



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for March 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 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 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 and/or spending that is not authorized by council.

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 – Monthly Budget Statement

The monthly budget statement, for **March 2021**, has been prepared in terms of the Municipal Budget and Reporting Regulations (2009) 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 an area of concern. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as Eskom, employee related costs and meeting service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Financial Recovery Plan and a Budget Funding Plan have been developed and are being implemented to mitigate risk. Further details are attached as Annexure A in this report.

At the time of reporting the municipal adjustment budget has not been formally adopted by the municipal council, due to unforeseen circumstances.

Section 2 – Resolutions

Recommendation:

That the Executive Mayor takes cognisance of the monthly budget statement **for March 2021**.

Section 3 – Executive Summary

1.1 Introduction

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a monthly report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the Municipality's budget. The format and contents of the monthly budget report comply with the requirements as set out within the Municipal Budget and Reporting Regulations of 2009. The report will be made available to the public on the municipal website at www.kannaland.co.za

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	R128 231	R 123 286	R 4 949	4%
Operating Expenditure	R 163 186	R 177 767	R133 325	R 102 973	R 30 382	22 %
Capital	R 63 321	R 37 550	R27 638	R 8 463	R19 175	71%

Operating Revenue

The revenue related year-to-date performance, indicated an under-performance against the year-to-date budget forecast of 4%. The main reasons that led to the shortfall, were the suspension in the levying of interest charges on outstanding debt during the first quarter and the TMT (speed fines vendor – “Fines & Penalties”) contract that came to an end.

Operating expenditure

The operating expenditure has indicated an 32% under-performance. Funding pressure and the non-recognition of expenditure when incurred can explain the expenditure related variance from the year-to-date budget. The budget of Kannaland Municipality is unfunded, and expenditure can only be incurred to secure service delivery standards and to the extent that revenue allows.

Capital Expenditure

Capital expenditure indicates a 71% under-performance against the year-to-date budget. The municipality's capital budget is mainly funded from conditional grants. Procurement was initially delayed due to the Covid-19 regulations that consequently had a negative impact on the implementation of the capital budget. Capital expenditure will be accelerated during the remainder of the financial year, to ensure that all allocated grant funding will be spent in an effort to prevent the potential risk of funding reverting back to the source.

TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M09 March

Description	2019/20	Budget Year 2020/21								Check
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands										
Financial Performance										
Property rates	16 753	19 540	22 821	1 230	15 582	17 115	(1 534)	-9%	22 821	Link from C4 0200
Service charges	86 195	92 033	88 167	7 538	66 152	66 125	27	0%	88 167	Link from C4 (Sum)
Investment revenue	1 014	–	815	106	813	611	202	33%	815	Link from C4 0900
Transfers and subsidies	40 018	37 753	46 074	6 920	36 402	34 555	1 847	5%	46 074	Link from C4 1500
Other own revenue	12 858	14 384	14 154	468	4 363	10 615	(6 253)	-59%	14 154	Link from C4 (Sum)
Total Revenue (excluding capital transfers and contributions)	156 838	163 710	172 030	16 264	123 312	129 022	(5 710)	-4%	172 030	
Employee costs	58 588	58 317	61 097	5 078	44 264	45 822	(1 558)	-3%	61 097	Link from C4 2000
Remuneration of Councillors	3 146	3 578	3 394	280	1 617	2 545	(929)	-36%	3 394	Link from C4 2100
Depreciation & asset impairment	15 009	12 231	12 222	1 018	9 167	9 166	1	0%	12 222	Link from C4 2300
Finance charges	4 386	227	181	28	250	136	114	84%	181	Link from C4 2400
Materials and bulk purchases	42 989	48 900	54 440	4 286	33 489	40 830	(7 341)	-18%	54 440	Link from C4 (Sum)
Transfers and subsidies	96	470	470	80	160	352	(192)	-55%	470	Link from C4 2800
Other expenditure	44 638	39 462	45 963	4 986	14 026	34 472	(20 446)	-59%	45 963	Link from C4 (Sum)
Total Expenditure	168 852	163 186	177 767	15 757	102 973	133 324	(30 351)	-23%	177 767	
Surplus/(Deficit)	(12 014)	524	(5 738)	507	20 339	(4 302)	24 640	-573%	(5 738)	Sum
Transfers and subsidies - capital (monetary alloc	21 305	65 370	36 843	0	5 297	27 632	(22 336)	-81%	36 843	Link from C4 3300
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–	Link from C4 (Sum)
Surplus/(Deficit) after capital transfers & contributions	9 291	65 894	31 106	507	25 635	23 331	2 304	10%	31 106	
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	Link from C4 4100
Surplus/ (Deficit) for the year	9 291	65 894	31 106	507	25 635	23 331	2 304	10%	31 106	
Capital expenditure & funds sources										
Capital expenditure	19 076	95 436	53 888	11	8 463	28 163	(19 700)	-70%	53 888	Link from C5 CAPEX
Capital transfers recognised	18 962	63 321	36 850	11	8 463	27 638	(19 175)	-69%	36 850	Link from C5 2050
Public contributions & donations	–	–	–	–	–	–	–	–	–	Link from C5 2060
Borrowing	–	–	–	–	–	–	–	–	–	Link from C5 2070
Internally generated funds	98	–	700	–	–	525	(525)	-100%	700	Link from C5 2080
Total sources of capital funds	19 060	63 321	37 550	11	8 463	28 163	(19 700)	-70%	37 550	
Financial position										
Total current assets	16 662	(110 474)	83 780		25 168				83 780	Link from C6 0180
Total non current assets	9 731	390 363	359 765		(703)				359 765	Link from C6 0290
Total current liabilities	8 166	(5 325)	119 842		(1 247)				119 842	Link from C6 0380
Total non current liabilities	13 992	30 340	34 327		(8)				34 327	Link from C6 0420
Community wealth/Equity	(5 056)	250 300	259 321		85				259 321	Link from C6 0480
Cash flows										
Net cash from (used) operating	(93 124)	(338 636)	(313 538)	(2 385)	(1 921)	(235 153)	(233 232)	99%	(313 538)	Link from C7 0230
Net cash from (used) investing	1 699	(95 436)	(53 888)	–	–	(28 163)	(28 163)	100%	(53 888)	Link from C7 0320
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	Link from C7 0400
Cash/cash equivalents at the month/year end	(91 425)	(422 441)	(324 939)	–	(1 921)	(220 828)	(218 907)	99%	(367 426)	Link from C7 0430
Debtors & creditors analysis	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	
Debtors Age Analysis										
Total By Income Source	4 321	2 344	1 931	1 867	1 852	1 605	11 380	74 777	100 078	Link from SC3 2000
Creditors Age Analysis										
Total Creditors	5 530	5 407	559	5 937	21 853	–	–	–	39 286	Link from SC4 1000

Due to the cyclical nature of the economy and the current straight-line approach to budgeting, all deviations in excess of 10% will be treated as material unless otherwise stated. Material deviations will be explained, and recommendations will be made if the extent and nature of the deviation may necessitate action.

It should be noted that the straight-line budget approach will be addressed and adjusted to reflect the cyclical nature of the economy as soon as possible. A costly seamlessly integrated financial accounting system, as required in terms of mSCOA, will take time to implement due to financial constraints.

1.2.1 Revenue by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

WC04 - Ramatlamand - Table 04 Monthly Budget Statement - Financial Performance (revenue and expenditure) - May March										
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	22 821	1 230	15 582	17 115	(1 534)	-9%	22 821
Service charges - electricity revenue		52 825	55 943	56 494	4 769	41 773	42 370	(598)	-1%	56 494
Service charges - water revenue		19 619	21 626	17 113	1 548	13 436	12 835	601	5%	17 113
Service charges - sanitation revenue		7 008	7 520	7 607	633	5 623	5 705	(82)	-1%	7 607
Service charges - refuse revenue		6 743	6 945	6 952	588	5 319	5 214	105	2%	6 952
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		528	17	567	50	388	426	(38)	-9%	567
Interest earned - external investments		1 014	-	815	106	813	611	202	33%	815
Interest earned - outstanding debtors		2 432	5 567	5 454	4	17	4 091	(4 074)	-100%	5 454
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 428	7 384	6 354	264	2 403	4 766	(2 363)	-50%	6 354
Licences and permits		164	50	215	20	170	161	9	5%	215
Agency services		828	1 000	1 025	94	930	769	161	21%	1 025
Transfers and subsidies		40 018	37 753	46 074	6 920	36 402	34 555	1 847	5%	46 074
Other revenue		1 477	365	538	36	456	403	52	13%	538
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		156 838	163 710	172 030	16 264	123 312	129 022	(5 710)	-4%	172 030

The underperformance on the revenue budget can be attributed to the impact of Covid-19 pandemic in the local and business community.

- **Property Rates** – collection showed a performance of **R1.23 million** in **March 2021** same figures reported of **R1.22 million** during **February 2021**. A **9 %** variance from the YTD forecast. The budgeted amount should be corrected as revenue will not realize.
- **Service Charges Electricity** – Revenue deriving from the selling of electricity in **March 2021** amounted to **R4.7 million**, a small decrease from **R4.64 million** reported in **February 2021**. It represents a **1%** variance from the YTD forecast.
- **Service Charges Water Revenue** - amounted to **R1.55 million** in **March 2021**, a decrease from **R1.66 million** reported in **February 2021**. It represents variance of **5%** from the YTD forecast.
- **Service Charges Sanitation Revenue** - amounted to **R633 thousand** in **March 2021** showing a slight decrease from **R604 thousand** reported in **February 2021**. It represents a **1%** variance from the YTD forecast.
- **Service Charges Refuse Revenue** - amounted to **R588 thousand** in **March 2021** a slight decrease from **R588 thousand** reported in **February 2021**. It represents a **2%** variance from the YTD forecast.

- **Other revenue** – amounted to **R 468 thousand** in **March 2021** with a total **YTD** figure amount to R 14.03 million or 61 percent.

1.2.2 Expenditure by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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
Expenditure By Type										
Employ ee related 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
Debt impairment		26 594	11 923	13 538	–	66	10 154	(10 087)	-99%	13 538
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
Bulk purchases		40 767	42 693	42 763	4 211	29 732	32 072	(2 341)	-7%	42 763
Other materials		2 222	6 207	11 677	75	3 758	8 758	(5 000)	-57%	11 677
Contracted services		8 190	15 682	17 921	1 704	6 256	13 440	(7 185)	-53%	17 921
Transfers and subsidies		96	470	470	80	160	352	(192)	-55%	470
Other expenditure		9 819	11 857	14 504	3 282	7 704	10 878	(3 174)	-29%	14 504
Loss on disposal of PPE		35	–	–	–	–	–	–	–	–
Total Expenditure		168 852	163 186	177 767	15 757	102 973	133 324	(30 351)	-23%	177 767

- **Employee Related Costs** – The employee related costs amounted to **R5.08 million for March 2021**. The previously reported figures of **February 2021** were **R10.91 million** that included **January 2021** figures and the municipal annual increases, back pay for the last 7 months and back-pay in bonuses as a result of unsuccessful application for exemption on salary increases.
- **Remuneration of Councillors**- the total Remuneration for Councillors is **R280 thousand** in **March 2021** an increase from **R128 thousand** reported in **February 2021**. There are material differences on remuneration for councillors due to the system configuration, that is still being addressed.
- **Depreciation and Asset Impairment**: The depreciation for March amounts to **R1.02 million** passed through a monthly journal.
- **Contracted Services** - The municipality has expenditure for Contracted Services of **R1.70 million** in **March 2021**, an increase from **R734 thousand** reported in **February 2021** report. The total year to date on contracted service is **R6.25 million** or **35%** of the total budget for contracted services. There is significant under-spending on contracted services as a result of the continued lockdown.
- **Other Expenditure** - amounted to **R3.28 million** in **March 2021** an increase from **R308 thousand** reported in **February 2021**, this is due to the speeding up of expenditure as a result of low spending in previous periods. The total year to date expenditure on all other expenditure is **R7.74 million** or **53%** of the total budget.

1.2.3 Capital Expenditure by Source Against Annual Budget

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description		Ref	2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2020/21 YearTD actual YearTD budget YTD variance YTD variance %				Full Year Forecast	
R thousands		1										
Multi-Year expenditure appropriation		2										
Vote 1 - MUNICIPAL MANAGER			-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES			-	1 000	1 650	-	-	1 238	(1 238)	-100%	1 650	
Vote 3 - FINANCIAL SERVICES			-	-	700	-	-	525	(525)	-100%	700	
Vote 4 - TECHNICAL SERVICES			1 645	-	-	-	-	-	-	-	-	
Vote 5 - CALITZDORP SPA			-	-	-	-	-	-	-	-	-	
Vote 6 - CORPORATE SERVICES (Continued)			-	-	-	-	-	-	-	-	-	
Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-	-	
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	
Total Capital Multi-year expenditure		4,7	1 645	1 000	2 350	-	-	1 762	(1 762)	-100%	2 350	
Single Year expenditure appropriation		2										
Vote 1 - MUNICIPAL MANAGER			-	-	-	-	-	-	-	-	-	
Vote 2 - CORPORATE SERVICES			1 763	11 889	4 955	-	443	3 341	(2 898)	-87%	4 955	
Vote 3 - FINANCIAL SERVICES			16	430	-	-	-	-	-	-	-	
Vote 4 - TECHNICAL SERVICES			15 653	82 117	46 584	11	8 021	23 060	(15 039)	-65%	46 584	
Vote 5 - CALITZDORP SPA			-	-	-	-	-	-	-	-	-	
Vote 6 - CORPORATE SERVICES (Continued)			-	-	-	-	-	-	-	-	-	
Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-	-	
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	
Total Capital single-year expenditure		4	17 431	94 436	51 538	11	8 463	26 400	(17 937)	-68%	51 538	
Total Capital Expenditure		3	19 076	95 436	53 888	11	8 463	28 163	(19 700)	-70%	53 888	
Capital Expenditure - Functional Classification												
Governance and administration			16	-	700	-	-	525	(525)	-100%	700	
Executive and council			-	-	-	-	-	-	-	-	-	
Finance and administration			16	-	700	-	-	525	(525)	-100%	700	
Internal audit			-	-	-	-	-	-	-	-	-	
Community and public safety			1 763	5 454	6 104	-	443	4 578	(4 136)	-90%	6 104	
Community and social services			-	4 145	4 795	-	290	3 597	(3 307)	-92%	4 795	
Sport and recreation			1 262	1 309	1 309	-	152	982	(829)	-84%	1 309	
Public safety			500	-	-	-	-	-	-	-	-	
Housing			-	-	-	-	-	-	-	-	-	
Health			-	-	-	-	-	-	-	-	-	
Economic and environmental services			-	-	7	-	-	5	(5)	-100%	7	
Planning and development			-	-	-	-	-	-	-	-	-	
Road transport			-	-	7	-	-	5	(5)	-100%	7	
Environmental protection			-	-	-	-	-	-	-	-	-	
Trading services			17 297	57 867	30 739	11	8 021	23 054	(15 034)	-65%	30 739	
Energy sources			605	-	2 699	-	-	2 024	(2 024)	-100%	2 699	
Water management			14 599	27 867	28 040	11	8 021	21 030	(13 009)	-62%	28 040	
Waste water management			2 094	30 000	-	-	-	-	-	-	-	
Waste management			-	-	-	-	-	-	-	-	-	
Other			-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification		3	19 076	63 321	37 550	11	8 463	28 163	(19 700)	-70%	37 550	
Funded by:												
National Government			12 901	59 721	30 805	11	7 949	23 104	(15 155)	-66%	30 805	
Provincial Government			6 061	3 600	6 045	-	514	4 534	(4 020)	-89%	6 045	
District Municipality			-	-	-	-	-	-	-	-	-	
Other transfers and grants			-	-	-	-	-	-	-	-	-	
Transfers recognised - capital			18 962	63 321	36 850	11	8 463	27 638	(19 175)	-69%	36 850	
Public contributions & donations		5	-	-	-	-	-	-	-	-	-	
Borrowing		6	-	-	-	-	-	-	-	-	-	
Internally generated funds			98	-	700	-	-	525	(525)	-100%	700	
Total Capital Funding			19 060	63 321	37 550	11	8 463	28 163	(19 700)	-70%	37 550	

- The actual year-to-date capital expenditure amounts to **R8.46 million**.
- The year-to-date expenditure is only 30% of the year-to-date forecast and **23%** of the total capital budget.
- All capital expenditure of the municipality is funded from national and provincial government grants.

1.2.3 Payment Percentage

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
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	130 302 892.86	(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	7 559 783.50	- 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	8 627 089.53	- 6 492 305.57	-75.25	153 862 362.74	(116 263 063.45)	75.56
Jan-21	8 975 134.95	(6 492 305.57)	691 947.24	9 182 509.46	- 7 255 160.13	-79.01	163 044 872.20	(123 518 223.58)	75.76
Feb-21	8 591 572.27	(7 255 160.13)	207 374.51	8 230 440.37	- 7 116 113.05	-86.46	171 275 312.57	(130 634 336.63)	76.27
Mar-21	8 484 717.49	(7 116 113.05)	- 361 131.90	8 484 717.49	-	0.00	179 760 030.06	(130 634 336.63)	72.67
Apr-21	-	-	-	-	-	-	179 760 030.06	(130 634 336.63)	72.67
May-21	-	-	-	-	-	-	179 760 030.06	(130 634 336.63)	72.67
Jun-21	-	-	-	-	-	-	179 760 030.06	(130 634 336.63)	72.67
Jul-21	-	-	-	-	-	-	179 760 030.06	(130 634 336.63)	72.67
Aug-21	-	-	-	-	-	-	179 760 030.06	(130 634 336.63)	72.67

The payment percentage indicates an average of **76.27%** which is below the anticipated payment percentage of **85%** and a decline from the previous reported percentages.

1.3 Material differences to the SDBIP

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

1.4 Remedial actions

- Directorates are to ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality;
- That Strategic decisions / resolutions to improve the capital expenditure be implemented;
- 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;
- That measures on debt collection are implemented and applied effectively;

- (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

Section 4 – In-year budget statement tables

TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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	22 821	1 230	15 582	17 115	(1 534)	-9%	22 821
Service charges - electricity revenue			52 825	55 943	56 494	4 769	41 773	42 370	(598)	-1%	56 494
Service charges - water revenue			19 619	21 626	17 113	1 548	13 436	12 835	601	5%	17 113
Service charges - sanitation revenue			7 008	7 520	7 607	633	5 623	5 705	(82)	-1%	7 607
Service charges - refuse revenue			6 743	6 945	6 952	588	5 319	5 214	105	2%	6 952
Service charges - other			—	—	—	—	—	—	—	—	—
Rental of facilities and equipment			528	17	567	50	388	426	(38)	-9%	567
Interest earned - external investments			1 014	—	815	106	813	611	202	33%	815
Interest earned - outstanding debtors			2 432	5 567	5 454	4	17	4 091	(4 074)	-100%	5 454
Dividends received			—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits			7 428	7 384	6 354	264	2 403	4 766	(2 363)	-50%	6 354
Licences and permits			164	50	215	20	170	161	9	5%	215
Agency services			828	1 000	1 025	94	930	769	161	21%	1 025
Transfers and subsidies			40 018	37 753	46 074	6 920	36 402	34 555	1 847	5%	46 074
Other revenue			1 477	365	538	36	456	403	52	13%	538
Gains on disposal of PPE			—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)			156 838	163 710	172 030	16 264	123 312	129 022	(5 710)	-4%	172 030
Expenditure By Type											
Employee related 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
Debt impairment			26 594	11 923	13 538	—	66	10 154	(10 087)	-99%	13 538
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
Bulk purchases			40 767	42 693	42 763	4 211	29 732	32 072	(2 341)	-7%	42 763
Other materials			2 222	6 207	11 677	75	3 758	8 758	(5 000)	-57%	11 677
Contracted services			8 190	15 682	17 921	1 704	6 256	13 440	(7 185)	-53%	17 921
Transfers and subsidies			96	470	470	80	160	352	(192)	-55%	470
Other expenditure			9 819	11 857	14 504	3 282	7 704	10 878	(3 174)	-29%	14 504
Loss on disposal of PPE			—	—	—	—	—	—	—	—	—
Total Expenditure			168 852	163 186	177 767	15 757	102 973	133 324	(30 351)	-23%	177 767
Surplus/(Deficit)			(12 014)	524	(5 738)	507	20 339	(4 302)	24 640	(0)	(5 738)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			21 305	65 370	36 843	0	5 297	27 632	(22 336)	(0)	36 843
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions			9 291	65 894	31 106	507	25 635	23 331			31 106
Taxation			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation			9 291	65 894	31 106	507	25 635	23 331			31 106
Attributable to minorities			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality			9 291	65 894	31 106	507	25 635	23 331			31 106
Share of surplus/ (deficit) of associate			—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year			9 291	65 894	31 106	507	25 635	23 331			31 106

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 381	3 245	113 815	13 996	113 815
Call investment deposits		29 476	8 387	37 862	15 354	37 862
Consumer debtors		1 748	(92 866)	(23 678)	13 293	(23 678)
Other debtors		(16 356)	(31 256)	(41 506)	(17 625)	(41 506)
Current portion of long-term receivables		(5)	(8)	(13)	–	(13)
Inventory		418	2 025	(2 701)	150	(2 701)
Total current assets		16 662	(110 474)	83 780	25 168	83 780
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		(124)	1 489	1 364	–	1 364
Investments in Associate		–	–	–	–	–
Property, plant and equipment		9 863	388 829	358 393	(680)	358 393
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		(7)	45	8	(23)	8
Other non-current assets		–	–	–	–	–
Total non current assets		9 731	390 363	359 765	(703)	359 765
TOTAL ASSETS		26 394	279 889	443 545	24 465	443 545
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		(504)	(972)	(951)	(422)	(951)
Consumer deposits		63	964	1 027	56	1 027
Trade and other payables		10 613	(7 970)	119 117	(881)	119 117
Provisions		(2 006)	2 654	648	–	648
Total current liabilities		8 166	(5 325)	119 842	(1 247)	119 842
Non current liabilities						
Borrowing		–	1 141	1 095	(8)	1 095
Provisions		13 992	29 199	33 232	–	33 232
Total non current liabilities		13 992	30 340	34 327	(8)	34 327
TOTAL LIABILITIES		22 158	25 016	154 169	(1 256)	154 169
NET ASSETS	2	4 235	254 873	289 376	25 720	289 376
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(5 003)	251 727	260 801	–	260 801
Reserves		(52)	(1 427)	(1 480)	85	(1 480)
TOTAL COMMUNITY WEALTH/EQUITY	2	(5 056)	250 300	259 321	85	259 321

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	(18 701)	(15 571)	947	4 357	(11 678)	16 035	-137%	(15 571)
Service charges		–	(111 548)	(110 131)	5 084	10 009	(82 598)	92 607	-112%	(110 131)
Other revenue		–	(2 027)	(2 939)	242	725	(2 204)	2 929	-133%	(2 939)
Government - operating		–	(35 224)	(40 228)	6 722	41 480	(30 171)	71 651	-237%	(40 228)
Government - capital		–	(63 321)	(36 843)	6 278	22 164	(27 632)	49 797	-180%	(36 843)
Interest		–	–	(4 966)	3	6	(3 725)	3 730	-100%	(4 966)
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(89 290)	(107 815)	(102 859)	(21 662)	(80 661)	(77 144)	3 517	-5%	(102 859)
Finance charges		–	–	–	–	–	–	–		–
Transfers and Grants		(3 834)	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(93 124)	(338 636)	(313 538)	(2 385)	(1 921)	(235 153)	(233 232)	99%	(313 538)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		1 699	(95 436)	(53 888)	–	–	(28 163)	(28 163)	100%	(53 888)
NET CASH FROM/(USED) INVESTING ACTIVITIES		1 699	(95 436)	(53 888)	–	–	(28 163)	(28 163)	100%	(53 888)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		(91 425)	(434 072)	(367 426)	(2 385)	(1 921)	(263 316)			(367 426)
Cash/cash equivalents at beginning:		–	11 631	42 488		–	42 488			–
Cash/cash equivalents at month/year end:		(91 425)	(422 441)	(324 939)		(1 921)	(220 828)			(367 426)

It should be noted that the municipality is in the process of addressing the error that impacts the populating of the budget schedules.

The total bank balance ending of **March 2021** was as follow;

- Standard Bank Main Account is – **R1.52 million (Overdraft)**
- The Traffic Account and the **R798 thousand**, and
- Deposit Account has **R2.97 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. The municipality has started with a data cleansing project and an update will be provided on monthly basis.

TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE (Functional Classification)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

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 %	
R thousands	1									
Revenue - Functional										
<i>Municipal governance and administration</i>		54 040	37 632	46 730	8 336	51 447	35 048	16 399	47%	46 730
Executive and council		28 324	8 920	13 134	6 479	29 578	9 850	19 728	0	13 134
Mayor and Council		28 324	8 920	13 134	6 479	29 578	9 850	19 728	0	13 134
Municipal Manager, Town Secretary and Chief Executive		-	-	-	-	-	-	-	-	-
Finance and administration		25 716	28 712	33 597	1 857	21 868	25 198	(3 329)	(0)	33 597
Administrative and Corporate Support		266	300	281	25	273	211	62	0	281
Asset Management		-	-	-	-	-	-	-	-	-
Finance		25 450	25 896	28 644	1 832	21 596	21 483	113	0	28 644
Property Services		-	2 515	4 672	-	-	3 504	(3 504)	(0)	4 672
<i>Community and public safety</i>		14 404	15 167	19 608	208	8 305	14 706	(6 401)	(0)	19 608
Community and social services		12 223	14 967	18 407	187	8 142	13 806	(5 664)	(0)	18 407
Cemeteries, Funeral Parlours and Crematoriums		7 600	9 742	12 527	3	4 053	9 395	(5 342)	(0)	12 527
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		192	2	10	0	5	7	(2)	(0)	10
Disaster Management		697	-	-	-	-	-	-	-	-
Libraries and Archives		2 592	4 052	4 700	184	3 065	3 525	(460)	(0)	4 700
Literacy Programmes		1 143	1 171	1 171	-	1 018	878	140	0	1 171
Public safety		2 181	-	-	21	163	-	163	#DIV/0!	-
Fire Fighting and Protection		1 917	-	-	-	(5)	-	-	#DIV/0!	-
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		265	-	-	21	168	-	168	#DIV/0!	-
Pounds		-	-	-	-	-	-	-	-	-
Housing		-	200	1 201	-	-	901	(901)	(0)	1 201
Housing		-	200	1 201	-	-	901	(901)	(0)	1 201
Informal Settlements		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		7 356	7 398	6 490	178	1 426	4 867	(3 442)	(0)	6 490
Road transport		7 356	7 398	6 490	178	1 426	4 867	(3 442)	(0)	6 490
Public Transport		-	-	-	-	-	-	-	-	-
Road and Traffic Regulation		7 356	6 836	5 978	136	1 011	4 484	(3 472)	(0)	5 978
Roads		-	562	512	42	414	384	30	0	512
Taxi Ranks		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		102 342	168 884	136 045	7 541	67 431	102 033	(34 602)	(0)	136 045
Energy sources		53 144	59 735	62 782	4 772	41 776	47 086	(5 310)	(0)	62 782
Electricity		53 144	59 735	62 782	4 772	41 776	47 086	(5 310)	(0)	62 782
Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
Water management		34 059	50 507	43 229	1 548	14 713	32 422	(17 709)	(0)	43 229
Water Treatment		-	-	-	-	-	-	-	-	-
Water Distribution		34 059	50 507	43 229	1 548	14 713	32 422	(17 709)	(0)	43 229
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		7 682	44 106	14 396	633	5 623	10 797	(5 174)	(0)	14 396
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		7 682	44 106	14 396	633	5 623	10 797	(5 174)	(0)	14 396
Storm Water Management		-	-	-	-	-	-	-	-	-
Waste Water Treatment		-	-	-	-	-	-	-	-	-
Waste management		7 457	14 537	15 637	588	5 319	11 728	(6 409)	(0)	15 637
Solid Waste Removal		7 457	14 537	15 637	588	5 319	11 728	(6 409)	(0)	15 637
Street Cleaning		-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	178 142	229 081	208 873	16 264	128 608	156 655	(28 046)	(0)	208 873
Expenditure - Functional										
<i>Municipal governance and administration</i>		55 717	51 106	58 565	6 900	34 343	43 923	(9 581)	(0)	58 565
Executive and council		16 266	12 074	19 438	3 708	11 649	14 578	(2 929)	(0)	19 438
Mayor and Council		9 974	7 005	11 319	2 714	6 660	8 489	(1 829)	(0)	11 319
Municipal Manager, Town Secretary and Chief Executive		6 291	5 069	8 119	994	4 989	6 089	(1 100)	(0)	8 119
Finance and administration		39 451	39 031	39 128	3 192	22 694	29 345	(6 651)	(0)	39 128
Administrative and Corporate Support		14 018	12 358	11 617	834	7 213	8 712	(1 499)	(0)	11 617
Asset Management		-	-	-	-	-	-	-	-	-
Finance		24 577	22 524	23 361	1 997	13 811	17 520	(3 709)	(0)	23 361
Fleet Management		439	1 145	1 145	57	704	859	(155)	(0)	1 145
Human Resources		122	100	100	-	43	75	(32)	(0)	100
Property Services		295	2 905	2 905	305	923	2 179	(1 256)	(0)	2 905
<i>Community and public safety</i>		11 013	10 729	11 404	959	7 236	8 552	(1 317)	(0)	11 404
Community and social services		6 200	8 333	8 404	743	5 179	6 303	(1 124)	(0)	8 404
Cemeteries, Funeral Parlours and Crematoriums		377	479	557	28	278	417	(140)	(0)	557
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		2 314	3 157	2 859	340	1 560	2 144	(584)	(0)	2 859
Disaster Management		28	657	718	67	291	539	(247)	(0)	718
Literacy Programmes		3 482	4 040	4 271	309	3 050	3 203	(153)	(0)	4 271
Sport and recreation		383	812	597	43	298	447	(149)	(0)	597
Recreational Facilities		376	590	466	30	206	349	(144)	(0)	466
Sports Grounds and Stadiums		7	222	131	13	92	98	(6)	(0)	131
Public safety		3 629	207	311	104	1 159	234	925	0	311
Fire Fighting and Protection		-	207	311	21	86	234	(148)	(0)	311
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		3 629	-	-	83	1 073	-	1 073	#DIV/0!	-
Pounds		-	-	-	-	-	-	-	-	-
Housing		801	1 376	2 091	69	600	1 569	(969)	(0)	2 091
Housing		801	1 376	2 091	69	600	1 569	(969)	(0)	2 091
<i>Economic and environmental services</i>		13 594	19 221	15 335	862	6 686	11 501	(4 815)	(0)	15 335
Road transport		13 594	19 221	15 335	862	6 686	11 501	(4 815)	(0)	15 335
Public Transport		-	-	-	-	-	-	-	-	-
Road and Traffic Regulation		5 421	8 129	7 223	353	2 372	5 417	(3 045)	(0)	7 223
Roads		8 174	11 092	8 113	508	4 315	6 084	(1 770)	(0)	8 113
<i>Trading services</i>		88 527	82 131	92 463	7 036	54 708	69 347	(14 639)	(0)	92 463
Energy sources		48 784	53 186	54 962	5 191	35 859	41 221	(5 362)	(0)	54 962
Electricity		48 784	53 186	54 962	5 191	35 859	41 221	(5 362)	(0)	54 962
Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
Water management		26 469	13 240	16 440	1 051	8 651	12 330	(3 679)	(0)	16 440
Water Treatment		-	-	-	-	-	-	-	-	-
Water Distribution		26 469	13 240	16 440	1 051	8 651	12 330	(3 679)	(0)	16 440
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		5 710	6 906	8 413	522	4 201	6 309	(2 108)	(0)	8 413
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		5 710	6 906	8 413	522	4 201	6 309	(2 108)	(0)	8 413
Waste management		7 565	8 799	12 649	273	5 997	9 486	(3 489)	(0)	12 649
Solid Waste Removal		7 565	8 799	12 649	273	5 997	9 486	(3 489)	(0)	12 649
Total Expenditure - Functional	3	168 852	163 186	177 767	15 757	102 973	133 324	(30 351)	(0)	177 767
Surplus/ (Deficit) for the year		9 291	65 894	31 106	507	25 635	23 331	2 304	0	31 106

TABLE C3 – MONTHLY BUDGETED FINANCIAL PERFORMANCE

(Revenue & Expenditure by Municipal Vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

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 - M09 March

Description		NT Code	Budget Year 2020/21										Total over 90 days	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				
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	1 818	975	658	660	686	485	3 761	16 566	25 608	22 157	-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 027	142	97	66	64	64	304	1 576	3 341	2 074	-	-		
Receivables from Non-exchange Transactions - Property Rates	1400	1 525	405	353	327	299	281	2 708	14 394	20 292	18 009	-	-		
Receivables from Exchange Transactions - Waste Water Management	1500	525	250	247	245	245	243	1 384	10 144	13 283	12 260	-	-		
Receivables from Exchange Transactions - Waste Management	1600	1 050	412	403	394	390	383	2 322	12 721	18 075	16 211	-	-		
Receivables from Exchange 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 amounts to **R100 million**.
- **R74.77 million or 74%** of the total outstanding debtors are older than one year.
- **R91 million or 91%** 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 - M09 March

WCC41 Ramatlamu - Supporting Table SC41 Monthly Budget Statement - aged creditors - m09 march										
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	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 amounts to **R39 286**.

The biggest outstanding creditors are Eskom (**R17 397 million**), the Auditor-General of South Africa (**R6 488 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. The municipality has established payment arrangements with the outstanding creditors as per the financial recovery plan.

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**.
- A monthly instalment of **R60 thousand** at an interest rate of **12.52%** per annum is being paid.

Section 8 – Allocation and grant receipts and expenditure

WC041 Kannaland - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description		Ref	2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2020/21 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
RECEIPTS:		1,2									
Operating Transfers and Grants											
National Government:			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
Provincial Government:			8 591	1 763	7 742	269	3 065	5 806	(2 742)	-47,2%	7 742
Capacity Building			-	-	-	-	-	-	-	-	-
Capacity Building and Other Infrastructure			8 591	1 713	7 742	269	3 065	5 806	(2 742)	-47,2%	7 742
Other grant providers:			-	-	6	-	-	4	(4)	-100,0%	6
Departmental Agencies and Accounts			-	-	6	-	-	4	(4)	-100,0%	6
Total Operating Transfers and Grants		5	39 841	37 753	47 724	6 748	36 399	35 793	606	1,7%	47 724
Capital Transfers and Grants											
National Government:			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
Provincial Government:			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
Total Capital Transfers and Grants		5	21 305	65 370	35 193	0	5 297	26 395	(21 098)	-79,9%	35 193
TOTAL RECEIPTS OF TRANSFERS & GRANTS		5	61 145	103 123	82 917	6 748	41 695	62 188	(20 492)	-33,0%	82 917

The following grants were received for the month under review:

National Government Grants:

- Equitable Share to the amount of **R7.451 million**
- Municipal Infrastructure Grant to the amount of **R1.278 million.**
- Water Service Infrastructure Grant to the amount of **R5 million.**

Provincial Government Grants:

- Capacity Building Grant (External Bursaries) to the amount of **R300 thousand.**

The Grants Expenditure were as follow for the month under review:

National Government Grants:

- Expanded Public Works Programme (EPWP) to the amount of **R117 thousand**
- Financial Management Grant to the amount of **R215 thousand**
- Municipal Infrastructure Grant (MIG PMU) to the amount of **R42 thousand**

Provincial Government Grants:

- Library Grant to the amount of **R190 thousand**
- Community Development Workers to the amount of **R44 thousand**

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

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		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
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		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		3 146	3 578	3 394	280	1 617	2 545	(929)	-36%	3 394
% increase	4		13.8%	7.9%						7.9%
Senior Managers of the Municipality	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	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		2 514	3 324	3 650	94	1 653	2 738	(1 085)	-40%	3 650
% increase	4		32.2%	45.2%						45.2%
Other Municipal Staff										
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)	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		56 075	54 993	57 446	4 984	42 611	43 084	(473)	-1%	57 446
% increase	4		-1.9%	2.4%						2.4%
Total Parent Municipality		61 734	61 896	64 491	5 359	45 881	48 367	(2 487)	-5%	64 491
Unpaid salary, allowances & benefits in arrears:										
Other benefits and allowances		–	–	1	0	0	1	(0)	-59%	1
Board Fees		–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Sub Total - Board Members of Entities	2	–	–	1	0	0	1	(0)	-59%	1
% increase	4			0.0%						0.0%
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4									
Total Municipal Entities		–	–	1	0	0	1	(0)	-59%	1
TOTAL SALARY, ALLOWANCES & BENEFITS		61 734	61 896	64 491	5 359	45 881	48 368	(2 487)	-5%	64 491
% increase	4		0.3%	4.5%						4.5%
TOTAL MANAGERS AND STAFF		58 588	58 317	61 097	5 078	44 264	45 822	(1 558)	-3%	61 097

Section 10 – Material variances to the SDBIP

There are no variances for this month under review, however the performance reporting will be included within the section 52 report applicable to quarter 3.

Section 11– Capital programme performance

TABLE SC12 – CAPITAL EXPENDITURE TRENDS

Project Status 2020/2021FY (March 2021)							
Grant	Project No	Project Name	Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
MIG	235124	Kannaland: Installation of Water Meters	R 469 951,00	R -	R 469 951,00	0%	Tender document is compiled and should go out on advertisement
MIG	220290	Zoar: New Sport Field Lighting	R 1 308 720,00	R 105 291,13	R 1 203 428,87	8%	Consultants appointed
MIG	213625	Zoar: Upgrade new Cemetery	R 3 145 491,00	R 320 806,76	R 2 824 684,24	10%	Consultants appointed
MIG	160843	Ladismith: New Waste Water Treatment Works	R 2 430 698,00	R 2 661 973,02	-R 231 275,02	110%	Consultants appointed for phase 2, phase 1 practical completed. This expenditure is without the retentions claim on the MIG MIS system
MIG	285450	Ladismith: Upgrade Water Treatment Works	R 2 366 490,00	R 799 672,49	R 1 566 817,51	34%	Consultants appointed for phase 2, phase 1 practical completed. This expenditure is without the retentions claim on the MIG MIS system
		TOTALS	R 9 721 350,00	R 3 887 743,40	R 5 833 606,60	40%	EXPENDITURE FOR 2020/2021 FY
Grant	Project No	Project Name	Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
WSIG		Calitzdorp: Deep Boreholes	R 15 616 000,00	R 5 616 000,00	R 10 000 000,00	36%	Consultants appointed
		TOTALS	R 15 616 000,00	R 5 616 000,00	R 10 000 000,00	36%	
Grant	Project No	Project Name	Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
INEP		Kannaland: Integrated National Electrification	2 699 000		2 698 999,63	0%	Payment is on-going the Supplier is on-site and expenditure will be recorded in April 2021
		TOTALS	R 2 698 999,63	R -	R 2 698 999,63	0%	

Section 12 – Implementation of the budget funding plan

The report on the implementation of the budget funding plan is attached in this report as **Annexure B**.

Section 13 – SCM Deviations

Section 14 – Quality certification

I, **ROLAND BUTLER**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Monthly Budget Statement for **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