



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Financial Management Report June 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 **June 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.

Budget Summary

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M12 June

Description	2018/19				Budget Year 2019/20				
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	15 549	17 117	17 117	1 022	16 753	17 117	(364)	-2%	17 117
Service charges	69 672	88 958	90 425	6 153	85 962	90 425	(4 463)	-5%	90 425
Investment revenue	669	526	778	186	1 014	778	236	30%	778
Transfers and subsidies	33 803	37 147	42 956	27	30 613	42 956	(12 343)	-29%	42 956
Other own revenue	17 519	18 336	16 606	168	7 126	16 606	(9 480)	-57%	16 606
Total Revenue (excluding capital transfers and contributions)	137 213	162 083	167 882	7 556	141 469	167 882	(26 413)	-16%	167 882
Employee costs	55 504	59 406	64 962	3 549	59 553	64 962	(5 409)	-8%	64 962
Remuneration of Councillors	3 323	3 277	3 408	240	2 195	3 408	(1 213)	-36%	3 408
Depreciation & asset impairment	26 698	11 192	11 984	—	—	11 984	(11 984)	-100%	11 984
Finance charges	2 921	722	610	(24)	439	610	(172)	-28%	610
Materials and bulk purchases	36 457	44 282	42 761	54	31 282	42 761	(11 479)	-27%	42 761
Transfers and subsidies	1 899	558	150	—	96	150	(54)	-36%	150
Other expenditure	42 266	43 518	40 810	877	15 106	40 810	(25 704)	-63%	40 810
Total Expenditure	169 068	162 954	164 685	4 695	108 671	164 685	(56 014)	-34%	164 685
Surplus/(Deficit)	(31 855)	(871)	3 197	2 862	32 797	3 197	29 601	926%	3 197
Transfers and subsidies - capital (monetary allocations)	10 820	52 236	35 446	—	932	35 446	(34 514)	-97%	35 446
Contributions & Contributed assets	382	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(20 653)	51 366	38 642	2 862	33 730	38 642	(4 913)	-13%	38 642
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	(20 653)	51 366	38 642	2 862	33 730	38 642	(4 913)	-13%	38 642
Capital expenditure & funds sources									
Capital expenditure	18 776	52 626	67 607	5 771	14 841	67 607	(52 766)	-78%	67 607
Capital transfers recognised	16 125	52 236	35 002	5 771	14 743	35 002	(20 259)	-58%	35 002
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	985	390	490	—	98	490	(392)	-80%	490
Total sources of capital funds	17 111	52 626	35 492	5 771	14 841	35 492	(20 651)	-58%	35 492
Financial position									
Total current assets	(15 205)	(96 715)	39 763		49 595				39 763
Total non current assets	(7 507)	52 626	350 379		14 841				350 379
Total current liabilities	(5 271)	(134 040)	67 295		30 681				67 295
Total non current liabilities	2 567	(1 157)	30 930		77				30 930
Community wealth/Equity	645	—	250 300		(52)				250 300
Cash flows									
Net cash from (used) operating	(1 353)	(290 697)	(985)	(34)	(550)	(985)	(434)	44%	(985)
Net cash from (used) investing	(835)	(52 626)	(67 607)	—	—	(67 607)	(67 607)	100%	(67 607)
Net cash from (used) financing	11	(720)	(1 166)	9	57	(1 166)	(1 224)	105%	(1 166)
Cash/cash equivalents at the month/year end	(2 179)	(344 043)	(58 127)	—	(493)	(58 127)	(57 634)	99%	(69 758)

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 **R7.56 million** and the expenditure amounted to **R4.69 million** thereby resulting in a deficit of **R2.86 million**.

Financial Performance

Property Rates

The Property Rates collection showed a collection of **R1.02 million** collection in the **June 2020** period and decrease from the collection on **May 2020** of **R1.04 million**.

Service Charges

The municipality recorded an overall service charge collection over **R6.15 million** for the **June 2020** period representing a decrease from **R6.45 million** from the **May 2020** period.

Other revenue

The municipality recorded an overall performance of **R165 thousand** in **June 2020** from other revenue a decrease from the **R145 thousand** in the **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 **R3.55 Million** in **June 2020** a decrease from **R5.01 Million** in the **May 2020** period. This is attribute to the municipality approach in not paying COVID-19 related overtime, normal overtime and standby.

Materials and Bulk Purchases

The municipality spent **R8.59 million** in **June 2020** towards bulk purchase (**electricity**). This amount also includes payment arrangement towards arrears on the ESKOM account.

Other expenditure

The total Other Expenditure for **June 2020** is **R877 thousand** a decrease from the **R1.09 million** in the **May 2020**.

3.1 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

WCC41 Ramkhalanda - Table 04 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - in Zambian Kwacha										
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	1 022	16 753	17 117	(364)	-2%	17 117
Service charges - electricity revenue		44 924	59 573	60 970	3 989	52 581	60 970	(8 389)	-14%	60 970
Service charges - water revenue		12 773	16 920	16 920	1 049	19 630	16 920	2 710	16%	16 920
Service charges - sanitation revenue		6 174	6 271	6 271	564	7 008	6 271	737	12%	6 271
Service charges - refuse revenue		5 801	6 193	6 263	551	6 743	6 263	479	8%	6 263
Service charges - other		—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		533	956	881	42	520	881	(361)	-41%	881
Interest earned - external investments		669	526	778	186	1 014	778	236	30%	778
Interest earned - outstanding debtors		49	5 622	5 622	—	20	5 622	(5 601)	-100%	5 622
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		15 314	8 928	7 370	14	4 211	7 370	(3 158)	-43%	7 370
Licences and permits		173	160	198	16	163	198	(35)	-18%	198
Agency services		828	1 010	1 010	—	731	1 010	(279)	-28%	1 010
Transfers and subsidies		33 803	37 147	42 956	27	30 613	42 956	(12 343)	-29%	42 956
Other revenue		622	1 660	1 526	95	1 480	1 526	(46)	-3%	1 526
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		137 213	162 083	167 882	7 556	141 469	167 882	(26 413)	-16%	167 882
Expenditure By Type										
Employee related costs		55 504	59 406	64 962	3 549	59 553	64 962	(5 409)	-8%	64 962
Remuneration of councillors		3 323	3 277	3 408	240	2 195	3 408	(1 213)	-36%	3 408
Debt impairment		25 922	14 077	11 584	—	77	11 584	(11 507)	-99%	11 584
Depreciation & asset impairment		26 698	11 192	11 984	—	—	11 984	(11 984)	-100%	11 984
Finance charges		2 921	722	610	(24)	439	610	(172)	-28%	610
Bulk purchases		35 483	40 200	39 670	—	29 651	39 670	(10 019)	-25%	39 670
Other materials		974	4 082	3 091	54	1 631	3 091	(1 459)	-47%	3 091
Contracted services		7 849	15 531	18 180	487	8 391	18 180	(9 789)	-54%	18 180
Transfers and subsidies		1 899	558	150	—	96	150	(54)	-36%	150
Other expenditure		8 200	13 911	11 046	390	6 639	11 046	(4 407)	-40%	11 046
Loss on disposal of PPE		295	—	—	—	—	—	—	—	—
Total Expenditure		169 068	162 954	164 685	4 695	108 671	164 685	(56 014)	-34%	164 685
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(31 855)	(871)	3 197	2 862	32 797	3 197	29 601	0	3 197
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		10 820	52 236	35 446	—	932	35 446	(34 514)	(0)	35 446
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		382	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(20 653)	51 366	38 642	2 862	33 730	38 642			38 642
Taxation		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		(20 653)	51 366	38 642	2 862	33 730	38 642			38 642
Attributable to minorities		—	—	—	—	—	—			—
Surplus/(Deficit) attributable to municipality		(20 653)	51 366	38 642	2 862	33 730	38 642			38 642
Share of surplus/ (deficit) of associate		—	—	—	—	—	—			—
Surplus/ (Deficit) for the year		(20 653)	51 366	38 642	2 862	33 730	38 642			38 642

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 **R3.89 million** during **June 2020** which is below the reported figures in **May 2020** of **R3.90 million**.

Water

We have a revenue collection of **R1.05 Million** in water services in the **June 2020** period showing a decrease on the previous reported figure of **R1.43 Million** in **May 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 **R564 thousand** during **June 2020** which is less than the **May 2020** period of **R567 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 **June 2020** and there is no improvement from **May 2020** figure of **R551 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 recorded no collection on outstanding debtors. The municipality is showing underperformance on fines, penalties and forfeits by collecting **R14 thousand**.

Other revenue

The municipality received **R95 thousand** during the reporting period of **June 2020**. This is no improvement from **May 2020** of **R95 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 **R3.55 million** and the total remuneration for councillors is reported as **R240 thousand** this include the back pay for councillor upper limits. The increase on employee related costs excluded overtime and standby.

Bulk Purchases, Finance Charges and other materials

The Bulk purchase, Finance Charges and Other Materials amounted to R8.59 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 **R487 thousand** spent in **June 2020** to **R355 thousand** for the **May 2020** period due to the increased expenditure for grant funded projects.

Other expenditure

Other Expenditure amounted to **R390 thousand** for the month of **June**, this is due to cost containment measures that are being implemented as per the resolution of the Financial Recovery Plan and the impact of Covid 19.

4 Statement of Financial Position

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M12 June

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	—	51 896	33 113	51 896
Call investment deposits		8 289	—	8 387	29 476	8 387
Consumer debtors		(101)	(96 784)	8 242	21 011	8 242
Other debtors		(26 043)	(3 326)	(31 874)	34 858	(31 874)
Current portion of long-term receivables		(5)	—	(8)	—	(8)
Inventory		924	3 395	3 121	853	3 121
Total current assets		(15 205)	(96 715)	39 763	119 312	39 763
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	348 874	14 841	348 874
Agricultural		—	—	—	—	—
Biological assets		—	—	—	—	—
Intangible assets		(52)	—	16	—	16
Other non-current assets		—	—	—	—	—
Total non current assets		(7 507)	52 626	350 379	14 841	350 379
TOTAL ASSETS		(22 712)	(44 088)	390 141	134 153	390 141
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		(566)	(437)	(446)	551	(446)
Consumer deposits		11	—	964	60	964
Trade and other payables		(4 359)	(133 603)	64 123	31 172	64 123
Provisions		(357)	—	2 654	—	2 654
Total current liabilities		(5 271)	(134 040)	67 295	31 783	67 295
Non current liabilities						
Borrowing		116	(1 157)	1 230	77	1 230
Provisions		2 452	—	29 699	—	29 699
Total non current liabilities		2 567	(1 157)	30 930	77	30 930
TOTAL LIABILITIES		(2 704)	(135 197)	98 224	31 861	98 224
NET ASSETS	2	(20 008)	91 108	291 917	102 292	291 917
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 **R14.841 million**. The current month's Capital Expenditure is at **R5.77 Million** an increase from **R39 thousand** reported in **May 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 this was subsequently closed at June Month end.

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 - M12 June

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	27 095	1 051	20 973	27 095	(6 122)	-23%	27 095
Service charges		61 683	(79 153)	73 502	1 789	57 520	73 502	(15 982)	-22%	73 502
Other revenue		2 787	(8 625)	4 516	280	4 029	4 516	(487)	-11%	4 516
Government - operating		25 481	(9 452)	35 004	1 542	25 513	35 004	(9 491)	-27%	35 004
Government - capital		118	(52 136)	—	—	—	—	—	—	—
Interest		—	(6 132)	16	(2)	9	16	(6)	-39%	16
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(111 233)	(136 406)	(140 357)	(4 719)	(108 060)	(140 357)	(32 298)	23%	(140 357)
Finance charges		(2 921)	(722)	(610)	24	(439)	(610)	(172)	28%	(610)
Transfers and Grants		(406)	(558)	(150)	—	(96)	(150)	(54)	36%	(150)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 353)	(290 697)	(985)	(34)	(550)	(985)	(434)	44%	(985)
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)	—	—	(67 607)	(67 607)	100%	(67 607)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(835)	(52 626)	(67 607)	—	—	(67 607)	(67 607)	100%	(67 607)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		11	—	—	9	60	—	60	0%	—
Payments										
Repayment of borrowing		0	(720)	(1 166)	—	(2)	(1 166)	(1 164)	100%	(1 166)
NET CASH FROM/(USED) FINANCING ACTIVITIES		11	(720)	(1 166)	9	57	(1 166)	(1 224)	105%	(1 166)
NET INCREASE/ (DECREASE) IN CASH HELD		(2 177)	(344 043)	(69 758)	(25)	(493)	(69 758)			(69 758)
Cash/cash equivalents at beginning:		(2)	—	11 631		—	11 631			—
Cash/cash equivalents at month/year end:		(2 179)	(344 043)	(58 127)		(493)	(58 127)			(69 758)

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 **June 2020** period. The receipt showed an amount of **R1.79 million** on service charges combined and **R1.05 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 **R2.41 Million**
- The Traffic Account and the **R717 thousand**, and
- Deposit Account has **R1.36 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.

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

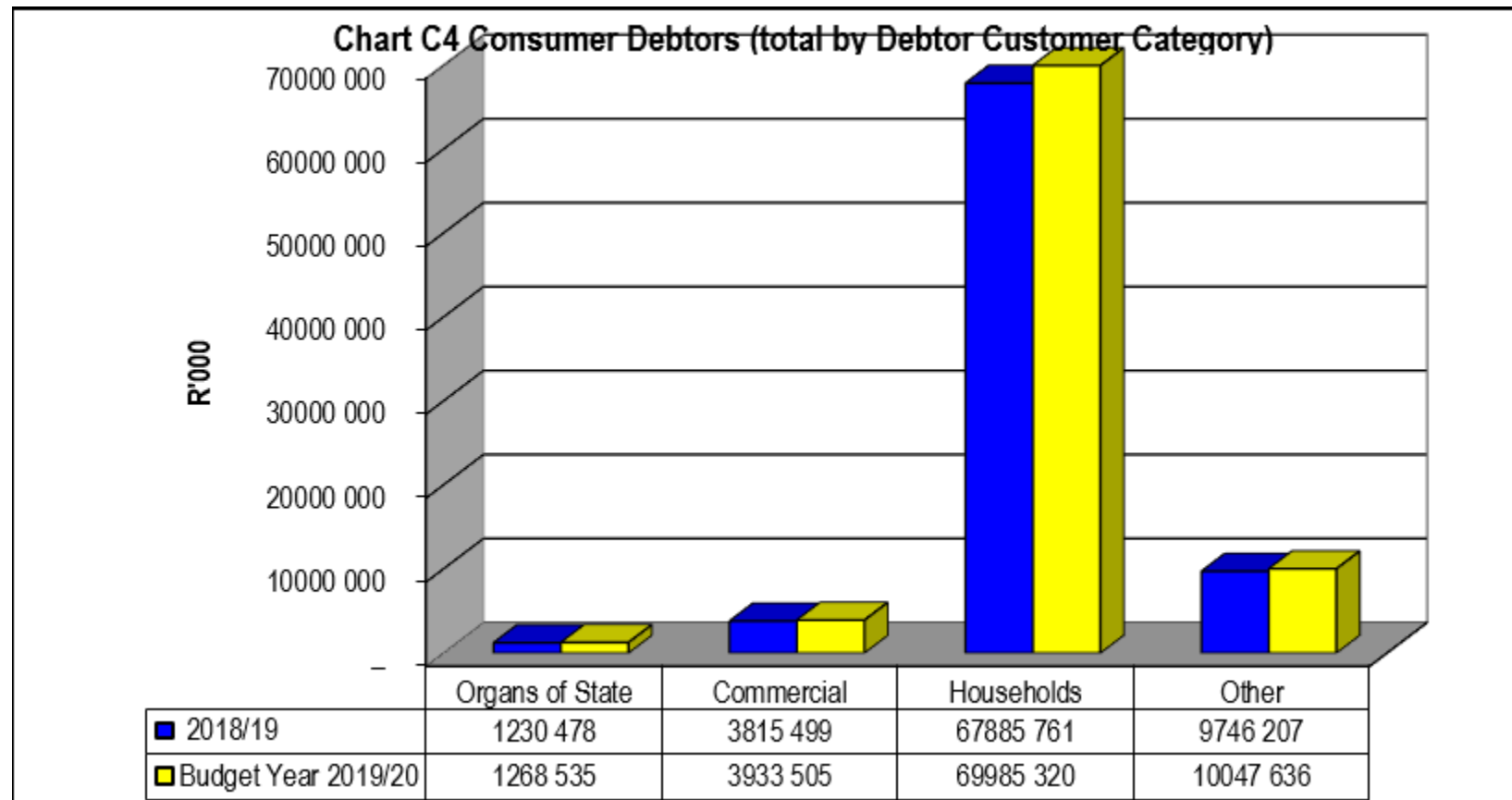
WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

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	1 458	11	790	2 475	3	1 557	2 964	11 539	20 797	18 538	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 472	121	218	229	21	82	256	1 420	3 819	2 008	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	1 489	3	378	613	115	242	2 265	13 004	18 109	16 239	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	499	-	237	466	-	231	1 396	8 428	11 256	10 520	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 172	1	464	869	0	415	2 435	9 833	15 188	13 552	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	24	24	24	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	1	2	39	397	14 971	15 410	15 410	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(2 409)	12	172	267	7	102	528	1 954	631	2 857	-	-	
Total By Income Source	2000	3 681	148	2 259	4 918	148	2 668	10 240	61 173	85 235	79 147	-	-	
2018/19 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	(37)	90	164	148	30	20	381	474	1 269	1 052	-	-	
Commercial	2300	437	57	189	252	28	108	513	2 350	3 934	3 250	-	-	
Households	2400	3 659	1	1 754	4 222	72	2 397	8 165	49 715	69 985	64 572	-	-	
Other	2500	(377)	-	152	296	19	143	1 182	8 633	10 048	10 273	-	-	
Total By Customer Group	2600	3 681	148	2 259	4 918	148	2 668	10 240	61 173	85 235	79 147	-	-	

- The total amount owed to Kannaland Municipality amounted to **R85.24 million** during **June 2020**.
- **R61.17 million or 72 percent** of the total outstanding debtors are older than one year.
- **R79.15 million or 93 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.

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

The problematic category is households, which represent 82 percent (**R70 million**) of the total amount of outstanding debt with a **3 percent** year-on-year increase.



6.2 Creditors Age Analysis

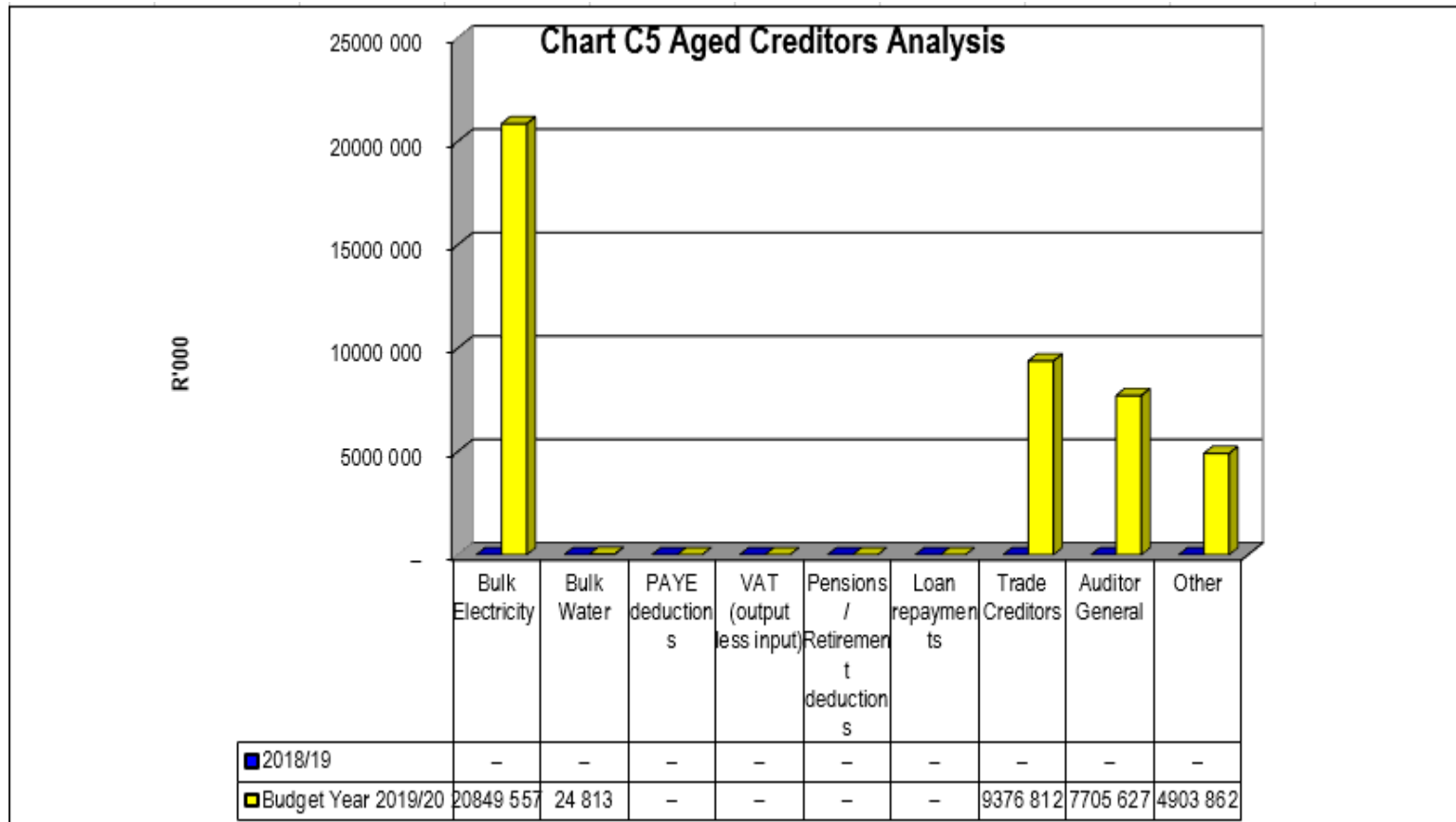
WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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	5 254	3 921	579	2 404	8 692				20 850
Bulk Water	0200	25								25
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	165	200	387	147	8	8 469			9 377
Auditor General	0800	(635)	2 149	51	52	6 089				7 706
Other	0900	54	212	38	26	-	4 573			4 904
Total By Customer Type	1000	4 864	6 482	1 055	2 629	14 789	13 042	-	-	42 861

- The total outstanding creditors as at **June 2020** amounts to **R42 861** million.
- The biggest outstanding creditors are Eskom (**R20 850 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 - M12 June

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	24 542	966	20 220	24 542	(4 322)	-17,6%	24 542
Operational Revenue:General Revenue:Equitable Share		20 713	21 611	20 430	1 000	16 721	20 430	(3 709)	-18,2%	20 430
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 038	1 184	1 184	(34)	1 140	1 184	(44)	-3,7%	1 184
Local Government Financial Management Grant [Schedule 5B]		1 493	2 215	2 215	–	1 686	2 215	(529)	-23,9%	2 215
Municipal Infrastructure Grant [Schedule 5B]		438	433	713	–	673	713	(40)	-5,6%	713
Provincial Government:		6 537	3 985	10 323	579	5 174	10 323	(5 149)	-49,9%	10 323
Capacity Building		1 645	–	–	–	–	–	–	–	–
Capacity Building and Other		–	3 935	10 293	579	5 173	10 293	(5 120)	-49,7%	10 293
Housing		1 061	–	–	–	–	–	–	–	–
Infrastructure		–	50	30	–	1	30	(29)	-95,7%	30
Libraries, Archives and Museums		2 058	–	–	–	–	–	–	–	–
Other		1 773	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		30 219	29 428	34 865	1 545	25 394	34 865	(9 471)	-27,2%	34 865
Capital expenditure of Transfers and Grants										
National Government:		14 210	47 658	25 434	5 771	12 816	25 434	(12 617)	-49,6%	25 434
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		1 918	2 901	2 901	–	176	2 901	(2 725)	-93,9%	2 901
Municipal Infrastructure Grant [Schedule 5B]		8 367	9 757	9 558	2 241	6 169	9 558	(3 389)	-35,5%	9 558
Regional Bulk Infrastructure Grant (Schedule 5B)		–	25 000	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		3 925	10 000	12 975	3 530	6 472	12 975	(6 503)	-50,1%	12 975
Provincial Government:		2 034	4 578	9 569	–	1 927	9 569	(7 642)	-79,9%	9 569
Capacity Building and Other		–	1 278	1 578	–	500	1 578	(1 077)	-68,3%	1 578
Infrastructure		–	3 300	7 991	–	1 426	7 991	(6 565)	-82,2%	7 991
Water Supply Infrastructure		2 031	–	–	–	–	–	–	–	–
Other grant providers:		985	390	490	–	98	490	(392)	-80,0%	490
Transfer from Operational Revenue		985	390	490	–	98	490	(392)	-80,0%	490
Total capital expenditure of Transfers and Grants		17 229	52 626	35 492	5 771	14 841	35 492	(20 651)	-58,2%	35 492
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		47 448	82 054	70 357	7 316	40 235	70 357	(30 122)	-42,8%	70 357

Supporting Table SC7 (1) sets outs 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 spent (Operational)

- Expanded Public Works **R89 000** spent for the salaries of EPWP contract workers. It reflects a negative R34 thousand, as corrective reversal transaction was done on the system.
- Local Government Finance Management Grant **R30 000** spent for Financial Management Interns.
- Municipal infrastructure Grant **R38 754** for salaries of Project management unit.
- Libraries Grant **R259 507** thousand spent for salaries of library staff and operational expenditure

It was picked up that some expenditure for operational will need to be re-allocated to the correct votes for the respective grant funding, more specially on MIG, FMG and Libraries.

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

- Municipal infrastructure Grant **R2.24 Million**
- Water Service infrastructure Grant **R3.53 Million**
- INEP to the amount of **R39 000**.

8 Capital Revenue & Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

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									
Vote 2 - CORPORATE SERVICES		—	650	650	—	—	650	(650)	-100%	650
Vote 3 - FINANCIAL SERVICES		—	—	—	—	—	—	—		—
Vote 4 - TECHNICAL SERVICES		—	796	2 716	—	148	2 716	(2 568)	-95%	2 716
Total Capital Multi-year expenditure	4,7	—	1 446	3 366	—	148	3 366	(3 218)	-96%	3 366
Vote 2 - CORPORATE SERVICES		3 161	3 733	9 713	4	1 761	9 713	(7 952)	-82%	9 713
Vote 3 - FINANCIAL SERVICES		2 095	360	1 040	—	—	1 040	(1 040)	-100%	1 040
Vote 4 - TECHNICAL SERVICES		13 520	47 087	53 489	5 767	12 932	53 489	(40 557)	-76%	53 489
Total Capital single-year expenditure	4	18 776	51 180	64 241	5 771	14 693	64 241	(49 548)	-77%	64 241
Total Capital Expenditure	3	18 776	52 626	67 607	5 771	14 841	67 607	(52 766)	-78%	67 607
Capital Expenditure - Functional Classification		2 095	360	610	—	—	610	(610)	-100%	610
Governance and administration		—	—	—	—	—	—	—		—
Executive and council		2 095	360	610	—	—	610	(610)	-100%	610
Internal audit		2 945	4 383	2 928	4	1 761	2 928	(1 166)	-40%	2 928
Community and public safety		—	700	650	—	—	650	(650)	-100%	650
Community and social services		2 945	3 105	1 600	4	1 261	1 600	(339)	-21%	1 600
Sport and recreation		—	578	678	—	500	678	(177)	-26%	678
Economic and environmental services		215	—	—	—	—	—	—		—
Planning and development		—	—	—	—	—	—	—		—
Road transport		215	—	—	—	—	—	—		—
Environmental protection		—	—	—	—	—	—	—		—
Trading services		13 520	47 883	31 955	5 767	13 080	31 955	(18 875)	-59%	31 955
Energy sources		2 208	3 345	3 520	37	595	3 520	(2 925)	-83%	3 520
Water management		10 972	26 538	26 232	5 203	11 792	26 232	(14 440)	-55%	26 232
Waste water management		—	18 000	2 202	526	693	2 202	(1 509)	-69%	2 202
Waste management		340	—	—	—	—	—	—		—
Total Capital Expenditure - Functional Classification	3	18 776	52 626	35 492	5 771	14 841	35 492	(20 651)	-58%	35 492
Funded by:										
National Government		14 094	47 658	25 434	5 771	12 816	25 434	(12 617)	-50%	25 434
Provincial Government		2 031	4 578	9 569	—	1 927	9 569	(7 642)	-80%	9 569
Transfers recognised - capital		16 125	52 236	35 002	5 771	14 743	35 002	(20 259)	-58%	35 002
Public contributions & donations	5	—	—	—	—	—	—	—		—
Borrowing	6	—	—	—	—	—	—	—		—
Internally generated funds		985	390	490	—	98	490	(392)	-80%	490
Total Capital Funding		17 111	52 626	35 492	5 771	14 841	35 492	(20 651)	-58%	35 492

- The actual year-to-date Capital Expenditure amounts to **R5.77 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 - M12 June										
Summary of Employee and Councillor remuneration	Ref	2018/19 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	172	1 368	2 661	(1 293)	-49%	2 661
Pension and UIF Contributions		12	52	54	9	46	54	(8)	-15%	54
Medical Aid Contributions		—	32	33	11	95	33	62	186%	33
Motor Vehicle Allowance		143	282	294	22	237	294	(57)	-19%	294
Cellphone Allowance		656	352	366	26	448	366	82	22%	366
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		3 323	3 277	3 408	240	2 195	3 408	(1 213)	-36%	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	165	1 911	3 120	(1 209)	-39%	3 120
Pension and UIF Contributions		—	—	1	0	1	1	0	6%	1
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		1 644	—	—	—	—	—	—	—	—
Performance Bonus		491	273	150	—	90	150	(60)	-40%	150
Motor Vehicle Allowance		459	193	290	14	298	290	8	3%	290
Cellphone Allowance		13	—	32	3	13	32	(20)	-61%	32
Housing Allowances		—	10	10	—	—	10	(10)	-100%	10
Other benefits and allowances		2	26	45	9	43	45	(2)	-5%	45
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		3 755	3 622	3 648	191	2 354	3 648	(1 294)	-35%	3 648
% increase	4		-3,5%	-2,8%						-2,8%
Other Municipal Staff										
Basic Salaries and Wages		35 411	38 108	41 040	2 474	38 568	41 040	(2 472)	-6%	41 040
Pension and UIF Contributions		5 300	6 823	6 490	471	5 813	6 490	(677)	-10%	6 490
Medical Aid Contributions		1 606	1 713	2 159	166	2 022	2 159	(138)	-6%	2 159
Overtime		3 245	1 950	4 590	(16)	4 104	4 590	(486)	-11%	4 590
Performance Bonus		2 186	—	—	35	2 252	—	2 252	#DIV/0!	—
Motor Vehicle Allowance		1 931	2 364	2 378	154	2 232	2 378	(146)	-6%	2 378
Cellphone Allowance		97	152	234	4	148	234	(86)	-37%	234
Housing Allowances		291	337	331	23	257	331	(74)	-22%	331
Other benefits and allowances		933	4 337	3 953	47	1 680	3 953	(2 273)	-58%	3 953
Payments in lieu of leave		591	—	140	—	124	140	(16)	-11%	140
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	159	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		51 749	55 784	61 314	3 358	57 199	61 314	(4 115)	-7%	61 314
% increase	4		7,8%	18,5%						18,5%
Total Parent Municipality		58 827	62 683	68 370	3 788	61 748	68 370	(6 622)	-10%	68 370
TOTAL SALARY, ALLOWANCES & BENEFITS										
		58 827	62 683	68 370	3 788	61 748	68 370	(6 622)	-10%	68 370
% increase	4		6,6%	16,2%						16,2%
TOTAL MANAGERS AND STAFF		55 504	59 406	64 962	3 549	59 553	64 962	(5 409)	-8%	64 962

- **Employee Related Costs:** The budget amounts to **R64.80 million**, while the expenditure to date amounts to **R61.75 million or 90 percent** of the budget.
- **Remuneration of Councillors:** The budget amounts to **R3.48 million**, while the expenditure to date amounts to **R2.19 million or 60 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/June/2020 (R'000)	Interest Capitalised June-20 (R'000)	Repayments June-20 (R'000)	Balance 30 June 2020 (R'000)	Perce tage %	Sinking Funds (R'000)	Loan Draw Downs (R'000)
DBSA	1 480 632.96	16 184,22	60 000,00	1 404 448.74			
Total	1 480 632.96	16 184,22	60 000,00	1 404 448.74			

- The total outstanding long-term debt of Kannaland Municipality amounts to **R1.40 million** as at **30 June 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) - M12 June

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	9 556	25	24 630	9 556	15 073	157,7%	9 556
Vote 2 - CORPORATE SERVICES		17 345	25 275	23 815	117	7 238	23 815	(16 577)	-69,6%	23 815
Vote 3 - FINANCIAL SERVICES		26 667	24 910	30 480	1 259	23 534	30 480	(6 946)	-22,8%	30 480
Vote 4 - TECHNICAL SERVICES		84 183	155 394	139 477	6 155	87 000	139 477	(52 477)	-37,6%	139 477
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	148 415	214 320	203 328	7 556	142 401	203 328	(60 927)	-30,0%	203 328
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		23 900	15 081	16 143	1 207	12 182	16 143	(3 961)	-24,5%	16 143
Vote 2 - CORPORATE SERVICES		25 490	28 843	31 349	1 406	21 920	31 349	(9 429)	-30,1%	31 349
Vote 3 - FINANCIAL SERVICES		21 006	30 062	30 162	787	19 848	30 162	(10 313)	-34,2%	30 162
Vote 4 - TECHNICAL SERVICES		98 107	88 330	86 443	1 248	54 328	86 443	(32 115)	-37,2%	86 443
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		566	639	589	47	392	589	(196)	-33,4%	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	164 685	4 695	108 671	164 685	(56 014)	-34,0%	164 685
Surplus/ (Deficit) for the year	2	(20 653)	51 366	38 642	2 862	33 730	38 642	(4 913)	-12,7%	38 642

12 ANNEXURE B

Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

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										
Governance and administration		47 263	34 370	39 762	1 285	48 420	39 762	8 657	22%	39 762
Executive and council		20 220	8 740	8 808	25	24 630	8 808	15 821	180%	8 808
Finance and administration		27 043	25 630	30 954	1 260	23 790	30 954	(7 164)	-23%	30 954
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		17 058	17 122	18 175	101	6 129	18 175	(12 046)	-66%	18 175
Community and social services		5 569	14 723	15 777	4	3 717	15 777	(12 060)	-76%	15 777
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		10 699	2 019	2 019	97	2 082	2 019	63	3%	2 019
Housing		790	380	380	—	330	380	(50)	-13%	380
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		5 862	9 182	7 611	17	1 884	7 611	(5 727)	-75%	7 611
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		5 862	9 182	7 611	17	1 884	7 611	(5 727)	-75%	7 611
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		78 231	153 646	137 779	6 153	85 969	137 779	(51 810)	-38%	137 779
Energy sources		44 940	64 873	66 270	3 989	52 587	66 270	(13 683)	-21%	66 270
Water management		21 316	46 059	43 725	1 049	19 630	43 725	(24 095)	-55%	43 725
Waste water management		6 174	28 768	13 768	564	7 008	13 768	(6 759)	-49%	13 768
Waste management		5 801	13 946	14 016	551	6 743	14 016	(7 274)	-52%	14 016
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	148 415	214 320	203 328	7 556	142 401	203 328	(60 927)	-30%	203 328
Expenditure - Functional										
Governance and administration		59 197	58 160	58 821	2 806	44 545	58 821	(14 276)	-24%	58 821
Executive and council		24 733	15 081	16 143	1 207	12 182	16 143	(3 961)	-25%	16 143
Finance and administration		34 464	43 079	42 678	1 599	32 363	42 678	(10 315)	-24%	42 678
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		12 782	9 694	11 870	606	10 433	11 870	(1 437)	-12%	11 870
Community and social services		6 849	7 670	7 704	294	5 696	7 704	(2 008)	-26%	7 704
Sport and recreation		684	325	617	(30)	340	617	(277)	-45%	617
Public safety		3 208	59	59	280	3 596	59	3 537	6016%	59
Housing		2 040	1 640	3 491	62	801	3 491	(2 690)	-77%	3 491
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		10 914	18 573	19 132	0	5 364	19 132	(13 768)	-72%	19 132
Planning and development		21	—	—	—	—	—	—	—	—
Road transport		10 894	18 573	19 132	0	5 364	19 132	(13 768)	-72%	19 132
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		86 175	76 527	74 862	1 282	48 330	74 862	(26 532)	-35%	74 862
Energy sources		46 368	50 932	49 067	245	34 993	49 067	(14 074)	-29%	49 067
Water management		16 647	12 196	12 694	433	5 911	12 694	(6 784)	-53%	12 694
Waste water management		13 509	6 607	7 121	218	3 385	7 121	(3 736)	-52%	7 121
Waste management		9 652	6 792	5 980	387	4 041	5 980	(1 939)	-32%	5 980
Other		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	169 068	162 954	164 685	4 695	108 671	164 685	(56 014)	-34%	164 685
Surplus/ (Deficit) for the year		(20 653)	51 366	38 642	2 862	33 730	38 642	(4 913)	-13%	38 642

13 ANNEXURE D

13.1 Implementation of the Supply Chain Management policy

No deviations for **June 2020**