



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Financial Management Report May 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 **May 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 - M11 May

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	1 036	15 732	15 691	41	0%	17 117
Service charges	69 672	88 958	90 425	6 451	79 809	82 889	(3 081)	-4%	90 425
Investment revenue	669	526	778	–	828	713	115	16%	778
Transfers and subsidies	33 803	37 147	46 313	–	30 586	43 584	(12 998)	-30%	46 313
Other own revenue	17 519	18 336	16 606	154	6 958	15 222	(8 264)	-54%	16 606
Total Revenue (excluding capital transfers and contributions)	137 213	162 083	171 238	7 642	133 912	158 099	(24 186)	-15%	171 238
Employee costs	55 504	59 406	61 392	4 841	56 004	54 648	1 356	2%	61 392
Remuneration of Councillors	3 323	3 277	3 408	169	1 955	3 124	(1 169)	-37%	3 408
Depreciation & asset impairment	26 698	11 192	9 336	–	–	8 558	(8 558)	-100%	9 336
Finance charges	2 921	722	670	35	463	614	(151)	-25%	670
Materials and bulk purchases	36 457	44 282	43 883	6 621	31 228	40 226	(8 997)	-22%	43 883
Transfers and subsidies	1 899	558	108	39	96	99	(3)	-3%	108
Other expenditure	42 266	43 518	46 459	1 093	14 230	42 351	(28 121)	-66%	46 459
Total Expenditure	169 068	162 954	165 255	12 799	103 977	149 619	(45 642)	-31%	165 255
Surplus/(Deficit)	(31 855)	(871)	5 983	(5 157)	29 936	8 480	21 456	253%	5 983
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	35 346	–	932	32 400	(31 468)	-97%	35 346
Contributions & Contributed assets	382	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(20 653)	51 366	41 329	(5 157)	30 868	40 880	(10 012)	-24%	41 329
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(20 653)	51 366	41 329	(5 157)	30 868	40 880	(10 012)	-24%	41 329
<u>Capital expenditure & funds sources</u>									
Capital expenditure	18 776	52 626	67 607	482	9 070	64 497	(55 427)	-86%	67 607
Capital transfers recognised	16 125	52 236	35 002	482	8 972	31 933	(22 961)	-72%	35 002
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	985	390	490	–	98	449	(351)	-78%	490
Total sources of capital funds	17 111	52 626	35 492	482	9 070	32 382	(23 312)	-72%	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 **R7.64 million** and the expenditure amounted to **R12.79 million** thereby resulting in a deficit of **R5.16 million**.

Financial Performance

Property Rates

The Property Rates collection showed a collection of **R1.04 million** collection in the **May 2020** period and decrease from the collection on **April 2020** of **R1.35 million**.

Service Charges

The municipality recorded an overall service charge collection over **R6.45 million** for the **May 2020** period representing a decrease from **R7.41 million** from the **April 2020** period.

Other revenue

The municipality recorded an overall performance of **R145 thousand** in **May 2020** from other revenue a decrease from the **R147 thousand** in the **April 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 **R5.01 Million** in **May 2020** a decrease from **R5.12 Million** in the **April 2020** period. This is attribute to the municipality approach in not paying COVID-19 related overtime and standby.

Materials and Bulk Purchases

The municipality spent **R6.54 million** in the **May 2020** towards bulk purchase (water and electricity) with **R25 thousand** Materials and Supplies. This amount also includes payment arrangement towards arrears on the ESKOM account.

Other expenditure

The total Other Expenditure for **May 2020** is **R1.09 million** a decrease from the **R1.46 million** in the **April 2020**.

3.1 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

W0641 Ramlland - Table 04 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - M11										
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	1 036	15 732	15 691	41	0%	17 117
Service charges - electricity revenue		44 924	59 573	60 970	3 901	48 592	55 889	(7 297)	-13%	60 970
Service charges - water revenue		12 773	16 920	16 920	1 432	18 581	15 510	3 070	20%	16 920
Service charges - sanitation revenue		6 174	6 271	6 271	567	6 444	5 749	696	12%	6 271
Service charges - refuse revenue		5 801	6 193	6 263	551	6 192	5 742	450	8%	6 263
Service charges - other		—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		533	956	881	42	478	807	(330)	-41%	881
Interest earned - external investments		669	526	778	—	828	713	115	16%	778
Interest earned - outstanding debtors		49	5 622	5 622	6	20	5 153	(5 133)	-100%	5 622
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		15 314	8 928	7 370	9	4 197	6 755	(2 559)	-38%	7 370
Licences and permits		173	160	198	3	147	181	(34)	-19%	198
Agency services		828	1 010	1 010	—	731	926	(195)	-21%	1 010
Transfers and subsidies		33 803	37 147	46 313	—	30 586	43 584	(12 998)	-30%	46 313
Other revenue		622	1 660	1 526	95	1 385	1 399	(14)	-1%	1 526
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		137 213	162 083	171 238	7 642	133 912	158 099	(24 186)	-15%	171 238
Expenditure By Type										
Employee related costs		55 504	59 406	61 392	4 841	56 004	54 648	1 356	2%	61 392
Remuneration of councillors		3 323	3 277	3 408	169	1 955	3 124	(1 169)	-37%	3 408
Debt impairment		25 922	14 077	11 584	—	77	10 618	(10 542)	-99%	11 584
Depreciation & asset impairment		26 698	11 192	9 336	—	—	8 558	(8 558)	-100%	9 336
Finance charges		2 921	722	670	35	463	614	(151)	-25%	670
Bulk purchases		35 483	40 200	40 200	6 542	29 651	36 850	(7 199)	-20%	40 200
Other materials		974	4 082	3 683	79	1 577	3 376	(1 798)	-53%	3 683
Contracted services		7 849	15 531	22 799	620	7 904	20 663	(12 759)	-62%	22 799
Transfers and subsidies		1 899	558	108	39	96	99	(3)	-3%	108
Other expenditure		8 200	13 911	12 077	473	6 249	11 070	(4 821)	-44%	12 077
Loss on disposal of PPE		295	—	—	—	—	—	—	—	—
Total Expenditure		169 068	162 954	165 255	12 799	103 977	149 619	(45 642)	-31%	165 255
Surplus/(Deficit)		(31 855)	(871)	5 983	(5 157)	29 936	8 480	21 456	0	5 983
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		10 820	52 236	35 346	—	932	32 400	(31 468)	(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	41 329	(5 157)	30 868	40 880			41 329
Taxation		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		(20 653)	51 366	41 329	(5 157)	30 868	40 880			41 329
Attributable to minorities		—	—	—	—	—	—			—
Surplus/(Deficit) attributable to municipality		(20 653)	51 366	41 329	(5 157)	30 868	40 880			41 329
Share of surplus/ (deficit) of associate		—	—	—	—	—	—			—
Surplus/ (Deficit) for the year		(20 653)	51 366	41 329	(5 157)	30 868	40 880			41 329

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 **R3.90 million** during **May 2020** which is below the reported figures in **April 2020** of **R4.38 million**.

Water

We have a revenue collection of **R1.43 Million** in water services in the **May 2020** period showing a decrease on the previous reported figure of **R1.92 Million** in **April 2020**. The collection 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 **R567 thousand** during **May 2020** which is less than the **April 2020** period of **R559 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 **R551 thousand** for the **May 2020** and there is a slight decrease from **April 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. While the municipality is getting **R6 thousand** on outstanding debtors. The municipality is showing underperformance on fines, penalties and forfeits by collecting **R3 thousand**.

Other revenue

The municipality received **R95 thousand** during the reporting period of **May 2020**. This is a slight decrease from the **April 2020** of **R88 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 **R4.84 million** and the total remuneration for councillors is reported as **R169 thousand**. The increase on employee related costs include fluctuating overtime, standby, upper limits for section 56 managers and notch increases during the **April 2020**. The upper limits for councillors have been applied for reporting in **June 2020**.

Bulk Purchases, Finance Charges and other materials

The Bulk purchase, Finance Charges and Other Materials amounted to **R6.57 million**. Other expenditure at the time of reporting were not allocated due to staff shortage in creditors and the lockdown.

Contracted services

The municipality has increase on the expenditure for Contracted Services from the **R355 thousand** spent in **April 2020** to **R620 thousand** for the **May 2020** period due to the increased expenditure for grant funded projects.

Other expenditure

Other Expenditure amounted to **R473** for the month of May, 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 - M11 May

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	—	75 248	8 125	75 248
Call investment deposits		8 289	—	8 387	33 610	8 387
Consumer debtors		(101)	(96 784)	8 242	20 665	8 242
Other debtors		(26 043)	(3 326)	(31 874)	30 250	(31 874)
Current portion of long-term receivables		(5)	—	(8)	—	(8)
Inventory		924	3 395	2 691	669	2 691
Total current assets		(15 205)	(96 715)	62 685	93 319	62 685
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		(36)	—	—	—	—
Investment property		(211)	—	1 489	—	1 489
Investments in Associate		—	—	—	—	—
Property, plant and equipment		(7 208)	52 626	351 522	9 070	351 522
Agricultural		—	—	—	—	—
Biological assets		—	—	—	—	—
Intangible assets		(52)	—	16	—	16
Other non-current assets		—	—	—	—	—
Total non current assets		(7 507)	52 626	353 026	9 070	353 026
TOTAL ASSETS		(22 712)	(44 088)	415 712	102 389	415 712
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		(566)	(437)	(446)	463	(446)
Consumer deposits		11	—	964	51	964
Trade and other payables		(4 359)	(133 603)	88 981	11 407	88 981
Provisions		(357)	—	2 654	—	2 654
Total current liabilities		(5 271)	(134 040)	92 153	11 920	92 153
Non current liabilities						
Borrowing		116	(1 157)	1 230	77	1 230
Provisions		2 452	—	30 699	—	30 699
Total non current liabilities		2 567	(1 157)	31 930	77	31 930
TOTAL LIABILITIES		(2 704)	(135 197)	124 082	11 998	124 082
NET ASSETS	2	(20 008)	91 108	291 629	90 391	291 629
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 347	—	251 727	—	251 727
Reserves		(701)	—	(1 427)	(52)	(1 427)
TOTAL COMMUNITY WEALTH/EQUITY	2	645	—	250 300	(52)	250 300

Assets

The municipality is in a financial crisis mostly as a result of mostly the illiquidity of its Assets such as Consumer Debtors. The inability to optimally collect revenue remains one of our biggest challenges and this has been fuelled more by COVID-19 pandemic which has resulted into economic recession and job losses.

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 **R9.70 million**. The current month's Capital Expenditure is at **R39 thousand** a decrease from **R172 thousand** reported in **April 2020**.

Intangible Assets

The acquisition of Intangible Assets such as software and antivirus will only take place after we have secured a new server. Unfortunately, Department of Local Government could not fulfil its commitment in funding the municipality for the acquisition of a server. We however are hopeful that they will honour this commitment in the new financial year.

Liabilities

Current Liabilities

Bank Overdraft

Due to the financial challenges experienced, the municipality makes use overdraft facility of **R4 million** and we are currently closing the overdraft facilities and have **R 1.6 million left**. However, we have a plan in place to service this debt by the end of the month.

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**.

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 - M11 May

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	1 261	19 922	26 476	(6 554)	-25%	28 883
Service charges		61 683	(79 153)	73 230	8 823	55 732	67 127	(11 395)	-17%	73 230
Other revenue		2 787	(8 625)	3 717	504	3 748	3 407	342	10%	3 717
Government - operating		25 481	(9 452)	36 743	2 198	23 970	31 818	(7 848)	-25%	36 743
Government - capital		118	(52 136)	—	—	—	—	—		—
Interest		—	(6 132)	16	1	11	14	(3)	-23%	16
Dividends		—	—	—	—	—	—	—		—
Payments										
Suppliers and employees		(111 233)	(136 406)	(143 558)	(12 724)	(103 341)	(129 730)	(26 389)	20%	(143 558)
Finance charges		(2 921)	(722)	(670)	(35)	(463)	(614)	(151)	25%	(670)
Transfers and Grants		(406)	(558)	(108)	(39)	(96)	(99)	(3)	3%	(108)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 353)	(290 697)	(1 747)	(12)	(516)	(1 601)	(1 085)	68%	(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)	(67 607)	—	—	(64 497)	(64 497)	100%	(67 607)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(835)	(52 626)	(67 607)	—	—	(64 497)	(64 497)	100%	(67 607)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—		—
Borrowing long term/refinancing		—	—	—	—	—	—	—		—
Increase (decrease) in consumer deposits		11	—	—	1	51	—	51	0%	—
Payments										
Repayment of borrowing		0	(720)	(1 166)	—	(2)	(1 106)	(1 104)	100%	(1 166)
NET CASH FROM/(USED) FINANCING ACTIVITIES		11	(720)	(1 166)	1	49	(1 106)	(1 155)	104%	(1 166)
NET INCREASE/ (DECREASE) IN CASH HELD		(2 177)	(344 043)	(70 520)	(11)	(468)	(67 205)			(70 520)
Cash/cash equivalents at beginning:		(2)	—	11 631		—	11 631			—
Cash/cash equivalents at month/year end:		(2 179)	(344 043)	(58 889)		(468)	(55 573)			(70 520)

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 **May 2020** period. The receipt showed an amount of **R8.82 million** on service charges combined and **R1.26 million** for property rates with transfers and subsidies (operating and capital) amounting to **R2.19 million**.

The total bank balance as at **31 May 2020** was as follows;

- Standard Bank Main Account is **-R2.37 Million**
- The Traffic Account and the **R702 thousand**, and
- Deposit Account has **R725 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.

The municipality is reviving the Revenue Enhancement Project as part of the turnaround strategy. Unfortunately, the meeting that was scheduled for this week had to be cancelled due to inclement weather which resulted into power outage.

6 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

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	2 518	1 258	1 606	591	687	441	2 336	10 524	19 960	14 578	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 077	160	128	77	55	43	197	1 352	3 090	1 725	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	1 665	506	259	234	215	207	2 294	12 385	17 767	15 336	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	497	235	232	233	232	234	1 262	7 881	10 806	9 842	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 166	452	425	417	412	410	2 006	9 086	14 374	12 331	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	24	24	24	-	-	
Interest on Arrear Debtor Accounts	1810	0	2	42	37	52	55	480	14 773	15 441	15 397	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(1 622)	159	135	106	98	98	446	1 776	1 197	2 525	-	-	
Total By Income Source	2000	5 301	2 772	2 826	1 695	1 751	1 488	9 023	57 802	82 659	71 759	-	-	
2018/19 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	50	122	79	23	17	21	370	459	1 141	890	-	-	
Commercial	2300	886	199	115	94	75	71	502	2 146	4 087	2 888	-	-	
Households	2400	4 686	2 277	2 483	1 455	1 538	1 279	6 943	46 930	67 592	58 145	-	-	
Other	2500	(321)	174	149	123	121	117	1 208	8 268	9 838	9 836	-	-	
Total By Customer Group	2600	5 301	2 772	2 826	1 695	1 751	1 488	9 023	57 802	82 659	71 759	-	-	

- The total amount owed to Kannaland Municipality amounted to **R82.66 million** during **May 2020**.
- **R57.80 million or 70 percent** of the total outstanding debtors are older than one year.
- **R71.76 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 (**R69 million**) of the total amount of outstanding debt with a **3 percent** year-on-year increase.

6.2 Creditors Age Analysis

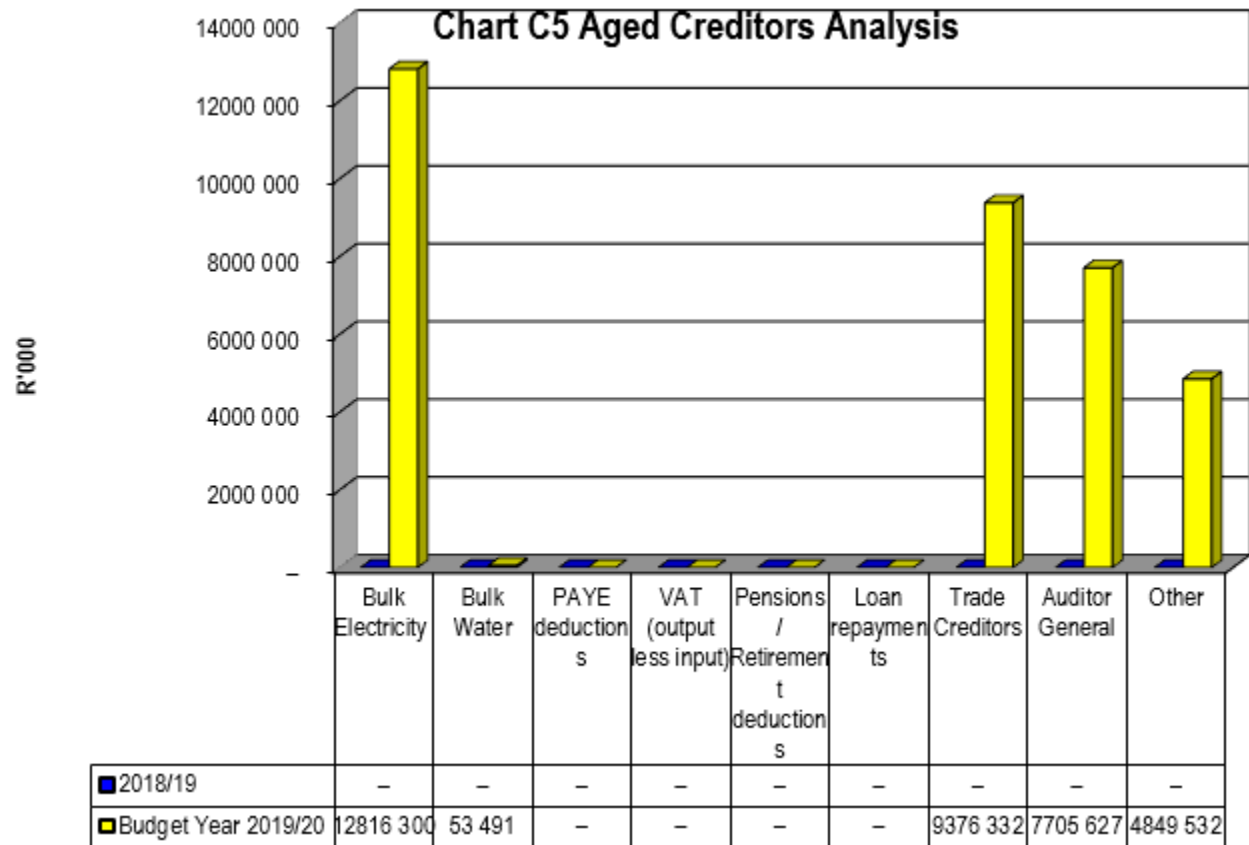
WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description		NT Code	Budget Year 2019/20							
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	3 574	2 975	2 666	2 800	802	-	-	-	12 816
Bulk Water	0200	25	29		-	-	-	-	-	53
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	365	387	147	8	8 469	-	-	-	9 376
Auditor General	0800	(635)	2 149	51	52	6 089	-	-	-	7 706
Other	0900	212	38	26	-	4 573	-	-	-	4 850
Total By Customer Type	1000	3 541	5 578	2 889	2 860	19 933	-	-	-	34 801

- The total outstanding creditors as at **May 2020** amounts to **R34 801** million.
- The biggest outstanding creditors are Eskom (R12 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.

6.3 Chart of creditors expressed proportionately to the total amount owed



7 Conditional Grants Transferred and Expenditure

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		23 682	25 442	24 000	534	19 254	21 978	(2 723)	-12,4%	24 000
Operational Revenue:Gener		20 713	21 611	19 888	20	15 721	18 208	(2 487)	-13,7%	19 888
Expanded Public Works Pro		1 038	1 184	1 184	92	1 174	1 085	88	8,1%	1 184
Local Government Financial		1 493	2 215	2 215	182	1 686	2 030	(344)	-17,0%	2 215
Municipal Infrastructure Gran		438	433	713	240	673	654	20	3,0%	713
Provincial Government:		6 537	3 985	12 605	1 654	4 595	9 713	(5 119)	-52,7%	12 605
Capacity Building		1 645	—	—	—	—	—	—	—	—
Capacity Building and Other		—	3 935	12 575	1 654	4 593	9 686	(5 092)	-52,6%	12 575
Infrastructure		—	50	30	—	1	28	(26)	-95,3%	30
Libraries, Archives and Mus		2 058	—	—	—	—	—	—	—	—
Other		1 773	—	—	—	—	—	—	—	—
Total operating expenditure of		30 219	29 428	36 605	2 188	23 849	31 691	(7 842)	-24,7%	36 605
Capital expenditure of Transfers and Grants										
National Government:		14 210	47 658	25 434	39	7 045	23 162	(16 116)	-69,6%	25 434
Integrated National Electrifi		1 918	2 901	2 901	39	176	2 659	(2 484)	-93,4%	2 901
Municipal Infrastructure Gran		8 367	9 757	9 558	—	3 928	8 609	(4 681)	-54,4%	9 558
Regional Bulk Infrastructure		—	25 000	—	—	—	—	—	—	—
Water Services Infrastructure		3 925	10 000	12 975	—	2 942	11 893	(8 951)	-75,3%	12 975
Provincial Government:		2 034	4 578	9 569	443	1 927	8 771	(6 845)	-78,0%	9 569
Capacity Building and Other		—	1 278	1 578	—	500	1 446	(946)	-65,4%	1 578
Infrastructure		—	3 300	7 991	443	1 426	7 325	(5 899)	-80,5%	7 991
Water Supply Infrastructure		2 031	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
All Grants		—	—	—	—	—	—	—	—	—
Other grant providers:		985	390	490	—	98	449	(351)	-78,1%	490
Transfer from Operational Re		985	390	490	—	98	449	(351)	-78,1%	490
Total capital expenditure of Tr		17 229	52 626	35 492	482	9 070	32 382	(23 312)	-72,0%	35 492
TOTAL EXPENDITURE OF TRA		47 448	82 054	72 097	2 670	32 919	64 073	(31 154)	-48,6%	72 097

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 **R1.64 million** 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 **R182 thousand** processed through Journal reallocation of Interns salaries and other FMG incorrectly allocated to own revenue.
- Municipal Infrastructure grant, reallocation of expenditure for MIG related salaries paid under own funded cost codes to the amount of **R240 thousand**.

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

- INEP to the amount of **R39 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.

8 Capital Revenue & Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

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	—	—	596	(596)	-100%	650
Vote 3 - FINANCIAL SERVICES		—	—	—	—	—	—	—	—	—
Vote 4 - TECHNICAL SERVICES		—	796	2 716	—	148	2 489	(2 342)	-94%	2 716
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	—	1 446	3 366	—	148	3 085	(2 938)	-95%	3 366
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—
Vote 2 - CORPORATE SERVICES		3 161	3 733	11 708	—	1 757	11 352	(9 595)	-85%	11 708
Vote 3 - FINANCIAL SERVICES		2 095	360	1 040	—	—	989	(989)	-100%	1 040
Vote 4 - TECHNICAL SERVICES		13 520	47 087	51 494	482	7 165	49 071	(41 906)	-85%	51 494
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	51 180	64 241	482	8 922	61 412	(52 489)	-85%	64 241
Total Capital Expenditure	3	18 776	52 626	67 607	482	9 070	64 497	(55 427)	-86%	67 607
Capital Expenditure - Functional Classification										
Governance and administration		2 095	360	610	—	—	559	(559)	-100%	610
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		2 095	360	610	—	—	559	(559)	-100%	610
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		2 945	4 383	4 922	—	1 757	4 512	(2 755)	-61%	4 922
Community and social services		—	700	650	—	—	596	(596)	-100%	650
Sport and recreation		2 945	3 105	3 595	—	1 257	3 295	(2 038)	-62%	3 595
Public safety		—	578	678	—	500	621	(121)	-19%	678
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		215	—	—	—	—	—	—	—	—
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		215	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		13 520	47 883	29 960	482	7 313	27 311	(19 998)	-73%	29 960
Energy sources		2 208	3 345	3 520	39	558	3 227	(2 669)	-83%	3 520
Water management		10 972	26 538	24 238	443	6 589	22 065	(15 477)	-70%	24 238
Waste water management		—	18 000	2 202	—	166	2 019	(1 852)	-92%	2 202
Waste management		340	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	3	18 776	52 626	35 492	482	9 070	32 382	(23 312)	-72%	35 492
Funded by:										
National Government		14 094	47 658	25 434	39	7 045	23 162	(16 116)	-70%	25 434
Provincial Government		2 031	4 578	9 569	443	1 927	8 771	(6 845)	-78%	9 569
District Municipality		—	—	—	—	—	—	—	—	—
Other transfers and grants		—	—	—	—	—	—	—	—	—
Transfers recognised - capital		16 125	52 236	35 002	482	8 972	31 933	(22 961)	-72%	35 002
Public contributions & donations	5	—	—	—	—	—	—	—	—	—
Borrowing	6	—	—	—	—	—	—	—	—	—
Internally generated funds		985	390	490	—	98	449	(351)	-78%	490
Total Capital Funding		17 111	52 626	35 492	482	9 070	32 382	(23 312)	-72%	35 492

- The actual year-to-date Capital Expenditure amounts to **R9.70 million**.
- Delays on the appointment of consulting engineers which was due to technical issues particularly the unforeseen changes in Supply Chain Management Regulation that we experienced.
- 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.

9 Expenditure on Salaries

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 513	2 559	2 661	102	1 196	2 439	(1 243)	-51%	2 661
Pension and UIF Contributions		12	52	54	9	37	49	(12)	-25%	54
Medical Aid Contributions		—	32	33	11	85	31	54	177%	33
Motor Vehicle Allowance		143	282	294	22	215	269	(54)	-20%	294
Cellphone Allowance		656	352	366	26	422	336	86	26%	366
Housing Allowances		—	—	—	—	—	—	—		—
Other benefits and allowances		—	—	—	—	—	—	—		—
Sub Total - Councillors		3 323	3 277	3 408	169	1 955	3 124	(1 169)	-37%	3 408
% increase	4		-1,4%	2,5%						2,5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 145	3 120	3 120	217	1 746	2 860	(1 115)	-39%	3 120
Pension and UIF Contributions		—	—	—	0	1	—	1	#DIV/0!	—
Medical Aid Contributions		—	—	—	—	—	—	—		—
Overtime		1 644	—	—	—	—	—	—		—
Performance Bonus		491	273	273	—	90	251	(161)	-64%	273
Motor Vehicle Allowance		459	193	290	22	284	266	18	7%	290
Cellphone Allowance		13	—	32	3	10	29	(19)	-66%	32
Housing Allowances		—	10	10	—	—	9	(9)	-100%	10
Other benefits and allowances		2	26	50	9	34	46	(12)	-26%	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	250	2 163	3 461	(1 298)	-37%	3 776
% increase	4		-3,5%	0,6%						0,6%
Other Municipal Staff										
Basic Salaries and Wages		35 411	38 108	38 509	3 068	36 094	33 694	2 400	7%	38 509
Pension and UIF Contributions		5 300	6 823	6 600	477	5 342	6 050	(708)	-12%	6 600
Medical Aid Contributions		1 606	1 713	2 050	169	1 855	1 879	(24)	-1%	2 050
Overtime		3 245	1 950	3 280	417	4 120	3 007	1 114	37%	3 280
Performance Bonus		2 186	—	—	129	2 216	—	2 216	#DIV/0!	—
Motor Vehicle Allowance		1 931	2 364	2 472	242	2 078	2 266	(188)	-8%	2 472
Cellphone Allowance		97	152	204	16	144	187	(42)	-23%	204
Housing Allowances		291	337	344	23	234	315	(82)	-26%	344
Other benefits and allowances		933	4 337	4 111	49	1 633	3 746	(2 113)	-56%	4 111
Payments in lieu of leave		591	—	47	—	124	43	81	188%	47
Long service awards		—	—	—	—	—	—	—		—
Post-retirement benefit obligations	2	159	—	—	—	—	—	—		—
Sub Total - Other Municipal Staff		51 749	55 784	57 616	4 591	53 841	51 187	2 654	5%	57 616
% increase	4		7,8%	11,3%						11,3%
Total Parent Municipality		58 827	62 683	64 800	5 010	57 960	57 772	188	0%	64 800

- **Employee Related Costs:** The budget amounts to **R64.80 million**, while the expenditure to date amounts to **R57.96 million or 81 percent** of the budget.
- **Remuneration of Councillors:** The budget amounts to **R3.48 million**, while the expenditure to date amounts to **R1.96 million or 52 percent** of the budget.

10 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



Lending Institution	Balance 01/May/2020	Interest Capitalised May-20	Repayments May-20	Balance 31 May 2020	Perce ntage	Sinking Funds	Loan Draw Downs
	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	(R'000)
DBSA	1 524 448,74	16 184,22	60 000,00	1 480 632,96			
Total	1 524 448,74	16 184,22	60 000,00	1 480 632,96			

- The total outstanding long-term debt of Kannaland Municipality amounts to **R1.48 million** as at **31 May 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**.

11 ANNEXURE A

11.1 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) - M11 May

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		20 220	8 740	8 864	–	24 604	8 126	16 479	202,8%	8 864
Vote 2 - CORPORATE SERVICES		17 345	25 275	27 669	99	7 121	25 363	(18 242)	-71,9%	27 669
Vote 3 - FINANCIAL SERVICES		26 667	24 910	30 574	1 085	22 274	28 278	(6 003)	-21,2%	30 574
Vote 4 - TECHNICAL SERVICES		84 183	155 394	139 477	6 457	80 845	128 733	(47 888)	-37,2%	139 477
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		–	–	–	–	–	–	–		–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	148 415	214 320	206 584	7 642	134 845	190 499	(55 655)	-29,2%	206 584
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		23 900	15 081	15 280	1 073	10 975	13 770	(2 796)	-20,3%	15 280
Vote 2 - CORPORATE SERVICES		25 490	28 843	31 951	1 937	20 515	27 661	(7 146)	-25,8%	31 951
Vote 3 - FINANCIAL SERVICES		21 006	30 062	32 289	1 372	19 062	29 598	(10 536)	-35,6%	32 289
Vote 4 - TECHNICAL SERVICES		98 107	88 330	85 146	8 401	53 080	78 050	(24 970)	-32,0%	85 146
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		566	639	589	15	346	540	(194)	-36,0%	589
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	169 068	162 954	165 255	12 799	103 977	149 619	(45 642)	-30,5%	165 255
Surplus/ (Deficit) for the year	2	(20 653)	51 366	41 329	(5 157)	30 868	40 880	(10 012)	-24,5%	41 329

12 ANNEXURE B

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		47 263	34 370	39 165	1 086	47 134	36 152	10 982	30%	39 165
Executive and council		20 220	8 740	8 116	—	24 604	7 440	17 164	231%	8 116
Finance and administration		27 043	25 630	31 048	1 086	22 530	28 712	(6 182)	-22%	31 048
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		17 058	17 122	22 030	92	6 028	20 293	(14 264)	-70%	22 030
Community and social services		5 569	14 723	15 777	3	3 713	14 561	(10 848)	-75%	15 777
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		10 699	2 019	2 019	89	1 985	1 850	135	7%	2 019
Housing		790	380	4 234	—	330	3 881	(3 551)	-91%	4 234
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		5 862	9 182	7 611	6	1 867	7 019	(5 153)	-73%	7 611
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		5 862	9 182	7 611	6	1 867	7 019	(5 153)	-73%	7 611
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		78 231	153 646	137 779	6 457	79 815	127 035	(47 220)	-37%	137 779
Energy sources		44 940	64 873	66 270	3 907	48 599	60 929	(12 330)	-20%	66 270
Water management		21 316	46 059	43 725	1 432	18 581	40 081	(21 500)	-54%	43 725
Waste water management		6 174	28 768	13 768	567	6 444	12 620	(6 176)	-49%	13 768
Waste management		5 801	13 946	14 016	551	6 192	13 405	(7 213)	-54%	14 016
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	148 415	214 320	206 584	7 642	134 845	190 499	(55 655)	-29%	206 584
Expenditure - Functional										
<i>Governance and administration</i>		59 197	58 160	59 647	3 462	41 739	54 440	(12 701)	-23%	59 647
Executive and council		24 733	15 081	15 280	1 073	10 975	13 770	(2 796)	-20%	15 280
Finance and administration		34 464	43 079	44 367	2 388	30 764	40 669	(9 905)	-24%	44 367
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		12 782	9 694	13 860	843	9 827	11 077	(1 251)	-11%	13 860
Community and social services		6 849	7 670	7 764	443	5 402	5 490	(88)	-2%	7 764
Sport and recreation		684	325	611	19	370	560	(191)	-34%	611
Public safety		3 208	59	59	319	3 316	54	3 262	6053%	59
Housing		2 040	1 640	5 426	63	739	4 974	(4 235)	-85%	5 426
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		10 914	18 573	16 243	375	5 364	14 889	(9 525)	-64%	16 243
Planning and development		21	—	—	—	—	—	—	—	—
Road transport		10 894	18 573	16 243	375	5 364	14 889	(9 525)	-64%	16 243
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		86 175	76 527	75 505	8 119	47 048	69 213	(22 165)	-32%	75 505
Energy sources		46 368	50 932	49 310	6 974	34 748	45 200	(10 453)	-23%	49 310
Water management		16 647	12 196	12 744	660	5 478	11 682	(6 204)	-53%	12 744
Waste water management		13 509	6 607	6 728	336	3 167	6 167	(2 999)	-49%	6 728
Waste management		9 652	6 792	6 724	148	3 654	6 163	(2 509)	-41%	6 724
<i>Other</i>		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	169 068	162 954	165 255	12 799	103 977	149 619	(45 642)	-31%	165 255
Surplus/ (Deficit) for the year		(20 653)	51 366	41 329	(5 157)	30 868	40 880	(10 012)	-24%	41 329

13 ANNEXURE D

13.1 Implementation of the Supply Chain Management policy

No deviations for **May 2020**