



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for July 2022/23



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 2022**, 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.

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 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 will be implemented to mitigate risk.

Section 2 – Resolutions

Recommendation:

That the Executive Mayor takes cognisance of the monthly budget statement **for July 2022**.

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 192 782		R 26 568	R 25 382	(1 186)	-4%
Operating Expenditure	R 218 716		R 18 226	R 8 269	R (9 957)	-55%
Capital	R 10 529		R 877	R 0	R 877	0%

Operating Revenue

The year-to-date operating revenue realised 4% below the forecasted amount. The before-mentioned under-performance can be contributed to the cyclical nature of the economy.

Operating expenditure

Operating expenditure realised 55% 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.

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.

Collection Rate

Collections as in respect of the prior month billing – in other words collections against what was billed. This in effect means that 79.6% of what was billed during June was collected during July.

Collection percentage from July 2022 to June 2023									
Collection percentage for Kannaland Municipality									
Period	Levy	Payments	Journals	Total Levy, Journals & Transfers	Payments	Payment % per month	Total Levies accumulated month to month	Total Payments accumulated month to month	Average YTD
Jun-22	9 824 350.57	(8 031 457.93)	195 728.03	10 349 941.17	(9 893 854.40)	-95.59	126 673 975.83	(100 766 135.65)	79.55
Jul-22	11 215 679.43	(9 893 854.40)	525 590.60	11 215 679.43	-	0.00	11 215 679.43	-	0.00

Collections as received in the same month as what the billing took place. During July 78.4% cash were received expressed in terms of July billing.

Version requested by Auditors									
Collection percentage for Kannaland Municipality									
Period	Levy	Payments	Journals	Total Levy, Journals & Transfers	Payments	Payment % per month	Total Levies accumulated month to month	Total Payments accumulated month to month	Average YTD
Jun-22	9 824 350.57	(8 031 457.93)	195 728.03	9 824 350.57	(8 031 457.93)	-81.75	125 209 811.43	(97 064 786.98)	77.52
Jul-22	11 215 679.43	(9 893 854.40)	525 590.60	11 215 679.43	(9 893 854.40)	-88.21	136 425 490.86	(106 958 641.38)	78.40

TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M01 July									
Description	2021/22	Budget Year 2022/23							
	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	25,891	24,836	24,836	2,124	2,124	2,070	55	3%	24,836
Service charges	102,405	110,480	110,480	9,430	9,430	9,207	223	2%	110,480
Investment revenue	1,232	680	680	103	103	57	47	82%	680
Transfers and subsidies	39,977	43,164	43,164	12,989	12,989	14,100	(1,111)	-8%	43,164
Other own revenue	7,358	13,621	13,621	736	736	1,135	(399)	-35%	13,621
Total Revenue (excluding capital transfers and contributions)	176,864	192,782	192,782	25,382	25,382	26,568	(1,186)	-4%	192,782
Employee costs	70,986	80,239	80,239	6,212	6,212	6,686	(475)	-7%	80,239
Remuneration of Councillors	3,668	3,357	3,357	324	324	280	44	16%	3,357
Depreciation & asset impairment	12,698	13,222	13,222	1,075	1,075	1,102	(26)	-2%	13,222
Finance charges	793	2,072	2,072	2	2	173	(170)	-99%	2,072
Materials and bulk purchases	37,401	63,094	63,094	94	94	5,258	(5,164)	-98%	63,094
Transfers and subsidies	240	450	450	-	-	38	(38)	-100%	450
Other expenditure	61,050	56,283	56,283	562	562	4,690	(4,128)	-88%	56,283
Total Expenditure	186,837	218,716	218,716	8,269	8,269	18,226	(9,957)	-55%	218,716
Surplus/(Deficit)	(9,973)	(25,934)	(25,934)	17,112	17,112	8,342	8,770	105%	(25,934)
Transfers and subsidies - capital (monetary allocations)	18,889	10,529	10,529	-	-	4,387	(4,387)	-100%	10,529
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8,916	(15,405)	(15,405)	17,112	17,112	12,729	4,383	34%	(15,405)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8,916	(15,405)	(15,405)	17,112	17,112	12,729	4,383	34%	(15,405)
Capital expenditure & funds sources									
Capital expenditure	17,889	12,919	25,838	-	-	2,464	(2,464)	-100%	25,838
Capital transfers recognised	17,608	10,529	10,529	-	-	877	(877)	-100%	10,529
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	268	2,390	2,390	-	-	510	(510)	-100%	2,390
Total sources of capital funds	17,877	12,919	12,919	-	-	1,387	(1,387)	-100%	12,919
Financial position									
Total current assets	(20,631)	(60,736)	(60,736)	-	11,745	-	-	-	(60,736)
Total non current assets	5,191	325,969	325,969	-	(1,075)	-	-	-	325,969
Total current liabilities	(24,120)	(1,894)	(1,894)	-	(6,438)	-	-	-	(1,894)
Total non current liabilities	-	44,757	44,757	-	-	-	-	-	44,757
Community wealth/Equity	(236)	237,775	237,775	-	(4)	-	-	-	237,775
Cash flows									
Net cash from (used) operating	218,037	(38,004)	(38,004)	28,799	28,799	7,918	(20,880)	-264%	(38,004)
Net cash from (used) investing	(1,559)	(25,838)	(25,838)	-	-	(2,464)	(2,464)	100%	(25,838)
Net cash from (used) financing	98	1,119	1,119	0	0	-	(0)	#DIV/0!	1,119
Cash/cash equivalents at the month/year end	216,572	(13,918)	(13,918)	-	28,799	54,259	25,460	47%	(62,723)
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	6,300	3,012	2,728	2,879	2,687	2,655	14,097	59,665	94,025
Creditors Age Analysis									
Total Creditors	7,945	884	539	875	49,625	-	-	-	59,868

Due to the cyclical nature of the economy and the current straight-line approach to budgeting, all deviations in excess of 5% 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. It should be noted that grants to be received, are accounted for correctly. 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	2021/22	Budget Year 2022/23							
		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		25,891	24,836	24,836	2,124	2,124	2,070	55	3%	24,836
Service charges - electricity revenue		64,750	70,503	70,503	6,290	6,290	5,875	415	7%	70,503
Service charges - water revenue		20,365	21,841	21,841	1,560	1,560	1,820	(260)	-14%	21,841
Service charges - sanitation revenue		8,706	9,219	9,219	792	792	768	24	3%	9,219
Service charges - refuse revenue		8,583	8,918	8,918	787	787	743	44	6%	8,918
Rental of facilities and equipment		552	607	607	48	48	51	(3)	-6%	607
Interest earned - external investments		1,232	680	680	103	103	57	47	82%	680
Interest earned - outstanding debtors		4,984	4,968	4,968	569	569	414	155	37%	4,968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16	6,007	6,007	8	8	501	(493)	-98%	6,007
Licences and permits		159	364	364	14	14	30	(16)	-54%	364
Agency services		1,098	1,200	1,200	66	66	100	(34)	-34%	1,200
Transfers and subsidies		39,977	43,164	43,164	12,989	12,989	14,100	(1,111)	-8%	43,164
Other revenue		549	475	475	32	32	40	(8)	-20%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		176,864	192,782	192,782	25,382	25,382	26,568	(1,186)	-4%	192,782

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

- **Service Charges Electricity** – Revenue billed amounted to **R6.29 million**. The 7% deviation can be explained by winter tariffs (high season) being applicable.
- **Service Charges Water Revenue** - amounted to **R1.56 million** in **July 2022**. It represents a -14% 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 Refuse Revenue** - amounted to **R787 thousand** in **July 2022**. It represents a 6% 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.
- **Interest Earned on Investments** – (82% deviation from the year-to-date budget). The budget did not take into account the timing of the grants to be received (interest on call account - cash backed grants) when the monthly budget split was done.
- **Interest on outstanding debtors** – (37% deviation from the year-to-date budget). This revenue item considered the write-off of indigent and prescription debt and as a result of the timing, this revenue item will deviate from the monthly forecast.
- **Fines, Penalties & Forfeits** – Almost no activity, with a -98% deviation, with no vendor appointed to provide cameras and administrative support on speed fines.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

Expenditure by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	Budget Year 2022/23								
		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		70,986	80,239	80,239	6,212	6,212	6,686	(475)	-7%	80,239
Remuneration of councillors		3,668	3,357	3,357	324	324	280	44	16%	3,357
Debt impairment		38,627	23,594	23,594	-	-	1,966	(1,966)	-100%	23,594
Depreciation & asset impairment		12,698	13,222	13,222	1,075	1,075	1,102	(26)	-2%	13,222
Finance charges		793	2,072	2,072	2	2	173	(170)	-99%	2,072
Bulk purchases - electricity		33,717	58,024	58,024	-	-	4,835	(4,835)	-100%	58,024
Inventory consumed		3,684	5,071	5,071	94	94	423	(329)	-78%	5,071
Contracted services		11,218	13,749	13,749	89	89	1,146	(1,056)	-92%	13,749
Transfers and subsidies		240	450	450	-	-	38	(38)	-100%	450
Other expenditure		11,204	18,939	18,939	473	473	1,578	(1,106)	-70%	18,939
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		186,837	218,716	218,716	8,269	8,269	18,226	(9,957)	-55%	218,716

- **Employee Related Costs** – The employee related costs amounted to **R6.21 million for July 2022**, 7% below the year-to-date budget. Straight-line budgeting does not account for bonuses to be paid during November and therefor the deviation.
- **Remuneration of Councillors**- the total Remuneration for Councillors was **R324 thousand** in **July 2022**, exceeding the budget with 16%. This was caused by incorrect allocations that will be corrected.
- **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** – amounted to R 89 thousand in July 2022. The expenditure is expected to pick up in the next reporting periods.
- **Other Expenditure** - amounted to **R473 thousand** in **July 2022**.

Most expenditure items were less than forecasted and this is due to the lack of recognition of expenditure once incurred, in addition to cash flow issues that results in the municipality only spending in terms of available revenue.

Capital Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July										
Vote Description	Ref	2021/22			Budget Year 2022/23					
		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		-	130	260	-	-	11	(11)	-100%	260
Vote 2 - CORPORATE SERVICES		774	1,710	3,420	-	-	652	(652)	-100%	3,420
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		1,944	9,454	18,909	-	-	1,576	(1,576)	-100%	18,909
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	2,718	11,294	22,589	-	-	2,239	(2,239)	-100%	22,589
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		105	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		178	500	1,000	-	-	42	(42)	-100%	1,000
Vote 3 - FINANCIAL SERVICES		1,257	50	100	-	-	4	(4)	-100%	100
Vote 4 - TECHNICAL SERVICES		13,631	1,074	2,149	-	-	179	(179)	-100%	2,149
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	15,171	1,624	3,249	-	-	225	(225)	-100%	3,249
Total Capital Expenditure	3	17,889	12,919	25,838	-	-	2,464	(2,464)	-100%	25,838
Capital Expenditure - Functional Classification										
Governance and administration		1,425	180	180	-	-	-	-	-	180
Executive and council		105	130	130	-	-	-	-	-	130
Finance and administration		1,320	50	50	-	-	-	-	-	50
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		873	1,510	1,510	-	-	510	(510)	-100%	1,510
Community and social services		774	860	860	-	-	260	(260)	-100%	860
Sport and recreation		99	650	650	-	-	250	(250)	-100%	650
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		28	700	700	-	-	-	-	-	700
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		28	700	700	-	-	-	-	-	700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		15,562	10,529	10,529	-	-	877	(877)	-100%	10,529
Energy sources		1,853	1,980	1,980	-	-	165	(165)	-100%	1,980
Water management		13,709	2,441	2,441	-	-	203	(203)	-100%	2,441
Waste water management		-	6,108	6,108	-	-	509	(509)	-100%	6,108
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	17,889	12,919	12,919	-	-	1,387	(1,387)	-100%	12,919
Funded by:										
National Government		14,890	10,529	10,529	-	-	877	(877)	-100%	10,529
Provincial Government		2,718	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		17,608	10,529	10,529	-	-	877	(877)	-100%	10,529
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		268	2,390	2,390	-	-	510	(510)	-100%	2,390
Total Capital Funding		17,877	12,919	12,919	-	-	1,387	(1,387)	-100%	12,919

- 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 Budget Funding Plan takes place;
- (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.

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	Budget Year 2022/23								
		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		25,891	24,836	24,836	2,124	2,124	2,070	55	3%	24,836
Service charges - electricity revenue		64,750	70,503	70,503	6,290	6,290	5,875	415	7%	70,503
Service charges - water revenue		20,365	21,841	21,841	1,560	1,560	1,820	(260)	-14%	21,841
Service charges - sanitation revenue		8,706	9,219	9,219	792	792	768	24	3%	9,219
Service charges - refuse revenue		8,583	8,918	8,918	787	787	743	44	6%	8,918
Rental of facilities and equipment		552	607	607	48	48	51	(3)	-6%	607
Interest earned - external investments		1,232	680	680	103	103	57	47	82%	680
Interest earned - outstanding debtors		4,984	4,968	4,968	569	569	414	155	37%	4,968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16	6,007	6,007	8	8	501	(493)	-98%	6,007
Licences and permits		159	364	364	14	14	30	(16)	-54%	364
Agency services		1,098	1,200	1,200	66	66	100	(34)	-34%	1,200
Transfers and subsidies		39,977	43,164	43,164	12,989	12,989	14,100	(1,111)	-8%	43,164
Other revenue		549	475	475	32	32	40	(8)	-20%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		176,864	192,782	192,782	25,382	25,382	26,568	(1,186)	-4%	192,782
Expenditure By Type										
Employee related costs		70,986	80,239	80,239	6,212	6,212	6,686	(475)	-7%	80,239
Remuneration of councillors		3,668	3,357	3,357	324	324	280	44	16%	3,357
Debt impairment		38,627	23,594	23,594	-	-	1,966	(1,966)	-100%	23,594
Depreciation & asset impairment		12,698	13,222	13,222	1,075	1,075	1,102	(26)	-2%	13,222
Finance charges		793	2,072	2,072	2	2	173	(170)	-99%	2,072
Bulk purchases - electricity		33,717	58,024	58,024	-	-	4,835	(4,835)	-100%	58,024
Inventory consumed		3,684	5,071	5,071	94	94	423	(329)	-78%	5,071
Contracted services		11,218	13,749	13,749	89	89	1,146	(1,056)	-92%	13,749
Transfers and subsidies		240	450	450	-	-	38	(38)	-100%	450
Other expenditure		11,204	18,939	18,939	473	473	1,578	(1,106)	-70%	18,939
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		186,837	218,716	218,716	8,269	8,269	18,226	(9,957)	-55%	218,716
Surplus/(Deficit)		(9,973)	(25,934)	(25,934)	17,112	17,112	8,342	8,770	0	(25,934)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		18,889	10,529	10,529	-	-	4,387	(4,387)	(0)	10,529
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		8,916	(15,405)	(15,405)	17,112	17,112	12,729			(15,405)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		8,916	(15,405)	(15,405)	17,112	17,112	12,729			(15,405)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		8,916	(15,405)	(15,405)	17,112	17,112	12,729			(15,405)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M01 July						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		(4,927)	(31,478)	(31,478)	2,162	(31,478)
Call investment deposits		(12,944)	40,236	40,236	4,787	40,236
Consumer debtors		(12,973)	3,919	3,919	3,236	3,919
Other debtors		9,177	(72,689)	(72,689)	1,651	(72,689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		1,035	(724)	(724)	(91)	(724)
Total current assets		(20,631)	(60,736)	(60,736)	11,745	(60,736)
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		-	1,250	1,250	-	1,250
Investments in Associate		-	-	-	-	-
Property, plant and equipment		5,222	324,691	324,691	(1,075)	324,691
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		(31)	28	28	-	28
Other non-current assets		-	-	-	-	-
Total non current assets		5,191	325,969	325,969	(1,075)	325,969
TOTAL ASSETS		(15,440)	265,233	265,233	10,670	265,233
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		(648)	459	459	(58)	459
Consumer deposits		98	1,119	1,119	0	1,119
Trade and other payables		(23,570)	(10,769)	(10,769)	(6,381)	(10,769)
Provisions		-	7,296	7,296	-	7,296
Total current liabilities		(24,120)	(1,894)	(1,894)	(6,438)	(1,894)
Non current liabilities						
Borrowing		-	(950)	(950)	-	(950)
Provisions		-	45,708	45,708	-	45,708
Total non current liabilities		-	44,757	44,757	-	44,757
TOTAL LIABILITIES		(24,120)	42,863	42,863	(6,438)	42,863
NET ASSETS	2	8,679	222,370	222,370	17,109	222,370
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		-	237,306	237,306	-	237,306
Reserves		(236)	470	470	(4)	470
TOTAL COMMUNITY WEALTH/EQUITY	2	(236)	237,775	237,775	(4)	237,775

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M01 July										
Description	Ref	2021/22		Budget Year 2022/23						
		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		13,679	20,366	20,366	947	947	1,697	(751)	-44%	20,366
Service charges		68,439	100,478	100,478	4,560	4,560	8,373	(3,813)	-46%	100,478
Other revenue		1,216	10,583	10,583	183	183	882	(699)	-79%	10,583
Transfers and Subsidies - Operational		25,975	43,164	43,164	15,750	15,750	14,682	1,068	7%	43,164
Transfers and Subsidies - Capital		6,546	10,529	10,529	2,967	2,967	877	2,090	238%	10,529
Interest		18	3,664	3,664	-	-	305	(305)	-100%	3,664
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		102,165	(226,787)	(226,787)	4,392	4,392	(18,899)	(23,291)	123%	(226,787)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		218,037	(38,004)	(38,004)	28,799	28,799	7,918	(20,880)	-264%	(38,004)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(1,559)	(25,838)	(25,838)	-	-	(2,464)	(2,464)	100%	(25,838)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1,559)	(25,838)	(25,838)	-	-	(2,464)	(2,464)	100%	(25,838)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		98	1,119	1,119	0	0	-	0	0%	1,119
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		98	1,119	1,119	0	0	-	(0)	0%	1,119
NET INCREASE/ (DECREASE) IN CASH HELD		216,576	(62,723)	(62,723)	28,799	28,799	5,454			(62,723)
Cash/cash equivalents at beginning:		(5)	48,805	48,805	-	-	48,805			-
Cash/cash equivalents at month/year end:		216,572	(13,918)	(13,918)		28,799	54,259			(62,723)

The total bank balance ending of **July 2022** were as follow;

- Standard Bank Main Account is **R 499 thousand**;
- The Traffic Account has **R 379 thousand**;
- Deposit Account has **R 3 885 million**; and
- Call Account has **R13 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 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July										
Description	Ref	2021/22	Budget Year 2022/23							
		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>		59,839	43,561	43,561	15,480	15,480	7,406	8,074	109%	43,561
Executive and council		27,051	12,201	12,201	12,971	12,971	5,037	7,934	158%	12,201
Finance and administration		32,789	31,360	31,360	2,509	2,509	2,369	140	6%	31,360
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15,156	16,689	16,689	3	3	4,391	(4,388)	-100%	16,689
Community and social services		14,567	14,889	14,889	3	3	4,391	(4,388)	-100%	14,889
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		57	-	-	-	-	-	-	-	-
Housing		532	1,800	1,800	-	-	-	-	-	1,800
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1,756	8,170	8,170	88	88	861	(774)	-90%	8,170
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1,756	8,170	8,170	88	88	861	(774)	-90%	8,170
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		119,002	134,891	134,891	9,812	9,812	18,297	(8,485)	-46%	134,891
Energy sources		71,371	75,292	75,292	6,304	6,304	7,821	(1,517)	-19%	75,292
Water management		28,386	30,332	30,332	1,710	1,710	4,958	(3,248)	-66%	30,332
Waste water management		9,618	15,135	15,135	895	895	2,936	(2,041)	-70%	15,135
Waste management		9,627	14,131	14,131	903	903	2,581	(1,679)	-65%	14,131
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	195,753	203,311	203,311	25,382	25,382	30,955	(5,573)	-18%	203,311
Expenditure - Functional										
<i>Governance and administration</i>		61,366	72,679	72,679	4,060	4,060	6,057	(1,996)	-33%	72,679
Executive and council		23,722	20,288	20,288	1,460	1,460	1,691	(230)	-14%	20,288
Finance and administration		37,645	52,391	52,391	2,600	2,600	4,366	(1,766)	-40%	52,391
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		12,272	13,346	13,346	622	622	1,112	(490)	-44%	13,346
Community and social services		9,082	9,826	9,826	436	436	819	(383)	-47%	9,826
Sport and recreation		400	448	448	24	24	37	(13)	-35%	448
Public safety		1,276	231	231	79	79	19	60	310%	231
Housing		1,514	2,841	2,841	82	82	237	(154)	-65%	2,841
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9,616	17,823	17,823	814	814	1,485	(671)	-45%	17,823
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9,616	17,823	17,823	814	814	1,485	(671)	-45%	17,823
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		103,584	114,868	114,868	2,774	2,774	9,572	(6,799)	-71%	114,868
Energy sources		42,915	68,326	68,326	516	516	5,694	(5,178)	-91%	68,326
Water management		28,485	20,485	20,485	897	897	1,707	(810)	-47%	20,485
Waste water management		14,928	12,251	12,251	570	570	1,021	(451)	-44%	12,251
Waste management		17,255	13,806	13,806	791	791	1,150	(360)	-31%	13,806
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	186,837	218,716	218,716	8,269	8,269	18,226	(9,957)	-55%	218,716
Surplus/ (Deficit) for the year		8,915	(15,405)	(15,405)	17,112	17,112	12,729	4,383	34%	(15,405)

**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	2021/22	Budget Year 2022/23							
		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		27,051	12,201	12,201	12,971	12,971	5,037	7,934	157,5%	12,201
Vote 2 - CORPORATE SERVICES		15,446	23,672	23,672	123	123	5,059	(4,936)	-97,6%	23,672
Vote 3 - FINANCIAL SERVICES		32,352	30,912	30,912	2,476	2,476	2,332	144	6,2%	30,912
Vote 4 - TECHNICAL SERVICES		120,903	136,526	136,526	9,812	9,812	18,528	(8,716)	-47,0%	136,526
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	195,753	203,311	203,311	25,382	25,382	30,955	(5,573)	-18,0%	203,311
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		23,722	20,288	20,288	1,460	1,460	1,691	(230)	-13,6%	20,288
Vote 2 - CORPORATE SERVICES		26,728	36,476	36,476	1,985	1,985	3,040	(1,055)	-34,7%	36,476
Vote 3 - FINANCIAL SERVICES		24,334	35,710	35,710	1,465	1,465	2,976	(1,511)	-50,8%	35,710
Vote 4 - TECHNICAL SERVICES		111,391	124,182	124,182	3,359	3,359	10,348	(6,989)	-67,5%	124,182
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		662	2,060	2,060	-	-	172	(172)	-100,0%	2,060
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	186,837	218,716	218,716	8,269	8,269	18,226	(9,957)	-54,6%	218,716
Surplus/ (Deficit) for the year	2	8,915	(15,405)	(15,405)	17,112	17,112	12,729	4,383	34,4%	(15,405)

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July													
Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	1,965	789	848	978	849	884	4,232	11,190	21,737	18,134	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,296	208	130	170	122	123	360	557	2,966	1,333	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2,920	955	722	695	666	605	3,163	16,215	25,941	21,344	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	698	310	307	309	308	308	1,853	7,070	11,163	9,848	-	-
Receivables from Exchange Transactions - Waste Management	1600	1,404	520	506	501	493	489	2,886	10,509	17,308	14,877	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	25	42	57	78	88	104	810	11,995	13,199	13,075	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(2,008)	188	158	148	161	143	792	2,129	1,711	3,373	-	-
Total By Income Source	2000	6,300	3,012	2,728	2,879	2,687	2,655	14,097	59,665	94,025	81,984	-	-
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(524)	209	77	86	72	41	160	622	743	981	-	-
Commercial	2300	984	293	199	224	196	167	795	3,041	5,898	4,423	-	-
Households	2400	5,594	2,301	2,247	2,358	2,216	2,248	11,971	45,025	73,960	63,818	-	-
Other	2500	246	210	205	211	203	200	1,171	10,977	13,423	12,762	-	-
Total By Customer Group	2600	6,300	3,012	2,728	2,879	2,687	2,655	14,097	59,665	94,025	81,984	-	-

- The total amount owed to Kannaland Municipality amounts to **R94 million**.
- **R59.68 million or 63%** of the total outstanding debtors are older than one year.
- **R81.98 million or 87%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

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

Section 6 – Creditors' analysis

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

Description	NT Code	Budget Year 2022/23								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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	6,715	388	-	-	28,355	-	-	-	35,458
Bulk Water	0200	32	-	-	-	-	-	-	-	32
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	60	-	-	-	-	-	-	-	60
Trade Creditors	0700	85	315	469	560	7,308	-	-	-	8,736
Auditor General	0800	931	57	54	315	7,306	-	-	-	8,663
Other	0900	122	124	17	(0)	6,657	-	-	-	6,920
Total By Customer Type	1000	7,945	884	539	875	49,625	-	-	-	59,868

The total outstanding creditors amounts to **R59 868 million**.

The biggest outstanding creditors are Eskom (**R35 million**), the Auditor-General of South Africa (**R8663 million**). Combined the before mentioned represents **74%** 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 Local Municipality (WC041)
32 Church Street
P.O. Box 30
Ladismith 6655
Republic of South Africa



Date: 06.07.2022

VAT Registration

Interest Accrual		31.07.2022	31.07.2022	0.00	2,288.08	0.00	2,288.08	217,810.87	215,522.79
Interest Capitalisation		31.07.2022	31.07.2022	0.00	-2,288.08	2,288.08	0.00	217,810.87	217,810.87
Repayment Due		01.08.2022	01.08.2022	-57,711.92	0.00	-2,288.08	-60,000.00	157,810.87	157,810.87

- The total outstanding long-term debt of Kannaland Municipality amounts to **R158 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

The Following Grants were received:

National Government Grants:

- **Municipal Infrastructure Grant** amounts to **R 2 967 million.**
- **Equitable Share** amounts to **R12.971 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	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,112	3,046	3,046	280	280	254	26	10%	3,046
Pension and UIF Contributions		26	-	-	3	3	-	3	#DIV/0!	-
Medical Aid Contributions		67	-	-	5	5	-	5	#DIV/0!	-
Motor Vehicle Allowance		157	-	-	11	11	-	11	#DIV/0!	-
Cellphone Allowance		307	311	311	26	26	26	-	-	311
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3,668	3,357	3,357	324	324	280	44	16%	3,357
% increase	4		-8,5%	-8,5%						-8,5%
Senior Managers of the Municipality										
Basic Salaries and Wages		1,762	4,994	4,994	83	83	416	(333)	-80%	4,994
Pension and UIF Contributions		1	9	9	0	0	1	(1)	-76%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		130	-	-	12	12	-	12	#DIV/0!	-
Cellphone Allowance		37	115	115	3	3	10	(7)	-74%	115
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		92	210	210	4	4	17	(14)	-78%	210
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,022	5,328	5,328	102	102	444	(342)	-77%	5,328
% increase	4		163,5%	163,5%						163,5%
Other Municipal Staff										
Basic Salaries and Wages		45,343	49,327	49,327	4,299	4,299	4,111	188	5%	49,327
Pension and UIF Contributions		6,740	8,520	8,520	607	607	710	(103)	-15%	8,520
Medical Aid Contributions		2,047	2,899	2,899	181	181	242	(60)	-25%	2,899
Overtime		4,747	4,442	4,442	421	421	370	51	14%	4,442
Performance Bonus		1,354	652	652	-	-	54	(54)	-100%	652
Motor Vehicle Allowance		2,367	2,391	2,391	204	204	199	5	2%	2,391
Cellphone Allowance		165	172	172	15	15	14	1	7%	172
Housing Allowances		333	349	349	24	24	29	(6)	-19%	349
Other benefits and allowances		5,813	4,639	4,639	360	360	387	(27)	-7%	4,639
Payments in lieu of leave		34	1,520	1,520	-	-	127	(127)	-100%	1,520
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	22	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		68,964	74,911	74,911	6,110	6,110	6,242	(132)	-2%	74,911
% increase	4		8,6%	8,6%						8,6%
Total Parent Municipality		74,655	83,595	83,595	6,536	6,536	6,966	(430)	-6%	83,595
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities	2	1	-	-	0	0	-	0	#DIV/0!	-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
% increase	4									
Total Municipal Entities		1	-	-	0	0	-	0	#DIV/0!	-
TOTAL SALARY, ALLOWANCES & BENEFITS		74,656	83,595	83,595	6,536	6,536	6,966	(430)	-6%	83,595
% increase	4		12,0%	12,0%						12,0%
TOTAL MANAGERS AND STAFF		70,986	80,239	80,239	6,212	6,212	6,686	(475)	-7%	80,239

Section 10 – Material variances to the SDBIP

Section 1 of the MFMA defines the SDBIP as:

“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

(a) projections for each month of-

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter”.

There are no variances for this month under review other than those already disclosed in this report.

Section 11– Capital programme performance

TABLE SC12 – CAPITAL EXPENDITURE TRENDS

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M01 July									
Month	2021/22	Budget Year 2022/23							
	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	–	1,387	1,387	–	–	1,387	–	0.0%	0%
August	1,453	1,602	1,602	–	–	2,990	–	0.0%	0%
September	802	1,077	1,077	–	–	4,067	–	0.0%	0%
October	2,338	1,177	1,177	–	–	5,245	–	0.0%	0%
November	696	1,302	1,302	–	–	6,547	–	0.0%	0%
December	4,280	977	977	–	–	7,524	–	0.0%	0%
January	175	977	977	–	–	8,502	–	0.0%	0%
February	185	907	907	–	–	9,409	–	0.0%	0%
March	1,190	877	877	–	–	10,287	–	0.0%	0%
April	72	877	877	–	–	11,164	–	0.0%	0%
May	589	877	877	–	–	12,041	–	0.0%	0%
June	6,110	877	877	–	–	12,919	–	0.0%	0%
Total Capital expenditure	17,889	12,919	12,919	–					

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

Attached Annexure B

Section 14 – Quality certification

I, **I Avontuur**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Monthly Budget Statement for **July 2022**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Ian Avontuur

Signature:

Date: