



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for March 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 March **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 March 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 154 222	R 138 907	R (15 315)	-10%
Operating Expenditure	R 218 716	R 219 080	R 164 308	R 126 988	R (37 321)	-23%
Capital	R 12 919	R 14 106	R 10 799	R 965	R (9 835)	-91%

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 23% 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

There was no capital expenditure for grant funded projects during the month of March. 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

Collection percentage from July 2022 to June 2023									
Collection percentage for Kannaland Municipality - Current payments to previous month levy									
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)	11 566 889,96	(6 696 778,13)	-57,90	11 566 889,96	(6 696 778,13)	57,90
Aug-22	11 974 381,75	(6 696 778,13)	(201 380,42)	11 820 940,43	(12 873 586,77)	-108,90	23 387 830,39	(19 570 364,90)	83,68
Sep-22	12 974 562,90	(12 873 586,77)	(153 441,32)	12 760 719,54	(9 917 471,02)	-77,72	36 148 549,93	(29 487 835,92)	81,57
Oct-22	10 708 353,74	(9 917 471,02)	(213 843,36)	10 480 606,13	(7 980 306,93)	-76,14	46 629 156,06	(37 468 142,85)	80,35
Nov-22	11 072 806,29	(7 980 306,93)	(227 747,61)	10 866 581,14	(8 322 084,80)	-76,58	57 495 737,20	(45 790 227,65)	79,64
Dec-22	10 785 260,21	(8 322 084,80)	(206 225,15)	10 386 222,32	(7 246 028,97)	-69,77	67 881 959,52	(53 036 256,62)	78,13
Jan-23	10 928 513,76	(7 246 028,97)	(399 037,89)	10 919 633,53	(7 825 366,37)	-71,66	78 801 593,05	(60 861 622,99)	77,23
Feb-23	11 226 169,59	(7 825 366,37)	(8 880,23)	10 978 131,58	(8 154 118,85)	-74,28	89 779 724,63	(69 015 741,84)	76,87
Mar-23	10 509 846,37	(8 154 118,85)	(248 038,01)	10 509 846,37	-		100 289 571,00	(69 015 741,84)	68,82

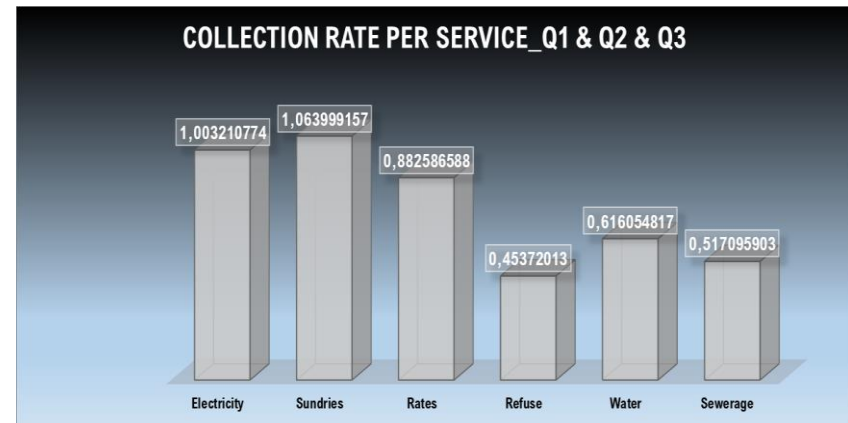
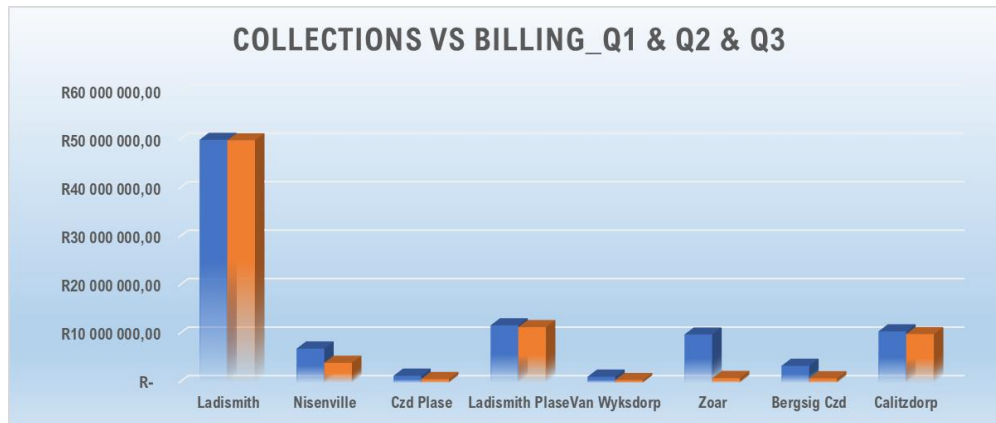


TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M09 March									
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	19 167	18 627	540	3%	24 836
Service charges	102 394	110 480	110 480	8 146	78 764	82 860	(4 096)	-5%	110 480
Investment revenue	1 232	680	1 380	146	1 368	1 035	333	32%	1 380
Transfers and subsidies	41 701	43 164	42 854	9 697	30 973	41 597	(10 624)	-26%	42 854
Other own revenue	7 380	13 621	13 470	1 132	8 634	10 102	(1 468)	-15%	13 470
Total Revenue (excluding capital transfers and contributions)	178 600	192 782	193 021	21 253	138 907	154 222	(15 315)	-10%	193 021
Employee costs	71 597	80 239	80 836	6 376	59 478	60 626	(1 148)	-2%	80 836
Remuneration of Councilors	3 148	3 357	3 438	594	3 724	2 578	1 146	44%	3 438
Depreciation & asset impairment	16 588	13 222	13 222	-	8 603	9 916	(1 314)	-13%	13 222
Finance charges	4 244	2 072	2 008	380	1 288	1 506	(218)	-14%	2 008
Materials and bulk purchases	54 288	63 094	59 017	6 833	31 057	44 263	(13 206)	-30%	59 017
Transfers and subsidies	240	450	450	-	80	338	(258)	-76%	450
Other expenditure	61 387	56 283	60 109	1 806	22 758	45 081	(22 323)	-50%	60 109
Total Expenditure	211 493	218 716	219 080	15 990	126 988	164 308	(37 321)	-23%	219 080
Surplus/(Deficit)	(32 893)	(25 934)	(26 059)	5 263	11 919	(10 086)	22 006	-218%	(26 059)
Transfers and subsidies - capital (monetary allocations)	18 889	10 529	12 194	-	0	11 778	(11 777)	-100%	12 194
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(14 004)	(15 405)	(13 865)	5 263	11 920	1 691	10 229	605%	(13 865)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(14 004)	(15 405)	(13 865)	5 263	11 920	1 691	10 229	605%	(13 865)
Capital expenditure & funds sources									
Capital expenditure	14 052	12 919	14 106	78	965	10 799	(9 835)	-91%	14 106
Capital transfers recognised	19 138	10 529	12 194	-	-	9 145	(9 145)	-100%	12 194
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	726	2 390	1 912	78	965	1 654	(689)	-42%	1 912
Total sources of capital funds	19 864	12 919	14 106	78	965	10 799	(9 835)	-91%	14 106
Financial position									
Total current assets	(12 141)	(60 736)	(65 168)	-	41 470	-	-	-	(65 168)
Total non current assets	324 309	325 969	327 156	-	(7 638)	-	-	-	327 156
Total current liabilities	40 080	(1 894)	(7 612)	-	21 986	-	-	-	(7 612)
Total non current liabilities	33 884	44 757	45 689	-	-	-	-	-	45 689
Community wealth/Equity	252 209	237 775	237 775	(73)	(73)	(73)	(73)	(73)	237 775
Cash flows									
Net cash from (used) operating	243 197	(38 004)	(40 470)	15 047	66 568	(8 571)	(75 139)	877%	(40 470)
Net cash from (used) investing	2 415	(25 838)	(28 179)	-	-	(21 354)	(21 354)	100%	(28 179)
Net cash from (used) financing	(132)	(648)	(216)	15	(125)	(162)	(37)	23%	(216)
Cash/cash equivalents at the month/year end	294 280	(15 685)	(20 060)	-	66 443	18 718	(47 725)	-255%	(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	4 112	3 018	2 773	2 700	2 757	2 570	14 821	79 058	111 809
Debtors Age Analysis									
Total Creditors	5 144	(172)	4 108	11 068	54 413	-	-	-	74 562

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) - M09 March										
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	19 167	18 627	540	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	5 172	49 459	52 877	(3 418)	-6%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 502	15 699	16 381	(682)	-4%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	744	6 873	6 914	(41)	-1%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	728	6 734	6 688	45	1%	8 918
Rental of facilities and equipment		552	607	607	56	451	456	(5)	-1%	607
Interest earned - external investments		1 232	680	1 380	146	1 368	1 035	333	32%	1 380
Interest earned - outstanding debtors		4 984	4 968	4 968	794	6 214	3 726	2 488	67%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 031	63	134	4 523	(4 389)	-97%	6 031
Licences and permits		159	364	189	16	129	142	(13)	-9%	189
Agency services		1 098	1 200	1 200	130	999	900	99	11%	1 200
Transfers and subsidies		41 701	43 164	42 854	9 697	30 973	41 597	(10 624)	-26%	42 854
Other revenue		549	475	475	72	707	356	351	99%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178 600	192 782	193 021	21 253	138 907	154 222	(15 315)	-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** – (32% 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** – (67% 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) - M09 March										
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	6 376	59 478	60 626	(1 148)	-2%	80 836
Remuneration of councillors		3 148	3 357	3 438	594	3 724	2 578	1 146	44%	3 438
Debt impairment		24 300	23 594	23 594	-	8 002	17 696	(9 694)	-55%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	-	8 603	9 916	(1 314)	-13%	13 222
Finance charges		4 244	2 072	2 008	380	1 288	1 506	(218)	-14%	2 008
Bulk purchases - electricity		50 752	58 024	53 617	6 737	28 902	40 213	(11 311)	-28%	53 617
Inventory consumed		3 536	5 071	5 401	96	2 155	4 050	(1 895)	-47%	5 401
Contracted services		13 677	13 749	13 748	782	5 600	10 311	(4 710)	-46%	13 748
Transfers and subsidies		240	450	450	-	80	338	(258)	-76%	450
Other expenditure		16 573	18 939	22 767	1 024	9 155	17 075	(7 920)	-46%	22 767
Losses		6 836	-	-	-	-	-	-	-	-
Total Expenditure		211 493	218 716	219 080	15 990	126 988	164 308	(37 321)	-23%	219 080

- **Remuneration of Councillors**- The total Remuneration for Councillors was R324 thousand in March 2023, exceeding the budget with 44 % on a year-to-date basis. This was caused by incorrect allocations that will be corrected
- **Debt Impairment** – The deviation of -55% from the year-to-date. There was no revenue from traffic fines to impair and not accounting for impairment during January and March 2023.
- **Finance Charges** – Expenditure deviated 14% 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 28% 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 46% 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 46% 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) - M09 March										
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	-	35	130	(95)	-73%	130
Vote 2 - CORPORATE SERVICES		5 235	1 710	233	-	-	225	(225)	-100%	233
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		2 351	9 454	9 087	-	-	6 815	(6 815)	-100%	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	-	35	7 170	(7 136)	-100%	9 450
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		249	-	17	-	-	13	(13)	-100%	17
Vote 2 - CORPORATE SERVICES		391	500	500	-	-	500	(500)	-100%	500
Vote 3 - FINANCIAL SERVICES		(1 219)	50	65	-	47	61	(15)	-24%	65
Vote 4 - TECHNICAL SERVICES		7 045	1 074	4 074	78	884	3 055	(2 172)	-71%	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	78	930	3 629	(2 699)	-74%	4 656
Total Capital Expenditure	3	14 052	12 919	14 106	78	965	10 799	(9 835)	-91%	14 106
Capital Expenditure - Functional Classification										
Governance and administration		(907)	180	212	-	81	204	(123)	-60%	212
Executive and council		249	130	147	-	35	143	(108)	-76%	147
Finance and administration		(1 155)	50	65	-	47	61	(15)	-24%	65
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 235	1 510	33	-	-	25	(25)	-100%	33
Community and social services		5 235	860	33	-	-	25	(25)	-100%	33
Sport and recreation		-	650	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		341	700	700	-	-	700	(700)	-100%	700
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		341	700	700	-	-	700	(700)	-100%	700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		9 383	10 529	13 161	78	884	9 871	(8 987)	-91%	13 161
Energy sources		-	1 980	2 482	-	806	1 861	(1 056)	-57%	2 482
Water management		9 383	2 441	1 554	78	78	1 165	(1 087)	-93%	1 554
Waste water management		-	6 108	9 125	-	-	6 844	(6 844)	-100%	9 125
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	14 052	12 919	14 106	78	965	10 799	(9 835)	-91%	14 106
Funded by:										
National Government		11 552	10 529	11 086	-	-	8 314	(8 314)	-100%	11 086
Provincial Government		7 586	-	1 108	-	-	831	(831)	-100%	1 108
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		19 138	10 529	12 194	-	-	9 145	(9 145)	-100%	12 194
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		726	2 390	1 912	78	965	1 654	(689)	-42%	1 912
Total Capital Funding		19 864	12 919	14 106	78	965	10 799	(9 835)	-91%	14 106

- There was no actual capital expenditure year-to-date for Grant Funded Projects
- The year-to-date actual expenditure for own funding capital amounts to R877 thousand and the monthly actual R10 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) - M09 March										
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	19 167	18 627	540	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	5 172	49 459	52 877	(3 418)	-6%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 502	15 699	16 381	(682)	-4%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	744	6 873	6 914	(41)	-1%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	728	6 734	6 688	45	1%	8 918
Rental of facilities and equipment		552	607	607	56	451	456	(5)	-1%	607
Interest earned - external investments		1 232	680	1 380	146	1 368	1 035	333	32%	1 380
Interest earned - outstanding debtors		4 984	4 968	4 968	794	6 214	3 726	2 488	67%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 031	63	134	4 523	(4 389)	-97%	6 031
Licences and permits		159	364	189	16	129	142	(13)	-9%	189
Agency services		1 098	1 200	1 200	130	999	900	99	11%	1 200
Transfers and subsidies		41 701	43 164	42 854	9 697	30 973	41 597	(10 624)	-26%	42 854
Other revenue		549	475	475	72	707	356	351	99%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178 600	192 782	193 021	21 253	138 907	154 222	(15 315)	-10%	193 021
Expenditure By Type										
Employee related costs		71 597	80 239	80 836	6 376	59 478	60 626	(1 148)	-2%	80 836
Remuneration of councillors		3 148	3 357	3 438	594	3 724	2 578	1 146	44%	3 438
Debt impairment		24 300	23 594	23 594	-	8 002	17 696	(9 694)	-55%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	-	8 603	9 916	(1 314)	-13%	13 222
Finance charges		4 244	2 072	2 008	380	1 288	1 506	(218)	-14%	2 008
Bulk purchases - electricity		50 752	58 024	53 617	6 737	28 902	40 213	(11 311)	-28%	53 617
Inventory consumed		3 536	5 071	5 401	96	2 155	4 050	(1 895)	-47%	5 401
Contracted services		13 677	13 749	13 748	782	5 600	10 311	(4 710)	-46%	13 748
Transfers and subsidies		240	450	450	-	80	338	(258)	-76%	450
Other expenditure		16 573	18 939	22 767	1 024	9 155	17 075	(7 920)	-46%	22 767
Losses		6 836	-	-	-	-	-	-	-	-
Total Expenditure		211 493	218 716	219 080	15 990	126 988	164 308	(37 321)	-23%	219 080
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(32 893)	(25 934)	(26 059)	5 263	11 919	(10 086)	22 006	(0)	(26 059)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		18 889	10 529	12 194	-	0	11 778	(11 777)	(0)	12 194
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(14 004)	(15 405)	(13 865)	5 263	11 920	1 691			(13 865)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(14 004)	(15 405)	(13 865)	5 263	11 920	1 691			(13 865)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(14 004)	(15 405)	(13 865)	5 263	11 920	1 691			(13 865)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(14 004)	(15 405)	(13 865)	5 263	11 920	1 691			(13 865)

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M09 March						
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)	(35 581)	11 584	(35 581)
Call investment deposits		27 292	40 236	40 236	7 321	40 236
Consumer debtors		6 207	3 919	3 919	14 325	3 919
Other debtors		(51 539)	(72 689)	(72 689)	8 006	(72 689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		2 257	(724)	(1 054)	234	(1 054)
Total current assets		(12 141)	(60 736)	(65 168)	41 470	(65 168)
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	(7 638)	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	(7 638)	327 156
TOTAL ASSETS		312 168	265 233	261 988	33 832	261 988
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		229	459	459	(216)	459
Consumer deposits		1 217	1 119	1 119	91	1 119
Trade and other payables		30 245	(10 769)	(16 486)	22 111	(16 486)
Provisions		8 390	7 296	7 296	-	7 296
Total current liabilities		40 080	(1 894)	(7 612)	21 986	(7 612)
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	38 077	21 986	38 077
NET ASSETS	2	238 204	222 370	223 910	11 846	223 910
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		251 739	237 306	237 306	(65)	237 306
Reserves		470	470	470	(8)	470
TOTAL COMMUNITY WEALTH/EQUITY	2	252 209	237 775	237 775	(73)	237 775

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M09 March										
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	375	3 729	15 275	(11 545)	-76%	20 366
Service charges		74 810	100 478	100 579	5 602	56 097	75 434	(19 337)	-26%	100 579
Other revenue		1 343	10 583	11 132	303	1 657	8 349	(6 692)	-80%	11 132
Transfers and Subsidies - Operational		31 684	43 164	42 854	9 755	42 002	40 455	1 547	4%	42 854
Transfers and Subsidies - Capital		23 701	10 529	12 194	6 196	12 095	9 145	2 950	32%	12 194
Interest		18	3 664	3 664	0	0	2 748	(2 747)	-100%	3 664
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		96 510	(226 787)	(231 259)	(7 184)	(49 014)	(159 977)	(110 963)	69%	(231 259)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		243 197	(38 004)	(40 470)	15 047	66 568	(8 571)	(75 139)	877%	(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)	-	-	(21 354)	(21 354)	100%	(28 179)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2 415	(25 838)	(28 179)	-	-	(21 354)	(21 354)	100%	(28 179)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		98	-	-	15	91	-	91	0%	-
Payments										
Repayment of borrowing		(230)	(648)	(216)	-	(216)	(162)	54	-33%	(216)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(132)	(648)	(216)	15	(125)	(162)	(37)	23%	(216)
NET INCREASE/ (DECREASE) IN CASH HELD		245 479	(64 489)	(68 864)	15 062	66 443	(30 087)			(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)		66 443	18 718			(68 864)

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

- Standard Bank Main Account Balance **R 3 million**;
- The Traffic Account Balance **R 444 thousand**;
- Deposit Account Balance **R 5.8 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) - M09 March										
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	11 965	51 081	37 818	13 263	35%	45 417
Executive and council		28 774	12 201	12 401	9 313	27 224	12 323	14 901	121%	12 401
Finance and administration		32 789	31 360	33 016	2 652	23 857	25 495	(1 638)	-6%	33 016
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 179	16 689	15 256	344	3 079	14 332	(11 253)	-79%	15 256
Community and social services		14 567	14 889	15 256	323	3 042	14 332	(11 290)	-79%	15 256
Sport and recreation		-	-	-	-	0	-	0	#DIV/0!	-
Public safety		80	-	-	21	36	-	36	#DIV/0!	-
Housing		532	1 800	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 756	8 170	8 019	235	1 692	6 165	(4 474)	-73%	8 019
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 756	8 170	8 019	235	1 692	6 165	(4 474)	-73%	8 019
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		118 991	134 891	136 522	8 708	83 056	107 684	(24 628)	-23%	136 522
Energy sources		71 371	75 292	76 924	5 189	49 600	58 853	(9 253)	-16%	76 924
Water management		28 376	30 332	30 332	1 731	17 408	24 572	(7 164)	-29%	30 332
Waste water management		9 618	15 135	15 135	893	8 019	12 608	(4 589)	-36%	15 135
Waste management		9 627	14 131	14 131	896	8 030	11 652	(3 622)	-31%	14 131
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	197 488	203 311	205 215	21 253	138 908	165 999	(27 092)	-16%	205 215
Expenditure - Functional										
<i>Governance and administration</i>		104 246	72 679	75 222	5 547	47 737	56 416	(8 679)	-15%	75 222
Executive and council		23 511	20 288	20 256	2 173	16 086	15 192	894	6%	20 256
Finance and administration		80 735	52 391	54 966	3 374	31 651	41 224	(9 573)	-23%	54 966
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13 857	13 346	12 231	788	9 152	9 173	(21)	0%	12 231
Community and social services		10 670	9 826	10 389	541	6 525	7 791	(1 266)	-16%	10 389
Sport and recreation		397	448	566	71	794	424	369	87%	566
Public safety		1 276	231	231	90	1 016	174	843	486%	231
Housing		1 514	2 841	1 045	86	816	784	33	4%	1 045
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 108	17 823	18 429	791	8 663	13 822	(5 159)	-37%	18 429
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9 108	17 823	18 429	791	8 663	13 822	(5 159)	-37%	18 429
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		84 282	114 868	113 198	8 864	61 437	84 898	(23 461)	-28%	113 198
Energy sources		38 407	68 326	64 388	7 359	34 722	48 291	(13 569)	-28%	64 388
Water management		21 399	20 485	21 643	541	11 449	16 232	(4 783)	-29%	21 643
Waste water management		9 969	12 251	13 002	360	6 987	9 752	(2 764)	-28%	13 002
Waste management		14 507	13 806	14 165	605	8 279	10 624	(2 344)	-22%	14 165
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	211 494	218 716	219 080	15 990	126 988	164 308	(37 320)	-23%	219 080
Surplus/ (Deficit) for the year		(14 005)	(15 405)	(13 865)	5 263	11 919	1 691	10 228	605%	(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) - M09 March										
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	9 313	27 224	12 323	14 901	120,9%	12 401
Vote 2 - CORPORATE SERVICES		15 469	23 672	22 695	453	3 815	19 653	(15 838)	-80,6%	22 695
Vote 3 - FINANCIAL SERVICES		32 352	30 912	31 962	2 598	23 510	24 704	(1 194)	-4,8%	31 962
Vote 4 - TECHNICAL SERVICES		120 892	136 526	138 158	8 889	84 358	109 319	(24 961)	-22,8%	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	21 253	138 908	165 999	(27 092)	-16,3%	205 215
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	23 511	20 288	20 256	2 173	16 086	15 192	894	5,9%	20 256
Vote 2 - CORPORATE SERVICES		29 078	36 476	36 626	2 517	22 980	27 469	(4 489)	-16,3%	36 626
Vote 3 - FINANCIAL SERVICES		66 518	35 710	37 083	1 894	19 059	27 812	(8 753)	-31,5%	37 083
Vote 4 - TECHNICAL SERVICES		91 527	124 182	123 054	9 364	68 377	92 290	(23 913)	-25,9%	123 054
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		860	2 060	2 060	42	486	1 545	(1 059)	-68,5%	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	219 080	15 990	126 988	164 308	(37 320)	-22,7%	219 080
Surplus/ (Deficit) for the year	2	(14 005)	(15 405)	(13 865)	5 263	11 919	1 691	10 228	604,7%	(13 865)

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March													
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	2 281	1 055	919	891	964	783	4 498	16 586	27 976	23 721	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	882	172	141	139	119	119	395	574	2 540	1 346	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2 217	666	588	561	541	527	3 260	19 032	27 392	23 921	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	687	327	326	324	325	327	1 864	9 438	13 618	12 279	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 349	554	541	534	534	531	2 955	13 962	20 961	18 516	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	28	51	70	89	113	124	1 064	16 642	18 181	18 032	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(3 331)	192	189	163	161	159	784	2 824	1 141	4 091	–	–
Total By Income Source	2000	4 112	3 018	2 773	2 700	2 757	2 570	14 821	79 058	111 809	101 906	–	–
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(1 505)	85	74	68	65	72	115	419	(608)	739	–	–
Commercial	2300	874	271	207	196	199	179	1 065	3 686	6 677	5 325	–	–
Households	2400	5 268	2 457	2 307	2 250	2 309	2 132	12 647	62 539	91 907	81 874	–	–
Other	2500	(525)	205	185	186	188	187	994	12 414	13 834	13 969	–	–
Total By Customer Group	2600	4 112	3 018	2 773	2 700	2 757	2 570	14 821	79 058	111 809	101 906	–	–

- The total amount owed to Kannaland Municipality amounts to **R94 million**.
- **R79 million or 71%** of the total outstanding debtors are older than one year.
- **R102 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.

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 - M09 March										
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	4 515	–	3 601	7 412	32 827	–	–	–	48 355
Bulk Water	0200	37	–	–	–	–	–	–	–	37
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	267	353	103	243	8 646	–	–	–	9 613
Auditor General	0800	126	(658)	304	3 413	7 071	–	–	–	10 257
Other	0900	197	133	101	–	5 869	–	–	–	6 299
Total By Customer Type	1000	5 144	(172)	4 108	11 068	54 413	–	–	–	74 562

The total outstanding creditors amounts to **R74 562 million**.

The biggest outstanding creditors are Eskom (**R48 million**), the Auditor-General of South Africa (**R10 million**). Combined, the before-mentioned represents **79%** 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

Grants received for the month under review were as follow:

National

↪ **Municipal Infrastructure Grant** to the amount of **R 6.196 million**

Provincial

↪ **Intervention Grant** to the amount of **R 606 thousand**

↪ **Loadshedding Relief Grant** to the amount of **R 1 075 million**

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

Operational:

↪ **Financial Management Grant** amounts to **R 24 thousand.**

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

↪ **Expanded Public Works Programme (EPWP) Grant** amounts to **R 134 thousand.**

Provincial Government Grants

↪ **Library** amounts to **R 179 thousand.**

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March										
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										
Councillors (Political Office Bearers plus Other)										
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 560	3 046	3 046	558	3 395	2 284	1 111	49%	3 046
Pension and UIF Contributions		26	-	-	3	27	-	27	#DIV/0!	-
Medical Aid Contributions		124	-	81	5	43	61	(18)	-30%	81
Motor Vehicle Allowance		131	-	-	3	43	-	43	#DIV/0!	-
Cellphone Allowance		307	311	311	25	217	233	(16)	-7%	311
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 148	3 357	3 438	594	3 724	2 578	1 146	44%	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	54	1 415	3 746	(2 331)	-62%	4 994
Pension and UIF Contributions		1	9	9	0	2	7	(4)	-65%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		130	-	-	20	131	-	131	#DIV/0!	-
Cellphone Allowance		37	115	115	1	24	86	(63)	-73%	115
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		12	210	210	-	96	157	(61)	-39%	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	74	1 668	3 996	(2 328)	-58%	5 328
% increase	4		162,0%	162,0%						162,0%
Other Municipal Staff										
Basic Salaries and Wages		45 593	49 327	51 910	4 090	36 701	38 932	(2 231)	-6%	51 910
Pension and UIF Contributions		6 740	8 520	8 520	567	5 329	6 390	(1 061)	-17%	8 520
Medical Aid Contributions		2 434	2 899	2 899	187	1 591	2 174	(583)	-27%	2 899
Overtime		4 001	4 442	4 405	556	4 753	3 304	1 449	44%	4 405
Performance Bonus		1 564	652	641	-	1 274	481	793	165%	641
Motor Vehicle Allowance		2 393	2 391	2 391	244	1 937	1 793	144	8%	2 391
Cellphone Allowance		165	172	172	13	120	129	(9)	-7%	172
Housing Allowances		315	349	349	34	239	262	(22)	-9%	349
Other benefits and allowances		4 420	4 639	3 703	481	5 421	2 777	2 644	95%	3 703
Payments in lieu of leave		(243)	1 520	520	130	445	390	55	14%	520
Long service awards		249	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1 934	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		69 564	74 911	75 508	6 302	57 810	56 630	1 180	2%	75 508
% increase	4		7,7%	8,5%						8,5%
Total Parent Municipality		74 745	83 595	84 274	6 971	63 203	63 205	(2)	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	6 971	63 203	63 205	(2)	0%	84 274
% increase	4		11,8%	12,7%						12,7%
TOTAL MANAGERS AND STAFF		71 597	80 239	80 836	6 376	59 478	60 626	(1 148)	-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 - M09 March									
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	1 102	–	–	1 102	–	0,0%	0%
August	1 453	1 602	1 527	7	7	2 629	2 622	99,7%	0%
September	802	1 077	1 102	–	7	3 731	3 724	99,8%	0%
October	2 338	1 177	1 202	–	7	4 934	4 927	99,9%	0%
November	696	1 302	1 427	17	24	6 361	6 337	99,6%	0%
December	4 280	977	1 102	852	877	7 463	6 586	88,3%	7%
January	175	977	1 102	–	877	8 565	7 688	89,8%	7%
February	185	907	1 132	10	887	9 697	8 810	90,9%	7%
March	1 190	877	1 102	78	965	10 799	9 835	91,1%	7%
April	72	877	1 102	–	965	11 902	10 937	91,9%	7%
May	589	877	1 102	–	965	13 004	12 039	92,6%	7%
June	2 273	877	1 102	–	965	14 106	13 141	93,2%	7%
Total Capital expenditure	14 052	12 919	14 106	965					

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, **Morne Marshall Hoogbaard**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Monthly Budget Statement for **March 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: