KANNALAND
MUNISIPALITEIT | MUNICIPALITY

# Monthly Budget Report for March 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 March 2025, 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 March 2025.

That the Council takes cognisance of the Eskom Debt Relief Report for March 2025.

# 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 243 786 | R 182 839 | R22 787 | R 186 679 | R 3 840 | 2% |
| **Operating Expenditure** | R 285 441 | R 214 060 | R 25 303 | R 166 376 | R (47 684) | -22% |
| **Capital** | R 25 786 | R 19 339 | R2 373 | R 12 000 | R (7 339) | -38% |

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

### Operational Revenue

The municipality's total operational revenue budget amounts to R244 million and the year-to-date revenue on the budget accrued to R187 million. This represents 77% of the YTD variance for total revenue.

### Operational Expenditure

The municipality's total operational expenditure budget amounts to R285 million, with a year-to-date performance of R166 million, or 58% of the YTD variance for total expenditure budget.

### Capital Expenditure

The total capital budget for the municipality amounts to R26 million with a year-to-date performance of R 2 373 million, or 47% of the total capital budget.

### Operating Surplus/Deficit

The variances for operating revenue amounted to R22 million exceeding budget, and expenditure amounting to R 25.3 million below budget, with an operating deficit of R 2.5 million for the month under review. This performance is to be noted against an unfunded budget.

## 1.3 MATERIAL DIFFERENCES TO THE SDBIP

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

## 1.4 REMEDIAL ACTIONS

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

# SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES

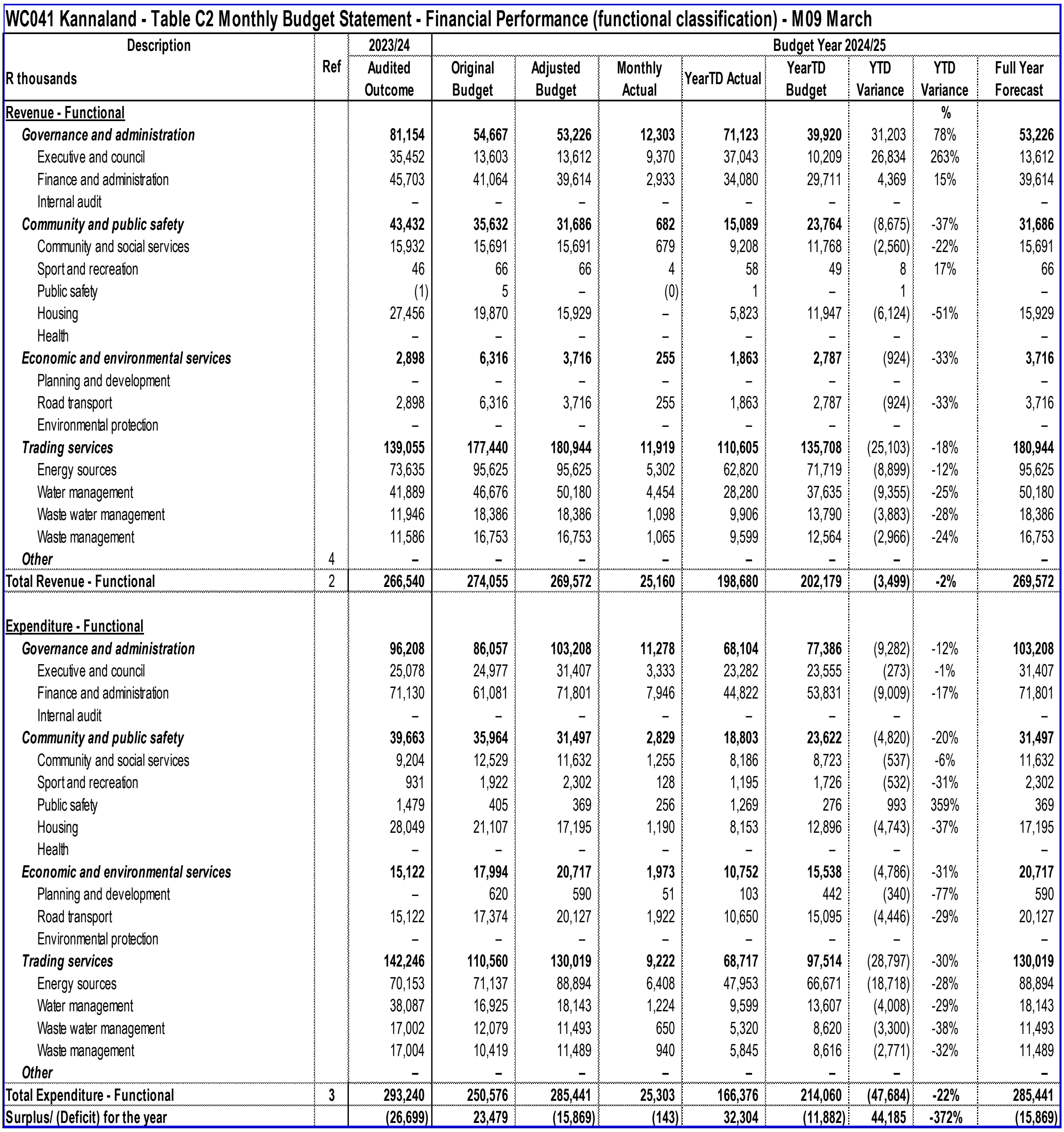
## 2.1 TABLE C1 – MONTHLY BUDGET SUMMARY

**WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M09 March**

| Description | 2023/24 | Budget Year 2024/25 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| **Financial Performance** | | | | | | | | % | |
| Property rates | 28,008 | 28,234 | 28,234 | 2,374 | 21,372 | 21,175 | 197 | 1% | 28,234 |
| Service charges | 124,861 | 134,359 | 134,359 | 9,020 | 96,683 | 100,769 | (4,086) | -4% | 134,359 |
| Investment revenue | 1,762 | 1,500 | 1,500 | 142 | 1,095 | 1,125 | (30) | -3% | 1,500 |
| Transfers and subsidies - Operational | 72,746 | 65,516 | 64,134 | 9,809 | 48,472 | 48,101 | 372 | 1% | 64,134 |
| Other own revenue | 22,552 | 22,164 | 15,559 | 1,442 | 19,056 | 11,669 | 7,387 | 63% | 15,559 |
| **Total Revenue (excluding capital transfers and** | **249,930** | **251,773** | **243,786** | **22,787** | **186,679** | **182,839** | **3,840** | **2%** | **243,786** |
| Employee costs | 93,649 | 88,441 | 109,095 | 13,381 | 79,798 | 81,802 | (2,004) | -2% | 109,095 |
| Remuneration of Councillors | 3,956 | 3,635 | 3,764 | 323 | 3,335 | 2,823 | 511 | 18% | 3,764 |
| Depreciation and amortisation | 17,799 | 12,314 | 12,314 | 1,026 | 9,249 | 9,236 | 13 | 0% | 12,314 |
| Interest | 4,185 | 1,300 | 1,300 | 17 | 117 | 975 | (858) | -88% | 1,300 |
| Inventory consumed and bulk purchases | 65,420 | 70,475 | 83,764 | 5,955 | 44,045 | 62,823 | (18,779) | -30% | 83,764 |
| Transfers and subsidies | 396 | 400 | 602 | – | 355 | 451 | (97) | -21% | 602 |
| Other expenditure | 107,834 | 74,011 | 74,601 | 4,602 | 29,478 | 55,950 | (26,472) | -47% | 74,601 |
| **Total Expenditure** | **293,240** | **250,576** | **285,441** | **25,303** | **166,376** | **214,060** | **(47,684)** | **-22%** | **285,441** |
| **Surplus/(Deficit)** | **(43,310)** | **1,197** | **(41,655)** | **(2,516)** | **20,303** | **(31,221)** | **51,525** | **-165%** | **(41,655)** |
| Transfers and subsidies - capital (monetary allocations) | 16,611 | 22,282 | 25,786 | 2,373 | 12,000 | 19,339 | (7,339) | -38% | 25,786 |
| Transfers and subsidies - capital (in-kind) | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | **(26,699)** | **23,479** | **(15,869)** | **(143)** | **32,304** | **(11,882)** | **44,185** | **-372%** | **(15,869)** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| Intercompany/Parent subsidiary transactions | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **(26,699)** | **23,479** | **(15,869)** | **(143)** | **32,304** | **(11,882)** | **44,185** | **-372%** | **(15,869)** |
| | | | | | | | | | |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **33,026** | **32,938** | **25,946** | **2,508** | **11,052** | **19,459** | **(8,407)** | **-43%** | **25,946** |
| Capital transfers recognised | 21,747 | 32,938 | 25,786 | 2,508 | 11,052 | 19,339 | (8,287) | -43% | 25,786 |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | 11,279 | – | – | – | – | – | – | | – |
| **Total sources of capital funds** | **33,026** | **32,938** | **25,786** | **2,508** | **11,052** | **19,339** | **(8,287)** | **-43%** | **25,786** |
| | | | | | | | | | |
| **Financial position** | | | | | | | | | |
| Total current assets | 19,001 | 64,826 | (66,698) | | 64,500 | | | | (66,698) |
| Total non current assets | 309,530 | 320,603 | 313,611 | | 311,347 | | | | 313,611 |
| Total current liabilities | 90,830 | 64,732 | (34,486) | | 116,672 | | | | (34,486) |
| Total non current liabilities | 47,140 | 75,972 | 75,972 | | 47,140 | | | | 75,972 |
| **Community wealth/Equity** | **190,560** | **244,725** | **244,725** | | **212,034** | | | | **244,725** |
| | | | | | | | | | |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | 59,159 | 6,972 | (117,647) | (5,257) | 85,776 | (87,848) | (173,623) | 198% | 231,199 |
| Net cash from (used) investing | (14,217) | (22,282) | (25,786) | (2,447) | (12,330) | 19,339 | 31,670 | 164% | 25,786 |
| Net cash from (used) financing | – | – | – | – | – | – | – | | – |
| **Cash/cash equivalents at the month/year end** | **81,587** | **74,878** | **(53,245)** | **–** | **113,286** | **21,679** | **(91,606)** | **-423%** | **296,825** |
| | | | | | | | | | |
| **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 | 6,155 | 4,032 | 3,218 | 3,216 | 3,034 | 3,181 | 17,676 | 127,242 | 167,754 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 9,908 | 8,131 | 11,382 | – | – | – | – | 79,891 | 109,311 |

# 2.2 TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE

## (Functional Classification)



WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

| Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| Revenue - Functional | | | | | | | | | % | |
| ***Governance and administration*** | | **81,154** | **54,667** | **53,226** | **12,303** | **71,123** | **39,920** | 31,203 | 78% | **53,226** |
| Executive and council | | 35,452 | 13,603 | 13,612 | 9,370 | 37,043 | 10,209 | 26,834 | 263% | 13,612 |
| Finance and administration | | 45,703 | 41,064 | 39,614 | 2,933 | 34,080 | 29,711 | 4,369 | 15% | 39,614 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **43,432** | **35,632** | **31,686** | **682** | **15,089** | **23,764** | (8,675) | -37% | **31,686** |
| Community and social services | | 15,932 | 15,691 | 15,691 | 679 | 9,208 | 11,768 | (2,560) | -22% | 15,691 |
| Sport and recreation | | 46 | 66 | 66 | 4 | 58 | 49 | 8 | 17% | 66 |
| Public safety | | (1) | 5 | – | (0) | 1 | – | 1 | | – |
| Housing | | 27,456 | 19,870 | 15,929 | – | 5,823 | 11,947 | (6,124) | -51% | 15,929 |
| Health | | – | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **2,898** | **6,316** | **3,716** | **255** | **1,863** | **2,787** | (924) | -33% | **3,716** |
| Planning and development | | – | – | – | – | – | – | – | | – |
| Road transport | | 2,898 | 6,316 | 3,716 | 255 | 1,863 | 2,787 | (924) | -33% | 3,716 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| ***Trading services*** | | **139,055** | **177,440** | **180,944** | **11,919** | **110,605** | **135,708** | (25,103) | -18% | **180,944** |
| Energy sources | | 73,635 | 95,625 | 95,625 | 5,302 | 62,820 | 71,719 | (8,899) | -12% | 95,625 |
| Water management | | 41,889 | 46,676 | 50,180 | 4,454 | 28,280 | 37,635 | (9,355) | -25% | 50,180 |
| Waste water management | | 11,946 | 18,386 | 18,386 | 1,098 | 9,906 | 13,790 | (3,883) | -28% | 18,386 |
| Waste management | | 11,586 | 16,753 | 16,753 | 1,065 | 9,599 | 12,564 | (2,966) | -24% | 16,753 |
| ***Other*** | 4 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **Total Revenue - Functional** | 2 | **266,540** | **274,055** | **269,572** | **25,160** | **198,680** | **202,179** | **(3,499)** | **-2%** | **269,572** |
| | | | | | | | | | | |
| Expenditure - Functional | | | | | | | | | | |
| ***Governance and administration*** | | **96,208** | **86,057** | **103,208** | **11,278** | **68,104** | **77,386** | (9,282) | -12% | **103,208** |
| Executive and council | | 25,078 | 24,977 | 31,407 | 3,333 | 23,282 | 23,555 | (273) | -1% | 31,407 |
| Finance and administration | | 71,130 | 61,081 | 71,801 | 7,946 | 44,822 | 53,831 | (9,009) | -17% | 71,801 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **39,663** | **35,964** | **31,497** | **2,829** | **18,803** | **23,622** | (4,820) | -20% | **31,497** |
| Community and social services | | 9,204 | 12,529 | 11,632 | 1,255 | 8,186 | 8,723 | (537) | -6% | 11,632 |
| Sport and recreation | | 931 | 1,922 | 2,302 | 128 | 1,195 | 1,726 | (532) | -31% | 2,302 |
| Public safety | | 1,479 | 405 | 369 | 256 | 1,269 | 276 | 993 | 359% | 369 |
| Housing | | 28,049 | 21,107 | 17,195 | 1,190 | 8,153 | 12,896 | (4,743) | -37% | 17,195 |
| Health | | – | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **15,122** | **17,994** | **20,717** | **1,973** | **10,752** | **15,538** | (4,786) | -31% | **20,717** |
| Planning and development | | – | 620 | 590 | 51 | 103 | 442 | (340) | -77% | 590 |
| Road transport | | 15,122 | 17,374 | 20,127 | 1,922 | 10,650 | 15,095 | (4,446) | -29% | 20,127 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| ***Trading services*** | | **142,246** | **110,560** | **130,019** | **9,222** | **68,717** | **97,514** | (28,797) | -30% | **130,019** |
| Energy sources | | 70,153 | 71,137 | 88,894 | 6,408 | 47,953 | 66,671 | (18,718) | -28% | 88,894 |
| Water management | | 38,087 | 16,925 | 18,143 | 1,224 | 9,599 | 13,607 | (4,008) | -29% | 18,143 |
| Waste water management | | 17,002 | 12,079 | 11,493 | 650 | 5,320 | 8,620 | (3,300) | -38% | 11,493 |
| Waste management | | 17,004 | 10,419 | 11,489 | 940 | 5,845 | 8,616 | (2,771) | -32% | 11,489 |
| ***Other*** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **Total Expenditure - Functional** | 3 | **293,240** | **250,576** | **285,441** | **25,303** | **166,376** | **214,060** | **(47,684)** | **-22%** | **285,441** |
| **Surplus/ (Deficit) for the year** | | **(26,699)** | **23,479** | **(15,869)** | **(143)** | **32,304** | **(11,882)** | **44,185** | **-372%** | **(15,869)** |

## 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) - M09 March**

| Vote Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| **Revenue by Vote** | 1 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | 35,452 | 13,603 | 13,612 | 9,370 | 37,043 | 10,209 | 26,834 | 262.8% | 13,612 |
| Vote 2 - CORPORATE SERVICES | | 45,258 | 44,530 | 33,984 | 778 | 15,404 | 25,488 | (10,084) | -39.6% | 33,984 |
| Vote 3 - FINANCIAL SERVICES | | 44,987 | 36,666 | 39,216 | 2,909 | 33,720 | 29,412 | 4,308 | 14.6% | 39,216 |
| Vote 4 - TECHNICAL SERVICES | | 140,844 | 179,256 | 182,760 | 12,103 | 112,513 | 137,070 | (24,557) | -17.9% | 182,760 |
| Vote 5 - CALITZDORP SPA | | – | – | – | – | – | – | – | | – |
| Vote 6 - CORPORATE SERVICES (Continued) | | – | – | – | – | – | – | – | | – |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| **Total Revenue by Vote** | 2 | **266,540** | **274,055** | **269,572** | **25,160** | **198,680** | **202,179** | **(3,499)** | **-1.7%** | **269,572** |
| | | | | | | | | | | |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | 25,078 | 24,977 | 31,407 | 3,333 | 23,282 | 23,555 | (273) | -1.2% | 31,407 |
| Vote 2 - CORPORATE SERVICES | | 67,531 | 61,804 | 67,920 | 7,029 | 45,199 | 50,921 | (5,722) | -11.2% | 67,920 |
| Vote 3 - FINANCIAL SERVICES | | 44,257 | 38,553 | 38,715 | 4,234 | 19,836 | 29,036 | (9,201) | -31.7% | 38,715 |
| Vote 4 - TECHNICAL SERVICES | | 154,980 | 123,029 | 145,785 | 10,705 | 77,682 | 109,338 | (31,656) | -29.0% | 145,785 |
| Vote 5 - CALITZDORP SPA | | – | – | – | – | – | – | – | | – |
| Vote 6 - CORPORATE SERVICES (Continued) | | 1,393 | 2,214 | 1,614 | 2 | 377 | 1,210 | (833) | -68.9% | 1,614 |
| 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** | **285,441** | **25,303** | **166,376** | **214,060** | **(47,684)** | **-22.3%** | **285,441** |
| **Surplus/ (Deficit) for the year** | 2 | **(26,699)** | **23,479** | **(15,869)** | **(143)** | **32,304** | **(11,882)** | **44,185** | **-371.9%** | **(15,869)** |

## 2.4 TABLE C4 – MONTHLY FINANCIAL PERFROMANCE

**WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March**

| Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| **Revenue** | | | | | | | | | % | |
| **Exchange Revenue** | | 138,298 | 147,437 | 147,432 | 10,224 | 107,015 | 110,574 | (3,558) | -3% | 147,432 |
| Service charges - Electricity | | 73,292 | 89,822 | 89,822 | 5,282 | 62,488 | 67,367 | (4,878) | -7% | 89,822 |
| Service charges - Water | | 33,366 | 24,044 | 24,044 | 2,080 | 19,017 | 18,033 | 984 | 5% | 24,044 |
| Service charges - Waste Water Management | | 9,196 | 10,415 | 10,415 | 839 | 7,677 | 7,811 | (134) | -2% | 10,415 |
| Service charges - Waste management | | 9,006 | 10,078 | 10,078 | 820 | 7,501 | 7,559 | (58) | -1% | 10,078 |
| Sale of Goods and Rendering of Services | | 483 | 419 | 409 | 16 | 314 | 307 | 8 | 3% | 409 |
| Agency services | | 1,208 | 1,450 | 1,450 | 126 | 1,083 | 1,087 | (5) | 0% | 1,450 |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 8,623 | 7,832 | 7,832 | 816 | 6,948 | 5,874 | 1,074 | 18% | 7,832 |
| Interest earned from Current and Non Current Assets | | 1,762 | 1,500 | 1,500 | 142 | 1,095 | 1,125 | (30) | -3% | 1,500 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Rent on Land | | – | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 670 | 1,148 | 1,148 | 61 | 518 | 861 | (343) | -40% | 1,148 |
| Licence and permits | | 202 | 663 | 663 | 15 | 158 | 497 | (339) | -68% | 663 |
| Operational Revenue | | 487 | 66 | 71 | 27 | 216 | 53 | 162 | 304% | 71 |
| **Non-Exchange Revenue** | | 111,632 | 104,336 | 96,354 | 12,563 | 79,664 | 72,265 | 7,399 | 10% | 96,354 |
| Property rates | | 28,008 | 28,234 | 28,234 | 2,374 | 21,372 | 21,175 | 197 | 1% | 28,234 |
| Surcharges and Taxes | | 6,032 | – | – | – | 6,604 | – | 6,604 | | – |
| Fines, penalties and forfeits | | 921 | 2,561 | 561 | 30 | 157 | 421 | (264) | -63% | 561 |
| Licence and permits | | 0 | 1,086 | 486 | – | – | 364 | (364) | -100% | 486 |
| Transfer and subsidies - Operational | | 72,746 | 65,516 | 64,134 | 9,809 | 48,472 | 48,101 | 372 | 1% | 64,134 |
| Interest | | 3,208 | 2,939 | 2,939 | 292 | 2,525 | 2,204 | 321 | 15% | 2,939 |
| Fuel Levy | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 716 | – | – | 59 | 533 | – | 533 | | – |
| Gains on disposal of Assets | | – | 4,000 | – | – | – | – | – | | – |
| Other Gains | | – | – | – | – | – | – | – | | – |
| Discontinued Operations | | – | – | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and** | | **249,930** | **251,773** | **243,786** | **22,787** | **186,679** | **182,839** | **3,840** | **2%** | **243,786** |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | 93,649 | 88,441 | 109,095 | 13,381 | 79,798 | 81,802 | (2,004) | -2% | 109,095 |
| Remuneration of councillors | | 3,956 | 3,635 | 3,764 | 323 | 3,335 | 2,823 | 511 | 18% | 3,764 |
| Bulk purchases - electricity | | 60,101 | 60,529 | 75,798 | 5,525 | 41,363 | 56,848 | (15,485) | -27% | 75,798 |
| Inventory consumed | | 5,318 | 9,946 | 7,966 | 430 | 2,681 | 5,975 | (3,293) | -55% | 7,966 |
| Debt impairment | | 29,222 | 11,933 | 11,933 | – | – | 8,950 | (8,950) | -100% | 11,933 |
| Depreciation and amortisation | | 17,799 | 12,314 | 12,314 | 1,026 | 9,249 | 9,236 | 13 | 0% | 12,314 |
| Interest | | 4,185 | 1,300 | 1,300 | 17 | 117 | 975 | (858) | -88% | 1,300 |
| Contracted services | | 35,829 | 35,267 | 36,698 | 3,666 | 17,342 | 27,524 | (10,181) | -37% | 36,698 |
| Transfers and subsidies | | 396 | 400 | 602 | – | 355 | 451 | (97) | -21% | 602 |
| Irrecoverable debts written off | | 17,622 | – | – | – | 747 | – | 747 | | – |
| Operational costs | | 23,403 | 26,810 | 25,970 | 936 | 11,389 | 19,477 | (8,088) | -42% | 25,970 |
| Losses on Disposal of Assets | | 1,272 | – | – | – | – | – | – | | – |
| Other Losses | | 486 | – | – | – | – | – | – | | – |
| **Total Expenditure** | | **293,240** | **250,576** | **285,441** | **25,303** | **166,376** | **214,060** | **(47,684)** | **-22%** | **285,441** |
| **Surplus/(Deficit)** | | **(43,310)** | **1,197** | **(41,655)** | **(2,516)** | **20,303** | **(31,221)** | **51,525** | **(0)** | **(41,655)** |
| Transfers and subsidies - capital (monetary allocations) | | 16,611 | 22,282 | 25,786 | 2,373 | 12,000 | 19,339 | (7,339) | **(0)** | 25,786 |
| Transfers and subsidies - capital (in-kind) | | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **(26,699)** | **23,479** | **(15,869)** | **(143)** | **32,304** | **(11,882)** | | | **(15,869)** |
| Income Tax | | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after income tax** | | **(26,699)** | **23,479** | **(15,869)** | **(143)** | **32,304** | **(11,882)** | | | **(15,869)** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | | | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | | | – |
| **Surplus/(Deficit) attributable to municipality** | | **(26,699)** | **23,479** | **(15,869)** | **(143)** | **32,304** | **(11,882)** | | | **(15,869)** |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | | | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | | | – |
| **Surplus/ (Deficit) for the year** | | **(26,699)** | **23,479** | **(15,869)** | **(143)** | **32,304** | **(11,882)** | | | **(15,869)** |

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** – Electricity amounts to R 5.2 million for **March 2025** and R 62.4 million YTD which represents **-7%** variance to the budget.

- **Service Charges** – Water amounts to R 2.0 million for **March 2025** and R 19 million YTD which represents **5%** variance to the budget.

- **Interest on outstanding debtors** – **18%** YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Rental from fixed Assets –** amounted to R 61 thousand and R 518 thousand YTD which represents a negative **40**% variance to the budget.
- **Licence and permits** - (negative **68%** YTD variance from the budget). Amounted to R 15 thousand for the month of **March 2025**.
- **Fines, Penalties & Forfeits** – Almost no activity, with a negative **66%** 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 13.3 million for **March 2025** and R 79.7million YTD, this represents a negative **2%** spending on the budget. The variance on employee related cost is due to salary increases, and high overtime and standby during the month of reporting.
- **Remuneration of Councillors –** amounted to R 323 thousand for **March 2025** and R 3.3 million YTD, this represents a **18%** on the budget.
- **Bulk Purchases –**amounted to **5.5 million** for the month under review and represents a negative **27%** on the budget.
- **Inventory Consumed –** represents a negative **55%** negative on the budget.
- **Contracted Services** – amounted to R 3.6 million in **March 2025** and R 17.3 million YTD.
- **Other Expenditure** - amounted to R 936 thousand in **March 2025.**

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) - M09 March**

| Vote Description | Ref | 2023/24 | Budget Year 2024/25 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | – | – | – | – | – | – | – | | – |
| Vote 2 - CORPORATE SERVICES | | 193 | – | – | – | – | – | – | | – |
| Vote 3 - FINANCIAL SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 4 - TECHNICAL SERVICES | | 26,554 | 22,178 | 25,682 | 2,508 | 11,052 | 19,261 | (8,209) | -43% | 25,682 |
| 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** | **25,682** | **2,508** | **11,052** | **19,261** | **(8,209)** | **-43%** | **25,682** |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | – | – | – | – | – | – | – | | – |
| Vote 2 - CORPORATE SERVICES | | – | – | 160 | – | – | 120 | (120) | -100% | 160 |
| Vote 3 - FINANCIAL SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 4 - TECHNICAL SERVICES | | 6,279 | 10,760 | 104 | – | – | 78 | (78) | -100% | 104 |
| 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 | 264 | – | – | 198 | **(198)** | **-100%** | 264 |
| **Total Capital Expenditure** | 3 | **33,026** | **32,938** | **25,946** | **2,508** | **11,052** | **19,459** | **(8,407)** | **-43%** | **25,946** |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| ***Governance and administration*** | | **–** | **–** | **–** | **–** | **–** | **–** | – | | **–** |
| Executive and council | | – | – | – | – | – | – | – | | – |
| Finance and administration | | – | – | – | – | – | – | – | | – |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **193** | **–** | **160** | **–** | **–** | **120** | (120) | -100% | **160** |
| Community and social services | | 51 | – | 160 | – | – | 120 | (120) | -100% | 160 |
| 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** | **25,786** | **2,508** | **11,052** | **19,339** | (8,287) | -43% | **25,786** |
| Energy sources | | 384 | 626 | 626 | – | – | 469 | (469) | -100% | 626 |
| Water management | | 7,093 | 12,656 | 5,504 | 147 | 147 | 4,128 | (3,981) | -96% | 5,504 |
| Waste water management | | 24,225 | 17,956 | 17,198 | 2,362 | 8,596 | 12,899 | (4,303) | -33% | 17,198 |
| Waste management | | 1,130 | 1,700 | 2,458 | – | 2,309 | 1,843 | 466 | 25% | 2,458 |
| ***Other*** | | – | – | – | – | – | – | – | | – |
| **Total Capital Expenditure - Functional Classification** | 3 | **33,026** | **32,938** | **25,946** | **2,508** | **11,052** | **19,459** | **(8,407)** | **-43%** | **25,946** |
| **Funded by:** | | | | | | | | | | |
| National Government | | 20,662 | 30,416 | 19,760 | 2,362 | 10,905 | 14,820 | (3,915) | -26% | 19,760 |
| Provincial Government | | 1,085 | 2,522 | 6,026 | 147 | 147 | 4,519 | (4,373) | -97% | 6,026 |
| 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** | **25,786** | **2,508** | **11,052** | **19,339** | **(8,287)** | **-43%** | **25,786** |
| **Borrowing** | 6 | – | – | – | – | – | – | – | | – |
| **Internally generated funds** | | 11,279 | – | – | – | – | – | – | | – |
| **Total Capital Funding** | 7 | **33,026** | **32,938** | **25,786** | **2,508** | **11,052** | **19,339** | **(8,287)** | **-43%** | **25,786** |

## CAPITAL EXPENDITURE

- The Municipality remains on track with its capital expenditure. It had a **R 2.3 million** expenditure in **March 2025.**

## 2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

**WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M09 March**

| 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 | (103,404) | 28,027 | (103,404) |
| Trade and other receivables from exchange transactions | | 32,456 | 6,414 | 6,409 | 43,753 | 6,409 |
| Receivables from non-exchange transactions | | 2,459 | 3,322 | (678) | 6,846 | (678) |
| Current portion of non-current receivables | | – | – | – | – | – |
| Inventory | | 1,974 | 1,981 | 3,959 | 1,974 | 3,959 |
| VAT | | (26,534) | 25,953 | 25,953 | (14,996) | 25,953 |
| Other current assets | | (1,062) | 1,063 | 1,063 | (1,105) | 1,063 |
| **Total current assets** | | **19,001** | **64,826** | **(66,698)** | **64,500** | **(66,698)** |
| **Non current assets** | | | | | | |
| Investments | | – | – | – | – | – |
| Investment property | | 1,064 | 1,116 | 1,116 | 1,064 | 1,116 |
| Property, plant and equipment | | 308,458 | 319,477 | 312,485 | 310,275 | 312,485 |
| 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** | **313,611** | **311,347** | **313,611** |
| **TOTAL ASSETS** | | **328,531** | **385,429** | **246,913** | **375,847** | **246,913** |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | – | – | – | – | – |
| Consumer deposits | | 1,446 | 1,364 | 1,364 | 1,569 | 1,364 |
| Trade and other payables from exchange transactions | | 89,925 | 25,374 | (78,857) | 89,191 | (78,857) |
| Trade and other payables from non-exchange transactions | | 14,991 | 8,402 | 13,415 | 28,526 | 13,415 |
| Provision | | 4,735 | 7,477 | 7,477 | 4,735 | 7,477 |
| VAT | | (20,267) | 22,114 | 22,114 | (7,350) | 22,114 |
| Other current liabilities | | – | – | – | – | – |
| **Total current liabilities** | | **90,830** | **64,732** | **(34,486)** | **116,672** | **(34,486)** |
| **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** | **41,486** | **163,813** | **41,486** |
| **NET ASSETS** | 2 | **190,560** | **244,725** | **205,427** | **212,034** | **205,427** |
| **COMMUNITY WEALTH/EQUITY** | | | | | | |
| Accumulated Surplus/(Deficit) | | 190,098 | 237,309 | 237,309 | 211,572 | 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** | **212,034** | **244,725** |

## 2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

**WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M09 March**

| 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 | 25,125 | 1,743 | 14,839 | 18,844 | (4,005) | -21% | 25,125 |
| Service charges | | 82,221 | 123,878 | 123,878 | 9,068 | 76,956 | 92,908 | (15,952) | -17% | 123,878 |
| Other revenue | | 16,053 | 8,716 | 6,115 | 512 | 15,126 | 4,587 | 10,539 | 230% | 6,115 |
| Transfers and Subsidies - Operational | | 73,430 | 62,503 | 64,134 | 9,370 | 56,093 | 48,101 | 7,992 | 17% | 64,134 |
| Transfers and Subsidies - Capital | | 19,652 | 19,760 | 25,264 | – | 17,927 | 18,948 | (1,021) | -5% | 25,264 |
| Interest | | 3 | 6,657 | 6,657 | – | – | 4,993 | (4,993) | -100% | 6,657 |
| Dividends | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | (149,375) | (239,702) | (368,821) | (25,950) | (95,165) | (276,228) | (181,063) | 66% | (19,975) |
| Interest | | – | – | – | – | – | – | – | | – |
| Transfers and Subsidies | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **59,159** | **6,972** | **(117,647)** | **(5,257)** | **85,776** | **(87,848)** | **(173,623)** | **198%** | **231,199** |
| | | | | | | | | | | |
| **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) | (25,786) | (2,447) | (12,330) | 19,339 | 31,670 | 164% | 25,786 |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **(14,217)** | **(22,282)** | **(25,786)** | **(2,447)** | **(12,330)** | **19,339** | **31,670** | **164%** | **25,786** |
| | | | | | | | | | | |
| **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)** | **(143,433)** | **(7,704)** | **73,445** | **(68,508)** | | | **256,985** |
| 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 | (53,245) | | 113,286 | 21,679 | | | 296,825 |

The total bank balance ending of **March 2025** were as follow;

- Standard Bank Main Account is **R 546 thousand;**
- The Traffic Account has **R 626 thousand;**
- Deposit Account has **R 3.6 million**;
- Call Account has **R 23 million**; and
- Eskom Bulk Account has **R 445 thousand.**

# SECTION 3 SUPPORTING DOCUMENTATION

## 3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

**WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March**

| Description | | Budget Year 2024/25 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | NT Code | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| **Debtors Age Analysis By Income Source** | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 3,017 | 1,573 | 1,069 | 1,156 | 852 | 1,030 | 5,155 | 25,357 | 39,210 | 33,551 | – | – |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 1,655 | 301 | 141 | 169 | 164 | 119 | 1,469 | 1,088 | 5,106 | 3,009 | – | – |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 2,631 | 761 | 651 | 569 | 635 | 613 | 3,311 | 25,292 | 34,463 | 30,420 | – | – |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 849 | 408 | 403 | 398 | 406 | 407 | 2,143 | 14,967 | 19,982 | 18,321 | – | – |
| Receivables from Exchange Transactions - Waste Management | 1600 | 1,584 | 658 | 638 | 617 | 636 | 640 | 3,258 | 21,598 | 29,628 | 26,748 | – | – |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | – | – | – | – | – | – | – | 0 | 0 | 0 | – | – |
| Interest on Arrear Debtor Accounts | 1810 | 42 | 75 | 83 | 112 | 135 | 164 | 1,332 | 34,392 | 36,336 | 36,135 | – | – |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | 1900 | (3,624) | 255 | 233 | 195 | 205 | 209 | 1,007 | 4,548 | 3,028 | 6,164 | – | – |
| **Total By Income Source** | **2000** | **6,155** | **4,032** | **3,218** | **3,216** | **3,034** | **3,181** | **17,676** | **127,242** | **167,754** | **154,349** | **–** | **–** |
| **2023/24 - totals only** | | | | | | | | | | – | – | | |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | | | | | |
| Organs of State | 2200 | (652) | 227 | 86 | 30 | 21 | 25 | 47 | 299 | 82 | 422 | – | – |
| Commercial | 2300 | 168 | 260 | 181 | 156 | 166 | 145 | 802 | 5,370 | 7,247 | 6,639 | – | – |
| Households | 2400 | 6,904 | 3,415 | 2,833 | 2,912 | 2,703 | 2,860 | 15,957 | 109,773 | 147,358 | 134,206 | – | – |
| Other | 2500 | (265) | 130 | 118 | 118 | 143 | 151 | 870 | 11,800 | 13,066 | 13,082 | – | – |
| **Total By Customer Group** | **2600** | **6,155** | **4,032** | **3,218** | **3,216** | **3,034** | **3,181** | **17,676** | **127,242** | **167,754** | **154,349** | **–** | **–** |

The total amount owed to Kannaland Municipality amounted to **R 167 million** at the end of **March 2025**.

- **R127 million or 75.85%** of the total outstanding debtors are older than one year.
- **R154 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 - M09 March**

| Description<br>R thousands | NT Code | Budget Year 2024/25<br>0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Creditors Age Analysis By Customer Type** | | | | | | | | | | |
| Bulk Electricity | 0100 | 13 161 | 6 068 | – | – | – | – | – | 50 228 | **69 457** |
| Bulk Water | 0200 | – | – | – | – | – | – | – | – | **–** |
| PAYE deductions | 0300 | – | – | – | – | – | – | – | – | **–** |
| VAT (output less input) | 0400 | – | – | – | – | – | – | – | – | **–** |
| Pensions / Retirement deductions | 0500 | – | – | – | – | – | – | – | – | **–** |
| Loan repayments | 0600 | – | – | – | – | – | – | – | – | **–** |
| Trade Creditors | 0700 | 774 | 161 | 55 | – | – | – | – | 1 889 | **2 879** |
| Auditor General | 0800 | 1 382 | 2 036 | 1 802 | – | – | – | – | 13 240 | **18 459** |
| Other | 0900 | 832 | 119 | 84 | – | – | – | – | 14 085 | **15 120** |
| **Total By Customer Type** | **1000** | **16 150** | **8 384** | **1 940** | **–** | **–** | **–** | **–** | **79 441** | **105 915** |

- The total outstanding creditors as at the end of **March** 2025 amounts to **R 105.9 million**.

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

- ESKOM = R69 million, of which the entire amount is conditionally written off. The other R36.4 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R33.5 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.8 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

| 3/31/2025 | | | | |
|---|---|---|---|---|
| | **Original Budget** | **Total Received** | **Total Spent** | **Unspent** |
| **Grant Name** | Amount | | | |
| **Provincial Government** | **R29,567,814.00** | **R17,348,262.00** | **R10,060,562.31** | **R 7,287,699.69** |
| Housing | R 4,800,000.00 | R 4,800,000.00 | R 2,712,375.21 | R 2,087,624.79 |
| Human Settlement Grant | R 14,167,000.00 | R 4,354,262.00 | R 4,354,262.00 | R - |
| Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure | R - | | | R - |
| Title Deeds Restoration Grant | R 403,000.00 | | | R - |
| Informal Settlm Upgrading Partnership Grant | R 500,000.00 | | | R - |
| Lib Replacement: Vulnerable Mun | R 3,559,000.00 | R 3,559,000.00 | R 2,092,908.64 | R 1,466,091.36 |
| Municipal Water Resilience Grant | R 1,503,814.00 | | R 168,693.50 | R 1,335,120.50 |
| Municipal Water Resilience Grant | R 4,000,000.00 | R 4,000,000.00 | | R 4,000,000.00 |
| Municipal Energy Resilience Grant | R 522,000.00 | R 522,000.00 | | R 522,000.00 |
| Comm Dev Workers | R 113,000.00 | R 113,000.00 | R 68,559.13 | R 44,440.87 |
| **National Government Grants** | **R61,955,000.00** | **R47,711,000.00** | **R43,199,071.35** | **R 4,511,928.65** |
| Equitable Share | R 37,479,000.00 | R 27,621,000.00 | R 27,621,000.00 | R - |
| FMG (Audit) | R 2,900,000.00 | R 2,900,000.00 | R 1,690,177.80 | R 1,209,822.20 |
| Mun Infrastructure Grant | R 560,850.00 | R 560,850.00 | R 426,007.03 | R 134,842.97 |
| Mun Infrastructure Grant | R 10,656,150.00 | R 6,374,150.00 | R 5,437,071.10 | R 937,078.90 |
| EPWP | R 1,255,000.00 | R 1,255,000.00 | R 1,165,617.28 | R 89,382.72 |
| INEP | R - | | | R - |
| INEP (Eskom) | R 104,000.00 | | | R - |
| WSIG | R 9,000,000.00 | R 9,000,000.00 | R 6,220,475.71 | R 2,779,524.29 |

**The following indicates expenditure on each respective grant received (Operational) and (Capital) for March 2025 –**

**Received**

**Provincial Treasury**

Municipal Water and Electricity Resilience Grant amounts to **R4.522 million.**

**National Treasury**

**Expenditure:**

- Financial Management Grant amounts to **R 32 thousand.**
- Municipal Infrastructure Grant PMU amounts to **R84 thousand**
- Municipal Infrastructure Grant amounts to **R 174 thousand.**
- Expanded Public Works Programme amounts to **R 99 thousand.**
- Water Service Infrastructure Grant amounts to **R 1.85 million.**
- Water Resilience Grant amounts to **R168 thousand.**

**Provincial Treasury**

**Expenditure:**

- Libraries Grant amounts to **R223 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 - M09 March**

| Summary of Employee and Councillor remuneration<br>R thousands | 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 |
| | 1 | A | B | C | | | | | | D |
| **Councillors (Political Office Bearers plus Other)** | | | | | | | | | | |
| Basic Salaries and Wages | | 3,354 | 3,306 | 3,414 | 248 | 2,743 | 2,561 | 182 | 7% | 3,414 |
| Pension and UIF Contributions | | 152 | – | 21 | 17 | 136 | 16 | 120 | 762% | 21 |
| Medical Aid Contributions | | 114 | – | – | 11 | 90 | – | 90 | | – |
| Motor Vehicle Allowance | | 36 | – | – | 22 | 141 | – | 141 | | – |
| Cellphone Allowance | | 300 | 329 | 329 | 25 | 225 | 247 | (22) | -9% | 329 |
| **Sub Total - Councillors** | | **3,956** | **3,635** | **3,764** | **323** | **3,335** | **2,823** | **511** | **18%** | **3,764** |
| **% increase** | 4 | | **-8.1%** | **-4.8%** | | | | | | **-4.8%** |
| | | | | | | | | | | |
| **Senior Managers of the Municipality** | 3 | | | | | | | | | |
| Basic Salaries and Wages | | 3,377 | 4,628 | 5,175 | 370 | 2,514 | 3,881 | (1,368) | -35% | 5,175 |
| Pension and UIF Contributions | | 7 | 9 | 9 | 1 | 4 | 6 | (2) | -39% | 9 |
| Motor Vehicle Allowance | | 303 | 676 | 676 | 46 | 208 | 507 | (299) | -59% | 676 |
| Cellphone Allowance | | 86 | 178 | 166 | 4 | 29 | 124 | (95) | -77% | 166 |
| Other benefits and allowances | | 22 | 136 | 83 | 4 | 40 | 63 | (23) | -36% | 83 |
| **Sub Total - Senior Managers of Municipality** | | **3,794** | **5,627** | **6,109** | **425** | **2,795** | **4,582** | **(1,787)** | **-39%** | **6,109** |
| **% increase** | 4 | | **48.3%** | **61.0%** | | | | | | **61.0%** |
| | | | | | | | | | | |
| **Other Municipal Staff** | | | | | | | | | | |
| Basic Salaries and Wages | | 61,213 | 55,034 | 71,839 | 9,136 | 53,635 | 53,879 | (244) | 0% | 71,839 |
| Pension and UIF Contributions | | 7,583 | 10,497 | 7,425 | 1,211 | 5,488 | 5,569 | (81) | -1% | 7,425 |
| Medical Aid Contributions | | 2,395 | 3,493 | 2,333 | 401 | 1,772 | 1,750 | 23 | 1% | 2,333 |
| Overtime | | 8,603 | 4,122 | 9,821 | 1,199 | 7,748 | 7,365 | 383 | 5% | 9,821 |
| Performance Bonus | | 789 | 725 | 632 | – | 1,558 | 474 | 1,084 | 229% | 632 |
| Motor Vehicle Allowance | | 3,614 | 3,089 | 4,416 | 548 | 3,132 | 3,312 | (180) | -5% | 4,416 |
| Cellphone Allowance | | 107 | 157 | 130 | 17 | 95 | 97 | (3) | -3% | 130 |
| Housing Allowances | | 339 | 1,200 | 481 | 172 | 354 | 361 | (7) | -2% | 481 |
| Other benefits and allowances | | 6,425 | 3,785 | 5,760 | 231 | 3,084 | 4,301 | (1,217) | -28% | 5,760 |
| Payments in lieu of leave | | 1,771 | 100 | 150 | – | 96 | 113 | (16) | -14% | 150 |
| Long service awards | | (2,985) | – | – | 41 | 41 | – | 41 | | – |
| **Sub Total - Other Municipal Staff** | | **89,854** | **82,200** | **102,986** | **12,955** | **77,003** | **77,220** | **(217)** | **0%** | **102,986** |
| **% increase** | 4 | | **-8.5%** | **14.6%** | | | | | | **14.6%** |
| **Total Parent Municipality** | | **97,604** | **91,462** | **112,859** | **13,703** | **83,132** | **84,625** | **(1,493)** | **-2%** | **112,859** |
| | | | | | | | | | | |
| **Unpaid salary, allowances & benefits in arrears:** | | | | | | | | | | |
| | | | | | | | | | | |
| **Board Members of Entities** | | | | | | | | | | |
| Medical Aid Contributions | | – | 614 | – | – | – | – | – | | – |
| Other benefits and allowances | | 1 | – | – | 0 | 1 | – | 1 | | – |
| **Sub Total - Executive members Board** | 2 | **1** | **614** | **–** | **0** | **1** | **–** | **1** | | **–** |
| **% increase** | 4 | | **74797.2%** | | | | | | | |
| | | | | | | | | | | |
| **Senior Managers of Entities** | | | | | | | | | | |
| **Sub Total - Senior Managers of Entities** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **% increase** | 4 | | | | | | | | | |
| | | | | | | | | | | |
| **Other Staff of Entities** | | | | | | | | | | |
| **Sub Total - Other Staff of Entities** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **% increase** | 4 | | | | | | | | | |
| **Total Municipal Entities** | | **1** | **614** | **–** | **0** | **1** | **–** | **1** | | **–** |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | | **97,605** | **92,076** | **112,859** | **13,703** | **83,133** | **84,625** | **(1,492)** | **-2%** | **112,859** |
| **% increase** | 4 | | **-5.7%** | **15.6%** | | | | | | **15.6%** |
| **TOTAL MANAGERS AND STAFF** | | **93,649** | **87,828** | **109,095** | **13,380** | **79,797** | **81,802** | **(2,004)** | **-2%** | **109,095** |

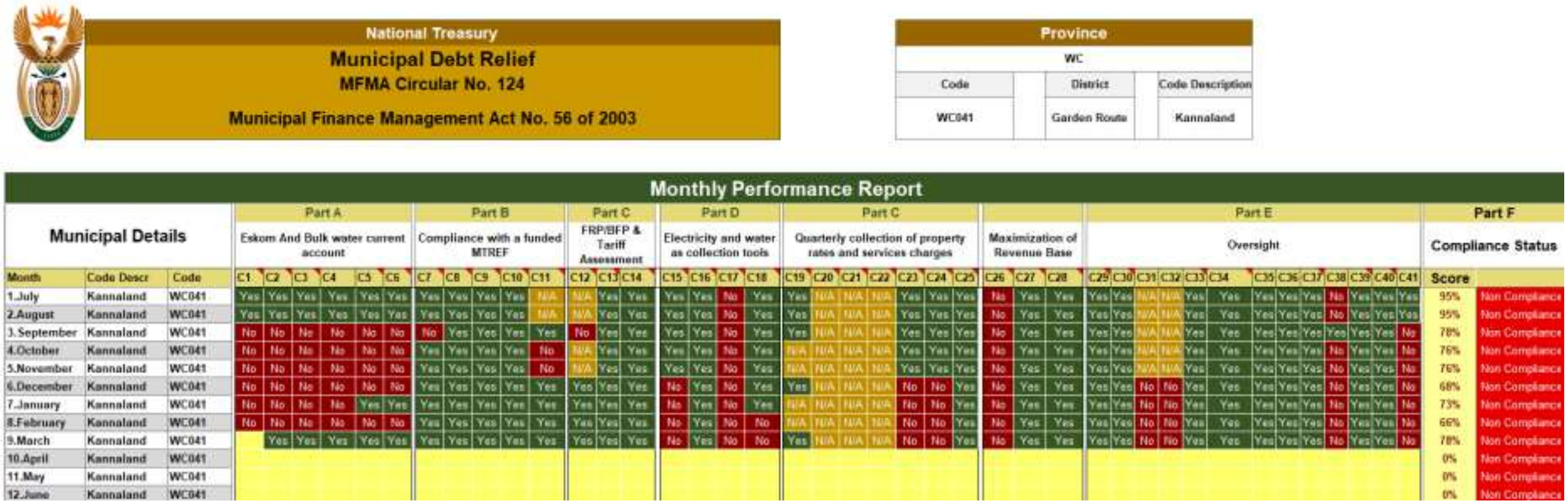
# SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN

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

# 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



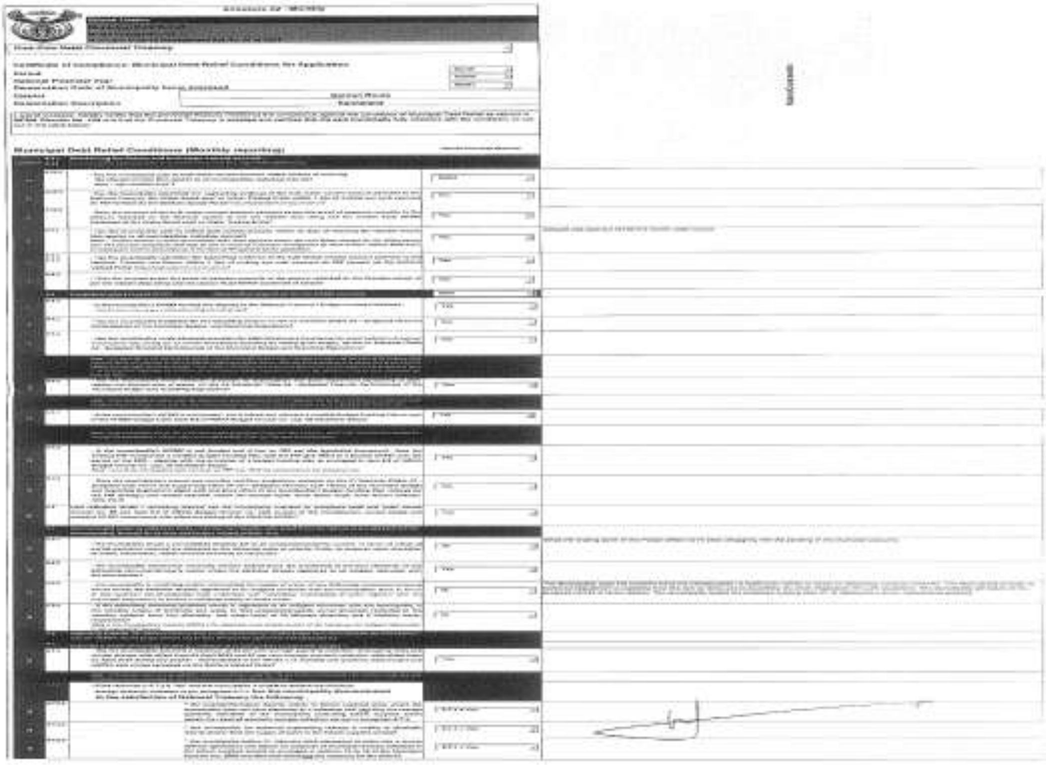
National Treasury
Municipal Debt Relief
MFMA Circular No. 124

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 | | | | | | | | | | Part E | | | | | | | | | | | | | Part F | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Eskom And Bulk water current account | | | | | | Compliance with a funded MTREF | | | | | FRP/BFP & Tariff Assessment | | | Electricity and water as collection tools | | | | Quarterly collection of property rates and services charges | | | | | | | Maximization of Revenue Base | | | Oversight | | | | | | | | | | | | | Compliance Status | |
| Month | Code Descr | Code | C1 | C2 | C3 | C4 | C5 | C6 | C7 | C8 | C9 | C10 | C11 | C12 | C13 | C14 | C15 | C16 | C17 | C18 | C19 | C20 | C21 | C22 | C23 | C24 | C25 | C26 | C27 | C28 | C29 | C30 | C31 | C32 | C33 | C34 | C35 | C36 | C37 | C38 | C39 | C40 | C41 | Score | |
| 1.July | Kannaland | WC041 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | No | Yes | Yes | N/A | N/A | N/A | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | 95% | Non Compliance |
| 2.August | Kannaland | WC041 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | No | Yes | Yes | N/A | N/A | N/A | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | 95% | Non Compliance |
| 3.September | Kannaland | WC041 | 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 | N/A | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 78% | Non Compliance |
| 4.October | Kannaland | WC041 | No | No | No | No | No | No | Yes | Yes | Yes | Yes | No | N/A | Yes | Yes | Yes | Yes | No | Yes | N/A | N/A | N/A | N/A | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | 76% | Non Compliance |
| 5.November | Kannaland | WC041 | No | No | No | No | No | No | Yes | Yes | Yes | Yes | No | N/A | Yes | Yes | Yes | Yes | No | Yes | N/A | N/A | N/A | N/A | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | 76% | Non Compliance |
| 6.December | Kannaland | WC041 | No | No | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No | Yes | Yes | N/A | N/A | N/A | No | No | Yes | No | Yes | Yes | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | 68% | Non Compliance |
| 7.January | Kannaland | WC041 | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No | Yes | N/A | N/A | N/A | N/A | No | No | Yes | No | Yes | Yes | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | 73% | Non Compliance |
| 8.February | Kannaland | WC041 | No | No | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No | No | N/A | N/A | N/A | N/A | No | No | Yes | No | Yes | Yes | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | 66% | Non Compliance |
| 9.March | Kannaland | WC041 | | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No | No | Yes | N/A | N/A | N/A | No | No | Yes | No | Yes | Yes | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | 78% | Non Compliance |
| 10.April | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance |
| 11.May | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Non Compliance |
| 12.June | Kannaland | WC041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | 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 - 2024/2025 | | | 2024/2025 - Monthly Monitoring | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Baseline | Adopted Budget | Adjusted Budget | Full Year Forecast | M01 | M02 | M03 | M04 | M05 | M06 | M07 | M08 | M09 | M10 | M11 | M12 |
| **Indigent Household service targets** | 1 | | | | | | | | | | | | | | | | |
| ***Water**: ( Include All Indigent households also in Eskom supplied areas )* | | | | | | | | | | | | | | | | | |
| Indigent HH's with piped water inside dwelling | | | | | | 1,995 | 2,029 | 2,063 | 2,119 | 2,148 | 2,155 | 2,175 | 2,184 | 2,195 | | | |
| 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** | **2,148** | **2,155** | **2,175** | **2,184** | **2,195** | – | – | – |
| 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** | **2,148** | **2,155** | **2,175** | **2,184** | **2,195** | – | – | – |
| **Status of Water meters :** | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with prepaid Water | | | | | | 1,995 | 2,029 | 2,063 | 2,119 | 2,148 | 2,155 | 2,175 | 2,184 | 2,195 | – | – | – |
| 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** | **2,148** | **2,155** | **2,175** | **2,184** | **2,195** | – | – | – |
| **Status of unlimited supply of Water :** | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with conventional metered Water - where the municipality is *NOT physcally restricting Water to the national free basic limit of 6 kilolitres per \household per month* | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's NOT metered currently receiving unlimited supply - Water | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total number of registered indigent households receiving unlimited supply - Water** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres** | 11 | | | | | | | | | | | | | | | | |
| ***Energy**: ( Include All Indigent households also in Eskom supplied areas )* | | | | | | | | | | | | | | | | | |
| Indigent HH's with Electricity (at least min.service level) | | | | | | | | | | | | | | | | | |
| Indigent HH's with Electricity - prepaid (min.service level) | | | | | | 1,995 | 2,029 | 2,063 | 2,119 | 2,148 | 2,155 | 2,175 | 2,184 | 2,195 | – | – | – |
| *Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total* | | – | – | – | – | **1,995** | **2,029** | **2,063** | **2,119** | **2,148** | **2,155** | **2,175** | **2,184** | **2,195** | – | – | – |
| 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** | **2,148** | **2,155** | **2,175** | **2,184** | **2,195** | – | – | – |
| **Status of Electricity meters :** | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with prepaid Electricity | | | | | | 1,995 | 2,029 | 2,063 | 2,119 | 2,148 | 2,155 | 2,175 | 2,184 | 2,195 | – | – | – |
| 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** | **2,148** | **2,155** | **2,175** | **2,184** | **2,195** | – | – | – |
| **Status of unlimited supply of Electricity :** | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physcally restricting Electricity to the national free basic limit of 50kwh per \household per month* | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total number of registered indigent households receiving unlimited supply - Electricity** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's **billed for consumption above the 50 kwh** | 13 | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of ALL Households receiving Free Basic Service *(including registered Indigent Households)* | 7 | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | | 1,995 | 2,029 | 2,063 | 2,119 | 2,148 | 2,155 | 2,175 | 2,184 | 2,195 | – | – | – |
| Electricity/other energy (50kwh per household per month) | | | | | | 1,995 | 2,029 | 2,063 | 2,119 | 2,148 | 2,155 | 2,175 | 2,184 | 2,195 | – | – | – |
| Cost of Free Basic Services provided to ALLHouseholds in - Formal Settlements (R'000) | | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | | 97,196.40 | 98,852.88 | ####### | ####### | ####### | ####### | ####### | ####### | ####### | - | - | |
| Electricity/other energy (50kwh per household per month) | | | | | | ####### | ####### | ####### | ####### | ####### | ####### | ####### | ####### | ####### | - | - | |
| Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000) | | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | | | | | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | | | | | | | | | | | | | | | | |
| **Total cost of FBS Water and Electricity provided to ALL Households** | 8 | **–** | **–** | **–** | **–** | **368,407** | **374,685** | **380,964** | **391,305** | **396,660** | **397,953** | **401,646** | **403,308** | **405,340** | **–** | **–** | **–** |
| Highest level of free service provided per household (ALL Households) | | | | | | | | | | | | | | | | | |
| Property rates (R value threshold) | | | | | | | | | | | | | | | | | |
| Water (kilolitres per household per month) | | | | | | | | | | | | | | | | | |
| Sanitation (kilolitres per household per month) | | | | | | | | | | | | | | | | | |
| Sanitation (Rand per household per month) | | | | | | | | | | | | | | | | | |
| Electricity (kwh per household per month) | | | | | | | | | | | | | | | | | |
| Refuse (average litres per week) | | | | | | | | | | | | | | | | | |
| Revenue cost of subsidised services provided for ALL Households (R'000) | 9 | | | | | | | | | | | | | | | | |
| **Residential Category** : Property rates **(tariff adjustment) ( impermissable values per section 17 of MPRA)** | 14(a) | | | | | | | | | | | | | | | | |
| **PSI Category** : Property rates **(tariff adjustment) ( impermissable values per section 17 of MPRA)** | 14(b) | | | | | | | | | | | | | | | | |
| Additional Subsidies: Property rates exemptions, reductions and rebates **in excess of section 17 of MPRA)** | | | | | | | | | | | | | | | | | |
| Water **(in excess of 6 kilolitres per indigent household per month)** | 15 | | | | | | | | | | | | | | | | |
| Sanitation **(in excess of free sanitation service to indigent households)** | 16 | | | | | | | | | | | | | | | | |
| Electricity/other energy **(in excess of 50 kwh per indigent household per month)** | | | | | | | | | | | | | | | | | |
| Refuse **(in excess of one removal a week for indigent households)** | | | | | | | | | | | | | | | | | |
| Municipal Housing - rental rebates | | | | | | | | | | | | | | | | | |
| Housing - top structure subsidies | 6 | | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | | | |
| **Total revenue cost of subsidised services provided** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

*References*

*1. Include services provided by another entity; e.g. Eskom*

*2. Stand distance <= 200m from dwelling*

*3. Stand distance > 200m from dwelling*

*4. Borehole, spring, rain-water tank etc.*

*5. Must agree to total number of* ***registered indigent households*** *in municipal area (formal and informal settlements receiving services must be included)*

*6. Include value of subsidy provided by municipality above provincial subsidy level*

*7. Show number of households receiving at least these levels of services completely free (formal and informal settlements must be included)*

*8. Must reflect the cost to the municipality of providing the Free Basic Service (Water and Electricity) to* ***ALL Households***

*9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share*

*10.The total number of registered HH's reported on rows 19 & 24 must be the same*

*11. Of the Total number of registered indigents HH's receiving unlimited supply of Water reported on row 27, provide number of these Indigent HH's that are issued with a monthly bill for the consumption above the 6 kilolitres FBS water*

*12. The total number of registered HH's reported on rows 39 & 44 must be the same*

*13. Of the Total number of registered indigents HH's receiving unlimited supply of Electricity reported on row 51, provide number of these Indigent HH's that are issued with a monthly bill for consumption above 50 kwh FBS electricity*

*14.(a) Impermissibles on Residential Properties - ( 15000 * Number of Residential properties ) - Provide the actual rand value not to be billed*

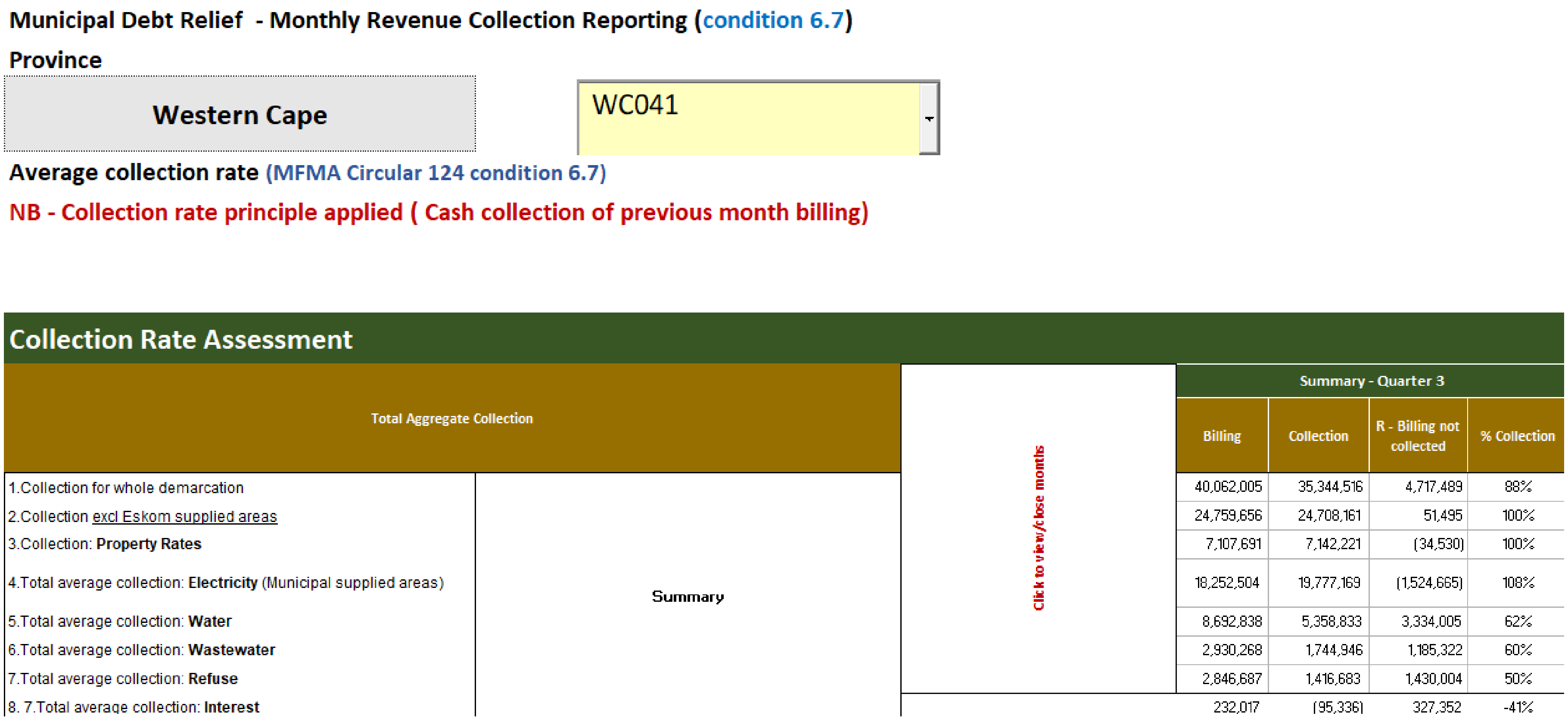
*14.(b) Impermissibles on Public Service Infrastructure (PSI) - ( 30% * Property Market Value * Number of PSI Properties) - Provide the actual rand value not to be billed*

*15.(a) Free Water to Indigent HH's exceeding the 6 killolitres FBS water*

*15.(b) Free Water to any HH's that is not Indigent*

*16.If the Municipality provides unlimited free basic water to any indigent and / or any other household , it must also account for the related unlimited sanitation*

## MFMA Circular 124 – Municipal Collection Rate Assessment



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

**Province**

**Western Cape**

WC041

**Average collection rate (MFMA Circular 124 condition 6.7)**

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

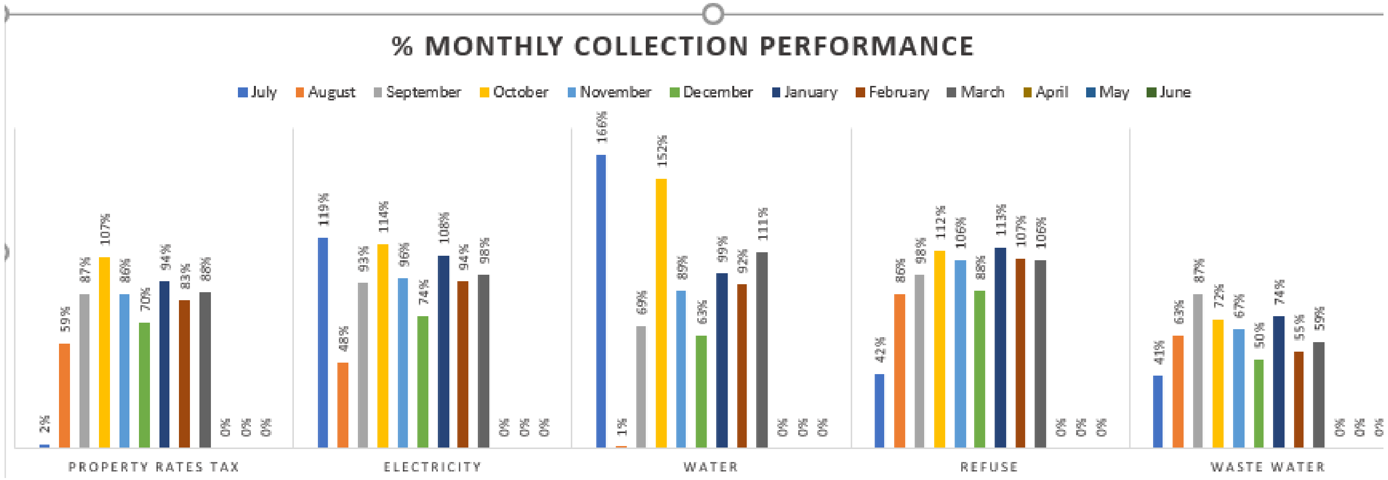
**Collection Rate Assessment**

| Notes | Total Aggregate Collection | | | Summary - Quarter 3 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Billing | Collection | R - Billing not collected | % Collection |
| 1 | 1.Collection for whole demarcation | Summary | Click to view/close months | 40,062,005 | 35,344,516 | 4,717,489 | 88% |
| 2 | 2.Collection excl Eskom supplied areas | | | 24,759,656 | 24,708,161 | 51,495 | 100% |
| 3 | 3.Collection: **Property Rates** | | | 7,107,691 | 7,142,221 | (34,530) | 100% |
| 4 | 4.Total average collection: **Electricity** (Municipal supplied areas) | | | 18,252,504 | 19,777,169 | (1,524,665) | 108% |
| 5 | 5.Total average collection: **Water** | | | 8,692,838 | 5,358,833 | 3,334,005 | 62% |
| 6 | 6.Total average collection: **Wastewater** | | | 2,930,268 | 1,744,946 | 1,185,322 | 60% |
| 7 | 7.Total average collection: **Refuse** | | | 2,846,687 | 1,416,683 | 1,430,004 | 50% |
| 8 | 8. 7.Total average collection: **Interest** | | | 232,017 | (95,336) | 327,352 | -41% |

## MFMA Circular 124 – Monthly Revenue Collection Reporting

| Complete This Section | | | Quarter 3 Performance Per Ward | | | | |
|---|---|---|---|---|---|---|---|
| Services | Electricity Supplier | Ward Name & Number | Billing | Collection | R - Billing not collected | % Collection | Q3 |
| Property Rates Tax | Mun Supplied | Nissenville - Ward 1 | 462,590 | 396,223 | 66,367 | 86% | 86% |
| Electricity | | | 319,145 | 331,982 | (12,837) | 104% | 104% |
| Water | | | 687,465 | 243,813 | 443,652 | 35% | 35% |
| Refuse | | | 464,954 | 206,265 | 258,689 | 44% | 44% |
| Waste Water | | | 588,356 | 387,253 | 201,103 | 66% | 66% |
| Interest | | | 3,810 | (36,667) | 40,477 | -962% | -962% |
| Property Rates Tax | Eskom supplied | Zoar - Ward 2 | 215,391 | 51,512 | 163,879 | 24% | 24% |
| Electricity | | | - | - | - | #DIV/0! | #DIV/0! |
| Water | | | 1,918,475 | 102,482 | 1,815,993 | 5% | 5% |
| Refuse | | | 1,011,532 | 85,201 | 926,332 | 8% | 8% |
| Waste Water | | | 980,695 | 88,247 | 892,449 | 9% | 9% |
| Interest | | | 13,015 | (70) | 13,085 | -1% | -1% |
| Property Rates Tax | Eskom supplied | Calitzdorp Farms - Ward 3 | 539,509 | 488,982 | 50,527 | 91% | 91% |
| Electricity | | | - | - | - | #DIV/0! | #DIV/0! |
| Water | | | 314,640 | 55,362 | 259,278 | 18% | 18% |
| Refuse | | | - | - | - | #DIV/0! | #DIV/0! |
| Waste Water | | | - | - | - | #DIV/0! | #DIV/0! |
| Interest | | | - | (75,379) | 75,379 | #DIV/0! | #DIV/0! |
| Property Rates Tax | Mun Supplied | Bergsig Calitzdorp - Ward 3 | 66,156 | 39,459 | 26,697 | 60% | 60% |
| Electricity | | | 35,571 | 30,946 | 4,625 | 87% | 87% |
| Water | | | 829,961 | 134,087 | 695,874 | 16% | 16% |
| Refuse | | | 337,594 | 68,339 | 269,255 | 20% | 20% |
| Waste Water | | | 296,134 | 43,788 | 252,346 | 15% | 15% |
| Interest | | | 4,811 | (9,149) | 13,960 | -190% | -190% |
| Property Rates Tax | Mun Supplied | Calitzdorp Town - Ward 3 | 1,350,313 | 1,356,270 | (5,957) | 100% | 100% |
| Electricity | | | 2,223,837 | 2,351,605 | (127,768) | 106% | 106% |
| Water | | | 928,463 | 854,062 | 74,402 | 92% | 92% |
| Refuse | | | 283,742 | 286,866 | (3,123) | 101% | 101% |
| Waste Water | | | 65,047 | 62,752 | 2,295 | 96% | 96% |
| Interest | | | 19,777 | (47,002) | 66,779 | -238% | -238% |
| Property Rates Tax | Mun Supplied | Ladismith Town - Ward 4 | 2,840,565 | 3,331,820 | (491,255) | 117% | 117% |
| Electricity | | | 9,070,826 | 10,307,213 | (1,236,387) | 114% | 114% |
| Water | | | 2,247,864 | 2,410,732 | (162,868) | 107% | 107% |
| Refuse | | | 567,934 | 676,049 | (108,115) | 119% | 119% |
| Waste Water | | | 888,949 | 1,120,104 | (231,156) | 126% | 126% |
| Interest | | | 175,790 | 161,350 | 14,440 | 92% | 92% |
| Property Rates Tax | Eskom supplied | Ladismith Farms - Ward 4 | 1,469,617 | 1,359,130 | 110,487 | 92% | 92% |
| Electricity | | | 6,603,124 | 6,755,422 | (152,298) | 102% | 102% |
| Water | | | 1,552,107 | 1,505,082 | 47,025 | 97% | 97% |
| Refuse | | | 60,527 | 68,964 | (8,438) | 114% | 114% |
| Waste Water | | | 35,445 | 42,382 | (6,937) | 120% | 120% |
| Interest | | | 14,625 | (87,278) | 101,903 | -597% | -597% |
| Property Rates Tax | Eskom supplied | Van Wyksdorp - Ward 4 | 163,551 | 118,825 | 44,726 | 73% | 73% |
| Electricity | | | - | - | - | #DIV/0! | #DIV/0! |
| Water | | | 213,862 | 53,212 | 160,649 | 25% | 25% |
| Refuse | | | 120,403 | 25,000 | 95,404 | 21% | 21% |
| Waste Water | | | 75,641 | 419 | 75,222 | 1% | 1% |
| Interest | | | 190 | (1,141) | 1,330 | -601% | -601% |

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



## Provincial Treasury Debt Relief Compliance Assessment – Feb 2025

Western Cape
Government

Provincial Treasury
**Julinda Gantana**
Head Official
Julinda.Gantana@westerncape.gov.za | Tel: 021 483 3749

Reference number: PTR 16/1/20/1
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AND

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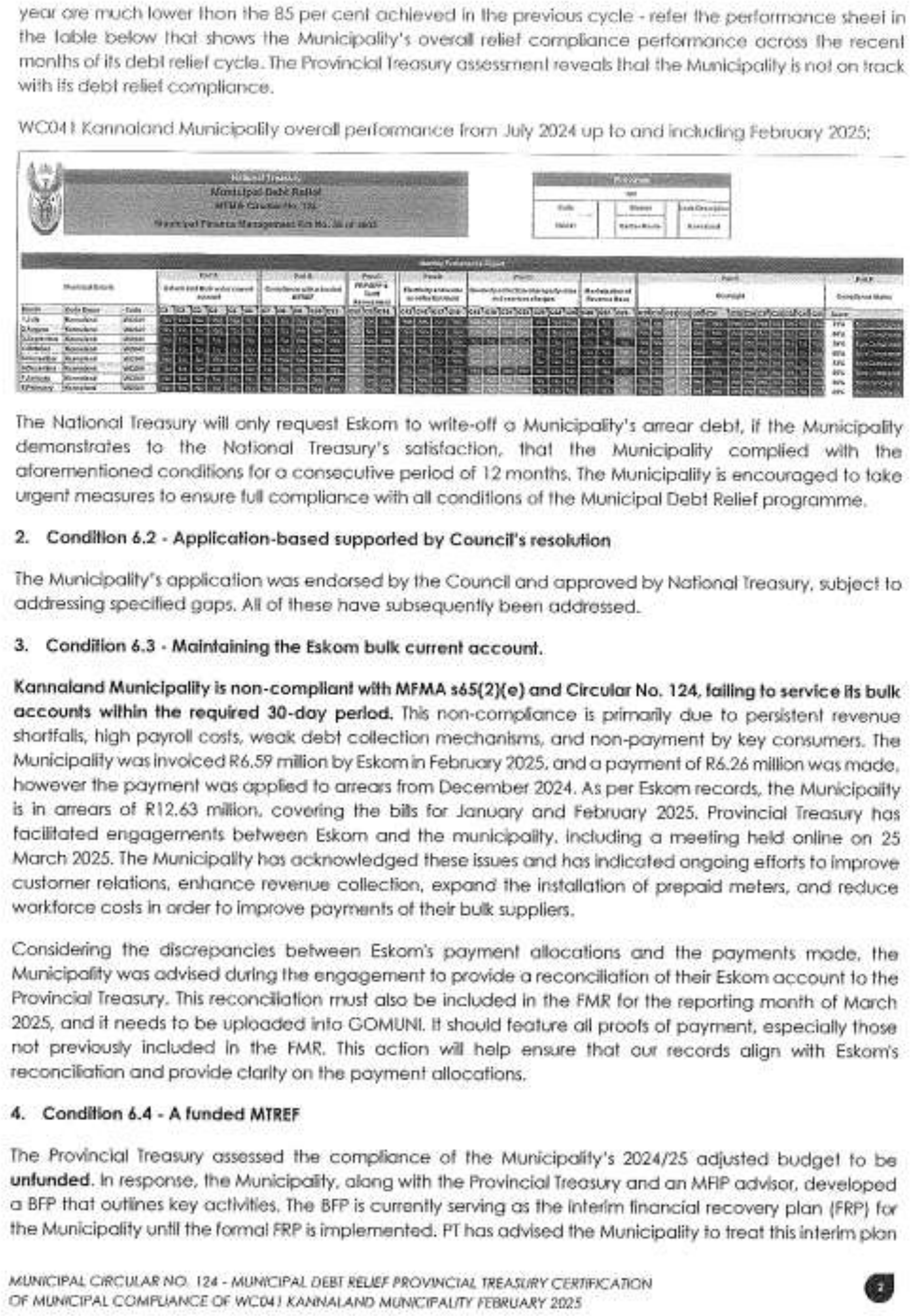
Dear Ms Gaarekwe and Mr Sereo

**MFMA CIRCULAR NO. 124 - MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY DURING FEBRUARY 2025**

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. February 2025 constitutes the 7th 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 March 2025 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 No. 124 read together with the additional conditions specific to the Municipality set-out in its National Treasury debt relief approval letter. From the Provincial Treasury's assessment, the Municipality's average compliance with the MFMA Circular No. 124 conditions during February 2025 have remained to 68 per cent, the same as the previous month of January 2025. The scores for all eight months of this financial



year are much lower than the 85 per cent achieved in the previous cycle - 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 February 2025:

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.

**Kannaland Municipality is non-compliant with MFMA s65(2)(e) and Circular No. 124, failing to service its bulk accounts within the required 30-day period.** This non-compliance is primarily due to persistent revenue shortfalls, high payroll costs, weak debt collection mechanisms, and non-payment by key consumers. The Municipality was invoiced R6.59 million by Eskom in February 2025, and a payment of R6.26 million was made, however the payment was applied to arrears from December 2024. As per Eskom records, the Municipality is in arrears of R12.63 million, covering the bills for January and February 2025. Provincial Treasury has facilitated engagements between Eskom and the municipality, including a meeting held online on 25 March 2025. The Municipality has acknowledged these issues and has indicated ongoing efforts to improve customer relations, enhance revenue collection, expand the installation of prepaid meters, and reduce workforce costs in order to improve payments of their bulk suppliers.

Considering the discrepancies between Eskom's payment allocations and the payments made, the Municipality was advised during the engagement to provide a reconciliation of their Eskom account to the Provincial Treasury. This reconciliation must also be included in the FMR for the reporting month of March 2025, and it needs to be uploaded into GOMUNI. It should feature all proofs of payment, especially those not previously included in the FMR. This action will help ensure that our records align with Eskom's reconciliation and provide clarity on the payment allocations.

### 4. Condition 6.4 - A funded MTREF

The Provincial Treasury assessed the compliance of the Municipality's 2024/25 adjusted budget to be **unfunded**. In response, the Municipality, along with the Provincial Treasury and an MFIP advisor, developed a BFP that outlines key activities. The BFP is currently serving as the interim financial recovery plan (FRP) for the Municipality until the formal FRP is implemented. PT has advised the Municipality to treat this interim plan with utmost seriousness to address immediate financial challenges. The Municipality met with the Provincial Treasury on 17th March 2025 to discuss the progress of the BFP, with another follow-up session scheduled for 17th of April 2025.

A workshop on the FRP organized by the National Treasury's Municipal Financial Recovery Service took place on 5 and 6 February 2025. Key municipal stakeholders discussed the Status Quo Assessment, which was shared for further review and comments. PT provided feedback to NT MFRS by the due date of 17th of March 2025. The next steps involve finalizing this assessment and preparing the draft FRP, which will incorporate strategies based on the findings. Stakeholder workshops will follow to discuss this draft.

### 5. Condition 6.5 - Cost reflective tariffs

The Municipality has uploaded the completed tariff tool for the 2024/25 MTREF and the cost of supply studies to the GOMUNI portal.

### 6. Condition 6.6 - Electricity and water as collection tools

The Municipality issues a consolidated monthly bill to consumers, prioritising 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 authorise tenants to open separate service accounts which is not consistent with the conditions in Circular No. 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 s71 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

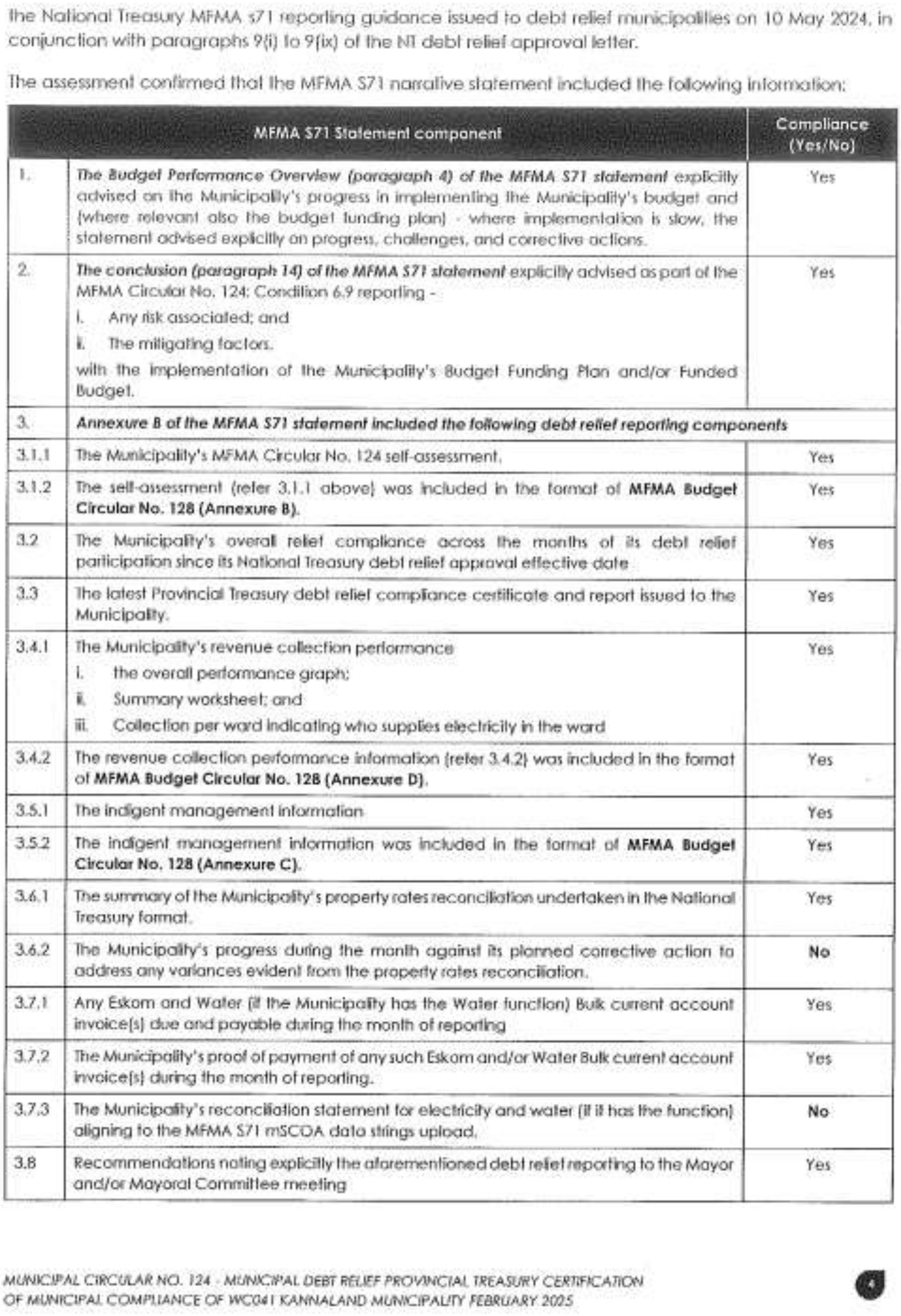
Kannaland Municipality has an average collection rate of 83%, hindered primarily by challenges in collecting service charges for water, refuse, and sewerage in areas without municipal electricity supply. To improve this, the Municipality has updated consumer data for accuracy in financial records through meetings with the revenue section. Additionally, two service providers from RT27 have been appointed for debt collection, starting in March 2025. They will manage the debtors' book and are expected to be on site by April 2025.

### 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 categorisations are underway. Despite these efforts, the Municipality is continuously not including the required monthly progress report on the action plan in their Section 71 report though the Municipality was advised to do so.

### 9. Condition 6.9 - Monitor and Report on compliance

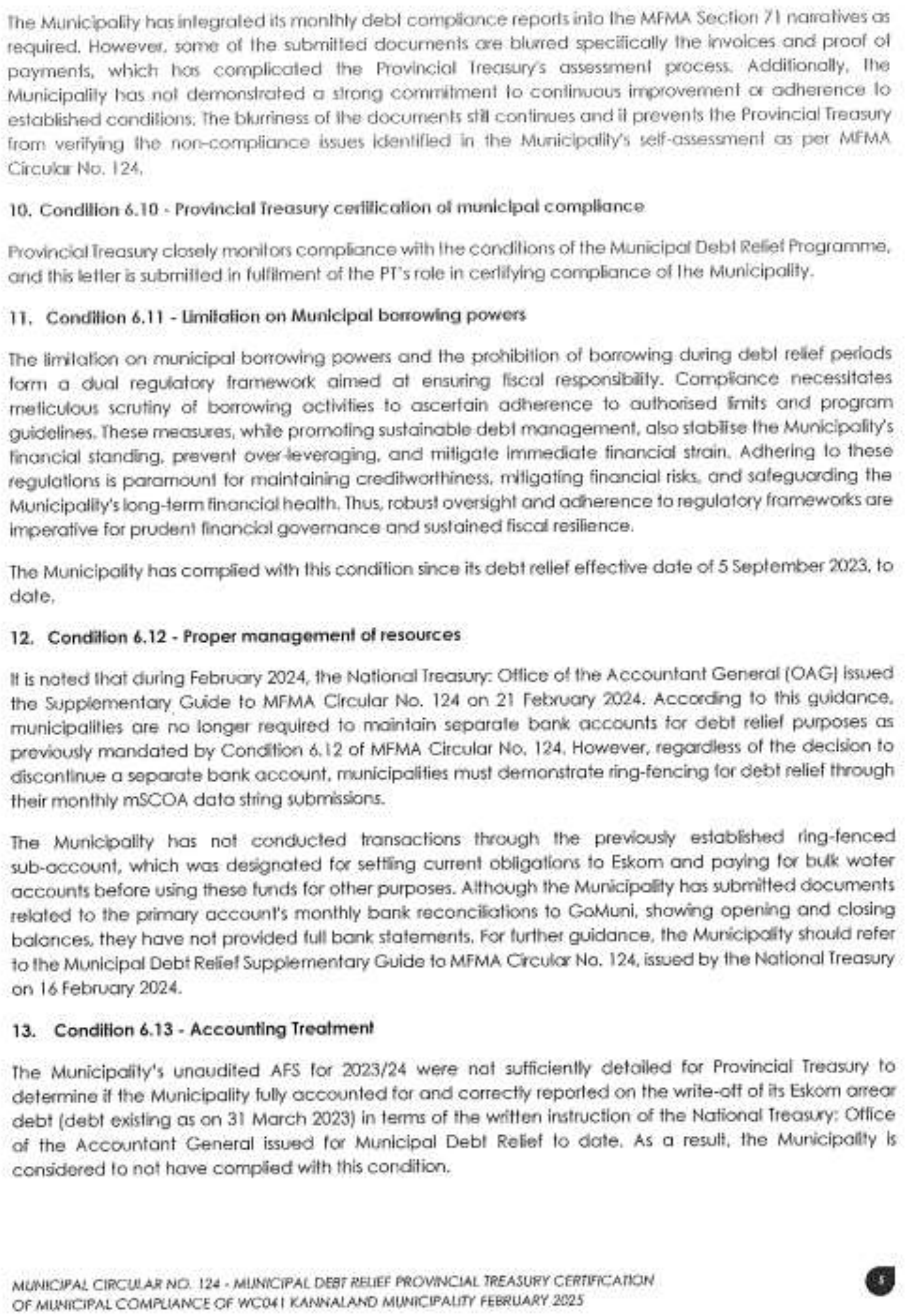
The Western Cape Provincial Treasury's assessment confirmed that the MFMA s71 narrative statement was uploaded to GoMuni. However, the narrative statement was not published on the Municipality's website. This statement was also assessed against the Municipal Budget and Reporting Regulations, 2009 (MBRR) and



the National Treasury MFMA s71 reporting guidance issued to debt relief municipalities on 10 May 2024, in conjunction with paragraphs 9(i) to 9(ix) of the NT debt relief approval letter.

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

| MFMA S71 Statement component | | Compliance (Yes/No) |
|---|---|---|
| 1. | ***The Budget Performance Overview (paragraph 4) of the MFMA S71 statement*** explicitly advised on the Municipality's progress in implementing the Municipality's budget and (where relevant also the budget funding plan) - where implementation is slow, the statement advised explicitly on progress, challenges, and corrective actions. | Yes |
| 2. | ***The conclusion (paragraph 14) of the MFMA S71 statement*** explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting -<br>i. Any risk associated; and<br>ii. The mitigating factors.<br>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<br>i. the overall performance graph;<br>ii. Summary worksheet; and<br>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, some of the submitted documents are blurred specifically the invoices and proof of payments, 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 still continues and it prevents the Provincial Treasury from verifying the non-compliance issues identified in the Municipality's self-assessment as per MFMA Circular No. 124.

### 10. Condition 6.10 - Provincial Treasury certification of municipal compliance

Provincial Treasury closely monitors compliance with the conditions of the Municipal Debt Relief Programme, and this letter is submitted in 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 authorised limits and program guidelines. These measures, while promoting sustainable debt management, also stabilise 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.

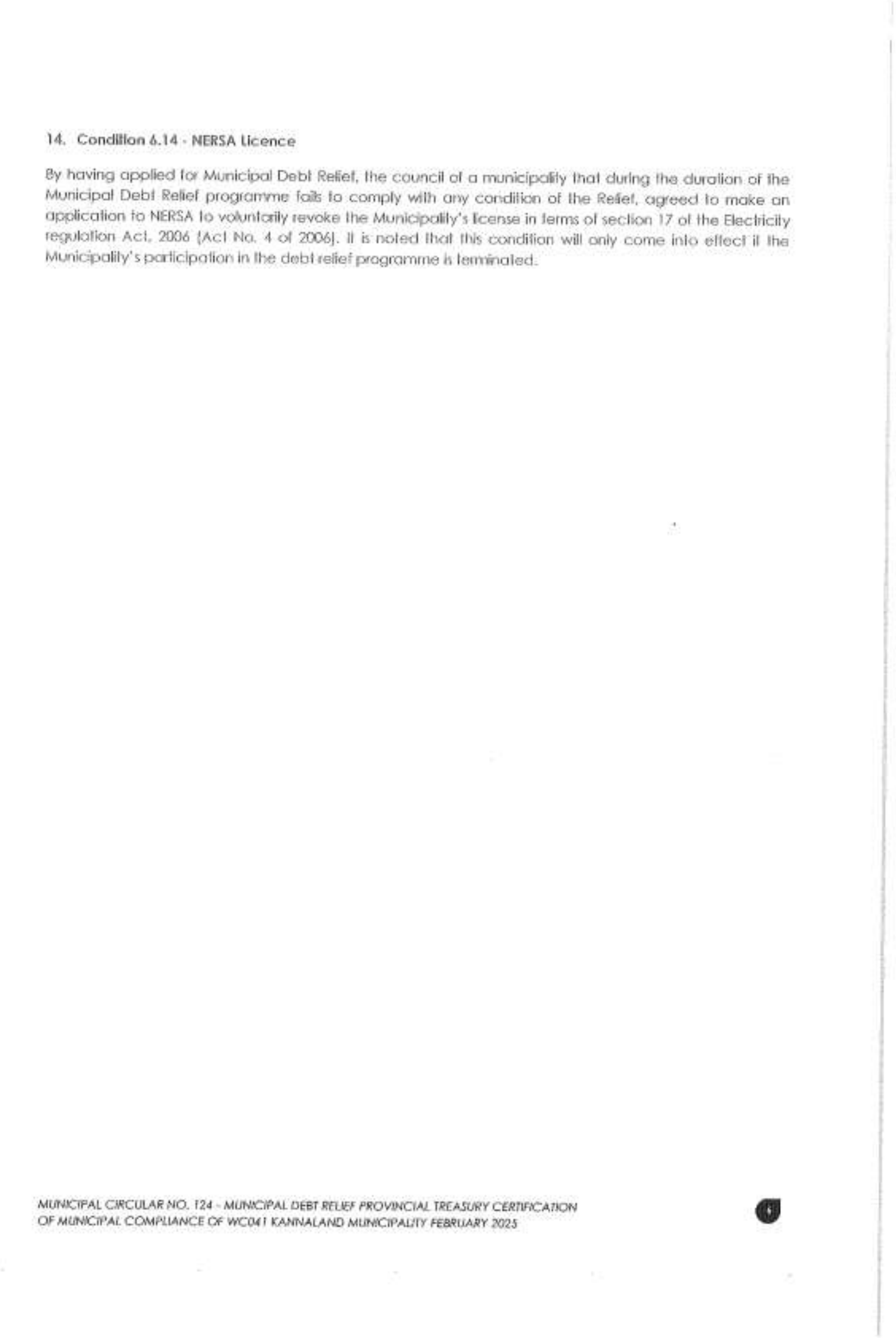
### 12. Condition 6.12 - Proper management of resources

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 GoMuni, 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.

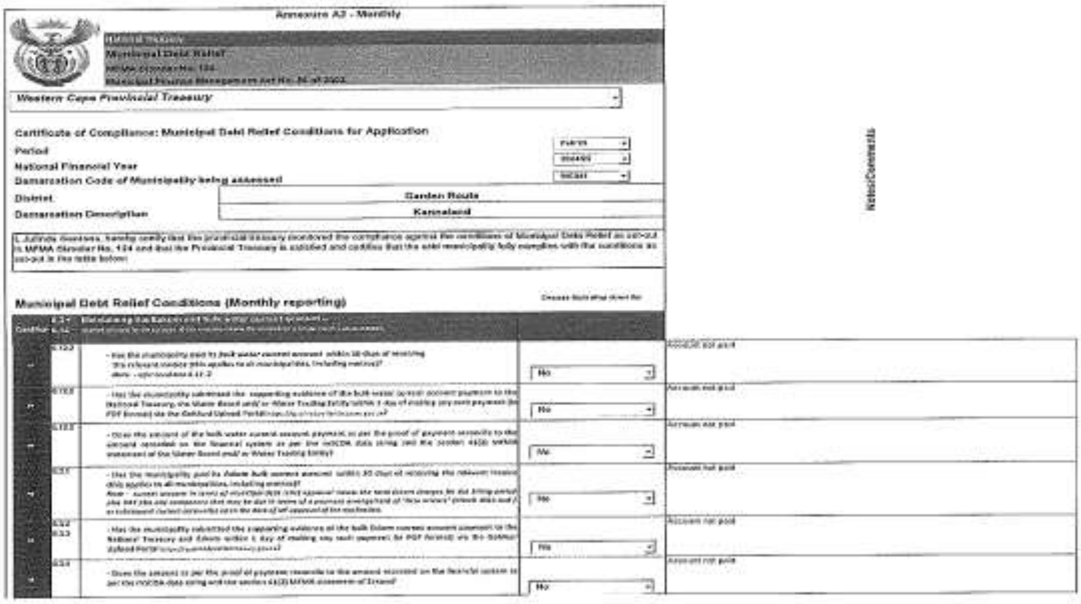


### 14. Condition 6.14 - NERSA Licence

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 – 28 February 2025:



Annexure A2 - Monthly

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

Western Cape Provincial Treasury

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

| | |
|---|---|
| Period | Feb-25 |
| National Financial Year | 2024/25 |
| Demarcation Code of Municipality being assessed | WC041 |
| District | Garden Route |
| Demarcation Description | Kannaland |

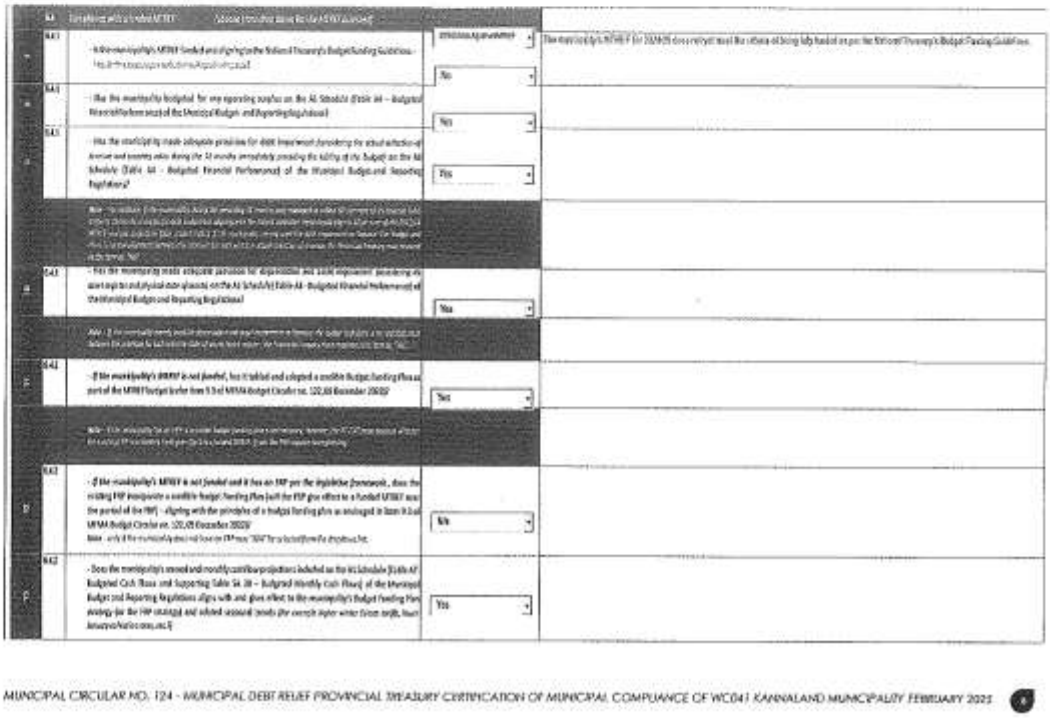
I, Julinda Gantana, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out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

**Municipal Debt Relief Conditions (Monthly reporting)**

Choose from drop down list

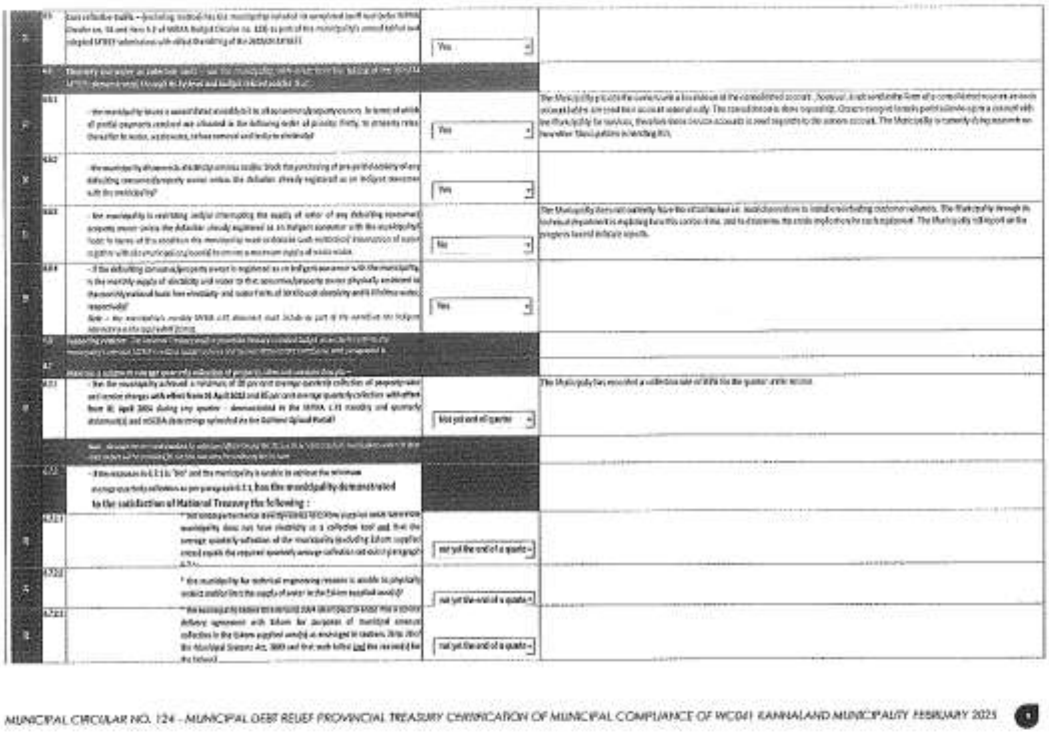
| Certifier | 6.3 + 6.12 | Maintaining the Eskom and bulk water current account – | | Notes/Comments |
|---|---|---|---|---|
| 1 | 6.12.2 | - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? | No | Account not paid |
| 2 | 6.12.3 | - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the Debt Relief Upload Portal? | No | Account not paid |
| 3 | 6.12.3 | - Does the amount of the bulk water current account payment, as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(b) MFMA statement of the Water Board and/ or Water Trading Entity? | No | Account not paid |
| 4 | 6.3.1 | - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? | No | Account not paid |
| 5 | 6.3.2<br>6.3.3 | - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the Debt Relief Upload Portal? | No | Account not paid |
| 6 | 6.3.4 | - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom? | No | Account not paid |

MUNICIPAL CIRCULAR NO. 124 – MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY FEBRUARY 2025

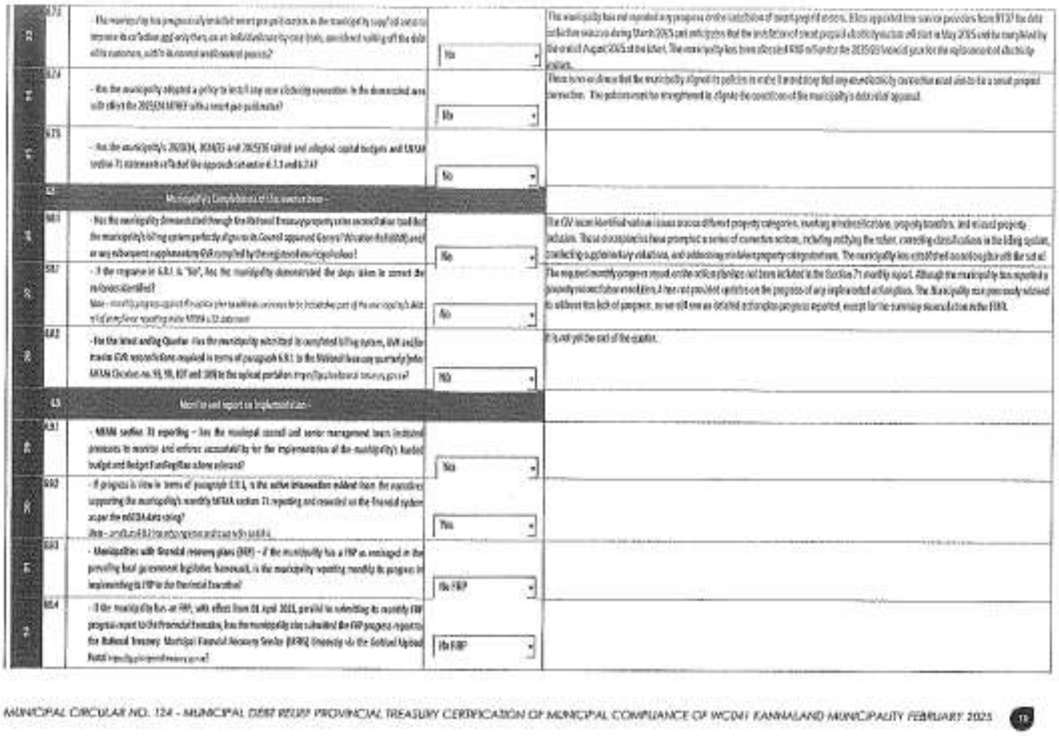


| | | |
|---|---|---|
| [illegible] | [illegible]<br>No | [illegible] |
| [illegible] | Yes | |
| [illegible] | Yes | |
| [illegible] | | |
| [illegible] | Yes | |
| [illegible] | | |
| [illegible] | Yes | |
| [illegible] | | |
| [illegible] | N/A | |
| [illegible] | Yes | |

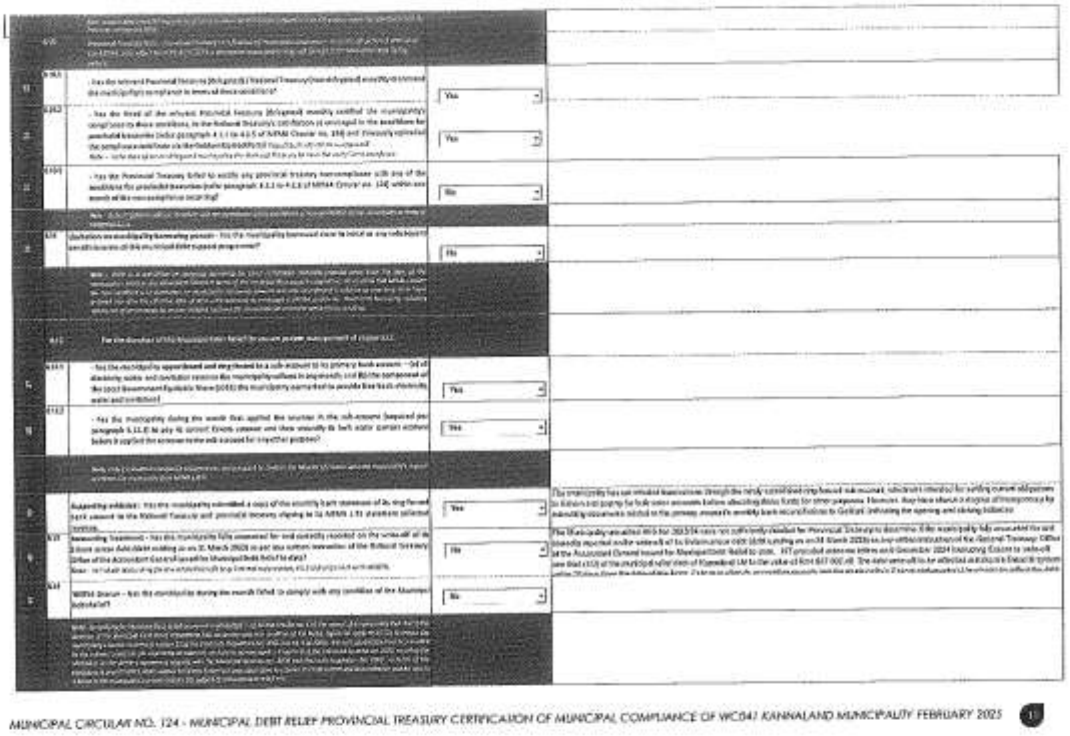
MUNICIPAL CIRCULAR NO. 124 - MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY FEBRUARY 2025



MUNICIPAL CIRCULAR NO. 124 - MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY FEBRUARY 2025



MUNICIPAL CIRCULAR NO. 124 - MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY FEBRUARY 2025



MUNICIPAL CIRCULAR NO. 124 - MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY FEBRUARY 2025

The Western Cape Provincial Treasury's assessment and compliance certificate confirms that Kannaland Municipality did not fully comply with all the MFMA Circular No. 124 conditions, as elaborated on above. It is also noted that the Municipality's February 2025 average compliance remains at 68 per cent which was the same as last month of January 2025. However new arrear debts to Eskom are a serious breach of the conditions. **The Municipality must address non-compliance matters urgently.** The Municipality should prioritise payment of its bulk accounts, especially those from previous months that remain in arrears, report on the progress of the action plan from the GV recon 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.

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.

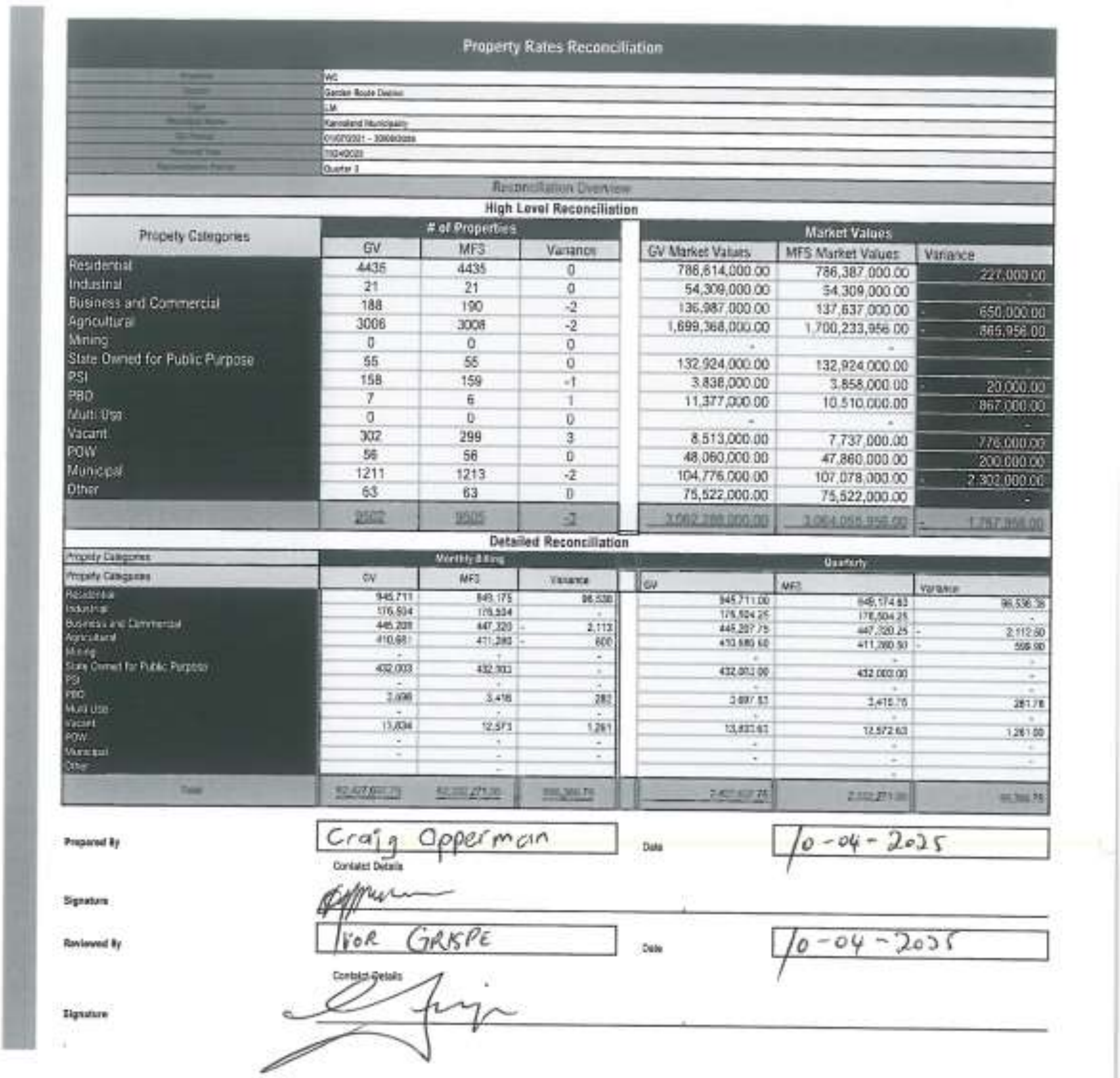
Yours sincerely

Julinda Gantana
Digitally signed by Julinda Gantana
Date: 2025.03.28 13:28:38 +02'00'

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

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

## MFMA Circular 124 – Property Rates Reconciliation



### Property Rates Reconciliation

| | |
|---|---|
| Province | WC |
| District | Garden Route District |
| Type | LM |
| Municipal Name | Kannaland Municipality |
| GV Period | 01/07/2021 - [illegible] |
| Financial Year | [illegible] |
| Reconciliation Period | Quarter 3 |

Reconciliation Overview

High Level Reconciliation

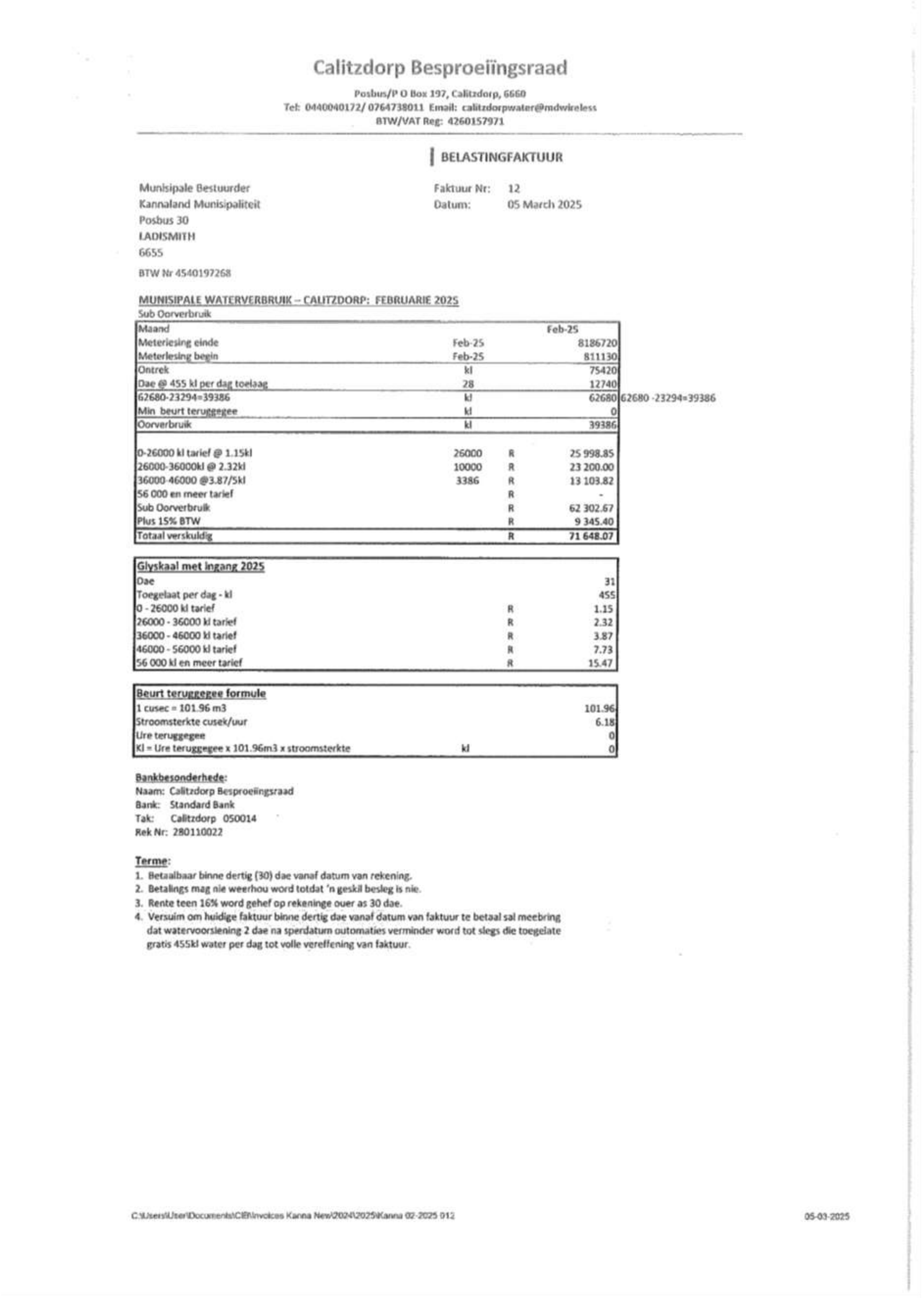
| Propety Categories | # of Properties | | | Market Values | | |
|---|---|---|---|---|---|---|
| | GV | MFS | Variance | GV Market Values | MFS Market Values | Variance |
| Residential | 4435 | 4435 | 0 | 786,614,000.00 | 786,387,000.00 | 227,000.00 |
| Industrial | 21 | 21 | 0 | 54,309,000.00 | 54,309,000.00 | - |
| 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

| Propety Categories | Monthly Billing | | | Quarterly | | |
|---|---|---|---|---|---|---|
| Propety Categories | GV | MFS | Variance | GV | MFS | Variance |
| Residential | 945,711 | 849,175 | 96,536 | 945,711.00 | 849,174.63 | 96,536.38 |
| Industrial | 176,504 | 176,504 | - | 176,504.25 | 176,504.25 | - |
| Business and Commercial | 445,208 | 447,320 | - 2,113 | 445,207.75 | 447,320.25 | - 2,112.50 |
| Agricultural | 410,681 | 411,280 | - 600 | 410,680.60 | 411,280.50 | - 599.90 |
| Mining | - | - | - | - | - | - |
| State Owned for Public Purpose | 432,003 | 432,003 | - | 432,003.00 | 432,003.00 | - |
| PSI | - | - | - | - | - | - |
| PBO | 3,698 | 3,416 | 282 | 3,697.53 | 3,415.75 | 281.78 |
| Multi Use | - | - | - | - | - | - |
| Vacant | 13,834 | 12,573 | 1,261 | 13,833.63 | 12,572.63 | 1,261.00 |
| POW | - | - | - | - | - | - |
| Municipal | - | - | - | - | - | - |
| Other | | - | | | - | |
| Total | [illegible] | [illegible] | [illegible] | 2,427,637.75 | 2,332,271.00 | 95,366.75 |

| | | | |
|---|---|---|---|
| Prepared By | Craig Opperman | Date | 10-04-2025 |
| | Contact Details | | |
| Signature | | | |
| Reviewed By | for GRKPE | Date | 10-04-2025 |
| | Contact Details | | |
| Signature | | | |

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



**Calitzdorp Besproeiïngsraad**

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

**BELASTINGFAKTUUR**

Faktuur Nr: 12
Datum: 05 March 2025

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655

BTW Nr 4540197268

**MUNISIPALE WATERVERBRUIK – CALITZDORP: FEBRUARIE 2025**

Sub Oorverbruik

| | | | | |
|---|---|---|---|---|
| Maand | | | Feb-25 | |
| Meteriesing einde | Feb-25 | | 8186720 | |
| Meterlesing begin | Feb-25 | | 811130 | |
| Ontrek | kl | | 75420 | |
| Dae @ 455 kl per dag toelaag | 28 | | 12740 | |
| 62680-23294=39386 | kl | | 62680 | 62680 -23294=39386 |
| Min beurt teruggegee | kl | | 0 | |
| Oorverbruik | kl | | 39386 | |
| 0-26000 kl tarief @ 1.15kl | 26000 | R | 25 998.85 | |
| 26000-36000kl @ 2.32kl | 10000 | R | 23 200.00 | |
| 36000-46000 @3.87/5kl | 3386 | R | 13 103.82 | |
| 56 000 en meer tarief | | R | - | |
| Sub Oorverbruik | | R | 62 302.67 | |
| Plus 15% BTW | | R | 9 345.40 | |
| **Totaal verskuldig** | | **R** | **71 648.07** | |

| **Glyskaal met ingang 2025** | | |
|---|---|---|
| Dae | | 31 |
| Toegelaat per dag - kl | | 455 |
| 0 - 26000 kl tarief | R | 1.15 |
| 26000 - 36000 kl tarief | R | 2.32 |
| 36000 - 46000 kl tarief | R | 3.87 |
| 46000 - 56000 kl tarief | R | 7.73 |
| 56 000 kl en meer tarief | R | 15.47 |

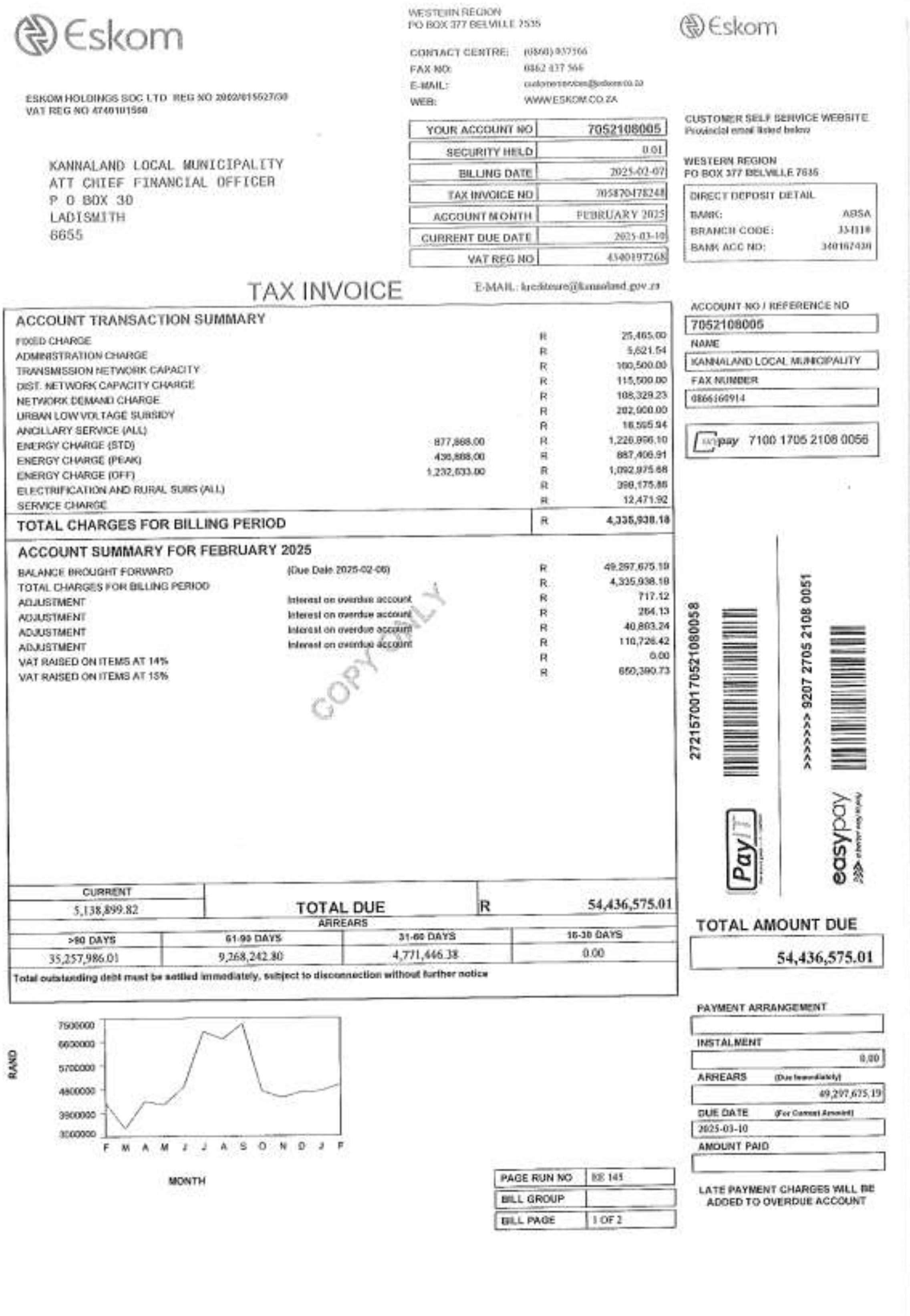
| **Beurt teruggegee formule** | | |
|---|---|---|
| 1 cusec = 101.96 m3 | | 101.96 |
| Stroomsterkte cusek/uur | | 6.18 |
| Ure teruggegee | | 0 |
| Kl = Ure teruggegee x 101.96m3 x stroomsterkte | kl | 0 |

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

**Terme:**

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

C:\Users\User\Documents\CIB\Invoices Kanna New\2024\2025\Kanna 02-2025 012 05-03-2025



Eskom

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

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 037 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

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

| | |
|---|---|
| YOUR ACCOUNT NO | 7052108005 |
| SECURITY HELD | 0.01 |
| BILLING DATE | 2025-02-07 |
| TAX INVOICE NO | 705870478248 |
| ACCOUNT MONTH | FEBRUARY 2025 |
| CURRENT DUE DATE | 2025-03-10 |
| VAT REG NO | 4540197268 |

Eskom

CUSTOMER SELF SERVICE WEBSITE
Provincial email listed below

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL

| | |
|---|---|
| BANK: | ABSA |
| BRANCH CODE: | 334118 |
| BANK ACC NO: | 340167430 |

## TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

### ACCOUNT TRANSACTION SUMMARY

| | | | |
|---|---|---|---|
| FIXED CHARGE | | R | 25,465.00 |
| 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 | 108,329.23 |
| URBAN LOW VOLTAGE SUBSIDY | | R | 202,900.00 |
| ANCILLARY SERVICE (ALL) | | R | 16,595.94 |
| ENERGY CHARGE (STD) | 877,868.00 | R | 1,220,996.10 |
| ENERGY CHARGE (PEAK) | 436,888.00 | R | 887,406.91 |
| ENERGY CHARGE (OFF) | 1,232,633.00 | R | 1,092,975.68 |
| ELECTRIFICATION AND RURAL SUBS (ALL) | | R | 398,175.86 |
| SERVICE CHARGE | | R | 12,471.92 |
| **TOTAL CHARGES FOR BILLING PERIOD** | | R | **4,335,938.18** |

### ACCOUNT SUMMARY FOR FEBRUARY 2025

| | | | |
|---|---|---|---|
| BALANCE BROUGHT FORWARD | (Due Date 2025-02-06) | R | 49,297,675.19 |
| TOTAL CHARGES FOR BILLING PERIOD | | R | 4,335,938.18 |
| ADJUSTMENT | Interest on overdue account | R | 717.12 |
| ADJUSTMENT | Interest on overdue account | R | 264.13 |
| ADJUSTMENT | Interest on overdue account | R | 40,803.24 |
| ADJUSTMENT | Interest on overdue account | R | 110,726.42 |
| VAT RAISED ON ITEMS AT 14% | | R | 0.00 |
| VAT RAISED ON ITEMS AT 15% | | R | 650,390.73 |

COPY ONLY

| CURRENT | TOTAL DUE | R | 54,436,575.01 |
|---|---|---|---|
| 5,138,899.82 | | | |

ARREARS

| >90 DAYS | 61-90 DAYS | 31-60 DAYS | 16-30 DAYS |
|---|---|---|---|
| 35,257,986.01 | 9,268,242.80 | 4,771,446.38 | 0.00 |

Total outstanding debt must be settled immediately, subject to disconnection without further notice

| | |
|---|---|
| PAGE RUN NO | EE 145 |
| BILL GROUP | |
| BILL PAGE | 1 OF 2 |

ACCOUNT NO / REFERENCE NO
7052108005

NAME
KANNALAND LOCAL MUNICIPALITY

FAX NUMBER
0866160914

easypay 7100 1705 2108 0056

27215700170521080058

>>>>>>>> 9207 2705 2108 0051

PayIT

easypay

TOTAL AMOUNT DUE
54,436,575.01

PAYMENT ARRANGEMENT

INSTALMENT
0.00

ARREARS (Due Immediately)
49,297,675.19

DUE DATE (For Current Amount)
2025-03-10

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

Eskom

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

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (08600) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

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

| | |
|---|---|
| YOUR ACCOUNT NO | 6940893537 |
| SECURITY HELD | 0.01 |
| BILLING DATE | 2025-02-07 |
| TAX INVOICE NO | 694820279404 |
| ACCOUNT MONTH | FEBRUARY 2025 |
| CURRENT DUE DATE | 2025-03-10 |
| VAT REG NO | 4540197368 |

Eskom

CUSTOMER SELF SERVICE WEBSITE
Provincial email listed below

WESTERN REGION
PO BOX 377 BELVILLE 7535

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

## TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

### ACCOUNT TRANSACTION SUMMARY

| | | | |
|---|---|---|---|
| ADMINISTRATION CHARGE | | R | 5,621.54 |
| DIST. NETWORK CAPACITY CHARGE | | R | 84,075.38 |
| NETWORK DEMAND CHARGE (C/KWH) | | R | 58,628.98 |
| ANCILLARY SERVICE (ALL) | | R | 5,671.69 |
| ENERGY CHARGE (PEAK) | 123,066.00 | R | 258,110.52 |
| ENERGY CHARGE (STD) | 303,636.00 | R | 435,298.57 |
| ENERGY CHARGE (OFF) | 282,257.00 | R | 258,378.08 |
| ELECTRIFICATION AND RURAL SUBS (ALL) | | R | 111,094.19 |
| SERVICE CHARGE | | R | 12,471.92 |
| **TOTAL CHARGES FOR BILLING PERIOD** | | R | **1,233,150.86** |

### ACCOUNT SUMMARY FOR FEBRUARY 2025

| | | | |
|---|---|---|---|
| BALANCE BROUGHT FORWARD | (Due Date 2025-02-08) | R | 12,679,413.73 |
| TOTAL CHARGES FOR BILLING PERIOD | | R | 1,233,150.86 |
| ADJUSTMENT | Interest on overdue account | R | 10,615.82 |
| ADJUSTMENT | Interest on overdue account | R | 28,842.70 |
| VAT RAISED ON ITEMS AT 14% | | R | 0.00 |
| VAT RAISED ON ITEMS AT 15% | | R | 184,972.63 |

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| CURRENT | TOTAL DUE | R | 14,136,795.74 |
|---|---|---|---|
| 1,457,382.01 | | | |

ARREARS

| >90 DAYS | 61-90 DAYS | 31-60 DAYS | 16-30 DAYS |
|---|---|---|---|
| 10,177,028.37 | 1,205,385.82 | 1,296,999.54 | 0.00 |

Total outstanding debt must be settled immediately, subject to disconnection without further notice

ACCOUNT NO / REFERENCE NO
6940893537

NAME
KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

pay 7100 1694 0893 5374

2721570016940893537 6

>>>>>>> 9207 2694 0893 5379

PayIT

easypay

TOTAL AMOUNT DUE
14,136,795.74

PAYMENT ARRANGEMENT

INSTALMENT
0.00

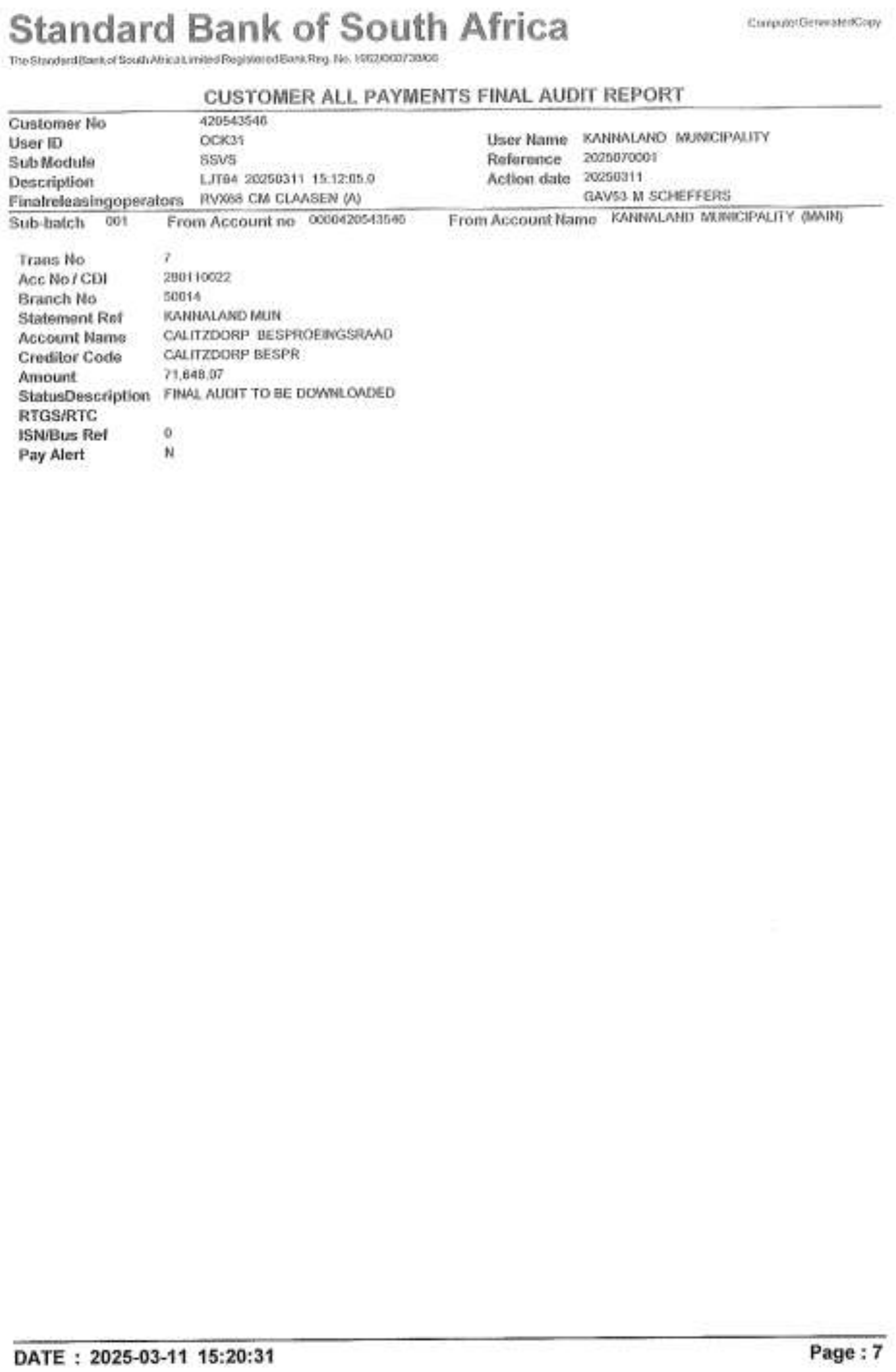
ARREARS (Due Immediately)
12,679,413.73

DUE DATE (For Current Amount)
2025-03-10

AMOUNT PAID

| | |
|---|---|
| PAGE RUN NO | EE 133 |
| BILL GROUP | |
| BILL PAGE | 1 OF 2 |

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



# Standard Bank of South Africa

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

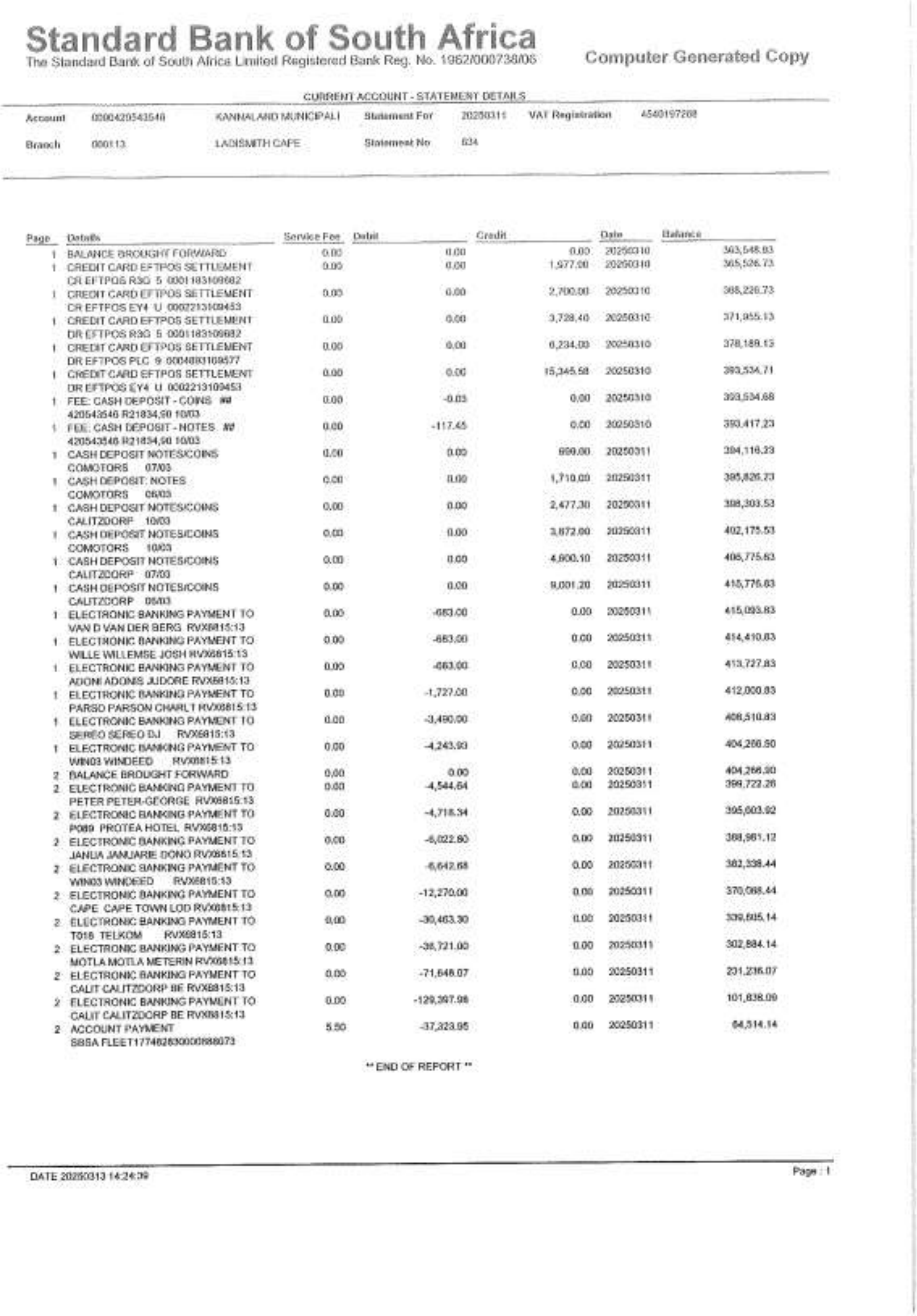
## CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

| | | | |
|---|---|---|---|
| **Customer No** | 420543546 | | |
| **User ID** | OCK31 | **User Name** | KANNALAND MUNICIPALITY |
| **Sub Module** | SSVS | **Reference** | 2025070001 |
| **Description** | LJT84 20250311 15:12:05.0 | **Action date** | 20250311 |
| **Finalreleasingoperators** | RVX68 CM CLAASEN (A) | | GAV53 M SCHEFFERS |

**Sub-batch** 001 **From Account no** 0000420543546 **From Account Name** KANNALAND MUNICIPALITY (MAIN)

| | |
|---|---|
| **Trans No** | 7 |
| **Acc No / CDI** | 280110022 |
| **Branch No** | 50014 |
| **Statement Ref** | KANNALAND MUN |
| **Account Name** | CALITZDORP BESPROEINGSRAAD |
| **Creditor Code** | CALITZDORP BESPR |
| **Amount** | 71,848.07 |
| **StatusDescription** | FINAL AUDIT TO BE DOWNLOADED |
| **RTGS/RTC** | |
| **ISN/Bus Ref** | 0 |
| **Pay Alert** | N |

**DATE : 2025-03-11 15:20:31** **Page : 7**



**Standard Bank of South Africa**

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

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CURRENT ACCOUNT - STATEMENT DETAILS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Account | 000420543546 | KANNALAND MUNICIPALI | Statement For | 20250311 | VAT Registration | 4540197208 |
| Branch | 000113 | LADISMITH CAPE | Statement No | 634 | | |

| Page | Details | Service Fee | Debit | Credit | Date | Balance |
|---|---|---|---|---|---|---|
| 1 | BALANCE BROUGHT FORWARD | 0.00 | 0.00 | 0.00 | 20250310 | 363,548.83 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS R3G 5 0001183109682 | 0.00 | 0.00 | 1,977.00 | 20250310 | 365,526.73 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS EY4 U 0002213109453 | 0.00 | 0.00 | 2,700.00 | 20250310 | 368,226.73 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS R3G 5 0001183109682 | 0.00 | 0.00 | 3,728.40 | 20250310 | 371,955.13 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0004883109577 | 0.00 | 0.00 | 6,234.00 | 20250310 | 378,189.13 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS EY4 U 0002213109453 | 0.00 | 0.00 | 15,345.58 | 20250310 | 393,534.71 |
| 1 | FEE: CASH DEPOSIT - COINS ## 420543546 R21834,90 10/03 | 0.00 | -0.03 | 0.00 | 20250310 | 393,534.68 |
| 1 | FEE: CASH DEPOSIT - NOTES ## 420543546 R21834,90 10/03 | 0.00 | -117.45 | 0.00 | 20250310 | 393,417.23 |
| 1 | CASH DEPOSIT NOTES/COINS COMOTORS 07/03 | 0.00 | 0.00 | 699.00 | 20250311 | 394,116.23 |
| 1 | CASH DEPOSIT: NOTES COMOTORS 08/03 | 0.00 | 0.00 | 1,710.00 | 20250311 | 395,826.23 |
| 1 | CASH DEPOSIT NOTES/COINS CALITZDORP 10/03 | 0.00 | 0.00 | 2,477.30 | 20250311 | 398,303.53 |
| 1 | CASH DEPOSIT NOTES/COINS COMOTORS 10/03 | 0.00 | 0.00 | 3,872.00 | 20250311 | 402,175.53 |
| 1 | CASH DEPOSIT NOTES/COINS CALITZDORP 07/03 | 0.00 | 0.00 | 4,600.10 | 20250311 | 406,775.63 |
| 1 | CASH DEPOSIT NOTES/COINS CALITZDORP 08/03 | 0.00 | 0.00 | 9,001.20 | 20250311 | 415,776.83 |
| 1 | ELECTRONIC BANKING PAYMENT TO VAN D VAN DER BERG RVX6815:13 | 0.00 | -683.00 | 0.00 | 20250311 | 415,093.83 |
| 1 | ELECTRONIC BANKING PAYMENT TO WILLE WILLEMSE JOSH RVX6815:13 | 0.00 | -683.00 | 0.00 | 20250311 | 414,410.83 |
| 1 | ELECTRONIC BANKING PAYMENT TO ADONI ADONIS JUDORE RVX6815:13 | 0.00 | -683.00 | 0.00 | 20250311 | 413,727.83 |
| 1 | ELECTRONIC BANKING PAYMENT TO PARSO PARSON CHARLT RVX6815:13 | 0.00 | -1,727.00 | 0.00 | 20250311 | 412,000.83 |
| 1 | ELECTRONIC BANKING PAYMENT TO SEREO SEREO DJ RVX6815:13 | 0.00 | -3,490.00 | 0.00 | 20250311 | 408,510.83 |
| 1 | ELECTRONIC BANKING PAYMENT TO WIN03 WINDEED RVX6815:13 | 0.00 | -4,243.93 | 0.00 | 20250311 | 404,266.90 |
| 2 | BALANCE BROUGHT FORWARD | 0.00 | 0.00 | 0.00 | 20250311 | 404,266.90 |
| 2 | ELECTRONIC BANKING PAYMENT TO PETER PETER-GEORGE RVX6815:13 | 0.00 | -4,544.64 | 0.00 | 20250311 | 399,722.26 |
| 2 | ELECTRONIC BANKING PAYMENT TO P089 PROTEA HOTEL RVX6815:13 | 0.00 | -4,718.34 | 0.00 | 20250311 | 395,003.92 |
| 2 | ELECTRONIC BANKING PAYMENT TO JANUA JANUARIE DONO RVX6815:13 | 0.00 | -6,022.80 | 0.00 | 20250311 | 388,981.12 |
| 2 | ELECTRONIC BANKING PAYMENT TO WIN03 WINDEED RVX6815:13 | 0.00 | -6,642.68 | 0.00 | 20250311 | 382,338.44 |
| 2 | ELECTRONIC BANKING PAYMENT TO CAPE CAPE TOWN LOD RVX6815:13 | 0.00 | -12,270.00 | 0.00 | 20250311 | 370,068.44 |
| 2 | ELECTRONIC BANKING PAYMENT TO T018 TELKOM RVX6815:13 | 0.00 | -30,463.30 | 0.00 | 20250311 | 339,605.14 |
| 2 | ELECTRONIC BANKING PAYMENT TO MOTLA MOTLA METERIN RVX6815:13 | 0.00 | -36,721.00 | 0.00 | 20250311 | 302,884.14 |
| 2 | ELECTRONIC BANKING PAYMENT TO CALIT CALITZDORP BE RVX6815:13 | 0.00 | -71,648.07 | 0.00 | 20250311 | 231,236.07 |
| 2 | ELECTRONIC BANKING PAYMENT TO CALIT CALITZDORP BE RVX6815:13 | 0.00 | -129,397.98 | 0.00 | 20250311 | 101,838.09 |
| 2 | ACCOUNT PAYMENT SBSA FLEET17746283000888073 | 5.50 | -37,323.95 | 0.00 | 20250311 | 64,514.14 |

** END OF REPORT **

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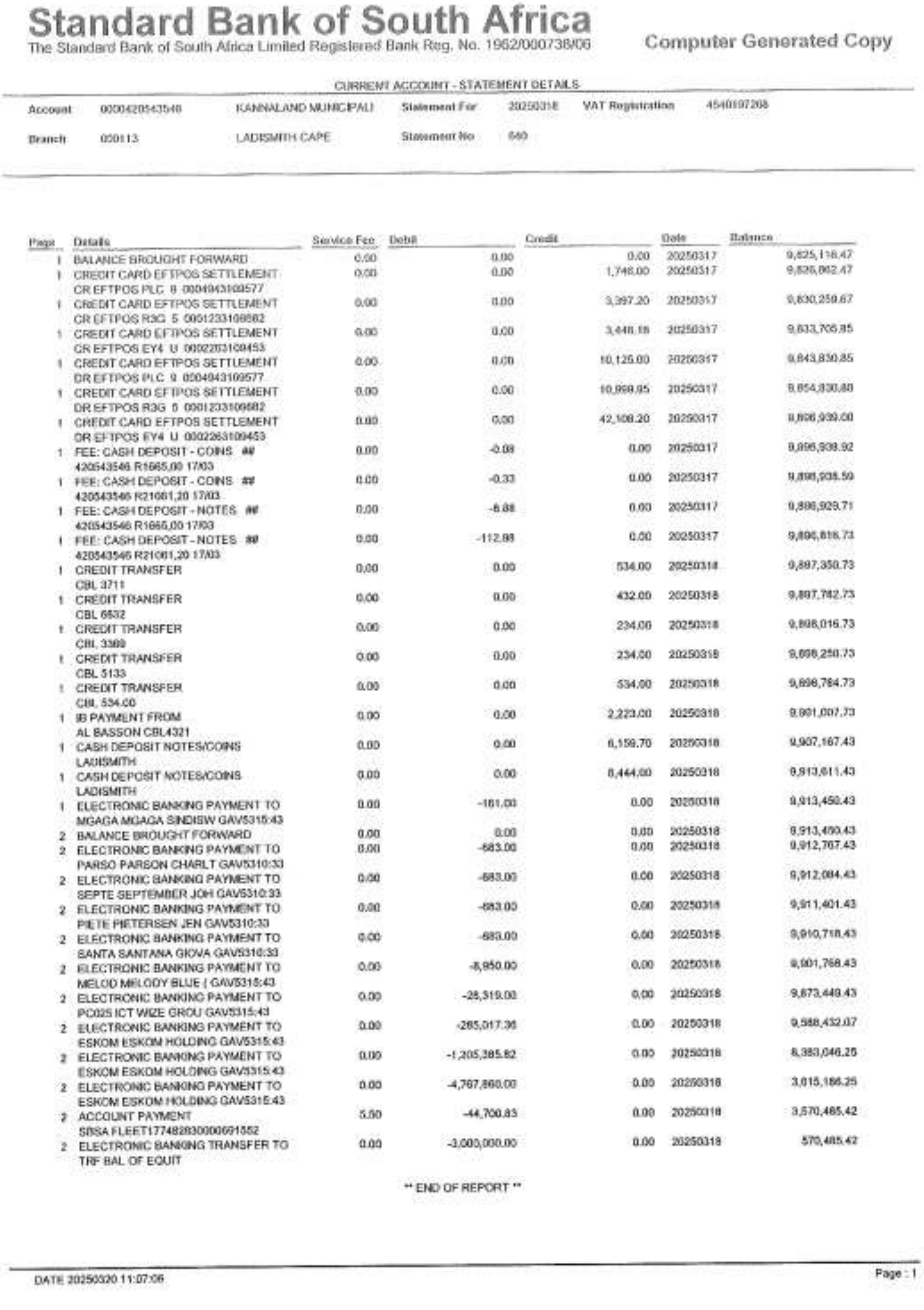

# Standard Bank of South Africa

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

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CURRENT ACCOUNT - STATEMENT DETAILS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Account | 000420543546 | KANNALAND MUNICIPALI | Statement For | 20250318 | VAT Registration | 4540197268 |
| Branch | 050113 | LADISMITH CAPE | Statement No | 640 | | |

| Page | Details | Service Fee | Debit | Credit | Date | Balance |
|---|---|---|---|---|---|---|
| 1 | BALANCE BROUGHT FORWARD | 0.00 | 0.00 | 0.00 | 20250317 | 9,825,114.47 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT<br>CR EFTPOS PLC 8 0004943109577 | 0.00 | 0.00 | 1,748.00 | 20250317 | 9,826,862.47 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT<br>CR EFTPOS R3G 5 0001233109682 | 0.00 | 0.00 | 3,397.20 | 20250317 | 9,830,259.67 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT<br>CR EFTPOS EY4 U 0002263109453 | 0.00 | 0.00 | 3,446.18 | 20250317 | 9,833,705.85 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT<br>DR EFTPOS PLC 9 0004943109577 | 0.00 | 0.00 | 10,125.00 | 20250317 | 9,843,830.85 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT<br>DR EFTPOS R3G 6 0001233109682 | 0.00 | 0.00 | 10,999.95 | 20250317 | 9,854,830.80 |
| 1 | CREDIT CARD EFTPOS SETTLEMENT<br>DR EFTPOS EY4 U 0002263109453 | 0.00 | 0.00 | 42,108.20 | 20250317 | 9,896,939.00 |
| 1 | FEE: CASH DEPOSIT - COINS ##<br>420543546 R1665,00 17/03 | 0.00 | -0.08 | 0.00 | 20250317 | 9,896,938.92 |
| 1 | FEE: CASH DEPOSIT - COINS ##<br>420543546 R21061,20 17/03 | 0.00 | -0.33 | 0.00 | 20250317 | 9,896,938.59 |
| 1 | FEE: CASH DEPOSIT - NOTES ##<br>420543546 R1665,00 17/03 | 0.00 | -8.88 | 0.00 | 20250317 | 9,896,929.71 |
| 1 | FEE: CASH DEPOSIT - NOTES ##<br>420543546 R21061,20 17/03 | 0.00 | -112.98 | 0.00 | 20250317 | 9,896,816.73 |
| 1 | CREDIT TRANSFER<br>CBL 3711 | 0.00 | 0.00 | 534.00 | 20250318 | 9,897,350.73 |
| 1 | CREDIT TRANSFER<br>CBL 6632 | 0.00 | 0.00 | 432.00 | 20250318 | 9,897,782.73 |
| 1 | CREDIT TRANSFER<br>CBL 3369 | 0.00 | 0.00 | 234.00 | 20250318 | 9,898,016.73 |
| 1 | CREDIT TRANSFER<br>CBL 5133 | 0.00 | 0.00 | 234.00 | 20250318 | 9,898,250.73 |
| 1 | CREDIT TRANSFER<br>CBL 534.00 | 0.00 | 0.00 | 534.00 | 20250318 | 9,898,784.73 |
| 1 | IB PAYMENT FROM<br>AL BASSON CBL4321 | 0.00 | 0.00 | 2,223.00 | 20250318 | 9,901,007.73 |
| 1 | CASH DEPOSIT NOTES/COINS<br>LADISMITH | 0.00 | 0.00 | 6,159.70 | 20250318 | 9,907,167.43 |
| 1 | CASH DEPOSIT NOTES/COINS<br>LADISMITH | 0.00 | 0.00 | 6,444.00 | 20250318 | 9,913,611.43 |
| 1 | ELECTRONIC BANKING PAYMENT TO<br>MGAGA MGAGA SINDISW GAV5315:43 | 0.00 | -161.00 | 0.00 | 20250318 | 9,913,450.43 |
| 2 | BALANCE BROUGHT FORWARD | 0.00 | 0.00 | 0.00 | 20250318 | 9,913,450.43 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>PARSO PARSON CHARLT GAV5310:33 | 0.00 | -683.00 | 0.00 | 20250318 | 9,912,767.43 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>SEPTE SEPTEMBER JOH GAV5310:33 | 0.00 | -683.00 | 0.00 | 20250318 | 9,912,084.43 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>PIETE PIETERSEN JEN GAV5310:33 | 0.00 | -683.00 | 0.00 | 20250318 | 9,911,401.43 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>SANTA SANTANA GIOVA GAV5310:33 | 0.00 | -683.00 | 0.00 | 20250318 | 9,910,718.43 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>MELOD MELODY BLUE ( GAV5315:43 | 0.00 | -8,950.00 | 0.00 | 20250318 | 9,901,768.43 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>PC025 ICT WIZE GROU GAV5315:43 | 0.00 | -28,319.00 | 0.00 | 20250318 | 9,873,449.43 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>ESKOM ESKOM HOLDING GAV5315:43 | 0.00 | -285,017.36 | 0.00 | 20250318 | 9,588,432.07 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>ESKOM ESKOM HOLDING GAV5315:43 | 0.00 | -1,205,385.82 | 0.00 | 20250318 | 8,383,046.25 |
| 2 | ELECTRONIC BANKING PAYMENT TO<br>ESKOM ESKOM HOLDING GAV5315:43 | 0.00 | -4,767,860.00 | 0.00 | 20250318 | 3,615,186.25 |
| 2 | ACCOUNT PAYMENT<br>SBSA FLEET17748283000691552 | 5.00 | -44,700.83 | 0.00 | 20250318 | 3,570,485.42 |
| 2 | ELECTRONIC BANKING TRANSFER TO<br>TRF BAL OF EQUIT | 0.00 | -3,000,000.00 | 0.00 | 20250318 | 570,485.42 |

** END OF REPORT **

DATE 20250320 11:07:06

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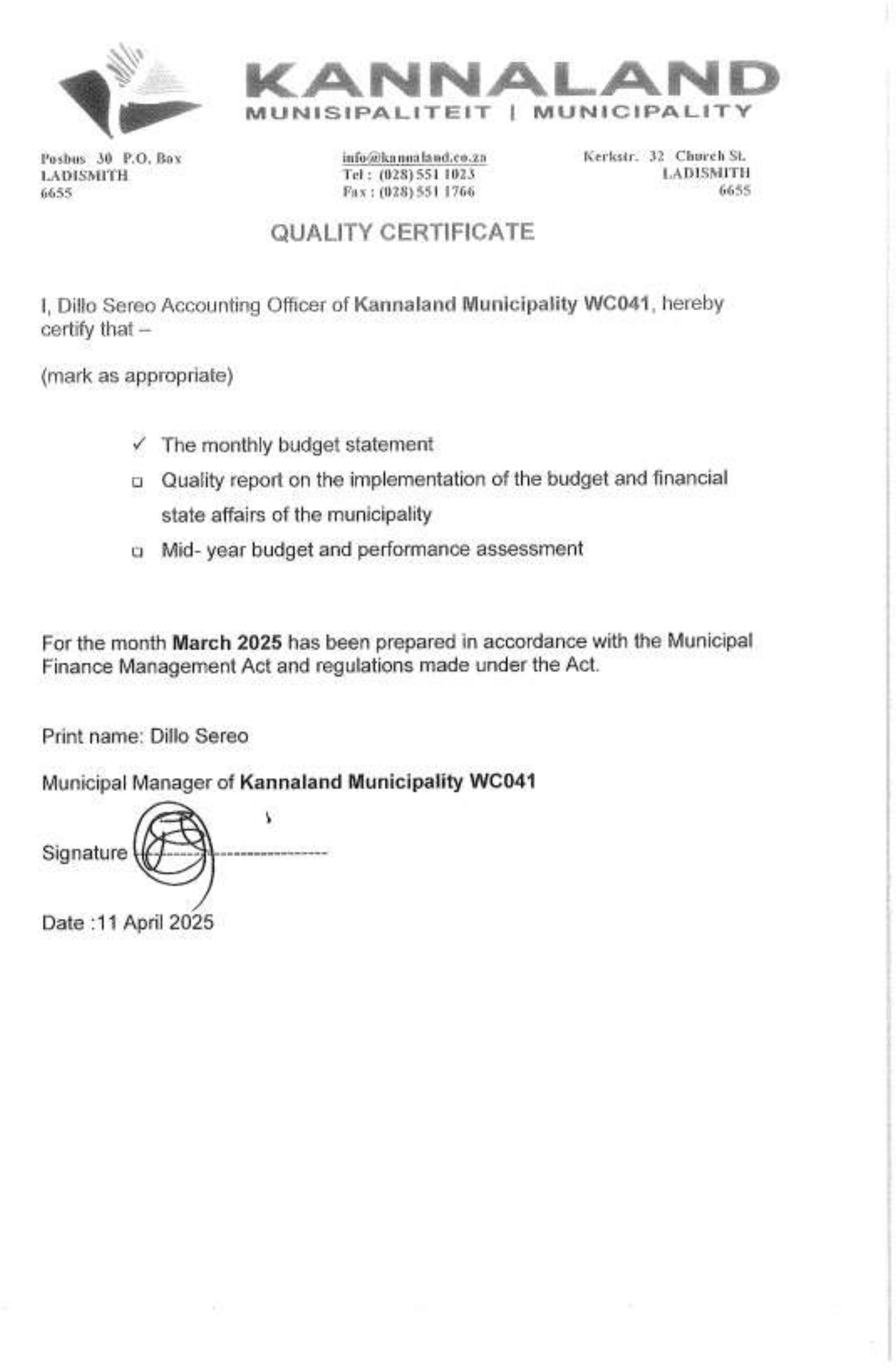
# SECTION 7 – QUALITY CERTIFICATION



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 **March 2025** 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 April 2025