KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for March 2025/26

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 September 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 2026, 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 2026.

That the Council takes cognisance of the Eskom Debt Relief Report for March 2026.

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 254 396	R 188 782	R 33 882	R 189 486	R 704	0
Operating Expenditure	R 262 857	R 175 472	R 27 038	R 157 721	R (37 816)	-19%
Capital	R 13 721	R 9 147	R 202	R 8 398	R (1 022)	11%

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

Operational Revenue

The municipality's total operational revenue budget amounts to R254 million and the year-to-date revenue on the budget accrued to R189 million. This represents 74% of the YTD variance for total revenue.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R263 million, with a year-to-date performance of R158 million, or 60% of the YTD variance for total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R14 million with a year-to-date performance of R 8.4 million, or 61% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R33,88 million exceeding budget, and expenditure amounting to R 27.04 million below budget, with an operating surplus of R 6.84million 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	2024/25	Budget Year 2025/26							
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	28,504	29,723	29,723	4,905	22,744	22,292	452	2%	29,723
Service charges	131,751	155,248	155,248	16,843	107,907	116,436	(8,528)	-7%	155,248
Investment revenue	1,479	1,003	1,003	117	996	752	243	32%	1,003
Transfers and subsidies - Operational	56,603	53,464	50,778	10,175	43,975	38,083	5,892	15%	50,778
Other own revenue	23,574	14,958	14,958	1,842	13,863	11,218	2,645	24%	14,958
Total Revenue (excluding capital transfers and	**241,910**	**254,396**	**251,709**	**33,882**	**189,486**	**188,782**	**704**	**0%**	**251,709**
Employee costs	114,550	97,832	97,296	8,957	79,078	73,148	5,930	8%	97,296
Remuneration of Councillors	4,264	3,526	3,526	473	3,097	2,645	453	17%	3,526
Depreciation and amortisation	40,078	13,179	13,179	2,196	9,884	9,884	0	0%	13,179
Interest	679	1,346	1,346	0	532	1,009	(477)	-47%	1,346
Inventory consumed and bulk purchases	67,057	90,807	90,787	13,116	46,428	68,090	(21,662)	-32%	90,787
Transfers and subsidies	589	590	590	–	175	442	(268)	-61%	590
Other expenditure	11,551	55,577	53,760	2,295	18,527	40,319	(21,792)	-54%	53,760
Total Expenditure	**238,767**	**262,857**	**260,483**	**27,038**	**157,721**	**195,537**	**(37,816)**	**-19%**	**260,483**
Surplus/(Deficit)	**3,144**	**(8,461)**	**(8,774)**	**6,844**	**31,765**	**(6,756)**	**38,520**	**-570%**	**(8,774)**
Transfers and subsidies - capital (monetary allocations)	18,627	15,779	19,572	–	10,681	15,532	(4,851)	-31%	19,572
Transfers and subsidies - capital (in-kind)	3	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**	**33,669**	**384%**	**10,798**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**	**33,669**	**384%**	**10,798**
Capital expenditure & funds sources									
Capital expenditure	**21,487**	**13,721**	**17,186**	**202**	**8,398**	**9,419**	**(1,022)**	**-11%**	**17,186**
Capital transfers recognised	21,027	13,721	17,019	202	8,398	9,377	(980)	-10%	17,019
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	374	–	–	–	–	–	–		–
Total sources of capital funds	**21,401**	**13,721**	**17,019**	**202**	**8,398**	**9,377**	**(980)**	**-10%**	**17,019**
Financial position									
Total current assets	103,944	43,973	41,633		183,626				41,633
Total non current assets	642,174	310,072	313,537		323,732				313,537
Total current liabilities	232,087	107,528	105,173		174,666				105,173
Total non current liabilities	88,308	48,640	48,640		57,420				48,640
Community wealth/Equity	429,149	197,877	197,877		245,336				197,877
Cash flows									
Net cash from (used) operating	123,591	24,534	25,641	26,911	137,346	20,083	(117,262)	-584%	254,542
Net cash from (used) investing	(18,861)	(15,779)	(19,572)	(233)	(10,081)	14,679	24,760	169%	19,572
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**186,359**	**18,462**	**15,776**	**–**	**199,276**	**44,470**	**(154,807)**	**-348%**	**346,126**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	8,573	5,491	4,330	3,546	3,487	3,376	16,422	153,015	198,241
Creditors Age Analysis									
Total Creditors	15,702	3,413	12,578	–	–	–	–	99,625	131,317

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	2024/25	Budget Year 2025/26							
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		**83,284**	**52,425**	**52,439**	**15,228**	**65,975**	**39,329**	26,646	68%	**52,439**
Executive and council		37,587	8,106	8,120	9,745	36,966	6,090	30,877	507%	8,120
Finance and administration		45,697	44,319	44,319	5,483	29,009	33,239	(4,231)	-13%	44,319
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**24,877**	**21,833**	**19,132**	**359**	**14,082**	**14,349**	(268)	-2%	**19,132**
Community and social services		15,125	16,505	16,749	359	12,217	12,562	(345)	-3%	16,749
Sport and recreation		58	60	60	–	34	45	(11)	-25%	60
Public safety		(6)	–	–	–	2	–	2		–
Housing		9,700	5,268	2,324	–	1,829	1,743	86	5%	2,324
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**2,318**	**2,487**	**2,487**	**441**	**2,588**	**1,865**	723	39%	**2,487**
Planning and development		–	–	–	–	–	–	–		–
Road transport		2,318	2,487	2,487	441	2,588	1,865	723	39%	2,487
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**150,059**	**193,429**	**197,222**	**17,855**	**117,521**	**148,770**	(31,249)	-21%	**197,222**
Energy sources		87,144	117,820	117,820	8,804	70,785	89,218	(18,433)	-21%	117,820
Water management		36,906	42,176	45,969	4,969	25,435	34,477	(9,042)	-26%	45,969
Waste water management		13,215	16,009	16,009	2,081	10,809	12,006	(1,197)	-10%	16,009
Waste management		12,795	17,425	17,425	2,000	10,493	13,069	(2,576)	-20%	17,425
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**260,539**	**270,174**	**271,281**	**33,882**	**200,166**	**204,314**	**(4,147)**	**-2%**	**271,281**
Expenditure - Functional										
Governance and administration		**86,298**	**89,151**	**89,644**	**7,099**	**61,920**	**67,400**	(5,480)	-8%	**89,644**
Executive and council		33,308	28,542	28,135	2,625	19,799	21,101	(1,303)	-6%	28,135
Finance and administration		52,990	60,609	61,509	4,474	42,122	46,299	(4,177)	-9%	61,509
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**19,076**	**18,398**	**15,531**	**1,151**	**11,812**	**11,657**	155	1%	**15,531**
Community and social services		10,817	9,366	9,443	839	7,111	7,090	21	0%	9,443
Sport and recreation		1,557	1,702	1,702	174	972	1,276	(305)	-24%	1,702
Public safety		1,447	369	369	27	817	276	541	196%	369
Housing		5,254	6,962	4,018	111	2,912	3,013	(101)	-3%	4,018
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**15,046**	**20,583**	**20,583**	**1,711**	**12,287**	**15,437**	(3,150)	-20%	**20,583**
Planning and development		281	380	380	–	111	285	(174)	-61%	380
Road transport		14,765	20,203	20,203	1,711	12,176	15,152	(2,976)	-20%	20,203
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**118,346**	**134,725**	**134,725**	**17,077**	**71,702**	**101,043**	(29,341)	-29%	**134,725**
Energy sources		73,468	94,302	94,302	13,895	50,452	70,726	(20,274)	-29%	94,302
Water management		22,092	17,934	18,244	1,703	10,352	13,683	(3,331)	-24%	18,244
Waste water management		10,782	10,707	10,397	718	4,814	7,798	(2,984)	-38%	10,397
Waste management		12,005	11,782	11,782	760	6,084	8,836	(2,752)	-31%	11,782
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**238,767**	**262,857**	**260,483**	**27,038**	**157,721**	**195,537**	**(37,816)**	**-19%**	**260,483**
Surplus/ (Deficit) for the year		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**	**33,669**	**384%**	**10,798**

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	2024/25	Budget Year 2025/26							
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		37,587	8,606	8,620	9,745	37,233	6,465	30,768	475.9%	8,620
Vote 2 - CORPORATE SERVICES		25,969	22,740	20,039	670	15,743	15,029	713	4.7%	20,039
Vote 3 - FINANCIAL SERVICES		45,108	43,444	43,444	5,458	28,404	32,583	(4,180)	-12.8%	43,444
Vote 4 - TECHNICAL SERVICES		151,875	195,384	199,178	18,009	118,787	150,236	(31,449)	-20.9%	199,178
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		–	–	–	–	–	–	–		–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**260,539**	**270,174**	**271,281**	**33,882**	**200,166**	**204,314**	**(4,147)**	**-2.0%**	**271,281**
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33,308	28,542	28,135	2,625	19,799	21,101	(1,303)	-6.2%	28,135
Vote 2 - CORPORATE SERVICES		61,566	45,318	42,451	4,189	38,276	32,014	6,262	19.6%	42,451
Vote 3 - FINANCIAL SERVICES		12,318	37,137	38,037	1,889	18,184	28,527	(10,344)	-36.3%	38,037
Vote 4 - TECHNICAL SERVICES		131,113	150,855	150,855	18,319	81,292	113,141	(31,849)	-28.2%	150,855
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		462	1,005	1,005	17	171	754	(583)	-77.3%	1,005
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	**238,767**	**262,857**	**260,483**	**27,038**	**157,721**	**195,537**	**(37,816)**	**-19.3%**	**260,483**
Surplus/ (Deficit) for the year	2	**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**	**33,669**	**383.6%**	**10,798**

2.4 TABLE C4 – MONTHLY FINANCIAL PERFROMANCE

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

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue									%	
Exchange Revenue										
Service charges - Electricity		86,289	107,694	107,694	8,771	68,936	80,770	(11,834)	-15%	107,694
Service charges - Water		25,346	30,912	30,912	4,577	22,406	23,184	(778)	-3%	30,912
Service charges - Waste Water Management		10,179	7,384	7,384	1,761	8,368	5,538	2,830	51%	7,384
Service charges - Waste management		9,937	9,258	9,258	1,734	8,197	6,944	1,253	18%	9,258
Sale of Goods and Rendering of Services		481	295	295	12	264	221	43	19%	295
Agency services		1,324	1,450	1,450	113	1,004	1,087	(84)	-8%	1,450
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		9,583	8,594	8,594	884	7,555	6,446	1,109	17%	8,594
Interest earned from Current and Non Current Assets		1,479	1,003	1,003	117	996	752	243	32%	1,003
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		692	493	493	120	560	370	190	51%	493
Licence and permits		206	230	230	20	120	172	(52)	-30%	230
Special rating levies		–	–	–	–	–	–	–		–
Operational Revenue		314	200	200	25	235	150	85	57%	200
Non-Exchange Revenue										
Property rates		28,504	29,723	29,723	4,905	22,744	22,292	452	2%	29,723
Surcharges and Taxes		6,604	–	–	–	–	–	–		–
Fines, penalties and forfeits		236	231	231	265	1,085	173	912	528%	231
Licence and permits		–	–	–	–	2	–	2		–
Transfer and subsidies - Operational		56,603	53,464	50,778	10,175	43,975	38,083	5,892	15%	50,778
Interest		3,420	3,465	3,465	279	2,484	2,598	(114)	-4%	3,465
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		714	–	–	124	554	–	554		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**241,910**	**254,396**	**251,709**	**33,882**	**189,486**	**188,782**	**–**		**251,709**
Expenditure By Type										
Employee related costs		114,550	97,832	97,296	8,957	79,078	73,148	5,930	8%	97,296
Remuneration of councillors		4,264	3,526	3,526	473	3,097	2,645	453	17%	3,526
Bulk purchases - electricity		63,298	82,476	82,476	12,839	43,887	61,857	(17,970)	-29%	82,476
Inventory consumed		3,759	8,331	8,311	277	2,541	6,233	(3,692)	-59%	8,311
Debt impairment		(40,672)	13,468	13,468	–	–	10,101	(10,101)	-100%	13,468
Depreciation and amortisation		40,078	13,179	13,179	2,196	9,884	9,884	0	0%	13,179
Interest		679	1,346	1,346	0	532	1,009	(477)	-47%	1,346
Contracted services		20,514	20,447	18,187	1,479	9,959	13,640	(3,681)	-27%	18,187
Transfers and subsidies		589	590	590	–	175	442	(268)	-61%	590
Irrecoverable debts written off		13,534	–	–	–	44	–	44		–
Operational costs		16,845	21,662	22,104	815	8,524	16,577	(8,054)	-49%	22,104
Losses on Disposal of Assets		1,329	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**238,767**	**262,857**	**260,483**	**27,038**	**157,721**	**195,537**	**(37,816)**	**-19%**	**260,483**
Surplus/(Deficit)		**3,144**	**(8,461)**	**(8,774)**	**6,844**	**31,765**	**(6,756)**	**37,816**	**(0)**	**(8,774)**
Transfers and subsidies - capital (monetary allocations)		18,627	15,779	19,572	–	10,681	15,532	(4,851)	(0)	19,572
Transfers and subsidies - capital (in-kind)		3	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**			**10,798**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**			**10,798**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**			**10,798**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**			**10,798**

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 8.8 million for **March 2026** and R 60.2 million YTD which represents **-15%** variance to the budget.
- **Service Charges – Waste Water Management** amounts to R 1.8 million for **March 2026** and R 8.4 million YTD which represents **51%** variance to the budget.
- **Service Charges – Waste Management** amounts to R 1.7 million for **March 2026** and R 8.2 million YTD which represents **18%** variance to the budget.
- **Sale of Goods and Rendering of Services** – amounts to R12 thousand for **March 2026** and R 264 thousand YTD which represents **19%** variance to the budget.
- **Agency Services** – amounts to R113 thousand for **March 2026** and R 1million YTD which represents **-18%** variance to the budget.

- **Interest on outstanding debtors – 17%** YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Licence and permits**- -**30%** YTD variance from the budget.
- **Rental from fixed Assets –** amounted to R 120 thousand and R 560 thousand YTD which represents a **51%** variance to the budget.
- **Fines, Penalties & Forfeits** – with a **528%** YTD variance, 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 9 million for **March 2026** and R 79.1 million YTD, this represents a 8**%** 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 473 thousand for **March 2026** and R 2.6million YTD, this represents a **17%** on the budget.
- **Bulk Purchases- electricity-** amounted to R 12million in **March 2026** and 44 million YTD represents a -29% variance to the budget.
- **Inventory Consumed –** represents a negative **59%** negative on the budget.
- **Contracted Services** – amounted to R 1.5 million in **March 2026** and R 10 million YTD represents a -27% variance to the budget.
- **Other Expenditure** - amounted to R 815 thousand in **March 2026.**

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	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 3 - FINANCIAL SERVICES		–	–	–	–	–	–	–		–
Vote 4 - TECHNICAL SERVICES		16,944	13,721	17,019	202	8,398	9,377	(980)	-10%	17,019
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	**16,944**	**13,721**	**17,019**	**202**	**8,398**	**9,377**	**(980)**	**-10%**	**17,019**
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		140	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		293	–	167	–	–	42	(42)	-100%	167
Vote 3 - FINANCIAL SERVICES		–	–	–	–	–	–	–		–
Vote 4 - TECHNICAL SERVICES		4,110	–	–	–	–	–	–		–
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		–	–	–	–	–	–	–		–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	4,543	–	167	–	–	42	**(42)**	**-100%**	167
Total Capital Expenditure	3	**21,487**	**13,721**	**17,186**	**202**	**8,398**	**9,419**	**(1,022)**	**-11%**	**17,186**
Capital Expenditure - Functional Classification										
Governance and administration		**348**	**–**	**–**	**–**	**–**	**–**	–		**–**
Executive and council		140	–	–	–	–	–	–		–
Finance and administration		208	–	–	–	–	–	–		–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**86**	**–**	**167**	**–**	**–**	**42**	(42)	-100%	**167**
Community and social services		86	–	167	–	–	42	(42)	-100%	167
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**26**	**–**	**–**	**–**	**–**	**–**	–		**–**
Planning and development		–	–	–	–	–	–	–		–
Road transport		26	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**21,027**	**13,721**	**17,019**	**202**	**8,398**	**9,377**	(980)	-10%	**17,019**
Energy sources		4,110	2,967	2,967	–	–	2,225	(2,225)	-100%	2,967
Water management		779	1,217	4,516	202	716	–	716		4,516
Waste water management		13,836	9,536	9,536	–	7,681	7,152	529	7%	9,536
Waste management		2,303	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**21,487**	**13,721**	**17,186**	**202**	**8,398**	**9,419**	**(1,022)**	**-11%**	**17,186**
Funded by:										
National Government		16,139	12,503	12,503	–	7,681	9,377	(1,696)	-18%	12,503
Provincial Government		4,889	1,217	4,516	202	716	–	716		4,516
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		**21,027**	**13,721**	**17,019**	**202**	**8,398**	**9,377**	**(980)**	**-10%**	**17,019**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		374	–	–	–	–	–	–		–
Total Capital Funding	7	**21,401**	**13,721**	**17,019**	**202**	**8,398**	**9,377**	**(980)**	**-10%**	**17,019**

CAPITAL EXPENDITURE

- amounted to **R 202 thousand** in **March 2026** and **R 8.4 million YTD** which represents a -11**%** variance to the budget**.**

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M09 March							
Description	Ref	2024/25	Budget Year 2025/26				
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		34,673	18,162	15,309	57,026	15,309
Trade and other receivables from exchange transactions		89,823	54,173	54,173	112,386	54,173
Receivables from non-exchange transactions		12,540	458	458	13,585	458
Current portion of non-current receivables		–	–	–	–	–
Inventory		3,845	116	134	1,844	134
VAT		(35,509)	(27,873)	(27,379)	(1,465)	(27,379)
Other current assets		(1,428)	(1,062)	(1,062)	250	(1,062)
Total current assets		**103,944**	**43,973**	**41,633**	**183,626**	**41,633**
Non current assets						
Investments		–	–	–	–	–
Investment property		2,134	1,064	1,064	1,018	1,064
Property, plant and equipment		640,024	309,004	312,470	322,711	312,470
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		16	4	4	3	4
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**642,174**	**310,072**	**313,537**	**323,732**	**313,537**
TOTAL ASSETS		**746,118**	**354,045**	**355,170**	**507,358**	**355,170**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		3,030	1,446	1,446	1,656	1,446
Trade and other payables from exchange transactions		199,554	104,511	102,155	111,270	102,155
Trade and other payables from non-exchange transactions		37,187	15,581	15,581	37,186	15,581
Provision		20,859	4,735	4,735	12,368	4,735
VAT		(28,544)	(18,745)	(18,745)	12,185	(18,745)
Other current liabilities		–	–	–	–	–
Total current liabilities		**232,087**	**107,528**	**105,173**	**174,666**	**105,173**
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		59,682	37,090	37,090	40,334	37,090
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		28,626	11,550	11,550	17,086	11,550
Total non current liabilities		**88,308**	**48,640**	**48,640**	**57,420**	**48,640**
TOTAL LIABILITIES		**320,395**	**156,168**	**153,813**	**232,086**	**153,813**
NET ASSETS	2	**425,722**	**197,877**	**201,358**	**275,272**	**201,358**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		428,226	197,416	197,416	244,875	197,416
Reserves and funds		923	462	462	462	462
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**429,149**	**197,877**	**197,877**	**245,336**	**197,877**

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M09 March										
Description	Ref	2024/25	Budget Year 2025/26							
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		19,650	27,286	27,286	1,571	15,825	20,465	(4,640)	-23%	27,286
Service charges		100,836	151,165	151,165	8,826	80,585	113,374	(32,789)	-29%	151,165
Other revenue		17,289	24,122	24,122	368	8,576	18,091	(9,515)	-53%	24,122
Transfers and Subsidies - Operational		56,202	53,464	50,778	9,741	48,547	38,083	10,463	27%	50,778
Transfers and Subsidies - Capital		24,160	15,779	19,572	9,269	24,433	15,532	8,901	57%	19,572
Interest		–	3,775	3,775	–	–	2,831	(2,831)	-100%	3,775
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(94,546)	(249,711)	(249,711)	(2,864)	(40,620)	(187,283)	(146,663)	78%	(20,809)
Interest		–	(1,346)	(1,346)	–	–	(1,009)	(1,009)	100%	(1,346)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**123,591**	**24,534**	**25,641**	**26,911**	**137,346**	**20,083**	**(117,262)**	**-584%**	**254,542**
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		(18,861)	(15,779)	(19,572)	(233)	(10,081)	14,679	24,760	169%	19,572
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(18,861)**	**(15,779)**	**(19,572)**	**(233)**	**(10,081)**	**14,679**	**24,760**	**169%**	**19,572**
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		**104,730**	**8,755**	**6,069**	**26,678**	**127,265**	**34,762**			**274,114**
Cash/cash equivalents at beginning:		81,629	9,707	9,707		72,011	9,707			72,011
Cash/cash equivalents at month/year end:		186,359	18,462	15,776		199,276	44,470			346,126

The total bank balance ending of **March 2026** were as follow;

- Standard Bank Main Account is **R 671 thousand;**
- The Traffic Account has **R 1.55 million;**
- Deposit Account has **R 2.2 million**;
- Call Account has **R 28.27 million**; and
- Eskom Bulk Account has **R 3 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 2025/26											
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	4,325	2,668	1,841	1,203	1,117	1,087	4,884	29,426	46,550	37,716	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,099	403	253	186	155	208	560	1,805	6,668	2,913	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2,900	783	731	656	712	557	2,769	28,258	37,367	32,952	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	975	452	451	446	446	450	2,429	18,140	23,790	21,911	–	–
Receivables from Exchange Transactions - Waste Management	1600	1,706	711	701	694	693	692	3,593	25,994	34,783	31,666	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	0	89	105	114	139	160	1,175	43,864	45,646	45,452	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(4,432)	384	248	247	225	221	1,013	5,529	3,436	7,235	–	–
Total By Income Source	**2000**	**8,573**	**5,491**	**4,330**	**3,546**	**3,487**	**3,376**	**16,422**	**153,015**	**198,241**	**179,847**	**–**	**–**
2024/25 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(931)	402	250	173	92	114	258	371	730	1,010	–	–
Commercial	2300	1,309	368	204	184	258	156	773	6,532	9,784	7,903	–	–
Households	2400	8,286	4,574	3,710	3,045	2,991	2,961	14,617	133,072	173,257	156,686	–	–
Other	2500	(91)	146	166	143	147	145	774	13,040	14,469	14,248	–	–
Total By Customer Group	**2600**	**8,573**	**5,491**	**4,330**	**3,546**	**3,487**	**3,376**	**16,422**	**153,015**	**198,241**	**179,847**	**–**	**–**

The total amount owed to Kannaland Municipality amounted to **R 198.2 million** at the end of **March 2026**.

- **R153 million or 77%** of the total outstanding debtors are older than one year.
- **R179.8 million or 91%** 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 R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	15,569	0	11,917	–	–	–	–	65,165	**92,651**	–
Bulk Water	0200	94	–	–	–	–	–	–	–	**94**	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	630	429	2	–	–	–	–	1,215	**2,275**	–
Auditor General	0800	(266)	3,188	500	–	–	–	–	21,592	**25,014**	–
Other	0900	(326)	(204)	159	–	–	–	–	11,653	**11,282**	–
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**15,702**	**3,413**	**12,578**	**–**	**–**	**–**	**–**	**99,625**	**131,317**	**–**

- The total outstanding creditors as at the end of **March 2026** amounts to **R 131.3 million**.

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

- ESKOM = R92.6 million, of which the entire amount is conditionally written off. The other R38.7 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R36.3 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.3 million.

- All other creditors 0-90 days are managed and paid on a month-to-month payment plan, for finalisation in the 2026-2026 FY.

3.4 INVESTMENT PORTFOLIO ANALYSIS

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

3/31/2026				
	Original Budget	Total Received	Total Spent	Unspent
Grant Name	Amount			
Provincial Government	**R10,947,000.00**	**R 7,507,667.00**	**R 4,776,785.53**	**R 2,730,881.47**
Housing				
Human Settlement Grant	R 3,842,000.00	R 1,828,667.00	R 1,828,667.00	R 1,828,667.00
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	R -			R -
Title Deeds Restoration Grant	R 1,426,000.00			
Financial Capability (Performance Man System)	R 500,000.00	R 500,000.00	R 266,144.50	R 233,855.50
Lib Replacement: Vulnerable Mun	R 3,666,000.00	R 3,666,000.00	R 2,380,415.58	R 1,285,584.42
Municipal Water Resilience Grant	R 1,400,000.00	R 1,400,000.00		R 1,400,000.00
Comm Dev Workers	R 113,000.00	R 113,000.00	R 59,922.00	R 53,078.00
National Government Grants	**R60,035,000.00**	**R46,425,000.00**	**R43,018,639.31**	**R 3,406,360.69**
Equitable Share	R 38,962,000.00	R 27,191,000.00	R 27,191,000.00	
FMG (Audit)	R 2,900,000.00	R 2,900,000.00	R 1,520,701.79	R 1,379,298.21
Mun Infrastructure Grant	R 577,200.00	R 577,200.00	R 434,866.76	R 142,333.24
Mun Infrastructure Grant	R 10,966,800.00	R 10,966,800.00	R 9,143,010.95	R 1,823,789.05
EPWP	R 1,378,000.00	R 1,378,000.00	R 998,194.70	R 379,805.30
INEP	R 3,412,000.00	R 3,412,000.00	R 3,412,000.00	R -
INEP (Eskom)	R 1,839,000.00			R -
WSIG	R -	R -	R -	R -

3.5 GRANT RECEIPTS AND EXPENDITURE

The following indicates expenditure on each respective grant received (Operational) and (Capital) for March 2026 –

National Treasury

Receipts:

- Municipal Infrastructure Grant amounts to **R 8 million.**

Expenditure:

- Financial Management Grant amounts to **R 32 thousand.**
- Municipal Infrastructure Grant PMU amounts to **R44 thousand.**
- Expanded Public Works Programme amounts to **R 123 thousand.**
- Integrated National Electrification Programme amounts to **R 1.87 million**

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R221 thousand**

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

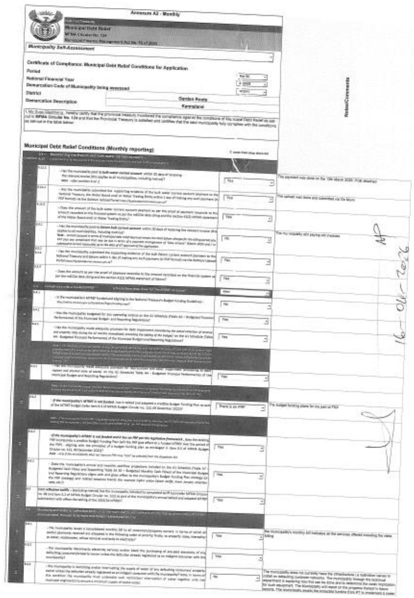
WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 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		3,448	3,197	3,197	426	2,452	2,398	54	2%	3,197
Pension and UIF Contributions		187	–	–	–	135	–	135		–
Medical Aid Contributions		123	–	–	–	87	–	87		–
Motor Vehicle Allowance		207	–	–	22	198	–	198		–
Cellphone Allowance		300	329	329	25	225	247	(22)	-9%	329
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**4,264**	**3,526**	**3,526**	**473**	**3,097**	**2,645**	**453**	**17%**	**3,526**
% increase	4		**-17.3%**	**-17.3%**						**-17.3%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3,410	5,175	5,175	401	2,799	3,881	(1,082)	-28%	5,175
Pension and UIF Contributions		5	6	6	1	5	5	0	1%	6
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		367	676	676	74	404	507	(103)	-20%	676
Cellphone Allowance		35	150	150	5	23	112	(90)	-80%	150
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		53	84	84	4	40	63	(23)	-36%	84
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**3,870**	**6,091**	**6,091**	**485**	**3,270**	**4,568**	**(1,298)**	**-28%**	**6,091**
% increase	4		**57.4%**	**57.4%**						**57.4%**
Other Municipal Staff										
Basic Salaries and Wages		71,907	67,870	67,469	5,919	53,398	50,601	2,796	6%	67,469
Pension and UIF Contributions		7,364	7,439	7,420	650	5,843	5,565	278	5%	7,420
Medical Aid Contributions		2,424	2,336	2,322	175	1,894	1,741	152	9%	2,322
Overtime		10,321	4,020	4,020	1,271	7,257	3,015	4,242	141%	4,020
Performance Bonus		1,849	632	632	–	720	474	246	52%	632
Motor Vehicle Allowance		4,164	4,516	4,376	257	2,675	3,282	(607)	-18%	4,376
Cellphone Allowance		138	146	146	8	96	109	(13)	-12%	146
Housing Allowances		418	481	481	19	175	361	(186)	-51%	481
Other benefits and allowances		6,560	4,152	4,189	174	3,523	3,318	205	6%	4,189
Payments in lieu of leave		5,464	150	150	–	225	113	113	100%	150
Long service awards		70	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**110,679**	**91,741**	**91,205**	**8,472**	**75,807**	**68,579**	**7,227**	**11%**	**91,205**
% increase	4		**-17.1%**	**-17.6%**						**-17.6%**
Total Parent Municipality		**118,813**	**101,358**	**100,822**	**9,430**	**82,174**	**75,792**	**6,382**	**8%**	**100,822**
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	–	–	0	1	–	1		–
Board Fees	5	–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Executive members Board	2	**1**	**–**	**–**	**0**	**1**	**–**	**1**		**–**
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Staff of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
% increase	4									
Total Municipal Entities		**1**	**–**	**–**	**0**	**1**	**–**	**1**		**–**
TOTAL SALARY, ALLOWANCES & BENEFITS		**118,814**	**101,358**	**100,822**	**9,430**	**82,175**	**75,792**	**6,382**	**8%**	**100,822**
% increase	4		**-14.7%**	**-15.1%**						**-15.1%**
TOTAL MANAGERS AND STAFF		**114,549**	**97,832**	**97,296**	**8,957**	**79,077**	**73,148**	**5,929**	**8%**	**97,296**

SECTION 5 – 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.

5.1 MFMA Circular 124 – Municipality Compliance Self-Assessment



Annexure A2 - Monthly

Municipal Debt Relief

MFMA Circular No. 124

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

National Financial Year

Demarcation Code of Municipality being assessed

District: Garden Route

Demarcation Description: Kannaland

Municipal Debt Relief Conditions (Monthly reporting)

18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? *Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.*	No	The municipality does not have the flow meters to limit the supply of water, but with electricity once the allocated free basic is used, the consumers will be liable to purchase their own electricity
	6.6	*Supporting evidence : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6*		
	6.7	**Maintain a minimum average quarterly collection of property rates and services charges –**		
19	6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Yes	
		Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, ... relief support will be ... for the first two years ...		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following :**		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	6.7.1 = Yes	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	6.7.1 = Yes	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	6.7.1 = Yes	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Landis&GYR has installed 3842 meters
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	No	The MFIP Advisor will assist in developing the policy
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? *Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement*	Yes	The action plan developed to address the variances identified between the valuation roll and billing system
28	6.8.2	**- For the latest ending Quarter** -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes	
	6.9	Monitor and report on implementation –		
29	6.9.1	**- MFMA section 71 reporting** – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? *Note - condition 6.9.2 has a typing error and must refer to 6.9.1.*	6.9.1 = Yes	
31	6.9.3	**- Municipalities with financial recovery plans (FRP) –** If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Yes	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes	
		Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.		
	6.10	*Provincial Treasury Note - Provincial Treasury certification of municipal compliance – In terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:*		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? *Note - In the case of a non-delegated municipality the National Treasury to issue the compliance certificate.*	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No	
		Note - If the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.		
36	6.11	**Limitation on municipality borrowing powers** - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124 condition 6.11 (limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.		
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality **apportioned and ring-fenced in a sub-account** to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) **the component of the** Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes	
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes	
		Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.65(2)		
39		***Supporting evidence :*** Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes	
40	6.13	**Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? *Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.*	Yes	

16-04-2020

41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	No
		Note: By applying for Municipal Debt Relief as set out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that [illegible] the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to [illegible] the municipality's licence in terms of section 27 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be p[illegible] by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 200[illegible] [illegible] the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. [illegible] of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection [illegible] in relation to the municipality's arrears that are the subject of municipal debt relief, etc.	

PT: HOD/ NT / MM Name: Lucky Steenkamp

Signature of HOD/ NT/ MM:

Date: 16-04-2026

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

**Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be i[illegible]rporated into the related PT report

5.2 Municipal Debt Relief Performance across the period of debt relief participation

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province		
WC		
Code	District	Code Description
WC041	Garden Route	Kannaland

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/BFP & Tariff Assessment		
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14
25.July25	Kannaland	WC041	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
26.August25	Kannaland	WC041	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
27.September25	Kannaland	WC041	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
28.October25	Kannaland	WC041	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29.November25	Kannaland	WC041	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
30.December25	Kannaland	WC041	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31.January26	Kannaland	WC041	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
32.February26	Kannaland	WC041	No	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
33.March26	Kannaland	WC041	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

	Part D: Electricity and water as collection tools				Part C: Quarterly collection of property rates and services charges							Maximization of Revenue Base		
Month	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28
25.July25	No	Yes	No	No	Yes	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes
26.August25	No	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes
27.September25	No	Yes	No	No	No	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
28.October25	No	Yes	No	No	N/A	Yes	Yes	Yes	No		Yes	No	Yes	Yes
29.November25	No	Yes	No	No	N/A	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
30.December25	No	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
31.January26	No	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
32.February26	No	Yes	No	No	Yes	N/A	N/A	N/A	Yes	No	Yes	No	Yes	Yes
33.March26	Yes	Yes	No	No	Yes	N/A	N/A	N/A	Yes	No	Yes	Yes	Yes	Yes

	Part E: Oversight													Scoring and Rating	
Month	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes		Yes	Yes	No	68%	Moderate compliance
26.August25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	83%	Above Moderate
27.September25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	Moderate compliance
28.October25	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	76%	Moderate compliance
29.November25	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	85%	Above Moderate
30.December25	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	71%	Moderate compliance
31.January26	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	80%	Above Moderate
32.February26	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	78%	Moderate compliance
33.March26	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	93%	Above Moderate

5.3 The Provincial Treasury Municipal (Eskom) Debt Relief Compliance Assessment

Western Cape Government

Provincial Treasury
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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 2026

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. February 2026 constitutes the seventh month of the Municipality's third 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 2026 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 2026 remained at 54 per cent, as the previous month of January 2026. The scores from the entire previous

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second cycle and from the first to the end of the fifth months of the third cycle are being lower than the 85 per cent achieved in the first 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 2025 up to February 2026:

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

Province		
WC		
Code	District	Code Description
WC041	Garden Route	Kannaland

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/EFP & Tariff Assessment		
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14
25.July25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	[illegible]	Yes	Yes
26.August25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
27.September25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
28.October25	Kannaland	WC041	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29.November25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
30.December25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31.January26	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
32.February26	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Month	Part D: Electricity and water as collection tools				Part G: Quarterly collection of property rates and services charges							Maximization of Revenue Base		
	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28
25.July25	Yes	Yes	No	No	[illegible]	[illegible]	[illegible]	[illegible]	No	No	No	No	No	No
26.August25	Yes	Yes	No	No	[illegible]	[illegible]	[illegible]	[illegible]	No	No	No	No	No	No
27.September25	Yes	Yes	No	No	No	Yes	Yes	Yes	No	No	No	No	No	No
28.October25	Yes	Yes	No	No	[illegible]	[illegible]	[illegible]	[illegible]	No	No	No	No	No	No
29.November25	Yes	Yes	No	No	[illegible]	[illegible]	[illegible]	[illegible]	No	No	No	No	No	No
30.December25	Yes	Yes	No	No	No	Yes	Yes	Yes	No	No	No	No	No	No
31.January26	Yes	Yes	No	No	[illegible]	[illegible]	[illegible]	[illegible]	No	No	No	No	No	No
32.February26	Yes	Yes	No	No	[illegible]	[illegible]	[illegible]	[illegible]	No	No	No	No	No	No

Month	Part E: Oversight													Scoring and Rating	
	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	No	No	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	59%	[illegible]
26.August25	No	No	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	58%	[illegible]
27.September25	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	51%	[illegible]
28.October25	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	56%	[illegible]
29.November25	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	54%	[illegible]
30.December25	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	51%	[illegible]
31.January26	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	54%	[illegible]
32.February26	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	54%	[illegible]

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 and Water bulk current accounts.**

Kannaland Municipality remains non-compliant with section 65(2)(e) of the MFMA and MFMA Circular 124, as only partial payments amounting to R7.50 million, plus R279 777 in service fees, were made towards the Eskom bulk electricity account for the month under review, as reported at the Cash Flow Committee meeting. The amounts have been verified against the bank statement and proof of payment. The Municipality indicated that payments effected in February 2026 related to prior periods. During engagements with Eskom and Provincial Treasury, the Municipality had previously committed to a six-month payment arrangement of R5.5 million per month. This commitment was not honoured, as Eskom arrears continued to increase. As a result, the Municipality is at risk of losing the benefits of the Eskom Debt Relief Programme. Eskom issued a breach notice on 17 November 2025, requiring urgent corrective action.

The Municipality is currently under an approved Financial Recovery Plan (FRP), with implementation monitored through the FRP Technical Implementation Committee. In addition, the Cash Flow Committee meets weekly, during which Eskom non-compliance has been consistently raised, and Provincial Treasury has repeatedly emphasised the need to prioritise Eskom payments to restore compliance with the debt relief conditions. Furthermore, the Municipality has made a payment of R120 969 towards the bulk water account. However, the FMR did not reflect the invoice, proof of payment, or bank statement. The Municipality indicated that these documents had been uploaded to GOMUNI, However Provincial Treasury has requested that such supporting documentation be included as part of the section 71 reports under the FMR.

Consequently, the Municipality remains non-compliant with Condition 6.12.2 of MFMA Circular 124 in respect of both Eskom and bulk water accounts. **Eskom has indicated its intention to approach National Treasury to remove Kannaland Municipality from the National Debt Relief Programme, as the Municipality has not provided sufficient evidence of fully servicing its current accounts.** Eskom has further indicated that no acknowledgement or responses has been received from the Municipality and that it has been included in the PAJA process for potential disconnection. This matter requires urgent attention, as the continued failure to maintain current payments constitutes a serious and ongoing breach of section 65(2)(e) of the MFMA.

Furthermore, the reconciliation of the Eskom account remains a key requirement. The municipality must submit a detailed Eskom account reconciliation as part of its Section 71 reporting, as the FMR may not fully reflect all payments or supporting documentation. This will enable proper tracing of payments and identification of any outstanding proof of payment. Based on the latest reports, arrears are reflected at R79.63 million in the FMR and R79.61 million in the Section 41 report, which are broadly aligned (excluding current amounts).

4. Condition 6.4 - A funded MTREF

PT assessed the municipality's 2025/26 adopted adjustment budget and found it to be unfunded. While Kannaland had adopted a Budget Funding Plan (BFP) as an interim measure, this could not fully address the financial challenges. With the completion and approval of the FRP in August 2025, the BFP has been replaced. The FRP was formally submitted by National Treasury's Municipal Financial Recovery Service (MFRS) on 11 August 2025 to the Minister of Finance, and the document is now binding on the Council and administration of Kannaland Municipality, as it provides the framework to address immediate and long-term financial challenges and ensure a funded MTREF. Implementation of the FRP commenced on 1 September 2025. PT and other stakeholders continue to engage with the Municipality on a weekly basis through cash flow committee meetings.

5. Condition 6.5 - Cost reflective tariffs

The municipality has not uploaded the completed 2025/26 Cost of Supply (COS) studies to the GOMUNI portal. Therefore, the municipality is requested to upload the document as soon as possible. In terms of MFMA Circulars No. 129 and 130, the Cost of Supply was supposed to be submitted together with the tabled and approved budget as adopted by Council. Additionally, the municipality is encouraged to align cost-reflective tariffs across all four main trading services for the remaining period of its debt relief participation.

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. The recently completed rollout of smart meters for electricity should also help with collections.

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**

The Municipality reported a collection rate of 84 per cent for the period under review. This is slightly below the target of 85 per cent, but it is stable compared to the previous month. Collection levels remain affected by ongoing non-payment, especially in Eskom-supplied areas, where the Municipality cannot use electricity cut-offs as a credit control measure. When Eskom-supplied areas are excluded, the collection rate improves to about 91 per cent, showing better performance in areas directly supplied by the Municipality.

Collection performance is also affected by high outstanding debt, including large arrears in Zoar, which continue to place pressure on revenue. To improve collections, the Municipality has strengthened its credit control measures by expanding the blocking list to include businesses and government institutions. These actions are expected to improve collections over time, although the impact is currently slow.

To address ongoing billing and collection issues, the Municipality has started data cleansing to improve the accuracy of billing information. In addition, two debt collection service providers, NFD Consulting and Thipa Attorneys, were appointed in March 2025. Their contracts were later amended to allow them to carry out full credit control actions, including issuing summons, and not only demand letters.

8. **Condition 6.8 - Completeness of the Revenue Base**

The Municipality has not aligned its billing system with the Council-approved General Valuation Roll (GVR) or any supplementary GVRs, as highlighted by the National Treasury's property rates reconciliation tool. This misalignment has led to misclassifications, incorrect property transfers, and omissions, affecting the completeness of the revenue base. 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.

The Municipality is urged to prioritise full reconciliation between the valuation roll and billing system and to comply with MFMA Circular No. 124 to support accurate revenue reporting and the success of the debt relief programme.

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

	MFMA S71 Statement component	Compliance (Yes/No)
2.	***The conclusion (paragraph 14) of the MFMA S71 statement*** explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors. with the implementation of the Municipality's Budget Funding Plan and/or Funded Budget.	Yes
3.	***Annexure B of the MFMA S71 statement included the following debt relief reporting components***	
3.1.1	The Municipality's MFMA Circular No. 124 self-assessment.	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of **MFMA Budget Circular No. 128 (Annexure B).**	Yes
3.2	The Municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the Municipality.	Yes
3.4.1	The Municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of **MFMA Budget Circular No. 128 (Annexure D).**	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of **MFMA Budget Circular No. 128 (Annexure C).**	Yes
3.6.1	The summary of the Municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The Municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	**No**
3.7.1	Any Eskom and Water (if the Municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The Municipality's proof of payment of any such Eskom and/or Water Bulk current account invoice(s) during the month of reporting.	**No**
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 incorporated its monthly debt compliance reporting into the MFMA Section 71 narratives as required. Although improvements were made following Provincial Treasury's engagement on 14 August 2025, the FMR submitted for February 2026 still contains blurred supporting documents, specifically Municipality self-assessment. These issues continue to limit Provincial Treasury's ability to fully assess the Municipality's compliance with reporting requirements.

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.

MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE: KANNALAND MUNICIPALITY FEBRUARY 2026 5

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 2026:

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'26
National Financial Year	2025/26
Demarcation Code of Municipality being assessed	WC041
District	Garden Route
Demarcation Description	Kannaland

I, Mr. Victor Senna_, 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

Condition	6.3 + 6.12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note - refer condition 6.12 .2***	No
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	No
4	6.3.1	- Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.*	No
5	6.3.2 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 GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No
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
	6.4	Compliance with a funded MTREF – *(choose from drop down list the MTREF assessed)*	2025/26 Main Adjustment MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment *(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also propert rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".	
11	6.4.2	- ***If the municipality's MTREF is not funded***, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes

		Note – If the municipality has an FRP, a separate budget funding plan is not necesary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strenghtening.	
12	6.4.2	- ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework*** , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? ***Note** - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	Yes
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes
14	6.5	**Cost reflective tariffs** – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, *demonstrated, through its by-laws and budget related policies* that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? ***Note** – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.*	No
	6.6	*Supporting evidence : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.*	
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
19	6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter
		Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following :**	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarte
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarte
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	not yet the end of a quarte
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	No
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	No
	6.8	Municipality's Completeness of the revenue base –	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	No
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? ***Note** - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement*	No
28	6.8.2	- **For the latest ending Quarter** -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	No

MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE: KANNALAND MUNICIPALITY FEBRUARY 2026

8

	6.9	**Monitor and report on implementation –**	
29	6.9.1	**- MFMA section 71 reporting –** has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	No
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? ***Note** - condition 6.9.2 has a typing error and must refer to 6.9.1.*	No
31	6.9.3	- **Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No
		Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.	
	6.10	*Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:*	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? ***Note** - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.*	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
		***Note** - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.*	
36	6.11	**Limitation on municipality borrowing powers** - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No
		***Note** - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.*	
	6.12	**For the duration of the Municipal Debt Relief (to ensure proper management of resources):**	
37	6.12.1	- has the municipality **apportioned and ring-fenced in a sub-account** to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) **the component of the** Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes
		***Note:** Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).*	
39		***Supporting evidence*** : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
40	6.13	**Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? **Note** - *to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.*	No
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	No
		***Note:** By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.*	

MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE:
KANNALAND MUNICIPALITY FEBRUARY 2026 9

The Western Cape Provincial Treasury's assessment and compliance certificate confirm that Kannaland Municipality did not fully comply with all the conditions of MFMA Circular No. 124, as outlined above. The Municipality's average compliance score remained at 54 per cent in February 2026 compared to the previous month. This steadiness is largely attributable to the Municipality not fully settling its bulk accounts, as well as February 2026 not being an end-of-quarter reporting month. The Municipality continues to not meet the requirement to settle bulk electricity accounts within 30 days and has not upheld its agreed payment arrangement with Eskom, despite partial payments having been made.

The Municipality has not yet fully completed the required FRP progress reporting on the GoMuni portal. Only selected reports have been uploaded for November 2025 and February 2026, as well as an August 2025 submission, which appears to have been incorrectly uploaded, given that Kannaland entered the FRP on 1 September 2025. Other reporting periods remain outstanding, indicating gaps and inconsistencies in FRP reporting. Provincial Treasury has advised the Municipality to ensure that all outstanding FRP reports are uploaded on the GoMuni portal. Although copies of some reports have been submitted directly to Provincial Treasury, the Municipality is required to upload all FRP documentation under the Municipal Financial Recovery Service (MFRS) section on GoMuni to ensure full compliance.

The Municipality must address non-compliance matters urgently. Priority should be given to the payment of bulk accounts, particularly those from previous months that remain in arrears, as well as reporting on the progress of the action plan from the General Valuation reconciliation. Thereafter, the Municipality should focus on addressing the other outstanding compliance matters as outlined above. Strengthening the implementation of the debt relief conditions is essential for the Municipality to secure 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

Victor Senna
Digitally signed by Victor Senna
Date: 2026.03.26 12:39:49 +02'00'

VICTOR SENNA
DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONIMIC SERVICES
DATE:

Cc: The Executive Mayor: Mr J Donson, mayor@kannaland.gov.za
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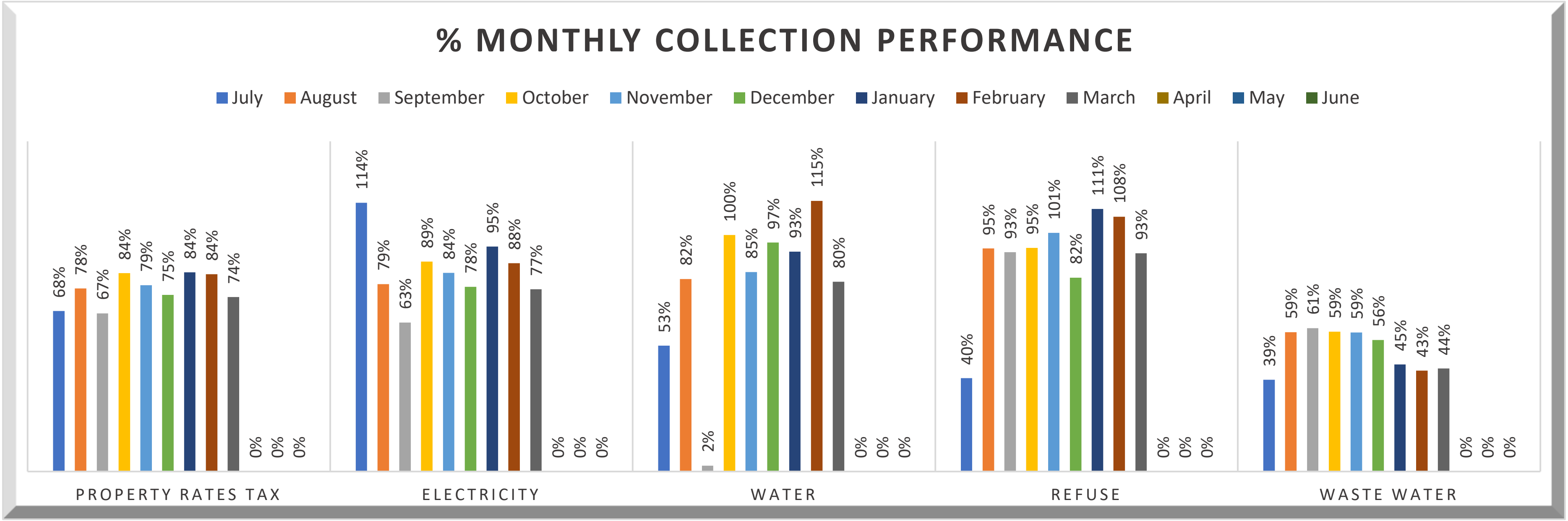
5.4 MFMA Circular 124- Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)

5.4.1 Monthly/Quarterly collection per ward



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

Total Aggregate Collection		7.January - Reporting for December in January				8.February - Reporting for January in February				9.March - Reporting for Feberuary in March				Click to view/close months	Summary - Quarter 3				Q1
		Billing For December	Collection in January	R - Billing not collected	% Collection	Billing For January	Collection in February	R - Billing not collected	% Collection	Billing For February	Collection in March	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	Summary	14,395,091	12,153,931	3,034,005	84%	15,198,245	12,706,308	3,584,060	84%	14,579,547	10,779,057	3,956,997	74%		44,172,882	35,639,295	8,533,587	81%	81%
2.Collection excl Eskom supplied areas		8,838,222	8,429,272	1,449,256	95%	9,484,764	8,380,852	1,849,284	88%	9,282,130	7,172,866	2,153,534	77%		27,605,117	23,982,990	3,622,127	87%	87%
3.Collection: **Property Rates**		2,528,097	2,357,496	170,602	93%	2,528,014	2,900,842	0	115%	2,525,497	2,032,502	492,995	80%		7,581,608	7,290,840	290,769	96%	96%
4.Total average collection: **Electricity** (Municipal supplied areas)		6,102,905	6,793,656	0	111%	6,116,996	6,604,403	0	108%	6,663,787	6,165,356	498,431	93%		18,883,688	19,563,416	(679,728)	104%	104%
5.Total average collection: **Water**		3,578,336	1,626,538	1,951,798	45%	4,392,091	1,881,146	2,510,945	43%	3,232,372	1,412,510	1,819,862	44%		11,202,799	4,920,194	6,282,605	44%	44%
6.Total average collection: **Wastewater**		1,064,510	630,189	434,321	59%	1,052,859	524,826	528,033	50%	1,062,485	495,652	566,833	47%		3,179,853	1,650,667	1,529,187	52%	52%
7.Total average collection: **Refuse**		1,036,801	559,517	477,285	54%	1,023,655	478,573	545,082	47%	1,010,771	431,894	578,878	43%		3,071,227	1,469,983	1,601,244	48%	48%
8. 7.Total average collection: **Interest**		84,441	186,535	0	221%	84,630	316,518	0	374%	84,635	241,143	0	285%		253,707	744,196	(490,490)	293%	293%

Complete This Section

Quarter 3 Performance Per Ward

Services	Electricity Supplier	Ward Name & Number	7.January				8.February				9.March								Q3
			Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
Property Rates Tax	Mun Supplied	Nissenville - Ward 1	161,172	163,964	0	102%	161,323.04	142,481.69	18,841	88%	161,323	167,607.33	0	104%	483,818	474,053	9,764	98%	98%
Electricity			130,157	62,961	67,196	48%	83,158.54	44,494.62	38,664	54%	160,931	62,421.39	98,510	39%	374,247	169,877	204,370	45%	45%
Water			393,275	57,461	335,814	15%	533,218.92	100,018.76	433,200	19%	354,062	107,697.57	246,365	30%	1,280,557	265,178	1,015,379	21%	21%
Refuse			174,342	83,671	90,672	48%	166,039.09	70,436.64	95,602	42%	162,233	82,627.90	79,606	51%	502,615	236,735	265,880	47%	47%
Waste Water			215,678	112,771	102,907	52%	208,687.21	93,336.77	115,350	45%	205,025	129,588.98	75,436	63%	629,391	335,697	293,694	53%	53%
Interest			1,299	778	522	60%	1,399.30	350.00	1,049	25%	1,399	39,385.32	0	2815%	4,098	40,513	(36,415)	989%	989%
Property Rates Tax	Eskom supplied	Zoar - Ward 2	75,432	34,964	40,468	46%	75,431.99	29,973	45,459	40%	75,432	17,584	57,848	23%	226,296	82,521	143,775	36%	36%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			890,543	59,900	830,643	7%	1,024,481.41	42,245	982,236	4%	640,989	35,551	605,438	6%	2,556,014	137,696	2,418,317	5%	5%
Refuse			377,019	75,651	301,368	20%	369,753.85	63,419	306,335	17%	368,633	42,605	326,028	12%	1,115,407	181,675	933,732	16%	16%
Waste Water			365,981	93,591	272,390	26%	358,990.52	72,391	286,599	20%	357,951	62,422	295,529	17%	1,082,923	228,405	854,518	21%	21%
Interest			4,772	4,789	0	100%	4,772.12	76,304	0	1599%	4,772	9,141	0	192%	14,316	90,234	(75,918)	630%	630%
Property Rates Tax	Eskom supplied	Calitzdorp Farms - Ward 3	190,254	107,376	82,879	56%	190,254	192,446	0	101%	190,254	277,574	0	146%	570,763	577,396	(6,633)	101%	101%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			66,961	46,059	20,902	69%	154,637	54,546	100,091	35%	101,281	30,317	70,964	30%	322,879	130,923	191,956	41%	41%
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Interest			-	12	0	#DIV/0!	-	173,731	0	#DIV/0!	-	118,677	0	#DIV/0!	-	292,420	(292,420)	#DIV/0!	#DIV/0!
Property Rates Tax	Mun Supplied	Bergsig Calitzdorp - Ward 3	22,705	14,969	7,736	66%	22,705	14,755	7,950	65%	22,705	9,709	12,996	43%	68,115	39,434	28,681	58%	58%
Electricity			7,234	12,518	0	173%	11,587	9,358	2,230	81%	13,046	10,376	2,670	80%	31,867	32,252	(385)	101%	101%
Water			462,361	12,319	450,042	3%	703,119	43,033	660,085	6%	507,106	33,490	473,616	7%	1,672,586	88,843	1,583,743	5%	5%
Refuse			121,643	40,521	81,122	33%	124,756	25,729	99,028	21%	117,491	13,641	103,850	12%	363,890	79,890	284,000	22%	22%
Waste Water			110,208	32,694	77,514	30%	113,537	15,887	97,650	14%	126,611	9,190	117,421	7%	350,356	57,772	292,584	16%	16%
Interest			1,633	372	1,261	23%	483	360	124	74%	483	370	113	77%	2,599	1,101	1,498	42%	42%
Property Rates Tax	Mun Supplied	Calitzdorp Town - Ward 3	469,105	570,066	0	122%	469,207	524,081	0	112%	469,271	367,797	101,474	78%	1,407,582	1,461,945	(54,362)	104%	104%
Electricity			651,358	635,542	15,816	98%	1,008,526	1,284,238	0	127%	1,136,318	931,900	204,418	82%	2,796,202	2,851,680	(55,478)	102%	102%
Water			387,220	252,585	134,635	65%	498,094	370,130	127,965	74%	401,176	206,081	195,095	51%	1,286,490	828,795	457,695	64%	64%
Refuse			98,651	118,996	0	121%	98,997	92,530	6,467	93%	98,651	77,044	21,607	78%	296,299	288,571	7,729	97%	97%
Waste Water			22,779	25,858	0	114%	22,779	21,210	1,568	93%	24,201	16,722	7,480	69%	69,759	63,790	5,969	91%	91%
Interest			6,777	21,530	0	318%	6,777	18,725	0	276%	6,777	3,702	3,074	55%	20,330	43,958	(23,628)	216%	216%
Property Rates Tax	Mun Supplied	Ladismith Town - Ward 4	1,012,662	1,064,721	0	105%	1,012,682	1,161,956	0	115%	1,009,744	920,237	89,507	91%	3,035,088	3,146,914	(111,826)	104%	104%
Electricity			3,023,782	3,789,532	0	125%	2,834,757	3,086,565	0	109%	3,016,642	2,826,266	190,376	94%	8,875,181	9,702,363	(827,182)	109%	109%
Water			782,616	698,598	84,018	89%	822,165	740,966	81,199	90%	706,676	642,902	63,774	91%	2,311,457	2,082,466	228,991	90%	90%
Refuse			203,970	217,995	0	107%	202,932	201,630	1,302	99%	202,586	195,342	7,244	96%	609,487	614,966	(5,479)	101%	101%
Waste Water			312,574	354,534	0	113%	311,575	313,330	0	101%	311,406	269,943	41,462	87%	935,555	937,807	(2,252)	100%	100%
Interest			65,022	84,317	0	130%	66,260	5,250	61,010	8%	66,266	48,823	17,443	74%	197,549	138,390	59,158	70%	70%
Property Rates Tax	Eskom supplied	Ladismith Farms - Ward 4	540,916	348,296	192,620	64%	540,560	739,817	0	137%	540,916	236,303	304,613	44%	1,622,391	1,324,416	297,975	82%	82%
Electricity			2,290,374	2,293,104	0	100%	2,178,968	2,179,748	0	100%	2,336,850	2,334,392	2,457	100%	6,806,192	6,807,244	(1,052)	100%	100%
Water			512,611	492,306	20,305	96%	523,028	506,440	16,589	97%	394,011	343,726	50,285	87%	1,429,650	1,342,471	87,179	94%	94%
Refuse			21,736	13,850	7,886	64%	21,736	14,554	7,182	67%	21,736	13,977	7,759	64%	65,207	42,380	22,827	65%	65%
Waste Water			12,323	9,214	3,109	75%	12,323	8,539	3,785	69%	12,323	7,785	4,538	63%	36,970	25,538	11,432	69%	69%
Interest			4,875	74,687	0	1532%	4,875	37,843	0	776%	4,875	21,001	0	431%	14,625	133,532	(118,907)	913%	913%
Property Rates Tax	Eskom supplied	Van Wyksdorp - Ward 4	55,852	53,140	2,711	95%	55,852	95,332	0	171%	55,852	35,689	20,162	64%	167,555	184,161	(16,607)	110%	110%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			82,748	7,309	75,439	9%	133,348	23,768	109,580	18%	127,071	12,746	114,325	10%	343,166	43,822	299,344	13%	13%
Refuse			39,441	8,835	30,606	22%	39,441	10,274	29,166	26%	39,441	6,656	32,785	17%	118,322	25,765	92,557	22%	22%
Waste Water			24,967	1,527	23,440	6%	24,967	131	24,836	1%	24,967	-	24,967	0%	74,900	1,658	73,243	2%	2%
Interest			63	51	12	81%	63	3,955	0	6253%	63	42	22	66%	190	4,048	(3,858)	2133%	2133%

National Treasury	Municipal Details		
Municipal Debt Relief	Western Cape		
MFMA Circular No. 124	Municipality		Period Monitored
Municipal Finance Management Act No. 56 of 2003	Kannaland		January

Collection Rate Assessment

Aggregate Collection	Summary - Quarter 3			
	Billing	Collection	R - Billing not collected	% Collection
1.Collection for whole demarcation	44,172,882	35,639,295	8,533,587	81%
2.Collection excl Eskom supplied areas	27,605,117	23,982,990	3,622,127	87%
3.Collection: **Property Rates**	7,581,608	7,290,840	290,769	96%
4.Total average collection: **Electricity** (Municipal supplied areas)	18,883,688	19,563,416	(679,728)	104%
5.Total average collection: **Water**	11,202,799	4,920,194	6,282,605	44%
6.Total average collection: **Wastewater**	3,179,853	1,650,667	1,529,187	52%
7.Total average collection: **Refuse**	3,071,227	1,469,983	1,601,244	48%
8.Total average collection: **Interest**	253,707	744,196	(490,490)	293%

5.4.2 – Restriction of Free Basic Services to Indigent Household

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						1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253			
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		–	–	–	–	1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
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	–	–	–	–	1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
Status of Water meters :																	
Number of Indigent HH's with prepaid Water						1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
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	–	–	–	–	1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
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)						1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		–	–	–	–	1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
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	–	–	–	–	1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity						1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
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	–	–	–	–	1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
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)						1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
Electricity/other energy (50kwh per household per month)						1,872	1,929	2,009	2,084	2,128	2,157	2,219	2,249	2,253	–	–	–
Cost of Free Basic Services provided to ALLHouseholds in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)						91,203.84	93,980.88	97,878.48	#######	#######	#######	#######	#######	#######	-	-	
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	–	–	–	–	345,693	356,219	370,992	384,842	392,967	398,322	409,772	415,312	416,050	–	–	–
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)																
Additonal Subsidies: Property rates exemptions, reductions and rebates **in excess of section 17 of MPRA)**																	
Water **(in excess of 6 kilolitres per indigent household per month)**	15																
Sanitation **(in excess of free sanitation service to indigent households)**	16																
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**																	
Refuse **(in excess of one removal a week for indigent households)**																	
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

MFMA Circular 124 – Property Rates Reconciliation

Property Rates Reconciliation

Province	WC
District	Garden Route District
Type	LM
Municipal Name	Kannaland
GV Period	01/07/2021 - 30/06/2026
Financial Year	2025/2026
Reconciliation Period	Quarter 3

Reconciliation Overview

High Level Reconciliation

Propety Categories	# of Properties			Market Values		
Propety Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	3,859	4,550	- 691	731,593,000.00	773,933,000.00	- 42,340,000.00
Industrial	19	22	- 3	52,687,000.00	54,309,000.00	- 1,622,000.00
Business and Commercial	202	208	- 6	166,395,000.00	148,654,000.00	17,741,000.00
Agricultural	3,479	3,078	401	1,847,074,000.00	1,724,192,036.00	122,881,964.00
Mining	-	-	-	-	-	-
State Owned for Public Purpose	39	66	- 27	101,647,000.00	139,877,000.00	38,230,000.00
PSI	135	160	- 25	2,631,000.00	3,858,000.00	- 1,227,000.00
PBO	4	7	- 3	1,563,000.00	10,362,000.00	- 8,799,000.00
Multi Use	28	-	28	-	-	-
Vacant	628	313	315	38,047,000.00	7,468,000.00	30,579,000.00
POW	64	60	4	43,479,000.00	47,931,000.00	- 4,452,000.00
Municipal	1,256	1,217	39	129,618,000.00	127,063,000.00	2,555,000.00
Other	3	63	- 60	4,842,000.00	75,522,000.00	- 70,680,000.00
	9,716	9,744	- 28	3,119,576,000.00	3,113,169,036.00	6,406,964.00

Detailed Reconciliation

Propety Categories	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	1,049,199	874,066	175,133	3,147,597.31	2,622,198.42	525,398.89
Industrial	187,347	193,250	- 5,903	562,040.85	579,748.86	- 17,708.01
Business and Commercial	591,675	493,365	98,310	1,775,025.86	1,480,095.60	294,930.26
Agricultural	488,383	459,794	28,589	1,465,150.03	1,379,383.47	85,766.56
Mining	-	-	-	-	-	-
State Owned for Public Purpose	361,441	485,477	- 124,036	1,084,323.77	1,456,431.27	- 372,107.50
PSI	-	-	-	-	-	-
PBO	556	3,713	- 3,157	1,667.34	11,139.24	- 9,471.90
Multi Use	-	-	-	-	-	-
Vacant	67,645	13,319	54,325	202,934.01	39,958.17	162,975.84
POW	-	1	- 1	-	1.62	- 1.62
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R2,746,246.39	R2,522,985.55	R223,260.84	8,238,739.17	7,568,956.65	669,782.52

Prepared By: Theodore Jantjies   Date: 16/04/2026

Contatct Details

Signature

Reviewed By: L Steenkamp

Contatct Details

Signature   16-04-2026

Calitzdorp Besproeiïngsraad

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

BELASTINGFAKTUUR

Faktuur Nr: 22
Datum: 05 January 2026

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655

BTW Nr 4540197268

MUNISIPALE WATERVERBRUIK – CALITZDORP: December 2025

Sub Oorverbruik

Maand			Dec-25	
Meterlesing einde	Dec-25		8888700	
Meterlesing begin	Dec-25		8826220	
Ontrek	kl		62480	
Dae @ 455 kl per dag toelaag	31		14105	
67175-32905=34570	kl		48375	48375-13139=35236
Min beurt teruggegee	kl		0	
Oorverbruik	kl		35236	
0-26000 kl tarief @ 1.15kl	26000	R	26 000.00	
26000-36000kl @ 2.32kl	9326	R	21 636.32	
36000-46000 @3.87/5kl		R	-	
56 000 en meer tarief		R	-	
Sub Oorverbruik		R	47 636.32	
Plus 15% BTW		R	7 145.45	
Totaal verskuldig		R	54 781.77	

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 Besproeiïngsraad
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.

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Calitzdorp Besproeiïngsraad

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

BELASTINGFAKTUUR

Faktuur Nr: 23
Datum: 02 February 2026

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655

BTW Nr 4540197268

MUNISIPALE WATERVERBRUIK – CALITZDORP: Februarie 2026

Sub Oorverbruik

Maand			Jan-26	
Meterlesing einde	Jan-26		8951440	
Meterlesing begin	Jan-26		8888700	
Ontrek	kl		62740	
Dae @ 455 kl per dag toelaag	31		14105	
48635-11484=37151	kl		48635	48635-11484=37151
Min beurt teruggegee	kl		0	
Oorverbruik	kl		37151	
0-26000 kl tarief @ 1.15kl	26000	R	29 900.00	
26000-36000kl @ 2.32kl	10000	R	23 200.00	
36000-46000 @3.87/5kl	1151	R	4 454.37	
56 000 en meer tarief		R	-	
Sub Oorverbruik		R	57 554.37	
Plus 15% BTW		R	8 633.16	
Totaal verskuldig		R	66 187.53	

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 Besproeiïngsraad
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.

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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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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	User Name	KANNALAND MUNICIPALITY
Sub Module	SSVS	Reference	2026072005
Description	GUH48 20260313 10:39:58.6	Action date	20260313
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch 001	From Account no 0000420543546	From Account Name	KANNALAND MUNICIPALITY (MAIN)

Trans No	9
Acc No / CDI	280110022
Branch No	50014
Statement Ref	KANNALAND MUN
Account Name	CALITZDORP BESPROEINGSRAAD
Creditor Code	CALITZDORP BESPR
Amount	54,781.77
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

DATE : 2026-03-13 11:14:01 Page : 9

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	User Name	KANNALAND MUNICIPALITY
Sub Module	SSVS	Reference	2026072005
Description	GUH48 20260313 10:39:58.6	Action date	20260313
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS

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

Trans No	10
Acc No / CDI	280110022
Branch No	50014
Statement Ref	KANNALAND MUN
Account Name	CALITZDORP BESPROEINGSRAAD
Creditor Code	CALITZDORP BESPR
Amount	66,187.53
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

DATE : 2026-03-13 11:14:01 Page : 10

Eskom

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

WESTERN REGION
PO BOX 377 Bellville 7535

CONTACT CENTRE:	(0860) 037566Shareca
FAX NO:	0862 437 566
E-MAIL:	NorthernCape@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	2026-03-09
TAX INVOICE NO	694687396282
ACCOUNT MONTH	MARCH 2026
CURRENT DUE DATE	2026-04-08
VAT REG NO	4540197268

Eskom

CUSTOMER SELF SERVICE WEBSITE
https://csonline.co.za

WESTERN REGION
PO BOX 377 Bellville 7535

DIRECT DEPOSIT DETAIL	
BANK:	ABSA
BRANCH CODE:	334110
BANK ACC NO:	340167430

TAX INVOICE

E-MAIL: zoe@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	550.76
TRANSMISSION NETWORK CAPACITY		R	17,244.18
DIST. NETWORK CAPACITY CHARGE		R	59,303.95
NETWORK DEMAND CHARGE		R	39,067.17
ANCILLARY SERVICE (ALL)		R	2,731.05
GENERATOR CAPACITY CHARGE		R	12,367.69
LEGACY CHARGE (ALL)		R	154,236.12
ENERGY CHARGE (STD)	284,662.00	R	464,112.92
ENERGY CHARGE (PEAK)	113,309.00	R	328,573.44
ENERGY CHARGE (OFF)	284,791.00	R	331,696.08
SERVICE CHARGE		R	5,645.36
ELECTRIFICATION AND RURAL SUBS (ALL)		R	34,274.70
TOTAL CHARGES FOR BILLING PERIOD		R	**1,449,803.42**

ACCOUNT SUMMARY FOR MARCH 2026

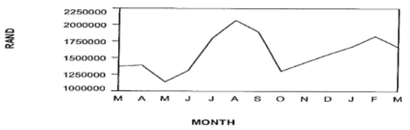
BALANCE BROUGHT FORWARD	(Due Date 2026-03-11)	R	14,260,518.22
PAYMENT(S) RECEIVED	Cash - 2026-03-03	R	-1,250,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	1,449,803.42
ADJUSTMENT	Interest on overdue account	R	58,702.89
VAT RAISED ON ITEMS AT 15%		R	217,470.51

CURRENT	TOTAL DUE	R	14,736,495.04
1,725,976.82			

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
9,346,583.82	1,734,215.98	0.00	1,929,718.42

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



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BILL GROUP	
BILL PAGE	1 OF 2

000082\000001\

ACCOUNT NO / REFERENCE NO
6940893537
NAME
KANNALAND LOCAL MUNICIPALITY
FAX NUMBER

Unipay 7100 10 0010

27215700169408935376

>>>>>>> 9207 2694 0893 5379

PayIT

easypay a better way to pay

TOTAL AMOUNT DUE
14,736,495.04

PAYMENT ARRANGEMENT

INSTALMENT
0.00
ARREARS (Due Immediately)
13,010,518.22
DUE DATE (For Current Amount)
2026-04-08
AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	User Name	KANNALAND MUNICIPALITY
Sub Module	SSVS	Reference	2026082006
Description	LJT64 20260303 11:38:01.1	Action date	20260303
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)

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

Trans No	2
Acc No / CDI	55161636814
Branch No	200910
Statement Ref	6940893537
Account Name	ESKOM HOLDINGS WC REGION
Creditor Code	ESKOM NEW
Amount	1,250,000.00
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

DATE : 2026-03-12 09:46:36

Page : 2

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	User Name	KANNALAND MUNICIPALITY
Sub Module	SSVS	Reference	2026062006
Description	LJT64 20260303 11:38:01.1	Action date	20260303
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)

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

Trans No	1
Acc No / CDI	55161636814
Branch No	200910
Statement Ref	7052108005
Account Name	ESKOM HOLDINGS WC REGION
Creditor Code	ESKOM NEW
Amount	1,250,000.00
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

DATE : 2026-03-12 09:46:36 Page : 1

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	**User Name**	KANNALAND MUNICIPALITY
Sub Module	SSVS	**Reference**	2026072007
Description	GUH48 20260313 11:24:32.4	**Action date**	20260313
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS

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

Trans No	1
Acc No / CDI	55161636814
Branch No	200910
Statement Ref	7052108005
Account Name	ESKOM HOLDINGS WC REGION
Creditor Code	ESKOM NEW
Amount	2,500,000.00
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

DATE : 2026-03-13 12:01:39 **Page : 1**

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	User Name	KANNALAND MUNICIPALITY
Sub Module	SSVS	Reference	2026072007
Description	GUH48 20260313 11:24:32.4	Action date	20260313
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch 001	From Account no 0000420543546	From Account Name	KANNALAND MUNICIPALITY (MAIN)

Trans No	2
Acc No / CDI	55161636814
Branch No	200910
Statement Ref	6940893537
Account Name	ESKOM HOLDINGS WC REGION
Creditor Code	ESKOM NEW
Amount	2,500,000.00
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

DATE : 2026-03-13 12:01:39 Page : 2

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPALI	**Statement For**	20260313	**VAT Registration**	4540197268
Branch	000113	LADISMITH CAPE	**Statement No**	937		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260312	10,340,093.88
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0007283109577	0.00	0.00	1,518.00	20260312	10,341,611.88
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS EY4 U 0004683109453	0.00	0.00	15,577.66	20260312	10,357,189.54
1	FEE: CASH DEPOSIT - COINS ## 420543546 R17772,70 12/03	0.00	-0.02	0.00	20260312	10,357,189.52
1	FEE: CASH DEPOSIT - COINS ## 420543546 R1793,00 12/03	0.00	-0.02	0.00	20260312	10,357,189.50
1	FEE: CASH DEPOSIT - COINS ## 420543546 R744,00 12/03	0.00	-0.02	0.00	20260312	10,357,189.48
1	FEE: CASH DEPOSIT - COINS ## 420543546 R8857,40 12/03	0.00	-0.04	0.00	20260312	10,357,189.44
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R730,40 12/03	0.00	-4.10	0.00	20260312	10,357,185.34
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R744,00 12/03	0.00	-4.16	0.00	20260312	10,357,181.18
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R1793,00 12/03	0.00	-10.06	0.00	20260312	10,357,171.12
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R8857,40 12/03	0.00	-49.74	0.00	20260312	10,357,121.38
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R17772,70 12/03	0.00	-99.87	0.00	20260312	10,357,021.51
1	CREDIT TRANSFER LJ13 Daya Opsoek 5000l	0.00	0.00	1,305.77	20260313	10,358,327.28
1	CASH DEPOSIT NOTES/COINS LADISMITH	0.00	0.00	9,885.50	20260313	10,368,212.78
1	ELECTRONIC BANKING TRANSFER FR WATER RESILIENCE WXP	0.00	0.00	79,321.13	20260313	10,447,533.91
1	ELECTRONIC BANKING TRANSFER FR TRANSPORT PAYMENT	0.00	0.00	244,453.28	20260313	10,691,987.19
1	ELECTRONIC BANKING PAYMENT TO HERAN HERANDIEN C (RVX6810:43	0.00	-149.45	0.00	20260313	10,691,837.74
1	ELECTRONIC BANKING PAYMENT TO JEPHT JEPHTAS S (RE RVX6810:43	0.00	-289.20	0.00	20260313	10,691,548.54
1	ELECTRONIC BANKING PAYMENT TO C19 CBL HARDEWARE RVX6810:43	0.00	-296.50	0.00	20260313	10,691,252.04
1	ELECTRONIC BANKING PAYMENT TO C19 CBL HARDEWARE RVX6810:43	0.00	-727.50	0.00	20260313	10,690,524.54
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260313	10,690,524.54
2	ELECTRONIC BANKING PAYMENT TO BREAD BREDA CB RVX6810:43	0.00	-805.00	0.00	20260313	10,689,719.54
2	ELECTRONIC BANKING PAYMENT TO MGAGA MGAGA SINDISW RVX6810:43	0.00	-805.00	0.00	20260313	10,688,914.54
2	ELECTRONIC BANKING PAYMENT TO C19 CBL HARDEWARE RVX6810:43	0.00	-1,634.00	0.00	20260313	10,687,280.54
2	ELECTRONIC BANKING PAYMENT TO LATER LATERAL UNISO RVX6810:43	0.00	-1,648.08	0.00	20260313	10,685,632.46
2	ELECTRONIC BANKING PAYMENT TO ELAND ELAND BOUTIQU RVX6810:43	0.00	-1,720.00	0.00	20260313	10,683,912.46
2	ELECTRONIC BANKING PAYMENT TO GRIFF GRIFFITHS JAC RVX6810:43	0.00	-1,797.87	0.00	20260313	10,682,114.59
2	ELECTRONIC BANKING PAYMENT TO MOUNT MOUNTAIN VIEW RVX6810:43	0.00	-2,323.00	0.00	20260313	10,679,791.59
2	ELECTRONIC BANKING PAYMENT TO ZAQEN ZAQEN ACTUARI RVX6810:43	0.00	-5,750.00	0.00	20260313	10,674,041.59
2	ELECTRONIC BANKING PAYMENT TO COLEM COLEMAN C(REF RVX6810:43	0.00	-7,133.21	0.00	20260313	10,666,908.38
2	ELECTRONIC BANKING PAYMENT TO BOOYS BOOYSEN J RVX6810:43	0.00	-9,070.00	0.00	20260313	10,657,838.38
2	ELECTRONIC BANKING PAYMENT TO SHORT SHORT'S COMME RVX6810:43	0.00	-10,373.39	0.00	20260313	10,647,464.99
2	ELECTRONIC BANKING PAYMENT TO PARKS PARKSIDE GUES RVX6810:43	0.00	-11,149.00	0.00	20260313	10,636,315.99
2	ELECTRONIC BANKING PAYMENT TO R51 RENT-A-CONTAI RVX6810:43	0.00	-11,281.50	0.00	20260313	10,625,034.49
2	ELECTRONIC BANKING PAYMENT TO	0.00	-12,167.48	0.00	20260313	10,612,867.01

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CURRENT ACCOUNT - STATEMENT DETAILS

Page	Details	Service Fee	Debit	Credit	Date	Balance
	BIDVE BIDVEST WALTO RVX6810:43					
2	ELECTRONIC BANKING PAYMENT TO NFD C NFD CONSULTIN RVX6810:43	0.00	-12,593.67	0.00	20260313	10,600,273.34
2	ELECTRONIC BANKING PAYMENT TO B58 BIDVEST STEIN RVX6810:43	0.00	-13,025.17	0.00	20260313	10,587,248.17
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V RVX6810:44	0.00	-13,392.00	0.00	20260313	10,573,856.17
2	ELECTRONIC BANKING PAYMENT TO PHILL PHILLIP FIRGI RVX6810:43	0.00	-14,782.00	0.00	20260313	10,559,074.17
2	ELECTRONIC BANKING PAYMENT TO RAMCO RAMCOM TRUCKS RVX6810:43	0.00	-21,134.19	0.00	20260313	10,537,939.98
3	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260313	10,537,939.98
3	ELECTRONIC BANKING PAYMENT TO NB NG NANDIPHA BELI RVX6810:43	0.00	-24,500.00	0.00	20260313	10,513,439.98
3	ELECTRONIC BANKING PAYMENT TO BIDVE BIDVEST WALTO RVX6810:43	0.00	-50,204.12	0.00	20260313	10,463,235.86
3	ELECTRONIC BANKING PAYMENT TO UMHLA UMHLABA GEOMA RVX6810:43	0.00	-50,965.00	0.00	20260313	10,412,270.86
3	ELECTRONIC BANKING PAYMENT TO UMHLA UMHLABA GEOMA RVX6810:43	0.00	-50,965.00	0.00	20260313	10,361,305.86
3	ELECTRONIC BANKING PAYMENT TO CALIT CALITZDORP BE RVX6810:43	0.00	-54,781.77	0.00	20260313	10,306,524.09
3	ELECTRONIC BANKING PAYMENT TO BYTES SOLVEM CONSUL RVX6810:43	0.00	-56,597.75	0.00	20260313	10,249,926.34
3	ELECTRONIC BANKING PAYMENT TO BYTES SOLVEM CONSUL RVX6810:43	0.00	-56,597.75	0.00	20260313	10,193,328.59
3	ELECTRONIC BANKING PAYMENT TO BYTES SOLVEM CONSUL RVX6810:43	0.00	-56,597.75	0.00	20260313	10,136,730.84
3	ELECTRONIC BANKING PAYMENT TO CALIT CALITZDORP BE RVX6810:43	0.00	-66,187.53	0.00	20260313	10,070,543.31
3	ELECTRONIC BANKING PAYMENT TO FLAGG FLAGGAC CONSU RVX6810:43	0.00	-79,321.13	0.00	20260313	9,991,222.18
3	ELECTRONIC BANKING PAYMENT TO SMART SMARTSWITCH I RVX6810:43	0.00	-126,615.00	0.00	20260313	9,864,607.18
3	ELECTRONIC BANKING PAYMENT TO C014 CAB HOLDINGS RVX6810:43	0.00	-140,550.94	0.00	20260313	9,724,056.24
3	ELECTRONIC BANKING PAYMENT TO DEKLI DEKLIN RVX6810:43	0.00	-155,250.00	0.00	20260313	9,568,806.24
3	ELECTRONIC BANKING PAYMENT TO UMHLA UMHLABA GEOMA RVX6810:43	0.00	-169,884.00	0.00	20260313	9,398,922.24
3	ELECTRONIC BANKING PAYMENT TO SIEDA SIEDA ENGINEE RVX6810:43	0.00	-207,098.84	0.00	20260313	9,191,823.40
3	ELECTRONIC BANKING PAYMENT TO VODA VODACOM PTY L RVX6810:43	0.00	-208,510.24	0.00	20260313	8,983,313.16
3	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V RVX6810:44	0.00	-231,061.29	0.00	20260313	8,752,251.87
3	ELECTRONIC BANKING PAYMENT TO SIYAP SIYAPHUMELELA RVX6810:43	0.00	-244,337.63	0.00	20260313	8,507,914.24
3	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6810:43	0.00	-279,777.22	0.00	20260313	8,228,137.02
4	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260313	8,228,137.02
4	ELECTRONIC BANKING PAYMENT TO METSI METSI CHEM IK RVX6810:43	0.00	-352,705.00	0.00	20260313	7,875,432.02
4	ELECTRONIC BANKING PAYMENT TO MASWA MASWANGANYIHL RVX6812:56	0.00	-398,760.75	0.00	20260313	7,476,671.27
4	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6811:33	0.00	-2,500,000.00	0.00	20260313	4,976,671.27
4	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6811:33	0.00	-2,500,000.00	0.00	20260313	2,476,671.27
4	ELECTRONIC BANKING TRANSFER TO DEP TRANSPORT REC	0.00	-70,040.60	0.00	20260313	2,406,630.67
4	ELECTRONIC BANKING TRANSFER TO TRF SMART MUNCI*	0.00	-1,518,585.51	0.00	20260313	888,045.16

** END OF REPORT **

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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 2026** 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 :14 April 2026

SECTION 7 – QUALITY CERTIFICATION