



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for July 2021/22



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.

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 principal piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF - Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current year's financial position.

Operating expenditure - Spending on the day-to-day expenses of the Municipality such as salaries and wages.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - 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 **July 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.
- c) The municipality has written-off prescribed and indigent household debt to the amount of **R41 million**.

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 Budget Funding Plan has been approved and a Financial Recovery Plan is currently being reviewed, to be implemented to mitigate risk.

Section 2 – Resolutions

Recommendation:

That the Executive Mayor takes cognisance of the monthly budget statement **for July 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

implementation 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 186 419	R 186 419	R 15 535	R 22 521	(R 6 986)	144%
Operating Expenditure	R 191 830	R 191 830	R 15 986	R 6 200	R 9 786	39%
Capital	R 23 767	R 23 767	R 1 981	R 0	R 1 981	0%

Operating Revenue

The year-to-date operating revenue variance indicated the year-to-date budget being exceeded by 144%. The deviation is as a result of the first tranche of the equitable share allocation received in **July 2021**. The municipality will have to address straight-line budgeting as periodic transfers and the cyclical nature of the local economy is not accounted for within the monthly breakdown of the budget.

Operating expenditure

Operating expenditure realised 61% 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. Municipal expenditure also extends beyond budgeted expenditure, as in terms of the income statement, but also to addressing the significant liability relating to prior year creditors.

Capital Expenditure

There was no capital expenditure during the month of July. Straight-line-budgeting did not consider the finalisation of procurement processes before expenditure will be incurred. Monthly capital expenditure will be aligned with project progress as planned and the budget will be broken down to align with the beforementioned. The municipality's capital budget is mainly funded from conditional grants.

Comments from the Chief Financial Officer

It is however critical that management must collectively plan effectively to speed up the SCM processes which should in turn enhance and increase performance levels of both operational and capital activities and programs.

TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M01 July									
Description	2020/21	Budget Year 2021/22							
	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	19 337	24 562	24 562	2 179	2 179	2 047	132	6%	24 562
Service charges	88 014	104 162	104 162	8 530	8 530	8 680	(150)	-2%	104 162
Investment revenue	1 150	864	864	96	96	72	24	34%	864
Transfers and subsidies	37 948	45 128	45 128	11 070	11 070	3 761	7 309	194%	45 128
Other own revenue	6 200	11 704	11 704	646	646	975	(329)	-34%	11 704
Total Revenue (excluding capital transfers and contributions)	152 649	186 419	186 419	22 521	22 521	15 535	6 986	45%	186 419
Employee costs	62 158	65 553	65 553	4 675	4 675	5 463	(787)	-14%	65 553
Remuneration of Councillors	3 184	3 637	3 637	304	304	303	1	0%	3 637
Depreciation & asset impairment	12 222	12 698	12 698	-	-	1 058	(1 058)	-100%	12 698
Finance charges	494	382	382	37	37	32	5	15%	382
Materials and bulk purchases	37 801	56 133	56 133	401	401	4 678	(4 277)	-91%	56 133
Transfers and subsidies	246	838	838	-	-	70	(70)	-100%	838
Other expenditure	15 677	52 589	52 589	784	784	4 382	(3 599)	-82%	52 589
Total Expenditure	131 781	191 830	191 830	6 200	6 200	15 986	(9 786)	-61%	191 830
Surplus/(Deficit)	20 868	(5 411)	(5 411)	16 321	16 321	(451)	16 771	-3721%	(5 411)
Transfers and subsidies - capital (monetary allocations)	9 692	22 763	22 763	-	-	1 897	(1 897)	-100%	22 763
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	30 561	17 352	17 352	16 321	16 321	1 446	14 875	1029%	17 352
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	30 561	17 352	17 352	16 321	16 321	1 446	14 875	1029%	17 352
Capital expenditure & funds sources									
Capital expenditure	15 438	23 767	23 767	-	-	1 981	(1 981)	-100%	23 767
Capital transfers recognised	15 040	22 763	22 763	-	-	1 897	(1 897)	-100%	22 763
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	398	1 004	1 004	-	-	84	(84)	-100%	1 004
Total sources of capital funds	15 438	23 767	23 767	-	-	1 981	(1 981)	-100%	23 767
Financial position									
Total current assets	17 224	(85 437)	(17 989)	-	15 098	-	-	-	(17 989)
Total non current assets	3 217	362 009	351 292	-	-	-	-	-	351 292
Total current liabilities	(10 125)	(88 852)	29 011	-	(1 220)	-	-	-	29 011
Total non current liabilities	(8)	37 082	37 082	-	-	-	-	-	37 082
Community wealth/Equity	14	249 857	249 857	-	(3)	-	-	-	249 857
Cash flows									
Net cash from (used) operating	(188 907)	18 836	18 836	18 741	18 741	1 570	(17 171)	-1094%	18 836
Net cash from (used) investing	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	(188 907)	61 323	61 323	-	18 741	44 057	25 317	57%	18 836
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	5 632	2 137	2 049	1 905	1 931	2 084	10 861	81 416	108 015
Creditors Age Analysis									
Total Creditors	6 749	6 800	4 188	4 040	37 204	-	-	-	58 982

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.

Revenue by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2020/21	Budget Year 2021/22							
		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		19,337	24,562	24,562	2,179	2,179	2,047	132	6%	24,562
Service charges - electricity revenue		55,505	67,946	67,946	5,553	5,553	5,662	(110)	-2%	67,946
Service charges - water revenue		18,013	20,787	20,787	1,469	1,469	1,732	(263)	-15%	20,787
Service charges - sanitation revenue		7,456	8,019	8,019	752	752	668	84	13%	8,019
Service charges - refuse revenue		7,040	7,410	7,410	756	756	617	138	22%	7,410
Rental of facilities and equipment		606	631	631	42	42	53	(10)	-19%	631
Interest earned - external investments		1,150	864	864	96	96	72	24	34%	864
Interest earned - outstanding debtors		26	3,087	3,087	2	2	257	(255)	-99%	3,087
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3,579	5,547	5,547	498	498	462	36	8%	5,547
Licences and permits		217	378	378	14	14	31	(17)	-55%	378
Agency services		1,083	1,087	1,087	58	58	91	(32)	-36%	1,087
Transfers and subsidies		37,948	45,128	45,128	11,070	11,070	3,761	7,309	194%	45,128
Other revenue		689	974	974	31	31	81	(51)	-62%	974
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		152,649	186,419	186,419	22,521	22,521	15,535	6,986	45%	186,419

The performance against the revenue budget can be explained as follow:

- **Property Rates – R2.18 million was billed in July.** The year-to-date variance appear to be system error with not all rebates reflected. A new valuation roll was implemented, and the impact of the pending appeals process will be monitored and reported upon.
- **Service Charges Electricity – Revenue billed amounted to R5.55 million.** It represents a 2% immaterial deviation from the YTD figure. It should be noted that the late approval of the annual budget caused electricity being sold at 2020/21 tariffs for the first week of the month of July and this problem will be applicable to all cash items.
- **Service Charges Water Revenue - amounted to R1.47 million in July 2021.** It represents a -15% variance from the YTD figures. A drop-off in consumption was expected, due to the cyclical nature of consumption and actual revenue is still expected to meet the annual forecast
- **Service Charges Sanitation Revenue - amounted to R752 thousand in July 2021.** It represents a 13% variance from the YTD figures. The deviation will be investigated but an initial indication is that not all rebates are accounted for, and the number of indigent households can be expected to increase in due course.
- **Service Charges Refuse Revenue - amounted to R756 thousand in July 2021.** It represents a 22% variance from the YTD figures. The deviation will be investigated, with an initial indication that not all rebates are accounted for and the number of indigent households can be expected to increase in due course.

- **Expenditure by Source**

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		62,158	65,553	65,553	4,675	4,675	5,463	(787)	-14%	65,553
Remuneration of councillors		3,184	3,637	3,637	304	304	303	1	0%	3,637
Debt impairment		208	20,723	20,723	-	-	1,727	(1,727)	-100%	20,723
Depreciation & asset impairment		12,222	12,698	12,698	-	-	1,058	(1,058)	-100%	12,698
Finance charges		494	382	382	37	37	32	5	15%	382
Bulk purchases - electricity		32,424	48,940	48,940	43	43	4,078	(4,035)	-99%	48,940
Inventory consumed		5,377	7,193	7,193	357	357	599	(242)	-40%	7,193
Contracted services		7,794	17,971	17,971	287	287	1,498	(1,211)	-81%	17,971
Transfers and subsidies		246	838	838	-	-	70	(70)	-100%	838
Other expenditure		7,674	13,895	13,895	497	497	1,158	(661)	-57%	13,895
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		131,781	191,830	191,830	6,200	6,200	15,986	(9,786)	-61%	191,830

Due to late closure of the financial year system, some expenditure incurred, are still being loaded on the financial system and will be reflecting as such in the next reporting period. The municipality is working in ensuring the financial system sub-ledger is updated regularly.

- **Employee Related Costs** – The employee related costs amounted to **R4.68 million for July 2021**. The deviation from the year-to-date budget is as a result of the straight-line budgeting approach, with bonuses incorrectly proportionately accounted for as well as the pending annual increase.
- **Remuneration of Councillors**- the total Remuneration for Councillors was **R304 thousand in July 2021**.
- **Inventory Consumed** – The total was **R 357 thousand**, this includes direct purchases for the store and inventory issued out for the reporting period.
- **Contracted Services** – The July 2021 figures show a **R 287 thousand** for the first period. The expenditure is expected to pick up in the next reporting periods.
- **Other Expenditure** - amounted to **R497 thousand in July 2021**.

• Capital Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	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		817	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		614	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
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	1,431	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	192	192	-	-	16	(16)	-100%	192
Vote 2 - CORPORATE SERVICES		1,165	1,023	1,023	-	-	85	(85)	-100%	1,023
Vote 3 - FINANCIAL SERVICES		-	1,664	1,664	-	-	139	(139)	-100%	1,664
Vote 4 - TECHNICAL SERVICES		12,842	20,888	20,888	-	-	1,741	(1,741)	-100%	20,888
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	14,007	23,767	23,767	-	-	1,981	(1,981)	-100%	23,767
Total Capital Expenditure	3	15,438	23,767	23,767	-	-	1,981	(1,981)	-100%	23,767
Capital Expenditure - Functional Classification										
Governance and administration		614	2,001	2,001	-	-	167	(167)	-100%	2,001
Executive and council		-	192	192	-	-	16	(16)	-100%	192
Finance and administration		614	1,809	1,809	-	-	151	(151)	-100%	1,809
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2,198	378	378	-	-	32	(32)	-100%	378
Community and social services		2,028	-	-	-	-	-	-	-	-
Sport and recreation		170	378	378	-	-	32	(32)	-100%	378
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(215)	500	500	-	-	42	(42)	-100%	500
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(215)	500	500	-	-	42	(42)	-100%	500
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		12,842	20,888	20,888	-	-	1,741	(1,741)	-100%	20,888
Energy sources		797	2,699	2,699	-	-	225	(225)	-100%	2,699
Water management		12,514	18,189	18,189	-	-	1,516	(1,516)	-100%	18,189
Waste water management		(469)	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	15,438	23,767	23,767	-	-	1,981	(1,981)	-100%	23,767
Funded by:										
National Government		12,694	22,763	22,763	-	-	1,897	(1,897)	-100%	22,763
Provincial Government		2,346	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		15,040	22,763	22,763	-	-	1,897	(1,897)	-100%	22,763
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		398	1,004	1,004	-	-	84	(84)	-100%	1,004
Total Capital Funding		15,438	23,767	23,767	-	-	1,981	(1,981)	-100%	23,767

▪ There was no actual capital expenditure year-to-date.

1.3 Material differences to the SDBIP

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

1.4 Remedial actions

- (a) Directorates are to ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality;
- (b) Those strategic decisions /resolutions to improve the capital expenditure be implemented;
- (c) That monthly monitoring of the implementation of the Financial Recovery Plan and Budget Funding Plan takes place. The effort should be coordinated with giving the necessary and all-important consideration to the impact of the COVID-19 pandemic on municipal operations and more specifically municipal liquidity;
- (d) That measures on debt collection are implemented and applied effectively;
- (e) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an ever-changing environment.

Also see comments from the CFO on page 7 which supports the above-mentioned remedial actions.

Section 4 – In-year budget statement tables

TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2020/21	Budget Year 2021/22							
		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		19,337	24,562	24,562	2,179	2,179	2,047	132	6%	24,562
Service charges - electricity revenue		55,505	67,946	67,946	5,553	5,553	5,662	(110)	-2%	67,946
Service charges - water revenue		18,013	20,787	20,787	1,469	1,469	1,732	(263)	-15%	20,787
Service charges - sanitation revenue		7,456	8,019	8,019	752	752	668	84	13%	8,019
Service charges - refuse revenue		7,040	7,410	7,410	756	756	617	138	22%	7,410
Rental of facilities and equipment		606	631	631	42	42	53	(10)	-19%	631
Interest earned - external investments		1,150	864	864	96	96	72	24	34%	864
Interest earned - outstanding debtors		26	3,087	3,087	2	2	257	(255)	-99%	3,087
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3,579	5,547	5,547	498	498	462	36	8%	5,547
Licences and permits		217	378	378	14	14	31	(17)	-55%	378
Agency services		1,083	1,087	1,087	58	58	91	(32)	-36%	1,087
Transfers and subsidies		37,948	45,128	45,128	11,070	11,070	3,761	7,309	194%	45,128
Other revenue		689	974	974	31	31	81	(51)	-62%	974
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		152,649	186,419	186,419	22,521	22,521	15,535	6,986	45%	186,419
Expenditure By Type										
Employee related costs		62,158	65,553	65,553	4,675	4,675	5,463	(787)	-14%	65,553
Remuneration of councillors		3,184	3,637	3,637	304	304	303	1	0%	3,637
Debt impairment		208	20,723	20,723	-	-	1,727	(1,727)	-100%	20,723
Depreciation & asset impairment		12,222	12,698	12,698	-	-	1,058	(1,058)	-100%	12,698
Finance charges		494	382	382	37	37	32	5	15%	382
Bulk purchases - electricity		32,424	48,940	48,940	43	43	4,078	(4,035)	-99%	48,940
Inventory consumed		5,377	7,193	7,193	357	357	599	(242)	-40%	7,193
Contracted services		7,794	17,971	17,971	287	287	1,498	(1,211)	-81%	17,971
Transfers and subsidies		246	838	838	-	-	70	(70)	-100%	838
Other expenditure		7,674	13,895	13,895	497	497	1,158	(661)	-57%	13,895
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		131,781	191,830	191,830	6,200	6,200	15,986	(9,786)	-61%	191,830
Surplus/(Deficit)		20,868	(5,411)	(5,411)	16,321	16,321	(451)	16,771	(0)	(5,411)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		9,692	22,763	22,763	-	-	1,897	(1,897)	(0)	22,763
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		30,561	17,352	17,352	16,321	16,321	1,446			17,352
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		30,561	17,352	17,352	16,321	16,321	1,446			17,352
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		30,561	17,352	17,352	16,321	16,321	1,446			17,352
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		30,561	17,352	17,352	16,321	16,321	1,446			17,352

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M01 July						
Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		14,120	4,625	(13,359)	5,849	(13,359)
Call investment deposits		2,374	37,862	37,862	5,653	37,862
Consumer debtors		17,027	(83,987)	6,755	3,600	6,755
Other debtors		(17,090)	(46,381)	(46,381)	44	(46,381)
Current portion of long-term receivables		-	-	-	-	-
Inventory		794	2,443	(2,867)	(47)	(2,867)
Total current assets		17,224	(85,437)	(17,989)	15,098	(17,989)
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		-	1,364	1,364	-	1,364
Investments in Associate		-	-	-	-	-
Property, plant and equipment		3,247	360,606	349,890	-	349,890
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		(30)	38	38	-	38
Other non-current assets		-	-	-	-	-
Total non current assets		3,217	362,009	351,292	-	351,292
TOTAL ASSETS		20,441	276,571	333,303	15,098	333,303
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		(572)	14	586	(51)	586
Consumer deposits		91	1,027	1,027	(2)	1,027
Trade and other payables		(9,644)	(102,511)	14,780	(1,167)	14,780
Provisions		-	12,619	12,619	-	12,619
Total current liabilities		(10,125)	(88,852)	29,011	(1,220)	29,011
Non current liabilities						
Borrowing		(8)	(429)	(429)	-	(429)
Provisions		-	37,511	37,511	-	37,511
Total non current liabilities		(8)	37,082	37,082	-	37,082
TOTAL LIABILITIES		(10,133)	(51,769)	66,094	(1,220)	66,094
NET ASSETS	2	30,574	328,341	267,209	16,318	267,209
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		-	238,953	238,953	-	238,953
Reserves		14	10,904	10,904	(3)	10,904
TOTAL COMMUNITY WEALTH/EQUITY	2	14	249,857	249,857	(3)	249,857

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M01 July										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(7 496)	20 213	20 213	854	854	1 684	(831)	-49%	20 213
Service charges		(26 341)	89 407	89 407	5 592	5 592	7 451	(1 859)	-25%	89 407
Other revenue		(1 379)	9 833	9 833	75	75	819	(745)	-91%	9 833
Government - operating		(43 230)	44 598	44 598	11 391	11 391	3 716	7 674	206%	44 598
Government - capital		(22 164)	22 763	22 763	2 542	2 542	1 897	645	34%	22 763
Interest		(9)	3 961	3 961	-	-	330	(330)	-100%	3 961
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(88 288)	(171 940)	(171 940)	(1 712)	(1 712)	(14 328)	(12 616)	88%	(171 940)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(188 907)	18 836	18 836	18 741	18 741	1 570	(17 171)	-1094%	18 836
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
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		(188 907)	18 836	18 836	18 741	18 741	1 570			18 836
Cash/cash equivalents at beginning:		-	42 488	42 488			42 488			-
Cash/cash equivalents at month/year end:		(188 907)	61 323	61 323		18 741	44 057			18 836

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

- Standard Bank Main Account is **R3 254 million**;
- The Traffic Account has **R877 thousand**;
- Deposit Account has **R4 620 million**; and
- Call Account has **R42 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.

TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE (Functional Classification)

WC041 Kannalanda - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July										
Description	Ref	2020/21	Budget Year 2021/22							
		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>		57,598	40,973	40,973	13,916	13,916	3,414	10,501	308%	40,973
Executive and council		29,615	6,402	6,402	11,070	11,070	534	10,536	1975%	6,402
Finance and administration		27,983	34,571	34,571	2,846	2,846	2,881	(35)	-1%	34,571
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13,866	20,827	20,827	15	15	1,736	(1,720)	-99%	20,827
Community and social services		13,657	14,727	14,727	2	2	1,227	(1,225)	-100%	14,727
Sport and recreation		0	-	-	-	-	-	-	-	-
Public safety		209	-	-	13	13	-	13	#DIV/0!	-
Housing		-	6,100	6,100	-	-	508	(508)	-100%	6,100
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1,708	7,047	7,047	60	60	587	(528)	-90%	7,047
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1,708	7,047	7,047	60	60	587	(528)	-90%	7,047
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		89,170	140,336	140,336	8,530	8,530	11,695	(3,165)	-27%	140,336
Energy sources		54,386	74,321	74,321	5,553	5,553	6,193	(641)	-10%	74,321
Water management		20,288	35,358	35,358	1,469	1,469	2,946	(1,477)	-50%	35,358
Waste water management		7,456	15,079	15,079	752	752	1,257	(504)	-40%	15,079
Waste management		7,040	15,578	15,578	756	756	1,298	(542)	-42%	15,578
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	162,342	209,182	209,182	22,521	22,521	17,432	5,089	29%	209,182
Expenditure - Functional										
<i>Governance and administration</i>		45,632	57,383	57,383	3,018	3,018	4,782	(1,764)	-37%	57,383
Executive and council		14,854	17,062	17,062	1,077	1,077	1,422	(345)	-24%	17,062
Finance and administration		30,778	40,321	40,321	1,942	1,942	3,360	(1,418)	-42%	40,321
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		10,132	17,233	17,233	771	771	1,436	(665)	-46%	17,233
Community and social services		7,177	9,166	9,166	617	617	764	(147)	-19%	9,166
Sport and recreation		410	549	549	2	2	46	(44)	-96%	549
Public safety		1,672	375	375	80	80	31	49	156%	375
Housing		874	7,143	7,143	72	72	595	(524)	-88%	7,143
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8,942	16,083	16,083	417	417	1,340	(923)	-69%	16,083
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8,942	16,083	16,083	417	417	1,340	(923)	-69%	16,083
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		67,075	101,131	101,131	1,994	1,994	8,428	(6,433)	-76%	101,131
Energy sources		40,962	59,169	59,169	433	433	4,931	(4,498)	-91%	59,169
Water management		11,966	18,684	18,684	743	743	1,557	(814)	-52%	18,684
Waste water management		5,925	9,711	9,711	266	266	809	(543)	-67%	9,711
Waste management		8,221	13,566	13,566	551	551	1,130	(579)	-51%	13,566
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	131,781	191,830	191,830	6,200	6,200	15,986	(9,786)	-61%	191,830
Surplus/ (Deficit) for the year		30,561	17,352	17,352	16,321	16,321	1,446	14,875	1029%	17,352

**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) - M01 July										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	29,615	6,402	6,402	11,070	11,070	534	10,536	1974,8%	6,402
Vote 2 - CORPORATE SERVICES		14,418	26,377	26,377	86	86	2,198	(2,112)	-96,1%	26,377
Vote 3 - FINANCIAL SERVICES		27,578	34,128	34,128	2,835	2,835	2,844	(9)	-0,3%	34,128
Vote 4 - TECHNICAL SERVICES		90,731	142,274	142,274	8,530	8,530	11,856	(3,326)	-28,1%	142,274
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	162,342	209,182	209,182	22,521	22,521	17,432	5,089	29,2%	209,182
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	14,854	17,062	17,062	1,077	1,077	1,422	(345)	-24,3%	17,062
Vote 2 - CORPORATE SERVICES		22,112	34,547	34,547	1,691	1,691	2,879	(1,188)	-41,3%	34,547
Vote 3 - FINANCIAL SERVICES		19,958	29,387	29,387	1,259	1,259	2,449	(1,190)	-48,6%	29,387
Vote 4 - TECHNICAL SERVICES		74,100	109,345	109,345	2,173	2,173	9,112	(6,939)	-76,2%	109,345
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		757	1,490	1,490	-	-	124	(124)	-100,0%	1,490
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	131,781	191,830	191,830	6,200	6,200	15,986	(9,786)	-61,2%	191,830
Surplus/ (Deficit) for the year	2	30,561	17,352	17,352	16,321	16,321	1,446	14,875	1028,5%	17,352

PART 2 SUPPORTING DOCUMENTATION

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2021/22									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	1,631	748	750	649	724	912	3,328	18,980	27,721	24,593	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,178	150	123	114	110	89	331	1,661	3,756	2,304	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2,418	403	363	331	299	293	2,488	14,788	21,383	18,198	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	610	241	245	245	244	244	1,443	10,970	14,242	13,145	-	-
Receivables from Exchange Transactions - Waste Management	1600	1,242	407	398	393	386	383	2,215	14,104	19,528	17,480	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	23	23	23	-	-
Interest on Arrear Debtor Accounts	1810	13	25	35	44	38	53	462	18,126	18,797	18,723	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(1,461)	162	134	131	130	110	594	2,765	2,565	3,729	-	-
Total By Income Source	2000	5,632	2,137	2,049	1,905	1,931	2,084	10,861	81,416	108,015	98,197	-	-
2020/21 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	26	77	48	38	15	15	388	608	1,216	1,065	-	-
Commercial	2300	847	201	190	164	144	118	607	3,006	5,277	4,039	-	-
Households	2400	4,730	1,730	1,683	1,583	1,660	1,836	8,762	67,968	89,951	81,810	-	-
Other	2500	29	129	128	120	112	114	1,104	9,834	11,570	11,284	-	-
Total By Customer Group	2600	5,632	2,137	2,049	1,905	1,931	2,084	10,861	81,416	108,015	98,197	-	-

Section 5 – Debtors' analysis

- The total amount owed to Kannaland Municipality amounts to **R108 million**.
- **R81.42 million or 75%** of the total outstanding debtors are older than one year.
- **R98.20million 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. The municipal Council approved during July the write-off of R41 million, of prescribed and indigent household debt. The debt in question still needs to be processed on the accounting system.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	5,752	3,923	3,612	3,765	15,038	-	-	-	32,090
Bulk Water	0200	26	31	-	-	(0)	-	-	-	57
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	60	-	-	-	-	-	-	-	60
Trade Creditors	0700	629	405	199	87	9,023	-	-	-	10,343
Auditor General	0800	147	2,323	316	185	6,113	-	-	-	9,084
Other	0900	136	119	60	3	7,031	-	-	-	7,347
Total By Customer Type	1000	6,749	6,800	4,188	4,040	37,204	-	-	-	58,982

The total outstanding creditors amounts to **R58 982 million**.

The biggest outstanding creditors are Eskom (**R32 million**), the Auditor-General of South Africa (**R9 084 million**). Combined the before mentioned represents **70%** of all outstanding creditors.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply with 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, due to long outstanding creditors demanding settlement.

Section 7 – Investment portfolio analysis

Client no.: 9004552

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



Date: 28.07.2021

Interest Capitalisation	30.06.2021	30.06.2021	0.00	-9,392.06	9,392.06	0.00	923,553.04	923,553.04
Repayment Due	30.06.2021	30.06.2021	-50,607.94	0.00	-9,392.06	-60,000.00	863,553.04	863,553.04
Interest Accrual	31.07.2021	31.07.2021	0.00	9,167.86	0.00	9,167.86	872,720.90	863,553.04
Interest Capitalisation	31.07.2021	31.07.2021	0.00	-9,167.86	9,167.86	0.00	872,720.90	872,720.90
Repayment Due	02.08.2021	02.08.2021	-50,832.14	0.00	-9,167.86	-60,000.00	812,720.90	812,720.90

- The total outstanding long-term debt of Kannaland Municipality amounts to **R813 thousand**
- A monthly instalment of **R60 thousand** at an interest rate of **12.5%** 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 - M01 July										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		33,699	35,253	35,253	11,070	11,070	2,938	8,132	276.8%	35,253
Operational Revenue:General Revenue:Equitable Share		29,575	30,553	30,553	11,070	11,070	2,546	8,523	334.8%	30,553
Operational Revenue:General Revenue:Fuel Levy	3	-	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Agriculture Research and Technology		-	-	-	-	-	-	-	-	-
Agriculture, Conservation and Environmental		-	-	-	-	-	-	-	-	-
Arts and Culture Sustainable Resource Management		-	-	-	-	-	-	-	-	-
Community Library		-	-	-	-	-	-	-	-	-
Department of Environmental Affairs		-	-	-	-	-	-	-	-	-
Department of Tourism		-	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Masibambane		-	-	-	-	-	-	-	-	-
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1,018	1,359	1,359	-	-	113	(113)	-100.0%	1,359
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelisha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		2,564	2,811	2,811	-	-	234	(234)	-100.0%	2,811
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	-	-
Terrestrial Invasive Alien Plants		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		542	530	530	-	-	44	(44)	-100.0%	530
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Smart Connect Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		4,209	9,730	9,730	-	-	811	(811)	-100.0%	9,730
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		4,209	9,680	9,680	-	-	807	(807)	-100.0%	9,680
Disaster and Emergency Services	4	-	-	-	-	-	-	-	-	-
Health	4	-	-	-	-	-	-	-	-	-
Housing	4	-	-	-	-	-	-	-	-	-
Infrastructure	4	-	50	50	-	-	4	(4)	-100.0%	50
Libraries, Archives and Museums	4	-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Public Transport	4	-	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	4	-	-	-	-	-	-	-	-	-
Sports and Recreation	4	-	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance	4	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance	4	-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	145	145	-	-	12	(12)	-100.0%	145
Departmental Agencies and Accounts		-	145	145	-	-	12	(12)	-100.0%	145
Total Operating Transfers and Grants	5	37,908	45,128	45,128	11,070	11,070	3,761	7,309	194.4%	45,128
Capital Transfers and Grants										
National Government:		8,311	22,763	22,763	-	-	1,897	(1,897)	-100.0%	22,763
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		(1,123)	2,699	2,699	-	-	225	(225)	-100.0%	2,699
Municipal Infrastructure Grant [Schedule 5B]		8,545	10,064	10,064	-	-	839	(839)	-100.0%	10,064
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant [Schedule 5B]		888	10,000	10,000	-	-	833	(833)	-100.0%	10,000
WiFi Connectivity		-	-	-	-	-	-	-	-	-
Provincial Government:		1,382	-	-	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		1,382	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	9,692	22,763	22,763	-	-	1,897	(1,897)	-100.0%	22,763
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	47,601	67,891	67,891	11,070	11,070	5,658	5,412	95.7%	67,891

The Following Grants were received:

National Government Grants:

- **Municipal Infrastructure Grant amounts to R1.542 million.**
- **Water Service Infrastructure Grant: R1. million**
- **Equitable Share amounts to R12.730 million**

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July										
Summary of Employee and Councillor remuneration	Ref	2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2021/22				
R thousands		A	B	C	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
	1								D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2,551	2,895	2,895	263	263	241	22	9%	2,895
Pension and UIF Contributions		0	—	—	—	—	—	—	—	—
Medical Aid Contributions		133	220	220	2	2	18	(17)	-90%	220
Motor Vehicle Allowance		189	172	172	13	13	14	(2)	-11%	172
Cellphone Allowance		311	349	349	26	26	29	(3)	-11%	349
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		3,184	3,637	3,637	304	304	303	1	0%	3,637
% increase	4		14,2%	14,2%						14,2%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	1,735	2,525	2,525	86	86	210	(124)	-59%	2,525
Pension and UIF Contributions		0	3	3	—	—	0	(0)	-100%	3
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		147	168	168	8	8	14	(6)	-42%	168
Cellphone Allowance		35	75	75	3	3	6	(4)	-60%	75
Housing Allowances		—	17	17	—	—	1	(1)	-100%	17
Other benefits and allowances		48	272	272	2	2	23	(21)	-92%	272
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		1,965	3,060	3,060	99	99	255	(156)	-61%	3,060
% increase	4		55,7%	55,7%						55,7%
Other Municipal Staff										
Basic Salaries and Wages		40,148	41,120	41,120	2,961	2,961	3,427	(466)	-14%	41,120
Pension and UIF Contributions		5,465	7,271	7,271	514	514	606	(92)	-15%	7,271
Medical Aid Contributions		2,094	2,162	2,162	162	162	180	(18)	-10%	2,162
Overtime		4,800	4,106	4,106	403	403	342	61	18%	4,106
Performance Bonus		1,794	—	—	6	6	—	6	#DIV/0!	—
Motor Vehicle Allowance		2,026	2,133	2,133	167	167	178	(11)	-6%	2,133
Cellphone Allowance		109	80	80	10	10	7	4	53%	80
Housing Allowances		488	279	279	66	66	23	43	185%	279
Other benefits and allowances		3,141	4,651	4,651	264	264	388	(124)	-32%	4,651
Payments in lieu of leave		128	—	—	24	24	—	24	#DIV/0!	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	692	692	—	—	58	(58)	-100%	692
Sub Total - Other Municipal Staff		60,192	62,493	62,493	4,577	4,577	5,208	(631)	-12%	62,493
% increase	4		3,8%	3,8%						3,8%
Total Parent Municipality		65,341	69,189	69,189	4,979	4,979	5,766	(787)	-14%	69,189
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		0	—	—	0	0	—	0	#DIV/0!	—
Board Fees		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Sub Total - Board Members of Entities		0	—	—	0	0	—	0	#DIV/0!	—
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities		—	—	—	—	—	—	—	—	—
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Sub Total - Other Staff of Entities		—	—	—	—	—	—	—	—	—
% increase	4									
Total Municipal Entities		0	—	—	0	0	—	0	#DIV/0!	—
TOTAL SALARY, ALLOWANCES & BENEFITS		65,342	69,189	69,189	4,979	4,979	5,766	(787)	-14%	69,189
% increase	4		5,9%	5,9%						5,9%
TOTAL MANAGERS AND STAFF		62,157	65,553	65,553	4,675	4,675	5,463	(787)	-14%	65,553

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 - M01 July									
Month	2020/21	Budget Year 2021/22							
	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	–	1,981	1,981	–	–	1,981	–	0,0%	0%
August	2,744	1,981	1,981	–	–	3,961	–	0,0%	0%
September	2,089	1,981	1,981	–	–	5,942	–	0,0%	0%
October	588	1,981	1,981	–	–	7,922	–	0,0%	0%
November	1,013	1,981	1,981	–	–	9,903	–	0,0%	0%
December	1,911	1,981	1,981	–	–	11,884	–	0,0%	0%
January	–	1,981	1,981	–	–	13,864	–	0,0%	0%
February	108	1,981	1,981	–	–	15,845	–	0,0%	0%
March	11	1,981	1,981	–	–	17,825	–	0,0%	0%
April	614	1,981	1,981	–	–	19,806	–	0,0%	0%
May	823	1,981	1,981	–	–	21,787	–	0,0%	0%
June	5,538	1,981	1,981	–	–	23,767	–	0,0%	0%
Total Capital expenditure	15,438	23,767	23,767	–					

Section 12 – Implementation of the budget funding plan

The implementation of the funding plan is taking place on monthly basis and will be reported on a monthly basis for any material issues that may arise and that will need attention. A report covering the implementation of the Budget Funding Plan, will be included as from August.

Section 13 – SCM Deviations

No Deviations for July 2021

Section 14 – Quality certification

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

Print name: Mornè Marshall Hoogbaard

Signature:

Date:



KANNALAND

MUNISIPALITEIT | MUNICIPALITY

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6655

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LADISMITH
6655

QUALITY CERTIFICATE

I, **M.M Hoogbaard** 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 **July 2021** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: M.M Hoogbaard
Acting Municipal Manager

Acting Municipal Manager of **Kannaland Municipality WC041**

Signature

Date :13 August 2021

