



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

## Section 52d Quarterly Report for the 3<sup>rd</sup> Quarter 2020/21



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

**Adjustment's 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 principal 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 year's 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.

# PART 1: IN-YEAR REPORT

## Section 1 – Mayor’s Report

### 1.1 In -Year Report – Quarterly Budget Statement

The quarterly budget statement, for the period ended **31 March 2021**, has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations and the Municipal Finance Management Act 56 of 2003.

- a) The budget of the municipality has been implemented in terms of ***the Service Delivery Budget Implementation Plan (SDBIP)***. Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.
- b) ***Financial problems or risks*** facing the municipality are numerous and have been exaggerated by the impact of Covid-19.

Cash flow has and will for the foreseeable future be a problem. 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 and a Budget Finding Plan have been developed and are being implemented to mitigate risk.

The second quarter of the **2020/21** financial year has started on Covid-19 Alert Level 1 and has subsequently been increased to Alert Level 3 as from the end of December 2020. The adverse impact of Covid-19 on the local economy will be felt for some time to come, will remain unpredictable and the finances of the municipality should be managed with an increased level of due care.

The municipality had applied for exemption on the municipal employee salary increases for the **2020/2021** financial year. The final arbitration was lost by the municipality and had to implement the annual increases of 6.5 percent for the remainder of the year while making payments for back-pay on salaries and bonuses during the reported quarter.

- c) The municipality has enquired challenges with the adoption of the Adjustment budget in the 28 February 2021 as well as the Draft budget for 2021/2022. The municipality notified the Provincial and National government through the G-schedule as per the Municipal Budget Reporting and Regulation (MBRR).

## Section 2 – Resolutions

### Recommendation:

That the council takes cognisance of the Quarterly budget statement for the **Third quarter of 2020/21 financial year.**

## Section 3 – Executive Summary

### 1.1 Introduction

In terms of section 52(d) of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality. The format and content of in-year reporting are set out in the Municipal Budget and Reporting Regulations of 2009, that was published in terms of section 168 of the MFMA (2003).

### 1.2 Consolidated Performance

The performance against the budget can be summarized as follow:

	Original Budget	Adjustments Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 163 710	R 170 980	R 129022	R 123 312	R 5710	4 %
Operating Expenditure	R 163 186	R 177 767	R 133 324	R 102 973	R 30 351	23 %
Capital	R 63 321	R 37 550	R 28 163	R 8 463	R 19 700	70 %

## TABLE C1 – QUARTERLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	16 753	19 540	22 821	1 230	15 582	17 115	(1 534)	-9%	22 821
Service charges	86 195	92 033	88 167	7 538	66 152	66 125	27	0%	88 167
Investment revenue	1 014	–	815	106	813	611	202	33%	815
Transfers and subsidies	40 018	37 753	46 074	6 920	36 402	34 555	1 847	5%	46 074
Other own revenue	12 858	14 384	14 154	468	4 363	10 615	(6 253)	-59%	14 154
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>156 838</b>	<b>163 710</b>	<b>172 030</b>	<b>16 264</b>	<b>123 312</b>	<b>129 022</b>	<b>(5 710)</b>	<b>-4%</b>	<b>172 030</b>
Employee costs	58 588	58 317	61 097	5 078	44 264	45 822	(1 558)	-3%	61 097
Remuneration of Councillors	3 146	3 578	3 394	280	1 617	2 545	(929)	-36%	3 394
Depreciation & asset impairment	15 009	12 231	12 222	1 018	9 167	9 166	1	0%	12 222
Finance charges	4 386	227	181	28	250	136	114	84%	181
Materials and bulk purchases	42 989	48 900	54 440	4 286	33 489	40 830	(7 341)	-18%	54 440
Transfers and subsidies	96	470	470	80	160	352	(192)	-55%	470
Other expenditure	44 638	39 462	45 963	4 986	14 026	34 472	(20 446)	-59%	45 963
<b>Total Expenditure</b>	<b>168 852</b>	<b>163 186</b>	<b>177 767</b>	<b>15 757</b>	<b>102 973</b>	<b>133 324</b>	<b>(30 351)</b>	<b>-23%</b>	<b>177 767</b>
<b>Surplus/(Deficit)</b>	<b>(12 014)</b>	<b>524</b>	<b>(5 738)</b>	<b>507</b>	<b>20 339</b>	<b>(4 302)</b>	<b>24 640</b>	<b>-573%</b>	<b>(5 738)</b>
Transfers and subsidies - capital (monetary alloc	21 305	65 370	36 843	0	5 297	27 632	(22 336)	-81%	36 843
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>9 291</b>	<b>65 894</b>	<b>31 106</b>	<b>507</b>	<b>25 635</b>	<b>23 331</b>	<b>2 304</b>	<b>10%</b>	<b>31 106</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>9 291</b>	<b>65 894</b>	<b>31 106</b>	<b>507</b>	<b>25 635</b>	<b>23 331</b>	<b>2 304</b>	<b>10%</b>	<b>31 106</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>19 076</b>	<b>95 436</b>	<b>53 888</b>	<b>11</b>	<b>8 463</b>	<b>28 163</b>	<b>(19 700)</b>	<b>-70%</b>	<b>53 888</b>
Capital transfers recognised	18 962	63 321	36 850	11	8 463	27 638	(19 175)	-69%	36 850
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	98	–	700	–	–	525	(525)	-100%	700
<b>Total sources of capital funds</b>	<b>19 060</b>	<b>63 321</b>	<b>37 550</b>	<b>11</b>	<b>8 463</b>	<b>28 163</b>	<b>(19 700)</b>	<b>-70%</b>	<b>37 550</b>
<b>Financial position</b>									
Total current assets	16 662	(110 474)	83 780		25 168				83 780
Total non current assets	9 731	390 363	359 765		(703)				359 765
Total current liabilities	8 166	(5 325)	119 842		(1 247)				119 842
Total non current liabilities	13 992	30 340	34 327		(8)				34 327
<b>Community wealth/Equity</b>	<b>(5 056)</b>	<b>250 300</b>	<b>259 321</b>		<b>85</b>				<b>259 321</b>
<b>Cash flows</b>									
Net cash from (used) operating	(93 124)	(338 636)	(313 538)	(2 385)	(1 921)	(235 153)	(233 232)	99%	(313 538)
Net cash from (used) investing	1 699	(95 436)	(53 888)	–	–	(28 163)	(28 163)	100%	(53 888)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the month/year end</b>	<b>(91 425)</b>	<b>(422 441)</b>	<b>(324 939)</b>	<b>–</b>	<b>(1 921)</b>	<b>(220 828)</b>	<b>(218 907)</b>	<b>99%</b>	<b>(367 426)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	4 321	2 344	1 931	1 867	1 852	1 605	11 380	74 777	100 078
<b>Creditors Age Analysis</b>									
Total Creditors	5 530	5 407	559	5 937	21 853	–	–	–	39 286

## Operational Expenditure

The municipality's total expenditure budget amounts to R123 million and the year-to-date expenditure on the budget accrued to R 102 million. This represents 77% of total expenditure to date. Lower than forecasted expenditure can be attributed to the impact of the Covid-19 pandemic on municipal operations and low travel expenditure.

The third quarter expenditure R41 million or 40% of the total budget, while the second quarter was R 32 million or 19% increase on the third quarter of R 9 million or 21%. The increase in expenditure can be attributed to the salaries back-pay and depreciation in February 2021.

### **Operational Revenue**

The municipality's total operational revenue budget amounts to R123 million, with a year-to-date performance of R129 million or 95% of the total revenue budget, which is 5 % percent less of the third Quarter target.

The third quarter performance accrued to R38 million or 30% of the revenue budget, with the second quarter amounting to R38 million or 32% of the revenue budget. This represents a decline of 2% during the third quarter. The decline can be attributed to the fluctuating economy as result of the Covid 19 and the change winter tariffs applied in the First and Second Quarter of 2020/2021.

### **Capital Expenditure**

The total capital budget for the municipality is R 37 million, which is funded from national, provincial grants and own funds. National grant funding amounts to R30 million, with provincial funding accounting for the remaining R6 million and own funding just R700 thousand. Year to date capital expenditure amounted to R8.5 million or 22% of the total capital budget.

### **Operating Surplus/Deficit**

Operating Revenue amounted to R16 million and the expenditure amounted to R15 million with an operating deficit of R507 thousand for the third quarter of 2020/21. The year-to-date operating surplus amounts to R25 million.

The reported surplus does not consider debt impairment for the first three quarters of 2020/21 and will be accounted for within the last quarter as council must be consulted. The impact will be significant (potentially in excess of R13 million) and will have a significant impact on the reported surplus. It should also be noted that the municipality will do well to break-even during the third and fourth quarter and therefor monthly monitoring will be of the utmost importance to ensure financial stability.

## **1.3 Material differences to the SDBIP**



Material differences to the SDBIP will be discussed under section 10.

#### **1.4 Remedial actions**

- (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; communicating with the Technical department on slow spending on capital budget
- (c) That monthly monitoring of the implementation of the Financial Recovery Plan and Budget Funding Plan takes place. The effort should be coordinated with giving the necessary and all-important consideration to the impact of the COVID-19 pandemic on municipal operations and more specifically municipal liquidity;
- (d) That measures on debt collection are implemented and applied effectively; and debt impairment be implemented;
- (e) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an ever-changing environment; and
- (f) That Mayor ensure the Adjustment budget and draft budget are tabled to the next council sitting.

## Section 4 – In-year budget statement tables

### TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

Western Cape: Kannaland(WC041) - Table C4 Quarterly Budgeted Financial Performance ( All ) for 3rd Quarter ended 31 March 2021

Description		Ref	2019/20	Budget year 2020/21									
R thousands			Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Revenue By Source													
Property rates			16 753	19 540	22 821			3 669	3 669	7 607	(3 937)	(51,76)	22 821
Service charges - electricity revenue			52 583	55 943	56 494			14 091	14 091	18 831	(4 740)	(25,17)	56 494
Service charges - water revenue			19 622	21 626	17 113			5 216	5 216	5 704	(489)	(8,57)	17 113
Service charges - sanitation revenue			7 008	7 520	7 607			1 882	1 882	2 536	(654)	(25,79)	7 607
Service charges - refuse revenue			6 743	6 945	6 952			1 766	1 766	2 317	(551)	(23,77)	6 952
Rental of facilities and equipment			520	17	567			137	137	189	(53)	(27,81)	567
Interest earned - external investments			1 014		815			303	303	272	31	11,47	815
Interest earned - outstanding debtors			20	5 567	5 454			13	13	1 818	(1 806)	(99,31)	5 454
Dividends received													
Fines, penalties and forfeits			4 470	7 384	6 354			1 528	1 528	2 118	(590)	(27,84)	6 354
Licences and permits			164	50	215			55	55	72	(17)	(23,67)	215
Agency services			828	1 000	1 025			324	324	342	(18)	(5,20)	1 025
Transfers and subsidies			39 866	37 753	45 024			8 925	8 925	15 008	(6 083)	(40,53)	45 024
Other revenue			1 477	365	538			125	125	179	(55)	(30,52)	538
Gains													
Total Revenue (excluding capital transfers and contributions)			151 069	163 710	170 980	-	-	38 033	38 033	56 993	(18 960)	(33,27)	170 980
Expenditure By Type													
Employee related costs			59 063	58 317	60 997			16 353	16 353	20 332	(3 979)	(19,57)	60 997
Remuneration of councillors			3 417	3 578	3 394			545	545	1 131	(587)	(51,87)	3 394
Debt impairment			21 831	11 923	13 538			19	19	4 513	(4 494)	(99,58)	13 538
Depreciation and asset impairment			11 238	12 231	12 222			9 166	9 166	4 074	5 092	125,00	12 222
Finance charges			484	227	181			133	133	60	72	119,89	181
Bulk purchases - electricity			29 698	41 793	42 763			7 871	7 871	14 254	(6 383)	(44,78)	42 763
Inventory consumed			2 505	7 107	11 877			694	694	3 959	(3 265)	(82,47)	11 877
Contracted services			9 725	15 682	18 471			2 694	2 694	6 157	(3 463)	(56,24)	18 471
Transfers and subsidies			96	470	470			160	160	157	3	2,13	470
Other expenditure			7 466	11 857	13 855			4 209	4 209	4 618	(409)	(8,87)	13 855
Losses													
Total Expenditure			145 523	163 186	177 767	-	-	41 843	41 843	59 255	(17 412)	(29,39)	177 767
Surplus/(Deficit)													
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			5 546	524	(6 788)	-	-	(3 810)	(3 810)	(2 262)	(1 548)	68,42	(6 788)
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)			22 186	65 370	34 144			2 173	2 173	11 381	(9 209)	(80,91)	34 144
Transfers and subsidies - capital (in-kind - all)													
			27 732	65 894	27 357	-	-	(1 637)	(1 637)	9 119	(10 756)	(117,95)	27 357
Surplus/(Deficit) after capital transfers and contributions													
Taxation													
Surplus/(Deficit) after taxation			27 732	65 894	27 357	-	-	(1 637)	(1 637)	9 119	(10 756)	(117,95)	27 357
Attributable to minorities													
Surplus/(Deficit) attributable to municipality			27 732	65 894	27 357	-	-	(1 637)	(1 637)	9 119	(10 756)	(117,95)	27 357
Share of surplus/ (deficit) of associate													
Surplus/(Deficit) for the year													
			27 732	65 894	27 357	-	-	(1 637)	(1 637)	9 119	(10 756)	(117,95)	27 357

## THE DETAILED QUARTERLY OPERATING REVENUE PERFORMANCE AGAINST THE TOTAL BUDGET ITEMS ARE AS FOLLOW:

### **Electricity Revenue – R14.09 million (25% of the Electricity Budget)**

Billing during the **second quarter** amounted to **R12.87 million (22% of Electricity Budget)** an increase of **3%** during the third quarter. The total year to date actual amount is **R41.77 million (73% of Electricity Budget)**. The 2% under collection should be considered in context of cyclical seasonal demand that has not been accounted for in a straight-line budget.

### **Water Revenue – R5.22 million (31% of the Water Budget)**

Billing during the second quarter amounted to **R4.51 million (26% of Water Budget)** an **8%** increase in the third quarter. The year to date is **R13.43 million (78% of Water Budget)** with a **3 %** above the forecasted.

### **Sewerage Revenue - R1.88 million (25% of the Sewerage Budget)**

The municipality has billed **R1.86 million (25% of Sewerage Budget)** during both quarter two and three. The year to date billed is **R5.62 million (74% of Sewerage Budget)**, with just **1** percent below forecast.

### **Refuse Removal Revenue - R1.77 million (25% of the Solid Waste Budget)**

The municipality billed **R1.77 million (25% of the Solid Waste Budget)** during the second quarter and third quarter. The billing of refuse removal is in line with the year-to-date forecast. The total year to date is **R5.32 million (77% of the Solid Waste budget)**.

### **Interest earned**

Interest charges on outstanding debtors are levied on the actual debtors' account. This will be corrected once the system parameters are corrected.

### **Rental of facilities and equipment - R137 thousand (24% of the Rental Budget)**

The annual forecast is below the actual anticipated for the rental of facilities and equipment and the municipality need to consolidate the property rentals and verify against the payments. The municipality is below the year-to-date forecast with **68%** to date against the adjusted budget.

### **Interest on external investments – R303 thousand (37 % of the interest Budget)**

The interest on municipal call accounts amounted to **R284 thousand (32% of the interest received budget)** during the second quarter. The performance with respect to external investments was made up out of invested cash-backed unspent grants received. The interest received was inflated by the national lockdown and is expected to decline significantly during the coming months as a result of increased grant spending.

**Fines Penalties and forfeits – R1.5 million (24 % of the Fines & Penalties Budget)**

The budget needs to be adjusted as the amount issued in terms of the above was well below forecasted. A vendor for the administration of speed fine cameras must be procured as a matter of urgency.

**Other revenue, Agency services and licence and permits – R504 thousand (28% OF Budget)**

The year to date forecast relevant to agency services has exceeded forecasting and can be adjusted upwards during the adjustments budget process. Contrary to the before-mentioned, Licenses and permits were underperforming and that can be directly attributed to the impact of Covid-19 lock-down regulations.

**THE DETAILED QUARTERLY OPERATING EXPENDITURE PERFORMANCE AGAINST THE TOTAL BUDGET ITEMS ARE AS FOLLOW:**

**Employee Related Costs - R16.34 million (27% of Annual Employee Budget) with Councillors at R545 thousand (16 % of the Annual Councillors Remuneration Budget)**

Employee related expenditure incurred made up **72%** of the year-to-date budget. This is under the forecasted budget given that bonuses were paid during November and December 2020. It should however be noted that the annual municipal employee increase with back-pay were applied during February 2021.

Councillor remuneration is only standing at **63%** of the year-to-date budget. It is a fixed item, and the problem might be an allocation problem rather than the budgeted amount being incorrect. This will be investigated and corrected in due course.

**Bulk Purchases – R7.87 million (18% of the bulk purchases budget)**

Bulk purchases year to date are in line with the forecast.

**Finance Charges R133 thousand (75% of the Finance Charges Budget)**

Finance charges needs to be investigated and adjusted accordingly as the amount is exceeding the budget amount without the municipality having incurred any debt.

**Other materials – R694 thousand (6 % of the budget)**

Expenditure on “Other Materials” is well below the year-to-date forecast but increased expenditure can be expected, and the municipality should ensure that all expenditure is recognised when incurred.

**Contracted Services - R2.7 million (14% of Budget)**

The expenditure on “Contracted Services” remains low as a result of the impact of the lockdown, during the second quarter, 14 % rate of expenditure incurred. However, the opening

of the economy will lead to increased expenditure mainly on grant funded projects. The must be increase expenditure specifically grant funded expenditure.

**Other Expenditure – R4.21 million (30 % of Budget)**

Expenditure in this regard has been lower than forecasted and can be contributed to less travelling and the enforcement of the Cost Containment Regulations and the implementation of the budget funding plan.

## TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

Western Cape: Kannaland(WC041) - Table C5 Quarterly Budgeted Capital Expenditure by Functional Classification and Funding for 3rd Quarter ended 31 March 2021

Western Cape: Ramatlamandl (WC047) - Table 03 Quarterly Budgeted Capital Expenditure by Functional Classification and Funding for 3rd Quarter ended 31 March 2021												
Description	Ref	2019/20	Budget year 2020/21									
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands												
<b>Capital Expenditure - Functional</b>												
Municipal governance and administration		-	-	700	-	-	-	-	525	(233)	(44,44)	700
Executive and council									-			
Finance and administration				700					525	(233)	(100,00)	700
Internal audit									-			
Community and public safety		1 865	5 454	6 104	-	-	48	442	4 578	(1 987)	(43,39)	6 104
Community and social services			4 145	4 795			11	290	3 597	(1 587)	(99,30)	4 795
Sport and recreation		1 365	1 309	1 309			37	152	982	(399)	(91,52)	1 309
Public safety		500							-			
Housing									-			
Health									-			
Economic and environmental services		-	-	7	-	-	-	-	5	(2)	(44,44)	7
Planning and development									-			
Road transport				7					5	(2)	(100,00)	7
Environmental protection									-			
Trading services		18 910	57 867	30 739	-	-	71	8 021	23 054	(10 176)	(44,14)	30 739
Energy sources		615		2 699					2 024	(900)	(100,00)	2 699
Water management		16 189	27 867	28 040			71	8 021	21 030	(9 276)	(99,25)	28 040
Waste water management		2 106	30 000						-			
Waste management									-			
Other									-			
Total Capital Expenditure - Functional	3	20 775	63 321	37 550	-	-	119	8 463	28 163	(12 398)	(44,02)	37 550
<b>Funded by</b>												
National Government		14 486	59 721	30 805			119	7 949	23 104	(10 150)	(98,84)	30 805
Provincial Government		6 191	3 600	6 045				514	4 534	(2 015)	(100,00)	6 045
District Municipality												
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatns, Higher Educ Institutions)												
Transfers recognised - capital		20 677	63 321	36 850	-	-	119	8 463	27 638	(12 165)	(44,02)	36 850
Borrowing	6											
Internally generated funds		98		700					-	(233)	(100,00)	700
Total Capital Funding		20 775	63 321	37 550	-	-	119	8 463	27 638	(12 398)	(44,86)	37 550

### THE FOLLOWING IS THE FINANCIAL PERFORMANCE AGAINST THE BUDGET CAPITAL EXPENDITURE IN THE SECOND QUARTER

- The actual year-to-date Capital Expenditure amounts to **R8.46 million**
- The total expenditure in the third quarter was **R119 thousand, or 0.3% of the total capital budget.**
- The total expenditure in the second quarter was **R4.83 million or 13%**
- The municipality envisages to increase the spending on the capital budget in order to ensure projects are completed before the next financial year.

## TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

Western Cape: Kannaland(WC041) - Table C6 Quarterly Budget Statement - Financial Position ( All ) for 3rd Quarter ended 31 March 2021

Description	Ref	2019/20	Budget year 2020/21									
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>											
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		27 034	125 945	111 366			(14 139)	(14 139)	35 580	(49 719)	(139,74)	111 366
Call deposits and investments		29 476	8 387	37 862			7 673	7 673		7 673		37 862
Consumer debtors		(528)	(17 826)	(23 678)			5 371	5 371	(9 755)	15 126	(155,05)	(23 678)
Other debtors		(14 513)	(28 559)	(41 506)			(5 935)	(5 935)	1 218	(7 153)	(587,23)	(41 506)
Current portion of long-term receivables			(8)	(13)								(13)
Inventory		848	(2 990)	(2 901)			315	315	(1 824)	2 139	(117,28)	(2 901)
<b>Total current assets</b>		<b>42 316</b>	<b>84 949</b>	<b>81 131</b>	<b>-</b>	<b>-</b>	<b>(6 715)</b>	<b>(6 715)</b>	<b>25 220</b>	<b>(31 935)</b>	<b>(126,63)</b>	<b>81 131</b>
<b>Non current assets</b>												
Long-term receivables												
Investments												
Investment property		(124)	1 489	1 364								1 364
Investment in Associate												
Property, plant and equipment		9 961	376 628	358 393			(9 025)	(9 025)	8 460	(17 485)	(206,68)	358 393
Biological												
Intangible		(7)	15	8			(23)	(23)	(10)	(13)	125,01	8
Other non-current assets												
<b>Total non current assets</b>		<b>9 830</b>	<b>378 132</b>	<b>359 765</b>	<b>-</b>	<b>-</b>	<b>(9 048)</b>	<b>(9 048)</b>	<b>8 450</b>	<b>(17 497)</b>	<b>(207,08)</b>	<b>359 765</b>
<b>TOTAL ASSETS</b>		<b>52 146</b>	<b>463 081</b>	<b>440 896</b>	<b>-</b>	<b>-</b>	<b>(15 763)</b>	<b>(15 763)</b>	<b>33 669</b>	<b>(49 432)</b>	<b>(146,82)</b>	<b>440 896</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft												
Borrowing		(507)	(446)	(951)			(146)	(146)		(146)		(951)
Consumer deposits		57	964	1 027			25	25		25		1 027
Trade and other payables		23 751	110 222	119 167			(14 006)	(14 006)	24 980	(38 986)	(156,07)	119 167
Provisions		368	2 654	648								648
<b>Total current liabilities</b>		<b>23 668</b>	<b>113 394</b>	<b>119 892</b>	<b>-</b>	<b>-</b>	<b>(14 127)</b>	<b>(14 127)</b>	<b>24 980</b>	<b>(39 107)</b>	<b>(156,55)</b>	<b>119 892</b>
<b>Non current liabilities</b>												
Financial liabilities		11	1 141	1 095					(431)	431	(100,00)	1 095
Provisions			32 352	33 232								33 232
<b>Total non current liabilities</b>		<b>11</b>	<b>33 493</b>	<b>34 327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(431)</b>	<b>431</b>	<b>(100,00)</b>	<b>34 327</b>
<b>TOTAL LIABILITIES</b>		<b>23 679</b>	<b>146 887</b>	<b>154 219</b>	<b>-</b>	<b>-</b>	<b>(14 127)</b>	<b>(14 127)</b>	<b>24 550</b>	<b>(38 676)</b>	<b>(157,54)</b>	<b>154 219</b>
<b>NET ASSETS</b>	<b>2</b>	<b>28 466</b>	<b>316 194</b>	<b>286 677</b>	<b>-</b>	<b>-</b>	<b>(1 636)</b>	<b>(1 636)</b>	<b>9 119</b>	<b>(10 756)</b>	<b>(117,94)</b>	<b>286 677</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		787	251 727	260 801								260 801
Reserves		(52)	(1 427)	(1 480)			1	1		1		(1 480)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>735</b>	<b>250 300</b>	<b>259 321</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>259 321</b>

## TABLE C7 – QUARTERLY BUDGETED CASH FLOW

Western Cape: Kannaland(WC041) - Table C7 Quarterly Budgeted Cash Flows ( All ) for 3rd Quarter ended 31 March 2021

Description	Ref	2019/20	Budget year 2020/21										
			Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands	1												
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Property rates				18 701	15 571			2 063	2 063	5 190	(3 128)	(60,26)	15 571
Service charges				111 548	110 131			9 558	9 558	36 710	(27 152)	(73,96)	110 131
Other revenue				2 027	2 939			364	364	980	(616)	(62,85)	2 939
Transfers and Subsidies - Operational	1			35 224	40 228			8 031	8 031	13 409	(5 379)	(40,11)	40 228
Transfers and Subsidies - Capital	1			63 321	34 144			6 278	6 278	11 381	(5 103)	(44,84)	34 144
Interest													
Dividends													
Payments													
Suppliers and employees			(111 874)	(138 335)	(151 357)			(32 365)	(32 365)	(50 452)	18 086	(35,85)	(151 357)
Finance charges			(484)	(227)	(181)			(133)	(133)	(60)	(72)	119,89	(181)
Transfers and Grants	1		(96)	(470)	(470)			(160)	(160)	(157)	(3)	2,13	(470)
NET CASH FROM/(USED) OPERATING ACTIVITIES			(112 454)	91 789	51 005	-	-	(6 364)	(6 364)	17 002	(23 367)	(137,43)	51 005
CASH FLOWS FROM INVESTING ACTIVITIES													
Receipts													
Proceeds on disposal of PPE													
Decrease (Increase) in non-current debtors (not used)													
Decrease (increase) in non-current receivables													
Decrease (increase) in non-current investments													
Payments													
Capital assets													
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	-	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES													
Receipts													
Short term loans													
Borrowing long term/refinancing													
Increase (decrease) in consumer deposits			46	908	63			11	11	(42)	54	(126,17)	63
Payments													
Repayment of borrowing													
NET CASH FROM/(USED) FINANCING ACTIVITIES			46	908	63	-	-	11	11	(42)	54	(126,17)	63
NET INCREASE/ (DECREASE) IN CASH HELD													
			(112 409)	92 696	51 069	-	-	(6 353)	(6 353)	16 960	(23 313)	(137,46)	51 069
Cash/cash equivalents at the year begin:				11 631	42 488	-	-	-	-	-	-	-	42 488
Cash/cash equivalents at the year end:	2		(112 409)	104 328	93 556	-	-	(6 353)	(6 353)	16 960	(23 313)	(137,46)	93 556

The total bank balance ending of **Quarter 3** was as follows;

- Standard Bank Main Account is – **R1.5 million**
- The Traffic Account and the **R798 thousand**, and
- Deposit Account has **R2.9 million**.

The lack of revenue streams has left the municipality to be heavily dependent on grant funding to run its daily operations. The current national economic situation is in addition having an adverse effect on an already difficult 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.



## TABLE C2 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE

### (Functional Classification)

Western Cape: Kannaland(WC041) - Table C2 Quarterly Budgeted Financial Performance by Functional Classification for 3rd Quarter ended 31 March 2021

Description	Ref	2019/20	Budget year 2020/21									
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands												
Revenue - Functional												
Municipal governance and administration		56 458	37 632	46 730	-	-	12 628	12 628	15 577	(2 948)	(18,93)	46 730
Executive and council		28 324	8 920	13 134			6 479	6 479	4 378	2 101	48,00	13 134
Finance and administration		28 134	28 712	33 597			6 149	6 149	11 199	(5 050)	(45,09)	33 597
Internal audit												
Community and public safety		14 757	15 167	19 608	-	-	4 095	4 095	6 536	(2 441)	(37,34)	19 608
Community and social services		12 196	14 967	18 407			4 035	4 035	6 136	(2 100)	(34,23)	18 407
Sport and recreation							0	0		0		
Public safety		2 181					59	59		59		
Housing		380	200	1 201					400	(400)	(100,00)	1 201
Health												
Economic and environmental services		1 979	7 398	6 490	-	-	521	521	2 163	(1 642)	(75,90)	6 490
Planning and development												
Road transport		1 979	7 398	6 490			521	521	2 163	(1 642)	(75,90)	6 490
Environmental protection												
Trading services		100 061	168 884	132 296	-	-	22 961	22 961	44 098	(21 138)	(47,93)	132 296
Energy sources		52 791	59 735	60 083			14 095	14 095	20 028	(5 933)	(29,62)	60 083
Water management		33 519	50 507	43 229			5 218	5 218	14 410	(9 192)	(63,79)	43 229
Waste water management		7 008	44 106	14 396			1 882	1 882	4 799	(2 917)	(60,79)	14 396
Waste management		6 743	14 537	14 587			1 766	1 766	4 862	(3 096)	(63,67)	14 587
Other	4											
Total Revenue - Functional	2	173 255	229 081	205 124	-	-	40 206	40 206	68 375	(28 169)	(41,20)	205 124
Expenditure - Functional												
Municipal governance and administration		53 117	51 106	58 561	-	-	14 556	14 556	19 520	(4 964)	(25,43)	58 561
Executive and council		15 148	12 074	19 433			6 138	6 138	6 478	(340)	(5,25)	19 433
Finance and administration		37 969	39 031	39 128			8 418	8 418	13 042	(4 624)	(35,45)	39 128
Internal audit												
Community and public safety		10 369	10 729	11 409	-	-	3 021	3 021	3 803	(782)	(20,56)	11 409
Community and social services		5 762	8 333	8 409			2 333	2 333	2 803	(470)	(16,76)	8 409
Sport and recreation		216	812	597			204	204	199	6	2,79	597
Public safety		3 590	207	311			256	256	104	152	146,18	311
Housing		801	1 376	2 091			228	228	697	(470)	(67,36)	2 091
Health												
Economic and environmental services		8 273	19 221	15 335	-	-	3 897	3 897	5 112	(1 215)	(23,76)	15 335
Planning and development												
Road transport		8 273	19 221	15 335			3 897	3 897	5 112	(1 215)	(23,76)	15 335
Environmental protection												
Trading services		73 764	82 131	92 463	-	-	20 369	20 369	30 821	(10 452)	(33,91)	92 463
Energy sources		37 221	53 186	54 962			11 342	11 342	18 320	(6 979)	(38,09)	54 962
Water management		26 775	13 240	16 440			4 300	4 300	5 480	(1 179)	(21,52)	16 440
Waste water management		5 710	6 906	8 413			2 734	2 734	2 804	(70)	(2,51)	8 413
Waste management		4 059	8 799	12 649			1 993	1 993	4 216	(2 223)	(52,74)	12 649
Other	4											
Total Expenditure - Functional	3	145 523	163 186	177 767	-	-	41 843	41 843	59 255	(17 412)	(29,39)	177 767
		27 732	65 894	27 357	-	-	(1 637)	(1 637)	9 119	(10 756)	(117,95)	27 357

## TABLE C3 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE

### (Revenue & Expenditure by Municipal Vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third

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		29 021	8 920	13 134	6 479	29 578	9 850	19 728	200,3%	13 134
Vote 2 - CORPORATE SERVICES		20 186	21 132	24 696	369	8 571	18 522	(9 952)	-53,7%	24 696
Vote 3 - FINANCIAL SERVICES		25 450	28 412	33 316	1 832	21 596	24 987	(3 391)	-13,6%	33 316
Vote 4 - TECHNICAL SERVICES		103 485	170 617	137 727	7 584	68 864	103 295	(34 432)	-33,3%	137 727
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	178 142	229 081	208 873	16 264	128 608	156 655	(28 046)	-17,9%	208 873
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		16 266	12 074	19 438	3 708	11 649	14 578	(2 929)	-20,1%	19 438
Vote 2 - CORPORATE SERVICES		29 574	30 120	29 184	2 029	15 958	21 887	(5 930)	-27,1%	29 184
Vote 3 - FINANCIAL SERVICES		24 872	25 429	26 266	2 302	14 735	19 699	(4 965)	-25,2%	26 266
Vote 4 - TECHNICAL SERVICES		97 700	94 418	101 735	7 661	59 928	76 300	(16 372)	-21,5%	101 735
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		439	1 145	1 145	57	704	859	(155)	-18,0%	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	168 852	163 186	177 767	15 757	102 973	133 324	(30 351)	-22,8%	177 767
Surplus/ (Deficit) for the year	2	9 291	65 894	31 106	507	25 635	23 331	2 304	9,9%	31 106

## PART 2 SUPPORTING DOCUMENTATION

### Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

Description		NT Code	Budget Year 2020/21											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Ex change Transactions - Water	1200	1 818	975	658	660	686	485	3 761	16 566	25 608	22 157	-	-		
Trade and Other Receivables from Ex change Transactions - Electricity	1300	1 027	142	97	66	64	64	304	1 576	3 341	2 074	-	-		
Receivables from Non-ex change Transactions - Property Rates	1400	1 525	405	353	327	299	281	2 708	14 394	20 292	18 009	-	-		
Receivables from Ex change Transactions - Waste Water Management	1500	525	250	247	245	245	243	1 384	10 144	13 283	12 260	-	-		
Receivables from Ex change Transactions - Waste Management	1600	1 050	412	403	394	390	383	2 322	12 721	18 075	16 211	-	-		
Receivables from Ex change Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	23	23	23	-	-		
Interest on Arrear Debtor Accounts	1810	3	17	25	35	45	39	343	16 847	17 354	17 309	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-		
Other	1900	(1 627)	144	148	141	124	110	558	2 505	2 102	3 438	-	-		
Total By Income Source	2000	4 321	2 344	1 931	1 867	1 852	1 605	11 380	74 777	100 078	91 481	-	-		
2019/20 - totals only															
Debtors Age Analysis By Customer Group															
Organs of State	2200	(233)	65	41	37	23	16	474	549	972	1 099	-	-		
Commercial	2300	693	142	118	113	106	98	596	2 754	4 620	3 668	-	-		
Households	2400	3 970	1 995	1 634	1 595	1 599	1 369	9 110	61 931	83 204	75 605	-	-		
Other	2500	(109)	143	138	122	124	121	1 200	9 543	11 283	11 110	-	-		
Total By Customer Group	2600	4 321	2 344	1 931	1 867	1 852	1 605	11 380	74 777	100 078	91 481	-	-		

- The total amount owed to Kannaland Municipality amounted to **R100 million** during the end of the **Third Quarter**.
- **R74.77 million or 74 percent** of the total outstanding debtors are older than one year.
- **R91.48 million or 91 percent** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for Water, Refuse and Sewerage in areas where electricity is not supplied by the municipality.

## Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

Description	NT Code	Budget Year 2020/21								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	4 444	4 274	–	5 730	2 949	–	–	–	17 397
Bulk Water	0200	40	–	–	–	–	–	–	–	40
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	60	–	–	–	–	–	–	–	60
Trade Creditors	0700	463	79	483	182	8 951	–	–	–	10 158
Auditor General	0800	110	985	73	–	5 320	–	–	–	6 488
Other	0900	414	69	3	25	4 633	–	–	–	5 143
Total By Customer Type	1000	5 530	5 407	559	5 937	21 853	–	–	–	39 286

- The total outstanding creditors as at the end of the **THIRD QUARTER** amounts to **R39 286**.
- The biggest outstanding creditors are Eskom (**R17 397 million**), the Auditor-General of South Africa (**R6 4888 million**). Combined, the before mentioned, represents **61%** of all outstanding creditors.

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

## Section 7 – Investment portfolio analysis

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

Date: 10.09.2018

### ACCOUNT STATEMENT



Repayment Due	01.03.2021	01.03.2021	-49,320.87	0.00	-10,679.13	-60,000.00	1,062,217.17	1,062,217.17
Interest Accrual	31.03.2021	31.03.2021	0.00	11,297.51	0.00	11,297.51	1,073,514.68	1,062,217.17
Interest Capitalisation	31.03.2021	31.03.2021	0.00	-11,297.51	11,297.51	0.00	1,073,514.68	1,073,514.68
Repayment Due	31.03.2021	31.03.2021	-48,702.49	0.00	-11,297.51	-60,000.00	1,013,514.68	1,013,514.68

- The total outstanding long-term debt of Kannaland Municipality amounts to **R1.014 million** as at **31 March 2021**
- 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 **R12 thousand**.

## Section 8 – Allocation and grant receipts and expenditure

WC041 Kannaland - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

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>										
<b>Operating Transfers and Grants</b>	1,2									
<b>National Government:</b>		31 250	35 990	39 976	6 479	33 334	29 982	3 352	11,2%	39 976
Operational Revenue: General Revenue: Equitable Share		28 147	29 760	34 011	6 479	29 575	25 508	4 066	15,9%	34 011
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 143	1 171	1 171	–	1 018	878	140	15,9%	1 171
Local Government Financial Management Grant [Schedule 5B]		1 960	2 647	2 647	–	2 327	1 985	342	17,2%	2 647
Municipal Systems Improvement Grant		–	1 900	1 635	–	–	1 226	(1 226)	-100,0%	1 635
Municipal Infrastructure Grant [Schedule 5B]		–	512	512	–	414	384	30	7,9%	512
<b>Provincial Government:</b>		8 591	1 763	7 742	–	3 065	5 806	(2 742)	-47,2%	7 742
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		8 591	1 713	7 742	–	3 065	5 806	(2 742)	-47,2%	7 742
Infrastructure	4	–	50	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	6	–	–	4	(4)	-100,0%	6
Departmental Agencies and Accounts		–	–	6	–	–	4	(4)	-100,0%	6
<b>Total Operating Transfers and Grants</b>	5	39 841	37 753	47 724	6 479	36 399	35 793	606	1,7%	47 724
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		15 311	59 721	30 798	0	4 911	23 099	(18 188)	-78,7%	30 798
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		202	–	2 699	–	–	2 024	(2 024)	-100,0%	2 699
Municipal Infrastructure Grant [Schedule 5B]		7 575	9 721	12 483	0	4 023	9 362	(5 340)	-57,0%	12 483
Regional Bulk Infrastructure Grant [Schedule 5B]		–	30 000	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		7 534	20 000	15 616	–	888	11 712	(10 824)	-92,4%	15 616
<b>Provincial Government:</b>		5 994	5 649	4 395	–	386	3 296	(2 910)	-88,3%	4 395
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		–	3 049	–	–	–	–	–	–	–
Disaster and Emergency Services		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Infrastructure		5 994	2 600	4 395	–	386	3 296	(2 910)	-88,3%	4 395
<b>Total Capital Transfers and Grants</b>	5	21 305	65 370	35 193	0	5 297	26 395	(21 098)	-79,9%	35 193
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	61 145	103 123	82 917	6 479	41 695	62 188	(20 492)	-33,0%	82 917

### The following grants were received for Quarter 3

- Equitable Share amounts to **R7 451 million**.
- Expanded Public Works Programme amounts to **R 878 thousand**
- Municipal Infrastructure Grant (MIG) amounts to **R1 278 million**.
- Water Service Infrastructure Grant (WSIG) amounts to **R5 000 million**.
- Libraries Grant amounts to **R1 016 million**
- Capacity Building Grant External Bursaries amount to **R300 thousand**

**Section 9 – Expenditure on Councillor, Senior Managers and Other Staff**

**WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter**

Summary of Employee and Councillor remuneration	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										
	1	A	B	C						D
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages		2 464	2 794	2 731	240	1 099	2 048	(949)	-46%	2 731
Pension and UIF Contributions		–	56	–	–	55	–	55	#DIV/0!	–
Medical Aid Contributions		91	35	171	2	79	128	(50)	-39%	171
Motor Vehicle Allowance		342	308	162	13	151	122	29	24%	162
Cellphone Allowance		249	384	329	26	233	247	(14)	-6%	329
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
<b>Sub Total - Councillors</b>		<b>3 146</b>	<b>3 578</b>	<b>3 394</b>	<b>280</b>	<b>1 617</b>	<b>2 545</b>	<b>(929)</b>	<b>-36%</b>	<b>3 394</b>
<b>% increase</b>	4		<b>13,8%</b>	<b>7,9%</b>						<b>7,9%</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages		1 987	3 120	3 067	86	1 472	2 300	(828)	-36%	3 067
Pension and UIF Contributions		1	–	2	–	0	1	(1)	-89%	2
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		(46)	–	200	–	–	150	(150)	-100%	200
Motor Vehicle Allowance		517	90	300	3	115	225	(110)	-49%	300
Cellphone Allowance		13	64	60	3	30	45	(15)	-33%	60
Housing Allowances		–	10	–	–	–	–	–	–	–
Other benefits and allowances		43	39	21	2	35	16	20	122%	21
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 514</b>	<b>3 324</b>	<b>3 650</b>	<b>94</b>	<b>1 653</b>	<b>2 738</b>	<b>(1 085)</b>	<b>-40%</b>	<b>3 650</b>
<b>% increase</b>	4		<b>32,2%</b>	<b>45,2%</b>						<b>45,2%</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages		38 238	37 386	39 795	3 392	28 477	29 846	(1 369)	-5%	39 795
Pension and UIF Contributions		5 859	6 446	6 192	533	3 920	4 644	(724)	-16%	6 192
Medical Aid Contributions		1 566	2 050	1 865	160	1 378	1 399	(21)	-2%	1 865
Overtime		4 290	1 880	3 536	360	3 086	2 652	434	16%	3 536
Performance Bonus		2 252	–	–	–	1 791	–	1 791	#DIV/0!	–
Motor Vehicle Allowance		2 107	2 672	2 098	165	1 408	1 574	(166)	-11%	2 098
Cellphone Allowance		148	171	76	10	76	57	19	34%	76
Housing Allowances		257	344	83	41	279	62	217	349%	83
Other benefits and allowances		1 680	3 998	3 702	234	2 105	2 776	(671)	-24%	3 702
Payments in lieu of leave		654	47	100	91	91	75	16	21%	100
Long service awards		85	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	(1 060)	–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		<b>56 075</b>	<b>54 993</b>	<b>57 446</b>	<b>4 984</b>	<b>42 611</b>	<b>43 084</b>	<b>(473)</b>	<b>-1%</b>	<b>57 446</b>
<b>% increase</b>	4		<b>-1,9%</b>	<b>2,4%</b>						<b>2,4%</b>
<b>Total Parent Municipality</b>		<b>61 734</b>	<b>61 896</b>	<b>64 491</b>	<b>5 359</b>	<b>45 881</b>	<b>48 367</b>	<b>(2 487)</b>	<b>-5%</b>	<b>64 491</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										



## **Section 10 – Material variances to the SDBIP**

**No material variances**

## Section 11– Capital programme performance

CAPITAL BUDGET EXPENDITURE				
MSCOA PROJECT DESCRIPTION	DEPARTMENT	ADJUSTMET BUDGET	YEAR TO DATE EXPENDITURE	
Distribution Points	Water Services	R469 951,00		
Reservoirs	Water Services	R25 615 811,00		R4 869 249,48
Libraries	Libraries	R1 650 000,00		
Computer Equipment	Public Works	R7 000,00		
Cemeteries/Crematoria	Cemeteries	R3 145 491,00		R278 962,40
Computer Equipment	Expanded Public Works Programme	R12 000,00		
Outdoor Facilities	Parks and Recreation	R1 308 720,00		R115 464,05
Distribution	Water Services	R4 395 109,00		R514 250,82
Reservoirs	Water Services	R2 366 490,00		R158 563,28
Boreholes	Water Services	R5 192 676,00		R2 408 005,51
		R44 163 248,00		R8 344 495,54

## Section 13 – Quality certification

I, **ROLAND BUTLER**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter 3**, ending **31 March 2021**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

**Print name: ROLAND BUTLER**

**Signature:** .....

**Date** .....



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## QUALITY CERTIFICATE

I, **R Butler** Accounting Officer of **Kannaland Municipality WC041**, (name of municipality), hereby certify that –

(mark as appropriate)

- ☒ The quarterly budget statement
- ☐ Quality report on the implementation of the budget and financial state affairs of the municipality
- ☐ Mid- year budget and performance assessment

For the month of **Quarter 3 March 2021** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: R Butler  
**Acting Municipal Manager**

Municipal Manager of **Kannaland Municipality WC041** (name and demarcation of municipality)

Signature -----

Date :29 April 2021