



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for April 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.

Irregular expenditure – is **expenditure** that was not incurred in the manner prescribed by legislation; in other words, somewhere in the process that led to the **expenditure**, the auditee did not comply with the applicable legislation (MFMA, PFMA).

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 - refers to **expenditure** that municipalities incurred without provision having been made for it in the budget approved by the council or which does not meet the conditions of a grant.

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 **April 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 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. Further details are attached as per Annexure A to this report.

Section 2 – Resolutions

Recommendation:

That the Executive Mayor takes cognisance of the monthly budget statement **for April 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.gov.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 172 526	R 143 772	R 133 037	R 10 735	7%
Operating Expenditure	R 163 186	R 178 276	R 148 561	R 116 577	R 31 984	22%
Capital	R 63 321	R 37 550	R 27 638	R 8 463	R 19 700	71%

Operating Revenue

The year-to-date variance indicates an under performance against the year-to-date budget of 7%. The variance can be primarily attributed to the impact the ending of the TMT (speed fines vendor) contract had on fines related revenue generation. The municipality has adjusted revenue downwards within the 2020/2021 adjustment budget to account for the decline in revenue.

Operating expenditure

The operating expenditure realised 22% below the forecasted amount. Expenditure was only incurred in terms of revenue and the municipality has reduced expenditure to only the necessities without compromising service delivery. It should be noted that the creditors sub-system is not currently in use and that causes a delay in the recognition of expenditure. The municipality is in the process of addressing the issue. This can lead to an under-reporting of expenditure as the reporting platform do not recognise expenditure unless paid.

Capital Expenditure

Capital expenditure to date is 71% below 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 related factors and resignations in key positions aggravated the already dire situation. 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 - M10 April									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	16 692	19 540	22 821	1 291	16 873	19 017	(2 144)	-11%	22 821
Service charges	86 195	92 033	88 167	7 654	73 806	73 472	333	0%	88 167
Investment revenue	1 014	–	815	116	929	679	250	37%	815
Transfers and subsidies	40 064	37 753	46 570	286	36 688	38 808	(2 120)	-5%	46 570
Other own revenue	12 846	14 384	14 154	378	4 741	11 795	(7 054)	-60%	14 154
Total Revenue (excluding capital transfers and contributions)	156 810	163 710	172 526	9 725	133 037	143 772	(10 735)	-7%	172 526
Employee costs	58 588	58 317	61 097	9 362	53 626	50 914	2 712	5%	61 097
Remuneration of Councillors	3 146	3 578	3 394	279	1 896	2 828	(933)	-33%	3 394
Depreciation & asset impairment	13 551	12 231	12 222	1 018	10 186	10 185	1	0%	12 222
Finance charges	4 386	227	181	41	291	151	140	93%	181
Materials and bulk purchases	43 118	48 900	54 530	3 142	36 631	45 442	(8 810)	-19%	54 530
Transfers and subsidies	96	470	470	80	240	392	(152)	-39%	470
Other expenditure	44 511	39 462	46 382	1 809	13 708	38 650	(24 943)	-65%	46 382
Total Expenditure	167 397	163 186	178 276	15 730	116 577	148 561	(31 985)	-22%	178 276
Surplus/(Deficit)	(10 586)	524	(5 750)	(6 005)	16 460	(4 790)	21 250	-444%	(5 750)
Transfers and subsidies - capital (monetary allocations)	21 608	65 370	36 843	–	5 297	30 703	(25 406)	-83%	36 843
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	11 022	65 894	31 094	(6 005)	21 757	25 913	(4 156)	-16%	31 094
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	11 022	65 894	31 094	(6 005)	21 757	25 913	(4 156)	-16%	31 094
Capital expenditure & funds sources									
Capital expenditure	19 178	95 436	37 550	–	8 463	29 334	(20 870)	-71%	37 550
Capital transfers recognised	18 962	63 321	36 850	–	8 463	30 709	(22 245)	-72%	36 850
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	98	–	700	–	–	583	(583)	-100%	700
Total sources of capital funds	19 060	63 321	37 550	–	8 463	31 292	(22 829)	-73%	37 550
Financial position									
Total current assets	16 577	(110 474)	86 865		23 503				86 865
Total non current assets	11 199	390 363	363 590		(1 108)				363 590
Total current liabilities	7 859	(5 325)	133 472		595				133 472
Total non current liabilities	13 992	30 340	37 082		(8)				37 082
Community wealth/Equity	(5 096)	250 300	249 857		51				249 857
Cash flows									
Net cash from (used) operating	(93 124)	123 006	108 316	(12 394)	(171 795)	90 263	262 058	290%	108 316
Net cash from (used) investing	–	–	–	–	–	–	–	–	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	(93 124)	134 637	150 803	–	(171 795)	132 751	304 546	229%	108 316
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	4 488	2 187	2 210	1 829	1 794	1 782	10 608	76 500	101 398
Creditors Age Analysis									
Total Creditors	4 557	4 038	5 148	105	26 502	–	–	–	40 349

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) - M10 April										
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		16 692	19 540	22 821	1 291	16 873	19 017	(2 144)	-11%	22 821
Service charges - electricity revenue		52 825	55 943	56 494	4 780	46 553	47 078	(525)	-1%	56 494
Service charges - water revenue		19 619	21 626	17 113	1 673	15 110	14 261	849	6%	17 113
Service charges - sanitation revenue		7 008	7 520	7 607	616	6 240	6 339	(99)	-2%	7 607
Service charges - refuse revenue		6 743	6 945	6 952	584	5 903	5 794	109	2%	6 952
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		516	17	567	43	431	473	(42)	-9%	567
Interest earned - external investments		1 014	-	815	116	929	679	250	37%	815
Interest earned - outstanding debtors		2 432	5 567	5 454	4	21	4 545	(4 524)	-100%	5 454
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 428	7 384	6 354	204	2 607	5 295	(2 688)	-51%	6 354
Licences and permits		164	50	215	16	186	179	7	4%	215
Agency services		828	1 000	1 025	55	985	854	131	15%	1 025
Transfers and subsidies		40 064	37 753	46 570	286	36 688	38 808	(2 120)	-5%	46 570
Other revenue		1 477	365	538	55	510	448	62	14%	538
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		156 810	163 710	172 526	9 725	133 037	143 772	(10 735)	-7%	172 526

The underperformance on the revenue budget can be explained as follow:

- **Property Rates – R1.29 million was billed in April a slight increase on figures reported of R1.23 million during March 2021.** A 11% variance from the YTD figures can be attributed to the rebates and exemptions components that were incorrectly accounted for in the budget due to a system error. This has been corrected within the adjustment budget, but the full year figure is expected to fall short with R3 million.
- **Service Charges Electricity - Revenue performance in April 2021 amounted to R4.7 million** no material changes from **R4.7 million** reported in **March 2021**. It represents a -1% variance from the YTD figures.
- **Service Charges Water Revenue - amounted to R1.67 million in April 2021** an increase from **R1.54 million** reported in **March 2021**. It represents 6% variance from the YTD figures. A drop-off in consumption can be expected due to the cyclical nature of consumption and actual revenue will maybe exceed the forecasted amount, but with less than 6%.
- **Service Charges Sanitation Revenue - amounted to R616 thousand in April 2021** showing a slight decrease from **R633 thousand** reported in **March 2021**. It represents a 2% variance from the YTD figures.
- **Service Charges Refuse Revenue - amounted to R584 thousand in April 2021** a slight decrease from **R588 thousand** reported in **March 2021**. It represents a 2% variance from the YTD figures.

1.2.2 Expenditure by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April										
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										
Employee related costs		58 588	58 317	61 097	9 362	53 626	50 914	2 712	5%	61 097
Remuneration of councillors		3 146	3 578	3 394	279	1 896	2 828	(933)	-33%	3 394
Debt impairment		26 594	11 923	13 538	138	204	11 282	(11 078)	-98%	13 538
Depreciation & asset impairment		13 551	12 231	12 222	1 018	10 186	10 185	1	0%	12 222
Finance charges		4 386	227	181	41	291	151	140	93%	181
Bulk purchases		40 767	42 693	42 763	2 652	32 383	35 636	(3 253)	-9%	42 763
Other materials		2 351	6 207	11 767	490	4 248	9 806	(5 558)	-57%	11 767
Contracted services		8 276	15 682	18 164	607	6 863	15 136	(8 274)	-55%	18 164
Transfers and subsidies		96	470	470	80	240	392	(152)	-39%	470
Other expenditure		9 616	11 857	14 679	1 064	6 641	12 232	(5 592)	-46%	14 679
Loss on disposal of PPE		25	—	—	—	—	—	—	—	—
Total Expenditure		167 397	163 186	178 276	15 730	116 577	148 561	(31 985)	-22%	178 276

- **Employee Related Costs** – The employee related costs amounted to **R9.36 million for April 2021**. The previously reported figures of **March 2021** were **R5.07 million** that included **January 2021** figures and corrections made relating to the municipal annual increase in the form of back-pay for the last 7 months and back-pay in bonuses, as a result of an unsuccessful application for exemption on salary increases. The reported figure includes corrections made relating to benefits based on the annual salary increase adjustments made during March. It should be noted that the monthly reported actual expenditure does include a prior period system error correction and therefor appears to be inflated.
- **Remuneration of Councillors**- the total Remuneration for Councillors is **R279 thousand in April 2021** decrease from **R280 thousand** reported in **March 2021**. There are material differences on remuneration for councillors due to the system configuration, that is still being addressed.
- **Depreciation and Asset Impairment:** Depreciation for April amounts to **R1.02 million**.
- **Contracted Services** - The municipality has expenditure for Contracted Services of **R607 thousand in April 2021**, a decrease from **R1.7 million** reported in **March 2021**. The total year to date on contracted services are **R6.86 million** or **55%** of the total budget for contracted services. The significant deviation can be explained as a result of expenditure only being incurred in terms of available revenue and capacity limitations causing a delay in the recognition of expenditure when incurred.
- **Other Expenditure** - amounted to **R1.06 million in April 2021**, a decrease from **R3.2 million** reported in **March 2021**, this is due to cost containment measures that are being implemented as per the resolution of the Financial Recovery Plan and the impact of Covid-19. The total year to date expenditure on all other expenditure is **R6.64 million** or **46%** of the year-to-date 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) - M10 April										
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										
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	4 454	–	4 578	(4 136)	-90%	4 454
Vote 3 - FINANCIAL SERVICES			118	430	–	–	–	–	–	–
Vote 4 - TECHNICAL SERVICES			15 653	82 117	30 746	–	23 060	(15 039)	-65%	30 746
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	17 534	94 436	35 200	–	27 638	(19 175)	-69%	35 200
Total Capital Expenditure		3	19 178	95 436	37 550	–	8 463	29 400	(20 937)	-71%
Capital Expenditure - Functional Classification										
Governance and administration			118	–	700	–	525	(525)	-100%	700
Executive and council			–	–	–	–	–	–	–	–
Finance and administration			118	–	700	–	525	(525)	-100%	700
Internal audit			–	–	–	–	–	–	–	–
Community and public safety			1 763	5 454	6 104	–	4 578	(4 136)	-90%	6 104
Community and social services			–	4 145	4 795	–	290	3 597	(3 307)	-92%
Sport and recreation			1 262	1 309	1 309	–	152	982	(829)	-84%
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	–	8 021	23 054	(15 034)	-65%
Energy sources			605	–	2 699	–	–	2 024	(2 024)	-100%
Water management			14 599	27 867	28 040	–	8 021	21 030	(13 009)	-62%
Waste water management			2 094	30 000	–	–	–	–	–	–
Waste management			–	–	–	–	–	–	–	–
Other			–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification		3	19 178	63 321	37 550	–	8 463	28 163	(19 700)	-70%
Funded by:										
National Government			12 901	59 721	30 805	–	7 949	23 104	(15 155)	-66%
Provincial Government			6 061	3 600	6 045	–	514	4 534	(4 020)	-89%
District Municipality			–	–	–	–	–	–	–	–
Other transfers and grants			–	–	–	–	–	–	–	–
Transfers recognised - capital			18 962	63 321	36 850	–	8 463	27 638	(19 175)	-69%
Public contributions & donations		5	–	–	–	–	–	–	–	–
Borrowing		6	–	–	–	–	–	–	–	–
Internally generated funds			98	–	700	–	525	(525)	-100%	700
Total Capital Funding			19 060	63 321	37 550	–	8 463	28 163	(19 700)	-70%

- The actual year-to-date capital expenditure amounts to **R8.463 million**.
- The year-to-date expenditure is only **30%** of the year-to-date forecast and **23%** of total capital budget.
- All capital expenditure of the municipality is funded from national and provincial government grants.

Actual expenditure is of concern to management and will be addressed. Unforeseen resignations and then ending of the contract of the Director Infrastructure Services had an adverse impact that left the ability to give effect to the budget vulnerable.

1.2.4 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	8 735 549,16	- 7 176 900,71	- 82,16	180 010 861,73	- 137 811 237,34	76,56
Apr-21	8 686 975,26	- 7 176 900,71	250 831,67	8 686 975,26	-	-	188 697 836,99	- 137 811 237,34	

The payment percentage indicates an average of **76.56%** which is below the anticipated payment percentage of **85%**. There is a lack of capacity within the credit control function and the municipality is in the process of addressing the issue.

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;
- That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an ever-changing environment.

Section 4 – In-year budget statement tables

TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

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		16 692	19 540	22 821	1 291	16 873	19 017	(2 144)	-11%	22 821
Service charges - electricity revenue		52 825	55 943	56 494	4 780	46 553	47 078	(525)	-1%	56 494
Service charges - water revenue		19 619	21 626	17 113	1 673	15 110	14 261	849	6%	17 113
Service charges - sanitation revenue		7 008	7 520	7 607	616	6 240	6 339	(99)	-2%	7 607
Service charges - refuse revenue		6 743	6 945	6 952	584	5 903	5 794	109	2%	6 952
Service charges - other		—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		516	17	567	43	431	473	(42)	-9%	567
Interest earned - external investments		1 014	—	815	116	929	679	250	37%	815
Interest earned - outstanding debtors		2 432	5 567	5 454	4	21	4 545	(4 524)	-100%	5 454
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		7 428	7 384	6 354	204	2 607	5 295	(2 688)	-51%	6 354
Licences and permits		164	50	215	16	186	179	7	4%	215
Agency services		828	1 000	1 025	55	985	854	131	15%	1 025
Transfers and subsidies		40 064	37 753	46 570	286	36 688	38 808	(2 120)	-5%	46 570
Other revenue		1 477	365	538	55	510	448	62	14%	538
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		156 810	163 710	172 526	9 725	133 037	143 772	(10 735)	-7%	172 526
Expenditure By Type										
Employee related costs		58 588	58 317	61 097	9 362	53 626	50 914	2 712	5%	61 097
Remuneration of councillors		3 146	3 578	3 394	279	1 896	2 828	(933)	-33%	3 394
Debt impairment		26 594	11 923	13 538	138	204	11 282	(11 078)	-98%	13 538
Depreciation & asset impairment		13 551	12 231	12 222	1 018	10 186	10 185	1	0%	12 222
Finance charges		4 386	227	181	41	291	151	140	93%	181
Bulk purchases		40 767	42 693	42 763	2 652	32 383	35 636	(3 253)	-9%	42 763
Other materials		2 351	6 207	11 767	490	4 248	9 806	(5 558)	-57%	11 767
Contracted services		8 276	15 682	18 164	607	6 863	15 136	(8 274)	-55%	18 164
Transfers and subsidies		96	470	470	80	240	392	(152)	-39%	470
Other expenditure		9 616	11 857	14 679	1 064	6 641	12 232	(5 592)	-46%	14 679
Loss on disposal of PPE		25	—	—	—	—	—	—	—	—
Total Expenditure		167 397	163 186	178 276	15 730	116 577	148 561	(31 985)	-22%	178 276
Surplus/(Deficit)		(10 586)	524	(5 750)	(6 005)	16 460	(4 790)	21 250	(0)	(5 750)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		21 608	65 370	36 843	—	5 297	30 703	(25 406)	(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		11 022	65 894	31 094	(6 005)	21 757	25 913			31 094
Taxation		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		11 022	65 894	31 094	(6 005)	21 757	25 913			31 094
Attributable to minorities		—	—	—	—	—	—			—
Surplus/(Deficit) attributable to municipality		11 022	65 894	31 094	(6 005)	21 757	25 913			31 094
Share of surplus/ (deficit) of associate		—	—	—	—	—	—			—
Surplus/ (Deficit) for the year		11 022	65 894	31 094	(6 005)	21 757	25 913			31 094

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M10 April						
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	114 312	11 851	114 312
Call investment deposits		29 476	8 387	37 862	15 390	37 862
Consumer debtors		1 634	(92 866)	(20 914)	14 276	(20 914)
Other debtors		(16 326)	(31 256)	(41 476)	(18 070)	(41 476)
Current portion of long-term receivables		(5)	(8)	–	–	–
Inventory		418	2 025	(2 919)	56	(2 919)
Total current assets		16 577	(110 474)	86 865	23 503	86 865
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		(124)	1 489	1 364	–	1 364
Investments in Associate		–	–	–	–	–
Property, plant and equipment		11 330	388 829	362 217	(1 083)	362 217
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		(7)	45	8	(25)	8
Other non-current assets		–	–	–	–	–
Total non current assets		11 199	390 363	363 590	(1 108)	363 590
TOTAL ASSETS		27 776	279 889	450 455	22 395	450 455
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		(504)	(972)	586	(472)	586
Consumer deposits		63	964	1 027	56	1 027
Trade and other payables		10 305	(7 970)	119 240	1 011	119 240
Provisions		(2 006)	2 654	12 619	–	12 619
Total current liabilities		7 859	(5 325)	133 472	595	133 472
Non current liabilities						
Borrowing		–	1 141	(429)	(8)	(429)
Provisions		13 992	29 199	37 511	–	37 511
Total non current liabilities		13 992	30 340	37 082	(8)	37 082
TOTAL LIABILITIES		21 851	25 016	170 554	587	170 554
NET ASSETS	2	5 926	254 873	279 901	21 808	279 901
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(5 044)	251 727	238 953	–	238 953
Reserves		(52)	(1 427)	10 904	51	10 904
TOTAL COMMUNITY WEALTH/EQUITY	2	(5 096)	250 300	249 857	51	249 857

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M10 April

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	18 701	15 571	(1 081)	(5 439)	12 976	(18 414)	-142%	15 571
Service charges		–	111 548	110 131	(5 704)	(15 713)	91 776	(107 488)	-117%	110 131
Other revenue		–	2 027	2 939	(296)	(1 021)	2 449	(3 470)	-142%	2 939
Government - operating		–	35 224	40 725	(510)	(41 990)	33 937	(75 927)	-224%	40 725
Government - capital		–	63 321	36 843	–	(22 164)	30 703	(52 867)	-172%	36 843
Interest		–	–	4 966	(4)	(9)	4 139	(4 148)	-100%	4 966
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(89 290)	(107 815)	(102 859)	(4 799)	(85 460)	(85 716)	(256)	0%	(102 859)
Finance charges		–	–	–	–	–	–	–		–
Transfers and Grants		(3 834)	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(93 124)	123 006	108 316	(12 394)	(171 795)	90 263	262 058	290%	108 316
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		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	–	–	–		–
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		(93 124)	123 006	108 316	(12 394)	(171 795)	90 263			108 316
Cash/cash equivalents at beginning:		–	11 631	42 488		–	42 488			–
Cash/cash equivalents at month/year end:		(93 124)	134 637	150 803		(171 795)	132 751			108 316

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

- Standard Bank Main Account is – **R942 thousand (Overdraft)**;
- The Traffic Account has **R798 thousand**;
- Deposit Account has **R232 thousand**; and
- Call Account has **R45 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 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) - M10 April										
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									
Revenue - Functional										
<i>Governance and administration</i>		53 966	37 632	46 952	1 760	53 207	39 127	14 080	36%	46 952
Executive and council		28 324	8 920	13 356	–	29 578	11 130	18 449	166%	13 356
Finance and administration		25 642	28 712	33 597	1 760	23 629	27 997	(4 368)	-16%	33 597
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		14 385	15 167	19 883	210	8 515	16 569	(8 054)	-49%	19 883
Community and social services		12 204	14 967	18 682	195	8 336	15 568	(7 232)	-46%	18 682
Sport and recreation		–	–	–	–	0	–	0	#DIV/0!	–
Public safety		2 181	–	–	15	178	–	178	#DIV/0!	–
Housing		–	200	1 201	–	–	1 001	(1 001)	-100%	1 201
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		7 356	7 398	6 490	97	1 523	5 408	(3 886)	-72%	6 490
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		7 356	7 398	6 490	97	1 523	5 408	(3 886)	-72%	6 490
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		102 712	168 884	136 045	7 658	75 089	113 370	(38 282)	-34%	136 045
Energy sources		53 144	59 735	62 782	4 780	46 557	52 318	(5 762)	-11%	62 782
Water management		34 429	50 507	43 229	1 677	16 390	36 024	(19 635)	-55%	43 229
Waste water management		7 682	44 106	14 396	616	6 240	11 997	(5 757)	-48%	14 396
Waste management		7 457	14 537	15 637	584	5 903	13 031	(7 128)	-55%	15 637
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	178 419	229 081	209 370	9 725	138 334	174 474	(36 141)	-21%	209 370
Expenditure - Functional										
<i>Governance and administration</i>		54 051	51 106	58 799	6 517	38 432	48 999	(10 567)	-22%	58 799
Executive and council		14 811	12 074	19 672	2 240	11 461	16 393	(4 932)	-30%	19 672
Finance and administration		39 241	39 031	39 128	4 277	26 971	32 606	(5 635)	-17%	39 128
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		11 126	10 729	11 678	1 427	8 663	9 731	(1 069)	-11%	11 678
Community and social services		6 317	8 333	8 679	840	6 019	7 232	(1 213)	-17%	8 679
Sport and recreation		379	812	597	36	334	497	(163)	-33%	597
Public safety		3 629	207	311	418	1 577	260	1 317	508%	311
Housing		801	1 376	2 091	133	733	1 743	(1 010)	-58%	2 091
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		13 555	19 221	15 335	870	7 557	12 779	(5 223)	-41%	15 335
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		13 555	19 221	15 335	870	7 557	12 779	(5 223)	-41%	15 335
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		88 664	82 131	92 463	7 217	61 926	77 052	(15 126)	-20%	92 463
Energy sources		48 918	53 186	54 962	4 026	39 885	45 801	(5 916)	-13%	54 962
Water management		26 477	13 240	16 440	1 497	10 148	13 700	(3 552)	-26%	16 440
Waste water management		5 710	6 906	8 413	794	4 995	7 010	(2 016)	-29%	8 413
Waste management		7 560	8 799	12 649	901	6 898	10 540	(3 642)	-35%	12 649
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	167 397	163 186	178 276	16 031	116 577	148 561	(31 985)	-22%	178 276
Surplus/ (Deficit) for the year		11 022	65 894	31 094	(6 306)	21 757	25 913	(4 156)	-16%	31 094

**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) - M10 April										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		29 033	8 920	13 356	–	29 578	11 130	18 449	165,8%	13 356
Vote 2 - CORPORATE SERVICES		20 155	21 132	24 971	294	8 865	20 809	(11 944)	-57,4%	24 971
Vote 3 - FINANCIAL SERVICES		25 376	28 412	33 316	1 731	23 327	27 763	(4 436)	-16,0%	33 316
Vote 4 - TECHNICAL SERVICES		103 855	170 617	137 727	7 700	76 564	114 773	(38 209)	-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	178 419	229 081	209 370	9 725	138 334	174 474	(36 141)	-20,7%	209 370
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		14 811	12 074	19 672	2 240	11 461	16 393	(4 932)	-30,1%	19 672
Vote 2 - CORPORATE SERVICES		29 687	30 120	29 458	3 243	19 200	24 548	(5 348)	-21,8%	29 458
Vote 3 - FINANCIAL SERVICES		24 661	25 429	26 266	2 484	17 218	21 888	(4 670)	-21,3%	26 266
Vote 4 - TECHNICAL SERVICES		97 798	94 418	101 735	7 980	67 908	84 778	(16 870)	-19,9%	101 735
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		439	1 145	1 145	85	789	954	(165)	-17,3%	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	167 397	163 186	178 276	16 031	116 577	148 561	(31 985)	-21,5%	178 276
Surplus/ (Deficit) for the year	2	11 022	65 894	31 094	(6 306)	21 757	25 913	(4 156)	-16,0%	31 094

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

FY2021 Rainfalland - Supporting Table 003 Monthly Budget Statement - aged debtors - m to April														
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	1 854	769	947	644	644	672	3 095	17 531	26 157	22 586	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 147	186	110	71	58	59	313	1 598	3 541	2 099	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	1 672	397	353	314	302	273	2 625	14 389	20 326	17 903	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	527	249	248	246	244	243	1 398	10 339	13 494	12 470	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 061	410	399	391	385	381	2 287	13 044	18 360	16 490	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	23	23	23	-	-	
Interest on Arrear Debtor Accounts	1810	16	5	18	26	36	46	332	17 011	17 491	17 451	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(1 787)	170	134	136	124	108	558	2 564	2 007	3 490	-	-	
Total By Income Source	2000	4 488	2 187	2 210	1 829	1 794	1 782	10 608	76 500	101 398	92 513	-	-	
2019/20 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	(93)	72	58	31	24	13	437	554	1 096	1 059	-	-	
Commercial	2300	489	202	128	112	105	94	589	2 798	4 517	3 699	-	-	
Households	2400	4 179	1 787	1 900	1 564	1 548	1 556	8 427	63 614	84 575	76 709	-	-	
Other	2500	(86)	127	123	122	116	119	1 155	9 534	11 211	11 046	-	-	
Total By Customer Group	2600	4 488	2 187	2 210	1 829	1 794	1 782	10 608	76 500	101 398	92 513	-	-	

- The total amount owed to Kannaland Municipality amounts to **R101 million**.
- **R76.50 million or 75%** of the total outstanding debtors are older than one year.
- **R92.51 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. It is of the utmost importance that prescribed debt and first time registered indigent debt are written-off and that a functional credit control unit will be capacitated to address the low collection rate.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

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	3 765	3 744	3 929	–	7 365	–	–	–	18 803
Bulk Water	0200	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	60	–	–	–	–	–	–	–	60
Trade Creditors	0700	431	112	522	51	8 966	–	–	–	10 083
Auditor General	0800	131	110	695	48	5 540	–	–	–	6 524
Other	0900	169	72	2	6	4 630	–	–	–	4 879
Total By Customer Type	1000	4 557	4 038	5 148	105	26 502	–	–	–	40 349

The total outstanding creditors amounts to **R40 349**.

The biggest outstanding creditors are Eskom (**R18 803 million**), the Auditor-General of South Africa (**6 524 million**) Combined, the before mentioned, represents **63%** 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



epayment 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
Interest Accrual	30.04.2021	30.04.2021	0.00	10,412.82	0.00	10,412.82	1,023,927.50	1,013,514.68
Interest Capitalisation	30.04.2021	30.04.2021	0.00	-10,412.82	10,412.82	0.00	1,023,927.50	1,023,927.50
epayment Due	30.04.2021	30.04.2021	-49,587.18	0.00	-10,412.82	-60,000.00	963,927.50	963,927.50

- The total outstanding long-term debt of Kannaland Municipality amounts to **R964 thousand**
- 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 - M10 April										
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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		31 250	35 990	39 976	92	33 426	33 313	113	0,3%	39 976
Operational Revenue: General Revenue: Equitable Share		28 147	29 760	34 011	–	29 575	28 343	1 232	4,3%	34 011
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 143	1 171	1 171	–	1 018	976	42	4,3%	1 171
Local Government Financial Management Grant [Schedule 5B]		1 960	2 647	2 647	50	2 377	2 206	171	7,7%	2 647
Municipal Systems Improvement Grant		–	1 900	1 635	–	–	1 363	(1 363)	-100,0%	1 635
Municipal Infrastructure Grant [Schedule 5B]		–	512	512	42	457	426	30	7,1%	512
Provincial Government:		8 637	1 763	8 238	193	3 258	6 865	(3 607)	-52,5%	8 238
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		8 637	1 713	8 238	193	3 258	6 865	(3 607)	-52,5%	8 238
Other grant providers:		–	–	6	–	–	5	(5)	-100,0%	6
Departmental Agencies and Accounts		–	–	6	–	–	5	(5)	-100,0%	6
Total Operating Transfers and Grants	5	39 887	37 753	48 220	286	36 684	40 183	(3 499)	-8,7%	48 220
Capital Transfers and Grants										
National Government:		15 245	59 721	30 798	–	4 911	25 665	(20 754)	-80,9%	30 798
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		202	–	2 699	–	–	2 249	(2 249)	-100,0%	2 699
Municipal Infrastructure Grant [Schedule 5B]		7 509	9 721	12 483	–	4 023	10 403	(6 380)	-61,3%	12 483
Regional Bulk Infrastructure Grant (Schedule 5B)		–	30 000	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		7 534	20 000	15 616	–	888	13 013	(12 125)	-93,2%	15 616
Provincial Government:		6 363	5 649	4 395	–	386	3 663	(3 277)	-89,5%	4 395
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		–	3 049	–	–	–	–	–	–	–
Infrastructure		6 363	2 600	4 395	–	386	3 663	(3 277)	-89,5%	4 395
Total Capital Transfers and Grants	5	21 608	65 370	35 193	–	5 297	29 328	(24 031)	-81,9%	35 193
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	61 496	103 123	83 413	286	41 981	69 511	(27 530)	-39,6%	83 413

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

National Government Grants:

- Expanded Public Works Programme (EPWP) expenditure amounts to **R115 thousand**;
- Financial Management Grant amounts to **R50 thousand**; and
- Municipal Infrastructure Grant (MIG PMU) amounts to **R42 thousand**.

Provincial Government Grants:

- Library Grant amounts to **R193 thousand**.

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April										
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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 464	2 794	2 731	238	1 337	2 276	(939)	-41%	2 731
Pension and UIF Contributions		-	56	-	-	55	-	55	#DIV/0!	-
Medical Aid Contributions		91	35	171	2	81	143	(62)	-43%	171
Motor Vehicle Allowance		342	308	162	13	164	135	28	21%	162
Cellphone Allowance		249	384	329	26	259	275	(16)	-6%	329
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 146	3 578	3 394	279	1 896	2 828	(933)	-33%	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	171	1 643	2 556	(913)	-36%	3 067
Pension and UIF Contributions		1	-	2	0	0	1	(1)	-80%	2
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		(46)	-	200	-	-	167	(167)	-100%	200
Motor Vehicle Allowance		517	90	300	31	146	250	(104)	-42%	300
Cellphone Allowance		13	64	60	3	33	50	(18)	-35%	60
Housing Allowances		-	10	-	-	-	-	-	-	-
Other benefits and allowances		43	39	21	10	46	18	28	159%	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	215	1 868	3 042	(1 174)	-39%	3 650
% increase	4		32,2%	45,2%						45,2%
Other Municipal Staff										
Basic Salaries and Wages		38 238	37 386	39 795	5 961	34 438	33 162	1 276	4%	39 795
Pension and UIF Contributions		5 859	6 446	6 192	1 002	4 921	5 159	(238)	-5%	6 192
Medical Aid Contributions		1 566	2 050	1 865	296	1 674	1 554	120	8%	1 865
Overtime		4 290	1 880	3 536	1 069	4 155	2 947	1 208	41%	3 536
Performance Bonus		2 252	-	-	3	1 794	-	1 794	#DIV/0!	-
Motor Vehicle Allowance		2 107	2 672	2 098	324	1 732	1 749	(16)	-1%	2 098
Cellphone Allowance		148	171	76	16	93	63	30	47%	76
Housing Allowances		257	344	83	46	326	69	256	371%	83
Other benefits and allowances		1 680	3 998	3 702	409	2 514	3 084	(570)	-18%	3 702
Payments in lieu of leave		654	47	100	20	111	83	27	33%	100
Long service awards		85	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	(1 060)	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		56 075	54 993	57 446	9 147	51 758	47 871	3 886	8%	57 446
% increase	4		-1,9%	2,4%						2,4%
Total Parent Municipality		61 734	61 896	64 491	9 641	55 521	53 741	1 780	3%	64 491
Unpaid salary, allowances & benefits in arrears:										
Other benefits and allowances		-	-	1	0	0	1	(0)	-54%	1
Sub Total - Board Members of Entities	2	-	-	1	0	0	1	(0)	-54%	1
% increase	4			0,0%						0,0%
Total Municipal Entities		-	-	1	0	0	1	(0)	-54%	1
TOTAL SALARY, ALLOWANCES & BENEFITS		61 734	61 896	64 491	9 641	55 522	53 742	1 779	3%	64 491
% increase	4		0,3%	4,5%						4,5%
TOTAL MANAGERS AND STAFF		58 588	58 317	61 097	9 362	53 626	50 913	2 713	5%	61 097

It is important to take cognisance of the system expenditure entry pertaining to employee related expenditure as reported under expenditure.

Section 10 – Material variances to the SDBIP

There are no variances for this month under review.

Section 11– Capital programme performance

TABLE SC12 – CAPITAL EXPENDITURE TRENDS

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M10 April									
Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	–	5 277	3 129	–	–	3 129	–	0,0%	0%
August	1 115	5 277	3 129	2 744	2 744	6 258	3 515	56,2%	4%
September	2 437	5 277	3 129	2 089	4 833	9 388	4 555	48,5%	8%
October	1 783	5 277	3 129	588	5 420	12 517	7 096	56,7%	9%
November	488	5 277	3 129	1 013	6 433	15 646	9 212	58,9%	10%
December	1 257	5 277	3 129	1 911	8 344	18 775	10 431	55,6%	13%
January	350	5 277	3 129	–	8 344	21 904	13 560	61,9%	13%
February	610	5 277	3 129	108	8 452	25 033	16 581	66,2%	13%
March	377	5 277	3 129	11	8 463	28 163	19 700	69,9%	13%
April	172	5 277	3 129	–	8 463	31 292	22 829	73,0%	13%
May	482	5 277	3 129	–	8 463	34 421	25 958	75,4%	13%
June	10 108	5 277	3 129	–	8 463	37 550	29 087	77,5%	13%
Total Capital expenditure	19 178	63 321	37 550	8 463					

Project Status 2020/2021FY (April 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 May 2021
		TOTALS	R 2 698 999,63	R –	R 2 698 999,63	0%	

Section 12 – Implementation of the budget funding plan

No progress was made towards the implementation of the budget funding plan. This however will be prioritised for the following reporting period.

Section 13 – SCM Deviations

Attached under Annexure A

Section 14 – Quality certification

I, **ROLAND BUTLER**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Monthly Budget Statement for **April 2021**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: ROLAND BUTLER

Signature:

Date:



Posbus 30 P.O. Box
LADISMITH
6655

info@kannaland.co.za
Tel : (028) 551 1023
Fax : (028) 551 1766

Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

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

(mark as appropriate)

- ☒ The monthly 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 **April 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 :12 May 2021