



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for July 2023/24



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

Table of Contents

GLOSSARY	3
PART 1: IN-YEAR REPORT	5
Section 1 – Mayor’s Report	5
1.1 In -Year Report – Monthly Budget Statement	5
Section 2 – Resolutions	5
Section 3 – Executive Summary	5
1.1 Introduction	5
1.2 Consolidated Performance	6
1.3 Material differences to the SDBIP	10
1.4 Remedial actions.....	11
Section 4 – In-year budget statement tables.....	11
PART 2 SUPPORTING DOCUMENTATION.....	17
Section 5 – Debtors' analysis.....	17
Section 6 – Creditors' analysis.....	18
Section 7 – Investment portfolio analysis.....	19
Section 8 – Allocation and grant receipts 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 **July 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 has been approved and will be implemented to mitigate risk.

Section 2 – Resolutions

Recommendation:

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

Section 3 – Executive Summary

1.1 Introduction

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

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

1.2 Consolidated Performance

The performance against the budget can be summarized as follow:

	Original Budget	Adjustments Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 223 514		R 46 490	R 27 721	(18 768)	-40%
Operating Expenditure	R 241 455		R 40 276	R 17 023	R (29 578)	-73%
Capital	R 13 743		R 2 290	R 0	R (2 290)	-100%

Operating Revenue

The year-to-date operating revenue realised 40% below the forecasted amount. The before-mentioned under-performance can be contributed to the cyclical nature of the economy.

Operating expenditure

Operating expenditure realised 73% below the forecasted amount. Expenditure was only incurred in terms of revenue and the municipality has reduced expenditure to only the necessities without compromising service delivery. It should be noted that the creditors sub-system is not currently in use and that causes a delay in the recognition of expenditure. The municipality is in the process of addressing the issue.

Capital Expenditure

There was no capital expenditure during the month of July. 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.

TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M01 July									
Description	2022/23	Budget Year 2023/24							
	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	25 562	26 915	26 915	2 237	2 237	2 243	(6)	-0%	26 915
Service charges	101 947	117 388	117 388	9 338	9 338	9 782	(444)	-5%	117 388
Investment revenue	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	35 172	64 252	64 252	15 063	15 063	14 740	322	2%	64 252
Other own revenue	15 241	17 791	17 791	1 376	1 376	1 483	(106)	-7%	17 791
Total Revenue (excluding capital transfers and contributions)	177 923	226 346	226 346	28 015	28 015	28 248	(234)	-1%	226 346
Employee costs	79 487	79 933	79 933	8 495	8 495	6 661	1 834	28%	79 933
Remuneration of Councillors	4 746	3 276	3 276	309	309	273	36	13%	3 276
Depreciation and amortisation	12 904	11 762	11 762	980	980	980	0	0%	11 762
Interest	1 732	8 000	8 000	0	0	667	(666)	-100%	8 000
Inventory consumed and bulk purchases	41 986	64 991	64 991	273	273	5 416	(5 143)	-95%	64 991
Transfers and subsidies	110	920	920	-	-	77	(77)	-100%	920
Other expenditure	28 738	72 573	72 573	806	806	6 065	(5 259)	-87%	72 573
Total Expenditure	169 703	241 455	241 455	10 863	10 863	20 138	(9 275)	-46%	241 455
Surplus/(Deficit)	8 219	(15 109)	(15 109)	17 151	17 151	8 110	9 041	111%	(15 109)
Transfers and subsidies - capital (monetary allocations)	4 871	15 804	15 804	-	-	4 502	(4 502)	-100%	15 804
Transfers and subsidies - capital (in-kind)	4 871	15 804	15 804	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	17 961	16 500	16 500	17 151	17 151	12 612	4 539	36%	695
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	17 961	16 500	16 500	17 151	17 151	12 612	4 539	36%	695
Capital expenditure & funds sources									
Capital expenditure	7 880	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743
Capital transfers recognised	6 889	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	991	-	-	-	-	-	-	-	-
Total sources of capital funds	7 880	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743
Financial position									
Total current assets	23 629	(23 714)	(23 714)	-	26 426	-	-	-	(23 714)
Total non current assets	(5 024)	1 981	1 981	-	(980)	-	-	-	1 981
Total current liabilities	5 667	(22 971)	(22 971)	-	8 295	-	-	-	(22 971)
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	(153)	2 867	2 867	-	(0)	-	-	-	2 867
Cash flows									
Net cash from (used) operating	81 700	(7 435)	(7 435)	24 761	24 761	11 163	(13 598)	-122%	(7 435)
Net cash from (used) investing	(8 808)	(13 258)	-	-	-	1 105	1 105	100%	13 258
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	72 892	(20 693)	(7 435)	-	24 761	12 268	(12 493)	-102%	5 823
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	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Due to the cyclical nature of the economy and the current straight-line approach to budgeting, all deviations in excess of 5% will be treated as material unless otherwise stated. Material deviations will be explained, and recommendations will be made if the extent and nature of the deviation may necessitate action.

It should be noted that the straight-line budget approach will be addressed and adjusted to reflect the cyclical nature of the economy as soon as possible. It should be noted that grants to be received, are accounted for correctly. A costly seamlessly integrated financial accounting system, as required in terms of mSCOA, will take time to implement due to financial constraints.

Revenue by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue		113 747	127 346	127 346	10 395	10 395	10 612	(217)	-2%	127 346
Service charges - Electricity		64 073	76 101	76 101	6 298	6 298	6 342	(43)	-1%	76 101
Service charges - Water		20 258	22 267	22 267	1 460	1 460	1 856	(396)	-21%	22 267
Service charges - Waste Water Management		8 707	9 610	9 610	785	785	801	(16)	-2%	9 610
Service charges - Waste management		8 910	9 410	9 410	795	795	784	10	1%	9 410
Sale of Goods and Rendering of Services		428	396	396	12	12	33	(21)	-65%	396
Agency services		1 215	1 350	1 350	101	101	113	(11)	-10%	1 350
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 246	5 929	5 929	675	675	494	181	37%	5 929
Interest earned from Current and Non Current Assets		1 936	960	960	177	177	80	97	121%	960
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		611	1 098	1 098	56	56	91	(35)	-39%	1 098
Licence and permits		171	159	159	20	20	13	6	49%	159
Operational Revenue		1 192	66	66	17	17	6	11	202%	66
Non-Exchange Revenue		64 176	99 000	99 000	17 619	17 619	17 636	(17)	0%	99 000
Property rates		25 562	26 915	26 915	2 237	2 237	2 243	(6)	0%	26 915
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		212	2 501	2 501	25	25	208	(183)	-88%	2 501
Licence and permits		0	30	30	-	-	3	(3)	-100%	30
Transfer and subsidies - Operational		35 172	64 252	64 252	15 063	15 063	14 740	322	2%	64 252
Interest		2 561	2 802	2 802	236	236	233	2	1%	2 802
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		667	-	-	58	58	-	58	-	-
Gains on disposal of Assets		-	2 500	2 500	-	-	208	(208)	-100%	2 500
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		177 923	226 346	226 346	28 015	28 015	28 248	(234)	-1%	226 346

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

- **Service Charges Water Revenue** - amounted to **R1.5 million** in **July 2023**. It represents a -21% variance from the YTD figures. A drop-off in consumption was expected, due to the cyclical nature of consumption and actual revenue is still expected to meet the annual forecast.
- **Interest Earned on Investments** – (**121%** deviation from the year-to-date budget). The budget did not take into account the timing of the grants to be received (interest on call account - cash backed grants) when the monthly budget split was done.
- **Interest on outstanding debtors** – (**37%** deviation from the year-to-date budget). This revenue item considered the write-off of indigent and prescription debt and as a result of the timing, this revenue item will deviate from the monthly forecast.
- **Fines, Penalties & Forfeits** – Almost no activity, with a **-88%** deviation, with no vendor appointed to provide cameras and administrative support on speed fines.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature

Expenditure by Source

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2022/23	Budget Year 2023/24							
		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	79 487	79 933	79 933	8 495	8 495	6 661	1 834	28%	79 933	
Remuneration of councillors	4 746	3 276	3 276	309	309	273	36	13%	3 276	
Bulk purchases - electricity	39 308	56 045	56 045	-	-	4 670	(4 670)	-100%	56 045	
Inventory consumed	2 678	8 946	8 946	273	273	745	(472)	-63%	8 946	
Debt impairment	7 956	16 691	16 691	-	-	1 391	(1 391)	-100%	16 691	
Depreciation and amortisation	12 904	11 762	11 762	980	980	980	0	0%	11 762	
Interest	1 732	8 000	8 000	0	0	667	(666)	-100%	8 000	
Contracted services	7 546	33 727	33 727	77	77	2 802	(2 726)	-97%	33 727	
Transfers and subsidies	110	920	920	-	-	77	(77)	-100%	920	
Irrecoverable debts written off	46	-	-	-	-	-	-	-	-	
Operational costs	13 190	22 156	22 156	729	729	1 872	(1 143)	-61%	22 156	
Losses on Disposal of Assets	-	-	-	-	-	-	-	-	-	
Other Losses	-	-	-	-	-	-	-	-	-	
Total Expenditure	169 703	241 455	241 455	10 863	10 863	20 138	(9 275)	-46%	241 455	
Surplus/(Deficit)	8 219	(15 109)	(15 109)	17 151	17 151	8 110	9 041	0	(15 109)	
Transfers and subsidies - capital (monetary allocations)	4 871	15 804	15 804	-	-	4 502	(4 502)	(0)	15 804	
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	13 090	695	695	17 151	17 151	12 612			695	
Income Tax	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after income tax	13 090	695	695	17 151	17 151	12 612			695	
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality	13 090	695	695	17 151	17 151	12 612			695	
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	13 090	695	695	17 151	17 151	12 612			695	

- **Employee Related Costs** – The employee related costs amounted to **R8.5 million for July 2023**, exceeding the budget with 28%. Straight-line budgeting does not account for bonuses to be paid during November and therefor the deviation.
- **Remuneration of Councillors**- the total Remuneration for Councillors was **R309 thousand** in **July 2023**, exceeding the budget with 13%. This was caused by incorrect allocations that will be corrected.
- **Inventory Consumed** – The total was **R 273 thousand**, this includes direct purchases for the store and inventory issued out for the reporting period.
- **Contracted Services** – amounted to **R 77 thousand** in **July 2023**. The expenditure is expected to pick up in the next reporting periods.
- **Other Expenditure** - amounted to **R729 thousand** in **July 2023**.

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

Capital Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		61	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		30	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		5 152	7 294	7 294	-	-	608	(608)	-100%	7 294
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	5 242	7 294	7 294	-	-	608	(608)	-100%	7 294
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		47	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		2 591	6 449	6 449	-	-	537	(537)	-100%	6 449
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	2 638	6 449	6 449	-	-	537	(537)	-100%	6 449
Total Capital Expenditure	3	7 880	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743
Capital Expenditure - Functional Classification										
Governance and administration		107	-	-	-	-	-	-	-	-
Executive and council		61	-	-	-	-	-	-	-	-
Finance and administration		47	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		30	-	-	-	-	-	-	-	-
Community and social services		30	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		7 743	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743
Energy sources		1 679	485	485	-	-	40	(40)	-100%	485
Water management		578	6 449	6 449	-	-	537	(537)	-100%	6 449
Waste water management		5 486	6 809	6 809	-	-	567	(567)	-100%	6 809
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	7 880	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743
Funded by:										
National Government		5 789	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743
Provincial Government		1 100	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		6 889	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		991	-	-	-	-	-	-	-	-
Total Capital Funding	7	7 880	13 743	13 743	-	-	1 145	(1 145)	-100%	13 743

Capital Expenditure

- There was no actual capital expenditure year-to-date.

1.3 Material differences to the SDBIP

Material differences to the SDBIP will be discussed under Section 10.

1.4 Remedial actions

- (a) Directorates are to ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality;
- (b) Those strategic decisions /resolutions to improve the capital expenditure be implemented;
- (c) That monthly monitoring of the implementation of the Budget Funding Plan takes place;
- (d) That measures on debt collection are implemented and applied effectively;
- (e) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an ever-changing environment.

Section 4 – In-year budget statement tables

TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue		113 747	127 346	127 346	10 395	10 395	10 612	(217)	-2%	127 346
Service charges - Electricity		64 073	76 101	76 101	6 298	6 298	6 342	(43)	-1%	76 101
Service charges - Water		20 258	22 267	22 267	1 460	1 460	1 856	(396)	-21%	22 267
Service charges - Waste Water Management		8 707	9 610	9 610	785	785	801	(16)	-2%	9 610
Service charges - Waste management		8 910	9 410	9 410	795	795	784	10	1%	9 410
Sale of Goods and Rendering of Services		428	396	396	12	12	33	(21)	-65%	396
Agency services		1 215	1 350	1 350	101	101	113	(11)	-10%	1 350
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 246	5 929	5 929	675	675	494	181	37%	5 929
Interest earned from Current and Non Current Assets		1 936	960	960	177	177	80	97	121%	960
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		611	1 098	1 098	56	56	91	(35)	-39%	1 098
Licence and permits		171	159	159	20	20	13	6	49%	159
Operational Revenue		1 192	66	66	17	17	6	11	202%	66
Non-Exchange Revenue		64 176	99 000	99 000	17 619	17 619	17 636	(17)	0%	99 000
Property rates		25 562	26 915	26 915	2 237	2 237	2 243	(6)	0%	26 915
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		212	2 501	2 501	25	25	208	(183)	-88%	2 501
Licence and permits		0	30	30	-	-	3	(3)	-100%	30
Transfer and subsidies - Operational		35 172	64 252	64 252	15 063	15 063	14 740	322	2%	64 252
Interest		2 561	2 802	2 802	236	236	233	2	1%	2 802
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		667	-	-	58	58	-	58	-	-
Gains on disposal of Assets		-	2 500	2 500	-	-	208	(208)	-100%	2 500
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		177 923	226 346	226 346	28 015	28 015	28 248	(234)	-1%	226 346
Expenditure By Type										
Employee related costs		79 487	79 933	79 933	8 495	8 495	6 661	1 834	28%	79 933
Remuneration of councillors		4 746	3 276	3 276	309	309	273	36	13%	3 276
Bulk purchases - electricity		39 308	56 045	56 045	-	-	4 670	(4 670)	-100%	56 045
Inventory consumed		2 678	8 946	8 946	273	273	745	(472)	-63%	8 946
Debt impairment		7 956	16 691	16 691	-	-	1 391	(1 391)	-100%	16 691
Depreciation and amortisation		12 904	11 762	11 762	980	980	980	0	0%	11 762
Interest		1 732	8 000	8 000	0	0	667	(666)	-100%	8 000
Contracted services		7 546	33 727	33 727	77	77	2 802	(2 726)	-97%	33 727
Transfers and subsidies		110	920	920	-	-	77	(77)	-100%	920
Irrecoverable debts written off		46	-	-	-	-	-	-	-	-
Operational costs		13 190	22 156	22 156	729	729	1 872	(1 143)	-61%	22 156
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		169 703	241 455	241 455	10 863	10 863	20 138	(9 275)	-46%	241 455
Surplus/(Deficit)		8 219	(15 109)	(15 109)	17 151	17 151	8 110	9 041	0	(15 109)
Transfers and subsidies - capital (monetary allocations)		4 871	15 804	15 804	-	-	4 502	(4 502)	(0)	15 804
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		13 090	695	695	17 151	17 151	12 612			695
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		13 090	695	695	17 151	17 151	12 612			695
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		13 090	695	695	17 151	17 151	12 612			695
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		13 090	695	695	17 151	17 151	12 612			695

TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		(10 488)	(14 630)	(14 630)	18 618	(14 630)
Trade and other receivables from exchange transactions		19 181	(9 478)	(9 478)	6 633	(9 478)
Receivables from non-exchange transactions		2 822	(1 128)	(1 128)	1 165	(1 128)
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 004	(8 946)	(8 946)	(29)	(8 946)
VAT		11 211	10 468	10 468	40	10 468
Other current assets		(101)	-	-	-	-
Total current assets		23 629	(23 714)	(23 714)	26 426	(23 714)
Non current assets						
Investments		-	-	-	-	-
Investment property		-	-	-	-	-
Property, plant and equipment		(5 024)	1 981	1 981	(980)	1 981
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		-	-	-	-	-
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		(5 024)	1 981	1 981	(980)	1 981
TOTAL ASSETS		18 605	(21 733)	(21 733)	25 446	(21 733)
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		(216)	-	-	-	-
Consumer deposits		148	-	-	2	-
Trade and other payables from exchange transactions		(13 609)	(19 856)	(19 856)	(342)	(19 856)
Trade and other payables from non-exchange transactions		5 530	-	-	7 238	-
Provision		-	-	-	-	-
VAT		13 813	(3 115)	(3 115)	1 397	(3 115)
Other current liabilities		-	-	-	-	-
Total current liabilities		5 667	(22 971)	(22 971)	8 295	(22 971)
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		-	-	-	-	-
TOTAL LIABILITIES		5 667	(22 971)	(22 971)	8 295	(22 971)
NET ASSETS	2	12 938	1 238	1 238	17 151	1 238
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(145)	2 867	2 867	(0)	2 867
Reserves and funds		(8)	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(153)	2 867	2 867	(0)	2 867

TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		4 921	22 305	22 305	307	307	1 859	(1 551)	-83%	22 305
Service charges		73 390	120 923	120 923	2 435	2 435	10 077	(7 642)	-76%	120 923
Other revenue		2 794	9 067	9 067	389	389	756	(367)	-49%	9 067
Transfers and Subsidies - Operational		43 410	64 252	64 252	14 744	14 744	17 137	(2 392)	-14%	64 252
Transfers and Subsidies - Capital		13 170	15 804	15 804	7 556	7 556	1 317	6 239	474%	15 804
Interest		1	50	50	-	-	4	(4)	-100%	50
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(55 985)	(239 836)	(239 836)	(671)	(671)	(19 986)	(19 315)	97%	(239 836)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		81 700	(7 435)	(7 435)	24 761	24 761	11 163	(13 598)	-122%	(7 435)
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		(8 808)	(13 258)	-	-	-	1 105	1 105	100%	13 258
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 808)	(13 258)	-	-	-	1 105	1 105	100%	13 258
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		72 892	(20 693)	(7 435)	24 761	24 761	12 268			5 823
Cash/cash equivalents at beginning:		-	-	-	-	-	-	-	-	-
Cash/cash equivalents at month/year end:		72 892	(20 693)	(7 435)	24 761	24 761	12 268			5 823

The total bank balance ending of **July 2023** were as follow;

- Standard Bank Main Account is **R 667 thousand**;
- The Traffic Account has **R 510 thousand**;
- Deposit Account has **R 1 225 million**; and
- Call Account has **R34 million**.

The lack of revenue streams has left the municipality to be heavily dependent on grant funding to run its daily operations. The current national economic situation in addition 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) - M01 July										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		62 837	50 659	50 659	17 522	17 522	8 251	9 271	112%	50 659
Executive and council		27 536	12 961	12 961	14 728	14 728	5 353	9 375	175%	12 961
Finance and administration		35 301	37 698	37 698	2 794	2 794	2 897	(103)	-4%	37 698
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		9 029	36 120	36 120	238	238	4 516	(4 278)	-95%	36 120
Community and social services		8 991	15 750	15 750	239	239	4 516	(4 277)	-95%	15 750
Sport and recreation		0	-	-	-	-	-	-	-	-
Public safety		37	-	-	(0)	(0)	-	(0)	-	-
Housing		-	20 370	20 370	-	-	-	-	-	20 370
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 112	4 604	4 604	193	193	336	(144)	-43%	4 604
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		2 112	4 604	4 604	193	193	336	(144)	-43%	4 604
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		108 816	150 767	150 767	10 062	10 062	19 647	(9 585)	-49%	150 767
Energy sources		64 274	81 032	81 032	6 317	6 317	8 396	(2 080)	-25%	81 032
Water management		23 004	37 355	37 355	1 755	1 755	5 279	(3 525)	-67%	37 355
Waste water management		10 774	16 612	16 612	997	997	3 165	(2 168)	-69%	16 612
Waste management		10 764	15 769	15 769	994	994	2 807	(1 813)	-65%	15 769
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	182 794	242 150	242 150	28 015	28 015	32 750	(4 735)	-14%	242 150
Expenditure - Functional										
Governance and administration		63 712	86 605	86 605	5 439	5 439	7 209	(1 770)	-25%	86 605
Executive and council		20 906	24 748	24 748	1 528	1 528	2 062	(535)	-26%	24 748
Finance and administration		42 806	61 858	61 858	3 911	3 911	5 146	(1 235)	-24%	61 858
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 145	31 175	31 175	1 187	1 187	2 623	(1 436)	-55%	31 175
Community and social services		8 650	8 894	8 894	825	825	767	59	8%	8 894
Sport and recreation		1 077	532	532	132	132	44	88	197%	532
Public safety		1 342	280	280	142	142	23	119	509%	280
Housing		1 075	21 469	21 469	88	88	1 789	(1 701)	-95%	21 469
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		12 114	17 691	17 691	1 207	1 207	1 474	(267)	-18%	17 691
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		12 114	17 691	17 691	1 207	1 207	1 474	(267)	-18%	17 691
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		81 733	105 983	105 983	3 030	3 030	8 832	(5 802)	-66%	105 983
Energy sources		47 381	70 336	70 336	619	619	5 861	(5 242)	-89%	70 336
Water management		14 829	14 006	14 006	1 167	1 167	1 167	(0)	0%	14 006
Waste water management		9 182	10 984	10 984	472	472	915	(443)	-48%	10 984
Waste management		10 341	10 657	10 657	772	772	888	(116)	-13%	10 657
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	169 703	241 455	241 455	10 863	10 863	20 138	(9 275)	-46%	241 455
Surplus/ (Deficit) for the year		13 090	695	695	17 151	17 151	12 612	4 539	36%	695

**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) - M01 July										
Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		27 536	12 961	12 961	14 728	14 728	5 353	9 375	175,1%	12 961
Vote 2 - CORPORATE SERVICES		10 090	41 883	41 883	413	413	5 098	(4 685)	-91,9%	41 883
Vote 3 - FINANCIAL SERVICES		34 727	34 750	34 750	2 764	2 764	2 652	113	4,2%	34 750
Vote 4 - TECHNICAL SERVICES		110 440	152 556	152 556	10 109	10 109	19 647	(9 538)	-48,5%	152 556
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	182 794	242 150	242 150	28 015	28 015	32 750	(4 735)	-14,5%	242 150
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		20 906	24 748	24 748	1 528	1 528	2 062	(535)	-25,9%	24 748
Vote 2 - CORPORATE SERVICES		31 477	55 025	55 025	3 605	3 605	4 585	(980)	-21,4%	55 025
Vote 3 - FINANCIAL SERVICES		25 082	38 044	38 044	1 681	1 681	3 162	(1 481)	-46,8%	38 044
Vote 4 - TECHNICAL SERVICES		91 461	121 333	121 333	4 050	4 050	10 136	(6 087)	-60,0%	121 333
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		778	2 305	2 305	-	-	192	(192)	-100,0%	2 305
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	169 703	241 455	241 455	10 863	10 863	20 138	(9 275)	-46,1%	241 455
Surplus/ (Deficit) for the year	2	13 090	695	695	17 151	17 151	12 612	4 539	36,0%	695

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2023/24										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	1 608	851	749	858	849	992	5 054	20 162	31 123	27 915	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 793	213	116	114	87	93	386	774	6 576	1 454	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	2 112	986	782	619	572	528	2 905	20 685	29 190	25 309	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	388	335	323	320	319	319	1 929	10 918	14 851	13 805	-	-	
Receivables from Exchange Transactions - Waste Management	1600	860	599	548	531	526	524	3 100	16 208	22 897	20 889	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-	
Interest on Arrear Debtor Accounts	1810	0	30	52	73	94	119	1 067	19 710	21 145	21 063	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(1 654)	215	178	167	161	152	861	3 370	3 450	4 712	-	-	
Total By Income Source	2000	8 107	3 230	2 748	2 684	2 608	2 726	15 302	91 827	129 233	115 147	-	-	
2021/22 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	40	218	106	40	29	13	75	508	1 028	664	-	-	
Commercial	2300	5 111	341	264	245	206	190	1 088	4 541	11 985	6 270	-	-	
Households	2400	2 993	2 423	2 156	2 210	2 180	2 334	13 031	74 071	101 397	93 826	-	-	
Other	2500	(36)	248	223	189	193	190	1 108	12 707	14 823	14 387	-	-	
Total By Customer Group	2600	8 107	3 230	2 748	2 684	2 608	2 726	15 302	91 827	129 233	115 147	-	-	

- The total amount owed to Kannaland Municipality amounts to **R129 million**.
- **R92 million or 71%** of the total outstanding debtors are older than one year.
- **R116 million or 90%** 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.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July										
Description	NT Code	Budget Year 2023/24								
		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	7 906	-	7	-	41 630	-	-	-	49 543
Bulk Water	0200	32	27	33	-	-	-	-	-	91
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	319	641	56	84	5 321	-	-	-	6 421
Auditor General	0800	153	76	73	126	7 650	-	-	-	8 079
Other	0900	105	85	42	187	8 878	-	-	-	9 297
Total By Customer Type	1000	8 516	829	210	397	63 479	-	-	-	73 431

The total outstanding creditors amounts to **R73 431 million**.

The biggest outstanding creditors are Eskom (**R50 million**), the Auditor-General of South Africa (**R8 079 million**). Combined the before mentioned represents **80%** 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 and any investments other than call account investments.

Section 8 – Allocation and grant receipts and expenditure

The Following Grants were received:

National Government Grants:

- **Municipal Infrastructure Grant** amounts to **R 7.556 million.**
- **Equitable Share** amounts to **R14.728 million**
- **Water Services Infrastructure Grant** amounts to **R 500 thousand**

The following were expenditure for the month under review:

National Government Grants:

Financial Management Grant amounted to **R 40 thousand**

Municipal Infrastructure Grant Project Management Unit amounted to **R47 thousand**

Provincial Government Grant:

Municipal Replacement Fund (Library) amounted to **R 231 thousand**

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July										
Summary of Employee and Councillor remuneration	Ref	2022/23			Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 300	2 990	2 990	268	268	249	19	8%	2 990
Pension and UIF Contributions		36	-	-	3	3	-	3	-	-
Medical Aid Contributions		67	-	-	9	9	-	9	-	-
Motor Vehicle Allowance		52	-	-	3	3	-	3	-	-
Cellphone Allowance		292	286	286	25	25	24	1	5%	286
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		4 746	3 276	3 276	309	309	273	36	13%	3 276
% increase	4		-31,0%	-31,0%						-31,0%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 650	4 449	4 449	79	79	371	(292)	-79%	4 449
Pension and UIF Contributions		5	9	9	0	0	1	(0)	-51%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		80	509	509	20	20	42	(22)	-52%	509
Cellphone Allowance		50	113	113	1	1	9	(9)	-95%	113
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		98	88	88	-	-	7	(7)	-100%	88
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2 884	5 167	5 167	100	100	431	(330)	-77%	5 167
% increase	4		79,2%	79,2%						79,2%
Other Municipal Staff										
Basic Salaries and Wages		49 465	52 793	52 793	6 003	6 003	4 399	1 604	36%	52 793
Pension and UIF Contributions		7 132	8 568	8 568	666	666	714	(48)	-7%	8 568
Medical Aid Contributions		2 168	1 687	1 687	192	192	141	52	37%	1 687
Overtime		6 572	4 876	4 876	757	757	406	351	86%	4 876
Performance Bonus		961	752	752	12	12	63	(51)	-81%	752
Motor Vehicle Allowance		2 790	2 359	2 359	315	315	197	119	60%	2 359
Cellphone Allowance		127	100	100	12	12	8	3	38%	100
Housing Allowances		337	173	173	29	29	14	15	103%	173
Other benefits and allowances		6 514	2 851	2 851	294	294	238	57	24%	2 851
Payments in lieu of leave		537	150	150	115	115	13	102	818%	150
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		76 604	74 309	74 309	8 395	8 395	6 192	2 203	36%	74 309
% increase	4		-3,0%	-3,0%						-3,0%
Total Parent Municipality		84 234	82 752	82 752	8 804	8 804	6 896	1 908	28%	82 752
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	457	457	-	-	38	(38)	-100%	457
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Executive members Board	2	-	457	457	0	0	38	(38)	-100%	457
% increase	4		0,0%	0,0%						0,0%
% increase	4									
Total Municipal Entities		-	457	457	0	0	38	(38)	-100%	457
TOTAL SALARY, ALLOWANCES & BENEFITS		84 234	83 209	83 209	8 804	8 804	6 934	1 870	27%	83 209
% increase	4		-1,2%	-1,2%						-1,2%
TOTAL MANAGERS AND STAFF		79 487	79 476	79 476	8 495	8 495	6 623	1 872	28%	79 476

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 TRENDS

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M01 July									
Month	2022/23	Budget Year 2023/24							
	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	-	1 145	1 145	-	-	1 145	-	0,0%	0%
August	7	1 145	1 145	-	-	2 290	-	0,0%	0%
September	-	1 145	1 145	-	-	3 436	-	0,0%	0%
October	-	1 145	1 145	-	-	4 581	-	0,0%	0%
November	17	1 145	1 145	-	-	5 726	-	0,0%	0%
December	852	1 145	1 145	-	-	6 871	-	0,0%	0%
January	-	1 145	1 145	-	-	8 017	-	0,0%	0%
February	10	1 145	1 145	-	-	9 162	-	0,0%	0%
March	78	1 145	1 145	-	-	10 307	-	0,0%	0%
April	370	1 145	1 145	-	-	11 452	-	0,0%	0%
May	1 567	1 145	1 145	-	-	12 598	-	0,0%	0%
June	4 978	1 145	1 145	-	-	13 743	-	0,0%	0%
Total Capital expenditure	7 880	13 743	13 743	-					

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 as from August.

Section 13 – SCM Deviations

Attached Annexure A

Section 14 – Quality certification

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

Print name: Mornè Marshall Hoogbaard

Signature:

Date: