	76 527	75 505	1 548	37 069	56 628	(19 560)	(0)	75 505
Trading services		46 368	50 932	49 310	371	27 272	36 982	(9 710)	(0)	49 310
Energy sources		46 368	50 932	49 310	371	27 272	36 982	(9 710)	(0)	49 310
Electricity		—	—	—	—	—	—	—	—	—
Street Lighting and Signal Systems		—	—	—	—	—	—	—	—	—
Nonelectric Energy		16 647	12 196	12 744	566	4 156	9 558	(5 402)	(0)	12 744
Water management		15 866	12 196	12 744	566	4 156	9 558	(5 402)	(0)	12 744
Water Treatment		—	—	—	—	—	—	—	—	—
Water Distribution		13 509	6 607	6 728	295	2 490	5 046	(2 555)	(0)	6 728
Water Storage		13 509	6 607	6 728	295	2 490	5 046	(2 555)	(0)	6 728
Waste water management		9 652	6 792	6 724	317	3 151	5 043	(1 892)	(0)	6 724
Sewerage		9 652	6 792	6 724	317	3 151	5 043	(1 892)	(0)	6 724
Waste management		169 068	162 954	164 307	7 388	84 765	121 898	(37 133)	(0)	164 307
Solid Waste Removal		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	205 836	214 320	205 836	16 242	118 490	157 769	(39 279)	(0)	205 836
Surplus/ (Deficit) for the year		(20 653)	51 366	41 529	8 852	33 726	35 871	(2 146)	(0)	41 529

Annexure C

Table C1 Monthly Budget Statement Summary M09 March 2020

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M09 March

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	15 549	17 117	17 117	1 101	13 660	12 838	822	6%	17 117
Service charges	69 672	88 958	90 425	8 188	65 948	67 819	(1 871)	-3%	90 425
Investment revenue	669	526	778	118	721	583	138	24%	778
Transfers and subsidies	33 803	37 147	45 565	6 119	30 573	37 566	(6 992)	-19%	45 565
Other own revenue	17 519	18 336	16 606	714	6 656	12 454	(5 798)	-47%	16 606
Total Revenue (excluding capital transfers and contributions)	137 213	162 083	170 490	16 242	117 558	131 260	(13 702)	-10%	170 490
Employee costs	55 504	59 406	61 192	4 606	46 209	44 562	1 647	4%	61 192
Remuneration of Councillors	3 323	3 277	3 408	170	1 616	2 556	(940)	-37%	3 408
Depreciation & asset impairment	26 698	11 192	9 336	—	—	7 002	(7 002)	-100%	9 336
Finance charges	2 921	722	670	45	401	502	(101)	-20%	670
Materials and bulk purchases	36 457	44 282	43 883	120	24 490	32 912	(8 422)	-26%	43 883
Transfers and subsidies	1 899	558	308	—	57	231	(174)	-75%	308
Other expenditure	42 266	43 518	45 511	2 448	11 991	34 133	(22 142)	-65%	45 511
Total Expenditure	169 068	162 954	164 307	7 389	84 765	121 898	(37 133)	-30%	164 307
Surplus/(Deficit)	(31 855)	(871)	6 183	8 852	32 793	9 362	23 432	250%	6 183
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	35 346	—	932	26 509	(25 577)	-96%	35 346
Contributions & Contributed assets	382	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(20 653)	51 366	41 529	8 852	33 726	35 871	(2 146)	-6%	41 529
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	(20 653)	51 366	41 529	8 852	33 726	35 871	(2 146)	-6%	41 529
Capital expenditure & funds sources									
Capital expenditure	18 776	52 626	35 692	377	8 416	26 644	(18 228)	-68%	35 692
Capital transfers recognised	16 125	52 236	35 202	377	8 318	26 277	(17 958)	-68%	35 202
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	985	390	490	—	98	367	(269)	-73%	490
Total sources of capital funds	17 111	52 626	35 692	377	8 416	26 644	(18 228)	-68%	35 692
Financial position									
Total current assets	(15 205)	(96 715)	21 584		95 010				21 584
Total non current assets	(7 507)	52 626	26 184		8 416				26 184
Total current liabilities	(5 271)	(134 040)	5 896		16 244				5 896
Total non current liabilities	2 567	(1 157)	343		40				343
Community wealth/Equity	645	—	—		(52)				—
Cash flows									
Net cash from (used) operating	(1 353)	(290 697)	(1 747)	(12)	(493)	(1 310)	(817)	62%	(1 747)
Net cash from (used) investing	(835)	(52 626)	(35 692)	—	—	(26 644)	(26 644)	100%	(35 692)
Net cash from (used) financing	11	(720)	(720)	(2)	49	(540)	(589)	109%	(720)
Cash/cash equivalents at the month/year end	(2 179)	(344 043)	(38 159)	—	(444)	(28 494)	(28 050)	98%	(38 159)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5 813	2 911	1 721	1 764	1 499	1 529	8 604	56 813	80 653
Creditors Age Analysis									

14 ANNEXURE D

14.1 Implementation of the Supply Chain Management policy

No deviations for **March 2020**.