



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

# **MONTHLY BUDGET STATEMENT**

**December 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 may 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. Virements 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.

## LEGISLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation:

### **MUNICIPAL FINANCE MANAGEMENT ACT No.56 of 2003**

Section 71(1) of the MFMA requires from the Accounting Officer, to submit a report in a prescribed format to the Executive Mayor within 10 working days after the end of each month on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month -

- a) Actual revenue per revenue source;
- b) Actual expenditure per vote;
- c) Actual capital expenditure per vote;
- d) Any allocations received;
- e) Actual expenditure on allocations received;
- f) Actual borrowings; and
- g) Any other budget information as may be required by National and Provincial Treasury for monitoring purposes.

Section 54(1) of the MFMA determines that the Executive Mayor must consider the Section 71 report submitted by the Accounting Officer to him and ascertain whether the Municipality's approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP) and if necessary, issue appropriate instructions to the Accounting Officer.

### **MUNICIPAL BUDGET AND REPORTING REGULATIONS, GOVERNMENT GAZETTE 32141, 17 JULY 2009**

#### **REGULATION 28 – FORMAT OF MONTHLY BUDGET STATEMENTS**

The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

## **REGULATION 29 – TABLING MONTHLY BUDGET STATEMENTS**

The Mayor may table in the municipal council a monthly budget statement submitted to the Mayor in terms of section 71 (1) of the Act. If the Mayor does so, the monthly budget statement must be accompanied by a Mayor's report in a format set out in Schedule C.

## **REGULATION 30 – PUBLICATION OF MONTHLY BUDGET STATEMENTS**

- 30.(1) The monthly budget statement of a municipality must be placed on the municipality's website.  
<https://www.kannaland.gov.za/>
- 30.(2) The municipal manager must publish on the municipality's website any other information that the municipal council considers appropriate to facilitate public awareness of the monthly budget statement, including: (a)
- a) summaries of monthly budget statements in alternate languages predominant in the community; and
  - b) information relevant to each ward in the municipality.



## PART 1 – IN-YEAR REPORT

### 1. MAYOR'S REPORT

In terms of the MBRR (2009), the mayor has the option to table the monthly budget statement in terms of section 71 of the MFMA in council. Kannaland Municipality has taken the option to only to table budget reports in terms of sections 52(d) and 72 of the Act in council as per legislative requirements unless circumstances dictate otherwise. The before-mentioned reports should be consistent with the monthly budget statements they relate to.

### 2. RESOLUTIONS

#### Recommendation:

That the Executive Mayor takes cognisance of the monthly budget statement for **December 2020**.

### 3. EXECUTIVE SUMMARY

#### 3.1 Introduction

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 **December 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 and meeting service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Financial Recovery Plan is in place to mitigate this risk.

The COVID-19 pandemic will undoubtedly have a negative economic impact for the foreseeable future. Revenue sources such as service charges in the main will potentially be impacted due to the negative impact the lockdown had on the ordinary consumer, etc. The municipality is acutely aware of this and will do everything within its power to manage resources responsibly by questioning the status quo as it cannot be business as usual.

## Performance against the Budget

### *Operational Expenditure*

The municipality total operational budget amounts to **R175 million** in the first adjustment budget of **2020/2021** and the year-to-date expenditure on the budget is **R61 million** which represents **35 percent** of total expenditure to date. The biggest expenditure in the budget is the Employee related Cost **R27 million or 44 percent** of the year-to-date expenditure and the Bulk Purchases amounted to **R21 million or 34 percent** combined it is **77 percent** of the total year to date expenditure. The expenditure has been severely affected by the continued lock-down restrictions.

### *Operational Revenue*

the municipality total operational revenue budget amounts to **R179 million** in the adjustment budget of 2020/21 and the year-to-date performance is **R85 million or 47 percent** of the total revenue budget. The biggest revenue performance comes from Transfers and subsidies to the value of **R27 million or 31 percent**, Electricity **R27 million or 31 percent**, Property Rates **R11 million or 12 percent**, Water **R8 million or 9 percent**, Sanitation and Refuse both at **R3 million or 3 percent** of the year-to-date performance.

### *Capital Expenditure*

The total capital budget for the municipality is **R 44 million** that is 100 percent funded from National and Provincial grants. The National grant for Capital is **R38 million** while the Provincial government funds **R6 million**. The total year to date on all capital expenditure is **R8 million or 18 percent**. The expenditure percentage on capital budget is below expected expenditure.

### **Material variances against the Service Delivery Budget Implementation Plan**

No material variances reported in the reporting period

### **Recommendation**

These recommendations are linked to the responsibilities of the Accounting Officer as per section 71 of the MFMA.

- (a) Directorates are to ensure that the Budget is implemented in accordance with the Service Delivery and Budget Implementation Plan of the Municipality.
- (b) That Strategic decisions / resolutions to improve the Capital expenditure be implemented.
- (c) The Financial Recovery Plan take into consideration COVID19 pandemic which has negatively impacted the financial position of the municipality.
- (d) That measures on debt collection are implemented and applied effectively taking into account Covid 19 pandemic to improve revenue collection.
- (e) That the funding plan addresses all issues and challenges on the financial performance of the municipality.

## 3.2 Consolidated performance

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M06 December

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Financial Performance</b>									
Property rates	16 753	19 540	24 471	1 220	11 912	12 236	(323)	-3%	24 471
Service charges	86 195	92 033	94 205	7 090	43 197	47 102	(3 906)	-8%	94 205
Investment revenue	1 014	–	700	108	510	350	160	46%	700
Transfers and subsidies	40 064	37 753	44 819	11 434	27 477	22 410	5 068	23%	44 819
Other own revenue	12 858	14 384	15 384	283	2 157	7 692	(5 535)	-72%	15 384
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>156 884</b>	<b>163 710</b>	<b>179 579</b>	<b>20 136</b>	<b>85 253</b>	<b>89 789</b>	<b>(4 536)</b>	<b>-5%</b>	<b>179 579</b>
Employee costs	58 588	58 317	61 187	5 971	27 812	30 593	(2 782)	-9%	61 187
Remuneration of Councillors	3 146	3 578	3 262	179	1 072	1 631	(559)	-34%	3 262
Depreciation & asset impairment	13 231	12 231	12 222	–	1	6 111	(6 110)	-100%	12 222
Finance charges	5 267	227	181	45	117	90	27	30%	181
Materials and bulk purchases	43 225	48 900	54 100	7 744	25 144	27 050	(1 906)	-7%	54 100
Transfers and subsidies	96	470	470	–	–	235	(235)	-100%	470
Other expenditure	46 746	39 462	43 923	1 348	6 954	21 961	(15 007)	-68%	43 923
<b>Total Expenditure</b>	<b>170 298</b>	<b>163 186</b>	<b>175 344</b>	<b>15 287</b>	<b>61 100</b>	<b>87 671</b>	<b>(26 571)</b>	<b>-30%</b>	<b>175 344</b>
<b>Surplus/(Deficit)</b>	<b>(13 414)</b>	<b>524</b>	<b>4 235</b>	<b>4 848</b>	<b>24 153</b>	<b>2 118</b>	<b>22 035</b>	<b>1040%</b>	<b>4 235</b>
Transfers and subsidies - capital (monetary allocations)	21 608	65 370	37 165	–	3 124	18 583	(15 459)	-83%	37 165
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>8 194</b>	<b>65 894</b>	<b>41 400</b>	<b>4 848</b>	<b>27 277</b>	<b>20 701</b>	<b>6 576</b>	<b>32%</b>	<b>41 400</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>8 194</b>	<b>65 894</b>	<b>41 400</b>	<b>4 848</b>	<b>27 277</b>	<b>20 701</b>	<b>6 576</b>	<b>32%</b>	<b>41 400</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>20 338</b>	<b>95 436</b>	<b>44 163</b>	<b>1 911</b>	<b>8 344</b>	<b>22 082</b>	<b>(13 737)</b>	<b>-62%</b>	<b>44 163</b>
Capital transfers recognised	20 122	63 321	44 151	1 911	8 344	22 076	(13 731)	-62%	44 151
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	98	–	–	–	–	–	–	–	–
<b>Total sources of capital funds</b>	<b>20 220</b>	<b>63 321</b>	<b>44 151</b>	<b>1 911</b>	<b>8 344</b>	<b>22 076</b>	<b>(13 731)</b>	<b>-62%</b>	<b>44 151</b>
<b>Financial position</b>									
Total current assets	17 171	(110 474)	86 480		32 489				86 480
Total non current assets	7 375	390 363	31 962		8 344				31 962
Total current liabilities	11 621	(5 325)	80 755		13 480				80 755
Total non current liabilities	4 033	30 340	(1 292)		(8)				(1 292)
<b>Community wealth/Equity</b>	<b>699</b>	<b>250 300</b>	<b>–</b>		<b>85</b>				<b>–</b>
<b>Cash flows</b>									
Net cash from (used) operating	(130 383)	(139 032)	(150 984)	1 820	(8 610)	(75 491)	(66 880)	89%	(150 984)
Net cash from (used) investing	437	(95 436)	(44 163)	–	–	(22 082)	(22 082)	100%	(44 163)
Net cash from (used) financing	63	(1 166)	(720)	8	31	(360)	(391)	109%	(720)
<b>Cash/cash equivalents at the month/year end</b>	<b>(129 883)</b>	<b>(224 003)</b>	<b>(195 867)</b>	<b>–</b>	<b>(8 580)</b>	<b>(86 301)</b>	<b>(77 722)</b>	<b>90%</b>	<b>(195 867)</b>

This report provides a balanced and consolidated financial performance overview to assist the Acting Executive Mayor in his oversight role.

### Operating Surplus/Deficit

Operating Revenue amounted to **R20.14 million** and the expenditure amounted to **R15.29 million** thereby resulting in a deficit of **R4.85 million**. The reported surplus, does not take into account figures for depreciation and debt impairment

## Financial Performance

### *Property Rates*

The Property Rates collection showed a performance of **R1.22 million** in **December 2020** a slight decrease from the reported figure of **R1.23 million** in the month of **November 2020**. The strict restriction in terms of business activities in Level 3 Mid-December, will have an impact on the municipal revenue performance.

### *Service Charges*

The municipality recorded an overall service charge billing of **R7.09 million** in **December 2020** a light increase from the reported figures of **R7.07 million** in **November 2020**. The strict restriction in terms of business activities in Level 3 mid-December, will have an impact on the municipal revenue performance.

### *Other revenue*

The municipality recorded an overall performance of **R283 thousand** in **December** an increase in the reported figures of **R547 thousand** for other revenue from **November 2020**. While **R108 thousand in December a slight increase** from **R91 thousand** investments in **November 2020**, as a result of new grants received and not yet transferred.

### **Transfers and Subsidies**

The amount recorded in the transfers and subsidies, includes the monthly journals for grants that have met their conditions and therefore transferred to revenue. A process the municipality intends to do on a monthly basis, as correction on receipting have been corrected. As a result of that the transfers amounted to **R11.43 million in December**.

Overall, the revenue billed in respect of service charges and property rates, indicates an improvement from the previously reported figures. This can be attributed to the re-opening of major economic activities in the South Africa's lockdown. There is still a lot that needs to be done to ensure the municipality collects revenues due in respect of current debtors and long overdue debtors.

### **Total Expenditure**

#### *Employee related cost*

The total expenditure on salaries including councillors is **R6.15 million** in **December 2020** a slight increase from **R6.55 million** in **November 2020**. The variances are based in the fluctuating overtime and standby claims in the respective periods. Bonuses were also paid during **December 2020** and

other employees opted for their bonuses to be paid in **December 2020**. The municipality has applied for exemption on annual municipal increases, pending the process of the exemption on annual increases, salaries are still based on **2019/20**.

### ***Materials and Bulk Purchases***

The municipality recorded expenditure of **R7.74 million** in **December 2020** a decrease in reported figure **R785 thousand** in **November 2020** towards bulk purchase and materials and supplies. The bulk purchase for electricity includes payment arrangement for arrears and current accounts. Due to financial constraints, municipality paid more for Eskom in **December** in respect of the arrear account when the Equitable share was received.

### ***Other expenditure***

The total Other Expenditure in **December** of **R1.35 million** an increase from the recorded expenditure of **R981 thousand** in **November 2020**. As the country allows for opening up of the economy, the expenditure remains very low however we anticipate a peak on these as further restrictions are expected to be relaxed.

Overall expenditure has remained below the collected revenue in the reporting period of **December 2020**. The main increase in expenditure is noted on basic salaries as a result of bonuses payable in November. Due to the financial challenges and amount owed to Eskom the municipality makes payment in respect of current account and the bulk account in arrears. Where there is insufficient funds, payments are delayed, municipality is currently reviewing agreement with Eskom, to make a more affordable payment plan. Also, the municipality has not reported on debt impairment and depreciation on a monthly basis. This will be corrected in the reporting period of **January 2021**

### 3.2.1 REVENUE BY SOURCE AGAINST ANNUAL BUDGET

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

2021/22 Ramadana - Table 3: Monthly Budget Statement - Financial Performance (revenue and expenditure) - 1st December										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue By Source</b>										
Property rates		16 753	19 540	24 471	1 220	11 912	12 236	(323)	-3%	24 471
Service charges - electricity revenue		52 825	55 943	59 485	4 403	27 681	29 742	(2 061)	-7%	59 485
Service charges - water revenue		19 619	21 626	21 626	1 481	8 221	10 813	(2 592)	-24%	21 626
Service charges - sanitation revenue		7 008	7 520	6 149	615	3 742	3 074	667	22%	6 149
Service charges - refuse revenue		6 743	6 945	6 945	591	3 553	3 472	80	2%	6 945
Service charges - other		—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		528	17	367	39	251	183	68	37%	367
Interest earned - external investments		1 014	—	700	108	510	350	160	46%	700
Interest earned - outstanding debtors		2 432	5 567	5 567	—	4	2 783	(2 779)	-100%	5 567
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		7 428	7 384	7 584	12	849	3 792	(2 943)	-78%	7 584
Licences and permits		164	50	500	7	115	250	(135)	-54%	500
Agency services		828	1 000	1 000	178	606	500	106	21%	1 000
Transfers and subsidies		40 064	37 753	44 819	11 434	27 477	22 410	5 068	23%	44 819
Other revenue		1 477	365	365	47	331	183	149	81%	365
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>156 884</b>	<b>163 710</b>	<b>179 579</b>	<b>20 136</b>	<b>85 253</b>	<b>89 789</b>	<b>(4 536)</b>	<b>-5%</b>	<b>179 579</b>

The detailed operating revenue items are as follows:

#### **Electricity**

The Kannaland municipality supplies the following locations with electricity, Ladismith and Calitzdorp while Zoar and Van Wyk's dorp purchase directly from Eskom. Revenue performance in **December** amounted to **R4.40 million** a slight increase from **R4.30 million** reported in **November 2020**. The year-to-date performance is **R11.91 million or 49 percent** of the total electricity revenue budget.

#### **Water**

We have a revenue performance amounted to **R1.48 million** in **December 2020** a slight increase from **R1.54 million** figures reported in **November 2020**. The municipality is expecting revenue collections to drop after the introduction of adjusted level 3 lockdown, which affected many business operations and working community members. The year-to-date performance is **R8.22 million or 38 percent** of the total water revenue budget. The is underperformance on the revenue budget in the mid-year and this can be attributed to the impact of Covid-19 pandemic in the local and business community.

#### **Sewerage**

The municipality revenue performance amounted to **R615 thousand** in **December 2020** showing a slight increase from **R638 thousand** reported in **November 2020**. The year-to-date **R3.74 million or 60 percent** of the total budget in the mid-year which is above budget expectations.

## Refuse Removal

The municipality revenue performance amounted to **R591 thousand** in **December 2020** a slight increase from **R590 thousand** reported in **November 2020**. The year to date is **R3.55 million or 51 percent** of that total refuse budget in the mid-year which is in line with budget expectation and performance.

**Payment percentage for the current year.**

Collection percentage for Kannaland Municipality									
Period	Levy	Payments	Journals	Total Levy, Journals & Transfers	Payments	Payment % per month	Total Levies accumulated month to month	Total Payments accumulated month to month	Average YTD
Jun-20	6 813 820.79	(5 328 157.94)	(338 464.77)	6 733 517.39	(5 613 269.58)	-83.36	101 006 490.99	(73 510 415.33)	72.78
Jul-20	12 750 764.19	(5 613 269.58)	(80 303.40)	12 524 427.36	(5 917 592.29)	-47.25	113 530 918.35	(79 428 007.62)	69.96
Aug-20	8 037 778.10	(5 917 592.29)	(226 336.83)	8 363 921.37	(11 054 369.89)	-132.17	121 894 839.72	(90 482 377.51)	74.23
Sep-20	8 618 761.87	(11 054 369.89)	326 143.27	8 408 053.14	(7 607 868.93)	-90.48	130 302 892.85	(98 090 246.44)	75.28
Oct-20	7 705 508.56	(7 607 868.93)	(210 708.73)	7 372 596.85	(5 592 122.24)	-75.85	137 675 489.71	(103 682 368.68)	75.31
Nov-20	7 146 539.31	(5 592 122.24)	(332 911.71)	7 569 783.50	(6 088 389.20)	-80.54	145 235 273.21	(109 770 757.88)	75.58
Dec-20	7 935 142.29	(6 088 389.20)	413 244.19	7 935 142.29	-		153 170 415.50	(109 770 757.88)	71.67
Jan-21	-	-	-	-	-	#DIV/0!	153 170 415.50	(109 770 757.88)	71.67
Feb-21	-	-	-	-	-	#DIV/0!	153 170 415.50	(109 770 757.88)	71.67
Mar-21	-	-	-	-	-	#DIV/0!	153 170 415.50	(109 770 757.88)	71.67
Apr-21	-	-	-	-	-	#DIV/0!	153 170 415.50	(109 770 757.88)	71.67
May-21	-	-	-	-	-	#DIV/0!	153 170 415.50	(109 770 757.88)	71.67
Jun-21	-	-	-	-	-	#DIV/0!	153 170 415.50	(109 770 757.88)	71.67
Jul-21	-	-	-	-	-	#DIV/0!	153 170 415.50	(109 770 757.88)	71.67
Aug-21	-	-	-	-	-	#DIV/0!	153 170 415.50	(109 770 757.88)	71.67

The reporting period of December collection percentage is sitting at **71.67 percent** and an average collection of **74 percent** collection for the first six month in the **2020/21** financial year. Kannaland municipality has a high number of people registered in the indigent data base, our records show that currently, over **2530** people have registered for the indigent subsidy. The desired collection rate to make the municipality sustain its developmental mandate is **90 percent**. However, the municipality has been struggling to even reach the collection rate of 85%.

## Interest earned (external investments and Outstanding debtors) and fines/Penalties forfeits

### - **Interest earned on outstanding debtors:**

Due to the application of lockdown in the different level, the levying of interest in outstanding accounts is currently on hold.

### - **Rental of facilities and equipment:** R 38 thousand received in **December 2020** slight decrease from **R42 thousand** reported in **November 2020**. This remains a constant amount received from fixed rental facilities as the municipal officer for ad-hoc rentals not yet open for public usages.

### - **Interest on external investments:** R108 thousand received in **December 2020** slight increase from **R91 thousand** reported in **November 2020**.



- **Other revenue: R47 thousand in December 2020** an increase from **R47 thousand in November 2020.**

The overall revenue collection of the municipality has been severely affected by the continued lockdown as a result of the Corona Virus (COVID 19). However, there has been positive movements towards payment for municipal services, as the easing of lockdown allowed for a relaxed economic activity. There is still more needed to be done in improving the revenue collection and payments of municipal services.

### 3.2.2 EXPENDITURE BY SOURCE AGAINST ANNUAL BUDGET

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

W004 - Ramatand - Table C4 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - 30/06/2020										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		58 588	58 317	61 187	5 971	27 812	30 593	(2 782)	-9%	61 187
Remuneration of councillors		3 146	3 578	3 262	179	1 072	1 631	(559)	-34%	3 262
Debt impairment		26 659	11 923	12 139	—	47	6 069	(6 022)	-99%	12 139
Depreciation & asset impairment		13 231	12 231	12 222	—	1	6 111	(6 110)	-100%	12 222
Finance charges		5 267	227	181	45	117	90	27	30%	181
Bulk purchases		40 767	42 693	43 593	7 025	21 754	21 797	(43)	0%	43 593
Other materials		2 458	6 207	10 507	719	3 390	5 253	(1 863)	-35%	10 507
Contracted services		10 360	15 682	18 711	809	3 709	9 355	(5 646)	-60%	18 711
Transfers and subsidies		96	470	470	—	—	235	(235)	-100%	470
Other expenditure		9 701	11 857	13 073	539	3 197	6 536	(3 339)	-51%	13 073
Loss on disposal of PPE		25	—	—	—	—	—	—	—	—
Total Expenditure		170 298	163 186	175 344	15 287	61 100	87 671	(26 571)	-30%	175 344

The detailed operating expenditure items are as follows:

#### Employee Related Costs and Remuneration of councillors

Employee Related Cost amounted to **R5.97 million December** slight decrease from **R6.33 million in November 2020** and the total Remuneration for Councillors is reported as **R179 thousand in December 2020** a slight increase of **R222 thousand** reported in **November 2020**. The decrease in employee related emanates from the payment of annual bonuses in **December 2020**. The municipality has applied for exemption on the annual increase as it can unfortunately not afford this increase due to financial constraints. The total year to date expenditure on employee related cost is **R27.81 million or 45 percent** and Councillors is **R1.07 million or 32 percent** of the total budget respectively

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

The Bulk Purchase, Finance Charges and Other Materials amounted to **R7.79 million in December 2020** an increase from the reported figure of **R798 thousand in November 2020**. The main expenditure relates to Bulk Purchase for **R7.03 million** and arrangement for arrear accounts, this is as a result of affordability in paying current account for Eskom and arrears. The big expenditure comes from Bulk Purchase with year-to-date expenditure of **R21.75 or 50 percent** of the total budget on Bulk Purchases.

#### Contracted services

The municipality has expenditure for Contracted Services of **R809 thousand in December 2020** a decrease of **R483 thousand** reported in **November 2020** report. The main expenditure on contracted services came from the Annual Financial Statements consultants for the 2019/20 financial year in the

**October 2020** period. The total year to date on contracted service is **R3.71 million or 20 percent** of the total budget for contracted services.

### **Other expenditure**

Other Expenditure amounted to **R539 thousand** in **December 2020** a decrease from **R458 thousand** reported in **November 2020**, 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. The total year to date expenditure on all other expenditure is **R3.27 million or 25 percent**.

Overall, the expenditure came from the bulk purchases for Material and Supplies and employee related. The expenditure patterns are expected to pick up during the alert level one, more specially on grant funded expenditure. The employee related cost's remains the rate of **2019/20** financial year, pending the process of the exemption application in apply the municipal wage increase for the **2020/21** financial year. This is pending the exemption currently in process.

### 3.2.3 CAPITAL EXPENDITURE BY SOURCE AGAINST ANNUAL BUDGET

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	1 000	1 650	-	-	825	(825)	-100%	1 650
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		1 863	-	-	-	-	-	-	-	-
Vote 5 - CALIT ZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>1 863</b>	<b>1 000</b>	<b>1 650</b>	<b>-</b>	<b>-</b>	<b>825</b>	<b>(825)</b>	<b>-100%</b>	<b>1 650</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		1 763	11 889	4 454	394	394	2 227	(1 833)	-82%	4 454
Vote 3 - FINANCIAL SERVICES		118	430	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		16 594	82 117	38 059	1 517	7 950	19 030	(11 079)	-58%	38 059
Vote 5 - CALIT ZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>18 475</b>	<b>94 436</b>	<b>42 513</b>	<b>1 911</b>	<b>8 344</b>	<b>21 257</b>	<b>(12 912)</b>	<b>-61%</b>	<b>42 513</b>
<b>Total Capital Expenditure</b>	<b>3</b>	<b>20 338</b>	<b>95 436</b>	<b>44 163</b>	<b>1 911</b>	<b>8 344</b>	<b>22 082</b>	<b>(13 737)</b>	<b>-62%</b>	<b>44 163</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		118	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1 763</b>	<b>5 454</b>	<b>6 104</b>	<b>394</b>	<b>394</b>	<b>3 052</b>	<b>(2 658)</b>	<b>-87%</b>	<b>6 104</b>
Community and social services		-	4 145	4 795	279	279	2 398	(2 119)	-88%	4 795
Sport and recreation		1 262	1 309	1 309	115	115	654	(539)	-82%	1 309
Public safety		500	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>(9)</b>	<b>-100%</b>	<b>19</b>
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	19	-	-	9	(9)	-100%	19
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>18 457</b>	<b>57 867</b>	<b>38 040</b>	<b>1 517</b>	<b>7 950</b>	<b>19 020</b>	<b>(11 070)</b>	<b>-58%</b>	<b>38 040</b>
Energy sources		605	-	-	-	-	-	-	-	-
Water management		15 759	27 867	38 040	1 517	7 950	19 020	(11 070)	-58%	38 040
Waste water management		2 094	30 000	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>20 338</b>	<b>63 321</b>	<b>44 163</b>	<b>1 911</b>	<b>8 344</b>	<b>22 082</b>	<b>(13 737)</b>	<b>-62%</b>	<b>44 163</b>
<b>Funded by:</b>										
National Government		14 060	59 721	38 106	1 911	7 830	19 053	(11 223)	-59%	38 106
Provincial Government		6 061	3 600	6 045	-	514	3 023	(2 508)	-83%	6 045
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>20 122</b>	<b>63 321</b>	<b>44 151</b>	<b>1 911</b>	<b>8 344</b>	<b>22 076</b>	<b>(13 731)</b>	<b>-62%</b>	<b>44 151</b>
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		98	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		<b>20 220</b>	<b>63 321</b>	<b>44 151</b>	<b>1 911</b>	<b>8 344</b>	<b>22 076</b>	<b>(13 731)</b>	<b>-62%</b>	<b>44 151</b>

- The actual year-to-date Capital Expenditure amounts to **R8.34 million**.
- The total to date expenditure represents **37 percent** expenditure on year-to-date budget and **19 percent** of the total capital budget. It is expected the capital expenditure to pick up from the alert level one.
- All capital expenditure of the municipality is funded from Grants from National and Provincial government.
- The variance in the capital expenditure is influenced by the ability of contractors to complete the projects in the Covid-19 restrictions and the municipality processes affected by the

continued restrictions. The municipality will improve and speed up expenditure on all capital expenditure and require departments to spend in accordance with the SDBIP.

## 4. MAIN BUDGET SCHEDULES

### 4.1 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		54 040	37 632	47 936	12 837	38 793	23 968	14 825	62%	47 936
Executive and council		28 324	8 920	13 128	11 434	23 099	6 564	16 535	252%	13 128
Finance and administration		25 716	28 712	34 808	1 403	15 694	17 404	(1 710)	-10%	34 808
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		14 385	15 167	16 818	12	4 210	8 409	(4 199)	-50%	16 818
Community and social services		12 204	14 967	15 617	5	4 106	7 809	(3 702)	-47%	15 617
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 181	-	-	7	104	-	104	#DIV/0!	-
Housing		-	200	1 201	-	-	600	(600)	-100%	1 201
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		7 356	7 398	8 048	196	904	4 024	(3 120)	-78%	8 048
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		7 356	7 398	8 048	196	904	4 024	(3 120)	-78%	8 048
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		102 712	168 884	143 944	7 090	44 470	71 972	(27 501)	-38%	143 944
Energy sources		53 144	59 735	61 906	4 403	27 681	30 953	(3 272)	-11%	61 906
Water management		34 429	50 507	52 302	1 481	9 495	26 151	(16 656)	-64%	52 302
Waste water management		7 682	44 106	14 106	615	3 742	7 053	(3 311)	-47%	14 106
Waste management		7 457	14 537	15 630	591	3 553	7 815	(4 262)	-55%	15 630
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>178 493</b>	<b>229 081</b>	<b>216 745</b>	<b>20 136</b>	<b>88 377</b>	<b>108 372</b>	<b>(19 995)</b>	<b>-18%</b>	<b>216 745</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		56 151	51 106	56 933	4 235	19 520	28 466	(8 946)	-31%	56 933
Executive and council		14 811	12 074	16 836	1 166	5 511	8 418	(2 907)	-35%	16 836
Finance and administration		41 340	39 031	40 097	3 069	14 009	20 048	(6 039)	-30%	40 097
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11 134	10 729	11 119	880	4 207	5 559	(1 352)	-24%	11 119
Community and social services		6 317	8 333	8 101	618	2 838	4 050	(1 213)	-30%	8 101
Sport and recreation		387	812	779	21	94	390	(296)	-76%	779
Public safety		3 629	207	203	152	903	102	802	788%	203
Housing		801	1 376	2 035	90	372	1 018	(645)	-63%	2 035
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13 633	19 221	17 517	454	2 763	8 759	(5 996)	-68%	17 517
Planning and development		-	-	10	-	-	5	(5)	-100%	10
Road transport		13 633	19 221	17 507	454	2 763	8 754	(5 991)	-68%	17 507
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		89 380	82 131	89 775	9 718	34 610	44 887	(10 278)	-23%	89 775
Energy sources		48 938	53 186	55 494	7 491	24 550	27 747	(3 197)	-12%	55 494
Water management		26 604	13 240	14 606	914	4 335	7 303	(2 968)	-41%	14 606
Waste water management		5 710	6 906	8 796	269	1 467	4 398	(2 931)	-67%	8 796
Waste management		8 129	8 799	10 878	1 043	4 257	5 439	(1 182)	-22%	10 878
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>170 298</b>	<b>163 186</b>	<b>175 344</b>	<b>15 287</b>	<b>61 100</b>	<b>87 671</b>	<b>(26 571)</b>	<b>-30%</b>	<b>175 344</b>
<b>Surplus/ (Deficit) for the year</b>		<b>8 194</b>	<b>65 894</b>	<b>41 400</b>	<b>4 848</b>	<b>27 277</b>	<b>20 701</b>	<b>6 576</b>	<b>32%</b>	<b>41 400</b>

## 4.2 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) - M06 December

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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		29 033	8 920	13 128	11 434	23 099	6 564	16 535	251,9%	13 128
Vote 2 - CORPORATE SERVICES		20 155	21 132	23 751	245	4 821	11 875	(7 054)	-59,4%	23 751
Vote 3 - FINANCIAL SERVICES		25 450	28 412	34 190	1 367	15 498	17 095	(1 597)	-9,3%	34 190
Vote 4 - TECHNICAL SERVICES		103 855	170 617	145 676	7 090	44 959	72 838	(27 879)	-38,3%	145 676
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	178 493	229 081	216 745	20 136	88 377	108 372	(19 995)	-18,5%	216 745
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		14 811	12 074	16 836	1 166	5 511	8 418	(2 907)	-34,5%	16 836
Vote 2 - CORPORATE SERVICES		29 694	30 120	30 234	1 846	9 296	15 117	(5 820)	-38,5%	30 234
Vote 3 - FINANCIAL SERVICES		26 761	25 429	27 310	2 156	9 136	13 655	(4 520)	-33,1%	27 310
Vote 4 - TECHNICAL SERVICES		98 593	94 418	99 818	10 056	36 641	49 909	(13 268)	-26,6%	99 818
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		439	1 145	1 145	64	516	572	(57)	-9,9%	1 145
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	170 298	163 186	175 344	15 287	61 100	87 671	(26 571)	-30,3%	175 344
Surplus/ (Deficit) for the year	2	8 194	65 894	41 400	4 848	27 277	20 701	6 576	31,8%	41 400

### 4.3 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description		Ref	2019/20	Budget Year 2020/21							
			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			16 753	19 540	24 471	1 220	11 912	12 236	(323)	-3%	24 471
Service charges - electricity revenue			52 825	55 943	59 485	4 403	27 681	29 742	(2 061)	-7%	59 485
Service charges - water revenue			19 619	21 626	21 626	1 481	8 221	10 813	(2 592)	-24%	21 626
Service charges - sanitation revenue			7 008	7 520	6 149	615	3 742	3 074	667	22%	6 149
Service charges - refuse revenue			6 743	6 945	6 945	591	3 553	3 472	80	2%	6 945
Service charges - other			—	—	—	—	—	—	—	—	—
Rental of facilities and equipment			528	17	367	39	251	183	68	37%	367
Interest earned - external investments			1 014	—	700	108	510	350	160	46%	700
Interest earned - outstanding debtors			2 432	5 567	5 567	—	4	2 783	(2 779)	-100%	5 567
Dividends received			—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits			7 428	7 384	7 584	12	849	3 792	(2 943)	-78%	7 584
Licences and permits			164	50	500	7	115	250	(135)	-54%	500
Agency services			828	1 000	1 000	178	606	500	106	21%	1 000
Transfers and subsidies			40 064	37 753	44 819	11 434	27 477	22 410	5 068	23%	44 819
Other revenue			1 477	365	365	47	331	183	149	81%	365
Gains on disposal of PPE			—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)			156 884	163 710	179 579	20 136	85 253	89 789	(4 536)	-5%	179 579
Expenditure By Type											
Employee related costs			58 588	58 317	61 187	5 971	27 812	30 593	(2 782)	-9%	61 187
Remuneration of councillors			3 146	3 578	3 262	179	1 072	1 631	(559)	-34%	3 262
Debt impairment			26 659	11 923	12 139	—	47	6 069	(6 022)	-99%	12 139
Depreciation & asset impairment			13 231	12 231	12 222	—	1	6 111	(6 110)	-100%	12 222
Finance charges			5 267	227	181	45	117	90	27	30%	181
Bulk purchases			40 767	42 693	43 593	7 025	21 754	21 797	(43)	0%	43 593
Other materials			2 458	6 207	10 507	719	3 390	5 253	(1 863)	-35%	10 507
Contracted services			10 360	15 682	18 711	809	3 709	9 355	(5 646)	-60%	18 711
Transfers and subsidies			96	470	470	—	—	235	(235)	-100%	470
Other expenditure			9 701	11 857	13 073	539	3 197	6 536	(3 339)	-51%	13 073
Loss on disposal of PPE			25	—	—	—	—	—	—	—	—
Total Expenditure			170 298	163 186	175 344	15 287	61 100	87 671	(26 571)	-30%	175 344
Surplus/(Deficit)			(13 414)	524	4 235	4 848	24 153	2 118	22 035	0	4 235
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			21 608	65 370	37 165	—	3 124	18 583	(15 459)	(0)	37 165
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)			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions			8 194	65 894	41 400	4 848	27 277	20 701			41 400
Taxation			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation			8 194	65 894	41 400	4 848	27 277	20 701			41 400
Atributable to minorities			—	—	—	—	—	—			—
Surplus/(Deficit) attributable to municipality			8 194	65 894	41 400	4 848	27 277	20 701			41 400
Share of surplus/ (deficit) of associate			—	—	—	—	—	—			—
Surplus/ (Deficit) for the year			8 194	65 894	41 400	4 848	27 277	20 701			41 400



## 4.4 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—
Vote 2 - CORPORATE SERVICES		—	1 000	1 650	—	—	825	(825)	-100%	1 650
Vote 3 - FINANCIAL SERVICES		—	—	—	—	—	—	—	—	—
Vote 4 - TECHNICAL SERVICES		1 863	—	—	—	—	—	—	—	—
Vote 5 - CALITZDORP SPA		—	—	—	—	—	—	—	—	—
Vote 6 - CORPORATE SERVICES (Continued)		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>1 863</b>	<b>1 000</b>	<b>1 650</b>	<b>—</b>	<b>—</b>	<b>825</b>	<b>(825)</b>	<b>-100%</b>	<b>1 650</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—
Vote 2 - CORPORATE SERVICES		1 763	11 889	4 454	394	394	2 227	(1 833)	-82%	4 454
Vote 3 - FINANCIAL SERVICES		118	430	—	—	—	—	—	—	—
Vote 4 - TECHNICAL SERVICES		16 594	82 117	38 059	1 517	7 950	19 030	(11 079)	-58%	38 059
Vote 5 - CALITZDORP SPA		—	—	—	—	—	—	—	—	—
Vote 6 - CORPORATE SERVICES (Continued)		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>18 475</b>	<b>94 436</b>	<b>42 513</b>	<b>1 911</b>	<b>8 344</b>	<b>21 257</b>	<b>(12 912)</b>	<b>-61%</b>	<b>42 513</b>
<b>Total Capital Expenditure</b>	<b>3</b>	<b>20 338</b>	<b>95 436</b>	<b>44 163</b>	<b>1 911</b>	<b>8 344</b>	<b>22 082</b>	<b>(13 737)</b>	<b>-62%</b>	<b>44 163</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>118</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		118	—	—	—	—	—	—	—	—
Internal audit		—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		<b>1 763</b>	<b>5 454</b>	<b>6 104</b>	<b>394</b>	<b>394</b>	<b>3 052</b>	<b>(2 658)</b>	<b>-87%</b>	<b>6 104</b>
Community and social services		—	4 145	4 795	279	279	2 398	(2 119)	-88%	4 795
Sport and recreation		1 262	1 309	1 309	115	115	654	(539)	-82%	1 309
Public safety		500	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>—</b>	<b>—</b>	<b>19</b>	<b>—</b>	<b>—</b>	<b>9</b>	<b>(9)</b>	<b>-100%</b>	<b>19</b>
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		—	—	19	—	—	9	(9)	-100%	19
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		<b>18 457</b>	<b>57 867</b>	<b>38 040</b>	<b>1 517</b>	<b>7 950</b>	<b>19 020</b>	<b>(11 070)</b>	<b>-58%</b>	<b>38 040</b>
Energy sources		605	—	—	—	—	—	—	—	—
Water management		15 759	27 867	38 040	1 517	7 950	19 020	(11 070)	-58%	38 040
Waste water management		2 094	30 000	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—
<b>Other</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>20 338</b>	<b>63 321</b>	<b>44 163</b>	<b>1 911</b>	<b>8 344</b>	<b>22 082</b>	<b>(13 737)</b>	<b>-62%</b>	<b>44 163</b>
<b>Funded by:</b>										
National Government		14 060	59 721	38 106	1 911	7 830	19 053	(11 223)	-59%	38 106
Provincial Government		6 061	3 600	6 045	—	514	3 023	(2 508)	-83%	6 045
District Municipality		—	—	—	—	—	—	—	—	—
Other transfers and grants		—	—	—	—	—	—	—	—	—
<b>Transfers recognised - capital</b>	<b>5</b>	<b>20 122</b>	<b>63 321</b>	<b>44 151</b>	<b>1 911</b>	<b>8 344</b>	<b>22 076</b>	<b>(13 731)</b>	<b>-62%</b>	<b>44 151</b>
<b>Public contributions &amp; donations</b>	<b>6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Borrowing</b>	<b>6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Internally generated funds</b>	<b>6</b>	<b>98</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Funding</b>		<b>20 220</b>	<b>63 321</b>	<b>44 151</b>	<b>1 911</b>	<b>8 344</b>	<b>22 076</b>	<b>(13 731)</b>	<b>-62%</b>	<b>44 151</b>

## 4.5 Table C6: Monthly Budget Statement - Financial Position

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		1 381	3 245	109 598	28 701	109 598
Call investment deposits		29 476	8 387	–	7 681	–
Consumer debtors		1 748	(92 866)	(21 745)	7 914	(21 745)
Other debtors		(15 846)	(31 256)	3 629	(11 647)	3 629
Current portion of long-term receivables		(5)	(8)	–	–	–
Inventory		418	2 025	(5 002)	(161)	(5 002)
<b>Total current assets</b>		<b>17 171</b>	<b>(110 474)</b>	<b>86 480</b>	<b>32 489</b>	<b>86 480</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		(124)	1 489	–	–	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		7 506	388 829	31 992	8 344	31 992
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		(7)	45	(30)	–	(30)
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>7 375</b>	<b>390 363</b>	<b>31 962</b>	<b>8 344</b>	<b>31 962</b>
<b>TOTAL ASSETS</b>		<b>24 546</b>	<b>279 889</b>	<b>118 442</b>	<b>40 833</b>	<b>118 442</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		(504)	(972)	–	(277)	–
Consumer deposits		63	964	–	31	–
Trade and other payables		14 068	(7 970)	80 755	13 726	80 755
Provisions		(2 006)	2 654	–	–	–
<b>Total current liabilities</b>		<b>11 621</b>	<b>(5 325)</b>	<b>80 755</b>	<b>13 480</b>	<b>80 755</b>
<b>Non current liabilities</b>						
Borrowing		–	1 141	(1 292)	(8)	(1 292)
Provisions		4 033	29 199	–	–	–
<b>Total non current liabilities</b>		<b>4 033</b>	<b>30 340</b>	<b>(1 292)</b>	<b>(8)</b>	<b>(1 292)</b>
<b>TOTAL LIABILITIES</b>		<b>15 654</b>	<b>25 016</b>	<b>79 462</b>	<b>13 472</b>	<b>79 462</b>
<b>NET ASSETS</b>	2	<b>8 893</b>	<b>254 873</b>	<b>38 980</b>	<b>27 362</b>	<b>38 980</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		751	251 727	–	–	–
Reserves		(52)	(1 427)	–	85	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>699</b>	<b>250 300</b>	<b>–</b>	<b>85</b>	<b>–</b>

### Assets

We have a highly illiquid financial position as our Consumer Debtors are not paying their outstanding accounts. The municipality understands that this is a ripple effect that was mainly caused by a stagnant economy which for a long time has not created sufficient jobs for our local communities to afford paying their levies. We however are trying to collect where we can.

## 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. The year to date is **R22.29 million**. The figures do not include the opening balances as per **AFS 2020/21** pending review of draft AFS.

## 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 revenue projections 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. One of the most effective credit and debt control measures is blockage of electricity purchases in all arrear accounts, in areas serviced directly Eskom, this cannot be enforced.

The impact of COVID-19 will influence the 85 percent collection rate the municipality projected for the 2019/20 financial year. This revenue collection revenue will probably be revised after a mid-year assessment.

## Property, Plant and Equipment

The year-to-date on capital expenditure is **R8.34 million or 19 percent** of total capital expenditure against capital budget.

## 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 have included the server in our business plans of the current year again and we have emphasised the need of having a new server as the current situation poses a big risk in terms of loss of data and vulnerability to viruses.

## **Liabilities**

### **Current Liabilities**

#### **Bank Overdraft**

We have incurred no overdraft for the reporting 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 **R13 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 and once we have a final number, we will engage with our creditors individually in our efforts to forge an affordable payment plan.

## 4.6 Table C7: Monthly Budget Statement - Cash Flow

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		–	18 701	18 751	428	2 295	–	2 295	0%	–
Service charges		–	111 548	109 172	81	451	–	451	0%	–
Other revenue		–	2 027	3 027	24	361	–	361	0%	–
Government - operating		–	35 224	40 373	11 907	33 449	–	33 449	0%	–
Government - capital		–	63 321	35 766	4 667	15 886	–	15 886	0%	–
Interest		–	–	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–
<b>Payments</b>										
Suppliers and employees		(125 020)	(138 335)	(149 283)	(15 242)	(60 934)	(75 165)	(14 231)	19%	(150 333)
Finance charges		(5 267)	(227)	(181)	(45)	(117)	(90)	27	-30%	(181)
Transfers and Grants		(96)	(470)	(470)	–	–	(235)	(235)	100%	(470)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(130 383)</b>	<b>91 789</b>	<b>57 157</b>	<b>1 820</b>	<b>(8 610)</b>	<b>(75 491)</b>	<b>(66 880)</b>	<b>89%</b>	<b>(150 984)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–
<b>Payments</b>										
Capital assets		437	(95 436)	(44 163)	–	–	(22 082)	(22 082)	100%	(44 163)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>437</b>	<b>(95 436)</b>	<b>(44 163)</b>	<b>–</b>	<b>–</b>	<b>(22 082)</b>	<b>(22 082)</b>	<b>100%</b>	<b>(44 163)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		63	–	–	8	31	–	31	0%	–
<b>Payments</b>										
Repayment of borrowing		–	(1 166)	(720)	–	–	(360)	(360)	100%	(720)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>63</b>	<b>(1 166)</b>	<b>(720)</b>	<b>8</b>	<b>31</b>	<b>(360)</b>	<b>(391)</b>	<b>109%</b>	<b>(720)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(129 883)</b>	<b>(4 814)</b>	<b>12 273</b>	<b>1 828</b>	<b>(8 580)</b>	<b>(97 933)</b>			<b>(195 867)</b>
Cash/cash equivalents at beginning:		–	11 631	–		–	11 631			–
Cash/cash equivalents at month/year end:		(129 883)	6 818	12 273		(8 580)	(86 301)			(195 867)

### 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. The mapping in the cash flow of the municipality is not yet correct, with the assistance of the MFIMP and system provider, we are correcting the issues of the funding segment.

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

- Standard Bank Main Account is – **R2.81 million**
- The Traffic Account and the **R781 thousand**, and
- Deposit Account has **R3.97 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. We have started with our Data Cleansing project and an update will be provided on monthly basis.

## PART 2 – SUPPORTING DOCUMENTATION

### 5. DEBTORS' ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2020/21											
		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	1 715	732	510	557	486	–	5 917	13 635	23 552	20 596	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	839	164	113	122	119	–	482	1 499	3 338	2 222	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	1 487	392	336	1 565	291	2	1 778	14 012	19 863	17 648	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	532	248	247	248	247	–	1 581	9 502	12 604	11 578	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 065	414	401	396	391	–	2 782	11 640	17 089	15 209	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	23	23	23	–	–
Interest on Arrear Debtor Accounts	1810	14	25	21	48	29	0	301	15 868	16 306	16 247	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(1 695)	160	142	134	118	–	641	2 281	1 780	3 174	–	–
Total By Income Source	2000	3 957	2 135	1 769	3 070	1 682	2	13 482	68 460	94 556	86 696	–	–
2019/20 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(410)	75	39	424	25	–	116	585	854	1 149	–	–
Commercial	2300	522	188	131	267	130	2	727	2 613	4 581	3 739	–	–
Households	2400	3 842	1 731	1 464	1 771	1 403	0	11 751	56 040	78 002	70 965	–	–
Other	2500	2	141	135	608	124	–	888	9 222	11 119	10 842	–	–
Total By Customer Group	2600	3 957	2 135	1 769	3 070	1 682	2	13 482	68 460	94 556	86 696	–	–

- The total amount owed to Kannaland Municipality amounted to **R94.56 million** during **December 2020** an increase from **R92.65 million** reported in **November 2020**. This represents a **2 percent** increase.
- **R68.46 million or 72 percent** of the total outstanding debtors are older than one year.
- **R86.69 million or 92 percent** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

## 6. CREDITORS' ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2020/21								
		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	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	–	5 116	4 879	86	–	–	–	–	10 081
Bulk Water	0200	21	–	–	–	–	–	–	–	21
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	60	–	–	–	–	–	–	–	60
Trade Creditors	0700	930	439	138	31	7 349	–	–	–	8 888
Auditor General	0800	1 479	419	46	529	5 557	–	–	–	8 030
Other	0900	214	60	11	31	4 760	–	–	–	5 076
Total By Customer Type	1000	2 704	6 033	5 074	677	17 667	–	–	–	32 155

- The total outstanding creditors as at **December 2020** amounts to **R32.15 million**.
- The biggest outstanding creditors are Eskom (**R10 081 million**), the Auditor-General of South Africa (**R8 030 million**). Combined, the before mentioned, represents **56 percent** of all outstanding creditors showing a decrease from **60 percent** in **November 2020**.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply to supply chain management regulations. Creditors are owed money for extended periods of time and this is causing a reluctance to quote and take part in competitive bidding processes. Pressure on cash flow is increasing with long outstanding creditors demanding settlement.



## 7. INVESTMENT PORTFOLIO ANALYSIS

### 7.1 Supporting Table SC5

No investment in the municipality

## 8. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### 8.1 Supporting Table SC6

WC041 Kannaland - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		31 250	35 990	39 976	11 434	25 499	19 988	5 511	27,6%	39 976
Operational Revenue:General Revenue:Equitable Share		28 147	29 760	34 011	11 434	23 096	17 005	6 090	35,8%	34 011
Operational Revenue:General Revenue:Fuel Levy		—	—	—	—	—	—	—	—	—
Local Government Financial Management Grant [Schedule 5B]		1 960	2 647	2 647	—	1 914	1 323	591	44,6%	2 647
Municipal Systems Improvement Grant		—	1 900	1 635	—	—	818	(818)	-100,0%	1 635
<b>Provincial Government:</b>		8 637	1 763	7 893	—	1 975	3 946	(1 971)	-50,0%	7 893
Capacity Building		—	—	—	—	—	—	—	—	—
Capacity Building and Other		8 637	1 713	7 843	—	1 975	3 921	(1 946)	-49,6%	7 843
Disaster and Emergency Services		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Infrastructure		—	50	50	—	—	25	(25)	-100,0%	50
<b>Total Operating Transfers and Grants</b>	5	39 887	37 753	47 868	11 434	27 474	23 934	3 540	14,8%	47 868
<b>Capital Transfers and Grants</b>										
National Government:		15 245	59 721	29 721	—	2 738	14 861	(12 123)	-81,6%	29 721
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		202	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant [Schedule 5B]		7 509	9 721	9 721	—	1 850	4 861	(3 011)	-61,9%	9 721
Regional Bulk Infrastructure Grant (Schedule 5B)		—	30 000	—	—	—	—	—	—	—
Water Services Infrastructure Grant [Schedule 5B]		7 534	20 000	20 000	—	888	10 000	(9 112)	-91,1%	20 000
<b>Provincial Government:</b>		6 363	5 649	4 395	—	386	2 198	(1 812)	-82,4%	4 395
Capacity Building		—	—	—	—	—	—	—	—	—
Capacity Building and Other		—	3 049	—	—	—	—	—	—	—
Disaster and Emergency Services		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Infrastructure		6 363	2 600	4 395	—	386	2 198	(1 812)	-82,4%	4 395
Libraries, Archives and Museums		—	—	—	—	—	—	—	—	—
<b>Total Capital Transfers and Grants</b>	5	21 608	65 370	34 116	—	3 124	17 058	(13 934)	-81,7%	34 116
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	61 496	103 123	81 985	11 434	30 598	40 992	(10 395)	-25,4%	81 985

The following Grants were received in the month of December

- Equitable Share to an amount of **R13.15 million**.
- Municipal Infrastructure Grant (MIG) amounts to **R4.6 million**.
- Community Development Program (CDW) amounts to **R112 thousand**

## 8.2 Supporting Table SC7 (1)

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

2019/20										
Description	Ref	Budget Year 2020/21								
		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:		28 087	26 403	29 604	2 008	9 159	14 802	(5 642)	-38,1%	29 604
Operational Revenue:General Revenue:Equitable Share		24 767	20 433	23 659	1 456	7 136	11 829	(4 693)	-39,7%	23 659
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 000	1 172	1 171	110	574	585	(11)	-1,9%	1 171
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 651	2 647	2 647	-	1 414	1 323	90	6,8%	2 647
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	1 400	1 400	402	(60)	700	(760)	-108,6%	1 400
Municipal Infrastructure Grant [Schedule 5B]		668	751	727	40	95	364	(269)	-73,9%	727
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		5 377	3 437	7 085	427	1 471	3 543	(2 071)	-58,5%	7 085
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		5 375	3 087	6 735	397	1 402	3 368	(1 966)	-58,4%	6 735
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		1	350	350	30	69	175	(106)	-60,4%	350
Total operating expenditure of Transfers and Grants:		33 463	29 840	36 689	2 435	10 630	18 344	(7 714)	-42,1%	36 689
Capital expenditure of Transfers and Grants										
National Government:		14 060	59 721	38 106	1 911	7 830	19 053	(11 223)	-58,9%	38 106
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		165	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		7 354	9 721	12 490	1 909	2 961	6 245	(3 284)	-52,6%	12 490
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant [Schedule 5B]		-	30 000	-	-	-	-	-	-	-
Water Services Infrastructure Grant [Schedule 5B]		6 541	20 000	25 616	2	4 869	12 808	(7 939)	-62,0%	25 616
Provincial Government:		6 061	3 600	6 045	-	514	3 023	(2 508)	-83,0%	6 045
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		500	1 000	1 650	-	-	825	(825)	-100,0%	1 650
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		5 561	2 600	4 395	-	514	2 198	(1 683)	-76,6%	4 395
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		20 220	63 321	44 151	1 911	8 344	22 076	(13 731)	-62,2%	44 151
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		53 683	93 162	80 841	4 346	18 975	40 420	(21 445)	-53,1%	80 841

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

- Local Government Finance Management Grant **R40 thousand** for FMG interns.
- Municipal Infrastructure Grant **R40 thousand** for salaries of Project management unit.
- Expanded Public Works Programme (EPWP) **R110 thousand** for salaries.
- Library Grant for Salaries and Operational Expenditure **R427 thousand**.

## **9. EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF**

### **9.1 Supporting Table SC8**

**WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December**

Summary of Employee and Councillor remuneration		Ref	2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2020/21			
R thousands						YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		1	A	B	C					D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages			2 464	2 794	2 468	120	685	1 234	(549)	2 468
Pension and UIF Contributions			—	56	—	9	55	—	55	—
Medical Aid Contributions			91	35	221	11	64	111	(47)	221
Motor Vehicle Allowance			342	308	261	13	113	131	(18)	261
Cellphone Allowance			249	384	311	26	155	155	—	311
Housing Allowances			—	—	—	—	—	—	—	—
Other benefits and allowances			—	—	—	—	—	—	—	—
<b>Sub Total - Councillors</b>			<b>3 146</b>	<b>3 578</b>	<b>3 262</b>	<b>179</b>	<b>1 072</b>	<b>1 631</b>	<b>(559)</b>	<b>3 262</b>
<b>% increase</b>		4		<b>13,8%</b>	<b>3,7%</b>					<b>3,7%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		3	1 987	3 120	3 015	86	1 213	1 508	(294)	3 015
Pension and UIF Contributions			1	—	—	—	0	—	0	—
Medical Aid Contributions			—	—	—	—	—	—	—	—
Overtime			—	—	—	—	—	—	—	—
Performance Bonus			(46)	—	194	—	—	97	(97)	194
Motor Vehicle Allowance			517	90	240	8	95	120	(25)	240
Cellphone Allowance			13	64	30	3	23	15	8	30
Housing Allowances			—	10	—	—	—	—	—	—
Other benefits and allowances			43	39	22	2	30	11	19	22
Payments in lieu of leave			—	—	—	—	—	—	—	—
Long service awards			—	—	—	—	—	—	—	—
Post-retirement benefit obligations			—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>		2	<b>2 514</b>	<b>3 324</b>	<b>3 500</b>	<b>99</b>	<b>1 361</b>	<b>1 750</b>	<b>(389)</b>	<b>3 500</b>
<b>% increase</b>		4		<b>32,2%</b>	<b>39,2%</b>					<b>39,2%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			38 238	37 386	41 892	3 560	17 202	20 946	(3 744)	41 892
Pension and UIF Contributions			5 859	6 446	6 170	478	2 394	3 085	(691)	6 170
Medical Aid Contributions			1 566	2 050	1 800	168	866	900	(34)	1 800
Overtime			4 290	1 880	1 912	317	1 892	956	936	1 912
Performance Bonus			2 252	—	—	853	1 697	—	1 697	—
Motor Vehicle Allowance			2 107	2 672	2 160	173	879	1 080	(201)	2 160
Cellphone Allowance			148	171	111	12	45	55	(11)	111
Housing Allowances			257	344	106	72	186	53	133	106
Other benefits and allowances			1 680	3 998	3 442	241	1 289	1 721	(432)	3 442
Payments in lieu of leave			654	47	94	—	—	47	(47)	94
Long service awards			85	—	—	—	—	—	—	—
Post-retirement benefit obligations			(1 060)	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>		2	<b>56 075</b>	<b>54 993</b>	<b>57 687</b>	<b>5 872</b>	<b>26 451</b>	<b>28 843</b>	<b>(2 392)</b>	<b>57 687</b>
<b>% increase</b>		4		<b>-1,9%</b>	<b>2,9%</b>					<b>2,9%</b>
<b>Total Parent Municipality</b>			<b>61 734</b>	<b>61 896</b>	<b>64 448</b>	<b>6 150</b>	<b>28 884</b>	<b>32 224</b>	<b>(3 340)</b>	<b>64 448</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Board Members of Entities</b>										
Basic Salaries and Wages			—	—	—	—	—	—	—	—
Pension and UIF Contributions			—	—	—	—	—	—	—	—
Medical Aid Contributions			—	—	—	—	—	—	—	—
Overtime			—	—	—	—	—	—	—	—
Performance Bonus			—	—	—	—	—	—	—	—
Motor Vehicle Allowance			—	—	—	—	—	—	—	—
Cellphone Allowance			—	—	—	—	—	—	—	—
Housing Allowances			—	—	—	—	—	—	—	—
Other benefits and allowances			—	—	1	0	0	0	(0)	1
Board Fees			—	—	—	—	—	—	—	—
Payments in lieu of leave			—	—	—	—	—	—	—	—
Long service awards			—	—	—	—	—	—	—	—
Post-retirement benefit obligations			—	—	—	—	—	—	—	—
<b>Sub Total - Board Members of Entities</b>		2	<b>—</b>	<b>—</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>1</b>
<b>% increase</b>		4			<b>0,0%</b>					<b>0,0%</b>
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages			—	—	—	—	—	—	—	—
Pension and UIF Contributions			—	—	—	—	—	—	—	—
Medical Aid Contributions			—	—	—	—	—	—	—	—
Overtime			—	—	—	—	—	—	—	—
Performance Bonus			—	—	—	—	—	—	—	—
Motor Vehicle Allowance			—	—	—	—	—	—	—	—
Cellphone Allowance			—	—	—	—	—	—	—	—
Housing Allowances			—	—	—	—	—	—	—	—
Other benefits and allowances			—	—	—	—	—	—	—	—
Payments in lieu of leave			—	—	—	—	—	—	—	—
Long service awards			—	—	—	—	—	—	—	—
Post-retirement benefit obligations			—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Entities</b>		2	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>% increase</b>		4								
<b>Other Staff of Entities</b>										
Basic Salaries and Wages			—	—	—	—	—	—	—	—
Pension and UIF Contributions			—	—	—	—	—	—	—	—
Medical Aid Contributions			—	—	—	—	—	—	—	—
Overtime			—	—	—	—	—	—	—	—
Performance Bonus			—	—	—	—	—	—	—	—
Motor Vehicle Allowance			—	—	—	—	—	—	—	—
Cellphone Allowance			—	—	—	—	—	—	—	—
Housing Allowances			—	—	—	—	—	—	—	—
Other benefits and allowances			—	—	—	—	—	—	—	—
Payments in lieu of leave			—	—	—	—	—	—	—	—
Long service awards			—	—	—	—	—	—	—	—
Post-retirement benefit obligations			—	—	—	—	—	—	—	—
<b>Sub Total - Other Staff of Entities</b>			<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>% increase</b>		4								
<b>Total Municipal Entities</b>			<b>—</b>	<b>—</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>1</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>			<b>61 734</b>	<b>61 896</b>	<b>64 449</b>	<b>6 150</b>	<b>28 884</b>	<b>32 224</b>	<b>(3 340)</b>	<b>64 449</b>
<b>% increase</b>		4		<b>0,3%</b>	<b>4,4%</b>					<b>4,4%</b>
<b>TOTAL MANAGERS AND STAFF</b>			<b>58 588</b>	<b>58 317</b>	<b>61 187</b>	<b>5 971</b>	<b>27 812</b>	<b>30 593</b>	<b>(2 781)</b>	<b>61 187</b>

- **Employee Related Costs:** The budget amounts to **R61.19 million**, while the expenditure to date amounts to **R27.81 million or 35 percent** of the budget. The variance can be attributed to budgeted position not yet filled these are anticipated to be filled by February to March 2021.
- **Remuneration of Councillors:** The budget amounts to **R3.26 million**, while the expenditure to date amounts to **R1.07 million or 32 percent** of the budget. The variance can be attributed to parameter settings in councillors that are being addressed monthly.

## 10. LONG TERM BORROWINGS

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

Date: 10.09.2018

### ACCOUNT STATEMENT



Repayment Due	30.11.2020	30.11.2020	-47,080.44	0.00	-12,919.56	-60,000.00	1,206,423.21	1,206,423.21
Interest Accrual	31.12.2020	31.12.2020	0.00	12,807.92	0.00	12,807.92	1,219,231.13	1,206,423.21
Interest Capitalisation	31.12.2020	31.12.2020	0.00	-12,807.92	12,807.92	0.00	1,219,231.13	1,219,231.13
Repayment Due	31.12.2020	31.12.2020	-47,192.08	0.00	-12,807.92	-60,000.00	1,159,231.13	1,159,231.13

- The total outstanding long-term debt of Kannaland Municipality amounts to **R1.15 million** as at **31 December 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 **R13 thousand interest**.

## 11. MATERIAL VARIANCES TO THE SDBIP

No material variances to SDBIP reported

## 12. CAPITAL PROGRAMME PERFORMANCE

### 12.1 Supporting Table SC12

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July	–	5 277	3 680	–	–	3 680	–	0,0%	0%
August	1 115	5 277	3 680	2 744	2 744	7 361	4 617	62,7%	4%
September	2 437	5 277	3 680	2 089	4 833	11 041	6 208	56,2%	8%
October	1 783	5 277	3 680	588	5 420	14 721	9 301	63,2%	9%
November	488	5 277	3 680	1 013	6 433	18 401	11 968	65,0%	10%
December	1 257	5 277	3 680	1 911	8 344	22 082	13 737	62,2%	13%
January	350	5 277	3 680	–	8 344	25 762	17 417	67,6%	13%
February	610	5 277	3 680	–	8 344	29 442	21 098	71,7%	13%
March	377	5 277	3 680	–	8 344	33 122	24 778	74,8%	13%
April	172	5 277	3 680	–	8 344	36 803	28 458	77,3%	13%
May	482	5 277	3 680	–	8 344	40 483	32 138	79,4%	13%
June	11 268	5 277	3 680	–	8 344	44 163	35 819	81,1%	13%
<b>Total Capital expenditure</b>	<b>20 338</b>	<b>63 321</b>	<b>44 163</b>	<b>8 344</b>					

## **13. OTHER SUPPORTING DOCUMENTATION**

### **13.1 Supporting Table SC13a, SC13b and SC13e**



**WC041 Kannaland - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06**

R thousands	Description	Ref	2019/20	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2020/21		YTD variance	YTD variance %	Full Year Forecast
			Audited Outcome				YearTD actual	YearTD budget			
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			20 149	23 045	26 769	2 663	12 963	13 384	421	3.1%	26 769
Roads Infrastructure			3 803	6 247	5 021	159	1 145	2 511	1 365	54.4%	5 021
Roads											
Road Structures			3 803	6 247	5 021	159	1 145	2 511	1 365	54.4%	5 021
Road Furniture											
Capital Spares											
Storm water Infrastructure											
Drainage Collection											
Storm water Conveyance											
Attenuation											
Electrical Infrastructure			4 199	5 000	6 319	406	2 331	3 160	829	26.2%	6 319
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors											
MV Substations											
MV Switching Stations											
MV Networks											
LV Networks			4 199	5 000	6 319	406	2 331	3 160	829	26.2%	6 319
Capital Spares											
Water Supply Infrastructure			5 467	4 569	5 067	853	4 082	2 533	(1 548)	-61.1%	5 067
Dams and Weirs											
Boreholes											
Reservoirs											
Pump Stations											
Water Treatment Works											
Bulk Mains											
Distribution			5 467	4 569	5 067	853	4 082	2 533	(1 548)	-61.1%	5 067
Distribution Points											
PRV Stations											
Capital Spares											
Sanitation Infrastructure			2 966	2 773	4 879	269	1 311	2 440	1 128	46.3%	4 879
Pump Station											
Reticulation											
Waste Water Treatment Works			2 966	2 773	4 879	269	1 311	2 440	1 128	46.3%	4 879
Outfall Sewers											
Toilet Facilities											
Capital Spares											
Solid Waste Infrastructure			3 713	4 455	5 482	975	4 094	2 741	(1 353)	-49.4%	5 482
Landfill Sites			3 713	4 455	5 482	975	4 094	2 741	(1 353)	-49.4%	5 482
Waste Transfer Stations											
Waste Processing Facilities											
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											
Rail Infrastructure											
Rail Lines											
Rail Structures											
Rail Furniture											
Drainage Collection											
Storm water Conveyance											
Attenuation											
MV Substations											
LV Networks											
Capital Spares											
Coastal Infrastructure											
Sand Pumps											
Piers											
Revetments											
Promenades											
Capital Spares											
Information and Communication Infrastructure											
Data Centres											
Core Layers											
Distribution Layers											
Capital Spares											
Community Assets			757	959	1 149	63	279	574	295	51.4%	1 149
Community Facilities			757	959	1 149	63	279	574	295	51.4%	1 149
Halls											
Centres											
Crèches											
Clinics/Care Centres											
Fire/Ambulance Stations											
Testing Stations											
Museums											
Galleries											
Theatres											
Libraries											
Cemeteries/Crematoria			377	418	641	42	190	321	131	40.9%	641
Police											
Parks			380	540	507	21	90	254	164	64.7%	507
Public Open Space											
Nature Reserves											
Public Ablution Facilities											
Markets											
Stalls											
Abattoirs											
Airports											
Taxi Ranks/Bus Terminals											
Capital Spares											
Sport and Recreation Facilities											
Indoor Facilities											
Outdoor Facilities											
Capital Spares											
Heritage assets											
Monuments											
Historic Buildings											
Works of Art											
Conservation Areas											
Other Heritage											
Investment properties											
Revenue Generating											
Improved Property											
Unimproved Property											
Non-revenue Generating											
Improved Property											
Unimproved Property											
Other assets			1 796	1 860	1 482	35	575	741	166	22.4%	1 482
Operational Buildings			1 796	1 860	1 482	35	575	741	166	22.4%	1 482
Municipal Offices			1 796	1 860	1 482	35	575	741	166	22.4%	1 482
Pay/Enquiry Points											
Building Plan Offices											
Workshops											
Yards											
Stores											
Laboratories											
Training Centres											
Manufacturing Plant											
Depots											
Capital Spares											
Housing											
Staff Housing											
Social Housing											
Capital Spares											
Biological or Cultivated Assets											
Biological or Cultivated Assets											
Intangible Assets											
Servitudes											
Licences and Rights											
Water Rights											
Effluent Licences											
Solid Waste Licences											
Computer Software and Applications											
Load Settlement Software Applications											
Unspecified											
Computer Equipment											
Computer Equipment											
Furniture and Office Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Machinery and Equipment											
Transport Assets			439	1 145	1 145	64	516	572	57	9.9%	1 145
Transport Assets			439	1 145	1 145	64	516	572	57	9.9%	1 145
Land											
Land											
Zoo's, Marine and Non-biological Animals											
Zoo's, Marine and Non-biological Animals											
Total Repairs and Maintenance Expenditure	1		23 141	27 009	30 544	2 825	14 333	15 222	939	6.1%	30 544

**WC041 Kannaland - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December**

Description	Ref	2019/20	Original	Adjusted	Monthly	Budget Year 2020/21				
		Audited Outcome				YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>10 935</b>	<b>52 901</b>	<b>31 278</b>	<b>1 422</b>	<b>7 277</b>	<b>15 639</b>	<b>8 362</b>	<b>53,5%</b>	<b>31 278</b>
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		<b>579</b>								
Power Plants										
HV Substations		<b>165</b>								
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		<b>414</b>								
Capital Spares										
Water Supply Infrastructure		<b>8 262</b>	<b>22 901</b>	<b>31 278</b>	<b>1 422</b>	<b>7 277</b>	<b>15 639</b>	<b>8 362</b>	<b>53,5%</b>	<b>31 278</b>
Dams and Weirs										
Boreholes		<b>1 683</b>	<b>2 431</b>	<b>5 193</b>	<b>1 420</b>	<b>2 408</b>	<b>2 596</b>	<b>188</b>	<b>7,3%</b>	<b>5 193</b>
Reservoirs		<b>6 541</b>	<b>20 000</b>	<b>25 616</b>	<b>2</b>	<b>4 869</b>	<b>12 808</b>	<b>7 939</b>	<b>62,0%</b>	<b>25 616</b>
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points		<b>38</b>	<b>470</b>	<b>470</b>			<b>235</b>	<b>235</b>	<b>100,0%</b>	<b>470</b>
PRV Stations										
Capital Spares										
Sanitation Infrastructure		<b>2 094</b>	<b>30 000</b>							
Pump Station										
Reticulation			<b>30 000</b>							
Waste Water Treatment Works		<b>2 094</b>								
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>		<b>—</b>	<b>3 145</b>	<b>3 145</b>	<b>279</b>	<b>279</b>	<b>1 573</b>	<b>1 294</b>	<b>82,3%</b>	<b>3 145</b>
Community Facilities			<b>3 145</b>	<b>3 145</b>	<b>279</b>	<b>279</b>	<b>1 573</b>	<b>1 294</b>	<b>82,3%</b>	<b>3 145</b>
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria			<b>3 145</b>	<b>3 145</b>	<b>279</b>	<b>279</b>	<b>1 573</b>	<b>1 294</b>	<b>82,3%</b>	<b>3 145</b>
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
<b>Other assets</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Biological or Cultivated Assets										
<b>Intangible Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		<b>25</b>	<b>—</b>	<b>19</b>	<b>—</b>	<b>—</b>	<b>9</b>	<b>9</b>	<b>100,0%</b>	<b>19</b>
Computer Equipment		<b>25</b>	<b>—</b>	<b>19</b>	<b>—</b>	<b>—</b>	<b>9</b>	<b>9</b>	<b>100,0%</b>	<b>19</b>
<b>Furniture and Office Equipment</b>		<b>118</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Furniture and Office Equipment		<b>118</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Machinery and Equipment</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Machinery and Equipment		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Transport Assets</b>		<b>500</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Transport Assets		<b>500</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Land</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Land		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Zoo's, Marine and Non-biological Animals		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>11 579</b>	<b>56 046</b>	<b>34 443</b>	<b>1 701</b>	<b>7 556</b>	<b>17 221</b>	<b>9 665</b>	<b>56,1%</b>	<b>34 443</b>

## 14. QUALITY CERTIFICATE

I, **R. BUTLER**, the acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the monthly budget statement for the month of **DECEMBER 2020**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: .....

Signature: .....

Date 15 January 2021

### **Format of monthly budget statements**

**28.** The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.<sup>17</sup>

### **Tabling of monthly budget statements**

**29.** The mayor may table in the municipal council a monthly budget statement submitted to the mayor in terms of section 71(1) of the Act. If the mayor does so, the monthly budget statement must be accompanied by a mayor's report in a format set out in Schedule C.

### **Publication of monthly budget statements**

**30. (1)** The monthly budget statement of a municipality must be placed on the municipality's website.<sup>18</sup>

(2) The municipal manager must publish on the municipality's website any other information that the municipal council considers appropriate to facilitate public awareness of the monthly budget statement, including –

- (a) summaries of monthly budget statements in alternate languages predominant in the community; and
- (b) information relevant to each ward in the municipality.