



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for September 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

Table of Contents

GLOSSARY	3
PART 1: IN-YEAR REPORT	5
Section 1 – Mayor’s Report.....	5
1.1 In -Year Report – Monthly Budget Statement.....	5
Section 2 – Resolutions	5
Section 3 – Executive Summary.....	5
1.1 Introduction	5
1.2 Consolidated Performance.....	6
1.3 Material differences to the SDBIP	12
1.4 Remedial actions	12
Section 4 – In-year budget statement tables	13
PART 2 SUPPORTING DOCUMENTATION	18
Section 5 – Debtors' analysis.....	18
Section 6 – Creditors' analysis.....	19
Section 7 – Investment portfolio analysis	20
Section 8 – Allocation and grant receipts and expenditure	21
Section 9 – Expenditure on Councillor, Senior Managers and Other Staff.....	22
Section 10 – Material variances to the SDBIP	23
Section 11– Capital programme performance.....	24
Section 12 – Implementation of the budget funding plan	25
Section 13 – SCM Deviations	25
Section 14 – Quality certification	26

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 September **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 are being implemented to mitigate risk.

Section 2 – Resolutions

Recommendation:

That the Executive Mayor takes cognisance of the monthly budget statement **for September 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 56 896	R 49 906	(6 990)	-12%
Operating Expenditure	R 218 716		R 54 678	R 29 815	(24 864)	-45%
Capital	R 10 529		R 4 387	R 0	R 4 387	-100%

Operating Revenue

The year-to-date operating revenue realised 12% below the forecasted amount. The before-mentioned under-performance can be contributed to the cyclical nature of the economy.

Operating expenditure

Operating expenditure realised 45% 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 September. 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 83.27% of what was billed during August was collected during September.

Collection percentage for Kannaland Municipality									
Period	Levy	Payments	Journals	Total Levy, Journals & Transfers	Payments	Payment % per month	Total Levies accumulated month to month	Total Payments accumulated month to month	Average YTD
Jul-22	11,215,679,43	(9,893,854,40)	525,590,60	11,599,220,48	(6,696,778,13)	-57,73	11,599,220,48	(6,696,778,13)	57,73
Aug-22	11,389,460,28	(6,696,778,13)	383,541,05	11,902,956,49	(12,873,586,77)	-108,15	23,502,176,97	(19,570,364,90)	83,27
Sep-22	12,307,625,37	(12,873,586,77)	513,496,21	12,307,625,37	-				

Collections as received in the same month as what the billing took place. During September 79.02% cash were received expressed in terms of August billing.

Collection percentage for Kannaland Municipality									
Period	Levy	Payments	Journals	Total Levy, Journals & Transfers	Payments	Payment % per month	Total Levies accumulated month to month	Total Payments accumulated month to month	Average YTD
Jul-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
Aug-22	11,389,460,28	(6,696,778,13)	383,541,05	11,389,460,28	(6,696,778,13)	-58,80	147,814,951,14	(113,655,419,51)	76,89
Sep-22	12,307,625,37	(12,873,586,77)	513,496,21	12,307,625,37	(12,873,586,77)	-104,60	160,122,576,51	(126,529,006,28)	79,02

TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannalad - Table C1 Monthly Budget Statement Summary - M03 September									
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	2 132	6 388	6 209	179	3%	24 836
Service charges	102 394	110 480	110 480	8 859	28 046	27 620	426	2%	110 480
Investment revenue	1 232	680	680	-	232	170	62	37%	680
Transfers and subsidies	41 701	43 164	43 164	-	12 989	19 492	(6 504)	-33%	43 164
Other own revenue	7 380	13 621	13 621	721	2 251	3 405	(1 154)	-34%	13 621
Total Revenue (excluding capital transfers and contributions)	178 600	192 782	192 782	11 712	49 906	56 896	(6 990)	-12%	192 782
Employee costs	71 597	80 239	80 239	5 836	18 110	20 059	(1 950)	-10%	80 239
Remuneration of Councillors	3 148	3 357	3 357	327	977	839	138	16%	3 357
Depreciation & asset impairment	16 588	13 222	13 222	-	1 075	3 305	(2 230)	-67%	13 222
Finance charges	4 244	2 072	2 072	-	75	518	(443)	-86%	2 072
Materials and bulk purchases	54 288	63 094	63 094	92	6 382	15 774	(9 392)	-60%	63 094
Transfers and subsidies	240	450	450	-	-	113	(113)	-100%	450
Other expenditure	61 387	56 283	56 283	1 895	3 196	14 070	(10 874)	-77%	56 283
Total Expenditure	211 493	218 716	218 716	8 151	29 815	54 678	(24 864)	-45%	218 716
Surplus/(Deficit)	(32 893)	(25 934)	(25 934)	3 561	20 092	2 218	17 873	806%	(25 934)
Transfers and subsidies - capital (monetary allocations)	18 889	10 529	10 529	0	0	4 387	(4 387)	-100%	10 529
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(14 004)	(15 405)	(15 405)	3 562	20 092	6 605	13 487	204%	(15 405)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(14 004)	(15 405)	(15 405)	3 562	20 092	6 605	13 487	204%	(15 405)
Capital expenditure & funds sources									
Capital expenditure	14 211	12 919	25 838	-	7	7 297	(7 290)	-100%	25 838
Capital transfers recognised	19 275	10 529	10 529	-	-	2 632	(2 632)	-100%	10 529
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	726	2 390	2 390	-	7	1 435	(1 428)	-100%	2 390
Total sources of capital funds	20 001	12 919	12 919	-	7	4 067	(4 060)	-100%	12 919
Financial position									
Total current assets	(11 916)	(60 736)	(60 736)	-	22 048	-	-	-	(60 736)
Total non current assets	324 309	325 969	325 969	-	(1 068)	-	-	-	325 969
Total current liabilities	40 954	(1 894)	(1 894)	-	912	-	-	-	(1 894)
Total non current liabilities	41 436	44 757	44 757	-	-	-	-	-	44 757
Community wealth/Equity	244 008	237 775	237 775	-	(24)	-	-	-	237 775
Cash flows									
Net cash from (used) operating	243 653	(38 004)	(38 004)	6 093	40 658	(3 959)	(44 617)	1127%	(38 004)
Net cash from (used) investing	2 440	(25 838)	(25 838)	-	-	(7 297)	(7 297)	100%	(25 838)
Net cash from (used) financing	1 217	1 119	1 119	12	22	-	(22)	#DIV/0!	1 119
Cash/cash equivalents at the month/year end	296 110	(13 918)	(13 918)	-	40 680	37 549	(3 131)	-8%	(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	3 451	2 877	2 588	2 654	2 554	2 717	14 403	64 010	95 254
Creditors Age Analysis									
Total Creditors	9 922	5 995	570	1 333	46 654	-	-	-	64 474

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) - M03 September										
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	2 132	6 388	6 209	179	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	5 508	18 364	17 626	738	4%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 828	5 020	5 460	(440)	-8%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	764	2 348	2 305	43	2%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	760	2 314	2 229	85	4%	8 918
Rental of facilities and equipment		552	607	607	48	146	152	(6)	-4%	607
Interest earned - external investments		1 232	680	680	-	232	170	62	37%	680
Interest earned - outstanding debtors		4 984	4 968	4 968	614	1 765	1 242	523	42%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 007	0	13	1 502	(1 488)	-99%	6 007
Licences and permits		159	364	364	16	43	91	(47)	-52%	364
Agency services		1 098	1 200	1 200	-	167	300	(133)	-44%	1 200
Transfers and subsidies		41 701	43 164	43 164	-	12 989	19 492	(6 504)	-33%	43 164
Other revenue		549	475	475	42	117	119	(2)	-2%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178 600	192 782	192 782	11 712	49 906	56 896	(6 990)	-12%	192 782

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

- **Service Charges Water Revenue** - amounted to **R1.83 million** in **September 2022**. It represents a -8% 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.
- **Interest Earned on Investments** – (37% 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 with cash relating to grants being cash backed) when the monthly budget split was done.
- **Interest on outstanding debtors** – (42% 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 -99% 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) - M03 September										
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										
Expenditure By Type										
Employee related costs		71 597	80 239	80 239	5 836	18 110	20 059	(1 950)	-10%	80 239
Remuneration of councillors		3 148	3 357	3 357	327	977	839	138	16%	3 357
Debt impairment		24 300	23 594	23 594	-	-	5 899	(5 899)	-100%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	-	1 075	3 305	(2 230)	-67%	13 222
Finance charges		4 244	2 072	2 072	-	75	518	(443)	-86%	2 072
Bulk purchases - electricity		50 752	58 024	58 024	-	5 873	14 506	(8 633)	-60%	58 024
Inventory consumed		3 536	5 071	5 071	92	509	1 268	(759)	-60%	5 071
Contracted services		13 677	13 749	13 749	834	1 033	3 437	(2 404)	-70%	13 749
Transfers and subsidies		240	450	450	-	113	-	(113)	-100%	450
Other expenditure		16 573	18 939	18 939	1 061	2 163	4 735	(2 572)	-54%	18 939
Losses		6 836	-	-	-	-	-	-	-	-
Total Expenditure		211 493	218 716	218 716	8 151	29 815	54 678	(24 864)	-45%	218 716

- **Employee Related Costs** – The employee related costs amounted to **R5.84 million for September 2022**, 10% 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 **R327 thousand in September 2022**, exceeding the budget with 16%. This was caused by incorrect allocations that will be corrected.
 - **Finance Charges** – Expenditure deviated **86%** below the year-to-date budget. The budget accounted for finances charges that relates to employee benefits and the rehabilitation of landfill sites that were not accounted for on SAMRAS.
 - **Bulk Purchases** – Expenditure deviated **60%** below the year-to-date budget. The municipality did not recognise the expenditure when incurred but only once the actual payment was made.
 - **Inventory Consumed** – amounted to **R 92 thousand in September 2022**. Expenditure deviated 60% below the year to date and can be attributed to expenditure not recognised when incurred and the cyclical nature of water consumption.
 - **Contracted Services** – amounted to **R834 thousand in September 2022**. Expenditure is expected to increase with the budget not accounting for the cyclical nature thereof.
 - **Other Expenditure** - amounted to **R1.06 million in September 2022**, with it being limited due to liquidity and recognition related issues.
 - **Transfers and Subsidies** – tourism funding not yet being transferred.
- 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) - M03 September										
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	-	7	82	(75)	-91%	260
Vote 2 - CORPORATE SERVICES		5 235	1 710	3 420	-	-	1 537	(1 537)	-100%	3 420
Vote 3 - FINANCIAL SERVICES		3	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		2 351	9 454	18 909	-	-	4 727	(4 727)	-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	7 589	11 294	22 589	-	7	6 347	(6 340)	-100%	22 589
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		249	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		391	500	1 000	-	-	375	(375)	-100%	1 000
Vote 3 - FINANCIAL SERVICES		(1 200)	50	100	-	-	37	(37)	-100%	100
Vote 4 - TECHNICAL SERVICES		7 182	1 074	2 149	-	-	537	(537)	-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	6 622	1 624	3 249	-	-	950	(950)	-100%	3 249
Total Capital Expenditure	3	14 211	12 919	25 838	-	7	7 297	(7 290)	-100%	25 838
Capital Expenditure - Functional Classification										
Governance and administration		(885)	180	180	-	7	75	(68)	-91%	180
Executive and council		249	130	130	-	7	50	(43)	-86%	130
Finance and administration		(1 133)	50	50	-	-	25	(25)	-100%	50
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 235	1 510	1 510	-	-	1 010	(1 010)	-100%	1 510
Community and social services		5 235	860	860	-	-	460	(460)	-100%	860
Sport and recreation		-	650	650	-	-	550	(550)	-100%	650
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		341	700	700	-	-	350	(350)	-100%	700
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		341	700	700	-	-	350	(350)	-100%	700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		9 520	10 529	10 529	-	-	2 632	(2 632)	-100%	10 529
Energy sources		-	1 980	1 980	-	-	495	(495)	-100%	1 980
Water management		9 520	2 441	2 441	-	-	610	(610)	-100%	2 441
Waste water management		-	6 108	6 108	-	-	1 527	(1 527)	-100%	6 108
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	14 211	12 919	12 919	-	7	4 067	(4 060)	-100%	12 919
Funded by:										
National Government		11 689	10 529	10 529	-	-	2 632	(2 632)	-100%	10 529
Provincial Government		7 586	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		19 275	10 529	10 529	-	-	2 632	(2 632)	-100%	10 529
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		726	2 390	2 390	-	7	1 435	(1 428)	-100%	2 390
Total Capital Funding		20 001	12 919	12 919	-	7	4 067	(4 060)	-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) - M03 September										
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	2,132	6,388	6,209	179	3%	24,836
Service charges - electricity revenue		64,750	70,503	70,503	5,508	18,364	17,626	738	4%	70,503
Service charges - water revenue		20,355	21,841	21,841	1,828	5,020	5,460	(440)	-8%	21,841
Service charges - sanitation revenue		8,706	9,219	9,219	764	2,348	2,305	43	2%	9,219
Service charges - refuse revenue		8,583	8,918	8,918	760	2,314	2,229	85	4%	8,918
Rental of facilities and equipment		552	607	607	48	146	152	(6)	-4%	607
Interest earned - external investments		1,232	680	680	-	232	170	62	37%	680
Interest earned - outstanding debtors		4,984	4,968	4,968	614	1,765	1,242	523	42%	4,968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6,007	6,007	0	13	1,502	(1,488)	-99%	6,007
Licences and permits		159	364	364	16	43	91	(47)	-52%	364
Agency services		1,098	1,200	1,200	-	167	300	(133)	-44%	1,200
Transfers and subsidies		41,701	43,164	43,164	-	12,989	19,492	(6,504)	-33%	43,164
Other revenue		549	475	475	42	117	119	(2)	-2%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178,600	192,782	192,782	11,712	49,906	56,896	(6,990)	-12%	192,782
Expenditure By Type										
Employee related costs		71,597	80,239	80,239	5,836	18,110	20,059	(1,950)	-10%	80,239
Remuneration of councillors		3,148	3,357	3,357	327	977	839	138	16%	3,357
Debt impairment		24,300	23,594	23,594	-	-	5,899	(5,899)	-100%	23,594
Depreciation & asset impairment		16,588	13,222	13,222	-	1,075	3,305	(2,230)	-67%	13,222
Finance charges		4,244	2,072	2,072	-	75	518	(443)	-86%	2,072
Bulk purchases - electricity		50,752	58,024	58,024	-	5,873	14,506	(8,633)	-60%	58,024
Inventory consumed		3,536	5,071	5,071	92	509	1,268	(759)	-60%	5,071
Contracted services		13,677	13,749	13,749	834	1,033	3,437	(2,404)	-70%	13,749
Transfers and subsidies		240	450	450	-	-	113	(113)	-100%	450
Other expenditure		16,573	18,939	18,939	1,061	2,163	4,735	(2,572)	-54%	18,939
Losses		6,836	-	-	-	-	-	-	-	-
Total Expenditure		211,493	218,716	218,716	8,151	29,815	54,678	(24,864)	-45%	218,716
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(32,893)	(25,934)	(25,934)	3,561	20,092	2,218	17,873	0	(25,934)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Companies, Higher Educational Institutions) Transfers and subsidies - capital (in-kind - all)		18,889	10,529	10,529	0	0	4,387	(4,387)	(0)	10,529
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(14,004)	(15,405)	(15,405)	3,562	20,092	6,605			(15,405)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(14,004)	(15,405)	(15,405)	3,562	20,092	6,605			(15,405)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(14,004)	(15,405)	(15,405)	3,562	20,092	6,605			(15,405)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(14,004)	(15,405)	(15,405)	3,562	20,092	6,605			(15,405)

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M03 September						
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		3,642	(31,478)	(31,478)	3,265	(31,478)
Call investment deposits		27,292	40,236	40,236	8,990	40,236
Consumer debtors		6,432	3,919	3,919	7,155	3,919
Other debtors		(51,539)	(72,689)	(72,689)	2,918	(72,689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		2,257	(724)	(724)	(280)	(724)
Total current assets		(11,916)	(60,736)	(60,736)	22,048	(60,736)
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		186	-	-	-	-
Investment property		1,157	1,250	1,250	-	1,250
Investments in Associate		-	-	-	-	-
Property, plant and equipment		322,942	324,691	324,691	(1,068)	324,691
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		24	28	28	-	28
Other non-current assets		-	-	-	-	-
Total non current assets		324,309	325,969	325,969	(1,068)	325,969
TOTAL ASSETS		312,393	265,233	265,233	20,980	265,233
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		647	459	459	(116)	459
Consumer deposits		1,217	1,119	1,119	22	1,119
Trade and other payables		30,701	(10,769)	(10,769)	1,007	(10,769)
Provisions		8,390	7,296	7,296	-	7,296
Total current liabilities		40,954	(1,894)	(1,894)	912	(1,894)
Non current liabilities						
Borrowing		(418)	(950)	(950)	-	(950)
Provisions		41,854	45,708	45,708	-	45,708
Total non current liabilities		41,436	44,757	44,757	-	44,757
TOTAL LIABILITIES		82,390	42,863	42,863	912	42,863
NET ASSETS	2	230,003	222,370	222,370	20,068	222,370
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		243,994	237,306	237,306	(16)	237,306
Reserves		14	470	470	(8)	470
TOTAL COMMUNITY WEALTH/EQUITY	2	244,008	237,775	237,775	(24)	237,775

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M03 September										
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		15,132	20,366	20,366	358	1,626	5,092	(3,466)	-68%	20,366
Service charges		74,810	100,478	100,478	8,310	19,973	25,119	(5,146)	-20%	100,478
Other revenue		1,343	10,583	10,583	172	462	2,646	(2,184)	-83%	10,583
Transfers and Subsidies - Operational		31,684	43,164	43,164	220	21,469	16,333	5,136	31%	43,164
Transfers and Subsidies - Capital		23,701	10,529	10,529	0	5,899	2,632	3,267	124%	10,529
Interest		18	3,664	3,664	0	0	916	(916)	-100%	3,664
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		96,966	(226,787)	(226,787)	(2,968)	(8,771)	(56,697)	(47,925)	85%	(226,787)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		243,653	(38,004)	(38,004)	6,093	40,658	(3,959)	(44,617)	1127%	(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		2,440	(25,838)	(25,838)	-	-	(7,297)	(7,297)	100%	(25,838)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2,440	(25,838)	(25,838)	-	-	(7,297)	(7,297)	100%	(25,838)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		1,217	1,119	1,119	12	22	-	22	0%	1,119
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,217	1,119	1,119	12	22	-	(22)	0%	1,119
NET INCREASE/ (DECREASE) IN CASH HELD		247,309	(62,723)	(62,723)	6,105	40,680	(11,256)			(62,723)
Cash/cash equivalents at beginning:		48,800	48,805	48,805			48,805			-
Cash/cash equivalents at monthly/year end:		296,110	(13,918)	(13,918)		40,680	37,549			(62,723)

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

- Standard Bank Main Account Balance **R 676 thousand**;
- The Traffic Account Balance **R 388 thousand**;
- Deposit Account Balance **R 341 thousand**; and
- Call Account Balance **R17 million**.

The lack of revenue streams has left the municipality heavily dependent on grant funding to run its daily operations. The current local economic downturn is 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) - M03 September										
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>		61,563	43,561	43,561	2,397	20,411	15,188	5,223	34%	43,561
Executive and council		28,774	12,201	12,201	-	12,971	5,149	7,822	152%	12,201
Finance and administration		32,789	31,360	31,360	2,397	7,440	10,039	(2,599)	-26%	31,360
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15,179	16,689	16,689	7	17	6,673	(6,656)	-100%	16,689
Community and social services		14,567	14,889	14,889	2	12	5,923	(5,912)	-100%	14,889
Sport and recreation		-	-	-	0	0	-	0	#DIV/0!	-
Public safety		80	-	-	5	5	-	5	#DIV/0!	-
Housing		532	1,800	1,800	-	-	750	(750)	-100%	1,800
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1,756	8,170	8,170	11	219	2,172	(1,954)	-90%	8,170
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1,756	8,170	8,170	11	219	2,172	(1,954)	-90%	8,170
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		118,991	134,891	134,891	9,297	29,260	37,250	(7,990)	-21%	134,891
Energy sources		71,371	75,292	75,292	5,526	18,412	19,596	(1,185)	-6%	75,292
Water management		28,376	30,332	30,332	1,998	5,495	8,798	(3,304)	-38%	30,332
Waste water management		9,618	15,135	15,135	880	2,673	4,621	(1,948)	-42%	15,135
Waste management		9,627	14,131	14,131	892	2,681	4,234	(1,554)	-37%	14,131
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	197,488	203,311	203,311	11,712	49,906	61,284	(11,377)	-19%	203,311
Expenditure - Functional										
<i>Governance and administration</i>		104,246	72,679	72,679	4,340	12,488	18,170	(5,681)	-31%	72,679
Executive and council		23,511	20,288	20,288	2,023	4,960	5,072	(112)	-2%	20,288
Finance and administration		80,735	52,391	52,391	2,317	7,529	13,098	(5,569)	-43%	52,391
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13,857	13,346	13,346	1,403	2,796	3,336	(540)	-16%	13,346
Community and social services		10,670	9,826	9,826	1,198	2,178	2,456	(278)	-11%	9,826
Sport and recreation		397	448	448	41	121	112	9	8%	448
Public safety		1,276	231	231	81	249	58	191	331%	231
Housing		1,514	2,841	2,841	83	248	710	(462)	-65%	2,841
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9,108	17,823	17,823	562	2,038	4,456	(2,418)	-54%	17,823
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9,108	17,823	17,823	562	2,038	4,456	(2,418)	-54%	17,823
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		84,282	114,868	114,868	1,845	12,492	28,717	(16,225)	-56%	114,868
Energy sources		38,407	68,326	68,326	329	7,086	17,082	(9,996)	-59%	68,326
Water management		21,399	20,485	20,485	584	2,137	5,121	(2,984)	-58%	20,485
Waste water management		9,969	12,251	12,251	305	1,082	3,063	(1,981)	-65%	12,251
Waste management		14,507	13,806	13,806	628	2,188	3,451	(1,264)	-37%	13,806
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	211,494	218,716	218,716	8,151	29,815	54,678	(24,864)	-45%	218,716
Surplus/ (Deficit) for the year		(14,005)	(15,405)	(15,405)	3,561	20,092	6,605	13,486	204%	(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) - M03 September										
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										
Vote 1 - MUNICIPAL MANAGER	1	28,774	12,201	12,201	-	12,971	5,149	7,822	151,9%	12,201
Vote 2 - CORPORATE SERVICES		15,469	23,672	23,672	51	325	8,247	(7,921)	-96,1%	23,672
Vote 3 - FINANCIAL SERVICES		32,352	30,912	30,912	2,364	7,350	9,927	(2,577)	-26,0%	30,912
Vote 4 - TECHNICAL SERVICES		120,892	136,526	136,526	9,297	29,260	37,961	(8,701)	-22,9%	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	197,488	203,311	203,311	11,712	49,906	61,284	(11,377)	-18,6%	203,311
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	23,511	20,288	20,288	2,023	4,960	5,072	(112)	-2,2%	20,288
Vote 2 - CORPORATE SERVICES		29,078	36,476	36,476	2,652	6,738	9,119	(2,381)	-26,1%	36,476
Vote 3 - FINANCIAL SERVICES		66,518	35,710	35,710	1,089	4,061	8,927	(4,867)	-54,5%	35,710
Vote 4 - TECHNICAL SERVICES		91,527	124,182	124,182	2,247	13,883	31,045	(17,163)	-55,3%	124,182
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		860	2,060	2,060	139	174	515	(341)	-66,1%	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	211,494	218,716	218,716	8,151	29,815	54,678	(24,864)	-45,5%	218,716
Surplus/ (Deficit) for the year	2	(14,005)	(15,405)	(15,405)	3,561	20,092	6,605	13,486	204,2%	(15,405)

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2022/23									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.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	2,030	779	792	749	827	957	4,516	12,448	23,098	19,497	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,530	211	80	104	99	130	329	532	3,016	1,195	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2,375	699	690	763	599	589	3,175	16,782	25,672	21,908	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	722	347	307	305	304	306	1,839	7,658	11,787	10,412	–	–
Receivables from Exchange Transactions - Waste Management	1600	1,451	591	509	499	491	487	2,878	11,364	18,288	15,718	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	25	43	58	77	91	112	870	12,941	14,218	14,092	–	–
Recoverable unauthorised, irregular, fruitless and w asteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(4,682)	206	153	157	143	136	796	2,285	(806)	3,516	–	–
Total By Income Source	2000	3,451	2,877	2,588	2,654	2,554	2,717	14,403	64,010	95,254	86,338	–	–
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(3,181)	155	72	74	40	40	132	439	(2,229)	725	–	–
Commercial	2300	1,008	262	174	243	166	190	768	3,186	5,998	4,553	–	–
Households	2400	5,608	2,251	2,162	2,158	2,170	2,304	12,481	49,041	78,176	68,155	–	–
Other	2500	15	208	180	179	177	183	1,022	11,344	13,309	12,905	–	–
Total By Customer Group	2600	3,451	2,877	2,588	2,654	2,554	2,717	14,403	64,010	95,254	86,338	–	–

- The total amount owed to Kannaland Municipality amounts to **R95 million**.
- **R64 million or 67%** of the total outstanding debtors are older than one year.
- **R86 million or 91%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality. Pre-paid electricity remains the most effective form of credit control.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	7,524	5,409	-	-	25,560	-	-	-	38,493	-
Bulk Water	0200	50	-	-	-	-	-	-	-	50	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	60	-	-	-	-	-	-	-	60	-
Trade Creditors	0700	1,212	425	432	1,015	7,221	-	-	-	10,306	-
Auditor General	0800	931	57	54	315	7,231	-	-	-	8,588	-
Other	0900	146	104	84	2	6,642	-	-	-	6,978	-
Total By Customer Type	1000	9,922	5,995	570	1,333	46,654	-	-	-	64,474	-

The total outstanding creditors amounts to **R64 474 million**.

The biggest outstanding creditors are Eskom (**R38 million**), the Auditor-General of South Africa (**R8,59 million**). Combined, the before-mentioned represents **73%** 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 Capitalisation		31.08.2022	31.08.2022	0.00	-1,695.93	1,695.93	0.00	159,506.80	159,506.80
Repayment Due		31.08.2022	31.08.2022	-58,304.07	0.00	-1,695.93	-60,000.00	99,506.80	99,506.80
Interest Accrual		30.09.2022	30.09.2022	0.00	1,022.33	0.00	1,022.33	100,529.13	99,506.80
Interest Capitalisation		30.09.2022	30.09.2022	0.00	-1,022.33	1,022.33	0.00	100,529.13	100,529.13
Repayment Due		30.09.2022	30.09.2022	-58,977.67	0.00	-1,022.33	-60,000.00	40,529.13	40,529.13

- The total outstanding long-term debt of Kannaland Municipality amounts to **R41 thousand**
- A monthly instalment of **R60 thousand** at an interest rate of **12.5%** per annum is being paid and this debt will be settled in full in October 2022.

Section 8 – Allocation and grant receipts and expenditure

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

Operational:

Financial Management Grant amounts to **R 16 thousand.**

Municipal Infrastructure Grant operational amounts to **R 47 thousand.**

Expanded Public Works Programme (EPWP) Grant amounts to **R 92 thousand.**

Provincial Government Grants

Library amounts to **R 251 thousand.**

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September										
Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2,560	3,046	3,046	289	856	761	94	12%	3,046
Pension and UIF Contributions		26	-	-	3	9	-	9	#DIV/0!	-
Medical Aid Contributions		124	-	-	5	14	-	14	#DIV/0!	-
Motor Vehicle Allowance		131	-	-	5	21	-	21	#DIV/0!	-
Cellphone Allowance		307	311	311	26	78	78	-	-	311
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3,148	3,357	3,357	327	977	839	138	16%	3,357
% increase	4		6.6%	6.6%						6.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		1,854	4,994	4,994	83	522	1,249	(726)	-58%	4,994
Pension and UIF Contributions		1	9	9	0	1	2	(2)	-76%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		130	-	-	12	36	-	36	#DIV/0!	-
Cellphone Allowance		37	115	115	3	8	29	(21)	-74%	115
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		12	210	210	4	34	52	(18)	-35%	210
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,033	5,328	5,328	102	600	1,332	(732)	-55%	5,328
% increase	4		162.0%	162.0%						162.0%
Other Municipal Staff										
Basic Salaries and Wages		45,593	49,327	49,327	3,841	11,910	12,332	(421)	-3%	49,327
Pension and UIF Contributions		6,740	8,520	8,520	600	1,812	2,130	(318)	-15%	8,520
Medical Aid Contributions		2,434	2,899	2,899	168	522	725	(203)	-28%	2,899
Overtime		4,001	4,442	4,442	510	1,417	1,110	307	28%	4,442
Performance Bonus		1,564	652	652	-	-	163	(163)	-100%	652
Motor Vehicle Allowance		2,393	2,391	2,391	179	562	598	(36)	-6%	2,391
Cellphone Allowance		165	172	172	13	41	43	(2)	-5%	172
Housing Allowances		315	349	349	25	73	87	(14)	-16%	349
Other benefits and allowances		4,420	4,639	4,639	391	1,165	1,160	5	0%	4,639
Payments in lieu of leave		(243)	1,520	1,520	7	7	380	(373)	-98%	1,520
Long service awards		249	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1,934	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		69,564	74,911	74,911	5,735	17,509	18,727	(1,218)	-7%	74,911
% increase	4		7.7%	7.7%						7.7%
Total Parent Municipality		74,745	83,595	83,595	6,164	19,087	20,899	(1,811)	-9%	83,595
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		74,746	83,595	83,595	6,164	19,087	20,899	(1,811)	-9%	83,595
% increase	4		11.8%	11.8%						11.8%
TOTAL MANAGERS AND STAFF		71,597	80,239	80,239	5,836	18,110	20,059	(1,950)	-10%	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 TREND

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September									
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	7	7	2,990	2,983	99.8%	0%
September	802	1,077	1,077	–	7	4,067	4,060	99.8%	0%
October	2,338	1,177	1,177	–	7	5,245	5,238	99.9%	0%
November	696	1,302	1,302	–	7	6,547	6,540	99.9%	0%
December	4,280	977	977	–	7	7,524	7,517	99.9%	0%
January	175	977	977	–	7	8,502	8,495	99.9%	0%
February	185	907	907	–	7	9,409	9,402	99.9%	0%
March	1,190	877	877	–	7	10,287	10,280	99.9%	0%
April	72	877	877	–	7	11,164	11,157	99.9%	0%
May	589	877	877	–	7	12,041	12,034	99.9%	0%
June	2,432	877	877	–	7	12,919	12,912	99.9%	0%
Total Capital expenditure	14,211	12,919	12,919	7					

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 on a monthly basis.

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 **September 2022**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Ian Avontuur

Signature:

Date: