



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for July 2024/25



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

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GLOSSARY

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

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

Approved budget - means an annual budget—

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

Budget - The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unauthorised expenditure - in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

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

Virement - A transfer of budget.

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

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

LEGISLATIVE FRAMEWORK

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

Report of the Executive Mayor

In -Year Report – Monthly Budget Statement

The monthly budget statement for June 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 Council takes cognisance of the monthly budget statement for July 2024.

That the Council takes cognisance of the Eskom Debt Relief Report for July 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

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 % |
|------------------------------|----------------|------------|----------------|------------|-----------------------------------|-------------------------------------|
| Operating Revenue | R 251 773 | R 20 981 | R 29 444 | R 29 444 | R 8 463 | 40% |
| Operating Expenditure | R 250 576 | R 20 881 | R 12 045 | R 12 045 | R (8 836) | -42% |
| Capital | R 32 938 | R 2 745 | R 0 | R 0 | R (2 745) | -100% |

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

Operational Revenue

The municipality's total operational revenue budget amounts to R252 million and the year-to-date revenue on the budget accrued to R 29 million. This represents 40% of the YTD variance for total revenue.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R251 million, with a year-to-date performance of R12 million, or -42% of the YTD variance for total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R22 million with a year-to-date performance of R 0 million, or 0% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R8.4 million exceeding budget, and expenditure amounting to R 8.8 million below budget, with an operating surplus of R 17.2

million surplus 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 - M01 July | | | | | | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| Description | 2023/24 | Budget Year 2024/25 | | | | | | | |
| R thousands | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| Financial Performance | | | | | | | | | |
| Property rates | 28 008 | 28 234 | 28 234 | 2 397 | 2 397 | 2 353 | 44 | 2% | 28 234 |
| Service charges | 124 860 | 134 359 | 134 359 | 10 817 | 10 817 | 11 197 | (380) | -3% | 134 359 |
| Investment revenue | 1 766 | 1 500 | 1 500 | 79 | 79 | 125 | (46) | -37% | 1 500 |
| Transfers and subsidies - Operational | 70 878 | 65 516 | 65 516 | 16 040 | 16 040 | 5 460 | 10 580 | 194% | 65 516 |
| Other own revenue | 21 916 | 22 164 | 22 164 | 111 | 111 | 1 847 | (1 736) | -94% | 22 164 |
| Total Revenue (excluding capital transfers and | 247 427 | 251 773 | 251 773 | 29 444 | 29 444 | 20 981 | 8 463 | 40% | 251 773 |
| Employee costs | 95 947 | 88 441 | 87 441 | 8 551 | 8 551 | 7 287 | 1 264 | 17% | 87 441 |
| Remuneration of Councillors | 3 956 | 3 635 | 3 635 | 633 | 633 | 303 | 331 | 109% | 3 635 |
| Depreciation and amortisation | 11 762 | 12 314 | 12 314 | 1 026 | 1 026 | 1 026 | 0 | 0% | 12 314 |
| Interest | (2) | 1 300 | 1 300 | 0 | 0 | 108 | (108) | -100% | 1 300 |
| Inventory consumed and bulk purchases | 59 749 | 70 475 | 70 475 | 7 | 7 | 5 873 | (5 866) | -100% | 70 475 |
| Transfers and subsidies | 396 | 400 | 400 | - | - | 33 | (33) | -100% | 400 |
| Other expenditure | 64 570 | 74 011 | 75 011 | 1 827 | 1 827 | 6 251 | (4 424) | -71% | 75 011 |
| Total Expenditure | 236 376 | 250 576 | 250 576 | 12 045 | 12 045 | 20 881 | (8 836) | -42% | 250 576 |
| Surplus/(Deficit) | 11 051 | 1 197 | 1 197 | 17 399 | 17 399 | 100 | 17 299 | 17311% | 1 197 |
| Transfers and subsidies - capital (monetary allocations) | 16 540 | 22 282 | 22 282 | - | - | 1 857 | (1 857) | -100% | 22 282 |
| Transfers and subsidies - capital (in-kind) | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & | 27 591 | 23 479 | 23 479 | 17 399 | 17 399 | 1 957 | 15 442 | 789% | 23 479 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 27 591 | 23 479 | 23 479 | 17 399 | 17 399 | 1 957 | 15 442 | 789% | 23 479 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 14 486 | 32 938 | 32 938 | - | - | 2 745 | (2 745) | -100% | 32 938 |
| Capital transfers recognised | 14 011 | 32 938 | 32 938 | - | - | 2 745 | (2 745) | -100% | 32 938 |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 475 | - | - | - | - | - | - | - | - |
| Total sources of capital funds | 14 486 | 32 938 | 32 938 | - | - | 2 745 | (2 745) | -100% | 32 938 |
| Financial position | | | | | | | | | |
| Total current assets | 275 | 64 826 | 64 826 | | 15 717 | | | | 64 826 |
| Total non current assets | 320 382 | 320 603 | 320 603 | | 319 355 | | | | 320 603 |
| Total current liabilities | 93 883 | 64 732 | 64 732 | | 101 321 | | | | 64 732 |
| Total non current liabilities | 30 889 | 75 972 | 75 972 | | 30 889 | | | | 75 972 |
| Community wealth/Equity | 228 548 | 244 725 | 244 725 | | 218 140 | | | | 244 725 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 67 948 | 6 972 | 6 972 | 30 939 | 30 939 | 581 | (30 358) | -5225% | 226 699 |
| Net cash from (used) investing | (14 217) | (22 282) | (22 282) | (58) | (58) | 1 857 | 1 915 | 103% | 22 282 |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the month/year end | 90 376 | 74 878 | 74 878 | - | 72 669 | 92 625 | 19 956 | 22% | 290 769 |
| Debtors & creditors analysis | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
| Debtors Age Analysis | | | | | | | | | |
| Total By Income Source | 14 023 | 1 162 | 3 781 | 3 587 | 2 829 | 3 208 | 15 667 | 107 331 | 151 588 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 17 123 | 4 286 | 3 380 | - | - | - | - | 62 630 | 87 419 |

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

| WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 79 315 | 54 667 | 54 667 | 18 070 | 18 070 | 4 556 | 13 514 | 297% | 54 667 |
| Executive and council | | 35 452 | 13 603 | 13 603 | 15 616 | 15 616 | 1 134 | 14 482 | 1278% | 13 603 |
| Finance and administration | | 43 863 | 41 064 | 41 064 | 2 454 | 2 454 | 3 422 | (969) | -28% | 41 064 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 43 406 | 35 632 | 35 632 | 361 | 361 | 2 969 | (2 608) | -88% | 35 632 |
| Community and social services | | 15 906 | 15 691 | 15 691 | 361 | 361 | 1 308 | (946) | -72% | 15 691 |
| Sport and recreation | | 46 | 66 | 66 | - | - | 5 | (5) | -100% | 66 |
| Public safety | | (1) | 5 | 5 | - | - | 0 | (0) | -100% | 5 |
| Housing | | 27 456 | 19 870 | 19 870 | - | - | 1 656 | (1 656) | -100% | 19 870 |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 2 262 | 6 316 | 6 316 | 151 | 151 | 526 | (375) | -71% | 6 316 |
| Planning and development | | - | - | - | - | - | - | - | - | - |
| Road transport | | 2 262 | 6 316 | 6 316 | 151 | 151 | 526 | (375) | -71% | 6 316 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 138 983 | 177 440 | 177 440 | 10 861 | 10 861 | 14 787 | (3 925) | -27% | 177 440 |
| Energy sources | | 73 564 | 95 625 | 95 625 | 7 467 | 7 467 | 7 969 | (502) | -6% | 95 625 |
| Water management | | 41 888 | 46 676 | 46 676 | 1 591 | 1 591 | 3 890 | (2 298) | -59% | 46 676 |
| Waste water management | | 11 946 | 18 386 | 18 386 | 933 | 933 | 1 532 | (599) | -39% | 18 386 |
| Waste management | | 11 586 | 16 753 | 16 753 | 871 | 871 | 1 396 | (525) | -38% | 16 753 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 263 967 | 274 055 | 274 055 | 29 444 | 29 444 | 22 838 | 6 606 | 29% | 274 055 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 77 758 | 86 057 | 86 057 | 7 811 | 7 811 | 7 171 | 639 | 9% | 86 057 |
| Executive and council | | 24 519 | 24 977 | 24 977 | 3 121 | 3 121 | 2 081 | 1 040 | 50% | 24 977 |
| Finance and administration | | 53 239 | 61 081 | 61 081 | 4 690 | 4 690 | 5 090 | (400) | -8% | 61 081 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 37 343 | 35 964 | 35 964 | 925 | 925 | 2 997 | (2 072) | -69% | 35 964 |
| Community and social services | | 7 857 | 12 529 | 12 529 | 608 | 608 | 1 044 | (436) | -42% | 12 529 |
| Sport and recreation | | 868 | 1 922 | 1 922 | 103 | 103 | 160 | (57) | -35% | 1 922 |
| Public safety | | 1 458 | 405 | 405 | 123 | 123 | 34 | 89 | 263% | 405 |
| Housing | | 27 161 | 21 107 | 21 107 | 90 | 90 | 1 759 | (1 669) | -95% | 21 107 |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 14 392 | 17 994 | 17 994 | 1 021 | 1 021 | 1 499 | (478) | -32% | 17 994 |
| Planning and development | | - | 620 | 620 | - | - | 52 | (52) | -100% | 620 |
| Road transport | | 14 392 | 17 374 | 17 374 | 1 021 | 1 021 | 1 448 | (427) | -29% | 17 374 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 106 882 | 110 560 | 110 560 | 2 288 | 2 288 | 9 213 | (6 926) | -75% | 110 560 |
| Energy sources | | 61 955 | 71 137 | 71 137 | 527 | 527 | 5 928 | (5 401) | -91% | 71 137 |
| Water management | | 22 239 | 16 925 | 16 925 | 746 | 746 | 1 410 | (664) | -47% | 16 925 |
| Waste water management | | 10 293 | 12 079 | 12 079 | 410 | 410 | 1 007 | (596) | -59% | 12 079 |
| Waste management | | 12 396 | 10 419 | 10 419 | 604 | 604 | 868 | (264) | -30% | 10 419 |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 236 376 | 250 576 | 250 576 | 12 045 | 12 045 | 20 881 | (8 836) | -42% | 250 576 |
| Surplus/ (Deficit) for the year | | 27 591 | 23 479 | 23 479 | 17 399 | 17 399 | 1 957 | 15 442 | 789% | 23 479 |

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) - M01 July | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Vote Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | 35 452 | 13 603 | 13 603 | 15 616 | 15 616 | 1 134 | 14 482 | 1277,6% | 13 603 |
| Vote 2 - CORPORATE SERVICES | | 44 622 | 44 530 | 44 530 | 365 | 365 | 3 711 | (3 346) | -90,2% | 44 530 |
| Vote 3 - FINANCIAL SERVICES | | 43 147 | 36 666 | 36 666 | 2 429 | 2 429 | 3 056 | (626) | -20,5% | 36 666 |
| Vote 4 - TECHNICAL SERVICES | | 140 746 | 179 256 | 179 256 | 11 033 | 11 033 | 14 938 | (3 905) | -26,1% | 179 256 |
| Vote 5 - CALITZDORP SPA | | - | - | - | - | - | - | - | - | - |
| Vote 6 - CORPORATE SERVICES (Continued) | | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 263 967 | 274 055 | 274 055 | 29 444 | 29 444 | 22 838 | 6 606 | 28,9% | 274 055 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | 24 519 | 24 977 | 24 977 | 3 121 | 3 121 | 2 081 | 1 040 | 49,9% | 24 977 |
| Vote 2 - CORPORATE SERVICES | | 65 111 | 61 804 | 61 804 | 3 418 | 3 418 | 5 150 | (1 732) | -33,6% | 61 804 |
| Vote 3 - FINANCIAL SERVICES | | 26 947 | 38 553 | 38 553 | 2 327 | 2 327 | 3 213 | (886) | -27,6% | 38 553 |
| Vote 4 - TECHNICAL SERVICES | | 118 444 | 123 029 | 123 029 | 3 179 | 3 179 | 10 252 | (7 074) | -69,0% | 123 029 |
| Vote 5 - CALITZDORP SPA | | - | - | - | - | - | - | - | - | - |
| Vote 6 - CORPORATE SERVICES (Continued) | | 1 356 | 2 214 | 2 214 | - | - | 184 | (184) | -100,0% | 2 214 |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 236 376 | 250 576 | 250 576 | 12 045 | 12 045 | 20 881 | (8 836) | -42,3% | 250 576 |
| Surplus/ (Deficit) for the year | 2 | 27 591 | 23 479 | 23 479 | 17 399 | 17 399 | 1 957 | 15 442 | 789,2% | 23 479 |

2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

| Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| Exchange Revenue | | 138 300 | 147 437 | 147 437 | 10 933 | 10 933 | 12 286 | (1 353) | -11% | 147 437 |
| Service charges - Electricity | | 73 292 | 89 822 | 89 822 | 7 479 | 7 479 | 7 485 | (6) | 0% | 89 822 |
| Service charges - Water | | 33 365 | 24 044 | 24 044 | 1 572 | 1 572 | 2 004 | (432) | -22% | 24 044 |
| Service charges - Waste Water Management | | 9 196 | 10 415 | 10 415 | 895 | 895 | 868 | 27 | 3% | 10 415 |
| Service charges - Waste management | | 9 006 | 10 078 | 10 078 | 871 | 871 | 840 | 31 | 4% | 10 078 |
| Sale of Goods and Rendering of Services | | 483 | 419 | 419 | 18 | 18 | 35 | (17) | -47% | 419 |
| Agency services | | 1 208 | 1 450 | 1 450 | 87 | 87 | 121 | (34) | -28% | 1 450 |
| Interest | | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 8 623 | 7 832 | 7 832 | (158) | (158) | 653 | (811) | -124% | 7 832 |
| Interest earned from Current and Non Current Assets | | 1 766 | 1 500 | 1 500 | 79 | 79 | 125 | (46) | -37% | 1 500 |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 670 | 1 148 | 1 148 | 54 | 54 | 96 | (42) | -44% | 1 148 |
| Licence and permits | | 202 | 663 | 663 | 17 | 17 | 55 | (38) | -69% | 663 |
| Operational Revenue | | 487 | 66 | 66 | 19 | 19 | 6 | 14 | 251% | 66 |
| Non-Exchange Revenue | | 109 127 | 104 336 | 104 336 | 18 510 | 18 510 | 8 695 | 9 816 | 113% | 104 336 |
| Property rates | | 28 008 | 28 234 | 28 234 | 2 397 | 2 397 | 2 353 | 44 | 2% | 28 234 |
| Surcharges and Taxes | | 6 032 | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 285 | 2 561 | 2 561 | 14 | 14 | 213 | (199) | -93% | 2 561 |
| Licence and permits | | 0 | 1 086 | 1 086 | - | - | 90 | (90) | -100% | 1 086 |
| Transfer and subsidies - Operational | | 70 878 | 65 516 | 65 516 | 16 040 | 16 040 | 5 460 | 10 580 | 194% | 65 516 |
| Interest | | 3 208 | 2 939 | 2 939 | (1) | (1) | 245 | (246) | -100% | 2 939 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | 716 | - | - | 61 | 61 | - | 61 | - | - |
| Gains on disposal of Assets | | - | 4 000 | 4 000 | - | - | 333 | (333) | -100% | 4 000 |
| Other Gains | | - | - | - | - | - | - | - | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and | | 247 427 | 251 773 | 251 773 | 29 444 | 29 444 | 20 981 | 8 463 | 40% | 251 773 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 95 947 | 88 441 | 87 441 | 8 551 | 8 551 | 7 287 | 1 264 | 17% | 87 441 |
| Remuneration of councillors | | 3 956 | 3 635 | 3 635 | 633 | 633 | 303 | 331 | 109% | 3 635 |
| Bulk purchases - electricity | | 54 318 | 60 529 | 60 529 | - | - | 5 044 | (5 044) | -100% | 60 529 |
| Inventory consumed | | 5 431 | 9 946 | 9 946 | 7 | 7 | 829 | (822) | -99% | 9 946 |
| Debt impairment | | - | 11 933 | 11 933 | - | - | 994 | (994) | -100% | 11 933 |
| Depreciation and amortisation | | 11 762 | 12 314 | 12 314 | 1 026 | 1 026 | 1 026 | 0 | 0% | 12 314 |
| Interest | | (2) | 1 300 | 1 300 | 0 | 0 | 108 | (108) | -100% | 1 300 |
| Contracted services | | 34 336 | 35 267 | 35 267 | 1 092 | 1 092 | 2 939 | (1 847) | -63% | 35 267 |
| Transfers and subsidies | | 396 | 400 | 400 | - | - | 33 | (33) | -100% | 400 |
| Irrecoverable debts written off | | 17 622 | - | - | - | - | - | - | - | - |
| Operational costs | | 12 611 | 26 810 | 27 810 | 735 | 735 | 2 317 | (1 582) | -68% | 27 810 |
| Losses on Disposal of Assets | | - | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 236 376 | 250 576 | 250 576 | 12 045 | 12 045 | 20 881 | (8 836) | -42% | 250 576 |
| Surplus/(Deficit) | | 11 051 | 1 197 | 1 197 | 17 399 | 17 399 | 100 | 17 299 | 0 | 1 197 |
| Transfers and subsidies - capital (monetary allocations) | | 16 540 | 22 282 | 22 282 | - | - | 1 857 | (1 857) | (0) | 22 282 |
| Transfers and subsidies - capital (in-kind) | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & Income Tax | | 27 591 | 23 479 | 23 479 | 17 399 | 17 399 | 1 957 | | | 23 479 |
| Surplus/(Deficit) after income tax | | 27 591 | 23 479 | 23 479 | 17 399 | 17 399 | 1 957 | | | 23 479 |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | | | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | | | - |
| Surplus/(Deficit) attributable to municipality | | 27 591 | 23 479 | 23 479 | 17 399 | 17 399 | 1 957 | | | 23 479 |
| Share of Surplus/Deficit attributable to Associate | | - | - | - | - | - | - | | | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | | | - |
| Surplus/ (Deficit) for the year | | 27 591 | 23 479 | 23 479 | 17 399 | 17 399 | 1 957 | | | 23 479 |

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 1.5 million for **July 2024** and R 1.5 million YTD which represents negative 22% variance to the budget.
- **Sale of goods and Rendering of Services** – amounts to R 18 thousand for **July 2024** and R 18 thousand YTD which represents negative 48% variance to the budget.
- **Agency Services** - amounted to R 87 thousand for **July 2024** and R 87 thousand YTD which represents a negative 28% variance to the budget.
- **Interest Earned on Investments** – (negative **37%** YTD variance from the budget).
- **Interest on outstanding debtors** – (negative **124%** YTD variance from the budget).
- **Rental from fixed Assets** – amounted to R 54 thousand and R 54 thousand YTD which represents a negative **44%** variance to the budget.
- **Licence and permits** - (negative **69%** YTD variance from the budget). Amounted to R 17 thousand for the month of **July 2024**.
- **Fines, Penalties & Forfeits** – Almost no activity, with a negative **93%** YTD variance, with no vendor appointed to provide cameras and administrative support on speed fines.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

2.6 OPERATING EXPENDITURE BY TYPE

- **Employee Related Costs** – amounted to R 8.5 million for **July 2024** and R 8.5 million YTD, this represents a negative -17% spending on the budget.
- **Remuneration of Councillors** – amounted to R 633 thousand for **July 2024** and R 633 thousand YTD, this represents a negative 109% on the budget.
- **Inventory Consumed** – amounted to R 7 thousand for **July 2024** and R 7 thousand YTD, this represents a negative 99% on the budget.
- **Bulk Purchases** – the payment was made in August 2024 for the July invoice.
- **Contracted Services** – amounted to R 1 million in **July 2024** and R 1 million YTD.
- **Other Expenditure** - amounted to R 735 thousand in **July 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) - M01 July | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Vote Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - |
| Vote 2 - CORPORATE SERVICES | | 66 | - | - | - | - | - | - | - | - |
| Vote 3 - FINANCIAL SERVICES | | - | - | - | - | - | - | - | - | - |
| Vote 4 - TECHNICAL SERVICES | | 10 363 | 22 178 | 22 178 | - | - | 1 848 | (1 848) | -100% | 22 178 |
| Vote 5 - CALITZDORP SPA | | - | - | - | - | - | - | - | - | - |
| Vote 6 - CORPORATE SERVICES (Continued) | | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Capital Multi-year expenditure | 4,7 | 10 429 | 22 178 | 22 178 | - | - | 1 848 | (1 848) | -100% | 22 178 |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - |
| Vote 2 - CORPORATE SERVICES | | - | - | - | - | - | - | - | - | - |
| Vote 3 - FINANCIAL SERVICES | | - | - | - | - | - | - | - | - | - |
| Vote 4 - TECHNICAL SERVICES | | 4 057 | 10 760 | 10 760 | - | - | 897 | (897) | -100% | 10 760 |
| Vote 5 - CALITZDORP SPA | | - | - | - | - | - | - | - | - | - |
| Vote 6 - CORPORATE SERVICES (Continued) | | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Capital single-year expenditure | 4 | 4 057 | 10 760 | 10 760 | - | - | 897 | (897) | -100% | 10 760 |
| Total Capital Expenditure | 3 | 14 486 | 32 938 | 32 938 | - | - | 2 745 | (2 745) | -100% | 32 938 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | - | - | - | - | - | - | - | - | - |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | - | - | - | - | - | - | - | - | - |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 66 | - | - | - | - | - | - | - | - |
| Community and social services | | 66 | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | - | - | - | - | - | - | - | - | - |
| Planning and development | | - | - | - | - | - | - | - | - | - |
| Road transport | | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 14 420 | 32 938 | 32 938 | - | - | 2 745 | (2 745) | -100% | 32 938 |
| Energy sources | | - | 626 | 626 | - | - | 52 | (52) | -100% | 626 |
| Water management | | 4 871 | 12 656 | 12 656 | - | - | 1 055 | (1 055) | -100% | 12 656 |
| Waste water management | | 8 419 | 17 956 | 17 956 | - | - | 1 496 | (1 496) | -100% | 17 956 |
| Waste management | | 1 130 | 1 700 | 1 700 | - | - | 142 | (142) | -100% | 1 700 |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 14 486 | 32 938 | 32 938 | - | - | 2 745 | (2 745) | -100% | 32 938 |
| Funded by: | | | | | | | | | | |
| National Government | | 13 096 | 30 416 | 30 416 | - | - | 2 535 | (2 535) | -100% | 30 416 |
| Provincial Government | | 915 | 2 522 | 2 522 | - | - | 210 | (210) | -100% | 2 522 |
| District Municipality | | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (municipal and provincial) | | - | - | - | - | - | - | - | - | - |
| Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) | | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | 14 011 | 32 938 | 32 938 | - | - | 2 745 | (2 745) | -100% | 32 938 |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 475 | - | - | - | - | - | - | - | - |
| Total Capital Funding | 7 | 14 486 | 32 938 | 32 938 | - | - | 2 745 | (2 745) | -100% | 32 938 |

CAPITAL EXPENDITURE

- The Municipality remains on track with its capital expenditure. It had a **R 0 million** expenditure in **July 2024**.

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

| WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M01 July | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|--------------------|
| Description | Ref | 2023/24 | Budget Year 2024/25 | | | |
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | YearTD Actual | Full Year Forecast |
| ASSETS | 1 | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | | 11 954 | 26 093 | 26 093 | 30 856 | 26 093 |
| Trade and other receivables from ex change transactions | | 8 709 | 6 414 | 6 414 | 5 095 | 6 414 |
| Receivables from non-ex change transactions | | 3 381 | 3 322 | 3 322 | 4 067 | 3 322 |
| Current portion of non-current receivables | | - | - | - | - | - |
| Inventory | | 2 342 | 1 981 | 1 981 | 2 342 | 1 981 |
| VAT | | (24 978) | 25 953 | 25 953 | (25 496) | 25 953 |
| Other current assets | | (1 133) | 1 063 | 1 063 | (1 148) | 1 063 |
| Total current assets | | 275 | 64 826 | 64 826 | 15 717 | 64 826 |
| Non current assets | | | | | | |
| Investments | | - | - | - | - | - |
| Investment property | | 1 116 | 1 116 | 1 116 | 1 116 | 1 116 |
| Property, plant and equipment | | 319 256 | 319 477 | 319 477 | 318 230 | 319 477 |
| Biological assets | | - | - | - | - | - |
| Living and non-living resources | | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - |
| Intangible assets | | 9 | 9 | 9 | 9 | 9 |
| Trade and other receivables from ex change transactions | | - | - | - | - | - |
| Non-current receivables from non-ex change transactions | | - | - | - | - | - |
| Other non-current assets | | - | - | - | - | - |
| Total non current assets | | 320 382 | 320 603 | 320 603 | 319 355 | 320 603 |
| TOTAL ASSETS | | 320 657 | 385 429 | 385 429 | 335 072 | 385 429 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | - | - | - |
| Financial liabilities | | - | - | - | - | - |
| Consumer deposits | | 1 446 | 1 364 | 1 364 | 1 455 | 1 364 |
| Trade and other payables from ex change transactions | | 91 577 | 25 374 | 25 374 | 90 703 | 25 374 |
| Trade and other payables from non-ex change transactions | | 17 096 | 8 402 | 8 402 | 25 338 | 8 402 |
| Provision | | 8 491 | 7 477 | 7 477 | 8 491 | 7 477 |
| VAT | | (24 727) | 22 114 | 22 114 | (24 667) | 22 114 |
| Other current liabilities | | - | - | - | - | - |
| Total current liabilities | | 93 883 | 64 732 | 64 732 | 101 321 | 64 732 |
| Non current liabilities | | | | | | |
| Financial liabilities | | - | - | - | - | - |
| Provision | | 19 349 | 20 653 | 20 653 | 19 349 | 20 653 |
| Long term portion of trade payables | | - | 44 502 | 44 502 | - | 44 502 |
| Other non-current liabilities | | 11 540 | 10 817 | 10 817 | 11 540 | 10 817 |
| Total non current liabilities | | 30 889 | 75 972 | 75 972 | 30 889 | 75 972 |
| TOTAL LIABILITIES | | 124 772 | 140 704 | 140 704 | 132 209 | 140 704 |
| NET ASSETS | 2 | 195 884 | 244 725 | 244 725 | 202 863 | 244 725 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 228 086 | 237 309 | 237 309 | 217 678 | 237 309 |
| Reserves and funds | | 462 | 7 417 | 7 417 | 462 | 7 417 |
| Other | | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 228 548 | 244 725 | 244 725 | 218 140 | 244 725 |

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

| WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M01 July | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|-----------------|---------------|--------------------|
| Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| CASH FLOW FROM OPERATING ACTIVITIES | 1 | | | | | | | | % | |
| Receipts | | | | | | | | | | |
| Property rates | | 17 177 | 25 160 | 25 160 | 1 310 | 1 310 | 2 097 | (787) | -38% | 25 160 |
| Service charges | | 82 221 | 123 878 | 123 878 | 1 720 | 1 720 | 10 323 | (8 604) | -83% | 123 878 |
| Other revenue | | 16 053 | 8 716 | 8 716 | 744 | 744 | 726 | 18 | 2% | 8 716 |
| Transfers and Subsidies - Operational | | 73 430 | 62 503 | 62 503 | 16 177 | 16 177 | 5 209 | 10 968 | 211% | 62 503 |
| Transfers and Subsidies - Capital | | 19 652 | 19 760 | 19 760 | 8 105 | 8 105 | 1 647 | 6 458 | 392% | 19 760 |
| Interest | | 3 | 6 657 | 6 657 | - | - | 555 | (555) | -100% | 6 657 |
| Dividends | | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (140 586) | (239 702) | (239 702) | 2 884 | 2 884 | (19 975) | (22 859) | 114% | (19 975) |
| Interest | | - | - | - | - | - | - | - | | - |
| Transfers and Subsidies | | - | - | - | - | - | - | - | | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 67 948 | 6 972 | 6 972 | 30 939 | 30 939 | 581 | (30 358) | -5225% | 226 699 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | | - |
| Decrease (increase) in non-current receivables | | - | - | - | - | - | - | - | | - |
| Decrease (increase) in non-current investments | | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Capital assets | | (14 217) | (22 282) | (22 282) | (58) | (58) | 1 857 | 1 915 | 103% | 22 282 |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (14 217) | (22 282) | (22 282) | (58) | (58) | 1 857 | 1 915 | 103% | 22 282 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 53 731 | (15 310) | (15 310) | 30 881 | 30 881 | 2 438 | | | 248 981 |
| Cash/cash equivalents at beginning: | | 36 645 | 90 188 | 90 188 | | 41 789 | 90 188 | | | 41 789 |
| Cash/cash equivalents at month/year end: | | 90 376 | 74 878 | 74 878 | | 72 669 | 92 625 | | | 290 769 |

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

- Standard Bank Main Account is **R 484 thousand**;
- The Traffic Account has **R 750 thousand**;
- Deposit Account has **R 441 thousand**;
- Call Account has **R 15 186 million**; and
- Eskom Bulk Account has **R 2 254 million**

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

| WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July | | | | | | | | | | | | | |
|---|---------|---------------------|------------|------------|-------------|-------------|-------------|--------------|----------|---------|--------------------|--|---|
| Description | NT Code | Budget Year 2024/25 | | | | | | | | | | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | Total over 90 days | | |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 3 446 | 16 | 863 | 1 157 | 814 | 1 205 | 4 517 | 20 573 | 32 592 | 28 266 | - | - |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 7 088 | 1 107 | 750 | 401 | 126 | 169 | 519 | 932 | 11 092 | 2 147 | - | - |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 3 135 | 4 | 891 | 763 | 689 | 634 | 3 486 | 23 063 | 32 665 | 28 634 | - | - |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 825 | - | 356 | 353 | 347 | 346 | 1 998 | 12 816 | 17 041 | 15 860 | - | - |
| Receivables from Exchange Transactions - Waste Management | 1600 | 1 605 | 4 | 592 | 573 | 546 | 542 | 3 079 | 18 564 | 25 505 | 23 304 | - | - |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | - | - | - | - | - | - | - | 0 | 0 | 0 | - | - |
| Interest on Arrear Debtor Accounts | 1810 | 1 | 11 | 38 | 95 | 100 | 113 | 1 107 | 27 558 | 29 024 | 28 974 | - | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | (2 077) | 20 | 290 | 245 | 206 | 200 | 960 | 3 825 | 3 669 | 5 435 | - | - |
| Total By Income Source | 2000 | 14 023 | 1 162 | 3 781 | 3 587 | 2 829 | 3 208 | 15 667 | 107 331 | 151 588 | 132 622 | - | - |
| 2023/24 - totals only | | | | | | | | | | - | - | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 965 | 169 | 434 | 334 | 86 | 33 | 206 | 105 | 2 332 | 765 | - | - |
| Commercial | 2300 | 667 | 3 | 184 | 171 | 147 | 189 | 938 | 3 967 | 6 264 | 5 410 | - | - |
| Households | 2400 | 12 346 | 991 | 2 884 | 2 925 | 2 434 | 2 830 | 13 656 | 92 226 | 130 292 | 114 071 | - | - |
| Other | 2500 | 45 | - | 279 | 157 | 162 | 156 | 867 | 11 034 | 12 700 | 12 376 | - | - |
| Total By Customer Group | 2600 | 14 023 | 1 162 | 3 781 | 3 587 | 2 829 | 3 208 | 15 667 | 107 331 | 151 588 | 132 622 | - | - |

The total amount owed to Kannaland Municipality amounted to **R 151 million** at the end of **July 2024**.

- **R107 million or 71%** of the total outstanding debtors are older than one year.
- **R132 million or 87%** 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 - M01 July | | | | | | | | | | | |
|---|---------|---------------------|-----------------|-----------------|------------------|-------------------|-------------------|----------------------|----------------|--------|-----------------------------------|
| Description | NT Code | Budget Year 2024/25 | | | | | | | | | Prior year |
| | | 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 | totals for chart (same period) |
| R thousands | | | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | | |
| Bulk Electricity | 0100 | 7 067 | 228 | 192 | - | - | - | - | 39 832 | 47 319 | - |
| Bulk Water | 0200 | 62 | - | - | - | - | - | - | - | 62 | - |
| PAYE deductions | 0300 | - | - | - | - | - | - | - | - | - | - |
| VAT (output less input) | 0400 | - | - | - | - | - | - | - | - | - | - |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | - | - | - |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - | - |
| Trade Creditors | 0700 | 941 | 231 | 46 | - | - | - | - | 1 161 | 2 379 | - |
| Auditor General | 0800 | 4 172 | 3 532 | 2 833 | - | - | - | - | 5 394 | 15 931 | - |
| Other | 0900 | 4 881 | 296 | 310 | - | - | - | - | 16 243 | 21 729 | - |
| Total By Customer Type | 1000 | 17 123 | 4 286 | 3 380 | - | - | - | - | 62 630 | 87 419 | - |

- The total outstanding creditors as at the end of **July 2024** amounts to **R 87.419 million**.

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

- ESKOM = R47 million, of which the entire amount is conditionally written off. The other R40 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R22 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 2024-2025 FY.

3.4 INVESTMENT PORTFOLIO ANALYSIS

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

3.5 GRANT RECEIPTS AND EXPENDITURE

| | Original Budget | Total Received | Total Spent | Unspent |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Grant Name | Amount | | | |
| Provincial Government | R26,064,000.00 | R - | R - | R - |
| Housing | R 4,800,000.00 | | | R - |
| Human Settlement Grant | R 14,167,000.00 | | | R - |
| Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure | R - | | | R - |
| Title Deeds Restoration Grant | R 403,000.00 | | | R - |
| Informal Settlin Upgrading Partnership Grant | R 500,000.00 | | | R - |
| Lib Replacement: Vulnerable Mun | R 3,559,000.00 | | | R - |
| Municipal Water Resilience Grant | R 2,000,000.00 | | | R - |
| Municipal Energy Resilience Grant | R 522,000.00 | | | R - |
| Comm Dev Workers | R 113,000.00 | | | R - |
| National Government Grants | R61,955,000.00 | R24,282,000.00 | R15,833,877.39 | R 8,448,122.61 |
| Equitable Share | R 37,479,000.00 | R 15,616,000.00 | R 15,616,000.00 | R - |
| FMG (Audit) | R 2,900,000.00 | | R 32,000.00 | -R 32,000.00 |
| FMG (Intern Salaries) | R - | | | R - |
| Mun Infrastructure Grant | R 560,850.00 | R 560,850.00 | R 47,387.49 | R 513,462.51 |
| Mun Infrastructure Grant | R 10,656,150.00 | R 3,305,150.00 | | R 3,305,150.00 |
| EPWP | R 1,255,000.00 | | R 138,489.90 | -R 138,489.90 |
| INEP | R - | | | R - |
| INEP (Eskom) | R 104,000.00 | | | R - |
| WSIG | R 9,000,000.00 | R 4,800,000.00 | | R 4,800,000.00 |

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

Expenditure:

- Financial Management Grant amounts to **R 32 thousand**.
- Municipal Infrastructure Grant PMU amounts to **R47 thousand**.
- Expanded Public Works Programme amounts to **R 138 thousand**.

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R220 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 - M01 July | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Summary of Employee and Councillor remuneration | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | | A | B | C | | | | | | D |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | 3 354 | 3 306 | 3 306 | 527 | 527 | 275 | 251 | 91% | 3 306 |
| Pension and UIF Contributions | | 152 | - | - | 32 | 32 | - | 32 | - | - |
| Medical Aid Contributions | | 114 | - | - | 19 | 19 | - | 19 | - | - |
| Motor Vehicle Allowance | | 36 | - | - | 6 | 6 | - | 6 | - | - |
| Cellphone Allowance | | 300 | 329 | 329 | 50 | 50 | 27 | 23 | 82% | 329 |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | - | - | - | - | - | - | - | - | - |
| Sub Total - Councillors | | 3 956 | 3 635 | 3 635 | 633 | 633 | 303 | 331 | 109% | 3 635 |
| % increase | 4 | | -8,1% | -8,1% | | | | | | -8,1% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | | 3 431 | 4 628 | 4 628 | 346 | 346 | 386 | (40) | -10% | 4 628 |
| Pension and UIF Contributions | | 7 | 9 | 9 | 1 | 1 | 1 | (0) | -25% | 9 |
| Medical Aid Contributions | | - | - | - | - | - | - | - | - | - |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | 323 | 676 | 676 | 23 | 23 | 56 | (33) | -59% | 676 |
| Cellphone Allowance | | 86 | 178 | 178 | 6 | 6 | 15 | (9) | -62% | 178 |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | 22 | 136 | 136 | 4 | 4 | 11 | (7) | -61% | 136 |
| Payments in lieu of leave | | - | - | - | - | - | - | - | - | - |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | | - | - | - | - | - | - | - | - | - |
| Entertainment | | - | - | - | - | - | - | - | - | - |
| Scarcity | | - | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | - | - | - | - | - | - | - | - | - |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | | 3 869 | 5 627 | 5 627 | 380 | 380 | 469 | (89) | -19% | 5 627 |
| % increase | 4 | | 45,4% | 45,4% | | | | | | 45,4% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 61 770 | 55 034 | 54 034 | 5 329 | 5 329 | 4 503 | 826 | 18% | 54 034 |
| Pension and UIF Contributions | | 7 616 | 10 497 | 10 497 | 604 | 604 | 875 | (271) | -31% | 10 497 |
| Medical Aid Contributions | | 2 399 | 3 493 | 3 493 | 196 | 196 | 291 | (95) | -33% | 3 493 |
| Overtime | | 8 760 | 4 122 | 4 122 | 1 056 | 1 056 | 344 | 713 | 207% | 4 122 |
| Performance Bonus | | 786 | 725 | 725 | - | - | 60 | (60) | -100% | 725 |
| Motor Vehicle Allowance | | 3 640 | 3 089 | 3 089 | 351 | 351 | 257 | 93 | 36% | 3 089 |
| Cellphone Allowance | | 108 | 157 | 157 | 8 | 8 | 13 | (5) | -41% | 157 |
| Housing Allowances | | 339 | 1 200 | 1 200 | 28 | 28 | 100 | (72) | -72% | 1 200 |
| Other benefits and allowances | | 6 390 | 3 785 | 3 785 | 559 | 559 | 315 | 243 | 77% | 3 785 |
| Payments in lieu of leave | | 270 | 100 | 100 | 41 | 41 | 8 | 32 | 390% | 100 |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | | - | - | - | - | - | - | - | - | - |
| Entertainment | | - | - | - | - | - | - | - | - | - |
| Scarcity | | - | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | - | - | - | - | - | - | - | - | - |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Other Municipal Staff | | 92 077 | 82 200 | 81 200 | 8 171 | 8 171 | 6 767 | 1 404 | 21% | 81 200 |
| % increase | 4 | | -10,7% | -11,8% | | | | | | -11,8% |
| Total Parent Municipality | | 99 902 | 91 462 | 90 462 | 9 184 | 9 184 | 7 538 | 1 646 | 22% | 90 462 |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | | |
| Board Members of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | - | - | - | - | - | - | - |
| Pension and UIF Contributions | | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | | - | 614 | 614 | - | - | 51 | (51) | -100% | 614 |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | - | - | - | - | - | - | - | - | - |
| Cellphone Allowance | | - | - | - | - | - | - | - | - | - |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | - | - | - | - | - | - | - | - | - |
| Board Fees | | 1 | - | - | 0 | 0 | - | 0 | - | - |
| Payments in lieu of leave | | - | - | - | - | - | - | - | - | - |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | | - | - | - | - | - | - | - | - | - |
| Entertainment | | - | - | - | - | - | - | - | - | - |
| Scarcity | | - | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | - | - | - | - | - | - | - | - | - |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Executive members Board | | 1 | 614 | 614 | 0 | 0 | 51 | (51) | -100% | 614 |
| % increase | 4 | | 74797,2% | 74797,2% | | | | | | 74797,2% |
| Sub Total - Other Staff of Entities | | - | - | - | - | - | - | - | - | - |
| % increase | 4 | | | | | | | | | |
| Total Municipal Entities | | 1 | 614 | 614 | 0 | 0 | 51 | (51) | -100% | 614 |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 99 903 | 92 076 | 91 076 | 9 184 | 9 184 | 7 590 | 1 595 | 21% | 91 076 |
| % increase | 4 | | -7,8% | -8,8% | | | | | | -8,8% |
| TOTAL MANAGERS AND STAFF | | 95 946 | 87 828 | 86 828 | 8 551 | 8 551 | 7 236 | 1 315 | 18% | 86 828 |

SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN

The municipality is currently busy assessing the funding position after it aligned the budget assumption on the financial system. The updated data strings will be assessed and a budget funding plan will be drafted and adopted by Council.

12.1 Financial Performance 2023/24

SECTION 5 – SCM DEVIATIONS

| JUNE 2024 VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES | | | | | |
|---|------------|---------------------------------|------------------------------|--------------|---|
| ORDER | DATE | DEPARTMENT | SUPPLIER | AMOUNT | REASON |
| 21161 | 14/06/2024 | ADMINISTRATIVE SUPPORT SERVICES | BIDVEST STEINER | R 24,545.62 | The original agreements with the service provider to provide these services has lapsed and thus resulted in the municipality having to retain these services on a month-to-month basis. The need for external specified cleansing services/products are a challenge in Kannaland Municipality as we have limited resources. The municipality has no other choice but to appoint the current service provider up until a procurement and tender process for a more permanent service provider has been finalised. |
| 21158 | 14/06/2024 | ADMINISTRATIVE SUPPORT SERVICES | BIDVEST STEINER | R 31,022.87 | The original agreements with the service provider to provide these services has lapsed and thus resulted in the municipality having to retain these services on a month-to-month basis. The need for external specified cleansing services/products are a challenge in Kannaland Municipality as we have limited resources. The municipality has no other choice but to appoint the current service provider up until a procurement and tender process for a more permanent service provider has been finalised. |
| 21190 | 24/06/2024 | MUNICIPAL MANAGER | MATELA SIBAYONI & ASSOCIATES | R 44,275.03 | KANNALAND MUNICIPALITY HAS NO PANEL OF ATTORNEYS. THE DG MURRAY CASE NEEDED TO BE HEARD ON AN URGENT BASIS..IN LIGHT OF THESE CIRCUMSTANCES AND URGENCY OF THE MATTER, THE MUNICIPALITY HAD TO DEVIATE FROM REGULATION 36(A) TO EXPEDITE THE APPOINTMENT OF LEGAL FIRM. |
| 21193 | 25/06/2024 | INFRASTRUCTURE DEPARTMENT | HIDRO-TECH SYSTEMS (PTY) LTD | R 246,911.06 | DEVIATION- (UPGRADE AND REFUBISHMENT OF ZOAR SEWERAGE PUMPSTATION): TENDER 06/2023: PC8 COMPLETION CERTIFICATE |
| 21194 | 25/06/2024 | INFRASTRUCTURE DEPARTMENT | HIDRO-TECH SYSTEMS (PTY) LTD | R 70,319.22 | DEVIATION- (UPGRADE AND REFUBISHMENT OF ZOAR SEWERAGE PUMPSTATION): TENDER 06/2023: PC8 COMPLETION CERTIFICATE |
| 21196 | 25/06/2024 | INFRASTRUCTURE DEPARTMENT | DEKLIN | R 85,645.80 | 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. |
| 21195 | 25/06/2024 | INFRASTRUCTURE DEPARTMENT | GM ESSENTIAL LABOUR | R 15,352.00 | THE MUNICIPAL HONEY SUCKER IS CURRENTLY OUT OF SERVICE. VARIOUS SEPTIC TANKS INCLUSIVE OF ESSENTIAL SERVICES AND BUSINESSES IN THE CBD OF CALITZDORP AT FULL CAPACITY . THE SEPTIC TANKS OF CLIENTS WERE OVERFLOWING WITH RAW SEWERAGE. THE NEED TO SERVICES THESE TANKS WERE AND EMERGENCY AS IT POSES HEALTH RISK TO THE COMMUNITY.IMMEDIATE ATTENTION WERE NEED TO RESOLVE THIS ISSUE. |
| 21185 | 19/06/2024 | INFRASTRUCTURE DEPARTMENT | SANITECH | R 145,238.19 | Section 27 of the constitution of South Africa address the fact that every South African has the right to have access to sufficient food and water. This Act recognises that the right of access to basic water supply and to basic sanitation services is necessary to ensure sufficient water and an environment that is not harmful to health or wellbeing of people. In order to give effect to this right the South African parliament has enacted the water Service act 108 of 1997. The purpose of this Act is to provide the right to basic water supply and basic sanitation service. The provision of Chemical toilets (sanitation facilities) in the informal settlements are basic right. If these service are not provided, this could lead to the following social as well as health related problems. The spread of diseases like diarrhoea, cholera and Covid-19. People are not living a quality life and are not productive at work. Children drop out of school if there are no toilet facilities. Women are at risk of being raped or kill if they are forced to use open spaces. Currently the municipality has 4 informal settlements and none of these informal settlement has proper water and sanitation facilities. |
| 21212 | 28/06/2024 | INFRASTRUCTURE DEPARTMENT | SANITECH | R 90,186.68 | Section 27 of the constitution of South Africa address the fact that every South African has the right to have access to sufficient food and water. This Act recognises that the right of access to basic water supply and to basic sanitation services is necessary to ensure sufficient water and an environment that is not harmful to health or wellbeing of people. In order to give effect to this right the South African parliament has enacted the water Service act 108 of 1997. The purpose of this Act is to provide the right to basic water supply and basic sanitation service. The provision of Chemical toilets (sanitation facilities) in the informal settlements are basic right. If these service are not provided, this could lead to the following social as well as health related problems. The spread of diseases like diarrhoea, cholera and Covid-19. People are not living a quality life and are not productive at work. Children drop out of school if there are no toilet facilities. Women are at risk of being raped or kill if they are forced to use open spaces. Currently the municipality has 4 informal settlements and none of these informal settlement has proper water and sanitation facilities. |
| | | | | R 753,496.47 | |

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 | | | Province | | |
|---|--|--|----------|--------------|------------------|
| Municipal Debt Relief MFMA Circular No. 124 | | | WC | | |
| Municipal Finance Management Act No. 56 of 2003 | | | Code | District | Code Description |
| | | | WC041 | Garden Route | Kannaland |

| Monthly Performance Report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------|------------|-------|--------------------------------------|-----|-----|-----|-----|-----|--------------------------------|-----|-----|-----|-----|-----------------------------|-----|-----|---|-----|-----|-----|---|-----|-----|-----|-----|-----|------------------------------|-----|-----------|-----|-----|-----|-----|-----|-------------------|-----|-----|-----|-----|-----|-----|-----|-----|----------------|----------------|
| Municipal Details | | | Part A | | | | | | Part B | | | | | Part C | | | Part D | | | | Part E | | | | | | Part F | | | | | | | | | | | | | | | | | | |
| | | | Eskom And Bulk water current account | | | | | | Compliance with a funded MTREF | | | | | FRP/BFP & Tariff Assessment | | | Electricity and water as collection tools | | | | Quarterly collection of property rates and services charges | | | | | | Maximization of Revenue Base | | Oversight | | | | | | 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 | |
| 1.July | Kannaland | WC041 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | No | Yes | Yes | N/A | N/A | N/A | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | 95% | Non Compliance |
| 2.August | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 3.September | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 4.October | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 5.November | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 6.December | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 7.January | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 8.February | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 9.March | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 10.April | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 11.May | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | |
| 12.June | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non 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

Jul24

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

WC041

District

Garden Route

Demarcation Description

Kannaland

I, Carol Coetzee, 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

| 6.3+ Maintaining the Eskom and bulk water current account – | | |
|--|---|--------|
| Condition 6.12 (current account for the purpose of this exercise means the account for a single month's consumption) | | |
| 1 | 6.12.2 - 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 6.12.2</i> | Yes |
| 2 | 6.12.2 - 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 https://uploadportal.treasury.gov.za/ ? | Yes |
| 3 | 6.12.2 - 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? | Yes |
| 4 | 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> | Yes |
| 5 | 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 https://uploadportal.treasury.gov.za/ ? | Yes |
| 6 | 6.3.4 - 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? | Yes |
| 6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed) | | Select |
| 7 | 6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx? | Yes |
| 8 | 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? | Yes |
| 9 | 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? | Yes |

Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also properly rated), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also properly rated). If the municipality merely used the debt impairment to 'balance' the budget and there is no realignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as 'No'.

| | | | |
|----|---------|---|---------------------------|
| 10 | 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? | Yes |
| 11 | 6.4.2 | <i>Note - if the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real movement between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as 'No'.</i> - 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)? | N/A - the MTREF is funded |
| 12 | 6.4.2 | <i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the FRP/NT must assess whether the existing FRP incorporates a credible budget funding plan. If not, the FRP requires strengthening.</i> - 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)? <i>Note - only if the municipality does not have an FRP may 'N/A' be selected from the dropdown list.</i> | N/A |
| 13 | 6.4.2 | - 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.?) | Yes |
| 14 | 6.5 | Cost reflective tariffs - (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? | Yes |
| 15 | 6.6 | Electricity and water as collection tools - has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that: | |
| 15 | 6.6.1 | - 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? | Yes |
| 16 | 6.6.2 | - 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? | Yes |
| 17 | 6.6.3 | - 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> | No |
| 18 | 6.6.4 | - 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? <i>Note - the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.</i> | Yes |
| 19 | 6.7 | 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. Maintain a minimum average quarterly collection of property rates and services charges - 6.7.1 - 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? | Yes |
| 20 | 6.7.2 | <i>Note - although the norm and standard for collection (MFMA Circular No. 71) is 95 per cent this holds municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i> - 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 : | |
| 20 | 6.7.2.1 | * 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; | 6.7.1 = Yes |
| 21 | 6.7.2.2 | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)? | 6.7.1 = Yes |

| | | | |
|----|---------|--|-------------|
| 22 | 6.7.2.3 | * 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? | 6.7.1 = Yes |
| 23 | 6.7.3 | - 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? | Yes |
| 24 | 6.7.4 | - 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? | Yes |
| 25 | 6.7.5 | - 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? | Yes |
| 26 | 6.8 | Municipality's Completeness of the revenue base - | |
| 26 | 6.8.1 | - 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? | No |
| 27 | 6.8.1 | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <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> | Yes |
| 28 | 6.8.2 | - 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 https://uploadportal.treasury.gov.za ? | Yes |
| 29 | 6.9 | Monitor and report on implementation - | |
| 29 | 6.9.1 | - 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 Budget Funding Plan where relevant? | Yes |
| 30 | 6.9.2 | - If progress is slow in terms of paragraph 6.9.1, is the active intervention evident 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 | - Municipalities with financial recovery plans (FRP) - 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 https://uploadportal.treasury.gov.za ? | No FRP |
| 33 | 6.10 | <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i> 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 conditions for provincial treasuries (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 https://uploadportal.treasury.gov.za ? <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 conditions for provincial treasuries (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 NT 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 | Limitation on municipality borrowing powers - 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 borrowing, including making use of an overdraft for 12-month bridging 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): | |
| 6.12.1 | - has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation? |
| | Yes |
| 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? |
| | No |
| 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.8(2) | |
| Supporting evidence: | 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 |
| 6.13 | Accounting Treatment - 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? |
| | Yes |
| Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with MSCOA. | |
| 6.14 | NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? |
| | No |
| 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, 2008 (Act no. 4 of 2008). Any such application must be preceded by the relevant provisions for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement signing with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2008. In terms of the conditions of government's wider 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. | |

PT: HOD/ NT / MM Name:

Dillo SERED

Signature of HOD/ NT/ MM:

[Signature]

Date:

21/08/2024

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

**Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incorporated into the related PT report

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 | Current Year - 2024/2025 | | | | 2024/2025 - Monthly Monitoring | | | | | | | | | | | |
|--|-----|--------------------------------|--------------------------|----------------|-----------------|--------------------|--------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | | 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 | | | | | | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 | | | - | - | - | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total number of registered indigent households | 5 | | - | - | - | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| Status of Water meters : | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with prepaid Water | | | | | | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 | | - | - | - | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| 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) | | | | | | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| Indigent HH's with Electricity - prepaid (min.service level) | | | | | | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total | | | - | - | - | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 | | - | - | - | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| Status of Electricity meters : | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with prepaid Electricity | | | | | | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 | | - | - | - | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | |
|---|-------|---|---|---|-----------|---------|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of ALL Households receiving Free Basic Service (including registered indigent Households) | 7 | | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per household per month) | | | | | 2,377 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000) | | | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | 97,196.40 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per household per month) | | | | | ##### | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000) | | | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | | | | | | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | | | | | | | | | | | | | | | | | |
| Total cost of FBS Water and Electricity provided to ALL Households | 8 | - | - | - | - | 420,338 | - | - | - | - | - | - | - | - | - | - | - | - |
| Highest level of free service provided per household (ALL Households) | | | | | | | | | | | | | | | | | | |
| 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) | | | | | | | | | | | | | | | | | | |
| Revenue cost of subsidised services provided for ALL Households (R'000) | 9 | | | | | | | | | | | | | | | | | |
| Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | 14(a) | | | | | | | | | | | | | | | | | |
| PSI Category : 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 | 6 | | | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | | | | |
| Total revenue cost of subsidised services provided | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

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 |
| | | | | July | 8 |

| Collection Rate Assessment | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------------------|------------|---------------------------|--------------|---------|----|---------------------|---------------------------|--------------|---------|------------|----|---------------------------|--------------|---------|------------|---------------------------|----|---------------------|---|---------|--|--|----|
| Aggregate Collection | Summary - Quarter 1 | | | | | Q1 | Summary - Quarter 2 | | | | | Q2 | Summary - Quarter 3 | | | | | Q1 | Summary - Quarter 4 | | | | | Q1 |
| | Billing | Collection | R - Billing not collected | % Collection | Billing | | Collection | R - Billing not collected | % Collection | Billing | Collection | | R - Billing not collected | % Collection | Billing | Collection | R - Billing not collected | | % Collection | | | | | |
| 1.Collection for whole demarcation | 18,591,064 | 19,412,967 | (821,904) | 104% | 104% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | | |
| 2.Collection <u>excl Eskom supplied areas</u> | 16,704,841 | 18,057,675 | (1,352,834) | 108% | 108% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | | |
| 3.Collection: Property Rates | 4,474,751 | 77,668 | 4,397,083 | 2% | 2% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | | |
| 4.Total average collection: Electricity (Municipal supplied areas) | 3,866,622 | 4,581,720 | (725,099) | 119% | 119% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | | |
| 5.Total average collection: Water | 8,477,661 | 14,034,634 | (5,556,973) | 166% | 166% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | | |
| 6.Total average collection: Wastewater | 866,982 | 364,507 | 502,474 | 42% | 42% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | | |
| 7.Total average collection: Refuse | 839,093 | 341,691 | 497,402 | 41% | 41% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | | |
| 8.Total average collection: Interest | 75,966 | 12,747 | 63,209 | 17% | 0% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | | |

MFMA Circular 124 – Monthly Revenue Collection Reporting

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

Province

Western Cape

WC041

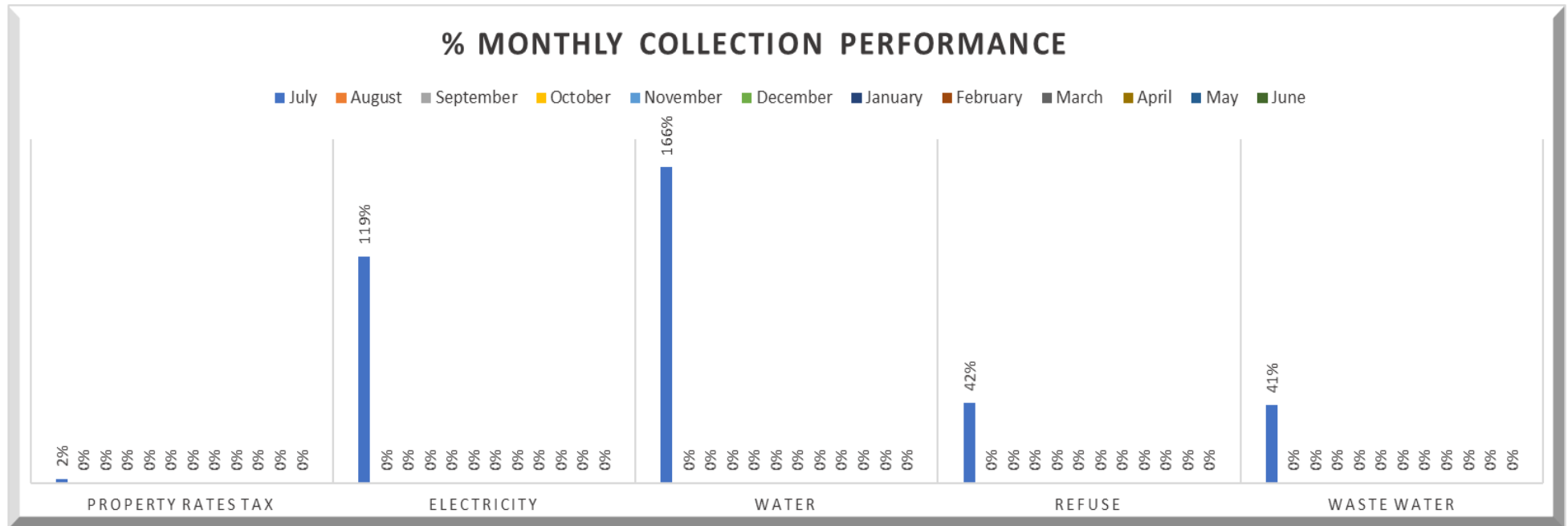
Demarcation Code

Average collection rate (MFMA Circular 124 condition 6.7)

NB - Collection rate principle applied (Cash collection of previous month billing)

| Collection Rate Assessment | | | | | | | | | | | | | | |
|--|----------------------------|-------------------------|------------------|-----------------------------|-------------------------------------|--------------------|-------------------------------------|--------------|--------------------------|---------------------|---------------------------|---------------------------|--------------|----|
| Notes | Total Aggregate Collection | | | | 1.July - Reporting for June in July | | | | Out to view close months | Summary - Quarter 1 | | | | Q1 |
| | | | | | Billing For June | Collection in July | R - Billing not collected | % Collection | | Billing | Collection | R - Billing not collected | % Collection | |
| | | | | | | | | | | | | | | |
| 1. Collection for whole demarcation | Summary | | | | 18,591,064 | 19,412,967 | 5,460,168 | 104% | 18,591,064 | 19,412,967 | (821,904) | 104% | 104% | |
| 2. Collection <u>excl</u> Eskom supplied areas | | | | | 16,704,841 | 18,057,675 | 5,611,800 | 108% | 16,704,841 | 18,057,675 | (1,352,834) | 108% | 108% | |
| 3. Collection: Property Rates | | | | | 4,474,751 | 77,668 | 4,397,083 | 2% | 4,474,751 | 77,668 | 4,397,083 | 2% | 2% | |
| 4. Total average collection: Electricity (Municipal supplied areas) | | | | | 3,856,622 | 4,581,720 | 0 | 119% | 3,856,622 | 4,581,720 | (725,099) | 119% | 119% | |
| 5. Total average collection: Water | | | | | 8,477,661 | 14,034,634 | 0 | 166% | 8,477,661 | 14,034,634 | (5,556,973) | 166% | 166% | |
| 6. Total average collection: Wastewater | | | | | 866,982 | 364,507 | 502,474 | 42% | 866,982 | 364,507 | 502,474 | 42% | 42% | |
| 7. Total average collection: Refuse | | | | | 839,093 | 341,693 | 497,402 | 41% | 839,093 | 341,693 | 497,402 | 41% | 41% | |
| 8. 7. Total average collection: Interest | | | | | 75,956 | 12,747 | 63,209 | 17% | 75,956 | 12,747 | 63,209 | 17% | 17% | |
| Complete This Section | | | | | Quarter 1 Performance Per Ward | | | | | | | | | |
| Services | Electricity Supplier | Ward Name & Number | 1.July | | | | Rand Value of Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | Q1 | |
| | | | Billing For June | Collection for June in July | | | | | | | | | | |
| Property Rates Tax | Mun. Supplied | Nsamenile - Ward 1 | - | - | - | - | #DIV/0! | - | - | - | - | #DIV/0! | #DIV/0! | |
| Electricity | | | 111,048 | 50,275 | 60,774 | 45% | - | 111,048 | 50,275 | 60,774 | 45% | 45% | 45% | |
| Water | | | 326,429 | 94,749 | 231,680 | 29% | - | 326,429 | 94,749 | 231,680 | 29% | 29% | 29% | |
| Refuse | | | 126,619 | 36,221 | 90,397 | 29% | - | 126,619 | 36,221 | 90,397 | 29% | 29% | 29% | |
| Waste Water | | | 167,206 | 52,086 | 115,121 | 31% | - | 167,206 | 52,086 | 115,121 | 31% | 31% | 31% | |
| Interest | | | 1,141 | - | 1,141 | 0% | - | 1,141 | - | 1,141 | 0% | 0% | 0% | |
| Property Rates Tax | Eskom supplied | Zoo - Ward 2 | - | 716 | 0 | - | #DIV/0! | - | - | 716 | (716) | 0% | #DIV/0! | |
| Electricity | | | - | - | - | - | #DIV/0! | - | - | - | - | 0% | #DIV/0! | |
| Water | | | 455,860 | 19,658 | 436,201 | 4% | - | 455,860 | 19,658 | 436,201 | 4% | 4% | 4% | |
| Refuse | | | 306,569 | 25,904 | 280,665 | 8% | - | 306,569 | 25,904 | 280,665 | 8% | 8% | 8% | |
| Waste Water | | | 286,966 | 22,463 | 264,503 | 8% | - | 286,966 | 22,463 | 264,503 | 8% | 8% | 8% | |
| Interest | | | 4,338 | 4,338 | 0 | 100% | - | 4,338 | 4,338 | (0) | 100% | 100% | 100% | |
| Property Rates Tax | Eskom supplied | Calabog Farm - Ward 3 | - | 4,057 | 0 | - | #DIV/0! | - | - | 4,057 | (4,057) | 0% | #DIV/0! | |
| Electricity | | | 114 | - | 114 | 0% | - | 114 | - | 114 | 0% | 0% | 0% | |
| Water | | | 6,997 | 410 | 6,587 | 6% | - | 6,997 | 410 | 6,587 | 6% | 6% | 6% | |
| Refuse | | | - | - | - | - | #DIV/0! | - | - | - | - | 0% | #DIV/0! | |
| Waste Water | | | - | - | - | - | #DIV/0! | - | - | - | - | 0% | #DIV/0! | |
| Interest | | | - | - | - | - | #DIV/0! | - | - | - | - | 0% | #DIV/0! | |
| Property Rates Tax | Mun. Supplied | Bergal Calabog - Ward 3 | - | - | - | - | #DIV/0! | - | - | - | - | 0% | #DIV/0! | |
| Electricity | | | 11,669 | 4,621 | 7,048 | 40% | - | 11,669 | 4,621 | 7,048 | 40% | 40% | 40% | |
| Water | | | 311,915 | 6,306,273 | 0 | 2022% | - | 311,915 | 6,306,273 | (5,994,358) | 2022% | 2022% | 2022% | |
| Refuse | | | 86,523 | 18,741 | 67,782 | 22% | - | 86,523 | 18,741 | 67,782 | 22% | 22% | 22% | |
| Waste Water | | | 79,317 | 11,795 | 67,522 | 15% | - | 79,317 | 11,795 | 67,522 | 15% | 15% | 15% | |
| Interest | | | 483 | - | 483 | 0% | - | 483 | - | 483 | 0% | 0% | 0% | |
| Property Rates Tax | Mun. Supplied | Calabog Town - Ward 3 | - | (72) | 72 | #DIV/0! | - | - | - | (72) | 72 | 0% | #DIV/0! | |
| Electricity | | | 623,825 | 536,690 | 87,135 | 86% | - | 623,825 | 536,690 | 87,135 | 86% | 86% | 86% | |
| Water | | | 6,176,444 | 5,884,826 | 291,618 | 95% | - | 6,176,444 | 5,884,826 | 291,618 | 95% | 95% | 95% | |
| Refuse | | | 86,697 | 75,550 | 11,147 | 87% | - | 86,697 | 75,550 | 11,147 | 87% | 87% | 87% | |
| Waste Water | | | 19,697 | 16,723 | 2,974 | 85% | - | 19,697 | 16,723 | 2,974 | 85% | 85% | 85% | |
| Interest | | | 6,426 | 1,757 | 4,669 | 27% | - | 6,426 | 1,757 | 4,669 | 27% | 27% | 27% | |
| Property Rates Tax | Mun. Supplied | Ladsmith Town - Ward 4 | 4,474,751 | 0 | 4,474,751 | 0% | - | 4,474,751 | 0 | 4,474,751 | 0% | 0% | 0% | |
| Electricity | | | 2,883,558 | 3,677,600 | 0 | 128% | - | 2,883,558 | 3,677,600 | (794,042) | 128% | 128% | 128% | |
| Water | | | 685,246 | 861,479 | 0 | 126% | - | 685,246 | 861,479 | (176,233) | 126% | 126% | 126% | |
| Refuse | | | 184,276 | 173,131 | 11,145 | 94% | - | 184,276 | 173,131 | 11,145 | 94% | 94% | 94% | |
| Waste Water | | | 282,943 | 248,579 | 34,364 | 88% | - | 282,943 | 248,579 | 34,364 | 88% | 88% | 88% | |
| Interest | | | 58,630 | 6,651 | 51,979 | 11% | - | 58,630 | 6,651 | 51,979 | 11% | 11% | 11% | |
| Property Rates Tax | Eskom supplied | Ladsmith Farms - Ward 4 | - | 24,504 | 0 | #DIV/0! | - | - | 24,504 | (24,504) | 0% | #DIV/0! | #DIV/0! | |
| Electricity | | | 226,407 | 312,534 | 0 | 138% | - | 226,407 | 312,534 | (86,127) | 138% | 138% | 138% | |
| Water | | | 461,443 | 801,517 | 0 | 174% | - | 461,443 | 801,517 | (340,074) | 174% | 174% | 174% | |
| Refuse | | | 16,352 | 7,164 | 9,188 | 44% | - | 16,352 | 7,164 | 9,188 | 44% | 44% | 44% | |
| Waste Water | | | 11,306 | 12,272 | 0 | 109% | - | 11,306 | 12,272 | (966) | 109% | 109% | 109% | |
| Interest | | | 4,875 | - | 4,875 | 0% | - | 4,875 | - | 4,875 | 0% | 0% | 0% | |
| Property Rates Tax | Eskom supplied | Van Wykloo - Ward 4 | - | 48,462 | 0 | #DIV/0! | - | - | - | 48,462 | (48,462) | 0% | #DIV/0! | |
| Electricity | | | - | - | - | - | #DIV/0! | - | - | - | - | 0% | #DIV/0! | |
| Water | | | 53,328 | 65,722 | 0 | 123% | - | 53,328 | 65,722 | (12,394) | 123% | 123% | 123% | |
| Refuse | | | 32,057 | 4,980 | 27,077 | 16% | - | 32,057 | 4,980 | 27,077 | 16% | 16% | 16% | |
| Waste Water | | | 19,546 | 590 | 18,957 | 3% | - | 19,546 | 590 | 18,957 | 3% | 3% | 3% | |
| Interest | | | 63 | - | 63 | 0% | - | 63 | - | 63 | 0% | 0% | 0% | |

MFMA Circular 124 - Electricity and Water as Collection Tools



Provincial Treasury Debt Relief Compliance Assessment – May 2024



Western Cape
Government

Provincial Treasury
Julinda Gantana
Head Official

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Reference No.: PTR 16/1/3

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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 MAY 2024

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. May 2024 constitutes the 10th 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 June 2024. This letter provides an overview of the Provincial Treasury's assessment of the Municipality's compliance with the programme's conditions.



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Provincial Treasury | Head of Treasury



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 83 per cent average compliance with the MFMA Circular 124 conditions during May 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 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 performance from 5 September 2023 up to and including May 2024:



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

| |
|----------------|
| Province |
| WC |
| Code |
| District |
| de Description |
| WC041 |
| Garden Route |
| Kannaland |

| Monthly Performance Report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------|------------|-------|--------------------------------------|-----|----|-----|-------------------------------|----|----|----|-----------------------------|-----|-----|-----|---|-----|-----|-----|---|-----|-----|-----|------------------------------|-----|-----|-----|-------------------|-----|-----|-----|-----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|----------------|-----|----------------|
| Municipal Details | | | Part A | | | | Part B | | | | Part C | | | | Part D | | | | Part E | | | | Part F | | | | Compliance Status | | | | | | | | | | | | | | | | | | | | |
| | | | Eskom And Bulk water current account | | | | Compliance with a funded MTRF | | | | FRP/BFP & Tariff Assessment | | | | Electricity and water as collection tools | | | | Quarterly collection of property rates and services charges | | | | Maximization of Revenue Base | | | | | | | | Oversight | | | | | | | | | | | | | | | | |
| 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 | | | |
| 1 July | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance | | |
| 2 August | Kannaland | WC041 | No | No | No | Yes | Yes | | No | No | No | Yes | Yes | Yes | NA | No | Yes | Yes | Yes | NA | Yes | Yes | NA | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 78% | Non Compliance |
| 3 September | Kannaland | WC041 | Yes | No | No | Yes | | | No | No | No | Yes | Yes | Yes | NA | No | Yes | Yes | Yes | NA | Yes | Yes | NA | Yes | Yes | No | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 78% | Non Compliance |
| 4 October | Kannaland | WC041 | Yes | Yes | No | Yes | Yes | | No | No | No | Yes | Yes | Yes | Yes | NA | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 78% | Non Compliance |
| 5 November | Kannaland | WC041 | Yes | Yes | No | Yes | Yes | | No | No | No | Yes | Yes | Yes | Yes | NA | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes | No | No | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 78% | Non Compliance |
| 6 December | Kannaland | WC041 | Yes | Yes | No | Yes | Yes | | No | No | No | Yes | Yes | Yes | Yes | NA | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes | No | No | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 83% | Non Compliance |
| 7 January | Kannaland | WC041 | No | No | No | Yes | | | No | No | No | Yes | Yes | Yes | Yes | NA | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes | No | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 86% | Non Compliance |
| 8 February | Kannaland | WC041 | Yes | No | No | Yes | | | No | No | No | Yes | Yes | Yes | Yes | NA | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes | No | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 78% | Non Compliance |
| 9 March | Kannaland | WC041 | Yes | Yes | No | Yes | Yes | | No | No | No | Yes | Yes | Yes | Yes | NA | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes | No | No | Yes | No | Yes | Yes | Yes | Yes | 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 | Yes | NA | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes | No | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 78% | Non Compliance |
| 11 May | Kannaland | WC041 | Yes | Yes | No | Yes | Yes | | No | No | No | Yes | Yes | Yes | Yes | NA | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 83% | Non Compliance |

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 paid all bulk accounts on time, including using a credit from ESKOM to offset one of the bulk accounts. This payment approach is detailed in the Financial Management Report (FMR), which includes emails between the Municipality and ESKOM confirming the credit amount. 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 May and June 2024 and beyond.

● **Condition 6.4 - A funded MTREF**

For purposes of the May 2024 compliance certificate, the Provincial Treasury assessed the municipality's adopted 2024/25 MTREF budget as unfunded. 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 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 before it is adopted. 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**

As part of the Municipal Debt Relief condition, Kannaland is required to update the National Treasury Tariff Model. The Municipality is urged not to bridge any of the Municipal Debt relief conditions; hence a completed NT Tariff Model is required.

● **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 met this condition for the previous quarters; however Provincial Treasury is alarmed that the Municipality reported a collection rate of only 62 per cent for May 2024, leaving their compliance for this quarter at risk. The Municipality achieved collection rates of 83 per cent for Q1 of the municipal financial year, 84 per cent for Q2, and 77 per cent for Q3 (64 per cent when Eskom-supplied areas are excluded). The municipality has indicated that they are 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 has identified ongoing issues with property classifications, transfers, and inclusion inaccuracies. The corrective actions underway involve notifying the valuer for necessary adjustments, updating the billing system, and implementing supplementary valuations. An action plan with specific deadlines is being monitored. However, the municipality has not included the action plan progress details in their submission to the Financial Management Report (FMR), although the municipality was previously advised to report on its progress in the FMR. The only document that has been reported is the property rates reconciliation.

- **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 May 2024 was uploaded to the GoMuni portal and that the Statement fully aligns to the MFMA S71 Statement published 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. | The Budget Performance Overview (paragraph 4) of the MFMA S71 statement 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. | The conclusion (paragraph 14) of the MFMA S71 statement 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. | Annexure B of the MFMA S71 statement included the following debt relief reporting components | |
| 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 MFMA Budget Circular No 128 (Annexure 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 MFMA Budget Circular No. 128 (Annexure D) . | Yes |

| MFMA S71 Statement component | | Compliance (Yes/No) |
|------------------------------|---|---------------------|
| 3.5.1 | The indigent management information. | Yes |
| 3.5.2 | The indigent management information was included in the format of MFMA Budget Circular No. 128 (Annexure C) . | 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. | No |
| 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 |
| 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.

Provincial Treasury Compliance Certification

The Provincial Treasury certifies that it monitored and assessed WC041 Kannaland Municipality's compliance against the MFMA Circular No. 124 conditions and NT debt relief approval letter as set-out below in the PT's compliance certificate for the Municipality in relation to the period 1 - 30 May 2024:

| Annexure A2 - Monthly | | Notes/Comments |
|---|---|----------------|
|  <div> National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003 </div> | | |
| Western Cape Provincial Treasury | | |
| Certificate of Compliance: Municipal Debt Relief Conditions for Application | | |
| Period National Financial Year Demarcation Code of Municipality being assessed | <div>May'24</div> <div>2023/24</div> <div>WC041</div> | |
| District Demarcation Description | <div>Garden Route</div> <div>Kannaland</div> | |
| <p>I, Julinda Gantana, 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:</p> | | |
| Municipal Debt Relief Conditions (Monthly reporting) | | |
| <div>Choose from drop down list</div> | | |
| Condition 6.3 + 6.12 Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise means the account for a single month's consumption)</small> | | |
| 6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2 | <div>Yes</div> | |
| 6.12.2 - 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 https://gpmportal.treasury.gov.za ? | <div>Yes</div> | |
| 6.12.2 - 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? | <div>No</div> | |
| No amounts were recorded under the water inventory in the data strings | | |

7 MFMA Circular No 124 - Municipal Debt Relief Provincial Treasury Certification of municipal compliance of WC041 Kannaland Municipality May 2024

| | | | | |
|----|-------|--|----------------------------------|--|
| 4 | 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)? 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. | <div>Yes</div> | |
| 5 | 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 https://gpmportal.treasury.gov.za ? | <div>Yes</div> | |
| 6 | 6.3.4 | - 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? | <div>No</div> | The amount recorded in the data strings does not reconcile with the amount recorded on the bank statements or the proof of payments submitted by the Municipality—the amount in the strings is less than what has been paid to ESKOM. |
| 7 | 6.4 | Compliance with a funded MTREF – (choose from drop down list the MTREF assessed) | <div>2024/25 Adopted MTREF</div> | |
| 8 | 6.4.1 | - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ? | <div>No</div> | |
| 9 | 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? | <div>No</div> | |
| 10 | 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? Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No". | <div>Yes</div> | |
| 11 | 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)? Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening. | <div>Yes</div> | |
| 12 | 6.4.2 | - 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)? Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list. | <div>N/A</div> | |
| 13 | 6.4.2 | - 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.)? | <div>Yes</div> | The municipality's cashflow projections are detailed in Table A7 and Supporting Table SA30, they represent the monthly projections using a straight-line method, not accounting for seasonal variations. Furthermore, they were not reflected in the Budget Funding Plan strategy. |

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

| | | | | |
|----|---------|--|---|---|
| 14 | 6.5 | Cost reflective tariffs – (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? | <input type="text" value="Yes"/> | |
| | 6.6 | Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that: | | |
| 15 | 6.6.1 | - 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? | <input type="text" value="Yes"/> | The Municipality provide the owners with a breakdown of the consolidated account, however, it not send in the form of a consolidated account as each account holder are send their account automatically. The consolidation is done separately. Owners can give tenants permission to open a account with the Municipality for services, therefore these service accounts is send separate to the owners account. The Municipality is currently doing research on how other Municipalities is handing this. |
| 16 | 6.6.2 | - 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? | <input type="text" value="Yes"/> | |
| 17 | 6.6.3 | - 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? 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. | <input type="text" value="No"/> | The Municipality does not currently have the infrastructure i.e. restriction valves to install on defaulting customer networks. The Municipality through its technical department is exploring how this can be done, and to determine the costs implication for such equipment. The Municipality will report on the progress hereof in future reports. |
| 18 | 6.6.4 | - 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? Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required MT format. | <input type="text" value="Yes"/> | |
| | 6.6 | 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. | | |
| | 6.7 | Maintain a minimum average quarterly collection of property rates and services charges – | | |
| 19 | 6.7.1 | - 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? | <input type="text" value="Not yet end of quarter"/> | The municipality has reported a collection rate of 62% in May 2024. However, they have been reported collection rate in Q1: 83% , Q2: 84% , Q3: 77%, since it is not the end of the quarter, the collection rate is for April 2024 is for the month not the quarter. |
| | | Note – although the norm and standard for collection (MFMA Circular No. 73) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm. | | |
| | 6.7.2 | - 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: | | |
| 20 | 6.7.2.1 | * 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; | <input type="text" value="not yet the end of a quarter"/> | |
| 21 | 6.7.2.2 | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)? | <input type="text" value="not yet the end of a quarter"/> | |
| 22 | 6.7.2.3 | * 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? | <input type="text" value="not yet the end of a quarter"/> | |

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

| | | | | |
|----|-------|--|-------------------------------------|---|
| 23 | 6.7.3 | - 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? | <input type="text" value="No"/> | 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. |
| 24 | 6.7.4 | - 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? | <input type="text" value="Yes"/> | |
| 25 | 6.7.5 | - 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? | <input type="text" value="Yes"/> | |
| | 6.8 | Municipality's Completeness of the revenue base – | | |
| 26 | 6.8.1 | -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? | <input type="text" value="No"/> | The GV recon identified various issues across different property categories, involving misclassifications, property transfers, and missed property inclusion. These discrepancies have prompted a series of corrective actions, including |
| 27 | 6.8.1 | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? 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 | <input type="text" value="Yes"/> | |
| 28 | 6.8.2 | - 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 https://guploadportal.treasury.gov.za ? | <input type="text" value="Yes"/> | |
| | 6.9 | Monitor and report on implementation – | | |
| 29 | 6.9.1 | - 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 Budget Funding Plan where relevant? | <input type="text" value="Yes"/> | |
| 30 | 6.9.2 | - If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? Note - condition 6.9.2 has a typing error and must refer to 6.9.1. | <input type="text" value="Yes"/> | |
| 31 | 6.9.3 | - Municipalities with financial recovery plans (FRP) – 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? | <input type="text" value="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 https://guploadportal.treasury.gov.za ? | <input type="text" value="No FRP"/> | |
| | | Note – a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS. | | |

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

| | | | | |
|----|--------|--|-----|--|
| | 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 conditions for provincial treasuries (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 https://uploadportal.treasury.gov.za? <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 conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? | No | |
| | | <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> | | |
| 36 | 6.11 | Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? | No | |
| | | <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 referred 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 borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i> | | |
| | 6.12 | For the duration of the Municipal Debt Relief (to ensure proper management of resources): | | |
| 37 | 6.12.1 | - has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) 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? | Yes | |
| | | <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.3(3).</i> | | |
| 39 | | Supporting evidence: 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 | The municipality has not initiated transactions through the newly established ring-fenced sub-account, which was intended for settling current obligations to Eskom and paying for bulk water accounts before allocating these funds for other purposes. However, they have shown a degree of transparency by submitting documents related to the primary account's monthly bank reconciliations to GoMuni, indicating the opening and closing balances. |
| 40 | 6.13 | Accounting Treatment: has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrears 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> | Yes | The municipality is referred to Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124 that was issued by NT on 16 February 2024, which need to be implemented accordingly. |
| 41 | 6.14 | *NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? | No | |
| | | <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 17 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 6 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 services that are the subject of municipal debt relief, etc.</i> | | |

The Western Cape Provincial Treasury's assessment and compliance certificate confirmed that Kannaland Municipality during April 2024 did not fully comply with all the MFMA Circular No. 124 conditions and was elaborated on above. It is also noted that the Municipality's May 2024 average compliance of 83 per cent is an improvement from the 78 per cent achieved during April 2024. Although, the Municipality has made progress it is noted that the Municipality must still address these non-compliance matters. The Provincial Treasury is of the view that the Municipality should qualify for the one third (1/3) debt write-off at the end of its first debt relief compliance cycle on 31 July 2024, if it can improve its collection rate and address other outstanding matters. The Municipality is urged to strengthen its implementation of the relief conditions to fully benefit from the relief.

The Provincial Treasury continues to appreciate the opportunity that the Municipal Debt Relief Programme provided to municipalities and is committed to supporting our municipalities to ensure that they comply with the conditions of the programme in order to derive the full benefit.

Yours sincerely

**Julinda
Gantana**

Digitally signed by Julinda Gantana
Date: 2024.07.01 14:21:37 +02'00'

**MS J GANTANA
HEAD OFFICIAL: PROVINCIAL TREASURY**

Cc: The Executive Mayor: Mr J Donson, mayor@kannaland.gov.za
Municipal CFO: Mrs R Saptoe, cfo@kannaland.gov.za
Senior Manager Revenue Management: Rehaz Abramia - AbramiR@eskom.co.za
Senior Manager Finance Cape Coastal Cluster: Atika Brey - BreyA@eskom.co.za
Middle Manager Finance Cape Coastal Cluster: Unathi Yaso - YasoUN@eskom.co.za
MFMA Coordinator: Steven Kenyon - Steven.Kenyon@westerncape.gov.za
Director-General: Department of Cooperative Governance: Mr Mbulelo Tshangana - Zandilez@coqta.gov.za
CEO: SALGA: Sithole Mbanga - hmazibuko@salga.org.za

MFMA Circular 124 – Property Rates Reconciliation

| Property Rates Reconciliation | | | | | | |
|--------------------------------|-------------------------|----------------------|-------------------|-------------------------|-------------------------|----------------------|
| Province | WC | | | | | |
| District | Garden Route District | | | | | |
| Type | L&M | | | | | |
| Municipal Name | Kannaland Municipality | | | | | |
| GV Period | 01/07/2021 - 30/06/2022 | | | | | |
| Financial Year | 2021/2022 | | | | | |
| Reconciliation Period | Quarter 1 | | | | | |
| 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 | 3,836,000.00 | 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 |
| POWI | 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 | - |
| Total | 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 | 849,174.83 | 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 | 3,608 | 3,416 | 282 | 3,607.53 | 3,415.75 | 281.78 |
| PBO | - | - | - | - | - | - |
| Multi Use | - | - | - | - | - | - |
| Vacant | 13,834 | 12,573 | 1,261 | 13,833.63 | 12,572.63 | 1,261.00 |
| POWI | - | - | - | - | - | - |
| 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 | <u>NOR GRUPE</u> | Date | <u>20-08-2024</u> |
| Signature | <u>[Signature]</u> | | |
| Reviewed By | <u>[Signature]</u> | Date | <u>20-08-2024</u> |
| Signature | <u>[Signature]</u> | | |

MFMA Circular 124 – Maintain Eskom & Water Bulk Accounts



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 WEBSIT
<https://csonline.eskom.co.za>

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL
BANK: ABSA
BRANCH CODE: 331111
BANK ACC NO: 340167431

| | |
|------------------|--------------|
| YOUR ACCOUNT NO | 7052108005 |
| SECURITY HELD | 0.01 |
| BILLING DATE | 2024-07-08 |
| TAX INVOICE NO | 705875935915 |
| ACCOUNT MONTH | JULY 2024 |
| CURRENT DUE DATE | 2024-08-07 |
| VAT REG NO | 4540197268 |

TAX INVOICE

E-MAIL: kredicare@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

| | | |
|---|----------|---------------------|
| FIXED CHARGE | R | 25,465.00 |
| ADMINISTRATION CHARGE | R | 4,928.70 |
| TRANSMISSION NETWORK CAPACITY | R | 145,416.67 |
| DIST. NETWORK CAPACITY CHARGE | R | 104,666.67 |
| NETWORK DEMAND CHARGE | R | 98,841.89 |
| URBAN LOW VOLTAGE SUBSIDY | R | 256,316.67 |
| ANCILLARY SERVICE (ALL) | R | 16,338.60 |
| ENERGY CHARGE (PEAK) | R | 2,402,059.93 |
| ENERGY CHARGE (OFF) | R | 995,376.27 |
| ENERGY CHARGE (STD) | R | 1,649,081.49 |
| ELECTRIFICATION AND RURAL SUBS (ALL) | R | 349,652.84 |
| REACTIVE ENERGY | R | 26,077.82 |
| SERVICE CHARGE | R | 10,934.60 |
| TOTAL CHARGES FOR BILLING PERIOD | R | 6,085,157.15 |

ACCOUNT SUMMARY FOR JULY 2024

| | | | |
|----------------------------------|-----------------------|---|---------------|
| BALANCE BROUGHT FORWARD | (Due Date 2024-07-12) | R | 36,054,418.06 |
| PAYMENT(S) RECEIVED | Cash - 2024-07-04 | R | -5,338,007.72 |
| TOTAL CHARGES FOR BILLING PERIOD | | R | 6,085,157.15 |
| VAT RAISED ON ITEMS AT 14% | | R | 0.00 |
| VAT RAISED ON ITEMS AT 15% | | R | 912,773.57 |

| ARREARS | | | | CURRENT | TOTAL DUE R | 37,714,341.06 |
|--------------|------------|--------------|--------------|--------------|-------------|---------------|
| >90 DAYS | 61-90 DAYS | 31-60 DAYS | 16-30 DAYS | | | |
| 21,118,789.3 | 0.00 | 4,259,613.28 | 5,338,007.72 | 6,997,930.72 | | |

Account OVERDUE - Subject to Disconnection



MONTH

| | |
|-------------|--------|
| PAGE RUN NO | EE 198 |
| BILL GROUP | |
| BILL PAGE | 1 OF 3 |

| | |
|---------------------------|------------------------------|
| ACCOUNT NO / REFERENCE NO | 7052108005 |
| NAME | KANNALAND LOCAL MUNICIPALITY |
| FAX NUMBER | 0866160914 |

Post Office 0934 7052108005

11341 7052108005



9207 2705 2108 0051



TOTAL AMOUNT DUE

37,714,341.05

PAYMENT ARRANGEMENT

| | |
|-------------------------------|--------------|
| INSTALMENT | 0.00 |
| ARREARS (Due immediately) | 30,716,410.3 |
| DUE DATE (For Current Amount) | 2024-08-07 |
| AMOUNT PAID | |

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

| | | | |
|-------------------------|------------------------------|-------------------|-------------------------------|
| Customer No | 420543546 | User Name | KANNALAND MUNICIPALITY |
| User ID | OCK31 | Reference | 2024221005 |
| Sub Module | SSVS | Action date | 20240808 |
| Description | LJT64 20240808 14:37:30.2 | | |
| 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 | 55161636814 | | |
| Branch No | 200910 | | |
| Statement Ref | 7052108005 | | |
| Account Name | ESKOM HOLDINGS WC REGION | | |
| Creditor Code | ESKOM NEW | | |
| Amount | 6,997,930.72 | | |
| StatusDescription | FINAL AUDIT TO BE DOWNLOADED | | |
| RTGS/RTC | F | | |
| ISN/Bus Ref | 1437 | | |
| Pay Alert | N | | |



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: 340167430

| | |
|------------------|--------------|
| YOUR ACCOUNT NO | 6940893537 |
| SECURITY HELD | 0.01 |
| BILLING DATE | 2024-07-08 |
| TAX INVOICE NO | 694163478941 |
| ACCOUNT MONTH | JULY 2024 |
| CURRENT DUE DATE | 2024-08-07 |
| VAT REG NO | 4540197268 |

TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

| | | |
|--------------------------------------|---|------------|
| ADMINISTRATION CHARGE | R | 4,928.70 |
| DIST. NETWORK CAPACITY CHARGE | R | 76,889.35 |
| NETWORK DEMAND CHARGE (C/KWH) | R | 41,760.13 |
| ANCILLARY SERVICE (ALL) | R | 3,924.59 |
| ENERGY CHARGE (PEAK) | R | 572,583.21 |
| ENERGY CHARGE (STD) | R | 418,508.86 |
| ENERGY CHARGE (OFF) | R | 197,290.57 |
| ELECTRIFICATION AND RURAL SUBS (ALL) | R | 76,840.98 |
| REACTIVE ENERGY | R | 5,949.29 |
| SERVICE CHARGE | R | 10,934.60 |

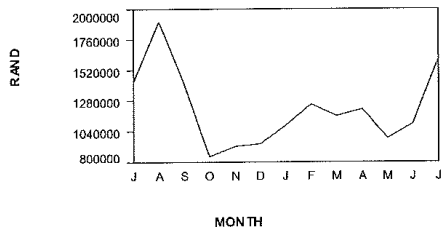
| | | |
|----------------------------------|---|--------------|
| TOTAL CHARGES FOR BILLING PERIOD | R | 1,409,620.28 |
|----------------------------------|---|--------------|

ACCOUNT SUMMARY FOR JULY 2024

| | | | |
|----------------------------------|-----------------------|---|---------------|
| BALANCE BROUGHT FORWARD | (Due Date 2024-07-08) | R | 10,205,516.54 |
| PAYMENT(S) RECEIVED | Cash - 2024-07-04 | R | -1,113,856.49 |
| TOTAL CHARGES FOR BILLING PERIOD | | R | 1,409,620.28 |
| VAT RAISED ON ITEMS AT 14% | | R | 0.00 |
| VAT RAISED ON ITEMS AT 15% | | R | 211,443.04 |

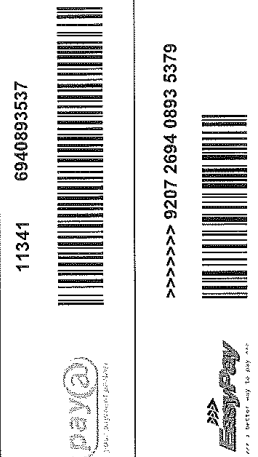
COPY ONLY

| ARREARS | | | | CURRENT | TOTAL DUE | R | 10,712,723.37 |
|--|------------|--------------|------------|--------------|-----------|---|---------------|
| >90 DAYS | 61-90 DAYS | 31-60 DAYS | 16-30 DAYS | | | | |
| 6,979,988.97 | 997,814.59 | 1,113,856.49 | 0.00 | 1,621,063.32 | | | |
| Account OVERDUE - Subject to Disconnection | | | | | | | |



| | |
|-------------|--------|
| PAGE RUN NO | EE 188 |
| BILL GROUP | |
| BILL PAGE | 1 OF 2 |

| | |
|---------------------------|------------------------------|
| ACCOUNT NO / REFERENCE NO | 6940893537 |
| NAME | KANNALAND LOCAL MUNICIPALITY |
| FAX NUMBER | |
| POST OFFICE | 0934 6940893537 |



| | |
|------------------|---------------|
| TOTAL AMOUNT DUE | 10,712,723.35 |
|------------------|---------------|

| | |
|-------------------------------|--------------|
| PAYMENT ARRANGEMENT | |
| INSTALMENT | 0.00 |
| ARREARS (Due Immediately) | 9,091,660.00 |
| DUE DATE (For Current Amount) | 2024-08-07 |
| AMOUNT PAID | |

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

Standard Bank of South Africa

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

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

| | | | |
|-------------------------|------------------------------|-------------------|-------------------------------|
| Customer No | 420543546 | User Name | KANNALAND MUNICIPALITY |
| User ID | OCK31 | Reference | 2024221005 |
| Sub Module | SSVS | Action date | 20240808 |
| Description | LJT64 20240808 14:37:30.2 | | |
| 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 | 1,621,063.32 | | |
| StatusDescription | FINAL AUDIT TO BE DOWNLOADED | | |
| RTGS/RTC | 0 | | |
| ISN/Bus Ref | 0 | | |
| Pay Alert | N | | |

DATE : 2024-08-08 15:51:33

Page : 2

Standard Bank of South Africa

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

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CURRENT ACCOUNT - STATEMENT DETAILS

| Page | Details | Service Fee | Debit | Credit | Date | Balance |
|------|--|-------------|---------------|--------|---------------|--------------|
| | STEEN STEENKAMP L RV/X6815:14 | | | | | |
| 2 | ELECTRONIC BANKING PAYMENT TO STUUR STUURMAN LEON RV/X6817:03 | 0.00 | -5,157.82 | | 0.00 20240808 | 9,108,011.74 |
| 2 | ELECTRONIC BANKING PAYMENT TO M055 MESHOA WP RV/X6815:14 | 0.00 | -5,808.76 | | 0.00 20240808 | 9,102,202.98 |
| 2 | ELECTRONIC BANKING PAYMENT TO STEEN STEENKAMP L RV/X6815:14 | 0.00 | -6,482.82 | | 0.00 20240808 | 9,095,720.16 |
| 2 | ELECTRONIC BANKING PAYMENT TO R4 RUITERS HD RV/X6815:14 | 0.00 | -6,597.54 | | 0.00 20240808 | 9,089,122.62 |
| 2 | ELECTRONIC BANKING PAYMENT TO PHILL PHILIPS EMPLO RV/X6815:14 | 0.00 | -8,082.00 | | 0.00 20240808 | 9,081,040.62 |
| 3 | BALANCE BROUGHT FORWARD | 0.00 | 0.00 | | 0.00 20240808 | 9,081,040.62 |
| 3 | ELECTRONIC BANKING PAYMENT TO PC025 ICT WIZE GROU GAV5315:49 | 0.00 | -28,319.00 | | 0.00 20240808 | 9,052,721.62 |
| 3 | ELECTRONIC BANKING PAYMENT TO CDV W C.D.V. WAARDE RV/X6815:14 | 0.00 | -70,145.40 | | 0.00 20240808 | 8,982,576.22 |
| 3 | ELECTRONIC BANKING PAYMENT TO BOQWA BOQWANA BURNS RV/X6815:12 | 0.00 | -200,000.00 | | 0.00 20240808 | 8,782,576.22 |
| 3 | ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RV/X6814:38 | 0.00 | -1,621,063.32 | | 0.00 20240808 | 7,161,512.90 |
| 3 | ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RV/X6814:38 | 0.00 | -6,997,930.72 | | 0.00 20240808 | 163,582.18 |
| 3 | ELECTRONIC BANKING TRANSFER TO DEP TRANSPORT REC | 0.00 | -76,034.40 | | 0.00 20240808 | 87,547.78 |

** END OF REPORT **

SECTION 7 – QUALITY CERTIFICATION



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Posbus 30 P.O. Box
LADISMITH
6655

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

Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, Dillo Sereo 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 **JULY 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 :12 Augustus 2024