



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for August 2024/25



Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 August 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 August 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 August 2024.

That the Council takes cognisance of the Eskom Debt Relief Report for August 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 41 962	R 17 534	R 46 977	R 50 15	12%
Operating Expenditure	R 250 576	R 41 762	R 28 725	R 40 770	R (992)	-2%
Capital	R 32 938	R 5 490	R 370	R 370	R (5 119)	-93%

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 46 million. This represents 2% 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 R40 million, or -2% 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 370 million, or 0% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R17 million exceeding budget, and expenditure amounting to R 28 million below budget, with an operating deficit of R 11.2 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 - M02 August									
Description	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									
Financial Performance									
Property rates	28 008	28 234	28 234	2 346	4 742	4 706	37	1%	28 234
Service charges	124 861	134 359	134 359	11 682	22 499	22 393	106	0%	134 359
Investment revenue	1 762	1 500	1 500	114	193	250	(57)	-23%	1 500
Transfers and subsidies - Operational	72 746	65 516	65 516	1 040	17 080	10 919	6 161	56%	65 516
Other own revenue	21 916	22 164	22 164	2 352	2 463	3 694	(1 231)	-33%	22 164
Total Revenue (excluding capital transfers and	249 293	251 773	251 773	17 534	46 977	41 962	5 015	12%	251 773
Employee costs	96 130	88 441	87 441	8 116	16 667	14 573	2 094	14%	87 441
Remuneration of Councillors	3 956	3 635	3 635	308	942	606	336	55%	3 635
Depreciation and amortisation	15 899	12 314	12 314	1 026	2 052	2 052	0	0%	12 314
Interest	4 185	1 300	1 300	0	1	217	(216)	-100%	1 300
Inventory consumed and bulk purchases	65 420	70 475	70 475	15 328	15 335	11 746	3 590	31%	70 475
Transfers and subsidies	396	400	400	-	-	67	(67)	-100%	400
Other expenditure	78 613	74 011	75 011	3 946	5 772	12 502	(6 729)	-54%	75 011
Total Expenditure	264 598	250 576	250 576	28 725	40 770	41 762	(992)	-2%	250 576
Surplus/(Deficit)	(15 305)	1 197	1 197	(11 191)	6 207	200	6 008	3006%	1 197
Transfers and subsidies - capital (monetary allocations)	16 611	22 282	22 282	-	-	3 714	(3 714)	-100%	22 282
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 306	23 479	23 479	(11 191)	6 207	3 914	2 294	59%	23 479
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1 306	23 479	23 479	(11 191)	6 207	3 914	2 294	59%	23 479
Capital expenditure & funds sources									
Capital expenditure	33 184	32 938	32 938	370	370	5 490	(5 119)	-93%	32 938
Capital transfers recognised	21 905	32 938	32 938	370	370	5 490	(5 119)	-93%	32 938
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11 279	-	-	-	-	-	-	-	-
Total sources of capital funds	33 184	32 938	32 938	370	370	5 490	(5 119)	-93%	32 938
Financial position									
Total current assets	47 610	64 826	64 826		64 837				64 826
Total non current assets	298 669	320 603	320 603		296 988				320 603
Total current liabilities	90 518	64 732	64 732		110 685				64 732
Total non current liabilities	56 791	75 972	75 972		56 791				75 972
Community wealth/Equity	198 971	244 725	244 725		188 142				244 725
Cash flows									
Net cash from (used) operating	59 159	6 972	6 972	12 835	43 774	1 162	(42 612)	-3667%	226 699
Net cash from (used) investing	(14 217)	(22 282)	(22 282)	(426)	(484)	3 714	4 198	113%	22 282
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	81 587	74 878	74 878	-	83 130	95 063	11 933	13%	288 821
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 263	4 381	3 872	3 335	2 670	-	18 380	107 787	148 688
Creditors Age Analysis									
Total Creditors	14 316	3 931	3 251	-	62 920	-	-	-	84 419

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August										
Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue - Functional										
<i>Governance and administration</i>		81 154	54 667	54 667	3 492	21 561	9 111	12 450	137%	54 667
Executive and council		35 452	13 603	13 603	–	15 616	2 267	13 349	589%	13 603
Finance and administration		45 703	41 064	41 064	3 492	5 945	6 844	(899)	-13%	41 064
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		43 432	35 632	35 632	641	1 003	5 939	(4 936)	-83%	35 632
Community and social services		15 932	15 691	15 691	641	1 002	2 615	(1 613)	-62%	15 691
Sport and recreation		46	66	66	–	–	11	(11)	-100%	66
Public safety		(1)	5	5	0	0	1	(0)	-48%	5
Housing		27 456	19 870	19 870	–	–	3 312	(3 312)	-100%	19 870
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 262	6 316	6 316	200	352	1 053	(701)	-67%	6 316
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		2 262	6 316	6 316	200	352	1 053	(701)	-67%	6 316
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		139 055	177 440	177 440	13 201	24 062	29 573	(5 511)	-19%	177 440
Energy sources		73 635	95 625	95 625	8 387	15 854	15 938	(84)	-1%	95 625
Water management		41 889	46 676	46 676	2 213	3 804	7 779	(3 976)	-51%	46 676
Waste water management		11 946	18 386	18 386	1 300	2 233	3 064	(832)	-27%	18 386
Waste management		11 586	16 753	16 753	1 301	2 172	2 792	(620)	-22%	16 753
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	265 904	274 055	274 055	17 534	46 977	45 676	1 302	3%	274 055
Expenditure - Functional										
<i>Governance and administration</i>		92 653	86 057	86 057	7 725	15 535	14 343	1 193	8%	86 057
Executive and council		25 078	24 977	24 977	2 241	5 362	4 163	1 199	29%	24 977
Finance and administration		67 575	61 081	61 081	5 484	10 173	10 180	(7)	0%	61 081
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		39 158	35 964	35 964	1 679	2 604	5 994	(3 390)	-57%	35 964
Community and social services		8 699	12 529	12 529	1 285	1 894	2 088	(194)	-9%	12 529
Sport and recreation		931	1 922	1 922	179	282	320	(38)	-12%	1 922
Public safety		1 479	405	405	125	247	68	180	266%	405
Housing		28 049	21 107	21 107	90	181	3 518	(3 337)	-95%	21 107
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		15 122	17 994	17 994	1 192	2 213	2 999	(786)	-26%	17 994
Planning and development		–	620	620	–	–	103	(103)	-100%	620
Road transport		15 122	17 374	17 374	1 192	2 213	2 896	(682)	-24%	17 374
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		117 665	110 560	110 560	18 130	20 417	18 427	1 991	11%	110 560
Energy sources		68 331	71 137	71 137	15 852	16 379	11 856	4 523	38%	71 137
Water management		24 710	16 925	16 925	1 133	1 878	2 821	(942)	-33%	16 925
Waste water management		11 622	12 079	12 079	538	948	2 013	(1 065)	-53%	12 079
Waste management		13 003	10 419	10 419	607	1 211	1 737	(525)	-30%	10 419
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	264 598	250 576	250 576	28 725	40 770	41 762	(992)	-2%	250 576
Surplus/ (Deficit) for the year		1 306	23 479	23 479	(11 191)	6 207	3 914	2 294	59%	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) - M02 August										
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	2 267	13 349	588,8%	13 603
Vote 2 - CORPORATE SERVICES		44 622	44 530	44 530	427	792	7 422	(6 629)	-89,3%	44 530
Vote 3 - FINANCIAL SERVICES		44 987	36 666	36 666	3 433	5 863	6 111	(248)	-4,1%	36 666
Vote 4 - TECHNICAL SERVICES		140 844	179 256	179 256	13 673	24 707	29 876	(5 169)	-17,3%	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	265 904	274 055	274 055	17 534	46 977	45 676	1 302	2,8%	274 055
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		25 078	24 977	24 977	2 241	5 362	4 163	1 199	28,8%	24 977
Vote 2 - CORPORATE SERVICES		67 531	61 804	61 804	4 306	7 724	10 300	(2 576)	-25,0%	61 804
Vote 3 - FINANCIAL SERVICES		40 701	38 553	38 553	2 993	5 320	6 425	(1 106)	-17,2%	38 553
Vote 4 - TECHNICAL SERVICES		129 895	123 029	123 029	19 178	22 357	20 505	1 852	9,0%	123 029
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		1 393	2 214	2 214	7	7	369	(362)	-98,2%	2 214
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	264 598	250 576	250 576	28 725	40 770	41 762	(992)	-2,4%	250 576
Surplus/ (Deficit) for the year	2	1 306	23 479	23 479	(11 191)	6 207	3 914	2 294	58,6%	23 479

2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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		138 298	147 437	147 437	13 542	24 475	24 573	(98)	0%	147 437
Service charges - Electricity		73 292	89 822	89 822	8 325	15 805	14 970	834	6%	89 822
Service charges - Water		33 366	24 044	24 044	1 638	3 209	4 007	(798)	-20%	24 044
Service charges - Waste Water Management		9 196	10 415	10 415	861	1 756	1 736	20	1%	10 415
Service charges - Waste management		9 006	10 078	10 078	858	1 729	1 680	49	3%	10 078
Sale of Goods and Rendering of Services		483	419	419	19	38	70	(32)	-46%	419
Agency services		1 208	1 450	1 450	139	226	242	(15)	-6%	1 450
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		8 623	7 832	7 832	1 482	1 323	1 305	18	1%	7 832
Interest earned from Current and Non Current Assets		1 762	1 500	1 500	114	193	250	(57)	-23%	1 500
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		670	1 148	1 148	56	110	191	(82)	-43%	1 148
Licence and permits		202	663	663	15	32	111	(79)	-71%	663
Operational Revenue		487	66	66	36	55	11	44	398%	66
Non-Exchange Revenue		110 996	104 336	104 336	3 992	22 502	17 389	5 113	29%	104 336
Property rates		28 008	28 234	28 234	2 346	4 742	4 706	37	1%	28 234
Surcharges and Taxes		6 032	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		285	2 561	2 561	14	28	427	(399)	-94%	2 561
Licence and permits		0	1 086	1 086	-	-	181	(181)	-100%	1 086
Transfer and subsidies - Operational		72 746	65 516	65 516	1 040	17 080	10 919	6 161	56%	65 516
Interest		3 208	2 939	2 939	532	531	490	41	8%	2 939
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		716	-	-	61	121	-	121	-	-
Gains on disposal of Assets		-	4 000	4 000	-	-	667	(667)	-100%	4 000
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		249 293	251 773	251 773	17 534	46 977	41 962	5 015	12%	251 773
Expenditure By Type										
Employee related costs		96 130	88 441	87 441	8 116	16 667	14 573	2 094	14%	87 441
Remuneration of councillors		3 956	3 635	3 635	308	942	606	336	55%	3 635
Bulk purchases - electricity		60 101	60 529	60 529	15 184	15 184	10 088	5 095	51%	60 529
Inventory consumed		5 318	9 946	9 946	145	152	1 658	(1 506)	-91%	9 946
Debt impairment		-	11 933	11 933	-	-	1 989	(1 989)	-100%	11 933
Depreciation and amortisation		15 899	12 314	12 314	1 026	2 052	2 052	0	0%	12 314
Interest		4 185	1 300	1 300	0	1	217	(216)	-100%	1 300
Contracted services		35 829	35 267	35 267	1 511	2 603	5 878	(3 275)	-56%	35 267
Transfers and subsidies		396	400	400	-	-	67	(67)	-100%	400
Irrecoverable debts written off		17 622	-	-	94	94	-	94	-	-
Operational costs		23 403	26 810	27 810	2 340	3 075	4 635	(1 560)	-34%	27 810
Losses on Disposal of Assets		1 272	-	-	-	-	-	-	-	-
Other Losses		486	-	-	-	-	-	-	-	-
Total Expenditure		264 598	250 576	250 576	28 725	40 770	41 762	(992)	-2%	250 576
Surplus/(Deficit)		(15 305)	1 197	1 197	(11 191)	6 207	200	6 008	0	1 197
Transfers and subsidies - capital (monetary allocations)		16 611	22 282	22 282	-	-	3 714	(3 714)	(0)	22 282
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		1 306	23 479	23 479	(11 191)	6 207	3 914			23 479
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		1 306	23 479	23 479	(11 191)	6 207	3 914			23 479
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		1 306	23 479	23 479	(11 191)	6 207	3 914			23 479
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		1 306	23 479	23 479	(11 191)	6 207	3 914			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** – Elec amounts to R 8.3 million for August 2024 and R 15.8 million YTD which represents **6%** variance to the budget.
- **Service Charges** – Water amounts to R 1.6 million for **August 2024** and R 3.2 million YTD which represents a negative **20%** variance to the budget.
- **Sale of goods and Rendering of Services** – amounts to R 19 thousand for **August 2024** and R 38 thousand YTD which represents negative 46% variance to the budget.
- **Agency Services** - amounted to R 139 thousand for **August 2024** and R 226 thousand YTD which represents a negative **6%** variance to the budget.
- **Interest on outstanding debtors** – (negative **23%** YTD variance from the budget).
- **Rental from fixed Assets** – amounted to R 56 thousand and R 110 thousand YTD which represents a negative **43%** variance to the budget.
- **Licence and permits** - (negative **71%** YTD variance from the budget). Amounted to R 15 thousand for the month of **August 2024**.
- **Fines, Penalties & Forfeits** – Almost no activity, with a negative **94%** 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 8.1 million for **August 2024** and R 16.7 million YTD, this represents a 14% spending on the budget.
- **Remuneration of Councillors** – amounted to R 308 thousand for **August 2024** and R 942 thousand YTD, this represents a 55% on the budget.
- **Inventory Consumed** – amounted to R 145 thousand for **August 2024** and R 152 thousand YTD, this represents a negative 91% on the budget.
- **Bulk Purchases** – amounted to R 15.2 million for **August 2024** and R 15.2 million YTD, this represents a 51% spending on the budget.
- **Contracted Services** – amounted to R 1.5 million in **August 2024** and R 2.6 million YTD.
- **Other Expenditure** - amounted to R 2.3 thousand in **August 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) - M02 August										
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		193	-	-	-	-	-	-		-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		26 712	22 178	22 178	370	370	3 696	(3 326)	-90%	22 178
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	26 905	22 178	22 178	370	370	3 696	(3 326)	-90%	22 178
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-		-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		6 279	10 760	10 760	-	-	1 793	(1 793)	-100%	10 760
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	6 279	10 760	10 760	-	-	1 793	(1 793)	-100%	10 760
Total Capital Expenditure	3	33 184	32 938	32 938	370	370	5 490	(5 119)	-93%	32 938
Capital Expenditure - Functional Classification										
Governance and administration		-	-	-	-	-	-	-		-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		-	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		193	-	-	-	-	-	-		-
Community and social services		51	-	-	-	-	-	-		-
Sport and recreation		142	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		-	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		32 991	32 938	32 938	370	370	5 490	(5 119)	-93%	32 938
Energy sources		384	626	626	-	-	104	(104)	-100%	626
Water management		7 093	12 656	12 656	-	-	2 109	(2 109)	-100%	12 656
Waste water management		24 383	17 956	17 956	370	370	2 993	(2 622)	-88%	17 956
Waste management		1 130	1 700	1 700	-	-	283	(283)	-100%	1 700
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	33 184	32 938	32 938	370	370	5 490	(5 119)	-93%	32 938
Funded by:										
National Government		20 820	30 416	30 416	370	370	5 069	(4 699)	-93%	30 416
Provincial Government		1 085	2 522	2 522	-	-	420	(420)	-100%	2 522
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		21 905	32 938	32 938	370	370	5 490	(5 119)	-93%	32 938
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		11 279	-	-	-	-	-	-		-
Total Capital Funding	7	33 184	32 938	32 938	370	370	5 490	(5 119)	-93%	32 938

CAPITAL EXPENDITURE

- The Municipality remains on track with its capital expenditure. It had a **R 370 thousand** expenditure in **August 2024**.

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M02 August						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands						
ASSETS	1					
Current assets						
Cash and cash equivalents		9 707	26 093	26 093	29 068	26 093
Trade and other receivables from exchange transactions		50 716	6 414	6 414	44 267	6 414
Receivables from non-exchange transactions		12 784	3 322	3 322	14 420	3 322
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 974	1 981	1 981	1 974	1 981
VAT		(26 510)	25 953	25 953	(23 805)	25 953
Other current assets		(1 062)	1 063	1 063	(1 087)	1 063
Total current assets		47 610	64 826	64 826	64 837	64 826
Non current assets						
Investments		(94)	-	-	(94)	-
Investment property		1 058	1 116	1 116	1 058	1 116
Property, plant and equipment		297 697	319 477	319 477	296 015	319 477
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		8	9	9	8	9
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		298 669	320 603	320 603	296 988	320 603
TOTAL ASSETS		346 279	385 429	385 429	361 825	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 exchange transactions		90 108	25 374	25 374	93 741	25 374
Trade and other payables from non-exchange transactions		14 991	8 402	8 402	29 687	8 402
Provision		4 240	7 477	7 477	4 240	7 477
VAT		(20 267)	22 114	22 114	(18 438)	22 114
Other current liabilities		-	-	-	-	-
Total current liabilities		90 518	64 732	64 732	110 685	64 732
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		45 251	20 653	20 653	45 251	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		56 791	75 972	75 972	56 791	75 972
TOTAL LIABILITIES		147 308	140 704	140 704	167 476	140 704
NET ASSETS	2	198 971	244 725	244 725	194 349	244 725
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		198 509	237 309	237 309	187 680	237 309
Reserves and funds		462	7 417	7 417	462	7 417
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	198 971	244 725	244 725	188 142	244 725

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M02 August										
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	1 380	2 690	4 193	(1 503)	-36%	25 160
Service charges		82 221	123 878	123 878	14 324	16 043	20 646	(4 603)	-22%	123 878
Other revenue		16 053	8 716	8 716	471	1 215	1 453	(237)	-16%	8 716
Transfers and Subsidies - Operational		73 430	62 503	62 503	7 502	23 679	10 417	13 262	127%	62 503
Transfers and Subsidies - Capital		19 652	19 760	19 760	—	8 105	3 293	4 812	146%	19 760
Interest		3	6 657	6 657	—	1 110	—	(1 110)	-100%	6 657
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(149 375)	(239 702)	(239 702)	(10 843)	(7 959)	(39 950)	(31 991)	80%	(19 975)
Interest		—	—	—	—	—	—	—	—	—
Transfers and Subsidies		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		59 159	6 972	6 972	12 835	43 774	1 162	(42 612)	-3667%	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)	(426)	(484)	3 714	4 198	113%	22 282
NET CASH FROM/(USED) INVESTING ACTIVITIES		(14 217)	(22 282)	(22 282)	(426)	(484)	3 714	4 198	113%	22 282
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—
Payments										
Repayment of borrowing		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD		44 942	(15 310)	(15 310)	12 409	43 290	4 876			248 981
Cash/cash equivalents at beginning:		36 645	90 188	90 188		39 840	90 188			39 840
Cash/cash equivalents at month/year end:		81 587	74 878	74 878		83 130	95 063			288 821

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

- Standard Bank Main Account is **R 92 thousand**;
- The Traffic Account has **R 760 thousand**;
- Deposit Account has **R 195 thousand**;
- Call Account has **R 20 999 million**; and
- Eskom Bulk Account has **R 735 thousand**

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August													
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	2 050	1 432	795	1 041	754	–	5 509	20 539	32 121	27 844	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2 568	796	1 095	380	89	–	594	928	6 450	1 991	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	3 111	930	809	710	656	–	3 936	22 964	33 115	28 266	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	887	355	343	340	340	–	2 327	12 804	17 394	15 810	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 716	586	552	540	529	–	3 565	18 530	26 018	23 164	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	39	38	64	118	121	–	1 355	28 215	29 950	29 809	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(2 108)	245	214	206	181	–	1 094	3 807	3 639	5 288	–	–
Total By Income Source	2000	8 263	4 381	3 872	3 335	2 670	–	18 380	107 787	148 688	132 172	–	–
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 296	717	332	197	82	–	242	105	2 971	626	–	–
Commercial	2300	601	196	170	160	141	–	1 098	3 937	6 304	5 337	–	–
Households	2400	6 522	3 321	3 230	2 834	2 300	–	16 134	92 692	127 034	113 961	–	–
Other	2500	(156)	148	141	142	147	–	906	11 053	12 380	12 248	–	–
Total By Customer Group	2600	8 263	4 381	3 872	3 335	2 670	–	18 380	107 787	148 688	132 172	–	–

The total amount owed to Kannaland Municipality amounted to **R 149 million** at the end of **August 2024**.

- **R108 million or 72%** 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 - M02 August											
Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	8 257	2	–	–	39 808	–	–	–	48 068	–
Bulk Water	0200	62	–	–	–	–	–	–	–	62	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	763	133	169	–	1 179	–	–	–	2 244	–
Auditor General	0800	4 172	3 532	2 833	–	5 394	–	–	–	15 931	–
Other	0900	1 061	264	249	–	16 539	–	–	–	18 114	–
Total By Customer Type	1000	14 316	3 931	3 251	–	62 920	–	–	–	84 419	–

- The total outstanding creditors as at the end of **August 2024** amounts to **R 84.419 million**.

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

- ESKOM = R48 million, of which the entire amount is conditionally written off. The other R36 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

2024/08/31				
	Original Budget	Total Received	Total Spent	Unspent
Grant Name	Amount			
Provincial Government	R 26 064 000,00	R 1 187 000,00	R 417 002,09	R 769 997,91
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 1 187 000,00	R 417 002,09	R 769 997,91
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	R 61 955 000,00	R 27 496 000,00	R 16 352 210,44	R 11 143 789,56
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 2 900 000,00	R 379 044,00	R 2 520 956,00
FMG (Intern Salaries)	R -			R -
Mun Infrastructure Grant	R 560 850,00	R 560 850,00	R 66 368,54	R 494 481,46
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 314 000,00	R 290 797,90	R 23 202,10
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 August 2024 -

Expenditure:

- Financial Management Grant amounts to **R 379 thousand**.
- Municipal Infrastructure Grant PMU amounts to **R33 thousand**.
- Expanded Public Works Programme amounts to **R 152 thousand**.

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R196 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 - M02 August										
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	255	782	551	231	42%	3 306
Pension and UIF Contributions		152	-	-	16	47	-	47	-	-
Medical Aid Contributions		114	-	-	10	29	-	29	-	-
Motor Vehicle Allowance		36	-	-	3	9	-	9	-	-
Cellphone Allowance		300	329	329	25	75	55	20	37%	329
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 956	3 635	3 635	308	942	606	336	55%	3 635
% increase	4		-8,1%	-8,1%						-8,1%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 377	4 628	4 628	319	666	771	(106)	-14%	4 628
Pension and UIF Contributions		7	9	9	1	1	1	(0)	-25%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		303	676	676	23	46	113	(66)	-59%	676
Cellphone Allowance		86	178	178	6	11	30	(18)	-62%	178
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		22	136	136	4	9	23	(14)	-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		3 794	5 627	5 627	353	733	938	(205)	-22%	5 627
% increase	4		48,3%	48,3%						48,3%
Other Municipal Staff										
Basic Salaries and Wages		60 708	55 034	54 034	5 426	10 755	9 006	1 749	19%	54 034
Pension and UIF Contributions		7 583	10 497	10 497	603	1 207	1 750	(543)	-31%	10 497
Medical Aid Contributions		2 395	3 493	3 493	190	386	582	(196)	-34%	3 493
Overtime		8 603	4 122	4 122	837	1 893	687	1 206	176%	4 122
Performance Bonus		789	725	725	21	121	121	(100)	-82%	725
Motor Vehicle Allowance		3 614	3 089	3 089	351	702	515	187	36%	3 089
Cellphone Allowance		107	157	157	7	15	26	(11)	-43%	157
Housing Allowances		339	1 200	1 200	28	56	200	(144)	-72%	1 200
Other benefits and allowances		6 425	3 785	3 785	300	859	631	228	36%	3 785
Payments in lieu of leave		1 771	100	100	-	41	17	24	145%	100
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		92 335	82 200	81 200	7 763	15 934	13 533	2 401	18%	81 200
% increase	4		-11,0%	-12,1%						-12,1%
Total Parent Municipality		100 085	91 462	90 462	8 425	17 609	15 077	2 532	17%	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	-	-	102	(102)	-100%	614
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	-	-	0	0	-	0	-	-
Board Fees		-	-	-	-	-	-	-	-	-
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	102	(102)	-100%	614
% increase	4		74797,2%	74797,2%						74797,2%
Total Municipal Entities		1	614	614	0	0	102	(102)	-100%	614
TOTAL SALARY, ALLOWANCES & BENEFITS		100 086	92 076	91 076	8 425	17 609	15 179	2 430	16%	91 076
% increase	4		-8,0%	-9,0%						-9,0%
TOTAL MANAGERS AND STAFF		96 129	87 828	86 828	8 116	16 667	14 471	2 196	15%	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 2024/25


SECTION 5 – SCM DEVIATIONS

DEVIATION REGISTER 2024/2025 FINANCIAL YEAR					
NOMMER	DATUM	DEPARTEMENT	VERSKAFFER	BEDRAG	REDE
	21-Aug-24	MUNICIPAL MANAGER	ICT WIZE GROUP WIZE (PTY) LTD	R 28 319,00	ICT WOULD HAVE GONE OUT ON TENDER BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF ICT BUDGET AND TEASURY OFFICES. CURRENTLY, KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFORE THE APPOINTMENT OF ICT WIZE GROUP HAS THE ABILITY TO HELP KANNALAND. WITH THE ROUTING OF THE CALITZDORP AND ZOAR TO LADISMITH WHICH MAKES IT POSSIBLE FOR CALITZDORP AND ZOAR OFFICIALS TO WORK REMOTELY IN LADISMITH, AND ALL OTHER SATELLITE OFFICES CONNECTED TO THE MAIN BUILDING IN LADISMITH. KANNALAND HAS BEEN MAKING USE OF IZT WIZE GROUP FOR ABOUT 10 (TEN YEARS).
	05-Aug-24	MUNICIPAL MANAGER	ICT WIZE GROUP WIZE (PTY) LTD	R 28 319,00	ICT WOULD HAVE GONE OUT ON TENDER BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF ICT BUDGET AND TEASURY OFFICES. CURRENTLY, KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFORE THE APPOINTMENT OF ICT WIZE GROUP HAS THE ABILITY TO HELP KANNALAND. WITH THE ROUTING OF THE CALITZDORP AND ZOAR TO LADISMITH WHICH MAKES IT POSSIBLE FOR CALITZDORP AND ZOAR OFFICIALS TO WORK REMOTELY IN LADISMITH, AND ALL OTHER SATELLITE OFFICES CONNECTED TO THE MAIN BUILDING IN LADISMITH. KANNALAND HAS BEEN MAKING USE OF IZT WIZE GROUP FOR ABOUT 10 (TEN YEARS).
	13-Aug-24	MANAGER ADMINISTRATIVE SERVICES	KONICA MINOLTA	R 62 539,13	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TO PROVIDE, INSTALL AND MAINTAIN THE CURRENT MEDIUM VOLUME MULTIFUNCTION COPIERS AT THE MUNICIPALITY ON A RENTAL BASIS HAS LAPSED
	06-Aug-24	MANAGER ADMINISTRATIVE SERVICES	TELKOM	R 33 393,88	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TO PROVIDE TELECOMMUNICATION SERVICES HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY HAVING TO START THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A LONGTERM BASIS
	21-Aug-24	CHIEF FINANCIAL OFFICER	CMN CHARTED ACCOUNTS&I	R 280 176,28	THE MUNICIPALITY CONSIDERED IN FAVOUR OF THE COMPANY TO DELIVER A SERVICES RELATING (TO PROVIDE AUDIT SUPPORT AND IMPLEMENT FINANCIAL MANAGEMENT CONTROLS TO ENSURE SUSTAINABLE AUDIT OUTCOMES.

SECTION 6 – PROGRESS ON MUNICIPAL DEBT RELIEF

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

MFMA Circular 124 – Municipality Compliance Self-Assessment



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003


Province

WC

Code	District	Code Description
WC041	Garden Route	Kannaland

Monthly Performance Report

Municipal Details			Part A						Part B						Part C				Part D				Part C						Maximization of Revenue Base			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									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	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		
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		
 Kannaland Municipality 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	Aug 24 - Dec 24	
National Financial Year	2024	
Demarcation Code of Municipality being assessed	240000	
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 confirms that the said municipality fully complies with the conditions as set out in the table below.		
Municipal Debt Relief Conditions (Monthly reporting)		
Condition 4.1.1	Has the municipality paid its bulk water current account payment within 30 days of reaching the relevant invoice (this applies to all municipalities, including waterflood)? Note: - RPS Form 6.12.2	Yes <input type="checkbox"/>
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 RPS format, via the National Treasury Portal https://treasuryportal.mva.gov.za)	Yes <input type="checkbox"/>
6.12.3	Does the amount of the bulk water current account payment as per the proof of payment records to the amount recorded on the financial system as per the RPS form, dated 1 day of making any such payment, statement of the Water Board and/or Water Trading Entity?	Yes <input type="checkbox"/>
6.2.1	Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including waterflood)? Note: - RPS Form 6.12.2	Yes <input type="checkbox"/>
6.2.2	Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/or Water Trading Entity within 1 day of making any such payment (in RPS format, via the National Treasury Portal https://treasuryportal.mva.gov.za)	Yes <input type="checkbox"/>
6.2.3	Does the amount of the bulk water current account payment as per the proof of payment records to the amount recorded on the financial system as per the RPS form, dated 1 day of making any such payment, statement of the Water Board and/or Water Trading Entity?	Yes <input type="checkbox"/>
6.2.4	Does the amount as per the proof of payment records to the amount recorded on the financial system as per the RPS form, dated 1 day of making any such payment, statement of the Water Board and/or Water Trading Entity?	Yes <input type="checkbox"/>
6.4	Consistent with 3.3.1 and MFMA -	Yes <input type="checkbox"/>
6.4.1	Is the municipality's budget as set out in the National Treasury's Budget Funding System (BFS) consistent with 3.3.1 and MFMA -	Yes <input type="checkbox"/>

Notes/Comments



Before signing this declaration, the signatory must read and understand the provisions of the Karnataka Municipal Corporation Act, 1964, and the provisions of the Karnataka Municipal Corporation (Amendment) Act, 2008. The signatory hereby declares that the information furnished in this statement is true and correct to the best of his/her knowledge and belief, and that the same is based on the records and documents available to him/her. The signatory further declares that the information furnished in this statement is not false, misleading, or deceptive, and that the same is not intended to be used for any fraudulent or illegal purpose. The signatory understands that any false or misleading information furnished in this statement may result in the signatory being held liable for the same under the provisions of the Karnataka Municipal Corporation Act, 1964, and the Karnataka Municipal Corporation (Amendment) Act, 2008.

[Signature]

PT. HOD/NT / MM Name

Signature of HOD/NT / MM

Date

*Note - If the officer is signing on behalf of the Head of the Municipal Treasury (HOD) / Municipal Manager, the officer's signature of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.

*Note - The signed Certificate to be submitted on General mail not include screenshots column - statements need to be incorporated into the release of 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: (<i>Include All Indigent households also in Eskom supplied areas</i>)																		
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: (<i>Include All Indigent households also in Eskom supplied areas</i>)																		
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			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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
				August	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	13 051 323	7 690 136	5 361 187	59%	59%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!			
2.Collection <u>excl Eskom supplied areas</u>	8 211 467	3 967 108	4 244 358	48%	48%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!			
3.Collection: Property Rates	2 385 893	12 411	2 373 483	1%	1%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!			
4.Total average collection: Electricity (Municipal supplied areas)	6 723 495	5 810 578	912 916	86%	86%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!			
5.Total average collection: Water	1 850 348	1 164 446	685 902	63%	63%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!			
6.Total average collection: Wastewater	1 016 798	346 315	670 482	34%	34%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!			
7.Total average collection: Refuse	997 506	326 133	671 373	33%	33%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!			
8.Total average collection: Interest	77 283	30 253	47 031	39%	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

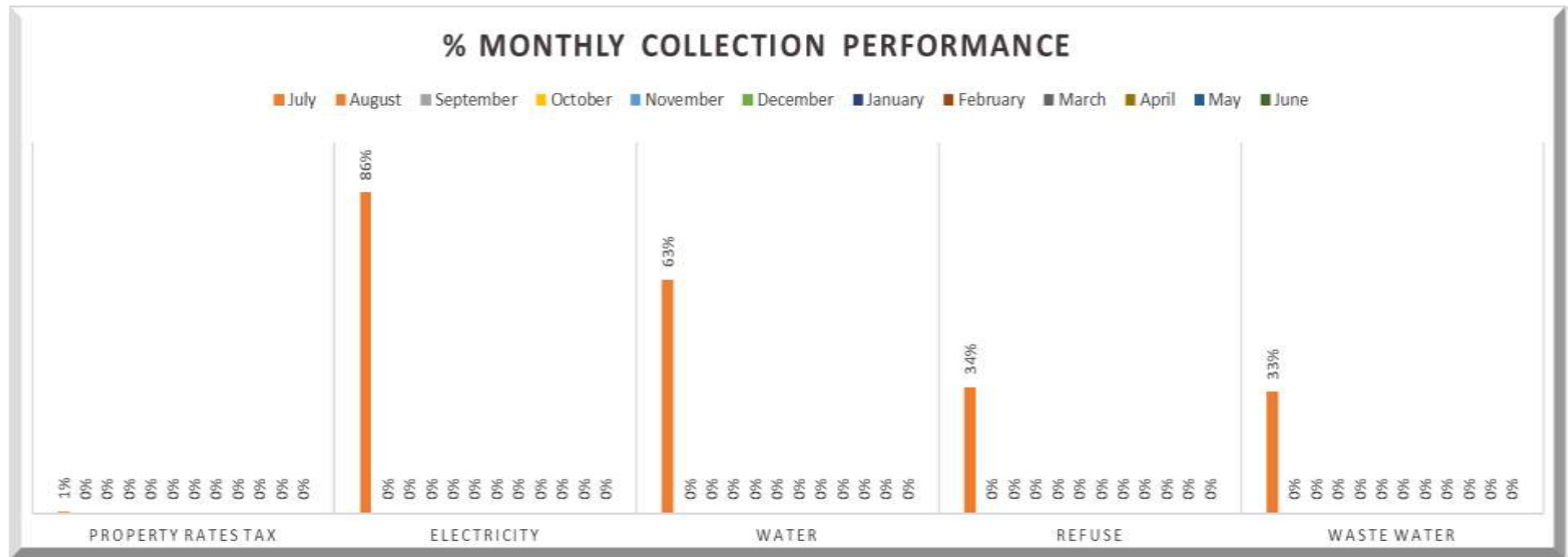
Average collection rate (MFMA Circular 124 condition 6.7)

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

Collection Rate Assessment

Total Aggregate Collection				1.July - Reporting for June in July				Click to view flow months	Summary - Quarter 1				
				Billing For June	Collection in July	R: Billing not collected	% Collection		Billing	Collection	R: Billing not collected	% Collection	Q1
1.Collection for whole demarcation				13 051 923	7 690 136	5 361 187	59%		13 051 923	7 690 136	5 361 187	59%	59%
2.Collection <u>and</u> Eskom supplied areas				8 211 467	3 967 108	4 244 358	48%		8 211 467	3 967 108	4 244 358	48%	48%
3.Collection: <u>Property Rates</u>				2 385 893	12 411	2 373 483	1%		2 385 893	12 411	2 373 483	1%	1%
4.Total average collection: <u>Electricity</u> (Municipal supplied areas)				6 723 495	5 810 578	912 916	86%		6 723 495	5 810 578	912 916	86%	86%
5.Total average collection: <u>Water</u>				1 850 348	1 164 446	685 902	63%		1 850 348	1 164 446	685 902	63%	63%
6.Total average collection: <u>Wastewater</u>				1 016 798	346 315	670 482	34%		1 016 798	346 315	670 482	34%	34%
7.Total average collection: <u>Refuse</u>				997 506	326 133	671 373	33%		997 506	326 133	671 373	33%	33%
8. 7.Total average collection: <u>Interest</u>				77 283	30 253	47 031	39%		77 283	30 253	47 031	39%	39%
Complete This Section				Quarter 1 Performance Per Ward									
				1.July									
Services	Electricity Supplier	Ward Name & Number	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing	Collection	R: Billing not collected	% Collection	Q1		
Property Rates Tax	Mun/Supplied	Normville - Ward 1	-	100	0	#DIV/0!	-	100	(100)	#DIV/0!	#DIV/0!		
Electricity			120 173	175 897	0	146%	120 173	175 897	(55 724)	146%	146%		
Water			162 477	81 196	81 281	50%	162 477	81 196	81 281	50%	50%		
Refuse			177 429	62 608	114 821	35%	177 429	62 608	114 821	35%	35%		
Waste Water			216 389	84 923	131 465	39%	216 389	84 923	131 465	39%	39%		
Interest			1 141	1 140	1	100%	1 141	1 140	1	100%	100%		
Property Rates Tax	Eskom supplied	Zaar - Ward 2	-	269	0	#DIV/0!	-	269	(269)	#DIV/0!	#DIV/0!		
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!		
Water			307 435	18 967	288 468	6%	307 435	18 967	288 468	6%	6%		
Refuse			343 258	20 135	323 123	6%	343 258	20 135	323 123	6%	6%		
Waste Water			332 458	18 083	314 376	5%	332 458	18 083	314 376	5%	5%		
Interest			4 338	4 338	0	100%	4 338	4 338	(0)	100%	100%		
Property Rates Tax	Eskom supplied	Calabidorp Jams - Ward 3	-	1	0	#DIV/0!	-	1	(1)	#DIV/0!	#DIV/0!		
Electricity			33	-	33	0%	33	-	33	0%	0%		
Water			6 009	2 302	3 707	38%	6 009	2 302	3 707	38%	38%		
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!		
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!		
Interest			-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!		
Property Rates Tax	Mun/Supplied	Berging Calabidorp - Ward 3	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!		
Electricity			12 228	10 438	1 790	85%	12 228	10 438	1 790	85%	85%		
Water			212 631	45 252	167 378	21%	212 631	45 252	167 378	21%	21%		
Refuse			126 573	28 559	98 014	23%	126 573	28 559	98 014	23%	23%		
Waste Water			112 833	21 945	90 888	19%	112 833	21 945	90 888	19%	19%		
Interest			483	81	402	17%	483	81	402	17%	17%		
Property Rates Tax	Mun/Supplied	Calabidorp Town - Ward 3	-	731	0	#DIV/0!	-	731	(731)	#DIV/0!	#DIV/0!		
Electricity			548 522	385 933	162 588	70%	548 522	385 933	162 588	70%	70%		
Water			166 210	118 699	47 511	71%	166 210	118 699	47 511	71%	71%		
Refuse			96 571	64 003	32 568	66%	96 571	64 003	32 568	66%	66%		
Waste Water			21 682	14 063	7 619	65%	21 682	14 063	7 619	65%	65%		
Interest			6 496	3 746	2 750	58%	6 496	3 746	2 750	58%	58%		
Property Rates Tax	Mun/Supplied	Calabidorp Town - Ward 4	2 385 893	-	2 385 893	0%	2 385 893	-	2 385 893	0%	0%		
Electricity			2 834 717	2 081 655	753 062	73%	2 834 717	2 081 655	753 062	73%	73%		
Water			460 343	430 449	29 894	94%	460 343	430 449	29 894	94%	94%		
Refuse			192 701	135 314	57 387	70%	192 701	135 314	57 387	70%	70%		
Waste Water			296 088	199 428	96 660	67%	296 088	199 428	96 660	67%	67%		
Interest			59 887	20 947	38 940	35%	59 887	20 947	38 940	35%	35%		
Property Rates Tax	Eskom supplied	Ladismith Jams - Ward 4	-	11 310	0	#DIV/0!	-	11 310	(11 310)	#DIV/0!	#DIV/0!		
Electricity			3 207 822	3 156 655	51 167	98%	3 207 822	3 156 655	51 167	98%	98%		
Water			470 856	458 846	12 010	97%	470 856	458 846	12 010	97%	97%		
Refuse			20 507	11 597	8 911	57%	20 507	11 597	8 911	57%	57%		
Waste Water			11 815	7 757	4 059	66%	11 815	7 757	4 059	66%	66%		
Interest			4 875	-	4 875	0%	4 875	-	4 875	0%	0%		
Property Rates Tax	Eskom supplied	Van Wyksdorp - Ward 4	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!		
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!		
Water			64 387	8 735	55 652	14%	64 387	8 735	55 652	14%	14%		
Refuse			40 466	3 917	36 549	10%	40 466	3 917	36 549	10%	10%		
Waste Water			25 533	117	25 416	0%	25 533	117	25 416	0%	0%		
Interest			63	-	63	0%	63	-	63	0%	0%		

MFMA Circular 124 - Electricity and Water as Collection Tools



Provincial Treasury Debt Relief Compliance Assessment – July 2024



Western Cape
Government

Provincial Treasury
Julinda Gantana
Head of Department
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AND

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Dear Ms Gaarekwe and Mr D Sereo

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

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. July 2024 constitutes the 12th 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 August 2024. This letter provides an overview of the Provincial Treasury's assessment of the Municipality's compliance with the programme's conditions.

● Condition 6.1 - Municipality non-compliance

In terms of the National Treasury (NT) approval, the municipality must comply with conditions 6.1 – 6.14 of MFMA Circular 124 read together with the additional conditions specific to the municipality set-out in its National Treasury debt relief approval letter. From the Provincial Treasury's assessment, the municipality's average compliance with the MFMA Circular 124 conditions during July 2024 increased to 71 per cent, which was an improvement from the 68 per cent achieved in June 2024, but still much lower than the 85 per cent achieved previously – refer the performance sheet in the table below that shows the municipality's overall

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Provincial Treasury | Head of Department



WC041 Kannaland Municipality overall performance from 5 September 2023 up to and including July 2024:

[illegible]

WC041 Kannaland Municipality overall relief performance for July 2024:

[illegible]

- Condition 4.2 - Application-based supported by Council's resolution

- **Condition 6.3 - Maintaining the Eskom bulk current account**

- Condition 6.4 - A funded MTREF

For the July 2024 compliance certificate, the Provincial Treasury (PT) assessed that Kannaland Municipality's adopted 2024/25 MTRF budget is unfunded. The municipality is currently revising its Budget Funding Plan following PT's assessment of the final adopted budget. During the 2024/25 draft budget discussions, it was

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

made clear that the council could not immediately adopt a final budget funding plan due to the need for further assessment and collaboration to accurately determine funding requirements. The Municipality and PT have agreed that the revised Budget Funding Plan must undergo consultation with PT before adoption.

The Provincial Executive initiated a mandatory intervention at Kannaland Municipality in December 2023, due to significant financial management concerns, as identified in terms of Section 140 of the Municipal Finance Management Act (MFMA). However, difficulties in collaboration and ongoing resistance from the municipality have jeopardized the intervention's effectiveness, posing risks to financial stability and compliance with the Municipal Debt Relief programme. In response, the Municipal Financial Recovery Service (MFRS) from National Treasury is crafting a mandatory financial recovery plan. This plan will involve consultations with key stakeholders and include a public participation phase to ensure comprehensive input. A roadmap detailing activities, outcomes, and timelines will be shared with municipal officials to promote transparency and cooperation.

● **Condition 6.5 - Cost reflective tariffs**

As part of the Municipal Debt Relief conditions Kannaland is required to update the National Treasury Tariff Model. The Municipality has not yet submitted evidence of having done this; hence a completed NT Tariff Model is still 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 which is not consistent with the conditions in circular 124. In cases of non-payment, electricity services are disconnected, and prepaid electricity purchases are blocked, except for registered indigent consumers. However, the Municipality lacks the infrastructure to restrict water supply to defaulting non-indigent consumers. This limitation is under technical review to assess implementation feasibility and costs. Registered indigent consumers receive monthly limits of 50 kilowatt hours of electricity and 6 kilolitres of water. These practices are detailed in the monthly MFMA s.71 statement, which includes indigent information as specified by the National Treasury.

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

Kannaland Municipality reported an aggregate collection rate of 104% across its entire demarcation and 108% when excluding Eskom areas in July 2024. However, there are significant discrepancies between the figures in the Municipal C Schedule and the data in the monthly Annexure D revenue collection. These inconsistencies undermine the credibility of the reported collection rates and complicate verification against the required threshold of 85%. Resolving these discrepancies is crucial for ensuring the accuracy and reliability of the financial reporting.

Provincial Treasury notes that Kannaland Municipality reported an aggregate quarterly collection rate of 62% across its entire demarcation for the period April to June 2024, which did not meet the mandated 85% average quarterly collection target set for April 2024 onwards. In prior quarters Kannaland had met the 80% collection rate threshold that was applicable prior to April 2024, so there was a concerning deterioration in collections in the last quarter of the 2023/24 municipal financial year.

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

The municipality has not shown alignment between its billing system and the Council-approved General Valuation Roll (GVR) or any supplementary GVRs, as revealed by the National Treasury's property rates reconciliation tool. This misalignment has led to various issues, including misclassifications, incorrect property

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

transfers, and omissions. Corrective actions such as notifying the valuer, adjusting classifications, conducting supplementary valuations, and rectifying property categorizations are underway. Despite these efforts, the municipality has not included the required monthly action plan in the Section 71 report, and it has not provided updates on the progress of the action plan.

● Condition 6.9 - Monitor and Report on compliance

The Western Cape Provincial Treasury's assessment confirmed that the MFMA S71 narrative statement was uploaded to the GoMuni portal but was rejected due to an error on the cover page, which listed the incorrect financial period 2023/24 instead of 2024/25. The municipality was advised to rectify this error and resubmit. Additionally, the MFMA S71 Statement was not published on the Municipality's website. This 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, 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
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

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

MFMA S71 Statement component		Compliance (Yes/No)
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	No
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

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


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 License**

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 - 31 July 2024:

Annexure A2 - Monthly		Notes/Comments
<div>  <div> Kannaland Municipality Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003 Western Cape Provincial Treasury </div> </div>		
Certificate of Compliance: Municipal Debt Relief Conditions for Application		
Period	<div> <div>MFMA</div> <div>2024/25</div> <div>Western</div> </div>	
National Financial Year		
Demarcation Code of Municipality being assessed		
District	Garden Route	
Demarcation Description	Kannaland	
<p>I, Julius 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> <p>Julius Gantana <small>(Signature)</small> <small>Chief Executive Officer</small></p>		
Municipal Debt Relief Conditions (Monthly reporting)		
<p>2.21 - Settling the Rates and Rates Water Service Account - Condition 6.22 <small>Settlement of rates and rates water service account must be completed by the 15th of the month following the month in which the rates and rates water service account is due.</small></p>		
6.22	<p>- Has the municipality paid to the water service account within 15 days of receiving the relevant invoice plus applicable interest, including interest?</p> <p><small>Note: refer condition 6.22.3</small></p> <p>- Has the municipality submitted the supporting evidence of the bulk water account payment to the National Treasury, the Water Board and/or the Water Trading Entity within 1 day of making any such payment (i.e. 15th day of the month following the month in which the rates and rates water service account is due)?</p> <p>- Have the amounts of the bulk water account payment as per the proof of payment received by the amount recorded on the final bill, as per the MFMA data string and the section 41(1) MFMA, (amount of the bulk water account and/or Water Trading Entity)?</p>	<p>This condition cannot be verified because the municipality did not submit the required evidence and proof of payment for its bulk water account payment.</p> <p>The municipality did not submit the supporting evidence of the bulk water account payment in the required format.</p> <p>This condition cannot be verified due to the municipality's failure to submit the required evidence.</p>

The Western Cape Provincial Treasury's assessment and compliance certificate confirms that during July 2024 Kannaland Municipality did not fully comply with all the MFMA Circular No. 124 conditions as was elaborated on above. It is also noted that the Municipality's July 2024 average compliance of 71 per cent which is an improvement from the 68 per cent achieved during June 2024. The Municipality must address these non-compliance matters. The Provincial Treasury is of the view that **it is not clear whether Kannaland Municipality's level of compliance is sufficient 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.** The Municipality must improve its collection rate and address the other outstanding matters as listed above. The Municipality is urged to strengthen its implementation of the debt relief conditions to gain the benefit of having a portion of its debt written off.

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: 2024.08.28 17:38:04
+02'00'

MS J GANTANA

HEAD OFFICIAL: PROVINCIAL TREASURY

Cc: The Executive Mayor: Mr J Danson - mayor@kannaland.gov.za
Municipal CFO: Mrs. R Saptoe - cfo@kannaland.gov.za
Senior Manager Revenue Management: Rehoz Abramia - AbramiR@eskom.co.za
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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 - hmozibuko@salga.org.za

MFMA Circular 124 – Property Rates Reconciliation

Property Rates Reconciliation						
Province	WC					
Country	Sardinia South District					
City	CM					
Municipal Council	Kathleen Municipality					
City Council	2017/2018 - 2019/2020					
Financial Year	2019/2020					
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	3,838,000.00	3,858,000.00	-20,000.00
PBO	7	6	1	11,377,000.00	10,510,000.00	867,000.00
Multi Use	0	0	0	-	-	-
Vacant	302	299	3	8,513,000.00	7,737,000.00	776,000.00
POW	56	56	0	48,060,000.00	47,860,000.00	200,000.00
Municipal	1211	1213	-2	104,776,000.00	107,078,000.00	-2,302,000.00
Other	63	63	0	75,522,000.00	75,522,000.00	-
	9502	9505	-3	3,002,758,000.00	3,064,055,956.00	-1,787,956.00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	945,711	949,175	36,476	945,711.00	949,174.51	36,536.38
Industrial	176,504	176,504	-	176,504.25	176,504.25	-
Business and Commercial	445,268	447,520	-2,252	445,267.75	447,520.25	-2,252.50
Agricultural	410,681	411,280	-600	410,680.80	411,280.50	-600.00
Mining	-	-	-	-	-	-
State Owned for Public Purpose	432,903	432,903	-	432,903.00	432,903.00	-
PSI	-	-	-	-	-	-
PBO	3,688	3,416	282	3,687.50	3,415.75	281.75
Multi Use	-	-	-	-	-	-
Vacant	13,814	12,573	1,261	13,813.63	12,572.63	1,261.00
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	30,407,607.76	30,352,211.00	55,396.76	3,407,607.75	3,352,211.00	55,396.75

Prepared By	<u>LEY-ANN HARKER</u>	Date	<u>13-09-2024</u>
Contact Details	<u>[Signature]</u>		
Signature	<u>[Signature]</u>		
Reviewed By	<u>IVOR GRISPE</u>	Date	<u>13-09-2024</u>
Contact Details	<u>[Signature]</u>		
Signature	<u>[Signature]</u>		

MFMA Circular 124 – Maintain Eskom & Water Bulk Accounts

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024249004
Sub Module	SSVS	Action date	20240905
Description	LJTS4 20240905 14:49:41.1	Finalreleasingoperators	GAV53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	1		
Acc No / CDI	55161635814		
Branch No	200910		
Statement Ref	6940893537		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	1,605,302.78		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

DATE : 2024-09-06 08:50:24

Page : 1



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4748101500

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

WESTERN REGION
PO BOX 377 BELVILLE 7635

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



TEL: 08603 37566
SMS:

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

WESTERN REGION
PO BOX 377 BELVILLE 7635

DIRECT DEPOSIT DETAIL
BANK: ABISA
BRANCH CODE: 331118
BANK ACC NO: 340167438

YOUR ACCOUNT NO	6940893537
SECURITY HELD	0.01
BILLING DATE	2024-08-06
TAX INVOICE NO	694626637163
ACCOUNT MONTH	AUGUST 2024
CURRENT DUE DATE	2024-09-05
VAT REG NO	6540197268

TAX INVOICE

E-MAIL: kredlican@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	5,821.54
DIST. NETWORK CAPACITY CHARGE		R	84,870.38
NETWORK DEMAND CHARGE (DKWH)		R	47,780.03
ANCILLARY SERVICE (ALL)		R	4,884.54
ENERGY CHARGE (PEAK)	104,216.00	R	870,319.30
ENERGY CHARGE (STD)	243,528.00	R	474,319.49
ENERGY CHARGE (OFF)	237,823.00	R	251,502.95
ELECTRIFICATION AND RURAL SUBS (ALL)		R	91,758.51
REACTIVE ENERGY	20,208.00	R	4,885.71
SERVICE CHARGE		R	12,471.32

TOTAL CHARGES FOR BILLING PERIOD R 1,648,089.37

ACCOUNT SUMMARY FOR AUGUST 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-08-07)	R	10,712,723.37
TOTAL CHARGES FOR BILLING PERIOD		R	1,648,089.37
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	247,213.41

ACCOUNT NO / REFERENCE NO

6940893537

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

0934 6940893537

11341 6940893537



9207 2694 0893 5379



TOTAL AMOUNT DUE

12,608,026.15

ARREARS				CURRENT	TOTAL DUE R
>90 DAYS	61-90 DAYS	31-60 DAYS	1-30 DAYS		
7,977,803.56	1,113,856.49	0.00	1,621,063.32	1,895,302.78	12,608,026.15

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	00133
BILL GROUP	
BILL PAGE	1 OF 2

PAYMENT ARRANGEMENT

INSTALLMENT

0.00

ARREARS (Due Interest/Arrears)

10,712,723.37

DUE DATE (For Current Account)

2024-09-05

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024249001
Sub Module	SSVS	Action date	20240905
Description	LJT84 20240905 12:52:11.1	Finalreleasingoperators	RVX68 CM CLAASEN (A)
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	4		
Acc No / CDI	280110022		
Branch No	50014		
Statement Ref	KANNALAND MUN		
Account Name	CALITZDORP BESPROEINGSRAAD		
Creditor Code	C2		
Amount	34,945.28		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

DATE : 2024-09-06 08:51:07

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Calitzdorp Besproeiingsraad

Posbus/P.O. Box 197, Calitzdorp, 6660
Tel: 0440040172/ 0764738011 Email: calitzdorpwater@mdwireless
BTW/VAT Reg: 4260157971

BELASTINGFAKTUUR

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655
BTW Nr 4540197268

Faktuur Nr: 5
Datum: 02 August 2024

MUNISIPALE WATERVERBRUIK – CALITZDORP: June 2024

Sub Oorverbruik

Maand	Jul-24	Jul-24
Meterlesing einde	Jul-24	7639530
Meterlesing begin	Jul-24	7580510
Ontrek	kl	59020
Dan @ 455 kl per dag toelaag	31	14106
Sub Oorverbruik 44915-18705= 26210	kl	44915
Min beurt teruggegee	kl	0
Oorverbruik	kl	26210 44915-18705 =26210
0-26000 kl tarief @ 1.15	26000 R	29 900.00
26000-36000kl @ 2.32kl	210 R	487.20
46000 - 56000 kl tarief	0 R	-
56 000 en meer tarief	0 R	-
Sub Oorverbruik	R	30 387.20
Plus 15% BTW	R	4 558.08
Totaal verskuldig	R	34 945.28

Glyskaal met ingang 2024

Dae	31
Toegelaat per dag - kl	455
0 - 26000 kl tarief	R 1.15
26000 - 36000 kl tarief	R 1.32
36000 - 46000 kl tarief	R 3.87
46000 - 56000 kl tarief	R 7.73
56 000 kl en meer tarief	R 15.47

Beurt teruggegee formule

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

Bankbesonderhede:

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

Termes:

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

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPAL	Statement For	20240905	VAT Registration	4340197265
Branch	000113	LADISMITH CAPE	Statement No	479		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240904	174,104.00
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	407.00	20240904	174,506.00
	CR EFTPOS PLC 9 0003773109577					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	5,461.75	20240904	183,967.04
	DR EFTPOS RCB 1 0001483106682					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	9,655.02	20240904	193,623.76
	DR EFTPOS EY4 U 0000963109453					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	9,682.60	20240904	203,506.36
	DR EFTPOS PLC 9 0003773109577					
1	FEE: CASH DEPOSIT - COINS #0	0.00	-0.04	0.00	20240904	203,506.32
	420543546 R14197.40 04/09					
1	FEE: CASH DEPOSIT - COINS #0	0.00	-0.07	0.00	20240904	203,506.25
	420543546 R8533.90 04/09					
1	FEE: CASH DEPOSIT - NOTES #0	0.00	-42.86	0.00	20240904	203,463.39
	420543546 R8533.90 04/09					
1	FEE: CASH DEPOSIT - NOTES #0	0.00	-71.38	0.00	20240904	203,382.01
	420543546 R14197.40 04/09					
1	BUSINESS ELECT BANK CHARGES #0	0.00	-5,925.87	0.00	20240904	197,456.14
	STNDRDBANK BOL OCK31 AUG 24					
1	CREDIT TRANSFER	0.00	0.00	9,912.00	20240905	207,378.14
	SPERA					
1	IB PAYMENT FROM	0.00	0.00	1,368.00	20240905	208,746.14
	CO1899,CO2530					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	74,722.45	20240905	283,468.59
	IMVUSA TRAUTLITIES WORLD					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	11,372.60	20240905	294,841.19
	CBL MOTORS 03/09/2024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	16,170.30	20240905	311,011.49
	LADISMITH					
1	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	426,010.20	20240905	737,021.69
	TRF IMBRILO (WASK)					
1	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	883,608.02	20240905	1,620,629.71
	TRF FMG EXPENSES					
1	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	3,350,000.00	20240905	4,970,629.71
	OWN TO MAIN					
1	ELECTRONIC BANKING PAYMENT TO	0.00	-2,057.00	0.00	20240905	4,968,570.71
	CO220 CLAASSEN CM RVX6815:10					
1	ELECTRONIC BANKING PAYMENT TO	0.00	-8,600.00	0.00	20240905	4,959,970.71
	PC025 ICT WIZE GROU RVX6815:48					
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240905	4,959,970.71
2	ELECTRONIC BANKING PAYMENT TO	0.00	-13,531.59	0.00	20240905	4,946,439.12
	BIDDU BIDDULPHS RVX6815:10					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-20,766.47	0.00	20240905	4,925,672.65
	CASEW ADAPT IT PTY RVX6815:52					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-30,501.00	0.00	20240905	4,895,171.65
	QM ES QM ESSENTIAL RVX6815:48					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-34,945.28	0.00	20240905	4,860,226.37
	C2 CALITZDORP BE RVX6815:48					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-67,670.00	0.00	20240905	4,792,556.37
	A23 ARTHURS WORKS RVX6815:10					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-363,779.27	0.00	20240905	4,428,777.10
	DUCHA DUCHARME ASSE RVX6815:52					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-426,010.20	0.00	20240905	4,002,766.90
	IMBRI IMBRILO CONS RVX6815:48					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-499,060.28	0.00	20240905	3,503,706.62
	CMN A CMN CHARTED A RVX6815:52					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-1,299,324.70	0.00	20240905	2,204,381.92
	SARS E-FILING RVX6815:11					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-1,895,302.78	0.00	20240905	308,079.14
	ESKOM ESKOM HOLDING RVX6815:10					
2	ACCOUNT PAYMENT	19.00	-5,216.77	0.00	20240905	302,862.37
	RENTAL COM-2600/196-274/IE					

** END OF REPORT **

DATE 20240909 16:23:15

Page: 1

SECTION 7 – QUALITY CERTIFICATION



Pesbus 30 P.O. Box
LADISMITH
6655

KANNALAND
MUNISIPALITEIT | MUNICIPALITY

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

Print name: Dillo Sereo

Municipal Manager of **Kannaland Municipality WC041**

Signature

A handwritten signature in black ink, appearing to be 'Dillo Sereo', written over a dotted line.

Date : 11 September 2024