KANNALAND
MUNISIPALITEIT | MUNICIPALITY

# Monthly Budget Report for October 2025/26

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 September 2009

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## GLOSSARY

**Adjustment's budget -** Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations -** Money received from Provincial or National Government or other municipalities.

**Approved budget -** means an annual budget—

a) approved by a municipal council; or
b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

**Budget -** The financial plan of the Municipality.

**Budget related policy -** Policy of a municipality affecting or affected by the budget, examples include the Tariff Policy, Property Rates Policy, Customer Care, Credit Control and Debt Collection Policy etc.

**Capital expenditure -** Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement –** summarizes the amount of cash and cash equivalents entering and leaving the municipality. The cash flow statement measures how well the municipality manages its cash position. It should be noted that there could be a difference between the timing of the actual cash flow compared to the recognition of expenditure. For example, when an invoice is received by the Municipality it is recognised as expenditure in the month it is dated, even though it may not be paid within the same month.

**DORA -** Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable share -** A general unconditional grant paid to municipalities. It is predominantly targeted to subsidise the delivery of free basic services.

**Fruitless and wasteful expenditure -** Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GFS -** Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP -** Generally Recognised Accounting Practice. The standard for municipal accounting.

**IDP -** Integrated Development Plan. The main strategic planning document of the Municipality.

**MBRR -** Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA -** Local Government: Municipal Finance Management Act (56/2003). The principal piece of legislation relating to municipal financial management. From here on to be referred to as the Act.

**MTREF -** Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two outer year budget allocations. Also includes details of the previous and current year's financial position.

**Operating expenditure -** Spending on the day-to-day expenses of the Municipality such as salaries and wages. It provides a short-term benefit, normally less than a year.

**Rates -** Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP -** Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic objectives -** The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure -** in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

a) overspending of the total amount appropriated in the municipality's approved budget;

b) overspending of the total amount appropriated for a vote in the approved budget; Unauthorised expenditure refers to expenditure that municipalities incurred without provision having been made for it in the budget approved by the council or which does not meet the conditions of a grant.

**Virement -** A transfer of budget.

**Virement policy -** The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote -** One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

# LEGISLATIVE FRAMEWORK

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Sections 71 & 52,
- and The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

*28. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.*

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

## Report of the Executive Mayor

In -Year Report – Monthly Budget Statement

The monthly budget statement for October 2025, has been prepared in terms of the Municipal Budget and Reporting Regulations (2009) and the Municipal Finance Management Act 56 of 2003.

a) The budget of the municipality has been implemented in terms of the Service Delivery Budget Implementation Plan (SDBIP). Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.

Cash flow has and will for the foreseeable future be a problem. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as employee related cost and achieving service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Budget Funding Plan has been approved and will be implemented to mitigate risk.

**Executive Mayor**

## Recommendations

That the Council takes cognisance of the monthly budget statement for October 2025.

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

# SECTION 1 – EXECUTIVE SUMMARY

## 1.1 INTRODUCTION

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a monthly report in a prescribed format to the mayor, within 10 working days after the end of each month, on the implementation of the Municipality's budget. The format and contents of the monthly budget report comply with the requirements as set out within the Municipal Budget and Reporting Regulations of 2009.

The report will be made available to the public on the municipal website at www.kannaland.gov.za

## 1.2 CONSOLIDATED PERFORMANCE

The performance against the budget can be summarized as follow:

| Amount in thousands | Amended Budget | YTD Budget | Monthly Actual | YTD Actual | YTD Budget vs YTD Actual Variance | YTD Budget vs YTD Actual Variance % |
|---|---|---|---|---|---|---|
| **Operating Revenue** | R 254 396 | R 84 798 | R 5 528 | R 73 481 | R (11 318) | -13% |
| **Operating Expenditure** | R 262 857 | R 87 390 | R 9 596 | R 60 399 | R (26 991) | -31% |
| **Capital** | R 13 721 | R 4 571 | R0 | R 5 614 | R 1 040 | 23% |

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

**Operational Revenue**

The municipality's total operational revenue budget amounts to R255 million and the year-to-date revenue on the budget accrued to R73.48 million. This represents 28.8% of the YTD variance for total revenue.

**Operational Expenditure**

The municipality's total operational expenditure budget amounts to R263 million, with a year-to-date performance of R60.4 million, or 23% of the YTD variance for total expenditure budget.

**Capital Expenditure**

The total capital budget for the municipality amounts to R14 million with a year-to-date performance of R 5.61 million, or 41% of the total capital budget.

**Operating Surplus/Deficit**

The variances for operating revenue amounted to R5.5 million exceeding budget, and expenditure amounting to R 9.6 million below budget, with an operating deficit of R 4.1 million for the month under review. This performance is to be noted against an unfunded budget.

## 1.3 MATERIAL DIFFERENCES TO THE SDBIP

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

## 1.4 REMEDIAL ACTIONS

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

# SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES

## 2.1 TABLE C1 – MONTHLY BUDGET SUMMARY

**WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M04 October**

| 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 | 137 | 7,593 | 9,908 | (2,315) | -23% | 29,723 |
| Service charges | 131,751 | 155,248 | 155,248 | 5,350 | 42,954 | 51,749 | (8,795) | -17% | 155,248 |
| Investment revenue | 1,479 | 1,003 | 1,003 | – | 230 | 334 | (104) | -31% | 1,003 |
| Transfers and subsidies - Operational | 56,603 | 53,464 | 53,464 | – | 18,281 | 17,821 | 460 | 3% | 53,464 |
| Other own revenue | 23,574 | 14,958 | 14,958 | 41 | 4,423 | 4,986 | (563) | -11% | 14,958 |
| **Total Revenue (excluding capital transfers and** | **241,910** | **254,396** | **254,396** | **5,528** | **73,481** | **84,798** | **(11,318)** | **-13%** | **254,396** |
| Employee costs | 114,550 | 97,832 | 97,832 | 8,183 | 33,149 | 32,375 | 774 | 2% | 97,832 |
| Remuneration of Councillors | 4,264 | 3,526 | 3,526 | 318 | 1,227 | 1,175 | 52 | 4% | 3,526 |
| Depreciation and amortisation | 40,078 | 13,179 | 13,179 | – | 3,295 | 4,393 | (1,098) | -25% | 13,179 |
| Interest | 679 | 1,346 | 1,346 | – | 531 | 449 | 83 | 18% | 1,346 |
| Inventory consumed and bulk purchases | 67,057 | 90,807 | 90,687 | 378 | 16,394 | 30,229 | (13,835) | -46% | 90,687 |
| Transfers and subsidies | 589 | 590 | 590 | 10 | 81 | 197 | (116) | -59% | 590 |
| Other expenditure | 11,551 | 55,577 | 55,717 | 707 | 5,721 | 18,572 | (12,851) | -69% | 55,717 |
| **Total Expenditure** | **238,767** | **262,857** | **262,877** | **9,596** | **60,399** | **87,390** | **(26,991)** | **-31%** | **262,877** |
| **Surplus/(Deficit)** | **3,144** | **(8,461)** | **(8,481)** | **(4,068)** | **13,082** | **(2,591)** | **15,673** | **-605%** | **(8,481)** |
| Transfers and subsidies - capital (monetary allocations) | 18,627 | 15,779 | 15,779 | – | 6,174 | 5,555 | 619 | 11% | 15,779 |
| Transfers and subsidies - capital (in-kind) | 3 | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | **21,773** | **7,317** | **7,297** | **(4,068)** | **19,256** | **2,964** | **16,292** | **550%** | **7,297** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **21,773** | **7,317** | **7,297** | **(4,068)** | **19,256** | **2,964** | **16,292** | **550%** | **7,297** |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **21,487** | **13,721** | **13,721** | **–** | **5,614** | **4,574** | **1,040** | **23%** | **13,721** |
| Capital transfers recognised | 21,027 | 13,721 | 13,721 | – | 5,614 | 4,574 | 1,040 | 23% | 13,721 |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | 374 | – | – | – | – | – | – | | – |
| **Total sources of capital funds** | **21,401** | **13,721** | **13,721** | **–** | **5,614** | **4,574** | **1,040** | **23%** | **13,721** |
| **Financial position** | | | | | | | | | |
| Total current assets | 103,944 | 43,973 | 44,093 | | 156,555 | | | | 44,093 |
| Total non current assets | 642,174 | 310,072 | 310,072 | | 330,262 | | | | 310,072 |
| Total current liabilities | 232,087 | 107,528 | 107,668 | | 149,673 | | | | 107,668 |
| Total non current liabilities | 88,308 | 48,640 | 48,640 | | 57,420 | | | | 48,640 |
| Community wealth/Equity | 429,149 | 197,877 | 197,877 | | 253,996 | | | | 197,877 |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | 123,591 | 24,534 | 24,534 | 7,934 | 68,230 | 8,474 | (59,756) | -705% | 253,435 |
| Net cash from (used) investing | (18,861) | (15,779) | (15,779) | (1,343) | (6,879) | 5,260 | 12,139 | 231% | 15,779 |
| Net cash from (used) financing | – | – | – | – | – | – | – | | – |
| **Cash/cash equivalents at the month/year end** | **186,359** | **18,462** | **18,462** | **–** | **138,505** | **23,441** | **(115,065)** | **-491%** | **346,369** |

| 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 | 5,593 | 4,213 | 3,803 | 3,234 | 2,735 | 2,578 | 15,304 | 139,231 | 176,690 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 19,267 | 1,813 | 10,538 | – | – | – | – | 77,582 | 109,201 |

## 2.2 TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE

### (Functional Classification)

**WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October**

| Description | Ref | 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** | **52,425** | **154** | **26,285** | **17,475** | 8,810 | 50% | **52,425** |
| Executive and council | | 37,587 | 8,106 | 8,106 | – | 16,234 | 2,702 | 13,532 | 501% | 8,106 |
| Finance and administration | | 45,697 | 44,319 | 44,319 | 154 | 10,051 | 14,773 | (4,722) | -32% | 44,319 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **24,877** | **21,833** | **21,833** | **4** | **7,180** | **7,278** | (98) | -1% | **21,833** |
| Community and social services | | 15,125 | 16,505 | 16,505 | 2 | 7,178 | 5,502 | 1,676 | 30% | 16,505 |
| Sport and recreation | | 58 | 60 | 60 | – | – | 20 | (20) | -100% | 60 |
| Public safety | | (6) | – | – | 2 | 2 | – | 2 | | – |
| Housing | | 9,700 | 5,268 | 5,268 | – | – | 1,756 | (1,756) | -100% | 5,268 |
| Health | | – | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **2,318** | **2,487** | **2,487** | **11** | **667** | **829** | (162) | -20% | **2,487** |
| Planning and development | | – | – | – | – | – | – | – | | – |
| Road transport | | 2,318 | 2,487 | 2,487 | 11 | 667 | 829 | (162) | -20% | 2,487 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| ***Trading services*** | | **150,059** | **193,429** | **193,429** | **5,359** | **45,523** | **64,772** | (19,249) | -30% | **193,429** |
| Energy sources | | 87,144 | 117,820 | 117,820 | 4,386 | 29,861 | 39,569 | (9,708) | -25% | 117,820 |
| Water management | | 36,906 | 42,176 | 42,176 | 887 | 8,340 | 14,059 | (5,718) | -41% | 42,176 |
| Waste water management | | 13,215 | 16,009 | 16,009 | 68 | 3,731 | 5,336 | (1,606) | -30% | 16,009 |
| Waste management | | 12,795 | 17,425 | 17,425 | 17 | 3,591 | 5,808 | (2,217) | -38% | 17,425 |
| ***Other*** | 4 | – | – | – | – | – | – | – | | – |
| **Total Revenue - Functional** | 2 | **260,539** | **270,174** | **270,174** | **5,528** | **79,655** | **90,354** | **(10,699)** | **-12%** | **270,174** |
| | | | | | | | | | | |
| **Expenditure - Functional** | | | | | | | | | | |
| ***Governance and administration*** | | **86,298** | **89,151** | **89,171** | **6,014** | **26,103** | **29,500** | (3,397) | -12% | **89,171** |
| Executive and council | | 33,308 | 28,542 | 28,562 | 2,093 | 8,088 | 9,520 | (1,432) | -15% | 28,562 |
| Finance and administration | | 52,990 | 60,609 | 60,609 | 3,921 | 18,014 | 19,979 | (1,965) | -10% | 60,609 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **19,076** | **18,398** | **18,398** | **897** | **3,976** | **6,121** | (2,145) | -35% | **18,398** |
| Community and social services | | 10,817 | 9,366 | 9,366 | 627 | 2,761 | 3,110 | (349) | -11% | 9,366 |
| Sport and recreation | | 1,557 | 1,702 | 1,702 | 40 | 365 | 567 | (202) | -36% | 1,702 |
| Public safety | | 1,447 | 369 | 369 | 129 | 437 | 123 | 314 | 255% | 369 |
| Housing | | 5,254 | 6,962 | 6,962 | 101 | 412 | 2,321 | (1,908) | -82% | 6,962 |
| Health | | – | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **15,046** | **20,583** | **20,583** | **841** | **4,387** | **6,861** | (2,474) | -36% | **20,583** |
| Planning and development | | 281 | 380 | 380 | – | 29 | 127 | (98) | -77% | 380 |
| Road transport | | 14,765 | 20,203 | 20,203 | 841 | 4,359 | 6,734 | (2,376) | -35% | 20,203 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| ***Trading services*** | | **118,346** | **134,725** | **134,725** | **1,844** | **25,933** | **44,908** | (18,975) | -42% | **134,725** |
| Energy sources | | 73,468 | 94,302 | 94,302 | 531 | 17,897 | 31,434 | (13,537) | -43% | 94,302 |
| Water management | | 22,092 | 17,934 | 17,934 | 489 | 3,886 | 5,978 | (2,092) | -35% | 17,934 |
| Waste water management | | 10,782 | 10,707 | 10,707 | 301 | 1,880 | 3,569 | (1,689) | -47% | 10,707 |
| Waste management | | 12,005 | 11,782 | 11,782 | 523 | 2,270 | 3,927 | (1,657) | -42% | 11,782 |
| ***Other*** | | – | – | – | – | – | – | – | | – |
| **Total Expenditure - Functional** | 3 | **238,767** | **262,857** | **262,877** | **9,596** | **60,399** | **87,390** | **(26,991)** | **-31%** | **262,877** |
| **Surplus/ (Deficit) for the year** | | **21,773** | **7,317** | **7,297** | **(4,068)** | **19,256** | **2,964** | **16,292** | **550%** | **7,297** |

## 2.3 TABLE C3 – MONTHLY BUDGETED FINANCIAL PERFORMANCE
### (Revenue & Expenditure by Municipal Vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

| Vote Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| **Revenue by Vote** | 1 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | 37,587 | 8,606 | 8,606 | – | 16,234 | 2,869 | 13,365 | 465.9% | 8,606 |
| Vote 2 - CORPORATE SERVICES | | 25,969 | 22,740 | 22,740 | 20 | 7,644 | 7,580 | 65 | 0.9% | 22,740 |
| Vote 3 - FINANCIAL SERVICES | | 45,108 | 43,444 | 43,444 | 149 | 9,872 | 14,481 | (4,609) | -31.8% | 43,444 |
| Vote 4 - TECHNICAL SERVICES | | 151,875 | 195,384 | 195,384 | 5,359 | 45,904 | 65,424 | (19,520) | -29.8% | 195,384 |
| 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** | **270,174** | **5,528** | **79,655** | **90,354** | **(10,699)** | **-11.8%** | **270,174** |
| | | | | | | | | | | |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| Vote 1 - MUNICIPAL MANAGER | | 33,308 | 28,542 | 28,562 | 2,093 | 8,088 | 9,520 | (1,432) | -15.0% | 28,562 |
| Vote 2 - CORPORATE SERVICES | | 61,566 | 45,318 | 45,318 | 3,660 | 14,919 | 14,871 | 48 | 0.3% | 45,318 |
| Vote 3 - FINANCIAL SERVICES | | 12,318 | 37,137 | 37,137 | 1,276 | 7,809 | 12,379 | (4,570) | -36.9% | 37,137 |
| Vote 4 - TECHNICAL SERVICES | | 131,113 | 150,855 | 150,855 | 2,565 | 29,545 | 50,285 | (20,740) | -41.2% | 150,855 |
| Vote 5 - CALITZDORP SPA | | – | – | – | – | – | – | – | | – |
| Vote 6 - CORPORATE SERVICES (Continued) | | 462 | 1,005 | 1,005 | 2 | 37 | 335 | (298) | -88.8% | 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** | **262,877** | **9,596** | **60,399** | **87,390** | **(26,991)** | **-30.9%** | **262,877** |
| **Surplus/ (Deficit) for the year** | 2 | **21,773** | **7,317** | **7,297** | **(4,068)** | **19,256** | **2,964** | **16,292** | **549.7%** | **7,297** |

## 2.4 TABLE C4 – MONTHLY FINANCIAL PERFROMANCE

**WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October**

| 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 | 4,378 | 29,752 | 35,898 | (6,146) | -17% | 107,694 |
| Service charges - Water | | 25,346 | 30,912 | 30,912 | 887 | 7,399 | 10,304 | (2,905) | -28% | 30,912 |
| Service charges - Waste Water Management | | 10,179 | 7,384 | 7,384 | 68 | 2,946 | 2,461 | 484 | 20% | 7,384 |
| Service charges - Waste management | | 9,937 | 9,258 | 9,258 | 17 | 2,857 | 3,086 | (229) | -7% | 9,258 |
| Sale of Goods and Rendering of Services | | 481 | 295 | 295 | 12 | 148 | 98 | 49 | 50% | 295 |
| Agency services | | 1,324 | 1,450 | 1,450 | – | 352 | 483 | (132) | -27% | 1,450 |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 9,583 | 8,594 | 8,594 | 9 | 2,401 | 2,865 | (464) | -16% | 8,594 |
| Interest earned from Current and Non Current Assets | | 1,479 | 1,003 | 1,003 | – | 230 | 334 | (104) | -31% | 1,003 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Rent on Land | | – | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 692 | 493 | 493 | 1 | 185 | 164 | 21 | 13% | 493 |
| Licence and permits | | 206 | 230 | 230 | 9 | 60 | 77 | (17) | -22% | 230 |
| Special rating levies | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 314 | 200 | 200 | 5 | 88 | 67 | 21 | 32% | 200 |
| **Non-Exchange Revenue** | | | | | | | | | | |
| Property rates | | 28,504 | 29,723 | 29,723 | 137 | 7,593 | 9,908 | (2,315) | -23% | 29,723 |
| Surcharges and Taxes | | 6,604 | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 236 | 231 | 231 | 3 | 140 | 77 | 63 | 82% | 231 |
| Licence and permits | | – | – | – | 2 | 2 | – | 2 | | – |
| Transfer and subsidies - Operational | | 56,603 | 53,464 | 53,464 | – | 18,281 | 17,821 | 460 | 3% | 53,464 |
| Interest | | 3,420 | 3,465 | 3,465 | 0 | 864 | 1,155 | (291) | -25% | 3,465 |
| Fuel Levy | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 714 | – | – | – | 184 | – | 184 | | – |
| Gains on disposal of Assets | | – | – | – | – | – | – | – | | – |
| Other Gains | | – | – | – | – | – | – | – | | – |
| Discontinued Operations | | – | – | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and** | | **241,910** | **254,396** | **254,396** | **5,528** | **73,481** | **84,798** | **–** | | **254,396** |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | 114,550 | 97,832 | 97,832 | 8,183 | 33,149 | 32,375 | 774 | 2% | 97,832 |
| Remuneration of councillors | | 4,264 | 3,526 | 3,526 | 318 | 1,227 | 1,175 | 52 | 4% | 3,526 |
| Bulk purchases - electricity | | 63,298 | 82,476 | 82,476 | 214 | 15,372 | 27,492 | (12,120) | -44% | 82,476 |
| Inventory consumed | | 3,759 | 8,331 | 8,211 | 164 | 1,022 | 2,737 | (1,715) | -63% | 8,211 |
| Debt impairment | | (40,672) | 13,468 | 13,468 | – | – | 4,489 | (4,489) | -100% | 13,468 |
| Depreciation and amortisation | | 40,078 | 13,179 | 13,179 | – | 3,295 | 4,393 | (1,098) | -25% | 13,179 |
| Interest | | 679 | 1,346 | 1,346 | – | 531 | 449 | 83 | 18% | 1,346 |
| Contracted services | | 20,514 | 20,447 | 20,467 | 559 | 3,116 | 6,822 | (3,706) | -54% | 20,467 |
| Transfers and subsidies | | 589 | 590 | 590 | 10 | 81 | 197 | (116) | -59% | 590 |
| Irrecoverable debts written off | | 13,534 | – | – | – | 30 | – | 30 | | – |
| Operational costs | | 16,845 | 21,662 | 21,782 | 148 | 2,575 | 7,260 | (4,686) | -65% | 21,782 |
| Losses on Disposal of Assets | | 1,329 | – | – | – | – | – | – | | – |
| Other Losses | | – | – | – | – | – | – | – | | – |
| **Total Expenditure** | | **238,767** | **262,857** | **262,877** | **9,596** | **60,399** | **87,390** | **(26,991)** | **-31%** | **262,877** |
| **Surplus/(Deficit)** | | **3,144** | **(8,461)** | **(8,481)** | **(4,068)** | **13,082** | **(2,591)** | **26,991** | **(0)** | **(8,481)** |
| Transfers and subsidies - capital (monetary allocations) | | 18,627 | 15,779 | 15,779 | – | 6,174 | 5,555 | 619 | 0 | 15,779 |
| Transfers and subsidies - capital (in-kind) | | 3 | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **21,773** | **7,317** | **7,297** | **(4,068)** | **19,256** | **2,964** | | | **7,297** |
| Income Tax | | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after income tax** | | **21,773** | **7,317** | **7,297** | **(4,068)** | **19,256** | **2,964** | | | **7,297** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | | | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | | | – |
| **Surplus/(Deficit) attributable to municipality** | | **21,773** | **7,317** | **7,297** | **(4,068)** | **19,256** | **2,964** | | | **7,297** |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | | | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | | | – |
| **Surplus/ (Deficit) for the year** | | **21,773** | **7,317** | **7,297** | **(4,068)** | **19,256** | **2,964** | | | **7,297** |

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 4.4 million for **October 2025** and R 29.8 million YTD which represents **-17%** variance to the budget.

- **Service Charges – Water** amounts to R 887 thousand for **October 2025** and R 7.4 million YTD which represents **-28%** variance to the budget.

- **Service Charges – Waste Water Management** amounts to R 68 thousand for **October 2025** and R 2.9 million YTD which represents **20%** variance to the budget.

- **Service Charges – Waste Management** amounts to R 17 thousand for **October 2025** and R 2.9 million YTD which represents -**7%** variance to the budget.

- **Sale of Goods and Rendering of Services** – amounts to R12 thousand for **October 2025** and R 148 thousand YTD which represents **50%** variance to the budget.

- **Interest on outstanding debtors – 16%** YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Licence and permits**- -**22%** YTD variance from the budget.
- **Rental from fixed Assets –** amounted to R 1 thousand and R 185 thousand YTD which represents a 13% variance to the budget.
- **Fines, Penalties & Forfeits** – Almost no activity, with a **82%** YTD variance, with no vendor appointed to provide cameras and administrative support on speed fines.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature**.**

## 2.6 OPERATING EXPENDITURE BY TYPE

- **Bulk Purchases- electricity-** amounted to R 214 thousand in **October 2025** and 15.4million YTD represents a -44% variance to the budget.
- **Inventory Consumed –** represents a negative **63%** negative on the budget.
- **Contracted Services** – amounted to R 559 thousand in **October 2025** and R 3.1million YTD represents a -44% variance to the budget.
- **Other Expenditure** - amounted to R 148 thousand in **October 2025.**

Most expenditure items were less than forecasted and this is due to the lack of recognition of expenditure once incurred, in addition to cash flow issues that results in the municipality only spending in terms of available revenue. The Municipality is still busy implementing expenditure on the accrual basis, expenses has been recognized when paid. This process will be corrected in the next view months.

## 2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE

### CAPITAL EXPENDITURE

- amounted to **R 0** in **October 2025** and **R 5.6 million YTD** which represents a 41**%** variance to the budget**.**

## 2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

| WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M04 October | | | | | | | |
|---|---|---|---|---|---|---|---|
| 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 | 18,162 | 18,892 | 18,162 | |
| Trade and other receivables from exchange transactions | | 89,823 | 54,173 | 54,173 | 116,830 | 54,173 | |
| Receivables from non-exchange transactions | | 12,540 | 458 | 458 | 15,506 | 458 | |
| Current portion of non-current receivables | | – | – | – | – | – | |
| Inventory | | 3,845 | 116 | 236 | 1,516 | 236 | |
| VAT | | (35,509) | (27,873) | (27,873) | 4,360 | (27,873) | |
| Other current assets | | (1,428) | (1,062) | (1,062) | (548) | (1,062) | |
| **Total current assets** | | **103,944** | **43,973** | **44,093** | **156,555** | **44,093** | |
| **Non current assets** | | | | | | | |
| Investments | | – | – | – | – | – | |
| Investment property | | 2,134 | 1,064 | 1,064 | 1,018 | 1,064 | |
| Property, plant and equipment | | 640,024 | 309,004 | 309,004 | 329,239 | 309,004 | |
| Biological assets | | – | – | – | – | – | |
| Living and non-living resources | | – | – | – | – | – | |
| Heritage assets | | – | – | – | – | – | |
| Intangible assets | | 16 | 4 | 4 | 6 | 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** | **310,072** | **330,262** | **310,072** | |
| **TOTAL ASSETS** | | **746,118** | **354,045** | **354,165** | **486,818** | **354,165** | |
| **LIABILITIES** | | | | | | | |
| **Current liabilities** | | | | | | | |
| Bank overdraft | | – | – | – | – | – | |
| Financial liabilities | | – | – | – | – | – | |
| Consumer deposits | | 3,030 | 1,446 | 1,446 | 1,694 | 1,446 | |
| Trade and other payables from exchange transactions | | 199,554 | 104,511 | 104,651 | 87,057 | 104,651 | |
| Trade and other payables from non-exchange transactions | | 37,187 | 15,581 | 15,581 | 29,553 | 15,581 | |
| Provision | | 20,859 | 4,735 | 4,735 | 12,368 | 4,735 | |
| VAT | | (28,544) | (18,745) | (18,745) | 19,001 | (18,745) | |
| Other current liabilities | | – | – | – | – | – | |
| **Total current liabilities** | | **232,087** | **107,528** | **107,668** | **149,673** | **107,668** | |
| **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** | **156,308** | **207,093** | **156,308** | |
| **NET ASSETS** | 2 | **425,722** | **197,877** | **197,857** | **279,725** | **197,857** | |
| **COMMUNITY WEALTH/EQUITY** | | | | | | | |
| Accumulated Surplus/(Deficit) | | 428,226 | 197,416 | 197,416 | 253,535 | 197,416 | |
| Reserves and funds | | 923 | 462 | 462 | 462 | 462 | |
| Other | | – | – | – | – | – | |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | **429,149** | **197,877** | **197,877** | **253,996** | **197,877** | |

## 2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

| WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M04 October | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| **CASH FLOW FROM OPERATING ACTIVITIES** | 1 | | | | | | | | % | |
| **Receipts** | | | | | | | | | | |
| Property rates | | 19,650 | 27,286 | 27,286 | 1,283 | 6,812 | 9,095 | (2,283) | -25% | 27,286 |
| Service charges | | 100,836 | 151,165 | 151,165 | 8,016 | 37,406 | 50,388 | (12,983) | -26% | 151,165 |
| Other revenue | | 17,289 | 24,122 | 24,122 | 292 | 5,578 | 8,041 | (2,463) | -31% | 24,122 |
| Transfers and Subsidies - Operational | | 56,202 | 53,464 | 53,464 | 0 | 22,427 | 17,821 | 4,605 | 26% | 53,464 |
| Transfers and Subsidies - Capital | | 24,160 | 15,779 | 15,779 | – | 8,335 | 5,555 | 2,780 | 50% | 15,779 |
| Interest | | – | 3,775 | 3,775 | – | – | 1,258 | (1,258) | -100% | 3,775 |
| Dividends | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | (94,546) | (249,711) | (249,711) | (1,657) | (12,328) | (83,237) | (70,909) | 85% | (20,809) |
| Interest | | – | (1,346) | (1,346) | – | – | (449) | (449) | 100% | (1,346) |
| Transfers and Subsidies | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **123,591** | **24,534** | **24,534** | **7,934** | **68,230** | **8,474** | **(59,756)** | **-705%** | **253,435** |
| | | | | | | | | | | |
| **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) | (15,779) | (1,343) | (6,879) | 5,260 | 12,139 | 231% | 15,779 |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **(18,861)** | **(15,779)** | **(15,779)** | **(1,343)** | **(6,879)** | **5,260** | **12,139** | **231%** | **15,779** |
| | | | | | | | | | | |
| **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** | **8,755** | **6,591** | **61,350** | **13,733** | | | **269,214** |
| Cash/cash equivalents at beginning: | | 81,629 | 9,707 | 9,707 | | 77,155 | 9,707 | | | 77,155 |
| Cash/cash equivalents at month/year end: | | 186,359 | 18,462 | 18,462 | | 138,505 | 23,441 | | | 346,369 |

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

- Standard Bank Main Account is **R 248 thousand;**
- The Traffic Account has **R 924 thousand;**
- Deposit Account has **R 1.3 million**;
- Call Account has **R 17.8 million**; and
- Eskom Bulk Account has **R 444 thousand.**

## SECTION 3 SUPPORTING DOCUMENTATION

### 3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

| Description | NT Code | Budget Year 2025/26 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| **Debtors Age Analysis By Income Source** | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 3,031 | 1,176 | 1,127 | 1,009 | 789 | 680 | 4,372 | 26,245 | 38,430 | 33,096 | – | – |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 1,779 | 655 | 402 | 278 | 134 | 141 | 399 | 1,627 | 5,415 | 2,579 | – | – |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 3,131 | 787 | 696 | 638 | 540 | 490 | 2,726 | 27,286 | 36,293 | 31,679 | – | – |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 972 | 468 | 464 | 396 | 394 | 390 | 2,304 | 16,365 | 21,752 | 19,848 | – | – |
| Receivables from Exchange Transactions - Waste Management | 1600 | 1,823 | 765 | 753 | 605 | 588 | 579 | 3,380 | 23,438 | 31,932 | 28,590 | – | – |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | – | – | – | – | – | – | – | 0 | 0 | 0 | – | – |
| Interest on Arrear Debtor Accounts | 1810 | 38 | 67 | 92 | 106 | 113 | 125 | 1,188 | 39,201 | 40,930 | 40,734 | – | – |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | 1900 | (5,180) | 294 | 268 | 203 | 178 | 172 | 935 | 5,069 | 1,938 | 6,556 | – | – |
| **Total By Income Source** | **2000** | **5,593** | **4,213** | **3,803** | **3,234** | **2,735** | **2,578** | **15,304** | **139,231** | **176,690** | **163,081** | **–** | **–** |
| **2024/25 - totals only** | | | | | | | | | | – | – | | |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | | | | | |
| Organs of State | 2200 | (2,647) | 633 | 389 | 309 | 121 | 89 | 94 | 334 | (679) | 947 | – | – |
| Commercial | 2300 | 1,070 | 230 | 170 | 157 | 155 | 144 | 839 | 6,220 | 8,984 | 7,515 | – | – |
| Households | 2400 | 7,145 | 3,198 | 3,099 | 2,628 | 2,328 | 2,235 | 13,668 | 120,102 | 154,404 | 140,961 | – | – |
| Other | 2500 | 24 | 153 | 144 | 140 | 133 | 109 | 703 | 12,575 | 13,981 | 13,659 | – | – |
| **Total By Customer Group** | **2600** | **5,593** | **4,213** | **3,803** | **3,234** | **2,735** | **2,578** | **15,304** | **139,231** | **176,690** | **163,081** | **–** | **–** |

The total amount owed to Kannaland Municipality amounted to **R 176.7 million** at the end of **October 2025**.

- **R139.2 million or 78.8%** of the total outstanding debtors are older than one year.
- **R163 million or 92.3%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality. Pre-paid electricity remains the most effective form of credit control.

## 3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

| WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Description | NT Code | Budget Year 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 | 16,805 | 128 | 9,949 | – | – | – | – | 45,689 | **72,570** | – |
| Bulk Water | 0200 | 10 | – | – | – | – | – | – | – | **10** | – |
| PAYE deductions | 0300 | – | – | – | – | – | – | – | – | **–** | – |
| VAT (output less input) | 0400 | – | – | – | – | – | – | – | – | **–** | – |
| Pensions / Retirement deductions | 0500 | – | – | – | – | – | – | – | – | **–** | – |
| Loan repayments | 0600 | – | – | – | – | – | – | – | – | **–** | – |
| Trade Creditors | 0700 | 604 | 99 | 210 | – | – | – | – | 1,271 | **2,182** | – |
| Auditor General | 0800 | 1,430 | 791 | 240 | – | – | – | – | 18,637 | **21,098** | – |
| Other | 0900 | 419 | 797 | 139 | – | – | – | – | 11,986 | **13,340** | – |
| Medical Aid deductions | 0950 | – | – | – | – | – | – | – | – | **–** | – |
| **Total By Customer Type** | **1000** | **19,267** | **1,813** | **10,538** | **–** | **–** | **–** | **–** | **77,582** | **109,201** | **–** |

- The total outstanding creditors as at the end of **October 2025** amounts to **R 109.22 million**.

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

- ESKOM = R72.6 million, of which the entire amount is conditionally written off. The other R34.4 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R34.4 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.2 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.

| 10/30/2025 | | | | |
|---|---|---|---|---|
| | Original Budget | Total Received | Total Spent | Unspent |
| **Grant Name** | Amount | | | |
| **Provincial Government** | **R10,947,000.00** | **R 1,835,000.00** | **R 1,017,762.16** | **R 817,237.84** |
| Housing | | | | |
| Human Settlement Grant | R 3,842,000.00 | | | |
| 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 500,000.00 |
| Lib Replacement: Vulnerable Mun | R 3,666,000.00 | R 1,222,000.00 | R 990,622.16 | R 231,377.84 |
| Municipal Water Resilience Grant | R 1,400,000.00 | | | |
| Comm Dev Workers | R 113,000.00 | R 113,000.00 | R 27,140.00 | R 85,860.00 |
| **National Government Grants** | **R60,035,000.00** | **R27,814,000.00** | **R25,659,202.94** | **R 2,154,797.06** |
| Equitable Share | R 38,962,000.00 | R 16,234,000.00 | R 16,234,000.00 | |
| FMG (Audit) | R 2,900,000.00 | R 2,900,000.00 | R 1,168,761.58 | R 1,731,238.42 |
| Mun Infrastructure Grant | R 577,200.00 | R 577,200.00 | R 164,497.92 | R 412,702.08 |
| Mun Infrastructure Grant | R 10,966,800.00 | R 6,222,800.00 | R 6,173,870.94 | R 48,929.06 |
| EPWP | R 1,378,000.00 | R 345,000.00 | R 383,072.50 | -R 38,072.50 |
| INEP | R 3,412,000.00 | R 1,535,000.00 | R 1,535,000.00 | R - |
| INEP (Eskom) | R 1,839,000.00 | | | R - |
| WSIG | R - | R - | R - | R - |

## 3.5 GRANT RECEIPTS AND EXPENDITURE

**Received**

**Provincial Treasury**

- Community Development Workers Grant to **R 113 thousand.**

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

**National Treasury**

**Expenditure:**

- Financial Management Grant amounts to **R 236 thousand.**
- Municipal Infrastructure Grant PMU amounts to **R41 thousand.**
- Expanded Public Works Programme amounts to **R 125 thousand.**
- INEP amounts to **R1.535 million** refund

**Provincial Treasury**

**Expenditure:**

- Libraries Grant amounts to **R257 thousand.**

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

**WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October**

| Summary of Employee and Councillor remuneration | Ref | 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 | 243 | 928 | 1,066 | (138) | -13% | 3,197 |
| Pension and UIF Contributions | | 187 | – | – | 17 | 68 | – | 68 | | – |
| Medical Aid Contributions | | 123 | – | – | 11 | 44 | – | 44 | | – |
| Motor Vehicle Allowance | | 207 | – | – | 22 | 88 | – | 88 | | – |
| Cellphone Allowance | | 300 | 329 | 329 | 25 | 100 | 110 | (10) | -9% | 329 |
| **Sub Total - Councillors** | | **4,264** | **3,526** | **3,526** | **318** | **1,227** | **1,175** | **52** | **4%** | **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 | 270 | 1,106 | 1,725 | (619) | -36% | 5,175 |
| Pension and UIF Contributions | | 5 | 6 | 6 | 0 | 2 | 2 | (0) | -15% | 6 |
| Motor Vehicle Allowance | | 367 | 676 | 676 | 32 | 140 | 225 | (85) | -38% | 676 |
| Cellphone Allowance | | 35 | 150 | 150 | 2 | 8 | 50 | (42) | -84% | 150 |
| Other benefits and allowances | | 53 | 84 | 84 | 4 | 18 | 28 | (10) | -36% | 84 |
| **Sub Total - Senior Managers of Municipality** | | **3,870** | **6,091** | **6,091** | **309** | **1,274** | **2,030** | **(756)** | **-37%** | **6,091** |
| **% increase** | 4 | | **57.4%** | **57.4%** | | | | | | **57.4%** |
| | | | | | | | | | | |
| **Other Municipal Staff** | | | | | | | | | | |
| Basic Salaries and Wages | | 71,907 | 67,870 | 67,870 | 5,704 | 23,109 | 22,623 | 486 | 2% | 67,870 |
| Pension and UIF Contributions | | 7,364 | 7,439 | 7,439 | 620 | 2,491 | 2,480 | 11 | 0% | 7,439 |
| Medical Aid Contributions | | 2,424 | 2,336 | 2,336 | 212 | 860 | 779 | 82 | 11% | 2,336 |
| Overtime | | 10,321 | 4,020 | 4,020 | 872 | 3,233 | 1,340 | 1,893 | 141% | 4,020 |
| Performance Bonus | | 1,849 | 632 | 632 | – | – | 211 | (211) | -100% | 632 |
| Motor Vehicle Allowance | | 4,164 | 4,516 | 4,516 | 311 | 1,307 | 1,505 | (198) | -13% | 4,516 |
| Cellphone Allowance | | 138 | 146 | 146 | 10 | 42 | 49 | (6) | -13% | 146 |
| Housing Allowances | | 418 | 481 | 481 | 19 | 76 | 160 | (84) | -52% | 481 |
| Other benefits and allowances | | 6,560 | 4,152 | 4,152 | 126 | 610 | 1,149 | (538) | -47% | 4,152 |
| Payments in lieu of leave | | 5,464 | 150 | 150 | – | 145 | 50 | 95 | 190% | 150 |
| Long service awards | | 70 | – | – | – | – | – | – | | – |
| **Sub Total - Other Municipal Staff** | | **110,679** | **91,741** | **91,741** | **7,874** | **31,875** | **30,345** | **1,530** | **5%** | **91,741** |
| **% increase** | 4 | | **-17.1%** | **-17.1%** | | | | | | **-17.1%** |
| **Total Parent Municipality** | | **118,813** | **101,358** | **101,358** | **8,501** | **34,377** | **33,551** | **826** | **2%** | **101,358** |
| | | | | | | | | | | |
| **Unpaid salary, allowances & benefits in arrears:** | | | | | | | | | | |
| | | | | | | | | | | |
| **Board Members of Entities** | | | | | | | | | | |
| Other benefits and allowances | | 1 | – | – | 0 | 0 | – | 0 | | – |
| **Sub Total - Executive members Board** | 2 | **1** | **–** | **–** | **0** | **0** | **–** | **0** | | **–** |
| **% increase** | 4 | | | | | | | | | |
| | | | | | | | | | | |
| **Senior Managers of Entities** | | | | | | | | | | |
| **Sub Total - Senior Managers of Entities** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **% increase** | 4 | | | | | | | | | |
| | | | | | | | | | | |
| **Other Staff of Entities** | | | | | | | | | | |
| **Sub Total - Other Staff of Entities** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **% increase** | 4 | | | | | | | | | |
| **Total Municipal Entities** | | **1** | **–** | **–** | **0** | **0** | **–** | **0** | | **–** |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | | **118,814** | **101,358** | **101,358** | **8,501** | **34,377** | **33,551** | **826** | **2%** | **101,358** |
| **% increase** | 4 | | **-14.7%** | **-14.7%** | | | | | | **-14.7%** |
| **TOTAL MANAGERS AND STAFF** | | **114,549** | **97,832** | **97,832** | **8,183** | **33,149** | **32,375** | **774** | **2%** | **97,832** |

## SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN

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

# 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**

*Select Assessor*

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

| | |
|---|---|
| Period | Oct'25 |
| National Financial Year | 2025/26 |
| Demarcation Code of Municipality being assessed | WC041 |
| District | Garden Route |
| Demarcation Description | Kannaland |

I, Ms Gugu Mashiteng , 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:

Notes/Comments

## Municipal Debt Relief Conditions (Monthly reporting)

*Choose from drop down list*

| Condition | 6,3 + 6,12 | Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption): | | Notes/Comments |
|---|---|---|---|---|
| 1 | 6.12.2 | - Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- refer condition 6.12 .2* | Yes | |
| 2 | 6.12.2 | - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? | No | |
| 3 | 6.12.2 | - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity? | Yes | |
| 4 | 6.3.1 | - Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note -*** *current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.* | No | |
| 5 | 6.3.2 6.3.3 | - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? | No | There was no payment for month under review |
| 6 | 6.3.4 | - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom? | No | There was no payment for month under review |
| | 6.4 | **Compliance with a funded MTREF –** ***(choose from drop down list the MTREF assessed)*** | Select | |
| 7 | 6.4.1 | - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx? | Yes | |
| 8 | 6.4.1 | - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? | Yes | |
| 9 | 6.4.1 | - Has the municipality made adequate provision for debt impairment *(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? | Yes | |

| | | | | |
|---|---|---|---|---|
| | | *Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also propert rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".* | | |
| 10 | 6.4.1 | - Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? | Yes | |
| | | *Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".* | | |
| 11 | 6.4.2 | - ***If the municipality's MTREF is not funded***, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? | There is an FRP | |
| | | *Note - if the municipality has an FRP, a separate budget funding plan is not necesary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strenghtening.* | | |
| 12 | 6.4.2 | - ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework***, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?<br>***Note** - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.* | Yes | |
| 13 | 6.4.2 | - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)* | Yes | |
| 14 | 6.5 | **Cost reflective tariffs –** (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF? | Yes | |

| | | | | |
|---|---|---|---|---|
| | 6.6 | **Electricity and water as collection tools –** has the municipality, with effect from the tabling of the 2023/24 MTREF, ***demonstrated, through its by-laws and budget related policies*** that: | | |
| 15 | 6.6.1 | - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity? | No | Since the closing down of the Postal Office we've been struggling with the sending of Municipal Accounts |
| 16 | 6.6.2 | - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? | Yes | |
| 17 | 6.6.3 | - the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water. | No | The municipality does not currently have the infrastructure i.e restriction valves to install on defaulting customer networks. The municipality through its technical department is exploring how this can be done and to determine the costs implication for such equipment. The Municipality will report on the progress hereof in future reports. The municipality awaits the projected funding from PT to implement a meter replacement process. |
| 18 | 6.6.4 | - If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? ***Note –*** *the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.* | No | |
| | 6.6 | ***Supporting evidence*** *: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.* | | |
| | **6.7** | **Maintain a minimum average quarterly collection of property rates and services charges –** | | |
| 19 | 6.7.1 | - Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal? | Not yet end of quarter | |
| | | ***Note*** *- although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.* | | |
| | 6.7.2 | - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following** : | | |
| 20 | 6.7.2.1 | * the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1; | Yes | |
| 21 | 6.7.2.2 | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)? | Yes | |
| 22 | 6.7.2.3 | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure? | Yes | |
| 23 | 6.7.3 | - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process? | No | Smart prepaid meters installastion is in progess. |
| 24 | 6.7.4 | - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter? | Select | The municipality is exploring the financial implication of installing smart meters. This is a priority but the municipality restricted to its financial position. The municipality wil use the proposed funding from PT to fund the installation of smart-meters. The delay in PT transferring the funds has a negative impact on the implementation of this project. |
| 25 | 6.7.5 | - Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4? | Yes | |

| | | | | |
|---|---|---|---|---|
| | 6.8 | **Municipality's Completeness of the revenue base –** | | |
| 26 | 6.8.1 | - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer? | No | |
| 27 | 6.8.1 | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? ***Note*** *- monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement* | Yes | |
| 28 | 6.8.2 | - **For the latest ending Quarter** -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za? | Yes | |
| | 6.9 | **Monitor and report on implementation –** | | |
| 29 | 6.9.1 | **- MFMA section 71 reporting –** has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant? | Yes | |
| 30 | 6.9.2 | - If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? ***Note*** *- condition 6.9.2 has a typing error and must refer to 6.9.1.* | Yes | |
| 31 | 6.9.3 | - **Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive? | Yes | |
| 32 | 6.9.4 | - If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? | Yes | |
| | | *Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.* | | |
| | **6.10** | *Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:* | | |
| 33 | 6.10.1 | - has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions? | Yes | |
| 34 | 6.10.2 | - has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? ***Note*** *- in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.* | Yes | |
| 35 | 6.10.3 | - has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? | Yes | |
| | | ***Note*** *- if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.* | | |
| 36 | **6.11** | **Limitation on municipality borrowing powers -** has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? | No | |
| | | ***Note*** *- there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.* | | |
| | **6.12** | **For the duration of the Municipal Debt Relief (to ensure proper management of resources):** | | |
| 37 | 6.12.1 | - has the municipality **apportioned and ring-fenced in a sub-account** to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) **the component of the** Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation? | Yes | |
| 38 | 6.12.2 | - has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? | Yes | |
| | | ***Note:*** *Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).* | | |
| 39 | | ***Supporting evidence*** : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue. | Yes | |
| 40 | **6.13** | **Accounting Treatment -** has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? ***Note*** *- to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.* | Yes | |
| 41 | **6.14** | 'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? | Yes | |
| | | ***Note:*** *By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.* | | |

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

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

| Province | | |
|---|---|---|
| WC | | |
| Code | District | Code Description |
| WC041 | Garden Route | Kannaland |

### Monthly Performance Report

| Municipal Details | | | Part A: Eskom And Bulk water current account | | | | | | Part B: Compliance with a funded MTREF | | | | | Part C: FRP/BFP & Tariff Assessment | | | Part D: Electricity and water as collection tools | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Month | Code Descr | Code | C1 | C2 | C3 | C4 | C5 | C6 | C7 | C8 | C9 | C10 | C11 | C12 | C13 | C14 | C15 | C16 | C17 | C18 |
| 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 | | | | | | | | | | | | | | | | | | |
| 30.December25 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 31.January26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 32.February26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 33.March26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 34.April26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 35.May26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 36.June26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 37.July26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 38.August26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 39.September26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 40.October26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |
| 41.November26 | Kannaland | WC041 | | | | | | | | | | | | | | | | | | |

| | Part C: Quarterly collection of property rates and services charges | | | | | | | Maximization of Revenue Base | | | Part E: Oversight | | | | | | | | | | | | | Scoring and Rating | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Month | C19 | C20 | C21 | C22 | C23 | C24 | C25 | C26 | C27 | C28 | C29 | C30 | C31 | C32 | C33 | C34 | C35 | C36 | C37 | C38 | C39 | C40 | C41 | Score | Rating |
| 25.July25 | Yes | N/A | N/A | N/A | No | No | Yes | No | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | | Yes | Yes | No | 68% | Moderate compliance |
| 26.August25 | N/A | N/A | N/A | N/A | No | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 83% | Above Moderate |
| 27.September25 | No | Yes | Yes | Yes | No | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 78% | Moderate compliance |
| 28.October25 | N/A | Yes | Yes | Yes | No | | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | No | 76% | Moderate compliance |
| 29.November25 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 30.December25 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 31.January26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 32.February26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 33.March26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 34.April26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 35.May26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 36.June26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 37.July26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 38.August26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 39.September26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 40.October26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 41.November26 | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |

**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

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Ms O Gaarekwe
Acting Deputy Director-General
Intergovernmental Relations
National Treasury
40 Church Square
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0001

AND

Mr D Sereo
Municipal Manager
Kannaland Municipality
P O Box 32
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Per email: Ogalaletseng.Gaarekwe@treasury.gov.za; RevenueManagement@treasury.gov.za; Jan.Hattingh@treasury.gov.za; mm@kannaland.gov.za; marli@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 SEPTEMBER 2025**

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. September 2025 constitutes the 2nd 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 October 2025 reporting. This letter provides an overview of the Provincial Treasury's assessment of the Municipality's compliance with the programme's conditions.

**1. Condition 6.1 - Municipality non-compliance**

In terms of the National Treasury (NT) approval, the municipality must comply with conditions 6.1 - 6.14 of MFMA Circular No. 124 read together with the additional conditions specific to the Municipality set-out in its National Treasury debt relief approval letter. From the Provincial Treasury's assessment, the Municipality's average compliance with the MFMA Circular No. 124 conditions during September 2025 declined to 51 per cent, as compared to 59 per cent of the previous month of August 2025. The scores from the entire previous second cycle and from the 1st and 2nd months of the third cycle are much lower than the 85 per cent achieved in the first cycle. Refer the performance sheet in the table below that shows the Municipality's overall relief compliance performance across the recent months of its debt relief cycle. The Provincial Treasury assessment reveals that the Municipality is not on track with its debt relief compliance.

WC041 Kannaland Municipality overall performance from July 2025 up to September 2025:

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

Province

Monthly Performance Report

| Municipal Details | Part A | Part B | Part C | Part D | Part E | Part F | Part G | Scoring and Rating |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

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

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

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

**3. Condition 6.3 - Maintaining the Eskom and Water bulk current accounts.**

**Kannaland Municipality remains non-compliant with MFMA section 65(2)(e) and MFMA Circular 124.** The August and September 2025 Eskom invoices were not settled within 30 days and were also not reported in the Section 71/FMR submission. During the Cash Flow Committee meeting held on 16 October 2025, the Municipality indicated that it is three months behind on Eskom payments and has no formal payment arrangement in place. In previous months, the arrears balance was reported at R27.38 million in August 2025, reflecting the July 2025 position, which marked the last reporting point of the second compliance cycle. For the September 2025 reporting, Eskom indicated that the current bill amounted to R10.11 million, of which the Municipality paid R7.00 million, leaving the account partially unpaid and previous months' arrears unresolved. The Financial Recovery Plan (FRP) has now been formally approved, and implementation will be monitored by the FRP Technical Implementation Committee.

The bulk water invoice has also not been reported in the Municipality's FMR, indicating that it was not paid within 30 days. The most recent payment relates to the July 2025 invoice, which reflected no arrears for the Municipality. The Municipality is therefore non-compliant with Condition 6.12.2 in respect of both Eskom and bulk water accounts. PT strongly urges the Municipality to address this matter with urgency, as continued failure to maintain these accounts constitutes a serious violation of MFMA section 65(2)(e) and Circular 124.

Provincial Treasury (PT) facilitated a meeting between the Municipality and Eskom on 25 March 2025, following Eskom's breach notice of 12 March 2025. At this meeting, Kannaland committed to submitting a letter of intent, developing a payment plan, and settling the current Eskom account. However, none of these commitments were fulfilled as of the end of September 2025, and the Municipality continues to be in arrears and only partially paying its current accounts. Eskom had initially indicated its intention to submit a formal dispute to Kannaland and escalate the matter to the Minister of COGTA. However, following engagements with PT and the Municipality, Eskom has agreed to defer the submission of the dispute, pending a meeting later in October 2025 to agree on a credible payment arrangement under the approved Financial Recovery Plan (FRP).

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

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

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

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

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

The Municipality issues a consolidated monthly bill to consumers, prioritising payment allocations first to property rates, then water, wastewater, refuse removal, and lastly, electricity. Account holders automatically receive a breakdown of these charges, with the option for property owners to authorise tenants to open separate service accounts which is not consistent with the conditions in Circular No. 124.

In cases of non-payment, electricity services are disconnected, and prepaid electricity purchases are blocked, except for registered indigent consumers. However, the Municipality lacks the infrastructure to restrict water supply to defaulting non-indigent consumers. This limitation is under technical review to assess implementation feasibility and costs. Registered indigent consumers receive monthly limits of 50 kilowatt hours of electricity and 6 kilolitres of water. These practices are detailed in the monthly MFMA s71 statement, which includes indigent information as specified by the National Treasury.

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

The municipality reported an overall collection rate of 74 per cent, which is below the required threshold of 95 per cent. When excluding Eskom-supplied areas, the rate improves to 76 per cent. To address this, the municipality has undertaken measures such as updating consumer data for accuracy and appointing two debt collection service providers (NFD Consulting and Thipa Attorneys) in March 2025. However, no progress reports on these activities have been submitted to Provincial Treasury as required under the BFP.

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

The Municipality has not aligned its billing system with the Council-approved General Valuation Roll (GVR) or any supplementary GVRs, as highlighted by the National Treasury's property rates reconciliation tool. This misalignment has led to misclassifications, incorrect property transfers, and omissions, affecting the completeness of the revenue base. Corrective actions such as notifying the valuer, adjusting classifications, conducting supplementary valuations, and rectifying property categorisations are underway. Despite these efforts, the Municipality is continuously not including the required monthly progress report on the action plan in their Section 71 report though the Municipality was advised to do so.

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

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

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

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

| | MFMA S71 Statement component | Compliance (Yes/No) |
|---|---|---|
| 1. | ***The Budget Performance Overview (paragraph 4) of the MFMA S71 statement*** explicitly advised on the Municipality's progress in implementing the Municipality's budget and (where relevant also the budget funding plan) - where implementation is slow, the statement advised explicitly on progress, challenges, and corrective actions. | Yes |
| 2. | ***The conclusion (paragraph 14) of the MFMA S71 statement*** explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting -<br>i. Any risk associated; and<br>ii. The mitigating factors.<br>with the implementation of the Municipality's Budget Funding Plan and/or Funded Budget. | Yes |
| 3. | ***Annexure B of the MFMA S71 statement included the following debt relief reporting components*** | |
| 3.1.1 | The Municipality's MFMA Circular No. 124 self-assessment. | Yes |
| 3.1.2 | The self-assessment (refer 3.1.1 above) was included in the format of **MFMA Budget Circular No. 128 (Annexure B).** | Yes |
| 3.2 | The Municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date | Yes |
| 3.3 | The latest Provincial Treasury debt relief compliance certificate and report issued to the Municipality. | Yes |
| 3.4.1 | The Municipality's revenue collection performance<br>i. the overall performance graph;<br>ii. Summary worksheet; and<br>iii. Collection per ward indicating who supplies electricity in the ward | Yes |
| 3.4.2 | The revenue collection performance information (refer 3.4.2) was included in the format of **MFMA Budget Circular No. 128 (Annexure D).** | Yes |
| 3.5.1 | The indigent management information | Yes |
| 3.5.2 | The indigent management information was included in the format of **MFMA Budget Circular No. 128 (Annexure C).** | Yes |
| 3.6.1 | The summary of the Municipality's property rates reconciliation undertaken in the National Treasury format. | Yes |

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

The Municipality has integrated its monthly debt compliance reports into the MFMA Section 71 narratives as required. While earlier submissions included blurred invoices in the Financial Management Report (FMR), this was corrected during the Section 71 reporting for August 2025, following a meeting with Provincial Treasury on 14 August 2025. Clear invoices have now been submitted within the FMR. However, the debt relief collection assessment as well as the property rate reconciliation template remain blurred and make it difficult for PT to fully assess the Municipality.

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

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

**11. Condition 6.11 - Limitation on Municipal borrowing powers**

The limitation on municipal borrowing powers and the prohibition of borrowing during debt relief periods form a dual regulatory framework aimed at ensuring fiscal responsibility. Compliance necessitates meticulous scrutiny of borrowing activities to ascertain adherence to authorised limits and program guidelines. These measures, while promoting sustainable debt management, also stabilise the Municipality's financial standing, prevent over-leveraging, and mitigate immediate financial strain. Adhering to these regulations is paramount for maintaining creditworthiness, mitigating financial risks, and safeguarding the Municipality's long-term financial health. Thus, robust oversight and adherence to regulatory frameworks are imperative for prudent financial governance and sustained fiscal resilience.

The Municipality has complied with this condition since its debt relief effective date of 5 September 2023, to date.

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

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

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

**13. Condition 6.13 - Accounting Treatment**

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

**14. Condition 6.14 - NERSA Licence**

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

## 15. Provincial Treasury Compliance Certification

The Provincial Treasury certifies that it monitored and assessed WC041 Kannaland Municipality's compliance against the MFMA Circular No. 124 conditions and NT debt relief approval letter as set-out below in the PT's compliance certificate for the Municipality in relation to the period 1 – 30 September 2025:

**Annexure A2 - Monthly**

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

***Select Assessor***

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

| | |
|---|---|
| **Period** | Sept'25 |
| **National Financial Year** | 2025/26 |
| **Demarcation Code of Municipality being assessed** | WC041 |
| **District** | **Garden Route** |
| **Demarcation Description** | **Kannaland** |

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

### Municipal Debt Relief Conditions (Monthly reporting)

*Choose from drop down list*

| Condition | 6.3 + 6.12 | Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption) | |
|---|---|---|---|
| 1 | 6.12.2 | - Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note** - refer condition 6.12.2* | No |
| 2 | 6.12.2 | - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? | No |
| 3 | 6.12.2 | - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity? | No |
| 4 | 6.3.1 | - Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note** - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.* | No |
| 5 | 6.3.2 6.3.3 | - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? | No |
| 6 | 6.3.4 | - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom? | No |

| | | | |
|---|---|---|---|
| | 6.4 | **Compliance with a funded MTREF –** *(choose from drop down list the MTREF assessed)* | 2025/26 Adopted MTREF |
| 7 | 6.4.1 | - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx? | No |
| 8 | 6.4.1 | - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? | Yes |
| 9 | 6.4.1 | - Has the municipality made adequate provision for debt impairment *(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? | Yes |
| | | *Note – For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as "No".* | |
| 10 | 6.4.1 | - Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? | Yes |
| | | *Note – If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as "No".* | |
| 11 | 6.4.2 | - ***If the municipality's MTREF is not funded*** , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? | Yes |
| | | *Note – If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.* | |
| 12 | 6.4.2 | - ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework*** , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?<br>***Note** - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.* | Yes |
| 13 | 6.4.2 | - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)* | Yes |
| 14 | 6.5 | **Cost reflective tariffs** – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF? | Yes |
| | 6.6 | **Electricity and water as collection tools** – has the municipality, with effect from the tabling of the 2023/24 MTREF, *demonstrated, through its by-laws and budget related policies* that: | |
| 15 | 6.6.1 | - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity? | Yes |
| 16 | 6.6.2 | - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? | Yes |

MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE:
KANNALAND MUNICIPALITY SEPTEMBER 2025

6

| | | | |
|---|---|---|---|
| 17 | 6.6.3 | - the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water. | No |
| 18 | 6.6.4 | - If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? **Note** – *the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.* | No |
| | 6.6 | *Supporting evidence : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.* | |
| | 6.7 | Maintain a minimum average quarterly collection of property rates and services charges – | |
| 19 | 6.7.1 | - Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal? | No |
| | | *Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.* | |
| | 6.7.2 | - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following :** | |
| 20 | 6.7.2.1 | * the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1; | Yes |
| 21 | 6.7.2.2 | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)? | Yes |
| 22 | 6.7.2.3 | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure? | Yes |
| 23 | 6.7.3 | - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process? | No |
| 24 | 6.7.4 | - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter? | No |
| 25 | 6.7.5 | - Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4? | No |
| | 6.8 | Municipality's Completeness of the revenue base – | |
| 26 | 6.8.1 | - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer? | No |
| 27 | 6.8.1 | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? **Note** – *monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement* | No |
| 28 | 6.8.2 | - **For the latest ending Quarter** -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za? | No |

*MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE: KANNALAND MUNICIPALITY SEPTEMBER 2025*

9

| | | | |
|---|---|---|---|
| | 6.9 | Monitor and report on implementation | |
| 29 | 6.9.1 | - **MFMA section 71 reporting** – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant? | No |
| 30 | 6.9.2 | - If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? *Note : condition 6.9.2 has a typing error and must refer to 6.9.1.* | No |
| 31 | 6.9.3 | - **Municipalities with financial recovery plans (FRP)** – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive? | No |
| 32 | 6.9.4 | - If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? | No |
| | | *Note: [illegible]* | |
| | 6.10 | *Provincial Treasury Note: Provincial Treasury certification of municipal compliance – In terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:* | |
| 33 | 6.10.1 | - has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions? | Yes |
| 34 | 6.10.2 | - has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? **Note** - *In the case of a non-delegated municipality the National Treasury to issue the compliance certificate.* | Yes |
| 35 | 6.10.3 | - has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? | No |
| | | *Note: [illegible]* | |
| 36 | 6.11 | **Limitation on municipality borrowing powers** - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? | No |
| | | *Note: [illegible]* | |
| | 6.12 | For the duration of the Municipal Debt Relief (to ensure proper management of resources): | |
| 37 | 6.12.1 | - has the municipality **apportioned and ring-fenced in a sub-account** to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) **the component of** the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation? | Yes |
| 38 | 6.12.2 | - has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? | Yes |
| | | *Note: [illegible]* | |
| 39 | | ***Supporting evidence*** - Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue. | Yes |
| 40 | 6.13 | **Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? **Note** - *to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.* | No |
| 41 | 6.14 | 'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? | No |
| | | *Note: [illegible]* | |

*MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE: KANNALAND MUNICIPALITY SEPTEMBER 2025* 10

The Western Cape Provincial Treasury's assessment and compliance certificate confirm that Kannaland Municipality did not sufficiently comply with all the conditions of MFMA Circular No. 124, as elaborated above. It is also noted that the Municipality's average compliance declined from 59 per cent to 51 per cent in September 2025, compared to previous month reporting. The primary reason for these decreases is the Municipality's failure to pay its bulk water and electricity accounts within the required 30-day period. Additionally, the assessment of the 2025/26 adopted budget found that Condition 6.5 was not complied with.

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

The Provincial Treasury continues to appreciate the opportunity that the Municipal Debt Relief Programme provided to municipalities and is committed to supporting our municipalities to ensure that they comply with the conditions of the programme in order to derive the full benefit.

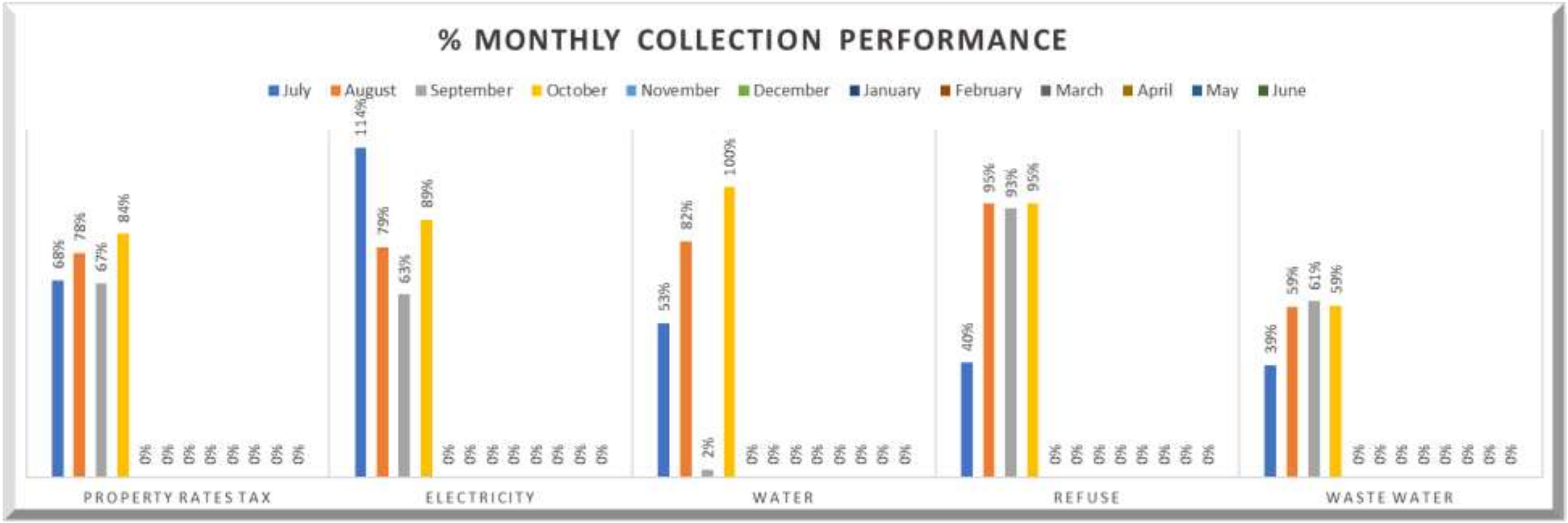
Yours sincerely

**VICTOR SENNA**
**DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONIMIC SERVICES**
**DATE:** 27/10/2025

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

## 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



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

| Municipal Details | | |
|---|---|---|
| Western Cape | | |
| Code | | District |
| WC041 | | |

## Collection Rate Assessment

| Aggregate Collection | Summary - Quarter 1 | | | | Q1 | Summary - Quarter 2 | | | | Q2 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Billing | Collection | R - Billing not collected | % Collection | | Billing | Collection | R - Billing not collected | % Collection | |
| 1 Collection for whole demarcation | 41,820,405 | 31,073,817 | 10,746,588 | 74% | 74% | 15,977,167 | 13,432,474 | 2,544,693 | 84% | 84% |
| 2 Collection excl Eskom supplied areas | 26,949,730 | 20,525,187 | 6,424,543 | 76% | 76% | 9,835,601 | 8,751,528 | 1,084,072 | 89% | 89% |
| 3 Collection: **Property Rates** | 7,491,274 | 3,712,343 | 3,778,930 | 50% | 50% | 2,485,254 | 2,491,999 | (6,746) | 100% | 100% |
| 4 Total average collection: **Electricity** (Municipal supplied areas) | 20,793,880 | 20,496,712 | 297,168 | 99% | 99% | 8,633,831 | 8,187,773 | 446,058 | 95% | 95% |
| 5 Total average collection: **Water** | 7,162,806 | 4,145,085 | 3,017,721 | 58% | 58% | 2,600,979 | 1,542,432 | 1,058,548 | 59% | 59% |
| 6 Total average collection: **Wastewater** | 2,961,046 | 1,239,405 | 1,721,641 | 42% | 42% | 1,098,361 | 479,835 | 618,526 | 44% | 44% |
| 7 Total average collection: **Refuse** | 3,166,027 | 1,311,721 | 1,854,307 | 41% | 41% | 1,072,295 | 446,090 | 626,205 | 42% | 42% |
| 8 Total average collection: **Interest** | 245,372 | 168,552 | 76,820 | 69% | 0% | 86,446 | 284,345 | (197,899) | 329% | 329% |

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

**Province**

| Western Cape | WC041 |
|---|---|

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

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

## Collection Rate Assessment

| Total Aggregate Collection | | 4.October - Reporting for September in October | | | | 5.November - Reporting for October in November | | | | 6.December - Reporting for November in December | | | | Summary - Quarter 2 | | | | Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Billing For September | Collection in October | R - Billing not collected | % Collection | Billing For October | Collection in November | R - Billing not collected | % Collection | Billing For November | Collection in December | R - Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | |
| 1.Collection for whole demarcation | Summary | 15,977,167 | 13,432,474 | 2,749,337 | 84% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | 15,977,167 | 13,432,474 | 2,544,693 | 84% | 84% |
| 2.Collection excl Eskom supplied areas | | 9,835,601 | 8,751,528 | 1,527,510 | 89% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | 9,835,601 | 8,751,528 | 1,084,072 | 89% | 89% |
| 3.Collection: **Property Rates** | | 2,485,254 | 2,491,999 | 0 | 100% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | 2,485,254 | 2,491,999 | (6,746) | 100% | 100% |
| 4.Total average collection: **Electricity** (Municipal supplied areas) | | 8,633,831 | 8,187,773 | 446,058 | 95% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | 8,633,831 | 8,187,773 | 446,058 | 95% | 95% |
| 5.Total average collection: **Water** | | 2,600,979 | 1,542,432 | 1,058,548 | 59% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | 2,600,979 | 1,542,432 | 1,058,548 | 59% | 59% |
| 6.Total average collection: **Wastewater** | | 1,098,361 | 479,835 | 618,526 | 44% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | 1,098,361 | 479,835 | 618,526 | 44% | 44% |
| 7.Total average collection: **Refuse** | | 1,072,295 | 446,090 | 626,205 | 42% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | 1,072,295 | 446,090 | 626,205 | 42% | 42% |
| 8. 7.Total average collection: **Interest** | | 86,446 | 284,345 | 0 | 329% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | 86,446 | 284,345 | (197,899) | 329% | 329% |

Click to view/close months

## Complete This Section

### Quarter 2 Performance Per Ward

| Services | Electricity Supplier | Ward Name & Number | 4.October | | | | 5.November | | | | 6.December | | | | | | | | Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Billing For June | Collection for June in July | Rand Value of Billing not collected | % Collection | Billing For July | Collection for July in August | Rand Value of Billing not collected | % Collection | Billing For August | Collection for August in September | Rand Value of Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | |
| **Property Rates Tax** | Mun Supplied | Nissenville - Ward 1 | 160,712 | 129,605 | 31,107 | 81% | | | - | #DIV/0! | | | - | #DIV/0! | 160,712 | 129,605 | 31,107 | 81% | 81% |
| Electricity | | | 167,945 | 83,067 | 84,878 | 49% | | | - | #DIV/0! | | | - | #DIV/0! | 167,945 | 83,067 | 84,878 | 49% | 49% |
| Water | | | 217,066 | 63,002 | 154,064 | 29% | | | - | #DIV/0! | | | - | #DIV/0! | 217,066 | 63,002 | 154,064 | 29% | 29% |
| Refuse | | | 199,598 | 58,039 | 141,559 | 29% | | | - | #DIV/0! | | | - | #DIV/0! | 199,598 | 58,039 | 141,559 | 29% | 29% |
| Waste Water | | | 239,509 | 78,725 | 160,784 | 33% | | | - | #DIV/0! | | | - | #DIV/0! | 239,509 | 78,725 | 160,784 | 33% | 33% |
| Interest | | | 1,299 | 180,606 | 0 | 13899% | | | - | #DIV/0! | | | - | #DIV/0! | 1,299 | 180,606 | (179,306) | 13899% | 13899% |
| **Property Rates Tax** | Eskom supplied | Zoar - Ward 2 | 74,817 | 13,655 | 61,162 | 18% | | | - | #DIV/0! | | | - | #DIV/0! | 74,817 | 13,655 | 61,162 | 18% | 18% |
| Electricity | | | - | - | - | #DIV/0! | | | - | #DIV/0! | | | - | #DIV/0! | - | - | - | #DIV/0! | #DIV/0! |
| Water | | | 523,124 | 43,486 | 479,638 | 8% | | | - | #DIV/0! | | | - | #DIV/0! | 523,124 | 43,486 | 479,638 | 8% | 8% |
| Refuse | | | 378,403 | 28,573 | 349,830 | 8% | | | - | #DIV/0! | | | - | #DIV/0! | 378,403 | 28,573 | 349,830 | 8% | 8% |
| Waste Water | | | 367,313 | 29,845 | 337,467 | 8% | | | - | #DIV/0! | | | - | #DIV/0! | 367,313 | 29,845 | 337,467 | 8% | 8% |
| Interest | | | 4,772 | 4,834 | 0 | 101% | | | - | #DIV/0! | | | - | #DIV/0! | 4,772 | 4,834 | (61) | 101% | 101% |
| **Property Rates Tax** | Eskom supplied | Calitzdorp Farms - Ward 3 | 190,152 | 126,895 | 63,257 | 67% | | | - | #DIV/0! | | | - | #DIV/0! | 190,152 | 126,895 | 63,257 | 67% | 67% |
| Electricity | | | - | - | - | #DIV/0! | | | - | #DIV/0! | | | - | #DIV/0! | - | - | - | #DIV/0! | #DIV/0! |
| Water | | | 45,325 | 24,656 | 20,669 | 54% | | | - | #DIV/0! | | | - | #DIV/0! | 45,325 | 24,656 | 20,669 | 54% | 54% |
| Refuse | | | - | - | - | #DIV/0! | | | - | #DIV/0! | | | - | #DIV/0! | - | - | - | #DIV/0! | #DIV/0! |
| Waste Water | | | - | - | - | #DIV/0! | | | - | #DIV/0! | | | - | #DIV/0! | - | - | - | #DIV/0! | #DIV/0! |
| Interest | | | - | - | - | #DIV/0! | | | - | #DIV/0! | | | - | #DIV/0! | - | - | - | #DIV/0! | #DIV/0! |
| **Property Rates Tax** | Mun Supplied | Bergsig Calitzdorp - Ward 3 | 22,705 | 10,180 | 12,524 | 45% | | | - | #DIV/0! | | | - | #DIV/0! | 22,705 | 10,180 | 12,524 | 45% | 45% |
| Electricity | | | 18,247 | 14,145 | 4,102 | 78% | | | - | #DIV/0! | | | - | #DIV/0! | 18,247 | 14,145 | 4,102 | 78% | 78% |
| Water | | | 330,446 | 42,113 | 288,333 | 13% | | | - | #DIV/0! | | | - | #DIV/0! | 330,446 | 42,113 | 288,333 | 13% | 13% |
| Refuse | | | 128,562 | 20,619 | 107,943 | 16% | | | - | #DIV/0! | | | - | #DIV/0! | 128,562 | 20,619 | 107,943 | 16% | 16% |
| Waste Water | | | 116,870 | 14,702 | 102,168 | 13% | | | - | #DIV/0! | | | - | #DIV/0! | 116,870 | 14,702 | 102,168 | 13% | 13% |
| Interest | | | 1,633 | 411 | 1,222 | 25% | | | - | #DIV/0! | | | - | #DIV/0! | 1,633 | 411 | 1,222 | 25% | 25% |
| **Property Rates Tax** | Mun Supplied | Calitzdorp Town - Ward 3 | 471,192 | 436,761 | 34,431 | 93% | | | - | #DIV/0! | | | - | #DIV/0! | 471,192 | 436,761 | 34,431 | 93% | 93% |
| Electricity | | | 749,731 | 567,235 | 182,496 | 76% | | | - | #DIV/0! | | | - | #DIV/0! | 749,731 | 567,235 | 182,496 | 76% | 76% |
| Water | | | 236,942 | 199,536 | 37,405 | 84% | | | - | #DIV/0! | | | - | #DIV/0! | 236,942 | 199,536 | 37,405 | 84% | 84% |
| Refuse | | | 100,035 | 105,042 | 0 | 105% | | | - | #DIV/0! | | | - | #DIV/0! | 100,035 | 105,042 | (5,007) | 105% | 105% |
| Waste Water | | | 22,906 | 24,618 | 0 | 107% | | | - | #DIV/0! | | | - | #DIV/0! | 22,906 | 24,618 | (1,712) | 107% | 107% |
| Interest | | | 6,777 | 25,127 | 0 | 371% | | | - | #DIV/0! | | | - | #DIV/0! | 6,777 | 25,127 | (18,351) | 371% | 371% |
| **Property Rates Tax** | Mun Supplied | Ladismith Town - Ward 4 | 992,297 | 1,218,571 | 0 | 123% | | | - | #DIV/0! | | | - | #DIV/0! | 992,297 | 1,218,571 | (226,274) | 123% | 123% |
| Electricity | | | 4,389,027 | 4,214,492 | 174,535 | 96% | | | - | #DIV/0! | | | - | #DIV/0! | 4,389,027 | 4,214,492 | 174,535 | 96% | 96% |
| Water | | | 676,082 | 666,125 | 9,957 | 99% | | | - | #DIV/0! | | | - | #DIV/0! | 676,082 | 666,125 | 9,957 | 99% | 99% |
| Refuse | | | 204,520 | 208,355 | 0 | 102% | | | - | #DIV/0! | | | - | #DIV/0! | 204,520 | 208,355 | (3,835) | 102% | 102% |
| Waste Water | | | 314,473 | 320,091 | 0 | 102% | | | - | #DIV/0! | | | - | #DIV/0! | 314,473 | 320,091 | (5,618) | 102% | 102% |
| Interest | | | 67,027 | 70,362 | 0 | 105% | | | - | #DIV/0! | | | - | #DIV/0! | 67,027 | 70,362 | (3,335) | 105% | 105% |
| **Property Rates Tax** | Eskom supplied | Ladismith Farms - Ward 4 | 517,338 | 503,922 | 13,416 | 97% | | | - | #DIV/0! | | | - | #DIV/0! | 517,338 | 503,922 | 13,416 | 97% | 97% |
| Electricity | | | 3,308,881 | 3,308,835 | 46 | 100% | | | - | #DIV/0! | | | - | #DIV/0! | 3,308,881 | 3,308,835 | 46 | 100% | 100% |
| Water | | | 507,924 | 484,207 | 23,717 | 95% | | | - | #DIV/0! | | | - | #DIV/0! | 507,924 | 484,207 | 23,717 | 95% | 95% |
| Refuse | | | 21,736 | 16,126 | 5,610 | 74% | | | - | #DIV/0! | | | - | #DIV/0! | 21,736 | 16,126 | 5,610 | 74% | 74% |
| Waste Water | | | 12,323 | 10,699 | 1,624 | 87% | | | - | #DIV/0! | | | - | #DIV/0! | 12,323 | 10,699 | 1,624 | 87% | 87% |
| Interest | | | 4,875 | 3,006 | 1,869 | 62% | | | - | #DIV/0! | | | - | #DIV/0! | 4,875 | 3,006 | 1,869 | 62% | 62% |
| **Property Rates Tax** | Eskom supplied | Van Wyksdorp - Ward 4 | 56,042 | 52,411 | 3,632 | 94% | | | - | #DIV/0! | | | - | #DIV/0! | 56,042 | 52,411 | 3,632 | 94% | 94% |
| Electricity | | | - | - | - | #DIV/0! | | | - | #DIV/0! | | | - | #DIV/0! | - | - | - | #DIV/0! | #DIV/0! |
| Water | | | 64,071 | 19,307 | 44,764 | 30% | | | - | #DIV/0! | | | - | #DIV/0! | 64,071 | 19,307 | 44,764 | 30% | 30% |
| Refuse | | | 39,441 | 9,336 | 30,105 | 24% | | | - | #DIV/0! | | | - | #DIV/0! | 39,441 | 9,336 | 30,105 | 24% | 24% |
| Waste Water | | | 24,967 | 1,155 | 23,812 | 5% | | | - | #DIV/0! | | | - | #DIV/0! | 24,967 | 1,155 | 23,812 | 5% | 5% |
| Interest | | | 63 | - | 63 | 0% | | | - | #DIV/0! | | | - | #DIV/0! | 63 | - | 63 | 0% | 0% |

### 5.4.2 – Restriction of Free Basic Services to Indigent Households

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 | | | | | | | | |
| 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 | – | – | – | – | – | – | – | – |
| 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 | – | – | – | – | – | – | – | – |
| **Status of Water meters :** | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with prepaid Water | | | | | | 1,872 | 1,929 | 2,009 | 2,084 | – | – | – | – | – | – | – | – |
| 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 | – | – | – | – | – | – | – | – |
| **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 | – | – | – | – | – | – | – | – |
| *Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total* | | – | – | – | – | 1,872 | 1,929 | 2,009 | 2,084 | – | – | – | – | – | – | – | – |
| 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 | – | – | – | – | – | – | – | – |
| **Status of Electricity meters :** | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with prepaid Electricity | | | | | | 1,872 | 1,929 | 2,009 | 2,084 | – | – | – | – | – | – | – | – |
| 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 | – | – | – | – | – | – | – | – |
| **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 | – | – | – | – | – | – | – | – |
| Electricity/other energy (50kwh per household per month) | | | | | | 1,872 | 1,929 | 2,009 | 2,084 | – | – | – | – | – | – | – | – |
| **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** | – | – | – | – | – | – | – | – |
| **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**

# SECTION 7 – QUALITY CERTIFICATION

**KANNALAND**
**MUNISIPALITEIT | MUNICIPALITY**

Posbus 30 P.O. Box
LADISMITH
6655

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

Kerkstr. 32 Church St.
LADISMITH
6655

## QUALITY CERTIFICATE

I, Dillo Sereo Accounting Officer of **Kannaland Municipality WC041**, hereby certify that –

(mark as appropriate)

- ✓ The monthly budget statement
- ❑ Quality report on the implementation of the budget and financial state affairs of the municipality
- ❑ Mid- year budget and performance assessment

For the month **October 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Municipal Manager of **Kannaland Municipality WC041**

Signature ----------------------------------

Date :11 November 2025

# Standard Bank of South Africa

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

## REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

| | | | |
|---|---|---|---|
| **Customer No** | 420543546 | | |
| **User ID** | OCK31 | **User Name** | KANNALAND MUNICIPALITY |
| **Sub Module** | SSVS | **Reference** | 2025289007 |
| **Description** | LJT64 20251016 15:40:02.5 | **Action date** | 20251016 |
| **Finalreleasingoperators** | RVX68 CM CLAASEN (A) | | GAV53 M SCHEFFERS |

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

| | |
|---|---|
| **Trans No** | 3 |
| **Acc No / CDI** | 280110022 |
| **Branch No** | 50014 |
| **Statement Ref** | KANNALAND MUN |
| **Account Name** | CALITZDORP BESPROEINGSRAAD |
| **Creditor Code** | CALITZDORP BESPR |
| **Amount** | 43,128.04 |
| **StatusDescription** | FINAL AUDIT TO BE DOWNLOADED |
| **RTGS/RTC** | |
| **ISN/Bus Ref** | 0 |
| **Pay Alert** | N |

# Standard Bank of South Africa

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

## REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

| | | | |
|---|---|---|---|
| **Customer No** | 420543546 | | |
| **User ID** | OCK31 | **User Name** | KANNALAND MUNICIPALITY |
| **Sub Module** | SSVS | **Reference** | 2025290003 |
| **Description** | LJT64 20251017 09:29:03.3 | **Action date** | 20251017 |
| **Finalreleasingoperators** | RVX68 CM CLAASEN (A) | | GAV53 M SCHEFFERS |

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

| | |
|---|---|
| **Trans No** | 9 |
| **Acc No / CDI** | 280110022 |
| **Branch No** | 50014 |
| **Statement Ref** | KANNALAND MUN |
| **Account Name** | CALITZDORP BESPROEINGSRAAD |
| **Creditor Code** | CALITZDORP BESPR |
| **Amount** | 54,968.53 |
| **StatusDescription** | FINAL AUDIT TO BE DOWNLOADED |
| **RTGS/RTC** | |
| **ISN/Bus Ref** | 0 |
| **Pay Alert** | N |

# Standard Bank of South Africa

ComputerGeneratedCopy

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

## REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

| | | | |
|---|---|---|---|
| **Customer No** | 420543546 | | |
| **User ID** | OCK31 | **User Name** | KANNALAND MUNICIPALITY |
| **Sub Module** | SSVS | **Reference** | 2025302001 |
| **Description** | GUH48 20251029 08:38:11.9 | **Action date** | 20251029 |
| **Finalreleasingoperators** | GAV53 M SCHEFFERS | | RVX68 CM CLAASEN (A) |

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

| | |
|---|---|
| **Trans No** | 7 |
| **Acc No / CDI** | 280110022 |
| **Branch No** | 50014 |
| **Statement Ref** | KANNALAND MUN |
| **Account Name** | CALITZDORP BESPROEINGSRAAD |
| **Creditor Code** | CALITZDORP BESPR |
| **Amount** | 43,128.04 |
| **StatusDescription** | FINAL AUDIT TO BE DOWNLOADED |
| **RTGS/RTC** | |
| **ISN/Bus Ref** | 0 |
| **Pay Alert** | N |

# Calitzdorp Besproeiïngsraad

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

## BELASTINGFAKTUUR

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
**LADISMITH**
6655

BTW Nr 4540197268

Faktuur Nr: 18
Datum: 03 September 2025

**MUNISIPALE WATERVERBRUIK – CALITZDORP: AUGUSTUS 2025**

Sub Oorverbruik

| | | | | |
|---|---|---|---|---|
| Maand | | | **Aug-25** | |
| Meterlesing einde | Aug-25 | | 8594810 | |
| Meterlesing begin | Aug-25 | | 8521160 | |
| Ontrek | kl | | 73650 | |
| Dae @ 455 kl per dag toelaag | 31 | | 14105 | |
| 59545-30268=29277 | kl | | 59545 | 59545-30268=29277 |
| Min beurt teruggegee | kl | | 0 | |
| Oorverbruik | kl | | 29277 | |
| 0-26000 kl tarief @ 1.15kl | 26000 | R | 29 900.00 | |
| 26000-36000kl @ 2.32kl | 3277 | R | 7 602.64 | |
| 36000-46000 @3.87/5kl | 0 | R | - | |
| 56 000 en meer tarief | | R | - | |
| Sub Oorverbruik | | R | 37 502.64 | |
| Plus 15% BTW | | R | 5 625.40 | |
| Totaal verskuldig | | **R** | **43 128.04** | |

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

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

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

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

# Calitzdorp Besproeiïngsraad

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

## BELASTINGFAKTUUR

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
**LADISMITH**
6655

Faktuur Nr: 19
Datum: 03 October 2025

BTW Nr 4540197268

**MUNISIPALE WATERVERBRUIK – CALITZDORP: SEPTEMBER 2025**

Sub Oorverbruik

| | | | | |
|---|---|---|---|---|
| Maand | | | **Sep-25** | |
| Meterlesing einde | Sep-25 | | 8666700 | |
| Meterlesing begin | Sep-25 | | 8594810 | |
| Ontrek | kl | | 71890 | |
| Dae @ 455 kl per dag toelaag | 30 | | 13650 | |
| 59545-30268=29277 | kl | | 58240 | 58240-22844=35396 |
| Min beurt teruggegee | kl | | 0 | |
| Oorverbruik | kl | | 35396 | |
| 0-26000 kl tarief @ 1.15kl | 26000 | R | 26 000.00 | |
| 26000-36000kl @ 2.32kl | 9396 | R | 21 798.72 | |
| 36000-46000 @3.87/5kl | 0 | R | - | |
| 56 000 en meer tarief | | R | - | |
| Sub Oorverbruik | | R | 47 798.72 | |
| Plus 15% BTW | | R | 7 169.81 | |
| Totaal verskuldig | | **R** | **54 968.53** | |

| **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 Besproeiïngsraad
Bank: Standard Bank
Tak: Calitzdorp 050014
Rek Nr: 280110022

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

# Calitzdorp Besproeiïngsraad

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

## BELASTINGFAKTUUR

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
**LADISMITH**
6655

Faktuur Nr: 20
Datum: 05 November 2025

BTW Nr 4540197268

**MUNISIPALE WATERVERBRUIK – CALITZDORP: Oktober 2025**

Sub Oorverbruik

| | | | | |
|---|---|---|---|---|
| Maand | | | **Oct-25** | |
| Meterlesing einde | Sep-25 | | 8747980 | |
| Meterlesing begin | Sep-25 | | 8666700 | |
| Ontrek | kl | | 81280 | |
| Dae @ 455 kl per dag toelaag | 31 | | 14105 | |
| 67175-32905=34570 | kl | | 67175 | 67175-32905=34570 |
| Min beurt teruggegee | kl | | 0 | |
| Oorverbruik | kl | | 34570 | |
| | | | | |
| 0-26000 kl tarief @ 1.15kl | 26000 | R | 26 000.00 | |
| 26000-36000kl @ 2.32kl | 8750 | R | 20 300.00 | |
| 36000-46000 @3.87/5kl | 0 | R | - | |
| 56 000 en meer tarief | | R | - | |
| Sub Oorverbruik | | R | 46 300.00 | |
| Plus 15% BTW | | R | 6 945.00 | |
| Totaal verskuldig | | **R** | **53 245.00** | |

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

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

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

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