



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for April 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 April **2023**, 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 was approved and there is a need to expedite the implementation of the plan.

Section 2 – Resolutions

Recommendation:

That the Executive Mayor takes cognisance of the monthly budget statement **for April 2023**.

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 193 021	R 167 155	R 150 782	R (16 373)	-10%
Operating Expenditure	R 218 716	R 219 080	R 182 565	R 138 121	R (44 443)	-24%
Capital	R 12 919	R 14 106	R 11 818	R 1 335	R (10 483)	-89%

Operating Revenue

The year-to-date operating revenue realised 10% below the forecasted amount. The before-mention under-performance can be contributed to the cyclical nature of the economy and the impact of straight-line budgeting. The impact of load-shedding should not be underestimated and is difficult to predict.

Operating expenditure

Operating expenditure realised 24% 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 as it may cause the understatement actual expenditure on a year-to-date basis.

Capital Expenditure

The expenditure for amounted to R 344 thousand was for grant funded projects and R 26 thousand for own funding projects during the month of April. Straight-line-budgeting did not consider the finalisation of procurement processes and the increase in expenditure throughout the year. This being said, the level of capital expenditure should be of concern and will be addressed. The municipality's capital budget is mainly funded from conditional grants and unspent grants may need to be paid back.

Collection Rate

Monthly payments to monthly levies									
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	11 768 270,38	(9 893 854,40)	(27 000,35)	11 741 270,03	(9 893 854,40)	-84,27	11 741 270,03	(9 893 854,40)	84,27
Aug-22	11 974 381,75	(6 696 778,13)	(201 380,42)	11 773 001,33	(6 696 778,13)	-56,88	23 514 271,36	(16 590 632,53)	70,56
Sep-22	12 974 562,90	(12 873 586,77)	(153 441,32)	12 821 121,58	(12 873 586,77)	-100,41	36 335 392,94	(29 464 219,30)	81,09
Oct-22	10 708 353,74	(9 917 471,02)	(213 843,36)	10 494 510,38	(9 917 471,02)	-94,50	46 829 903,32	(39 381 690,32)	84,10
Nov-22	11 072 806,29	(7 980 306,93)	(227 747,61)	10 845 058,68	(7 980 306,93)	-73,58	57 674 962,00	(47 361 997,25)	82,12
Dec-22	10 785 260,21	(8 322 084,80)	(206 225,15)	10 579 035,06	(8 322 084,80)	-78,67	68 253 997,06	(55 684 082,05)	81,58
Jan-23	10 928 513,76	(7 246 028,97)	(399 037,89)	10 529 475,87	(7 246 028,97)	-68,82	78 783 472,93	(62 930 111,02)	79,88
Feb-23	11 226 169,59	(7 825 366,37)	(8 880,23)	11 217 289,36	(7 825 366,37)	-69,76	90 000 762,29	(70 755 477,39)	78,62
Mar-23	10 509 846,37	(8 154 118,85)	(248 038,01)	10 261 808,36	(8 154 118,85)	-79,46	100 262 570,65	(78 909 596,24)	78,70
Apr-23	10 292 317,06	(7 069 951,06)	566 719,42	10 859 036,48	(7 069 951,06)	-65,11	111 121 607,13	(85 979 547,30)	77,37

TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M10 April									
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	2 134	21 301	20 697	604	3%	24 836
Service charges	102 394	110 480	110 480	8 275	87 039	92 067	(5 028)	-5%	110 480
Investment revenue	1 232	680	1 380	22	1 390	1 150	240	21%	1 380
Transfers and subsidies	41 701	43 164	42 854	424	31 397	42 016	(10 619)	-25%	42 854
Other own revenue	7 380	13 621	13 470	1 020	9 654	11 225	(1 571)	-14%	13 470
Total Revenue (excluding capital transfers and contributions)	178 600	192 782	193 021	11 875	150 782	167 155	(16 373)	-10%	193 021
Employee costs	71 597	80 239	80 836	6 739	66 217	67 363	(1 146)	-2%	80 836
Remuneration of Councillors	3 148	3 357	3 438	348	4 072	2 865	1 207	42%	3 438
Depreciation & asset impairment	16 588	13 222	13 222	2 151	10 753	11 018	(265)	-2%	13 222
Finance charges	4 244	2 072	2 008	1	1 289	1 673	(384)	-23%	2 008
Materials and bulk purchases	54 288	63 094	59 017	243	31 300	49 181	(17 881)	-36%	59 017
Transfers and subsidies	240	450	450	30	110	375	(265)	-71%	450
Other expenditure	61 387	56 283	60 109	1 622	24 380	50 090	(25 710)	-51%	60 109
Total Expenditure	211 493	218 716	219 080	11 134	138 121	182 565	(44 443)	-24%	219 080
Surplus/(Deficit)	(32 893)	(25 934)	(26 059)	741	12 660	(15 410)	28 070	-182%	(26 059)
Transfers and subsidies - capital (monetary allocations)	18 889	10 529	12 194	-	0	11 916	(11 916)	-100%	12 194
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(14 004)	(15 405)	(13 865)	741	12 661	(3 494)	16 154	-462%	(13 865)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(14 004)	(15 405)	(13 865)	741	12 661	(3 494)	16 154	-462%	(13 865)
Capital expenditure & funds sources									
Capital expenditure	14 052	12 919	14 106	370	1 335	11 818	(10 483)	-89%	14 106
Capital transfers recognised	19 138	10 529	12 194	344	344	10 162	(9 818)	-97%	12 194
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	726	2 390	1 912	26	991	1 657	(666)	-40%	1 912
Total sources of capital funds	19 864	12 919	14 106	370	1 335	11 818	(10 483)	-89%	14 106
Financial position									
Total current assets	(12 141)	(60 736)	(65 198)	-	43 942	-	-	-	(65 198)
Total non current assets	324 309	325 969	327 156	-	(9 418)	-	-	-	327 156
Total current liabilities	40 080	(1 894)	(7 642)	-	22 047	-	-	-	(7 642)
Total non current liabilities	33 884	44 757	45 689	-	-	-	-	-	45 689
Community wealth/Equity	252 209	237 775	237 775	-	(184)	-	-	-	237 775
Cash flows									
Net cash from (used) operating	243 197	(38 004)	(40 470)	4 410	70 977	(10 226)	(81 203)	794%	(40 470)
Net cash from (used) investing	2 415	(25 838)	(28 179)	-	-	(23 545)	(23 545)	100%	(28 179)
Net cash from (used) financing	(132)	(648)	(216)	23	(101)	(180)	(78)	43%	(216)
Cash/cash equivalents at the month/year end	294 280	(15 685)	(20 060)	-	70 876	14 853	(56 022)	-377%	(68 864)
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	7 707	2 936	2 890	2 702	2 659	2 724	14 596	81 857	118 070
Creditors Age Analysis									
Total Creditors	6 450	906	492	4 703	60 605	-	-	-	73 156

Due to the cyclical nature of the economy and the current straight-line approach to budgeting, all deviations more than 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) - M10 April										
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	2 134	21 301	20 697	604	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	5 205	54 664	58 752	(4 088)	-7%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 606	17 305	18 201	(896)	-5%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	740	7 613	7 682	(70)	-1%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	724	7 458	7 432	26	0%	8 918
Rental of facilities and equipment		552	607	607	53	504	506	(3)	-1%	607
Interest earned - external investments		1 232	680	1 380	22	1 390	1 150	240	21%	1 380
Interest earned - outstanding debtors		4 984	4 968	4 968	823	7 037	4 140	2 897	70%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 031	16	151	5 025	(4 875)	-97%	6 031
Licences and permits		159	364	189	12	141	157	(17)	-11%	189
Agency services		1 098	1 200	1 200	68	1 067	1 000	67	7%	1 200
Transfers and subsidies		41 701	43 164	42 854	424	31 397	42 016	(10 619)	-25%	42 854
Other revenue		549	475	475	48	755	396	360	91%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178 600	192 782	193 021	11 875	150 782	167 155	(16 373)	-10%	193 021

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

- **Service Charges - Electricity** – Loadshedding is having a negative impact on the number of units sold and this item should be monitored as it is currently very unpredictable
- **Interest Earned on Investments** – (21% deviation from the year-to-date budget). The budget did not consider the timing of the grants to be received (interest on call account with cash relating to grants being cash backed) when the monthly budget break-down was done.
- **Interest on outstanding debtors** – (70% deviation from the year-to-date budget). This revenue item considered the write-off of indigent and prescription debt and because of the timing, this revenue item will deviate from the monthly forecast. Outstanding debtors continue to increase, and the collection rate did not realize as budgeted for.
- **Fines, Penalties & Forfeits** – Almost no activity, with a -97% deviation, with no vendor appointed to provide cameras and administrative support on speed fines.
- **Licences and permits** – The reason for this variance is due to a breakdown in the equipment needed for the testing and issuing of licenses.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature. The lack of revenue from licences and permits will necessitate further investigation with a potential allocation issue under “other revenue”.

Expenditure by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April										
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	80 836	6 739	66 217	67 363	(1 146)	-2%	80 836
Remuneration of councillors		3 148	3 357	3 438	348	4 072	2 865	1 207	42%	3 438
Debt impairment		24 300	23 594	23 594	-	8 002	19 662	(11 660)	-59%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	2 151	10 753	11 018	(265)	-2%	13 222
Finance charges		4 244	2 072	2 008	1	1 289	1 673	(384)	-23%	2 008
Bulk purchases - electricity		50 752	58 024	53 617	-	28 902	44 681	(15 779)	-35%	53 617
Inventory consumed		3 536	5 071	5 401	243	2 398	4 500	(2 102)	-47%	5 401
Contracted services		13 677	13 749	13 778	334	5 934	11 481	(5 547)	-48%	13 778
Transfers and subsidies		240	450	450	30	110	375	(265)	-71%	450
Other expenditure		16 573	18 939	22 737	1 288	10 443	18 947	(8 503)	-45%	22 737
Losses		6 836	-	-	-	-	-	-	-	-
Total Expenditure		211 493	218 716	219 080	11 134	138 121	182 565	(44 443)	-24%	219 080

- **Remuneration of Councillors**- The total Remuneration for Councillors was R348 thousand in April 2023, exceeding the budget with 42 % on a year-to-date basis. This was caused by incorrect allocations that will be corrected
- **Debt Impairment** – The deviation of -59% from the year-to-date. There was no revenue from traffic fines to impair and not accounting for impairment during January and April 2023.
- **Finance Charges** – Expenditure deviated 23% 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 on a year-to-date basis accounted for on SAMRAS.
- **Bulk Purchases** – Expenditure deviated 47% 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** – Expenditure deviated 47% below the year to date and can be attributed to expenditure not recognised when incurred and the cyclical nature of water consumption.
- **Contracted Services** – Actual expenditure is 48% below the year to date. Expenditure is expected to increase with the budget not accounting for the cyclical nature thereof and the lack of recognition when incurred.
- **Transfers and Subsidies** – Tourism funding not yet being transferred therefor the lack of expenditure.

- **Other Expenditure** – Actual expenditure is 45% below the forecasted amount due to expenditure only being incurred in terms of available revenue and the lack of recognising expenditure when incurred.

Capital Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 April										
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	130	26	61	130	(69)	-53%	130
Vote 2 - CORPORATE SERVICES		5 235	1 710	233	-	-	228	(228)	-100%	233
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		2 351	9 454	9 087	202	202	7 573	(7 370)	-97%	9 087
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	7 586	11 294	9 450	229	263	7 930	(7 667)	-97%	9 450
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		249	-	47	-	-	39	(39)	-100%	47
Vote 2 - CORPORATE SERVICES		391	500	470	-	-	392	(392)	-100%	470
Vote 3 - FINANCIAL SERVICES		(1 219)	50	65	-	47	63	(16)	-25%	65
Vote 4 - TECHNICAL SERVICES		7 045	1 074	4 074	142	1 025	3 395	(2 370)	-70%	4 074
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	6 466	1 624	4 656	142	1 072	3 888	(2 816)	-72%	4 656
Total Capital Expenditure	3	14 052	12 919	14 106	370	1 335	11 818	(10 483)	-89%	14 106
Capital Expenditure - Functional Classification										
Governance and administration		(907)	180	242	26	107	232	(124)	-54%	242
Executive and council		249	130	177	26	61	169	(108)	-64%	177
Finance and administration		(1 155)	50	65	-	47	63	(16)	-25%	65
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 235	1 510	33	-	-	28	(28)	-100%	33
Community and social services		5 235	860	33	-	-	28	(28)	-100%	33
Sport and recreation		-	650	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		341	700	670	-	-	592	(592)	-100%	670
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		341	700	670	-	-	592	(592)	-100%	670
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		9 383	10 529	13 161	344	1 227	10 967	(9 740)	-89%	13 161
Energy sources		-	1 980	2 482	-	806	2 068	(1 262)	-61%	2 482
Water management		9 383	2 441	1 554	142	219	1 295	(1 075)	-83%	1 554
Waste water management		-	6 108	9 125	202	202	7 604	(7 402)	-97%	9 125
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	14 052	12 919	14 106	370	1 335	11 818	(10 483)	-89%	14 106
Funded by:										
National Government		11 552	10 529	11 086	344	344	9 238	(8 894)	-96%	11 086
Provincial Government		7 586	-	1 108	-	-	923	(923)	-100%	1 108
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		19 138	10 529	12 194	344	344	10 162	(9 818)	-97%	12 194
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		726	2 390	1 912	26	991	1 657	(666)	-40%	1 912
Total Capital Funding		19 864	12 919	14 106	370	1 335	11 818	(10 483)	-89%	14 106

- The expenditure for the month of April amounted to **R 344 thousand** for Grant Funded Projects.
- The year-to-date actual expenditure for own funding capital amounts to **R 991 thousand** and the monthly actual R26 thousand.

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 municipality adhere to the requirements of section 65 of the MFMA (expenditure management); and
- (f) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an ever-changing environment.

Section 4 – In-year budget statement tables

TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April										
Description	Ref	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	2 134	21 301	20 697	604	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	5 205	54 664	58 752	(4 088)	-7%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 606	17 305	18 201	(896)	-5%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	740	7 613	7 682	(70)	-1%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	724	7 458	7 432	26	0%	8 918
Rental of facilities and equipment		552	607	607	53	504	506	(3)	-1%	607
Interest earned - external investments		1 232	680	1 380	22	1 390	1 150	240	21%	1 380
Interest earned - outstanding debtors		4 984	4 968	4 968	823	7 037	4 140	2 897	70%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 031	16	151	5 025	(4 875)	-97%	6 031
Licences and permits		159	364	189	12	141	157	(17)	-11%	189
Agency services		1 098	1 200	1 200	68	1 067	1 000	67	7%	1 200
Transfers and subsidies		41 701	43 164	42 854	424	31 397	42 016	(10 619)	-25%	42 854
Other revenue		549	475	475	48	755	396	360	91%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178 600	192 782	193 021	11 875	150 782	167 155	(16 373)	-10%	193 021
Expenditure By Type										
Employee related costs		71 597	80 239	80 836	6 739	66 217	67 363	(1 146)	-2%	80 836
Remuneration of councillors		3 148	3 357	3 438	348	4 072	2 865	1 207	42%	3 438
Debt impairment		24 300	23 594	23 594	-	8 002	19 662	(11 660)	-59%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	2 151	10 753	11 018	(265)	-2%	13 222
Finance charges		4 244	2 072	2 008	1	1 289	1 673	(384)	-23%	2 008
Bulk purchases - electricity		50 752	58 024	53 617	-	28 902	44 681	(15 779)	-35%	53 617
Inventory consumed		3 536	5 071	5 401	243	2 398	4 500	(2 102)	-47%	5 401
Contracted services		13 677	13 749	13 778	334	5 934	11 481	(5 547)	-48%	13 778
Transfers and subsidies		240	450	450	30	110	375	(265)	-71%	450
Other expenditure		16 573	18 939	22 737	1 288	10 443	18 947	(8 503)	-45%	22 737
Losses		6 836	-	-	-	-	-	-	-	-
Total Expenditure		211 493	218 716	219 080	11 134	138 121	182 565	(44 443)	-24%	219 080
Surplus/(Deficit)		(32 893)	(25 934)	(26 059)	741	12 660	(15 410)	28 070	(0)	(26 059)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		18 889	10 529	12 194	-	0	11 916	(11 916)	(0)	12 194
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		(14 004)	(15 405)	(13 865)	741	12 661	(3 494)			(13 865)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(14 004)	(15 405)	(13 865)	741	12 661	(3 494)			(13 865)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(14 004)	(15 405)	(13 865)	741	12 661	(3 494)			(13 865)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(14 004)	(15 405)	(13 865)	741	12 661	(3 494)			(13 865)

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M10 April						
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)	(35 611)	10 704	(35 611)
Call investment deposits		27 292	40 236	40 236	7 089	40 236
Consumer debtors		6 207	3 919	3 919	17 612	3 919
Other debtors		(51 539)	(72 689)	(72 689)	8 226	(72 689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		2 257	(724)	(1 054)	311	(1 054)
Total current assets		(12 141)	(60 736)	(65 198)	43 942	(65 198)
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		186	-	-	-	-
Investment property		1 163	1 250	1 250	-	1 250
Investments in Associate		-	-	-	-	-
Property, plant and equipment		322 957	324 691	325 878	(9 418)	325 878
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		3	28	28	-	28
Other non-current assets		-	-	-	-	-
Total non current assets		324 309	325 969	327 156	(9 418)	327 156
TOTAL ASSETS		312 168	265 233	261 958	34 524	261 958
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		229	459	459	(216)	459
Consumer deposits		1 217	1 119	1 119	114	1 119
Trade and other payables		30 245	(10 769)	(16 516)	22 149	(16 516)
Provisions		8 390	7 296	7 296	-	7 296
Total current liabilities		40 080	(1 894)	(7 642)	22 047	(7 642)
Non current liabilities						
Borrowing		-	(950)	(19)	-	(19)
Provisions		33 884	45 708	45 708	-	45 708
Total non current liabilities		33 884	44 757	45 689	-	45 689
TOTAL LIABILITIES		73 964	42 863	38 047	22 047	38 047
NET ASSETS	2	238 204	222 370	223 910	12 476	223 910
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		251 739	237 306	237 306	(176)	237 306
Reserves		470	470	470	(8)	470
TOTAL COMMUNITY WEALTH/EQUITY	2	252 209	237 775	237 775	(184)	237 775

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M10 April										
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	338	4 067	16 972	(12 905)	-76%	20 366
Service charges		74 810	100 478	100 579	5 949	62 046	83 816	(21 770)	-26%	100 579
Other revenue		1 343	10 583	11 132	123	1 780	9 276	(7 497)	-81%	11 132
Transfers and Subsidies - Operational		31 684	43 164	42 854	883	42 885	41 255	1 631	4%	42 854
Transfers and Subsidies - Capital		23 701	10 529	12 194	1 075	13 170	10 162	3 009	30%	12 194
Interest		18	3 664	3 664	0	0	3 053	(3 053)	-100%	3 664
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		96 510	(226 787)	(231 259)	(3 958)	(52 972)	(174 760)	(121 788)	70%	(231 259)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		243 197	(38 004)	(40 470)	4 410	70 977	(10 226)	(81 203)	794%	(40 470)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(186)	-	-	-	-	-	-	-	-
Payments										
Capital assets		2 600	(25 838)	(28 179)	-	-	(23 545)	(23 545)	100%	(28 179)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2 415	(25 838)	(28 179)	-	-	(23 545)	(23 545)	100%	(28 179)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		98	-	-	23	114	-	114	0%	-
Payments										
Repayment of borrowing		(230)	(648)	(216)	-	(216)	(180)	36	-20%	(216)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(132)	(648)	(216)	23	(101)	(180)	(78)	43%	(216)
NET INCREASE/ (DECREASE) IN CASH HELD		245 479	(64 489)	(68 864)	4 433	70 876	(33 951)			(68 864)
Cash/cash equivalents at beginning:		48 800	48 805	48 805			48 805			-
Cash/cash equivalents at month/year end:		294 280	(15 685)	(20 060)		70 876	14 853			(68 864)

The different bank balances as at the ending of **April 2023** were as follow;

- Standard Bank Main Account Balance **R 467 thousand**;
- The Traffic Account Balance **R 457 thousand**;
- Deposit Account Balance **R 5.06 million**; and
- Call Account Balance **R21 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) - M10 April										
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	45 417	2 521	53 601	40 351	13 251	33%	45 417
Executive and council		28 774	12 201	12 401	-	27 224	12 349	14 875	120%	12 401
Finance and administration		32 789	31 360	33 016	2 521	26 377	28 002	(1 625)	-6%	33 016
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 179	16 689	15 256	336	3 415	14 640	(11 225)	-77%	15 256
Community and social services		14 567	14 889	15 256	335	3 377	14 640	(11 263)	-77%	15 256
Sport and recreation		-	-	-	-	0	-	0	#DIV/0!	-
Public safety		80	-	-	1	37	-	37	#DIV/0!	-
Housing		532	1 800	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 756	8 170	8 019	143	1 834	6 783	(4 949)	-73%	8 019
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 756	8 170	8 019	143	1 834	6 783	(4 949)	-73%	8 019
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		118 991	134 891	136 522	8 875	91 932	117 297	(25 365)	-22%	136 522
Energy sources		71 371	75 292	76 924	5 223	54 823	64 877	(10 054)	-15%	76 924
Water management		28 376	30 332	30 332	1 851	19 259	26 492	(7 233)	-27%	30 332
Waste water management		9 618	15 135	15 135	898	8 917	13 450	(4 533)	-34%	15 135
Waste management		9 627	14 131	14 131	903	8 933	12 478	(3 545)	-28%	14 131
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	197 488	203 311	205 215	11 875	150 782	179 071	(28 289)	-16%	205 215
Expenditure - Functional										
<i>Governance and administration</i>		104 246	72 679	75 222	4 975	52 712	62 684	(9 973)	-16%	75 222
Executive and council		23 511	20 288	20 256	1 518	17 604	16 880	724	4%	20 256
Finance and administration		80 735	52 391	54 966	3 457	35 107	45 804	(10 697)	-23%	54 966
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13 857	13 346	12 231	980	10 132	10 192	(60)	-1%	12 231
Community and social services		10 670	9 826	10 389	670	7 195	8 657	(1 462)	-17%	10 389
Sport and recreation		397	448	566	129	922	471	451	96%	566
Public safety		1 276	231	231	98	1 114	193	922	478%	231
Housing		1 514	2 841	1 045	84	900	871	29	3%	1 045
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 108	17 823	18 429	1 413	10 076	15 357	(5 282)	-34%	18 429
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9 108	17 823	18 429	1 413	10 076	15 357	(5 282)	-34%	18 429
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		84 282	114 868	113 198	3 766	65 203	94 331	(29 128)	-31%	113 198
Energy sources		38 407	68 326	64 388	823	35 544	53 656	(18 112)	-34%	64 388
Water management		21 399	20 485	21 643	1 389	12 838	18 035	(5 198)	-29%	21 643
Waste water management		9 969	12 251	13 002	851	7 839	10 835	(2 997)	-28%	13 002
Waste management		14 507	13 806	14 165	703	8 982	11 804	(2 822)	-24%	14 165
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	211 494	218 716	219 080	11 134	138 122	182 565	(44 443)	-24%	219 080
Surplus/ (Deficit) for the year		(14 005)	(15 405)	(13 865)	741	12 660	(3 494)	16 154	-462%	(13 865)

**TABLE C3 – MONTHLY BUDGETED FINANCIAL PERFORMANCE
(Revenue & Expenditure by Municipal Vote)**

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April										
Vote Description	Ref	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	12 401	-	27 224	12 349	14 875	120,5%	12 401
Vote 2 - CORPORATE SERVICES		15 469	23 672	22 695	361	4 176	20 667	(16 491)	-79,8%	22 695
Vote 3 - FINANCIAL SERVICES		32 352	30 912	31 962	2 454	25 964	27 123	(1 160)	-4,3%	31 962
Vote 4 - TECHNICAL SERVICES		120 892	136 526	138 158	9 060	93 418	118 932	(25 514)	-21,5%	138 158
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	205 215	11 875	150 782	179 071	(28 289)	-15,8%	205 215
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	23 511	20 288	20 256	1 518	17 604	16 880	724	4,3%	20 256
Vote 2 - CORPORATE SERVICES		29 078	36 476	36 656	2 732	25 711	30 546	(4 834)	-15,8%	36 656
Vote 3 - FINANCIAL SERVICES		66 518	35 710	37 083	1 792	20 851	30 903	(10 052)	-32,5%	37 083
Vote 4 - TECHNICAL SERVICES		91 527	124 182	123 054	5 044	73 422	102 545	(29 123)	-28,4%	123 054
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		860	2 060	2 030	48	534	1 692	(1 157)	-68,4%	2 030
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	219 080	11 134	138 122	182 565	(44 443)	-24,3%	219 080
Surplus/ (Deficit) for the year	2	(14 005)	(15 405)	(13 865)	741	12 660	(3 494)	16 154	-462,4%	(13 865)

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April													
Description	NT Code	Budget Year 2022/23										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	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2 768	1 030	1 020	901	870	951	4 342	17 430	29 320	24 502	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 729	177	160	125	125	103	398	652	5 469	1 404	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 189	634	601	559	537	524	3 109	19 357	27 512	24 087	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	676	324	323	323	323	324	1 882	9 733	13 908	12 585	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 301	546	539	532	527	528	2 993	14 388	21 354	18 968	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	27	51	75	91	111	135	1 064	17 381	18 935	18 782	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(2 983)	174	170	171	159	157	808	2 914	1 571	4 209	-	-
Total By Income Source	2000	7 707	2 936	2 890	2 702	2 659	2 724	14 596	81 857	118 070	104 537	-	-
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(986)	62	62	54	70	66	170	440	(62)	800	-	-
Commercial	2300	4 313	264	250	196	192	196	1 041	3 860	10 312	5 485	-	-
Households	2400	4 824	2 414	2 378	2 270	2 214	2 276	12 372	64 911	93 659	84 043	-	-
Other	2500	(444)	196	200	183	184	186	1 012	12 646	14 162	14 210	-	-
Total By Customer Group	2600	7 707	2 936	2 890	2 702	2 659	2 724	14 596	81 857	118 070	104 537	-	-

- The total amount owed to Kannaland Municipality amounts to **R118 million**.
- **R81 million or 69%** of the total outstanding debtors are older than one year.
- **R105 million or 89%** 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.

There is a need to clean up the debtor's book and isolate collectable debts. The writing off of indigent debt is pending and the write-off of prescribed debt will be considered.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April										
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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	5 325	-	-	927	42 356	-	-	-	48 608
Bulk Water	0200	45	37	-	-	-	-	-	-	83
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	432	196	84	270	8 726	-	-	-	9 708
Auditor General	0800	199	526	304	3 413	3 632	-	-	-	8 074
Other	0900	449	146	104	92	5 891	-	-	-	6 683
Total By Customer Type	1000	6 450	906	492	4 703	60 605	-	-	-	73 156

The total outstanding creditors amounts to **R73 156 million**.

The biggest outstanding creditors are Eskom (**R48 million**), the Auditor-General of South Africa (**R8 million**). Combined, the before-mentioned represents **77%** 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 & Borrowing

- The municipality has no long-term debt obligations and any investments other than call account investments.

Section 8 – Grants received and expenditure

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

Operational:

National Grants

- ↳ **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 137 thousand**.

Provincial Government Grants

- ↳ **Library** amounts to **R 190 thousand**.

Capital:

National Grants

- ↳ **Municipal Infrastructure Grant** amounts to **R 344 thousand**.
- ↳ **Own Funding Projects** amounts to **R 26 thousand**.

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April										
Summary of Employee and Councillor remuneration	Ref	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	312	3 707	2 538	1 169	46%	3 046
Pension and UIF Contributions		26	-	-	3	30	-	30	#DIV/0!	-
Medical Aid Contributions		124	-	81	5	48	68	(20)	-30%	81
Motor Vehicle Allowance		131	-	-	3	46	-	46	#DIV/0!	-
Cellphone Allowance		307	311	311	25	242	259	(17)	-7%	311
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 148	3 357	3 438	348	4 072	2 865	1 207	42%	3 438
% increase	4		6,6%	9,2%						9,2%
Senior Managers of the Municipality										
Basic Salaries and Wages		1 854	4 994	4 994	57	1 472	4 162	(2 690)	-65%	4 994
Pension and UIF Contributions		1	9	9	0	2	7	(5)	-67%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		130	-	-	20	151	-	151	#DIV/0!	-
Cellphone Allowance		37	115	115	1	24	96	(72)	-75%	115
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		12	210	210	-	96	175	(79)	-45%	210
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2 033	5 328	5 328	78	1 746	4 440	(2 694)	-61%	5 328
% increase	4		162,0%	162,0%						162,0%
Other Municipal Staff										
Basic Salaries and Wages		45 593	49 327	51 910	4 525	41 226	43 258	(2 032)	-5%	51 910
Pension and UIF Contributions		6 740	8 520	8 520	600	5 930	7 100	(1 170)	-16%	8 520
Medical Aid Contributions		2 434	2 899	2 899	186	1 777	2 415	(639)	-26%	2 899
Overtime		4 001	4 442	4 405	607	5 360	3 671	1 689	46%	4 405
Performance Bonus		1 564	652	641	-	1 274	534	740	139%	641
Motor Vehicle Allowance		2 393	2 391	2 391	225	2 162	1 992	170	9%	2 391
Cellphone Allowance		165	172	172	13	133	143	(10)	-7%	172
Housing Allowances		315	349	349	34	273	291	(18)	-6%	349
Other benefits and allowances		4 420	4 639	3 703	412	5 834	3 085	2 748	89%	3 703
Payments in lieu of leave		(243)	1 520	520	59	504	433	71	16%	520
Long service awards		249	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	1 934	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		69 564	74 911	75 508	6 661	64 471	62 923	1 549	2%	75 508
% increase	4		7,7%	8,5%						8,5%
Total Parent Municipality		74 745	83 595	84 274	7 087	70 289	70 227	62	0%	84 274
Unpaid salary, allowances & benefits in arrears:										
Total Municipal Entities		1	-	-	0	1	-	1	#DIV/0!	-
TOTAL SALARY, ALLOWANCES & BENEFITS		74 746	83 595	84 274	7 087	70 290	70 227	62	0%	84 274
% increase	4		11,8%	12,7%						12,7%
TOTAL MANAGERS AND STAFF		71 597	80 239	80 836	6 739	66 217	67 363	(1 146)	-2%	80 836

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 - M10 April									
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	1 144	–	–	1 144	–	0,0%	0%
August	1 453	1 602	1 319	7	7	2 463	2 456	99,7%	0%
September	802	1 077	1 144	–	7	3 606	3 599	99,8%	0%
October	2 338	1 177	1 244	–	7	4 850	4 843	99,9%	0%
November	696	1 302	1 219	17	24	6 069	6 045	99,6%	0%
December	4 280	977	1 144	852	877	7 213	6 336	87,8%	7%
January	175	977	1 144	–	877	8 357	7 480	89,5%	7%
February	185	907	1 174	10	887	9 531	8 644	90,7%	7%
March	1 190	877	1 144	78	965	10 674	9 710	91,0%	7%
April	72	877	1 144	370	1 335	11 818	10 483	88,7%	10%
May	589	877	1 144	–	1 335	12 962	11 627	89,7%	10%
June	2 273	877	1 144	–	1 335	14 106	12 771	90,5%	10%
Total Capital expenditure	14 052	12 919	14 106	1 335					

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

Annexure B

APRIL 2023					
VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES					
NOMMER	DATUM	DEPARTEMENT	VERSKAFFER	BEDRAG	REDE
8/1/4/R	03/03/2023	FINANCE	LUCROMSOFT	R 38 640,00	THE MUNICIPALITY DOES NOT HAVE FACILITIES TO PERFORM THESE METER READINGS THEMSELVES. THE APPOINTED SERVICE PROVIDER CAN CURRENTLY NOT SUPPLY THE INFORMATION DUE TO THE URGENCY OF THIS SERVICE THAT MUST BE DELIVERED IN INFORMATION IS OBTAINED FROM THE PREVIOUS SERVICE PROVIDER. NO REVENUE I. R. O SERVICES RENDERED CAN BE GENERATED IF THE MONTHLY METER READINGS ARE NOT PERFORMED AND INVOICES RENDERED TO USERS FOR PAYMENT.
8/1/4/R	24/03/2023	MUNICIPAL MANAGER	TITUS & ASSOCIATES	R 9 200,00	DIE MUNISIPALITEIT HET TITUS & ASSOCIATES INDRINGEND AANGESTEL OP AFWYKING OM REGSAANGELEENTHEDE NAMES DIE RAAD EN MUNISIPALITEIT TE HANTEER. KANNALAND MUNISIPALITEIT HET TYDENS NOVEMBER 2022 HOFSTUKKE ONTVANG WAARIN DIE LADISMITH KAAS, SUID-KAAP WINGERDE EN 1 ANDER DIE MUNISIPALITEIT GEDAAGVAAR HET RAKENDE DIE VOORSIENING VAN WATER. DIE AANGELEENTHEID WAS OP 17 MAART 2023 OP DIE HOFROL EN MNR TITUS MOES ADV T MAYOSI GEBRUIK OM DIE MUNISIPALITEIT IN DIE AANSOEK TE VERTEENWOORDIG.
8/1/4/R	04/04/2023	TECHNICAL	FANIE LE ROUX	R 28 800,00	THE MUNICIPAL HONEY SUCKER IS CURRENTLY OUT OF SERVICES DUE TO AN ENGINE FAULT. THIS CAN TAKE SOME TIME, AS PER THE CONTRACTOR WHO WORKS ON THE MUNICIPAL VEHICLES. THE MUNICIPALITY HAS THROUGH THE INTER-GOVERNMENTAL FRAMEWORK REACHWORK REACH AN AGREEMENT WITH OUDTSHOORN MUNICIPALITY, TO PROVIDE HONEY SERVICE TO KANNALAND MUNICIPALITY. KANNALAND STILL HAS CONSERVANCY TANKS WHICH REQUIRE FREQUENT EXTRACTION BY PUMP WITH THE HONEY SUCKER.
8/1/4/R	13/04/2023	FINANCE	SA POST OFFICE	R 2 540,00	SAP0 IS CURRENTLY THE SOLE SERVICE PROVIDER FOR THE POSTING OF THE MUNICIPALITY'S MONTHLY SERVICE ACCOUNTS. IN THE EVENT THAT THE SERVICE ACCOUNTS ARE NOT DELIVERED TO THE CONSUMERS, THE MUNICIPALITY CANNOT GENERATE REVENUE FOR SERVICE DELIVERED.
8/1/4/R	18/04/2023	FINANCE	ICT WIZE GROUP (PTY) LTD	R 28 319,00	ICT WOULD HAVE GONE OUT ON TENDER BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF ICT THE BUDGET AND TREASURY OFFICES. CURRENTLY KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFORE THE APPOINTMENT OF ICT WYSE GROUP HAS THE ABILITY TO HELP KANNALAND TO HELP KANNALAND WITH THE ROUTING OF THE NETWORK FROM CALITZDORP AND ZOAR TO LADISMITH.
8/1/4/R	19/04/2023	FINANCE	LIBM BRAAF TRUST	R 28 466,73	KANNALAND MUNISIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR N TE KORT AAN KANTOOR SPASIE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT DIE PERSONEEL AANGESTEL MOES WORD OM DIE MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	13/04/2023	FINANCE	LUCROMSOFT	R 38 640,00	THE MUNICIPALITY DOES NOT HAVE FACILITIES TO PERFORM THESE METER READINGS THEMSELVES. THE APPOINTED SERVICE PROVIDER CAN CURRENTLY NOT SUPPLY THE INFORMATION DUE TO THE URGENCY OF THIS SERVICE THAT MUST BE DELIVERED IN INFORMATION IS OBTAINED FROM THE PREVIOUS SERVICE PROVIDER. NO REVENUE I. R. O SERVICES RENDERED CAN BE GENERATED IF THE MONTHLY METER READINGS ARE NOT PERFORMED AND INVOICES RENDERED TO USERS FOR PAYMENT.
8/1/4/R	13/04/2023	FINANCE	WINDEED SYSTEMS	R 1 967,24	KANNALAND NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS
8/1/4/R	17/04/2023	TECHNICAL	DEKLIN	R 40 572,00	THE MUNICIPALITY IS CURRENTLY EXPERIENCING PROBLEMS WITH SUSTAINABLE WATER PROVISIONING, ESPECIALLY WITH THE ELEVATED LEVELS OF LOADSHEDDING. AS PART OF CONTINGENCY PLANNING, A STANDBY WATER TRUCK MUST BE AVAILABLE DURING THIS PERIOD, IF THE MUNICIPAL WATER TANKER BREAKS OR WHEN AN ADDITIONAL WATER TANKER IS NEEDED.
				R 217 144,97	

Section 14 – Quality certification

I, **Morne Marshall Hoogbaard**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Monthly Budget Statement for **April 2023**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Morne Marshall Hoogbaard

Signature:

Date: