



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for October 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 October 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 October 2024.

That the Council takes cognisance of the Eskom Debt Relief Report for October 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 83 924	R 19 162	R 83 925	R 1	0%
Operating Expenditure	R 250 576	R 83 524	R 22 276	R 75 173	R (8351)	-10%
Capital	R 32 938	R 10 979	R 2 443	R 4 890	R (6 090)	-55%

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 84 million. This represents 0% 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 R75 million, or -10% of the YTD variance for total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R33 million with a year-to-date performance of R 4 890 million, or 45% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R19 million exceeding budget, and expenditure amounting to R 22 million below budget, with an operating deficit of R 3.1 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 - M04 October									
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	2 367	9 470	9 411	59	1%	28 234
Service charges	124 861	134 359	134 359	10 130	45 222	44 786	435	1%	134 359
Investment revenue	1 762	1 500	1 500	132	448	500	(52)	-10%	1 500
Transfers and subsidies - Operational	72 746	65 516	65 516	5 120	23 545	21 839	1 707	8%	65 516
Other own revenue	22 552	22 164	22 164	1 413	5 240	7 388	(2 148)	-29%	22 164
Total Revenue (excluding capital transfers and	249 930	251 773	251 773	19 162	83 925	83 924	1	0%	251 773
Employee costs	93 649	88 441	87 391	8 555	33 905	29 130	4 775	16%	87 391
Remuneration of Councillors	3 956	3 635	3 635	306	1 273	1 212	62	5%	3 635
Depreciation and amortisation	17 799	12 314	12 314	1 026	4 105	4 105	0	0%	12 314
Interest	4 185	1 300	1 300	17	34	433	(399)	-92%	1 300
Inventory consumed and bulk purchases	65 420	70 475	70 486	4 998	21 361	23 495	(2 134)	-9%	70 486
Transfers and subsidies	396	400	400	80	80	133	(53)	-40%	400
Other expenditure	107 834	74 011	75 050	7 294	14 415	25 016	(10 601)	-42%	75 050
Total Expenditure	293 240	250 576	250 576	22 276	75 173	83 524	(8 351)	-10%	250 576
Surplus/(Deficit)	(43 310)	1 197	1 197	(3 114)	8 752	400	8 352	2090%	1 197
Transfers and subsidies - capital (monetary allocations)	16 611	22 282	22 282	-	2 624	7 427	(4 804)	-65%	22 282
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(26 699)	23 479	23 479	(3 114)	11 376	7 827	3 549	45%	23 479
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(26 699)	23 479	23 479	(3 114)	11 376	7 827	3 549	45%	23 479
Capital expenditure & funds sources									
Capital expenditure	33 026	32 938	32 938	2 443	4 890	10 979	(6 090)	-55%	32 938
Capital transfers recognised	21 747	32 938	32 938	2 443	4 890	10 979	(6 090)	-55%	32 938
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11 279	-	-	-	-	-	-	-	-
Total sources of capital funds	33 026	32 938	32 938	2 443	4 890	10 979	(6 090)	-55%	32 938
Financial position									
Total current assets	19 001	64 826	64 776	-	31 203	-	-	-	64 776
Total non current assets	309 530	320 603	320 603	-	310 315	-	-	-	320 603
Total current liabilities	90 830	64 732	64 632	-	103 197	-	-	-	64 632
Total non current liabilities	47 140	75 972	75 972	-	47 140	-	-	-	75 972
Community wealth/Equity	190 560	244 725	244 725		194 295				244 725
Cash flows									
Net cash from (used) operating	59 159	6 972	6 972	9 826	43 530	2 324	(41 206)	-1773%	226 699
Net cash from (used) investing	(14 217)	(22 282)	(22 282)	(3 695)	(4 179)	7 427	11 606	156%	22 282
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	81 587	74 878	74 878	-	79 191	99 939	20 748	21%	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	4 296	4 075	3 400	3 348	3 414	154	18 953	112 407	150 048
Creditors Age Analysis									
Total Creditors	13 590	303	1 230	-	-	-	-	70 509	85 632

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October										
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
Revenue - Functional										
<i>Governance and administration</i>		81 154	54 667	54 667	2 948	28 286	18 222	10 064	55%	54 667
Executive and council		35 452	13 603	13 603	–	15 616	4 534	11 082	244%	13 603
Finance and administration		45 703	41 064	41 064	2 948	12 670	13 688	(1 018)	-7%	41 064
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		43 432	35 632	35 632	5 001	8 097	11 877	(3 780)	-32%	35 632
Community and social services		15 932	15 691	15 691	397	3 494	5 230	(1 737)	-33%	15 691
Sport and recreation		46	66	66	–	–	22	(22)	-100%	66
Public safety		(1)	5	5	–	0	2	(1)	-84%	5
Housing		27 456	19 870	19 870	4 603	4 603	6 623	(2 020)	-30%	19 870
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 898	6 316	6 316	239	783	2 105	(1 323)	-63%	6 316
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		2 898	6 316	6 316	239	783	2 105	(1 323)	-63%	6 316
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		139 055	177 440	177 440	10 974	49 383	59 147	(9 764)	-17%	177 440
Energy sources		73 635	95 625	95 625	6 670	31 290	31 875	(585)	-2%	95 625
Water management		41 889	46 676	46 676	2 160	9 337	15 559	(6 221)	-40%	46 676
Waste water management		11 946	18 386	18 386	1 083	4 441	6 129	(1 687)	-28%	18 386
Waste management		11 586	16 753	16 753	1 061	4 314	5 584	(1 270)	-23%	16 753
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	266 540	274 055	274 055	19 162	86 549	91 352	(4 803)	-5%	274 055
Expenditure - Functional										
<i>Governance and administration</i>		96 208	86 057	86 057	7 548	29 407	28 685	721	3%	86 057
Executive and council		25 078	24 977	24 977	2 450	9 306	8 325	981	12%	24 977
Finance and administration		71 130	61 081	61 081	5 098	20 101	20 360	(259)	-1%	61 081
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		39 663	35 964	35 964	6 188	9 961	11 988	(2 027)	-17%	35 964
Community and social services		9 204	12 529	12 529	714	3 430	4 176	(746)	-18%	12 529
Sport and recreation		931	1 922	1 922	152	550	641	(90)	-14%	1 922
Public safety		1 479	405	405	142	518	135	382	283%	405
Housing		28 049	21 107	21 107	5 181	5 463	7 036	(1 573)	-22%	21 107
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		15 122	17 994	17 994	1 169	4 550	5 998	(1 448)	-24%	17 994
Planning and development		–	620	620	35	35	207	(172)	-83%	620
Road transport		15 122	17 374	17 374	1 134	4 515	5 791	(1 276)	-22%	17 374
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		142 246	110 560	110 560	7 371	31 256	36 853	(5 597)	-15%	110 560
Energy sources		70 153	71 137	71 137	5 148	22 689	23 712	(1 023)	-4%	71 137
Water management		38 087	16 925	16 925	1 073	3 936	5 642	(1 706)	-30%	16 925
Waste water management		17 002	12 079	12 079	511	2 136	4 026	(1 890)	-47%	12 079
Waste management		17 004	10 419	10 419	639	2 494	3 473	(979)	-28%	10 419
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	293 240	250 576	250 576	22 276	75 173	83 524	(8 351)	-10%	250 576
Surplus/ (Deficit) for the year		(26 699)	23 479	23 479	(3 114)	11 376	7 827	3 549	45%	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) - M04 October										
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	4 534	11 082	244,4%	13 603
Vote 2 - CORPORATE SERVICES		45 258	44 530	44 530	5 074	7 987	14 843	(6 857)	-46,2%	44 530
Vote 3 - FINANCIAL SERVICES		44 987	36 666	36 666	2 889	12 502	12 222	280	2,3%	36 666
Vote 4 - TECHNICAL SERVICES		140 844	179 256	179 256	11 199	50 444	59 752	(9 308)	-15,6%	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	266 540	274 055	274 055	19 162	86 549	91 352	(4 803)	-5,3%	274 055
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		25 078	24 977	24 977	2 450	9 306	8 325	981	11,8%	24 977
Vote 2 - CORPORATE SERVICES		67 531	61 804	61 804	9 072	21 085	20 601	484	2,3%	61 804
Vote 3 - FINANCIAL SERVICES		44 257	38 553	38 553	2 302	9 427	12 851	(3 424)	-26,6%	38 553
Vote 4 - TECHNICAL SERVICES		154 980	123 029	123 029	8 362	35 212	41 009	(5 797)	-14,1%	123 029
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		1 393	2 214	2 214	90	143	738	(595)	-80,6%	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	293 240	250 576	250 576	22 276	75 173	83 524	(8 351)	-10,0%	250 576
Surplus/ (Deficit) for the year	2	(26 699)	23 479	23 479	(3 114)	11 376	7 827	3 549	45,3%	23 479

2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October										
Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue										
Exchange Revenue		138 298	147 437	147 437	11 332	49 541	49 146	395	1%	147 437
Service charges - Electricity		73 292	89 822	89 822	6 622	31 141	29 941	1 200	4%	89 822
Service charges - Water		33 366	24 044	24 044	1 844	7 196	8 015	(819)	-10%	24 044
Service charges - Waste Water Management		9 196	10 415	10 415	836	3 476	3 472	4	0%	10 415
Service charges - Waste management		9 006	10 078	10 078	828	3 409	3 359	50	1%	10 078
Sale of Goods and Rendering of Services		483	419	419	35	88	140	(52)	-37%	419
Agency services		1 208	1 450	1 450	133	483	483	0	0%	1 450
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		8 623	7 832	7 832	799	2 906	2 611	296	11%	7 832
Interest earned from Current and Non Current Assets		1 762	1 500	1 500	132	448	500	(52)	-10%	1 500
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		670	1 148	1 148	58	220	383	(162)	-42%	1 148
Licence and permits		202	663	663	15	65	221	(156)	-71%	663
Operational Revenue		487	66	66	31	108	22	86	390%	66
Non-Exchange Revenue		111 632	104 336	104 336	7 830	34 384	34 779	(394)	-1%	104 336
Property rates		28 008	28 234	28 234	2 367	9 470	9 411	59	1%	28 234
Surcharges and Taxes		6 032	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		921	2 561	2 561	12	51	854	(802)	-94%	2 561
Licence and permits		0	1 086	1 086	-	-	362	(362)	-100%	1 086
Transfer and subsidies - Operational		72 746	65 516	65 516	5 120	23 545	21 839	1 707	8%	65 516
Interest		3 208	2 939	2 939	272	1 079	980	100	10%	2 939
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		716	-	-	59	238	-	238	-	-
Gains on disposal of Assets		-	4 000	4 000	-	-	1 333	(1 333)	-100%	4 000
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		249 930	251 773	251 773	19 162	83 925	83 924	1	0%	251 773
Expenditure By Type										
Employee related costs		93 649	88 441	87 391	8 555	33 905	29 130	4 775	16%	87 391
Remuneration of councillors		3 956	3 635	3 635	306	1 273	1 212	62	5%	3 635
Bulk purchases - electricity		60 101	60 529	60 529	4 466	20 164	20 176	(12)	0%	60 529
Inventory consumed		5 318	9 946	9 957	533	1 197	3 319	(2 122)	-64%	9 957
Debt impairment		29 222	11 933	11 933	-	-	3 978	(3 978)	-100%	11 933
Depreciation and amortisation		17 799	12 314	12 314	1 026	4 105	4 105	0	0%	12 314
Interest		4 185	1 300	1 300	17	34	433	(399)	-92%	1 300
Contracted services		35 829	35 267	35 206	5 826	8 786	11 735	(2 949)	-25%	35 206
Transfers and subsidies		396	400	400	80	80	133	(53)	-40%	400
Irrecoverable debts written off		17 622	-	-	377	698	-	698	-	-
Operational costs		23 403	26 810	27 910	1 091	4 931	9 303	(4 372)	-47%	27 910
Losses on Disposal of Assets		1 272	-	-	-	-	-	-	-	-
Other Losses		486	-	-	-	-	-	-	-	-
Total Expenditure		293 240	250 576	250 576	22 276	75 173	83 524	(8 351)	-10%	250 576
Surplus/(Deficit)		(43 310)	1 197	1 197	(3 114)	8 752	400	8 352	0	1 197
Transfers and subsidies - capital (monetary allocations)		16 611	22 282	22 282	-	2 624	7 427	(4 804)	(0)	22 282
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(26 699)	23 479	23 479	(3 114)	11 376	7 827			23 479
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(26 699)	23 479	23 479	(3 114)	11 376	7 827			23 479
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(26 699)	23 479	23 479	(3 114)	11 376	7 827			23 479
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(26 699)	23 479	23 479	(3 114)	11 376	7 827			23 479

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

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

2.5 OPERATING REVENUE BY SOURCES:

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

- **Service Charges** – Water amounts to R 1.8 million for **October 2024** and R 7.1 million YTD which represents a negative **10%** variance to the budget. This shortfall may be due to lower-than-expected water consumption by residents and businesses, possibly influenced by seasonal changes or conservation efforts and implementation of water restrictions.
- **Sale of goods and Rendering of Services** – amounts to R 35 thousand for **October 2024** and R 88 thousand YTD which represents negative 37% variance to the budget. This could be attributed to a decline in demand for goods and services.
- **Interest on outstanding debtors** – 11% YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Rental from fixed Assets** – amounted to R 58 thousand and R 220 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 **October 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 8.6 million for **October 2024** and R 33 million YTD, this represents a 16% spending on the budget. The variance on employee related cost is due to salary increases, and high overtime and standby.
- **Remuneration of Councillors** – amounted to R 306 thousand for **October 2024** and R 1.3 million YTD, this represents a 5% on the budget.
- **Inventory Consumed** – amounted to R 533 thousand for **October 2024** and R 1.2 million YTD, this represents a negative 64% on the budget.
- **Contracted Services** – amounted to R 5.8 million in **October 2024** and R 8.7 million YTD.
- **Other Expenditure** - amounted to R 1 million in **October 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) - M04 October									
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 %
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		26 554	22 178	22 178	2 443	4 890	7 393	(2 503)	-34%
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	26 747	22 178	22 178	2 443	4 890	7 393	(2 503)	-34%
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	—	—	3 587	(3 587)	-100%
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	—	—	3 587	(3 587)	-100%
Total Capital Expenditure	3	33 026	32 938	32 938	2 443	4 890	10 979	(6 090)	-55%
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		32 833	32 938	32 938	2 443	4 890	10 979	(6 090)	-55%
Energy sources		384	626	626	—	—	209	(209)	-100%
Water management		7 093	12 656	12 656	—	—	4 219	(4 219)	-100%
Waste water management		24 225	17 956	17 956	2 443	3 246	5 985	(2 740)	-46%
Waste management		1 130	1 700	1 700	—	1 644	567	1 077	190%
Other		—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	3	33 026	32 938	32 938	2 443	4 890	10 979	(6 090)	-55%
Funded by:									
National Government		20 662	30 416	30 416	2 443	4 890	10 139	(5 249)	-52%
Provincial Government		1 085	2 522	2 522	—	—	841	(841)	-100%
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		21 747	32 938	32 938	2 443	4 890	10 979	(6 090)	-55%
Borrowing	6	—	—	—	—	—	—	—	—
Internally generated funds		11 279	—	—	—	—	—	—	—
Total Capital Funding	7	33 026	32 938	32 938	2 443	4 890	10 979	(6 090)	-55%

CAPITAL EXPENDITURE

- The Municipality remains on track with its capital expenditure. It had a **R 2 443 million** expenditure in **October 2024**.

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M04 October						
Description	Ref	2023/24	Budget Year 2024/25			
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		9 707	26 093	26 043	16 641	26 043
Trade and other receivables from exchange transactions		32 456	6 414	6 414	30 387	6 414
Receivables from non-exchange transactions		2 459	3 322	3 322	4 266	3 322
Current portion of non-current receivables		–	–	–	–	–
Inventory		1 974	1 981	1 981	1 974	1 981
VAT		(26 534)	25 953	25 953	(20 957)	25 953
Other current assets		(1 062)	1 063	1 063	(1 108)	1 063
Total current assets		19 001	64 826	64 776	31 203	64 776
Non current assets						
Investments		–	–	–	–	–
Investment property		1 064	1 116	1 116	1 064	1 116
Property, plant and equipment		308 458	319 477	319 477	309 243	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		309 530	320 603	320 603	310 315	320 603
TOTAL ASSETS		328 531	385 429	385 379	341 518	385 379
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 446	1 364	1 364	1 483	1 364
Trade and other payables from exchange transactions		89 925	25 374	25 274	84 062	25 274
Trade and other payables from non-exchange transactions		14 991	8 402	8 402	27 956	8 402
Provision		4 735	7 477	7 477	4 735	7 477
VAT		(20 267)	22 114	22 114	(15 038)	22 114
Other current liabilities		–	–	–	–	–
Total current liabilities		90 830	64 732	64 632	103 197	64 632
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		35 590	20 653	20 653	35 590	20 653
Long term portion of trade payables		–	44 502	44 502	–	44 502
Other non-current liabilities		11 550	10 817	10 817	11 550	10 817
Total non current liabilities		47 140	75 972	75 972	47 140	75 972
TOTAL LIABILITIES		137 971	140 704	140 604	150 338	140 604
NET ASSETS	2	190 560	244 725	244 775	191 180	244 775
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		190 098	237 309	237 309	193 833	237 309
Reserves and funds		462	7 417	7 417	462	7 417
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	190 560	244 725	244 725	194 295	244 725

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M04 October										
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
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		17 177	25 160	25 160	2 595	6 956	8 387	(1 431)	-17%	25 160
Service charges		82 221	123 878	123 878	9 084	34 755	41 293	(6 538)	-16%	123 878
Other revenue		16 053	8 716	8 716	4 666	6 280	2 905	3 375	116%	8 716
Transfers and Subsidies - Operational		73 430	62 503	62 503	7 360	31 039	20 834	10 205	49%	62 503
Transfers and Subsidies - Capital		19 652	19 760	19 760	—	8 105	6 587	1 518	23%	19 760
Interest		3	6 657	6 657	—	—	2 219	(2 219)	-100%	6 657
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(149 375)	(239 702)	(239 702)	(13 878)	(43 606)	(79 901)	(36 295)	45%	(19 975)
Interest		—	—	—	—	—	—	—	—	—
Transfers and Subsidies		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		59 159	6 972	6 972	9 826	43 530	2 324	(41 206)	-1773%	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)	(3 695)	(4 179)	7 427	11 606	156%	22 282
NET CASH FROM/(USED) INVESTING ACTIVITIES		(14 217)	(22 282)	(22 282)	(3 695)	(4 179)	7 427	11 606	156%	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)	6 131	39 351	9 751			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		79 191	99 939			288 821

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

- Standard Bank Main Account is **R 1.1 million**;
- The Traffic Account has **R 784 thousand**;
- Deposit Account has **R 443 thousand**;
- Call Account has **R 19 328 million**; and
- Eskom Bulk Account has **R 400 thousand**

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October													
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	2 391	928	754	1 252	757	–	6 147	21 281	33 511	29 438	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2 020	861	495	284	881	148	595	944	6 228	2 852	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2 646	799	725	661	617	–	3 838	23 682	32 968	28 798	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	875	419	416	341	337	–	2 328	13 377	18 094	16 383	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 670	703	675	534	524	–	3 534	19 346	26 986	23 938	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	44	69	85	90	116	5	1 409	29 769	31 587	31 389	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(5 350)	296	250	186	182	–	1 101	4 008	674	5 477	–	–
Total By Income Source	2000	4 296	4 075	3 400	3 348	3 414	154	18 953	112 407	150 048	138 277	–	–
2023/24 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(2 149)	612	128	62	52	–	232	232	(831)	578	–	–
Commercial	2300	370	205	192	153	124	–	959	4 303	6 307	5 539	–	–
Households	2400	6 174	3 095	2 922	2 987	3 097	154	16 803	96 670	131 902	119 711	–	–
Other	2500	(99)	163	158	147	141	–	959	11 203	12 670	12 449	–	–
Total By Customer Group	2600	4 296	4 075	3 400	3 348	3 414	154	18 953	112 407	150 048	138 277	–	–

The total amount owed to Kannaland Municipality amounted to **R 150 million** at the end of **October 2024**.

- **R112 million or 75%** of the total outstanding debtors are older than one year.
- **R138 million or 92%** 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 - M04 October											
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	10 476	–	–	–	–	–	–	39 808	50 284	–
Bulk Water	0200	62	–	–	–	–	–	–	–	62	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	410	57	49	–	–	–	–	930	1 446	–
Auditor General	0800	1 784	150	1 038	–	–	–	–	14 743	17 714	–
Other	0900	860	95	143	–	–	–	–	15 028	16 127	–
Total By Customer Type	1000	13 590	303	1 230	–	–	–	–	70 509	85 632	–

- The total outstanding creditors as at the end of **October** 2024 amounts to **R 85 632 million**.

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

- ESKOM = R50 million, of which the entire amount is conditionally written off. The other R35 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R15 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.6 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

10/31/2024				
	Original Budget	Total Received	Total Spent	Unspent
Grant Name	Amount			
Provincial Government	R26,064,000.00	R10,396,250.00	R 6,372,106.67	R 4,908,539.68
Housing	R 4,800,000.00	R 4,800,000.00	R 1,493,063.97	R 3,306,936.03
Human Settlement Grant	R 14,167,000.00	R 3,110,250.00	R 3,110,250.00	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 2,373,000.00	R 884,396.35	R 1,488,603.65
Salaries			R 205,434.75	
Salaries			R 196,642.53	
Salaries			R 237,294.44	
Salaries			R 245,024.63	
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 113,000.00		R 113,000.00
National Government Grants	R61,955,000.00	R27,496,000.00	R25,079,574.55	R 2,416,425.45
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 1,326,650.80	R 1,573,349.20
FMG (Intern Salaries)			R 32,000.00	
FMG (Intern Salaries)	R -		R 32,000.00	
FMG (Intern Salaries)			R 32,000.00	
FMG (Intern Salaries)			R 32,000.00	
AFS			R 1,198,650.80	
Mun Infrastructure Grant	R 560,850.00	R 560,850.00	R 183,406.79	R 377,443.21
			R 33,184.00	
			R 33,184.00	
			R 37,664.13	
			R 79,374.66	
Mun Infrastructure Grant	R 10,656,150.00	R 3,305,150.00	R 1,700,000.00	R 1,605,150.00
EPWP	R 1,255,000.00	R 314,000.00	R 603,358.80	-R 289,358.80
Salaries			R 138,489.90	
Salaries			R 164,957.00	
Salaries			R 154,586.50	
Salaries			R 145,325.40	
INEP	R -			R -
INEP (Eskom)	R 104,000.00			R -
WSIG	R 9,000,000.00	R 4,800,000.00	R 3,536,741.77	R 1,263,258.23

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

Expenditure:

- Financial Management Grant amounts to **R 32 thousand**.
- Municipal Infrastructure Grant PMU amounts to **R79 thousand**
- Expanded Public Works Programme amounts to **R 145 thousand**.

- Water Service Infrastructure Grant amounts to **R 2.4 million.**

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R245 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 - M04 October									
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 %
R thousands									
	1	A	B	C					D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		3 354	3 306	3 306	233	1 053	1 102	(49)	-4%
Pension and UIF Contributions		152	-	-	16	51	-	51	-
Medical Aid Contributions		114	-	-	10	38	-	38	-
Motor Vehicle Allowance		36	-	-	22	31	-	31	-
Cellphone Allowance		300	329	329	25	100	110	(10)	-9%
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-
Sub Total - Councillors		3 956	3 635	3 635	306	1 273	1 212	62	5%
% increase	4		-8,1%	-8,1%					-8,1%
Senior Managers of the Municipality									
Basic Salaries and Wages		3 377	4 628	4 628	232	1 239	1 543	(303)	-20%
Pension and UIF Contributions		7	9	9	0	2	3	(1)	-31%
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance		303	676	676	23	92	225	(133)	-59%
Cellphone Allowance		86	178	178	2	19	59	(40)	-68%
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		22	136	136	4	18	45	(28)	-61%
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	262	1 371	1 876	(505)	-27%
% increase	4		48,3%	48,3%					48,3%
Other Municipal Staff									
Basic Salaries and Wages		61 213	55 034	53 984	6 063	23 367	17 995	5 372	30%
Pension and UIF Contributions		7 583	10 497	10 497	592	2 417	3 499	(1 083)	-31%
Medical Aid Contributions		2 395	3 493	3 493	188	757	1 164	(408)	-35%
Overtime		8 603	4 122	4 122	869	3 498	1 374	2 124	155%
Performance Bonus		789	725	725	9	30	242	(212)	-88%
Motor Vehicle Allowance		3 614	3 089	3 089	339	1 347	1 030	318	31%
Cellphone Allowance		107	157	157	12	43	52	(9)	-18%
Housing Allowances		339	1 200	1 200	40	119	400	(281)	-70%
Other benefits and allowances		6 425	3 785	3 785	140	861	1 261	(400)	-32%
Payments in lieu of leave		1 771	100	100	40	96	33	63	189%
Long service awards		(2 985)	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		89 854	82 200	81 150	8 293	32 534	27 050	5 484	20%
% increase	4		-8,5%	-9,7%					-9,7%
Total Parent Municipality		97 604	91 462	90 412	8 861	35 178	30 137	5 041	17%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages		-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	614	614	-	-	205	(205)	-100%
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	205	(204)	-100%
% increase	4		74797,2%	74797,2%					74797,2%
Total Municipal Entities		1	614	614	0	0	205	(204)	-100%
TOTAL SALARY, ALLOWANCES & BENEFITS		97 605	92 076	91 026	8 861	35 178	30 342	4 837	16%
% increase	4		-5,7%	-6,7%					-6,7%
TOTAL MANAGERS AND STAFF		93 649	87 828	86 778	8 555	33 905	28 926	4 979	17%

SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN

The municipal council approved the Budget Funding Plan on 10 October 2024. Progress on the funding plan will be reported on from the November reporting cycle.

SECTION 5 – SCM DEVIATIONS

No deviations for the month under review.

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	Yes	N/A	N/A	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	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	95%	Non Compliance	
3.September	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	78%	Non Compliance
4.October	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	No	N/A	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	No	76%	Non Compliance	

MFMA Circular 124 - Municipal Indigent Household Information



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

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

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

Description	Ref	As Per Debt Relief Application	Current Year - 2023/2024		2023/2024 - 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	2 029	2 063	2 119									
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	2 029	2 063	2 119	-	-	-	-	-	-	-	-	
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	2 029	2 063	2 119	-	-	-	-	-	-	-	-	
Status of Water meters:																		
Number of Indigent HH's with prepaid Water						1 995	2 029	2 063	2 119									
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	2 029	2 063	2 119	-	-	-	-	-	-	-	-	
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)																		
Indigent HH's with Electricity - prepaid (min.service level)						1 995	2 029	2 063	2 119	-	-	-	-	-	-	-	-	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	1 995	2 029	2 063	2 119	-	-	-	-	-	-	-	-	
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	2 029	2 063	2 119	-	-	-	-	-	-	-	-	
Status of Electricity meters:																		
Number of Indigent HH's with prepaid Electricity						1 995	2 029	2 063	2 119	-	-	-	-	-	-	-	-	
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	2 029	2 063	2 119	-	-	-	-	-	-	-	-	
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																	

[illegible]

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	
				October	
					No. Of Wards
					8

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1					Summary - Quarter 2					Summary - Quarter 3					Summary - Quarter 4				
	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q1
1.Collection for whole demarcation	45 567 550	39 241 137	6 326 413	86%	86%	14 150 163	15 185 773	(1 035 610)	107%	107%	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
2.Collection <u>excl Eskom supplied areas</u>	32 888 639	29 478 517	3 410 122	90%	90%	8 114 205	9 289 182	(1 174 976)	114%	114%	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
3.Collection: Property Rates	9 233 585	1 719 809	7 513 776	19%	19%	2 370 484	3 592 939	(1 222 455)	152%	152%	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
4.Total average collection: Electricity (Municipal supplied areas)	18 037 976	17 680 319	357 657	98%	98%	7 198 041	8 029 381	(831 340)	112%	112%	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
5.Total average collection: Water	12 342 706	16 943 045	(4 600 338)	137%	137%	2 518 870	1 816 713	702 156	72%	72%	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
6.Total average collection: Wastewater	2 895 648	1 346 158	1 549 490	46%	46%	1 004 181	710 037	294 144	71%	71%	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
7.Total average collection: Refuse	2 828 957	1 181 044	1 647 913	42%	42%	983 149	602 708	380 441	61%	61%	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
8.Total average collection: Interest	228 677	370 762	(142 085)	162%	0%	75 438	433 995	(358 557)	575%	575%	-	-	-	#DIV/0!		-	-	-	#DIV/0!	

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

Demarcation Code

Municipality

WC041

Kannaland

October

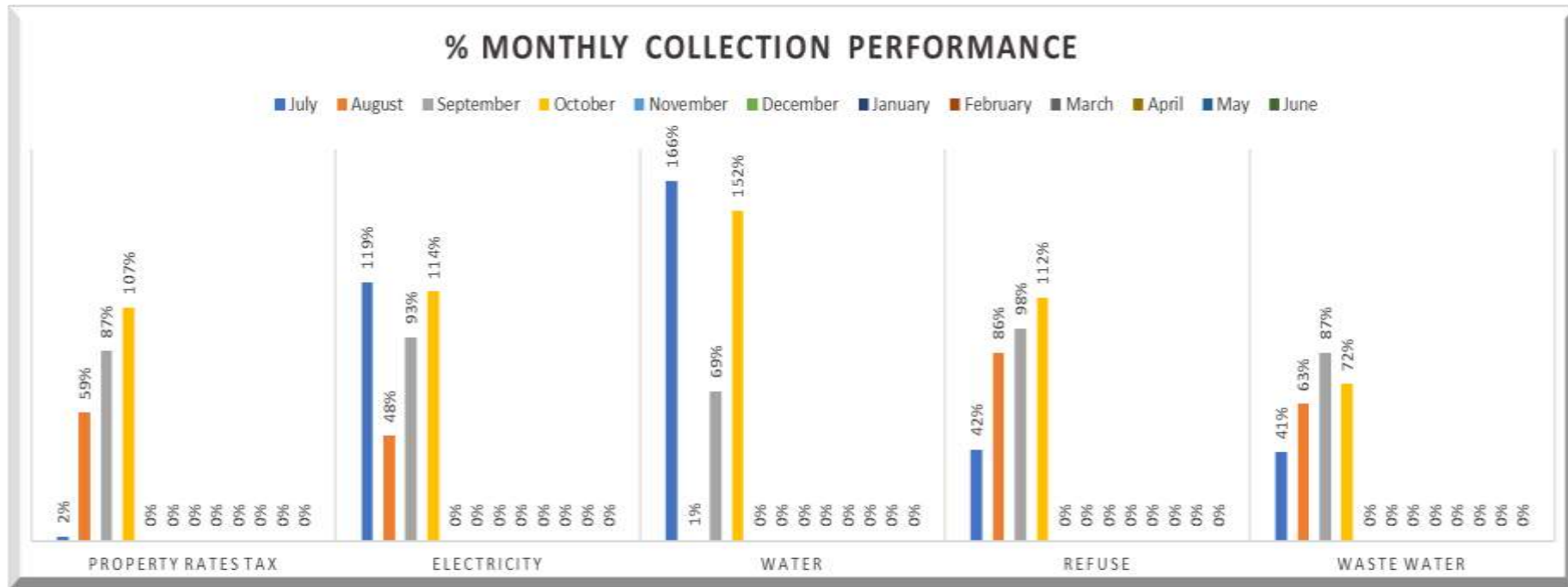
Average collection rate (MFMA Circular 124 condition 6.7)

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

[Click to view/close months](#)

Complete This Section			Quarter 1 Performance Per Ward																			
Services	Electricity Supplier	Ward Name & Number	1.July				2.August				3.September				Billing	Collection	B - Billing not collected	% Collection	CS			
			Billing For June	Collection For June in July	Band Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Band Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Band Value of Billing not collected	% Collection								
Property Rates Tax	Mun.Suppied	Normalde - Ward 1	-	-	-	#DIV/0!	-	100	0	#DIV/0!	154 687	80 189	74 498	52%	154 687	80 289	74 398	52%	52%			
Electricity			111 048	50 275	60 774	45%	120 173	175 897	0	146%	152 037	110 753	41 285	73%	183 258	136 925	46 334	88%	88%			
Water			326 429	94 749	231 680	29%	162 477	81 196	81 281	50%	206 677	90 700	115 977	44%	695 583	266 646	428 938	38%	38%			
Refuse			126 619	36 221	90 397	29%	177 429	62 608	114 821	35%	177 097	75 509	101 589	43%	481 145	174 338	306 808	36%	36%			
Waste Water			167 206	52 086	115 121	31%	216 389	84 923	131 465	39%	216 545	233 515	0	108%	600 140	370 524	229 616	62%	62%			
Interest	1 141	-	1 141	0%	-	1 140	1	100%	1 211	69 130	0	5708%	2 483	70 276	(66 777)	2822%	2012%					
Property Rates Tax	Exom supplied	Zone - Ward 2	-	716	0	#DIV/0!	-	269	0	#DIV/0!	71 963	50 964	20 999	71%	71 963	51 549	20 014	72%	72%			
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
Water			455 860	19 658	436 201	4%	307 435	18 967	288 468	6%	375 319	100 018	275 301	27%	1 138 613	138 643	999 971	12%	12%			
Refuse			306 569	25 904	280 665	8%	343 258	20 135	323 123	6%	341 932	51 185	290 747	15%	991 759	97 224	894 535	10%	10%			
Waste Water			286 966	22 463	264 503	8%	332 458	18 083	314 376	5%	331 182	58 635	272 547	18%	950 606	99 180	851 426	10%	10%			
Interest	4 338	4 338	0	100%	4 338	4 338	0	100%	4 338	143 515	0	3308%	13 015	152 191	(139 176)	1169%	1169%					
Property Rates Tax	Exom supplied	Caldrop Farm - Ward 3	-	4 057	0	#DIV/0!	-	33	0	#DIV/0!	180 068	64 391	115 677	36%	180 068	68 449	111 619	38%	38%			
Electricity			114	-	114	0%	33	-	33	0%	-	-	-	#DIV/0!	148	-	148	0%	0%			
Water			6 997	410	6 587	6%	6 009	2 302	3 707	38%	36 844	7 864	28 980	21%	49 851	10 576	39 275	21%	21%			
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
Interest	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!					
Property Rates Tax	Mun.Suppied	Morg Caldrop - Ward 3	-	-	-	#DIV/0!	-	-	-	#DIV/0!	22 220	12 767	9 453	57%	22 220	12 767	9 453	57%	57%			
Electricity			11 669	4 621	7 048	40%	12 228	10 438	1 790	85%	13 585	21 021	0	155%	17 483	36 081	1 402	96%	96%			
Water			311 915	6 306 273	0	2022%	212 631	45 252	167 378	21%	220 180	82 268	137 912	37%	744 725	6 433 793	(5 689 068)	864%	864%			
Refuse			86 523	18 741	67 782	22%	126 573	28 559	98 014	23%	126 573	33 635	92 938	27%	339 669	80 936	258 733	24%	24%			
Waste Water			79 317	11 795	67 522	15%	112 833	21 945	90 888	19%	111 783	26 032	85 751	23%	303 933	59 772	244 161	20%	20%			
Interest	483	-	483	0%	483	81	402	17%	1 545	61 365	0	3973%	2 511	61 446	(58 935)	2447%	2447%					
Property Rates Tax	Mun.Suppied	Caldrop Town - Ward 3	-	(72)	72	#DIV/0!	-	731	0	#DIV/0!	451 926	301 034	150 892	67%	451 926	302 093	150 233	67%	67%			
Electricity			623 825	536 690	87 135	86%	548 522	385 933	162 588	70%	646 980	884 463	0	137%	1 819 326	1 807 086	12 240	99%	99%			
Water			6 176 444	5 884 826	291 618	95%	166 210	118 699	47 511	71%	203 933	417 738	0	205%	6 546 587	6 421 263	125 324	98%	98%			
Refuse			86 697	75 550	11 147	87%	96 571	64 003	32 568	66%	96 239	112 412	0	117%	279 507	251 964	27 543	90%	90%			
Waste Water			19 697	16 723	2 974	85%	21 682	14 063	7 619	65%	22 002	24 103	0	110%	63 381	54 889	8 492	87%	87%			
Interest	6 426	1 757	4 669	27%	6 496	3 746	2 750	58%	6 546	31 335	0	479%	19 468	36 838	(17 370)	189%	189%					
Property Rates Tax	Mun.Suppied	Ladburgh Town - Ward 4	4 474 751	-	4 474 751	0%	2 385 893	-	2 385 893	0%	948 996	826 497	122 499	87%	7 809 640	826 497	6 983 143	11%	11%			
Electricity			2 883 558	3 677 600	0	128%	2 834 717	2 081 655	753 062	73%	3 181 354	2 848 781	332 572	90%	8 899 628	8 608 036	291 592	97%	97%			
Water			685 246	861 479	0	126%	460 343	430 449	29 894	94%	470 151	594 735	0	126%	1 615 791	1 886 963	(270 928)	117%	117%			
Refuse			184 276	173 131	11 145	94%	192 701	135 314	57 387	70%	189 974	211 327	0	111%	566 852	519 772	47 079	92%	92%			
Waste Water			282 943	248 579	34 364	88%	296 088	199 428	96 660	67%	293 329	282 005	11 323	96%	872 390	720 013	142 347	84%	84%			
Interest	58 630	6 651	51 979	11%	59 887	20 947	38 940	35%	56 859	22 419	34 440	39%	175 376	50 017	125 359	29%	29%					
Property Rates Tax	Exom supplied	Ladburgh Farm - Ward 4	-	24 504	0	#DIV/0!	-	11 310	0	#DIV/0!	488 564	254 421	234 144	52%	488 564	290 235	198 330	59%	59%			
Electricity			226 407	312 534	0	138%	3 207 822	3 156 655	51 167	98%	3 463 904	3 423 003	40 901	99%	6 898 133	6 892 192	5 941	100%	100%			
Water			461 443	801 517	0	174%	470 856	458 846	12 010	97%	449 081	434 864	14 217	97%	1 381 380	1 695 227	(313 847)	123%	123%			
Refuse			16 352	7 164	9 188	44%	20 507	11 597	8 911	57%	20 176	19 046	1 130	94%	57 034	37 806	19 228	66%	66%			
Waste Water			11 306	12 272	0	109%	11 815	7 757	4 059	66%	11 815	10 843	972	92%	34 936	30 871	4 065	88%	88%			
Interest	4 875	-	4 875	0%	4 875	-	4 875	0%	4 875	-	4 875	0%	14 625	-	14 625	0%	0%					
Property Rates Tax	Exom supplied	Van Wyndorp - Ward 4	-	48 462	0	#DIV/0!	-	-	-	#DIV/0!	54 517	39 469	15 048	72%	54 517	87 831	(33 418)	161%	161%			
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!			
Water			53 328	65 722	0	123%	64 387	8 735	55 652	14%	52 511	15 776	36 735	30%	170 226	90 233	79 993	53%	53%			
Refuse			32 057	4 980	27 077	16%	40 466	3 917	36 549	10%	40 466	10 106	30 360	25%	112 990	19 004	93 986	17%	17%			
Waste Water			19 546	590	18 957	3%	25 533	117	25 416	0%	25 214	202	25 012	1%	70 293	909	69 384	1%	1%			
Interest	63	-	63	0%	63	-	63	0%	63	-	63	0%	190	-	190	0%	0%					

MFMA Circular 124 - Electricity and Water as Collection Tools



Provincial Treasury Debt Relief Compliance Assessment – July 2024



Western Cape
Government

Provincial Treasury
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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 SEPTEMBER 2024

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. September 2024 constitutes the 2nd month of the Municipality's second 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 the October 2024 reporting. This letter provides an overview of the Provincial Treasury's assessment of the Municipality's compliance with the programme's conditions.

1. 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



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average compliance with the MFMA Circular 124 conditions during September 2024 decreased to 59 per cent, which was a further decline from the 66 per cent achieved in August 2024 and 71 per cent achieved in July 2024. The scores for all three months of this financial year are much lower than the 85 per cent achieved previously – refer the performance sheet in the table below that shows the municipality's overall relief compliance performance across the recent months of its debt relief cycle. The Provincial Treasury assessment reveals that the Municipality is not on track with its debt relief compliance.

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

Municipality		Procedural	
		Score	Compliance
Kannaland Municipality		71	Not Compliant
Municipal Debt Relief		71	Not Compliant
MFMA Circular No. 124		71	Not Compliant
Municipal Finance Management Act No. 55 of 2003		71	Not Compliant

Municipality		Procedural	
Municipality	Code	Score	Compliance
		Score	Compliance
Kannaland	WC041	71	Not Compliant

Municipality		Procedural	
Municipality	Code	Score	Compliance
		Score	Compliance
Kannaland	WC041	71	Not Compliant

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

2. Condition 6.2 - Application-based supported by Council's resolution

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

3. Condition 6.3 - Maintaining the Eskom bulk current account.

The municipality has failed to comply with the 30-day payment requirement for both its bulk water and one of the two Eskom bulk current accounts. The account, which was reported last month as unpaid for August, was paid later during September after 44 days. Furthermore, the municipality did not disclose the September 2024 accounts in their section 71 Financial Management Report (FMR), and the analysis was performed based on additional information provided after PT followed up on the accounts (only the August 2024 account was reported in the FMR). The reason for not reporting the account was because Kannaland Municipality only record invoices upon making payments, a practice that the municipality was discouraged from using, as it does not adhere to the principles of accrual accounting. Provincial Treasury therefore assesses the Municipality as not having recorded or paid one of their Eskom accounts for September 2024. PT has been following up with the Municipality and following an intensified revenue collection effort, a final payment of the outstanding Eskom account was made on 25 October 2024. However the municipality remains non-compliant with this condition.

4. Condition 6.4 - A funded MTREF

Kannaland Municipality's 2024/25 MTREF budget remains unfunded. In response, the Municipality developed a Budget Funding Plan (BFP) for the fiscal year in collaboration with the Provincial Treasury (PT) and an MFIP advisor. However, the finalized BFP was not submitted to PT and not uploaded into the GOMUNI portal by the 10th working day.

The Provincial Executive has placed Kannaland Municipality under intervention according to Section 139(5) of the Constitution, a decision the municipality opposes, preferring support under Section 154. Despite efforts

by PT and NT to gain cooperation, Kannaland has clearly stated it will not cooperate with the intervention measures.

5. Condition 6.5 - Cost reflective tariffs

The Municipality has uploaded into the GOMUNI its completed tariff tool for the 2024/25 MTREF together with the cost of supply studies and the documents are still waiting approval to the portal by the NT.

6. 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.

7. Conditions 6.7 - Maintain a minimum average quarterly collection of property rates and services charges

The municipality's average collection rate for the quarter remains below the targeted 85%, at approximately 83.3%. Notably, areas supplied by Eskom did not significantly impact these figures, as the average collection rate, excluding Eskom areas, sits at 83.0%. This indicates that most of the collection challenges stem from other areas within the municipality. The municipality suffers from poor collection rates in areas like Ladismith, Van Wyksdorp, and Calitzdorp, a situation exacerbated by the absence of traditional credit control measures for prepaid electricity.

8. 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 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 progress report on the action plan in the Section 71 report.

9. 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. However, the narrative 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(ii) 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
3.6.2	The Municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	No
3.7.1	Any Eskom and Water (if the Municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The Municipality's proof of payment of any such Eskom and/or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The Municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	No
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and/or Mayoral Committee meeting	Yes

The Municipality has integrated its monthly debt compliance reports into the MFMA Section 71 narratives as required. However, the submitted documents are blurred, which has complicated the Provincial Treasury's assessment process. Additionally, the Municipality has not demonstrated a strong commitment to continuous improvement or adherence to established conditions. The blurriness of the documents has also prevented the Provincial Treasury from verifying the non-compliance issues identified in the Municipality's self-assessment as per MFMA Circular No. 124.

10. Condition 6.8 - Completeness of the Revenue Base

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

11. 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.

12. Condition 6.12 - Proper management of resources and

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

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

13. Condition 6.13 - Accounting Treatment


The Municipality's unaudited AFS for 2023/24 **were not sufficiently detailed** for Provincial Treasury to determine if the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) in terms of the written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date. As a result, the Municipality is considered to not have complied with this condition.

14. Condition 6.14 - NERSA licence

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

15. Provincial Treasury Compliance Certification

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

 Provincial Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003		Select Assessor <div> <div>Period</div> <div> <input type="text" value="Sept 24"/> <input type="text" value="Sept 24"/> <input type="text" value="Sept 24"/> </div> </div>		Notes/Comments
Certificate of Compliance: Municipal Debt Relief Conditions for Application <div> <div>Period</div> <div> <input type="text" value="Sept 24"/> <input type="text" value="Sept 24"/> <input type="text" value="Sept 24"/> </div> </div>				
Demarcation Code of Municipality being assessed <input type="text" value="250405"/>		Demarcation Code of Municipality being assessed <input type="text" value="250405"/>		Notes/Comments
District <input type="text" value="Garden Route"/>		District <input type="text" value="Garden Route"/>		
Demarcation Description <input type="text" value="Kannaland"/>		Demarcation Description <input type="text" value="Kannaland"/>		Notes/Comments
<p>(Johannesburg, hereby certify that the Provincial Treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said Municipality fully complies with the conditions as set-out in the table below:</p>				
Municipal Debt Relief Conditions (Monthly reporting)				
Condition 4(1): Monitoring the Municipal Debt Relief Conditions (Monthly reporting)				
4.1.1	Has the municipality submitted the supporting evidence of its 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 (as required by the National Treasury, the Water Board and/or Water Trading Entity)?	Yes	No	Account for September 2024 was not paid.
4.1.2	Has the municipality submitted the supporting evidence of its 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 (as required by the National Treasury, the Water Board and/or Water Trading Entity)?	Yes	No	Account for September 2024 was not paid.
4.1.3	Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount as per the National Treasury, the Water Board and/or Water Trading Entity?	Yes	No	Reconciliation could not be performed. Although the figures suggest that a payment was made, there is no proof to support this claim.
4.1.4	Has the municipality and its Bulk Water Service Account within 30 days of making the relevant payment (the evidence to all transactions, including interest)?	Yes	No	Only one account has been paid according to R1,71 million and the other account was not paid within the accounting period of R1,71 million. The second R1,71 million is the one that was due for payment in September 2024, and the first is for August 2024.
4.1.5	Has the municipality submitted the supporting evidence of its bulk water current account payment to the National Treasury and Water Board within 1 day of making any such payment (as required by the National Treasury and Water Board)?	Yes	No	The account for September 2024 was not paid. The account for September 2024 is the one that was due for payment in September 2024, and the first is for August 2024.

MUNICIPAL CIRCULAR NO. 124 – MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY SEPTEMBER 2024

23	6.7.3	The municipality has progressively involved smart prepaid meters in the municipality's water supply to improve collection and only then, or an individual case-by-case basis, considered writing off the debt of its customers, while in normal cases control prices?	No	The municipality has not reported any progress on the installation of smart prepaid meters.
24	6.7.4	Has the municipality adopted a policy to install any new electricity connections in the demonstrated area with effect from 2023/24 with a smart prepaid meter?	No	The municipality has not covered their policy for the installation of smart prepaid meters for new electricity connections as required by section 6.24. There is no evidence of an adequate policy that specifically mandates smart prepaid meters for new installations.
25	6.7.5	Has the municipality's 2023/24, 2024/25 and 2025/26 valid and adopted capital budgets and MFMA section 71 statements reflected the approved section 6.6.7.3 and 6.7.4?	No	
26	6.8	Municipality's Compliance of the Finance Book:-		
26	6.8.1	Has the municipality demonstrated through the National Treasury property value reconciliation and its own municipality's billing system perfectly align to the Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered valuer?	No	The GVR must identify various issues across different property categories, including inconsistencies, property features, and missed property inclusion. These discrepancies must prompt a series of corrective actions, including verifying the values, ensuring consistency in the billing system, and ensuring supplementary valuations, and addressing register property inclusion. The municipality has established a system plan with the aim of ensuring supplementary valuations, and addressing register property inclusion. The required monthly action plan has not been included in the Section 71 monthly report. While the municipality has reported a property reconciliation resolution, it has not provided updates on the progress of any implemented action plans.
27	6.8.2	If the response in 6.8.1 is "no", has the municipality demonstrated the steps taken to correct the valuation identified?	No	
27	6.8.3	Note - monthly progress against the other plan is subject to review to be included as part of the municipality's debt relief compliance reporting in the MFMA 5.21 statement	No	
28	6.8.4	For the latest ending Quarter - has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly refer MFMA Chapter 6.5, 6.8, 6.9, 6.10 and 6.11 to the relevant parties on time (https://municipal.treasury.gov.za)?	No	
29	6.9	Municipal Treasury Implementation:-		
29	6.9.1	MFMA section 71 reporting - has the municipal council and senior management been instructed processes to monitor and enforce accountability for the implementation of the municipality's funded budget and budget funding flow when required?	Yes	
30	6.9.2	If program is new in terms of paragraph 6.9.1, is the active intervention evident from the national supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the MFMA 5.21 and 5.22?	Yes	
31	6.9.3	Note - MFMA 5.22 has a 30-day error and margin of 1% to 5.21.	No PEP	
31	6.9.4	Municipality with Sarsdal recovery plan (RRP) - If the municipality has a RRP as envisaged in the preceding local government legislation framework, is the municipality reporting month to month in implementing the RRP to the Provincial Executive?	No PEP	
32	6.9.5	If the municipality has an RRP, with effect from 01 April 2023, period to submitting its monthly RRP progress report to the Provincial Executive, has the municipality also submitted the RRP progress report to the National Treasury Municipal Financial Recovery Service (MFORS) monthly via the eSolutions Upload Portal from the National Treasury system?	No PEP	
33	6.10	Note - the municipality has not submitted the National Treasury monthly report (the MFORS report) via the eSolutions Upload Portal from the National Treasury system.		
34	6.11	Provincial Treasury New-Approved Treasury and National Treasury's report - in terms of report's section 6.9.1, has the municipality submitted the report to the Provincial Executive and the National Treasury on time?	Yes	
35	6.12	Has the relevant Provincial Treasury (designated) / National Treasury (non-designated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	

The Western Cape Provincial Treasury's assessment and compliance certificate confirms that during September 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 **September 2024 average compliance of 59 per cent was a decline from the 66 per cent achieved during August 2024**. The Municipality must address these non-compliance matters urgently. The Municipality should prioritise payment of its bulk accounts and improving its collection rate and then 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.

Provincial Treasury is very concerned by the deteriorating compliance in Kannaland and has requested a meeting with the Municipality to agree on measures to rectify this.

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: 2024.10.27
19:26:06 +02'00'

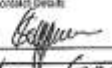

MS J GANTANA

HEAD OFFICIAL: PROVINCIAL TREASURY

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MFMA Circular 124 – Property Rates Reconciliation

Property Rates Reconciliation						
Province	NC					
Municipality	Kannaland Municipality					
Type	Municipal					
Reconciliation Period	15/01/2024 - 30/01/2024					
Reconciliation Date	15/01/2024					
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	3,062,288,000.00	3,064,055,956.00	-1,767,956.00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	945,711.00	945,174.63	536.37	945,711.00	945,174.63	536.37
Industrial	176,504.25	176,504.25	-	176,504.25	176,504.25	-
Business and Commercial	445,207.75	445,207.75	-	445,207.75	445,207.75	-
Agricultural	410,891.88	411,288.50	-396.62	410,891.88	411,288.50	-396.62
Mining	-	-	-	-	-	-
State Owned for Public Purpose	432,923.89	432,923.89	-	432,923.89	432,923.89	-
PSI	-	-	-	-	-	-
PBO	3,837.53	3,416.75	420.78	3,837.53	3,416.75	420.78
Multi Use	-	-	-	-	-	-
Vacant	11,833.63	12,572.63	-738.99	11,833.63	12,572.63	-738.99
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	12,421,630.75	12,332,271.00	89,359.75	3,627,637.75	3,332,271.00	295,366.75

Prepared By	<u>CRAIG OPPERMAN</u>	Date	<u>14-11-2024</u>
Signature			
Reviewed By	<u>for CRISPE</u>	Date	<u>14-11-2024</u>
Signature			

MFMA Circular 124 – Maintain Eskom & Water Bulk Accounts

Standard Bank of South Africa

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024263602
Sub Module	SSVS	Action date	20240827
Description	GUH46 20240819 15:42:27.3	Finalreleasingoperators	GAV53 M SCHEFFERS
Finalreleasingoperators	RVX08 CM CLAASEN (A)		
Sub-batch	001	From Account no	0009420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	1		
Acc No / CDI	55161636814		
Branch No	200910		
Statement Ref	KANNALAND MUN		
Account Name	ESKOM HOLDINGS VWC REGION		
Creditor Code	ESKOM NEW		
Amount	6,720,153.78		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC	F		
ISN/Bus Ref	277		
Pay Alert	N		

DATE : 2024-09-27 11:45:51

Page : 1



ESKOM HOLDINGS SOC LTD REG NO 3082015527/30
VAT REG NO 4749181500

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

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 607166
FAX NO: 0862 437 546
E-MAIL: customerservice@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



TEL: 08600 37558
SMS:

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

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL
BANK: ABISA
BRANCH CODE: 351118
BANK ACC NO: 340167430

YOUR ACCOUNT NO	7052108005
SECURITY HELD	0.01
BILLING DATE	2024-08-14
TAX INVOICE NO	705425789740
ACCOUNT MONTH	AUGUST 2024
CURRENT DUE DATE	2024-09-13
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: localities@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

FIXED CHARGE	R	25,485.00
ADMINISTRATION CHARGE	R	5,621.54
TRANSMISSION NETWORK CAPACITY	R	160,500.00
DIST. NETWORK CAPACITY CHARGE	R	115,500.00
NETWORK DEMAND CHARGE	R	101,755.39
URBAN LOW VOLTAGE SUBSIDY	R	282,900.00
ANCILLARY SERVICE (ALL)	R	15,713.81
ENERGY CHARGE (OFF)	1,004,045.00	R 1,028,543.70
ENERGY CHARGE (PEAK)	359,053.00	R 2,241,489.60
ENERGY CHARGE (STD)	788,666.00	R 1,487,633.53
ELECTRIFICATION AND RURAL SUBS (ALL)		R 337,308.82
REACTIVE ENERGY	101,444.00	R 28,708.65
SERVICE CHARGE		R 12,471.92

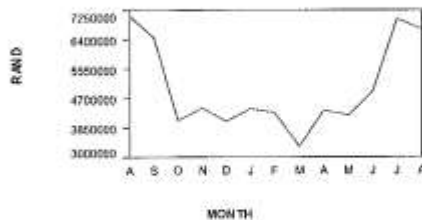
TOTAL CHARGES FOR BILLING PERIOD R 5,843,611.96

ACCOUNT SUMMARY FOR AUGUST 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-08-07)	R	37,714,341.05
PAYMENT(S) RECEIVED	Cash - 2024-08-08	R	-6,097,930.72
TOTAL CHARGES FOR BILLING PERIOD		R	5,843,611.96
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	876,541.80

ARREARS					CURRENT	TOTAL DUE R	37,436,564.10
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	0-15 DAYS			
18,380,471.57	5,338,007.72	6,997,930.72	0.00	6,720,153.70			

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 20
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

7052108005

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

0866160914

0934 7052108005

11341 7052108005

TOTAL AMOUNT DUE

37,436,564.10

PAYMENT ARRANGEMENT

INSTALMENT

0.00

ARREARS (Due Immediately)

50,716,410.34

DUE DATE (For Current Amount)

2024-09-13

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0009420543546	KANNALAND MUNICIPAL	Statement For	20240927	VAT Registration	4540197268
Branch	600113	LADISMITH CAPE	Statement No	497		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240926	838,562.53
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS PLC 9 0003873109577	0.00	0.00	1,980.00	20240926	840,542.53
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0003873109577	0.00	0.00	8,917.40	20240926	847,459.93
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS R3G 5 0000073109682	0.00	0.00	13,252.41	20240926	860,712.34
1	CREDIT TRANSFER OAC RENTAL	0.00	0.00	81.10	20240927	860,793.44
1	CREDIT TRANSFER UTILITIES WORLD	0.00	0.00	61,004.75	20240927	922,598.19
1	CREDIT TRANSFER UTILITIES WORLD	0.00	0.00	71,002.02	20240927	993,600.21
1	CREDIT TRANSFER CBL 4544	0.00	0.00	1,912.80	20240927	995,513.01
1	CASH DEPOSIT NOTES CALITZDORP	0.00	0.00	800.00	20240927	996,313.01
1	CASH DEPOSIT NOTES/COINS COMOTORS 25/09/2024	0.00	0.00	1,465.20	20240927	997,778.21
1	CASH DEPOSIT NOTES/COINS CBL MOTORS 25/09/2024	0.00	0.00	1,945.00	20240927	999,723.21
1	CASH DEPOSIT NOTES/COINS COMOTORS 23/09/2024	0.00	0.00	2,022.00	20240927	1,001,745.21
1	CASH DEPOSIT NOTES/COINS CBL MOTORS 23/09/2024	0.00	0.00	5,307.50	20240927	1,007,052.71
1	CASH DEPOSIT NOTES/COINS LADISMITH	0.00	0.00	8,155.10	20240927	1,013,207.81
1	CASH DEPOSIT NOTES LADISMITH	0.00	0.00	21,570.00	20240927	1,034,777.81
1	CASH DEPOSIT NOTES/COINS CALITZDORP	0.00	0.00	43,714.20	20240927	1,078,492.01
1	ELECTRONIC BANKING TRANSFER FR WSIG IMBRILO PAYMENT	0.00	0.00	497,694.11	20240927	1,576,186.12
1	ELECTRONIC BANKING TRANSFER FR MIG TO MAIN	0.00	0.00	1,700,000.00	20240927	3,276,186.12
1	ELECTRONIC BANKING TRANSFER FR DEP TO MAIN	0.00	0.00	2,900,000.00	20240927	6,176,186.12
1	ELECTRONIC BANKING TRANSFER FR BULK TO MAIN	0.00	0.00	3,900,000.00	20240927	10,076,186.12
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240927	10,076,186.12
2	ELECTRONIC BANKING PAYMENT TO BUYS BUYS CATHERIN RVX6815:55	0.00	-1,607.74	0.00	20240927	10,074,578.38
2	ELECTRONIC BANKING PAYMENT TO C0220 CLAASSEN CM RVX6815:37	0.00	-1,645.60	0.00	20240927	10,072,932.78
2	ELECTRONIC BANKING PAYMENT TO C0220 CLAASSEN CM RVX6815:47	0.00	-1,645.60	0.00	20240927	10,071,287.18
2	ELECTRONIC BANKING PAYMENT TO BUYS BUYS GR RVX6815:55	0.00	-1,899.60	0.00	20240927	10,069,387.58
2	ELECTRONIC BANKING PAYMENT TO BUYS BUYS N RVX6815:55	0.00	-1,913.79	0.00	20240927	10,067,473.79
2	ELECTRONIC BANKING PAYMENT TO STEEN STEENKAMP L RVX6815:55	0.00	-2,810.43	0.00	20240927	10,064,663.36
2	ELECTRONIC BANKING PAYMENT TO VAN D MERWE VAN DER RVX6815:55	0.00	-2,835.01	0.00	20240927	10,061,828.35
2	ELECTRONIC BANKING PAYMENT TO STEEN STEENKAMP L RVX6815:37	0.00	-21,251.48	0.00	20240927	10,040,566.87
2	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6808:34	0.00	-308,672.28	0.00	20240927	9,731,894.59
2	ELECTRONIC BANKING PAYMENT TO IMBRI IMBRILO CONS RVX6815:47	0.00	-497,694.11	0.00	20240927	9,234,202.48
2	ELECTRONIC BANKING PAYMENT TO MNR P MATHABATHA NO RVX6815:55	0.00	-1,700,000.00	0.00	20240927	7,534,202.48
2	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6808:33	0.00	-6,720,153.76	0.00	20240927	814,048.72
2	ELECTRONIC BANKING TRANSFER TO TRF TRANSPORT RECEIPTS	0.00	-84,504.54	0.00	20240927	729,544.18
2	ELECTRONIC BANKING TRANSFER TO	0.00	-113,000.00	0.00	20240927	616,544.18

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024299004
Sub Module	SSVS	Action date	20241025
Description	LJT64 20241025 12:32:37.5		
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	1		
Acc No / CDI	55161636814		
Branch No	200910		
Statement Ref	7052108005		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	3,000,000.00		
StatusDescription	FINAL AUDIT TO BE	DOWNLOADED	
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

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CURRENT ACCOUNT - STATEMENT DETAILS

Page	Details	Service Fee	Debit	Credit	Date	Balance
	L WIL WILLEMS L 36 GAV5312:47					
2	ELECTRONIC BANKING PAYMENT TO JOHAN JOHANNES M JU GAV5312:47	0.00	-4,912.95		0.00 20241025	3,863,009.11
2	ELECTRONIC BANKING PAYMENT TO STOFF STOPPEL XOLIL GAV5312:47	0.00	-4,936.43		0.00 20241025	3,858,072.68
2	ELECTRONIC BANKING PAYMENT TO SEREO SEREO DJ GAV5312:47	0.00	-5,610.94		0.00 20241025	3,852,461.74
2	ELECTRONIC BANKING PAYMENT TO M055 MESHDA WP GAV5312:47	0.00	-5,658.81		0.00 20241025	3,846,802.93
2	ELECTRONIC BANKING PAYMENT TO VALEN VALENTYN I NI GAV5312:47	0.00	-6,329.76		0.00 20241025	3,840,473.17
3	BALANCE BROUGHT FORWARD	0.00	0.00		0.00 20241025	3,840,473.17
3	ELECTRONIC BANKING PAYMENT TO LINKS LINKS DERRICK GAV5312:47	0.00	-8,700.00		0.00 20241025	3,831,773.17
3	ELECTRONIC BANKING PAYMENT TO MCKEN MCKENNA JOHAN GAV5312:47	0.00	-9,982.01		0.00 20241025	3,821,791.16
3	ELECTRONIC BANKING PAYMENT TO KIEWI KIEWIETS NICO GAV5312:47	0.00	-10,184.57		0.00 20241025	3,811,606.59
3	ELECTRONIC BANKING PAYMENT TO RICAR RICARDO WILLE GAV5312:47	0.00	-10,820.72		0.00 20241025	3,800,785.87
3	ELECTRONIC BANKING PAYMENT TO BOSMA ANDREW BOSMAN GAV5312:47	0.00	-11,646.40		0.00 20241025	3,789,139.47
3	ELECTRONIC BANKING PAYMENT TO MANOO MANOOR SHUDLE GAV5312:47	0.00	-20,000.00		0.00 20241025	3,769,139.47
3	ELECTRONIC BANKING PAYMENT TO C014 CAB HOLDINGS GAV5312:47	0.00	-62,076.45		0.00 20241025	3,707,063.02
3	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING GAV5312:38	0.00	-3,000,000.00		0.00 20241025	707,063.02

** END OF REPORT **



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

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

WESTERN REGION
PO BOX 377 BELVILLE 7535

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



TEL: 08600 37566
SMS:

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

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL

BANK: ABSA
BRANCH CODE: 334110
BANK ACC NO: 340167430

YOUR ACCOUNT NO	6940893537
SECURITY HELD	0.01
BILLING DATE	2024-10-07
TAX INVOICE NO	694371103520
ACCOUNT MONTH	OCTOBER 2024
CURRENT DUE DATE	2024-11-06
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	5,440.20
DIST. NETWORK CAPACITY CHARGE	R	84,875.38
NETWORK DEMAND CHARGE (C/KWH)	R	43,313.58
ANCILLARY SERVICE (ALL)	R	4,227.07
ENERGY CHARGE (PEAK)	R	195,411.73
ENERGY CHARGE (STD)	R	320,549.38
ENERGY CHARGE (OFF)	R	195,113.85
ELECTRIFICATION AND RURAL SUBS (ALL)	R	82,797.77
SERVICE CHARGE	R	12,069.60

TOTAL CHARGES FOR BILLING PERIOD	R	943,798.54
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ACCOUNT SUMMARY FOR OCTOBER 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-10-10)	R	10,834,799.82
TOTAL CHARGES FOR BILLING PERIOD		R	943,798.54
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	141,569.78

COPY ONLY

ACCOUNT NO / REFERENCE NO

6940893537

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

0934 6940893537



>>>>>> 9207 2684 0893 5379



TOTAL AMOUNT DUE

11,920,168.10

ARREARS					CURRENT	TOTAL DUE R	11,920,168.14
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS				
7,196,357.27	1,895,302.78	0.00	1,743,139.77	1,085,368.32			

Account OVERDUE - Subject to Disconnection

SECTION 7 – QUALITY CERTIFICATION



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Posbus 30 P.O. Box
LADISMITH
6655

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

Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, Dillo Sereo Accounting Officer of **Kannaland Municipality WC041**, 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 **October 2024** 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 

Date : 11 November 2024