Knysna

Municipality Munisipaliteit uMasipala

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SECTION 72

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

2024/2025

1 July 2024 – 31 December 2024

This report is prepared in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003, the Municipal Budget and Reporting Regulations and Government Gazette 32141, dated 17 April 2009

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EXECUTIVE SUMMARY

This report is compiled in terms of Section 72 of the Local Government: Municipal Finance Management Act, No. 56 of 2003, which places the responsibility on the Accounting Officer to assess the performance of the municipality during the first half of the financial year. This mid-year budget and performance assessment must be concluded by 25 January of each financial year.

This report is divided into two components, component A representing the non-financial performance, and component B representing the financial performance of the Municipality for the mid-year of the 2023/2024 financial year, for the period 1 July 2024 to 31 December 2024.

As prescribed in section 72(1)(a)(iii) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, the Accounting Officer must by 25 January of each year - assess the performance of the municipality during the first half the financial year, taking into account the past year's annual report, and progress on resolving problems identified in the annual.

Annexure B provides a detailed outline of the progress made as at 31 December 2024 with the implementation of identified corrective measures to address KPI's which have not been met during the 2023/2024 financial year.

COMPONENT A: NON-FINANCIAL PERFORMANCE ASSESSMENT REPORT

Knysna Local Municipality - Section 72 Report – December 2024

EXECUTIVE MAYOR'S FOREWORD

Knysna Municipality – Section 72 REPORT – December 2024

EXECUTIVE MAYOR'S FOREWORD

To the Municipal Council

I hereby wish to submit to the Municipal Council the Mid-Year Performance Report for the period 1 July 2024 to 31 December 2024.

As per Section 54 (1)(f) of the Municipal Finance Management Act (MFMA), the Executive Mayor must submit the Section 72 report (Mid-year Budget Assessment Report), as submitted by the Accounting officer to him, to Council by the 31st of January of each year.

The submission of the report forms part of my general responsibilities as the Executive Mayor of Knysna Municipality, as stipulated in Section 52 of the MFMA. The report is instructed to inform the Council about the state of the financial affairs of the Municipality to enable Council to oversee oversight respectfully.

NAME: AUBREY TSENGWA

THE EXECUTIVE MAYOR

SIGNATURE: .... **DATE:** 24/01/25

Knysna Local Municipality - Section 72 Report – December 2024

MUNICIPAL MANAGER'S QUALITY CERTIFICATE: NON-FINANCIAL PERFORMANCE ASSESSMENT

Knysna Local Municipality – Section 72 REPORT – December 2024

MUNICIPAL MANAGER'S QUALITY CERTIFICATE: NON FINANCIAL PERFORMANCE ASSESMENT

I, **Lulamile Mapholoba** the Municipal Manager of Knysna Municipality, hereby certify that –

✓	The mid year budget and performance assessment

For the mid-year of the 2024/2025 financial year has been prepared in accordance with Section 72 of the Municipal Finance Management Act and Regulations made under that Act.

Name: Lulamile Mapholoba

The Municipal Manager, Knysna Local Municipality (WC048)

Signature: .... Date: 24/01/2025

NON-FINANCIAL PERFORMANCE ASSESSMENT

The Service Delivery and Budget Implementation Plan, referred to and hereafter to be referred to as the SDBIP of Knysna Local Municipality is aligned to its Integrated Development Plan (IDP) and Budget. The implementation of the Budget is monitored through the SDBIP by means of an electronic performance management system, referred to as Ignite.

The purpose of the in-year monitoring and reporting on the implementation of the SDBIP is to report progress on the implementation of the budget, identify any major problems and institute, where necessary mitigating measures to address the same. The approved SDBIP for the 2024/2025 financial year has a total of fifty-nine (67) key performance indicators, hereafter referred to as KPI's that must be managed, implemented and monitored by respective directors under the leadership of the Accounting Officer and reported on via the Office of the Executive Mayor to council.

Management identified corrective measures to be put in place in order to address areas of underperformance noted in the second quarter. This is done to ensure that the KPIs are implemented by the end of the financial year. The progress on these measures will be monitored and reported on in the Annual Performance Report of the organisation.

INTRODUCTION

Section 72 (1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, requires of the Accounting Officer to assess the performance of the municipality during the first half of the financial year, taking into account –

(i) the monthly budget statements;

(ii) the municipality's service delivery performance, and the service delivery targets and performance indicators as set in the service delivery and budget implementation plan;

(iii) the past year's annual and progress on resolving problems identified in the annual report

This Non-Financial Performance Assessment Report represents the quarter-two outcomes of the set indicators and targets prepared in accordance with Circular 13 of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003, and the Municipal Budget and Reporting Regulations.

The information herein exemplifies the Municipality's Mid-Year Non-Financial Performance Assessment for the period 01 July 2024 to 31 December 2024.

PERFORMANCE MONITORING

The SDBIP serves as a contract between the administration, council, and the community it serves. It serves as a management, implementation, and monitoring tool that will assist the Executive Mayor, Councillors, Municipal Manager, Senior Managers, and the Community to monitor the implementation of the budget, performance of senior management, and the achievement of strategic objectives of council.

The diagram below illustrates the vital role of the stakeholders in performance management:

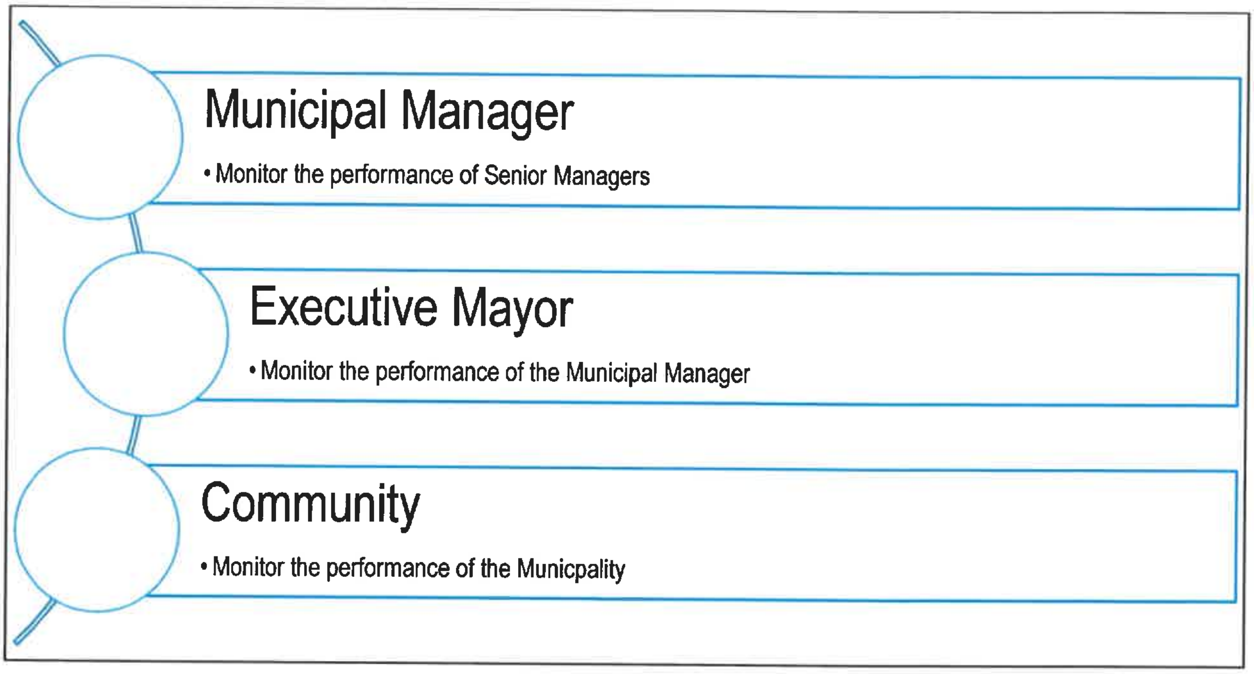

Figure 1 - Stakeholders in Performance Management

It is therefore of utmost importance that the SDBIP align with the signed performance agreements between the Executive Mayor and Municipal Manager, and that of the Municipal Manager and Directors reporting to him. These performance agreements are determined and concluded at the start of each financial year and may be reviewed as circumstances determine.

The approved SDBIP indicators and targets are transferred onto an electronic web-based performance management system. The KPIs and targets are then monitored on a continued basis to determine whether performance targets; were reported on, met or not met. The system is designed to send automated monthly e-mail reminders to key performance indicator owners for the updating of actual performance against projected targets.

The objective of the performance management system includes:

- Facilitating:
    - Strategy development;
    - Increased accountability;
    - Learning and improvement; and
    - Decision-making.
- Provide early warning signs of under-performance; and
- Creating a culture of performance as well as best practice.

The overall assessment of actual performance against targets set for KPIs as documented in the SDBIP is illustrated in terms of the following assessment methodology (as per the performance management system):

FINANCIAL PERFORMANCE

A separate report assessing the Municipality's financial performance for the same period 01 July 2024 to 31 December 2024 is submitted in support of this item.

KPI RESULT	CATEGORY	CALCULATION EXPLANATION
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.
R	KPI Not Met	0% <= Actual/Target <= 66.999%
O	KPI Almost Met	67.000% <= Actual/Target <= 99.999%
G	KPI Met	Actual meets Target (Actual/Target = 100%)
G2	KPI Well Met	100.001% <= Actual/Target <= 132.999%
B	KPI Extremely Well Met	133.000% <= Actual/Target

Table 1 - Performance Assessment Criteria

SERVICE DELIVERY PERFORMANCE

The SDBIP is a key management, implementation and monitoring tool. It sets out how the Municipality will deliver on its Constitutional mandate which includes: -

- Providing democratic and accountable government for local communities;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment; and
- Encouraging the involvement of communities and community organisations in the matters of local government.

Knysna Local Municipality strives to achieve its Constitutional mandate within its financial and administrative capacity in an efficient, effective, and economical manner.

The graph following represents an overview of the overall performance of the Municipality for the mid-year of the 2024/2025 financial year:

MID-YEAR NON FINANCIAL PERFORMANCE OVERVIES

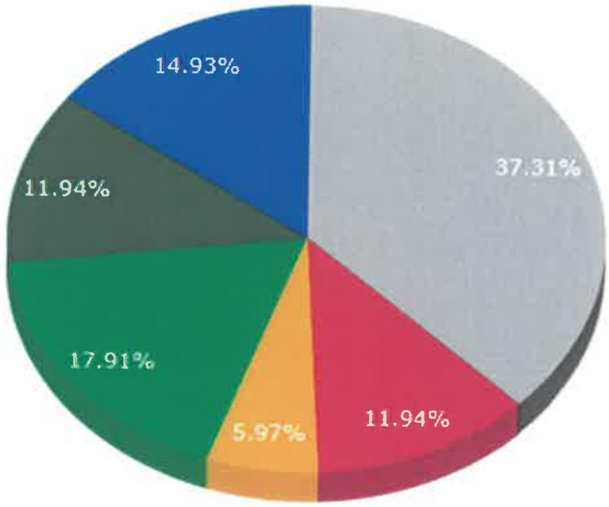

Figure 2 - Overall Performance

The remainder of this report is structured to illustrate the service delivery performance of Knysna Local Municipality per:

- National Key Performance Area;
- Strategic Objective; and
- Directorate.

PERFORMANCE PER NATIONAL KEY PERFORMANCE AREA

Section 43(1) of the Local Government: Municipal Systems Act, No, 32 of 2000, states that:

"The Minister, after consultation with the MECs for local government and organised local government representing local government nationally, may -

(a) by regulation prescribe general key performance indicators that are appropriate and that can be applied to local government generally; and

(b) when necessary, review and adjust those general key performance indicators."

These general key performance areas, hereinafter referred to as National Key Performance Areas (NKPAs) are prescribed in the Local Government: Municipal Planning and Performance Management Regulations, 2001.

The table below illustrates the Municipality's performance against the National Key Performance Areas (NKPA's):

	Knysna Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
Not Yet Applicable	25 (37.31%)	2 (14.29%)	19 (61.29%)	2 (100.00%)	-	2 (50.00%)
Not Met	8 (11.94%)	2 (14.29%)	2 (6.45%)	-	4 (25.00%)	-
Almost Met	4 (5.97%)	1 (7.14%)	-	-	3 (18.75%)	-
Met	12 (17.91%)	-	9 (29.03%)	-	1 (6.25%)	2 (50.00%)
Well Met	8 (11.94%)	6 (42.86%)	-	-	2 (12.50%)	-
Extremely Well Met	10 (14.93%)	3 (21.43%)	1 (3.23%)	-	6 (37.50%)	-
Did Not Occur	-	-	-	-	-	-
Total:	67	14	31	2	16	4
	100%	20.90%	46.27%	2.99%	23.88%	5.97%

Table 2 - National Key Performance Area Performance - Overall Result

Annexure A provides a detailed overview of the respective key performance indicators linked to the National Key Performance Areas.

PERFORMANCE PER MUNICIPAL STRATEGIC OBJECTIVES

The Council of Knysna Local Municipality crafted a set of strategic objectives which are aligned to the national strategic focus areas as well as the Provincial Strategic Goals of the Western Cape Government. This is intended to guide directorates within the municipality to develop departmental business plans with specific deliverables and targets to give effect to the strategic objectives of Council.

The following table provides the alignment of Knysna's strategic objectives against the national strategic focus areas and provincial strategic goals:

Strategic Focus Area / National Key Performance Area (NKPA and MKPA)	Strategic Objective (SO)	Priority (PR)
Basic Service Delivery	To improve and maintain current basic service delivery through specific infrastructural development projects	Sanitation
		Electricity
		Streets and Storm Water Management
		Water Supply
		Integrated Human Settlements
	To promote a safe and healthy environment through the protection of our natural resources	Environmental Conservation
		Disaster management
Local Economic Development	To create an enabling environment for social development and economic growth	Decent employment opportunities and job creation
		Rural development
		Youth development
		Care for the elderly
		Opportunities for women and people living with disability
		HIV/Aids awareness
Municipal Financial Viability and Transformation	To grow the revenue base of the municipality	Sound Financial Planning
Municipal Transformation and Organisational Development	To structure and manage the municipal administration to ensure efficient service delivery	Institutional capacity building
Good Governance and Public Participation	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Ward committees System
		Communication
		Responsive and accountable system of Local Government

Table 3 - Alignment Table

The table below illustrates the Municipality's performance against the Strategic Objectives:

	Knysna Municipality	Strategic Objective					
		To create an enabling environment for social development and economic growth	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	To grow the revenue base of the municipality	To improve and maintain current basic service delivery through specific infrastructural development projects	To promote a safe and healthy environment through the protection of our natural resources	To structure and manage the municipal administration to ensure efficient service delivery
Not Yet Applicable	25 (37.31%)	2 (100.00%)	19 (55.88%)	-	2 (13.33%)	-	2 (100.00%)
Not Met	8 (11.94%)	-	3 (8.82%)	3 (21.43%)	2 (13.33%)	-	-
Almost Met	4 (5.97%)	-	-	3 (21.43%)	1 (6.67%)	-	-
Met	12 (17.91%)	-	11 (32.35%)	1 (7.14%)	-	-	-
Well Met	8 (11.94%)	-	-	2 (14.29%)	6 (40.00%)	-	-
Extremely Well Met	10 (14.93%)	-	1 (2.94%)	5 (35.71%)	4 (26.67%)	-	-
Did Not Occur	-	-	-	-	-	-	-
Total:	67	2	34	14	15	-	2
	100%	2.99%	50.75%	20.90%	22.39%	-	2.99%

Table 4 - Strategic Objectives Performance - Overall Results

PERFORMANCE PER DIRECTORATE

The administrative component of Knysna Local Municipality is headed by the Municipal Manager, who has six directors reporting directly to him in terms of Section 56 of the Local Government: Municipal Systems Act, No. 32 of 2000. Apart from the legislative powers and functions, the Municipality deemed it fit to review and re-design the organisational structure to effectively address local needs, operational requirements, and service delivery demands. Subsequent to a comprehensive consultation process with all internal stakeholders, the new organisational structure of the municipality was adopted by Council on 29 October 2018 (SC09/10/18). The restructuring of the staff establishment was benchmarked against industry norms and financial sustainability was one of the key considerations.

DIRECTORATE	DIRECTORATE OBJECTIVE
Office of the Municipal Manager	The Municipal Manager heads the Administration arm of the Knysna Municipality and is therefore responsible and accountable for tasks and functions as provided for in section 55 of the Municipal Systems Act, other functions and tasks as provided for in legislation as well as functions delegated to him/her by the Executive Mayor and Council. According to the Municipal Finance Management Act he/she also assumes the role of Accounting Officer.
Corporate Services	The Directorate is responsible for the administrative processes that ensure good governance and the achievement of Council's strategic objectives. The directorate incorporates the Departments of
Financial Services	To manage and provide financial services in order to ensure financial viability, compliance and reporting. The Directorate administrates all finance-related services. These include
Planning and Economic Development	To ensure that the functional and pro-active planning and the implementation of the municipality's constitutional obligations pertaining to land use planning, economic development, and environmental management
Community Services	To render integrated community services to enhance community development in general and promote a clean and safe environment.
Infrastructure Services	To manage infrastructure services provisioning in order to ensure the rendering of sustainable and affordable services to the community. Services pertaining mainly to bulk infrastructure are the responsibility of the Director Technical Services. It also incorporates all Electrical & Mechanical services related to distribution of electricity and oversees the municipality's fleet and mechanical workshop.

DIRECTORATE	DIRECTORATE OBJECTIVE
Human Settlements Administration	The local Directorate of Human Settlements acts as an agent for Provincial Government and is working with them to achieve their vision, to develop sustainable integrated human settlements. Sustainable settlements are residential areas that allow its residents to access social and economic opportunities close to where they live.

Table 5 - Organisational Structure

The table below illustrates the Municipality's performance per Directorate:

	Knysna Municipality	Responsible Directorate						
		Office of the Municipal Manager	Corporate Services	Financial Services	Planning & Economic Development	Community Services	Infrastructure Services	Human Settlements Administration
Not Yet Applicable	25 (37.31%)	4 (22.22%)	3 (50.00%)	3 (13.64%)	7 (100.00%)	2 (100.00%)	1 (16.67%)	5 (83.33%)
Not Met	8 (11.94%)	5 (27.78%)	-	1 (4.55%)	-	-	2 (33.33%)	-
Almost Met	4 (5.97%)	2 (11.11%)	-	2 (9.09%)	-	-	-	-
Met	12 (17.91%)	6 (33.33%)	1 (16.67%)	4 (18.18%)	-	-	-	1 (16.67%)
Well Met	8 (11.94%)	1 (5.56%)	1 (16.67%)	5 (22.73%)	-	-	1 (16.67%)	-
Extremely Well Met	10 (14.93%)	-	1 (16.67%)	7 (31.82%)	-	-	2 (33.33%)	-
Did Not Occur	-	-	-	-	-	-	-	-
Total:	67	18	6	22	7	2	6	6
	100%	26.87%	8.96%	32.84%	10.45%	2.99%	8.96%	8.96%

Table 6 - Directorate Performance - Overall Result

ANNEXURE A - 2022/2023 MID-YEAR NON-FINANCIAL PERFORMANCE ASSESSMENT RESULTS PER NATIONAL KEY PERFORMANCE AREA

BASIC SERVICE DELIVERY

National Key Performance Area: Basic Service Delivery Strategic Objectives: To improve and maintain current basic service delivery through specific infrastructural development project										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Q Target	Q Actual	R		
TL28	Number of residential properties with access to Water services and are on the financial system as at end June	Number of residential properties with access to Water services as registered on the financial system as at end June	Last Value	15 801	15 801	15 801	17 835	G2	Director: Financial Services: 17835 Properties that has access to water Services and Build	No corrective measures are require.
TL29	Number of residential properties with access to electricity and are on the financial system (Promun and Ontec) as at end June of the financial year	Number of residential properties with access to electricity services registered on the financial system (Promun and Ontec) at at end June of the financial year	Last Value	21 348	21 348	21 348	25 245	G2	Director: Financial Services: 2735 number of properties connected to conventional meters 22510 number of properties connected to prepaid meters	No corrective measures are require.
TL30	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of	Number of residential properties which are billed for sewerage as at end June of the financial year	Last Value	13 172	13 172	13 172	12 612	O	Director: Financial Services: 12612 number of properties connected to sewerage services	Director: Financial Services: The difference between the target and the actual to be investigated in the

National Key Performance Area: Basic Service Delivery Strategic Objectives: To improve and maintain current basic service delivery through specific infrastructural development project										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Q Target	Q Actual	R		
	the number of water closets (toilets) and billed for the service as at end June of the financial year									next reporting period
TL31	Number of formal residential properties for which refuse is removed once per week and billed for the service as at end June of the financial year	Number of residential properties which are billed for refuse removal as at end June of the financial year	Last Value	16 227	16 227	16 227	16 489	G2	Director: Financial Services: 16489 number of properties build for refuse removal	No corrective measures are required.
TL34	Provide free basic water to indigent households	Number of indigent households receiving free basic water as at end June of the financial year	Last Value	1 690	1 690	1 690	2 181	G2	Director: Financial Services: 2181 number of indigents receiving 6kl water	No corrective measures are required.
TL35	Provide free basic electricity to indigent account holders connected to the municipal electrical infrastructure network	Number of indigent households receiving free basic electricity as at 30 June of the financial year	Last Value	1 425	1 425	1 425	1 589	G2	Director: Financial Services: 1589 number of indigents receiving 50kwh free basic electricity	No corrective measures are required.
TL36	Provide free basic sanitation to indigent account holders	Number of indigent households receiving free basic sanitation as at	Last Value	1 690	1 690	1 690	2 938	B	Director: Financial Services: 2938 number	No corrective measures are required.

National Key Performance Area: Basic Service Delivery Strategic Objectives: To improve and maintain current basic service delivery through specific infrastructural development project										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Q Target	Q Actual	R		
	connected to the municipal sanitation infrastructure network	end June of the financial year							of indigent receive free sanitation	
TL56	Limit unaccounted water losses to less than (<) 35%	Less than (<) 35% water losses recorded by end-June of the financial year	Reverse Last Value	44.50%	35%	35%	0%	B		No corrective measures are required.
TL57	Municipal Streets and Storm water capital spending measured by the percentage (%) of budget spent	One hundred of the Streets and Storm water capital budget spent by end-June of the financial year	Last Value	95%	100%	20%	49.73%	G2	Director: Infrastructure Services: 49.73 % budget spent up until end December 2024 [YTD Budget = R11 961 761/ Rollover Budget R24 052 908 x 100]	No corrective measures are required.
TL58	100% compliance to general standards with regard to waste water outflow by 30 June of the financial year	100% compliance to the general standards for waste water outflow by end-June of the financial year	Last Value	100%	100%	100%	0%	R	No reporting was performed by the relevant department	No reporting was performed by the relevant department
TL59	95% water quality level obtained as per SANS 241 physical and micro parameters by 30 June of the financial year	95% compliance to the SANS 241 in regards to the water quality level by end-June of the financial year	Last Value	95%	95%	95%	0%	R	No reporting was performed by the relevant department	No reporting was performed by the relevant department

National Key Performance Area: Basic Service Delivery Strategic Objectives: To improve and maintain current basic service delivery through specific infrastructural development project										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Q Target	Q Actual	R		
TL60	Limit electricity losses to less than 11.5% by 30 June of the financial year (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated)x 100	Less than 11.5% electricity losses by end-June of the financial year	Reverse Last Value	11%	11%	11%	0%	B		No corrective measures are required.
TL63	Service Sites for future housing development through the programme on the Upgrading of Informal Settlements Plan (UISP) and Enhanced People's Housing Process (EPHP)	Number of sites serviced through the Human Settlements Development Grant (HSDG) programmes	Accumulative	0	103	0	0	N/A	Target not due for reporting	
TL65	Provision of Housing opportunities in accordance with the Provincial Business Plan and budget allocation	One-hundred and sixty-eight housing opportunities provided for the financial year	Last Value	560	168	0	0	N/A	Target not due for reporting	

Table 7 - Basic Service Delivery Performance

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

National Key Performance Area: Municipal Financial Viability and Management Strategic Objectives: To grow the revenue base of the municipality										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL7	Capital conditional grant spending measured by the percentage (%) spent by end-June of the financial year	100% of the capital conditional grant spent by end-June	Accumulative	100%	100%	20%	**33%**	O	Municipal Manager: Total of 33% spent which is 13% more than the Projected Capital Spend by Quarter 2 mainly on the NDPG National Grant project. (December 2024)	No corrective measures are required
TL8	Operational conditional grant spending measured by the percentage (%) spent by end-June of the financial year	100% of the operational conditional grant spent by end-June	Last Value	100%	100%	15%	35%	G2	Total of 35% spent which is 5% more than the Operational Projected Spent by Quarter 2 mainly on the PMU operating Expenditure Unite.	No corrective measures are required

National Key Performance Area: Municipal Financial Viability and Management

Strategic Objectives:

To grow the revenue base of the municipality

Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL9	% Implementation completion of Capital projects	100% of implemented Capital projects completed	Last Value	100%	100%	25%	0%	R	The status of every capital project is determined at year-end with year-end procedures whether to capitalised as completed or work-in-progress	Progress will be reported in the next reporting quarter.
TL12	% Capital expenditure of budget spent in line with budget and timelines by end-June of the Financial Year	100% of the municipal capital budget spent by end-June	Accumulative	95%	100%	20%	**30%**	O	30% Total spent which is above the target of 20%	No corrective measures are required

National Key Performance Area: Municipal Financial Viability and Management Strategic Objectives: To grow the revenue base of the municipality										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL15	% Of operating budget expenditure in line with budget and timelines by end-June of the Financial Year	% Of operating budget spent	Last Value	0%	100%	20%	0%	R		
TL16	Implement 100% of all Council decision(s) taken	% Of Council decisions implemented	Stand-Alone	0%	100%	100%	0%	R		
TL22	The percentage of a municipality's operating budget actually spent on implementing its workplace skills plan by 30 June 2025 {(Actual total training expenditure divided by total training (budget) x100}	100% of the municipal operating budget spent by end-June	Last Value	90%	100%	20%	68%	G2	Director: Corporate Services: The calculation is Total/Budget x 100 = 68% R684838.99 x100 = 68% R1 010 000.00	No corrective measures are required, the key performance indicator is met for the reporting period

National Key Performance Area: Municipal Financial Viability and Management Strategic Objectives: To grow the revenue base of the municipality										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL32	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by end June of the financial year	Reverse Last Value	55.60%	50%	50%	0%	B		No corrective measures are required.

National Key Performance Area: Municipal Financial Viability and Management Strategic Objectives: To grow the revenue base of the municipality										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL33	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually: (Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for bad debts, Impairment and Loss on disposal of assets)	Last Value	1.10	1.30	1.30	0.01	R	Director: Financial Services: Cash needs to increase through improved revenue collection actions and the cost containment measures	Director: Financial Services: Cash needs to increase through improved revenue collection actions and the cost containment measures

National Key Performance Area: Municipal Financial Viability and Management Strategic Objectives: To grow the revenue base of the municipality										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL37	Provide free basic refuse removal to indigent households	Number of indigent households receiving free basic refuse removal as at end June of the financial year	Last Value	1 690	1 690	1 690	2 948	B	Director: Financial Services: 2948 number of Indigents receiving free refused	No corrective measures are required
TL39	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - conditional operating grants received) / (Debt service payments due within the year)) measured by end June of the financial year	Reverse Last Value	15.70	15	15	0	B		No corrective measures are required,

National Key Performance Area: Municipal Financial Viability and Management Strategic Objectives: To grow the revenue base of the municipality										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL40	Sound financial management by maintaining an acceptable Liquidity Ratio	Liquidity: Current Ratio, Calculated as (Current Assets / Current Liabilities	Last Value	1.19	1.20	1.20	1.05	O	Director: Financial Services: Cash needs to increase through stringent revenue collection actions and the expansion of the Municipality's Tax base and review borrowings	Director: Financial Services: Cash needs to increase through stringent revenue collection actions and the expansion of the Municipality's Tax base and review borrowings
TL41	Financial viability measured in terms of the collection period (average number of days) as at 30 June ((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365	Debtors ratio in number of days	Last Value	84	80	80	302.86	B	Director: Financial Services: Improved revenue collection actions and more bad debt provision to reduce the debtors day ratio (	No corrective measures are required

National Key Performance Area: Municipal Financial Viability and Management Strategic Objectives: To grow the revenue base of the municipality										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL42	Achieve an average payment percentage of 91% by 30 June [Gross Debtors (Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Gross Debtors (Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Last Value	92%	91%	91%	168.70 %	B	Director: Financial Services: Improved revenue collection actions and more bad debt provision to reduce the debtors day ratio	No corrective measures are required
TL44	Financial viability measured in terms of number of days taken for creditors to be paid: Trade creditors outstanding/creditors purchases (operating and capital) x 365]	Number of days to pay creditors	Reverse Last Value	53	30	30	0	B		No corrective measures are required.

TL46	Raise / collect Operating Budget Revenue as per approved budget by end-June of the financial year	One hundred percent of Total Annual Operating Budget Revenue raised / collected by end-June of the financial year	Last Value	0%	100%	100%	100%	G	Director: Financial Services: Achieved as per national treasury norm	No corrective measures are required.

National Key Performance Area: Municipal Transformation and Institutional Development

Strategic Objectives:

To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication

Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL18	Submit Quarterly Section 154 Progress Report to Council within one month after the end of each quarter	One Quarterly Section 154 Progress report submitted to Council	Accumulative	0	4	2	2	G		No corrective measures are required.
TL19	Number of Monthly Management meetings held	One Management Meeting per Month	Accumulative	0	12	6	6	G		. No further updates received.

National Key Performance Area: Municipal Transformation and Institutional Development Strategic Objectives: To structure and manage the municipal administration to ensure efficient service delivery										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL21	Submit the Employment Equity Report to Council on the number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan as at end-June of the financial year	One Employment Equity Report submitted to Council by end-June	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL23	Submit the Workplace Skills Plan to the Local Government Sector Education and Training Authority (LGSETA) by end-April	One Workplace Skills Plan submitted to the Local Government Sector Education and Training Authority (LGSETA) by end-April	Carry Over	1	1	0	0	N/A	Target not due for reporting	

Table 8 - Municipal Financial Viability and Management

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

National Key Performance Area: Good Governance and Public Participation

Strategic Objectives:

To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication

Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL1	Submit to the Executive Mayor the draft 2025/2026 SDBIP for consideration by no later than 14 days after the approval of the annual budget in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003	One Draft Service Delivery and Budget Implementation Plan (SDBIP) submitted to the Executive Mayor	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL2	Conclude signed performance agreements in terms of Section 57 of the Local Government: Municipal Systems Act, No. 32 of 2000 for the Municipal Manager and Managers directly accountable to the Municipal Manager	One-hundred percent of signed performance agreements concluded within the legislative deadline	Last Value	7%	100%	100%	42%	R	Delay in the concluding of the Performance Agreements caused by the schedule/ Dairy clash of the Municipal Manager	Meetings will be set between the Municipal Manager and applicable Directors two weeks prior to the expiring date for the concluding of the Performance Agreements.

National Key Performance Area: Good Governance and Public Participation Strategic Objectives: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL3	Conduct formal performance evaluations of the Municipal Manager and Managers directly accountable to the Municipal Manager in line with the signed performance agreements	One-hundred percent of performance evaluations concluded for the financial year	Stand-Alone	12%	100%	100%	0%	R	Informal Performance Evaluations for Quarter one will be merged with the quarter two mid-year evaluations.	Quarter one informal Performance Evaluations will be incorporated into the formal mid-year Performance Evaluations
TL4	Risk-Based Audit Plan submitted to the Audit Committee for approval by end-June of the financial year	One Risk-Based Audit Plan submitted to the Audit Committee by end-June	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL5	Bi-annually submit performance management-related reports to the Audit Committee	Two performance management-related reports submitted to the Audit Committee	Accumulative	2	2	1	1	G	Municipal Manager: Annual Performance Report Discussed at the Audit Committee Meeting dated 27 August 2024.	No corrective measures are required.
TL6	Submit the 2025/2026 Integrated Development Plan (IDP) and Budget Time Schedule to Council	One Integrated Development Plan (IDP) and Budget Time Schedule submitted to Council	Carry Over	1	1	1	1	G	Municipal Manager: 2025/2026 IDP Process Plan tabled on 5 August 2024.	No corrective measures are required.

National Key Performance Area: Good Governance and Public Participation Strategic Objectives: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
	for consideration by end-August									
TL10	Review and submit the Risk Register to the Risk Management Committee by February of the financial year	One Reviewed Risk Registers submitted to the Risk Management Committee	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL11	Submission of Quarterly Audit Committee Reports to Council	Four Audit Committee Reports submitted to Council for the financial year	Accumulative	0	4	2	2	G	Audit committee oversight report to Council for Q1 of 23-25	No corrective measure required
TL13	Submit the Reviewed Integrated Development Plan (IDP) to Council for consideration by end-May	One Reviewed Integrated Development Plan submitted to Council by end-May	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL14	Develop and submit the 2023/2024 Annual Performance Report (APR) to the Auditor-General of South Africa (AGSA) by end-August	One Annual Performance Report submitted to the Auditor-General by end-August	Carry Over	1	1	1	1	G	Municipal Manager: Annual Performance Report was submitted to the office of the Auditor General on 31 August 2024	No corrective measure required

National Key Performance Area: Good Governance and Public Participation Strategic Objectives: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL17	Submit Quarterly Progress Report on Implementation of Section 154 Support Plan	Number of Section 154 Support Plan Reports submitted to Council	Accumulative	0	4	2	2	G	The report for quarter one which was omitted from the Section 52 (d) is included in this Section 72 report	No corrective measure required.
TL20	Number of Ordinary Council Meetings scheduled	Four Ordinary Council meetings scheduled for the financial year	Accumulative	12	4	1	3	B	Director: Corporate Services: 1 Ordinary Council Meeting held on the 10 December 2024	No corrective measures are required.
TL24	Submit Municipal Organogram (funded positions) to Council by end-May 2025	One Municipal Organogram submitted to Council by end-May 2025	Carry Over	0	1	0	0	N/A	Target not due for reporting	.
TL25	Submit the Section 52(d) Report to Council following the end of each quarter as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	Four Section 52(d) Reports submitted to Council by end-June	Accumulative	4	4	2	2	G		No corrective measure required.

National Key Performance Area: Good Governance and Public Participation Strategic Objectives: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL26	Submit the Annual Budget to Council for consideration by end-May as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	One Annual Budget submitted to Council within the legislative deadline	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL27	Submit the Adjustment Budget to Council for consideration by end-February as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	One Adjustment Budgets submitted to Council within the legislative deadline	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL38	Submission of Fixed Asset Register (FAR) in compliance with applicable Generally Recognised Accounting Practice (GRAP) Standards to the Auditor-	One Fixed Asset Register submitted to the Auditor-General by end-August 2024	Carry Over	1	1	1	0	N/A	Target not due for reporting	

National Key Performance Area: Good Governance and Public Participation Strategic Objectives: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
	General by end-August 2024									
TL43	Submission of the Annual Financial Statements to the Auditor-General by end-August	One Annual Financial Statements submitted to the Auditor-General by end-August	Carry Over	1	1	1	1	G		No corrective measure required
TL45	Submission of the Reviewed Long-Term Financial Plan to Council by end-March 2025	One Reviewed Long-Term Financial Plan submitted to Council by end-March 2025	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL48	Submit the Reviewed Municipal Spatial Development Framework (SDF) to Council by end-May 2025	One Reviewed Municipal Spatial Development Framework submitted to Council by end-May 2025	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL50	Compile a heritage inventory for Knysna Municipality	One inventory report to be tabled for Council by end June of the financial year	Carry Over	0	1	0	0	N/A	Target not due for reporting	
TL51	Develop a climate change adaptation plan for Knysna Municipality	One plan to be tabled for Council by end June of the financial year	Carry Over	0	1	0	0	N/A	Target not due for reporting	
TL52	Develop a Coastal Management By-law for Knysna Municipality	One by-law to be tabled for Council by end June of the financial year	Carry Over	0	1	0	0	N/A	Target not due for reporting	

National Key Performance Area: Good Governance and Public Participation Strategic Objectives: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
TL53	Submit the blue flag beach application for Brenton and Buffalo Bay	applications to be submitted to WESSA by end April 2025	Carry Over	0	1	0	0	N/A	Target not due for reporting	
TL54	Submit the Report on the Rehabilitation of Landfill Sites to Financial Services for inclusion in the Annual Financial Statements by end-June	One Report on the Rehabilitation of Landfill Sites submitted to Financial Services by end-June of the financial year	Accumulative	1	4	0	0	N/A	Target not due for reporting	
TL55	Submit the Reviewed Disaster Management Plan to Council for consideration by end-May	One Reviewed Disaster Management Plan submitted to Council by end-May 2025	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL61	Maintain and review Electricity Master Plan and facilitate for budget approval by end-June of the financial year	One Electricity Master Plan reviewed and maintained by end-June of the financial year	Carry Over	0	1	0	0	N/A	Target not due for reporting	
TL62	Facilitate Quarterly Community Housing Meetings in support of the Human Settlements	1 (ONE) Community Housing meetings per quarter	Accumulative	4	4	1	1	G	Director: Human Settlements Administration: Meeting was held with the Karatara	No corrective measures are required

National Key Performance Area: Good Governance and Public Participation Strategic Objectives: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	KPI Name	Unit of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024 – 31 December 2024			Consolidated Performance Comment	Consolidated Corrective Measures
						Target	Actual	R		
	Plan by end June of the financial year								Community on 19 November 2024.	
TL64	Review Human Settlements Master Plan and submit to the Portfolio Committee by end June of the financial year	One Reviewed Human Settlements Master Plan submitted to the Portfolio Committee by end-June of the financial year	Carry Over	1	1	0	0	N/A	Target not due for reporting	
TL66	Submit to the Emergency Housing Policy to MAYCO by end-March 2025	One Emergency Housing Policy submitted to the MAYCO by end-March 2025	Carry Over	0	1	0	0	N/A	Target not due for reporting	
TL67	Submit a funding application to the Department: Human Settlement (DHS)	One funding application submitted to the Department: Human Settlements	Carry Over	0	1	0	0	N/A	Target not due for reporting	

Table 9 - Good Governance and Public Participation

National Key Performance Area: Local Economic Development Strategic Objectives: To create an enabling environment for social development and economic growth										
Reference	KPI Name	Unite of Measurement	Calculation Type	Baseline	Annual Target	Overall Performance 1 July 2024– 31 December 2024			Consolidated Performance Comment	Consolidated Performance Measures
						Q Target	Q Actual	R		
TL47	Number of employment opportunities created through the Municipality's local economic development initiatives	Four hundred and forty-three Expanded Public Works Programme employment opportunities created by the organisation by the end June of the financial year	Last Value	0	443	0	0	N/A	Target not due for reporting	
TL49	Spend 100% of SMME incubator programme budget	100% of budget spent by end-June of the financial year	Last Value	0%	100%	0%	0%	N/A	Target not due for reporting	

Table 10 – Local Economic Development

KNYSNA
Municipality Munisipaliteit uMasipala

inclusive || innovative || inspired

Mid-Year Budget Assessment Report

(Section 72 of the MFMA)

1 July 2024 – 31 December 2024

To the Municipal Council

I hereby wish to submit to the Municipal Council the Mid-year Budget Assessment Report on the implementation of the budget and the financial state of affairs of the Municipality for the first six months of the financial year (July 2024 to December 2024).

As per Section 54(1)(f) of the Municipal Finance Management Act (MFMA), the Executive Mayor must submit the Section 72 report (Mid-year Budget Assessment Report), as submitted by the Accounting Officer to him, to Council by the 31st of January of each year.

The submission of this report forms part of my general responsibilities as the Executive Mayor of Knysna Municipality, as stipulated in Section 52 of the MFMA. This report is intended to inform the Council about the state of the financial affairs of the Municipality to enable Council to exercise oversight responsibility.

AUBREY TSENGWA
EXECUTIVE MAYOR

24 January 2025

To the Executive Mayor

In accordance with Section 72(1) of the MFMA, I submit herewith the required Mid-Year Budget Assessment Report on the state of Knysna Municipality's budget, containing the financial performance for the six-month period ending December 2024.

Section 54(1) of the MFMA requires from the Executive Mayor to perform appropriate actions following the receipt of this Report in order to ensure that the approved budget is implemented in accordance with the projections included in the Service Delivery and Budget Implementation Plan.

Should the Mid-year Budget Assessment Report necessitate adjustments to the original approved budget, Regulation 23(1) of the Municipal Budget and Reporting Regulations will require the Executive Mayor to table an adjustments budget in the Municipal Council no later than 28 February 2025.

The administration is currently in the process of preparing an adjustments budget. Based on the contents of this Report, it is recommended that the Executive Mayor table an adjustments budget in February 2025. The applicable Adjustments Budget Process Plan with tasks and time frames is attached to the item as Annexure A.

LULAMILE MAPHOLOBA
MUNICIPAL MANAGER

24 January 2025

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1. INTRODUCTION

1.1 Section 72(1) of the MFMA requires from the Accounting Officer of the Municipality to submit a mid-year budget assessment report to the Executive Mayor by 25 January of each year detailing the state of the Municipality's financial performance during the first half of the financial year based on the Section 71 reports submitted;

The Municipality's service delivery performance for the first half of the financial year taking into account the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan (SDBIP); and

Take into account the previous year's Annual Report and progress made on resolving problems identified in the Annual Report.

1.4 This report is a summary of the main concerns arising from the budget monitoring process. It compares the actual results against the budgeted revenue and expenditure for the first six months of the current financial year. The projections made is simply for assessment purposes and guide on possible adjustments.

2. HIGH LEVEL OPERATING BUDGET ASSESSMENT

2.1 Operating Revenue per Category

2.1.1 The high-level budget assessment of operating revenue (capital grants included) per category is presented in Table 1 below.

Table 1: High Level Summary of Operating Revenue per Category

Row Number	Description	2023/2024 Audited Outcome	Budget Year 2024/2025 Original Budget	Adjusted Budget	Year-To-Date Actual Revenue 31/12/2024	Actual Revenue as a % of Budgeted Revenue	Projected Revenue for the Year	Positive / (Negative) Variance (D to G)	Positive / (Negative) Variance %
Column Reference	A	B	C	D	E	F	G	H	I
1	Exchange Revenue / Service charges - Electricity	353,186,663	412,331,987	412,331,987	208,994,165	50.7%	403,233,482	-9,098,505	-2.2%
2	Exchange Revenue / Service charges - Water	97,875,649	94,868,006	94,868,006	50,706,352	53.4%	95,724,880	856,874	0.9%
3	Exchange Revenue / Service charges - Waste Water Management	30,709,117	34,280,675	34,280,675	19,855,849	57.9%	31,182,273	-3,098,402	-9.0%
4	Exchange Revenue / Service charges - Waste Management	30,810,450	35,003,989	35,003,989	23,671,982	67.6%	37,798,922	2,794,933	8.0%
5	Exchange Revenue / Sale of Goods and Rendering of Services	33,008,381	28,290,880	28,290,880	14,581,293	51.5%	29,089,698	798,818	2.8%
6	Exchange Revenue / Agency services	3,988,270	4,387,360	4,387,360	1,879,639	42.8%	3,860,166	-527,194	-12.0%
7	Exchange Revenue / Interest earned from Receivables	26,964,969	21,043,958	21,043,958	14,781,997	70.2%	30,072,442	9,028,484	42.9%
8	Exchange Revenue / Interest earned from Current and Non Current Assets	2,131,444	1,915,779	1,915,779	1,748,963	91.3%	4,076,949	2,161,170	112.8%
9	Exchange Revenue / Rental from Fixed Assets	7,390,489	7,745,922	7,745,922	4,356,460	56.2%	8,119,444	373,522	4.8%
10	Exchange Revenue / Licence and permits	134,136	100,295	100,295	254,226	253.5%	368,369	268,074	267.3%
11	Exchange Revenue / Operational Revenue	4,319,025	1,092,103	1,092,103	1,783,556	163.3%	2,895,570	1,803,467	165.1%
12	Non-Exchange Revenue / Property rates	311,885,850	336,224,732	336,224,732	210,909,064	62.7%	347,474,177	11,249,445	3.3%
13	Non-Exchange Revenue / Fines, penalties and forfeits	96,378,564	98,644,390	98,644,390	25,462,302	25.8%	87,735,451	-10,908,939	-11.1%
14	Non-Exchange Revenue / Licences or permits	1,399,998	1,525,706	1,525,706	779,535	51.1%	1,392,593	-133,113	-8.7%
15	Non-Exchange Revenue / Transfer and subsidies - Operational	144,436,490	164,365,348	183,612,600	113,661,484	61.9%	183,612,600	0	0.0%
16	Non-Exchange Revenue / Interest	10,687,133	10,822,859	10,822,859	5,567,162	51.4%	11,522,844	699,985	6.5%
17	Non-Exchange Revenue / Gains on disposal of Assets	53,144	1,000,000	1,000,000	0	0.0%	1,000,000	0	0.0%
18	Non-Exchange Revenue / Other Gains	988,991	0	0	916,010	0.0%	916,010	916,010	0.0%
19	Sub-Total	1,156,348,962	1,253,643,989	1,272,891,241	699,910,039	55.0%	1,280,075,870	7,184,629	0.6%
20	Transfers and Subsidies: Capital	64,893,999	65,521,652	65,521,652	21,641,021	33.0%	65,521,652	0	0.0%
21	Transfers and Subsidies: Donations	0	0	0	0	0.0%	0	0	0.0%
22	Grand Total	1,221,242,961	1,319,165,641	1,338,412,893	721,551,060	53.9%	1,345,597,522	7,184,629	0.5%

2.1.2 The year-to-date actual revenue (capital grants excluded) for the period ending 31 December 2024 amounted to R 699.9 million (Row 19 & Column E) and represents 55.0% (Row 19 & Column F) of the adjusted budgeted revenue of R 1.272 billion (Row 19 & Column D).

This performance is R34 million or 5.0% more than the R635.9 million reported in December 2023 which is in line with the CPI increase in the current year.

R 7.1 million (Row 15 & Column H) is projected as an overall operating revenue increase and will necessitate amendments in an adjustments budget.

2.1.3 Revenue (capital grants included) for the financial year projects an amount of R 1.345 billion (Row 22 & Column G) compared with the budgeted revenue of R 1.338 million (Row 22 & Column D) which translates to an overall increase of 0.5% projected.

2.1.4 Notable variances are as follows:

(a) Property Rates: A positive variance of R 11.2 million or 3.3% on Rates revenue additional is projected. The projected revenue is mainly to incorporate the revenue raised on Agricultural Properties that were billed Residential Rate and rebates issued to the only qualifying rate payers.
The increase will result in 11% increase in the 2023-24 audited amount of R311.8 million in Property Rates.

(b) Interest Earned from Receivables: A positive variance of R 9.0 million or 42.9% against the budget of R 21.0 million. Interest raised on outstanding debtors is already more that the YTD budget and 70.2% against the annual budget hence the projected increase

The projected revenue of R 30.0 million is 12% more than the 2023-24 audited actual revenue of R 26.9 million. This increase is a negative indicator of increasing outstanding debtors on a year to year. The long outstanding disputes by high debtors is one of the major causal factors. The municipality has embarked on the renewed legal efforts to ensure the resolution of this disputes in line with the policy and relevant legislation.

(c) Exchange Revenue / Interest earned from Current and Non-Current Assets: a positive variance of R2.1million or 112.8% against the budget of R1.9 million. The projected revenue of R4.0 million translates to 91% additional revenue anticipated mainly as a result of Investments invested from October 2024 that yields interest earned.

(d) Service charges –

- Waste Management: positive variance of R2.7 million or 8.0% against the budget of R35.0 million due to additional revenue raised through billing mainly on business commercial.
The projected revenue of R37.8 million is 23% more than the R30.8 million 2023-24 audited revenue.

- Electricity Revenue: A negative variance of R 9.0 million or -2.2% mainly on Domestic High Usage customers. There is a revenue decline in the revenue base of the electricity mainly as a result of customers converting to Small-Scale Embedded Generation SSEG.

Successful implementation of the SSEG approved tariff will be discussed with the system vendor in order to ensure that the tariffs are implemented to the successful customers.
Extensive cost of supply study will be performed by June 2024 to determine Cost reflective tariff and reduction in number of electrical tariffs as NERSA advised.
The projected revenue of R 403.2 million is 14% more than the R 353.1 million for the 2023/2024 audited outcome.

- Waste Water Management: a negative variance of R3.0 million or 9.0% against the budget of R 34.2 million. The projected revenue of 31.1 million is 2% more than the 2023/2024 audited outcome of R 30.7 million.

– Water: a positive variance R856 thousand or 0.9% against R94.8 million budget. Though the variance is immaterial there are possible reduction of R6 million to be adjusted downward on Domestic customers and increase of 70% above annual Water Rebates budget that are issued to qualifying indigent customer.

(e) Fines, penalties and forfeits: a negative variance of R 10.9 million or 11.1% against the budget of R98.6 million. The projected revenue of R87.7 million is 9% less than the R96.3 million 2023/2024 audited outcome.
The Fines adjustments will be confirmed with the January section 71 monthly reporting which will be after the festive season to determine need for downward adjustments.

(f) Exchange Revenue / Operational Revenue: a positive variance of R1.8 million or 165.1% against R1.0 million budget. The projected revenue of R2 .8 million is a reduction of 33% against R4.3 million audited figure of 2023/2024.

The reduction of revenue will be done on the Collection and deposits forfeited for breaking municipal facilities. This must be Zero-based going forward as no income recognised compared to 2023/2024.

(i)

(j) There will be an overall downward adjustment of R6.0 million on Provincial Government Grants receipts in the February Adjustments budget mainly on the

Housing Grant Sedgefield Infill - Informal Settlements Upgrading Partnership as well as the Title Deeds Restoration Projects.

The Water Resilient Grant as well as Finance Management Capacity Grant will receive an additional R1 million and R575 thousand respectively as depicted in the table below. The additional Capacity Grant is to assist with the development of the Cost of Supply Study of the Main Services:

GRANT ADJUSTMENTS	Ogirinal	Adjustment	Adjusted Budget
WC Financial Man Capacity Grant	150,000	575,000	725,000
Human Settlement Dev Grant (Beneficiaries)	29,880,000	- 6,756,000	23,124,000
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	130,000	- 50,000	80,000
Title Deeds Restoration Grant	828,000	- 828,000	-
Water Resilience Grant	8,136,000	1,000,000	9,136,000
TOTAL	**39,124,000**	**- 6,059,000**	**33,065,000**

2.1.5 It is evident from the projected revenue amounts and the additional grant allocations that an adjustments budget needs to be prepared and tabled in Council.

2.2 Operating Expenditure per Category

2.2.1 The high-level budget assessment of operating expenditure per category is presented in Table 2 below.

Table 2: High Level Summary of Operating Expenditure per Category									
			Budget Year 2024/2025						
Row Number	Description	2023/2024 Audited Outcome	Original Budget	Adjusted Budget	Year-To-Date Actual Expenditure 31/12/2024	Actual Expenditure as a % of Budgeted Expenditure	Projected Expenditure for the Year	Positive / (Negative) Variance (D to G)	Positive / (Negative) Variance %
Column Reference	A	B	C	D	E	F	G	H	I
1	Expenditure / Employee related costs	323,927,206	325,141,735	324,401,735	159,831,002	49.3%	330,646,731	6,244,996	1.9%
2	Expenditure / Remuneration of councillors	9,821,279	11,003,414	11,003,414	4,971,110	45.2%	9,927,920	-1,075,494	-9.8%
3	Expenditure / Bulk purchases - electricity	284,632,503	318,560,364	318,560,364	151,822,955	47.7%	321,318,043	2,757,679	0.9%
4	Expenditure / Inventory consumed	53,277,570	59,983,466	58,663,866	15,500,189	26.4%	48,304,317	-10,359,549	-17.7%
5	Expenditure / Dept Impairment	172,248,504	165,600,503	165,600,503	94,837,246	57.3%	165,600,503	0	0.0%
6	Expenditure / Depreciation and amortisation	53,166,891	58,383,147	58,383,147	23,949,497	41.0%	58,383,147	0	0.0%
7	Expenditure / Interest	41,587,481	34,930,633	34,930,633	21,648,577	62.0%	34,930,633	0	0.0%
8	Expenditure / Contracted services	155,306,801	170,937,633	171,159,733	62,729,106	36.6%	143,209,586	-27,950,147	-16.3%
9	Expenditure / Transfers and subsidies	1,118,248	1,122,870	20,372,722	711,665	3.5%	21,583,780	1,211,058	5.9%
10	Expenditure / Irrecoverable debts written off	0	1,298,772	1,298,772	0	0.0%	1,298,772	0	0.0%
11	Expenditure / Operational costs	84,365,234	81,766,271	83,601,171	42,526,975	50.9%	82,855,463	-745,708	-0.9%
12	Expenditure / Other Losses	2,816,107	0	0	7,694,368	0.0%	7,694,368	7,694,368	0.0%
13	Grand Total	1,182,267,823	1,228,728,808	1,247,976,060	586,222,688	47.0%	1,225,753,265	-22,222,795	-1.8%

2.2.2 The year-to-date actual expenditure as at 31 December 2024 amounted to R 586.2 million (Row 13 & Column E) and represents 47.0% (Row 13 & Column F) of the adjusted budgeted expenditure of R 1,247 billion (Row 13 & Column D).

The total operating expenditure performance is R115.0 million or 24.0% more than the R 471.1 million reported in December 2023 which is above the CPI increase in the current year. This is mainly on Electricity Bulk Purchases, Debt Impairment, Interest and Operational Cost.

An overall increase of R 22.2 million (Row 13 & Column H) of the operating surplus is projected by year-end and will necessitate amendments in an adjustments budget.

2.2.3 Operating expenditure projects an amount of R43.8 million or 3.7% escalation to R 1.225 billion (Row 13 & Column G) compared to the audited actual expenditure of R 1.182 billion (Row 13 & Column B.
This increase is in line with the inflationary trajectory.

2.2.4 Notable variances are as follows:

(a) <u>Employee Related Costs</u>: A negative variance of R 6.2 million or 1.9% is noted mainly as a result of additional funds required on all these variable costs: overtime, stand-by, acting and scarce allowance as depicted in table 2.1 below. The projected expenditure of R 330.6 million is 1.9% more than the adjusted budget of R324.4 million. However the expenditure is line with the 2023/2024 audited actual expenditure of R323.9 million taking into account that we have also applied the general wage increases as approved by the Bargaining Council.

Although the projected expenditure is in line with the audit actual expenditure concern is raised that those Employee cost that resulted in savings as a result of some resignations and vacancies should have reflected a saving. This is not the case as it is consumed by employee related allowances such as acting. Additional responsibility, standy and overtime. The projected over expenditure of the salaries variance costs has a negative impact on a total salary budget of the vacant post of which the impact will have to be addressed with the February adjustments budget.

Table 2.1: Employee Related Operating Expenditure per Sub-Category

Row Number	Description	2023/2024 Audited Outcome	Budget Year 2024/2025 Original Budget	Adjusted Budget	Year-To-Date Actual Revenue 31/12/2024	Actual Revenue as a % of Budgeted Revenue	Projected Revenue for the Year	Positive / (Negative) Variance (D to G)	Positive / (Negative) Variance %
Column Reference	A	B	C	D	E	F	G	H	I
1	Acting and Post Related Allowances	2,994,533	1,301,263	1,356,763	1,136,088	83.7%	2,800,301	1,443,538	106.4%
2	Bargaining Council	85,485	87,835	87,835	44,920	51.1%	90,234	2,399	2.7%
3	Basic Salary	5,496,483	7,089,161	7,089,161	2,496,091	35.2%	5,152,452	-1,936,709	-27.3%
4	Basic Salary and Wages	179,763,223	189,030,188	188,474,688	93,950,152	49.8%	187,961,129	-513,559	-0.3%
5	Bonus	13,802,469	14,688,798	14,688,798	14,002,942	95.3%	14,003,970	-684,828	-4.7%
6	Bonuses	-290,089	489,099	489,099	60,000	12.3%	60,000	-429,099	-87.7%
7	Cellular and Telephone	20,615	221,800	221,800	0	0.0%	0	-221,800	-100.0%
8	Current Service Cost	2,051,913	0	0	0	0.0%	0	0	0.0%
9	Expected return on Plan Assets/Reimbursement R	2,052	0	0	0	0.0%	0	0	0.0%
10	Fire Brigade	1,344,427	157,200	157,200	600,141	381.8%	1,291,920	1,134,720	721.8%
11	Group Life Insurance	4,939,237	5,447,770	5,447,770	2,621,601	48.1%	5,246,921	-200,849	-3.7%
12	Housing Benefits	823,649	749,435	749,435	389,866	52.0%	848,548	99,113	13.2%
13	Interest Cost	12,740,000	12,740,000	12,740,000	0	0.0%	12,740,000	0	0.0%
14	Leave Pay	3,086,568	1,531,397	1,531,397	765,714	50.0%	1,531,428	31	0.0%
15	Long Service Award	1,486,000	2,302,000	2,302,000	0	0.0%	2,302,000	0	0.0%
16	Medical	13,778,733	17,077,653	17,077,653	6,969,979	40.8%	13,863,430	-3,214,223	-18.8%
17	Night Shift	1,385,793	1,046,542	1,046,542	587,907	56.2%	1,421,561	375,019	35.8%
18	Non Structured	11,342,141	6,326,844	6,826,844	4,108,039	60.2%	10,726,972	3,900,128	57.1%
19	Non-pensionable	128,281	0	0	0	0.0%	0	0	0.0%
20	Pension	30,823,564	33,090,810	33,090,810	16,019,825	48.4%	32,232,576	-858,234	-2.6%
21	Rental Subsidy	1,831,243	2,048,505	2,048,505	746,422	36.4%	1,644,879	-403,626	-19.7%
22	Scarcity	0	0	0	0	0.0%	0	0	0.0%
23	Scarcity Allowance	1,922,733	1,630,100	1,630,100	1,597,641	98.0%	2,888,905	1,258,805	77.2%
24	Shift Additional Remuneration	3,675,506	4,016,099	4,016,099	1,548,293	38.6%	3,734,667	-281,432	-7.0%
25	Standby Allowance	7,744,065	4,100,386	4,100,386	3,351,593	81.7%	8,665,458	4,565,072	111.3%
26	Structured	11,287,600	7,661,529	7,661,529	3,985,181	52.0%	10,454,273	2,792,744	36.5%
27	Travel or Motor Vehicle	8,910,294	9,047,634	9,047,634	4,066,166	44.9%	8,458,364	-589,270	-6.5%
28	Unemployment Insurance	2,749,434	3,259,159	2,519,159	782,177	31.0%	2,526,215	7,056	0.3%
29	Uniform/Special/Protective Clothing	1,257	528	528	264	50.0%	528	0	0.0%
	Grand Total	323,927,206	325,141,735	324,401,735	159,831,002	49.3%	330,646,731	6,244,996	1.9%

The above table depicts the impact of human resources policies which the various allowances. The municipality has already started the re-assessment of these policies to ensure that they add value to the municipality.

(b) Expenditure / Contracted services: A negative variance of R 27.9 million or 16.3% on various expenditure such as Legal Services, Security Services, Electrical Infrastructure Maintenance and other, due to under expenditure of these sub-items.

Expenditure is currently at 36.6% against adjusted budget.

(c) Expenditure/ Inventory Consumed: A negative variance of R 10.3 million or -17.7% mainly on fuel cost as well as water Chemicals. There was an over budget estimation on Water Chemical budget and viremented to Hire Charges for hiring of Honey Sucker and Vacuum trucks. where necessary the funds will be aligned correction through to address over expenditure.

(d) Expenditure / Bulk purchases - Electricity: a negative variance of R2.7 million or 0.9% due to possible over expenditure by year-end.
The below table depicts the fluctuation of kWh units and Eskom Cost from one month to the other when comparing Dec 2023 to Dec 2024 as well as a reduction on of MVA units by 64,654 at a higher cost when comparing to 2023 monthly purchases.
This was communicated with the Electrical Department that it be investigated immediately as adjustments will be made in the February budget.

ESKOM Summary of All Municipal Accounts					
Month/Year 2023/2024	**Total kWh**	**Total MVA**		**Total Cost Excld VAT**	**Variance %**
JUL 2023	14,588,230	45,658.87	R	34,974,104.96	18.36
AUG	13,732,170	39,796.40	R	34,239,536.04	7.67
SEPT	12,233,669	44,192.69	R	19,954,687.75	20.13
OCT	13,408,805	36,536.08	R	21,040,222.27	24.21
NOV	11,743,043	38,402.67	R	18,918,565.87	13.84
DEC	13,848,252	36,416.38	R	20,999,189.03	25.46
DEC TOTAL	79,554,169	241,003.09	R	150,126,305.92	16.75
JAN 2024	12,979,348	39,932.62	R	20,446,208.01	26.36
FEB	11,405,614	38,383.83	R	18,369,337.50	23.06
MAR	13,137,994	36,445.03	R	20,154,435.26	19.01
APRIL	13,306,680	28,629.62	R	20,716,022.65	33.36
MAY	13,704,455	28,832.48	R	21,427,147.78	29.14
JUN	14,028,945	31,149.98	R	33,235,345.10	11.65
Totals	**158,117,205**	**444,376.65**		**284,474,802**	

Month/Year 2024/2025	**Total kWh**	**Total MVA**		**Total Cost Excld VAT**	**Variance %**
JUL 2024	15,159,651	32,770.40	R	42,764,732.27	22.28
AUG	14,608,962	33,212.17	R	40,035,008.49	16.93
SEPT	13,607,058	29,795.00	R	23,561,924.79	18.08
OCT	13,105,631	27,209.00	R	23,089,058.89	9.74
NOV	12,591,440	25,458.63	R	22,061,443.81	16.61
DEC	14,167,976	27,904.39	R	23,758,436.37	13.14
Totals	83,240,718	176,349.59		175,270,604.62	
	3,686,549	-64,654			

(e) Other Losses reflects R7.6 million adjustments in order to correct the Supply Chain Management Inventory Stock Journals. It is evident from the projected expenditure amounts and the additional/amended grant allocations that an adjustments budget needs to be prepared and tabled in Council.

2.3 Operating Revenue and Expenditure Summary

2.3.1 The high-level budget assessment of operating revenue (capital grants included) and operating expenditure is presented in Table 3 below.

Table 3: High Level Summary of Operating Revenue and Expenditure

Row Number	Description	2023/2024 Audited Outcome	Budget Year 2024/2025 Original Budget	Adjusted Budget	Year-To-Date Actual Revenue / Expenditure 31/12/2024	Actual Revenue / Expenditure as a % of Budgeted Revenue	Projected Revenue/ Expenditure for the Year	Positive / (Negative) Variance (D to G)	Positive / (Negative) Variance %
Column Reference	A	B	C	D	E	F	G	H	I
1	Total Operating Revenue	1,156,348,962	1,253,643,989	1,272,891,241	699,910,039	55.0%	1,280,075,870	7,184,629	0.6%
2	Total Operating Expenditure	1,182,267,823	1,228,728,808	1,247,976,060	586,222,688	47.0%	1,225,753,265	22,222,795	1.8%
3	Operating Surplus / (Deficit)	-25,918,860	24,915,181	24,915,181	113,687,350	456.3%	54,322,605	29,407,424	118%
4	Capital Grants	64,893,999	65,521,652	65,521,652	21,641,021	33.0%	65,521,652	-	0.0%
5	Surplus / (Deficit) for the Year	38,975,138	90,436,833	90,436,833	135,328,372	149.6%	119,844,257	29,407,424	32.5%

2.3.2 Total operating revenue (capital grants excluded) for the financial year under review projects a positive variance of R 7.1 million (Row 1 & Column H) Excluding the Provincial Grants gazette received in the current year.

Total operating expenditure also projects a positive variance of R 22.2 million (Row 2 & Column H) that will result in an increase of accumulated Operating Surplus of R 29.4 million (Row 3 & Column H).

2.3.3 The current adjustments budget reflects an operating surplus (capital grants excluded) of R 24.9 million (Row 3 & Column D). this was reserved to fund Capital expenditure funded through Capital Replacement Reserve.

2.3.4 The current adjustments budget reflects an increase in the overall surplus (capital grants included) of R 90.4 million (Row 5 & Column D) compared with the projected overall surplus of R 119.8 million (Row 5 & Column G).

2.4 Cash Flow Summary

Knysna Municipality Monthly cash flow -							
Monthly cash flows	**Adjusted Budget**	**YTD Budget**	**YTD Actual**	**YTD Variance**	**Annual Variance**	**YTD Variance %**	**Annual Variance %**
Column Reference	**A**	**B**	**C**	**D**	**E**	**F**	**G**
Cash Receipts By Source							
Property rates	360,760,935	282,860,745	194,638,715	88,222,030	166,122,220	68.8%	54.0%
Service charges - electricity revenue	404,542,038	195,866,198	220,787,491	- 24,921,293	183,754,547	112.7%	54.6%
Service charges - water revenue	86,051,301	50,826,504	40,916,442	9,910,062	45,134,859	80.5%	47.5%
Service charges - sanitation revenue	29,422,053	21,458,792	16,042,112	5,416,680	13,379,941	74.8%	54.5%
Service charges - refuse	29,806,797	14,836,262	18,403,660	- 3,567,398	11,403,137	124.0%	61.7%
Rental of facilities and equipment	8,785,005	4,421,302	3,119,775	1,301,527	5,665,230	70.6%	35.5%
Interest earned - external investments	1,915,779	1,018,447	947,504	70,943	968,275	93.0%	49.5%
Interest earned - outstanding debtors	-	-	-	-	-	0.0%	0.0%
Dividends received	-	-	-	-	-	0.0%	0.0%
Fines, penalties and forfeits	30,478,677	14,342,448	12,446,735	1,895,713	18,031,942	86.8%	40.8%
Licences and permits	1,869,901	715,083	14,040,968	- 13,325,885	- 12,171,067	1963.5%	750.9%
Agency services	5,045,464	2,030,454	735,339	1,295,115	4,310,125	36.2%	14.6%
Transfers and Subsidies - Operational	188,630,435	105,400,937	112,772,035	- 7,371,098	75,858,400	107.0%	59.8%
Other revenue	107,940,818	103,422,407	39,745,487	63,676,920	68,195,331	38.4%	36.8%
Cash Receipts by Source	**1,255,249,203**	**797,199,579**	**674,596,263**	**122,603,316**	**580,652,940**	**84.6%**	**53.7%**
Other Cash Flows by Source							
Transfers and subsidies - capital (monetary allocatio	65,521,652	28,140,987	27,008,000	1,132,987	38,513,652	96.0%	41.2%
Transfers and subsidies - capital (monetary allocatio	-	-	-	-	-	0.0%	0.0%
Proceeds on Disposal of Fixed and Intangible Assets	1,000,000	424,241	-	424,241	1,000,000	0.0%	0.0%
Short term loans	-	-	-	-	-	0.0%	0.0%
Borrowing long term/refinancing	-	-	-	-	-	0.0%	0.0%
Increase (decrease) in consumer deposits	-	-	2,095,477	- 2,095,477	- 2,095,477	0.0%	0.0%
VAT Control (receipts)	632,034	465,647	2,103,640	- 1,637,993	- 1,471,606	451.8%	332.8%
Decrease (increase) in non-current receivables	632,034	465,647	2,103,640	- 1,637,993	- 1,471,606	451.8%	332.8%
Decrease (increase) in non-current investments	-	-	-	-	-	0.0%	0.0%
Total Cash Receipts by Source	**1,323,034,923**	**826,696,101**	**707,907,020**	**118,789,081**	**615,127,903**	**85.6%**	**53.5%**
Cash Payments by Type							
Employee related costs	- 336,145,149	168,934,201	255,207,036	- 86,272,835	- 591,352,185	151.1%	-75.9%
Remuneration of councillors	-	-	4,971,110	- 4,971,110	- 4,971,110	0.0%	0.0%
Finance charges	- 34,930,633	17,465,330	21,603,386	- 4,138,056	- 56,534,019	123.7%	-61.8%
Bulk purchases - Electricity	- 366,344,419	81,629,767	184,837,095	-103,207,328	- 551,181,514	226.4%	-50.5%
Acquisitions - water & other inventory	- 62,224,175	25,237,345	11,333,286	13,904,059	- 73,557,461	44.9%	-18.2%
	-	-	-	-	-	0.0%	0.0%
Contracted services	- 195,267,878	59,014,130	85,053,416	- 26,039,286	- 280,321,294	144.1%	-43.6%
Transfers and grants - other municipalities	-	-	-	-	-	0.0%	0.0%
Transfers and grants - other	-	-	-	-	-	0.0%	0.0%
Other expenditure	- 92,785,477	35,373,646	137,583,570	-102,209,924	- 230,369,047	388.9%	-148.3%
Cash Payments by Type	**-1,087,697,731**	**387,654,419**	**700,588,899**	**-312,934,480**	**-1,788,286,630**	**180.7%**	**-64.4%**
Other Cash Flows/Payments by Type							
Capital assets	95,158,766	- 45,765,187	35,399,787	- 81,164,974	59,758,979	-77.4%	37.2%
Repayment of borrowing	- 50,503,435	25,251,720	30,933,842	- 5,682,122	- 81,437,277	122.5%	-61.3%
Other Cash Flows/Payments	- 81,464,216	81,464,216	1,191,100	80,273,116	- 82,655,316	1.5%	-1.5%
Total Cash Payments by Type	**-1,124,506,616**	**448,605,168**	**768,113,628**	**-319,508,460**	**-1,892,620,244**	171.2%	-68.3%
NET INCREASE/(DECREASE) IN CASH HELD	**198,528,307**	**378,090,933**	**- 60,206,608**	**438,297,541**	**258,734,915**	-15.9%	-30.3%
Cash/cash equivalents at the month/year beginning:	**- 17,626,223**	**200,547,215**	**105,082,086**	**95,465,129**	**- 122,708,309**	52.4%	-596.2%
Cash/cash equivalents at the month/year end:	**180,902,084**	**578,638,148**	**44,875,478**	**533,762,670**	**136,026,606**	7.8%	24.8%

2.4.1 Total budgeted cash flow collection/revenue as depicted above for the six months ending 31 December 2024 was projected at R826.6 million whereas the cash collected during the same period was R707.9 million this resulted in cash shortfall of **R118.8 million**. The main reason for the cash shortfall for the first six months is as a result of change in rate[ayers payment behavious particular relating to rates. In previous year ratepayers use to pay they rates upfront at the beginning of the financial year and have now reverted back to monthly payments. We anticipate that this shortfall will be reocovered in the second half of the year.

The water and sanitation services revenu has also under performed hence we have embarked on the smart metering project through the National Treasury RT 29 transversal contract to ensure upfront payment will be received for water and electricity. We are also strengthening our debt collection process to ensure we will improve on this. One of the measures is to collect payment from this services through the purchasing of prepaid electricity.

2.4.2 During this budget period and the finalisation of the of the adjustments budget, detail analysis will be performed on the projected income of the billings and annual collections in order to have realistic assumptions.

2.4.3 The monthly cash flow figures were not comparable with prior year figures due to funding guide of various funding sources linked to non-funding transactions. This resulted in many cash related transactions not pulling through the Cash Flow.

2.4.4 The Balance Sheet and Cash Flow budget as per NT requirement, to be calculated directly from the system, the system automatically calculated the monthly cash flows

3. HIGH LEVEL CAPITAL BUDGET ASSESSMENT

3.1 Capital Expenditure per Directorate

3.1.1 Council originally approved a capital budget of R 88.8 million (Row 9 & Column C) for the 2023/2024 financial year, as presented in Table 4 below. Council subsequently approved a Roll-Over Adjustments budget in August 2024 resulting in an increase to R 95.1 million (Row 9 & Column D).

Table 4: High Level Capital Budget per Directorate

Row Number	Directorate	2023/2024 Unaudited Outcome	Budget Year 2024/2025						
			Original Budget	Adjusted Budget	Year-to-Date Actual Expenditure 31/12/2024	Actual Expenditure as a % of Adjusted Budget (D to E)	Projected Expenditure for the Year	Positive / (Negative) Variance (D to G)	Positive / (Negative) Variance %
Column Reference	A	B	C	D	E	F	G	H	I
1	Vote 1 - Executive and Council	0	10,000	10,000	0	0.0%	10,000	0	0.0%
2	Vote 2 - Corporate Services	381,603	2,800,000	2,835,000	116,690	4.1%	2,835,000	0	0.0%
3	Vote 3 - Financial Services	130,415	11,130	11,130	0	0.0%	11,130	0	0.0%
4	Vote 5 - Planning and development	0	0	0	15,000	0.0%	0	0	0.0%
5	Vote 6 - Community Services	4,167,570	12,831,435	16,587,026	4,629,982	0.0%	16,587,026	0	0.0%
6	Vote 7 - Electrical Services	44,953,075	17,704,348	17,775,963	253,579	1.4%	17,775,963	0	0.0%
7	Vote 8 - Technical Services	39,886,133	44,561,670	47,039,647	21,823,502	46.4%	47,039,647	0	0.0%
8	Vote 9 - Housing Services	436,871	10,900,000	10,900,000	1,781,218	16.3%	2,900,000	8,000,000	73.4%
9	Grand Total	89,955,667	88,818,583	95,158,766	28,619,971	30.1%	87,158,766	8,000,000	8.4%

3.1.2 Actual capital expenditure during the first six months of the 2024/2025 financial year (capital commitments excluded) equates to R28.6 million (Row 9 & Column E) or 30.1% against the Adjusted Budget of R95.1 million.

3.1.3 Actual (R21.0 million) and committed capital expenditure (R13.6 million) amounts to R42.3 million or 44.5% of the capital expenditure adjustments budget of R 95.1 million.

3.1.4 R6.3 million of the unspent borrowings from the R25 million Standard Bank loan taken up in 2023-24 was rolled over to the current year to continue with the progress of the implementation of the projects already started.

3.1.5 Capital reduction will adjust the budget to R87.1 million projected (Row 9 & Column G) and this is mainly to reduce the Housing Grant already reduced by the Provincial Housing Department. There will also be an additional R1 million for the acquisition of water Pump received through the Water Resilient Grant.

There are projects funded through internal funds such as the Establishment of the Municipal Court as well as the Fencing at Water Waste Water infrastructure facilities, will not take place in the current year, these will be addressed through an adjustments budget with the Service Departments

The projected budget is R2.7 million or 3.1% less than the audited outcome of R89.9 million is a concern for the municipality as it reflects that projects are not implemented according to approved business plans that results in losing of well needed capital funding to ensure effective service delivery.

3.2 Capital Expenditure per Funding Source

3.2.1 Table 5 below depicts the same financial information contained in Table 4 above, however Table 5 categorises the capital expenditure by funding source.

Table 5: High Level Capital Budget per Funding Source

Row Number	Funding Source	2023/2024 Unaudited Outcome	Budget Year 2024/2025 Original Budget	Adjusted Budget	Year-to-Date Actual Expenditure 31/12/2024	Actual Expenditure as a % of Adjusted Budget (D to E)	Projected Expenditure for the Year	Positive / (Negative) Variance (D to G)	Positive / (Negative) Variance %
Column Reference	A	B	C	D	E	F	G	H	I
1	National Government Grant	67,203,959	55,121,653	55,121,653	21,576,324	39.1%	55,121,653	0	0.0%
2	Provincial Government Grant	471,654	10,400,000	10,400,000	1,368,538	0.0%	2,400,000	8,000,000	0.0%
5	Borrowings	14,509,410	0	6,340,183	1,488,750	23.5%	6,340,183	0	0.0%
6	Internally Generated Funds	7,770,644	23,296,930	23,296,930	4,186,359	18.0%	23,296,930	0	0.0%
7	Grand Total	89,955,667	88,818,583	95,158,766	28,619,971	30.1%	87,158,766	8,000,000	8.4%

3.2.2 The spending patterns of the funding sources are discussed below:

(a) National Government Grants: Actual expenditure amounts to R 21.5 million (Row 1 & Column E) or 39.1% (Row 1 & Column F) of the budgeted amount of R 55.1 million (Row 1 & Column D).
Actual (R15.7 million) and committed capital expenditure (R7.5 million amounts to R 29.1 million or 52.9% of the capital expenditure adjustments budget of R 55.1 million.
There has been communication issued of possible reduction of MIG as well as Disaster Grant that were not spent as a result of poor spending compared to milestones submitted. correspondences were prepared in response to the reduction letters by the National Treasury and were approved, revised DBIP will be submitted to MIG office and Council for approval.

(b) Provincial Grant: Provincial Government Grants Gazette was received. This will mainly adjust the capital grants downward specifically the Sedgefield Infill - Informal Settlements Upgrading Partnership as well as the Title Deeds Restoration Projects.

The Water Resilient Grant as well as Finance Management Capacity Grant will receive an additional R1 million and R575 thousand respectively as depicted in the table below in order to assist with the development of the Cost of Supply Study of the Main Services.

(c) External Borrowings: There are no borrowings committed to be taken-up in the current year instead R6.3 million was rolled over from the 2023-34 unspent portion for the continuation of the projects commenced late last year-year.

Actual expenditure amounts to R 1.4 million (Row 5 & Column E) or 23.5% (Row 5 & Column F) of the budgeted amount of R 6.3 million (Row 5 & Column D).

The budget and expenditure will be transferred to internal through a journal and budget with the adjustments budget to Internal funds as the loan was taken-up during 2023-24 already and the balance should be regarded as CRR.

(d) Internally Generated Funds: Actual expenditure amounts to R 4.1 million (Row 6 & Column E) or 18.0% (Row 6 & Column F) of the budgeted amount of R 23.9 million (Row 6 & Column D).
Actual (R4.1 million) and committed capital expenditure (R5.2 million) amounts to R 9.4 million or 40.4% of the capital expenditure adjustments budget of R 23.2 million as per the Monthly and Quarterly Budget Statement (Sections 71 and 52 of the MFMA) as at 31 December 2024.

4. 2023/2024 DRAFT ANNUAL REPORT

4.1 Submission of 2023/2024 Draft Annual Report

4.1.1 As legislated, Knysna Municipality submitted the Unaudited Annual Financial Statements for the 2023/2024 financial year to the Auditor-General of South Africa on 31 August 2024. By November 2024 re-statements were produced and submitted to AG for the changes and the Audit outcome from the AGSA on Knysna audited financials was an Unqualified Audit opinion with findings.

4.1.2 AG has audited the Annual Report and currently has sent back to the Municipality request for changes and confirmation in some data and tables that forms part of the Annual Report. This exercise should be completed by 17 January 2025.

4.1.3 the below table The below table is an extract from the Annual Report on AG's summary of problems identified by AG during audit

COMPONENT B: AUDITOR-GENERAL OPINION OF THE 2022/2023 ANNUAL FINANCIAL STATEMENTS AND OTHER MATTERS

6.2 AUDITOR GENERAL REPORT FOR 2022/2023

6.2.1 Annual Financial Statements: 2022/2023

Auditor-General Report on 2022/2023 Financial Performance	
Audit Report Status	**Qualified Audit Opinion**
Material Non-Compliance Issues	**Remedial Action Taken**
The AG identified non-compliance as follows: Section 122 (1) of the MFMA Section 62(1)(d) of the MFMA Section 65(2)(e) of the MFMA Section 64(2)(e) of the MFMA Section 63(2)(c) of the MFMA SCM regulation 17(1)(a) and (c) SCM regulation 19(a) SCM regualation 36(1) SCM regulation 43	- The population of the OPCAR document to monitor remedial actions to address all findings. - Improvement of internal controls - Improvement of record keeping - Review and monitor compliance with applicable legislation

6.2.2 Annual Performance Report and Other Matters: 2022/2023

Auditor-General Report on 2022/2023 Other Matters	
Description	**Conclusion**
Annual Performance Report	No material findings on the usefulness and reliability of pre-determined objectives
Compliance with Legislation	Non-compliance with Legislation as follows: Section 122 (1) of the MFMA Section 62(1)(d) of the MFMA Section 65(2)(e) of the MFMA Section 64(2)(e) of the MFMA Section 63(2)(c) of the MFMA SCM regulation 17(1)(a) and (c) SCM regulation 19(a) SCM regualation 36(1) SCM regulation 43

It was recommended that management to strengthen monitoring, controls and oversight, in an attempt to avert to clean audit opinion. Coupled with this, strict Consequence Management has to be implemented.

4.2 2023/2024 Operating Budget Results

4.2.1 2023/2024 Operating Revenue Results

4.2.1.1 Table 6 below depicts the audited revenue results for the 2023/2024 financial year:

Table 6: Audited Revenue for the 2023/2024 Financial Year

Row Number	Description	Final Budget	Audited Actual Revenue	% of Budgeted Revenue	Positive / (Negative) Variance (B to C)	Positive / (Negative) Variance % (B to C)
Column Reference	A	B	C	D	E	F
1	Exchange Revenue / Service charges - Electricity	358,549,554	353,186,663	98.5%	-5,362,891	-1.5%
2	Exchange Revenue / Service charges - Water	89,582,630	97,875,849	109.3%	8,293,219	9.3%
3	Exchange Revenue / Service charges - Waste Water Management	32,370,798	30,709,117	94.9%	-1,661,681	-5.1%
4	Exchange Revenue / Service charges - Waste Management	31,413,434	30,810,450	98.1%	-602,984	-1.9%
5	Exchange Revenue / Sales of Goods and Rendering of Services:Sale of Goods	38,601,582	33,008,381	85.5%	-5,593,201	-14.5%
6	Exchange Revenue / Agency services	4,032,719	3,988,270	98.9%	-44,449	-1.1%
7	Exchange Revenue / Interest earned from Receivables	21,043,958	26,964,969	128.1%	5,921,011	28.1%
8	Exchange Revenue / Interest earned from Current and Non Current Assets	1,826,291	2,131,444	116.7%	305,153	16.7%
9	Exchange Revenue / Rental from Fixed Assets	7,413,022	7,390,489	99.7%	-22,533	-0.3%
10	Exchange Revenue / Licence and permits	96,349	134,136	139.2%	37,787	39.2%
11	Exchange Revenue / Operational Revenue	6,598,156	4,319,025	65.5%	-2,279,131	-34.5%
12	Non-Exchange Revenue / Property rates	313,942,594	311,885,850	99.3%	-2,056,744	-0.7%
13	Non-Exchange Revenue / Fines, penalties and forfeits	99,090,019	96,378,564	97.3%	-2,711,455	-2.7%
14	Non-Exchange Revenue / Licences or permits	1,742,814	1,399,998	80.3%	-342,816	-19.7%
15	Non-Exchange Revenue / Transfer and subsidies - Operational	151,320,558	144,436,490	95.5%	-6,884,068	-4.5%
16	Non-Exchange Revenue / Interest	10,604,918	10,687,133	100.8%	82,215	0.8%
17	Non-Exchange Revenue / Gains on disposal of Assets	500,000	53,144	10.6%	-446,856	-89.4%
18	Non-Exchange Revenue / Other Gains	-	988,991	0.0%	988,991	0.0%
19	Sub-Total	1,168,729,396	1,156,348,962	98.9%	-12,380,434	-1.1%
20	Non-Exchange Revenue / Transfers and subsidies - capital (monetary allocations)	84,014,681	64,893,999	77.2%	-19,120,682	-22.8%
21	Donated Assets	-	-	0.0%	0	0.0%
22	Grand Total	1,252,744,077	1,221,242,961	97.5%	-31,501,116	-2.5%

4.2.1.2 The actual revenue (including capital grants) for the year under review amounted to R 1.221 billion (Row 22 & Column C) and compared with the budget of R 1.252 billion (Row 22 & Column B), resulted in a negative variance of R 31.5 million (Row 22 & Column E).

4.2.1.3 The main contributors towards the negative variance is the R19.1 million under Transfers and Subsidies Capital; R6 million in Transfers and Subsidies Operational; Sales of Goods and Rendering of Services: Sale of Goods mainly relates to the Operating Human Settlement Grant recognised as Construction revenue; as well as R5.3 million under Service charges - Electricity

4.2.2 2023/2024 Operating Expenditure Results

4.2.2.1 Table 7 below depicts the audited operating expenditure results for the 2023/2024 financial year:

Table 7: Unaudited Operating Expenditure for the 2023/2024 Financial Year						
Row Number	Description	Final Budget	Unaudited Actual Expenditure	% of Budgeted Expenditure	Positive / (Negative) Variance (B to C)	Positive / (Negative) Variance % (B to C)
Column Reference	A	B	C	D	E	F
1	Expenditure / Employee related costs	313,289,507	323,927,206	103.4%	-10,637,699	-3.4%
2	Expenditure / Remuneration of councillors	10,454,233	9,821,279	93.9%	632,954	6.1%
3	Expenditure / Bulk purchases - electricity	282,612,104	284,632,503	100.7%	-2,020,399	-0.7%
4	Expenditure / Inventory consumed	53,791,656	53,277,570	99.0%	514,086	1.0%
5	Expenditure / Debt impairment	169,614,791	172,248,504	101.6%	-2,633,713	-1.6%
6	Expenditure / Depreciation and amortisation	58,131,672	53,166,891	91.5%	4,964,781	8.5%
7	Expenditure / Interest	37,564,791	41,587,481	110.7%	-4,022,690	-10.7%
8	Expenditure / Contracted services	161,960,799	155,306,801	95.9%	6,653,998	4.1%
9	Expenditure / Transfers and subsidies	2,146,588	1,118,248	52.1%	1,028,340	47.9%
10	Expenditure / Irrecoverable debts written off	1,783,929	-	0.0%	1,783,929	100.0%
11	Expenditure / Operational costs	76,054,177	84,365,234	110.9%	-8,311,057	-10.9%
12	Expenditure / Other Losses	-	2,816,107	0.0%	-2,816,107	0.0%
13	Grand Total	1,167,404,247	1,182,267,823	101.3%	-14,863,576	-1.3%

4.2.2.2. The actual operating expenditure for the year under review amounted to R 1.182 billion (Row 13 & Column C) compared with the budgeted operating expenditure amount of R 1 167 billion (Row 13 & Column B), resulted in a negative variance of R 14.8 million (Row 13 & Column E) or 1.3% (Row 13 & Column F).

4.2.2.3 The main contributor towards the negative variance of R 14.8 million is the over-expenditure of:

- R 10.6 million on Employee Related Cost
- R 8.3 million on Operational Cost and
- R4.0 million on Finance Cost/Interest

Contracted Services and Depreciation reflects positive variance of R 6.6 million and R4.9 million respectively due to office space rentals contract not yet finalised as well as impairment of asset on vehicles, car rentals, wheelie bins and water meters.

Table 7: Unaudited Operating Expenditure for the 2023/2024 Financial Year						
Row Number	Description	Final Budget	Unaudited Actual Expenditure	% of Budgeted Expenditure	Positive / (Negative) Variance (B to C)	Positive / (Negative) Variance % (B to C)
Column Reference	A	B	C	D	E	F
1	Expenditure / Employee related costs	313,289,507	323,927,206	103.4%	-10,637,699	-3.4%
2	Expenditure / Remuneration of councillors	10,454,233	9,821,279	93.9%	632,954	6.1%
3	Expenditure / Bulk purchases - electricity	282,612,104	284,632,503	100.7%	-2,020,399	-0.7%
4	Expenditure / Inventory consumed	53,791,656	53,277,570	99.0%	514,086	1.0%
5	Expenditure / Debt impairment	169,614,791	172,248,504	101.6%	-2,633,713	-1.6%
6	Expenditure / Depreciation and amortisation	58,131,672	53,166,891	91.5%	4,964,781	8.5%
7	Expenditure / Interest	37,564,791	41,587,481	110.7%	-4,022,690	-10.7%
8	Expenditure / Contracted services	161,960,799	155,306,801	95.9%	6,653,998	4.1%
9	Expenditure / Transfers and subsidies	2,146,588	1,118,248	52.1%	1,028,340	47.9%
10	Expenditure / Irrecoverable debts written off	1,783,929	-	0.0%	1,783,929	100.0%
11	Expenditure / Operational costs	76,054,177	84,365,234	110.9%	-8,311,057	-10.9%
12	Expenditure / Other Losses	-	2,816,107	0.0%	-2,816,107	0.0%
13	Grand Total	1,167,404,247	1,182,267,823	101.3%	-14,863,576	-1.3%

4.3.1 <u>2023/2024 Operating Revenue and Expenditure Results</u>

4.3.3.1 Table 8 below depicts a summary of the audited operating results for the 2023/2024 financial year.

Table 8: Unaudited Revenue and Expenditure for the 2023/2024 Financial Year						
Row Number	Description	Final Budget	Unaudited Actual Revenue / Expenditure	% of Budgeted Revenue / Expenditure	Positive / (Negative) Variance (B to C)	Positive / (Negative) Variance % (B to C)
Column Reference	A	B	C	D	E	F
1	Total Operating Revenue	1,168,729,396	1,156,348,962	98.9%	-12,380,434	-1.1%
2	Total Operating Expenditure	1,167,404,247	1,182,267,823	101.3%	-14,863,576	-1.3%
3	Operating Surplus / (Deficit)	1,325,149	-25,918,860	-1955.9%	-27,244,009	-2055.9%
4	Contributions Recognised: Donated Assets	84,014,681	64,893,999	0.0%	-19,120,682	0.0%
5	Capital Grants	0	0	0.0%	0	0.0%
6	Surplus / (Deficit) for the Year	85,339,830	38,975,138	45.7%	-46,364,692	-54.3%

4.3.3.2 The actual operating deficit (capital grants excluded) for the year under review amounted to R 25.9 million (Row 3 & Column C) and compared with the budgeted operating surplus amount of R 1.3 million (Row 3 & Column B), resulted in a negative variance of R 27.2 million (Row 3 & Column E).

4.3.3.3 there was an overall surplus/deficit improvement from the 2022/2023 restated figures of R31.6 million deficit to R38.9 million surplus in the 2023/2024 audited figures.

4.3 Analysis of Outstanding Debtors

4.3.1 Section 78(1)(d) of the Municipal Finance Management Act (MFMA) determines that:

> *"Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that all revenue due to the municipality is collected".*

4.3.2 It is therefore not only the responsibility of the Directorate: Financial Services to ensure that all **revenue is billed and collected**. All Directors, senior managers and middle management should work collectively to ensure that billing business processes are implemented and complied with.

4.3.3 The Municipality is primarily dependent on the cash flow from operations and as such, all billed revenue must be collected. An analysis of the revenue collection rates for the year under review and the outstanding debtors is discussed hereunder, which indicates that the Municipality is still a going concern.

4.3.4 Outstanding Debtors per Revenue Source as at 30 June 2024

4.3.4.1 Table 9 below presents the age analysis of outstanding debtors (VAT inclusive) per revenue source as at 30 June 2024. Outstanding debtors went up from 2022/2023 (R 386.5 million) when comparing to the audited outcome of 2023/2024 (R 467.4 million (Row 8 & Column E) and after taking the R 270.7 million (Row 8 & Column G) of provision for bad debts into consideration, the net difference results in a possible recoverable outstanding debtor amount of R 196.6 million (Row 8 & Column H) as reflected in the Statement of Financial Position when excluding Fines.

4.3.4.2 Outstanding debt (90 days and older) amounting to R 374.0 million (Row 8 & Column E).

4.3.4.3 Current outstanding debt amounting to R 56.1 million (Row 8 & Column B) represents 12.0% (Row 9 & Column B) of total outstanding debtors of R 467.4 million (Row 8 & Column F).

4.3.4.4 Current outstanding debt amounting to R 56.1 million (Row 8 & Column B) represents 28.5% (Row 10 & Column B) of net outstanding debtors of R 196.6 million (Row 8 & Column H).

Table 9: Audited Debtors Age Analysis per Revenue Source as at 30 June 2024								
Row Number	Revenue Source	Outstanding Debtors Current	Outstanding Debtors 31 - 60 Days	Outstanding Debtors 61 - 90 Days	Outstanding Debtors 91+ Days	Total Outstanding Debtors	Provision for Bad Debt Impairment	Net Outstanding Debtors
Column Reference	A	B	C	D	E	F	G	H
1	Property Rates	21,119,420	8,293,347	5,018,113	97,791,542	132,222,422	-48,214,957	84,007,465
2	Service Charges: Electricity	21,137,162	6,546,728	4,356,705	68,786,507	100,827,102	-46,487,507	54,339,595
3	Service Charges: Water	8,814,085	4,228,776	3,111,315	68,989,299	85,143,475	-51,358,470	33,785,005
4	Service Charges: Sanitation	2,471,994	1,523,978	1,231,378	62,592,749	67,820,099	-56,860,432	10,959,667
5	Service Charges: Refuse	1,929,136	1,346,479	1,074,323	53,373,861	57,723,799	-47,230,384	10,493,415
6	Housing Rentals	485,968	182,824	104,359	7,875,391	8,648,542	-6,848,893	1,799,649
7	Sundry Debtors	168,236	134,212	103,189	14,663,282	15,068,919	-13,786,234	1,282,685
8	Total Outstanding Debtors (Including VAT)	56,126,001	22,256,344	14,999,382	374,072,631	467,454,358	-270,786,877	196,667,481
9	% of Total Outstanding Debt	12.0%	4.8%	3.2%	80.0%	100.0%		
10	% of Net Outstanding Debt	28.5%	11.3%	7.6%				

4.3.5 Outstanding Debtors per Revenue Source as at 30 June 2023

4.3.5.1 Table 10 below presents the age analysis of outstanding debtors (VAT inclusive) per revenue source as at 30 June 2023. Outstanding debtors amounted to R 386.5 million (Row 8 & Column F) and after taking the R 244.0 million (Row 8 & Column G) of provision for bad debts into consideration, the net difference results in a possible recoverable outstanding debtor amount of R 142.5million (Row 8 & Column H) as reflected in the Statement of Financial Position (Balance Sheet).

Table 10: Audited Debtors Age Analysis per Revenue Source as at 30 June 2023								
Row Number	Revenue Source	Outstanding Debtors Current	Outstanding Debtors 31 - 60 Days	Outstanding Debtors 61 - 90 Days	Outstanding Debtors 91+ Days	Total Outstanding Debtors	Provision for Bad Debt Impairment	Net Outstanding Debtors
Column Reference	A	B	C	D	E	F	G	H
1	Property Rates	16,192,947	6,340,472	3,561,272	78,666,292	104,760,983	-41,136,503	63,624,480
2	Service Charges: Electricity	19,359,474	5,549,579	3,072,564	49,009,766	76,991,383	-37,690,709	39,300,674
3	Service Charges: Water	6,781,465	2,705,816	2,589,290	51,401,102	63,477,673	-44,878,313	18,599,360
4	Service Charges: Sanitation	2,620,018	1,295,120	1,056,316	56,913,807	61,885,261	-54,290,643	7,594,618
5	Service Charges: Refuse	2,585,196	1,158,502	903,677	49,309,371	53,956,746	-45,705,922	8,250,824
6	Housing Rentals	413,999	148,168	95,712	7,453,285	8,111,164	-6,652,997	1,458,167
7	Sundry Debtors	181,090	146,654	156,031	16,855,100	17,338,875	-13,651,216	3,687,659
8	Total Outstanding Debtors (Including VAT)	48,134,189	17,344,311	11,434,862	309,608,723	386,522,085	-244,006,303	142,515,782
9	% of Total Outstanding Debt	12.5%	4.5%	3.0%	80.1%	100.0%		
10	% of Net Outstanding Debt	33.8%	12.2%	8.0%				

4.3.5.2 Outstanding debt (90 days and older) amounting to R 309.6 million (Row 8 & Column E)

4.3.5.3 Current outstanding debt amounting to R 48.1 million (Row 8 & Column B) represents 12.5% (Row 9 & Column B) of total outstanding debtors of R 386.5 million (Row 8 & Column F).

4.3.5.4 Current outstanding debt amounting to R 48.1 million (Row 8 & Column B) represented 33.8% (Row 10 & Column B) of net outstanding debtors of R 142.5 million (Row 8 & Column H).

4.3.6 Comparing Outstanding Debtors as at 30 June 2023 and 30 June 2024

4.3.6.1 Gross outstanding debtors of R 386.5 million as at 30 June 2023 increased with R 80.9 million to R 467.4 million as at 30 June 2023.

4.3.6.2 Bad debt provision of R 244.0 million as at 30 June 2023 increased with R 26.7 million to R 270.7 million as 30 June 2024.

4.3.6.3 Net outstanding debtors of R 142.5 million as at 30 June 2023 increased with R 54.1 million to R 196.6 million as at 30 June 2024.

4.3.6.4 Current outstanding debtors of R 48.1 million as at 30 June 2023 increased with R 7.9 million to R 56.1 million as at 30 June 2024.

5. RECOMMENDATIONS

5.1 It is recommended:

(a) That Council takes notes the content of the Section 72 Mid-Year Budget Assessment Report,

(b) That the Municipal Manager and Directors compile an Adjustments Budget for 2024/2025 based on the findings within the Section 72 Mid-Year Budget Assessment Report.

(c) That the Section 72 Mid-Year Budget Assessment Report be submitted to the National Treasury, Western Cape Provincial Treasury, the Internal Audit Department and the Audit Committee.

(d) That the Section 72 Mid-Year Budget Assessment Report be published on the municipal website.

6. APPENDICES

Appendix A: Municipal Budget and Reporting Regulations C-Schedules

7. TABLES

Table 1: High Level Summary of Operating Revenue per Category;
Table 2: High Level Summary of Operating Expenditure per Category;
Table 2.1: High Level Employee Related Operating Expenditure Sub-Category
Table 3: High Level Summary of Operating Revenue and Expenditure;
Table 4: High Level Capital Budget per Directorate;
Table 5: High Level Capital Budget per Funding Source;
Table 6: Audited Revenue for the 2023/2024 Financial Year;
Table 7: Audited Operating Expenditure for the 2023/2024 Financial Year;
Table 8: Audited Revenue and Expenditure for the 2023/2024 Financial Year;
Table 9: Audited Debtors Age Analysis per Revenue Source as at 30 June 2024; and
Table 10: Audited Debtors Age Analysis per Revenue Source as at 30 June 2023;

8. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

I, Mr Lulamile Mapholoba, the Municipal Manager of Knysna Municipality (WC 048), hereby certify that:

- [ ] the monthly budget statement
- [ ] the quarterly report on the implementation of the budget and financial state of affairs of the municipality
- [x] the mid-year budget assessment

for the six-month period ending December 2023, has been prepared in accordance with the Municipal Finance Management Act (Act No. 56 of 2003) and Regulations made under this Act.

Name: **LULAMILE MAPHOLOBA**

Signature:

Date: **24 January 2025**

APPENDIX A

Municipal Budget and Reporting Regulations C-Schedules

WC048 Knysna - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description R thousands	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	311,886	336,225	336,225	22,761	210,909	226,179	(15,270)	-7%	336,225
Service charges	512,582	576,485	576,485	55,653	303,228	317,852	(14,624)	-5%	576,485
Investment revenue	2,131	1,916	1,916	388	1,749	1,267	482	38%	1,916
Transfers and subsidies - Operational	144,436	164,365	183,613	46,175	113,661	98,989	14,672	0	183,613
Other own revenue	185,313	174,653	174,653	17,193	70,362	63,700	6,662	10%	–
Total Revenue (excluding capital transfers and contributions)	**1,156,349**	**1,253,644**	**1,272,891**	**142,170**	**699,910**	**707,987**	**(8,077)**	**-1%**	**1,272,891**
Employee costs	323,927	325,142	325,142	26,365	159,831	157,444	2,387	2%	324,402
Remuneration of Councillors	9,821	11,003	11,003	826	4,971	5,197	(226)	-4%	11,003
Depreciation and amortisation	71,713	58,383	58,383	4,025	23,950	26,542	(2,593)	-10%	58,383
Interest	41,587	34,931	34,931	17,075	21,649	13,275	8,374	63%	34,931
Inventory consumed and bulk purchases	337,910	378,544	378,544	23,781	167,323	170,697	(3,374)	-2%	377,224
Transfers and subsidies	1,118	1,123	20,370	298	712	136	576	424%	20,373
Other expenditure	396,190	419,603	419,603	26,925	207,788	198,836	8,952	5%	421,660
Total Expenditure	**1,182,268**	**1,228,729**	**1,247,976**	**99,295**	**586,223**	**572,127**	**14,095**	**2%**	**1,247,976**
Surplus/(Deficit)	**(25,919)**	**24,915**	**24,915**	**42,874**	**113,687**	**135,860**	**(22,172)**	**-16%**	**24,915**
Transfers and subsidies - capital (monetary allocations)	64,894	65,522	65,522	4,781	21,641	24,174	(2,533)	-10%	65,522
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**38,975**	**90,437**	**90,437**	**47,655**	**135,328**	**160,033**	**(24,705)**	**-15%**	**90,437**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**38,975**	**90,437**	**90,437**	**47,655**	**135,328**	**160,033**	**(24,705)**	**-15%**	**90,437**
Capital expenditure & funds sources									
Capital expenditure	–	–	–	–	–	–	–		–
Capital transfers recognised	–	65,522	65,522	4,781	22,945	28,545	(5,601)	-20%	65,522
Borrowing	–	–	6,340	140	1,489	–	1,489	#DIV/0!	6,340
Internally generated funds	–	23,297	23,297	1,453	4,186	3,897	289	7%	23,297
Total sources of capital funds	–	**88,819**	**95,159**	**6,374**	**28,620**	**32,442**	**(3,822)**	**-12%**	**95,159**
Financial position									
Total current assets	246,741	185,692	179,352		276,624				179,352
Total non current assets	1,558,274	1,576,528	1,582,868		1,562,633				1,582,868
Total current liabilities	329,230	233,038	233,038		262,114				233,038
Total non current liabilities	451,105	435,344	435,344		404,693				435,344
Community wealth/Equity	995,471	1,089,527	1,089,527		1,034,447				1,089,527
Cash flows									
Net cash from (used) operating	208,005	132,362	151,609	(12,206)	2,555	356,222	353,667	99%	151,609
Net cash from (used) investing	(79,233)	(86,555)	(92,895)	(5,803)	(31,193)	(44,410)	(13,217)	30%	(92,895)
Net cash from (used) financing	(40,897)	(50,503)	(50,503)	(22,336)	(30,934)	(25,252)	5,682	-23%	(50,503)
Cash/cash equivalents at the month/year end	**108,233**	**15,661**	**28,569**	**(40,345)**	**(35,963)**	**306,918**	**342,881**	**112%**	**28,569**
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	58,710	24,207	18,281	52,945	10,328	11,420	92,358	250,842	519,092
Creditors Age Analysis									
Total Creditors	1,879	1,996	7	56	–	–	60	258	4,257

WC048 Knysna - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**355,609**	**381,763**	**400,920**	**32,125**	**240,261**	**251,331**	(11,070)	-4%	**400,920**
Executive and council		5,738	5,835	5,835	1,612	3,626	3,050	577	19%	5,835
Finance and administration		349,870	375,928	395,085	30,513	236,635	248,282	(11,647)	-5%	395,085
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**132,616**	**145,077**	**145,077**	**13,822**	**46,484**	**46,493**	(9)	0%	**145,077**
Community and social services		11,092	12,465	12,465	1,381	8,613	6,658	1,955	29%	12,465
Sport and recreation		1,465	1,545	1,545	122	772	596	176	29%	1,545
Public safety		95,518	98,755	98,755	8,997	25,618	28,959	(3,341)	-12%	98,755
Housing		24,541	32,312	32,312	3,322	11,481	10,280	1,202	12%	32,312
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**26,110**	**27,833**	**27,922**	**2,755**	**19,549**	**16,354**	3,195	20%	**27,922**
Planning and development		12,288	7,743	7,743	719	7,316	5,758	1,557	27%	7,743
Road transport		13,812	20,089	20,089	2,036	12,233	10,596	1,637	15%	20,089
Environmental protection		10	–	90	–	–	–	–		90
Trading services		**706,908**	**764,493**	**764,493**	**98,248**	**415,258**	**417,982**	**(2,725)**	-1%	**764,493**
Energy sources		432,806	469,748	469,748	54,919	239,240	247,747	(8,507)	-3%	469,748
Water management		141,920	145,145	145,145	21,046	84,375	89,349	(4,974)	-6%	145,145
Waste water management		78,396	92,515	92,515	13,112	51,168	51,072	96	0%	92,515
Waste management		53,787	57,085	57,085	9,171	40,475	29,815	10,659	36%	57,085
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,221,243**	**1,319,166**	**1,338,413**	**146,950**	**721,551**	**732,161**	**(10,610)**	**-1%**	**1,338,413**
Expenditure - Functional										
Governance and administration		**193,866**	**232,625**	**251,782**	**12,916**	**131,240**	**125,376**	5,864	5%	**251,762**
Executive and council		33,153	30,623	30,623	1,358	6,976	7,139	(163)	-2%	30,623
Finance and administration		155,999	194,307	213,464	11,235	121,574	114,737	6,837	6%	213,444
Internal audit		4,714	7,695	7,695	323	2,691	3,501	(810)	-23%	7,695
Community and public safety		**248,030**	**232,722**	**232,722**	**15,605**	**83,146**	**74,965**	8,181	11%	**232,907**
Community and social services		24,339	23,983	23,983	1,920	11,356	11,446	(90)	-1%	24,226
Sport and recreation		23,002	23,615	23,615	3,029	13,512	10,666	2,847	27%	23,612
Public safety		157,774	144,536	144,536	5,805	38,895	36,188	2,707	7%	144,671
Housing		42,914	40,588	40,588	4,851	19,383	16,665	2,718	16%	40,398
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**86,451**	**91,861**	**91,951**	**9,298**	**41,342**	**40,812**	530	1%	**91,336**
Planning and development		36,109	37,452	37,452	3,112	20,202	18,967	1,235	7%	37,437
Road transport		45,763	47,036	47,036	5,612	19,118	19,740	(621)	-3%	47,036
Environmental protection		4,580	7,373	7,463	574	2,022	2,105	(83)	-4%	6,863
Trading services		**635,374**	**671,521**	**671,521**	**61,476**	**330,494**	**330,974**	**(480)**	0%	**671,971**
Energy sources		350,264	397,299	397,299	29,862	199,285	201,064	(1,779)	-1%	397,299
Water management		120,242	98,249	98,249	13,716	55,078	50,385	4,693	9%	99,729
Waste water management		99,909	110,687	110,687	12,446	43,201	45,674	(2,473)	-5%	109,207
Waste management		64,959	65,285	65,285	5,452	32,930	33,851	(921)	-3%	65,735
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**1,163,721**	**1,228,729**	**1,247,976**	**99,295**	**586,223**	**572,127**	**14,095**	**2%**	**1,247,976**
Surplus/ (Deficit) for the year		**57,522**	**90,437**	**90,437**	**47,655**	**135,328**	**160,033**	**(24,705)**	**-0.154373**	**90,437**

WC048 Knysna - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - (0: IE)		–	–	–	–	–	–	–		–
Vote 2 - EXECUTIVE AND COUNCIL (31: IE)		–	–	–	–	–	–	–		–
Vote 3 - CORPORATE SERVICES (32: IE)		–	–	19,157	46	163	–	163	#DIV/0!	19,157
Vote 4 - COMMUNITY SERVICES (33: IE)		70	–	–	–	10	–	10	#DIV/0!	–
Vote 5 - FINANCIAL SERVICES (34: IE)		–	–	–	–	–	–	–		–
Vote 6 - OPERATING SERVICES (35: IE)		23	–	90	–	35	–	35	#DIV/0!	90
Vote 7 - 1. Executive AND Council (110: IE)		5,738	5,835	5,835	1,612	3,626	3,050	577	18.9%	5,835
Vote 8 - 2. Corporate (120: IE)		6,297	7,557	7,557	735	4,017	3,694	323	8.7%	7,557
Vote 9 - 3. Finance (130: IE)		329,454	352,579	352,579	24,468	220,612	234,060	(13,449)	-5.7%	352,579
Vote 10 - (140: IE)		–	–	–	–	–	–	–		–
Vote 11 - 5. Planning (150: IE)		7,006	6,342	6,342	82	5,141	4,595	545	11.9%	6,342
Vote 12 - 6. Community (160: IE)		176,866	192,119	192,119	25,324	90,171	78,369	11,802	15.1%	192,119
Vote 13 - 7. Electricity (170: IE)		432,806	469,148	469,148	54,919	239,240	247,597	(8,357)	-3.4%	469,148
Vote 14 - 6. Community (180: IE)		232,325	244,537	244,537	36,090	145,688	148,332	(2,644)	-1.8%	244,537
Vote 15 - 8. Technical (180: IE)		–	–	–	–	–	–	–		–
Vote 16 - 9. Housing Services (190: IE)		24,471	32,312	32,312	3,322	11,471	10,280	1,192	11.6%	32,312
Total Revenue by Vote	2	**1,215,058**	**1,310,430**	**1,329,677**	**146,599**	**720,174**	**729,977**	**(9,803)**	**-1.3%**	**1,329,677**
Expenditure by Vote	1									
Vote 1 - (0: IE)		–	–	–	–	–	–	–		–
Vote 2 - EXECUTIVE AND COUNCIL (31: IE)		181	–	–	–	–	–	–		–
Vote 3 - CORPORATE SERVICES (32: IE)		190	–	19,157	86	241	–	241	#DIV/0!	19,157
Vote 4 - COMMUNITY SERVICES (33: IE)		24,640	68,166	68,166	45	54	6	48	798.9%	68,172
Vote 5 - FINANCIAL SERVICES (34: IE)		290	42,783	42,783	220	43,436	43,566	(130)	-0.3%	43,585
Vote 6 - OPERATING SERVICES (35: IE)		4,858	55,951	56,041	2,675	52,266	55,442	(3,176)	-5.7%	57,262
Vote 7 - 1. Executive AND Council (110: IE)		41,014	43,079	43,079	2,055	11,920	12,906	(986)	-7.6%	43,072
Vote 8 - 2. Corporate (120: IE)		69,428	74,429	74,429	3,654	28,943	34,673	(5,730)	-16.5%	74,546
Vote 9 - 3. Finance (130: IE)		65,983	55,160	55,160	5,895	38,843	26,204	12,639	48.2%	54,377
Vote 10 - (140: IE)		1,324	8,898	8,898	817	1,487	2,506	(1,019)	-40.7%	7,689
Vote 11 - 5. Planning (150: IE)		520,008	537,129	537,129	49,649	241,034	238,307	2,727	1.1%	537,129
Vote 12 - 6. Community (160: IE)		285,394	199,438	199,438	17,522	98,475	94,473	4,002	4.2%	199,500
Vote 13 - 7. Electricity (170: IE)		41,465	32,762	32,762	2,021	13,980	15,978	(1,998)	-12.5%	33,540
Vote 14 - 6. Community (180: IE)		99,371	74,210	74,210	7,507	38,392	36,464	1,928	5.3%	74,190
Vote 15 - 8. Technical (180: IE)		–	–	–	–	–	–	–		–
Vote 16 - 9. Housing Services (190: IE)		8,746	27,986	27,986	4,184	13,157	9,418	3,739	39.7%	27,018
Total Expenditure by Vote	2	**1,162,892**	**1,219,993**	**1,239,240**	**96,328**	**582,230**	**569,943**	**12,286**	**2.2%**	**1,239,240**
Surplus/ (Deficit) for the year	2	**52,165**	**90,437**	**90,437**	**50,271**	**137,944**	**160,033**	**(22,089)**	**-13.8%**	**90,437**

WC048 Knysna - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		353,187	412,332	412,332	42,942	208,994	217,270	(8,276)	-4%	412,332
Service charges - Water		97,876	94,868	94,868	8,239	50,706	60,722	(10,016)	-16%	94,868
Service charges - Waste Water Management		30,709	34,281	34,281	2,027	19,856	22,550	(2,694)	-12%	34,281
Service charges - Waste management		30,810	35,004	35,004	2,445	23,672	17,310	6,362	37%	35,004
Sale of Goods and Rendering of Services		33,008	28,291	28,291	3,477	14,581	12,152	2,429	20%	28,291
Agency services		3,988	4,387	4,387	266	1,880	1,070	809	76%	4,387
Interest								–		
Interest earned from Receivables		26,965	21,044	21,044	2,548	14,782	12,039	2,743	23%	21,044
Interest from Current and Non Current Assets		2,131	1,916	1,916	388	1,749	1,267	482	38%	1,916
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		7,390	7,746	7,746	627	4,356	3,256	1,100	34%	7,746
Licence and permits		134	100	100	19	254	(22)	277	-1233%	100
Operational Revenue		4,319	1,092	1,092	188	1,784	224	1,560	697%	1,092
Non-Exchange Revenue								–		
Property rates		311,886	336,225	336,225	22,761	210,909	226,179	(15,270)	-7%	336,225
Surcharges and Taxes								–		
Fines, penalties and forfeits		96,379	98,644	98,644	8,973	25,462	28,875	(3,413)	-12%	98,644
Licence and permits		1,400	1,526	1,526	102	780	538	242	45%	1,526
Transfers and subsidies - Operational		144,436	164,365	183,613	46,175	113,661	98,989	14,672	15%	183,613
Interest		10,687	10,823	10,823	993	5,567	5,318	249	5%	10,823
Fuel Levy								–		
Operational Revenue								–		
Gains on disposal of Assets		53	1,000	1,000	–	–	250	(250)	-100%	1,000
Other Gains		989	–	–	–	916	–	916	#DIV/0!	–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**1,156,349**	**1,253,644**	**1,272,891**	**142,170**	**699,910**	**707,987**	**(8,077)**	**-1%**	**1,272,891**
Expenditure By Type										
Employee related costs		323,927	325,142	325,142	26,365	159,831	157,444	2,387	2%	324,402
Remuneration of councillors		9,821	11,003	11,003	826	4,971	5,197	(226)	-4%	11,003
Bulk purchases - electricity		284,633	318,560	318,560	22,069	151,823	150,638	1,184	1%	318,560
Inventory consumed		53,278	59,983	59,983	1,712	15,500	20,059	(4,559)	-23%	58,664
Debt impairment		153,702	165,601	165,601	2,598	94,837	97,435	(2,598)	-3%	165,601
Depreciation and amortisation		71,713	58,383	58,383	4,025	23,950	26,542	(2,593)	-10%	58,383
Interest		41,587	34,931	34,931	17,075	21,649	13,275	8,374	63%	34,931
Contracted services		155,307	170,938	170,938	17,618	62,729	58,170	4,559	8%	171,160
Transfers and subsidies		1,118	1,123	20,370	298	712	136	576	424%	20,373
Irrecoverable debts written off		–	1,299	1,299	–	–	649	(649)	-100%	1,299
Operational costs		84,365	81,766	81,766	6,710	42,527	42,582	(55)	0%	83,601
Losses on Disposal of Assets		422	–	–	–	–	–	–		–
Other Losses		2,394	–	–	–	7,694	–	7,694	#DIV/0!	–
Total Expenditure		**1,182,268**	**1,228,729**	**1,247,976**	**99,295**	**586,223**	**572,127**	**14,095**	**2%**	**1,247,976**
Surplus/(Deficit)		(25,919)	24,915	24,915	42,874	113,687	135,860	(22,172)	(0)	24,915
Transfers and subsidies - capital (monetary allocations)		64,894	65,522	65,522	4,781	21,641	24,174	(2,533)	(0)	65,522
Transfers and subsidies - capital (in-kind)								–		
Surplus/(Deficit) after capital transfers & contributions		38,975	90,437	90,437	47,655	135,328	160,033	(24,705)	(0)	90,437
Income Tax								–		
Surplus/(Deficit) after income tax		38,975	90,437	90,437	47,655	135,328	160,033	(24,705)	(0)	90,437
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		38,975	90,437	90,437	47,655	135,328	160,033	(24,705)	(0)	90,437
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		38,975	90,437	90,437	47,655	135,328	160,033	(24,705)	(0)	90,437

WC048 Knysna - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 17 - CAPITAL SUSPENSE (28: CAPEX)		–	–	–	–	–	–	–		–
Vote 18 - 1. Executive AND Council (110: CAPEX)		–	–	–	–	–	–	–		–
Vote 19 - 2. Corporate (120: CAPEX)		–	–	–	–	–	–	–		–
Vote 20 - 3. Finance (130: CAPEX)		–	–	–	–	–	–	–		–
Vote 21 - 5. Planning (150: CAPEX)		–	–	–	–	–	–	–		–
Vote 22 - 6. Community (160: CAPEX)		–	–	–	–	–	–	–		–
Vote 23 - 7. Electricity (170: CAPEX)		–	–	–	–	–	–	–		–
Vote 24 - 8. Technical (180: CAPEX)		–	–	–	–	–	–	–		–
Vote 25 - 9. Housing Services (190: CAPEX)		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 17 - CAPITAL SUSPENSE (28: CAPEX)		–	–	3,679	140	363	(924)	1,286	-139%	2,756
Vote 18 - 1. Executive AND Council (110: CAPEX)		–	10	10	–	–	3	(3)	-100%	10
Vote 19 - 2. Corporate (120: CAPEX)		–	2,800	2,800	–	117	498	(381)	-77%	2,835
Vote 20 - 3. Finance (130: CAPEX)		–	11	11	–	–	11	(11)	-100%	11
Vote 21 - 5. Planning (150: CAPEX)		–	11,807	11,807	1,860	6,262	7,873	(1,611)	-20%	10,807
Vote 22 - 6. Community (160: CAPEX)		–	12,831	13,831	1,061	4,282	6,977	(2,695)	-39%	13,831
Vote 23 - 7. Electricity (170: CAPEX)		–	17,704	17,776	–	254	5,587	(5,334)	-95%	17,776
Vote 24 - 8. Technical (180: CAPEX)		–	32,755	34,344	3,146	15,561	13,731	1,830	13%	36,233
Vote 25 - 9. Housing Services (190: CAPEX)		–	10 900	10 900	167	1,781	(1,315)	3,096	-235%	10 900
Total Capital single-year expenditure	4	–	88 819	95,159	6,374	28,620	32,442	(3,822)	-12%	95 159
Total Capital Expenditure		–	88 819	95,159	6,374	28,620	32,442	(3,822)	-12%	95 159
Capital Expenditure - Functional Classification										
Governance and administration		–	3,036	3,108	–	117	587	(471)	-80%	3,143
Executive and council		–	10	10	–	–	3	(3)	-100%	10
Finance and administration		–	3,026	3,098	–	117	584	(467)	-80%	3,133
Internal audit								–		
Community and public safety		–	23,516	27,272	1,368	6,411	5,587	824	15%	27,272
Community and social services		–	300	861	140	427	105	322	307%	861
Sport and recreation		–	8,016	8,016	886	4,028	6,550	(2,522)	-39%	8,016
Public safety		–	4,300	7,494	175	175	247	(72)	-29%	7,494
Housing		–	10,900	10,900	167	1,781	(1,315)	3,096	-235%	10,900
Health								–		
Economic and environmental services		–	24,217	24,853	3,517	16,822	12,182	4,640	38%	23,818
Planning and development		–	300	300	2	71	70	1	2%	265
Road transport		–	23,917	24,553	3,515	16,736	12,112	4,624	38%	23,553
Environmental protection		–	–	–	–	15	–	15	#DIV/0!	–
Trading services		–	38,049	39,926	1,489	5,270	14,086	(8,816)	-63%	40,926
Energy sources		–	17,704	17,704	–	254	5,587	(5,334)	-95%	17,704
Water management		–	15,424	16,491	641	3,931	7,391	(3,461)	-47%	17,301
Waste water management		–	4,921	5,731	848	1,086	1,108	(22)	-2%	5,921
Waste management								–		
Other								–		
Total Capital Expenditure - Functional Classification	3	–	88,819	95,159	6,374	28,620	32,442	(3,822)	-12%	95,159
Funded by:										
National Government		–	55,122	55,122	4,781	21,576	30,105	(8,529)	-28%	55,122
Provincial Government		–	10,400	10,400	–	1,369	(1,560)	2,929	-188%	10,400
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)								–		
Transfers recognised - capital		–	65,522	65,522	4,781	22,945	28,545	(5,601)	-20%	65,522
Borrowing	6	–	–	6,340	140	1,489	–	1,489	#DIV/0!	6,340
Internally generated funds		–	23 297	23 297	1 453	4,186	3,897	289	7%	23,297
Total Capital Funding		–	88 819	95,159	6,374	28,620	32 442	(3,822)	-12%	95,159

WC048 Knysna - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description R thousands	Ref 1	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		23,609	(11,286)	(17,626)	51,285	(17,626)
Trade and other receivables from exchange transactions		77,249	78,796	78,796	71,641	78,796
Receivables from non-exchange transactions		92,286	86,397	86,397	82,621	86,397
Current portion of non-current receivables		4	4	4	4	4
Inventory		11,223	12,693	12,693	5,410	12,693
VAT		41,957	19,137	19,137	69,062	19,137
Other current assets		413	(49)	(49)	(3,399)	(49)
Total current assets		**246,741**	**185,692**	**179,352**	**276,624**	**179,352**
Non current assets						
Investments		3,176	2,929	2,929	3,303	2,929
Investment property		67,525	67,516	67,516	67,457	67,516
Property, plant and equipment		1,469,247	1,488,269	1,494,609	1,473,555	1,494,609
Biological assets						
Living and non-living resources						
Heritage assets		14,613	14,613	14,613	14,613	14,613
Intangible assets		49	(9)	(9)	41	(9)
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		(8)	(8)	(8)	(8)	(8)
Other non-current assets		3,672	3,218	3,218	3,672	3,218
Total non current assets		**1,558,274**	**1,576,528**	**1,582,868**	**1,562,633**	**1,582,868**
TOTAL ASSETS		**1,805,015**	**1,762,220**	**1,762,220**	**1,839,257**	**1,762,220**
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		47,477	(2,133)	(2,133)	46,973	(2,133)
Consumer deposits		15,538	14,928	14,928	15,631	14,928
Trade and other payables from exchange transactions		209,913	206,235	206,235	98,787	206,235
Trade and other payables from non-exchange transactions		(11,075)	(22,172)	(22,172)	(12,665)	(22,172)
Provision		40,535	31,877	31,877	39,977	31,877
VAT		21,138	(773)	(773)	67,706	(773)
Other current liabilities		5,704	5,077	5,077	5,704	5,077
Total current liabilities		**329,230**	**233,038**	**233,038**	**262,114**	**233,038**
Non current liabilities						
Financial liabilities		305,325	319,523	319,523	274,895	319,523
Provision		46,995	31,786	31,786	33,744	31,786
Long term portion of trade payables						
Other non-current liabilities		98,785	84,035	84,035	96,055	84,035
Total non current liabilities		**451,105**	**435,344**	**435,344**	**404,693**	**435,344**
TOTAL LIABILITIES		**780,335**	**668,382**	**668,382**	**666,807**	**668,382**
NET ASSETS	2	**1,024,680**	**1,093,838**	**1,093,838**	**1,172,450**	**1,093,838**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		995,471	1,089,527	1,089,527	1,034,447	1,089,527
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**995,471**	**1,089,527**	**1,089,527**	**1,034,447**	**1,089,527**

WC048 Knysna - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		188,733	360,761	360,761	23,935	194,639	282,861	(88,222)	-31%	360,761
Service charges		422,919	549,822	549,822	52,017	296,150	282,988	13,162	5%	549,822
Other revenue		49,687	154,120	154,120	8,970	70,088	124,932	(54,843)	-44%	154,120
Transfers and Subsidies - Operational		226,396	169,383	188,630	43,616	112,772	105,401	7,371	7%	188,630
Transfers and Subsidies - Capital		72,599	65,522	65,522	–	27,008	28,141	(1,133)	-4%	65,522
Interest		–	1,916	1,916	–	948	1,018	(71)	-7%	1,916
Dividends								–		
Payments										
Suppliers and employees		(787,092)	(1,134,231)	(1,134,231)	(123,679)	(677,446)	(451,653)	(225,793)	50%	(1,134,231)
Interest		34,763	(34,931)	(34,931)	(17,066)	(21,603)	(17,465)	(4,138)	24%	(34,931)
Transfers and Subsidies								–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		208,005	132,362	151,609	(12,206)	2,555	356,222	353,667	99%	151,609
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		39	1,000	1,000	–	–	424	(424)	-100%	1,000
Decrease (increase) in non-current receivables		3,933	632	632	271	2,104	466	1,638	352%	632
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(87,138)	(88,819)	(95,159)	(6,345)	(35,400)	(45,765)	10,365	-23%	(95,159)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(79,233)	(86,555)	(92,895)	(5,803)	(31,193)	(44,410)	(13,217)	30%	(92,895)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing		(40,897)	(50,503)	(50,503)	(22,336)	(30,934)	(25,252)	(5,682)	23%	(50,503)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(40,897)	(50,503)	(50,503)	(22,336)	(30,934)	(25,252)	5,682	-23%	(50,503)
NET INCREASE/ (DECREASE) IN CASH HELD		87,875	(4,696)	8,211	(40,345)	(59,572)	286,561			8,211
Cash/cash equivalents at beginning:		20,358	20,358	20,358	–	23,609	20,358	3,251		20,358
Cash/cash equivalents at month/year end:		108,233	15,661	28,569	(40,345)	(35,963)	306,918			28,569

WC048 Knysna - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2024/25											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	8,586	4,415	4,314	9,987	2,101	2,071	21,432	47,265	100,170	82,856	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	18,157	7,047	5,875	5,557	2,942	3,202	19,750	50,287	112,817	81,738	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	25,315	8,926	5,322	23,209	3,412	2,980	25,829	54,922	149,915	110,354	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	2,849	1,613	1,355	7,040	1,110	1,092	13,451	50,468	78,978	73,161	–	–
Receivables from Exchange Transactions - Waste Management	1600	3,136	1,929	1,246	6,924	675	938	10,740	42,762	68,349	62,038	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	486	172	70	61	51	1,030	446	7,611	9,926	9,199	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	182	107	99	168	36	106	710	(2,473)	(1,064)	(1,452)	–	–
Total By Income Source	**2000**	**58,710**	**24,207**	**18,281**	**52,945**	**10,328**	**11,420**	**92,358**	**250,842**	**519,092**	**417,894**	**–**	**–**
2023/24 - totals only		**108,834**	**44,000**	**32,248**	**95,904**	**18,554**	**20,768**	**163,284**	**454,420**	938,013	**752,931**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2,702	1,740	828	4,802	322	374	2,371	3,377	16,514	11,245	–	–
Commercial	2300	18,702	7,330	6,279	11,603	4,282	5,549	37,234	83,809	174,788	142,478	–	–
Households	2400	37,306	15,138	11,174	36,541	5,724	5,497	52,753	163,657	327,790	264,171	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**58,710**	**24,207**	**18,281**	**52,945**	**10,328**	**11,420**	**92,358**	**250,842**	**519,092**	**417,894**	**–**	**–**

WC048 Knysna - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	907
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	1,879	1,996	7	56	–	–	60	258	4,257	15,719
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Medical Aid deductions										–	
Total By Customer Type	1000	1,879	1,996	7	56	–	–	60	258	4,257	16,626

WC048 Knysna - 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	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Investec - (Ceded to DBSA)	021941-500	Call	Call Deposit	Call Deposit	Fixed	3.35%	–	–	Call Deposit	3,281	21			3,302
Investec - (Own Funds)	021941-503	Call	Call Deposit	Call Deposit	Fixed	3.35%	–	–	Call Deposit	22	0			22
Investec - (Own Funds)	021941-501	Call	Call Deposit	Call Deposit	Fixed	3.35%	–	–	Call Deposit	0				0
Standard Bank		Call	Call Deposit	Call Deposit	Fixed	8.60%	–	–	48hrs Deposit	14,331	98		–	14,429
Municipality sub-total										17,633	119	–	–	17,752
TOTAL INVESTMENTS AND INTEREST	2									17,633	119	–	–	17,752

WC048 Knysna - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		136,461	143,351	143,351	44,632	104,237	90,442	13,795	15.3%	143,351
Equitable Share		122,358	130,575	130,575	43,456	97,862	85,002	12,860	15.1%	130,575
Expanded Public Works Programme Integrated Grant		1,264	1,279	1,279	–	1,494	948	545	57.5%	1,279
Integrated National Electrification Programme Grant		5,217	2,056	2,056	–	292	514	(222)	-43.3%	2,056
Local Government Financial Management Grant		1,771	1,800	1,800	226	783	548	234	42.8%	1,800
Municipal Infrastructure Grant		4,382	4,971	4,971	637	2,140	2,051	89	4.3%	4,971
Neighbourhood Development Partnership Grant		1,092	1,367	1,367	218	1,249	1,052	197	18.7%	1,367
Water Services Infrastructure Grant		376	1,304	1,304	96	418	326	92	28.3%	1,304
Provincial Government:		7,965	20,186	20,186	1,496	9,260	8,340	920	11.0%	20,186
Specify (Add grant description)		7,965	20,186	20,186	1,496	9,260	8,340	920	11.0%	20,186
District Municipality:		–	828	828	2	2	207	(205)	-99.0%	828
Specify (Add grant description)		–	828	828	2	2	207	(205)	-99.0%	828
Other grant providers:		10	–	19,247	46	163	–	163	#DIV/0!	19,247
Chemical Industry Seta		–	–	19,157	46	163	–	163	#DIV/0!	19,157
South Africa National Biodiversity Institute (SANBI)		10	–	90	–	–	–	–		90
Total Operating Transfers and Grants	5	144,436	164,365	183,613	46,175	113,661	98,989	14,672	14.8%	183,613
Capital Transfers and Grants										
National Government:		64,859	55,122	55,122	4,781	20,717	21,574	(857)	-4.0%	55,122
Integrated National Electrification Programme Grant		34,783	13,704	13,704	–	–	3,426	(3,426)	-100.0%	13,704
Municipal Infrastructure Grant		19,817	23,611	23,611	2,689	9,602	8,959	643	7.2%	23,611
Neighbourhood Development Partnership Grant		7,305	9,110	9,110	1,451	8,325	7,015	1,311	18.7%	9,110
Water Services Infrastructure Grant		2,954	8,696	8,696	641	2,790	2,174	616	28.3%	8,696
Provincial Government:		35	10,400	10,400	–	924	2,600	(1,676)	-64.5%	10,400
Specify (Add grant description)		35	10,400	10,400	–	924	2,600	(1,676)	-64.5%	10,400
Total Capital Transfers and Grants	5	64,894	65,522	65,522	4,781	21,641	24,174	(2,533)	-10.5%	65,522
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	209,330	229,887	249,134	50,956	135,303	123,163	12,140	9.9%	249,134

WC048 Knysna - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		75,015	85,943	105,190	10,199	38,349	34,940	3,409	9.8%	104,320
Chemical Industry Seta		–	–	19,157	46	163	–	163	#DIV/0!	19,157
Equitable Share		31,980	38,425	38,425	2,048	12,640	15,080	(2,441)	-16.2%	37,554
Expanded Public Works Programme Integrated Grant		1,264	1,279	1,279	(107)	1,387	948	439	46.3%	1,279
Local Government Financial Management Grant		1,604	1,800	1,800	226	783	450	333	73.9%	1,800
Municipal Infrastructure Grant		1,868	1,429	1,429	129	856	788	69	8.7%	1,429
South Africa National Biodiversity Instiute (SANBI)		10	–	90	–	–	–	–		90
Specify (Add grant description)		38,289	43,010	43,010	7,858	22,521	17,674	4,847	27.4%	43,010
Provincial Government:		38,246	43,010	43,010	7,858	22,521	17,674	4,847	27.4%	43,010
Specify (Add grant description)		38,246	43,010	43,010	7,858	22,521	17,674	4,847	27.4%	43,010
Other grant providers:		10	–	19,247	46	163	–	163	#DIV/0!	19,247
Chemical Industry Seta		–	–	19,157	46	163	–	163	#DIV/0!	19,157
South Africa National Biodiversity Institute (SANBI)		10	–	90	–	–	–	–		90
Total operating expenditure of Transfers and Grants:		113,271	128,953	167,448	18,103	61,032	52,614	8,418	16.0%	166,577
Capital expenditure of Transfers and Grants										
National Government:		–	65,522	65,522	4,781	22,945	28,545	(5,601)	-19.6%	65,522
Integrated National Electrification Programme Grant		–	13,704	13,704	–	254	5,421	(5,167)	-95.3%	13,704
Municipal Disaster Response Grant		–	–	–	–	15	–	15	#DIV/0!	–
Municipal Infrastructure Grant		–	23,611	23,611	2,689	10,193	18,453	(8,260)	-44.8%	23,611
Neighbourhood Development Partnership Grant		–	9,110	9,110	1,451	8,325	3,189	5,137	161.1%	9,110
Specify (Add grant description)		–	10,400	10,400	–	1,369	(1,560)	2,929	-187.7%	10,400
Water Services Infrastructure Grant		–	8,696	8,696	641	2,790	3,043	(254)	-8.3%	8,696
Provincial Government:		–	10,400	10,400	–	1,369	(1,560)	2,929	-187.7%	10,400
Specify (Add grant description)		–	10,400	10,400	–	1,369	(1,560)	2,929	-187.7%	10,400
Total capital expenditure of Transfers and Grants		–	75,922	75,922	4,781	24,313	26,985	(2,672)	-9.9%	75,922
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		113,271	204,875	243,369	22,884	85,346	79,600	5,746	7.2%	242,498

WC048 Knysna - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration R thousands	Ref	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8,024	9,284	9,284	671	4,033	4,342	(309)	-7%	9,284
Pension and UIF Contributions		705	714	714	59	355	357	(1)	0%	714
Medical Aid Contributions		146	153	153	13	75	76	(0)	0%	153
Motor Vehicle Allowance		358	278	278	34	205	129	76	59%	278
Cellphone Allowance		589	574	574	47	293	294	(0)	0%	574
Housing Allowances								–		
Other benefits and allowances								–		
Sub Total - Councillors		9,821	11,003	11,003	823	4,963	5,197	(234)	-5%	11,003
% increase	4		12.0%	12.0%						12.0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,496	7,089	7,089	443	2,496	3,015	(519)	-17%	7,089
Pension and UIF Contributions		477	581	581	31	116	208	(92)	-44%	581
Medical Aid Contributions		63	66	66	–	5	22	(17)	-76%	66
Overtime								–		
Performance Bonus		(290)	489	489	–	60	489	(429)	-88%	489
Motor Vehicle Allowance		581	692	692	26	100	220	(120)	-55%	692
Cellphone Allowance		21	12	12	–	–	3	(3)	-100%	12
Housing Allowances		58	–	–	8	42	–	42	#DIV/0!	–
Other benefits and allowances		128	–	–	–	–	–	–		–
Acting and post related allowance		8	–	–	5	5	–	5	#DIV/0!	–
In kind benefits								–		
Sub Total - Senior Managers of Municipality		6,543	8,930	8,930	513	2,824	3,957	(1,133)	-29%	8,930
% increase	4		36.5%	36.5%						36.5%
Other Municipal Staff										
Basic Salaries and Wages		179,763	189,030	189,030	16,214	93,950	94,166	(216)	0%	188,475
Pension and UIF Contributions		38,035	41,217	41,217	3,242	19,307	18,607	700	4%	40,477
Medical Aid Contributions		13,715	17,011	17,011	1,160	6,965	7,693	(728)	-9%	17,011
Overtime		27,691	19,051	19,051	2,685	10,229	8,968	1,262	14%	19,551
Performance Bonus		13,802	14,689	14,689	3	14,003	14,689	(686)	-5%	14,689
Motor Vehicle Allowance		8,329	8,356	8,356	707	3,966	3,916	51	1%	8,356
Cellphone Allowance		–	210	210	–	–	52	(52)	-100%	210
Housing Allowances		2,597	2,798	2,798	217	1,095	1,117	(22)	-2%	2,798
Other benefits and allowances		9,175	4,346	4,346	1,009	3,997	2,079	1,918	92%	4,346
Payments in lieu of leave		3,087	1,531	1,531	128	766	766	–		1,531
Long service awards		1,486	2,302	2,302	–	–	–	–		2,302
Post-retirement benefit obligations	2	14,794	12,740	12,740	–	–	–	–		12,740
Entertainment								–		
Scarcity		1,923	1,630	1,630	215	1,598	877	720	82%	1,630
Acting and post related allowance		10,731	5,402	5,402	1,158	4,482	2,435	2,047	84%	5,457
In kind benefits								–		
Sub Total - Other Municipal Staff		325,128	320,312	320,312	26,738	160,359	155,365	4,994	3%	319,572
% increase	4		-1.5%	-1.5%						-1.7%
Total Parent Municipality		341,493	340,246	340,246	28,074	168,145	164,518	3,627	2%	339,506
% increase	4									
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		341,493	340,246	340,246	28,074	168,145	164,518	3,627	2%	339,506
% increase	4		-0.4%	-0.4%						-0.6%
TOTAL MANAGERS AND STAFF		331,671	329,242	329,242	27,251	163,183	159,321	3,861	2%	328,502

WC048 Knysna - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid-Year Assessment

Description	Ref	Budget Year 2024/25												2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	1	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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Receipts By Source																
Property rates		2,798	2,995	23,582	113,726	27,602	23,935	25,382	25,382	25,382	25,382	25,382	(126,908)	194,639	371,120	388,204
Service charges - Electricity revenue		38,514	37,942	34,692	31,596	37,530	40,613	31,466	31,466	31,466	31,466	31,466	(157,328)	220,787	423,151	442,616
Service charges - Water revenue		7,514	7,403	7,767	5,018	6,469	6,746	7,024	7,024	7,024	7,024	7,024	(35,122)	40,916	89,073	93,170
Service charges - Waste Water Management		2,406	3,675	3,689	2,332	1,988	1,954	2,417	2,417	2,417	2,417	2,417	(12,086)	16,042	30,488	31,890
Service charges - Waste Mangement		2,169	4,078	3,878	2,971	2,603	2,705	2,459	2,459	2,459	2,459	2,459	(12,297)	18,404	30,899	32,320
		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		533	454	496	346	559	733	643	643	643	643	643	(3,215)	3,120	9,189	9,612
Interest earned - external investments		–	–	–	947	0	–	160	160	160	160	160	(798)	948	2,004	2,096
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1,432	1,092	2,628	2,272	3,041	1,982	2,540	2,540	2,540	2,540	2,540	(12,699)	12,447	31,881	33,347
Licences and permits		2,454	2,499	2,914	2,273	2,247	1,653	135	135	135	135	135	(677)	14,041	1,956	2,046
Agency services		141	123	109	134	119	109	366	366	366	366	366	(1,826)	735	5,278	5,520
Transfers and Subsidies - Operational		75,996	41,766	18,423	(71,033)	4,004	43,616	13,974	13,974	13,974	13,974	13,974	(69,868)	112,772	185,318	180,873
Other revenue		1,983	2,194	3,956	19,731	7,387	4,494	625	625	625	625	625	(3,125)	39,745	119,631	118,192
Cash Receipts by Source		**135,940**	**104,220**	**102,035**	**110,314**	**93,549**	**128,539**	**87,190**	**87,190**	**87,190**	**87,190**	**87,190**	**(435,951)**	**674,596**	**1,299,987**	**1,339,886**
Other Cash Flows by Source													–			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		18,579	–	–	–	8,429	–	5,460	5,460	5,460	5,460	5,460	(27,301)	27,008	79,117	74,353
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	83	83	83	83	83	(417)	–	1,000	1,000
Short term loans		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing													–			
Increase (decrease) in consumer deposits		411	504	395	311	472	3	–	–	–	–	–	–	2,095	–	–
VAT Control (receipts)		262	679	260	364	268	271	49	49	49	49	49	(243)	2,104	661	692
Decrease (increase) in non-current receivables		262	679	260	364	268	271	49	49	49	49	49	(243)	2,104	661	692
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source		**155,453**	**106,982**	**102,949**	**111,352**	**102,987**	**129,083**	**92,831**	**92,831**	**92,831**	**92,831**	**92,831**	**(464,155)**	**707,907**	**1,381,426**	**1,416,622**
Cash Payments by Type													–			
Employee related costs		35,338	25,359	37,020	59,549	56,821	41,121	25,745	25,745	25,745	25,745	25,745	(128,726)	255,207	681,665	697,573
Remuneration of councillors		–	–	–	–	–	4,971	–	–	–	–	–	4,971	9,942	–	–
Interest		(3,923)	(614)	–	9,075	–	17,066	–	8,733	–	–	–	(8,733)	21,603	30,099	24,931
Bulk purchases - Electricity		33,687	42,138	40,130	23,660	23,178	22,044	21,019	20,459	18,379	20,167	20,732	(100,212)	185,381	395,356	417,680
Acquisitions - water & other inventory		1,090	1,271	3,527	1,003	1,673	2,771	4,950	4,950	4,950	4,950	4,950	(24,628)	11,454	63,515	66,239
Contracted services		19,904	5,202	13,488	14,926	11,675	19,859	14,264	14,264	14,264	14,264	14,264	(70,677)	85,694	194,933	187,924
Transfers and subsidies - other municipalities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		11,910	22,149	18,557	29,949	21,648	33,371	7,732	7,732	7,732	7,732	7,732	(38,442)	137,802	94,860	98,630
Cash Payments by Type		**98,006**	**95,504**	**112,721**	**138,161**	**114,994**	**141,202**	**73,710**	**81,883**	**71,070**	**72,857**	**73,422**	**(366,447)**	**707,084**	**1,460,428**	**1,492,977**
Other Cash Flows/Payments by Type																
Capital assets		3,533	7,998	4,402	5,967	7,155	6,345	9,086	8,838	7,954	7,657	8,100	(41,685)	35,400	129,147	99,603
Repayment of borrowing		7,224	1,374	–	–	–	22,336	4,209	4,209	4,209	4,209	4,209	(21,043)	30,934	50,272	51,113
Other Cash Flows/Payments		1,191	–	–	–	–	–	–	–	–	–	–	–	1,191	84,986	88,895
Total Cash Payments by Type		**109,955**	**104,876**	**117,123**	**144,128**	**122,150**	**169,882**	**87,005**	**94,979**	**83,232**	**84,723**	**85,731**	**(429,174)**	**774,609**	**1,724,832**	**1,732,589**
NET INCREASE/(DECREASE) IN CASH HELD		**45,499**	**1,206**	**(14,175)**	**(32,775)**	**(19,162)**	**(40,799)**	**5,826**	**(2,148)**	**9,599**	**8,108**	**7,100**	**(34,981)**	**(66,702)**	**(343,407)**	**(315,967)**
Cash/cash equivalents at the month/year beginning:		–	45,499	46,705	32,530	(245)	(19,407)	(60,207)	(54,380)	(56,528)	(46,929)	(38,822)	(31,721)	–	(66,702)	(410,108)
Cash/cash equivalents at the month/year end:		45,499	46,705	32,530	(245)	(19,407)	(60,207)	(54,380)	(56,528)	(46,929)	(38,822)	(31,721)	(66,702)	(66,702)	(410,108)	(726,075)

WC048 Knysna - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Mid-Year Assessment

Month R thousands	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	–	7,402	(6,385)	44	44	7,402	7,357	99.4%	0%
August	–	7,402	6,938	5,226	5,270	553	(4,717)	-852.8%	6%
September	–	7,402	6,938	4,106	9,376	7,491	(1,885)	-25.2%	11%
October	–	7,402	7,250	7,332	16,708	14,741	(1,967)	-13.3%	19%
November	–	7,402	8,151	5,538	22,246	22,892	646	2.8%	25%
December	–	7,402	9,550	6,374	28,620	32,442	3,822	11.8%	32%
January	–	7,402	9,086	–		41,529	–		
February	–	7,402	8,888	–		50,416	–		
March	–	7,402	7,954	–		58,370	–		
April	–	7,402	7,657	–		66,027	–		
May	–	7,402	8,100	–		74,127	–		
June	–	7,402	21,032	–		95,159	–		
Total Capital expenditure	–	88,819	95,159	28,620					