



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

## Monthly Budget Report for May 2023/24



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

## Table of Contents

GLOSSARY .....	3
LEGISLATIVE FRAMEWORK.....	5
Report of the Executive Mayor .....	5
Recommendations .....	5
SECTION 1 – EXECUTIVE SUMMARY .....	6
1.1 INTRODUCTION .....	6
1.2 CONSOLIDATED PERFORMANCE .....	6
1.3 MATERIAL DIFFERENCES TO THE SDBIP .....	6
1.4 REMEDIAL ACTIONS .....	7
SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES .....	8
2.1 TABLE C1 – MONTHLY BUDGET SUMMARY.....	8
2.2 TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE .....	9
2.3 TABLE C3 – MONTHLY BUDGETED FINANCIAL PERFORMANCE .....	10
2.4 TABLE C4 – MONTHLY FINANCIAL PERFROMANCE .....	11
2.5 OPERATING REVENUE BY SOURCES: .....	12
2.6 OPERATING EXPENDITURE BY TYPE.....	13
2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE .....	14
2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION .....	15
2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW.....	16
SECTION 3 SUPPORTING DOCUMENTATION .....	17
3.1 TABLE SC3 – DEBTORS AGE ANALYSIS .....	17
3.3 TABLE SC4 – CREDITORS AGE ANALYSIS.....	18
3.4 INVESTMENT PORTFOLIO ANALYSIS.....	19
3.6 TABLE SC8 – EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF .....	20
SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN.....	21
SECTION 5 – SCM DEVIATIONS.....	25
SECTION 6 – PROGRESS ON MUNICIPAL DEBT RELIEF .....	26
SECTION 7 – QUALITY CERTIFICATION.....	55

## GLOSSARY

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

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

**Approved budget** - means an annual budget—

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

**Budget** - The financial plan of the Municipality.

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

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

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

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

**Equitable share** - A general unconditional grant paid to municipalities. It is predominantly targeted to subsidise the delivery of free basic services.

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

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

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

**IDP** - Integrated Development Plan. The main strategic planning document of the Municipality.

**MBRR** - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** - Local Government: Municipal Finance Management Act (56/2003). The principal piece of legislation relating to municipal financial management. From here on to be referred to as the Act.

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

**Operating expenditure** - Spending on the day-to-day expenses of the Municipality such as salaries and wages. It provides a short-term benefit, normally less than a year.

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

**SDBIP** - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic objectives** - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure** - in relation to a municipality, means any expenditure

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

- a) overspending of the total amount appropriated in the municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;  
Unauthorised expenditure refers to expenditure that municipalities incurred without provision having been made for it in the budget approved by the council or which does not meet the conditions of a grant.

**Virement** - A transfer of budget.

**Virement policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** - One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

## LEGISLATIVE FRAMEWORK

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

## Report of the Executive Mayor

### In -Year Report – Monthly Budget Statement

The monthly budget statement for May 2024, has been prepared in terms of the Municipal Budget and Reporting Regulations (2009) and the Municipal Finance Management Act 56 of 2003.

- a) The budget of the municipality has been implemented in terms of the Service Delivery Budget Implementation Plan (SDBIP). Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.

Cash flow has and will for the foreseeable future be a problem. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as employee related cost and achieving service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Budget Funding Plan has been approved and will be implemented to mitigate risk.

## Executive Mayor

## Recommendations

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

That the Executive Mayor takes cognisance of the Eskom Debt Relief Report for May 2024.

## SECTION 1 – EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a monthly report in a prescribed format to the mayor, within 10 working days after the end of each month, on the implementation of the Municipality's budget. The format and contents of the monthly budget report comply with the requirements as set out within the Municipal Budget and Reporting Regulations of 2009.

The report will be made available to the public on the municipal website at [www.kannaland.gov.za](http://www.kannaland.gov.za)

### 1.2 CONSOLIDATED PERFORMANCE

The performance against the budget can be summarized as follow:

Amount in thousands	Amended Budget	YTD Budget	Monthly Actual	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
<b>Operating Revenue</b>	R 233 809	R 217 664	R 14 066	R 199 803	R (17 860)	-8%
<b>Operating Expenditure</b>	R 253 451	R 232 215	R 12 640	R 197 323	R (34 892)	-15%
<b>Capital</b>	R 17 433	R 17 631	R 1 868	R 10 694	R (6 936)	-39%

Refer to Table C4 for more detail on operating revenue & expenditure.

#### Operational Revenue

The municipality's total operational revenue budget amounts to R234 million and the year-to-date revenue on the budget accrued to R 199 million. This represents 85% of total revenue to date.

#### Operational Expenditure

The municipality's total operational expenditure budget amounts to R253 million, with a year-to-date performance of R197 million, or 78% of the total expenditure budget.

#### Capital Expenditure

The total capital budget for the municipality amounts to R17 million with a year-to-date performance of R 10.6 million, or 61% of the total capital budget.

#### Operating Surplus/Deficit

The variances for operating revenue amounted to R17.8 million, and expenditure amounting to R 34 million, with an operating surplus of R 17 million for the month under review. This performance is to be noted against an unfunded budget.

### 1.3 MATERIAL DIFFERENCES TO THE SDBIP

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

## **1.4 REMEDIAL ACTIONS**

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

## SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES

### 2.1 TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M11 May									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	25,562	26,915	26,915	2,299	25,669	24,672	997	4%	26,915
Service charges	101,947	117,388	117,388	9,201	109,967	107,606	2,362	2%	117,388
Investment revenue	1,845	960	960	120	1,669	880	789	90%	960
Transfers and subsidies - Operational	41,576	64,252	71,715	1,164	41,931	69,077	(27,147)	-39%	71,715
Other own revenue	12,828	16,831	16,831	1,283	20,568	15,428	5,139	33%	16,831
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>183,758</b>	<b>226,346</b>	<b>233,809</b>	<b>14,066</b>	<b>199,803</b>	<b>217,664</b>	<b>(17,860)</b>	<b>-8%</b>	<b>233,809</b>
Employee costs	80,917	79,933	92,523	7,579	87,637	84,780	2,857	3%	92,523
Remuneration of Councillors	3,273	3,276	3,866	297	3,647	3,544	104	3%	3,866
Depreciation and amortisation	13,957	11,762	11,885	980	10,781	10,894	(113)	-1%	11,885
Interest	6,069	8,000	1,100	0	499	1,008	(509)	-51%	1,100
Inventory consumed and bulk purchases	58,220	64,991	64,441	1,887	53,104	59,071	(5,967)	-10%	64,441
Transfers and subsidies	255	920	400	-	208	367	(159)	-43%	400
Other expenditure	66,566	72,573	79,236	1,896	41,446	72,551	(31,105)	-43%	79,236
<b>Total Expenditure</b>	<b>229,258</b>	<b>241,455</b>	<b>253,451</b>	<b>12,640</b>	<b>197,323</b>	<b>232,215</b>	<b>(34,892)</b>	<b>-15%</b>	<b>253,451</b>
<b>Surplus/(Deficit)</b>	<b>(45,500)</b>	<b>(15,109)</b>	<b>(19,642)</b>	<b>1,427</b>	<b>2,480</b>	<b>(14,551)</b>	<b>17,032</b>	<b>-117%</b>	<b>(19,642)</b>
Transfers and subsidies - capital (monetary allocations)	8,426	15,804	19,233	1,868	10,694	17,631	(6,936)	-39%	19,233
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(37,074)</b>	<b>695</b>	<b>(409)</b>	<b>3,294</b>	<b>13,175</b>	<b>3,079</b>	<b>10,095</b>	<b>328%</b>	<b>(409)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(37,074)</b>	<b>695</b>	<b>(409)</b>	<b>3,294</b>	<b>13,175</b>	<b>3,079</b>	<b>10,095</b>	<b>328%</b>	<b>(409)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>3,047</b>	<b>13,743</b>	<b>17,412</b>	<b>217</b>	<b>8,565</b>	<b>15,960</b>	<b>(7,395)</b>	<b>-46%</b>	<b>17,412</b>
Capital transfers recognised	17,231	13,743	16,751	(259)	8,090	15,355	(7,265)	-47%	16,751
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(21,238)	-	661	475	475	606	(130)	-22%	661
<b>Total sources of capital funds</b>	<b>(4,007)</b>	<b>13,743</b>	<b>17,412</b>	<b>217</b>	<b>8,565</b>	<b>15,960</b>	<b>(7,395)</b>	<b>-46%</b>	<b>17,412</b>
<b>Financial position</b>									
Total current assets	(11,559)	(23,714)	(17,381)	-	6,647	-	-	-	(17,381)
Total non current assets	313,240	1,981	5,527	-	315,441	-	-	-	5,527
Total current liabilities	70,651	(22,971)	(12,318)	-	109,732	-	-	-	(12,318)
Total non current liabilities	44,555	-	-	-	30,889	-	-	-	-
<b>Community wealth/Equity</b>	<b>157,906</b>	<b>2,867</b>	<b>2,867</b>	-	<b>168,293</b>	-	-	-	<b>2,867</b>
<b>Cash flows</b>									
Net cash from (used) operating	75,736	5,823	9,189	(1,908)	75,879	11,369	(64,510)	-567%	223,862
Net cash from (used) investing	(8,808)	(13,258)	(17,412)	(1,868)	(9,460)	15,960	25,421	159%	17,412
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>104,970</b>	<b>(7,435)</b>	<b>(8,222)</b>	<b>-</b>	<b>103,064</b>	<b>27,329</b>	<b>(75,734)</b>	<b>-277%</b>	<b>277,918</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	14,924	6,428	3,387	3,460	2,644	2,699	12,961	101,075	147,578
<b>Creditors Age Analysis</b>									
Total Creditors	12,799	1,543	421	62,902	-	-	-	-	77,665



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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M 11 May										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		68,359	50,659	52,394	3,640	75,466	49,343	26,123	53%	52,394
Executive and council		33,573	12,961	13,261	–	35,389	13,227	22,162	168%	13,261
Finance and administration		34,786	37,698	39,133	3,640	40,078	36,116	3,961	11%	39,133
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		11,776	36,120	42,887	1,261	13,496	39,415	(25,919)	-66%	42,887
Community and social services		11,666	15,750	16,841	1,261	13,450	15,539	(2,089)	-13%	16,841
Sport and recreation		0	–	–	–	46	–	46	–	–
Public safety		110	–	–	–	(0)	–	(0)	–	–
Housing		–	20,370	26,046	–	–	23,875	(23,875)	-100%	26,046
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2,239	4,604	4,904	149	2,088	4,542	(2,454)	-54%	4,904
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		2,239	4,604	4,904	149	2,088	4,542	(2,454)	-54%	4,904
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		109,810	150,767	152,857	10,884	119,447	141,994	(22,547)	-16%	152,857
Energy sources		65,268	81,032	81,103	6,128	67,469	74,755	(7,286)	-10%	81,103
Water management		23,004	37,355	39,374	2,827	30,365	36,739	(6,374)	-17%	39,374
Waste water management		10,774	16,612	16,612	983	10,973	15,672	(4,700)	-30%	16,612
Waste management		10,764	15,769	15,769	946	10,640	14,828	(4,188)	-28%	15,769
<i>Other</i>	<b>4</b>	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>	<b>2</b>	<b>192,184</b>	<b>242,150</b>	<b>253,042</b>	<b>15,934</b>	<b>210,498</b>	<b>235,294</b>	<b>(24,797)</b>	<b>-11%</b>	<b>253,042</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		79,185	86,605	89,273	5,998	69,171	81,800	(12,629)	-15%	89,273
Executive and council		21,671	24,748	23,656	1,898	21,706	21,684	22	0%	23,656
Finance and administration		57,515	61,858	65,618	4,100	47,466	60,116	(12,650)	-21%	65,618
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		15,746	31,175	37,951	1,235	17,611	34,708	(17,097)	-49%	37,951
Community and social services		10,203	8,894	9,359	548	7,497	8,524	(1,027)	-12%	9,359
Sport and recreation		1,096	532	1,096	70	782	980	(198)	-20%	1,096
Public safety		1,342	280	280	105	1,331	256	1,075	419%	280
Housing		3,105	21,469	27,216	511	8,001	24,948	(16,947)	-68%	27,216
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		16,130	17,691	20,645	1,082	12,983	18,925	(5,942)	-31%	20,645
Planning and development		5	–	–	–	–	–	–	–	–
Road transport		16,125	17,691	20,645	1,082	12,983	18,925	(5,942)	-31%	20,645
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		118,197	105,983	105,582	4,325	97,558	96,783	775	1%	105,582
Energy sources		64,317	70,336	65,580	2,060	55,719	60,115	(4,395)	-7%	65,580
Water management		24,204	14,006	17,622	976	20,865	16,153	4,712	29%	17,622
Waste water management		14,599	10,984	11,509	593	9,549	10,550	(1,001)	-9%	11,509
Waste management		15,077	10,657	10,871	695	11,424	9,965	1,459	15%	10,871
<i>Other</i>		–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>229,258</b>	<b>241,455</b>	<b>253,451</b>	<b>12,640</b>	<b>197,323</b>	<b>232,215</b>	<b>(34,892)</b>	<b>-15%</b>	<b>253,451</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(37,074)</b>	<b>695</b>	<b>(409)</b>	<b>3,294</b>	<b>13,175</b>	<b>3,079</b>	<b>10,095</b>	<b>328%</b>	<b>(409)</b>

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

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May											
Vote Description		Ref	2022/23	Budget Year 2023/24							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands											
Revenue by Vote		1									
Vote 1 - MUNICIPAL MANAGER			33,573	12,961	13,261	–	35,389	13,227	22,162	167.6%	13,261
Vote 2 - CORPORATE SERVICES			13,175	41,883	48,785	1,335	14,557	44,720	(30,163)	-67.4%	48,785
Vote 3 - FINANCIAL SERVICES			33,986	34,750	36,050	3,610	39,466	33,290	6,176	18.6%	36,050
Vote 4 - TECHNICAL SERVICES			111,450	152,556	154,946	10,989	121,086	144,058	(22,972)	-15.9%	154,946
Vote 5 - CALITZDORP SPA			–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)			–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]			–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]			–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]			–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]			–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]			–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]			–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]			–	–	–	–	–	–	–	–	–
Total Revenue by Vote		2	192,184	242,150	253,042	15,934	210,498	235,294	(24,797)	-10.5%	253,042
Expenditure by Vote		1									
Vote 1 - MUNICIPAL MANAGER			21,671	24,748	23,656	1,898	21,706	21,684	22	0.1%	23,656
Vote 2 - CORPORATE SERVICES			37,646	55,025	65,343	3,496	42,289	59,817	(17,528)	-29.3%	65,343
Vote 3 - FINANCIAL SERVICES			38,564	38,044	41,049	1,851	24,083	37,595	(13,512)	-35.9%	41,049
Vote 4 - TECHNICAL SERVICES			129,996	121,333	121,098	5,181	108,078	111,006	(2,929)	-2.6%	121,098
Vote 5 - CALITZDORP SPA			–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)			1,381	2,305	2,305	214	1,168	2,113	(945)	-44.7%	2,305
Vote 7 - [NAME OF VOTE 7]			–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]			–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]			–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]			–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]			–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]			–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]			–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		2	229,258	241,455	253,451	12,640	197,323	232,215	(34,892)	-15.0%	253,451
Surplus/ (Deficit) for the year		2	(37,074)	695	(409)	3,294	13,175	3,079	10,095	327.9%	(409)

## 2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description		Ref	2022/23	Budget Year 2023/24							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity			112,995	127,346	127,346	10,272	122,316	116,734	5,582	5%	127,346
Service charges - Water			64,073	76,101	76,101	6,104	67,252	69,759	(2,507)	-4%	76,101
Service charges - Waste Water Management			20,258	22,267	22,267	1,610	25,992	20,412	5,580	27%	22,267
Service charges - Waste management			8,707	9,610	9,610	754	8,450	8,809	(359)	-4%	9,610
Sale of Goods and Rendering of Services			8,910	9,410	9,410	733	8,273	8,626	(354)	-4%	9,410
Agency services			428	396	396	31	455	363	92	25%	396
Interest			1,215	1,350	1,350	71	1,145	1,238	(93)	-8%	1,350
Interest earned from Receivables			-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets			6,176	5,929	5,929	760	7,830	5,435	2,395	44%	5,929
Dividends			1,845	960	960	120	1,669	880	789	90%	960
Rent on Land			-	-	-	-	-	-	-	-	-
Rental from Fixed Assets			-	-	-	-	-	-	-	-	-
Licence and permits			611	1,098	1,098	58	600	1,006	(406)	-40%	1,098
Operational Revenue			171	159	159	17	182	146	36	25%	159
			602	66	66	15	469	61	408	672%	66
Non-Exchange Revenue											
Property rates			70,762	99,000	106,463	3,794	77,487	100,930	(23,443)	-23%	106,463
Surcharges and Taxes			25,562	26,915	26,915	2,299	25,669	24,672	997	4%	26,915
Fines, penalties and forfeits			-	-	(0)	-	6,032	-	6,032	-	(0)
Licence and permits			395	2,501	2,501	14	242	2,293	(2,050)	-89%	2,501
Transfer and subsidies - Operational			0	30	30	0	0	28	(27)	-100%	30
Interest			41,576	64,252	71,715	1,164	41,931	69,077	(27,147)	-39%	71,715
Fuel Levy			2,561	2,802	2,802	259	2,955	2,568	387	15%	2,802
Operational Revenue			-	-	-	-	-	-	-	-	-
Gains on disposal of Assets			667	-	-	59	658	-	658	-	-
Other Gains			-	2,500	2,500	-	-	2,292	(2,292)	-100%	2,500
Discontinued Operations			-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			183,758	226,346	233,809	14,066	199,803	217,664	(17,860)	-8%	233,809
Expenditure By Type											
Employee related costs			80,917	79,933	92,523	7,579	87,637	84,780	2,857	3%	92,523
Bulk purchases - electricity			3,273	3,276	3,866	297	3,647	3,544	104	3%	3,866
Inventory consumed			55,313	56,045	56,045	1,522	48,938	51,375	(2,437)	-5%	56,045
Debt impairment			2,907	8,946	8,396	365	4,167	7,696	(3,530)	-46%	8,396
Depreciation and amortisation			29,561	16,691	16,691	-	-	15,300	(15,300)	-100%	16,691
Interest			13,957	11,762	11,885	980	10,781	10,894	(113)	-1%	11,885
Contracted services			6,069	8,000	1,100	0	499	1,008	(509)	-51%	1,100
Transfers and subsidies			19,896	33,727	40,181	749	13,254	36,816	(23,562)	-64%	40,181
Irrecoverable debts written off			255	920	400	-	208	367	(159)	-43%	400
Operational costs			46	-	-	226	17,543	-	17,543	-	-
Losses on Disposal of Assets			16,806	22,156	22,365	921	10,649	20,436	(9,787)	-48%	22,365
Other Losses			(609)	-	-	-	-	-	-	-	-
			866	-	-	-	-	-	-	-	-
Total Expenditure			229,258	241,455	253,451	12,640	197,323	232,215	(34,892)	-15%	253,451
Surplus/(Deficit)			(45,500)	(15,109)	(19,642)	1,427	2,480	(14,551)	17,032	(0)	(19,642)
Transfers and subsidies - capital (monetary allocations)			8,426	15,804	19,233	1,868	10,694	17,631	(6,936)	(0)	19,233
Transfers and subsidies - capital (in-kind)			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			(37,074)	695	(409)	3,294	13,175	3,079	-	-	(409)
Income Tax			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax			(37,074)	695	(409)	3,294	13,175	3,079	-	-	(409)
Share of Surplus/Deficit attributable to Joint Venture			-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			(37,074)	695	(409)	3,294	13,175	3,079	-	-	(409)
Share of Surplus/Deficit attributable to Associate			-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			(37,074)	695	(409)	3,294	13,175	3,079	-	-	(409)

Due to the cyclical nature of the economy and the current straight-line approach to budgeting, all deviations in excess of 5% will be treated as material unless otherwise stated. Material deviations will be explained, and recommendations will be made if the extent and nature of the deviation may necessitate action.

It should be noted that the straight-line budget approach will be addressed and adjusted to reflect the cyclical nature of the economy as soon as possible. It should be noted that grants to be received, are accounted for correctly. A costly seamlessly integrated financial accounting system, as required in terms of mSCOA, will take time to implement due to financial constraints.

## 2.5 OPERATING REVENUE BY SOURCES:

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

- **Service Charges** – Water amounts to R 1.6 million for **May 2024** and R 25.9 million YTD which represents positive 27% variance to the adjustment budget.
- **Sale of goods and Rendering of Services** – amounts to R 31 thousand for **May 2024** and R 455 thousand YTD which represents positive 25% variance to the adjustment budget. This is higher due to the number of building plans approved which include the new shopping centre being constructed on Van Riebeeck Street in Ladismith.
- **Agency Services** - amounted to R 71 thousand for **May 2024** and R 1.1 million YTD which represents a negative 8% variance to the adjustment budget.
- **Interest Earned on Investments** – (positive **90%** YTD variance from the adjustment budget). The budget did not take into account the timing of the grants to be received (interest on call account - cash backed grants) when the monthly budget allocations was done. It can also be attributed to an under-budgeted position. The Municipality also collected more revenue which attract more interest.
- **Interest on outstanding debtors** – (positive **44%** YTD variance from the adjustment budget). The Municipality has delayed the write-offs of prescribed debt; it also has not written off the outstanding debt of indigent households. Due to these reasons the total debtor's debt attracting interest in significantly higher.
- **Rental from fixed Assets** – amounted to R 58 thousand and R 600 thousand YTD which represents a negative **40%** variance to the adjustment budget. The Municipality collected significantly less rent YTD than budgeted. The Municipality has not implemented all rental contracted with market-related rental amounts. This process is to be finalized during the next quarter or as and when existing contracts expire.
- **Licence and permits** - (positive **25%** YTD variance from the adjustment budget). Amounted to R 17 thousand for the month of **May 2024**. This is due to an increase in the number of learner license applications.
- **Fines, Penalties & Forfeits** – Almost no activity, with a negative **89%** YTD variance, with no vendor appointed to provide cameras and administrative support on speed fines. The Municipality is currently reviewing the fines process and it has not been able to utilize this service effectively. An audit must be conducted to determine how much the service is unprofitable when it has the potential of generating much higher revenue. Cost containment measures must be considered if this does not improve.
- **Transfers and Subsidies** – amounted to R 1.1 million for the month of **May 2024**. The under-performance can be attributed to the housing project, which is yet to be invoiced.
- **Interest** - amounted to R 259 thousand for the month of **May 2024**.

- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

## 2.6 OPERATING EXPENDITURE BY TYPE

- **Inventory Consumed** – amounted to R 365 thousand for **May 2024** and R 3.6 million YTD, this includes direct purchases for the store and inventory issued out for the reporting period. The Municipality is not currently utilising the inventory system for procurement. Stock is purchased from contracted services.
- **Contracted Services** – amounted to R 749 thousand in **May 2024** and R 13 million YTD. This can be contributed to the Municipalities successful attempt to implement cost containment measures.
- **Transfers and subsidies** – (negative **43%** YTD variance from the adjustment budget). The Municipality has not paid us subsidies yet; this will be concluded in the next quarter. The Municipality makes quarterly transfers as and when the institutions submit the relevant documentation.
- **Other Expenditure** - amounted to R 921 thousand in **May 2024**.

Most expenditure items were less than forecasted and this is due to the lack of recognition of expenditure once incurred, in addition to cash flow issues that results in the municipality only spending in terms of available revenue. The Municipality is still busy implementing expenditure on the accrual basis, expenses has been recognized when paid. This process will be corrected in the next view months.

## 2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May									
Vote Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %
<b>R thousands</b>	<b>1</b>								<b>Full Year Forecast</b>
<b>Multi-Year expenditure appropriation</b>	<b>2</b>								
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	206	-	-	189	(189)	-100%
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		(0)	7,294	12,531	(659)	6,781	11,487	(4,706)	-41%
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>(0)</b>	<b>7,294</b>	<b>12,737</b>	<b>(659)</b>	<b>6,781</b>	<b>11,676</b>	<b>(4,895)</b>	<b>-42%</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>								
Vote 1 - MUNICIPAL MANAGER		0	-	261	-	-	239	(239)	-100%
Vote 2 - CORPORATE SERVICES		(21,238)	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		7,054	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		17,231	6,449	4,413	876	1,784	4,046	(2,262)	-56%
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>3,047</b>	<b>6,449</b>	<b>4,674</b>	<b>876</b>	<b>1,784</b>	<b>4,285</b>	<b>(2,501)</b>	<b>-58%</b>
<b>Total Capital Expenditure</b>	<b>3</b>	<b>3,047</b>	<b>13,743</b>	<b>17,412</b>	<b>217</b>	<b>8,565</b>	<b>15,960</b>	<b>(7,395)</b>	<b>-46%</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>		7,054	-	261	-	-	239	(239)	-100%
Executive and council		0	-	261	-	-	239	(239)	-100%
Finance and administration		7,054	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	206	-	-	189	(189)	-100%
Community and social services		-	-	206	-	-	189	(189)	-100%
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		(21,238)	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-
Road transport		(21,238)	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-
<b>Trading services</b>		17,231	13,743	16,945	217	8,565	15,532	(6,967)	-45%
Energy sources		873	485	62	(1,171)	-	57	(57)	-100%
Water management		(873)	6,449	6,473	876	1,784	5,934	(4,150)	-70%
Waste water management		17,231	6,809	9,246	512	6,781	8,476	(1,695)	-20%
Waste management		-	-	1,163	-	-	1,066	(1,066)	-100%
<b>Other</b>		-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>3,047</b>	<b>13,743</b>	<b>17,412</b>	<b>217</b>	<b>8,565</b>	<b>15,960</b>	<b>(7,395)</b>	<b>-46%</b>
<b>Funded by:</b>									
National Government		17,231	13,743	14,031	(259)	8,090	12,862	(4,772)	-37%
Provincial Government		-	-	2,719	-	-	2,493	(2,493)	-100%
District Municipality		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		17,231	13,743	16,751	(259)	8,090	15,355	(7,265)	-47%
<b>Borrowing</b>	<b>6</b>	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		(21,238)	-	661	475	475	606	(130)	-22%
<b>Total Capital Funding</b>	<b>7</b>	<b>(4,007)</b>	<b>13,743</b>	<b>17,412</b>	<b>217</b>	<b>8,565</b>	<b>15,960</b>	<b>(7,395)</b>	<b>-46%</b>

### CAPITAL EXPENDITURE

- The Municipality remains on track with its capital expenditure. It had a **R 217 thousand** expenditure in **May 2024**.

## 2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M11 May						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		20,729	(14,630)	(9,614)	24,775	(9,614)
Trade and other receivables from exchange transactions		4,505	(9,478)	(9,478)	5,621	(9,478)
Receivables from non-exchange transactions		(323)	(1,128)	(1,128)	3,117	(1,128)
Current portion of non-current receivables		-	-	-	-	-
Inventory		2,400	(8,946)	(8,386)	2,342	(8,386)
VAT		(37,806)	10,468	11,225	(28,045)	11,225
Other current assets		(1,063)	-	-	(1,164)	-
<b>Total current assets</b>		<b>(11,559)</b>	<b>(23,714)</b>	<b>(17,381)</b>	<b>6,647</b>	<b>(17,381)</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		1,111	-	-	1,116	-
Property, plant and equipment		312,120	1,981	5,527	314,315	5,527
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		9	-	-	9	-
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>313,240</b>	<b>1,981</b>	<b>5,527</b>	<b>315,441</b>	<b>5,527</b>
<b>TOTAL ASSETS</b>		<b>301,681</b>	<b>(21,733)</b>	<b>(11,854)</b>	<b>322,088</b>	<b>(11,854)</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1,364	-	-	1,447	-
Trade and other payables from exchange transactions		88,168	(19,856)	(9,203)	81,104	(9,203)
Trade and other payables from non-exchange transactions		13,792	-	-	45,436	-
Provision		7,477	-	-	8,491	-
VAT		(40,151)	(3,115)	(3,115)	(26,746)	(3,115)
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>70,651</b>	<b>(22,971)</b>	<b>(12,318)</b>	<b>109,732</b>	<b>(12,318)</b>
<b>Non current liabilities</b>						
Financial liabilities		-	-	-	-	-
Provision		33,738	-	-	19,349	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		10,817	-	-	11,540	-
<b>Total non current liabilities</b>		<b>44,555</b>	<b>-</b>	<b>-</b>	<b>30,889</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>115,206</b>	<b>(22,971)</b>	<b>(12,318)</b>	<b>140,621</b>	<b>(12,318)</b>
<b>NET ASSETS</b>	2	<b>186,475</b>	<b>1,238</b>	<b>464</b>	<b>181,467</b>	<b>464</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		157,444	2,867	2,867	167,831	2,867
Reserves and funds		462	-	-	462	-
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>157,906</b>	<b>2,867</b>	<b>2,867</b>	<b>168,293</b>	<b>2,867</b>

## 2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M11 May										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		4,921	22,305	22,305	1,051	15,307	20,446	(5,139)	-25%	22,305
Service charges		73,390	120,923	120,373	2,101	72,082	110,342	(38,260)	-35%	120,373
Other revenue		2,794	9,067	9,067	228	14,687	8,312	6,376	77%	9,067
Transfers and Subsidies - Operational		43,410	64,252	71,715	0	66,987	68,684	(1,698)	-2%	71,715
Transfers and Subsidies - Capital		13,170	15,804	19,233	-	17,212	17,631	(419)	-2%	19,233
Interest		1	50	50	-	3	46	(43)	-94%	50
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(61,949)	(226,578)	(233,554)	(5,289)	(110,399)	(214,091)	(103,692)	48%	(18,881)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>75,736</b>	<b>5,823</b>	<b>9,189</b>	<b>(1,908)</b>	<b>75,879</b>	<b>11,369</b>	<b>(64,510)</b>	<b>-567%</b>	<b>223,862</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(8,808)	(13,258)	(17,412)	(1,868)	(9,460)	15,960	25,421	159%	17,412
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(8,808)</b>	<b>(13,258)</b>	<b>(17,412)</b>	<b>(1,868)</b>	<b>(9,460)</b>	<b>15,960</b>	<b>25,421</b>	<b>159%</b>	<b>17,412</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>66,928</b>	<b>(7,435)</b>	<b>(8,222)</b>	<b>(3,776)</b>	<b>66,419</b>	<b>27,329</b>			<b>241,273</b>
Cash/cash equivalents at beginning:		38,042	-	-	-	36,645	-			36,645
Cash/cash equivalents at month/year end:		104,970	(7,435)	(8,222)	-	103,064	27,329			277,918

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

- Standard Bank Main Account is **R 3.2 million**;
- The Traffic Account has **R 714 thousand**;
- Deposit Account has **R 747 thousand**;
- Call Account has **R 18.9 million**; and
- Eskom Bulk Account has **R 3 million**



## SECTION 3 SUPPORTING DOCUMENTATION

### 3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May													
Description	NT Code	Budget Year 2023/24											
		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
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6,069	3,993	1,245	1,418	790	866	2,843	19,455	36,679	25,372	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5,328	343	241	174	81	88	367	822	7,444	1,533	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2,912	804	714	666	614	571	3,122	22,192	31,596	27,165	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	738	353	349	339	353	332	1,869	11,968	16,301	14,861	-	-
Receivables from Exchange Transactions - Waste Management	1600	1,455	580	563	548	535	528	2,870	17,324	24,403	21,806	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	66	115	61	120	96	145	1,054	25,802	27,459	27,217	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(1,643)	241	214	196	174	169	836	3,511	3,697	4,885	-	-
Total By Income Source	2000	14,924	6,428	3,387	3,460	2,644	2,699	12,961	101,075	147,578	122,839	-	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	114	245	48	34	40	34	147	98	759	353	-	-
Commercial	2300	671	184	200	148	136	140	873	3,664	6,017	4,962	-	-
Households	2400	14,082	5,835	2,980	3,114	2,314	2,390	11,175	86,566	128,456	105,559	-	-
Other	2500	57	164	159	164	154	134	767	10,746	12,345	11,965	-	-
Total By Customer Group	2600	14,924	6,428	3,387	3,460	2,644	2,699	12,961	101,075	147,578	122,839	-	-

The total amount owed to Kannaland Municipality amounted to **R 147 million** at the end of **May 2024**.

- **R101 million or 68%** of the total outstanding debtors are older than one year.
- **R122 million or 82%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality. Pre-paid electricity remains the most effective form of credit control.

### 3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May											
Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	5,839	148	24	-	-	-	-	40,332	46,343	-
Bulk Water	0200	70	-	-	-	-	-	-	-	70	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1,152	59	46	1,604	-	-	-	-	2,861	-
Auditor General	0800	4,275	983	195	-	-	-	-	4,243	9,695	-
Other	0900	1,463	354	155	-	-	-	-	16,723	18,696	-
Total By Customer Type	1000	12,799	1,543	421	1,604	-	-	-	61,298	77,665	-

- The total outstanding creditors as at the end of **May 2024** amounts to **R 77 665 million**.

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

- ESKOM = R46 033 million, of which the entire amount is conditionally written off. The other R31 322 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R28 122 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R3.2 million.
- All other creditors 0-90 days are managed and paid on a month-to-month payment plan, for finalisation in the 2023-2024 FY.

## 3.4 INVESTMENT PORTFOLIO ANALYSIS

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

## 3.5 GRANT RECEIPTS AND EXPENDITURE

### KANNALAND MUNICIPALITY

#### DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance '1 JULY 2023	Original Budget	Adjustments 2023-24	Repayments	Rejected Rollover	Grants Received	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2024
-------------------	----------------------	-----------------	---------------------	------------	-------------------	-----------------	--	--	----------------------

#### UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS

##### NATIONAL GOVERNMENT GRANTS

Equitable Share Grant		R 35,348,000.00				R 35,348,000.00	R 35,348,000.00		R -
Municipal Infrastructure Grant Project Management Unit		R 568,650.00				R 568,650.00	R 521,262.39		R 47,387.61
Municipal Infrastructure Grant	R 958,000.00	R 10,514,350.00	R 11,843,350.00	R 958,000.00	R 958,000.00	R 11,843,350.00	R -	R 8,931,306.33	R 2,912,043.67
Financial Management Grant	R 99.99	R 2,932,000.00				R 2,932,000.00	R 2,028,803.32		R 903,296.68
Expanded Public Works Programme Grant	R 390.00	R 1,220,000.00				R 1,220,000.00	R 1,080,660.06		R 139,729.94
Integrated National Electrification Programme	R 556,878.81				R -				R 556,878.81
Water Service Infrastructure Grant	R 62,699.06	R 5,000,000.00	R 4,500,000.00		R -	R 4,500,000.00		R 1,110,797.75	R 3,451,901.31
<b>Total National Government Grants</b>	<b>R 1,578,067.86</b>	<b>R 55,583,000.00</b>	<b>R 16,343,350.00</b>	<b>R 958,000.00</b>	<b>R 958,000.00</b>	<b>R 56,412,000.00</b>	<b>R 38,978,725.77</b>	<b>R 10,042,104.09</b>	<b>R 8,011,238.01</b>

##### PROVINCIAL GOVERNMENT GRANTS

Integrated Housing & Human Settlement Beneficiaries	R 1,007,923.00								R 1,007,923.00
WC Financial Management Capacity Building Grant	R 342,198.00					R -	R -		R 342,198.00
Library Conditional Grant - Capital	R 23,576.00							R -	R 23,576.00
Municipal Replacement Fund - Library	R -	R 3,555,000.00	R 3,607,000.00			R 3,607,000.00	R 2,267,080.56		R 1,339,919.44
Community Development Workers	R -					R 113,000.00	R 103,639.79		R 9,360.21
Provincial Treasury Intervention Grant - Server	R 300,000.00					R -			R 300,000.00
Drought Relief	R 82,508.81								R 82,508.81
Employee Support Grant	R 886.00						R -		R 886.00
WC Financial Management Support - General	R 573,634.00								R 573,634.00
WC Financial Management Support - Capacity Building	R 239,000.00								R 239,000.00
Municipal Intervention Grant - IT Server			R 300,000.00			R 300,000.00			R 300,000.00
Municipal Service Delivery and Capacity Building Grant			R 300,000.00			R 300,000.00			R 300,000.00
Western Cape Financial Recovery Services			R 1,000,000.00			R 1,000,000.00			R 1,000,000.00
Human Settlement		R 20,262,000.00	R 24,905,000.00			R 23,859,720.00	R 23,859,720.00		R -
Human Settlement Informal Settlement Upgrading Partnership Grant		R 108,000.00	R 1,141,000.00			R -			R -
Municipal Intervention Grant - Meters		R -	R 1,000,000.00			R 1,000,000.00			R 1,000,000.00
Water Resilience Grant		R -	R 2,440,000.00			R 2,440,000.00			R 2,440,000.00
<b>Total Provincial Government Grants</b>	<b>R 2,569,725.81</b>	<b>R 23,925,000.00</b>	<b>R 34,693,000.00</b>	<b>R -</b>	<b>R -</b>	<b>R 32,619,720.00</b>	<b>R 26,230,440.35</b>	<b>R -</b>	<b>R 8,959,005.46</b>
	<b>R 4,147,793.67</b>	<b>R 79,508,000.00</b>	<b>R 51,036,350.00</b>	<b>R 958,000.00</b>	<b>R 958,000.00</b>	<b>R 89,031,720.00</b>	<b>R 65,209,166.12</b>	<b>R 10,042,104.09</b>	<b>R 16,970,243.47</b>

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

#### Expenditure:

- Financial Management Grant amounts to **R 814 thousand**.
- Municipal Infrastructure Grant (MIG) amounts **R 997 thousand** capital expenditure and MIG PMU amounts to **R47 thousand**.
- Expanded Public Works Programme amounts to **R 58 thousand**.

#### Provincial Treasury

#### Expenditure:


- Libraries Grant amounts to **R 199 thousand**.

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May										
Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		2,827	2,990	3,580	244	3,099	3,282	(183)	-6%	3,580
Pension and UIF Contributions		36	-	-	16	136	-	136	-	-
Medical Aid Contributions		67	-	-	10	104	-	104	-	-
Motor Vehicle Allowance		52	-	-	3	33	-	33	-	-
Cellphone Allowance		292	286	286	25	275	262	13	5%	286
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>3,273</b>	<b>3,276</b>	<b>3,866</b>	<b>297</b>	<b>3,647</b>	<b>3,544</b>	<b>104</b>	<b>3%</b>	<b>3,866</b>
<b>% increase</b>	4		<b>0.1%</b>	<b>18.1%</b>						<b>18.1%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		2,729	4,449	3,899	312	3,047	3,574	(527)	-15%	3,899
Pension and UIF Contributions		5	9	9	1	7	8	(1)	-17%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		80	509	439	23	300	402	(102)	-25%	439
Cellphone Allowance		50	113	113	7	80	104	(24)	-23%	113
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		98	88	88	4	18	80	(62)	-78%	88
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>2,963</b>	<b>5,167</b>	<b>4,547</b>	<b>347</b>	<b>3,451</b>	<b>4,168</b>	<b>(717)</b>	<b>-17%</b>	<b>4,547</b>
<b>% increase</b>	4		<b>74.4%</b>	<b>53.5%</b>						<b>53.5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		52,231	52,793	62,470	4,963	56,279	57,264	(985)	-2%	62,470
Pension and UIF Contributions		7,132	8,568	8,367	611	7,018	7,670	(652)	-8%	8,367
Medical Aid Contributions		2,168	1,687	2,417	200	2,196	2,216	(19)	-1%	2,417
Overtime		6,568	4,876	5,983	792	7,867	5,463	2,405	44%	5,983
Performance Bonus		1,975	752	1,002	4	786	919	(133)	-14%	1,002
Motor Vehicle Allowance		2,790	2,359	3,515	293	3,330	3,222	107	3%	3,515
Cellphone Allowance		127	100	131	8	101	120	(19)	-16%	131
Housing Allowances		337	173	345	28	310	316	(5)	-2%	345
Other benefits and allowances		6,515	2,851	3,009	333	6,028	2,748	3,280	119%	3,009
Payments in lieu of leave		(1,166)	150	280	-	270	257	13	5%	280
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		(723)	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>77,954</b>	<b>74,309</b>	<b>87,519</b>	<b>7,232</b>	<b>84,185</b>	<b>80,193</b>	<b>3,992</b>	<b>5%</b>	<b>87,519</b>
<b>% increase</b>	4		<b>-4.7%</b>	<b>12.3%</b>						<b>12.3%</b>
<b>Total Parent Municipality</b>		<b>84,190</b>	<b>82,752</b>	<b>95,933</b>	<b>7,876</b>	<b>91,284</b>	<b>87,905</b>	<b>3,378</b>	<b>4%</b>	<b>95,933</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	457	457	-	-	418	(418)	-100%	457
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	0	1	-	1	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Executive members Board</b>		<b>-</b>	<b>457</b>	<b>457</b>	<b>0</b>	<b>1</b>	<b>418</b>	<b>(418)</b>	<b>-100%</b>	<b>457</b>
<b>% increase</b>	4		<b>0.0%</b>	<b>0.0%</b>						<b>0.0%</b>
<b>Total Municipal Entities</b>		<b>-</b>	<b>457</b>	<b>457</b>	<b>0</b>	<b>1</b>	<b>418</b>	<b>(418)</b>	<b>-100%</b>	<b>457</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>84,190</b>	<b>83,209</b>	<b>96,389</b>	<b>7,876</b>	<b>91,285</b>	<b>88,324</b>	<b>2,961</b>	<b>3%</b>	<b>96,389</b>
<b>% increase</b>	4		<b>-1.2%</b>	<b>14.5%</b>						<b>14.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>80,917</b>	<b>79,476</b>	<b>92,067</b>	<b>7,579</b>	<b>87,636</b>	<b>84,362</b>	<b>3,275</b>	<b>4%</b>	<b>92,067</b>

## SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN

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

<div>  <b>KANNALAND</b> MUNISIPALITEIT   MUNICIPALITY </div> <div>Budget Funding Implementation Schedule</div>						
14-Jun-24	Activity	Activity Detail	Status	Due Date	Date Achieved	Comments / Reasons / remedial action
Improved Monthly Collection Rate	Meter verification, TID & data collection project	Start processes for meter verification, TID & data collection project - Specs for tender	Achieved	1-Feb-24	30-Apr-24	The tender was advertised, only one application was received. The tender expired and will be re-advertised. The Municipality is engaging the service current service provider to roll-out this services. The Municipality managed to resolve this with the current service provider.
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Achieved	1-Apr-24	30-Apr-24	The tender was not awarded. Depending on the outcome of the engagement with the current service provider will the tender be re-advertised. The Municipality managed to resolve this with the current service provider.
	Meter verification, TID & data collection project	Phase I - To be specified during specs evaluation/assessment	Achieved	1-Jun-24	30-Apr-24	The tender was not awarded, it will be re-advertised. The Municipality managed to resolve this with the current service provider.
	Meter verification, TID & data collection project	Phase II - To be specified during specs evaluation/assessment	Achieved	1-Sep-24	30-Apr-24	The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase III - To be specified during specs evaluation/assessment	Achieved	1-Oct-24	30-Apr-24	The tender was not awarded, it will be re-advertised.
	Tender for issuing of summonses to be awarded	Referred back to evaluation for clarity on pricing	Achieved	31-Jan-24	30-Apr-24	The Municipality is currently busy with an intensive debt collection drive. The focus is on the top 50 debtors. Numerous communication has been circulated with some success. A further drive will ensue and none paying debtors will be handed over. The Municipality advertised a tender for legal and professional services. None of the bidders were able to assist with Debt Collection. The Municipality opted to re-advertised. The Municipality is in the process of enlisting the services of a debt collection agency and all overdue debtors will be handed-over systematically.
	Bulk SMS's - Credit Control / Check with SAMRAS credit control module	SMS's can be done internally (part of FMG support Plan)	Achieved	31-Aug-23	31-Aug-23	The Municipality managed to procure bulk messages and it forms part of the debt collection process. The Municipality appointed a Accountant Debt Collection to ensure a dedicated focus on overdue accounts
	SAMRAS - Credit Control Module activate and support	Dependent availability of SAMRAS (part of FMG support Plan)	Achieved	30-Sep-23	1-Nov-23	The Municipality opted to appoint a Accountant responsible for Debt Collection. The Credit Control Module implementation will be investigated and detailed recommendations will be considered.
	Exception reporting - Improved	System in place to ensure technical department address issues escalated	Achieved	1-Aug-23	1-Oct-23	The Municipality are making use of the services of a Seconded Technical Director. This will allow management to implement cross departmental actioned. The technical department in conjunction with the meter reading department will ensure all faulty meters are replaced.
	Action against biggest Debtors	Dependent on summons processes (can start with notices to be issued & addressing disputes)	Achieved	31-Aug-23	31-Aug-23	The debt collection team is busy prioritising the highest debtors per month.
	Strengthen internal capacity	Appointment Customer Care Clerk	Achieved	31-Jul-23	31-Aug-23	The Municipality opted to appoint a Accountant responsible for Debt Collection. It also appointed a clerk within the department.
	Strengthen internal capacity	Appointment Accountant - Debtors	Achieved	31-Jul-23	1-Dec-23	The Municipality advertised for this position and is busy with the recruitment process. An appointment will be made once the process has been concluded. The appointment has been made and the candidate will start on 01 December 2023.
	Adding additional pay-points / Indigent registration	VWD - (tools of trade to be issued)	Achieved	31-Jul-23	1-Aug-23	The Municipality are busy exploring the options to increase the pay-points. It was concluded that a possible relief cashier be used on selected days.
	Adding additional pay-points / Indigent registration	Thusong Centre - (tools of trade to be issued)	Target Missed	31-Mar-24		The Municipality are busy exploring the options to increase the pay-points. A site visit was conducted and a particular office was identified. The Municipality must identify savings to make the necessary adjustments, safety proof the office.
	Adding additional - Indigent registration (temporarily - Maxi Hall)	Zoar (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.
	Adding additional - Indigent registration (temporarily - Bergsig Library)	Czd (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.

Improved Accuracy in Billing	Reconciliations	Rates / billing recon - quarterly (being done to ensure billing completeness) -Addressing Reconciliation differences (in place)	Achieved	31-Aug-23	31-Oct-23	The valuation roll is being reconciled and all variances reported on monthly. A action plan has been drawn up to address outstanding matters.
	Water & Electricity Meters to be recorded correctly on the system	Uniformity in capturing and data cleansing through verification project - SOP's to be put in place and actual corrections to correlate with verification process	Achieved	31-Oct-23	30-Sep-23	The debtors and metering department is busy with a meter audit. A number of faulty meters has been identified for repairs and replacement. The Municipality has established a operating team consisting of the technical and finance department to perform a detailed analysis throughout the Municipality. The process already started and will be completed by end of January 2024.
	Stakeholder Communication	System in place to communicate and follow progress on replacement and installing of meters. Connecting of new services to a property. (Role clarification building control, technical & billing)	Achieved	31-Aug-23	30-Sep-23	An interdepartmental working group will be established and the finance department will be in charge of the data of each meter
	Stakeholder Communication	Communication campaign - methods of payment, accounts to be emailed, accounts available online - communicate to the public	Achieved	30-Sep-23	31-Dec-23	Accounts is being emailed to debtors monthly. The council resolved that the CFO can engage outstanding debtors on a payment plan or settlement arrangement.
	Management of Bulk Services	Calibrate and monitor bulk meters (Control meters and annual calibration part of technical maintenance plan)	Achieved	30-Nov-23	31-Dec-23	Bulk meters are being monitored monthly. The Municipality is currently in the processes of going out on tender for the reading of all bulk meters.
Other Revenue	Rental Contracts	Ensure that there are rental contracts for all properties on the rent-register	Target Missed	31-Aug-23		The Municipality is busy collating the outstanding contracts. The deadline was extended to 31 December 2023 from 31 August 2023. The user department is currently busy with finalising these contracts.
	Rental Income	Enhance rental income for municipal properties like community facilities & equipment	Target Missed	31-Dec-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Rental Income	Rental income all municipal properties and market related where applicable	Target Missed	31-Jul-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Traffic Department	Procurement process- vendor to be appointed for speed cameras	Target Missed	31-Jan-24		The Municipality has rented a traffic camera which is currently in use. The Municipality is currently in the process of auditing the traffic fine system. The progress is not satisfactory and management will review the operations, as the service is under-utilized.
	Traffic Department	Address traffic department leadership and structuring - Head of department to be appointed	Target Missed	31-Oct-23		This is currently in process, the position has been advertised, HR is yet to make the appointment
	Traffic Department	Address traffic department revenue shortfall - increased spot fines, licenses, roadworthy etc. - address inefficiencies - report progress	Target Missed	30-Sep-23		Due to a lack in leadership the department does not have a clear action plan. The targets must be revised to end of December 2023. It seems unlikely that the projected revenue target for this will be achieved.
Cost Containment Measures	Human Resources	Implement a performance management system for all managers (consequence management + improvement discipline)	Target Missed	31-Oct-23		This is still outstanding, a draft performance plan and contracts have been implemented for directors. The Municipality must enlist the get access to a performance management system to effectively implement a PMS.
	Human Resources	Phased in approach to cost cutting measures - address allowances, standby, overtime etc.	Target Missed	31-Aug-23		The Municipality is busy with budget vs actual workshops for each department. Costs containment measures will be implemented once the directors have a better understanding of their budgets. Various cash flow meetings was held with line managers during November 2023. A budget vs actual workshop was also held, budgeted vacant positions were highlighted for the employment of temporary workers, limited until Feb 2024.
	Human Resources	Completeness HR records (leave, sick leave and employee Masterfile information)	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Human Resources	Compliance with Staff regulations and address structure inefficiencies + organogram payroll recon. Appointments to be prioritized and "need" justified	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Contract Management	Approve a Contract Management Policy & Checklist for vendor performance management and need analysis before appointing	Target Missed	31-Jan-24		The Municipality is currently busy with the implementation of controls and the development of a compliant contact register. Various expired contracts will be reviewed to implement cost-containment measures.

Liability Management	Creditors	Compliance with section 65 of the MFMA. Recognition of expenditure when incurred. Sub-system to be used and reconciled	Target Missed	29-Feb-24		The Municipality circulated numerous communication with suppliers regarding payment dates, processes and payment terms. As cash flow allow it will attempt to ensure compliance with the section. The Eskom debt relief application has allowed the Municipality to decrease its total liabilities. The final adjustments for the Eskom balance has been received and the Municipality has over R8million credit which will impact the municipalities cash balance positively. The credit with Eskom has been utilized to strengthen the Municipalities cash position.
	Budgeting	Weekly cash flow monitoring	Achieved	31-Aug-23	7-Nov-23	Cash flow meetings is scheduled weekly
	Budgeting	Establish Budget Steering Committee (budget implementation & grant management monitoring)	Target Missed	31-Jan-24		The Municipality is in the process of establishing a budget steering committee
	Liabilities	Clearing and dealing with old grants on grant register	Target Missed	31-Mar-24		The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system. The financial system will be aligned to the grant register. All historical grants will be reported on as historical expenditure might be off-set against these expense conditions.
	Liabilities	Improved grant & retention management - address PMU inefficiencies and administrative responsibilities clarified	Achieved	31-Aug-23	31-Aug-23	The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system
Other Measures	Water & Electricity Losses	Isolating high loss and fix (water) / exception reporting & monitoring of use	Target Missed	31-Jul-23		The Technical department is in the process of implementing a system in which they will address water losses.
	Water & Electricity Losses	Pre-Paid water meters first Indigent households as policy dictate - linked to verification project	Target Missed	31-Jan-24		The Municipality is in the process of embarking on a internal meter audit verification process, by establishing a multi-departmental team to verify meter data of all meters within the Municipality. Through this process all water & electricity meters will be audited and replaced if found to be faulty.
	Water & Electricity Losses	Identify and consolidate Eskom service points (reduce monthly account)	Target Missed	31-Dec-23		The Municipality has started exploring this through the technical department.
	Asset Management	Improved fleet management - Policy implementation, monitoring of fuel use & monthly reporting	Target Missed	31-Jul-23		Fleet management is challenging in the Municipality due to the lack of vehicle management. The Municipality is in the process of evaluating the tender for a fleet management system.
	Asset Management	Develop a R&M plan / strategy	Target Missed	31-Mar-24		
	Employee Related Costs	Fill critical vacancies - "justifiable needs assessment" first. Revenue generating / protecting in nature - prioritise	Target Missed	31-Oct-23		The organogram is still in development phase

## 12.1 Financial Performance 2023/24

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>									%	
<b>Revenue</b>										
<b>Exchange Revenue</b>		112,995	127,346	127,346	10,272	122,316	116,734	5,582	5%	127,346
Service charges - Electricity		64,073	76,101	76,101	6,104	67,252	69,759	(2,507)	-4%	76,101
Service charges - Water		20,258	22,267	22,267	1,610	25,992	20,412	5,580	27%	22,267
Service charges - Waste Water Management		8,707	9,610	9,610	754	8,450	8,809	(359)	-4%	9,610
Service charges - Waste management		8,910	9,410	9,410	733	8,273	8,626	(354)	-4%	9,410
Sale of Goods and Rendering of Services		428	396	396	31	455	363	92	25%	396
Agency services		1,215	1,350	1,350	71	1,145	1,238	(93)	-8%	1,350
Interest earned from Receivables		6,176	5,929	5,929	760	7,830	5,435	2,395	44%	5,929
Interest earned from Current and Non Current Assets		1,845	960	960	120	1,669	880	789	90%	960
Rental from Fixed Assets		611	1,098	1,098	58	600	1,006	(406)	-40%	1,098
Licence and permits		171	159	159	17	182	146	36	25%	159
Operational Revenue		602	66	66	15	469	61	408	672%	66
<b>Non-Exchange Revenue</b>		70,762	99,000	106,463	3,794	77,487	100,930	(23,443)	-23%	106,463
Property rates		25,562	26,915	26,915	2,299	25,669	24,672	997	4%	26,915
Surcharges and Taxes		—	—	(0)	—	6,032	—	6,032		(0)
Fines, penalties and forfeits		395	2,501	2,501	14	242	2,293	(2,050)	-89%	2,501
Licence and permits		0	30	30	0	0	28	(27)	-100%	30
Transfer and subsidies - Operational		41,576	64,252	71,715	1,164	41,931	69,077	(27,147)	-39%	71,715
Interest		2,561	2,802	2,802	259	2,955	2,568	387	15%	2,802
Operational Revenue		667	—	—	59	658	—	658		—
Gains on disposal of Assets		—	2,500	2,500	—	—	2,292	(2,292)	-100%	2,500
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>183,758</b>	<b>226,346</b>	<b>233,809</b>	<b>14,066</b>	<b>199,803</b>	<b>217,664</b>	<b>(17,860)</b>	<b>-8%</b>	<b>233,809</b>
<b>Expenditure By Type</b>										
Employee related costs		80,917	79,933	92,523	7,579	87,637	84,780	2,857	3%	92,523
Remuneration of councillors		3,273	3,276	3,866	297	3,647	3,544	104	3%	3,866
Bulk purchases - electricity		55,313	56,045	56,045	1,522	48,938	51,375	(2,437)	-5%	56,045
Inventory consumed		2,907	8,946	8,396	365	4,167	7,696	(3,530)	-46%	8,396
Debt impairment		29,561	16,691	16,691	—	—	15,300	(15,300)	-100%	16,691
Depreciation and amortisation		13,957	11,762	11,885	980	10,781	10,894	(113)	-1%	11,885
Interest		6,069	8,000	1,100	0	499	1,008	(509)	-51%	1,100
Contracted services		19,896	33,727	40,181	749	13,254	36,816	(23,562)	-64%	40,181
Transfers and subsidies		255	920	400	—	208	367	(159)	-43%	400
Irrecoverable debts written off		46	—	—	226	17,543	—	17,543		—
Operational costs		16,806	22,156	22,365	921	10,649	20,436	(9,787)	-48%	22,365
<b>Total Expenditure</b>		<b>229,258</b>	<b>241,455</b>	<b>253,451</b>	<b>12,640</b>	<b>197,323</b>	<b>232,215</b>	<b>(34,892)</b>	<b>-15%</b>	<b>253,451</b>
<b>Surplus/(Deficit)</b>		<b>(45,500)</b>	<b>(15,109)</b>	<b>(19,642)</b>	<b>1,427</b>	<b>2,480</b>	<b>(14,551)</b>	<b>17,032</b>	<b>(0)</b>	<b>(19,642)</b>



## SECTION 5 – SCM DEVIATIONS

MAY 2024

VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES

ORDER NUMBER	DATE	DEPARTMENT	SUPPLIER	AMOUNT	REASON
					The Kannaland Municipality forms part of water scarce area and are experiencing challenges in potable drinking water services delivery in the Greater Kannaland region for sustainable water services. The main cause of this phenomenon is based on three main aspects which are as follows: Age infrastructure, unavailability of sufficient potable water tankers and inadequate competent staff for rendering the services. The municipality is in process of procuring the services of a mobile water tanker service provider on a three year tender of which will be closing on 2 May 2024. The engineering department is also investigating opportunities to review the following: the procurement of a flat bottom 5000L tank that could be placed on one of the flatbed trucks to render the potable drinking water services, install water pipes in areas where the water reticulation network allows for reducing the mobile water tanker services.
21006	3 May 24	TECHNICAL SERVICES	DEKLIN SERVICES	R 85,813.20	
21029	21 May 24	TECHNICAL SERVICES	URHWEBO TRANSAND	R 174,864.00	Deviation was done on the appointment of Urwebo, no deviation memo is attached to explain the reason why the deviation on tender 05/2023 was done. The only document attached to order is the request for payment memo.
					A municipal council property is currently been allocated to the Acting Municipal Manager whose contract has been extended with 3 months until the position is filled. It is therefore, requested that the furniture be procured to be used in the municipal council property. The municipal council property is currently in use by council official(s) and addresses the proactive measures to contain costs mainly by reducing the costs of procuring the Bed and Breakfast for services but rather using the municipal council property for the Acting Accounting Officer currently appointed. This process benefits both council and administration for the providing comfort and stability of the Acting Accounting Officer during his tenure. Cognisance should be taken that any amendments in the contract of the current Acting Municipal Manager, the municipal council property will be readily available for occupancy of an incoming personnel as an Accounting Officer, Chief Financial Officer or as resolved by council.
21037	13 May 24	ADMINISTRATION	LEWIS STORES (PTY) LTD	R 89,199.99	The fully furnishing of the municipal council house will afterwards be maintained by ensuring all goods bought are registered in the asset register of the municipality and will only be replaced within the reasonable time of normal SCM processes.
21028	9 May 24	INFRASTRUCTURE	HIDRO TECH SYSTEMS (PTY) LTD	R 250,168.94	Deviation was done on the appointment of Hidro Tech Systems (Pty) Ltd. No Deviation memo is attached to explain reason for deviation.
21040	14 May 24	ADMINISTRATION	BRAAFF	R 31,028.73	No deviation Memo is attached to explain reason why the deviation was done
					Currently, ICT Wyse Corp has no contract with Kannaland Municipality and connectivity for all offices can be terminated. This means that the remote offices would not be able to log into the servers situated at the main building of Kannaland Municipality. This will create problems for the municipality as all offices will not have any internet connectivity for these remote offices. This deviation is until Kannaland tender process for the WAN has concluded. As it is almost impossible to appoint a new service provider for the Wide Area Network.
21002	2 May 24	INFORMATION, COMMUNICATION AND TECHNOLOGY	ICT WIZE GROUP (PTY) LTD	R 28,319.00	APPOINTMENT REFERENCE IS KANNA 06/2023. only payment certificate is attached to order document. Appointment was done through deviation yet there is no deviation memo attached
21030	10 May 24	INFRASTRUCTURE	HIDRO TECH SYSTEMS (PTY) LTD	R 609,617.63	The Community Development Workers (CDW) regional meeting is set to take place at the Karoowater Guest Farm from 15th-17th May 2024. This gathering will bring together community development professionals from various regions to discuss strategies, share best practices, and collaborate on initiatives aimed at improving the quality of life in their communities. The CDW's regional meeting is an opportunity for stakeholders to engage in meaningful dialogue and to forge partnerships that will empower communities and drive sustainable development in the region. We do not have enough time to follow Supply Chain Management Procedures and we have to deviate from the regular processes.
21027	9 May 24	Municipal Manager Office	Karoowater Gasteplaas	R 16,000.00	SAPO is currently the sole service provider for the posting of the municipality's monthly service accounts. In the event that the service accounts are not delivered to the consumers, the municipality cannot generate revenue for services delivered. Due to the urgency of this service that must be delivered.
21023	8 May 23	REVENUE	SA POST OFFICE	R 44,922.50	The original agreements with the service provider to provide telecommunication services has lapsed and thus resulted in the municipality having to start the procurement process for the appointment of a new service provider on a long term basis. The municipality during the previous and current financial year started engagement with the business side of Telkom, but could not finalize the process due to a lack of continuity in negotiations and personnel. Mr Rudl Fortuin is still in talks with our current service provider, Telkom with regards to the finalisation and eventual procurement processes. Telkom are a government parastatal. The contracts that lapsed makes provision for a month-to-month agreement that shall be terminated upon prior notice by any of the parties. The municipality has no other choice but to appoint the current service provider up until the procurement and tender process for a service provider has been finalized.
21019	8 May 24	ADMINISTRATION	TELKOM SOUTH AFRICA	R 33,106.99	SAPO is currently the sole service provider for the posting of the municipality's monthly service accounts. In the event that the service accounts are not delivered to the consumers, the municipality cannot generate revenue for services delivered. Due to the urgency of this service that must be delivered.
21022	8 May 24	REVENUE	SA POST OFFICE	R 44,922.50	No deviation Memo is attached to explain reason why the deviation was done
21020	8 May 24	ADMINISTRATION	BIDVEST STEINER	R 12,826.78	The Community Development Workers (CDW) regional meeting is set to take place at the Karoowater Guest Farm from 15th-17th May 2024. This gathering will bring together community development professionals from various regions to discuss strategies, share best practices, and collaborate on initiatives aimed at improving the quality of life in their communities. The CDW's regional meeting is an opportunity for stakeholders to engage in meaningful dialogue and to forge partnerships that will empower communities and drive sustainable development in the region. We do not have enough time to follow Supply Chain Management Procedures and we have to deviate from the regular processes.
21026	9 May 24	ADMINISTRATION	Karoowater Gasteplaas	R 31,540.00	Ladensmith camera system installation is currently in process to monitor crime activities as well as our council properties it has come to our attention that there are materials that are still needed to completed the installation process. Having the cameras not being used for the intended purpose leads to fruitless and wasteful expenditure and does not assist the municipality in achieving the goal of reducing and/or curbing illegal/criminal activities currently ongoing.
21031	10 May 24	CORPORATE AND COMMUNITY SERVICES	AJ OOSTHUIZEN T/A CYBERTEL	R 17,105.50	The item for the advertisement of the vacant post of the Municipal Manager serve at council 24 April 2024. Council took decision to advertise the post, in line with the regulations and the Appointment and Conditions of Senior Manager, 2014. As part of resolution, the administration must appointed an independent Consultant which will assist council with the process. Regulation 11(1) of regulations of the Appointment and Conditions of Senior Manager 2014, States that the advert must be placed 14 days of approval by council. This results in the normal SCM process not being able to realise the following timeline.
21004	2 May 24	HUMAN RESOURCES	MEDIA 24 BEPERK	R 58,098.00	Council resolution: 24 April 2024
				R 1,527,533.76	Advertisement (latest date): 04 May 2024

## SECTION 6 – PROGRESS ON MUNICIPAL DEBT RELIEF

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

### MFMA Circular 124 – Municipality Compliance Self-Assessment



National Treasury	
Municipal Debt Relief	
MFMA Circular No. 124	
Municipal Finance Management Act No. 56 of 2003	

Province		
WC		
Code	District	Code Description
WC041	Garden Route	Kannaland

Monthly Performance Report																																																		
Municipal Details			Part A Eskom And Bulk water current account						Part B Compliance with a funded MTREF					Part C FRP/BFP & Tariff Assessment			Part D Electricity and water as collection tools				Part E Quarterly collection of property rates and services charges						Part F Maximization of Revenue Base			Part G Oversight												Part H Compliance Status								
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status					
1.July	Kannaland	WC041	No	No	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	N/A	Yes	Yes	N/A	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0%	Non Compliance			
2.August	Kannaland	WC041	Yes	No	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	N/A	Yes	Yes	N/A	Yes	Yes	N/A	Yes	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance		
3.September	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance		
4.October	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance		
5.November	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Non Compliance		
6.December	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance	
7.January	Kannaland	WC041	No	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance	
8.February	Kannaland	WC041	Yes	No	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance	
9.March	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance	
10.April	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0%	Non Compliance	
11.May	Kannaland	WC041																																													0%	Non Compliance		
12.June	Kannaland	WC041																																															0%	Non Compliance

HOD Name:


Signature of HOD:

Date:

Comments/Motivation

**Note** – If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procurement of the HOD must be attached as an Annexure to this Certificate of Compliance.

**Annexure A2 - Monthly**



**National Treasury**  
**Municipal Debt Relief**  
 MFMA Circular No. 124  
 Municipal Finance Management Act No. 56 of 2003

Select Assessor

**Certificate of Compliance: Municipal Debt Relief Conditions for Application**

Period: May/24

National Financial Year: 2023/24

Demonstration Code of Municipality being assessed: WC041

District: Garden Route

Demonstration Description: Kannaland

I, undersigned, as HOD, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

**Municipal Debt Relief Conditions (Monthly reporting)** Choose from drop down list

Section	Condition	Response
6.1.2	Maintaining the Eskom Bulk Water Current Account - (current account for the purpose of to a service master the account for a single month's consumption)	
6.1.2.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.1.2.2</i>	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.1.2.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://uploadportal.treasury.gov.za">https://uploadportal.treasury.gov.za</a> ?	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.1.2.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://uploadportal.treasury.gov.za">https://uploadportal.treasury.gov.za</a> ?	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.3.3	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.4	Compliance with a funded MTREF - (choose from drop down list the MTREF assessed)	<span style="border: 1px solid black; padding: 2px;">2023/24 Main Adjustment MT REF</span>
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfmr.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfmr.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	<span style="border: 1px solid black; padding: 2px;">No</span>
6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (for property rates), the provision for debt impairment should align with the figure collection trend should align to 40 per cent of the 2023/24 MTREF revenue provision (for property rates). If the municipality merely used the debt requirement to balance the budget and there is no real alignment between the provision for each with the actual collection of revenue, the Provincial Treasury must respond to this item as "No".</i>	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for each with the state of asset/asset register, the Provincial Treasury must respond to this item as "No".</i>	<span style="border: 1px solid black; padding: 2px;">Yes</span>
6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PF / NT must discuss whether the existing FRP incorporates fiscal plus effect as a funded MTREF. If not, the FRP requires strengthening.</i>	<span style="border: 1px solid black; padding: 2px;">Yes</span>

6.4.2	<p>- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?</p> <p><i>Note: - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>	Yes
6.4.2	<p>- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.)?</p>	Yes
6.5	<p><b>Cost reflective tariffs</b> - (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?</p>	Yes
6.6	<p><b>Broadband and water as collection tools</b> - has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies, that:</p>	
6.6.1	<p>- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?</p>	Yes
6.6.2	<p>- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?</p>	Yes
6.6.3	<p>- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i></p>	Yes
6.6.4	<p>- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively?</p> <p><i>Note - the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NI format.</i></p>	Yes
6.6	<p><i>Supporting evidence: The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i></p>	
6.7	<p><b>Maintain a minimum average quarterly collection of property rates and services charges -</b></p>	
6.7.1	<p>- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?</p>	Not yet end of quarter
	<p><i>Note - in 2023/24, Eskom's standard for collection (MFMA Circular No. 71) is a 85 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>	
6.7.2	<p>- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:</p>	
6.7.2.1	<p>* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;</p>	Yes
6.7.2.2	<p>* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?</p>	Yes
6.7.2.3	<p>* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?</p>	Yes
6.7.3	<p>- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?</p>	Yes
6.7.4	<p>- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?</p>	Yes
6.7.5	<p>- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?</p>	Yes
6.8	<p><b>Municipality's Completeness of the revenue base -</b></p>	
6.8.1	<p>- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?</p>	Yes
6.8.1	<p>- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified?</p> <p><i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i></p>	Yes
6.8.2	<p>- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://uploadportal.treasury.gov.za">https://uploadportal.treasury.gov.za</a>?</p>	Yes
6.9	<p><b>Monitor and report on implementation -</b></p>	
6.9.1	<p>- MFMA section 71 reporting - has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and</p>	Yes



30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes
31	6.9.3	- <b>Municipalities with financial recovery plans (FRP)</b> – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ? <i>Note - a municipality with a FRP may not benefit from the Municipal Debt Relief programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP
6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	No
36	6.11	<b>Limitation on municipality borrowing powers</b> - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular no. 124 condition 6.11 (limitation on municipality borrowing powers) will only be enforced in relation to new long term loans entered into after the effective date of debt relief approval as envisaged in MFMA section 46. Short term borrowings, including raising use of an overdraft for in-year funding purposes are not considered within the ambit of this condition.</i>	No
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
37	6.12.1	- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) <b>the component of the Local Government Equitable Share (LGES)</b> the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? <i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.6(3).</i>	Yes
39		<b>Supporting evidence:</b> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
40	6.13	<b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	No
41	6.14	<b>NERSA License</b> - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note: By applying for Municipal Debt Relief as set out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 27 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's water support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>	Yes

PT: HOD/ NT / MM Name:

M. Baenans

Signature of HOD/ NT/ MM:



Date:

2024/06/13

**\*\*Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procurement of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.**

## MFMA Circular 124 - Municipal Indigent Household Information



**National Treasury**  
**Municipal Debt Relief**  
**MFMA Circular No. 124**  
**Municipal Finance Management Act No. 56 of 2003**

**Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))**

**Instruction** - complete only with information of the current households registered as indigent with the municipality ( Do NOT include the information of all households unless explicitly stated otherwise)

Description	Ref	As Per Debt Relief Application	Select Current Financial Year	Select Year Monitored													
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																
Water: ( Include All Indigent households also in Eskom supplied areas )																	
Indigent HH's with piped water inside dwelling						2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	
Indigent HH's with piped water inside yard (but not in dwelling)																	
Indigent HH's using public tap (at least min.service level)	2																
Indigent HH's with other water supply (at least min.service level)	4																
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	-
Indigent HH's using public tap (< min.service level)	3																
Indigent HH's with other water supply (< min.service level)	4																
Indigent HH's with No water supply		-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	-
Total number of registered indigent households	5																
Status of Water meters :																	
Number of Indigent HH's with prepaid Water						2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	
Number of Indigent HH's with conventional metered Water																	
Number of Indigent HH's NOT metered currently - Water																	
Number of Indigent HH's with NO Water supply - No metering			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	10					2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	-
Status of unlimited supply of Water :																	
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Water			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																
Energy: ( Include All Indigent households also in Eskom supplied areas )																	
Indigent HH's with Electricity (at least min.service level)																	
Indigent HH's with Electricity - prepaid (min.service level)						2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	-
Indigent HH's with Electricity (< min.service level)																	
Indigent HH's with Electricity - prepaid (< min. service level)																	
Indigent HH's with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5					2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	-
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity						2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	
Number of Indigent HH's with conventional metered Electricity																	
Number of Indigent HH's NOT metered currently - Electricity																	
Number of indigent HH's with other energy sources - No metering																	
Total number of registered indigent households	12					2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	-
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																

<b>Number of ALL Households receiving Free Basic Service (including registered Indigent Households)</b>	7																
Water (6 kilolitres per household per month)					2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	
Electricity/other energy (50kwh per household per month)					2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	
<b>Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)</b>																	
Water (6 kilolitres per household per month)					#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	
Electricity/other energy (50kwh per household per month)					#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	
<b>Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)</b>																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
<b>Total cost of FBS Water and Electricity provided to ALL Households</b>	8	-	-	-	-	438,949	438,949	438,949	438,949	438,949	438,949	438,949	438,949	438,949	438,949	439,687	-
<b>Highest level of free service provided per household (ALL Households)</b>																	
Property rates (R value threshold)																	
Water (kilolitres per household per month)																	
Sanitation (kilolitres per household per month)																	
Sanitation (Rand per household per month)																	
Electricity (kwh per household per month)																	
Refuse (average litres per week)																	
<b>Revenue cost of subsidised services provided for ALL Households (R'000)</b>	9																
<b>Residential Category</b> : Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(a)																
<b>PSI Category</b> : Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA																	
Water (in excess of 6 kilolitres per indigent household per month)	15																
Sanitation (in excess of free sanitation service to indigent households)	16																
Electricity/other energy (in excess of 50 kwh per indigent household per month)																	
Refuse (in excess of one removal a week for indigent households)																	
Municipal Housing - rental rebates																	
Housing - top structure subsidies																	
Other	6																
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## MFMA Circular 124 – Municipal Collection Rate Assessment

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipal Details					
Western Cape					
Code		District		Municipality	
WC041				Kannaland	
				Period Monitored	No.Of Wards
				May	8

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1					Summary - Quarter 2					Summary - Quarter 3					Summary - Quarter 4				
	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q1
1.Collection for whole demarcation	32,164,443	26,844,694	5,319,748	83%	83%	35,024,568	29,430,056	5,594,512	84%	84%	35,680,786	27,572,086	8,108,700	77%	77%	28,757,590	18,743,817	10,013,773	65%	65%
2.Collection excl Eskom supplied areas	23,808,354	22,190,852	1,617,502	93%	93%	26,102,238	24,077,286	2,024,952	92%	92%	26,374,783	22,880,588	3,494,195	87%	87%	23,024,704	15,454,412	7,570,292	67%	67%
3.Collection: Property Rates	6,666,527	5,654,090	1,012,437	85%	85%	6,890,012	6,360,150	529,862	92%	92%	6,882,817	5,628,363	1,254,453	82%	82%	4,594,168	3,717,709	876,459	81%	81%
4.Total average collection: Electricity (Municipal supplied areas)	14,747,492	14,921,257	(173,765)	101%	101%	16,017,418	15,982,860	34,558	100%	100%	15,654,261	15,061,033	593,228	96%	96%	10,152,537	10,062,917	89,620	99%	99%
5.Total average collection: Water	5,231,329	3,571,022	1,660,307	68%	68%	6,611,390	4,256,106	2,355,284	64%	64%	7,719,769	4,384,911	3,334,857	57%	57%	10,432,751	2,861,616	7,571,134	27%	27%
6.Total average collection: Wastewater	2,647,017	1,373,655	1,273,363	52%	52%	2,657,381	1,412,844	1,244,537	53%	53%	2,637,773	1,204,237	1,433,536	46%	46%	1,738,825	1,050,021	688,804	60%	60%
7.Total average collection: Refuse	2,645,119	1,204,032	1,441,086	46%	46%	2,620,482	1,318,141	1,302,341	50%	50%	2,558,045	1,079,704	1,478,341	42%	42%	1,687,228	999,590	687,638	59%	59%
8.Total average collection: Interest	226,958	120,637	106,321	53%	0%	227,885	99,955	127,930	44%	44%	228,121	213,836	14,286	94%	94%	152,081	51,964	100,117	34%	34%



## MFMA Circular 124 – Monthly Revenue Collection Reporting

Municipal Debt Relief - Monthly Revenue Collection Reporting (condition 6.7)

Province

Western Cape

WC041

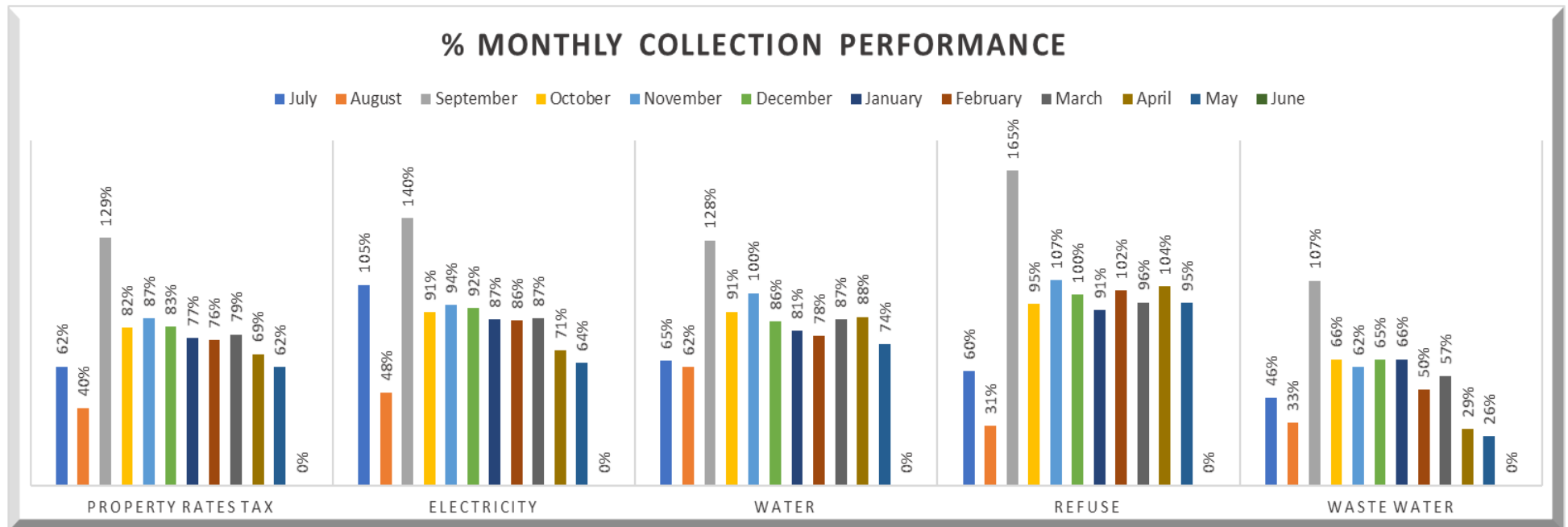
May

Average collection rate (MFMA Circular 124 condition 6.7)

NB - Collection rate principle applied (Cash collection)

Collection Rate Assessment																		
Total Aggregate Collection			10. April - Reporting for March In April				11. May - Reporting for April In May				Click to view below amounts	Summary - Quarter 4				Q1		
			Billing For March	Collection In April	R - Billing not collected	% Collection	Billing For April	Collection In August	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection			
1. Collection for whole demarcation			13,764,084	9,447,323	4,490,044	69%	14,993,505	9,296,495	5,697,011	62%		28,757,590	18,743,817	10,013,773	65%	65%		
2. Collection <u>excl Eskom supplied areas</u>			11,053,005	7,793,291	3,659,970	71%	11,971,700	7,661,121	4,420,435	64%		23,024,704	15,454,412	7,570,292	67%	67%		
3. Collection: <b>Property Rates</b>			2,295,062	2,020,667	274,395	88%	2,299,106	1,697,042	602,064	74%		4,594,168	3,717,709	876,459	81%	81%		
4. Total average collection: <b>Electricity</b> (Municipal supplied areas)		Summary	4,581,340	4,754,622	0	104%	5,571,197	5,308,295	262,902	95%		10,152,537	10,062,917	89,620	99%	99%		
5. Total average collection: <b>Water</b>			5,095,834	1,499,029	3,596,805	29%	5,336,917	1,362,588	3,974,329	26%		10,432,751	2,861,616	7,571,134	27%	27%		
6. Total average collection: <b>Wastewater</b>			870,945	564,718	306,228	65%	867,880	485,304	382,576	56%		1,738,825	1,050,021	688,804	60%	60%		
7. Total average collection: <b>Refuse</b>			844,863	595,536	249,327	70%	842,365	404,053	438,312	48%		1,687,228	999,590	687,638	59%	59%		
8. 7. Total average collection: <b>Interest</b>			76,040	12,751	63,289	17%	76,040	39,212	36,828	52%		152,081	51,964	100,117	34%	34%		
Complete This Section			Quarter 4 Performance Per Ward															
Services	Electricity Supplier	Ward Name & Number	10. April				11. May				Billing	Collection	R - Billing not collected	% Collection	Q4			
			Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection								
<b>Property Rates Tax</b>			151,588	129,237	22,351	85%	151,588	123,184	28,404	81%	303,175	252,421	50,755	83%	83%			
Electricity	Mani-Supplied	Nassimville - Ward 1	76,149	41,118	35,031	54%	98,772	205,402	0	208%	174,921	246,520	(71,599)	141%	141%			
Water			164,946	245,406	0	149%	177,950	97,928	80,021	55%	342,896	343,334	(439)	100%	100%			
Refuse			134,512	190,606	0	142%	132,332	78,464	53,868	59%	266,844	269,070	(2,226)	101%	101%			
Waste Water			174,191	178,124	0	102%	172,093	144,127	27,966	84%	346,284	322,251	24,033	93%	93%			
Interest			2,025	2,025	0	0%	2,025	2,025	0	0%	4,051	4,051	0	0%	0%			
<b>Property Rates Tax</b>			85,054	39,650	45,403	47%	85,054	29,956	55,098	35%	170,107	69,606	100,501	41%	41%			
Electricity	Eskom supplied	Zoar - Ward 2	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
Water			450,167	92,326	357,841	21%	444,323	58,224	386,099	13%	894,490	150,550	743,940	17%	17%			
Refuse			309,109	90,948	218,161	29%	308,791	68,164	240,627	22%	617,900	159,112	458,788	26%	26%			
Waste Water			289,326	79,190	210,136	27%	289,326	60,574	228,752	21%	578,651	139,763	438,888	24%	24%			
Interest			3,944	3,944	0	0%	3,944	3,944	0	0%	7,888	7,888	0	0%	0%			
<b>Property Rates Tax</b>			171,185	125,645	45,539	73%	173,402	45,881	127,520	26%	344,586	171,527	173,060	50%	50%			
Electricity	Eskom supplied	Calabroop Farms - Ward 3	95	-	95	0%	101	-	101	0%	196	-	196	0%	0%			
Water			1,427	1,170	257	82%	771	119	652	15%	2,198	1,289	908	59%	59%			
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
Interest			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
<b>Property Rates Tax</b>			23,106	10,173	12,932	44%	23,106	12,186	10,919	53%	46,211	22,360	23,852	48%	48%			
Electricity	Mani-Supplied	Beggs Calabroop - Ward 3	9,304	4,866	4,437	52%	12,425	9,002	3,423	72%	21,728	13,868	7,860	64%	64%			
Water			3,211,113	19,231	3,191,881	1%	3,362,161	32,186	3,329,975	1%	6,573,274	51,418	6,521,856	1%	1%			
Refuse			83,667	24,084	59,582	29%	83,349	20,714	62,635	25%	167,016	44,798	122,218	27%	27%			
Waste Water			77,485	16,579	60,905	21%	76,179	15,571	60,608	20%	153,664	32,150	121,514	21%	21%			
Interest			483	210	273	43%	483	-	483	0%	966	210	756	22%	22%			
<b>Property Rates Tax</b>			431,839	374,026	57,813	87%	432,068	323,606	108,461	75%	863,907	697,633	166,274	81%	81%			
Electricity	Mani-Supplied	Calabroop Town - Ward 3	669,503	643,672	25,831	96%	680,403	536,583	143,821	79%	1,349,907	1,180,255	169,652	87%	87%			
Water			249,895	185,829	64,066	74%	202,151	138,624	63,527	69%	452,046	324,453	127,593	72%	72%			
Refuse			85,427	76,139	9,289	89%	85,745	64,881	20,864	76%	171,172	141,019	30,153	82%	82%			
Waste Water			19,170	15,555	3,615	81%	19,203	14,229	4,974	74%	38,373	29,783	8,590	78%	78%			
Interest			6,426	9,523	0	148%	6,426	9,653	0	150%	12,851	19,176	(6,324)	149%	149%			
<b>Property Rates Tax</b>			898,137	859,889	38,249	96%	901,831	797,492	104,339	88%	1,799,968	1,657,381	142,587	92%	92%			
Electricity	Mani-Supplied	Ladsonville Town - Ward 4	3,436,172	3,690,797	0	107%	4,224,126	4,050,883	173,243	96%	7,660,298	7,741,680	(81,382)	101%	101%			
Water			625,983	628,029	0	100%	605,094	554,556	50,538	92%	1,231,077	1,182,585	48,492	96%	96%			
Refuse			183,739	182,184	1,555	99%	183,739	158,777	24,962	86%	367,478	340,961	26,517	93%	93%			
Waste Water			279,922	264,995	14,927	95%	280,227	243,513	36,714	87%	560,149	508,508	51,641	91%	91%			
Interest			58,224	3,018	55,206	5%	58,224	29,560	28,665	51%	116,449	32,578	83,871	28%	28%			
<b>Property Rates Tax</b>			481,594	450,014	31,580	93%	479,500	323,791	155,709	68%	961,094	773,805	187,289	81%	81%			
Electricity	Eskom supplied	Ladsonville Farms - Ward 4	390,118	374,170	15,948	96%	555,369	506,424	48,945	91%	945,487	880,594	64,893	93%	93%			
Water			336,378	316,973	19,405	94%	489,361	469,499	19,862	96%	825,739	786,471	39,268	95%	95%			
Refuse			16,034	26,835	0	167%	16,034	7,872	8,162	49%	32,069	34,708	(2,639)	108%	108%			
Waste Water			11,306	10,153	1,153	90%	11,306	7,087	4,219	63%	22,612	17,240	5,371	76%	76%			
Interest			4,875	-	4,875	0%	4,875	-	4,875	0%	9,750	-	9,750	0%	0%			
<b>Property Rates Tax</b>			52,559	32,032	20,527	61%	52,559	40,946	11,613	78%	105,118	72,978	32,140	69%	69%			
Electricity	Eskom supplied	Van Wyksloep - Ward 4	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
Water			55,925	10,064	45,862	18%	55,107	11,452	43,654	21%	111,032	21,516	89,516	19%	19%			
Refuse			32,375	4,740	27,635	15%	32,375	5,182	27,193	16%	64,750	9,922	54,828	15%	15%			
Waste Water			19,546	121	19,425	1%	19,546	203	19,343	1%	39,092	324	38,768	1%	1%			
Interest			63	-	63	0%	63	-	63	0%	127	-	127	0%	0%			

## MFMA Circular 124 - Electricity and Water as Collection Tools



## Provincial Treasury Debt Relief Compliance Assessment – April 2024



**Western Cape  
Government**

Provincial Treasury

**Isac Smith**

Head Official

isac.smith@westerncape.gov.za | Tel: 021 483 3749/6204/6267

Reference No.: PTR 16/1/3

Enquiries: Steven Kenyon

Private Bag X9165  
CAPE TOWN  
8000

Ms M Ngqaleni  
Deputy Director-General  
Intergovernmental Relations  
National Treasury  
40 Church Square  
PRETORIA  
0001

AND

Acting Mr D Sereo  
Municipal Manager  
Kannaland Municipality  
P O Box 32  
Ladismith  
6655

Per email: [Malijeng.Ngqaleni@treasury.gov.za](mailto:Malijeng.Ngqaleni@treasury.gov.za); [RevenueManagement@treasury.gov.za](mailto:RevenueManagement@treasury.gov.za);  
[Mohammed@mfip.gov.za](mailto:Mohammed@mfip.gov.za); [Jan.Hattingh@treasury.gov.za](mailto:Jan.Hattingh@treasury.gov.za); [marli@mfip.gov.za](mailto:marli@mfip.gov.za);  
[cfo@kannaland.gov.za](mailto:cfo@kannaland.gov.za); [wilmie@kannaland.gov.za](mailto:wilmie@kannaland.gov.za); [camilla@kannaland.gov.za](mailto:camilla@kannaland.gov.za)

Dear Ms Ngqaleni and Mr D Sereo

### **MFMA CIRCULAR NO. 124 - MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY DURING APRIL 2024**

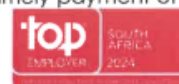
The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. April 2024 constitutes the 9<sup>th</sup> month of the Municipality's first 12-month debt relief compliance cycle. The Western Cape Provincial Treasury monitored and assessed the Municipality's compliance with all the debt relief conditions during April 2024. This letter provides an overview of the Provincial Treasury's assessment of the Municipality's compliance with the programme's conditions.

#### ● **Condition 6.1 - Municipality non-compliance**

In terms of the National Treasury (NT) approval, the municipality must comply with conditions 6.1 – 6.14 of MFMA Circular 124 read together with the additional conditions specific to the municipality set-out in its National Treasury debt relief approval letter. From the Provincial Treasury's assessment, the municipality achieved an 85% average compliance with the MFMA Circular 124 conditions during April 2024 – refer the performance sheet in the table below that shows the municipality's overall relief compliance performance across the months of its debt relief cycle. Considering the Municipality's consistent and timely payment of



[www.westerncape.gov.za](http://www.westerncape.gov.za)  
Provincial Treasury | Head of Treasury



Eskom accounts as well as the overall debt relief performance since 1 August 2023, (noting that the scoring of conditions carry equal weighting and do not fully reflect the efforts made by the Municipality to comply), the Provincial Treasury is of the view that the Municipality is currently on track to qualify for the one third (1/3) debt write-off at the end of its first debt relief compliance cycle on 31 July 2024. However, it is concerning that Kannaland already slipped below the 80 per cent collection rate last quarter, and the benchmark has subsequently been raised to 85 per cent. The Municipality must ensure that credit control is strictly enforced to achieve this. WC041 Kannaland Municipality overall relief performance from 5 September 2023 up to and including April 2024:



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province

Code	District	Its Description
WC041	Garden Route	Kannaland

Monthly Performance Report

Municipal Details		Part A				Part B				Part C				Part D				Part E				Part F				Compliance Status			
Month	Code Descr	Code	Billed And Bulk water current account				Compliance with a funded MTREF				FPM-APP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges				Waste/Refuse or Revenue Base				Score	Compliance Status	
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
1 July	Kannaland	WC041																										0%	Not Compliant
2 August	Kannaland	WC041																										78%	Not Compliant
3 September	Kannaland	WC041																										78%	Not Compliant
4 October	Kannaland	WC041																										85%	Not Compliant
5 November	Kannaland	WC041																										82%	Not Compliant
6 December	Kannaland	WC041																										88%	Not Compliant
7 January	Kannaland	WC041																										78%	Not Compliant
8 February	Kannaland	WC041																										78%	Not Compliant
9 March	Kannaland	WC041																										78%	Not Compliant
10 April	Kannaland	WC041																										78%	Not Compliant
11 May	Kannaland	WC041																										0%	Not Compliant
12 June	Kannaland	WC041																										0%	Not Compliant

The National Treasury will only request Eskom to write-off a Municipality's arrear debt, if the Municipality demonstrates to the National Treasury's satisfaction, that the Municipality complied with the aforementioned conditions for a consecutive period of 12 months. The Municipality is encouraged to continue to make progress towards full compliance with all conditions of the Municipal Debt Relief programme.

#### ● Condition 6.2 - Application-based supported by Council's resolution

The Municipality's application was endorsed by the Council and approved by National Treasury, subject to addressing specified gaps. All of these have subsequently been addressed.

#### ● Condition 6.3 - Maintaining the Eskom bulk current account.

The Municipality has consistently made timely payments on all bulk accounts. However, there are ongoing reconciliation challenges within the accounting processes, especially concerning the transactions for bulk water and electricity. Notably, for water, no transactions have been recorded under bank withdrawals in the data strings, and for electricity, there is a misalignment between the amounts recorded in bank withdrawals and those documented in proofs of payment and invoices. These discrepancies arise from systemic issues that persist despite adherence to the guidance provided by MFMA Circular 124 and its supplementary guide. While the Municipality has recognized and is actively investigating these issues. The Provincial Treasury is engaging with and monitoring the Municipality to ensure full compliance in the reconciliation processes during April and May 2024 and beyond.

#### ● Condition 6.4 - A funded MTREF

For purposes of the April 2024 compliance certificate, the Provincial Treasury assessed the compliance of the municipality's tabled 2024/25 MTREF. The PT confirms its communication and related engagement with Kannaland Municipality on 9 May 2024, to the effect that the 2024/25 MTREF tabled budget is not funded.

The Municipality will revise its Budget Funding Plan based on the outcome of the PT's assessment of the final adopted budget. In the 2024/25 draft budget discussions with Kannaland Municipality, it was made clear

2 Municipal Circular No. 124 – Municipal Debt Relief Provincial Treasury Certification of Municipal Compliance of WC041 Kannaland Municipality April 2024



that the council cannot adopt a final budget funding plan immediately due to the need for further assessment and collaboration to determine the funding requirements accurately. The Municipality and PT have agreed that the revised Budget Funding Plan must be consulted on with PT and adopted by 30 June 2024. Meanwhile, the Municipality does have an adopted Budget Funding Plan for 2023/24 and is actively reporting on its implementation.

The Provincial Executive initiated a mandatory intervention in December 2023, following an assessment under Section 140 of the Municipal Finance Management Act (MFMA). A Financial Recovery Plan is currently being developed by the Municipal Financial Recovery Services. However, securing the necessary collaboration from Kannaland Municipality has been challenging. The intervention continues amidst objections and a lack of cooperation from the municipality. Continued non-cooperation places the municipality's finances at risk and may jeopardize the municipality's ability to continue to meet the conditions of the Municipal Debt Relief programme.

#### ● **Condition 6.5 - Cost reflective tariffs**

The Kannaland Municipality has provided an updated Tariff Policy (2024/25). The Municipality still needs to update the 2024/25 Tariff Policy with information regarding the 2023 financial year (on page 33 of the Kannaland Municipality Tariff Policy, 2024/25). The budget documents provided to Provincial Treasury did not reflect the completion of the National Treasury Tariff Model. The Municipality was asked to confirm whether the NT Tariff Model was populated.

#### ● **Condition 6.6 - Electricity and water as collection tools**

The Municipality issues a consolidated monthly bill to consumers, prioritizing payment allocations first to property rates, then water, wastewater, refuse removal, and lastly, electricity. Account holders automatically receive a breakdown of these charges, with the option for property owners to authorize tenants to open separate service accounts. In cases of non-payment, electricity services are disconnected, and prepaid electricity purchases are blocked, except for registered indigent consumers. However, the Municipality lacks the infrastructure to restrict water supply to defaulting non-indigent consumers. This limitation is under technical review to assess implementation feasibility and costs. Registered indigent consumers receive monthly limits of 50 kilowatt hours of electricity and 6 kilolitres of water. These practices are detailed in the monthly MFMA s.71 statement, which includes indigent information as specified by the National Treasury.

#### ● **Conditions 6.7 - Maintain a minimum average quarterly collection of property rates and services charges**

Kannaland Municipality reported a collection rate of 69 per cent for April 2024, compared to 83 per cent for Q1 of the municipal financial year, 84 per cent for Q2, and 77 per cent for Q3. To improve the collection rate, the municipality is focusing on the smart prepaid meters project and is examining the costs required to implement the smart meter system. The Provincial Treasury has allocated funds to assist the municipality with smart meter installation.

#### ● **Condition 6.8 - Completeness of the Revenue Base**

The GV reconciliation revealed issues with property classifications, transfers, and inclusions. Corrective steps include notifying the valuer, updating the billing system, and supplementary valuations. An action plan with deadlines is in place, and the municipality reports monthly on the reconciliation progress between the valuation roll and the billing system.

- **Condition 6.9 - Monitor and Report on compliance** The Western Cape Provincial Treasury's assessment included confirming that the MFMA S71 narrative statement and mSCOA data strings for April 2024 was uploaded to the GoMuni portal and that the Statement fully aligns to the MFMA S71 Statement published

**3** Municipal Circular No. 124 – Municipal Debt Relief Provincial Treasury Certification of Municipal Compliance of WC041  
Kannaland Municipality April 2024

on the Municipality's website. The MFMA S71 Statement was also assessed against the Municipal Budget- and Reporting Regulations, 2009 (MBRR) and the National Treasury MFMA S71 reporting guidance issued to debt relief municipalities on 10 May 2024 read in conjunction with paragraphs 9(i) to 9(ix) of the NT debt relief approval letter.

The assessment confirmed that the MFMA S71 narrative statement included the following information:

MFMA S71 Statement component		Compliance (Yes/No)
1.	<b>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</b> explicitly advised on the Municipality's progress in implementing the Municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	<b>The conclusion (paragraph 14) of the MFMA S71 statement</b> explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors. with the implementation of the Municipality's Budget Funding Plan and/or Funded Budget.	Yes
3.	<b>Annexure B of the MFMA S71 statement included the following debt relief reporting components</b>	
3.1.1	The Municipality's MFMA Circular No. 124 self-assessment.	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of <b>MFMA Budget Circular No 128 (Annexure B)</b> .	Yes
3.2	The Municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the Municipality.	Yes
3.4.1	The Municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of <b>MFMA Budget Circular No. 128 (Annexure D)</b> .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of <b>MFMA Budget Circular No. 128 (Annexure C)</b> .	Yes
3.6.1	The summary of the Municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The Municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	Yes
3.7.1	Any Eskom and Water (if the Municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The Municipality's proof of payment of any such Eskom and/or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The Municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	No



Municipal Circular No. 124 – Municipal Debt Relief Provincial Treasury Certification of Municipal Compliance of WC041  
Kannaland Municipality April 2024

MFMA S71 Statement component		Compliance (Yes/No)
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and/or Mayoral Committee meeting	Yes

The Municipality has integrated its monthly debt compliance reporting into its MFMA S71 narratives as required and demonstrated its commitment to continuous improvement and adherence to the set of conditions. The Municipality's MFMA Circular No. 124 self-assessment indicated several non-compliance issues. The remedial actions undertaken to achieve compliance and the timeframes thereof outlined in the MFMA S71 are noted and monitored by the Provincial Treasury. The progress on the implementation of the Budget Funding Plan is of concern and the Municipality needs to address the slow progress thereof.

● **Condition 6.10 - Provincial Treasury certification of municipal compliance**

Provincial Treasury closely monitors compliance with the conditions of the Municipal Debt Relief Programme, and this letter is submitted in fulfillment of the PT's role in certifying compliance of the Municipality.

● **Condition 6.11 - Limitation on Municipal borrowing powers**

The limitation on municipal borrowing powers and the prohibition of borrowing during debt relief periods form a dual regulatory framework aimed at ensuring fiscal responsibility. Compliance necessitates meticulous scrutiny of borrowing activities to ascertain adherence to authorized limits and program guidelines. These measures, while promoting sustainable debt management, also stabilize the Municipality's financial standing, prevent over-leveraging, and mitigate immediate financial strain. Adhering to these regulations is paramount for maintaining creditworthiness, mitigating financial risks, and safeguarding the Municipality's long-term financial health. Thus, robust oversight and adherence to regulatory frameworks are imperative for prudent financial governance and sustained fiscal resilience.

The Municipality has complied with this condition since its debt relief effective date of 5 September 2023, to date.

● **Condition 6.12 - Proper management of resources and Condition 6.13 - Accounting Treatment**

It is noted that during February 2024, the National Treasury: Office of the Accountant General (OAG) issued the Supplementary Guide to MFMA Circular No. 124 on 21 February 2024. According to this guidance, municipalities are no longer required to maintain separate bank accounts for debt relief purposes as previously mandated by Condition 6.12 of MFMA Circular No. 124. However, regardless of the decision to discontinue a separate bank account, municipalities must demonstrate ring-fencing for debt relief through their monthly mSCOA data string submissions.

The Municipality has not conducted transactions through the previously established ring-fenced sub-account, which was designated for settling current obligations to Eskom and paying for bulk water accounts before using these funds for other purposes. Although the Municipality has submitted documents related to the primary account's monthly bank reconciliations to Go Muni, showing opening and closing balances, they have not provided full bank statements. For further guidance, the Municipality should refer to the Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124, issued by the National Treasury on 16 February 2024.

● **Condition 6.14 - NERSA Licence**


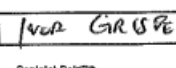
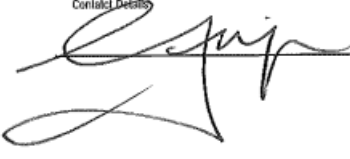
By having applied for Municipal Debt Relief, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agreed to make an application to NERSA to voluntarily revoke the Municipality's license in terms of section 17 of the Electricity regulation Act, 2006 (Act No. 4 of 2006). It is noted that this condition will only come into effect if the Municipality's participation in the debt relief programme is terminated.



## MFMA Circular 124 – Property Rates Reconciliation

Property Rates Reconciliation						
Province	WC					
District	Garden Route District					
Type	LM					
Municipal Name	Kannaland Municipality					
GV Period	01/07/2021 - 30/06/2024					
Financial Year	2023/2024					
Reconciliation Period	Quarter 4					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	4435	4435	0	786,614,000.00	786,387,000.00	227,000.00
Industrial	21	21	0	54,309,000.00	54,309,000.00	-
Business and Commercial	188	190	-2	136,987,000.00	137,637,000.00	650,000.00
Agricultural	3006	3008	-2	1,699,368,000.00	1,700,233,956.00	865,956.00
Mining	0	0	0	-	-	-
State Owned for Public Purpose	55	55	0	132,924,000.00	132,924,000.00	-
PSI	158	159	-1	3,838,000.00	3,858,000.00	20,000.00
PBO	7	6	1	11,377,000.00	10,510,000.00	867,000.00
Multi Use	0	0	0	-	-	-
Vacant	302	299	3	8,513,000.00	7,737,000.00	776,000.00
POW	56	56	0	48,060,000.00	47,860,000.00	200,000.00
Municipal	1211	1213	-2	104,776,000.00	107,078,000.00	2,302,000.00
Other	63	63	0	75,522,000.00	75,522,000.00	-
	9502	9505	-3	3,062,288,000.00	3,064,055,956.00	1,767,956.00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	945,711	849,175	96,536	945,711.00	849,174.63	96,536.38
Industrial	176,504	176,504	-	176,504.25	176,504.25	-
Business and Commercial	445,208	447,320	-2,113	445,207.75	447,320.25	-2,112.50
Agricultural	410,681	411,280	-600	410,680.60	411,280.50	-599.90
Mining	-	-	-	-	-	-
State Owned for Public Purpose	432,003	432,003	-	432,003.00	432,003.00	-
PSI	-	-	-	-	-	-
PBO	3,698	3,416	282	3,697.53	3,415.75	281.78
Multi Use	-	-	-	-	-	-
Vacant	13,834	12,573	1,261	13,833.63	12,572.63	1,261.00
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R2,427,637.75	R2,332,271.00	R95,366.75	2,427,637.75	2,332,271.00	95,366.75

Prepared By	 CRAIG OFFERMAN	Date	2024-06-13
Signature			
Reviewed By	 IVAN GRISE	Date	13/06/2024
Signature			

## MFMA Circular 124 – Maintain Eskom & Water Bulk Accounts

05/06/2024, 13:42

Zimbra

Hi Roslyn

Yes there is a credit on the this account R422 123.03 I have transferred this to account 6940893537  
The balance on account 6940893537 is now R375 693.56 that is payable.

### Control Central

Menu Account Information Customer Information Account Tree Premise Tree SA/Payment Tree Pay Plan Tree

#### Current Context

Person	KANNALAND LOCAL MUNICIPALITY
Account ID	7052108005 KANNALAND LOCAL MUNICIPALITY - Municipal Bulk Supplies - Prime + 2.5%
Current Balance	R34 976 023.62
Payoff Balance	R34 976 023.61
Premise	LADISMITH MUNICIPALITEIT 1/3225 REMOTE, WP. GEORG-LADISM, RSA, LPU Premise, 7052108105

#### Premise Information

##### SA Premise List

Premise	Current Balance	Payoff Balance	SA Information
LADISMITH MUNICIPALITEIT 1/3225 REMOTE, WP. GEORG-LADISM, RSA, LPU Premise, 7052108105	R-422 123.03	R-422 123.03	George / Distrib / Bulk Interval Urban, MUMEGAIR, 2 KVA Megaflex, 7052108345
	R0.00	R0.00	George / Distrib / Bulk - Instalment Ag. MRREGATE, Connection Charge, 7052105035
	R0.00	R0.00	George / Distrib / Bulk - Instalment Ag. MRREGATE, Connection Charge, 7052105539
	R0.00	R-0.01	George / Once off Deposit, Active, 16-10-2013, 7052
	R0.00	R0.00	George / Distrib / Bulk - Instalment Ag. FIXEDCHA, 2 Charge, 7052106886
	R0.00	R0.00	George / Distrib / Bulk - Instalment Ag. MRREGATE, Connection Charge, 7052108718

**From:** Roslyn Saptoe <cfo@kannaland.gov.za>  
**Sent:** Wednesday, 05 June 2024 12:44  
**To:** Trudie Booysen <BooyseGH@eskom.co.za>  
**Cc:** Naledi Mfuku <naledi@kannaland.gov.za>; Chrizelda Claassen <chrizelda@kannaland.gov.za>  
**Subject:** Re: [CAUTION:EXTERNAL EMAIL] Re: NOTICE LETTER:- KANNALAND-FBE OVERDUE ACCOUNT

Dear Trudie

Trust all is well with you on this cold winters day.

Will it be possible for us to utilise our ESKOM credit for the payment of the April ESKOM account? Please let me know what the we can make the payment accordingly.

We would like to make payment today still....apologies for the late and sudden request.

Regards

Roslyn Saptoe  
CHIEF FINANCIAL OFFICER  
Tel: 028 5518 000 | Faks: 028 5511 766 | [www.kannaland.gov.za](http://www.kannaland.gov.za)  
Kannaland Munisipaliteit|Kerkstraat 32|Postbus 30|Ladismith|6555

**From:** "BooyseGH" <BooyseGH@eskom.co.za>  
**To:** "Roslyn Saptoe" <cfo@kannaland.gov.za>, "Geraldine Ruiters" <RuiterG@eskom.co.za>  
**Cc:** [mm@kannaland.gov.za](mailto:mm@kannaland.gov.za), "Wilmie Viljoen" <wilmie@kannaland.gov.za>, "Richard Mali" <MaliR@eskom.co.za>, "Ivor Grispe" <Ivor@kannaland.gov.za>, "Zoe Fortuin" <zoe@kannaland.gov.za>, "Naledi Mfuku" <naledi@kannaland.gov.za>  
**Sent:** Monday, 18 March, 2024 13:38:46  
**Subject:** RE: [CAUTION:EXTERNAL EMAIL] Re: NOTICE LETTER:- KANNALAND-FBE OVERDUE ACCOUNT

Hi

I have transferred R46 564.15 to the FBE account from account 7052108005

Hi Roslyn

Yes there is a credit on the this account R422 123.03 I have transferred this to account 6940893537  
The balance on account 6940893537 is now R575 491.56 that is payable.

#### Control Central

Main **Account Information** Customer Information Account Tree Premise Tree Bill Payment Tree Pay Plan Tree

##### Current Context

Person **KANNALAND LOCAL MUNICIPALITY**  
Account ID **7052108005 KANNALAND LOCAL MUNICIPALITY - Municipal Bulk Supplies - Prime + 2.5%**  
Current Balance **R34 976 023.62**  
Payoff Balance **R34 976 023.61**  
Premise **LADISMITH MUNISIPALITEIT 1/3225 REMOTE, WP. GEORG-LADISM, RSA, LPU Premise, 7052108105**

##### Premise Information

###### SA Premise List

Premise	Current Balance	Payoff Balance	SA Information
<b>LADISMITH MUNISIPALITEIT 1/3225 REMOTE, WP. GEORG-LADISM, RSA, LPU Premise, 7052108105</b>	<b>R-422 123.03</b>	<b>R-422 123.03</b>	<b>George / Distrib / Bulk Interval Urban, MUMEGAIN, 2 KVA Megaflex, 7052108345</b>
	R0.00	R0.00	<b>George / Distrib / Bulk - Instalment Ag. MRREBATE, Connection Charge, 7052108035</b>
	R0.00	R0.00	<b>George / Distrib / Bulk - Instalment Ag. MRREBATE, Connection Charge, 7052108539</b>
	R0.00	R-0.01	<b>George / Once off Deposits, Active, 16-10-2013, 7052</b>
	R0.00	R0.00	<b>George / Distrib / Bulk - Instalment Ag. FIXEDCHA, 2 Charge, 7052108686</b>
	R0.00	R0.00	<b>George / Distrib / Bulk - Instalment Ag. MRREBATE, Connection Charge, 7052108718</b>

**From:** Roslyn Saptoe <cfo@kannaland.gov.za>  
**Sent:** Wednesday, 05 June 2024 12:44  
**To:** Trudie Booysen <BooyseGH@eskom.co.za>  
**Cc:** Naledi Mfuku <naledi@kannaland.gov.za>; Chrizelda Claasen <chrizelda@kannaland.gov.za>  
**Subject:** Re: [CAUTION:EXTERNAL EMAIL] Re: NOTICE LETTER:- KANNALAND-FBE OVERDUE ACCOUNT

Dear Trudie

Trust all is well with you on this cold winters day.

Will it be possible for us to utilise our ESKOM credit for the payment of the April ESKOM account? Please let me know what the we can make the payment accordingly.

We would like to make payment today still....apologies for the late and sudden request.

Regards

Roslyn Saptoe  
CHIEF FINANCIAL OFFICER  
Tel: 028 5518 000 | Faks: 028 5511 786 | [www.kannaland.gov.za](http://www.kannaland.gov.za)  
Kannaland Munisipaliteit|Kerkstraat 32|Postbus 30|Ladismith|6655

**From:** "booyseGH" <BooyseGH@eskom.co.za>  
**To:** "Roslyn Saptoe" <cfo@kannaland.gov.za>, "Geraldine Ruiters" <RuiterG@eskom.co.za>  
**Cc:** mm@kannaland.gov.za, "Wilmie Viljoen" <wilmie@kannaland.gov.za>, "Richard Mali" <MaliR@eskom.co.za>, "Ivor Grippe" <ivor@kannaland.gov.za>, "Zoe Fortuin" <zoe@kannaland.gov.za>, "Naledi Mfuku" <naledi@kannaland.gov.za>  
**Sent:** Monday, 18 March, 2024 13:38:46  
**Subject:** RE: [CAUTION:EXTERNAL EMAIL] Re: NOTICE LETTER:- KANNALAND-FBE OVERDUE ACCOUNT

Hi

I have transferred R46 564.15 to the FBE account from account 7052108005



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30  
VAT REG NO 4740101508

KANNALAND LOCAL MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
P O BOX 30  
LADISMITH  
6655

WESTERN REGION  
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566  
FAX NO: 0862 437 566  
E-MAIL: customerservices@eskom.co.za  
WEB: WWW.ESKOM.CO.ZA



TEL: 08600 37566  
SMS:

CUSTOMER SELF SERVICE WEBSITE  
<https://csonline.eskom.co.za>

WESTERN REGION  
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL

BANK: ABSA  
BRANCH CODE: 334111  
BANK ACC NO: 340167431

YOUR ACCOUNT NO	6940893537
SECURITY HELD	0.01
BILLING DATE	2024-05-07
TAX INVOICE NO	694653040999
ACCOUNT MONTH	MAY 2024
CURRENT DUE DATE	2024-06-06
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: krediteurc@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	4,826.40
DIST. NETWORK CAPACITY CHARGE		R	75,304.15
NETWORK DEMAND CHARGE (C/KWH)		R	38,008.30
ANCILLARY SERVICE (ALL)		R	4,003.61
ENERGY CHARGE (PEAK)	90,383.00	R	168,166.61
ENERGY CHARGE (STD)	221,416.00	R	283,545.33
ENERGY CHARGE (OFF)	252,090.00	R	204,722.29
ELECTRIFICATION AND RURAL SUBS (ALL)		R	78,380.57
SERVICE CHARGE		R	10,707.60
TOTAL CHARGES FOR BILLING PERIOD			R 867,664.86

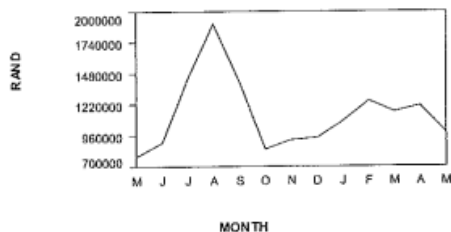
ACCOUNT SUMMARY FOR MAY 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-05-08)	R	10,315,451.30
PAYMENT(S) RECEIVED	Cash - 2024-05-06	R	-700,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	867,664.86
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	130,149.73

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE R
7,219,183.67	1,172,476.38	0.00	1,223,791.25	997,814.59	10,613,265.89

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 165
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

6940893537  
NAME  
KANNALAND LOCAL MUNICIPALITY  
FAX NUMBER  
0934 6940893537

11341 6940893537



9207 2694 0893 5379



TOTAL AMOUNT DUE

10,613,265.85

PAYMENT ARRANGEMENT

INSTALMENT  
0.01  
ARREARS (Due immediately)  
9,615,451.3  
DUE DATE (For Current Amount)  
2024-06-06  
AMOUNT PAID

LATE PAYMENT CHARGES WILL BE  
ADDED TO OVERDUE ACCOUNT



KANNALAND LOCAL MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
P O BOX 30  
LADISMITH  
6655

WESTERN REGION  
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566

FAX NO: 0862 437 566

E-MAIL: customerservices@eskom.co.za

WEB: WWW.ESKOM.CO.ZA

YOUR ACCOUNT NO	6940893537
BILLING DATE	2024-05-07
TAX INVOICE NO	694653040999
ACCOUNT MONTH	MAY 2024
CURRENT DUE DATE	2024-06-06
VAT REG NO	4540197268
NOTIFIED MAX DEMAND	1,600.00
UTILISED CAPACITY	1,733.92

#### CONSUMPTION DETAILS (2024-04-06 - 2024-05-05)

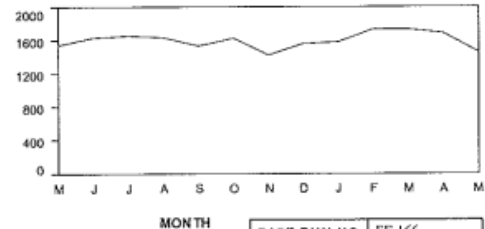
ENERGY CONSUMPTION OFF PEAK kWh	252,090.25
ENERGY CONSUMPTION STD kWh	221,415.82
ENERGY CONSUMPTION PEAK kWh	90,383.24
ENERGY CONSUMPTION ALL kWh	563,889.31
DEMAND READING - kWkVA	1,464.83
REACTIVE ENERGY - OFF PEAK	137,130.28
REACTIVE ENERGY - STD	99,037.84
REACTIVE ENERGY - PEAK	35,544.59
REACTIVE ENERGY - ALL	271,712.71
LOAD FACTOR	55.00

PREMISE ID NUMBER 6040893530 TARIFF NAME: Miniflex

MUNICIPALITY CALITZDORP 1/3214 INTERVAL

Administration Charge @ R160.88 per day for 30 days	R	4,826.40
Network Capacity Charge 1,733.92 kVA @ R43.43 : = R43.43/kVA	R	75,304.15
Network Demand Charge (Peak & Standard) 311,799 kWh @ R0.1219 /kWh	R	38,008.30
Ancillary Service Charge 563,889 kWh @ R0.0071 /kWh	R	4,003.61
Low Season Peak Energy Charge 90,383 kWh @ R1.8606 /kWh	R	168,166.61
Low Season Standard Energy Charge 221,416 kWh @ R1.2806 /kWh	R	283,545.33
Low Season Off-peak Energy Charge 252,090 kWh @ R0.8121 /kWh	R	204,722.29
Electrification and Rural Network subsidy 563,889 kWh @ R0.139 /kWh	R	78,380.57
SERVICE CHARGE	R	10,707.60

**TOTAL CHARGES** R **867,664.86**



PAGE RUN NO	EE 166
BILL GROUP	
BILL PAGE	2 OF 2

# Standard Bank of South Africa

The Standard Bank of South Africa Limited Registered Bank Reg. No. 1952/000738/06

ComputerGeneratedCopy

## CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024157009
Sub Module	SSVS	Action date	20240605
Description	LJT64 20240605 15:49:30.9		
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	2		
Acc No / CDI	55161636814		
Branch No	200910		
Statement Ref	6940893537		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	575,891.56		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

DATE : 2024-06-05 16:05:11

Page : 2

## Calitzdorp Besproeiingsraad

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

### BELASTINGFAKTUUR

Munisipale Bestuurder  
Kannaland Munisipaliteit  
Posbus 30  
LADISMITH  
6655  
BTW Nr 4540197268

Faktuur Nr: 2  
Datum: 03 May 2024

#### MUNISIPALE WATERVERBRUIK – CALITZDORP: April 2024

Sub Oorverbruik

Maand	Apr-24	Apr-24
Meterlesing einde	Apr-24	7468520
Meterlesing begin	Apr-24	7420780
Ontrek	kl	47740
Dae @ 455 kl per dag toelaag	30	13650
Sub Oorverbruik 34090- 6347= 27743	kl	34090
Min beurt teruggegee	kl	0
Oorverbruik	kl	27743 34090 - 6347 =27743
0-26000 kl tarief @ 1.10	26000 R	28 600.00
26000-36000kl @ 2.21kl	1743 R	3 852.03
46000 - 56000 kl tarief	0 R	-
56 000 en meer tarief	0 R	-
Sub Oorverbruik	R	32 452.03
Plus 15% BTW	R	4 867.80
Totaal verskuldig	R	37 319.83

#### Glyskaal met ingang 2023

Dae	30
Toegelaat per dag - kl	455
0 - 26000 kl tarief	R 1.10
26000 - 36000 kl tarief	R 2.21
36000 - 46000 kl tarief	R 3.69
46000 - 56000 kl tarief	R 7.37
56 000 kl en meer tarief	R 14.74

#### Beurt teruggegee formule

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

#### Bankbesonderhede:

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

#### Terme:

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



# Standard Bank of South Africa

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

Computer Generated Copy

## CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024157009
Sub Module	SSVS	Action date	20240605
Description	LJT64 20240605 15:49:30.9	Finalreleasingoperators	GAV53 M SCHEFFERS
Finalreleasingoperators	RVX68 CM CLAASEN (A)		
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	1		
Acc No / CDI	280110022		
Branch No	50014		
Statement Ref	KANNALAND MUN		
Account Name	CALITZDORP BESPROEINGSRAAD		
Creditor Code	C2		
Amount	37,319.83		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

DATE : 2024-06-05 16:05:11

Page : 1

# Standard Bank of South Africa

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

Computer Generated Copy

## CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPAL	Statement For	20240605	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	402		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240604	312,536.39
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS PLC 9 0003223109577	0.00	0.00	553.00	20240604	313,089.39
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0003223109577	0.00	0.00	1,743.80	20240604	314,833.19
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS RCB 1 0000863109682	0.00	0.00	5,320.99	20240604	320,154.18
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS RCB 1 0000863109682	0.00	0.00	17,405.52	20240604	337,559.70
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS EY4 U 0000363109453	0.00	0.00	19,765.45	20240604	357,325.15
1	FEE: CASH DEPOSIT - COINS ## 420543546 R772.00 04/06	0.00	-0.01	0.00	20240604	357,325.14
1	FEE: CASH DEPOSIT - COINS ## 420543546 R37424.00 04/06	0.00	-0.02	0.00	20240604	357,325.12
1	FEE: CASH DEPOSIT - COINS ## 420543546 R1809.00 04/06	0.00	-0.05	0.00	20240604	357,325.07
1	FEE: CASH DEPOSIT - COINS ## 420543546 R4109.50 04/06	0.00	-0.05	0.00	20240604	357,325.02
1	FEE: CASH DEPOSIT - COINS ## 420543546 R6809.40 04/06	0.00	-0.05	0.00	20240604	357,324.97
1	FEE: CASH DEPOSIT - COINS ## 420543546 R516.00 04/06	0.00	-0.08	0.00	20240604	357,324.89
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R516.00 04/06	0.00	-2.52	0.00	20240604	357,322.37
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R772.00 04/06	0.00	-3.87	0.00	20240604	357,318.50
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R1809.00 04/06	0.00	-9.05	0.00	20240604	357,309.45
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R4109.50 04/06	0.00	-20.62	0.00	20240604	357,288.83
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R6809.40 04/06	0.00	-34.20	0.00	20240604	357,254.63
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R37424.00 04/06	0.00	-188.22	0.00	20240604	357,066.41
1	BUSINESS ELECT BANK CHARGES ## STNDRBANK BOL OCK31 MAY 24	0.00	-5,011.90	0.00	20240604	352,054.51
1	MAGTAPE CREDIT BASA23 406S1001000093	0.00	0.00	4,338.31	20240605	356,392.82
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240605	356,392.82
2	MAGTAPE CREDIT BASX35 WC: INFRA001234255	0.00	0.00	14,931.00	20240605	371,323.82
2	CREDIT TRANSFER LINKOVATION	0.00	0.00	1,250.00	20240605	372,573.82
2	CREDIT TRANSFER 1001760089	0.00	0.00	531.50	20240605	373,105.32
2	IB PAYMENT FROM WITHOEK BOERDERY	0.00	0.00	305.00	20240605	373,410.32
2	CASH DEPOSIT NOTES/COINS LADISMITH	0.00	0.00	24,316.40	20240605	397,726.72
2	ELECTRONIC BANKING TRANSFER FR DEP TRANSPORT PAYMENT	0.00	0.00	132,159.30	20240605	529,886.02
2	ELECTRONIC BANKING TRANSFER FR TRF CHS PAYMENT HOUSING	0.00	0.00	483,046.75	20240605	1,012,932.77
2	ELECTRONIC BANKING TRANSFER FR TRF TO MAIN	0.00	0.00	1,330,000.00	20240605	2,342,932.77
2	ELECTRONIC BANKING PAYMENT TO AMEU ASSOCIATION M GAV5315:07	0.00	-3,390.00	0.00	20240605	2,339,542.77
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5311:14	0.00	-3,816.00	0.00	20240605	2,335,726.77
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5311:14	0.00	-7,776.00	0.00	20240605	2,327,950.77
2	ELECTRONIC BANKING PAYMENT TO B83 BOUWER FAMILI GAV5315:07	0.00	-33,152.80	0.00	20240605	2,294,797.97
2	ELECTRONIC BANKING PAYMENT TO C2 CALITZDORP BE RVX0815:55	0.00	-37,319.83	0.00	20240605	2,257,478.14
2	ELECTRONIC BANKING PAYMENT TO	0.00	-53,260.01	0.00	20240605	2,204,218.13

DATE 20240605 13:52:45

Page : 1

# Standard Bank of South Africa

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

Computer Generated Copy

## CURRENT ACCOUNT - STATEMENT DETAILS

Page	Details	Service Fee	Debit	Credit	Date	Balance
	D64 DEPARTEMENT V GAV5311:14					
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5311:14	0.00	-67,307.30	0.00	20240605	2,135,910.83
2	ELECTRONIC BANKING PAYMENT TO DEKLI DEKLIN GAV5315:07	0.00	-70,727.97	0.00	20240605	2,066,182.86
2	ELECTRONIC BANKING PAYMENT TO CHS D CHS DEVELOPME RVX6811:15	0.00	-140,526.75	0.00	20240605	1,925,656.11
2	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6815:55	0.00	-230,576.54	0.00	20240605	1,695,079.57
2	ELECTRONIC BANKING PAYMENT TO CHS D CHS DEVELOPME RVX6811:15	0.00	-342,520.00	0.00	20240605	1,352,559.57
3	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240605	1,352,559.57
3	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6815:55	0.00	-575,691.56	0.00	20240605	776,868.01
3	ACCOUNT PAYMENT RENTAL COM-2600/196-274/1E	19.00	-5,216.77	0.00	20240605	771,651.24
3	ELECTRONIC BANKING TRANSFER TO MAIN TO BULK ACC	0.00	-250,000.00	0.00	20240605	521,651.24

\*\* END OF REPORT \*\*

DATE 20240606 13:52:45

Page : 2



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30  
VAT REG NO 4740101508

KANNALAND LOCAL MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
P O BOX 30  
LADISMITH  
6655

WESTERN REGION  
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566  
FAX NO: 0862 437 566  
E-MAIL: customerservices@eskom.co.za  
WEB: WWW.ESKOM.CO.ZA



TEL: 08600 37566  
SMS:

CUSTOMER SELF SERVICE WEBSITE:  
<https://csonline.eskom.co.za>

WESTERN REGION  
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL  
BANK: ABSA  
BRANCH CODE: 331110  
BANK ACC NO: 340167430

YOUR ACCOUNT NO	7052108005
SECURITY HELD	0.01
BILLING DATE	2024-05-13
TAX INVOICE NO	705961522957
ACCOUNT MONTH	MAY 2024
CURRENT DUE DATE	2024-06-12
VAT REG NO	4540197268

## TAX INVOICE

E-MAIL: [krediteure@kannaland.gov.za](mailto:krediteure@kannaland.gov.za)

### ACCOUNT TRANSACTION SUMMARY

FIXED CHARGE	R	25,465.00
ADMINISTRATION CHARGE	R	4,826.40
TRANSMISSION NETWORK CAPACITY	R	142,400.00
DIST. NETWORK CAPACITY CHARGE	R	102,500.00
NETWORK DEMAND CHARGE	R	92,575.04
URBAN LOW VOLTAGE SUBSIDY	R	251,000.00
ANCILLARY SERVICE (ALL)	R	15,874.12
ENERGY CHARGE (STD)	892,304.00	R 1,106,456.96
ENERGY CHARGE (PEAK)	362,569.00	R 653,349.34
ENERGY CHARGE (OFF)	1,187,300.00	R 933,930.18
ELECTRIFICATION AND RURAL SUBS (ALL)	R	339,461.91
SERVICE CHARGE	R	10,707.60

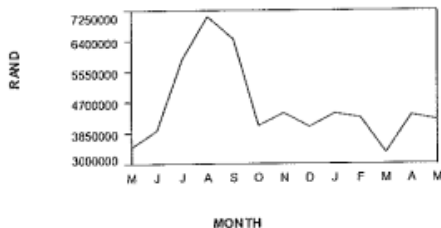
**TOTAL CHARGES FOR BILLING PERIOD** R **3,678,546.55**

### ACCOUNT SUMMARY FOR MAY 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-05-08)	R	35,176,949.05
PAYMENT(S) RECEIVED	Cash - 2024-05-06	R	-4,431,253.96
TOTAL CHARGES FOR BILLING PERIOD		R	3,678,546.55
ADJUSTMENT	BALANCE TRANSFER - to/from account 7052108005	R	-29,284.75
ADJUSTMENT	BALANCE TRANSFER - to/from account 7052108005	R	29,284.75
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	551,781.98

ARREARS					TOTAL DUE R	34,976,023.62
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT		
22,202,872.4	4,082,283.97	4,431,253.96	0.00	4,259,613.28		

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 244
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

7052108005

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

0866160914

0934 7052108005

11341 7052108005



9207 2705 2108 0051



TOTAL AMOUNT DUE

34,976,023.60

PAYMENT ARRANGEMENT

INSTALMENT

0.00

ARREARS (Due Immediately)

30,716,410.34

DUE DATE (For Current Amount)

2024-06-12

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE  
ADDED TO OVERDUE ACCOUNT



KANNALAND LOCAL MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
P O BOX 30  
LADISMITH  
6655

WESTERN REGION  
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566

FAX NO: 0862 437 366

E-MAIL: customerservices@eskom.co.za

WEB: WWW.ESKOM.CO.ZA

YOUR ACCOUNT NO	7052108005
BILLING DATE	2024-05-13
TAX INVOICE NO	705961522957
ACCOUNT MONTH	MAY 2024
CURRENT DUE DATE	2024-06-12
VAT REG NO	4540197268
NOTIFIED MAX DEMAND	10,000.00
UTILISED CAPACITY	10,000.00

#### CONSUMPTION DETAILS (2024-04-06 - 2024-05-05)

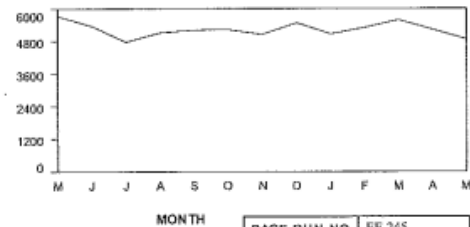
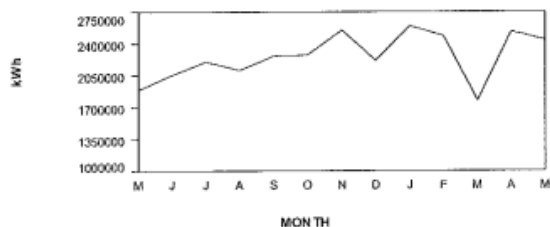
ENERGY CONSUMPTION OFF PEAK kWh	1,187,299.50
ENERGY CONSUMPTION STD kWh	892,303.75
ENERGY CONSUMPTION PEAK kWh	362,568.75
ENERGY CONSUMPTION ALL kWh	2,442,172.00
DEMAND CONSUMPTION - OFF PEAK	4,496.12
DEMAND CONSUMPTION - STD	4,882.65
DEMAND CONSUMPTION - PEAK	4,816.86
DEMAND READING - kW/kVA	4,882.65
REACTIVE ENERGY - OFF PEAK	543,333.75
REACTIVE ENERGY - STD	410,108.50
REACTIVE ENERGY - PEAK	149,405.25
LOAD FACTOR	75.00

PREMISE ID NUMBER 7052108105 TARIFF NAME: Megallex

LADISMITH MUNICIPALITEIT I/3225 REMOTE

Administration Charge @ R160.88 per day for 30 days	R	4,826.40
TX Network Capacity Charge 10,000 kVA @ R14.24 : = R14.24/kVA	R	142,400.00
Network Capacity Charge 10,000 kVA @ R10.25 : = R10.25/kVA	R	102,500.00
Network Demand Charge 4,882.65 kVA @ R18.96 : = R18.96 /kVA	R	92,575.04
Urban Low Voltage Subsidy 10,000 kVA @ R25.10 : = R25.10/kVA	R	251,000.00
Ancillary Service Charge 2,442,172 kWh @ R0.0065 /kWh	R	15,874.12
Low Season Standard Energy Charge 892,304 kWh @ R1.24 /kWh	R	1,106,456.96
Low Season Peak Energy Charge 362,569 kWh @ R1.802 /kWh	R	653,349.34
Low Season Off Peak Energy Charge 1,187,300 kWh @ R0.7866 /kWh	R	933,930.18
Electrification and Rural Subsidy 2,442,172 kWh @ R0.139 /kWh	R	339,461.91
Fixed Charge @ R25,465.00	R	25,465.00
SERVICE CHARGE	R	10,707.60

TOTAL CHARGES R 3,678,546.55



PAGE RUN NO	EE 245
BILL GROUP	
BILL PAGE	2 OF 2

# Standard Bank of South Africa

Computer Generated Copy

The Standard Bank of South Africa Limited Registered Bank Reg. No. 1952/000738/06

## CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024159004
SubModule	SSVS	Action date	20240607
Description	GUH48 20240607 13:54:44.1		
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	1		
Acc No / CDI	55161635814		
Branch No	200910		
Statement Ref	7052108005		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	4,259,613.28		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

DATE : 2024-06-07 14:44:10

Page : 1

# Standard Bank of South Africa

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

Computer Generated Copy

## CURRENT ACCOUNT - STATEMENT DETAILS

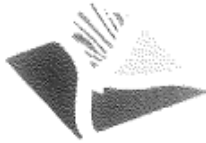
Page	Details	Service Fee	Debit	Credit	Date	Balance
	LEXIS LEXIS NEXIS GAV5310:29					
2	ELECTRONIC BANKING PAYMENT TO LESCH LESCH JUSTIN RVX6814:26	0.00	-4,607.82	0.00	20240607	5,616,656.48
2	ELECTRONIC BANKING PAYMENT TO LITTL LITTLE LOTTA RVX6814:26	0.00	-6,000.00	0.00	20240607	5,610,656.48
2	ELECTRONIC BANKING PAYMENT TO VALEN VALENTYN I NI RVX6814:26	0.00	-6,271.97	0.00	20240607	5,604,384.51
2	ELECTRONIC BANKING PAYMENT TO MOUNT MOUNT QUA SUP GAV5310:29	0.00	-18,099.00	0.00	20240607	5,586,285.51
2	ELECTRONIC BANKING PAYMENT TO MOUNT MOUNT QUA SUP GAV5310:29	0.00	-20,220.00	0.00	20240607	5,566,065.51
3	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240607	5,566,065.51
3	ELECTRONIC BANKING PAYMENT TO WESTE WESTERN CAPE GAV5310:29	0.00	-21,305.00	0.00	20240607	5,544,760.51
3	ELECTRONIC BANKING PAYMENT TO MARKS MARKSMEN CONS GAV5310:29	0.00	-25,900.00	0.00	20240607	5,518,860.51
3	ELECTRONIC BANKING PAYMENT TO WESTE WESTERN CAPE GAV5310:29	0.00	-28,055.00	0.00	20240607	5,490,805.51
3	ELECTRONIC BANKING PAYMENT TO BYTES SOLVEM CONSUL GAV5310:29	0.00	-565,027.79	0.00	20240607	4,924,777.72
3	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6814:26	0.00	-4,259,613.28	0.00	20240607	665,164.44

\*\* END OF REPORT \*\*

DATE 20240610 13:51:55

Page : 2

## SECTION 7 – QUALITY CERTIFICATION



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

Posbus 30 P.O. Box  
LADISMITH  
6655

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

Kerkstr. 32 Church St.  
LADISMITH  
6655

### QUALITY CERTIFICATE

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

(mark as appropriate)

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

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

Print name: Dillo Sereo

Acting Municipal Manager of **Kannaland Municipality WC041**

Signature

Date :10 June 2024