



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for February 2023/24



Table of Contents

GLOSSARY	3
LEGISLATIVE FRAMEWORK.....	5
Report of the Executive Mayor	5
Recommendations	5
SECTION 1 – EXECUTIVE SUMMARY	6
1.1 INTRODUCTION	6
1.2 CONSOLIDATED PERFORMANCE	6
1.3 MATERIAL DIFFERENCES TO THE SDBIP	7
1.4 REMEDIAL ACTIONS	7
SECTION 2 – IN-YEAR BDUEGT STATEMENT TABLES	8
2.1 TABLE C1 – MONTHLY BUDGET SUMMARY.....	8
2.2 TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE	9
2.3 TABLE C3 – MONTHLY BUDGETED FINANCIAL PERFORMANCE	10
2.4 TABLE C4 – MONTHLY FINANCIAL PERFROMANCE	11
2.5 OPERATING REVENUE BY SOURCES:	12
2.6 OPERATING EXPENDITURE BY TYPE	13
2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE	14
2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION	16
2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW.....	17
SECTION 3 SUPPORTING DOCUMENTATION	18
3.1 TABLE SC3 – DEBTORS AGE ANALYSIS	18
3.3 TABLE SC4 – CREDITORS AGE ANALYSIS.....	19
3.4 INVESTMENT PORTFOLIO ANALYSIS.....	20
3.6 TABLE SC8 – EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF	21
Section 12 – Implementation of the budget funding plan	22
Section 13 – SCM Deviations.....	26
SECTION 4 – QUALITY CERTIFICATION.....	28

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.

Approved budget - means an annual budget—

- a) approved by a municipal council; or
- b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include the Tariff Policy, Property Rates Policy, Customer Care, Credit Control and Debt Collection Policy etc.

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 – summarizes the amount of cash and cash equivalents entering and leaving the municipality. The cash flow statement measures how well the municipality manages its cash position. It should be noted that there could be a difference between the timing of the actual cash flow compared to the recognition of expenditure. For example, when an invoice is received by the Municipality it is recognised as expenditure in the month it is dated, even though it may not be paid within the same month.

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general unconditional grant paid to municipalities. It is predominantly targeted to subsidise the delivery of 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 standard for municipal accounting.

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. From here on to be 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 outer year 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. It provides a short-term benefit, normally less than a year.

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 - in relation to a municipality, means any expenditure

incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- a) overspending of the total amount appropriated in the municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
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.

LEGISLATIVE FRAMEWORK

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Sections 71 & 52,
- and The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

28. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

Report of the Executive Mayor

In -Year Report – Monthly Budget Statement

The monthly budget statement for February 2024, 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 achieving 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.

Executive Mayor

Recommendations

That the Executive Mayor takes cognisance of the monthly budget statement for February 2024.

SECTION 1 – 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:

Amount in thousands	Amended Budget	YTD Budget	Monthly Actual	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 233 809	R 160 087	R 15 088	R 144 714	R (15 373)	-10%
Operating Expenditure	R 253 451	R 168 911	R 6 125	R 144 639	R (24 272)	-14%
Capital	R 17 433	R 11 622	R 369	R 8 349	R (4 071)	-28%

Operational Revenue

The municipality's total operational revenue budget amounts to R234 million and the year-to-date revenue on the budget accrued to R 145 million. This represents 62% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R253 million, with a year-to-date performance of R145 million, or 57% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R17 million with a year-to-date performance of R 8 million, or 47% of the total capital budget.

Operating Surplus/Deficit

Operating revenue amounted to R15 million, with expenditure amounting to R6 million, with an operating surplus of R 8 million for the month under review.

1.3 MATERIAL DIFFERENCES TO THE SDBIP

Material differences to the SDBIP will be discussed under section 10 and in more detail within Appendix C.

1.4 REMEDIAL ACTIONS

- (a) Directorates are to ensure that the budget is being implemented in accordance with the Service Delivery and Budget Implementation Plan of the Municipality;
- (b) That, strategic decisions / resolutions to improve the capital expenditure, be implemented; communicating with the technical department on slow spending on capital budget;
- (c) That monthly monitoring of the implementation of the Budget Funding Plan;
- (d) That measures on debt collection are implemented and applied effectively;
- (e) A procurement plan be developed and approved as a matter of urgency;
- (f) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an always changing environment.

SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES

2.1 TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M08 February									
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	2 295	18 776	17 943	833	5%	26 915
Service charges	101 947	117 388	117 388	10 231	76 914	78 259	(1 345)	-2%	117 388
Investment revenue	1 845	960	960	112	1 173	640	533	83%	960
Transfers and subsidies - Operational	41 576	64 252	71 715	361	31 049	52 024	(20 975)	-40%	71 715
Other own revenue	12 828	16 831	16 831	2 090	16 802	11 221	5 582	50%	16 831
Total Revenue (excluding capital transfers and contributions)	183 758	226 346	233 809	15 088	144 714	160 087	(15 373)	-10%	233 809
Employee costs	80 917	79 933	92 421	7 739	64 277	61 601	2 677	4%	92 421
Remuneration of Councillors	3 273	3 276	3 866	309	2 659	2 577	82	3%	3 866
Depreciation and amortisation	13 957	11 762	11 885	980	7 841	7 923	(82)	-1%	11 885
Interest	6 069	8 000	1 100	1	498	733	(236)	-32%	1 100
Inventory consumed and bulk purchases	58 220	64 991	64 158	(4 893)	40 480	42 772	(2 292)	-5%	64 158
Transfers and subsidies	255	920	400	3	127	267	(140)	-52%	400
Other expenditure	66 566	72 573	79 621	1 986	28 757	53 037	(24 281)	-46%	79 621
Total Expenditure	229 258	241 455	253 451	6 125	144 639	168 911	(24 272)	-14%	253 451
Surplus/(Deficit)	(45 500)	(15 109)	(19 642)	8 963	75	(8 824)	8 899	-101%	(19 642)
Transfers and subsidies - capital (monetary allocations)	8 426	15 804	17 433	369	7 551	11 622	(4 071)	-35%	17 433
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(37 074)	695	(2 209)	9 332	7 626	2 798	4 828	173%	(2 209)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(37 074)	695	(2 209)	9 332	7 626	2 798	4 828	173%	(2 209)
Capital expenditure & funds sources									
Capital expenditure	3 047	13 743	16 026	1 053	8 349	10 684	(2 336)	-22%	16 026
Capital transfers recognised	17 231	13 743	15 366	1 053	8 349	10 244	(1 895)	-19%	15 366
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(21 238)	-	661	-	-	441	(441)	-100%	661
Total sources of capital funds	(4 007)	13 743	16 026	1 053	8 349	10 684	(2 336)	-22%	16 026
Financial position									
Total current assets	(11 559)	(23 714)	(17 958)		(11 290)				(17 958)
Total non current assets	313 240	1 981	4 141		318 165				4 141
Total current liabilities	70 651	(22 971)	(12 481)		100 067				(12 481)
Total non current liabilities	44 555	-	-		30 889				-
Community wealth/Equity	157 906	2 867	2 867		168 293				2 867
Cash flows									
Net cash from (used) operating	75 736	5 823	7 339	28 167	60 897	7 838	(53 059)	-677%	222 012
Net cash from (used) investing	(8 808)	(13 258)	(16 026)	(1 211)	(7 593)	10 684	18 277	171%	16 026
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	104 970	(7 435)	(8 687)	-	89 949	18 523	(71 427)	-386%	274 683
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	7 355	2 938	2 981	2 502	2 347	2 546	11 914	94 532	127 114
Creditors Age Analysis									
Total Creditors	10 149	1 858	327	60 570	-	-	-	-	72 905

2.2 TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE (Functional Classification)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February										
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										
<i>Governance and administration</i>		68 359	50 659	52 394	3 717	57 100	36 977	20 123	54%	52 394
Executive and council		33 573	12 961	13 261	–	26 552	9 911	16 640	168%	13 261
Finance and administration		34 786	37 698	39 133	3 717	30 548	27 066	3 482	13%	39 133
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		11 776	36 120	41 087	656	10 353	27 493	(17 140)	-62%	41 087
Community and social services		11 666	15 750	15 041	643	10 321	10 129	191	2%	15 041
Sport and recreation		0	–	–	13	33	–	33	–	–
Public safety		110	–	–	–	(0)	–	(0)	–	–
Housing		–	20 370	26 046	–	–	17 364	(17 364)	-100%	26 046
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 239	4 604	4 904	154	1 562	3 459	(1 897)	-55%	4 904
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		2 239	4 604	4 904	154	1 562	3 459	(1 897)	-55%	4 904
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		109 810	150 767	152 857	10 930	83 250	103 780	(20 529)	-20%	152 857
Energy sources		65 268	81 032	81 103	6 460	49 489	54 479	(4 991)	-9%	81 103
Water management		23 004	37 355	39 374	2 538	17 913	26 895	(8 982)	-33%	39 374
Waste water management		10 774	16 612	16 612	989	8 034	11 520	(3 486)	-30%	16 612
Waste management		10 764	15 769	15 769	943	7 815	10 886	(3 070)	-28%	15 769
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	192 184	242 150	251 242	15 457	152 265	171 709	(19 444)	-11%	251 242
Expenditure - Functional										
<i>Governance and administration</i>		79 185	86 605	89 273	6 281	49 746	59 492	(9 746)	-16%	89 273
Executive and council		21 671	24 748	23 656	2 012	15 168	15 770	(603)	-4%	23 656
Finance and administration		57 515	61 858	65 618	4 270	34 579	43 722	(9 143)	-21%	65 618
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		15 746	31 175	37 936	867	8 203	25 258	(17 055)	-68%	37 936
Community and social services		10 203	8 894	9 344	619	5 836	6 207	(371)	-6%	9 344
Sport and recreation		1 096	532	1 096	55	572	721	(149)	-21%	1 096
Public safety		1 342	280	280	103	999	186	813	436%	280
Housing		3 105	21 469	27 216	90	796	18 144	(17 348)	-96%	27 216
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		16 130	17 691	20 660	1 260	9 703	13 773	(4 071)	-30%	20 660
Planning and development		5	–	–	–	–	–	–	–	–
Road transport		16 125	17 691	20 660	1 260	9 703	13 773	(4 071)	-30%	20 660
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		118 197	105 983	105 582	(2 283)	76 987	70 388	6 600	9%	105 582
Energy sources		64 317	70 336	65 580	(4 451)	42 674	43 720	(1 046)	-2%	65 580
Water management		24 204	14 006	17 622	1 009	17 551	11 748	5 804	49%	17 622
Waste water management		14 599	10 984	11 509	456	7 584	7 673	(89)	-1%	11 509
Waste management		15 077	10 657	10 871	703	9 178	7 247	1 931	27%	10 871
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	229 258	241 455	253 451	6 125	144 639	168 911	(24 272)	-14%	253 451
Surplus/ (Deficit) for the year		(37 074)	695	(2 209)	9 332	7 626	2 798	4 828	173%	(2 209)

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

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February										
Vote Description	Ref	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		33 573	12 961	13 261	–	26 552	9 911	16 640	167,9%	13 261
Vote 2 - CORPORATE SERVICES		13 175	41 883	46 985	744	11 002	31 324	(20 322)	-64,9%	46 985
Vote 3 - FINANCIAL SERVICES		33 986	34 750	36 050	3 684	30 147	25 011	5 136	20,5%	36 050
Vote 4 - TECHNICAL SERVICES		111 450	152 556	154 946	11 029	84 565	105 463	(20 899)	-19,8%	154 946
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	192 184	242 150	251 242	15 457	152 265	171 709	(19 444)	-11,3%	251 242
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		21 671	24 748	23 656	2 012	15 168	15 770	(603)	-3,8%	23 656
Vote 2 - CORPORATE SERVICES		37 646	55 025	65 328	3 295	26 072	43 520	(17 448)	-40,1%	65 328
Vote 3 - FINANCIAL SERVICES		38 564	38 044	41 049	1 989	17 664	27 342	(9 679)	-35,4%	41 049
Vote 4 - TECHNICAL SERVICES		129 996	121 333	121 113	(1 234)	84 897	80 742	4 155	5,1%	121 113
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		1 381	2 305	2 305	64	839	1 537	(697)	-45,4%	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	229 258	241 455	253 451	6 125	144 639	168 911	(24 272)	-14,4%	253 451
Surplus/ (Deficit) for the year	2	(37 074)	695	(2 209)	9 332	7 626	2 798	4 828	172,5%	(2 209)

2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February										
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										
<u>Revenue</u>										
Exchange Revenue		112 995	127 346	127 346	11 193	86 039	84 897	1 142	1%	127 346
Service charges - Electricity		64 073	76 101	76 101	6 441	49 337	50 734	(1 397)	-3%	76 101
Service charges - Water		20 258	22 267	22 267	2 276	15 324	14 845	479	3%	22 267
Service charges - Waste Water Management		8 707	9 610	9 610	772	6 182	6 407	(225)	-4%	9 610
Service charges - Waste management		8 910	9 410	9 410	741	6 072	6 274	(202)	-3%	9 410
Sale of Goods and Rendering of Services		428	396	396	44	366	264	102	39%	396
Agency services		1 215	1 350	1 350	72	898	900	(2)	0%	1 350
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 176	5 929	5 929	651	5 706	3 953	1 754	44%	5 929
Interest earned from Current and Non Current Assets		1 845	960	960	112	1 173	640	533	83%	960
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		611	1 098	1 098	51	439	732	(293)	-40%	1 098
Licence and permits		171	159	159	21	128	106	22	21%	159
Operational Revenue		602	66	66	12	414	44	370	839%	66
Non-Exchange Revenue		70 762	99 000	106 463	3 895	58 675	75 189	(16 515)	-22%	106 463
Property rates		25 562	26 915	26 915	2 295	18 776	17 943	833	5%	26 915
Surcharges and Taxes		-	-	(0)	919	6 032	-	6 032	-	(0)
Fines, penalties and forfeits		395	2 501	2 501	15	157	1 667	(1 510)	-91%	2 501
Licence and permits		0	30	30	-	0	20	(20)	-100%	30
Transfer and subsidies - Operational		41 576	64 252	71 715	361	31 049	52 024	(20 975)	-40%	71 715
Interest		2 561	2 802	2 802	246	2 178	1 868	310	17%	2 802
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		667	-	-	59	482	-	482	-	-
Gains on disposal of Assets		-	2 500	2 500	-	-	1 667	(1 667)	-100%	2 500
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		183 758	226 346	233 809	15 088	144 714	160 087	(15 373)	-10%	233 809
<u>Expenditure By Type</u>										
Employee related costs		80 917	79 933	92 421	7 739	64 277	61 601	2 677	4%	92 421
Remuneration of councillors		3 273	3 276	3 866	309	2 659	2 577	82	3%	3 866
Bulk purchases - electricity		55 313	56 045	56 045	(4 920)	37 715	37 363	352	1%	56 045
Inventory consumed		2 907	8 946	8 113	27	2 765	5 409	(2 644)	-49%	8 113
Debt impairment		29 561	16 691	16 691	-	-	11 127	(11 127)	-100%	16 691
Depreciation and amortisation		13 957	11 762	11 885	980	7 841	7 923	(82)	-1%	11 885
Interest		6 069	8 000	1 100	1	498	733	(236)	-32%	1 100
Contracted services		19 896	33 727	40 017	509	4 043	26 661	(22 618)	-85%	40 017
Transfers and subsidies		255	920	400	3	127	267	(140)	-52%	400
Irrecoverable debts written off		46	-	-	-	16 765	-	16 765	-	-
Operational costs		16 806	22 156	22 914	1 477	7 949	15 249	(7 301)	-48%	22 914
Losses on Disposal of Assets		(609)	-	-	-	-	-	-	-	-
Other Losses		866	-	-	-	-	-	-	-	-
Total Expenditure		229 258	241 455	253 451	6 125	144 639	168 911	(24 272)	-14%	253 451
Surplus/(Deficit)		(45 500)	(15 109)	(19 642)	8 963	75	(8 824)	8 899	(0)	(19 642)
Transfers and subsidies - capital (monetary allocations)		8 426	15 804	17 433	369	7 551	11 622	(4 071)	(0)	17 433
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(37 074)	695	(2 209)	9 332	7 626	2 798			(2 209)
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(37 074)	695	(2 209)	9 332	7 626	2 798			(2 209)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(37 074)	695	(2 209)	9 332	7 626	2 798			(2 209)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany /Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(37 074)	695	(2 209)	9 332	7 626	2 798			(2 209)

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.

2.5 OPERATING REVENUE BY SOURCES:

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

- **Sale of goods and Rendering of Services** – amounts to 44 thousand for **February 2024** and represents 11% of the adjustment budget. The deviation from the year-to-date budget amounts to **39%**. This is higher due to the number of building plans approved which include the new shopping centre being constructed on Van Riebeeck Street in Ladismith.
- **Interest Earned on Investments** – (**83%** 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 allocations was done. It can also be attributed to an under-budgeted position. The Municipality also collected more revenue which attract more interest.
- **Interest on outstanding debtors** – (**44%** deviation from the year-to-date budget). The Municipality has delayed the write-offs of prescribed debt; it also has not written off the outstanding debt of indigent households. Due to these reasons the total debtor's debt attracting interest in significantly higher.
- **Rental from fixed Assets** – amounted to 51 thousand and a deviation of **-40%**. The Municipality collected significantly less rent YTD than budgeted. The Municipality has not implemented all rental contracted with market-related rental amounts. This process is to be finalized during the next quarter or as and when existing contracts expire.
- **Licence and permits** - (**21%** deviation from the year-to-date budget). Amounted to 21 thousand. This is due to an increase in the number of learner license applications.
- **Property Rates** – amounted to **R2.2 million** in **February 2024** which represents a 5% variance from the YTD figures. This is a result of property owners making annual payments. This will be in line with the budget at year-end.
- **Fines, Penalties & Forfeits** – Almost no activity, with a **-91%** deviation, with no vendor appointed to provide cameras and administrative support on speed fines. The Municipality is currently reviewing the fines process and it has not been able to utilize this service effectively. An audit must be conducted to determine how much the service is unprofitable when it has the potential of generating much higher revenue. Cost containment measures must be considered if this does not improve.
- **Transfers and Subsidies** – amounted to 361 thousand for the month of February 2024. The under-performance can be attributed due to non-recognition of grants received.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

2.6 OPERATING EXPENDITURE BY TYPE

- **Inventory Consumed** – The total was **R 27 thousand**, this includes direct purchases for the store and inventory issued out for the reporting period. The Municipality is not currently utilising the inventory system for procurement. Stock is purchased from contracted services.
- **Interest** – The total amounted to **1 thousand** for the month of **February 2024**. This is due to the incorrect allocations of interest charged on the Eskom accounts which was recorded under bulk purchases. This will be corrected. The Eskom interest will be written off as per the debt relief processes.
- **Contracted Services** – amounted to **R 509 thousand** in **February 2024**. The expenditure is expected to pick up in the next reporting periods. This can be contributed to the Municipalities attempt to implement cost containment measures.
- **Transfers and subsidies** – (-52% deviation from the year-to-date budget). The Municipality has not paid us subsidies yet; this will be concluded in the next quarter. The Municipality makes quarterly transfers as and when the institutions submit the relevant documentation.
- **Other Expenditure** - amounted to **R 1.4 million** in **February 2024**.

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. The Municipality is still busy implementing expenditure on the accrual basis, expenses has been recognized when paid. This process will be corrected in the next view months.

2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February										
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		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	206	-	-	137	(137)	-100%	206
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		(0)	7 294	11 130	1 053	7 440	7 420	20	0%	11 130
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	(0)	7 294	11 136	1 053	7 440	7 557	(117)	-2%	11 136
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		0	-	261	-	-	174	(174)	-100%	261
Vote 2 - CORPORATE SERVICES		(21 238)	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		7 054	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		17 231	6 449	4 429	-	908	2 953	(2 045)	-69%	4 429
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	3 047	6 449	4 690	-	908	3 127	(2 219)	-71%	4 690
Total Capital Expenditure	3	3 047	13 743	16 026	1 053	8 349	10 684	(2 336)	-22%	16 026
Capital Expenditure - Functional Classification										
Governance and administration		7 054	-	261	-	-	174	(174)	-100%	261
Executive and council		0	-	261	-	-	174	(174)	-100%	261
Finance and administration		7 054	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	206	-	-	137	(137)	-100%	206
Community and social services		-	-	206	-	-	137	(137)	-100%	206
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(21 238)	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(21 238)	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		17 231	13 743	15 559	1 053	8 349	10 373	(2 024)	-20%	15 559
Energy sources		873	485	62	-	1 171	41	1 130	2749%	62
Water management		(873)	6 449	6 490	-	908	4 326	(3 418)	-79%	6 490
Waste water management		17 231	6 809	9 008	1 053	6 269	6 005	264	4%	9 008
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	3 047	13 743	16 026	1 053	8 349	10 684	(2 336)	-22%	16 026
Funded by:										
National Government		17 231	13 743	12 646	1 053	8 349	8 431	(82)	-1%	12 646
Provincial Government		-	-	2 719	-	-	1 813	(1 813)	-100%	2 719
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		17 231	13 743	15 366	1 053	8 349	10 244	(1 895)	-19%	15 366
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		(21 238)	-	661	-	-	441	(441)	-100%	661
Total Capital Funding	7	(4 007)	13 743	16 026	1 053	8 349	10 684	(2 336)	-22%	16 026

CAPITAL EXPENDITURE

- There Municipality remains on track with its capital expenditure. It had a **R 1.053 million** expenditure in **Feb 2024**.

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M08 February						
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		20 729	(14 630)	(10 079)	28 766	(10 079)
Trade and other receivables from ex change transactions		4 505	(9 478)	(9 478)	(11 752)	(9 478)
Receivables from non-ex change transactions		(323)	(1 128)	(1 128)	793	(1 128)
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 400	(8 946)	(8 084)	2 342	(8 084)
VAT		(37 806)	10 468	10 811	(30 255)	10 811
Other current assets		(1 063)	-	-	(1 184)	-
Total current assets		(11 559)	(23 714)	(17 958)	(11 290)	(17 958)
Non current assets						
Investments		-	-	-	-	-
Investment property		1 111	-	-	1 116	-
Property, plant and equipment		312 120	1 981	4 141	317 039	4 141
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		9	-	-	9	-
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-ex change transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		313 240	1 981	4 141	318 165	4 141
TOTAL ASSETS		301 681	(21 733)	(13 817)	306 874	(13 817)
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 364	-	-	1 421	-
Trade and other payables from exchange transactions		88 168	(19 856)	(9 366)	88 875	(9 366)
Trade and other payables from non-exchange transactions		13 792	-	-	32 875	-
Provision		7 477	-	-	8 491	-
VAT		(40 151)	(3 115)	(3 115)	(31 596)	(3 115)
Other current liabilities		-	-	-	-	-
Total current liabilities		70 651	(22 971)	(12 481)	100 067	(12 481)
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		33 738	-	-	19 349	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		10 817	-	-	11 540	-
Total non current liabilities		44 555	-	-	30 889	-
TOTAL LIABILITIES		115 206	(22 971)	(12 481)	130 956	(12 481)
NET ASSETS	2	186 475	1 238	(1 336)	175 919	(1 336)
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		157 444	2 867	2 867	167 831	2 867
Reserves and funds		462	-	-	462	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	157 906	2 867	2 867	168 293	2 867

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M08 February										
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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		4 921	22 305	22 305	1 473	11 322	14 870	(3 548)	-24%	22 305
Service charges		73 390	120 923	120 323	9 976	55 159	80 215	(25 057)	-31%	120 323
Other revenue		2 794	9 067	9 067	1 592	13 755	6 045	7 710	128%	9 067
Transfers and Subsidies - Operational		43 410	64 252	71 715	13 630	46 437	50 755	(4 318)	-9%	71 715
Transfers and Subsidies - Capital		13 170	15 804	17 433	—	11 174	11 622	(448)	-4%	17 433
Interest		1	50	50	0	3	33	(31)	-92%	50
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(61 949)	(226 578)	(233 554)	1 496	(76 952)	(155 703)	(78 750)	51%	(18 881)
Interest		—	—	—	—	—	—	—	—	—
Transfers and Subsidies		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 736	5 823	7 339	28 167	60 897	7 838	(53 059)	-677%	222 012
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)	(16 026)	(1 211)	(7 593)	10 684	18 277	171%	16 026
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 808)	(13 258)	(16 026)	(1 211)	(7 593)	10 684	18 277	171%	16 026
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		66 928	(7 435)	(8 687)	26 956	53 304	18 523			238 038
Cash/cash equivalents at beginning:		38 042	—	—	—	36 645	—			36 645
Cash/cash equivalents at month/year end:		104 970	(7 435)	(8 687)	—	89 949	18 523			274 683

The total bank balance ending of **February 2024** were as follow;

- Standard Bank Main Account is **R 1.1 million**;
- The Traffic Account has **R 29 thousand**;
- Deposit Account has **R 765 thousand**; and
- Call Account has **R 15 million**.

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February													
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	3 274	846	915	575	586	480	2 963	18 066	27 705	22 670	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 942	200	210	142	80	82	269	733	3 658	1 306	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 566	719	672	636	542	823	2 639	21 352	29 950	25 993	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	734	360	338	336	333	333	1 712	11 229	15 375	13 944	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 438	571	559	546	530	523	2 631	16 324	23 121	20 554	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	38	27	81	89	107	137	984	23 504	24 966	24 820	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(2 637)	215	207	179	169	168	716	3 324	2 340	4 555	-	-
Total By Income Source	2000	7 355	2 938	2 981	2 502	2 347	2 546	11 914	94 532	127 114	113 841	-	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(923)	134	124	74	17	89	12	92	(382)	283	-	-
Commercial	2300	545	153	158	192	141	248	681	3 376	5 494	4 638	-	-
Households	2400	7 863	2 498	2 540	2 101	2 058	2 039	10 515	80 639	110 253	97 352	-	-
Other	2500	(131)	154	159	135	131	170	707	10 425	11 750	11 568	-	-
Total By Customer Group	2600	7 355	2 938	2 981	2 502	2 347	2 546	11 914	94 532	127 114	113 841	-	-

The total amount owed to Kannaland Municipality amounted to **R 127 million at the end of February 2024**.

- **R94 million or 74%** of the total outstanding debtors are older than one year.
- **R114 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. Pre-paid electricity remains the most effective form of credit control.

3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

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	6 094	169	–	35 688	–	–	–	–	41 951
Bulk Water	0200	109	–	–	–	–	–	–	–	109
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	1 111	356	111	3 941	–	–	–	–	5 519
Auditor General	0800	2 425	195	85	4 157	–	–	–	–	6 863
Other	0900	411	1 137	131	16 783	–	–	–	–	18 463
Total By Customer Type	1000	10 149	1 858	327	60 570	–	–	–	–	72 905

- The total outstanding creditors as at the end of February 2024 amounts to **R 72 905 million**.

The old debt, +90days, consist mainly of the following:

- ESKOM = R35 688 million, of which the entire amount is conditionally written off. The other R24 861 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R14 078 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.9 million.
- All other creditors 0-90 days are managed on a month-to-month payment plan, for finalisation in the 2023-2024 FY.

3.4 INVESTMENT PORTFOLIO ANALYSIS

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

3.5 GRANT RECEIPTS AND EXPENDITURE

Transfers and Grant Receipts 2023/ 2024						Rejected Rollover Repayment
	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
National Government Grants						
Financial Management Grant (FMG)	R2 932 000,00		R2 932 000,00	R1 134 197,81	R1 797 802,19	
Equitable Share	R35 348 000,00		R26 511 000,00	R26 511 000,00		
Municipal Infrastructure Grant (Operational)	568 650,00		R568 650,00	R379 099,95	R189 550,05	
Municipal Infrastructure Grant (Capital)	R10 804 350,00	R10 043 350,00	R10 105 350,00	R7 316 388,81	R2 788 961,19	R958 939,65
Water Service Infrastructure Grant	R5 000 000,00	R4 500 000,00	R500 000,00	R234 984,13	R265 015,87	
EPWP Incentive Grant	R1 220 000,00		R1 220 000,00	R955 119,47	R264 880,53	
	R55 873 000,00	R14 543 350,00	R41 837 000,00	R36 530 790,17	R5 306 209,83	
Provincial Government	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
Human Settlements	R20 262 000,00	R 24 905 000,00	R13 264 260,00	R13 264 260,00	R0,00	
Human Settlement Informal Settlement Upgrading Partnership G	R108 000,00	R 1 141 000,00				
MRF (Municipal Replacement Fund)	R3 555 000,00	R3 607 000,00	R3 607 000,00	R2 027 970,53	R1 579 029,47	
Municipal Intervention Grant		R 300 000,00				
Municipal Service Delivery and Capacity Building Grant		R 300 000,00				
Western Cape Financial Recovery Services		R 1 000 000,00				
CDW Grant	R113 000,00		R113 000,00	R55 899,79	R57 100,21	
Departmental Agencies	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
Public Sector Seta	R145 000,00		R49 664,75		R49 664,75	
Total	R24 183 000,00	R31 253 000,00	R17 033 924,75	R15 348 130,32	R1 685 794,43	
	R80 056 000,00	R45 796 350,00	R58 870 924,75	R51 878 920,49	R6 992 004,26	

The following indicates expenditure on each respective grant received (Operational) and (Capital) for February 2024 -

Expenditure:

- Financial Management Grant amounts to **R 40 thousand**.
- Municipal Infrastructure Grant (MIG) amounts **R 369 thousand** capital expenditure and MIG PMU amounts to **R47 thousand**.
- Expanded Public Works Programme amounts to **R 56 thousand**.

Provincial Treasury

Expenditure:


- Libraries Grant amounts to **R 222 thousand**.
- Community Development Workers amounts to **R 2.7 thousand**.

3.6 TABLE SC8 – EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February										
Summary of Employee and Councillor remuneration	Ref	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		2 827	2 990	3 580	256	2 270	2 387	(117)	-5%	3 580
Pension and UIF Contributions		36	—	—	16	89	—	89	—	—
Medical Aid Contributions		67	—	—	10	76	—	76	—	—
Motor Vehicle Allowance		52	—	—	3	24	—	24	—	—
Cellphone Allowance		292	286	286	25	200	190	10	5%	286
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		3 273	3 276	3 866	309	2 659	2 577	82	3%	3 866
% increase	4		0,1%	18,1%						18,1%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 729	4 449	3 899	408	2 088	2 599	(511)	-20%	3 899
Pension and UIF Contributions		5	9	9	1	5	6	(1)	-16%	9
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		80	509	439	35	231	293	(62)	-21%	439
Cellphone Allowance		50	113	113	10	60	75	(15)	-20%	113
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		98	88	88	4	5	58	(54)	-92%	88
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		2 963	5 167	4 547	459	2 389	3 032	(643)	-21%	4 547
% increase	4		74,4%	53,5%						53,5%
Other Municipal Staff										
Basic Salaries and Wages		52 231	52 793	62 438	4 966	40 696	41 625	(929)	-2%	62 438
Pension and UIF Contributions		7 132	8 568	8 367	634	5 156	5 578	(422)	-8%	8 367
Medical Aid Contributions		2 168	1 687	2 417	214	1 593	1 611	(18)	-1%	2 417
Overtime		6 568	4 876	5 913	800	5 682	3 933	1 749	44%	5 913
Performance Bonus		1 975	752	1 002	—	761	668	93	14%	1 002
Motor Vehicle Allowance		2 790	2 359	3 515	310	2 411	2 344	67	3%	3 515
Cellphone Allowance		127	100	131	8	77	87	(10)	-11%	131
Housing Allowances		337	173	345	22	225	230	(5)	-2%	345
Other benefits and allowances		6 515	2 851	3 009	328	5 030	2 002	3 028	151%	3 009
Payments in lieu of leave		(1 166)	150	280	—	257	187	70	38%	280
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		(723)	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		77 954	74 309	87 417	7 280	61 888	58 265	3 623	6%	87 417
% increase	4		-4,7%	12,1%						12,1%
Total Parent Municipality		84 190	82 752	95 831	8 049	66 936	63 874	3 062	5%	95 831
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	457	457	—	—	304	(304)	-100%	457
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	0	1	—	1	—	—
Board Fees	5	—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Executive members Board	2	—	457	457	0	1	304	(304)	-100%	457
% increase	4		0,0%	0,0%						0,0%
Total Municipal Entities		—	457	457	0	1	304	(304)	-100%	457
TOTAL SALARY, ALLOWANCES & BENEFITS		84 190	83 209	96 287	8 049	66 937	64 178	2 758	4%	96 287
% increase	4		-1,2%	14,4%						14,4%
TOTAL MANAGERS AND STAFF		80 917	79 476	91 965	7 739	64 277	61 296	2 981	5%	91 965

Section 12 – Implementation of the budget funding plan

The implementation of the funding plan is taking place on monthly basis and will be reported on a monthly basis for any material issues that may arise and that will need attention.

 KANNALAND MUNICIPALITEIT MUNICIPALITY		Budget Funding Implementation Schedule				
14-Mar-24	Activity	Activity Detail	Status	Due Date	Date Achieved	Comments / Reasons / remedial action
Improved Monthly Collection Rate	Meter verification, TID & data collection project	Start processes for meter verification, TID & data collection project - Specs for tender	Target Misse	01-Feb-24		The tender w as advertised, only one application w as received. The tender expired and w ill be re-advertised. The Municipality is engaging the service current service provider to roll-out this services.
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Not Due	01-Apr-24		The tender w as not awarded, it w ill be re-advertised.
	Meter verification, TID & data collection project	Phase I - To be specified during specs evaluation/assessment	Not Due	01-Jun-24		The tender w as not awarded, it w ill be re-advertised.
	Meter verification, TID & data collection project	Phase II - To be specified during specs evaluation/assessment	Not Due	01-Sep-24		The tender w as not awarded, it w ill be re-advertised.
	Meter verification, TID & data collection project	Phase III - To be specified during specs evaluation/assessment	Not Due	01-Oct-24		The tender w as not awarded, it w ill be re-advertised.
	Tender for issuing of summonses to be awarded	Referred back to evaluation for clarity on pricing	Target Misse	31-Jan-24		The Municipality is currently busy w ith an intensive debt collection drive. The focus is on the top 50 debtors. Numerous communication has been circulated w ith some success. A further drive w ill ensue and none paying debtors w ill be handed over. The Municipality advertised a tender for legal and professional services. None of the bidders w ere able to assist w ith Debt Collection. The Municipality opted to re-advertised. The Municipality is in the process of enlisting the services of a debt collection agency and all overdue debtors w ill be handed-over systematically.
	Bulk SMS's - Credit Control / Check w ith SAMRAS credit control module	SMS's can be done internally (part of FMG support Plan)	Achieved	31-Aug-23	31-Aug-23	The Municipality managed to procure bulk messages and it forms part of the debt collection process. The Municipality appointed a Accountant Debt Collection to ensure a dedicated focus on overdue accounts
	SAMRAS - Credit Control Module activate and supp	Dependent availability of SAMRAS (part of FMG support Plan)	Achieved	30-Sep-23	01-Nov-23	The Municipality opted to appoint a Accountant responsible for Debt Collection. The Credit Control Module implementation w ill be investigated and detailed recommendations w ill be considered.
	Exception reporting - Improved	System in place to ensure technical department address issues escalated	Achieved	01-Aug-23	01-Oct-23	The Municipality are making use of the services of a Seconded Technical Director. This w ill allow management to implement cross departmental actioned. The technical department in conjunction w ith the meter reading department w ill ensure all faulty meters are replaced.
	Action against biggest Debtors	Dependent on summons processes (can start w ith notices to be issued & addressing disputes)	Achieved	31-Aug-23	31-Aug-23	The debt collection team is busy prioritising the highest debtors per month.
	Strengthen internal capacity	Appointment Customer Care Clerk	Achieved	31-Jul-23	31-Aug-23	The Municipality opted to appoint a Accountant responsible for Debt Collection. It also appointed a clerk w ithin the delpartment.
	Strengthen internal capacity	Appointment Accountant - Debtors	Achieved	31-Jul-23	01-Dec-23	The Municipality advertised for this position and is busy w ith the recruitment process. An appointment w ill be made once the process has been concluded. The appointment has been made and the candidate w ill start on 01 December 2023.
	Adding additional pay-points / Indigent registration	VWD - (tools of trade to be issued)	Achieved	31-Jul-23	01-Aug-23	The Municipality are busy exploring the options to increase the pay-points. It was concluded that a possible relief cashier be used on selected days.
	Adding additional pay-points / Indigent registration	Thusong Centre - (tools of trade to be issued)	Not Due	31-Mar-24		The Municipality are busy exploring the options to increase the pay-points. A site visit w as conducted and a particular office w as identified. The Municipality must identify savings to make the necessary adjustments, safety proof the office.
Improved Accuracy in Billing	Adding additional - Indigent registration (temporarily Maxi Hall)	Zoar (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This w as rew arding as people managed to register.
	Adding additional - Indigent registration (temporarily Bergsig Library)	Czd (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This w as rew arding as people managed to register.
	Reconciliations	Rates / billing recon - quarterly (being done to ensure billing completeness) -Addressing Reconciliation differences (in place)	Achieved	31-Aug-23	31-Oct-23	The valuation roll is being reconciled and all variances reported on monthly. A action plan has been draw n up to address outstanding matters.
	Water & Electricity Meters to be recorded correctly on the system	Uniformity in capturing and data cleansing through verification project - SOP's to be put in place and actual corrections to correlate w ith verification process	Achieved	31-Oct-23	30-Sep-23	The debtors and metering department is busy w ith a meter audit. A number of faulty meters has been identified for repairs and replacement. The Municipality has established a operating team consisting of the technical and finance department to perform a detailed analysis throughout the Municipality. The process already started and w ill be completed by end of January 2024.
	Stakeholder Communication	System in place to communicate and follow progress on replacement and installing of meters. Connecting of new services to a property. (Role clarification building control, technical & billing)	Achieved	31-Aug-23	30-Sep-23	An interdepartmental w orking group w ill be establisbed and the finance department w ill be in charge of the data of each meter
	Stakeholder Communication	Communication campaign - methods of payment, accounts to be emailed, accounts available online - communicate to the public	Achieved	30-Sep-23	31-Dec-23	Accounts is being emailed to debtors monthly. The council resolved that the CFO can engage outstanding debtors on a payment plan or settlement arrangement.
	Management of Bulk Services	Calibrate and monitor bulk meters (Control meters and annual calibration part of technical maintenance plan)	Achieved	30-Nov-23	31-Dec-23	Bulk meters are being monitored monthly. The Municipality is currently in the processes of going out on tender for the reading of all bulk meters.

Other Revenue	Rental Contracts	Ensure that there are rental contracts for all properties on the rent-register	Target Misse	31-Aug-23		The Municipality is busy collating the outstanding contracts. The deadline was extended to 31 December 2023 from 31 August 2023. The user department is currently busy with finalising these contracts.
	Rental Income	Enhance rental income for municipal properties like community facilities & equipment	Target Misse	31-Dec-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Rental Income	Rental income all municipal properties and market related where applicable	Target Misse	31-Jul-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Traffic Department	Procurement process- vendor to be appointed for speed cameras	Target Misse	31-Jan-24		The Municipality has rented a traffic camera which is currently in use. The Municipality is currently in the process of auditing the traffic fine system. The progress is not satisfactory and management will review the operations, as the service is under-utilised.
	Traffic Department	Address traffic department leadership and structuring - Head of department to be appointed	Target Misse	31-Oct-23		This is currently in process, the position has been advertised, HR is yet to make the appointment
	Traffic Department	Address traffic department revenue shortfall - increased spot fines, licenses, roadworthy etc. - address inefficiencies - report progress	Target Misse	30-Sep-23		Due to a lack in leadership the department does not have a clear action plan. The targets must be revised to end of December 2023. It seems unlikely that the projected revenue target for this will be achieved.
Cost Containment Measures	Human Resources	Implement a performance management system for all managers (consequence management + improvement discipline)	Target Misse	31-Oct-23		This is still outstanding, a draft performance plan and contracts have been implemented for directors. The Municipality must enlist the get access to a performance management system to effectively implement a FMS.
	Human Resources	Phased in approach to cost cutting measures - address allowances, standby, overtime etc.	Target Misse	31-Aug-23		The Municipality is busy with budget vs actual workshops for each department. Costs containment measures will be implemented once the directors have a better understanding of their budgets. Various cash flow meetings was held with line managers during November 2023. A budget vs actual workshop was also held, budgeted vacant positions were highlighted for the employment of temporary workers, limited until Feb 2024.
	Human Resources	Completeness HR records (leave, sick leave and employee Masterfile information)	Target Misse	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Human Resources	Compliance with Staff regulations and address structure inefficiencies + organogram payroll recon. Appointments to be prioritised and "need" justified	Target Misse	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Contract Management	Approve a Contract Management Policy & Checklist for vendor performance management and need analysis before appointing	Target Misse	31-Jan-24		The Municipality is currently busy with the implementation of controls and the development of a compliant contract register. Various expired contracts will be reviewed to implement cost-containment measures.
Liability Management	Creditors	Compliance with section 65 of the MFMA. Recognition of expenditure when incurred. Sub-system to be used and reconciled	Target Misse	29-Feb-24		The Municipality circulated numerous communication with suppliers regarding payment dates, processes and payment terms. As cash flow allow it will attempt to ensure compliance with the section. The Eskom debt relief application has allowed the Municipality to decrease its total liabilities. The final adjustments for the Eskom balance has been received and the Municipality has over R8million credit which will impact the municipalities cash balance positively.
	Budgeting	Weekly cash flow monitoring	Achieved	31-Aug-23	07-Nov-23	Cash flow meetings is scheduled weekly
	Budgeting	Establish Budget Steering Committee (budget implementation & grant management monitoring)	Target Misse	31-Jan-24		The Municipality is in the process of establishing a budget steering committee
	Liabilities	Clearing and dealing with old grants on grant register	Not Due	31-Mar-24		The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system. The financial system will be aligned to the grant register. All historical grants will be reported on as historical expenditure might be off-set against these expense conditions.
	Liabilities	Improved grant & retention management - address PMU inefficiencies and administrative responsibilities clarified	Achieved	31-Aug-23	31-Aug-23	The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system
Other Measures	Water & Electricity Losses	Isolating high loss and fix (water) / exception reporting & monitoring of use	Target Misse	31-Jul-23		The Technical department is in the process of implementing a system in which they will address water losses.
	Water & Electricity Losses	Pre-Paid water meters first Indigent households as policy dictate - linked to verification project	Target Misse	31-Jan-24		The Municipality is in the process of embarking on a internal meter audit verification process, by establishing a multi-departmental team to verify meter data of all meters within the Municipality. Through this process all water & electricity meters will be audited and replaced if found to be faulty.
	Water & Electricity Losses	Identify and consolidate Eskom service points (reduce monthly account)	Target Misse	31-Dec-23		The Municipality has started exploring this through the technical department.
	Asset Management	Improved fleet management - Policy implementation, monitoring of fuel use & monthly reporting	Target Misse	31-Jul-23		Fleet management is challenging in the Municipality due to the lack of vehicle management.
	Asset Management	Develop a R&M plan / strategy	Not Due	31-Mar-24		
	Employee Related Costs	Fill critical vacancies - "justifiable needs assessment" first. Revenue generating / protecting in nature - prioritise	Target Misse	31-Oct-23		The organogram is still in development phase

12.1 Funding Activities

ACTIVITY DESCRIPTION		ITEM A4	Funding Plan '2023/24	Funding Plan '2024/25	Funding Plan '2025/26
Appoint an external services provider for debt collection	Revenue	Service charges - electricity revenue	- 1 397 111		
Appoint an external services provider for debt collection	Revenue	Service charges - water revenue	478 616		
Appoint an external services provider for debt collection	Revenue	Service charges - sanitation revenue	- 224 752		
Appoint an external services provider for debt collection	Revenue	Service charges - refuse revenue	- 201 739		
Appoint an external services provider for debt collection	Revenue	Property rates	832 948		
Recording higher operational revenue from non & exchange revenue	Revenue	Other revenue	852 259		
VAT Received	Revenue	Other revenue	6 031 622		
Interest generated on non-exchange revenue	Revenue	Interest earned - external investments	310 485		
Interest generated from receivables	Revenue	Interest earned - outstanding debtors	1 753 728		
Interest generated from current & non-current assets	Revenue	Interest earned - external investments	532 915		
Lower contracted services expenses YTD	Expenditure	Contracted services	- 22 618 069		
Lower inventory expenses YTD	Revenue	Contracted services	- 2 643 609		
Lower interest on outstanding Eskom account due to Debt Relief application	Revenue	Finance charges	- 235 724		

12.2 Funding 2023/24

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref		2023/24 Medium Term Revenue & Expend			Funding Plan '2023/24		REVISED MTREF BUDGET			
			Budget Year 2023/24	Budget Year +1 2023/24	Budget Year +2 2024/25	Funding Plan '2023/24	Funding Plan '2024/25	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2024/25
R thousand	1	Audited Outcome									
Revenue By Source											
Property rates	2	25 891	26 915	28 268	29 567	833		27 748	28 268	29 567	
Service charges - electricity revenue	2	64 750	76 101	88 175	104 766			76 101	88 175	104 766	
Service charges - water revenue	2	20 355	22 267	23 359	24 456	479		22 746	23 359	24 456	
Service charges - sanitation revenue	2	8 706	9 610	10 081	10 554			9 610	10 081	10 554	
Service charges - refuse revenue	2	8 583	9 410	9 871	10 335			9 410	9 871	10 335	
Service charges - other											
Rental of facilities and equipment		552	1 098	653	685			1 098	653	685	
Interest earned - external investments		1 577	3 762	3 039	3 075	843		4 605	3 039	3 075	
Interest earned - outstanding debtors		4 639	5 929	6 167	6 457	1 754		7 683	6 167	6 457	
Dividends received											
Fines, penalties and forfeits		39	2 501	3 751	5 626			2 501	3 751	5 626	
Licences and permits		159	189	167	176			189	167	176	
Agency services		1 098	1 350	1 418	1 488			1 350	1 418	1 488	
Transfers and subsidies		60 590	71 715	44 668	61 777			71 715	44 668	61 777	
Other revenue	2	241	66	104	109	6 884		6 950	104	109	
Gains		307	2 896	198	207			2 896	198	207	
Total Revenue (excluding capital transfers and contributions)		197 488	233 809	219 917	259 280	10 793		244 601	219 917	259 280	
Expenditure By Type											
Employee related costs	2	71 598	92 852	81 065	83 743			92 852	81 065	83 743	
Remuneration of councillors		3 148	3 866	3 437	3 598			3 866	3 437	3 598	
Debt impairment	3	29 203	16 691	16 138	15 722			16 691	16 138	15 722	
Depreciation & asset impairment	2	13 717	11 885	14 168	14 771			11 885	14 168	14 771	
Finance charges		4 244	8 113	2 098	2 197	(236)		7 877	2 098	2 197	
Bulk purchases	2	50 752	56 045	60 529	65 371			56 045	60 529	65 371	
Other materials	8	3 536	1 100	9 371	9 811			1 100	9 371	9 811	
Contracted services		13 677	40 017	15 328	32 017	(25 262)		14 755	15 328	32 017	
Transfers and subsidies		240	400	965	1 010			400	965	1 010	
Other expenditure	4, 5	16 573	22 914	25 102	26 253			22 914	25 102	26 253	
Losses		4 806									
Total Expenditure		211 495	253 882	228 201	254 493	(25 497)		228 384	228 201	254 493	
Surplus/(Deficit)		(14 006)	(20 073)	(8 284)	4 786	36 290		16 217	(8 284)	4 786	

Section 13 – SCM Deviations

FEBRUARY 2024					
SUPPLY CHAIN MANAGEMENT DEVIATIONS: ART 36- SCM REGULATIONS					
ORDER NUMBER	DATE	DEPARTMENT	SUPPLIER	AMOUNT	REASON
20257	20/11/2023	TECHNICAL DEPARTMENT	ULTRA WATER (PTY) LTD	R 71 875,00	THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CURRENT SERVICES PROVIDER FOR THE SUPPLY OF THE ACTIVATED CARBON WHICH WAS URGENTLY NEEDED FOR PURIFICATION OF THE CALITZDORP DRINKING WATER, ZOAR AND AMALIENSTEIN.
20687	2024/07/02	ADMINISTRATION	BRAAFF	R 31 028,73	DUE TO OFFICE SPACE, KANNALAND MUNICIPALITY ENTERED INTO AN AGREEMENT WITH MR BRAAF TO RENT THE PROPERTY ON THE CORNER OF CHURCH AND VAN RIEBEECK STREET (01/06/2022-31/05/2025. THIS OFFICE SPACE IS USED BY THE FOLLOWING USER DEPARTMENTS: CFO, BTO, SCM, SCM STORES, AND EXPENDITURE AND PAYROLL.
20692	2024/08/02	ADMINISTRATION	TELKOM SA LIMITED	R 60 781,00	THE MUNICIPALITY DURING THE PREVIOUS AND CURRENT FINANCIAL YEAR STARTED ENGAGEMENT WITH THE BUSINESS SIDE OF TELKOM, BUT COULD NOT FINALIZE THE PROCESS DUE TO A LACK OF CONTINUITY IN NEGOTIATIONS AND PERSONNEL. MR RUDI FORTUIN IS STILL IN EVENTUAL PROCUREMENT. TELKOM ARE A GOVERNMENT PARASTATAL. THE CONTRACTS THAT LAPSED MAKES PROVISION FOR A MONTH- TO-MONTH AGREEMENT THAT SHALL BE TERMINATED UPON PRIOR NOTICE BY ANY OF THE PARTIES.
20741	15/02/2024	FINANCIAL SERVICES	SA POSTAL SERVICES	R 44 922,50	SAPO IS CURRENTLY THE SOLE SERVICE PROVIDER FOR THE POSTING OF THE MUNICIPALITY'S MONTHLY SERVICE ACCOUNTS. IN THE EVENT THAT THE SERVICE ACCOUNTS ARE NOT DELIVERED TO THE CONSUMERS, THE MUNICIPALITY CANNOT GENERATE REVENUE FOR SERVICE DELIVERED.
20764	20/02/2024	ADMINISTRATION	KONICA MINOLTA	R 8 627,78	THE AGREEMENTS WITH THE SERVICES PROVIDERS TO PROVIDE, INSTALL AND MAINTAIN THE CURRENT MEDIUM VOLUME MULTIFUNCTION COPIERS AT THE MUNICIPALITY ON A RENTAL BASIS HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY STARTING THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A 36 MONTHS CONTRACT. THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CURRENT SERVICE PROVIDERS UP UNTIL THE PROCUREMENT AND TENDER PROCESS FOR A SERVICE PROVIDER HAS BEEN FINALISED.
20766	20/02/2024	FINANCIAL SERVICES	WINDEED	R 1 587,64	KANNALAND MUNICIPALITY NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS. THESE RECORDS ARE OBTAINABLE VIA THE WINDEED ELECTRONIC SYSTEM. IF THIS ACTION IS NOT PERFORMED ON A MONTHLY BASIS AND RECORDS ARE NOT ADJUSTED TO THE LATEST INFORMATION, INVOICES WILL BE DELIVERED TO INCORRECT PROPERTY OWNERS AND THIS WILL RESULT IN A LOSS IN INCOME.
20769	20/02/2024	FINANCIAL SERVICES	WINDEED	R 2 305,87	KANNALAND MUNICIPALITY NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS. THESE RECORDS ARE OBTAINABLE VIA THE WINDEED ELECTRONIC SYSTEM. IF THIS ACTION IS NOT PERFORMED ON A MONTHLY BASIS AND RECORDS ARE NOT ADJUSTED TO THE LATEST INFORMATION, INVOICES WILL BE DELIVERED TO INCORRECT PROPERTY OWNERS AND THIS WILL RESULT IN A LOSS IN INCOME.
20770	20/02/2024	FINANCIAL SERVICES	WINDEED	R 1 815,87	KANNALAND MUNICIPALITY NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS. THESE RECORDS ARE OBTAINABLE VIA THE WINDEED ELECTRONIC SYSTEM. IF THIS ACTION IS NOT PERFORMED ON A MONTHLY BASIS AND RECORDS ARE NOT ADJUSTED TO THE LATEST INFORMATION, INVOICES WILL BE DELIVERED TO INCORRECT PROPERTY OWNERS AND THIS WILL RESULT IN A LOSS IN INCOME.
20768	20/02/2024	FINANCIAL SERVICES	WINDEED	R 906,42	KANNALAND MUNICIPALITY NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS. THESE RECORDS ARE OBTAINABLE VIA THE WINDEED ELECTRONIC SYSTEM. IF THIS ACTION IS NOT PERFORMED ON A MONTHLY BASIS AND RECORDS ARE NOT ADJUSTED TO THE LATEST INFORMATION, INVOICES WILL BE DELIVERED TO INCORRECT PROPERTY OWNERS AND THIS WILL RESULT IN A LOSS IN INCOME.

SCM Deviations (Continued)

FEBRUARY 2024					
SUPPLY CHAIN MANAGEMENT DEVIATIONS: ART 36- SCM REGULATIONS					
ORDER NUMBER	DATE	DEPARTMENT	SUPPLIER	AMOUNT	REASON
20767	20/02/2024	FINANCIAL SERVICES	WINDEED	R 2 020,01	KANNALAND MUNICIPALITY NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS. THESE RECORDS ARE OBTAINABLE VIA THE WINDEED ELECTRONIC SYSTEM. IF THIS ACTION IS NOT PERFORMED ON A MONTHLY BASIS AND RECORDS ARE NOT ADJUSTED TO THE LATEST INFORMATION, INVOICES WILL BE DELIVERED TO INCORRECT PROPERTY OWNERS AND THIS WILL RESULT IN A LOSS IN INCOME.
20731	2024/12/02	ADMINISTRATION	KONICA MINOLTA	R 7 555,12	THE AGREEMENTS WITH THE SERVICES PROVIDERS TO PROVIDE, INSTALL AND MAINTAIN THE CURRENT MEDIUM VOLUME MULTIFUNCTION COPIERS AT THE MUNICIPALITY ON A RENTAL BASIS HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY STARTING THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A 36 MONTHS CONTRACT. THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CURRENT SERVICE PROVIDERS UP UNTIL THE PROCUREMENT AND TENDER PROCESS FOR A SERVICE PROVIDER HAS BEEN FINALISED.
20728	2024/12/02	ADMINISTRATION	BIDVEST STEINER	R 12 826,78	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TO PROVIDE THESE SERVICES HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THESE SERVICES ON A MONTH TO MONTH BASIS. THE NEED FOR ETERNAL SPECIFIED CLEANSING SERVICES/PRODUCTS ARE A CHALLENGE IN KANNALAND MUNICIPALITY AS WE HAVE LIMITED RESOURCES.
20735	13/02/2024	ADMINISTRATION	BLYTH AND COETZEE	R 9 858,00	THE ORIGINAL AGREEMENT WITH THE SUPPLIER TO RENT THIS BUILDING EXPIRED AND IT THEREFORE RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THIS SUPPLIER ON A MONTH TO MONTH BASIS. KANNALAND MUNICIPALITY HAS CHALLENGE WITH OFFICE SPACE, THE TECHNICAL DEPARTMENT CURRENTLY OCCUPIES THE BUILDING. THIS BUILDING IS SITUATED WITHIN A 200m RADIUS FROM MAIN MUNICIPALITY OFFICES.
20772	20/02/2024	FINANCE	LUCRUMSOFT	R 38 640,00	LUCRUMSOFT IS CURRENTLY READING THE BULK AND BUSINESS, ELECTRONIC ELECTRICITY METERS, TO ENABLE BILLING. THE MUNICIPALITY DOES NOT HAVE THE FACILITIES TO PERFORM THESE METER READINGS THEMSELVES. THE CURRENT APPOINTED SERVICE PROVIDER FOR THE READING OF ALL WATER AND ELECTRICITY METERS IN NOT IN A POSITION TO PROVIDE THIS INFORMATION AS THIS WAS NOT INCLUDED IN THE TENDER AWARDED. A NEW TENDER IS IN PROCESS SPECIFICALLY WITH REGARDS TO THE READING OF AMR METERS. DUE TO THE URGENCY OF THIS SERVICE THAT MUST BE DELIVERED THE INFORMATION IS OBTAINED FROM THE PREVIOUS SERVICE PROVIDER.
20771	20/02/2024	FINANCE	LUCRUMSOFT	R 38 640,00	LUCRUMSOFT IS CURRENTLY READING THE BULK AND BUSINESS, ELECTRONIC ELECTRICITY METERS, TO ENABLE BILLING. THE MUNICIPALITY DOES NOT HAVE THE FACILITIES TO PERFORM THESE METER READINGS THEMSELVES. THE CURRENT APPOINTED SERVICE PROVIDER FOR THE READING OF ALL WATER AND ELECTRICITY METERS IN NOT IN A POSITION TO PROVIDE THIS INFORMATION AS THIS WAS NOT INCLUDED IN THE TENDER AWARDED. A NEW TENDER IS IN PROCESS SPECIFICALLY WITH REGARDS TO THE READING OF AMR METERS. DUE TO THE URGENCY OF THIS SERVICE THAT MUST BE DELIVERED THE INFORMATION IS OBTAINED FROM THE PREVIOUS SERVICE PROVIDER.
20798	28/02/2024	FINANCE	WINDEED	R 1 831,44	KANNALAND MUNICIPALITY NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS. THESE RECORDS ARE OBTAINABLE VIA THE WINDEED ELECTRONIC SYSTEM. IF THIS ACTIONS IS NOT PERFORMED ON A MONTHLY BASIS AND RECORDS ARE NOT ADJUSTED TO THE LATEST INFORMATION, INVOICES WILL BE DELIVERED TO THE INCORRECT PROPERTY OWNERS AND THIS WILL RESULT IN A LOSS IN INCOME.
20739	15/02/2024	TECHNICAL DEPARTMENT	HIDRO-TECH SYSTEMS (PTY) LTD	R 368 580,99	KANNALAND MUNICIPALITY DEVIATED.
20732	13/02/2024	ADMINISTRATION	VALLEY CONTAINERS	R 10 522,50	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TO PROVIDE THESE SERVICES HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THESE SERVICES ON A MONTH TO MONTH BASIS. THE NEED FOR OFFICE AND STORAGE HAS BEEN A CHALLENGE IN KANNALAND MUNICIPALITY FOR A NUMBER OF YEARS NOW AND HAS NECESSITATED THE MUNICIPALITY TO USE CONTAINERS TO ADDRESS THIS NEED AS INTERIM MEASURE.
				R 714 325,65	

Section 14- Progress on Municipal Debt Relief

- Municipality's self-assessment in the format of the compliance certificate issued in MFMA Circular No. 124: Annexure A (signed by the Municipal Manager / (Acting); Attached as Annexure A
- Supporting information substantiating its compliance with conditions 6.1 – 6.14 in MFMA Circular No. 124.

Calitzdorp Besproeiingsraad

Posbus/P O Box 197, Calitzdorp, 6660
Tel: 044 213 3802 / 084 589 7776 Email: calitzdorpwater@telkomsa.net
BTW/VAT Reg: 4260157971

BELASTINGFAKTUUR

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655
BTW Nr 4540197268

Faktuur Nr: 310
Datum: 05 February 2024

MUNISIPALE WATERVERBRUIK – CALITZDORP: January 2023

Sub Oorverbruik

Maand	Jan-23	Dec-23
Meterlesing einde		7281660
Meterlesing begin		7205960
Ontrek	kl	75700
Dae @ 455 kl per dag toelaag	31	14105
Sub Oorverbruik 61595- 24855= 36740	kl	36740
Min beurt teruggegee	kl	0
Oorverbruik	kl	36740
0-26000 kl tarief @ 1.10	26000	R 28 600.00
26000-36000kl @ 2.21kl	10740	R 23 735.40
46000 - 56000 kl tarief	0	R -
56 000 en meer tarief	0	R -
Sub Oorverbruik		R 52 335.40
Plus 15% BTW		R 7 850.31
Totaal verskuldig		R 60 185.71

Glyskaal met ingang 2023

Dae		31
Toegelaat per dag - kl		455
0 - 26000 kl tarief	R	1.10
26000 - 36000 kl tarief	R	2.21
36000 - 46000 kl tarief	R	3.69
46000 - 56000 kl tarief	R	7.37
56 000 kl en meer tarief	R	14.74

Beurt teruggegee formule

1 cusec = 101.96 m3		101.96
Stroomsterkte cusec/uur		6.18
Ure teruggegee		0
Kl = Ure teruggegee x 101.96m3 x stroomsterkte	kl	0

Bankbesonderhede:

Naam: Calitzdorp Besproeiingsraad
Bank: Standard Bank
Tak: Calitzdorp 050014
Rek Nr: 280110022

Terme:

- Betaalbaar binne dertig (30) dae vanaf datum van rekening.
- Betalings mag nie weerhou word totdat 'n geskil besleg is nie.
- Rente teen 16% word gehef op rekeninge ouer as 30 dae.
- Versuim om huidige faktuur binne dertig dae vanaf datum van faktuur te betaal sal meebring dat watervoorsiening 2 dae na sperdatum outomaties verminder word tot slegs die toegelate gratis 455kl water per dag tot volle vereffening van faktuur.

CREDITOR DETAILS - HISTORY

Customer no : 420543546 User ID : OCK31 User Name : KANNALAND MUNICIPALITY

Creditor Code : C2
Creditor Description: CALITZDORP BESPROEINGSRAAD
Date 1 : 20240306
Amount 1 : 60185.71
Date 2 : 20240208
Amount 2 : 46021.93
Date 3 : 20240108
Amount 3 : 70826.97

Standard Bank of South Africa

The Standard Bank of South Africa Limited Registered Bank Reg. No. 1962/000738/06

Computer Generated Copy

CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPAL	Statement For	20240306	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	330		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240305	227,516.06
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240306	3,486,544.39
1	CASH DEPOSIT NOTES/COINS CALITZDORP	0.00	0.00	4,476.50	20240306	3,480,016.59
2	CASH DEPOSIT NOTES/COINS CALITZDORP	0.00	0.00	20,732.80	20240306	3,526,283.49
2	CASH DEPOSIT NOTES/COINS CALITZDORP 01/03/2024	0.00	0.00	11,048.50	20240306	3,505,550.69
1	CASH DEPOSIT NOTES/COINS CALITZDORP 04/03/2024	0.00	0.00	6,527.80	20240306	3,486,544.39
2	CASH DEPOSIT NOTES/COINS CBL MOTORS 2024/03/05	0.00	0.00	7,957.80	20240306	3,494,502.19
1	CASH DEPOSIT NOTES/COINS COMOTORS	0.00	0.00	746.00	20240306	3,469,542.49
1	CASH DEPOSIT NOTES/COINS COMOTORS 29/02/2024	0.00	0.00	1,557.60	20240306	3,471,100.09
2	CASH DEPOSIT NOTES/COINS LADISMITH	0.00	0.00	39,789.20	20240306	3,566,072.69
1	CASH DEPOSIT: NOTES COMOTOROS 04/03/2024	0.00	0.00	4,440.00	20240306	3,475,540.09
1	CASH DEPOSIT: NOTES COMOTOROS 01/03/2024	0.00	0.00	400.00	20240306	3,468,796.49
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS BIF 2 0006803109453	0.00	0.00	4,500.60	20240305	232,016.66
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS BIF 2 0006803109453	0.00	0.00	25,691.25	20240305	262,347.81
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0002773109577	0.00	0.00	4,639.90	20240305	236,656.56
1	CREDIT TRANSFER ABSA BANK 40094100000	0.00	0.00	1,414.50	20240306	3,373,965.99
1	CREDIT TRANSFER ABSA BANK Dik Vervoer	0.00	0.00	31,320.00	20240306	3,405,285.99
1	CREDIT TRANSFER BASX35001230331	0.00	0.00	3,110,250.00	20240306	3,372,551.49
1	CREDIT TRANSFER CoolineLogistics	0.00	0.00	58,728.00	20240306	3,464,013.99
1	ELECTRONIC BANKING PAYMENT FR LADISMITH DIESEL	0.00	0.00	1,176.50	20240306	3,465,190.49
2	ELECTRONIC BANKING PAYMENT TO BRAAF BRAAF MOSES B GAV5314:42	0.00	-31,028.73	0.00	20240306	4,645,922.91
2	ELECTRONIC BANKING PAYMENT TO C2 CALITZDORP BE GAV5314:42	0.00	-60,185.71	0.00	20240306	4,585,737.20
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5314:41	0.00	-2,088.00	0.00	20240306	4,721,710.75
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5314:41	0.00	-9,720.00	0.00	20240306	4,697,155.21
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5314:41	0.00	-20,203.57	0.00	20240306	4,676,951.64
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5314:41	0.00	-127,647.75	0.00	20240306	4,458,089.45
2	ELECTRONIC BANKING PAYMENT TO H0148 HARVEY WORLD RVX6815:30	0.00	-5,304.00	0.00	20240306	4,716,406.75
2	ELECTRONIC BANKING PAYMENT TO ROMAN ROMAN ELROY D RVX6815:30	0.00	-9,531.54	0.00	20240306	4,706,875.21
2	ELECTRONIC BANKING PAYMENT TO SARS E-FILING RVX68 15:30	0.00	-1,159,603.68	0.00	20240306	3,298,485.77
2	ELECTRONIC BANKING PAYMENT TO SPAR LADISMITH SPA RVX6815:30	0.00	-1,933.26	0.00	20240306	4,723,798.75
2	ELECTRONIC BANKING TRANSFER FR DEP TRABSPORT PAYMENBTS	0.00	0.00	159,659.32	20240306	3,725,732.01
2	ELECTRONIC BANKING TRANSFER FR TRF FROM DEPOSIT	0.00	0.00	1,000,000.00	20240306	4,725,732.01
2	ELECTRONIC BANKING TRANSFER TO DEP TRANSPORT RECEIPTS	0.00	-69,754.00	0.00	20240306	3,228,731.77
1	FEE: CASH DEPOSIT - COINS ## 420543546 R2094,00 05/03	0.00	-0.02	0.00	20240305	262,347.79
1	FEE: CASH DEPOSIT - COINS ##	0.00	-2.54	0.00	20240305	262,345.25

DATE 20240307 11:52:18

Page : 1

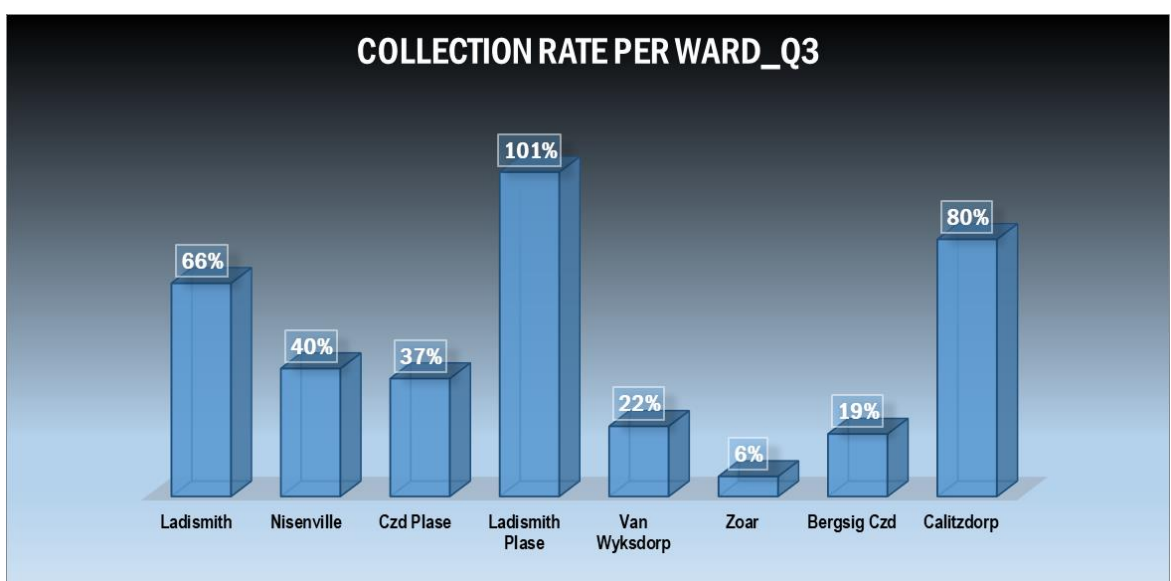
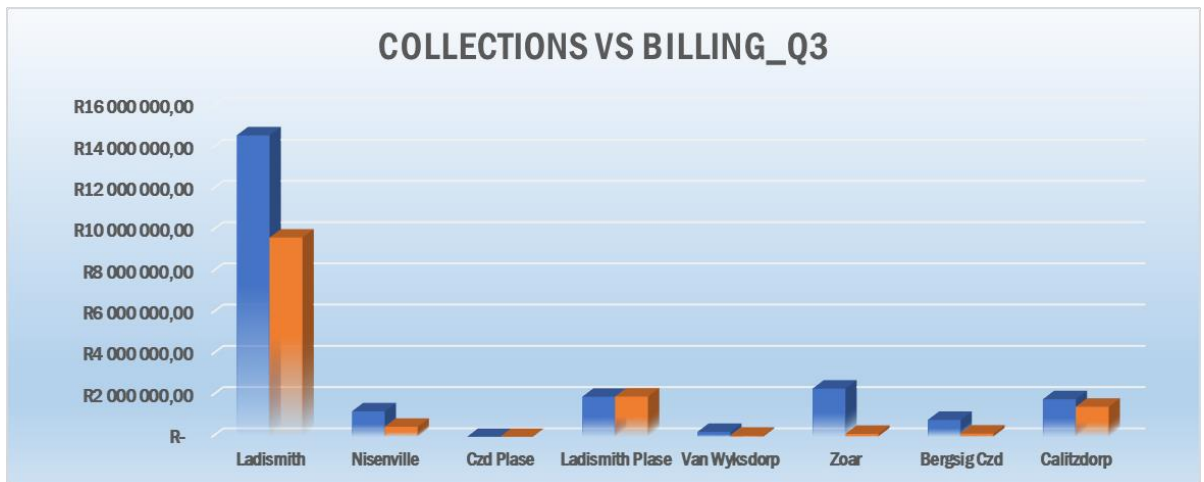
- The monthly MFMA s.71 narratives must explicitly reflect the municipality's progress towards restricting free basic services (condition 6.6) and achieving a minimum average quarterly collection of 80 per cent (condition 6.7);
- We are not at the end of a quarter; the collection rate is below the norm and the reason of under collecting in terms of the municipality is that Kannaland municipality is experiencing challenges in collecting its debtors due to a poor economic environment. The community members are encouraged to register as indigent households to prevent the debtors from growing month on month, but unfortunately the response is not positive. Further to this Kannaland can only enforce the restriction of electricity supply in 2 of the towns as these are the only towns receiving electricity from the municipality. The other areas are in the Eskom supply area. Kannaland will also have to appoint a service provider to perform summonses to collect long outstanding debtors.

MFMA Circular 124 - Monthly MFMA s.71 reporting (condition 6.7)

Average collection rate (MFMA Circular 124 condition 6.7)

Total average collection	Previous Month actual Collection %	Current Month actual collection %	Rand value of Current Month Billing NOT COLLECTED per ward (R)	Quarter 1 actual Collection %	Quarter 2 actual Collection %	Quarter 3 actual Collection %
1. The total average collection of all revenue excluding Equitable Share and conditional grants	83%	60%	9 098 733	60%	84%	60%
1A. The total average collection of all revenue in 1. above - excluding the Eskom supply areas	100%	92%	6 905 500	92%	0%	60%
2. The total average collection of municipal property rates	86%	0%	4 577 963	0%	92%	0%
3. The total average collection of Electricity	100%	92%	330 529	97%	100%	92%
4. The total average collection of Water	65%	66%	2 208 231	57%	64%	66%
5. The total average collection of Wastewater	53%	45%	949 746	46%	53%	45%
4. The total average collection of Solid Waste	50%	44%	980 603	42%	50%	44%

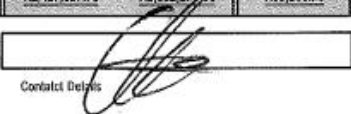
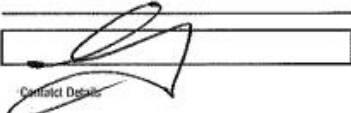
	Billing	Collections	
Ladismith	R 14 620 062,07	R 9 663 165,44	66%
Nisenville	R 1 233 113,44	R 488 949,50	40%
Czd Plase	R 3 391,94	R 1 239,81	37%
Ladismith Plase	R 1 943 582,79	R 1 954 439,42	101%
Van Wyksdorp	R 236 444,88	R 51 441,38	22%
Zoar	R 2 338 378,10	R 145 145,66	6%
Bergsig Czd	R 818 643,06	R 158 481,77	19%
Calitzdorp	R 1 825 461,63	R 1 455 537,40	80%
	R 23 019 077,91	R 13 918 400,38	60,5%



- If the municipality has a budget funding plan, the MFMA s.71 monthly statement must include progress against the budget funding plan as part of the narrative component required for the MFMA s.71 statement as well as demonstrate progress (as per mSCOA data string) against the budget funding plan.
- If the municipality has a Financial Recovery Plan, such must monthly be submitted to the Provincial Executive and NT: MFRS.

The Municipality does not have a Financial Recovery Plan.

- The monthly MFMA s.71 statement to track the municipality's progress against the planned corrective action to address any variances evident from the property rates reconciliation.

Property Rates Reconciliation						
Province	WC					
District	Garden Route District					
Type	LM					
Municipal Name	Kannaland Municipality					
GV Period	01/07/2021 - 30/06/2024					
Financial Year	2023/2024					
Reconciliation Period	Quarter 3					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	4435	4435	0	786,614,000.00	786,387,000.00	227,000.00
Industrial	21	21	0	54,309,000.00	54,309,000.00	-
Business and Commercial	188	190	-2	136,987,000.00	137,637,000.00	-650,000.00
Agricultural	3006	3008	-2	1,699,368,000.00	1,700,233,956.00	-865,956.00
Mining	0	0	0	-	-	-
State Owned for Public Purpose	55	55	0	132,924,000.00	132,924,000.00	-
PSI	158	159	-1	3,838,000.00	3,858,000.00	-20,000.00
PBO	7	6	1	11,377,000.00	10,510,000.00	867,000.00
Multi Use	0	0	0	-	-	-
Vacant	302	299	3	8,513,000.00	7,737,000.00	776,000.00
POW	56	56	0	48,060,000.00	47,860,000.00	200,000.00
Municipal	1211	1213	-2	104,776,000.00	107,078,000.00	-2,302,000.00
Other	63	63	0	75,522,000.00	75,522,000.00	-
	9502	9506	-3	3,062,288,000.00	3,064,055,956.00	-1,767,956.00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	945,711	849,175	96,536	945,711.00	849,174.83	96,536.38
Industrial	176,504	176,504	-	176,504.25	176,504.25	-
Business and Commercial	445,208	447,320	-2,113	445,207.75	447,320.25	-2,112.50
Agricultural	410,681	411,280	-600	410,680.60	411,280.50	-599.90
Mining	-	-	-	-	-	-
State Owned for Public Purpose	432,003	432,003	-	432,003.00	432,003.00	-
PSI	-	-	-	-	-	-
PBO	3,698	3,416	282	3,697.53	3,415.75	281.78
Multi Use	-	-	-	-	-	-
Vacant	13,834	12,573	1,261	13,833.63	12,572.63	1,261.00
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R2,427,637.75	R2,332,271.00	R95,366.75	2,427,637.75	2,332,271.00	95,366.75
Prepared By				Date 13/03/24		
Signature	Contact Details					
Reviewed By				Date 13/03/24		
Signature	Contact Details					

SECTION 15 – QUALITY CERTIFICATION

I, Dillo Sereo, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **February 2024**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Signature:

Date:



KANNALAND

MUNISIPALITEIT | MUNICIPALITY

Posbus 30 P.O. Box
LADISMITH
6655

info@kannaland.co.za
Tel : (028) 551 1023
Fax : (028) 551 1766

Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, Dillo Sereo Acting Accounting Officer of **Kannaland Municipality WC041**,
(name of municipality), hereby certify that –

(mark as appropriate)

- ☒ The monthly budget statement
- ☐ Quality report on the implementation of the budget and financial
state affairs of the municipality
- ☐ Mid- year budget and performance assessment

For the month of **February 2024** (month/year) has been prepared in accordance
with the Municipal Finance Management Act and regulations made under the
Act.

Print name: Dillo Sereo

Acting Municipal Manager of **Kannaland Municipality WC041**

Signature

Date :12 March 2024