



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Financial Management Report April 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 **April 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, this has further been extending to different levels of lock down. 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.

3 Budget Summary

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M10 April

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	15 549	17 117	17 117	1 035	14 695	14 264	431	3%	17 117
Service charges	69 672	88 958	90 425	7 410	73 357	75 354	(1 997)	-3%	90 425
Investment revenue	669	526	778	107	828	648	179	28%	778
Transfers and subsidies	33 803	37 147	46 015	13	30 586	40 607	(10 021)	-25%	46 015
Other own revenue	17 519	18 336	16 606	147	6 804	13 838	(7 034)	-51%	16 606
Total Revenue (excluding capital transfers and contributions)	137 213	162 083	170 940	8 712	126 270	144 712	(18 441)	-13%	170 940
Employee costs	55 504	59 406	61 392	4 954	51 164	49 680	1 484	3%	61 392
Remuneration of Councillors	3 323	3 277	3 408	170	1 786	2 840	(1 054)	-37%	3 408
Depreciation & asset impairment	26 698	11 192	9 336	–	–	7 780	(7 780)	-100%	9 336
Finance charges	2 921	722	670	26	428	558	(131)	-23%	670
Materials and bulk purchases	36 457	44 282	43 883	117	24 607	36 569	(11 962)	-33%	43 883
Transfers and subsidies	1 899	558	308	–	57	257	(199)	-78%	308
Other expenditure	42 266	43 518	45 511	1 146	13 136	37 925	(24 789)	-65%	45 511
Total Expenditure	169 068	162 954	164 507	6 413	91 178	135 608	(44 431)	-33%	164 507
Surplus/(Deficit)	(31 855)	(871)	6 433	2 299	35 092	9 103	25 989	285%	6 433
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	35 346	–	932	29 455	(28 523)	-97%	35 346
Contributions & Contributed assets	382	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(20 653)	51 366	41 779	2 299	36 025	38 558	(2 534)	-7%	41 779
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(20 653)	51 366	41 779	2 299	36 025	38 558	(2 534)	-7%	41 779
<u>Capital expenditure & funds sources</u>									
Capital expenditure	18 776	52 626	35 492	172	8 588	29 438	(20 850)	-71%	35 492
Capital transfers recognised	16 125	52 236	35 002	172	8 490	29 030	(20 540)	-71%	35 002
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	985	390	490	–	98	408	(310)	-76%	490
Total sources of capital funds	17 111	52 626	35 492	172	8 588	29 438	(20 850)	-71%	35 492

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 **R8.72 million** a decrease from the previous month reporting of **R16.24 million** this as a result of the government grants received in the third quarter, whilst operating expenditure amounted to **R6.41 million**, resulting in an operating surplus of **R2.30 million** showing a decrease from the previously reported in **March 2020** surplus of **R8.85 million**.

Financial Performance

Property Rates

The property rates collection showed a collection of **R1.35 million** collection in the **April 2020** period and slight increase from the collection on **March 2020** of **R1.10 million**.

Service Charges

The municipality recorded an overall service charge collection over **R7.41 million** for the **April 2020** period, representing a slight decrease from **R8.18 million** from the **March 2020** period.

Other revenue

The municipality recorded an overall performance of **R147 thousand** in **April 2020** from other revenue a decrease from the **R714 thousand** in the **March 2020** period.

The overall revenue collection of the municipality has been severely affected by the continued lockdown as a result of the Corona Virus (COVID 19). Many of the municipality residents will be struggling to keep up with payments for municipal services and thus an increase on outstanding debtors and indigent support.

Total Expenditure

Employee related cost

The total expenditure on salaries including councillors is **R5.12 Million** in **April 2020** an increase from **R4.78 Million** in the **March 2020** period. The increase is as a result of overtime and standby during the lockdown. The municipality had a COVID19 related overtime and standby to the amount of **R391 thousand**. Also, we have applied the upper limits increases with backpay for the Chief Financial Officer, Director Technical Services and the Municipal Manager.

Materials and Bulk Purchases

Bulk purchases are slow due to the demand for electricity in the summer season. The municipality spent **R117 thousand** in the **April 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 **April 2020** is **R1.46 million** an increase from the **R2.45 thousand** in the **March 2020**.

3.1 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

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	1 035	14 695	14 264	431	3%	17 117
Service charges - electricity revenue		44 924	59 573	60 970	4 376	44 692	50 808	(6 117)	-12%	60 970
Service charges - water revenue		12 773	16 920	16 920	1 923	17 149	14 100	3 048	22%	16 920
Service charges - sanitation revenue		6 174	6 271	6 271	559	5 877	5 226	651	12%	6 271
Service charges - refuse revenue		5 801	6 193	6 263	552	5 640	5 220	421	8%	6 263
Service charges - other		–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		533	956	881	41	436	734	(298)	-41%	881
Interest earned - external investments		669	526	778	107	828	648	179	28%	778
Interest earned - outstanding debtors		49	5 622	5 622	–	14	4 685	(4 670)	-100%	5 622
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		15 314	8 928	7 370	19	4 188	6 141	(1 953)	-32%	7 370
Licences and permits		173	160	198	–	144	165	(21)	-12%	198
Agency services		828	1 010	1 010	–	731	842	(111)	-13%	1 010
Transfers and subsidies		33 803	37 147	46 015	13	30 586	40 607	(10 021)	-25%	46 015
Other revenue		622	1 660	1 526	88	1 290	1 272	18	1%	1 526
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		137 213	162 083	170 940	8 712	126 270	144 712	(18 441)	-13%	170 940
Expenditure By Type										
Employee related costs		55 504	59 406	61 392	4 954	51 164	49 680	1 484	3%	61 392
Remuneration of councillors		3 323	3 277	3 408	170	1 786	2 840	(1 054)	-37%	3 408
Debt impairment		25 922	14 077	11 584	7	77	9 653	(9 576)	-99%	11 584
Depreciation & asset impairment		26 698	11 192	9 336	–	–	7 780	(7 780)	-100%	9 336
Finance charges		2 921	722	670	26	428	558	(131)	-23%	670
Bulk purchases		35 483	40 200	40 200	–	23 109	33 500	(10 391)	-31%	40 200
Other materials		974	4 082	3 683	117	1 499	3 069	(1 570)	-51%	3 683
Contracted services		7 849	15 531	22 051	435	7 284	18 375	(11 092)	-60%	22 051
Transfers and subsidies		1 899	558	308	–	57	257	(199)	-78%	308
Other expenditure		8 200	13 911	11 877	705	5 776	9 897	(4 121)	-42%	11 877
Loss on disposal of PPE		295	–	–	–	–	–	–	–	–
Total Expenditure		169 068	162 954	164 507	6 413	91 178	135 608	(44 431)	-33%	164 507

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 **R4.38 million** during **April 2020** which is below the reported figures in **March 2020** of **R4.51 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 **R1.92 Million** in water services in the **April 2020** period showing a slight increase on the previous reported figure of **R2.56 Million** in **March 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 **R559 thousand** during **April 2020** which is less than the **March 2020** period of **R572 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 **April 2020** and no differences from **March 2020** figure of **R552 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 **R107 thousand** on external investments.

The municipality is showing underperformance on fines, penalties and forfeits by collecting **R19 thousand** representing 73 percent of the year-to-date actuals against the year to date budget.

Other revenue

The municipality received **R88 thousand** during the reporting period of **April 2020**. This is a slight decrease from the **March 2020** of **R117 thousand**.

The overall revenue collection of the municipality has been severely affected by the continued lockdown as a result of the Corona Virus (COVID 19). Many of the municipality residents will be struggling to keep up with payments for municipal services and thus an increase on outstanding debtors and indigent support.

3.1.2 Operating Expenditure

Employee Related Costs and Remuneration of councillors

Employee related cost amounted to **R4.95 million** and the total remuneration for councillors is reported as **R170 thousand**. The increase on employee related costs include fluctuating COVID19 overtime, standby, upper limits for section 56 managers and notch increases during the **March 2020**. The upper limits for councillors have been applied for reporting in **May 2020**.

Bulk Purchases, Finance Charges and other materials

The Bulk purchase, finance charges and other materials amounted to **R117 thousand**. Other expenditure at the time of reporting were not allocated due to staff shortage in creditors and the lockdown.

Contracted services

The municipality has decline on the expenditure for contracted services from the **R1.98 million** spent in **March 2020** to **R355 thousand** for the **April 2020** period. The decline is attributed to the curbing of expenditure as a result of the COVID19 pandemic. The year-to-date actual represent **39 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 **R435 thousand** which represents **40 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 - M10 April

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 732	—	17 782	22 302	17 782
Call investment deposits		8 289	—	—	30 607	—
Consumer debtors		(101)	(96 784)	4 404	18 889	4 404
Other debtors		(26 043)	(3 326)	(618)	30 154	(618)
Current portion of long-term receivables		(5)	—	—	—	—
Inventory		924	3 395	666	644	666
Total current assets		(15 205)	(96 715)	22 233	102 595	22 233
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		(36)	—	—	—	—
Investment property		(211)	—	—	—	—
Investments in Associate		—	—	—	—	—
Property, plant and equipment		(7 208)	52 626	26 014	8 588	26 014
Agricultural		—	—	—	—	—
Biological assets		—	—	—	—	—
Intangible assets		(52)	—	(29)	—	(29)
Other non-current assets		—	—	—	—	—
Total non current assets		(7 507)	52 626	25 984	8 588	25 984
TOTAL ASSETS		(22 712)	(44 088)	48 218	111 183	48 218
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	1 758	—
Borrowing		(566)	(437)	—	419	—
Consumer deposits		11	—	—	50	—
Trade and other payables		(4 359)	(133 603)	6 095	15 232	6 095
Provisions		(357)	—	—	—	—
Total current liabilities		(5 271)	(134 040)	6 095	17 458	6 095
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)	6 438	17 498	6 438
NET ASSETS	2	(20 008)	91 108	41 779	93 685	41 779
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 347	—	—	—	—
Reserves		(701)	—	—	(52)	—
TOTAL COMMUNITY WEALTH/EQUITY	2	645	—	—	(52)	—

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. The impact of COVID19 will influence the 85 percent collection rate the municipality projected for the 2019/20 financial year. This will further increase the municipal debtor's book.

Property, Plant and Equipment

The year-to-date on capital expenditure is **R8.59 million** which indicates **40 percent** expenditure of the total Capital Budget. The current month's Capital Expenditure is at **R171 thousand** a decrease from **R377 thousand** reported in **March 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 **May 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 we have used **R2.24 million** which must be paid back by **mid-June 2020**.

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 **R16 thousand** and Capital amount of **R44 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 - M10 April

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	28 883	1 443	18 661	24 069	(5 408)	-22%	28 883
Service charges		61 683	(79 153)	73 230	2 441	46 909	61 024	(14 116)	-23%	73 230
Other revenue		2 787	(8 625)	3 717	427	3 244	3 097	147	5%	3 717
Government - operating		25 481	(9 452)	35 995	2 082	21 773	28 517	(6 744)	-24%	35 995
Government - capital		118	(52 136)	—	—	—	—	—		—
Interest		—	(6 132)	16	1	10	13	(3)	-22%	16
Dividends		—	—	—	—	—	—	—		—
Payments										
Suppliers and employees		(111 233)	(136 406)	(142 610)	(6 380)	(90 616)	(117 361)	(26 744)	23%	(142 610)
Finance charges		(2 921)	(722)	(670)	(26)	(428)	(558)	(131)	23%	(670)
Transfers and Grants		(406)	(558)	(308)	—	(57)	(257)	(199)	78%	(308)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 353)	(290 697)	(1 747)	(12)	(505)	(1 456)	(951)	65%	(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)	(35 492)	—	—	(29 438)	(29 438)	100%	(35 492)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(835)	(52 626)	(35 492)	—	—	(29 438)	(29 438)	100%	(35 492)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—		—
Borrowing long term/refinancing		—	—	—	—	—	—	—		—
Increase (decrease) in consumer deposits		11	—	—	(1)	50	—	50	0%	—
Payments										
Repayment of borrowing		0	(720)	(720)	—	(2)	(600)	(598)	100%	(720)
NET CASH FROM/(USED) FINANCING ACTIVITIES		11	(720)	(720)	(1)	47	(600)	(647)	108%	(720)
NET INCREASE/ (DECREASE) IN CASH HELD		(2 177)	(344 043)	(37 959)	(13)	(457)	(31 494)			(37 959)
Cash/cash equivalents at beginning:		(2)	—	—		—	—			—
Cash/cash equivalents at month/year end:		(2 179)	(344 043)	(37 959)		(457)	(31 494)			(37 959)

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 **April 2020** period. The receipt showed an amount of **R2.44 million** on service charges combined and **R1.44 million** for property rates with transfers and subsidies (operating and capital) amounting to **R2.08 million**.

The total bank balance as at 30 April 2020 was as follows Standard Bank main account is **-R1.76 million** and the **R696 thousand** at the Traffic Account and the Deposit Account has **R2.70 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.

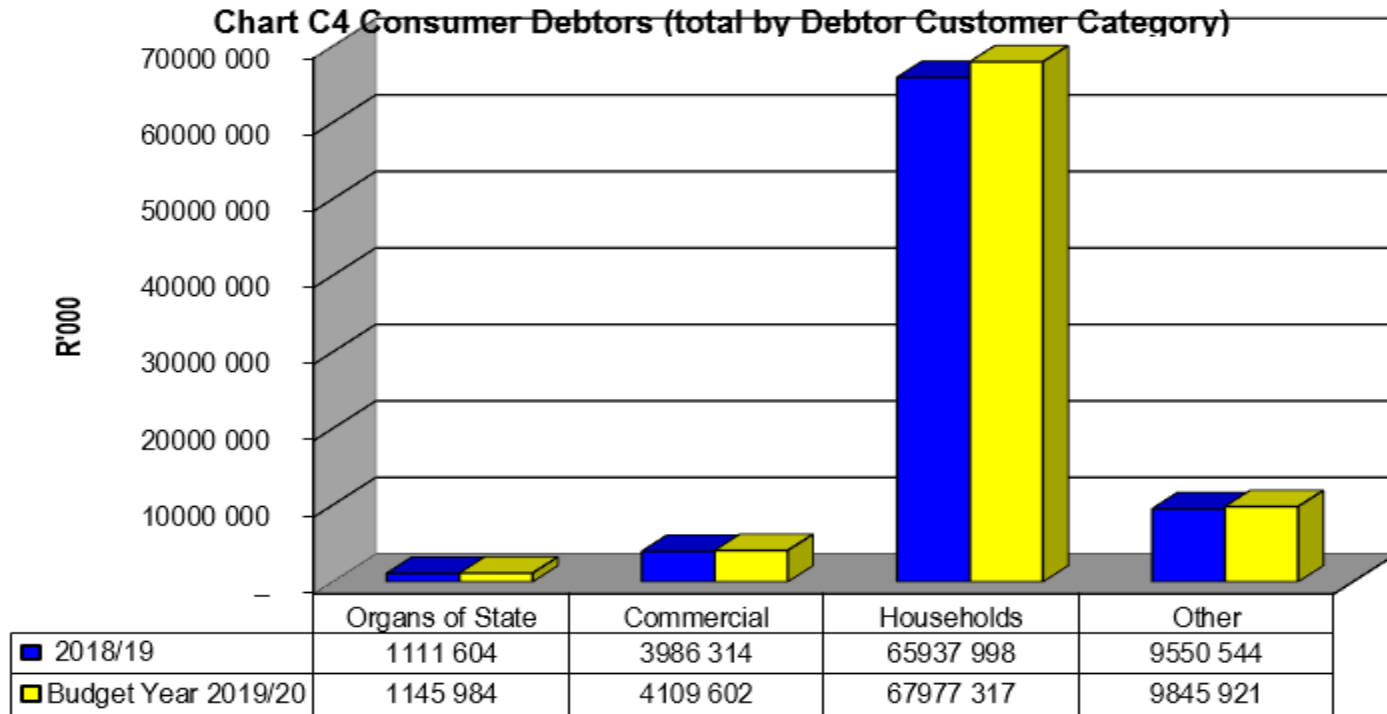
6 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

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	2 578	1 289	1 624	594	689	443	2 341	10 530	20 087	14 596	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 103	162	129	77	55	43	197	1 356	3 122	1 729	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	1 730	530	267	236	217	208	2 297	12 388	17 872	15 346	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	505	238	233	233	233	234	1 264	7 883	10 822	9 846	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 211	466	427	418	413	410	2 011	9 093	14 449	12 345	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	24	24	24	-	-	
Interest on Arrear Debtor Accounts	1810	0	2	42	38	52	55	481	14 776	15 446	15 402	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(1 583)	171	138	107	98	98	449	1 778	1 256	2 530	-	-	
Total By Income Source	2000	5 544	2 857	2 860	1 703	1 757	1 491	9 040	57 827	83 079	71 818	-	-	
2018/19 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	53	124	79	23	17	21	370	459	1 146	890	-	-	
Commercial	2300	901	201	116	94	75	71	502	2 150	4 110	2 892	-	-	
Households	2400	4 908	2 359	2 513	1 462	1 543	1 282	6 960	46 950	67 977	58 197	-	-	
Other	2500	(318)	174	151	123	121	117	1 209	8 268	9 846	9 838	-	-	
Total By Customer Group	2600	5 544	2 857	2 860	1 703	1 757	1 491	9 040	57 827	83 079	71 818	-	-	

- The total amount owed to Kannaland Municipality amounted to **R83.08 million** during **April 2020**.
- **R57.83 million or 70 percent** of the total outstanding debtors are older than one year.
- **R71.82 million or 86 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 (**R65 million**) of the total amount of outstanding debt with a **3 percent** year-on-year increase.

7 Creditors Age Analysis

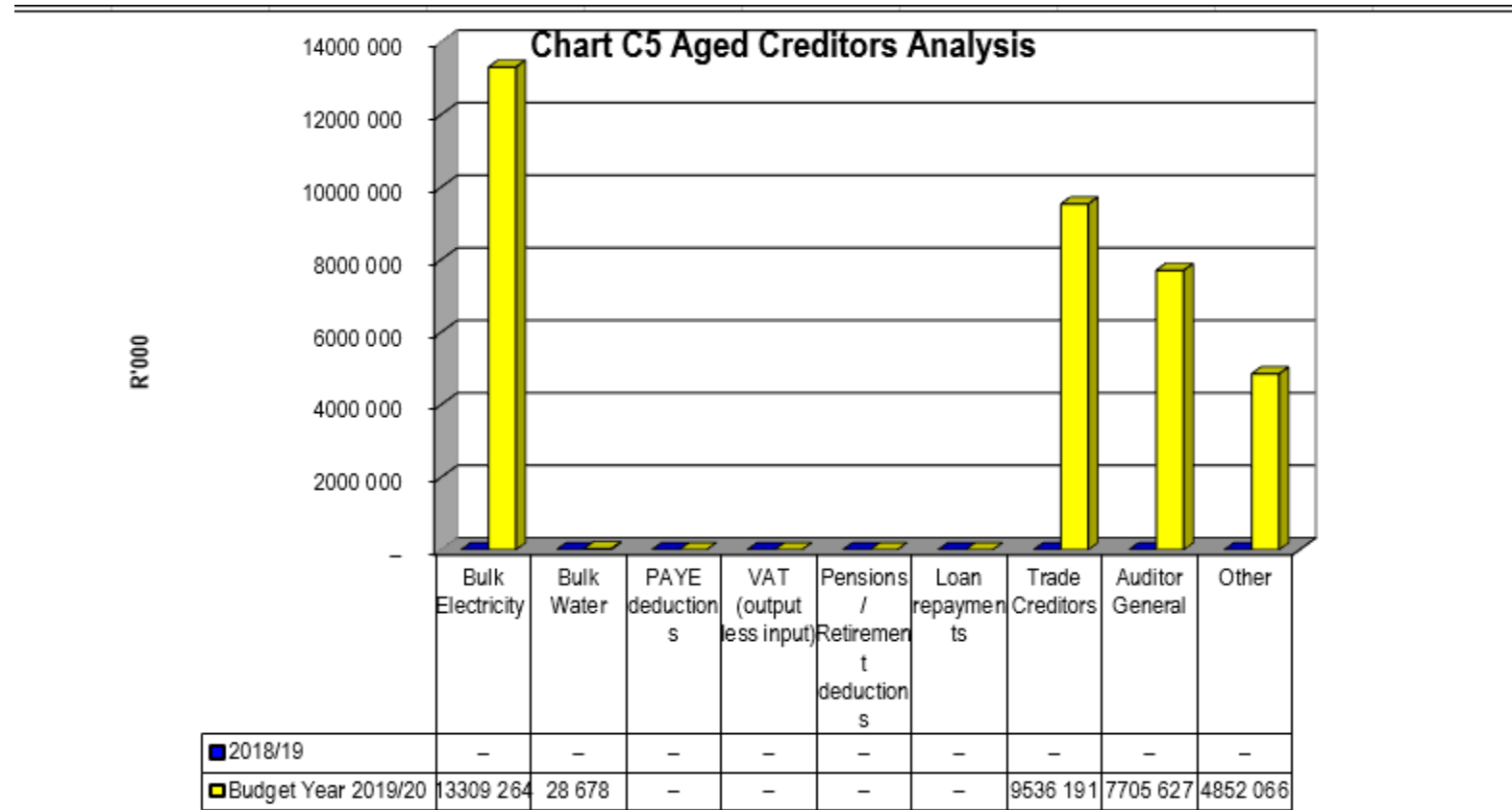
WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	3 673	3 369	2 666	2 799	802	–	–	–	13 309
Bulk Water	0200	29	–	–	–	–	–	–	–	29
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	405	427	187	8	8 509	–	–	–	9 536
Auditor General	0800	(635)	2 149	51	52	6 089	–	–	–	7 706
Other	0900	215	38	26	–	4 573	–	–	–	4 852
Total By Customer Type	1000	3 687	5 983	2 929	2 859	19 973	–	–	–	35 432

- The total outstanding creditors as at **April 2020** amounts to **R35 432** million.
- The biggest outstanding creditors are Eskom (R13 309 million), the Auditor-General of South Africa (R7 706 million). Combined, the before mentioned, represents 59 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 - M10 April

Description	Ref	2018/19 Audited Outcome	Budget Year 2019/20 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		23 682	25 442	24 300	2 029	18 721	20 230	(1 509)	-7,5%	24 300
Operational Revenue:General Revenue:Equitable Share		20 713	21 611	20 188	1 498	15 701	16 803	(1 102)	-6,6%	20 188
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 038	1 184	1 184	92	1 082	987	95	9,6%	1 184
Local Government Financial Management Grant [Schedule 5B]		1 493	2 215	2 215	45	1 504	1 846	(342)	-18,5%	2 215
Municipal Infrastructure Grant [Schedule 5B]		438	433	713	394	433	594	(161)	-27,1%	713
Provincial Government:		6 537	3 985	11 557	47	2 941	8 171	(5 230)	-64,0%	11 557
Capacity Building		1 645	—	—	—	—	—	—	—	—
Capacity Building and Other		—	3 935	11 527	47	2 940	8 146	(5 207)	-63,9%	11 527
Housing		1 061	—	—	—	—	—	—	—	—
Infrastructure		—	50	30	—	1	25	(24)	-94,8%	30
Libraries, Archives and Museums		2 058	—	—	—	—	—	—	—	—
Other		1 773	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
All Grants		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:		30 219	29 428	35 857	2 076	21 661	28 401	(6 740)	-23,7%	35 857
Capital expenditure of Transfers and Grants										
National Government:		14 210	47 658	25 434	172	7 007	21 056	(14 049)	-66,7%	25 434
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		1 918	2 901	2 901	137	137	2 418	(2 281)	-94,3%	2 901
Municipal Infrastructure Grant [Schedule 5B]		8 367	9 757	9 558	35	3 928	7 826	(3 899)	-49,8%	9 558
Regional Bulk Infrastructure Grant (Schedule 5B)		—	25 000	—	—	—	—	—	—	—
Water Services Infrastructure Grant [Schedule 5B]		3 925	10 000	12 975	—	2 942	10 812	(7 870)	-72,8%	12 975
Provincial Government:		2 034	4 578	9 569	—	1 483	7 974	(6 491)	-81,4%	9 569
Capacity Building		—	—	—	—	—	—	—	—	—
Capacity Building and Other		—	1 278	1 578	—	500	1 315	(814)	-61,9%	1 578
Housing		3	—	—	—	—	—	—	—	—
Infrastructure		—	3 300	7 991	—	983	6 659	(5 676)	-85,2%	7 991
Water Supply Infrastructure		2 031	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
All Grants		—	—	—	—	—	—	—	—	—
Other grant providers:		985	390	490	—	98	408	(310)	-76,0%	490
Transfer from Operational Revenue		985	390	490	—	98	408	(310)	-76,0%	490
Total capital expenditure of Transfers and Grants		17 229	52 626	35 492	172	8 588	29 438	(20 850)	-70,8%	35 492
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		47 448	82 054	71 349	2 247	30 250	57 839	(27 590)	-47,7%	71 349

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 spent **R47 thousand** for salaries and operational expenditure.
- EPWP to the amount of **R92 thousand** for the basic salaries of temp EPWP workers.
- Financial Management Grant to the amount **of R45 thousand** processed through Journal reallocation of Interns salaries.
- Municipal Infrastructure grant, reallocation of expenditure for MIG related salaries paid under own funded cost codes to the amount of **R394 thousand**. Still to be re-allocated is expenditure for water meter installer basic salary taking from a Capex as per MIG agreement since project is done in house.

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

- INEP to the amount of **R137 thousand**.
- MIG to the amount of **R35 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) - M10 April

Vote Description	Ref	2018/19	Original	Adjusted	Monthly	Budget Year 2019/20				
		Audited Outcome				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	—	—	542	(542)	-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	—	—	542	(542)	-100%	650
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—		—
Vote 2 - CORPORATE SERVICES		3 161	3 733	4 272	—	1 757	3 560	(1 803)	-51%	4 272
Vote 3 - FINANCIAL SERVICES		2 095	360	610	—	—	508	(508)	-100%	610
Vote 4 - TECHNICAL SERVICES		13 520	47 883	29 960	172	6 831	24 828	(17 997)	-72%	29 960
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	34 842	172	8 588	28 897	(20 309)	-70%	34 842
Total Capital Expenditure	3	18 776	52 626	35 492	172	8 588	29 438	(20 850)	-71%	35 492
Capital Expenditure - Functional Classification										
Governance and administration		2 095	360	610	—	—	508	(508)	-100%	610
Executive and council		—	—	—	—	—	—	—		—
Finance and administration		2 095	360	610	—	—	508	(508)	-100%	610
Internal audit		—	—	—	—	—	—	—		—
Community and public safety		2 945	4 383	4 922	—	1 757	4 102	(2 345)	-57%	4 922
Community and social services		—	700	650	—	—	542	(542)	-100%	650
Sport and recreation		2 945	3 105	3 595	—	1 257	2 996	(1 739)	-58%	3 595
Public safety		—	578	678	—	500	565	(64)	-11%	678
Housing		—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—		—
Economic and environmental services		215	—	—	—	—	—	—		—
Planning and development		—	—	—	—	—	—	—		—
Road transport		215	—	—	—	—	—	—		—
Environmental protection		—	—	—	—	—	—	—		—
Trading services		13 520	47 883	29 960	172	6 831	24 828	(17 997)	-72%	29 960
Energy sources		2 208	3 345	3 520	172	519	2 933	(2 414)	-82%	3 520
Water management		10 972	26 538	24 238	—	6 146	20 059	(13 914)	-69%	24 238
Waste water management		—	18 000	2 202	—	166	1 835	(1 669)	-91%	2 202
Waste management		340	—	—	—	—	—	—		—
Other		—	—	—	—	—	—	—		—
Total Capital Expenditure - Functional Classification	3	18 776	52 626	35 492	172	8 588	29 438	(20 850)	-71%	35 492
Funded by:										
National Government		14 094	47 658	25 434	172	7 007	21 056	(14 049)	-67%	25 434
Provincial Government		2 031	4 578	9 569	—	1 483	7 974	(6 491)	-81%	9 569
District Municipality		—	—	—	—	—	—	—		—
Other transfers and grants		—	—	—	—	—	—	—		—
Transfers recognised - capital		16 125	52 236	35 002	172	8 490	29 030	(20 540)	-71%	35 002
Public contributions & donations	5	—	—	—	—	—	—	—		—
Borrowing	6	—	—	—	—	—	—	—		—
Internally generated funds		985	390	490	—	98	408	(310)	-76%	490
Total Capital Funding		17 111	52 626	35 492	172	8 588	29 438	(20 850)	-71%	35 492

- The actual year-to-date Capital Expenditure amounts to **R8.59 million** which is **33 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.
- Due to COVID19 the expenditure on capital programs has been affected due to the restrictions in terms of business operations.

10 Expenditure on Salaries

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April

Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		2 513	2 559	2 661	102	1 094	2 218	(1 123)	-51%	2 661
Pension and UIF Contributions		12	52	54	9	28	45	(17)	-38%	54
Medical Aid Contributions		—	32	33	11	74	28	46	166%	33
Motor Vehicle Allowance		143	282	294	22	194	245	(51)	-21%	294
Cellphone Allowance		656	352	366	26	396	305	91	30%	366
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		3 323	3 277	3 408	170	1 786	2 840	(1 054)	-37%	3 408
% increase	4		-1,4%	2,5%						2,5%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		1 145	3 120	3 120	160	1 529	2 600	(1 071)	-41%	3 120
Pension and UIF Contributions		—	—	—	0	0	—	0	#DIV/0!	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		1 644	—	—	—	—	—	—	—	—
Performance Bonus		491	273	273	—	90	228	(138)	-61%	273
Motor Vehicle Allowance		459	193	290	22	262	242	20	8%	290
Cellphone Allowance		13	—	32	3	8	27	(19)	-72%	32
Housing Allowances		—	10	10	—	—	9	(9)	-100%	10
Other benefits and allowances		2	26	50	8	25	42	(16)	-39%	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	1 913	3 147	(1 233)	-39%	3 776
% increase	4		-3,5%	0,6%						0,6%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		35 411	38 108	38 509	3 167	33 026	30 631	2 395	8%	38 509
Pension and UIF Contributions		5 300	6 823	6 600	477	4 865	5 500	(635)	-12%	6 600
Medical Aid Contributions		1 606	1 713	2 050	169	1 686	1 708	(22)	-1%	2 050
Overtime		3 245	1 950	3 280	577	3 704	2 733	970	36%	3 280
Performance Bonus		2 186	—	—	114	2 087	—	2 087	#DIV/0!	—
Motor Vehicle Allowance		1 931	2 364	2 472	175	1 836	2 060	(224)	-11%	2 472
Cellphone Allowance		97	152	204	10	128	170	(41)	-24%	204
Housing Allowances		291	337	344	23	211	287	(76)	-26%	344
Other benefits and allowances		933	4 337	4 111	48	1 584	3 406	(1 821)	-53%	4 111
Payments in lieu of leave		591	—	47	—	124	39	85	217%	47
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	159	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		51 749	55 784	57 616	4 761	49 251	46 533	2 717	6%	57 616
% increase	4		7,8%	11,3%						11,3%
Total Parent Municipality		58 827	62 683	64 800	5 124	52 950	52 520	430	1%	64 800

- **Employee Related Costs:** The budget amounts to **R64.80 million**, while the expenditure to date amounts to **R52.60 million or 81 percent** of the budget.
- **Remuneration of Councillors:** The budget amounts to **R3.48 million**, while the expenditure to date amounts to **R1.79 million or 52 percent** of the budget.

The municipality has applied the upper limits for Senior Manager and Councillors, which will be reported in the May period.

11 Long-term borrowing

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

Date: 10.09.2018

ACCOUNT STATEMENT



Interest Accrual		30.04.2020	30.04.2020	0.00	16,113.04	0.00	16,113.04	1,584,448.74	1,568,335.70
Interest Capitalisation		30.04.2020	30.04.2020	0.00	-16,113.04	16,113.04	0.00	1,584,448.74	1,584,448.74

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Loan 61000778	Interest Rate	Posting Date	Value Date	Capital	Interest Accrued	Interest Capitalized	Total	Balance Incl. Accruals	Balance Excl. Accruals
Repayment Due		30.04.2020	30.04.2020	-43,886.96	0.00	-16,113.04	-60,000.00	1,524,448.74	1,524,448.74

- The total outstanding long-term debt of Kannaland Municipality amounts to **R1.52 million** as at **30 April 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 **R16 thousand** in interest with a capital redemption amount of **R44 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) -										
Vote Description/Ref	2018/19	Original	Adjusted	Monthly	Budget Year 2019/20		YTD variance	YTD variance	Full Year	
R thousand	Audited Outcome	Budget	Budget	actual	YearTD actual	YearTD budget		%	Forecast	
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGE	20 220	8 740	8 566	—	24 604	7 139	17 466	245%	8 566	
1.1 - Executive	20 220	8 740	8 521	—	24 604	7 101	17 503	246%	8 521	
1.2 - Executive Support	0	—	45	—	—	38	(38)	-100%	45	
Vote 2 - CORPORATE SERV	17 345	25 275	27 669	106	7 022	23 058	(16 035)	-70%	27 669	
2.1 - Administration	376	720	474	—	255	395	(140)	-35%	474	
2.2 - Municipal Buildings	—	—	2	—	1	2	(1)	-44%	2	
2.3 - Community Hall	478	252	534	—	182	445	(263)	-59%	534	
2.4 - Cemeteries	2 316	9 757	9 757	1	17	8 131	(8 114)	-100%	9 757	
2.5 - Libraries	1 857	3 529	3 551	—	2 480	2 959	(480)	-16%	3 551	
2.6 - Housing	790	380	4 234	—	330	3 529	(3 198)	-91%	4 234	
2.7 - Swimming Pools	—	—	—	—	—	—	—	—	—	
2.8 - Parks and Recreation	—	—	—	—	—	—	—	—	—	
2.9 - Traffic	11 528	8 618	7 097	19	2 105	5 914	(3 809)	-64%	7 097	
2.10 - Fire Department	—	2 019	2 019	86	1 651	1 682	(31)	-2%	2 019	
Vote 3 - FINANCIAL SERV	26 667	24 910	30 574	1 183	21 189	25 981	(4 792)	-18%	30 574	
3.1 - Postal Agency	—	—	—	—	—	—	—	—	—	
3.2 - Property Rates	15 549	20 804	20 804	1 035	14 695	17 470	(2 775)	-16%	20 804	
3.3 - Chief Financial Services	11 118	4 106	9 771	148	6 494	8 511	(2 018)	-24%	9 771	
Vote 4 - TECHNICAL SERV	84 183	155 394	139 477	7 423	74 387	117 989	(43 602)	-37%	139 477	
4.1 - Refuse	5 801	13 946	14 016	552	5 640	12 794	(7 154)	-56%	14 016	
4.2 - Sewerage	6 174	28 768	13 768	559	5 877	11 473	(5 596)	-49%	13 768	
4.3 - Public Works	5 034	1 698	1 698	13	1 030	1 698	(668)	-39%	1 698	
4.4 - Proclaimed Roads	—	50	—	—	—	—	—	—	—	
4.5 - Water Services	21 316	46 059	43 725	1 923	17 149	36 437	(19 289)	-53%	43 725	
4.6 - Electricity Services	44 940	64 873	66 270	4 376	44 692	55 587	(10 895)	-20%	66 270	
Total Revenue	2	148 415	214 320	8 712	127 202	174 167	(46 964)	-27%	206 286	
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGE	23 900	15 081	14 532	913	9 901	12 109	(2 208)	-18%	14 532	
1.1 - Executive	18 194	8 751	8 255	481	4 968	6 879	(1 911)	-28%	8 255	
1.2 - Executive Support	5 705	6 330	6 276	432	4 933	5 230	(297)	-6%	6 276	
1.3 - Tourism	—	—	—	—	—	—	—	—	—	
1.4 - LED & IDP	—	—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	—	—	
Vote 2 - CORPORATE SERV	25 490	28 843	31 951	1 998	18 578	25 147	(6 569)	-26%	31 951	
2.1 - Administration	13 746	12 378	11 489	1 036	10 355	9 574	781	8%	11 489	
2.2 - Municipal Buildings	2 444	1 713	1 640	136	1 292	1 366	(75)	-5%	1 640	
2.3 - Community Hall	940	903	989	26	242	824	(582)	-71%	989	
2.4 - Cemeteries	342	341	343	25	270	266	3	1%	343	
2.5 - Libraries	2 058	2 826	2 899	207	2 052	957	1 095	114%	2 899	
2.6 - Housing	2 040	1 617	5 402	65	676	4 502	(3 825)	-85%	5 402	
2.7 - Swimming Pools	221	43	12	3	7	10	(3)	-32%	12	
2.8 - Parks and Recreation	463	282	599	67	344	499	(155)	-31%	599	
2.9 - Traffic	3 220	7 978	7 810	431	3 317	6 508	(3 191)	-49%	7 810	
2.10 - Fire Department	17	762	767	4	22	639	(617)	-97%	767	
Vote 3 - FINANCIAL SERV	21 006	30 062	32 289	1 299	17 690	26 907	(9 217)	-34%	32 289	
3.1 - Postal Agency	—	—	—	—	—	—	—	—	—	
3.2 - Property Rates	10	1 634	1 634	3	276	1 362	(1 085)	-80%	1 634	
3.3 - Chief Financial Services	20 996	28 428	30 655	1 296	17 413	25 546	(8 132)	-32%	30 655	
Vote 4 - TECHNICAL SERV	98 107	88 330	85 146	2 172	44 679	70 955	(26 276)	-37%	85 146	
4.1 - Refuse	9 652	6 792	6 724	356	3 506	5 603	(2 097)	-37%	6 724	
4.2 - Sewerage	13 509	6 607	6 728	341	2 831	5 606	(2 775)	-49%	6 728	
4.3 - Public Works	10 894	10 618	8 457	221	4 668	7 047	(2 379)	-34%	8 457	
4.4 - Proclaimed Roads	—	—	—	—	—	—	—	—	—	
4.5 - Water Services	16 647	12 196	12 744	661	4 817	10 620	(5 802)	-55%	12 744	
4.6 - Electricity Services	46 368	50 932	49 310	502	27 774	41 091	(13 318)	-32%	49 310	
4.7 - Irrigation Water	—	—	—	—	—	—	—	—	—	
Vote 6 - CORPORATE SERV	1 038	1 184	1 184	92	1 082	987	95	10%	1 184	
6.1 - Municipal Vehicles	566	639	589	31	330	491	(160)	-33%	589	
Total Expendit	2	169 068	162 954	6 413	91 178	135 608	(44 431)	(0)	164 507	
Surplus/ (Defic	2	(20 653)	51 366	41 779	2 299	38 558	(2 534)	(0)	41 779	

13 ANNEXURE B

13.1 Table C2 Monthly Budget Statement - Financial Performance (functional classification) – M10 March

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M 10 April

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										
Executive and council										
Mayor and Council										
Municipal Manager, Town Secretary and Chief Executive										
Finance and administration										
Administrative and Corporate Support										
Asset Management										
Finance										
Fleet Management										
Human Resources										
Information Technology										
Legal Services										
Marketing, Customer Relations, Publicity and Media Co-ordination										
Property Services										
Risk Management										
Security Services										
Supply Chain Management										
Valuation Service										
Internal audit										
Governance Function										
Community and public safety										
Community and social services										
Aged Care										
Agricultural										
Animal Care and Diseases										
Cemeteries, Funeral Parlours and Crematoriums										
Child Care Facilities										
Community Halls and Facilities										
Consumer Protection										
Cultural Matters										
Disaster Management										
Education										
Indigenous and Customary Law										
Industrial Promotion										
Language Policy										
Libraries and Archives										
Literacy Programmes										
Media Services										
Museums and Art Galleries										
Population Development										
Provincial Cultural Matters										
Theatres										
Zoo's										
Sport and recreation										
Beaches and Jetties										
Casinos, Racing, Gambling, Wagering										
Community Parks (including Nurseries)										
Recreational Facilities										
Sports Grounds and Stadiums										
Public safety										
Civil Defence										
Cleansing										
Control of Public Nuisances										
Fencing and Fences										
Fire Fighting and Protection										
Licensing and Control of Animals										
Police Forces, Traffic and Street Parking Control										
Pounds										
Housing										
Housing										
Informal Settlements										
Health										
Ambulance										
Health Services										
Laboratory Services										
Food Control										
Health Surveillance and Prevention of Communicable Diseases including immunizations										
Vector Control										
Chemical Safety										
Economic and environmental services										
Planning and development										
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDs)										
Central City Improvement District										
Development Facilitation										
Economic Development/Planning										
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City Engineer										
Project Management Unit										
Provincial Planning										
Support to Local Municipalities										
Road transport										
Public Transport										
Road and Traffic Regulation										
Roads										
Taxi Ranks										
Environmental protection										
Biodiversity and Landscape										
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control										
Soil Conservation										
Trading services										
Energy sources										
Electricity										
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management										
Water Treatment										
Water Distribution										
Water Storage										
Waste water management										
Public Toilets										
Sewerage										
Storm Water Management										
Waste Water Treatment										
Waste management										
Recycling										
Solid Waste Disposal (Landfill Sites)										
Solid Waste Removal										
Street Cleaning										
Other										
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation										
Markets										
Tourism										
Total Revenue - Functional	2									

14 ANNEXURE D

14.1 Implementation of the Supply Chain Management policy

No deviations for **April 2020**.