KANNALAND
MUNISIPALITEIT | MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT

Section 72 MFMA – 2024 / 2025

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 REQUIREMENT

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act Nr. 56 of 2003 (MFMA)

MFMA - Section 72: Mid-Year Budget and Performance Assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—

(a) assess the performance of the municipality during the first half of the financial year, taking into account -
(i) the monthly statements referred to in section 71 for the first half of the financial year;
(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan;
(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to -
(i) the mayor of the municipality;
(ii) the National Treasury; and
(iii) the relevant provincial treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)*(b)* of this section.

(3) The accounting officer must, as part of the review -
(a) make recommendations as to whether an adjustments budget is necessary; and
(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

MFMA - Section 54: Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must -
(a) consider the statement or report;
(b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
(d) issue any appropriate instructions to the accounting officer to ensure -

(i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) that spending of funds and revenue collection proceed in accordance with the budget;

(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) in the case of a section 72 report, submit the report to the council by 31 January of each year.

(2) If the municipality faces any serious financial problems, the mayor must -

(a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include -

(i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;

(ii) the tabling of an adjustments budget; or

(iii) steps in terms of Chapter 13; and

(b) alert the council and the MEC for local government in the province to those problems.

(3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Municipal Budget and Reporting Regulations (2009)

Section 33: Format of a mid-year budget and performance assessment

A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in a 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.

Section 34: Publication of mid-year budget and performance assessments

(1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.

(2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including -

(a) summaries in alternate languages predominant in the community, and

(b) information relevant to each ward in the municipality.

Section 35: Submission of mid-year budget and performance assessments

The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form –

(a) the mid-year budget and performance assessment by 25 January of each year; and

(b) any other information relating to the mid-year budget and performance assessments as may be required by the National Treasury.

PART 1: IN-YEAR REPORT

Section 1 – Mayor's Report

1.1 Challenges and Remedial Action – 2023/24 Audit

Outcome area	Movement	2023-24	2022-23	2021-22
Financial statements				
Annual performance report				
• Predetermined objective (PDO) 2 – to provide adequate services and improve our public relations				
Compliance with legislation				
• Annual financial statements, performance reports and annual reports				
• Assets management				
• Conditional grants management				
• Consequences management				
• Expenditure management				
• Human resources management				
• Procurement and contract management				
• Revenue management				
• Strategic planning and performance management				

	Unqualified / No material findings		Qualified		Adverse		Disclaimed		Material findings		Not audited

	Improvement		Regression		Unchanged

The municipality has drafted an audit action plan and the Accounting Officer is committed to address prior audit findings as recommended by the AGSA. The municipality will strengthen its internal monitoring by assessing the lack and effectiveness of internal controls, on a frequent basis to ensure sustainable clean administration. Any issues and or remedial actions to be raised in the Oversight Report will be addressed, actioned, and closely monitored.

Financial Management Challenges:

- Adoption of an unfunded budget;
- Inability to make provision for capital projects, therefore resulting in making use of service providers to perform certain basic service delivery functions;
- Effectiveness of internal audit and risk management;
- Limited revenue and financial resources;
- Poorly maintained assets (vehicles, roads, and other infrastructure;
- Service delivery challenges due to budget constraints
- Lack of skills and capacity to facilitate compliance with the Municipal Minimum Competency Framework; and

Other Organisational Challenges:

Service Area	Challenge
Infrastructure, Water, Roads, Sanitation, Electrical	Inadequate funding (own funding)
	Large number of faulty water meters. Users only pay for basic services until meters are replaced that leads to financial loss
	Roads - Grant funding not adequate to maintain and upgrade roads
	Electricity - maintaining and managing electricity losses due to aging networks
	Water - availability of water, especially in the hot and dry summer months
	Non-compliant landfill sites. No funding is available to comply with requirements
	Slow spending on capital projects -leading to rollovers and loss of funding
Law enforcement	Illegal connections and tampering with meters. Law enforcement is not functional year and no applicable by laws
Fleet Management	Limited and aged fleet available in all service delivery departments
Human Settlements	Challenges exist with regard to the capacity of bulk infrastructure services resulting in significant increases in housing waiting lists
	Incorrect title deeds
	High demand for low cost and GAP housing
Workforce	Attracting suitable qualified personnel in key functions
	Deviating from HR processes and lack of policy implementation
	Occupational Health and Safety and Wellness programmes not fully operational

Remedial Action

The Budget Funding Plan and Audit Action Plan will be implemented and monitored to ensure credible and sound financial management. Internal controls will be strengthened, and cash flow monitoring is taking place on a weekly basis to ensure expenditure will be limited and prioritised to services delivery related activities.

1.2 Impact of the National and Provincial Adjusts Budget

During the Medium-Term Budget Policy Statement. Finance Minister Enoch Godongwana stated that Municipalities are the coalface of service delivery. Sadly, an unacceptable number of them are experiencing weaknesses in governance, financial management, and service delivery. To address these challenges, and to transform municipalities into engines of growth, we have adopted a multi-pronged approach. It focusses on tightening budget processes, ramping up oversight, increasing the skills and capacity of municipal employees, and driving investment in maintaining and building infrastructure.

Kannaland Municipality was identified as one of the worst municipalities in the Western Cape and have been placed under provincial intervention (Kannaland are currently under Section 139(5)(a) administration, which means they are under direct provincial control due to poor governance).

1.3 Budget Implementation

The implementation of the municipality's budget in accordance with the SDBIP will be dealt with in more detail within this report. Budget implementation can however be summarized as follow:

	Original Budget	Adjustments Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 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 16 469	R 7 122	R (9 348)	-57%

Operational Revenue

The municipality's total operational revenue budget amounts to R252 million and the year-to-date revenue on the budget accrued to R133 million. This represents 6% of the YTD variance for total revenue.

Operational Expenditure

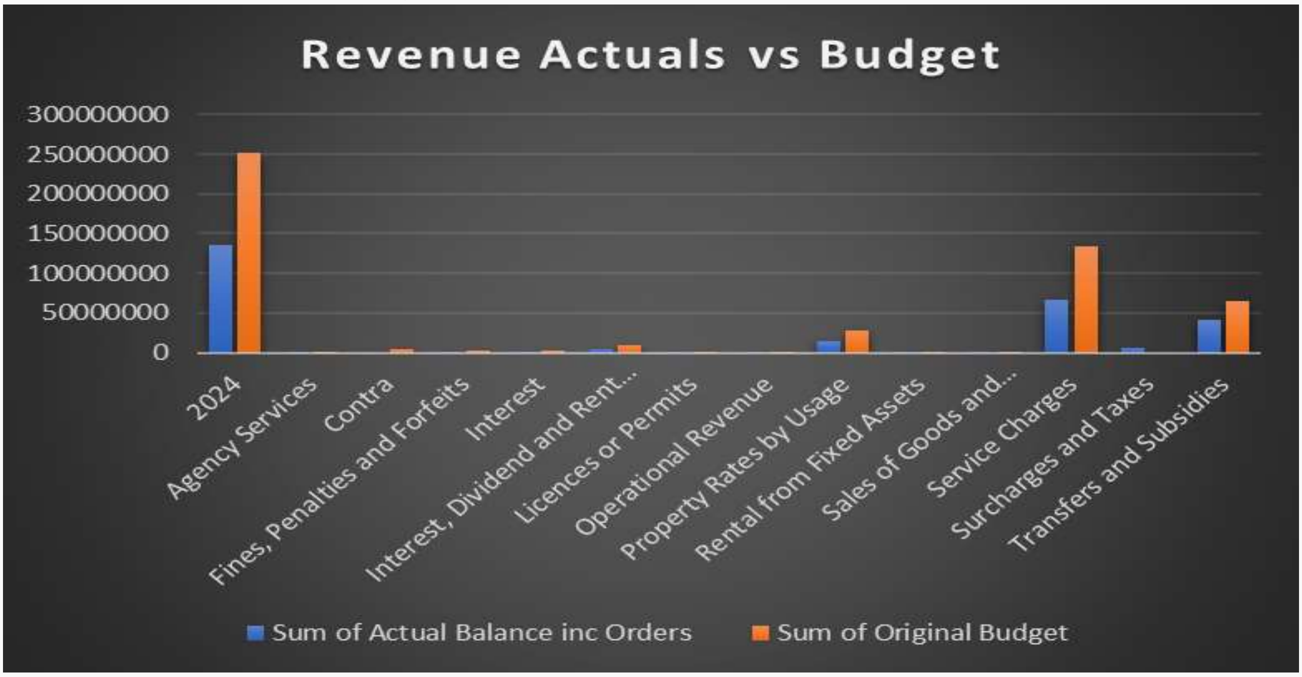
The municipality's total operational expenditure budget amounts to R251 million, with a year-to-date performance of R114 million, or -9% of the YTD variance for total expenditure budget.

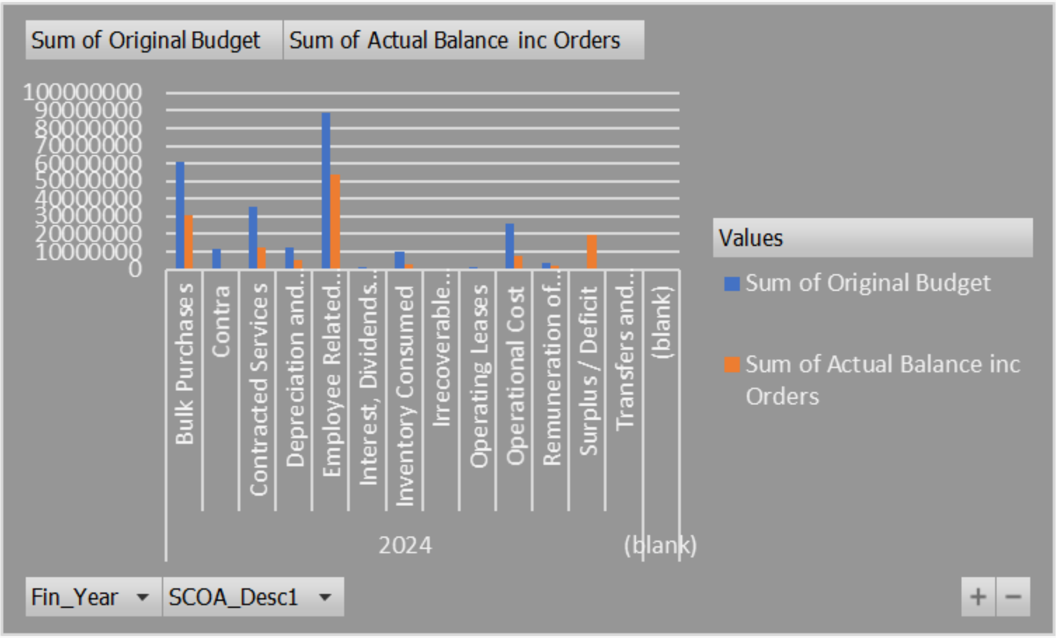
Capital Expenditure

The total capital budget for the municipality amounts to R33 million with a year-to-date performance of R 9 348 million, or -57% of the total capital budget.

The increase is directly attributable to employee related costs.

Actual Revenue vs YTD Budgeted Revenue





1.4 Adjustments Budget

Considering allocation changes that will be needed, the impact of straight-line budgeting, revenue in general is realising other than *Fines, Penalties & Forfeits* that needs to be revised significantly lower. *Interest Earned* and *Other Revenue* will need to be adjusted upwards.

Expenditure is difficult to assess due to the lack of recognition when incurred and with it only being recognised once paid. The main expenditure items that will need adjustment will include *Bulk Purchases* and employee related cost.

The capital budget will be adjusted with amended allocations such as Water Resilience Grant approved rollover.

Based on the Mid-year Performance Assessment and in terms of section 28 of the MFMA, it is thus recommended that the municipality revise the budget during February 2025 to account for corrections needed to revenue and expenditure items. In addition to the necessary adjustment, the municipality will have to revise the budget funding plan.

Liquidity remains a constant threat that needs to be managed with care. All of the beforementioned poses a risk to sustainable service delivery and the ability to contribute to economic growth.

Section 2 – Resolutions

Recommendation:

That the council takes cognisance of the Mid-Year Budget and Performance Assessment Report in terms as presented in terms of section 72 of the MFMA.

Section 3 – Executive Summary

3.1 Introduction

The Mid-year Assessment has been prepared in terms of the Municipal Budget and Reporting Regulations in the prescribed format. It is used as a management tool to assess the municipality's performance and financial position against the approved budget by analysing trends and patterns during the first halve of the financial year, with a view of giving effect to the Mayor and Council's oversight role and to recommend the need for an adjustment budget as envisaged by the Municipal Finance Management Act.

3.2 Consolidated Performance

WC041 Kannaland - Supporting Table SC2 Monthly Budget Statement - performance indicators - Mid-Year Assessment

Description of financial indicator	Basis of calculation	Ref	2023/24	Budget Year 2024/25			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		1,4%	5,4%	5,4%	4,6%	5,4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		53,3%	14,8%	14,5%	52,1%	14,5%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	20,9%	100,1%	100,2%	49,7%	100,2%
Liquidity Ratio	Monetary Assets/Current Liabilities		10,7%	40,3%	40,6%	28,7%	40,6%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		13,5%	4,3%	4,3%	30,1%	4,3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		37,5%	35,1%	34,7%	40,5%	34,7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		14,2%	9,0%	8,9%	11,4%	8,9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8,8%	5,4%	5,4%	3,9%	5,4%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

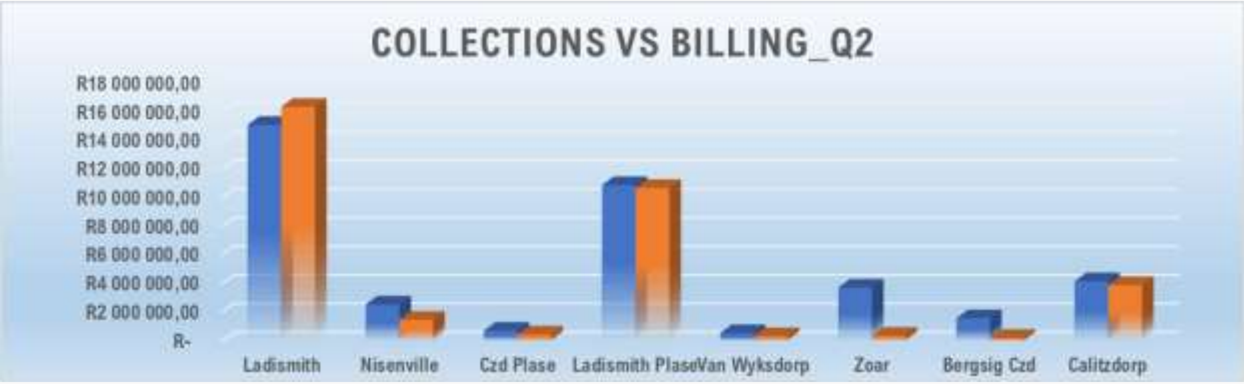
3.3 Payment Percentage

	Billing		Collections		
Ladismith	R	15 083 415,68	R	16 348 847,01	108%
Nisenville	R	2 535 987,60	R	1 460 391,21	58%
Czd Plase	R	696 901,34	R	439 645,19	63%
Ladismith Plase	R	10 873 170,73	R	10 682 019,48	98%
Van Wyksdorp	R	528 788,79	R	322 219,55	61%
Zoar	R	3 714 047,67	R	354 309,77	10%
Bergsig Czd	R	1 571 842,64	R	207 147,81	13%
Calitzdorp	R	4 153 319,89	R	3 884 080,57	94%
	R	39 157 474,34	R	33 698 660,59	86,1%

R	39 157 474,34	-R	33 698 660,59	

The **current collection rate** is at **86,1%%** and this is aligned with the **budget assumption** being based on an **85%** average collection rate. Improved credit control will be needed with a revision of debt impairment as indicated above.

Collection rate per ward:



The collection rate is negatively impacted in the more impoverished wards by the lack of indigent registrations. The impact is significant with the municipality understating the true cost of subsidized services significantly.

Section 4 – In-Year Budget Tables

TABLE C1 – MID-YEAR BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

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 Councillors	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

TABLE C2 – MID-YEAR FINANCIAL PERFORMANCE (FUNCTIONAL CLASSIFICATION)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	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
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**

TABLE C3 – MID-YEAR FINANCIAL PERFROMANCE (MUNICIPAL VOTE)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year										
Vote Description	Ref	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
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		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	1									
Vote 1 - MUNICIPAL MANAGER		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**

TABLE C4 – MID-YEAR FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment										
Description	Ref	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
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**

TABLE C5 – MID-YEAR ASSESSMENT CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
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										
Governance 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**

TABLE C6 – MID-YEAR FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment						
Description	Ref	2023/24	Budget Year 2024/25			
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
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**

TABLE C7 – MID-YEAR CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment										
Description	Ref	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
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 balance ending of **December 2024** were as follow;

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

PART 2: SUPPORTING DOCUMENTATION

Section 5 – Debtor’s Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment													
Description		Budget Year 2024/25											
R thousands	NT Code	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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
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.

Section 6 – Creditor's Analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description R thousands	NT Code	Budget Year 2024/25								
		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
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 creditors have shown increase in the total from the beginning of the year, the total amount owed is R103 million, which represents 8% increase from the first quarter reported figures. Breakdown van creditors.

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.

Section 7 – Investment Portfolio Analysis

The municipality has no investments to declare.

Section 7 – Allocation of Grant Receipts & Expenditure

2024/12/31				
	Original Budget	**Total Received**	**Total Spent**	**Unspent**
Grant Name	Amount			
Provincial Government	**R 26 064 000,00**	**R 11 640 262,00**	**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 Settlm 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	**R 61 955 000,00**	**R 47 335 000,00**	**R 37 674 247,57**	**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

Section 8 – Mid-Year Councillor & Staff Expenditure

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment										
		2023/24	Budget Year 2024/25							
Summary of Employee and Councillor remuneration R thousands	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
	1	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	3									
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	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
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	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
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	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	**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**

Section 10 – Mid-Year Monthly Actuals & Revised Targets - Cash

This municipality is still experiencing cash flow budgeting errors that needs to be corrected.

Section 11 – Material Variances from the SDBIP

This will be reported seperately as an Annexure.

Section 12 – Capital Expenditure Trend

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Mid-Year Assessment									
	2023/24	Budget Year 2024/25							
Month R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	–	2 745	2 745	–	–	2 745	–	0,0%	0%
August	–	2 745	2 745	370	370	5 490	5 119	93,3%	1%
September	530	2 745	2 745	2 077	2 447	8 235	5 787	70,3%	7%
October	3 095	2 745	2 745	2 443	4 890	10 979	6 090	55,5%	15%
November	2 104	2 745	2 745	1 530	6 419	13 724	7 305	53,2%	19%
December	1 567	2 745	2 745	702	7 122	16 469	9 348	56,8%	22%
January	–	2 745	2 745	–	7 122	19 214	12 092	62,9%	22%
February	1 053	2 745	2 745	–	7 122	21 959	14 837	67,6%	22%
March	–	2 745	2 745	–	7 122	24 704	17 582	71,2%	22%
April	–	2 745	2 745	–	7 122	27 449	20 327	74,1%	22%
May	217	2 745	2 745	–	7 122	30 193	23 072	76,4%	22%
June	24 461	2 745	2 745	–	7 122	32 938	25 817	78,4%	22%
Total Capital expenditure	33 026	32 938	32 938	7 122					

Section 13 – Quality certification

I, **Dillo Sereo,** the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Mid-Year Budget and Performance Assessment has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Signature: ………………………………….

Date: ……………………………………….

Section 13 – Quality certification

I, **Dillo Sereo**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Mid-Year Budget and Performance Assessment has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Signature: ....

Date: 07/02/2025

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.

SUBMISSION OF SECTION 72 REPORT (COUNCIL 19/01/25)

RESOLUTION:

1. **THAT** Council takes note of the Section 72 report as above and consider same.

2. **THAT** the Section 72 Report be referred to MPAC.

SPEAKER

31/01/2025
DATUM

APPENDIX 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 *accounting officer* or the *chief financial officer* of a *municipality*, or any other senior financial *official* of the *municipality* acting on the written authority of the *accounting officer* may withdraw money or authorise the withdrawal of money from any of the *municipality*'s 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 *municipality* 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 *municipality* on behalf of that person or organ of state by agreement; or	R 0,00	
(ii) any insurance or other payments received by the *municipality* 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 *accounting officer* must within 30 days after the end of each *quarter* -	**Name and Surname: L STEENKAMP**	
(a) table in the *municipal council* 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 *provincial treasury* and the *Auditor-General*.	**Signature:**	

Tel number	**Fax number**	**Email Address**
(028) 551 8000	(028) 551 1766	jodone@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

national treasury

D

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 Steenkamp

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 29 (1);
3. Section 11(d) -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 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 B: Budget Funding Plan

The municipal council approved the Budget Funding Plan on 10 November 2024. Progress on the funding plan will be reported on from the January reporting cycle.