



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for December 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 December **2022**, has been prepared in terms of the Municipal Budget and Reporting Regulations (2009) and the Municipal Finance Management Act 56 of 2003.

- a) The budget of the municipality has been implemented in terms of ***the Service Delivery Budget Implementation Plan (SDBIP)***. Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.

- b) ***Financial problems or risks*** facing the municipality are numerous.

Cash flow has and will for the foreseeable future be a problem. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as employee related cost and meeting service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Budget Funding Plan has been approved and are being implemented to mitigate risk.

Section 2 – Resolutions

Recommendation:

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

Section 3 – Executive Summary

1.1 Introduction

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a monthly report in a prescribed format to the mayor, within 10 working days after the end of each month, on the implementation of the Municipality’s budget. The format and contents of the monthly budget report comply with the requirements as set out within the Municipal Budget and Reporting Regulations of 2009.

The report will be made available to the public on the municipal website at www.kannaland.gov.za

1.2 Consolidated Performance

The performance against the budget can be summarized as follow:

	Original Budget	Adjustments Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 192 782		R 107 646	R 92 833	R (14 812)	-14%
Operating Expenditure	R 218 716		R 109 357	R 76 621	R (32 736)	-30%
Capital	R 10 529		R 6 869	R 877	R (6 869)	-87%

Operating Revenue

The year-to-date operating revenue realised 14% 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.

Operating expenditure

Operating expenditure realised 30% 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 December. Straight-line-budgeting did not consider the finalisation of procurement processes before expenditure will be incurred. Monthly capital expenditure will be aligned with project progress as planned and the budget will be broken down to align with the beforementioned. The municipality's capital budget is mainly funded from conditional grants and remedial action will be necessary to ensure that no funding will be forfeited.

TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M06 December									
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	2 118	12 754	12 418	336	3%	24 836
Service charges	102 394	110 480	110 480	8 168	54 042	55 240	(1 198)	-2%	110 480
Investment revenue	1 232	680	680	174	890	340	550	162%	680
Transfers and subsidies	41 701	43 164	43 164	5 356	20 398	32 837	(12 439)	-38%	43 164
Other own revenue	7 380	13 621	13 621	1 138	4 749	6 810	(2 062)	-30%	13 621
Total Revenue (excluding capital transfers and contributions)	178 600	192 782	192 782	16 954	92 833	107 646	(14 812)	-14%	192 782
Employee costs	71 597	80 239	80 239	6 220	38 738	40 119	(1 381)	-3%	80 239
Remuneration of Councillors	3 148	3 357	3 357	430	1 984	1 678	306	18%	3 357
Depreciation & asset impairment	16 588	13 222	13 222	-	4 301	6 611	(2 310)	-35%	13 222
Finance charges	4 244	2 072	2 072	2	806	1 036	(230)	-22%	2 072
Materials and bulk purchases	54 288	63 094	62 974	56	14 091	31 487	(17 396)	-55%	62 974
Transfers and subsidies	240	450	450	-	-	225	(225)	-100%	450
Other expenditure	61 387	56 283	56 403	1 040	16 700	28 201	(11 501)	-41%	56 403
Total Expenditure	211 493	218 716	218 716	7 748	76 621	109 357	(32 736)	-30%	218 716
Surplus/(Deficit)	(32 893)	(25 934)	(25 934)	9 206	16 213	(1 711)	17 924	-1048%	(25 934)
Transfers and subsidies - capital (monetary allocations)	18 889	10 529	10 529	-	0	7 897	(7 897)	-100%	10 529
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(14 004)	(15 405)	(15 405)	9 206	16 213	6 186	10 027	162%	(15 405)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(14 004)	(15 405)	(15 405)	9 206	16 213	6 186	10 027	162%	(15 405)
Capital expenditure & funds sources									
Capital expenditure	14 052	12 919	12 919	852	877	6 869	(5 993)	-87%	12 919
Capital transfers recognised	19 138	10 529	10 529	-	-	5 264	(5 264)	-100%	10 529
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	726	2 390	2 390	852	877	1 605	(728)	-45%	2 390
Total sources of capital funds	19 864	12 919	12 919	852	877	6 869	(5 993)	-87%	12 919
Financial position									
Total current assets	(12 141)	(60 736)	(61 726)	-	33 376	-	-	-	(61 726)
Total non current assets	324 309	325 969	325 969	-	(3 425)	-	-	-	325 969
Total current liabilities	40 080	(1 894)	(2 884)	-	13 762	-	-	-	(2 884)
Total non current liabilities	33 884	44 757	44 757	-	-	-	-	-	44 757
Community wealth/Equity	252 209	237 775	237 775	-	(24)	-	-	-	237 775
Cash flows									
Net cash from (used) operating	243 197	(38 004)	(38 104)	10 551	58 848	(10 738)	(69 586)	648%	(38 104)
Net cash from (used) investing	2 600	(25 838)	(25 838)	-	-	(13 329)	(13 329)	100%	(25 838)
Net cash from (used) financing	1 217	1 119	1 119	27	61	-	(61)	#DIV/0!	1 119
Cash/cash equivalents at the month/year end	295 814	(13 918)	(14 018)	-	58 909	24 738	(34 171)	-138%	(62 823)
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	3 637	3 072	2 727	2 546	-	2 493	17 391	71 135	103 001
Creditors Age Analysis									
Total Creditors	12 472	6 124	13 538	162	43 082	-	-	-	75 378

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) - M06 December

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	2 118	12 754	12 418	336	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	4 954	34 445	35 251	(806)	-2%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 712	10 429	10 920	(491)	-4%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	761	4 627	4 609	18	0%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	741	4 541	4 459	82	2%	8 918
Rental of facilities and equipment		552	607	607	48	297	304	(7)	-2%	607
Interest earned - external investments		1 232	680	680	174	890	340	550	162%	680
Interest earned - outstanding debtors		4 984	4 968	4 968	689	3 160	2 484	676	27%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 007	1	31	3 003	(2 972)	-99%	6 007
Licences and permits		159	364	364	13	89	182	(93)	-51%	364
Agency services		1 098	1 200	1 200	60	617	600	17	3%	1 200
Transfers and subsidies		41 701	43 164	43 164	5 356	20 398	32 837	(12 439)	-38%	43 164
Other revenue		549	475	475	327	555	237	317	134%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178 600	192 782	192 782	16 954	92 833	107 646	(14 812)	-14%	192 782

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

- **Interest Earned on Investments** – (162% deviation from the year-to-date budget). The budget did not consider the timing of the grants to be received (interest on the call account, with cash relating to grants being cash backed, earning interest) when the monthly budget break-down was done.
- **Interest on outstanding debtors** – (27% 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.
- **Fines, Penalties & Forfeits** – Almost no activity, with a -99% deviation, with no vendor appointed to provide cameras and administrative support on speed fines.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature. The lack of revenue from licences and permits will necessitate further investigation with a potential allocation issue under “other revenue”. Transfers and subsidies will be a timing issue.

Expenditure by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
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
Expenditure By Type										
Employee related costs		71 597	80 239	80 239	6 220	38 738	40 119	(1 381)	-3%	80 239
Remuneration of councillors		3 148	3 357	3 357	430	1 984	1 678	306	18%	3 357
Debt impairment		24 300	23 594	23 594	-	7 993	11 797	(3 804)	-32%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	-	4 301	6 611	(2 310)	-35%	13 222
Finance charges		4 244	2 072	2 072	2	806	1 036	(230)	-22%	2 072
Bulk purchases - electricity		50 752	58 024	58 024	-	12 802	29 012	(16 210)	-56%	58 024
Inventory consumed		3 536	5 071	4 951	56	1 290	2 475	(1 186)	-48%	4 951
Contracted services		13 677	13 749	14 334	60	2 650	7 167	(4 517)	-63%	14 334
Transfers and subsidies		240	450	450	-	-	225	(225)	-100%	450
Other expenditure		16 573	18 939	18 474	980	6 057	9 237	(3 180)	-34%	18 474
Losses		6 836	-	-	-	-	-	-	-	-
Total Expenditure		211 493	218 716	218 716	7 748	76 621	109 357	(32 736)	-30%	218 716

- **Remuneration of Councillors**- The total Remuneration for Councillors was **R430 thousand** in **December 2022**, exceeding the budget with 18%. This was caused by incorrect allocations that will be corrected.
- **Debt Impairment** – The deviation of -32% from the year-to-date, originate from there being no revenue from traffic fines to impair.
- **Depreciation & Asset Impairment** – The deviation of -35% can be explained as a month journal not being processed. The calculation is a straight-line theoretical accounting entry.
- **Finance Charges** – Expenditure was 22% 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 was 56% below the year-to-date budget. The municipality did not recognise the expenditure when incurred but only once the actual payment was made.
- **Inventory Consumed** – amounted to **R 56 thousand in December 2022**. Expenditure deviated with - 48% from the year to date and can be attributed to expenditure not recognised when incurred and the cyclical nature of water consumption.
- **Contracted Services** – amounted to **R60 thousand in December 2022**. Expenditure is expected to increase with the budget not accounting for the cyclical nature thereof.
- **Transfers and Subsidies** – tourism funding not yet being transferred.

- **Other Expenditure** - amounted to **R980 thousand** in **December 2022** (34% less than the ytd forecast), with it being limited due to liquidity and recognition of expenditure related issues.

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

Capital Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
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	-	24	100	(76)	-76%	130
Vote 2 - CORPORATE SERVICES		5 235	1 710	693	-	-	446	(446)	-100%	693
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		2 351	9 454	9 454	-	-	4 727	(4 727)	-100%	9 454
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	10 277	-	24	5 274	(5 250)	-100%	10 277
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		249	-	17	-	-	8	(8)	-100%	17
Vote 2 - CORPORATE SERVICES		391	500	500	-	-	500	(500)	-100%	500
Vote 3 - FINANCIAL SERVICES		(1 219)	50	50	1	1	50	(49)	-97%	50
Vote 4 - TECHNICAL SERVICES		7 045	1 074	2 074	806	806	1 037	(231)	-22%	2 074
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	2 641	807	807	1 596	(789)	-49%	2 641
Total Capital Expenditure	3	14 052	12 919	12 919	807	831	6 869	(6 038)	-88%	12 919
Capital Expenditure - Functional Classification										
Governance and administration		(907)	180	197	1	25	158	(133)	-84%	197
Executive and council		249	130	147	-	24	108	(84)	-78%	147
Finance and administration		(1 155)	50	50	1	1	50	(49)	-97%	50
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 235	1 510	493	-	-	246	(246)	-100%	493
Community and social services		5 235	860	343	-	-	171	(171)	-100%	343
Sport and recreation		-	650	150	-	-	75	(75)	-100%	150
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	11 529	806	806	5 764	(4 959)	-86%	11 529
Energy sources		-	1 980	2 980	806	806	1 490	(684)	-46%	2 980
Water management		9 383	2 441	2 441	-	-	1 220	(1 220)	-100%	2 441
Waste water management		-	6 108	6 108	-	-	3 054	(3 054)	-100%	6 108
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	14 052	12 919	12 919	807	831	6 869	(6 038)	-88%	12 919
Funded by:										
National Government		11 552	10 529	10 529	-	-	5 264	(5 264)	-100%	10 529
Provincial Government		7 586	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		19 138	10 529	10 529	-	-	5 264	(5 264)	-100%	10 529
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		726	2 390	2 390	807	831	1 605	(774)	-48%	2 390
Total Capital Funding		19 864	12 919	12 919	807	831	6 869	(6 038)	-88%	12 919

- There was no actual capital expenditure year-to-date for Grant Funded Projects
- The monthly actual expenditure for own funded capital amounted to R807 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) - M06 December										
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	2 118	12 754	12 418	336	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	4 954	34 445	35 251	(806)	-2%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 712	10 429	10 920	(491)	-4%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	761	4 627	4 609	18	0%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	741	4 541	4 459	82	2%	8 918
Rental of facilities and equipment		552	607	607	48	297	304	(7)	-2%	607
Interest earned - external investments		1 232	680	680	174	890	340	550	162%	680
Interest earned - outstanding debtors		4 984	4 968	4 968	689	3 160	2 484	676	27%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 007	1	31	3 003	(2 972)	-99%	6 007
Licences and permits		159	364	364	13	89	182	(93)	-51%	364
Agency services		1 098	1 200	1 200	60	617	600	17	3%	1 200
Transfers and subsidies		41 701	43 164	43 164	5 356	20 398	32 837	(12 439)	-38%	43 164
Other revenue		549	475	475	327	555	237	317	134%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178 600	192 782	192 782	16 954	92 833	107 646	(14 812)	-14%	192 782
Expenditure By Type										
Employee related costs		71 597	80 239	80 239	6 220	38 738	40 119	(1 381)	-3%	80 239
Remuneration of councillors		3 148	3 357	3 357	430	1 984	1 678	306	18%	3 357
Debt impairment		24 300	23 594	23 594	-	7 993	11 797	(3 804)	-32%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	-	4 301	6 611	(2 310)	-35%	13 222
Finance charges		4 244	2 072	2 072	2	806	1 036	(230)	-22%	2 072
Bulk purchases - electricity		50 752	58 024	58 024	-	12 802	29 012	(16 210)	-56%	58 024
Inventory consumed		3 536	5 071	4 951	56	1 290	2 475	(1 186)	-48%	4 951
Contracted services		13 677	13 749	14 334	60	2 650	7 167	(4 517)	-63%	14 334
Transfers and subsidies		240	450	450	-	-	225	(225)	-100%	450
Other expenditure		16 573	18 939	18 474	980	6 057	9 237	(3 180)	-34%	18 474
Losses		6 836	-	-	-	-	-	-	-	-
Total Expenditure		211 493	218 716	218 716	7 748	76 621	109 357	(32 736)	-30%	218 716
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(32 893)	(25 934)	(25 934)	9 206	16 213	(1 711)	17 924	(0)	(25 934)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		18 889	10 529	10 529	-	0	7 897	(7 897)	(0)	10 529
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(14 004)	(15 405)	(15 405)	9 206	16 213	6 186			(15 405)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(14 004)	(15 405)	(15 405)	9 206	16 213	6 186			(15 405)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(14 004)	(15 405)	(15 405)	9 206	16 213	6 186			(15 405)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(14 004)	(15 405)	(15 405)	9 206	16 213	6 186			(15 405)

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M06 December						
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)	(32 578)	14 195	(32 578)
Call investment deposits		27 292	40 236	40 236	8 997	40 236
Consumer debtors		6 207	3 919	3 919	5 810	3 919
Other debtors		(51 539)	(72 689)	(72 689)	4 531	(72 689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		2 257	(724)	(614)	(157)	(614)
Total current assets		(12 141)	(60 736)	(61 726)	33 376	(61 726)
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	324 691	(3 425)	324 691
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		3	28	28	-	28
Other non-current assets		-	-	-	-	-
Total non current assets		324 309	325 969	325 969	(3 425)	325 969
TOTAL ASSETS		312 168	265 233	264 243	29 951	264 243
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		229	459	459	(216)	459
Consumer deposits		1 217	1 119	1 119	61	1 119
Trade and other payables		30 245	(10 769)	(11 759)	13 917	(11 759)
Provisions		8 390	7 296	7 296	-	7 296
Total current liabilities		40 080	(1 894)	(2 884)	13 762	(2 884)
Non current liabilities						
Borrowing		-	(950)	(950)	-	(950)
Provisions		33 884	45 708	45 708	-	45 708
Total non current liabilities		33 884	44 757	44 757	-	44 757
TOTAL LIABILITIES		73 964	42 863	41 873	13 762	41 873
NET ASSETS	2	238 204	222 370	222 370	16 189	222 370
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		251 739	237 306	237 306	(16)	237 306
Reserves		470	470	470	(8)	470
TOTAL COMMUNITY WEALTH/EQUITY	2	252 209	237 775	237 775	(24)	237 775

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
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	275	2 594	10 183	(7 590)	-75%	20 366
Service charges		74 810	100 478	100 378	5 761	38 499	50 189	(11 690)	-23%	100 378
Other revenue		1 343	10 583	10 583	452	1 140	5 291	(4 151)	-78%	10 583
Transfers and Subsidies - Operational		31 684	43 164	43 164	6 174	29 596	29 896	(300)	-1%	43 164
Transfers and Subsidies - Capital		23 701	10 529	10 529	-	5 899	5 264	635	12%	10 529
Interest		18	3 664	3 664	-	0	1 832	(1 831)	-100%	3 664
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		96 510	(226 787)	(226 787)	(2 111)	(18 881)	(113 394)	(94 513)	83%	(226 787)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		243 197	(38 004)	(38 104)	10 551	58 848	(10 738)	(69 586)	648%	(38 104)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		2 600	(25 838)	(25 838)	-	-	(13 329)	(13 329)	100%	(25 838)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2 600	(25 838)	(25 838)	-	-	(13 329)	(13 329)	100%	(25 838)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		1 217	1 119	1 119	27	61	-	61	0%	1 119
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 217	1 119	1 119	27	61	-	(61)	0%	1 119
NET INCREASE/ (DECREASE) IN CASH HELD		247 014	(62 723)	(62 823)	10 578	58 909	(24 067)			(62 823)
Cash/cash equivalents at beginning:		48 800	48 805	48 805			48 805			-
Cash/cash equivalents at month/year end:		295 814	(13 918)	(14 018)		58 909	24 738			(62 823)

The bank balances as at the end of **December 2022** were as follow;

- Standard Bank Main Account Balance **R 703 thousand**;
- The Traffic Account Balance **R 400 thousand**;
- Deposit Account Balance **R 3 million**; and
- Call Account Balance **R18 million**.

The lack of revenue streams 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) - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		61 563	43 561	43 561	7 873	33 580	26 325	7 255	28%	43 561
Executive and council		28 774	12 201	12 201	4 939	17 910	9 179	8 731	95%	12 201
Finance and administration		32 789	31 360	31 360	2 934	15 670	17 146	(1 476)	-9%	31 360
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 179	16 689	16 689	288	1 984	12 233	(10 250)	-84%	16 689
Community and social services		14 567	14 889	14 889	288	1 978	10 883	(8 905)	-82%	14 889
Sport and recreation		-	-	-	-	0	-	0	#DIV/0!	-
Public safety		80	-	-	-	5	-	5	#DIV/0!	-
Housing		532	1 800	1 800	-	-	1 350	(1 350)	-100%	1 800
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 756	8 170	8 170	120	1 057	4 249	(3 192)	-75%	8 170
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 756	8 170	8 170	120	1 057	4 249	(3 192)	-75%	8 170
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		118 991	134 891	134 891	8 673	56 213	72 736	(16 523)	-23%	134 891
Energy sources		71 371	75 292	75 292	4 968	34 527	38 806	(4 280)	-11%	75 292
Water management		28 376	30 332	30 332	1 914	11 282	16 988	(5 707)	-34%	30 332
Waste water management		9 618	15 135	15 135	896	5 208	8 823	(3 615)	-41%	15 135
Waste management		9 627	14 131	14 131	894	5 197	8 118	(2 921)	-36%	14 131
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	197 488	203 311	203 311	16 954	92 834	115 543	(22 709)	-20%	203 311
Expenditure - Functional										
<i>Governance and administration</i>		104 246	72 679	72 679	4 012	30 505	36 339	(5 834)	-16%	72 679
Executive and council		23 511	20 288	20 288	1 521	10 055	10 144	(89)	-1%	20 288
Finance and administration		80 735	52 391	52 391	2 491	20 451	26 195	(5 745)	-22%	52 391
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13 857	13 346	13 346	857	6 179	6 673	(494)	-7%	13 346
Community and social services		10 670	9 826	9 826	564	4 473	4 913	(440)	-9%	9 826
Sport and recreation		397	448	448	131	425	224	201	90%	448
Public safety		1 276	231	231	79	719	116	604	522%	231
Housing		1 514	2 841	2 841	83	562	1 421	(858)	-60%	2 841
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 108	17 823	17 823	796	5 123	8 911	(3 788)	-43%	17 823
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9 108	17 823	17 823	796	5 123	8 911	(3 788)	-43%	17 823
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		84 282	114 868	114 868	2 084	34 814	57 434	(22 620)	-39%	114 868
Energy sources		38 407	68 326	68 326	360	16 251	34 163	(17 912)	-52%	68 326
Water management		21 399	20 485	20 485	748	8 049	10 242	(2 193)	-21%	20 485
Waste water management		9 969	12 251	12 251	262	4 387	6 125	(1 739)	-28%	12 251
Waste management		14 507	13 806	13 806	714	6 127	6 903	(776)	-11%	13 806
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	211 494	218 716	218 716	7 748	76 621	109 357	(32 736)	-30%	218 716
Surplus/ (Deficit) for the year		(14 005)	(15 405)	(15 405)	9 206	16 213	6 186	10 026	162%	(15 405)

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

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	28 774	12 201	12 201	4 939	17 910	9 179	8 731	95,1%	12 201
Vote 2 - CORPORATE SERVICES		15 469	23 672	23 672	347	2 555	15 467	(12 912)	-83,5%	23 672
Vote 3 - FINANCIAL SERVICES		32 352	30 912	30 912	2 861	15 430	16 922	(1 492)	-8,8%	30 912
Vote 4 - TECHNICAL SERVICES		120 892	136 526	136 526	8 807	56 939	73 976	(17 037)	-23,0%	136 526
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	197 488	203 311	203 311	16 954	92 834	115 543	(22 709)	-19,7%	203 311
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	23 511	20 288	20 288	1 521	10 055	10 144	(89)	-0,9%	20 288
Vote 2 - CORPORATE SERVICES		29 078	36 476	36 476	2 262	14 524	18 238	(3 714)	-20,4%	36 476
Vote 3 - FINANCIAL SERVICES		66 518	35 710	35 710	1 190	12 833	17 855	(5 021)	-28,1%	35 710
Vote 4 - TECHNICAL SERVICES		91 527	124 182	124 182	2 726	38 829	62 091	(23 262)	-37,5%	124 182
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		860	2 060	2 060	50	380	1 030	(650)	-63,1%	2 060
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	211 494	218 716	218 716	7 748	76 621	109 357	(32 736)	-29,9%	218 716
Surplus/ (Deficit) for the year	2	(14 005)	(15 405)	(15 405)	9 206	16 213	6 186	10 026	162,1%	(15 405)

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

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		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2 316	1 019	818	705	–	721	5 517	14 389	25 485	21 332	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 125	179	151	121	–	76	435	496	2 583	1 128	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2 336	734	630	577	–	541	3 949	17 845	26 611	22 912	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	699	334	332	334	–	336	2 123	8 557	12 713	11 350	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 388	567	554	555	–	557	3 344	12 674	19 637	17 128	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	28	51	66	81	–	97	1 102	14 627	16 053	15 907	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(4 255)	188	176	174	–	166	922	2 547	(82)	3 809	–	–
Total By Income Source	2000	3 637	3 072	2 727	2 546	–	2 493	17 391	71 135	103 001	93 566	–	–
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(2 134)	138	127	84	–	39	200	426	(1 120)	749	–	–
Commercial	2300	938	248	185	178	–	186	1 153	3 276	6 165	4 794	–	–
Households	2400	5 572	2 464	2 217	2 090	–	2 087	14 890	55 534	84 854	74 600	–	–
Other	2500	(739)	221	197	195	–	180	1 148	11 900	13 102	13 423	–	–
Total By Customer Group	2600	3 637	3 072	2 727	2 546	–	2 493	17 391	71 135	103 001	93 566	–	–

- The total amount owed to Kannaland Municipality amounts to **R103 million**.
- **R71 million or 69%** of the total outstanding debtors are older than one year.
- **R94 million or 91%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

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

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2022/23								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	7 564	5 155	12 031	-	20 322	-	-	-	45 071
Bulk Water	0200	30	29	-	-	-	-	-	-	58
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	648	520	1 354	69	8 084	-	-	-	10 675
Auditor General	0800	3 928	297	141	71	8 231	-	-	-	12 668
Other	0900	303	123	13	22	6 446	-	-	-	6 907
Total By Customer Type	1000	12 472	6 124	13 538	162	43 082	-	-	-	75 378

The total outstanding creditors amounts to **R75 378 million**.

The biggest outstanding creditors are Eskom (**R45 million**), the Auditor-General of South Africa (**R13 million**). Combined, the before-mentioned represents **77%** of all outstanding creditors.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply with supply chain management regulations. Creditors are owed money for extended periods of time, and this is causing a reluctance to quote and take part in competitive bidding processes. Pressure on cash flow is increasing, due to long outstanding creditors demanding settlement.

Section 7 – Investment portfolio analysis

- The municipality has no long-term debt obligations.

Section 8 – Allocation and grant receipts and expenditure

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

Operational:

- ↪ **Financial Management Grant** amounts to **R 24 thousand**.
- ↪ **Municipal Infrastructure Grant** operational amounts to **R 47 thousand**.
- ↪ **Expanded Public Works Programme (EPWP) Grant** amounts to **R 87 thousand**.

Provincial Government Grants

- ↪ **Library** amounts to **R 200 thousand**.

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 560	3 046	3 046	401	1 763	1 523	240	16%	3 046
Pension and UIF Contributions		26	-	-	3	18	-	18	#DIV/0!	-
Medical Aid Contributions		124	-	-	5	29	-	29	#DIV/0!	-
Motor Vehicle Allowance		131	-	-	3	34	-	34	#DIV/0!	-
Cellphone Allowance		307	311	311	19	141	155	(15)	-9%	311
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 148	3 357	3 357	430	1 984	1 678	306	18%	3 357
% increase	4		6,6%	6,6%						6,6%
Senior Managers of the Municipality										
Basic Salaries and Wages		1 854	4 994	4 994	160	959	2 497	(1 538)	-62%	4 994
Pension and UIF Contributions		1	9	9	0	1	4	(3)	-68%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		130	-	-	15	77	-	77	#DIV/0!	-
Cellphone Allowance		37	115	115	3	17	58	(41)	-71%	115
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		12	210	210	4	88	105	(17)	-16%	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	182	1 142	2 664	(1 522)	-57%	5 328
% increase	4		162,0%	162,0%						162,0%
Other Municipal Staff										
Basic Salaries and Wages		45 593	49 327	49 327	4 034	23 398	24 663	(1 266)	-5%	49 327
Pension and UIF Contributions		6 740	8 520	8 520	611	3 641	4 260	(619)	-15%	8 520
Medical Aid Contributions		2 434	2 899	2 899	170	1 027	1 449	(423)	-29%	2 899
Overtime		4 001	4 442	4 442	512	2 869	2 221	648	29%	4 442
Performance Bonus		1 564	652	652	68	1 274	326	947	291%	652
Motor Vehicle Allowance		2 393	2 391	2 391	176	1 090	1 195	(105)	-9%	2 391
Cellphone Allowance		165	172	172	10	73	86	(13)	-15%	172
Housing Allowances		315	349	349	25	149	174	(26)	-15%	349
Other benefits and allowances		4 420	4 639	4 639	433	4 030	2 320	1 711	74%	4 639
Payments in lieu of leave		(243)	1 520	1 520	-	46	760	(714)	-94%	1 520
Long service awards		249	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1 934	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		69 564	74 911	74 911	6 038	37 596	37 455	142	0%	74 911
% increase	4		7,7%	7,7%						7,7%
Total Parent Municipality		74 745	83 595	83 595	6 651	40 722	41 797	(1 075)	-3%	83 595
Unpaid salary, allowances & benefits in arrears:										
Total Municipal Entities		1	-	-	0	0	-	0	#DIV/0!	-
TOTAL SALARY, ALLOWANCES & BENEFITS		74 746	83 595	83 595	6 651	40 723	41 797	(1 074)	-3%	83 595
% increase	4		11,8%	11,8%						11,8%
TOTAL MANAGERS AND STAFF		71 597	80 239	80 239	6 220	38 738	40 119	(1 381)	-3%	80 239

Section 10 – Material variances to the SDBIP

Section 1 of the MFMA defines the SDBIP as:

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

(a) projections for each month of-

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

(ii) operational and capital expenditure, by vote;

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

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

Section 11– Capital programme performance

TABLE SC12 – CAPITAL EXPENDITURE TREND

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December									
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	1 003	–	–	1 003	–	0.0%	0%
August	1 453	1 602	1 428	7	7	2 431	2 424	99,7%	0%
September	802	1 077	1 003	–	7	3 435	3 428	99,8%	0%
October	2 338	1 177	1 103	–	7	4 538	4 531	99,8%	0%
November	696	1 302	1 328	17	24	5 866	5 842	99,6%	0%
December	4 280	977	1 003	852	877	6 869	5 993	87,2%	7%
January	175	977	1 003	–	877	7 873	6 996	88,9%	7%
February	185	907	1 033	–	877	8 906	8 029	90,2%	7%
March	1 190	877	1 003	–	877	9 909	9 033	91,2%	7%
April	72	877	1 003	–	877	10 912	10 036	92,0%	7%
May	589	877	1 003	–	877	11 916	11 039	92,6%	7%
June	2 273	877	1 003	–	877	12 919	12 042	93,2%	7%
Total Capital expenditure	14 052	12 919	12 919	877					

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

Print name: Hendrik Barnard

Signature:

Date: