



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

## Monthly Budget Report for February 2022/23



Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009

## Table of Contents

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

## 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 February **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 February 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](http://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 %
<b>Operating Revenue</b>	R 192 782	R 193 021	R 132 577	R 117 654	R (14 924)	-11%
<b>Operating Expenditure</b>	R 218 716	R 219 080	R 146 052	R 110 998	R (35 054)	-24%
<b>Capital</b>	R 12 919	R 14 106	R 9 697	R 887	R (8 129)	-91%

### Operating Revenue

The year-to-date operating revenue realised 11% below the forecasted amount. The before-mentioned 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

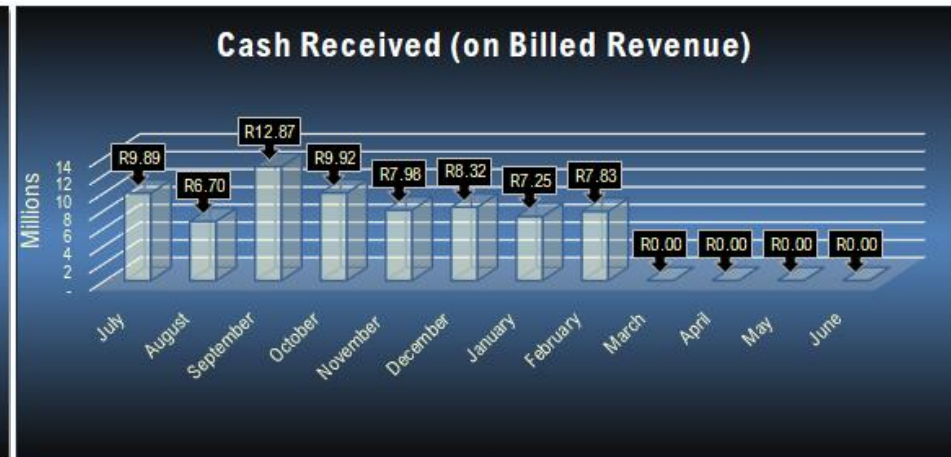
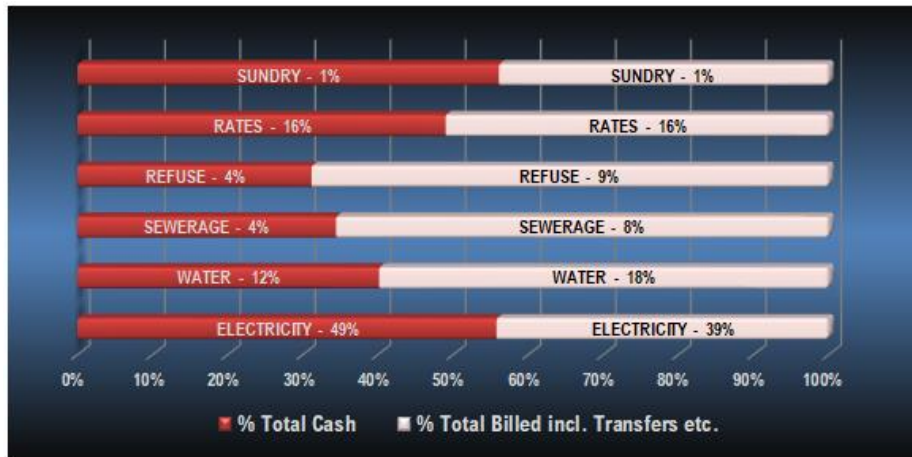
Operating expenditure realised 24% below the forecasted amount. Expenditure was only incurred in terms of revenue and the municipality has reduced expenditure to only the necessities without compromising service delivery. It should be noted that the creditors sub-system is not currently in use and that 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

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

2022/23	Financial Year	Collection Rate YTD	Collection Rate Mnthly	Period	Mnth	Cash Received	Billing Incl Vat & Corrections	Annualised Cash Received	Annualised Billing	Cash %	Debt Write-OFF	
Monthly Activity & Reconciliation		84.3%	84.3%	M01	July	R 9 893 854	R 11 741 270	R 9 893 854	R 11 741 270	13.98%		
		70.6%	56.9%	M02	August	R 6 696 778	R 11 773 001	R 16 590 633	R 23 514 271	9.46%		
		81.1%	100.4%	M03	September	R 12 873 587	R 12 821 122	R 29 464 219	R 36 335 393	18.19%		
		84.1%	94.5%	M04	October	R 9 917 471	R 10 494 510	R 39 381 690	R 46 829 903	14.02%		
		82.1%	73.6%	M05	November	R 7 980 307	R 10 845 059	R 47 361 997	R 57 674 962	11.28%		
		81.6%	78.7%	M06	December	R 8 322 085	R 10 579 035	R 55 684 082	R 68 253 997	11.76%		
		79.9%	68.8%	M07	January	R 7 246 029	R 10 529 476	R 62 930 111	R 78 783 473	10.24%		
		78.6%	69.8%	M08	February	R 7 825 366	R 11 217 289	R 70 755 477	R 90 000 762	11.06%		
		78.6%		M09	March	R -	R -	R 70 755 477	R 90 000 762	0.00%		
		78.6%		M10	April	R -	R -	R 70 755 477	R 90 000 762	0.00%		
		78.6%		M11	May	R -	R -	R 70 755 477	R 90 000 762	0.00%		
		78.6%		M12	June	R -	R -	R 70 755 477	R 90 000 762	0.00%		
		<b>Year Totals</b>	<b>78.6%</b>				R 70 755 477	R 90 000 762	R 70 755 477	R 90 000 762		R -
<b>Collection % in respect of month billed</b>												
		<b>Cash Collections per Billed Item &amp; Unallocated Receipts</b>	<b>Period</b>	<b>ELECTRICITY</b>	<b>WATER</b>	<b>SEWERAGE</b>	<b>REFUSE</b>	<b>RATES</b>	<b>SUNDRY</b>	<b>UNALLOCATED</b>		
July	M01		R 4 064 403	R 1 026 884	R 336 545	R 318 279	R 1 163 434	R 158 473	R 2 825 836			
August	M02		R 3 326 866	R 741 756	R 374 887	R 347 404	R 1 351 270	R 61 208	R 493 386			
September	M03		R 5 082 953	R 1 123 875	R 386 766	R 347 496	R 2 050 641	R 49 673	R 3 832 182			
October	M04		R 6 369 864	R 1 240 295	R 360 414	R 309 579	R 1 252 167	R 111 016	R 274 135			
November	M05		R 4 063 123	R 1 264 776	R 462 949	R 411 619	R 1 499 586	R 36 241	R 242 013			
December	M06		R 4 183 840	R 1 154 651	R 380 375	R 324 311	R 1 292 697	R 96 730	R 889 481			
January	M07		R 3 974 725	R 976 215	R 318 435	R 295 592	R 1 240 506	R 59 995	R 380 562			
February	M08		R 3 850 695	R 1 189 608	R 393 542	R 379 407	R 1 314 368	R 78 710	R 619 037			
March	M09		R -	R -	R -	R -	R -	R -	R -			
April	M10		R -	R -	R -	R -	R -	R -	R -			
May	M11		R -	R -	R -	R -	R -	R -	R -			
June	M12		R -	R -	R -	R -	R -	R -	R -			
	<b>Collection YTD</b>	<b>99%</b>	<b>53%</b>	<b>41%</b>	<b>36%</b>	<b>76%</b>	<b>101%</b>					



## TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannalad - Table C1 Monthly Budget Statement Summary - M08 February									
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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	25 891	24 836	24 836	2 130	17 035	16 558	477	3%	24 836
Service charges	102 394	110 480	110 480	8 323	70 618	73 654	(3 035)	-4%	110 480
Investment revenue	1 232	680	1 380	160	1 222	920	302	33%	1 380
Transfers and subsidies	41 701	43 164	42 854	485	21 277	32 467	(11 190)	-34%	42 854
Other own revenue	7 380	13 621	13 470	989	7 502	8 980	(1 477)	-16%	13 470
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>178 600</b>	<b>192 782</b>	<b>193 021</b>	<b>12 087</b>	<b>117 654</b>	<b>132 577</b>	<b>(14 924)</b>	<b>-11%</b>	<b>193 021</b>
Employee costs	71 597	80 239	80 836	6 697	53 102	53 890	(788)	-1%	80 836
Remuneration of Councillors	3 148	3 357	3 438	587	3 130	2 292	838	37%	3 438
Depreciation & asset impairment	16 588	13 222	13 222	1 075	8 603	8 814	(212)	-2%	13 222
Finance charges	4 244	2 072	2 008	19	907	1 339	(431)	-32%	2 008
Materials and bulk purchases	54 288	63 094	59 017	1 118	24 224	39 345	(15 120)	-38%	59 017
Transfers and subsidies	240	450	450	80	80	300	(220)	-73%	450
Other expenditure	61 387	56 283	60 109	3 062	20 952	40 072	(19 120)	-48%	60 109
<b>Total Expenditure</b>	<b>211 493</b>	<b>218 716</b>	<b>219 080</b>	<b>12 638</b>	<b>110 998</b>	<b>146 052</b>	<b>(35 054)</b>	<b>-24%</b>	<b>219 080</b>
<b>Surplus/(Deficit)</b>	<b>(32 893)</b>	<b>(25 934)</b>	<b>(26 059)</b>	<b>(551)</b>	<b>6 656</b>	<b>(13 474)</b>	<b>20 130</b>	<b>-149%</b>	<b>(26 059)</b>
Transfers and subsidies - capital (monetary allocations)	18 889	10 529	12 194	-	0	9 007	(9 007)	-100%	12 194
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(14 004)</b>	<b>(15 405)</b>	<b>(13 865)</b>	<b>(551)</b>	<b>6 656</b>	<b>(4 467)</b>	<b>11 123</b>	<b>-249%</b>	<b>(13 865)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(14 004)</b>	<b>(15 405)</b>	<b>(13 865)</b>	<b>(551)</b>	<b>6 656</b>	<b>(4 467)</b>	<b>11 123</b>	<b>-249%</b>	<b>(13 865)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>14 052</b>	<b>12 919</b>	<b>14 106</b>	<b>10</b>	<b>887</b>	<b>9 697</b>	<b>(8 810)</b>	<b>-91%</b>	<b>14 106</b>
Capital transfers recognised	19 138	10 529	12 194	-	-	8 129	(8 129)	-100%	12 194
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	726	2 390	1 912	10	887	1 568	(681)	-43%	1 912
<b>Total sources of capital funds</b>	<b>19 864</b>	<b>12 919</b>	<b>14 106</b>	<b>10</b>	<b>887</b>	<b>9 697</b>	<b>(8 810)</b>	<b>-91%</b>	<b>14 106</b>
<b>Financial position</b>									
Total current assets	(12 141)	(60 736)	(65 168)	-	26 190	-	-	-	(65 168)
Total non current assets	324 309	325 969	327 156	-	(7 716)	-	-	-	327 156
Total current liabilities	40 080	(1 894)	(7 612)	-	11 893	-	-	-	(7 612)
Total non current liabilities	33 884	44 757	45 689	-	-	-	-	-	45 689
<b>Community wealth/Equity</b>	<b>252 209</b>	<b>237 775</b>	<b>237 775</b>	<b>(75)</b>	<b>(75)</b>	<b>(75)</b>	<b>(75)</b>	<b>(75)</b>	<b>237 775</b>
<b>Cash flows</b>									
Net cash from (used) operating	243 197	(38 004)	(40 470)	2 155	51 521	(15 232)	(66 753)	438%	(40 470)
Net cash from (used) investing	2 415	(25 838)	(28 212)	-	-	(19 101)	(19 101)	100%	(28 212)
Net cash from (used) financing	(132)	(648)	(216)	14	(140)	(144)	(3)	2%	(216)
<b>Cash/cash equivalents at the month/year end</b>	<b>294 280</b>	<b>(15 685)</b>	<b>(20 093)</b>	<b>-</b>	<b>51 381</b>	<b>14 328</b>	<b>(37 053)</b>	<b>-259%</b>	<b>(68 897)</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	4 085	2 954	2 771	2 802	2 598	2 434	14 945	76 402	108 991
<b>Creditors Age Analysis</b>									
Total Creditors	9 412	5 421	6 926	1 311	55 992	-	-	-	79 062

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) - M08 February										
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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		25 891	24 836	24 836	2 130	17 035	16 558	477	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	4 980	44 287	47 002	(2 715)	-6%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 859	14 197	14 561	(364)	-2%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	751	6 129	6 146	(17)	0%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	733	6 006	5 945	60	1%	8 918
Rental of facilities and equipment		552	607	607	51	395	405	(10)	-2%	607
Interest earned - external investments		1 232	680	1 380	160	1 222	920	302	33%	1 380
Interest earned - outstanding debtors		4 984	4 968	4 968	776	5 420	3 312	2 108	64%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 031	16	71	4 020	(3 949)	-98%	6 031
Licences and permits		159	364	189	12	113	126	(13)	-10%	189
Agency services		1 098	1 200	1 200	91	869	800	69	9%	1 200
Transfers and subsidies		41 701	43 164	42 854	485	21 277	32 467	(11 190)	-34%	42 854
Other revenue		549	475	475	44	635	316	318	101%	475
Gains		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>178 600</b>	<b>192 782</b>	<b>193 021</b>	<b>12 087</b>	<b>117 654</b>	<b>132 577</b>	<b>(14 924)</b>	<b>-11%</b>	<b>193 021</b>

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** – (33% 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** – (64% 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 -98% 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) - M08 February										
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										
<b>Expenditure By Type</b>										
Employee related costs		71 597	80 239	80 836	6 697	53 102	53 890	(788)	-1%	80 836
Remuneration of councillors		3 148	3 357	3 438	587	3 130	2 292	838	37%	3 438
Debt impairment		24 300	23 594	23 594	9	8 002	15 730	(7 727)	-49%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	1 075	8 603	8 814	(212)	-2%	13 222
Finance charges		4 244	2 072	2 008	19	907	1 339	(431)	-32%	2 008
Bulk purchases - electricity		50 752	58 024	53 617	424	22 165	35 745	(13 579)	-38%	53 617
Inventory consumed		3 536	5 071	5 401	694	2 059	3 600	(1 541)	-43%	5 401
Contracted services		13 677	13 749	13 748	1 919	4 818	9 165	(4 347)	-47%	13 748
Transfers and subsidies		240	450	450	80	80	300	(220)	-73%	450
Other expenditure		16 573	18 939	22 767	1 133	8 131	15 177	(7 046)	-46%	22 767
Losses		6 836	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>211 493</b>	<b>218 716</b>	<b>219 080</b>	<b>12 638</b>	<b>110 998</b>	<b>146 052</b>	<b>(35 054)</b>	<b>-24%</b>	<b>219 080</b>

- **Remuneration of Councillors**- The total Remuneration for Councillors was R559 thousand in February 2023, exceeding the budget with 37% on a year-to-date basis. This was caused by incorrect allocations that will be corrected.
- **Debt Impairment** – The deviation of -49% from the year-to-date. There was no revenue from traffic fines to impair and not accounting for impairment during January and February 2023.
- **Finance Charges** – Expenditure deviated 32% 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 38% 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 43% 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 47% 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) - M08 February										
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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - MUNICIPAL MANAGER		-	130	130	10	35	130	(95)	-73%	130
Vote 2 - CORPORATE SERVICES		5 235	1 710	200	-	-	200	(200)	-100%	200
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		2 351	9 454	9 087	-	-	6 058	(6 058)	-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]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>7 586</b>	<b>11 294</b>	<b>9 417</b>	<b>10</b>	<b>35</b>	<b>6 388</b>	<b>(6 353)</b>	<b>-99%</b>	<b>9 417</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - MUNICIPAL MANAGER		249	-	17	-	-	11	(11)	-100%	17
Vote 2 - CORPORATE SERVICES		391	500	533	-	-	522	(522)	-100%	533
Vote 3 - FINANCIAL SERVICES		(1 219)	50	65	-	47	60	(13)	-22%	65
Vote 4 - TECHNICAL SERVICES		7 045	1 074	4 074	-	806	2 716	(1 910)	-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]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>6 466</b>	<b>1 624</b>	<b>4 689</b>	<b>-</b>	<b>852</b>	<b>3 309</b>	<b>(2 457)</b>	<b>-74%</b>	<b>4 689</b>
<b>Total Capital Expenditure</b>	3	<b>14 052</b>	<b>12 919</b>	<b>14 106</b>	<b>10</b>	<b>887</b>	<b>9 697</b>	<b>(8 810)</b>	<b>-91%</b>	<b>14 106</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		(907)	180	212	10	81	201	(120)	-60%	212
Executive and council		249	130	147	10	35	141	(107)	-76%	147
Finance and administration		(1 155)	50	65	-	47	60	(13)	-22%	65
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>5 235</b>	<b>1 510</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>(22)</b>	<b>-100%</b>	<b>33</b>
Community and social services		5 235	860	33	-	-	22	(22)	-100%	33
Sport and recreation		-	650	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>341</b>	<b>700</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>(700)</b>	<b>-100%</b>	<b>700</b>
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		341	700	700	-	-	700	(700)	-100%	700
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>9 383</b>	<b>10 529</b>	<b>13 161</b>	<b>-</b>	<b>806</b>	<b>8 774</b>	<b>(7 968)</b>	<b>-91%</b>	<b>13 161</b>
Energy sources		-	1 980	2 482	-	806	1 655	(849)	-51%	2 482
Water management		9 383	2 441	1 554	-	-	1 036	(1 036)	-100%	1 554
Waste water management		-	6 108	9 125	-	-	6 083	(6 083)	-100%	9 125
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>14 052</b>	<b>12 919</b>	<b>14 106</b>	<b>10</b>	<b>887</b>	<b>9 697</b>	<b>(8 810)</b>	<b>-91%</b>	<b>14 106</b>
<b>Funded by:</b>										
National Government		11 552	10 529	11 086	-	-	7 390	(7 390)	-100%	11 086
Provincial Government		7 586	-	1 108	-	-	739	(739)	-100%	1 108
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>19 138</b>	<b>10 529</b>	<b>12 194</b>	<b>-</b>	<b>-</b>	<b>8 129</b>	<b>(8 129)</b>	<b>-100%</b>	<b>12 194</b>
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		726	2 390	1 912	10	887	1 568	(681)	-43%	1 912
<b>Total Capital Funding</b>		<b>19 864</b>	<b>12 919</b>	<b>14 106</b>	<b>10</b>	<b>887</b>	<b>9 697</b>	<b>(8 810)</b>	<b>-91%</b>	<b>14 106</b>

- 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) - M08 February										
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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		25 891	24 836	24 836	2 130	17 035	16 558	477	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	4 980	44 287	47 002	(2 715)	-6%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 859	14 197	14 561	(364)	-2%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	751	6 129	6 146	(17)	0%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	733	6 006	5 945	60	1%	8 918
Rental of facilities and equipment		552	607	607	51	395	405	(10)	-2%	607
Interest earned - external investments		1 232	680	1 380	160	1 222	920	302	33%	1 380
Interest earned - outstanding debtors		4 984	4 968	4 968	776	5 420	3 312	2 108	64%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 031	16	71	4 020	(3 949)	-98%	6 031
Licences and permits		159	364	189	12	113	126	(13)	-10%	189
Agency services		1 098	1 200	1 200	91	869	800	69	9%	1 200
Transfers and subsidies		41 701	43 164	42 854	485	21 277	32 467	(11 190)	-34%	42 854
Other revenue		549	475	475	44	635	316	318	101%	475
Gains		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>178 600</b>	<b>192 782</b>	<b>193 021</b>	<b>12 087</b>	<b>117 654</b>	<b>132 577</b>	<b>(14 924)</b>	<b>-11%</b>	<b>193 021</b>
<b>Expenditure By Type</b>										
Employee related costs		71 597	80 239	80 836	6 697	53 102	53 890	(788)	-1%	80 836
Remuneration of councillors		3 148	3 357	3 438	587	3 130	2 292	838	37%	3 438
Debt impairment		24 300	23 594	23 594	9	8 002	15 730	(7 727)	-49%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	1 075	8 603	8 814	(212)	-2%	13 222
Finance charges		4 244	2 072	2 008	19	907	1 339	(431)	-32%	2 008
Bulk purchases - electricity		50 752	58 024	53 617	424	22 165	35 745	(13 579)	-38%	53 617
Inventory consumed		3 536	5 071	5 401	694	2 059	3 600	(1 541)	-43%	5 401
Contracted services		13 677	13 749	13 748	1 919	4 818	9 165	(4 347)	-47%	13 748
Transfers and subsidies		240	450	450	80	80	300	(220)	-73%	450
Other expenditure		16 573	18 939	22 767	1 133	8 131	15 177	(7 046)	-46%	22 767
Losses		6 836	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>211 493</b>	<b>218 716</b>	<b>219 080</b>	<b>12 638</b>	<b>110 998</b>	<b>146 052</b>	<b>(35 054)</b>	<b>-24%</b>	<b>219 080</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(32 893)	(25 934)	(26 059)	(551)	6 656	(13 474)	20 130	(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	9 007	(9 007)	(0)	12 194
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(14 004)</b>	<b>(15 405)</b>	<b>(13 865)</b>	<b>(551)</b>	<b>6 656</b>	<b>(4 467)</b>			<b>(13 865)</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(14 004)</b>	<b>(15 405)</b>	<b>(13 865)</b>	<b>(551)</b>	<b>6 656</b>	<b>(4 467)</b>			<b>(13 865)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(14 004)</b>	<b>(15 405)</b>	<b>(13 865)</b>	<b>(551)</b>	<b>6 656</b>	<b>(4 467)</b>			<b>(13 865)</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(14 004)</b>	<b>(15 405)</b>	<b>(13 865)</b>	<b>(551)</b>	<b>6 656</b>	<b>(4 467)</b>			<b>(13 865)</b>

**TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION**

<b>WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M08 February</b>						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		3 642	(31 478)	(35 581)	1 949	(35 581)
Call investment deposits		27 292	40 236	40 236	5 371	40 236
Consumer debtors		6 207	3 919	3 919	11 995	3 919
Other debtors		(51 539)	(72 689)	(72 689)	6 846	(72 689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		2 257	(724)	(1 054)	29	(1 054)
<b>Total current assets</b>		<b>(12 141)</b>	<b>(60 736)</b>	<b>(65 168)</b>	<b>26 190</b>	<b>(65 168)</b>
<b>Non current assets</b>						
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	(7 716)	325 878
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		3	28	28	-	28
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>324 309</b>	<b>325 969</b>	<b>327 156</b>	<b>(7 716)</b>	<b>327 156</b>
<b>TOTAL ASSETS</b>		<b>312 168</b>	<b>265 233</b>	<b>261 988</b>	<b>18 474</b>	<b>261 988</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		229	459	459	(216)	459
Consumer deposits		1 217	1 119	1 119	75	1 119
Trade and other payables		30 245	(10 769)	(16 486)	12 034	(16 486)
Provisions		8 390	7 296	7 296	-	7 296
<b>Total current liabilities</b>		<b>40 080</b>	<b>(1 894)</b>	<b>(7 612)</b>	<b>11 893</b>	<b>(7 612)</b>
<b>Non current liabilities</b>						
Borrowing		-	(950)	(19)	-	(19)
Provisions		33 884	45 708	45 708	-	45 708
<b>Total non current liabilities</b>		<b>33 884</b>	<b>44 757</b>	<b>45 689</b>	<b>-</b>	<b>45 689</b>
<b>TOTAL LIABILITIES</b>		<b>73 964</b>	<b>42 863</b>	<b>38 077</b>	<b>11 893</b>	<b>38 077</b>
<b>NET ASSETS</b>	2	<b>238 204</b>	<b>222 370</b>	<b>223 910</b>	<b>6 581</b>	<b>223 910</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		251 739	237 306	237 306	(67)	237 306
Reserves		470	470	470	(8)	470
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>252 209</b>	<b>237 775</b>	<b>237 775</b>	<b>(75)</b>	<b>237 775</b>

## TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M08 February										
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
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		15 132	20 366	20 366	393	3 354	13 578	(10 223)	-75%	20 366
Service charges		74 810	100 478	100 579	6 057	50 495	67 053	(16 557)	-25%	100 579
Other revenue		1 343	10 583	11 132	105	1 354	7 421	(6 067)	-82%	11 132
Transfers and Subsidies - Operational		31 684	43 164	42 854	2 063	32 247	31 340	908	3%	42 854
Transfers and Subsidies - Capital		23 701	10 529	12 194	-	5 899	8 129	(2 230)	-27%	12 194
Interest		18	3 664	3 664	-	0	2 442	(2 442)	-100%	3 664
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		96 510	(226 787)	(231 259)	(6 464)	(41 830)	(145 195)	(103 365)	71%	(231 259)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>243 197</b>	<b>(38 004)</b>	<b>(40 470)</b>	<b>2 155</b>	<b>51 521</b>	<b>(15 232)</b>	<b>(66 753)</b>	<b>438%</b>	<b>(40 470)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(186)	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		2 600	(25 838)	(28 212)	-	-	(19 101)	(19 101)	100%	(28 212)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>2 415</b>	<b>(25 838)</b>	<b>(28 212)</b>	<b>-</b>	<b>-</b>	<b>(19 101)</b>	<b>(19 101)</b>	<b>100%</b>	<b>(28 212)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		98	-	-	14	75	-	75	0%	-
<b>Payments</b>										
Repayment of borrowing		(230)	(648)	(216)	-	(216)	(144)	72	-50%	(216)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(132)</b>	<b>(648)</b>	<b>(216)</b>	<b>14</b>	<b>(140)</b>	<b>(144)</b>	<b>(3)</b>	<b>2%</b>	<b>(216)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>245 479</b>	<b>(64 489)</b>	<b>(68 897)</b>	<b>2 169</b>	<b>51 381</b>	<b>(34 477)</b>			<b>(68 897)</b>
Cash/cash equivalents at beginning:		48 800	48 805	48 805	-	-	48 805			-
Cash/cash equivalents at month/year end:		294 280	(15 685)	(20 093)		51 381	14 328			(68 897)

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

- Standard Bank Main Account Balance **R 94 thousand**;
- The Traffic Account Balance **R 429 thousand**;
- Deposit Account Balance **R 980 thousand**; and
- Call Account Balance **R14 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) - M08 February										
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									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		61 563	43 561	45 417	2 635	39 116	32 263	6 853	21%	45 417
Executive and council		28 774	12 201	12 401	1	17 911	9 275	8 636	93%	12 401
Finance and administration		32 789	31 360	33 016	2 634	21 205	22 988	(1 783)	-8%	33 016
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 179	16 689	15 256	419	2 735	11 136	(8 401)	-75%	15 256
Community and social services		14 567	14 889	15 256	418	2 719	11 136	(8 416)	-76%	15 256
Sport and recreation		-	-	-	-	0	-	0	#DIV/0!	-
Public safety		80	-	-	1	15	-	15	#DIV/0!	-
Housing		532	1 800	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 756	8 170	8 019	165	1 456	5 409	(3 953)	-73%	8 019
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 756	8 170	8 019	165	1 456	5 409	(3 953)	-73%	8 019
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		118 991	134 891	136 522	8 868	74 348	92 777	(18 430)	-20%	136 522
Energy sources		71 371	75 292	76 924	4 995	44 411	51 670	(7 259)	-14%	76 924
Water management		28 376	30 332	30 332	2 080	15 677	20 829	(5 152)	-25%	30 332
Waste water management		9 618	15 135	15 135	896	7 126	10 508	(3 382)	-32%	15 135
Waste management		9 627	14 131	14 131	897	7 134	9 771	(2 637)	-27%	14 131
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	197 488	203 311	205 215	12 087	117 654	141 585	(23 931)	-17%	205 215
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		104 246	72 679	75 222	6 079	42 190	50 147	(7 957)	-16%	75 222
Executive and council		23 511	20 288	20 256	1 912	13 913	13 504	409	3%	20 256
Finance and administration		80 735	52 391	54 966	4 167	28 277	36 644	(8 366)	-23%	54 966
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13 857	13 346	12 231	1 032	8 364	8 153	210	3%	12 231
Community and social services		10 670	9 826	10 389	705	5 984	6 925	(941)	-14%	10 389
Sport and recreation		397	448	566	138	723	377	346	92%	566
Public safety		1 276	231	231	103	926	154	772	500%	231
Housing		1 514	2 841	1 045	86	731	697	34	5%	1 045
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 108	17 823	18 429	1 120	7 872	12 286	(4 414)	-36%	18 429
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9 108	17 823	18 429	1 120	7 872	12 286	(4 414)	-36%	18 429
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		84 282	114 868	113 198	4 408	52 573	75 465	(22 892)	-30%	113 198
Energy sources		38 407	68 326	64 388	1 225	27 363	42 925	(15 562)	-36%	64 388
Water management		21 399	20 485	21 643	1 086	10 908	14 428	(3 521)	-24%	21 643
Waste water management		9 969	12 251	13 002	1 251	6 627	8 668	(2 041)	-24%	13 002
Waste management		14 507	13 806	14 165	845	7 675	9 443	(1 769)	-19%	14 165
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	211 494	218 716	219 080	12 638	110 998	146 052	(35 053)	-24%	219 080
<b>Surplus/ (Deficit) for the year</b>		(14 005)	(15 405)	(13 865)	(551)	6 656	(4 467)	11 123	-249%	(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) - M08 February										
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
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - MUNICIPAL MANAGER	1	28 774	12 201	12 401	1	17 911	9 275	8 636	93,1%	12 401
Vote 2 - CORPORATE SERVICES		15 469	23 672	22 695	375	3 362	16 008	(12 646)	-79,0%	22 695
Vote 3 - FINANCIAL SERVICES		32 352	30 912	31 962	2 606	20 912	22 285	(1 373)	-6,2%	31 962
Vote 4 - TECHNICAL SERVICES		120 892	136 526	138 158	9 105	75 469	94 017	(18 549)	-19,7%	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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>197 488</b>	<b>203 311</b>	<b>205 215</b>	<b>12 087</b>	<b>117 654</b>	<b>141 585</b>	<b>(23 931)</b>	<b>-16,9%</b>	<b>205 215</b>
<b>Expenditure by Vote</b>										
Vote 1 - MUNICIPAL MANAGER	1	23 511	20 288	20 256	1 912	13 913	13 504	409	3,0%	20 256
Vote 2 - CORPORATE SERVICES		29 078	36 476	36 626	2 586	20 463	24 417	(3 954)	-16,2%	36 626
Vote 3 - FINANCIAL SERVICES		66 518	35 710	37 083	2 685	17 165	24 722	(7 557)	-30,6%	37 083
Vote 4 - TECHNICAL SERVICES		91 527	124 182	123 054	5 397	59 014	82 036	(23 022)	-28,1%	123 054
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		860	2 060	2 060	58	444	1 373	(929)	-67,7%	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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>211 494</b>	<b>218 716</b>	<b>219 080</b>	<b>12 638</b>	<b>110 998</b>	<b>146 052</b>	<b>(35 053)</b>	<b>-24,0%</b>	<b>219 080</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(14 005)</b>	<b>(15 405)</b>	<b>(13 865)</b>	<b>(551)</b>	<b>6 656</b>	<b>(4 467)</b>	<b>11 123</b>	<b>-249,0%</b>	<b>(13 865)</b>

## PART 2 SUPPORTING DOCUMENTATION

### Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February													
Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	2 489	976	910	976	791	685	4 647	15 827	27 301	22 926	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	964	174	154	130	132	77	385	563	2 579	1 288	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 308	659	596	570	544	526	3 331	18 661	27 194	23 632	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	689	330	327	328	328	332	1 844	9 146	13 324	11 978	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 377	561	545	540	536	543	2 910	13 531	20 544	18 061	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	29	49	69	92	105	117	1 047	15 964	17 472	17 325	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(3 772)	206	171	165	162	154	781	2 710	577	3 972	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>4 085</b>	<b>2 954</b>	<b>2 771</b>	<b>2 802</b>	<b>2 598</b>	<b>2 434</b>	<b>14 945</b>	<b>76 402</b>	<b>108 991</b>	<b>99 181</b>	<b>-</b>	<b>-</b>
<b>2021/22 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	(1 825)	104	81	75	85	18	139	396	(927)	713	-	-
Commercial	2300	849	257	203	206	179	177	1 050	3 541	6 463	5 153	-	-
Households	2400	5 735	2 400	2 298	2 331	2 145	2 055	12 767	60 173	89 902	79 470	-	-
Other	2500	(674)	194	189	190	189	184	990	12 292	13 553	13 844	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>4 085</b>	<b>2 954</b>	<b>2 771</b>	<b>2 802</b>	<b>2 598</b>	<b>2 434</b>	<b>14 945</b>	<b>76 402</b>	<b>108 991</b>	<b>99 181</b>	<b>-</b>	<b>-</b>

- The total amount owed to Kannaland Municipality amounts to **R109 million**.
- **R74 million or 70%** of the total outstanding debtors are older than one year.
- **R99 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 - M08 February

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	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	4 521	4 579	6 485	927	33 149	-	-	-	49 661
Bulk Water	0200	37	28	25	-	-	-	-	-	90
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	666	383	223	303	8 720	-	-	-	10 295
Auditor General	0800	3 928	297	141	71	8 231	-	-	-	12 668
Other	0900	259	135	53	10	5 892	-	-	-	6 349
<b>Total By Customer Type</b>	<b>1000</b>	<b>9 412</b>	<b>5 421</b>	<b>6 926</b>	<b>1 311</b>	<b>55 992</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79 062</b>

The total outstanding creditors amounts to **R79 062 million**.

The biggest outstanding creditors are Eskom (**R50 million**), the Auditor-General of South Africa (**R13 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**

- ↪ **Expanded Public Works Programme** to the amount of **R 309 thousand**

### **Provincial**

- ↪ **Library** to the amount of **R 1 093 million**
- ↪ **Western Cape Financial Management Capacity Building Bursaries** to the amount of **R 100 thousand**

**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 187 thousand.**

Provincial Government Grants

- ↪ **Library** amounts to **R 223 thousand.**

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February										
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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		2 560	3 046	3 046	551	2 837	2 030	806	40%	3 046
Pension and UIF Contributions		26	-	-	3	24	-	24	#DIV/0!	-
Medical Aid Contributions		124	-	81	5	38	54	(16)	-30%	81
Motor Vehicle Allowance		131	-	-	3	40	-	40	#DIV/0!	-
Cellphone Allowance		307	311	311	25	192	207	(16)	-8%	311
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>3 148</b>	<b>3 357</b>	<b>3 438</b>	<b>587</b>	<b>3 130</b>	<b>2 292</b>	<b>838</b>	<b>37%</b>	<b>3 438</b>
% increase	4		6,6%	9,2%						9,2%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		1 854	4 994	4 994	160	1 361	3 330	(1 969)	-59%	4 994
Pension and UIF Contributions		1	9	9	0	2	6	(4)	-64%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		130	-	-	17	112	-	112	#DIV/0!	-
Cellphone Allowance		37	115	115	3	23	77	(54)	-70%	115
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		12	210	210	4	96	140	(44)	-31%	210
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 033</b>	<b>5 328</b>	<b>5 328</b>	<b>185</b>	<b>1 594</b>	<b>3 552</b>	<b>(1 958)</b>	<b>-55%</b>	<b>5 328</b>
% increase	4		162,0%	162,0%						162,0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		45 593	49 327	51 910	4 419	32 611	34 606	(1 996)	-6%	51 910
Pension and UIF Contributions		6 740	8 520	8 520	509	4 762	5 680	(918)	-16%	8 520
Medical Aid Contributions		2 434	2 899	2 899	192	1 404	1 932	(528)	-27%	2 899
Overtime		4 001	4 442	4 405	619	4 197	2 937	1 260	43%	4 405
Performance Bonus		1 564	652	641	-	1 274	427	846	198%	641
Motor Vehicle Allowance		2 393	2 391	2 391	275	1 693	1 594	99	6%	2 391
Cellphone Allowance		165	172	172	18	108	114	(7)	-6%	172
Housing Allowances		315	349	349	29	205	233	(28)	-12%	349
Other benefits and allowances		4 420	4 639	3 703	453	4 941	2 468	2 472	100%	3 703
Payments in lieu of leave		(243)	1 520	520	-	315	347	(32)	-9%	520
Long service awards		249	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1 934	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>69 564</b>	<b>74 911</b>	<b>75 508</b>	<b>6 513</b>	<b>51 508</b>	<b>50 338</b>	<b>1 170</b>	<b>2%</b>	<b>75 508</b>
% increase	4		7,7%	8,5%						8,5%
<b>Total Parent Municipality</b>		<b>74 745</b>	<b>83 595</b>	<b>84 274</b>	<b>7 284</b>	<b>56 232</b>	<b>56 182</b>	<b>50</b>	<b>0%</b>	<b>84 274</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Total Municipal Entities</b>		<b>1</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>#DIV/0!</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>74 746</b>	<b>83 595</b>	<b>84 274</b>	<b>7 284</b>	<b>56 232</b>	<b>56 182</b>	<b>51</b>	<b>0%</b>	<b>84 274</b>
% increase	4		11,8%	12,7%						12,7%
<b>TOTAL MANAGERS AND STAFF</b>		<b>71 597</b>	<b>80 239</b>	<b>80 836</b>	<b>6 697</b>	<b>53 102</b>	<b>53 890</b>	<b>(788)</b>	<b>-1%</b>	<b>80 836</b>

## **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 - M08 February									
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									
<b>Monthly expenditure performance trend</b>									
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	–	887	10 799	9 912	91,8%	7%
April	72	877	1 102	–	887	11 902	11 015	92,5%	7%
May	589	877	1 102	–	887	13 004	12 117	93,2%	7%
June	2 273	877	1 102	–	887	14 106	13 219	93,7%	7%
<b>Total Capital expenditure</b>	<b>14 052</b>	<b>12 919</b>	<b>14 106</b>	<b>887</b>					

## **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 **February 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:** .....