



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52 2nd Quarter of 2024/25



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

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GLOSSARY

Adjustment's budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

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 accordance with Section 52(d) of the Municipal Finance Management Act, I submit a report to the council within 30 days after the end of the first quarter of 2024/25, on the implementation of the budget and the financial state of affairs of the Kannaland Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a Municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

Executive Mayor

Recommendations

That the council takes cognisance of the Quarterly budget statement of the **Second quarter of the 2024/25 MTREF (Q2)**.

SECTION 1 – EXECUTIVE SUMMARY

1.1 INTRODUCTION

In terms of section 52(d) of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality. The format and content of in-year reporting are set out in the Municipal Budget and Reporting Regulations of 2009, that was published in terms of section 168 of the MFMA (2003).

1.2 CONSOLIDATED PERFORMANCE

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

It also compares the quarterly projections for service delivery targets and performance indicators contained in the SDBIP, against the actual; outcomes of the municipality's performance in service delivery for the 2nd quarter of 2024/25.

The performance against the budget can be summarized as follow:

Amount in thousands	Original Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 251 773	R 125 886	R 133 538	R 7 651	6%
Operating Expenditure	R 250 576	R 125 287	R 113 642	R (11 645)	-9%
Capital	R 32 938	R 16 496	R 7 122	R (9 348)	-57%

Operational Revenue

The municipality's total operational revenue budget amounts to R251 million and the year-to-date revenue on the budget accrued to R 134 million. This represents 53% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R251 million, with a year-to-date performance of R114 million, or 45% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R33 million with a year-to-date performance of R 7.1 million, or 22% of the total capital budget.

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) The proposed draft procurement plan be put in place 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.
- (g) That the Corporate Service department to initiate the process of costing the structure with the assistance of finance department. This exercise to take place before finalising the 2024/25 Adjustment Budget.
- (h) The Corporate Services department to finalise the process of developing the job description. Once all the outstanding job descriptions are completed, Corporate Services to start linking the job description to the SDBIP.
- (i) The Corporate Services department and other departments to ensure that request to work overtime is preapproved before working overtime.

SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES

2.1 TABLE C1 – QUARTERLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter										
Description	2023/24	Budget Year 2024/25								
	R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Financial Performance										
Property rates	28 008	28 234	28 234	2 368	14 206	14 117	90	1%	28 234	
Service charges	124 861	134 359	134 359	10 423	66 153	67 179	(1 026)	-2%	134 359	
Investment revenue	1 762	1 500	1 500	139	700	750	(50)	-7%	1 500	
Transfers and subsidies - Operational	72 746	65 516	65 516	13 791	37 798	32 758	5 040	15%	65 516	
Other own revenue	22 552	22 164	22 164	2 233	14 680	11 082	3 598	32%	22 164	
Total Revenue (excluding capital transfers and	249 930	251 773	251 773	28 954	133 538	125 886	7 651	6%	251 773	
Employee costs	93 649	88 441	87 391	12 087	54 085	43 695	10 389	24%	87 391	
Remuneration of Councilors	3 956	3 635	3 635	323	2 361	1 817	543	30%	3 635	
Depreciation and amortisation	17 799	12 314	12 314	-	5 131	6 157	(1 026)	-17%	12 314	
Interest	4 185	1 300	1 300	17	68	650	(582)	-90%	1 300	
Inventory consumed and bulk purchases	65 420	70 475	70 986	4 390	32 454	35 493	(3 039)	-9%	70 986	
Transfers and subsidies	396	400	542	173	253	271	(18)	-7%	542	
Other expenditure	107 834	74 011	74 408	3 622	19 291	37 203	(17 912)	-48%	74 408	
Total Expenditure	293 240	250 576	250 576	20 611	113 642	125 287	(11 645)	-9%	250 576	
Surplus/(Deficit)	(43 310)	1 197	1 197	8 343	19 896	600	19 296	3218%	1 197	
Transfers and subsidies - capital (monetary allocations)	16 611	22 282	22 282	2 888	7 436	11 141	(3 705)	-33%	22 282	
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	(26 699)	23 479	23 479	11 231	27 332	11 741	15 592	133%	23 479	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	(26 699)	23 479	23 479	11 231	27 332	11 741	15 592	133%	23 479	
Capital expenditure & funds sources										
Capital expenditure	33 026	32 938	32 938	702	7 122	16 469	(9 348)	-57%	32 938	
Capital transfers recognised	21 747	32 938	32 938	702	7 122	16 469	(9 348)	-57%	32 938	
Borrowing	-	-	-	-	-	-	-	-	-	
Internally generated funds	11 279	-	-	-	-	-	-	-	-	
Total sources of capital funds	33 026	32 938	32 938	702	7 122	16 469	(9 348)	-57%	32 938	
Financial position										
Total current assets	19 001	64 826	64 286	-	56 556	-	-	-	64 286	
Total non current assets	309 530	320 603	320 603	-	311 521	-	-	-	320 603	
Total current liabilities	90 830	64 732	64 142	-	113 745	-	-	-	64 142	
Total non current liabilities	47 140	75 972	75 972	-	47 140	-	-	-	75 972	
Community wealth/Equity	190 560	244 725	244 725	-	195 959	-	-	-	244 725	
Cash flows										
Net cash from (used) operating	59 159	6 972	6 972	14 681	75 978	3 486	(72 492)	-2079%	226 699	
Net cash from (used) investing	(14 217)	(22 282)	(22 282)	(2 182)	(6 361)	11 141	17 502	157%	22 282	
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	
Cash/cash equivalents at the month/year end	81 587	74 878	74 878	-	109 457	104 815	(4 642)	-4%	288 821	
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	
Debtors Age Analysis										
Total By Income Source	4 930	3 907	289	3 660	5 988	3 240	17 466	118 045	157 524	
Creditors Age Analysis										
Total Creditors	15 048	8 476	3 484	-	-	-	-	75 704	102 713	

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter										
Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		81 154	54 667	54 667	15 813	52 825	27 333	25 492	93%	54 667
Executive and council		35 452	13 603	13 603	12 013	27 671	6 801	20 869	307%	13 603
Finance and administration		45 703	41 064	41 064	3 800	25 155	20 532	4 622	23%	41 064
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		43 432	35 632	35 632	4 105	12 710	17 816	(5 106)	-29%	35 632
Community and social services		15 932	15 691	15 691	2 855	6 856	7 846	(990)	-13%	15 691
Sport and recreation		46	66	66	31	31	33	(2)	-5%	66
Public safety		(1)	5	5	-	0	2	(2)	-89%	5
Housing		27 456	19 870	19 870	1 219	5 823	9 935	(4 112)	-41%	19 870
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 898	6 316	6 316	153	1 170	3 158	(1 988)	-63%	6 316
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		2 898	6 316	6 316	153	1 170	3 158	(1 988)	-63%	6 316
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		139 055	177 440	177 440	11 772	74 269	88 720	(14 451)	-16%	177 440
Energy sources		73 635	95 625	95 625	6 701	44 638	47 813	(3 175)	-7%	95 625
Water management		41 889	46 676	46 676	2 920	16 578	23 338	(6 760)	-29%	46 676
Waste water management		11 946	18 386	18 386	1 089	6 625	9 193	(2 568)	-28%	18 386
Waste management		11 586	16 753	16 753	1 061	6 428	8 376	(1 948)	-23%	16 753
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	266 540	274 055	274 055	31 843	140 974	137 027	3 947	3%	274 055
Expenditure - Functional										
Governance and administration		96 208	86 057	86 057	8 686	44 863	43 028	1 835	4%	86 057
Executive and council		25 078	24 977	24 977	3 187	15 054	12 488	2 566	21%	24 977
Finance and administration		71 130	61 081	61 081	5 500	29 809	30 540	(731)	-2%	61 081
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		39 663	35 964	35 964	2 998	14 070	17 982	(3 912)	-22%	35 964
Community and social services		9 204	12 529	12 529	1 450	5 640	6 264	(624)	-10%	12 529
Sport and recreation		931	1 922	1 922	81	747	961	(215)	-22%	1 922
Public safety		1 479	405	405	228	868	203	665	328%	405
Housing		28 049	21 107	21 107	1 239	6 815	10 554	(3 738)	-35%	21 107
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		15 122	17 994	17 994	1 364	6 824	8 997	(2 173)	-24%	17 994
Planning and development		-	620	620	-	35	310	(275)	-89%	620
Road transport		15 122	17 374	17 374	1 364	6 789	8 687	(1 898)	-22%	17 374
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		142 246	110 560	110 560	7 563	47 886	55 280	(7 394)	-13%	110 560
Energy sources		70 153	71 137	71 137	5 068	34 503	35 569	(1 066)	-3%	71 137
Water management		38 087	16 925	16 925	833	5 992	8 463	(2 471)	-29%	16 925
Waste water management		17 002	12 079	12 079	807	3 468	6 039	(2 571)	-43%	12 079
Waste management		17 004	10 419	10 419	855	3 923	5 210	(1 286)	-25%	10 419
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	293 240	250 576	250 576	20 611	113 642	125 287	(11 645)	-9%	250 576
Surplus/ (Deficit) for the year		(26 699)	23 479	23 479	11 231	27 332	11 741	15 592	133%	23 479

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

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second										
Vote Description	Ref	2023/24				Budget Year 2024/25				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	35 452	13 603	13 603	12 013	27 671	6 801	20 869	306,8%	13 603
Vote 2 - CORPORATE SERVICES		45 258	44 530	44 530	4 105	12 711	22 265	(9 554)	-42,9%	44 530
Vote 3 - FINANCIAL SERVICES		44 987	36 666	36 666	3 758	24 892	18 333	6 559	35,8%	36 666
Vote 4 - TECHNICAL SERVICES		140 844	179 256	179 256	11 967	75 700	89 628	(13 928)	-15,5%	179 256
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	266 540	274 055	274 055	31 843	140 974	137 027	3 947	2,9%	274 055
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	25 078	24 977	24 977	3 187	15 054	12 488	2 566	20,5%	24 977
Vote 2 - CORPORATE SERVICES		67 531	61 804	61 804	6 122	31 068	30 901	166	0,5%	61 804
Vote 3 - FINANCIAL SERVICES		44 257	38 553	38 553	2 308	13 322	19 276	(5 954)	-30,9%	38 553
Vote 4 - TECHNICAL SERVICES		154 980	123 029	123 029	8 977	54 034	61 514	(7 480)	-12,2%	123 029
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		1 393	2 214	2 214	18	164	1 107	(943)	-85,2%	2 214
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	293 240	250 576	250 576	20 611	113 642	125 287	(11 645)	-9,3%	250 576
Surplus/ (Deficit) for the year	2	(26 699)	23 479	23 479	11 231	27 332	11 741	15 592	132,8%	23 479

2.4 TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter										
Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue										
Exchange Revenue		138 298	147 437	147 437	11 582	72 841	73 718	(877)	-1%	147 437
Service charges - Electricity		73 292	89 822	89 822	6 654	44 397	44 911	(514)	-1%	89 822
Service charges - Water		33 366	24 044	24 044	2 106	11 540	12 022	(481)	-4%	24 044
Service charges - Waste Water Management		9 196	10 415	10 415	838	5 162	5 207	(46)	-1%	10 415
Service charges - Waste management		9 006	10 078	10 078	825	5 054	5 039	15	0%	10 078
Sale of Goods and Rendering of Services		483	419	419	80	213	209	4	2%	419
Agency services		1 208	1 450	1 450	47	686	725	(39)	-5%	1 450
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		8 623	7 832	7 832	813	4 509	3 916	594	15%	7 832
Interest earned from Current and Non Current Assets		1 762	1 500	1 500	139	700	750	(50)	-7%	1 500
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		670	1 148	1 148	60	334	574	(240)	-42%	1 148
Licence and permits		202	663	663	9	106	332	(226)	-68%	663
Operational Revenue		487	66	66	12	139	33	105	319%	66
Non-Exchange Revenue		111 632	104 336	104 336	17 373	60 696	52 168	8 528	16%	104 336
Property rates		28 008	28 234	28 234	2 368	14 206	14 117	90	1%	28 234
Surcharges and Taxes		6 032	-	-	846	6 604	-	6 604	-	-
Fines, penalties and forfeits		921	2 561	2 561	18	76	1 280	(1 204)	-94%	2 561
Licence and permits		0	1 086	1 086	-	-	543	(543)	-100%	1 086
Transfer and subsidies - Operational		72 746	65 516	65 516	13 791	37 798	32 758	5 040	15%	65 516
Interest		3 208	2 939	2 939	290	1 656	1 470	186	13%	2 939
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		716	-	-	59	356	-	356	-	-
Gains on disposal of Assets		-	4 000	4 000	-	-	2 000	(2 000)	-100%	4 000
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		249 930	251 773	251 773	28 954	133 538	125 886	7 651	6%	251 773
Expenditure By Type										
Employee related costs		93 649	88 441	87 391	12 087	54 085	43 695	10 389	24%	87 391
Remuneration of councillors		3 956	3 635	3 635	323	2 361	1 817	543	30%	3 635
Bulk purchases - electricity		60 101	60 529	60 529	4 146	30 463	30 264	199	1%	60 529
Inventory consumed		5 318	9 946	10 457	244	1 991	5 228	(3 237)	-62%	10 457
Debt impairment		29 222	11 933	11 933	-	-	5 967	(5 967)	-100%	11 933
Depreciation and amortisation		17 799	12 314	12 314	-	5 131	6 157	(1 026)	-17%	12 314
Interest		4 185	1 300	1 300	17	68	650	(582)	-90%	1 300
Contracted services		35 829	35 267	35 088	2 385	11 375	17 544	(6 169)	-35%	35 088
Transfers and subsidies		396	400	542	173	253	271	(18)	-7%	542
Irrecoverable debts written off		17 622	-	-	-	714	-	714	-	-
Operational costs		23 403	26 810	27 386	1 237	7 202	13 692	(6 491)	-47%	27 386
Losses on Disposal of Assets		1 272	-	-	-	-	-	-	-	-
Other Losses		486	-	-	-	-	-	-	-	-
Total Expenditure		293 240	250 576	250 576	20 611	113 642	125 287	(11 645)	-9%	250 576
Surplus/(Deficit)		(43 310)	1 197	1 197	8 343	19 896	600	19 296	0	1 197
Transfers and subsidies - capital (monetary allocations)		16 611	22 282	22 282	2 888	7 436	11 141	(3 705)	(0)	22 282
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(26 699)	23 479	23 479	11 231	27 332	11 741			23 479
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(26 699)	23 479	23 479	11 231	27 332	11 741			23 479
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(26 699)	23 479	23 479	11 231	27 332	11 741			23 479
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(26 699)	23 479	23 479	11 231	27 332	11 741			23 479

2.5 OPERATING REVENUE BY SOURCES:

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

- **Interest on outstanding debtors** – 15% YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Rental from fixed Assets** – amounted to R 60 thousand and R 334 thousand YTD which represents a negative **42%** variance to the budget.
- **Licence and permits** - (negative **68%** YTD variance from the budget). Amounted to R 9 thousand for the month of **December 2024**.

- **Fines, Penalties & Forfeits** – Almost no activity, with a negative **94%** YTD variance, 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.

2.6 OPERATING EXPENDITURE BY TYPE

- **Employee Related Costs** – amounted to R 12 million for **December 2024** and R 54 million YTD, this represents a 24% spending on the budget. The variance on employee related cost is due to salary increases, and high overtime and standby and bonuses during the month of reporting.
- **Remuneration of Councillors** – amounted to R 323 thousand for **December 2024** and R 2,3 million YTD, this represents a 30% on the budget.
- **Inventory Consumed** – amounted to R 244 thousand for **December 2024** and R 1.9 million YTD, this represents a negative 62% on the budget.
- **Contracted Services** – amounted to R 2.3 million in **December 2024** and R 11.3 million YTD.
- **Other Expenditure** - amounted to R 1.2 million in **December 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 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		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		193	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		26 554	22 178	22 178	702	7 122	11 089	(3 968)	-36%	22 178
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	26 747	22 178	22 178	702	7 122	11 089	(3 968)	-36%	22 178
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		6 279	10 760	10 760	-	-	5 380	(5 380)	-100%	10 760
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	6 279	10 760	10 760	-	-	5 380	(5 380)	-100%	10 760
Total Capital Expenditure	3	33 026	32 938	32 938	702	7 122	16 469	(9 348)	-57%	32 938
Capital Expenditure - Functional Classification										
Government and administration										
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		193	-	-	-	-	-	-	-	-
Community and social services		51	-	-	-	-	-	-	-	-
Sport and recreation		142	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services										
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		32 833	32 938	32 938	702	7 122	16 469	(9 348)	-57%	32 938
Energy sources		384	626	626	-	-	313	(313)	-100%	626
Water management		7 093	12 656	12 656	-	-	6 328	(6 328)	-100%	12 656
Waste water management		24 225	17 956	17 198	696	4 812	8 599	(3 787)	-44%	17 198
Waste management		1 130	1 700	2 458	6	2 309	1 229	1 080	88%	2 458
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	33 026	32 938	32 938	702	7 122	16 469	(9 348)	-57%	32 938
Funded by:										
National Government		20 662	30 416	30 416	702	7 122	15 208	(8 087)	-53%	30 416
Provincial Government		1 085	2 522	2 522	-	-	1 261	(1 261)	-100%	2 522
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		21 747	32 938	32 938	702	7 122	16 469	(9 348)	-57%	32 938
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		11 279	-	-	-	-	-	-	-	-
Total Capital Funding	7	33 026	32 938	32 938	702	7 122	16 469	(9 348)	-57%	32 938

CAPITAL EXPENDITURE

- The YTD capital expenditure at the end of **quarter two** was **R 7.1 million** which amounts to **22%** of the total budget.

2.8 TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands						
ASSETS	1					
Current assets						
Cash and cash equivalents		9 707	26 093	26 043	32 639	26 043
Trade and other receivables from exchange transactions		32 456	6 414	6 414	36 046	6 414
Receivables from non-exchange transactions		2 459	3 322	3 322	5 281	3 322
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 974	1 981	1 491	1 974	1 491
VAT		(26 534)	25 953	25 953	(18 285)	25 953
Other current assets		(1 062)	1 063	1 063	(1 100)	1 063
Total current assets		19 001	64 826	64 286	56 556	64 286
Non current assets						
Investments		-	-	-	-	-
Investment property		1 064	1 116	1 116	1 064	1 116
Property, plant and equipment		308 458	319 477	319 477	310 449	319 477
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		8	9	9	8	9
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		309 530	320 603	320 603	311 521	320 603
TOTAL ASSETS		328 531	385 429	384 889	368 076	384 889
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 446	1 364	1 364	1 561	1 364
Trade and other payables from exchange transactions		89 925	25 374	24 784	90 612	24 784
Trade and other payables from non-exchange transactions		14 991	8 402	8 402	28 730	8 402
Provision		4 735	7 477	7 477	4 735	7 477
VAT		(20 267)	22 114	22 114	(11 892)	22 114
Other current liabilities		-	-	-	-	-
Total current liabilities		90 830	64 732	64 142	113 745	64 142
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		35 590	20 653	20 653	35 590	20 653
Long term portion of trade payables		-	44 502	44 502	-	44 502
Other non-current liabilities		11 550	10 817	10 817	11 550	10 817
Total non current liabilities		47 140	75 972	75 972	47 140	75 972
TOTAL LIABILITIES		137 971	140 704	140 114	160 886	140 114
NET ASSETS	2	190 560	244 725	244 775	207 191	244 775
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		190 098	237 309	237 309	195 498	237 309
Reserves and funds		462	7 417	7 417	462	7 417
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	190 560	244 725	244 725	195 959	244 725

2.9 TABLE C7 – QUARTERLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter										
Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES	1									
Receipts										
Property rates		17 177	25 160	25 160	1 321	10 104	12 580	(2 476)	-20%	25 160
Service charges		82 221	123 878	123 878	7 796	50 254	61 939	(11 685)	-19%	123 878
Other revenue		16 053	8 716	8 716	1 231	13 714	4 358	9 356	215%	8 716
Transfers and Subsidies - Operational		73 430	62 503	62 503	12 005	43 611	31 251	12 359	40%	62 503
Transfers and Subsidies - Capital		19 652	19 760	19 760	3 069	15 374	9 880	5 494	56%	19 760
Interest		3	6 657	6 657	-	-	3 329	(3 329)	-100%	6 657
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(149 375)	(239 702)	(239 702)	(10 740)	(57 079)	(119 851)	(62 772)	52%	(19 975)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		59 159	6 972	6 972	14 681	75 978	3 486	(72 492)	-2079%	226 699
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		(14 217)	(22 282)	(22 282)	(2 182)	(6 361)	11 141	17 502	157%	22 282
NET CASH FROM/(USED) INVESTING ACTIVITIES		(14 217)	(22 282)	(22 282)	(2 182)	(6 361)	11 141	17 502	157%	22 282
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		44 942	(15 310)	(15 310)	12 499	69 617	14 627			248 981
Cash/cash equivalents at beginning:		36 645	90 188	90 188		39 840	90 188			39 840
Cash/cash equivalents at month/year end:		81 587	74 878	74 878		109 457	104 815			288 821

The total bank balances at the end of **Quarter two** was as follow;

- Standard Bank Main Account is **R 3.4 million**;
- The Traffic Account has **R 558 thousand**;
- Deposit Account has and **R 7.3 million**;
- Call Account has **R 18 million**;
- Eskom Bulk Account has **R 1.9 million**.

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter													
Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2 804	953	2	1 082	1 592	1 223	5 480	22 495	35 633	31 873	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 743	688	264	409	268	234	1 416	1 065	6 087	3 392	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 447	799	0	728	1 288	606	3 279	24 369	33 515	30 269	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	863	415	-	414	820	338	2 001	14 001	18 852	17 574	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 599	698	3	672	1 308	516	3 010	20 242	28 048	25 748	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	38	72	5	96	236	142	1 324	31 606	33 521	33 405	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(4 565)	281	14	258	476	181	956	4 266	1 869	6 138	-	-
Total By Income Source	2000	4 930	3 907	289	3 660	5 988	3 240	17 466	118 045	157 524	148 399	-	-
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(1 534)	498	188	369	129	43	211	284	188	1 035	-	-
Commercial	2300	305	222	-	142	261	116	730	4 405	6 181	5 654	-	-
Households	2400	6 272	3 034	101	2 992	5 292	2 935	15 662	101 863	138 150	128 743	-	-
Other	2500	(113)	152	-	157	306	146	863	11 493	13 005	12 966	-	-
Total By Customer Group	2600	4 930	3 907	289	3 660	5 988	3 240	17 466	118 045	157 524	148 399	-	-

The total debtor's book of the Kannaland Local Municipality was standing at **R 158 million** at the end of December 2024. The breakdown of the total debtor's book is provided below:

- **R4.9 million** or 5.9% of the current month or within 30 days.
- **R3.9 million** or 2.4% is over 30 days but less than 60 days or two months.
- **R289 thousand** or 0.18% is over 60 days but less than 90 days or three months.
- **R3.7 million** or 2.3 is over 90 days but less than 120 days or four months.
- **R5.9 million** or 4% is over 120 days but less than 150 days or five months.
- **R3.2 million** or 2.05% is over 150 days but less than 180 days or six months.
- **R17.5 million** or 11.08% is over 180 days but less than one year.
- **R118 million** or 75% of the total outstanding debtors are older than one year and more.

The biggest challenge on the effective implementation of credit control policy or application of the pre-payment system, arises on areas where the municipality is not supplying the electricity and is rendering other municipal services. It becomes impossible to disconnect electricity service on households that are on arrears. The municipality may need to look at the possibilities of obtaining a license to supply electricity on those areas.

3.2 DEBTORS PAYMENT PERCENTAGES

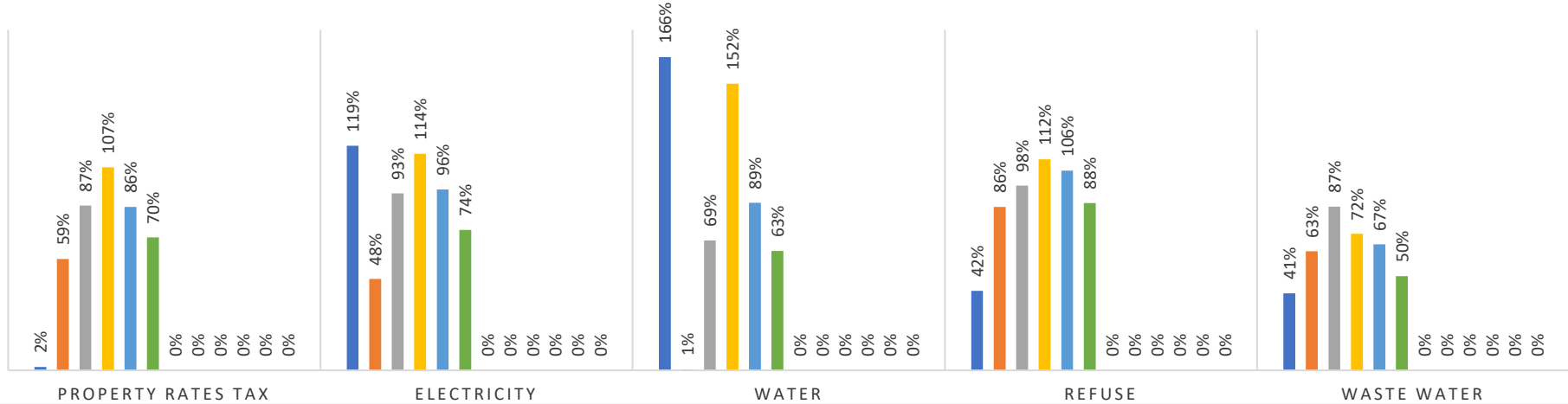
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	45 567 550	39 241 137	6 326 413	86%	86%	39 157 474	34 752 227	4 405 247	89%	89%
2.Collection excl Eskom supplied areas	32 888 639	29 478 517	3 410 122	90%	90%	23 344 566	22 193 757	1 150 809	95%	95%
3.Collection: Property Rates	9 233 585	1 719 809	7 513 776	19%	19%	7 108 975	7 187 103	(78 128)	101%	101%
4.Total average collection: Electricity (Municipal supplied areas)	18 037 976	17 680 319	357 657	98%	98%	18 686 946	19 194 173	(507 227)	103%	103%
5.Total average collection: Water	12 342 706	16 943 045	(4 600 338)	137%	137%	7 256 045	4 538 479	2 717 566	63%	63%
6.Total average collection: Wastewater	2 895 648	1 346 158	1 549 490	46%	46%	2 972 868	1 431 209	1 541 659	48%	48%
7.Total average collection: Refuse	2 828 957	1 181 044	1 647 913	42%	42%	2 906 328	1 292 181	1 614 146	44%	44%
8.Total average collection: Interest	228 677	370 762	(142 085)	162%	0%	226 313	1 109 082	(882 769)	490%	490%

The total billing for the first quarter accrued to **R39.1 million** and the receipts amount to **R34.8 million** as per the table above. Key observations:

- (i) The total billing as per the Budget C-Schedule on the first quarter MFMA section 52 report amount to **R42.1 million**. The details are provided on page 8, table C1. There are differences identified and will be investigated in order to enhance completeness and accuracy in our reporting.
- (ii) The differences are due to the C-Schedules extracted from SAMRAS WEB whilst the Debtors payment and billing are extracted from SAMRAS Classic. This needs to be investigated

% MONTHLY COLLECTION PERFORMANCE

■ July
 ■ August
 ■ September
 ■ October
 ■ November
 ■ December
 ■ January
 ■ February
 ■ March
 ■ April
 ■ May
 ■ June



4.October				5.November				6.December			
Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection
154 282	244 098	0	158%	154 282	114 002	40 280	74%	154 282	110 886	43 396	72%
161 058	88 518	72 540	55%	116 708	109 435	7 274	94%	118 730	50 069	68 661	42%
187 313	121 414	65 900	65%	161 821	63 358	98 463	39%	204 144	62 374	141 770	31%
173 781	99 202	74 579	57%	164 162	50 691	113 471	31%	161 840	53 857	107 983	33%
213 353	128 669	84 684	60%	204 417	79 627	124 790	39%	202 183	90 879	111 304	45%
1 211	6 843	0	565%	1 211	91	1 120	8%	1 211	247	965	20%
71 963	36 085	35 877	50%	71 883	52 995	18 888	74%	71 883	16 878	55 005	23%
-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
474 512	136 665	337 847	29%	442 725	48 954	393 770	11%	565 025	23 261	541 764	4%
341 600	116 851	224 749	34%	337 620	39 825	297 795	12%	337 620	19 098	318 522	6%
330 863	111 936	218 927	34%	327 671	37 699	289 972	12%	327 671	17 368	310 303	5%
4 338	296 672	0	6838%	4 338	6 671	0	154%	4 338	39	4 300	1%
180 068	167 706	12 362	93%	179 874	158 536	21 338	88%	179 874	66 633	113 241	37%
-	-	-	#DIV/0!	21	-	21	0%	-	-	-	#DIV/0!
79 910	30 848	49 062	39%	64 999	11 487	53 512	18%	12 155	6 584	5 571	54%
-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
-	2 384	0	#DIV/0!	-	-	-	#DIV/0!	-	236	0	#DIV/0!
22 220	11 264	10 956	51%	22 220	8 715	13 505	39%	22 220	6 278	15 942	28%
12 392	8 955	3 437	72%	12 110	8 034	4 075	66%	13 579	8 294	5 285	61%
306 953	40 802	266 152	13%	149 445	28 063	121 382	19%	340 755	39 621	301 134	12%
121 598	28 857	92 740	24%	118 281	17 259	101 022	15%	114 300	11 095	103 205	10%
107 281	23 895	83 386	22%	104 002	12 063	91 939	12%	99 853	5 325	94 527	5%
1 545	41 242	0	2670%	1 545	657	888	43%	1 545	(10 789)	12 333	-698%
448 470	654 296	0	146%	451 406	508 257	0	113%	451 406	349 512	101 894	77%
649 148	640 584	8 565	99%	540 232	409 017	131 215	76%	628 542	541 185	87 357	86%
201 721	234 969	0	116%	190 035	166 341	23 695	88%	222 285	136 478	85 807	61%
95 576	89 014	6 562	93%	94 912	93 239	1 673	98%	94 581	68 115	26 466	72%
22 002	20 749	1 253	94%	21 682	20 091	1 591	93%	21 682	15 775	5 907	73%
6 546	12 449	0	190%	6 546	98 469	0	1504%	6 546	22 482	0	343%
950 400	1 542 404	0	162%	946 500	894 519	51 981	95%	946 500	631 483	315 017	67%
3 041 776	3 927 870	0	129%	2 858 209	3 374 026	0	118%	2 690 925	2 225 483	465 442	83%
694 781	650 686	44 095	94%	628 405	637 088	0	101%	706 692	566 035	140 657	80%
190 285	233 566	0	123%	189 622	160 460	29 161	85%	189 622	122 109	67 513	64%
293 654	409 629	0	139%	292 894	253 107	39 786	86%	292 575	163 382	129 192	56%
56 859	29 209	27 650	51%	56 859	49 243	7 616	87%	56 859	478 549	0	842%
488 564	791 870	0	162%	488 564	300 724	187 840	62%	488 564	287 433	201 132	59%
3 333 667	3 363 454	0	101%	2 312 155	2 267 580	44 575	98%	2 197 694	2 171 670	26 024	99%
516 702	558 554	0	108%	464 611	466 650	0	100%	472 053	446 175	25 877	95%
20 176	21 385	0	106%	20 176	26 803	0	133%	20 176	8 648	11 528	43%
11 815	11 888	0	101%	11 815	14 161	0	120%	11 815	10 402	1 413	88%
4 875	45 159	0	926%	4 875	20 161	0	414%	4 875	(59)	4 934	-1%
54 517	145 215	0	266%	54 517	60 898	0	112%	54 517	26 415	28 102	48%
-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
56 977	42 777	14 201	75%	51 180	12 153	39 028	24%	60 846	7 144	53 702	12%
40 134	13 834	26 300	34%	40 134	11 624	28 510	29%	40 134	6 650	33 484	17%
25 214	3 270	21 943	13%	25 214	189	25 025	1%	25 214	1 104	24 110	4%
63	38	26	60%	63	9 091	0	14373%	63	-	63	0%

3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description	NT Code	Budget Year 2024/25								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	12 089	4 848	2 829	-	-	-	-	42 378	62 143
Bulk Water	0200	84	-	-	-	-	-	-	-	84
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	591	57	36	-	-	-	-	2 676	3 360
Auditor General	0800	2 583	1 093	480	-	-	-	-	15 992	20 148
Other	0900	(299)	2 479	139	-	-	-	-	14 659	16 979
Total By Customer Type	1000	15 048	8 476	3 484	-	-	-	-	75 704	102 713

- The total outstanding creditors as at the end of **December 2024** amounts to **R 102.713 million**.

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

- ESKOM = R62 million, of which the entire amount is conditionally written off. The other R40 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R37 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R3.3 million.
- All other creditors 0-90 days are managed and paid on a month-to-month payment plan, for finalisation in the 2024-2025 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

2024/12/31				
	Original Budget	Total Received	Total Spent	Unspent
Grant Name	Amount			
Provincial Government	R26 064 000,00	R11 640 262,00	R 8 545 388,42	R 3 094 873,58
Housing	R 4 800 000,00	R 4 800 000,00	R 2 712 375,21	R 2 087 624,79
Human Settlement Grant	R 14 167 000,00	R 4 354 262,00	R 4 354 262,00	R -
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	R -			R -
Title Deeds Restoration Grant	R 403 000,00			R -
Informal Settlin Upgrading Partnership Grant	R 500 000,00			R -
Lib Replacement: Vulnerable Mun	R 3 559 000,00	R 2 373 000,00	R 1 429 144,81	R 943 855,19
Municipal Water Resilience Grant	R 2 000 000,00			R -
Municipal Energy Resilience Grant	R 522 000,00			R -
Comm Dev Workers	R 113 000,00	R 113 000,00	R 49 606,40	R 63 393,60
National Government Grants	R61 955 000,00	R47 335 000,00	R37 674 247,57	R 9 660 752,43
Equitable Share	R 37 479 000,00	R 27 621 000,00	R 27 621 000,00	R -
FMG (Audit)	R 2 900 000,00	R 2 900 000,00	R 1 462 157,80	R 1 437 842,20
Mun Infrastructure Grant	R 560 850,00	R 560 850,00	R 300 756,85	R 260 093,15
Mun Infrastructure Grant	R 10 656 150,00	R 6 374 150,00	R 4 255 815,25	R 2 118 334,75
EPWP	R 1 255 000,00	R 879 000,00	R 853 963,08	R 25 036,92
INEP	R -			R -
INEP (Eskom)	R 104 000,00			R -
WSIG	R 9 000 000,00	R 9 000 000,00	R 3 180 554,59	R 5 819 445,41

The following indicates expenditure on each respective grant received (Operational) and (Capital) for Quarter two of 2024/25 –

Revenue:

National:

- Expanded Public Works Programme amounts to **R 565 thousand**.
- Water Service Infrastructure Grant (WSIG) amounts to **R 4.2 million**.
- Municipal Infrastructure Grant (MIG Capital) amounts to **R 3 million**.

Provincial:

- Municipal Replacement Fund (MRF) amounts to **R 1.2 million**.
- Human Settlement amounts to **R 6 million**.

Expenditure:

- Financial Management Grant amounts to **R168 thousand**.
- Municipal Infrastructure Grant (MIG) amounts **R 923 thousand** capital expenditure and **MIG PMU** amounts to **R 197 thousand**.
- Expanded Public Works Programme amounts to **R551 thousand**.
- Municipal Replacement Fund (MRF) amounts to **R 790 thousand**.
- Water Service Infrastructure Grant (WSIG) amounts to **R 950 thousand**.
- Community Development Workers (CDW) amounts **R50 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 - Q2 Second Quarter										
Summary of Employee and Councillor remuneration	Ref	2023/24			Budget Year 2024/25					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3 354	3 306	3 306	250	1 993	1 653	340	21%	3 306
Pension and UIF Contributions		152	-	-	17	85	-	85		-
Medical Aid Contributions		114	-	-	10	57	-	57		-
Motor Vehicle Allowance		36	-	-	22	75	-	75		-
Cellphone Allowance		300	329	329	25	150	164	(14)	-9%	329
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		3 956	3 635	3 635	323	2 361	1 817	543	30%	3 635
% increase	4		-8,1%	-8,1%						-8,1%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 377	4 628	4 628	263	1 735	2 314	(579)	-25%	4 628
Pension and UIF Contributions		7	9	9	0	3	4	(2)	-37%	9
Medical Aid Contributions		-	-	-	-	-	-	-		-
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		303	676	676	23	139	338	(199)	-59%	676
Cellphone Allowance		86	178	178	2	23	89	(66)	-74%	178
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		22	136	136	4	27	68	(41)	-61%	136
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment	2	-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		3 794	5 627	5 627	293	1 926	2 814	(888)	-32%	5 627
% increase	4		48,3%	48,3%						48,3%
Other Municipal Staff										
Basic Salaries and Wages		61 213	55 034	53 984	6 433	35 700	26 992	8 708	32%	53 984
Pension and UIF Contributions		7 583	10 497	10 497	613	3 640	5 249	(1 609)	-31%	10 497
Medical Aid Contributions		2 395	3 493	3 493	195	1 143	1 746	(603)	-35%	3 493
Overtime		8 603	4 122	4 122	835	4 995	2 061	2 934	142%	4 122
Performance Bonus		789	725	725	1 528	1 558	362	1 196	330%	725
Motor Vehicle Allowance		3 614	3 089	3 089	385	2 070	1 544	525	34%	3 089
Cellphone Allowance		107	157	157	10	64	78	(15)	-19%	157
Housing Allowances		339	1 200	1 200	21	161	600	(439)	-73%	1 200
Other benefits and allowances		6 425	3 785	3 785	1 772	2 732	1 892	840	44%	3 785
Payments in lieu of leave		1 771	100	100	-	96	50	46	93%	100
Long service awards		(2 985)	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment	2	-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		89 854	82 200	81 150	11 794	52 158	40 575	11 583	29%	81 150
% increase	4		-8,5%	-9,7%						-9,7%
Total Parent Municipality		97 604	91 462	90 412	12 410	56 445	45 206	11 239	25%	90 412
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	614	614	-	-	307	(307)	-100%	614
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		-	-	-	-	-	-	-		-
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		1	-	-	0	0	-	0		-
Board Fees		-	-	-	-	-	-	-		-
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		1	614	614	0	0	307	(307)	-100%	614
% increase	4		74797,2%	74797,2%						74797,2%
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-		-
% increase	4									
Total Municipal Entities		1	614	614	0	0	307	(307)	-100%	614
TOTAL SALARY, ALLOWANCES & BENEFITS		97 605	92 076	91 026	12 410	56 445	45 513	10 932	24%	91 026
% increase	4		-5,7%	-6,7%						-6,7%
TOTAL MANAGERS AND STAFF		93 649	87 828	86 778	12 087	54 084	43 388	10 696	25%	86 778

3.7 MATERIAL VARIANCES TO THE SDBIP

FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2024/25 includes the following KPA's to be discussed in more detail in Appendix C.

KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens

KPA 2: To Provide adequate Services and improve our public relations

KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks

KPA 4: To Facilitate Economic Growth and Social and Community development

KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation

KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy

KPA 7: To Strive towards a financially sustainable municipality

Detailed Capital Projects		2024/25	2025/26	2026/27
Type	Grant Name	Amount	Amount	Amount
PT	Municipal Water Resilience Grant	2 000 000,00	-	-
PT	Municipal Energy Resilience Grant	522 000,00	-	-
Nat	Mun Infrastructure Grant	10 656 150,00	10 964 900,00	11 539 650,00
Nat	INEP	-	660 000,00	700 000,00
Nat	INEP (Eskom)	104 000,00	1 294 000,00	-
Nat	WSIG	9 000 000,00	10 000 000,00	35 000 000,00
		22 282 150,00	22 918 900,00	47 239 650,00

MONTHLY PROJECTIONS OF CASH FLOW 2024/25

ANNEXURE II

WCDM Kannaland - Supporting Table SA90 Budgeted monthly cash flow														Medium Term Revenue and Expenditure Framework		
MONTHLY CASH FLOW R thousands	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Estimate Year 2023/24	Budget Year -1 2023/24	Budget Year -2 2025/26	
Cash Receipts By Source																
Property rates	2 297	2 297	2 297	2 297	2 297	2 297	2 297	2 297	2 297	2 297	2 297	2 297	2 297	25 168	25 168	25 332
Service charges - electricity revenue	7 158	7 158	7 158	7 158	7 158	7 158	7 158	7 158	7 158	7 158	7 158	7 158	7 158	86 521	86 426	117 019
Service charges - water revenue	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	26 427	22 481	23 715
Service charges - sanitation revenue	738	738	738	738	738	738	738	738	738	738	738	738	738	8 855	9 505	9 844
Service charges - refuse revenue	714	714	714	714	714	714	714	714	714	714	714	714	714	8 322	8 322	8 322
Rental of fixtures and equipment	81	81	81	81	81	81	81	81	81	81	81	81	81	969	1 058	1 088
Interest earned - retained in earmarks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	559	559	559	559	559	559	559	559	559	559	559	559	559	6 867	7 917	7 423
Grants received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trans. penalties and fines	218	218	218	218	218	218	218	218	218	218	218	218	218	2 617	3 960	4 173
Liabilities and penalties	41	41	41	41	41	41	41	41	41	41	41	41	41	492	4	4
Agency services	121	121	121	121	121	121	121	121	121	121	121	121	121	1 456	1 517	1 565
Transfers and subsidies - Operational	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	3 267	33 488	37 007	73 945
Other income	162	162	162	162	162	162	162	162	162	162	162	162	162	1 989	2 289	2 382
Cash Receipts by Source	18 888	18 888	18 888	18 888	18 888	18 888	18 888	18 888	18 888	18 888	18 888	18 888	18 888	229 208	229 207	277 988
Other Cash Flows by Source																
Income from property - retained in earmarks	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	19 158	22 938	27 222
Transfers and subsidies - created (or held)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments on disposal of fixed and intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stockroom lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in investment assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows by Source	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	19 158	22 938	27 222
Total Cash Receipts by Source	20 535	20 535	20 535	20 535	20 535	20 535	20 535	20 535	20 535	20 535	20 535	20 535	20 535	248 366	252 145	305 210
Cash Payments By Type																
Employee related costs	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(8 349)	(9 186)	(9 487)	(9 521)
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(3 341)	(40 228)	(43 713)	(48 122)
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	(672)	(672)	(672)	(672)	(672)	(672)	(672)	(672)	(672)	(672)	(672)	(672)	(672)	(8 355)	(8 507)	(8 733)
Contracted services	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(4 967)	(58 802)	(63 981)	(73 202)
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(1 715)	(2 102)	(2 248)	(2 322)
Cash Payments by Type	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(214 291)	(224 934)	(251 422)
Other Cash Flows/Payments by Type																
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	(2 292)	(2 292)	(2 319)
Total Cash Payments by Type	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(18 544)	(216 583)	(227 226)	(253 741)
NET INCREASE/DECREASE IN CASH HELD	2 491	2 491	2 491	2 491	2 491	2 491	2 491	2 491	2 491	2 491	2 491	2 491	2 491	(8 217)	(7 081)	(4 531)
Opening cash held at the monthly budget	30 528	30 528	30 528	30 528	30 528	30 528	30 528	30 528	30 528	30 528	30 528	30 528	30 528	19 311	12 230	6 700
Closing cash held at the monthly budget	33 019	33 019	33 019	33 019	33 019	33 019	33 019	33 019	33 019	33 019	33 019	33 019	33 019	31 094	25 149	22 169

3.8 CAPITAL PROGRAMME PERFORMANCE

EXPENDITURE STATUS 2024/2025 FY (December 2024)								
No.	Grant	Project No	Project Name	Original Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG		YELLOW FLEET	R 2 457 699,00	R 2 457 698,86	R 0,14	100%	
2	MIG		REFURBISHMENT OF VAN WYKSDORP WASTE WATER TREATMENT WORKS	R 1 742 301,00	R 156 700,45	R 1 585 600,55	10%	
3	MIG		REFURBISH AND UPGRADE CALITZDORP WASTE WATER TREATMENT WORKS	R 3 156 000,00	R 819 025,52	R 2 336 974,48	35%	
4	MIG		REFURBISH AND UPGRADE ZOAR WASTE WATER TREATMENT WORKS OXIDATION PHASE 2	R 3 300 000,00	R 822 390,42	R 2 477 609,58	33%	
5	Water Resilience Grant		Municipal Water Resilience Grant	R 2 000 000,00		R 2 000 000,00	0%	
6	WSIG		UPGRADE AND REFURBISH LADISMITH WASTE WATER TREATMENT WORKS PH2	R 9 000 000,00	R 3 180 554,59	R 5 819 445,41	55%	
7	INEP		INEP (Eskom)	R 104 000,00	-	R 104 000,00	0%	
8	Water Resilience Grant		Municipal Energy Resilience Grant	R 522 000,00	-	R 522 000,00	0%	
9	MIG	PMU/041	PMU 2024/25	R 560 850,00	R 302 659,87	R 258 190,13	54%	Registered
		TOTALS		R 22 842 850,00	R 7 739 029,71	R 15 103 820,29	51,2%	EXPENDITURE FOR 2024/2025 FY

SECTION 4 – QUALITY CERTIFICATION

Section 13 – Quality certification

I, Dillo Sereo, the Acting Accounting Officer of Kannaland Municipality WC041, hereby certify that the quarterly budget statement for Quarter 2 ended 31 December 2024, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Signature: 

Date: 01/02/2025

UITTREKSEL VAN 'N BESLUIT UIT 'N NOTULE VAN 'N RAADSVERGADERING VAN
KANNALAND MUNISIPALITEIT SOOS GEHOU OP VRYDAG, 31 JANUARIE 2025 OM
11:00 IN DIE RAADSAAL TE LADISMITH.

MFMA SECTION 52 QUARTERLY REPORT (COUNCIL 18/01/25)

RESOLUTION:


1. THAT the Council must note and consider the Section 52 report.
2. THAT the Section 52 Quarterly Report be referred to MPAC.



SPEAKER

31/01/2025
DATUM

ANNEXURE A - Bank Withdrawals MFMA Section 11(4)

PROVINCIAL TREASURY		
Withdrawals from Municipal Bank Accounts		
In accordance with Section 11, Sub-section 1 (b) to (j)		
NAME OF MUNICIPALITY:	KANNALAND MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	WC041	
QUARTER ENDED:	Dec-24	
	Amount	Reason for withdrawal
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial official of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only -	R 0,00	
(b) to defray expenditure authorised in terms of section 26(4);	R 0,00	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	R 0,00	
(d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section;	R 0,00	
(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -	R 2 612 312,80	Motor Registration and RTMC transaction fees
(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or	R 0,00	
(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;	R 0,00	
(f) to refund money incorrectly paid into a bank account;	R 0,00	
(g) to refund guarantees, sureties and security deposits;	R 0,00	
(h) for cash management and investment purposes in accordance with section 13;	R 0,00	
(i) to defray increased expenditure in terms of section 31; or	R 0,00	
(j) for such other purposes as may be prescribed.	R 0,00	
(4) The <i>accounting officer</i> must within 30 days after the end of each quarter -	Name and Surname: L. STRENKAMP 	
(a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and	Rank/Position: Chief Financial Office	
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	Signature:	
Tel number	Fax number	Email Address
(028) 551 8000	(028) 551 1766	jodene@kannaland.gov.za
The completed form must reach Mr Wesley Baatjies at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 5007, Fax 021 483 8623, Email: wbaatjie@pgwc.gov.za on or before the 15th of the month following the end of each quarter.		

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET
Municipal Finance Management Act, section 11(4)
Consolidated Quarterly Report for period 01/10/2024 to 31/12/2024



Date	Payee	Amount in R'000	Description and Purpose (including section reference e.g. sec 11(f))	Authorised by (name)
31-Dec	Department of Transport	-	Section 11, Sub-section e (1)	L Sleenkarrp

Instructions for completing this report:

The Accounting Officer must include information motivating the non-budgetted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space. This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

Withdrawals that must be reported each quarter:

1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;
2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 28 (1);
3. Section 11(a) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);
4. Section 11(e) - Payments to a person or organ of state of state of money received by the municipality on behalf of that person or organ of state, including:
 - (i) money collected by the municipality on behalf of that person or organ of state by agreement; or
 - (ii) any insurance or other payments received by the municipality for that person or organ of state;
5. Section 11(f) - Refund money incorrectly paid into a bank account;
6. Section 11(g) - Refund guarantees, sureties and security deposits;
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;
9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.

Distribution:

1. Table this report in a full council meeting, including additional motivation on action taken to rectify within 30 days after the end of each quarter (section 11(4));
2. Submit a copy to the relevant National Treasury, provincial treasury and the Auditor-General

ANNEXURE D – BUDGET FUNDING PLAN

The municipality drafted and adopted a funding plan by Council on 11 November 2024. The progress will be reported on in the next section 71 report for January 2024.