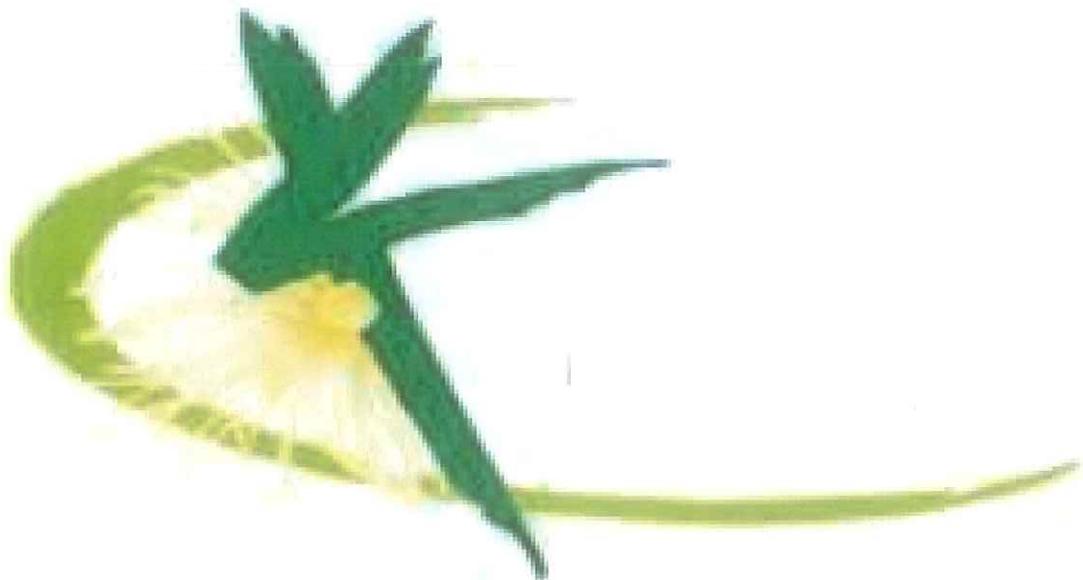


Kannaland Municipality



Mid-Year Budget Assessment 2017

Mid Year Report of the Municipality

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

KANNALAND MUNICIPALITY

MID-YEAR BUDGET ASSESSMENT FOR

2017

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KANNALAND MUNICIPALITY

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Glossary

Adjustments 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.

Equitable share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement - A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

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

Equitable share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The new standard for municipal accounting.

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 principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

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MID-YEAR BUDGET STATEMENT FOR 2017

MTREF - Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure - Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising Mid-Year performance targets and Quarterly 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 - Generally, is spending without, or in excess of, an approved budget.

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.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

Legislative Framework

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

The Municipal Finance Management Act

Section 72: Mid-Year budget assessment

Local Government: Municipal Finance Management Act (56/2003):

Municipal budget and reporting regulations (MBRR)

Highlighted in the text box below are the relevant sections from the MBRR:

Note: In the remainder of this report, the applicable sections from the MBRR, Schedule C will always be reflected in a text box as per above.

Format of Mid-Year budget statements

28. *The Mid-Year 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.*

Tabling of Mid-Year budget statements

29. *The Mayor may table in the municipal council a Mid-Year budget statement submitted to the Mayor in terms of section 71 (1) of the Act. If the Mayor does so, the Mid-Year budget statement must be accompanied by a Mayor's report in a format set out in Schedule C.*

Publication of Mid-Year budget statements

30. (1) *The Mid-Year budget statement of a municipality must be placed on the municipality's website.*
(2) *The municipal manager must publish on the municipality's website any other information that the municipal council considers appropriate to facilitate public awareness of the Mid-Year budget statement, including (a) summaries of Mid-Year budget statements in alternate languages predominant in the community; and (b) information relevant to each ward in the municipality.*

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

PART 1 – IN-YEAR REPORT

Section 1 – Mayor's Report

1.1 Mid-Year Report - Budget Statement

Mayor's report

3. The Mayor's report accompanying an in-year Mid-Year budget statement must provide-

- (a) a summary of whether the municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;
- (b) a summary of any financial problems or risks facing the municipality or any such entity; and (c) any other information considered relevant by the Mayor.

The cash position is still stable (refer to section 7 for more information) and current commitments can be met. However, there is no additional money available for new projects.

Revenue achieved to date is 6% (R 1.555 million) above budget¹. The municipality projects to end the year with a surplus, and more importantly, a positive cash position.

Section 2 – Resolutions

Resolutions

5. If an in-year report is tabled in the municipal council, resolutions dealing with at least the following matters must be prepared and presented as part of the documentation, as may be relevant -

- (a) noting the Mid-Year budget statement and any supporting documents;
- (b) noting the Mid-Year report on the implementation of the budget and the financial affairs for the municipality referred to in section 52(d) of the Act;
- (c) noting the mid-year budget and performance assessment referred to in section 72 of the Act;
- (d) noting the in-year reports of any municipal entities; and (e) any other resolutions that may be required.

IN-YEAR REPORTS 2016/2017

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

That Council take note of the Mid-Year budget statement and supporting documentation for DECEMBER 2016.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

Table C4 - Total Revenue by source (excluding Capital transfers and contributions)

Section 3 – Executive Summary

Executive summary

6. The executive summary must cover at least the following -

- (a) the municipal entity's performance, in relation to both the approved annual budget and the latest approved adjustments budget making reference to the in-year report tables, charts and explanations;
- (b) any material variances from the service delivery agreement with the parent municipality and the multi-year business plan of the entity; and
- (c) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipal entity's budget.

3.1 Introduction

The information boxes referring to the legislative framework, additional explanations on certain tables and footnotes referencing the information to tables contained elsewhere in the document have been included in this month's report.

3.2 Consolidated performance

3.2.1 Against annual budget

Revenue by Source

All the major sources of revenue are within acceptable norms with the net variance being 4% (R 2.729million), above budgeted revenue to date.

The majority of rates and service charges are levied annually and classed as income during July each year. Where applicable, and where ratepayers prefer to pay on a Quarterly basis, service charges are also levied in advance. Although the total annual levies are not reflecting on the Quarterly ratepayers' account, the relevant income votes are credited on the financial system.

Operating expenditure by type

The major categories of expenditure are all on target, with year to date expenditure being 8% (R 0.782 million), above budgeted projections.

Refer to Section 4 – Table C4 for further explanations on both revenue by source and expenditure by type.

Capital Expenditure

The capital expenditure is behind target, with year-to-date expenditure being R 8 249 million, or -0.092%, of a total budget of R 42.475 million⁴. Refer to Section 4 – Table C5 for more detail.

Cash flows

There has been no material change in the cash flow or yearend predictions since last month.

Refer to section 4 – Table C9 and Section 7 for more detail on the cash position.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

Table C4 - Total Revenue by source (excluding Capital transfers and contributions)

Table C4 – Total expenditure by type

Table C5 – Total capital expenditure

3.3 Material variances from SDBIP

No comments for DECEMBER 2016

3.4 Remedial or corrective steps

No steps need to be taken

Section 4 – In-year budget statement tables

In-Year budget statement tables

9. The in-year budget statement tables must consist of the tables in the Attachments to this Schedule, namely -

- (a) Table C1 s71 Mid-Year Budget Statement Summary
- (b) Table C2 Mid-Year Budget Statement - Financial Performance (standard classification)
- (c) Table C3 Mid-Year Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
- (d) Table C4 Mid-Year Budget Statement - Financial Performance (revenue and expenditure)
- (e) Table C5 Mid-Year Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
- (f) Table C6 Mid-Year Budget Statement - Financial Position
- (g) Table C7 Mid-Year Budget Statement - Cash Flow

and

11. Supporting information, charts and explanations of trends and anomalies must be presented for each table where such presentation will assist with understanding the information contained in the tables.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

4.1 Mid-Year budget statements

4.1.1 Table C1: s71 Mid-Year Budget Statement Summary

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

| Description | 2015/16 | | Budget Year 2016/17 | | | | | | |
|--|------------------|-------------------|---------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | 13 964 | 15 064 | 15 064 | 592 | 7 981 | 15 112 | (7 132) | -47% | 14 803 |
| Service charges | 60 372 | 66 694 | 66 694 | 2 382 | 27 159 | 33 347 | (6 188) | -19% | 70 013 |
| Investment revenue | 639 | 70 | 70 | - | 359 | 35 | 324 | 927% | 5 |
| Transfers recognised - operational | 44 381 | 40 015 | 40 015 | 7 065 | 35 772 | 20 007 | 15 764 | 79% | 45 088 |
| Other own revenue | 18 867 | 7 438 | 5 012 | 541 | 4 110 | 3 361 | 749 | 22% | 10 853 |
| Total Revenue (excluding capital transfers and contributions) | 138 221 | 129 281 | 126 855 | 10 580 | 75 381 | 71 862 | 3 519 | 5% | 140 761 |
| Employee costs | 51 733 | 50 597 | 50 597 | 3 769 | 23 295 | 25 299 | (2 004) | -8% | 33 150 |
| Remuneration of Councillors | 2 884 | 2 926 | 2 926 | 205 | 1 044 | 1 463 | (419) | -29% | 1 543 |
| Depreciation & asset impairment | 9 796 | 12 766 | 12 766 | - | - | 131 | (131) | -100% | 12 635 |
| Finance charges | 3 522 | 1 147 | 1 147 | 0 | 234 | 568 | (334) | -59% | 1 595 |
| Materials and bulk purchases | 26 727 | 30 720 | 30 720 | 31 | 13 873 | 15 360 | (1 487) | -10% | 23 403 |
| Transfers and grants | 14 939 | - | - | - | - | - | - | - | - |
| Other expenditure | 51 416 | 49 042 | 49 042 | 4 103 | 17 998 | 11 325 | 6 673 | 59% | 38 212 |
| Total Expenditure | 161 017 | 147 198 | 147 198 | 8 108 | 56 444 | 54 145 | 2 298 | 4% | 110 538 |
| Surplus/(Deficit) | (22 796) | (17 918) | (20 343) | 2 473 | 18 937 | 17 717 | 1 220 | 7% | 30 224 |
| Transfers recognised - capital | 28 149 | 54 480 | 54 480 | 5 565 | 28 426 | 27 240 | 1 186 | 4% | 32 763 |
| Contributions & Contributed assets | 14 | 5 | - | 81 | 96 | - | 96 | #DIV/0! | - |
| Surplus/(Deficit) after capital transfers & contributions | 5 367 | 36 567 | 34 137 | 8 119 | 47 459 | 44 957 | 2 502 | 6% | 62 986 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 5 367 | 36 567 | 34 137 | 8 119 | 47 459 | 44 957 | 2 502 | 6% | 62 986 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | - | 42 475 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Capital transfers recognised | - | - | - | - | - | - | - | - | - |
| Public contributions & donations | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | - | 42 475 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Total sources of capital funds | - | 42 475 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Financial position | | | | | | | | | |
| Total current assets | - | - | - | | | 48 976 | | | - |
| Total non current assets | - | - | - | | | 7 308 | | | - |
| Total current liabilities | - | - | - | | | (60 664) | | | - |
| Total non current liabilities | - | - | - | | | (595) | | | - |
| Community wealth/Equity | - | - | - | | | 26 979 | | | - |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | - | - | - | - | - | - | - | - | - |
| Net cash from (used) investing | - | - | - | - | - | - | - | - | - |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the month/year end | - | - | - | - | - | - | - | | - |
| 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 | 6 529 | 2 104 | 1 916 | 3 559 | 1 520 | 1 672 | 6 697 | 51 573 | 75 569 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 12 947 | 3 796 | 4 682 | 451 | 977 | 4 231 | 18 168 | 16 592 | 61 845 |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

4.1.2 Table C2: Mid-Year Budget Statement - Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services. It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

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

| Description | Ref | 2015/16 | | Monthly actual | Budget Year 2016/17 | | | | |
|--|-----|-----------------|-----------------|----------------|---------------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | |
| Revenue - Standard | | | | | | | | | |
| <i>Governance and administration</i> | | 38 295 | 28 231 | 25 215 | 465 | 20 636 | 18 914 | 1 723 | 9% |
| Executive and council | | 4 764 | 3 183 | 2 581 | (18) | 858 | 1 239 | (382) | -31% |
| Budget and treasury office | | 13 959 | 5 123 | 3 000 | 370 | 2 505 | 553 | 1 952 | 353% |
| Corporate services | | 19 572 | 19 925 | 19 634 | 113 | 17 274 | 17 121 | 153 | 1% |
| <i>Community and public safety</i> | | 18 013 | 13 059 | 27 170 | 39 | 261 | 8 128 | (7 867) | -97% |
| Community and social services | | 3 776 | 13 014 | 14 590 | 37 | 247 | 7 520 | (7 274) | -97% |
| Sport and recreation | | 18 | 7 | 20 | — | — | 18 | (18) | -100% |
| Public safety | | — | — | 1 170 | — | — | 585 | (585) | -100% |
| Housing | | 14 219 | 38 | 11 390 | 2 | 14 | 5 | 9 | 186% |
| Health | | — | — | — | — | — | — | — | — |
| <i>Economic and environmental services</i> | | 6 484 | 5 360 | 3 050 | 29 | 953 | 907 | 46 | 5% |
| Planning and development | | — | — | — | — | — | — | — | — |
| Road transport | | 6 484 | 5 360 | 3 050 | 29 | 953 | 907 | 46 | 5% |
| Environmental protection | | — | — | — | — | — | — | — | — |
| <i>Trading services</i> | | 102 494 | 101 837 | 118 203 | 4 514 | 42 610 | 42 471 | 140 | 0% |
| Electricity | | 41 937 | 44 801 | 63 525 | 2 616 | 24 089 | 24 131 | (42) | 0% |
| Water | | 29 950 | 34 630 | 33 148 | 1 230 | 7 409 | 6 074 | 1 335 | 22% |
| Waste water management | | 21 993 | 13 604 | 12 336 | 217 | 6 697 | 7 755 | (1 058) | -14% |
| Waste management | | 8 613 | 8 801 | 9 194 | 451 | 4 415 | 4 511 | (96) | -2% |
| <i>Other</i> | 4 | — | — | — | — | — | — | — | — |
| Total Revenue - Standard | 2 | 165 286 | 148 487 | 173 638 | 5 048 | 64 460 | 70 419 | (5 959) | -8% |
| Expenditure - Standard | | | | | | | | | |
| <i>Governance and administration</i> | | 62 262 | 56 135 | 45 700 | 1 029 | 15 329 | 22 440 | (7 111) | -32% |
| Executive and council | | 22 592 | 20 814 | 16 350 | 535 | 5 757 | 7 365 | (1 609) | -22% |
| Budget and treasury office | | 27 429 | 20 976 | 13 904 | 155 | 5 299 | 9 224 | (3 925) | -43% |
| Corporate services | | 12 240 | 14 345 | 15 446 | 339 | 4 273 | 5 851 | (1 578) | -27% |
| <i>Community and public safety</i> | | 12 751 | 12 675 | 26 071 | 153 | 7 281 | 13 208 | (5 927) | -45% |
| Community and social services | | 11 468 | 10 111 | 13 122 | 153 | 2 827 | 5 971 | (3 145) | -53% |
| Sport and recreation | | 755 | 994 | 650 | — | 108 | 247 | (139) | -56% |
| Public safety | | — | — | 482 | — | — | 241 | (241) | -100% |
| Housing | | 527 | 1 569 | 11 818 | 0 | 4 346 | 6 748 | (2 402) | -36% |
| Health | | — | — | — | — | — | — | — | — |
| <i>Economic and environmental services</i> | | 6 786 | 2 952 | 2 845 | 59 | 898 | 1 412 | (514) | -36% |
| Planning and development | | — | — | — | — | — | — | — | — |
| Road transport | | 6 786 | 2 952 | 2 845 | 59 | 898 | 1 412 | (514) | -36% |
| Environmental protection | | — | — | — | — | — | — | — | — |
| <i>Trading services</i> | | 66 634 | 41 617 | 61 974 | 279 | 19 859 | 20 931 | (1 072) | -5% |
| Electricity | | 36 658 | 34 394 | 40 551 | 77 | 14 844 | 21 231 | (6 387) | -30% |
| Water | | 17 440 | 8 820 | 16 078 | 56 | 2 594 | 1 921 | 673 | 35% |
| Waste water management | | 6 203 | (4 061) | (872) | 37 | 1 252 | (3 705) | 4 958 | -134% |
| Waste management | | 6 333 | 2 464 | 6 218 | 110 | 1 169 | 1 485 | (316) | -21% |
| <i>Other</i> | | — | — | — | — | — | — | — | — |
| Total Expenditure - Standard | 3 | 148 432 | 113 378 | 136 590 | 1 519 | 43 367 | 57 991 | (14 625) | -25% |
| Surplus/ (Deficit) for the year | | 16 854 | 35 109 | 37 047 | 3 528 | 21 093 | 12 428 | 8 665 | 70% |
| | | | | | | | | | 74 798 |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

4.1.3 Table C3: Mid-Year Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Executive Council, Corporate Services, Financial Services and Technical Services. Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote/s were overspent.

The Total Expenditure by Vote budget is not overspent, but currently for the accumulated totals to DECEMBER 2016 the following Votes (also known as Directorates) reflect unauthorised expenditure against their year-to-date budgets: Executive Council, Financial Services. However, they have not yet overspent their total adjusted budget allocations and the current unauthorised status would only be able to be determined once annual actual results have been calculated.

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

| Vote Description R thousands | Ref | 2015/16 | | Budget Year 2016/17 | | | | | | |
|--|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| Revenue by Vote | | | | | | | | | | |
| Vote 1 - Governance | 1 | 116 566 | 120 684 | 134 637 | 4 520 | 44 416 | 50 273 | (5 857) | -11.7% | 132 451 |
| Vote 2 - Office of the City Manager | | 19 572 | 19 925 | 19 634 | 113 | 17 274 | 17 121 | 153 | 0.9% | 20 304 |
| Vote 3 - 0 | | 2 036 | 2 710 | 4 957 | 42 | 252 | 2 449 | (2 197) | -89.7% | 2 988 |
| Vote 4 - 0 | | 13 959 | 5 123 | 3 000 | 370 | 2 505 | 553 | 1 952 | 352.9% | 6 352 |
| Vote 5 - 0 | | 14 219 | 38 | 11 390 | 2 | 14 | 5 | 9 | 185.9% | 11 409 |
| Vote 6 - 0 | | 18 | 7 | 20 | - | - | 18 | (18) | -100.0% | 20 |
| Vote 7 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 8 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 9 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 10 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 11 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 12 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 13 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 14 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 15 - 0 | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 166 370 | 148 487 | 173 638 | 5 048 | 64 460 | 70 419 | (5 959) | -8.5% | 173 524 |
| Expenditure by Vote | | | | | | | | | | |
| Vote 1 - Governance | 1 | 116 806 | 71 992 | 89 297 | 999 | 28 293 | 33 038 | (4 744) | -14.4% | 85 630 |
| Vote 2 - Office of the City Manager | | 12 240 | 14 345 | 15 446 | 339 | 4 273 | 5 851 | (1 578) | -27.0% | 12 041 |
| Vote 3 - 0 | | 5 394 | 3 852 | 5 950 | 70 | 1 337 | 3 023 | (1 686) | -55.8% | 4 296 |
| Vote 4 - 0 | | 27 429 | 20 976 | 13 904 | 155 | 5 299 | 9 224 | (3 925) | -42.5% | 9 510 |
| Vote 5 - 0 | | 527 | 1 569 | 11 818 | 0 | 4 346 | 6 748 | (2 402) | -35.6% | 14 244 |
| Vote 6 - 0 | | 597 | 644 | 177 | - | 108 | 108 | 1 | 0.9% | 192 |
| Vote 7 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 8 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 9 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 10 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 11 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 12 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 13 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 14 - 0 | | - | - | - | - | - | - | - | - | - |
| Vote 15 - 0 | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 162 993 | 113 378 | 136 590 | 1 562 | 43 657 | 57 991 | (14 334) | -24.7% | 125 913 |
| Surplus/ (Deficit) for the year | 2 | 3 377 | 35 109 | 37 047 | 3 486 | 20 803 | 12 428 | 8 375 | 67.4% | 47 611 |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

4.1.4 Table C4: Mid-Year Budget Statement - Financial Performance (revenue and expenditure)

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

| Description | Ref | 2015/16 | | Budget Year 2016/17 | | | | | | |
|--|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|--|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | |
| R thousands | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | |
| Property rates | | 13 964 | 15 064 | 15 064 | 592 | 7 981 | 15 112 | (7 132) | -47% | |
| Property rates - penalties & collection charges | | — | — | — | — | — | — | — | — | |
| Service charges - electricity revenue | | 38 717 | 42 580 | 42 580 | 1 421 | 15 325 | 21 290 | (5 965) | -28% | |
| Service charges - water revenue | | 11 110 | 10 970 | 10 970 | 557 | 5 729 | 5 485 | 244 | 4% | |
| Service charges - sanitation revenue | | 5 723 | 7 820 | 7 820 | 214 | 3 984 | 3 910 | 74 | 2% | |
| Service charges - refuse revenue | | 4 822 | 5 324 | 5 324 | 189 | 2 121 | 2 662 | (541) | -20% | |
| Service charges - other | | — | — | — | — | — | — | — | — | |
| Rental of facilities and equipment | | 225 | 170 | 170 | 39 | 231 | 120 | 112 | 94% | |
| Interest earned - external investments | | 639 | 70 | 70 | — | 359 | 35 | 324 | 927% | |
| Interest earned - outstanding debtors | | 5 125 | 1 170 | 1 170 | 474 | 2 640 | 585 | 2 055 | 351% | |
| Dividends received | | 3 | — | — | — | — | — | — | — | |
| Fines | | 5 414 | 2 002 | 2 002 | 14 | 512 | 471 | 41 | 9% | |
| Licences and permits | | 186 | 280 | 280 | 15 | 75 | 79 | (5) | -6% | |
| Agency services | | 763 | 700 | 700 | — | 318 | 283 | 35 | 12% | |
| Transfers recognised - operational | | 44 381 | 40 015 | 40 015 | 7 065 | 35 772 | 20 007 | 15 764 | 79% | |
| Other revenue | | 6 120 | 3 116 | 690 | — | 133 | 1 823 | (1 691) | -93% | |
| Gains on disposal of PPE | | 1 032 | — | — | — | 201 | — | 201 | #DIV/0! | |
| Total Revenue (excluding capital transfers and contributions) | | 138 221 | 129 281 | 126 855 | 10 580 | 75 381 | 71 862 | 3 519 | 5% | |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 51 733 | 50 597 | 50 597 | 3 769 | 23 295 | 25 299 | (2 004) | -8% | |
| Remuneration of councillors | | 2 884 | 2 926 | 2 926 | 205 | 1 044 | 1 463 | (419) | -29% | |
| Debt impairment | | 18 224 | 15 067 | 15 067 | — | — | — | — | 15 067 | |
| Depreciation & asset impairment | | 9 796 | 12 766 | 12 766 | — | — | 131 | (131) | -100% | |
| Finance charges | | 3 522 | 1 147 | 1 147 | 0 | 234 | 568 | (334) | -59% | |
| Bulk purchases | | 26 727 | 30 720 | 30 720 | 31 | 13 873 | 15 360 | (1 487) | -10% | |
| Other materials | | — | — | — | — | — | — | — | — | |
| Contracted services | | — | — | — | 1 452 | 6 849 | — | 6 849 | #DIV/0! | |
| Transfers and grants | | 14 939 | — | — | — | — | — | — | (1 612) | |
| Other expenditure | | 32 652 | 33 975 | 33 975 | 2 651 | 11 149 | 11 325 | (176) | -2% | |
| Loss on disposal of PPE | | 539 | — | — | — | — | — | — | — | |
| Total Expenditure | | 161 017 | 147 198 | 147 198 | 8 108 | 56 444 | 54 145 | 2 298 | 4% | |
| Surplus/(Deficit) | | | | | | | | | | |
| Transfers recognised - capital | | (22 796) | (17 918) | (20 343) | 2 473 | 18 937 | 17 717 | 1 220 | 0 | |
| Contributions recognised - capital | | 28 149 | 54 480 | 54 480 | 5 565 | 28 426 | 27 240 | 1 186 | 0 | |
| Contributed assets | | — | — | — | — | — | — | — | — | |
| Surplus/(Deficit) after capital transfers & contributions | | 14 | 5 | — | 81 | 96 | — | 96 | #DIV/0! | |
| Taxation | | — | — | — | — | — | — | — | — | |
| Surplus/(Deficit) after taxation | | 5 367 | 36 567 | 34 137 | 8 119 | 47 459 | 44 957 | | | |
| Attributable to minorities | | — | — | — | — | — | — | — | — | |
| Surplus/(Deficit) attributable to municipality | | 5 367 | 36 567 | 34 137 | 8 119 | 47 459 | 44 957 | | | |
| Share of surplus/ (deficit) of associate | | — | — | — | — | — | — | — | — | |
| Surplus/ (Deficit) for the year | | 5 367 | 36 567 | 34 137 | 8 119 | 47 459 | 44 957 | | 62 986 | |

The annual budget is approved for 'Total Revenue by Source'. The YTD budget of R 55.135 million has been achieved. The year-to-date actual reflects an achievement of 56% of the annual budget of R 129.281 million.

Own Revenue¹ received amounts to R 35.827 million. It is R 9.304million less than the Year to date Budget, which is a 7% achievement of the annual budget of R 45.131 million.

Transfers recognised revenue¹ received amounts to R 28.707 million. It is R 12.034 million more than the Year to date Budget, which is a 72% achievement of the annual budget of R 40.015 million. The revenue that can realise by year end will depend on how both the operating and capital grant funded projects are spent.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

4.1.5 Table C5: Mid-Year Budget Statement - Capital Expenditure

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

| Vote Description R thousands | Ref 1 | Budget Year 2016/17 | | | | | | | | |
|--|----------|---------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| <u>Multi-Year expenditure appropriation</u> | 2 | | | | | | | | | |
| Vote 1 - Governance | | — | — | — | — | — | — | — | — | — |
| Vote 2 - Office of the City Manager | | — | — | — | — | — | — | — | — | — |
| Vote 3 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 4 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 5 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 6 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 7 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 8 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 9 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 10 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 11 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 12 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 13 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 14 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 15 - 0 | | — | — | — | — | — | — | — | — | — |
| Total Capital Multi-year expenditure | 4,7 | — | — | — | — | — | — | — | — | — |
| <u>Single Year expenditure appropriation</u> | 2 | | | | | | | | | |
| Vote 1 - Governance | | — | 551 | — | — | — | — | — | — | — |
| Vote 2 - Office of the City Manager | | — | — | — | — | — | — | — | — | — |
| Vote 3 - 0 | | — | 41 786 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Vote 4 - 0 | | — | 138 | — | — | — | — | — | — | — |
| Vote 5 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 6 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 7 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 8 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 9 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 10 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 11 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 12 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 13 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 14 - 0 | | — | — | — | — | — | — | — | — | — |
| Vote 15 - 0 | | — | — | — | — | — | — | — | — | — |
| Total Capital single-year expenditure | 4 | — | 42 475 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Total Capital Expenditure | | — | 42 475 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Capital Expenditure - Standard Classification | | | | | | | | | | |
| Governance and administration | | — | 689 | — | — | — | — | — | — | — |
| Executive and council | | — | 551 | — | — | — | — | — | — | — |
| Budget and treasury office | | — | — | — | — | — | — | — | — | — |
| Corporate services | | — | 138 | — | — | — | — | — | — | — |
| Community and public safety | | — | 2 000 | — | — | — | — | — | — | — |
| Community and social services | | — | — | — | — | — | — | — | — | — |
| Sport and recreation | | — | — | — | — | — | — | — | — | — |
| Public safety | | — | 2 000 | — | — | — | — | — | — | — |
| Housing | | — | — | — | — | — | — | — | — | — |
| Health | | — | — | — | — | — | — | — | — | — |
| Economic and environmental services | | — | 9 786 | — | — | — | — | — | — | — |
| Planning and development | | — | — | — | — | — | — | — | — | — |
| Road transport | | — | 9 786 | — | — | — | — | — | — | — |
| Environmental protection | | — | — | — | — | — | — | — | — | — |
| Trading services | | — | 30 000 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Electricity | | — | — | — | — | — | — | — | — | — |
| Water | | — | — | — | — | — | — | — | — | — |
| Waste water management | | — | 30 000 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Waste management | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Total Capital Expenditure - Standard Classification | 3 | — | 42 475 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Funded by: | | | | | | | | | | |
| National Government | | — | — | — | — | — | — | — | — | — |
| Provincial Government | | — | — | — | — | — | — | — | — | — |
| District Municipality | | — | — | — | — | — | — | — | — | — |
| Other transfers and grants | | — | — | — | — | — | — | — | — | — |
| Transfers recognised - capital | | — | — | — | — | — | — | — | — | — |
| Public contributions & donations | 5 | — | — | — | — | — | — | — | — | — |
| Borrowing | 6 | — | — | — | — | — | — | — | — | — |
| Internally generated funds | | — | 42 475 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |
| Total Capital Funding | | — | 42 475 | 19 167 | 49 | 103 | 9 584 | (9 480) | -99% | 19 167 |

Table C5 consists of three distinct sections:

- **Appropriations by vote:**

- Which are the budget allocations that are approved by Council in the annual and adjustment budgets (similar to the expenditure by vote in Table C3).

○

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

- If any of these annual budgets (either for Council as a whole or any individual vote) are overspent then unauthorised expenditure will have occurred. There was no unauthorised expenditure on any vote.
- **Standard classification:**
 - Similar to Table C2 this portion reflects the capital budget in the standard classifications which are the Government Finance Statistics Functions and Subfunctions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.
- **Funding portion:**
 - This section reflects how the capital budget has been funded by the different sources of capital revenue.
 - It is very important that national government grants are fully spent by year end otherwise they will have to be repaid to the national revenue fund.
 - Provincial grants should also be utilised but should any unspent portion remain then the provincial departments do not at this time require repayment.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

4.1.6 Table C6: Mid-Year Budget Statement - Financial Position

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | |
|--|-----|-----------------|---------------------|-----------------|---------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | — | — | — | 11 002 | — |
| Call investment deposits | | — | — | — | 17 447 | — |
| Consumer debtors | | — | — | — | 20 012 | — |
| Other debtors | | — | — | — | 436 | — |
| Current portion of long-term receivables | | — | — | — | — | — |
| Inventory | | — | — | — | 79 | — |
| Total current assets | | — | — | — | 48 976 | — |
| Non current assets | | | | | | |
| Long-term receivables | | — | — | — | — | — |
| Investments | | — | — | — | — | — |
| Investment property | | — | — | — | — | — |
| Investments in Associate | | — | — | — | — | — |
| Property, plant and equipment | | — | — | — | 4 339 | — |
| Agricultural | | — | — | — | — | — |
| Biological assets | | — | — | — | — | — |
| Intangible assets | | — | — | — | 2 968 | — |
| Other non-current assets | | — | — | — | — | — |
| Total non current assets | | — | — | — | 7 308 | — |
| TOTAL ASSETS | | — | — | — | 56 284 | — |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | — | — | — | — | — |
| Borrowing | | — | — | — | (75) | — |
| Consumer deposits | | — | — | — | (7) | — |
| Trade and other payables | | — | — | — | (60 582) | — |
| Provisions | | — | — | — | — | — |
| Total current liabilities | | — | — | — | (60 664) | — |
| Non current liabilities | | | | | | |
| Borrowing | | — | — | — | (595) | — |
| Provisions | | — | — | — | — | — |
| Total non current liabilities | | — | — | — | (595) | — |
| TOTAL LIABILITIES | | — | — | — | (61 259) | — |
| NET ASSETS | 2 | — | — | — | 117 543 | — |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | — | — | — | 26 991 | — |
| Reserves | | — | — | — | (12) | — |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | — | — | — | 26 979 | — |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

4.1.7 Table C7: Mid-Year Budget Statement - Cash Flow

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

| Description R thousands | Ref 1 | 2015/16 | | Budget Year 2016/17 | | | | | | |
|---|----------|--------------------|--------------------|---------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates, penalties & collection charges | | - | - | - | - | - | - | - | - | - |
| Service charges | | - | - | - | - | - | - | - | - | - |
| Other revenue | | - | - | - | - | - | - | - | - | - |
| Government - operating | | - | - | - | - | - | - | - | - | - |
| Government - capital | | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | - | - | - | - | - | - | - | - | - |
| Finance charges | | - | - | - | - | - | - | - | - | - |
| Transfers and Grants | | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | - | - | - | - | - | - | - | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | - |
| Decrease (Increase) in non-current debtors | | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Capital assets | | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | - | - | - | - | - | - | - | - | - |
| 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 | | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at beginning: | | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at month/year end: | | - | - | - | - | - | - | - | - | - |

Table C7 balances to the current Cashbook balance, shown in the 'YTD actual' column which is R 0 mil. Refer to section 7 for a more comprehensive picture of the cash position of the municipality which includes investments and commitments against available cash resources.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

4.1.8 Supporting Table SC9: Mid-Year Budget Statement – Actual and revised targets

This supporting table gives a detailed breakdown of information summarised in Table C7.

WC041 Kannaland - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid-Year Assessment

| Description R thousands | Ref 1 | Budget Year 2016/17 | | | | | | | | | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|----------|---------------------|-------------------|-----------------|--------------------|----------------|----------------|-------------------|---------------|-----------------|-----------------|---------------|----------------|---|---------------------------|---------------------------|
| | | July Outcome | August Outcome | Sept Outcome | October Outcome | Nov Outcome | Dec Outcome | January Budget | Feb Budget | March Budget | April Budget | May Budget | June Budget | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Cash Receipts By Source | | | | | | | | | | | | | | | | |
| Property rates | | - | - | (2 692) | (756) | (839) | (423) | - | - | - | - | - | - | 4 707 | - | - |
| Property rates - penalties & collection charges | | (88) | (112) | (109) | (77) | (509) | (113) | - | - | - | - | - | - | 1 009 | - | - |
| Service charges - electricity revenue | | (4 167) | (2 822) | (3 360) | (2 504) | (3 558) | (2 618) | - | - | - | - | - | - | 19 030 | - | - |
| Service charges - water revenue | | (2 490) | (700) | (268) | (516) | (1 193) | (1 403) | - | - | - | - | - | - | 6 574 | - | - |
| Service charges - sanitation revenue | | (754) | (754) | (756) | (754) | (754) | (754) | - | - | - | - | - | - | 4 526 | - | - |
| Service charges - refuse | | (4 591) | (358) | (372) | (379) | (372) | (366) | - | - | - | - | - | - | 6 438 | - | - |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | (35) | (35) | (39) | (44) | (40) | (39) | - | - | - | - | - | - | 233 | - | - |
| Interest earned - external investments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest earned - outstanding debtors | | (305) | (331) | (331) | (338) | (352) | (360) | - | - | - | - | - | - | 2 017 | - | - |
| Dividends received | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | | (4) | - | (9) | (8) | (2) | (14) | - | - | - | - | - | - | 38 | - | - |
| Licences and permits | | (13) | (10) | (16) | (3) | (13) | (15) | - | - | - | - | - | - | 69 | - | - |
| Agency services | | - | - | - | - | (1) | - | - | - | - | - | - | - | 1 | - | - |
| Transfer receipts - operating | | (9 558) | (6 893) | (10 023) | (2 734) | (1 912) | (7 065) | - | - | - | - | - | - | 38 185 | - | - |
| Other revenue | | (42) | (20) | (35) | (35) | (7) | (73) | - | - | - | - | - | - | 213 | - | - |
| Cash Receipts by Source | | (22 048) | (12 035) | (18 009) | (8 149) | (9 555) | (13 244) | - | - | - | - | - | - | 83 041 | - | - |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| Transfer receipts - capital | | (8 036) | (6 000) | (5 000) | (1 446) | - | (5 565) | - | - | - | - | - | - | 26 047 | - | - |
| Contributions & Contributed assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loans | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase in consumer deposits | | (1) | (1) | (6) | (1) | (2) | (7) | - | - | - | - | - | - | 18 | - | - |
| Receipt of non-current debtors | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Receipt of non-current receivables | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Change in non-current investments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | | (30 085) | (18 035) | (23 015) | (9 597) | (9 557) | (18 816) | - | - | - | - | - | - | 109 106 | - | - |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 3 501 | 3 722 | 3 553 | 3 810 | 4 939 | 3 769 | - | - | - | - | - | - | (23 295) | - | - |
| Remuneration of councillors | | 230 | 114 | 135 | 150 | 211 | 205 | - | - | - | - | - | - | (1 044) | - | - |
| Interest paid | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Bulk purchases - Electricity | | - | 2 655 | 1 754 | 4 325 | 2 743 | - | - | - | - | - | - | - | (11 478) | - | - |
| Bulk purchases - Water & Sewer | | 358 | 17 | - | 52 | - | 31 | - | - | - | - | - | - | (457) | - | - |
| Other materials | | 478 | 472 | - | - | - | - | - | - | - | - | - | - | (950) | - | - |
| Contracted services | | 227 | 513 | 49 | 4 282 | 327 | 1 452 | - | - | - | - | - | - | (6 849) | - | - |
| Grants and subsidies paid - other municipalities | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Grants and subsidies paid - other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| General expenses | | - | - | 657 | 334 | 281 | 268 | - | - | - | - | - | - | (1 541) | - | - |
| Cash Payments by Type | | 4 794 | 7 492 | 6 149 | 12 952 | 8 501 | 5 725 | - | - | - | - | - | - | (45 614) | - | - |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Cash Flows/Payments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | | 4 794 | 7 492 | 6 149 | 12 952 | 8 501 | 5 725 | - | - | - | - | - | - | (45 614) | - | - |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | | | | | | | | | | |
| Cash/cash equivalents at the monthly/year beginning: | | (34 879) | (25 527) | (29 164) | (22 549) | (18 059) | (24 541) | - | - | - | - | - | - | 154 720 | - | - |
| Cash/cash equivalents at the monthly/year end: | | (311) | (35 190) | (60 718) | (89 881) | (112 431) | (130 490) | (155 031) | (155 031) | (155 031) | (155 031) | (155 031) | (155 031) | (311) | (311) | (311) |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

5.1 Supporting Table SC 3

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

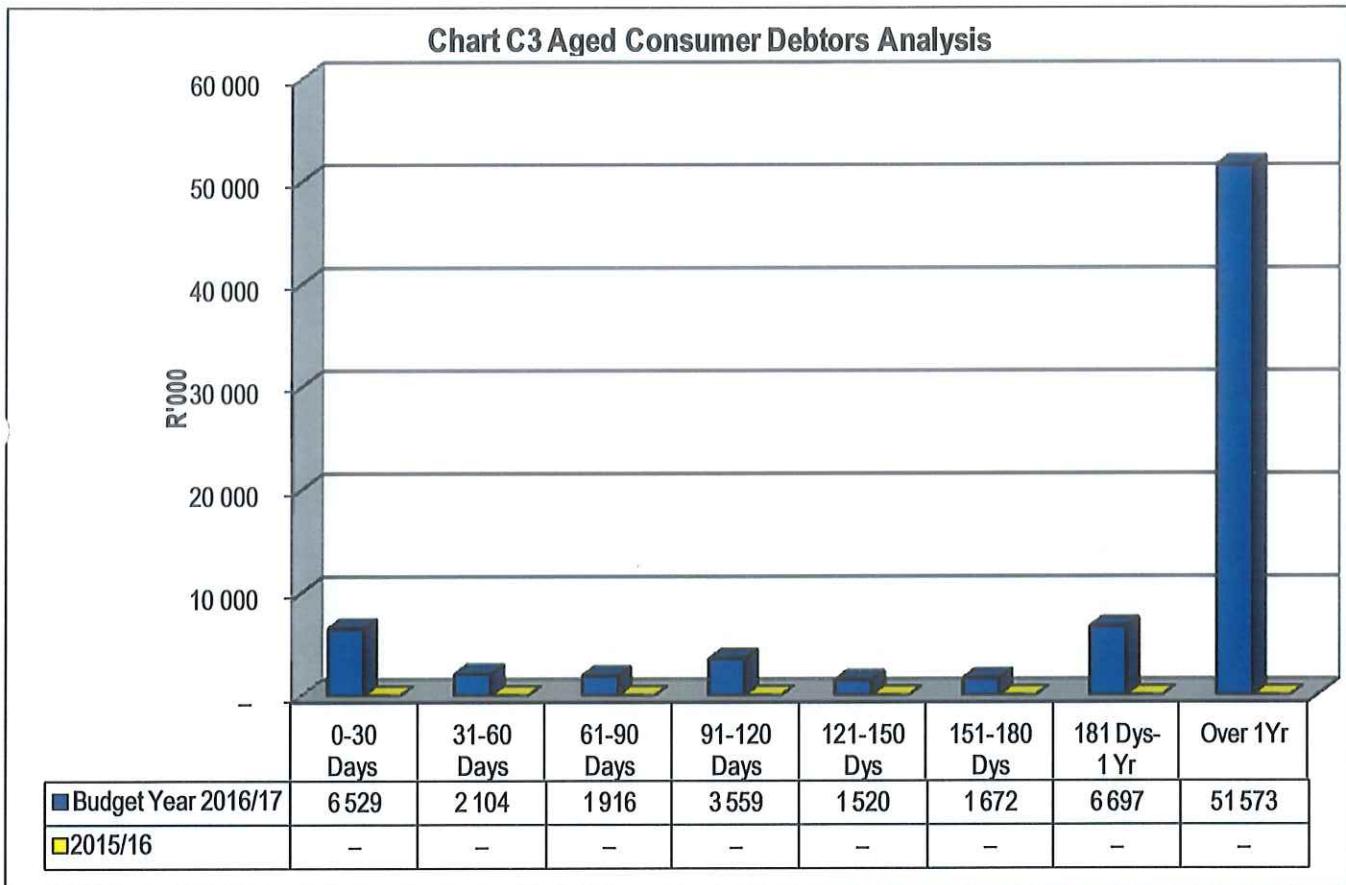
| Description R thousands | NT Code | Budget Year 2016/17 | | | | | | | | |
|---|-------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
| Debtors Age Analysis By Income Source | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 2 151 | 596 | 541 | 498 | 416 | 352 | 2 202 | 8 845 | 15 602 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 3 044 | 341 | 282 | 105 | 78 | 58 | 218 | 1 269 | 5 395 |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 1 330 | 401 | 331 | 1 910 | 290 | 601 | 1 129 | 8 506 | 14 498 |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 899 | 356 | 349 | 565 | 316 | 310 | 1 288 | 9 160 | 13 243 |
| Receivables from Exchange Transactions - Waste Management | 1600 | 860 | 345 | 338 | 328 | 319 | 238 | 1 334 | 9 264 | 13 026 |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 4 | 2 | 2 | 2 | 2 | 1 | 4 | 50 | 66 |
| Interest on Arrear Debtor Accounts | 1810 | 21 | 31 | 43 | 121 | 71 | 81 | 488 | 13 031 | 13 887 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | – | – | – | – | – | – | – | – | – |
| Other | 1900 | (1 781) | 32 | 30 | 30 | 30 | 31 | 32 | 1 447 | (148) |
| Total By Income Source | 2000 | 6 529 | 2 104 | 1 916 | 3 559 | 1 520 | 1 672 | 6 697 | 51 573 | 75 569 |
| 2015/16 - totals only | | | | | | | | | | – |
| Debtors Age Analysis By Customer Group | | | | | | | | | | |
| Organs of State | 2200 | 210 | 172 | 200 | 560 | 49 | 40 | 52 | 495 | 1 777 |
| Commercial | 2300 | 3 133 | 180 | 93 | 98 | 46 | 24 | 172 | 315 | 4 061 |
| Households | 2400 | 2 463 | 1 000 | 949 | 1 319 | 869 | 1 081 | 3 992 | 24 744 | 36 417 |
| Other | 2500 | 723 | 753 | 674 | 1 582 | 556 | 527 | 2 481 | 26 019 | 33 314 |
| Total By Customer Group | 2600 | 6 529 | 2 104 | 1 916 | 3 559 | 1 520 | 1 672 | 6 697 | 51 573 | 75 569 |

The value reflected in the Financial Position⁵ will not reconcile to the Debtors Age Analysis shown on Table SC3. The financial position includes the provision made for bad debts and some debtor classifications which do not form part of the consumer debtors, whereas the age analysis only includes consumer amounts on the Debtors module of SAMRAS.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017



Section 6 – Creditors' analysis

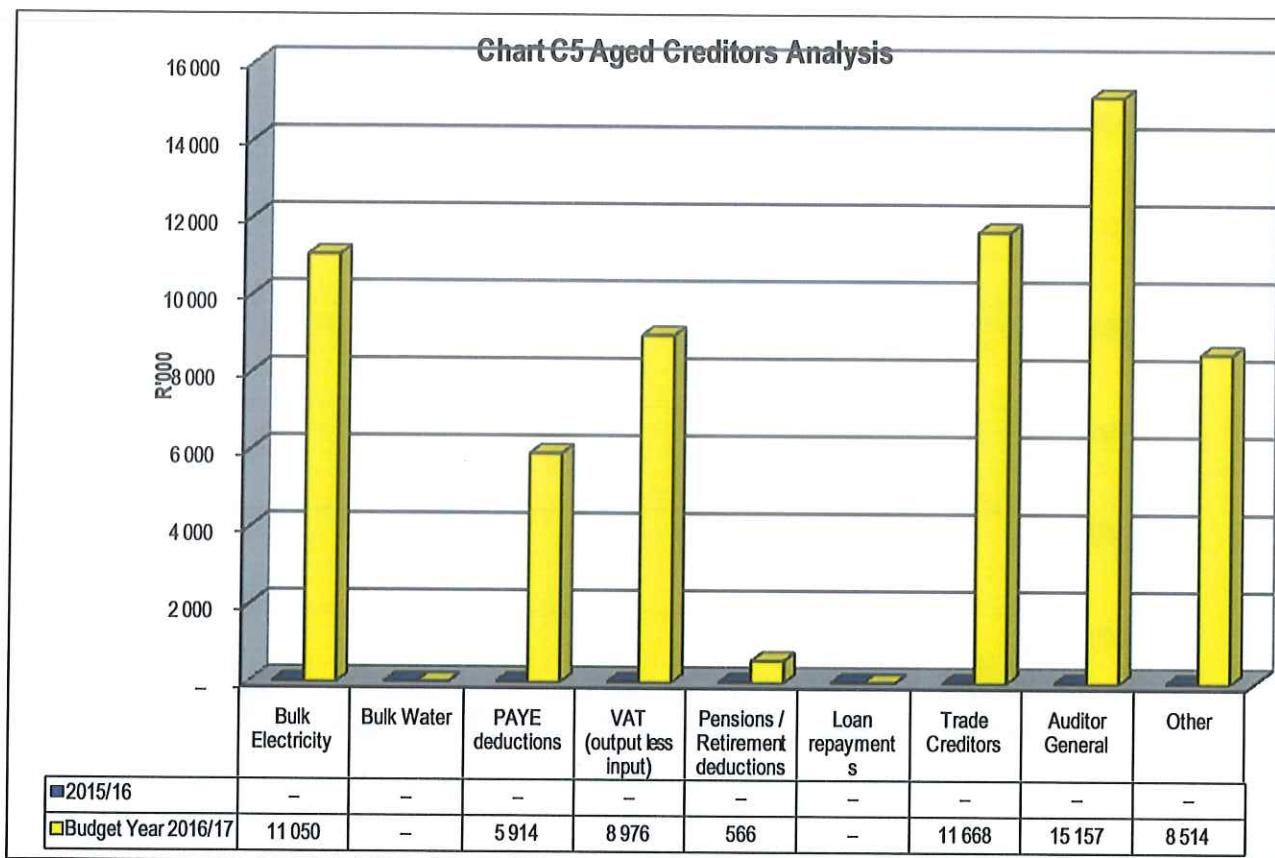
WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

| Description R thousands | NT Code | Budget Year 2016/17 | | | | | | | | Prior year totals for chart (same period) |
|--|------------|---------------------|-----------------|-----------------|------------------|-------------------|-------------------|----------------------|----------------|---|
| | | 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 | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | |
| Bulk Electricity | 0100 | 2 636 | 2 719 | 2 107 | - | - | 3 588 | - | - | 11 050 |
| Bulk Water | 0200 | - | - | - | - | - | - | - | - | - |
| PAYE deductions | 0300 | - | - | - | - | - | - | 1 544 | 4 370 | 5 914 |
| VAT (output less input) | 0400 | 8 976 | - | - | - | - | - | - | - | 8 976 |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | 566 | 566 |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - |
| Trade Creditors | 0700 | 57 | 151 | 1 361 | 91 | 731 | 587 | 1 214 | 7 475 | 11 668 |
| Auditor General | 0800 | 1 183 | 859 | 545 | 311 | - | - | 12 259 | - | 15 157 |
| Other | 0900 | 95 | 67 | 668 | 50 | 247 | 56 | 3 151 | 4 181 | 8 514 |
| Total By Customer Type | 1000 | 12 947 | 3 796 | 4 682 | 451 | 977 | 4 231 | 18 168 | 16 592 | 61 845 |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

6.1 Supporting Table SC 4



The creditor's amount outstanding for more than 30 days is due to goods and services received & processed on the financial system, but for which the municipality have not received invoices to perform the necessary payments.

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC 5

WC041 Kannaland - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

| Investments by maturity Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
|--|-----|-------------------------|-----------------------|---------------------------------|--------------------------------------|---------------------------------|--|------------------------------|---|
| R thousands | | | | | | | | | |
| | | | | | | | | | |
| <u>Municipality</u> | | 15 | Investment T | 25/08/2015 | - | 13.2% | - | - | - |
| Municipality sub-total | | | | | - | | - | - | - |
| <u>Entities</u> | | | | | | | | | |
| Entities sub-total | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | - | | - | - | - |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

7.2 Additional Information

The statement of financial position includes the following:

| Item | R'000 |
|--------------------------|---------------|
| Cash | 11 002 |
| Call investment deposits | 17 447 |
| TOTAL | 28 449 |

The following commitments exist against these available resources:

| Item | R'000 |
|--|---------------|
| Loan repayments due DECEMBER 2016 | 57 |
| Trade and other Creditors & Unspent Conditional Grants | 47 492 |
| TOTAL | 47 549 |
| TOTAL (Cash resources needed) | 19 100 |
| 2 month cash projection for operating expenditure | 38 364 |
| Cash needed to achieve ideal liquidity level | 27 386 |

Section 4 – Table C6 Financial Position

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC 6

WC041 Kannaland - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| RECEIPTS: | 1,2 | — | 25 750 | — | — | 19 133 | — | 16 623 | #DIV/0! | — |
| Operating Transfers and Grants | | | 22 940 | — | — | 16 623 | — | 16 623 | #DIV/0! | — |
| National Government: | | | 1 810 | — | — | 1 810 | — | — | — | — |
| Local Government Equitable Share | | | 1 000 | — | — | 700 | — | — | — | — |
| Finance Management | | | | — | — | — | — | — | — | — |
| EPWP Incentive | | | | — | — | — | — | — | — | — |
| Other transfers and grants [insert description] | 3 | — | 22 528 | — | — | 13 680 | — | 13 680 | #DIV/0! | — |
| Provincial Government: | | | 20 642 | — | — | 12 300 | — | 12 300 | #DIV/0! | — |
| Housing | | | 113 | — | — | 113 | — | 113 | #DIV/0! | — |
| Library Grant | | | 1 773 | — | — | 1 267 | — | 1 267 | #DIV/0! | — |
| Community Development Workers | | | | — | — | — | — | — | — | — |
| District Municipality: | | | — | — | — | — | — | — | — | — |
| [insert description] | | | | — | — | — | — | — | — | — |
| Other grant providers: | | | — | — | — | — | — | — | — | — |
| [insert description] | | | | — | — | — | — | — | — | — |
| Total Operating Transfers and Grants | 5 | — | 48 278 | — | — | 32 813 | — | 30 303 | #DIV/0! | — |
| Capital Transfers and Grants | | | 54 480 | — | — | 26 551 | — | 17 950 | #DIV/0! | — |
| National Government: | | | — | — | — | — | — | — | — | — |
| Regional Bulk Infrastructure | | | 29 167 | — | — | 1 950 | — | 1 950 | #DIV/0! | — |
| Municipal Infrastructure Grant (MIG) | | | 9 313 | — | — | 8 601 | — | — | — | — |
| Integrated National Electrification Programme | | | | — | — | — | — | — | — | — |
| Municipal Infrastructure Grant (MIG) | | | 16 000 | — | — | 16 000 | — | 16 000 | #DIV/0! | — |
| Integrated National Electrification Programme | | | | — | — | — | — | — | — | — |
| Provincial Government: | | | — | — | — | — | — | — | — | — |
| [insert description] | | | | — | — | — | — | — | — | — |
| District Municipality: | | | — | — | — | — | — | — | — | — |
| [insert description] | | | | — | — | — | — | — | — | — |
| Other grant providers: | | | — | — | — | — | — | — | — | — |
| [insert description] | | | | — | — | — | — | — | — | — |
| Total Capital Transfers and Grants | 5 | — | 54 480 | — | — | 26 551 | — | 17 950 | #DIV/0! | — |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | — | 102 758 | — | — | 59 364 | — | 48 253 | #DIV/0! | — |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

8.2 Supporting Table SC 7

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

| Description R thousands | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | |
|--|-----|--------------------|---------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| EXPENDITURE | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | - | 25 750 | - | - | 13 461 | - | 13 461 | #DIV/0! | - |
| Local Government Equitable Share | | | 22 940 | | | 11 470 | | 11 470 | #DIV/0! | |
| Finance Management | | | 1 810 | | | 1 591 | | 1 591 | #DIV/0! | |
| EPWP Incentive | | | 1 000 | | | 399 | | 399 | #DIV/0! | |
| Other transfers and grants [insert description] | | | | | | | | | | |
| Provincial Government: | | - | 22 528 | - | - | 13 197 | - | 13 197 | #DIV/0! | - |
| Housing | | | 20 642 | | | 12 300 | | 12 300 | #DIV/0! | |
| Community Development Workers | | | 113 | | | 30 | | 30 | #DIV/0! | |
| Library Grant | | | | | | | | | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Total operating expenditure of Transfers and Grants: | | - | 48 278 | - | - | 26 658 | - | 26 658 | #DIV/0! | - |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | - | 54 480 | - | - | 8 331 | - | 8 331 | #DIV/0! | - |
| Regional Bulk Infrastructure | | | 29 167 | | | 1 097 | | 1 097 | #DIV/0! | |
| Municipal Infrastructure Grant (MIG) | | | 9 313 | | | 3 177 | | 3 177 | #DIV/0! | |
| Integrated National Electrification Programme | | | 16 000 | | | 4 056 | | 4 056 | #DIV/0! | |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total capital expenditure of Transfers and Grants | | - | 54 480 | - | - | 8 331 | - | 8 331 | #DIV/0! | - |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | - | 102 758 | - | - | 34 988 | - | 34 988 | #DIV/0! | - |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

Section 9 – Expenditure on councillor allowances and staff benefits

9.1 Supporting Table SC 8

| WC041 Kannaland - Supporting Table SC8 Mid-Year Budget Statement - councillor and staff benefits - Mid-Year Assesment | | | | | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|--|
| Summary of Employee and Councillor remuneration R thousands | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast | |
| 1 | A | B | C | | | | | | | D | |
| <u>Councillors (Political Office Bearers plus Other)</u> | | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | | |
| Motor Vehicle Allowance | | | | | | | | | | | |
| Cellphone Allowance | | | | | | | | | | | |
| Housing Allowances | | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | | | | |
| Sub Total – Councillors | 4 | - | - | - | - | - | - | - | - | - | |
| % increase | | | | | | | | | | | |
| <u>Senior Managers of the Municipality</u> | 3 | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | | |
| Overtime | | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | | |
| Motor Vehicle Allowance | | | | | | | | | | | |
| Cellphone Allowance | | | | | | | | | | | |
| Housing Allowances | | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | | |
| Long service awards | | | | | | | | | | | |
| Post-retirement benefit obligations | 2 | | | | | | | | | | |
| Sub Total - Senior Managers of Municipality | 4 | - | - | - | - | - | - | - | - | - | |
| % increase | | | | | | | | | | | |
| <u>Other Municipal Staff</u> | 3 | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | | |
| Overtime | | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | | |
| Motor Vehicle Allowance | | | | | | | | | | | |
| Cellphone Allowance | | | | | | | | | | | |
| Housing Allowances | | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | | |
| Long service awards | | | | | | | | | | | |
| Post-retirement benefit obligations | 2 | | | | | | | | | | |
| Sub Total - Other Municipal Staff | 4 | - | - | - | - | - | - | - | - | - | |
| % increase | | | | | | | | | | | |
| Total Parent Municipality | | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | | | |
| Board Members of Entities | | | | | | | | | | | |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

| WC041 Kannaland - Supporting Table SC8 Mid-Year Budget Statement - councillor and staff benefits - Mid-Year Assesment | | | | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Summary of Employee and Councillor remuneration R thousands | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| | 1 | A | B | C | | | | | | D |
| Basic Salaries and Wages | | | | | | | | - | - | |
| Pension and UIF Contributions | | | | | | | | - | - | |
| Medical Aid Contributions | | | | | | | | - | - | |
| Overtime | | | | | | | | - | - | |
| Performance Bonus | | | | | | | | - | - | |
| Motor Vehicle Allowance | | | | | | | | - | - | |
| Cellphone Allowance | | | | | | | | - | - | |
| Housing Allowances | | | | | | | | - | - | |
| Other benefits and allowances | | | | | | | | - | - | |
| Board Fees | | | | | | | | - | - | |
| Payments in lieu of leave | | | | | | | | - | - | |
| Long service awards | | | | | | | | - | - | |
| Post-retirement benefit obligations | | | | | | | | - | - | |
| Sub Total - Board Members of Entities | 2 | - | - | - | - | - | - | - | - | |
| % increase | 4 | | | | | | | | | |
| Senior Managers of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | - | - | |
| Pension and UIF Contributions | | | | | | | | - | - | |
| Medical Aid Contributions | | | | | | | | - | - | |
| Overtime | | | | | | | | - | - | |
| Performance Bonus | | | | | | | | - | - | |
| Motor Vehicle Allowance | | | | | | | | - | - | |
| Cellphone Allowance | | | | | | | | - | - | |
| Housing Allowances | | | | | | | | - | - | |
| Other benefits and allowances | | | | | | | | - | - | |
| Payments in lieu of leave | | | | | | | | - | - | |
| Long service awards | | | | | | | | - | - | |
| Post-retirement benefit obligations | | | | | | | | - | - | |
| Sub Total - Senior Managers of Entities | 2 | - | - | - | - | - | - | - | - | |
| % increase | 4 | | | | | | | | | |
| Other Staff of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | - | - | |
| Pension and UIF Contributions | | | | | | | | - | - | |
| Medical Aid Contributions | | | | | | | | - | - | |
| Overtime | | | | | | | | - | - | |
| Performance Bonus | | | | | | | | - | - | |
| Motor Vehicle Allowance | | | | | | | | - | - | |
| Cellphone Allowance | | | | | | | | - | - | |
| Housing Allowances | | | | | | | | - | - | |
| Other benefits and allowances | | | | | | | | - | - | |
| Payments in lieu of leave | | | | | | | | - | - | |
| Long service awards | | | | | | | | - | - | |
| Post-retirement benefit obligations | | | | | | | | - | - | |
| Sub Total - Other Staff of Entities | 4 | - | - | - | - | - | - | - | - | |
| % increase | 4 | | | | | | | | | |
| Total Municipal Entities | | - | - | - | - | - | - | - | - | |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | - | - | - | - | - | - | - | - | |
| % increase | 4 | | | | | | | | | |
| TOTAL MANAGERS AND STAFF | | - | - | - | - | - | - | - | - | |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

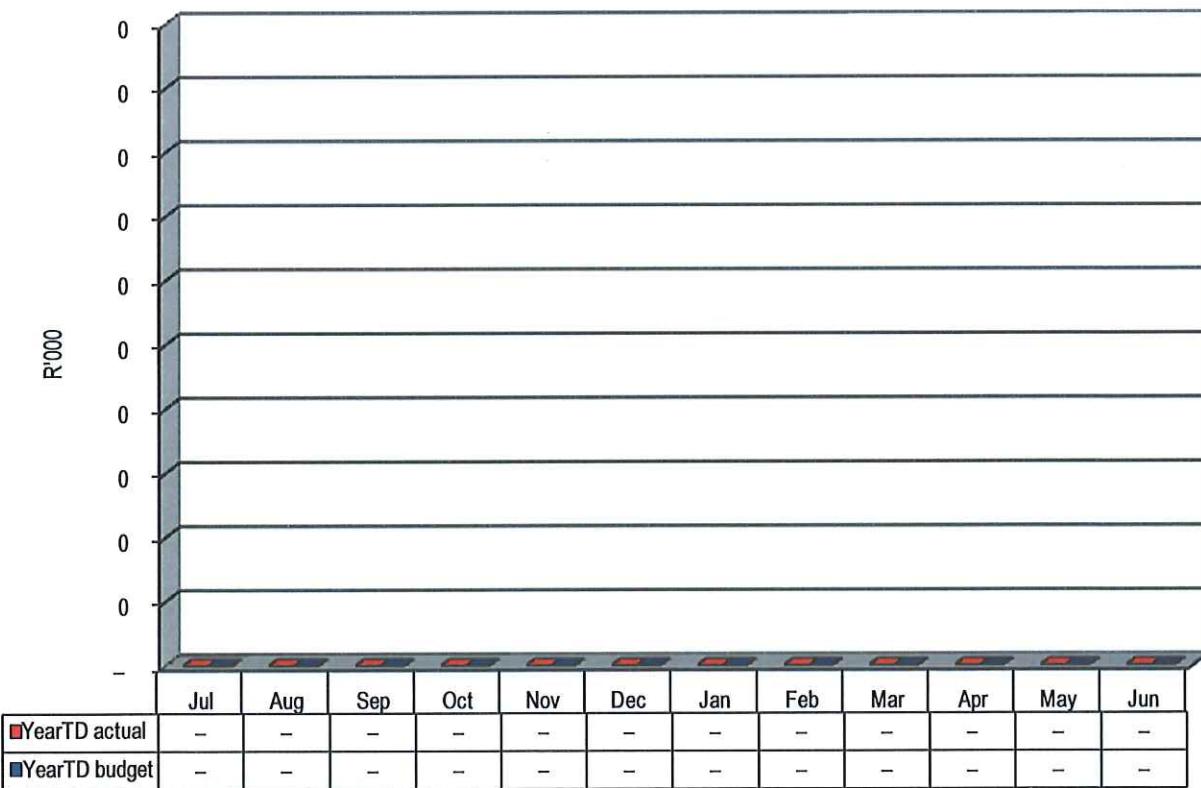
Section 10 – Capital programme performance

10.1 Supporting Table SC 12

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Mid-Year Assessment

| Month | 2015/16 | | Budget Year 2016/17 | | | | | | |
|----------------------------------|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|----------------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | % spend of Original Budget |
| R thousands | | | | | | | | | |
| July | | | | | | | - | - | |
| August | | | | | | | - | - | |
| September | | | | | | | - | - | |
| October | | | | | | | - | - | |
| November | | | | | | | - | - | |
| December | | | | | | | - | - | |
| January | | | | | | | - | - | |
| February | | | | | | | - | - | |
| March | | | | | | | - | - | |
| April | | | | | | | - | - | |
| May | | | | | | | - | - | |
| June | | | | | | | - | - | |
| Total Capital expenditure | - | - | - | - | | | | | |

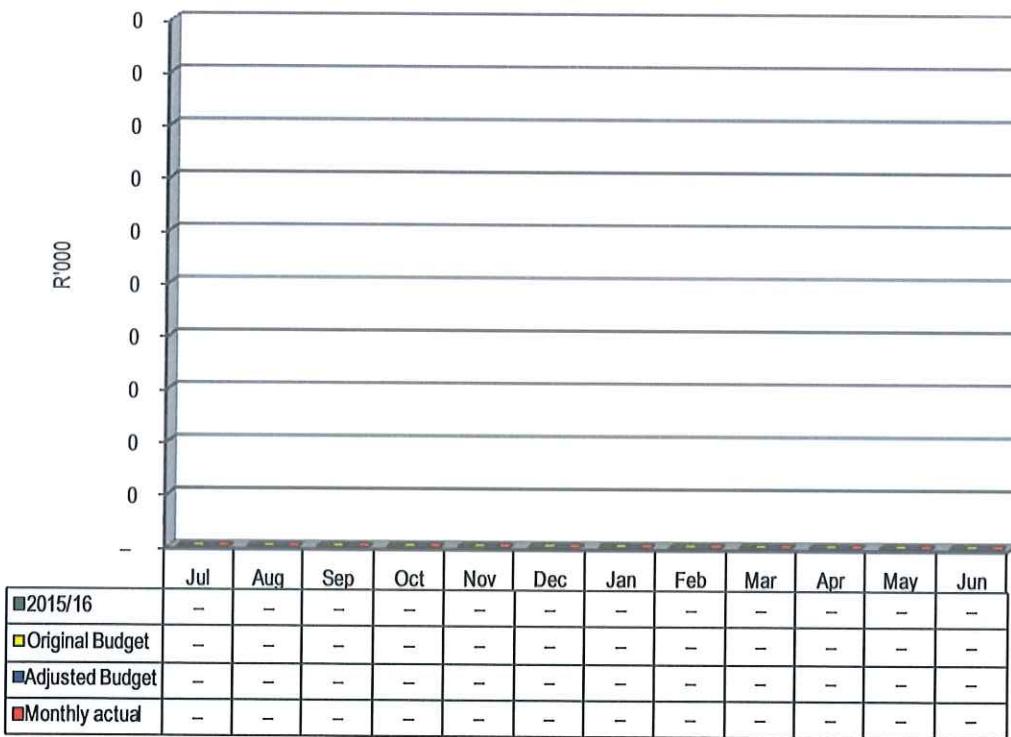
Chart C2 2016/17 Capital Expenditure: YTD actual v YTD target



KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

Chart C1 2016/17 Capital Expenditure Monthly Trend: actual v target



References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) must reconcile to total capital expenditure in Table C5

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

WC041 Kannaland - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Mid-Year Assessment

| Description R thousands | Ref 1 | 2015/16 | | Budget Year 2016/17 | | | | | | |
|---|----------|--------------------|--------------------|---------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | — | 41 786 | 19 167 | 49 | 103 | 9 584 | 9 480 | 98.9% | 19 167 |
| Infrastructure - Road transport | | — | 9 786 | — | — | — | — | — | — | — |
| Roads, Pavements & Bridges | | — | 9 786 | — | — | — | — | — | — | — |
| Storm water | | — | — | — | — | — | — | — | — | — |
| Infrastructure - Electricity | | — | 2 000 | — | — | — | — | — | — | — |
| Generation | | — | — | — | — | — | — | — | — | — |
| Transmission & Reticulation | | — | 2 000 | — | — | — | — | — | — | — |
| Street Lighting | | — | — | — | — | — | — | — | — | — |
| Infrastructure - Water | | — | 20 000 | 19 167 | 49 | 103 | 9 584 | 9 480 | 98.9% | 19 167 |
| Dams & Reservoirs | | — | — | — | — | — | — | — | — | — |
| Water purification | | — | — | — | — | — | — | — | — | — |
| Reticulation | | — | 20 000 | 19 167 | 49 | 103 | 9 584 | 9 480 | 98.9% | 19 167 |
| Infrastructure - Sanitation | | — | 10 000 | — | — | — | — | — | — | — |
| Reticulation | | — | 10 000 | — | — | — | — | — | — | — |
| Sewerage purification | | — | — | — | — | — | — | — | — | — |
| Infrastructure - Other | | — | — | — | — | — | — | — | — | — |
| Waste Management | | — | — | — | — | — | — | — | — | — |
| Transportation | | — | — | — | — | — | — | — | — | — |
| Gas | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Community | | — | 106 | — | — | — | — | — | — | — |
| Parks & gardens | | — | — | — | — | — | — | — | — | — |
| Sportsfields & stadia | | — | — | — | — | — | — | — | — | — |
| Swimming pools | | — | — | — | — | — | — | — | — | — |
| Community halls | | — | — | — | — | — | — | — | — | — |
| Libraries | | — | — | — | — | — | — | — | — | — |
| Recreational facilities | | — | — | — | — | — | — | — | — | — |
| Fire, safety & emergency | | — | — | — | — | — | — | — | — | — |
| Security and policing | | — | — | — | — | — | — | — | — | — |
| Buses | | — | — | — | — | — | — | — | — | — |
| Clinics | | — | — | — | — | — | — | — | — | — |
| Museums & Art Galleries | | — | — | — | — | — | — | — | — | — |
| Cemeteries | | — | — | — | — | — | — | — | — | — |
| Social rental housing | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Heritage assets | | — | — | — | — | — | — | — | — | — |
| Buildings | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Investment properties | | — | — | — | — | — | — | — | — | — |
| Housing development | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Other assets | | — | 583 | — | — | — | — | — | — | — |
| General vehicles | | — | — | — | — | — | — | — | — | — |
| Specialised vehicles | | — | — | — | — | — | — | — | — | — |
| Plant & equipment | | — | — | — | — | — | — | — | — | — |
| Computers - hardware/equipment | | — | — | — | — | — | — | — | — | — |
| Furniture and other office equipment | | — | — | — | — | — | — | — | — | — |
| Abattoirs | | — | — | — | — | — | — | — | — | — |
| Markets | | — | — | — | — | — | — | — | — | — |
| Civic Land and Buildings | | — | — | — | — | — | — | — | — | — |
| Other Buildings | | — | — | — | — | — | — | — | — | — |
| Other Land | | — | — | — | — | — | — | — | — | — |
| Surplus Assets - (Investment or Inventory) | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Agricultural assets | | — | — | — | — | — | — | — | — | — |
| Agricultural 1 | | — | — | — | — | — | — | — | — | — |
| Agricultural 2 | | — | — | — | — | — | — | — | — | — |
| Biological assets | | — | — | — | — | — | — | — | — | — |
| Biological 1 | | — | — | — | — | — | — | — | — | — |
| Biological 2 | | — | — | — | — | — | — | — | — | — |
| Intangibles | | — | — | — | — | — | — | — | — | — |
| Computers - software & programming | | — | — | — | — | — | — | — | — | — |
| Other | | — | — | — | — | — | — | — | — | — |
| Total Capital Expenditure on new assets | 1 | — | 42 475 | 19 167 | 49 | 103 | 9 584 | 9 480 | 98.9% | 19 167 |
| Specialised vehicles | | — | — | — | — | — | — | — | — | — |
| Refuse | | — | — | — | — | — | — | — | — | — |
| Fire | | — | — | — | — | — | — | — | — | — |
| Conservancy | | — | — | — | — | — | — | — | — | — |
| Ambulances | | — | — | — | — | — | — | — | — | — |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

10.2 Supporting Table SC13b

WC041 Kannaland - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Mid-

| Description R thousands | Ref 1 | 2015/16 | | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
|---|----------|--------------------|---------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | Audited Outcome | Budget Year 2016/17 | | | | | | | | |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | | | |
| Infrastructure | | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Road transport | | - | - | - | - | - | - | - | - | - | - |
| Roads, Pavements & Bridges | | - | - | - | - | - | - | - | - | - | - |
| Storm water | | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - | - |
| Generation | | - | - | - | - | - | - | - | - | - | - |
| Transmission & Reticulation | | - | - | - | - | - | - | - | - | - | - |
| Street Lighting | | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - | - |
| Dams & Reservoirs | | - | - | - | - | - | - | - | - | - | - |
| Water purification | | - | - | - | - | - | - | - | - | - | - |
| Reticulation | | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - | - |
| Reticulation | | - | - | - | - | - | - | - | - | - | - |
| Sewerage purification | | - | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - | - |
| Waste Management | | - | - | - | - | - | - | - | - | - | - |
| Transportation | | - | - | - | - | - | - | - | - | - | - |
| Gas | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Community | | - | - | - | - | - | - | - | - | - | - |
| Parks & gardens | | - | - | - | - | - | - | - | - | - | - |
| Sportsfields & stadia | | - | - | - | - | - | - | - | - | - | - |
| Swimming pools | | - | - | - | - | - | - | - | - | - | - |
| Community halls | | - | - | - | - | - | - | - | - | - | - |
| Libraries | | - | - | - | - | - | - | - | - | - | - |
| Recreational facilities | | - | - | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | | - | - | - | - | - | - | - | - | - | - |
| Security and policing | | - | - | - | - | - | - | - | - | - | - |
| Buses | | - | - | - | - | - | - | - | - | - | - |
| Clinics | | - | - | - | - | - | - | - | - | - | - |
| Museums & Art Galleries | | - | - | - | - | - | - | - | - | - | - |
| Cemetaries | | - | - | - | - | - | - | - | - | - | - |
| Social rental housing | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - | - |
| Buildings | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - | - |
| Housing development | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Other assets | | - | - | - | - | - | - | - | - | - | - |
| General vehicles | | - | - | - | - | - | - | - | - | - | - |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - | - |
| Plant & equipment | | - | - | - | - | - | - | - | - | - | - |
| Computers - hardware/equipment | | - | - | - | - | - | - | - | - | - | - |
| Furniture and other office equipment | | - | - | - | - | - | - | - | - | - | - |
| Abattoirs | | - | - | - | - | - | - | - | - | - | - |
| Markets | | - | - | - | - | - | - | - | - | - | - |
| Civic Land and Buildings | | - | - | - | - | - | - | - | - | - | - |
| Other Buildings | | - | - | - | - | - | - | - | - | - | - |
| Other Land | | - | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory) | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Agricultural assets | | - | - | - | - | - | - | - | - | - | - |
| Agricultural 1 | | - | - | - | - | - | - | - | - | - | - |
| Agricultural 2 | | - | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - | - |
| Biological 1 | | - | - | - | - | - | - | - | - | - | - |
| Biological 2 | | - | - | - | - | - | - | - | - | - | - |
| Intangibles | | - | - | - | - | - | - | - | - | - | - |
| Computers - software & programming | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure on renewal of existing assets | 1 | - | - | - | - | - | - | - | - | - | - |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - | - |
| Refuse | | - | - | - | - | - | - | - | - | - | - |
| Fire | | - | - | - | - | - | - | - | - | - | - |
| Conservancy | | - | - | - | - | - | - | - | - | - | - |
| Ambulances | | - | - | - | - | - | - | - | - | - | - |
| References | | | | | | | | | | | |

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) must reconcile to total capital expenditure in Table C5

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

10.3 Supporting Table SC13c

WC041 Kannaland - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Mid-Year

| Description | Ref | 2015/16 | | Budget Year 2016/17 | | | | | |
|---|-----|--------------------|--------------------|---------------------|-------------------|------------------|------------------|-----------------|----------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
| R thousands | 1 | | | | | | | | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | |
| Infrastructure | | - | - | - | - | - | - | - | - |
| Infrastructure - Road transport | | - | - | - | - | - | - | - | - |
| Roads, Pavements & Bridges | | - | - | - | - | - | - | - | - |
| Storm water | | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - |
| Generation | | - | - | - | - | - | - | - | - |
| Transmission & Reticulation | | - | - | - | - | - | - | - | - |
| Street Lighting | | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | - | - | - | - | - | - | - | - |
| Dams & Reservoirs | | - | - | - | - | - | - | - | - |
| Water purification | | - | - | - | - | - | - | - | - |
| Reticulation | | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - |
| Reticulation | | - | - | - | - | - | - | - | - |
| Sewerage purification | | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | - | - | - | - | - | - | - | - |
| Waste Management | | - | - | - | - | - | - | - | - |
| Transportation | | - | - | - | - | - | - | - | - |
| Gas | | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - |
| Community | | - | - | - | - | - | - | - | - |
| Parks & gardens | | - | - | - | - | - | - | - | - |
| Sportsfields & stadia | | - | - | - | - | - | - | - | - |
| Swimming pools | | - | - | - | - | - | - | - | - |
| Community halls | | - | - | - | - | - | - | - | - |
| Libraries | | - | - | - | - | - | - | - | - |
| Recreational facilities | | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | | - | - | - | - | - | - | - | - |
| Security and policing | | - | - | - | - | - | - | - | - |
| Buses | | - | - | - | - | - | - | - | - |
| Clinics | | - | - | - | - | - | - | - | - |
| Museums & Art Galleries | | - | - | - | - | - | - | - | - |
| Cemeteries | | - | - | - | - | - | - | - | - |
| Social rental housing | | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - |
| Buildings | | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - |
| Housing development | | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - |
| Other assets | | - | - | - | - | - | - | - | - |
| General vehicles | | - | - | - | - | - | - | - | - |
| Specialised vehicles | | - | - | - | - | - | - | - | - |
| Plant & equipment | | - | - | - | - | - | - | - | - |
| Computers - hardware/equipment | | - | - | - | - | - | - | - | - |
| Furniture and other office equipment | | - | - | - | - | - | - | - | - |
| Abattoirs | | - | - | - | - | - | - | - | - |
| Markets | | - | - | - | - | - | - | - | - |
| Civic Land and Buildings | | - | - | - | - | - | - | - | - |
| Other Buildings | | - | - | - | - | - | - | - | - |
| Other Land | | - | - | - | - | - | - | - | - |
| Surplus Assets - (investment or inventory) | | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - |
| Agricultural assets | | - | - | - | - | - | - | - | - |
| Uniform/special/protective clothing (no special code) | | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - |
| Bargaining council (no special code) | | - | - | - | - | - | - | - | - |
| Intangibles | | - | - | - | - | - | - | - | - |
| Computers - software & programming | | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - |
| Total Repairs and Maintenance Expenditure | | - | - | - | - | - | - | - | - |
| Specialised vehicles | | - | - | - | - | - | - | - | - |
| Refuse | | - | - | - | - | - | - | - | - |
| Fire | | - | - | - | - | - | - | - | - |
| Conservancy | | - | - | - | - | - | - | - | - |
| Ambulances | | - | - | - | - | - | - | - | - |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

Section 11 – PERFORMANCE MANAGEMENT

11.1 Overview

No budget and SDBIP variances for DECEMBER 2016.

11.2 Service Delivery Performance Analysis

Creating a culture of Performance: Performance Framework

Regulation 7 (1) of the Local Government Municipal Planning and Performance Management Regulations, 2001 states that “A municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players”.

Implementation of Performance Management

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers. We have completed the following to ensure implementation of the framework and performance management policy:

Sessions have been scheduled for the latter part of the year regarding the evaluation of individual performance.

Monitoring Performance

Monitoring of performance takes place as follows:

- SDBIP is updated monthly;
- A Portfolio of Evidence (POE) is compiled by each manager to support the reported information;
- Mid-Year report is compiled and tabled on 24 January 2017;
- No mid-year performance evaluations was done due to the resignation of the previous Municipal Manager and Chief Financial Officer as well as the suspension pending of the Executive Manager Corporate Services

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

Legislation Requirements

Below is a summary of the requirements:

| TIME FRAME | MSA/MFMA REPORTING ON PMS | SECTION |
|---------------------|---|---|
| Quarterly reporting | <p>The Municipal Manager collates the information and drafts the organisational performance report, which is submitted to Internal Audit.</p> <p>The Internal Auditors (IA) must submit quarterly audited reports to the Municipal Manager and to the Performance Audit Committee</p> <p>The Municipal Manager submits the reports to the Council.</p> | MSA Regulation 14(1)(c) |
| Bi-annual reporting | <p>The Performance Audit Committee must review the PMS and make recommendations to council</p> <p>The Performance Audit Committee must submit a report at least twice during the year a report to Council</p> <p>The Municipality must report to Council at least twice a year</p> <p>The Accounting officer must by 25 January of each year assess the performance of the municipality and submit a report to the Mayor, National Treasury and the relevant Provincial Treasury.</p> | MSA Regulation 14(4)(a) MSA Regulation 14(4)(a) MSA Regulation 13(2)(a) MFMA S72 |
| Annual reporting | <p>The annual report of a municipality must include the annual performance report and any recommendations of the municipality's audit committee.</p> <p>The accounting officer of a municipality must submit the performance report to the Auditor-General for auditing within two months after the end of the financial year to which that report relate.</p> <p>The Auditor-General must audit the performance report and submit the report to the accounting officer within three months of receipt of the performance report.</p> | MFMA S121 (3)(c)(j) & MSA S46 MFMA S126 1(a) MFMA S126 (3)(a)(b) |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

Overall Service Deliverables

Summary and Challenges

Early indicators are set to inform performance against the output and goals of the Service Delivery Budget Implementation Plan (SDBIP). However adjustments will be made to the Financial and Technical Services key performance areas and targets in order to adhere to the SMART principle and to enhance better service delivery.

Although the municipality is faced with financial challenges, most of the indicators was achieved effectively and above expectation. A financial recovery plan and audit action plan has been drafted for implementation in order to strengthen the organisation's commitment towards service delivery and good governance in the community.

The half yearly report reflects only the first six months of the financial year which measure the overall performance.

During the 2015/16 audit conducted by the Auditor-General various aspects of non-compliance and inconsistency with indicators. The findings and corrective measures has been updated in the Annual Report for the 2015/16 financial year.

The revised Top Layer SDBIP will be submitted concurrently with the IDP and Budget to be approved by Council in February 2017.

Below is a report of the performances for the first two quarters of the financial year 2016/17:

| IDP Identifier | Key Focus Area | KPA | Key Indicator | Indicator description | Long description | Type | Benchmark | Target Q1 Actual | Target Q2 Actual | Q3 | Q4 | Actual | Annual Total | Word |
|----------------|---|---|---|--|--|----------|-----------------------------------|------------------|------------------|---|-----|--------|---|--|
| | | | | | | | | | | | | | | |
| KPA.1 | KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kamland citizens | KPA2: Roads and Storm Water Infrastructure | Technical Services | Kilometers of gravel road to be upgraded with paving | The total length paved of Sakeles Basa, Nissaville to completed. | Output | TBC | 0 | N/A | This indicator will be measured in the 4th quarter | N/A | 0 | 0.78km | This project was submitted by MIG and approved by Council. The paving project will enhance road safety. The target is set for quarter four, but the project is 60% complete. A total of 0.78km gravel roads are paved. The remaining work will be completed by June 2017 |
| KPA.5 | KPA 4: To Facilitate Economic Growth and Social development | KPA20: Job Creation, Skills and Education | Technical Services | The number of jobs created through the Expanded Public Works program (EPWP) Projects and capital projects. | This is a Proxy indicator in terms of the National Key Performance indicator as per the Regulations (Reg 10(d)) Jobs is defined as work opportunities | Output | 127 | 20 | 6 | This is due to the development of projects. Actual will increment further in subsequent quarters. The target is set for quarter four in the financial year. It must be noted that the poor performance is linked to the delay in the exponents of workers. The database was not correctly utilised and the date of workers was ignored. | 30 | 74 | The Acting MIA has launched an intervention, whose aim is to reduce unemployment. The increase reflects the improvement in the intervention driven by the Acting MIA. | |
| KP1.2 | KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kamland citizens | KPA27: Programme and Project Management | Technical Services | Spend 100% of all identified projects through MIG funding | To ensure all MIG Projects are complete and funded is spent. The MIG projects are; Upgrading of the Sakeles Baal Sportsfield, Upgrading of the Internal Zair Roads | Output | NEW KPI | 0 | 20% | This actual is based on the additional funds received in the prior financial year that rolled over in to the 16/17 financial year. It should be noted that the additional funds is based on a project which is for 16/17 financial year | 20% | 7% | The reason for the poor performance is due to the delay of appointments of new providers. The project is approved by MIG. | |
| KP1.3 | KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kamland citizens | KPA2: Roads and Storm Water Infrastructure | Technical Services | Completion of Master Plan for roads and storm water | A Master plan is formulated plan of the mode of procedures and operation within the specific area and storm water related assets. This is the strategic planning of future assets. | Output | Carry over previous year- NEW KPI | 0 | N/A | This target will be achieved in the 4th quarter. | 0 | N/A | Progress reports can be used to indicate the progress to date. The target is set for quarter four, but the project is 80% completed. | |
| KP1.4 | KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation | KPA21: Annual Strategic risk assessment conducted and approved by Council | Office of the Municipal Manager and IGR | One Strategic risk assessment need to be conducted for the Municipality and approved by Council. | One Strategic risk assessment need to be reviewed risk based and approved by Council. | Activity | 1 | 0 | N/A | The risk assessment is a management tool to identify potential risks within the organisation. | 1 | 0 | The risk assessment is a management tool to identify potential risks within the organisation. This action is to inform the audit committee on actions and plans on how to address all risk related matters. | |
| KP1.5 | KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation | KPA21: Submission of annual reviewed risk based audit plan to Audit Committee | Office of the Municipal Manager and IGR | Submission of annual reviewed risk based audit plan to Audit Committee | Submission of annual reviewed risk based audit plan to Audit Committee | Output | 0 | 0 | N/A | This action is to inform the audit committee on actions and plans on how to address all risk related matters. | 0 | N/A | This action is to inform the audit committee on actions and plans on how to address all risk related matters. | |
| KP1.6 | KPA 1: To Provide access to reliable Sanitation Infrastructure | KPA3: Water and Sanitation Infrastructure | Technical Services | Completion of the Capital works required in Blawekan | To reduce water leakage to ensure storage capacity. | Output | 0 | 0 | N/A | The projects emanates from public participation needs as well as daily service delivery needs. The municipality still wait for the co-funding from DWS. Daily measurements was put in place to address the leakage on a short term basis | 0 | N/A | The indicator will be revised if no funding is allocated to the municipality | |
| KP1.7 | KPA 1: To Provide access to reliable Infrastructure that will contribute to a higher quality of life for Kamland citizens | KPA3: Water and Sanitation Infrastructure | Technical Services | Upgrading of the Laidimba Waste Water Works | To ensure compliance with effluent quality and accommodate future growth. | Output | 0 | 0 | N/A | The target is measured in the 4th quarter | 0 | N/A | The target is set for quarter 4, but the co-funding is still not received, therefore the target as shown remains faulty. The project proposal is escalated to the Director General of DWS to allocate funding for the completion of the project. This target will be revised in February 2017 | |
| KP1.8 | KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation | KPA24: Strategic Services | Strategic Services | Draft the Process Plan | The Integrated Development Plan (IDP) Budget Process Plan that would assist with the IDP process to review and submit to Council for adoption by 31 August | Output | 1 | 1 | 1 | This is to adhere to compliance and to monitor the progress of the development of the IDP | 0 | N/A | Tender process, Appointment letter, Progress report, Compilation report | |
| KP1.9 | KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation | KPA24: Performance Management, Monitoring, Evaluation and compliance | Strategic Services | Review the draft IDP and submit the draft to the Council by 31 March | Review the draft IDP and submit the draft to the Council by 31 March | Output | 1 | 0 | N/A | The target is measured in the 3rd quarter | 0 | N/A | IDP process plan submitted to Council resolution | |

| KP reference | KPI ID | Key Focus Area | Indicator description | Long description | Type | bench | QF1 Target | QF1 Actual | QF2 Target | QF2 Actual | Performance Comments - | Annual Target Date | Annual Actual | Word | |
|--------------|--------|---|--|------------------|------|-------|---|---------------|---------------|---------------|---------------------------|---|---|-----------|---------|
| KPI.10 | KPA 5: | KPA24: Strategic Services | Compile the Top Layer SDBIP | Outcome | 1 | 0 | The target is based on the 2017/18 stipulation to be completed and will only be measured in the 4th quarter. As for the 2016/17 stip, it was submitted in the 1st quarter and compliance was achieved. | 0 | 0 | 0 | 0 | The target is based on the 2017/18 stipulation to be completed and will only be measured in the 4th quarter. As for the 2016/17 stip, it was submitted in the 1st quarter and compliance was achieved. | 30-Jun-17 | 1,2,3,4 | |
| KPI.11 | KPA 5: | KPA24: Performance with high Management, Monitor, Evaluation and compliance | Compile and submit the Draft Annual Report to Council by 25 January | Outcome | 1 | 0 | The target is measured in the 3rd Quarter | 0 | 0 | 0 | 0 | The target is measured in the 3rd Quarter | 30-Jun-17 | 1,2,3,4 | |
| KPI.12 | KPA 5: | KPA24: Performance with high Management, Monitor, Evaluation and compliance | Draft the Mid-year S72 Report to the Mayor by 25 January | Outcome | 1 | 0 | The target is measured in the 3rd Quarter | 0 | 0 | 0 | 0 | The target is measured in the 3rd Quarter | 30-Jun-17 | 1,2,3,4 | |
| KPI.13 | KPA 5: | KPA24: Performance with high Management, Monitor, Evaluation and compliance | Quarterly SDBIP evaluations | Output | 4 | 1 | Due to resignation of the CFO and MMC as well the appointment of the EMC, no evaluation could be rolled out. The evaluation is just for those section 57 managers and not lower levels of the municipality. The MMC was only appointed in the second quarter and was on probation for 3 months. | 1 | 0 | 0 | 0 | Due to resignation of the CFO and MMC as well the appointment of the EMC, no evaluation could be rolled out. The evaluation is just for those section 57 managers and not lower levels of the municipality. The MMC was only appointed in the second quarter and was on probation for 3 months. | 30-Jun-17 | 1,2,3,4 | |
| KPI.14 | KPA 5: | KPA24: Performance with high Management, Monitor, Evaluation and compliance | Number of signed performance agreements by Section 57 employees by target date | Outcome | 3 | 3 | The performance agreement is a binding document which aligns with the Section 56/57 performance during the year under review | 0 | N/A | 0 | 0 | The 2016/17 agreements was already signed and tabled to Mayo and Council in July 2016 | Performance management: Agreements of section 57 managers | 30-Jun-17 | 1,2,3,4 |

| Key Performance Indicator IDP reference | KPI | Key Focus Area | Dept | Indicator description | Long description | Type | bench | Q1 Baseline | Q1 Target | Actual | Remedial Action | Performance Committee + | Stakeholders | PoE | Annual Target Date | Annual word |
|---|---|--|----------------------------------|--|---|---------|--------|--|---|--|--|--|--|--|--------------------|-------------|
| NKPI.11 | KPA 7: To Strengthen towards a financially sustainable municipality | KPA1: Capital Expenditure | Office of the Municipal Manager | Indicator | This is the National Key Performance Indicator as per the Regulations (Reg 10.c) regarding year-to-date cumulative spends on Capital Projects intended for a particular financial year in terms of the municipality's IDP. The budget is by Council approved budget at the time of the measurement. | Output | TBC | 20% | 0.24% | Most of the projects and all capital expenditure will be improved during the financial year. | If the amounts (DORA) is excluded to the calculation, it will result a percentage of 18.23% for the first quarter. | Most of the projects and all capital expenditure will be improved during the financial year. | CAPEX report | 30-Jun-17 | 1,2,3,4 | |
| KPI.15 | KPA 7: To Strengthen towards a financially sustainable municipality | KPA34: Budgeting / Funding | Office of the Municipal Manager | Indicator | The actual is based on the entire Capital Budget Expenditure & the budget which results in a lower percentage. The R&G allocation was DORA but no funding yet received for spending. | Output | TBC | 20% | 8.41% | The actual is based on the entire Capital Budget Expenditure & the budget which results in a lower percentage. The R&G allocation was DORA but no funding yet received for spending. | If the amounts (DORA) is excluded to the calculation, it will result a percentage of 30.1% for the second quarter. | The actual is based on the entire Capital Budget Expenditure & the budget which results in a lower percentage. The R&G allocation was DORA but no funding yet received for spending. | CAPEX report | 30-Jun-17 | 1,2,3,4 | |
| KPI.16 | KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation | KPA21: Corporate Services | Corporate Services | Percentage of Municipal Operating budget spent / Operating budget | Output | TBC | 16.47% | An intervention will be discussed with the finance department in order to identify and act on data impacting to the same system. There is a lack of capacity and skills that needs to be urgently addressed as it could hamper the audit outcome for the current financial year. | 25% | 12.62% | An intervention will be discussed with the finance department in order to identify and act on data impacting to the same system. There is a lack of capacity and skills that needs to be urgently addressed as it could hamper the audit outcome for the current financial year. | Training will be provided to officials and internal controls will be put in place as stated in the financial recovery plan | 30-Jun-17 | 1,2,3,4 | | |
| KPI.17 | KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation | KPA21: Corporate Services | Corporate Services, Risk and IGR | Minimum number of General Council meetings to be held per annum. | Process | 12 | 1 | 2 | 1 | 1 | It should be noted this is only for general meetings excluding the special meetings | Council meetings per year Signed Minutes | Council meetings per year Signed Minutes | Mayco meetings per year Signed Minutes | 30-Jun-17 | 1,2,3,4 |
| KPI.18 | KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy | KPA26: Human Capital and Skills Development | Corporate Services | Minimum number of Mayoral Committee meetings to be held per annum. | Process | 12 | 1 | 1 | 1 | 4 | | | | Mayco meetings per year Signed Minutes | 30-Jun-17 | 1,2,3,4 |
| NKPI.6 | KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy | KPA25: Organisational Structure | Corporate Services | Vacancy ratio of the entire approved staff establishment | Output | TBC | 10% | 0 | No HR Manager in place currently. | 25% | 0 | No HR Manager in place currently. | Vacancy ratio report | 30-Jun-17 | 1,2,3,4 | |
| NKPI.7 | KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy | KPA26: Human Capital and Skills Development | Corporate Services | The number of people from employment equity number of people from implementation plan in new employees in accordance with the municipality's approved employment equity plan | Output | TBC | 0 | 0 | No HR Manager in place currently. | 0 | 0 | No HR Manager in place currently. | Employment equity report | 30-Jun-17 | 1,2,3,4 | |
| KPI.19 | KPA 4: To Encourage Economic Growth and Social and Community development | KPA4: Sustainable Settlements (housing) | Corporate Services | The percentage of a municipality's budget actually spent on implementing its workplace skills plan. | Output | TBC | 10% | 0 | No HR Manager in place currently. | 25% | 0 | No HR Manager in place currently. | Budget report of the WSP | 30-Jun-17 | 1,2,3,4 | |
| KPI.20 | KPA 7: To Strengthen towards a financially sustainable municipality | KPA30: Revenue Enhancement, Mater Management | Financial Services | The indicator measures the number of people from implementation plan in new employees in accordance with the municipality's approved employment equity plan | Output | NEW KPI | 0 | N/A | The target is measured in the 4th quarter | 0 | N/A | The target is measured in the 4th quarter | 150 correlated houses build Completion certificate | 30-Jun-17 | 2 | |
| NKPI.10 | KPA 7: To Strengthen towards a financially sustainable municipality | KPA30: Revenue Enhancement, Mater Management | Financial Services | Total debtor billing / total revenue from debtors | Output | TBC | 70% | 81.05% | 85% | 65.23% | YTD debtors payment rate | YTD debtors payment rate | Ratio calculated as per AFS | 30-Jun-17 | 1,2,3,4 | |

| Lip | Lip | Kla | Key Focus Area | Indicator description | Long description | Type | Bench | Q1 | Q2 | Q3 | Q4 | Actual | Target Date | Actual | Target Date | Word | |
|---------|--|--|--------------------|--|---|--------|-------|------|--------|---|------|--------|---|--|-------------|---------|--|
| | | | | | | | | | | | | | | | | | |
| NKPI.8 | KPA 7: To Steve towards a financially sustainable municipality | KFA30: Revenue Enhancement, Mater Management | Financial Services | Financial viability as expressed by ratios: | This is the National Key performance indicator as per the Regulations (Reg 10(g)) | Outcom | TBC | 0 | N/A | The target is measured in the 4th quarter | 0 | N/A | The target is measured in the 4th quarter | Ratio calculated as per AFS | 30-Jun-17 | 1,2,3,4 | |
| NKPI.9 | KPA 7: To Steve towards a financially sustainable municipality | KFA30: Revenue Enhancement, Mater Management | Financial Services | DEBT COVERAGE | Total outstanding service debtors to revenue | Outcom | TBC | 0 | N/A | The target is measured in the 4th quarter | 0 | N/A | The target is measured in the 4th quarter | Ratio calculated as per AFS | 30-Jun-17 | 1,2,3,4 | |
| KPI.21 | KPA 7: To Steve towards a financially sustainable municipality | KFA31: Capital Expenditure | Financial Services | Percentage of the operating budget spent / repairs and maintenance spent | Based on the repairs and maintenance operating budget spent / repairs and maintenance spent | Input | TBC | 20% | 11,00% | The reason for poor performance is that invoices not correctly captured on the financial system | 20% | 5,37% | The reason for poor performance is that invoices not correctly captured on the financial system | Budget report of the spending on Repairs and maintenance | 30-Jun-17 | 1,2,3,4 | |
| KPI.22 | KPA 7: To Steve towards a financially sustainable municipality | KFA33: Financial Reporting | Financial Services | Unqualified audit opinion without findings of the Auditor-General | The indicator measures good governance and accounting practices, and will be evaluated and considered by the Auditor-General in determining his audit opinion. The Auditor-General may give one of the following audit opinions | Outcom | TBC | 0 | N/A | The target is measured in the 2nd quarter | 1 | 0 | The municipality received a disclaimer of opinion. | Audit report | 30-Jun-17 | 1,2,3,4 | |
| NKPI.12 | KPA 7: To Steve towards a financially sustainable municipality | KFA34: Budgeting / Funding | Financial Services | Submit the Adjustment Budget to Council for approval by 28 February | The submission of the adjustment budget needs to be tabled at council as per legislative requirements | Outcom | 1 | 0 | N/A | The target is measured in the 3rd quarter | 0 | N/A | The target is measured in the 3rd quarter | Adjustment budget signed council resolution | 30-Jun-17 | 1,2,3,4 | |
| NKPI.12 | KPA 7: To Steve towards a financially sustainable municipality | KFA30: Revenue Enhancement, Mater Management | Financial Services | Number of indigents supplied with access to all free basic services | This is a proxy indicator in terms of the National Key performance indicator as per the Regulations (Reg 10(b)). Indigents is classified as earning less than R3000 per month. They need to apply at the Municipality and if successful receive access to free basic services. Applications earning less than (2x old age Grant) per month. | Input | TBC | 1600 | 1866 | 1800 | 1866 | 1866 | 1866 | Indigent listing | 30-Jun-17 | 1,2,3,4 | |
| NKPI.13 | KPA 7: To Steve towards a financially sustainable municipality | KFA30: Revenue Enhancement, Mater Management | Financial Services | The number of formal submissions registrations on the debtors system as per year end | The number of formal submissions registrations on the debtors system as per year end. This include Prepaid meter | Outcom | TBC | 4867 | 4860 | 4860 | 4867 | 4860 | 4867 | Debtors listing on the SANRAS system | 30-Jun-17 | 1,2,3,4 | |
| | | | | | | | | | | | | | | | | | |

| Key Performance Indicator | KPI Reference | KPI | Key Focus Area | Department | Indicator description | Liang description | Type | Baseline | Target | Actual | Performance | | Annual Target Date | Ward |
|---------------------------|--|--|--------------------|---------------------|--|---|---------|----------|--------|--------|---|--|--------------------|---------|
| | | | | | | | | | | | Performance | Comments | | |
| KPI1.1 | KPA 7: To Steve towards a financially sustainable municipality | KFA30: Revenue Enhancement, Meter Management | Financial Services | Debtors | Number of formal electricity registrations on the debtors system. | The number of formal electricity registrations on the debtors system as per year end. This include only Electricity supplied by the Municipality. | Outcome | TBC | 487 | 487 | The municipality is in process to change all conventional meter to pre-paid. This indicator should be revised in future. | Prepaid Convention 2121 Pre-paid 3850 Cov entio nal: 707 | 30-Jun-17 | 1,2,3,4 |
| KPI1.4 | KPA 7: To Steve towards a financially sustainable municipality | KFA30: Revenue Enhancement, Meter Management | Financial Services | Debtors | Number of formal solid waste collection points registered on the debtors system. | The number of formal solid waste collection points registered on the debtors system as per year end. | Outcome | TBC | 4090 | 4581 | | | 30-Jun-17 | 1,2,3,4 |
| KPI1.24 | KPA 7: To Steve towards a financially sustainable municipality | KFA34: Budgeting / Funding | Financial Services | Budgeting / Funding | Submit the MTREF | The submission of the budget as per legislative requirements | Output | NEW KPI | 0 | 0 | The target is measured in the 4th quarter. | | 30-Jun-17 | 1,2,3,4 |
| KPI1.25 | KPA 7: To Steve towards a financially sustainable municipality | KFA34: Budgeting / Funding | Financial Services | Budgeting / Funding | Submit the Annual Financial Statements by 31 August to the Office of the Auditor-General | The submission of the AFS | Output | NEW KPI | 1 | 1 | The municipality has already begun with public participation to gain information of the needs to be addressed. The prioritization model was used at those meetings. | | 30-Jun-17 | 1,2,3,4 |
| | | | | | | | | | | | 0 | N/A | | |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

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KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR 2017

Section 12 – Other supporting documentation

12.1 External Loans

SUMMARY OF EXTERNAL LOANS FOR MONTH OF DECEMBER 2016

| Lending Institution | Balance 01/12/2016 | Interest Capitalised DECEMBER 2016 | Repayments DECEMBER 2016 | New Loans | Balance 31/12/2016 | Percentage | Sinking Funds | Loan Draw Downs |
|---------------------|-----------------------|---|--------------------------------|-----------|-----------------------|------------|------------------|-----------------------|
| | (R'000) | (R'000) | (R'000) | | (R'000) | % | (R'000) | (R' 000) |
| DBSA | 2 992 095.90 | 31 020.27 | (56 736.95) | - | 2 966 379.22 | 12.52 | - | - |
| | - | - | - | - | - | - | - | - |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | 2 992 095.90 | 31 020.27 | (56 736.95) | - | 2 966 379.22 | | - | - |

KANNALAND MUNICIPALITY

MID-YEAR BUDGET STATEMENT FOR

2017

Section 13 – Municipal Manager's Quality Certification

QUALITY CERTIFICATE

I, R Stevens the Acting Municipal Manager of Kannaland Municipality, hereby certify that –

(Mark as appropriate)

- The Monthly budget statement
- Mid-Year report on the implementation of the budget and financial state affairs of the municipality
- Mid- year budget and performance assessment**

For the month of DECEMBER 2016 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: R Stevens

Acting Municipal Manager of Kannaland Municipality – WC041

Signature -----

Date -----

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