KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for May 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

Table of Contents

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 May 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 May 2026.

That the Council takes cognisance of the Eskom Debt Relief Report for May 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 251 709	R 230 733	R 6 604	R 216 246	R (14 487)	-6
Operating Expenditure	R 260 483	R 238 833	R 9 408	R 191 909	R (46 924)	-20%
Capital	R 17 019	R 11 461	R 1 660	R 10 655	R (806)	-7%

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

Operational Revenue

The municipality's total operational revenue budget amounts to R252 million and the year-to-date revenue on the budget accrued to R216 million. This represents 86% of the YTD variance for total revenue.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R260 million, with a year-to-date performance of R192 million, or 71% of the YTD variance for total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R17 million with a year-to-date performance of R 11 million, or 62% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R6,6 million exceeding budget, and expenditure amounting to R 9.4 million below budget, with a deficit of R 2.8million 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 - M11 May

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	144	25,410	27,246	(1,836)	-7%	29,723
Service charges	131,751	155,248	155,248	5,145	128,234	142,310	(14,076)	-10%	155,248
Investment revenue	1,479	1,003	1,003	–	1,289	919	370	40%	1,003
Transfers and subsidies - Operational	56,603	53,464	50,778	1,293	45,657	46,546	(890)	-2%	50,778
Other own revenue	23,574	14,958	14,958	21	15,656	13,711	1,945	14%	14,958
Total Revenue (excluding capital transfers and	**241,910**	**254,396**	**251,709**	**6,604**	**216,246**	**230,733**	**(14,487)**	**-6%**	**251,709**
Employee costs	114,550	97,832	97,286	7,771	95,284	89,237	6,048	7%	97,286
Remuneration of Councillors	4,264	3,526	3,526	330	3,757	3,232	524	16%	3,526
Depreciation and amortisation	40,078	13,179	13,179	–	10,982	12,080	(1,098)	-9%	13,179
Interest	679	1,346	1,346	–	533	1,234	(701)	-57%	1,346
Inventory consumed and bulk purchases	67,057	90,807	90,712	493	59,491	83,152	(23,661)	-28%	90,712
Transfers and subsidies	589	590	590	–	175	541	(366)	-68%	590
Other expenditure	11,551	55,577	53,845	814	21,688	49,357	(27,669)	-56%	53,845
Total Expenditure	**238,767**	**262,857**	**260,483**	**9,408**	**191,909**	**238,833**	**(46,924)**	**-20%**	**260,483**
Surplus/(Deficit)	**3,144**	**(8,461)**	**(8,774)**	**(2,804)**	**24,337**	**(8,100)**	**32,437**	**-400%**	**(8,774)**
Transfers and subsidies - capital (monetary allocations)	18,627	15,779	19,572	1,389	12,070	18,225	(6,156)	-34%	19,572
Transfers and subsidies - capital (in-kind)	3	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**21,773**	**7,317**	**10,798**	**(1,415)**	**36,407**	**10,125**	**26,282**	**260%**	**10,798**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**21,773**	**7,317**	**10,798**	**(1,415)**	**36,407**	**10,125**	**26,282**	**260%**	**10,798**
Capital expenditure & funds sources									
Capital expenditure	**21,487**	**13,721**	**17,186**	**1,660**	**10,655**	**11,587**	**(931)**	**-8%**	**17,186**
Capital transfers recognised	21,027	13,721	17,019	1,660	10,655	11,461	(806)	-7%	17,019
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	374	–	–	–	–	–	–		–
Total sources of capital funds	**21,401**	**13,721**	**17,019**	**1,660**	**10,655**	**11,461**	**(806)**	**-7%**	**17,019**
Financial position									
Total current assets	103,944	43,973	41,688		169,818				41,688
Total non current assets	642,174	310,072	313,537		324,892				313,537
Total current liabilities	232,087	107,528	105,227		168,062				105,227
Total non current liabilities	88,308	48,640	48,640		57,420				48,640
Community wealth/Equity	429,149	197,877	197,877		239,293				197,877
Cash flows									
Net cash from (used) operating	123,591	24,534	25,641	(3,744)	124,944	23,788	(101,156)	-425%	254,542
Net cash from (used) investing	(18,861)	(15,779)	(19,572)	(2,551)	(12,632)	17,941	30,573	170%	19,572
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**186,359**	**18,462**	**15,776**	**-**	**184,323**	**51,436**	**(132,886)**	**-258%**	**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	9,444	4,829	4,583	5,002	4,113	3,405	18,152	158,763	208,291
Creditors Age Analysis									
Total Creditors	11,815	9,706	13,813	–	–	–	–	100,118	135,453

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

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**	**1,012**	**70,242**	**48,069**	22,173	46%	**52,439**
Executive and council		37,587	8,106	8,120	–	36,966	7,443	29,523	397%	8,120
Finance and administration		45,697	44,319	44,319	1,012	33,276	40,626	(7,350)	-18%	44,319
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**24,877**	**21,833**	**19,132**	**1,503**	**15,934**	**17,538**	(1,604)	-9%	**19,132**
Community and social services		15,125	16,505	16,749	1,503	14,070	15,353	(1,283)	-8%	16,749
Sport and recreation		58	60	60	–	34	55	(21)	-38%	60
Public safety		(6)	–	–	–	2	–	2		–
Housing		9,700	5,268	2,324	–	1,829	2,130	(301)	-14%	2,324
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**2,318**	**2,487**	**2,487**	**95**	**3,050**	**2,280**	770	34%	**2,487**
Planning and development		–	–	–	–	–	–	–		–
Road transport		2,318	2,487	2,487	95	3,050	2,280	770	34%	2,487
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**150,059**	**193,429**	**197,222**	**5,382**	**139,089**	**181,072**	(41,982)	-23%	**197,222**
Energy sources		87,144	117,820	117,820	4,145	85,517	108,286	(22,769)	-21%	117,820
Water management		36,906	42,176	45,969	1,185	29,885	42,138	(12,253)	-29%	45,969
Waste water management		13,215	16,009	16,009	34	12,036	14,675	(2,639)	-18%	16,009
Waste management		12,795	17,425	17,425	19	11,651	15,973	(4,321)	-27%	17,425
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**260,539**	**270,174**	**271,281**	**7,993**	**228,316**	**248,958**	**(20,642)**	**-8%**	**271,281**
Expenditure - Functional										
Governance and administration		**86,298**	**89,151**	**89,694**	**5,847**	**74,511**	**82,275**	(7,765)	-9%	**89,694**
Executive and council		33,308	28,542	28,135	1,755	23,959	25,791	(1,831)	-7%	28,135
Finance and administration		52,990	60,609	61,559	4,092	50,551	56,485	(5,933)	-11%	61,559
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**19,076**	**18,398**	**15,531**	**740**	**13,554**	**14,239**	(686)	-5%	**15,531**
Community and social services		10,817	9,366	9,443	581	8,467	8,658	(192)	-2%	9,443
Sport and recreation		1,557	1,702	1,702	25	1,087	1,560	(473)	-30%	1,702
Public safety		1,447	369	369	27	871	338	533	158%	369
Housing		5,254	6,962	4,018	108	3,129	3,683	(554)	-15%	4,018
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**15,046**	**20,583**	**20,533**	**978**	**14,902**	**18,822**	(3,920)	-21%	**20,533**
Planning and development		281	380	330	11	122	302	(180)	-60%	330
Road transport		14,765	20,203	20,203	966	14,780	18,519	(3,739)	-20%	20,203
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**118,346**	**134,725**	**134,725**	**1,843**	**88,943**	**123,497**	(34,554)	-28%	**134,725**
Energy sources		73,468	94,302	94,302	421	64,193	86,443	(22,250)	-26%	94,302
Water management		22,092	17,934	18,244	412	11,547	16,723	(5,177)	-31%	18,244
Waste water management		10,782	10,707	10,397	572	5,988	9,531	(3,543)	-37%	10,397
Waste management		12,005	11,782	11,782	438	7,215	10,800	(3,585)	-33%	11,782
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**238,767**	**262,857**	**260,483**	**9,408**	**191,909**	**238,833**	**(46,924)**	**-20%**	**260,483**
Surplus/ (Deficit) for the year		**21,773**	**7,317**	**10,798**	**(1,415)**	**36,407**	**10,125**	**26,282**	**260%**	**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) - M11 May										
Vote Description		2024/25	Budget Year 2025/26							
R thousands	Ref	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	–	37,233	7,901	29,331	371.2%	8,620
Vote 2 - CORPORATE SERVICES		25,969	22,740	20,039	1,393	17,753	18,369	(616)	-3.4%	20,039
Vote 3 - FINANCIAL SERVICES		45,108	43,444	43,444	1,012	32,602	39,824	(7,222)	-18.1%	43,444
Vote 4 - TECHNICAL SERVICES		151,875	195,384	199,178	5,588	140,728	182,864	(42,136)	-23.0%	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**	**7,993**	**228,316**	**248,958**	**(20,642)**	**-8.3%**	**271,281**
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33,308	28,542	28,135	1,755	23,959	25,791	(1,831)	-7.1%	28,135
Vote 2 - CORPORATE SERVICES		61,566	45,318	42,451	3,107	45,665	38,971	6,694	17.2%	42,451
Vote 3 - FINANCIAL SERVICES		12,318	37,137	38,037	1,981	21,790	34,867	(13,076)	-37.5%	38,037
Vote 4 - TECHNICAL SERVICES		131,113	150,855	150,855	2,565	100,297	138,283	(37,987)	-27.5%	150,855
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		462	1,005	1,005	–	198	921	(724)	-78.6%	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**	**9,408**	**191,909**	**238,833**	**(46,924)**	**-19.6%**	**260,483**
Surplus/ (Deficit) for the year	2	**21,773**	**7,317**	**10,798**	**(1,415)**	**36,407**	**10,125**	**26,282**	**259.6%**	**10,798**

2.4 TABLE C4 – MONTHLY FINANCIAL PERFROMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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	4,141	83,627	98,719	(15,092)	-15%	107,694
Service charges - Water		25,346	30,912	30,912	952	26,227	28,336	(2,109)	-7%	30,912
Service charges - Waste Water Management		10,179	7,384	7,384	34	9,302	6,768	2,534	37%	7,384
Service charges - Waste management		9,937	9,258	9,258	19	9,079	8,487	592	7%	9,258
Sale of Goods and Rendering of Services		481	295	295	3	320	270	50	18%	295
Agency services		1,324	1,450	1,450	–	1,218	1,329	(111)	-8%	1,450
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		9,583	8,594	8,594	(11)	8,493	7,878	615	8%	8,594
Interest earned from Current and Non Current Assets		1,479	1,003	1,003	–	1,289	919	370	40%	1,003
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		692	493	493	0	622	452	170	37%	493
Licence and permits		206	230	230	7	136	211	(75)	-36%	230
Special rating levies		–	–	–	–	–	–	–		–
Operational Revenue		314	200	200	6	283	183	99	54%	200
Non-Exchange Revenue										
Property rates		28,504	29,723	29,723	144	25,410	27,246	(1,836)	-7%	29,723
Surcharges and Taxes		6,604	–	–	–	–	–	–		–
Fines, penalties and forfeits		236	231	231	–	1,185	211	974	461%	231
Licence and permits		–	–	–	–	2	–	2		–
Transfer and subsidies - Operational		56,603	53,464	50,778	1,293	45,657	46,546	(890)	-2%	50,778
Interest		3,420	3,465	3,465	15	2,782	3,176	(394)	-12%	3,465
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		714	–	–	–	616	–	616		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**241,910**	**254,396**	**251,709**	**6,604**	**216,246**	**230,733**	**–**		**251,709**
Expenditure By Type										
Employee related costs		114,550	97,832	97,286	7,771	95,284	89,237	6,048	7%	97,286
Remuneration of councillors		4,264	3,526	3,526	330	3,757	3,232	524	16%	3,526
Bulk purchases - electricity		63,298	82,476	82,476	3	56,387	75,603	(19,216)	-25%	82,476
Inventory consumed		3,759	8,331	8,236	491	3,104	7,549	(4,446)	-59%	8,236
Debt impairment		(40,672)	13,468	13,468	–	–	12,346	(12,346)	-100%	13,468
Depreciation and amortisation		40,078	13,179	13,179	–	10,982	12,080	(1,098)	-9%	13,179
Interest		679	1,346	1,346	–	533	1,234	(701)	-57%	1,346
Contracted services		20,514	20,447	18,542	690	11,566	16,997	(5,431)	-32%	18,542
Transfers and subsidies		589	590	590	–	175	541	(366)	-68%	590
Irrecoverable debts written off		13,534	–	–	–	44	–	44		–
Operational costs		16,845	21,662	21,834	123	10,077	20,014	(9,937)	-50%	21,834
Losses on Disposal of Assets		1,329	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**238,767**	**262,857**	**260,483**	**9,408**	**191,909**	**238,833**	**(46,924)**	**-20%**	**260,483**
Surplus/(Deficit)		**3,144**	**(8,461)**	**(8,774)**	**(2,804)**	**24,337**	**(8,100)**	**46,924**	**(0)**	**(8,774)**
Transfers and subsidies - capital (monetary allocations)		18,627	15,779	19,572	1,389	12,070	18,225	(6,156)	(0)	19,572
Transfers and subsidies - capital (in-kind)		3	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**21,773**	**7,317**	**10,798**	**(1,415)**	**36,407**	**10,125**			**10,798**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**21,773**	**7,317**	**10,798**	**(1,415)**	**36,407**	**10,125**			**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**	**(1,415)**	**36,407**	**10,125**			**10,798**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**21,773**	**7,317**	**10,798**	**(1,415)**	**36,407**	**10,125**			**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 4.1 million for **May 2026** and R 83 million YTD which represents **-15%** variance to the budget.

- **Service Charges – Waste Water Management** amounts to R 34 thousand for **May 2026** and R 9.3 million YTD which represents **37%** variance to the budget.

- **Service Charges – Waste Management** amounts to R 19 thousand for **May 2026** and R 9.1 million YTD which represents **7%** variance to the budget.

- **Sale of Goods and Rendering of Services** – amounts to R3 thousand for **May 2026** and R 320 thousand YTD which represents **18%** variance to the budget.

- **Agency Services** – amounts to R0 for **May 2026** and R 1.2million YTD which represents -**8%** variance to the budget.

- **Interest on outstanding debtors – 8.4%** YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Licence and permits**- -**36%** YTD variance from the budget.
- **Rental from fixed Assets –** amounted to R 0 and R 622 thousand YTD which represents a **51%** variance to the budget.
- **Fines, Penalties & Forfeits** – with a **461%** 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 7.7 million for **May 2026** and R 95.3 million YTD, this represents a 7**%** 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 330 thousand for **May 2026** and R 3.7million YTD, this represents a **16%** on the budget.
- **Bulk Purchases- electricity-** amounted to R 3 thousand in **May 2026** and 56.3 million YTD represents a -25% variance to the budget.
- **Inventory Consumed –** represents a negative **59%** on the budget.
- **Contracted Services** – amounted to R 690 thousand in **May 2026** and R 11.6 million YTD represents a -32% variance to the budget.
- **Other Expenditure** - amounted to R 123 thousand in **May 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) - M11 May

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 4 - TECHNICAL SERVICES		16,944	13,721	17,019	1,660	10,655	11,461	(806)	-7%	17,019
Total Capital Multi-year expenditure	4,7	**16,944**	**13,721**	**17,019**	**1,660**	**10,655**	**11,461**	**(806)**	**-7%**	**17,019**
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		140	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		293	–	167	–	–	125	(125)	-100%	167
Vote 4 - TECHNICAL SERVICES		4,110	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	4,543	–	167	–	–	125	**(125)**	**-100%**	167
Total Capital Expenditure	3	**21,487**	**13,721**	**17,186**	**1,660**	**10,655**	**11,587**	**(931)**	**-8%**	**17,186**
Capital Expenditure - Functional Classification										
Governance and administration		**348**	**-**	**-**	**-**	**-**	**-**	-		**-**
Executive and council		140	–	–	–	–	–	–		–
Finance and administration		208	–	–	–	–	–	–		–
Community and public safety		**86**	**-**	**167**	**-**	**-**	**125**	(125)	-100%	**167**
Community and social services		86	–	167	–	–	125	(125)	-100%	167
Economic and environmental services		**26**	**-**	**-**	**-**	**-**	**-**	-		**-**
Road transport		26	–	–	–	–	–	–		–
Trading services		**21,027**	**13,721**	**17,019**	**1,660**	**10,655**	**11,461**	(806)	-7%	**17,019**
Energy sources		4,110	2,967	2,967	–	–	2,720	(2,720)	-100%	2,967
Water management		779	1,217	4,516	1,360	2,077	–	2,077		4,516
Waste water management		13,836	9,536	9,536	300	8,579	8,742	(163)	-2%	9,536
Waste management		2,303	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**21,487**	**13,721**	**17,186**	**1,660**	**10,655**	**11,587**	**(931)**	**-8%**	**17,186**
Funded by:										
National Government		16,139	12,503	12,503	300	8,579	11,461	(2,883)	-25%	12,503
Provincial Government		4,889	1,217	4,516	1,360	2,077	–	2,077		4,516
Transfers recognised - capital		**21,027**	**13,721**	**17,019**	**1,660**	**10,655**	**11,461**	**(806)**	**-7%**	**17,019**
Internally generated funds		374	–	–	–	–	–	–		–
Total Capital Funding	7	**21,401**	**13,721**	**17,019**	**1,660**	**10,655**	**11,461**	**(806)**	**-7%**	**17,019**

CAPITAL EXPENDITURE

- amounted to **R 1.7 million** in **May 2026** and **R 10.6 million YTD** which represents a -7**%** variance to the budget**.**

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M11 May

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	32,704	15,309
Trade and other receivables from exchange transactions		89,823	54,173	54,173	120,636	54,173
Receivables from non-exchange transactions		12,540	458	458	13,618	458
Current portion of non-current receivables		–	–	–	–	–
Inventory		3,845	116	189	1,845	189
VAT		(35,509)	(27,873)	(27,379)	1,125	(27,379)
Other current assets		(1,428)	(1,062)	(1,062)	(109)	(1,062)
Total current assets		**103,944**	**43,973**	**41,688**	**169,818**	**41,688**
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	323,871	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**	**324,892**	**313,537**
TOTAL ASSETS		**746,118**	**354,045**	**355,225**	**494,710**	**355,225**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		3,030	1,446	1,446	1,676	1,446
Trade and other payables from exchange transactions		199,554	104,511	102,210	109,527	102,210
Trade and other payables from non-exchange transactions		37,187	15,581	15,581	30,704	15,581
Provision		20,859	4,735	4,735	12,368	4,735
VAT		(28,544)	(18,745)	(18,745)	13,786	(18,745)
Other current liabilities		–	–	–	–	–
Total current liabilities		**232,087**	**107,528**	**105,227**	**168,062**	**105,227**
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**	**153,868**	**225,481**	**153,868**
NET ASSETS	2	**425,722**	**197,877**	**201,358**	**269,229**	**201,358**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		428,226	197,416	197,416	238,832	197,416
Reserves and funds		923	462	462	462	462
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**429,149**	**197,877**	**197,877**	**239,293**	**197,877**

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M11 May										
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	820	18,183	25,012	(6,829)	-27%	27,286
Service charges		100,836	151,165	151,165	1,588	91,605	138,568	(46,963)	-34%	151,165
Other revenue		17,289	24,122	24,122	250	9,666	22,112	(12,445)	-56%	24,122
Transfers and Subsidies - Operational		56,202	53,464	50,778	–	48,547	46,546	2,001	4%	50,778
Transfers and Subsidies - Capital		24,160	15,779	19,572	–	24,433	18,225	6,208	34%	19,572
Interest		–	3,775	3,775	–	–	3,460	(3,460)	-100%	3,775
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(94,546)	(249,711)	(249,711)	(6,402)	(67,491)	(228,901)	(161,410)	71%	(20,809)
Interest		–	(1,346)	(1,346)	–	–	(1,234)	(1,234)	100%	(1,346)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		123,591	24,534	25,641	(3,744)	124,944	23,788	(101,156)	-425%	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)	(2,551)	(12,632)	17,941	30,573	170%	19,572
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18,861)	(15,779)	(19,572)	(2,551)	(12,632)	17,941	30,573	170%	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	(6,296)	112,311	41,729			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		184,323	51,436			346,126

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

- Standard Bank Main Account is **R 154 thousand;**
- The Traffic Account has **R 1.6 million;**
- Deposit Account has **R 912 thousand**;
- Call Account has **R 18.9 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 - M11 May													
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	4,024	1,945	1,849	2,532	1,797	1,181	5,707	30,618	49,653	41,837	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,364	415	523	205	153	123	596	1,845	6,224	2,922	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	3,023	896	771	688	669	605	3,085	28,728	38,464	33,774	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	918	445	440	445	444	440	2,534	18,848	24,514	22,711	–	–
Receivables from Exchange Transactions - Waste Management	1600	1,669	702	679	675	677	678	3,812	27,037	35,929	32,879	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	56	82	77	162	164	162	1,295	45,898	47,895	47,680	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(2,610)	345	244	296	208	215	1,123	5,789	5,610	7,632	–	–
Total By Income Source	**2000**	**9,444**	**4,829**	**4,583**	**5,002**	**4,113**	**3,405**	**18,152**	**158,763**	**208,291**	**189,435**	**–**	**–**
2024/25 - totals only										**–**	**–**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(29)	481	405	159	108	82	301	382	1,890	1,033	–	–
Commercial	2300	1,412	439	308	279	188	172	914	6,784	10,494	8,336	–	–
Households	2400	8,034	3,754	3,712	4,419	3,652	3,009	16,086	138,453	181,118	165,617	–	–
Other	2500	27	155	158	145	165	142	852	13,145	14,789	14,449	–	–
Total By Customer Group	**2600**	**9,444**	**4,829**	**4,583**	**5,002**	**4,113**	**3,405**	**18,152**	**158,763**	**208,291**	**189,435**	**–**	**–**

The total amount owed to Kannaland Municipality amounted to **R 208.3 million** at the end of **May 2026**.

- **R158.7 million or 76%** of the total outstanding debtors are older than one year.
- **R189.4 million or 90.9%** 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 - M11 May											
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
R thousands		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	9,084	7,818	13,478	–	–	–	–	67,603	**97,983**	–
Bulk Water	0200	30	–	–	–	–	–	–	–	**30**	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	**–**	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	**–**	–
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	0700	703	295	258	–	–	–	–	1,297	**2,554**	–
Auditor General	0800	488	1,721	313	–	–	–	–	19,749	**22,271**	–
Other	0900	1,510	(129)	(236)	–	–	–	–	11,469	**12,614**	–
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	**–**	–
Total By Customer Type	**1000**	**11,815**	**9,706**	**13,813**	**–**	**–**	**–**	**–**	**100,118**	**135,453**	**–**

- The total outstanding creditors as at the end of **May 2026** amounts to **R 135.5 million**.

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

- ESKOM = R97.9 million, of which the entire amount is conditionally written off. The other R37.4 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R34.8 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.5 million.

- All other creditors 0-90 days are managed and paid on a month-to-month payment plan, for finalisation in the 2025-2026 FY.

3.4 INVESTMENT PORTFOLIO ANALYSIS

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

5/30/2026				
	Original Budget	Total Received	Total Spent	Unspent
Grant Name	Amount			
Provincial Government	**R14,998,143.27**	**R11,544,974.17**	**R 6,940,778.64**	**R 4,604,195.53**
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 3,910,089.00	R 3,910,089.00	R 2,908,002.36	R 1,002,086.64
Municipal Water Resilience Grant	R 5,193,218.17	R 5,193,218.17	R 1,627,670.33	R 3,565,547.84
Comm Dev Workers	R 126,836.10	R 113,000.00	R 68,658.00	R 58,178.10
National Government Grants	**R68,109,000.00**	**R54,499,000.00**	**R47,946,523.66**	**R 6,552,476.34**
Equitable Share	R38,962,000.00	R27,191,000.00	R27,191,000.00	
FMG (Audit)	R 2,900,000.00	R 2,900,000.00	R 2,443,868.80	R 456,131.20
Mun Infrastructure Grant	R 577,200.00	R 577,200.00	R 522,877.13	R 54,322.87
Mun Infrastructure Grant	R19,040,800.00	R19,040,800.00	R12,745,206.65	R 6,295,593.35
EPWP	R 1,378,000.00	R 1,378,000.00	R 1,312,705.97	R 65,294.03
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 May 2026 –

National Treasury

Expenditure:

- Financial Management Grant amounts to **R 65 thousand.**
- Municipal Infrastructure Grant amounts to **R2.4 million.**
- Municipal Infrastructure Grant PMU amounts to **R44 thousand.**
- Expanded Public Works Programme amounts to **R 193 thousand.**

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R298 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 - M11 May

Summary of Employee and Councillor remuneration	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,448	3,197	3,197	283	3,017	2,931	87	3%	3,197
Pension and UIF Contributions		187	–	–	–	135	–	135		–
Medical Aid Contributions		123	–	–	–	87	–	87		–
Motor Vehicle Allowance		207	–	–	22	242	–	242		–
Cellphone Allowance		300	329	329	25	275	302	(27)	-9%	329
Sub Total - Councillors		**4,264**	**3,526**	**3,526**	**330**	**3,757**	**3,232**	**524**	**16%**	**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	397	3,594	4,744	(1,150)	-24%	5,175
Pension and UIF Contributions		5	6	6	1	6	6	0	5%	6
Motor Vehicle Allowance		367	676	676	56	525	620	(95)	-15%	676
Cellphone Allowance		35	150	150	5	32	137	(106)	-77%	150
Other benefits and allowances		53	84	84	4	49	77	(28)	-36%	84
Sub Total - Senior Managers of Municipality		**3,870**	**6,091**	**6,091**	**463**	**4,205**	**5,583**	**(1,378)**	**-25%**	**6,091**
% increase	4		**57.4%**	**57.4%**						**57.4%**
Other Municipal Staff										
Basic Salaries and Wages		71,907	67,870	67,481	5,703	64,871	61,858	3,014	5%	67,481
Pension and UIF Contributions		7,364	7,439	7,420	649	7,137	6,802	335	5%	7,420
Medical Aid Contributions		2,424	2,336	2,322	177	2,248	2,128	120	6%	2,322
Overtime		10,321	4,020	4,020	345	8,504	3,685	4,819	131%	4,020
Performance Bonus		1,849	632	632	–	720	579	141	24%	632
Motor Vehicle Allowance		4,164	4,516	4,376	248	3,180	4,011	(831)	-21%	4,376
Cellphone Allowance		138	146	146	8	113	134	(21)	-15%	146
Housing Allowances		418	481	481	19	213	441	(229)	-52%	481
Other benefits and allowances		6,560	4,152	4,167	143	3,848	3,878	(30)	-1%	4,167
Payments in lieu of leave		5,464	150	150	15	245	138	107	78%	150
Long service awards		70	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**110,679**	**91,741**	**91,195**	**7,308**	**91,078**	**83,653**	**7,425**	**9%**	**91,195**
% increase	4		**-17.1%**	**-17.6%**						**-17.6%**
Total Parent Municipality		**118,813**	**101,358**	**100,812**	**8,101**	**99,040**	**92,469**	**6,571**	**7%**	**100,812**
Unpaid salary, allowances & benefits in arrears:										
Other benefits and allowances		1	–	–	0	1	–	1		–

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

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

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	[illegible]
National Financial Year	[illegible]
Demarcation Code of Municipality being assessed	[illegible]
District	Garden Route
Demarcation Description	Kannaland

I, [illegible], 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	Choose from drop down list	Notes/Comments
[illegible]	Yes	
[illegible]	No	
[illegible]	Yes	
[illegible]	Yes	The municipality still pays for the old invoices
[illegible]	No	
[illegible]	Yes	
[illegible]	Select	
[illegible]	No	The municipality current budget is not funded
[illegible]	Yes	
[illegible]	Yes	
[illegible]		
[illegible]	Yes	
[illegible]		
[illegible]	There is an FRP	The budget funding plan forms part of FRP
[illegible]		
[illegible]	Yes	The budget funding plan forms part of FRP
[illegible]	Yes	
[illegible]	Yes	
[illegible]		
[illegible]	Yes	
[illegible]	Yes	

[illegible]		[illegible]	No	
[illegible]	[illegible]	[illegible]	Yes	
[illegible]	[illegible]	[illegible]	Yes	
		[illegible]		

[illegible] ______________________________

[illegible] ______________________________

[illegible] ______________________________

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

Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18
Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/SFP & Tariff Assessment			Part D: Electricity and water as collection tools			
25.July25	Kannaland	WC041	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No
26.August25	Kannaland	WC041	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No
27.September25	Kannaland	WC041	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No
28.October25	Kannaland	WC041	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No
29.November25	Kannaland	WC041	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No
30.December25	Kannaland	WC041	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No
31.January26	Kannaland	WC041	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No
32.February26	Kannaland	WC041	No	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No
33.March26	Kannaland	WC041	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
34.April26	Kannaland	WC041	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
35.May26	Kannaland	WC041	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No

Month	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28
	Part C: Quarterly collection of property rates and services charges							Maximization of Revenue Base		
25.July25	Yes	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes
26.August25	N/A	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes
27.September25	No	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
28.October25	N/A	Yes	Yes	Yes	No		Yes	No	Yes	Yes
29.November25	N/A	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
30.December25	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
31.January26	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
32.February26	Yes	N/A	N/A	N/A	Yes	No	Yes	No	Yes	Yes
33.March26	Yes	N/A	N/A	N/A	Yes	No	Yes	Yes	Yes	Yes
34.April26	Yes	N/A	N/A	N/A	Yes	No	Yes	Yes	Yes	Yes
35.May26	Yes	N/A	N/A	N/A	Yes	No	Yes	Yes	Yes	Yes

Month	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
	Part E: Oversight													Scoring and Rating	
25.July25	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes		Yes	Yes	No	63%	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
34.April26	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	85%	Above Moderate
35.May26	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	85%	Above Moderate

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

Western Cape Government

Provincial Treasury
Victor Senna
Deputy Director-General: Fiscal and Economic
Victor.Senna@westerncape.gov.za | Tel: 021 483 2666

Reference number: PTR 16/1/20/1
Enquiries: Steven Kenyon

Private Bag X9165
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Ms O Gaarekwe
Acting Deputy Director-General
Intergovernmental Relations
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PRETORIA
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AND

Mr D Sereo
Municipal Manager
Kannaland Municipality
P O Box 32
LADISMITH
6655

Per email: Ogalaletseng.Gaarekwe@treasury.gov.za; RevenueManagement@treasury.gov.za; Jan.Hattingh@treasury.gov.za; mm@kannaland.gov.za; madi@mfip.gov.za; paul@mfip.gov.za; cfo@kannaland.gov.za; wilmie@kannaland.gov.za ; camilla@kannaland.gov.za

Dear Ms Gaarekwe and Mr Sereo

MFMA CIRCULAR NO. 124 - MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY DURING APRIL 2026

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. April 2026 constitutes the ninth 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 May 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 April 2026 remained at 54 per cent, the same as the previous month of March 2026. The scores from the entire previous second cycle and from the first to the end of the eight months of the third cycle are lower

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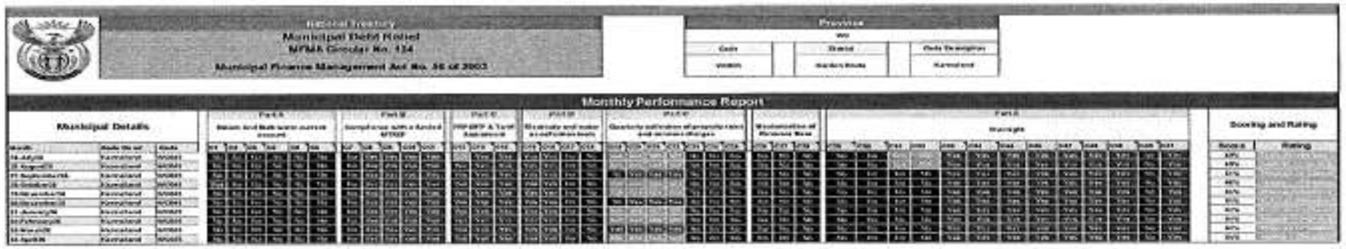
1

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.

2. WC041 Kannaland Municipality overall performance from July 2025 up to April 2026:


Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003
Province
Monthly Performance Report
Municipal Details
Scoring and Rating

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.

3. 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.

4. 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 Condition 6.12.2 of MFMA Circular 124, as only partial payments of R4.48 million were reflected in the April 2026 FMR against current Eskom invoices totalling R7.88 million. Furthermore, the April 2026 Section 41 report from Eskom reflected payments of R4.69 million against bulk electricity purchases of R7.33 million. It should further be noted that the inclusion of these amounts in the April 2026 FMR does not necessarily constitute payments made during the current reporting period, as the Municipality previously indicated during Cash Flow Committee engagements that some of the payments related to prior periods.

During engagements with Eskom and Provincial Treasury, the Municipality committed to a six-month payment arrangement of R5.5 million per month; however, this commitment was not honoured, resulting in continued growth in Eskom arrears. Eskom previously issued a breach notice on 17 November 2025 and has subsequently indicated its intention to approach National Treasury to remove Kannaland Municipality from the National Debt Relief Programme, as sufficient evidence that current accounts are being fully serviced has not been provided. Eskom further indicated that no acknowledgement or formal response has been received from the Municipality and that the Municipality has been included in the PAJA process for potential disconnection. This matter requires urgent attention, as the continued failure to maintain current account payments poses a significant risk to the Municipality's participation in the Eskom Debt Relief Programme.

The Municipality is currently implementing an approved Financial Recovery Plan (FRP), with progress monitored through the FRP Technical Implementation Committee, while Eskom non-compliance continues to be raised during weekly Cash Flow Committee engagements. Provincial Treasury has repeatedly emphasised the need for the Municipality to prioritise Eskom payments to restore compliance with the debt relief conditions.

The Municipality has also not submitted a detailed Eskom reconciliation, despite this being previously requested in the March 2026 correspondence to support the reported balances and enable the verification of payments and supporting documentation. According to the April 2026 Section 41 report, the Eskom account reflected that the Municipality owed Eskom R90.76 million, inclusive of a current account balance of R7.94 million and interest amounting to R1.129 million. In comparison, the Municipality reported total Eskom debt of R95.73 million, inclusive of a current account balance of R8.30 million, with no debt disclosed in the ageing category of 61 days to 1 year, despite partial payments having been made during April 2026. In the absence of a detailed reconciliation, the completeness and accuracy of the reported Eskom balance, including movements between reporting periods, could not be fully validated.

Furthermore, the Municipality indicated that, after the statement query was resolved, a payment towards the April 2026 bulk water invoice was made. The Municipality further indicated that the bulk water account was excluded from reporting as the invoice issued to the Municipality was dated 06 May 2026, which was subsequently raised with the Water Board. However, no proof of payment for April 2026 was reflected in the FMR. This made it difficult for Provincial Treasury to assess the status of the account, as no proof of payment was submitted, although the invoice was separately provided.

5. **Condition 6.4 - A funded MTREF**

Provincial Treasury (PT) assessed the Municipality's 2026/27 draft budget and found it to be unfunded. Kannaland Municipality had previously adopted a Budget Funding Plan (BFP) as an interim measure to address its financial challenges. However, following the approval of the Financial Recovery Plan (FRP) in August 2025, the Municipality is now implementing the approved FRP framework. The FRP was formally submitted by National Treasury's Municipal Financial Recovery Service (MFRS) to the Minister of Finance on 11 August 2025 and is binding on the Council and administration of Kannaland Municipality, as it provides the framework to address both immediate and long-term financial challenges and to support the achievement of 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 to monitor implementation and financial performance.

6. **Condition 6.5 - Cost reflective tariffs**

The Municipality has not uploaded its Cost of Supply (COS) study to the GoMuni portal, as required. This constitutes a significant compliance gap, as the COS study forms the basis for the determination of cost-reflective tariffs, which is a key requirement of the FRP. The absence of an approved and submitted COS study undermines the credibility of the Municipality's tariff-setting process and associated revenue projections and limits the Municipality's ability to align tariffs with actual cost drivers. Furthermore, the Municipality should prioritise the implementation and alignment of cost-reflective tariffs across all four main trading services for the remaining period of its participation in the Eskom Debt Relief Programme.

7. **Condition 6.6 - Electricity and water as collection tools**

The Municipality issues a consolidated monthly bill to consumers, with payment allocations prioritised first to property rates, followed by water, wastewater, refuse removal, and lastly electricity. Account holders automatically receive a breakdown of these charges, while property owners may authorise tenants to open separate service accounts. However, this practice may not be fully aligned with the conditions contained in MFMA Circular 124 relating to the administration and recovery of municipal debt.

In cases of non-payment, electricity services are disconnected and prepaid electricity purchases are blocked, except for registered indigent consumers. However, the Municipality currently lacks the infrastructure required to restrict water supply to defaulting non-indigent consumers. The Municipality indicated that this limitation is under technical review to assess implementation feasibility and associated costs. Registered indigent consumers receive monthly allocations of 50 kilowatt hours of electricity and 6 kilolitres of water. These practices are reflected in the Municipality's monthly MFMA Section 71 reports, which include indigent-related information as prescribed by National Treasury.

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

The Municipality reported a collection rate of 74 per cent for the period under review. Although the reporting period does not represent a quarter-end position, the collection rate remains significantly below the debt relief requirement of 95 per cent and reflects a decline from 81 per cent reported in the previous month. Collection performance continues to be affected by ongoing non-payment, particularly in Eskom-supplied areas where the Municipality is unable to implement electricity cut-offs as a credit control measure. Excluding Eskom-supplied areas, the collection rate improves to approximately 80 per cent, indicating relatively better performance in areas directly supplied by the Municipality.

Collection levels also remain under pressure due to high outstanding consumer debt, including significant arrears relating to Zoar. In an effort to improve revenue recovery, the Municipality has strengthened its credit control measures by expanding the blocking list to include businesses and government institutions. While these interventions are expected to improve collection performance over time, the impact has remained slow to date.

To address ongoing billing and revenue collection challenges, the Municipality has initiated a data cleansing process aimed at improving 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 subsequently amended to enable the implementation of full credit control actions, including the issuing of summons, rather than being limited to demand letters only.

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

The Municipality has not aligned its billing system with the Council-approved General Valuation Roll (GVR) and supplementary valuation rolls, as highlighted by National Treasury's property rates reconciliation tool. This misalignment has resulted in property misclassifications, incorrect property transfers, and omissions, thereby affecting the completeness and accuracy of the revenue base. The Municipality indicated that corrective actions are underway, including notifying the valuer, correcting property classifications, conducting supplementary valuations, and rectifying property categorisations. However, despite these efforts, the Municipality continues to omit the required monthly progress report on the implementation of the action plan from its Section 71 reports, despite being previously advised to include this information.

The Municipality is urged to prioritise the full reconciliation of the valuation roll and billing system and to comply with MFMA Circular No. 124 to support accurate revenue reporting and the successful implementation of the Eskom Debt Relief Programme.

10. Condition 6.9 - Monitor and Report on compliance

The Western Cape Provincial Treasury's assessment confirmed that the MFMA s71 narrative statement was uploaded to GoMuni. However, the narrative statement was not published on the Municipality's website. This statement was also assessed against the Municipal Budget and Reporting Regulations, 2009 (MBRR) and the National Treasury MFMA s71 reporting guidance issued to debt relief municipalities on 10 May 2024, in conjunction with paragraphs 9(i) to 9(ix) of the NT debt relief approval letter.

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

	MFMA S71 Statement component	Compliance (Yes/No)
1.	***The Budget Performance Overview (paragraph 4) of the MFMA S71 statement*** explicitly advised on the Municipality's progress in implementing the Municipality's budget and (where relevant also the budget funding plan) - where implementation is slow, the statement advised explicitly on progress, challenges, and corrective actions.	Yes
2.	***The conclusion (paragraph 14) of the MFMA S71 statement*** explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting - 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

	MFMA S71 Statement component	Compliance (Yes/No)
3.7.2	The Municipality's proof of payment of any such Eskom and/or Water Bulk current account invoice(s) during the month of reporting.	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 April 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.

11. 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.

12. 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.

13. 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.

14. **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.

15. **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.

16. **Provincial Treasury Compliance Certification**

The Provincial Treasury certifies that it monitored and assessed WC041 Kannaland Municipality's compliance against the MFMA Circular No. 124 **conditions** and NT debt relief approval letter as set-out below in the PT's compliance certificate for the Municipality in relation to the period 1 - 30 April 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	Apr'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 –	
1	6.12.1	- 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*	[illegible]
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?	[illegible]
3	6.12.3	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	[illegible]
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.*	[illegible]
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?	[illegible]
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?	[illegible]

MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE: KANNALAND MUNICIPALITY APRIL 2026 7

6.4	**Compliance with a funded MTREF –** *(choose from drop down list the MTREF assessed)*	
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
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
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 [illegible] [illegible] 2023/24 MTREF [illegible]	
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 uses 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".	
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 necessary. [illegible]	
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
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
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:*	
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
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
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
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	
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 :**	
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 end of quarter
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 end of quarter
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 end of quarter

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

6

[illegible]	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?	No
[illegible]	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
[illegible]	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**	
[illegible]	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
[illegible]	6.8.2	- 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
[illegible]	6.8.3	- **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
	6.9	**Monitor and report on implementation**	
[illegible]	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
[illegible]	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 6.8.1.*	No
[illegible]	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
[illegible]	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
	6.10	[illegible] *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:*	
[illegible]	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
[illegible]	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
[illegible]	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 4.1.8 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
		[illegible]	
[illegible]	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
		[illegible]	
	6.12	**For the duration of the Municipal Debt Relief (to ensure proper management of resources):**	
[illegible]	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
[illegible]	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
		[illegible]	
[illegible]		***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
[illegible]	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
[illegible]	6.14	**NERSA License** - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	No
		[illegible]	

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

The Western Cape Provincial Treasury's assessment and compliance certificate confirmed 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 April 2026, unchanged from the previous month. This continued low level of compliance is largely attributable to the Municipality not fully settling its bulk accounts. The Municipality continues not to meet the requirement to settle bulk electricity accounts within 30 days and has not honoured its agreed payment arrangement with Eskom. Furthermore, no payments were made during May 2026, resulting in the continued breach of current account obligations.

The Municipality has also not fully completed the required FRP progress reporting on the GoMuni portal. Only selected reports for October 2025, November 2025 and February 2026 were uploaded, together with an August 2025 submission, which appears to have been incorrectly uploaded given that Kannaland Municipality 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 onto the GoMuni portal. Although copies of certain reports were submitted directly to Provincial Treasury, the Municipality is still required to upload all FRP documentation under the Municipal Financial Recovery Service (MFRS) section on GoMuni to ensure full compliance.

The Municipality must urgently address all outstanding non-compliance matters. Priority should be given to the settlement of bulk accounts, particularly historical arrears that remain outstanding, as well as reporting on progress relating to the General Valuation Roll reconciliation action plan. Thereafter, the Municipality should focus on addressing the remaining compliance matters outlined above. Strengthening the implementation of the debt relief conditions remains essential for the Municipality to secure the potential benefit of debt relief support.

Provincial Treasury continues to appreciate the opportunity provided by the Municipal Debt Relief Programme and remains committed to supporting municipalities to ensure compliance with the programme conditions and to maximise the benefits associated with the programme.

Yours sincerely

VICTOR SENNA
DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONIMIC SERVICES
DATE: 28/5/2026

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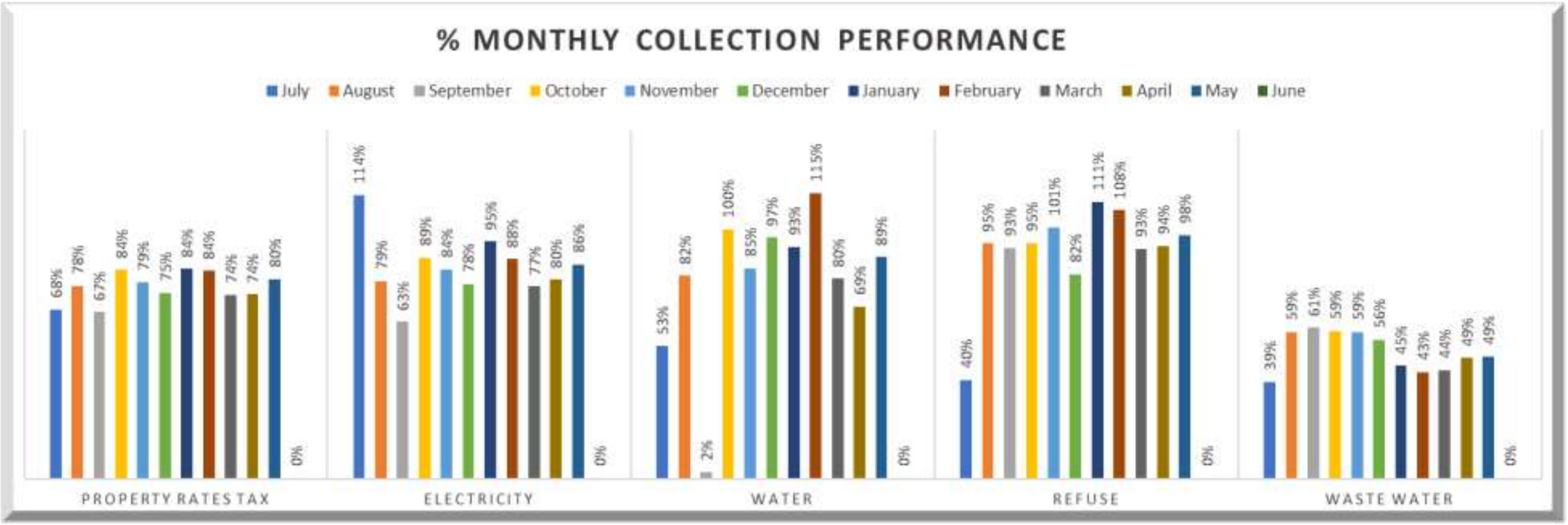
5.4 MFMA Circular 124- Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)

5.4.1 Monthly/Quarterly collection per ward



Western Cape	WC041

Average collection rate (MFMA Circular 124 condition 6.7)

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

Collection Rate Assessment

Notes	Total Aggregate Collection		11.May - Reporting for April in May: Billing For April	Collection in August	R - Billing not collected	% Collection	12.June - Reporting for May in June: Billing For May	Collection in June	R - Billing not collected	% Collection	Click to view/dose months	Summary - Quarter 4: Billing	Collection	R - Billing not collected	% Collection	Q1
1	1.Collection for whole demarcation		15,814,611	12,698,394	3,159,927	80%	-	-	-	#DIV/0!		30,506,952	##########	6,923,812	77%	77%
2	2.Collection excl Eskom supplied areas		10,438,307	8,989,629	1,588,963	86%	-	-	-	#DIV/0!		19,849,646	##########	3,322,722	83%	83%
3	3.Collection: **Property Rates**		2,521,699	2,246,774	274,925	89%	-	-	-	#DIV/0!		5,044,685	3,994,153	1,050,531	79%	79%
4	4.Total average collection: **Electricity** (Municipal supplied areas)	Summary	7,838,683	7,671,285	167,398	98%	-	-	-	#DIV/0!		14,770,971	##########	605,344	96%	96%
5	5.Total average collection: **Water**		3,322,036	1,633,822	1,688,213	49%	-	-	-	#DIV/0!		6,403,315	3,132,033	3,271,281	49%	49%
6	6.Total average collection: **Wastewater**		1,048,455	592,158	456,298	56%	-	-	-	#DIV/0!		2,109,184	1,092,837	1,016,348	52%	52%
7	7.Total average collection: **Refuse**		999,008	425,916	573,092	43%	-	-	-	#DIV/0!		2,009,433	897,209	1,112,224	45%	45%
8	8. 7.Total average collection: **Interest**		84,729	128,439	0	152%	-	-	-	#DIV/0!		169,364	301,281	(131,917)	178%	178%

Complete This Section

Quarter 4 Performance Per Ward

Services	Electricity Supplier	Ward Name & Number	11.May: Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	12.June: Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q4
Property Rates Tax	Mun Supplied	Nissenville - Ward 1	160,624	131,114	29,510	82%			-	#DIV/0!	321,947	274,071	47,876	85%	85%
Electricity			129,283	106,472	22,811	82%			-	#DIV/0!	232,125	148,366	83,759	64%	64%
Water			420,126	104,277	315,849	25%			-	#DIV/0!	780,389	192,168	588,221	25%	25%
Refuse			152,892	68,390	84,502	45%			-	#DIV/0!	314,434	131,196	183,238	42%	42%
Waste Water			194,749	174,881	19,868	90%			-	#DIV/0!	399,109	266,004	133,105	67%	67%
Interest			1,399	3,542	0	253%			-	#DIV/0!	2,799	32,181	(29,382)	1150%	1150%
Property Rates Tax	Eskom supplied	Zoar - Ward 2	75,289	12,126	63,163	16%			-	#DIV/0!	150,721	27,126	123,594	18%	18%
Electricity			-	-	-	#DIV/0!			-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			885,577	33,250	852,327	4%			-	#DIV/0!	1,491,904	72,715	1,419,190	5%	5%
Refuse			367,596	31,253	336,342	9%			-	#DIV/0!	736,229	84,290	651,939	11%	11%
Waste Water			357,285	45,194	312,091	13%			-	#DIV/0!	715,236	97,195	618,041	14%	14%
Interest			4,772	4,835	0	101%			-	#DIV/0!	9,544	8,758	786	92%	92%
Property Rates Tax	Eskom supplied	Calitzdorp Farms - Ward 3	189,853	369,986	0	195%			-	#DIV/0!	380,107	498,321	(118,214)	131%	131%
Electricity			-	-	-	#DIV/0!			-	#DIV/0!	47	-	47	0%	0%
Water			183,563	24,182	159,381	13%			-	#DIV/0!	328,304	46,247	282,056	14%	14%
Refuse			-	-	-	#DIV/0!			-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Waste Water			-	-	-	#DIV/0!			-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Interest			-	(15,216)	15,216	#DIV/0!			-	#DIV/0!	-	(14,709)	14,709	#DIV/0!	#DIV/0!
Property Rates Tax	Mun Supplied	Bergsig Calitzdorp - Ward 3	22,705	13,017	9,688	57%			-	#DIV/0!	45,410	24,106	21,304	53%	53%
Electricity			15,728	13,842	1,886	88%			-	#DIV/0!	30,658	28,452	2,205	93%	93%
Water			474,337	50,446	423,891	11%			-	#DIV/0!	1,075,716	109,969	965,747	10%	10%
Refuse			116,107	22,648	93,459	20%			-	#DIV/0!	233,252	56,398	176,854	24%	24%
Waste Water			123,282	28,959	94,323	23%			-	#DIV/0!	248,561	57,905	190,657	23%	23%
Interest			483	685	0	142%			-	#DIV/0!	966	856	110	89%	89%
Property Rates Tax	Mun Supplied	Calitzdorp Town - Ward 3	466,569	374,515	92,054	80%			-	#DIV/0!	933,138	780,637	152,500	84%	84%
Electricity			1,131,637	1,208,740	0	107%			-	#DIV/0!	2,142,008	2,312,079	(170,071)	108%	108%
Water			288,489	238,900	49,589	83%			-	#DIV/0!	535,971	561,152	(25,181)	105%	105%
Refuse			98,651	85,943	12,709	87%			-	#DIV/0!	197,648	183,080	14,568	93%	93%
Waste Water			24,443	19,907	4,537	81%			-	#DIV/0!	48,886	43,125	5,761	88%	88%
Interest			6,870	21,278	0	310%			-	#DIV/0!	13,647	33,321	(19,674)	244%	244%
Property Rates Tax	Mun Supplied	Ladismith Town - Ward 4	1,011,283	915,442	95,841	91%			-	#DIV/0!	2,022,607	1,542,144	480,464	76%	76%
Electricity			4,275,922	4,082,470	193,452	95%			-	#DIV/0!	7,778,425	7,208,982	569,443	93%	93%
Water			743,150	706,538	36,612	95%			-	#DIV/0!	1,331,767	1,312,472	19,295	99%	99%
Refuse			202,240	195,705	6,535	97%			-	#DIV/0!	405,172	393,627	11,545	97%	97%
Waste Water			311,073	309,224	1,849	99%			-	#DIV/0!	622,478	594,736	27,743	96%	96%
Interest			66,266	112,694	0	170%			-	#DIV/0!	132,532	239,896	(107,363)	181%	181%
Property Rates Tax	Eskom supplied	Ladismith Farms - Ward 4	539,335	386,337	152,999	72%			-	#DIV/0!	1,078,671	760,111	318,559	70%	70%
Electricity			2,286,114	2,259,762	26,352	99%			-	#DIV/0!	4,587,708	4,467,747	119,961	97%	97%
Water			210,868	447,630	0	212%			-	#DIV/0!	593,333	787,249	(193,916)	133%	133%
Refuse			21,736	12,813	8,923	59%			-	#DIV/0!	43,472	30,627	12,844	70%	70%
Waste Water			12,323	13,660	0	111%			-	#DIV/0!	24,647	33,326	(8,679)	135%	135%
Interest			4,875	620	4,255	13%			-	#DIV/0!	9,750	968	8,782	10%	10%
Property Rates Tax	Eskom supplied	Van Wyksdorp - Ward 4	56,042	44,238	11,804	79%			-	#DIV/0!	112,085	87,637	24,448	78%	78%
Electricity			-	-	-	#DIV/0!			-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			115,926	28,598	87,328	25%			-	#DIV/0!	265,930	50,061	215,869	19%	19%
Refuse			39,787	9,164	30,623	23%			-	#DIV/0!	79,227	17,990	61,237	23%	23%
Waste Water			25,300	333	24,967	1%			-	#DIV/0!	50,266	546	49,720	1%	1%
Interest			63	-	63	0%			-	#DIV/0!	127	10	117	8%	8%

National Treasury	Municipal Details
Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003	No.Of Wards: 8

Collection Rate Assessment					
Aggregate Collection	Summary - Quarter 4				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	30,506,952	23,583,139	6,923,812	77%	77%
2.Collection excl Eskom supplied areas	19,849,646	16,526,923	3,322,722	83%	83%
3.Collection: **Property Rates**	5,044,685	3,994,153	1,050,531	79%	79%
4.Total average collection: **Electricity** (Municipal supplied areas)	14,770,971	14,165,626	605,344	96%	96%
5.Total average collection: **Water**	6,403,315	3,132,033	3,271,281	49%	49%
6.Total average collection: **Wastewater**	2,109,184	1,092,837	1,016,348	52%	52%
7.Total average collection: **Refuse**	2,009,433	897,209	1,112,224	45%	45%
8.Total average collection: **Interest**	169,364	301,281	(131,917)	178%	178%

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	2,286	2,298	
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
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	2,286	2,298	–
Cost of Free Basic Services provided to ALLHousehols 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**	**422,144**	**424,360**	–
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)																	
Water (kilolitres per household per month)																	
Sanitation (kilolitres per household per month)																	
Sanitation (Rand per household per month)																	
Electricity (kwh per household per month)																	
Refuse (average litres per week)																	
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	14(a)																
PSI Category : Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates **in excess of section 17 of MPRA)**																	
Water **(in excess of 6 kilolitres per indigent household per month)**	15																
Sanitation **(in excess of free sanitation service to indigent households)**	16																
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**																	
Refuse **(in excess of one removal a week for indigent households)**																	
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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 4

Reconciliation Overview

High Level Reconciliation

Property Categories	# of Properties			Market Values		
Property Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	4,551	5,030	-479	275,951,000.00	296,453,000.00	-20,383,000.00
Industrial	22	-	22	53,497,000.00	-	53,497,000.00
Business and Commercial	217	280	-63	169,376,000.00	337,268,000.00	-167,892,000.00
Agricultural	3,485	3,088	487	1,848,104,000.00	1,735,324,838.00	[illegible]
Mining	-	-	-	-	-	-
State Owned for Public Purpose	39	-	39	101,047,000.00	-	101,047,000.00
PSI	136	161	-25	2,632,000.00	3,859,000.00	-1,227,000.00
PBO	4	7	-3	1,683,000.00	10,382,000.00	-8,700,000.00
Multi Use	29	-	29	-	-	-
Vacant	-	-	-	-	-	-
POW	58	61	-3	40,269,000.00	48,174,000.00	-7,905,000.00
Municipal	1,176	1,137	39	117,908,000.00	115,047,000.00	2,761,000.00
Other	3	63	-60	4,642,000.00	75,522,000.00	-70,880,000.00
	9,730	9,827	97	3,115,849,000.00	[illegible]	[illegible]

Detailed Reconciliation

Property Categories	Monthly Billing			Quarterly		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	1,258,893	1,306,171	-48,277	3,770,679.89	3,918,512.34	-147,832.45
Industrial	190,360	-	190,360	571,080.48	-	571,080.48
Business and Commercial	602,696	1,162,078	-559,382	1,808,088.80	3,488,235.14	-1,670,146.34
Agricultural	497,844	465,099	32,745	1,478,531.30	1,380,297.08	98,234.15
Mining	-	-	-	-	-	-
State Owned for Public Purpose	361,694	-	361,694	1,085,081.73	-	1,085,081.73
PSI	-	-	-	-	-	-
PBO	560	3,712	-3,152	1,680.23	11,138.34	-9,458.02
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	17,142	-17,142	-	51,426.54	-51,426.54
Municipal	-	262	-262	-	786.45	-786.45
Other	-	20,138	-20,138	-	60,417.06	-60,417.06
Total	R2,905,047.44	R2,989,938.62	-R84,551.18	8,715,142.32	8,908,813.86	-193,671.54

Prepared By	Craig Opperman	Date	2026-06-12
	Contact Details		
Signature			
Reviewed By	IVOR GRISPE	Date	12-06-2026
	Contact Details		
Signature			

Co besproeiing

		Duplicate payment					
		Inv 18	Inv 24	Inv 25			Due
Exc	-	37,502.64	31646.88	41680.88			35,825.12
Vat	-	5,625.40	4,747.03	6,252.13		-	5,373.77
	-	43,128.04	36,393.91	47,933.01		-	41,198.89

Due to Co Besproeiin	**41,198.88**
	0.01

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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	2026128008
Description	LJT64 20260508 11:59:56.6	Action date	20260508
Finalreleasingoperators	RVX66 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	280110022
Branch No	50014
Statement Ref	KANNALAND MUN
Account Name	CALITZDORP BESPROEINGSRAAD
Creditor Code	CALITZDORP BESPR
Amount	41,199.88
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

DATE : 2026-05-15 08:33:29

Page : 2

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPALI	**Statement For**	20260508	**VAT Registration**	4540197255
Branch	000113	LADISMITH CAPE	**Statement No**	980		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260507	1,148,759.88
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS EY4 U 0005043109453	0.00	0.00	1,878.00	20260507	1,150,637.88
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0007613109577	0.00	0.00	5,517.00	20260507	1,156,154.88
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS EY4 U 0005043109453	0.00	0.00	9,357.80	20260507	1,165,512.68
1	CASH DEPOSIT FEE - AUTOBANK ## ACC 420543546 DEP BCH 4510	0.00	-2.70	0.00	20260507	1,165,509.98
1	CASH DEPOSIT FEE - AUTOBANK ## ACC 420543546 DEP BCH 4510	0.00	-3.03	0.00	20260507	1,165,506.95
1	CASH DEPOSIT FEE - AUTOBANK ## ACC 420543546 DEP BCH 4510	0.00	-3.93	0.00	20260507	1,165,503.02
1	CASH DEPOSIT FEE - AUTOBANK ## ACC 420543546 DEP BCH 4510	0.00	-7.92	0.00	20260507	1,165,495.10
1	CASH DEPOSIT FEE - AUTOBANK ## ACC 420543546 DEP BCH 4510	0.00	-14.22	0.00	20260507	1,165,480.88
1	CASH DEPOSIT FEE - AUTOBANK ## ACC 420543546 DEP BCH 4510	0.00	-18.83	0.00	20260507	1,165,462.05
1	CASH DEPOSIT FEE - AUTOBANK ## ACC 420543546 DEP BCH 4510	0.00	-40.91	0.00	20260507	1,165,421.14
1	CASH DEPOSIT FEE - AUTOBANK ## ACC 420543546 DEP BCH 4510	0.00	-53.95	0.00	20260507	1,165,367.19
1	MAGTAPE CREDIT SMART MUNIC WALLET	0.00	0.00	10,000.00	20260508	1,175,367.19
1	MAGTAPE CREDIT ROSENHOF 1003620013	0.00	0.00	1,512.93	20260508	1,176,880.12
1	MAGTAPE CREDIT ROSENHOF 1014360005	0.00	0.00	9,898.03	20260508	1,186,778.15
1	MAGTAPE CREDIT ROSENHOF 1013910009	0.00	0.00	790.86	20260508	1,187,569.01
1	REAL TIME TRANSFER FROM ABSA Johan Radyn	0.00	0.00	1,314.00	20260508	1,188,883.01
1	ELECTRONIC BANKING TRANSFER FR TRF EPWP EXPENDITURE	0.00	0.00	13,043.30	20260508	1,201,926.31
1	ELECTRONIC BANKING PAYMENT TO TOBIA TOBIAS F 823 GAV5310:49	0.00	-1,290.45	0.00	20260508	1,200,635.86
1	ELECTRONIC BANKING PAYMENT TO OOSTH OOSTHUIZEN HE GAV5310:49	0.00	-1,290.45	0.00	20260508	1,199,345.41
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260508	1,199,345.41
2	ELECTRONIC BANKING PAYMENT TO BREDA BREAD J GAV5310:49	0.00	-1,290.45	0.00	20260508	1,198,054.96
2	ELECTRONIC BANKING PAYMENT TO JOHAN JOHANNES KJ(1 GAV5310:49	0.00	-2,580.91	0.00	20260508	1,195,474.05
2	ELECTRONIC BANKING PAYMENT TO CLAAS CLAASSEN G JU GAV5310:49	0.00	-2,610.09	0.00	20260508	1,192,863.96
2	ELECTRONIC BANKING PAYMENT TO LUDIC LUDICK COURTN GAV5310:49	0.00	-3,214.85	0.00	20260508	1,189,649.11
2	ELECTRONIC BANKING PAYMENT TO SWANE SWANEPOEL C(P GAV5310:49	0.00	-3,441.22	0.00	20260508	1,186,207.89
2	ELECTRONIC BANKING PAYMENT TO OERSO OERSON K 828 GAV5310:49	0.00	-3,441.22	0.00	20260508	1,182,766.67
2	ELECTRONIC BANKING PAYMENT TO BUYS BUYS W JUL22 GAV5310:49	0.00	-3,619.73	0.00	20260508	1,179,146.94
2	ELECTRONIC BANKING PAYMENT TO W0399 WILLEMSE CJ B GAV5310:49	0.00	-5,261.50	0.00	20260508	1,173,885.44
2	ELECTRONIC BANKING PAYMENT TO STOFF STOFFEL XOLIL RVX6813:10	0.00	-11,033.76	0.00	20260508	1,162,851.68
2	ELECTRONIC BANKING PAYMENT TO CLAAS CLAASSEN G JU RVX6812:10	0.00	-11,991.03	0.00	20260508	1,150,860.65
2	ELECTRONIC BANKING PAYMENT TO MEMOT MEMOTEK TRADI RVX6809:48	0.00	-13,043.30	0.00	20260508	1,137,817.35
2	ELECTRONIC BANKING PAYMENT TO CALIT CALITZDORP BE RVX6812:10	0.00	-41,198.88	0.00	20260508	1,096,618.47
2	ELECTRONIC BANKING PAYMENT TO BUSIN BUSINESS ENGI GAV5309:47	0.00	-59,298.00	0.00	20260508	1,037,320.47
2	ELECTRONIC BANKING PAYMENT TO	0.00	-108,790.77	0.00	20260508	928,529.70

DATE 20260522 14:53:10

Page : 1

Calitzdorp Besproeiïngsraad

Tel: 0440040172/ 0764738011 Email: calitzdorpwater@mdwireless.co.za
BTW/VAT Reg: 4260157971

BELASTINGFAKTUUR

Faktuur Nr: 26
Datum: 06 May 2025

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655

BTW Nr 4540197268

MUNISIPALE WATERVERBRUIK – CALITZDORP: April 2026

Sub Oorverbruik

Maand			Apr-26
Meterlesing einde	Apr-26		9111040
Meterlesing begin	Apr-26		9058220
Ontrek	kl		52820
Dae @ 455 kl per dag toelaag	30		13650
	kl		39170
Min Pyplyn	kl		12970
Oorverbruik	kl		26200
0-26000 kl tarief @ 1.15kl	26000	R	26 000.00
26000-36000kl @ 2.32kl	200	R	464.00
36000-46000 @3.87/5kl	0	R	-
56 000 en meer tarief		R	-
Sub Oorverbruik		R	26 464.00
Plus 15% BTW		R	3 969.60
Totaal verskuldig		R	30 433.60

Glyskaal met ingang 2025		
Dae		30
Toegelaat per dag - kl		455
0 - 26000 kl tarief	R	1.15
26000 - 36000 kl tarief	R	2.32
36000 - 46000 kl tarief	R	3.87
46000 - 56000 kl tarief	R	7.73
56 000 kl en meer tarief	R	15.47

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

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

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

C:\Users\User\Documents\[illegible]\Invoices Kanna New\2024\2025\Kanna 04-2025 26 06-05-2025

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPALI	**Statement For**	20260528	**VAT Registration**	4540197268
Branch	000113	LADISMITH CAPE	**Statement No**	997		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260527	1,112,937.72
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS KL4 V 0000095215501	0.00	0.00	500.00	20260527	1,113,437.72
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS KU2 Z 0000275219639	0.00	0.00	1,414.60	20260527	1,114,852.32
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS KL4 V 0000085215501	0.00	0.00	1,600.00	20260527	1,116,452.32
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS KU2 Z 0000275219639	0.00	0.00	2,969.70	20260527	1,119,422.02
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS PLC 9 0007713109577	0.00	0.00	3,725.00	20260527	1,123,147.02
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0007713109577	0.00	0.00	5,426.60	20260527	1,128,573.62
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS EY4 U 0005143109453	0.00	0.00	6,508.82	20260527	1,135,082.44
1	CREDIT TRANSFER ABSA BANK Keyser 1049A065	0.00	0.00	16,722.00	20260528	1,151,804.44
1	INTERBANK CREDIT TRANSFER LINKOVATION	0.00	0.00	564.00	20260528	1,152,368.44
1	ELECTRONIC BANKING PAYMENT TO WIN03 WINDEED GAV5313:48	0.00	-886.22	0.00	20260528	1,151,482.22
1	ELECTRONIC BANKING PAYMENT TO WIN03 WINDEED GAV5313:48	0.00	-1,860.59	0.00	20260528	1,149,621.63
1	ELECTRONIC BANKING PAYMENT TO ANEW ANEW HOTEL GR GAV5315:21	0.00	-1,880.00	0.00	20260528	1,147,741.63
1	ELECTRONIC BANKING PAYMENT TO WIN03 WINDEED GAV5313:48	0.00	-2,705.34	0.00	20260528	1,145,036.29
1	ELECTRONIC BANKING PAYMENT TO KLAWE KLAWER HOTEL GAV5315:21	0.00	-2,940.00	0.00	20260528	1,142,096.29
1	ELECTRONIC BANKING PAYMENT TO WIN03 WINDEED GAV5313:48	0.00	-3,154.97	0.00	20260528	1,138,941.32
1	ELECTRONIC BANKING PAYMENT TO L80 LITHOTECH GAV5315:21	0.00	-6,767.50	0.00	20260528	1,132,173.82
1	ELECTRONIC BANKING PAYMENT TO R51 RENT-A-CONTAI GAV5313:48	0.00	-11,281.50	0.00	20260528	1,120,892.32
1	ELECTRONIC BANKING PAYMENT TO B58 BIDVEST STEIN GAV5313:48	0.00	-13,025.17	0.00	20260528	1,107,867.15
1	ELECTRONIC BANKING PAYMENT TO CALIT CALITZDORP BE GAV5313:48	0.00	-30,433.60	0.00	20260528	1,077,433.55
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260528	1,077,433.55
2	ELECTRONIC BANKING PAYMENT TO BRAAF BRAAF MOSES B GAV5313:48	0.00	-31,000.00	0.00	20260528	1,046,433.55
2	ELECTRONIC BANKING PAYMENT TO C0227 COASTAL ARMAT GAV5313:48	0.00	-42,820.31	0.00	20260528	1,003,613.24
2	ELECTRONIC BANKING PAYMENT TO VALST VALSTA'S SPEC GAV5313:48	0.00	-85,000.00	0.00	20260528	918,613.24

** END OF REPORT **

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	7052108005
SECURITY HELD	0.01
BILLING DATE	2026-05-15
TAX INVOICE NO	705042606651
ACCOUNT MONTH	MAY 2026
CURRENT DUE DATE	2026-06-15
VAT REG NO	4540197268

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

FIXED CHARGE		R	25,465.00
ADMINISTRATION CHARGE		R	590.10
TRANSMISSION NETWORK CAPACITY		R	97,900.00
DIST. NETWORK CAPACITY CHARGE		R	162,400.00
NETWORK DEMAND CHARGE		R	46,877.28
URBAN LOW VOLTAGE SUBSIDY		R	22,300.00
ANCILLARY SERVICE (ALL)		R	7,976.84
GENERATOR CAPACITY CHARGE		R	64,600.00
LEGACY CHARGE (ALL)		R	451,230.71
ENERGY CHARGE (STD)	771,754.00	R	1,165,888.77
ENERGY CHARGE (PEAK)	347,625.00	R	933,998.85
ENERGY CHARGE (OFF)	1,036,525.00	R	1,118,410.48
SERVICE CHARGE		R	6,048.60
ELECTRIFICATION AND RURAL SUBS (ALL)		R	108,226.38
TOTAL CHARGES FOR BILLING PERIOD		R	**4,211,913.01**

ACCOUNT SUMMARY FOR MAY 2026

BALANCE BROUGHT FORWARD	(Due Date 2026-05-14)	R	81,106,562.48
PAYMENT(S) RECEIVED	Cash - 2026-04-16	R	-3,799,102.41
TOTAL CHARGES FOR BILLING PERIOD		R	4,211,913.01
ADJUSTMENT	Interest on overdue account	R	3,034.20
ADJUSTMENT	Interest on overdue account	R	515,622.91
VAT RAISED ON ITEMS AT 15%		R	631,786.95

CURRENT	TOTAL DUE	R	82,669,817.14
5,362,357.07			

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
59,701,912.95	11,547,978.16	6,057,568.96	0.00

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

ACCOUNT NO / REFERENCE NO
7052108005

NAME
KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

unipay 7100 10 0010

27215700170521080058

>>>>>>> 9207 2705 2108 0051

TOTAL AMOUNT DUE
82,669,817.14

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	2026-05-07
TAX INVOICE NO	694268629065
ACCOUNT MONTH	MAY 2026
CURRENT DUE DATE	2026-06-06
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	590.10
TRANSMISSION NETWORK CAPACITY		R	17,200.00
DIST. NETWORK CAPACITY CHARGE		R	59,152.00
NETWORK DEMAND CHARGE		R	31,993.04
ANCILLARY SERVICE (ALL)		R	2,327.07
GENERATOR CAPACITY CHARGE		R	12,336.00
LEGACY CHARGE (ALL)		R	131,421.28
ENERGY CHARGE (STD)	239,122.00	R	389,864.51
ENERGY CHARGE (PEAK)	91,312.00	R	264,786.54
ENERGY CHARGE (OFF)	251,333.00	R	292,727.55
SERVICE CHARGE		R	6,048.60
ELECTRIFICATION AND RURAL SUBS (ALL)		R	29,204.75
TOTAL CHARGES FOR BILLING PERIOD		R	**1,237,651.44**

ACCOUNT SUMMARY FOR MAY 2026

BALANCE BROUGHT FORWARD	(Due Date 2026-05-08)	R	14,058,174.24
PAYMENT(S) RECEIVED	Cash - 2026-04-16	R	-679,718.42
TOTAL CHARGES FOR BILLING PERIOD		R	1,237,651.44
ADJUSTMENT	Interest on overdue account	R	72,644.12
VAT RAISED ON ITEMS AT 15%		R	185,647.72

CURRENT	TOTAL DUE	R	14,874,399.10
1,495,943.28			

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
7,901,081.38	1,929,718.42	1,725,976.82	1,821,679.20

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

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
14,874,399.10

Standard Bank of South Africa

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

Computer Generated Copy

CURRENT ACCOUNT - STATEMENT DETAILS

Page	Details	Service Fee	Debit	Credit	Date	Balance
	C014 CAB HOLDINGS GAV5312:00					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-14,875.69	0.00	20260529	5,255,777.31
	C014 CAB HOLDINGS GAV5312:00					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-15,221.92	0.00	20260529	5,240,555.39
	C014 CAB HOLDINGS GAV5312:00					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-16,900.00	0.00	20260529	5,223,655.39
	GLEND GLENDA STOFFE GAV5312:00					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-31,000.00	0.00	20260529	5,192,655.39
	BRAAF BRAAF MOSES B GAV5312:00					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-48,960.00	0.00	20260529	5,143,695.39
	OASIS OASIS GEMEENS RVX6809:26					
3	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260529	5,143,695.39
3	ELECTRONIC BANKING PAYMENT TO	0.00	-58,321.10	0.00	20260529	5,085,374.29
	AKANI AKANI PAINTS RVX6809:26					
3	ELECTRONIC BANKING PAYMENT TO	0.00	-85,000.00	0.00	20260529	5,000,374.29
	VALST VALSTA'S SPEC GAV5312:00					
3	ELECTRONIC BANKING PAYMENT TO	0.00	-97,960.92	0.00	20260529	4,902,413.37
	SANIT SANITECH GEOR GAV5312:00					
3	ELECTRONIC BANKING PAYMENT TO	0.00	-99,634.64	0.00	20260529	4,802,778.73
	UHAMB UHAMBO SAFETY GAV5312:00					
3	ELECTRONIC BANKING PAYMENT TO	0.00	-288,519.19	0.00	20260529	4,514,259.54
	ESKOM ESKOM HOLDING RVX6812:02					
3	ELECTRONIC BANKING PAYMENT TO	0.00	-1,172,779.19	0.00	20260529	3,341,480.35
	FUNDI FUNDISANI CON RVX6812:03					
3	ELECTRONIC BANKING PAYMENT TO	0.00	-1,521,462.35	0.00	20260529	1,820,018.00
	ESKOM ESKOM HOLDING RVX6809:26					
3	ELECTRONIC BANKING PAYMENT TO	0.00	-1,521,462.35	0.00	20260529	298,555.65
	ESKOM ESKOM HOLDING RVX6809:26					
3	SERVICE AGREEMENT	20.00	-73,706.49	0.00	20260529	224,849.16
	MULTID FORNAGEONASHUA-005556					

** END OF REPORT **

SECTION 7 – QUALITY CERTIFICATION

KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Posbus 30 P.O. Box
LADISMITH
6655

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

Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, Dillo Sereo Accounting Officer of **Kannaland Municipality WC041**, 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 **May 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 :12 June 2026