



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

## **Monthly Budget Report for December 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 December 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 December 2025.

That the Council takes cognisance of the Eskom Debt Relief Report for December 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](http://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 %
<b>Operating Revenue</b>	R 254 396	R 127 198	R 28 935	R 130 794	R 3 596	3%
<b>Operating Expenditure</b>	R 262 857	R 131 780	R 23 852	R 105 362	R (26 418)	-20%
<b>Capital</b>	R 13 721	R 8 742	R1 374	R 10 680	R 1 937	22%

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 R130.80 million. This represents 51% 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 R105.36 million, or 40% 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 10 million, or 68% of the total capital budget.



### **Operating Surplus/Deficit**

The variances for operating revenue amounted to R28.94 million exceeding budget, and expenditure amounting to R 23.85 million below budget, with an operating surplus of R 5.08 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 - M06 December									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	28 504	29 723	29 723	2 518	15 241	14 861	379	3%	29 723
Service charges	131 751	155 248	155 248	12 311	73 894	77 624	(3 730)	-5%	155 248
Investment revenue	1 479	1 003	1 003	313	790	501	289	58%	1 003
Transfers and subsidies - Operational	56 603	53 464	53 464	13 336	32 848	26 732	6 116	23%	53 464
Other own revenue	23 574	14 958	14 958	458	8 021	7 479	542	7%	14 958
<b>Total Revenue (excluding capital transfers and</b>	<b>241 910</b>	<b>254 396</b>	<b>254 396</b>	<b>28 935</b>	<b>130 794</b>	<b>127 198</b>	<b>3 596</b>	<b>3%</b>	<b>254 396</b>
Employee costs	114 550	97 832	97 732	11 631	54 440	49 218	5 222	11%	97 732
Remuneration of Councillors	4 264	3 526	3 526	303	1 956	1 763	193	11%	3 526
Depreciation and amortisation	40 078	13 179	13 179	-	5 491	6 589	(1 098)	-17%	13 179
Interest	679	1 346	1 346	0	532	673	(141)	-21%	1 346
Inventory consumed and bulk purchases	67 057	90 807	90 811	7 098	29 034	45 405	(16 371)	-36%	90 811
Transfers and subsidies	589	590	590	10	119	295	(176)	-60%	590
Other expenditure	11 551	55 577	55 673	4 810	13 790	27 836	(14 047)	-50%	55 673
<b>Total Expenditure</b>	<b>238 767</b>	<b>262 857</b>	<b>262 857</b>	<b>23 852</b>	<b>105 362</b>	<b>131 780</b>	<b>(26 418)</b>	<b>-20%</b>	<b>262 857</b>
<b>Surplus/(Deficit)</b>	<b>3 144</b>	<b>(8 461)</b>	<b>(8 461)</b>	<b>5 083</b>	<b>25 432</b>	<b>(4 583)</b>	<b>30 014</b>	<b>-655%</b>	<b>(8 461)</b>
Transfers and subsidies - capital (monetary allocations)	18 627	15 779	15 779	1 374	10 680	8 742	1 937	22%	15 779
Transfers and subsidies - capital (in-kind)	3	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>21 773</b>	<b>7 317</b>	<b>7 317</b>	<b>6 458</b>	<b>36 111</b>	<b>4 160</b>	<b>31 951</b>	<b>768%</b>	<b>7 317</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>21 773</b>	<b>7 317</b>	<b>7 317</b>	<b>6 458</b>	<b>36 111</b>	<b>4 160</b>	<b>31 951</b>	<b>768%</b>	<b>7 317</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>21 487</b>	<b>13 721</b>	<b>13 721</b>	<b>1 194</b>	<b>8 195</b>	<b>6 860</b>	<b>1 335</b>	<b>19%</b>	<b>13 721</b>
Capital transfers recognised	21 027	13 721	13 721	1 194	8 195	6 860	1 335	19%	13 721
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	374	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>21 401</b>	<b>13 721</b>	<b>13 721</b>	<b>1 194</b>	<b>8 195</b>	<b>6 860</b>	<b>1 335</b>	<b>19%</b>	<b>13 721</b>
<b>Financial position</b>									
Total current assets	103 944	43 973	43 968		147 191				43 968
Total non current assets	642 174	310 072	310 072		327 923				310 072
Total current liabilities	232 087	107 528	107 522		148 353				107 522
Total non current liabilities	88 308	48 640	48 640		57 420				48 640
Community wealth/Equity	429 149	197 877	197 877		239 406				197 877
<b>Cash flows</b>									
Net cash from (used) operating	123 591	24 534	24 534	6 981	90 281	13 120	(77 161)	-588%	253 435
Net cash from (used) investing	(18 861)	(15 779)	(15 779)	(1 373)	(9 849)	7 889	17 738	225%	15 779
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>186 359</b>	<b>18 462</b>	<b>18 462</b>	<b>-</b>	<b>152 443</b>	<b>30 717</b>	<b>(121 727)</b>	<b>-396%</b>	<b>341 226</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	9 987	4 110	3 824	3 619	3 492	2 959	15 009	144 181	187 183
<b>Creditors Age Analysis</b>									
Total Creditors	15 061	8 959	6 716	-	-	-	-	90 030	120 766

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	Budget Year 2025/26			
R thousands							YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
<b>Revenue - Functional</b>									%	
<b>Governance and administration</b>		83 284	52 425	52 425	14 202	46 991	26 213	20 778	79%	52 425
Executive and council		37 587	8 106	8 106	10 957	27 218	4 053	23 166	572%	8 106
Finance and administration		45 697	44 319	44 319	3 245	19 772	22 160	(2 387)	-11%	44 319
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		24 877	21 833	21 833	3 356	12 955	10 916	2 039	19%	21 833
Community and social services		15 125	16 505	16 505	1 515	11 096	8 252	2 844	34%	16 505
Sport and recreation		58	60	60	12	29	30	(1)	-5%	60
Public safety		(6)	-	-	(0)	2	-	2	-	-
Housing		9 700	5 268	5 268	1 829	1 829	2 634	(805)	-31%	5 268
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		2 318	2 487	2 487	373	1 683	1 244	439	35%	2 487
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		2 318	2 487	2 487	373	1 683	1 244	439	35%	2 487
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		150 059	193 429	193 429	12 380	79 845	97 568	(17 723)	-18%	193 429
Energy sources		87 144	117 820	117 820	7 409	49 987	59 763	(9 776)	-16%	117 820
Water management		36 906	42 176	42 176	3 120	16 039	21 088	(5 049)	-24%	42 176
Waste water management		13 215	16 009	16 009	947	7 005	8 004	(999)	-12%	16 009
Waste management		12 795	17 425	17 425	903	6 813	8 712	(1 899)	-22%	17 425
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	260 539	270 174	270 174	30 310	141 473	135 940	5 533	4%	270 174
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		86 298	89 151	89 151	8 875	42 970	44 910	(1 940)	-4%	89 151
Executive and council		33 308	28 542	28 542	2 825	13 568	14 271	(703)	-5%	28 542
Finance and administration		52 990	60 609	60 609	6 049	29 402	30 640	(1 237)	-4%	60 609
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		19 076	18 398	18 398	3 171	8 910	9 216	(307)	-3%	18 398
Community and social services		10 817	9 366	9 366	948	5 019	4 700	319	7%	9 366
Sport and recreation		1 557	1 702	1 702	57	596	851	(255)	-30%	1 702
Public safety		1 447	369	369	148	736	184	551	299%	369
Housing		5 254	6 962	6 962	2 019	2 560	3 481	(922)	-26%	6 962
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		15 046	20 583	20 583	1 606	7 708	10 291	(2 583)	-25%	20 583
Planning and development		281	380	380	23	83	190	(107)	-56%	380
Road transport		14 765	20 203	20 203	1 583	7 625	10 101	(2 476)	-25%	20 203
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		118 346	134 725	134 725	10 200	45 774	67 362	(21 588)	-32%	134 725
Energy sources		73 468	94 302	94 302	7 600	31 610	47 151	(15 541)	-33%	94 302
Water management		22 092	17 934	17 934	928	6 659	8 967	(2 307)	-26%	17 934
Waste water management		10 782	10 707	10 707	462	3 177	5 354	(2 176)	-41%	10 707
Waste management		12 005	11 782	11 782	1 210	4 328	5 891	(1 563)	-27%	11 782
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	238 767	262 857	262 857	23 852	105 362	131 780	(26 418)	-20%	262 857
<b>Surplus/ (Deficit) for the year</b>		21 773	7 317	7 317	6 458	36 111	4 160	31 951	768%	7 317

## 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) - M06 December										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		37 587	8 606	8 606	11 223	27 485	4 303	23 182	538,7%	8 606
Vote 2 - CORPORATE SERVICES		25 969	22 740	22 740	3 533	13 971	11 370	2 601	22,9%	22 740
Vote 3 - FINANCIAL SERVICES		45 108	43 444	43 444	2 952	19 230	21 722	(2 492)	-11,5%	43 444
Vote 4 - TECHNICAL SERVICES		151 875	195 384	195 384	12 602	80 788	98 545	(17 757)	-18,0%	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	30 310	141 473	135 940	5 533	4,1%	270 174
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33 308	28 542	28 542	2 825	13 568	14 271	(703)	-4,9%	28 542
Vote 2 - CORPORATE SERVICES		61 566	45 318	45 318	7 019	27 026	23 011	4 015	17,4%	45 318
Vote 3 - FINANCIAL SERVICES		12 318	37 137	37 137	2 735	12 882	18 568	(5 687)	-30,6%	37 137
Vote 4 - TECHNICAL SERVICES		131 113	150 855	150 855	11 231	51 799	75 427	(23 628)	-31,3%	150 855
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Vote 6 - CORPORATE SERVICES (Continued)		462	1 005	1 005	42	87	503	(415)	-82,7%	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	262 857	23 852	105 362	131 780	(26 418)	-20,0%	262 857
Surplus/ (Deficit) for the year	2	21 773	7 317	7 317	6 458	36 111	4 160	31 951	768,1%	7 317

## 2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

W0047 - Ramulana - Table 04 - Monthly Budget statement - Financial Performance (Revenue and Expenditure) - 1st December										
Description	Ref	2024/25	Budget Year 2025/26							
		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	7 402	48 265	53 847	(5 582)	-10%	107 694
Service charges - Water		25 346	30 912	30 912	3 096	14 415	15 456	(1 041)	-7%	30 912
Service charges - Waste Water Management		10 179	7 384	7 384	909	5 642	3 692	1 950	53%	7 384
Service charges - Waste management		9 937	9 258	9 258	903	5 572	4 629	942	20%	9 258
Sale of Goods and Rendering of Services		481	295	295	25	214	147	67	45%	295
Agency services		1 324	1 450	1 450	74	711	725	(14)	-2%	1 450
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		9 583	8 594	8 594	7	4 084	4 297	(214)	-5%	8 594
Interest earned from Current and Non Current Assets		1 479	1 003	1 003	313	790	501	289	58%	1 003
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		692	493	493	64	372	247	125	51%	493
Licence and permits		206	230	230	3	73	115	(42)	-36%	230
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		314	200	200	18	168	100	68	68%	200
Non-Exchange Revenue										
Property rates		28 504	29 723	29 723	2 518	15 241	14 861	379	3%	29 723
Surcharges and Taxes		6 604	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		236	231	231	210	605	115	490	425%	231
Licence and permits		-	-	-	-	2	-	2	-	-
Transfer and subsidies - Operational		56 603	53 464	53 464	13 336	32 848	26 732	6 116	23%	53 464
Interest		3 420	3 465	3 465	(5)	1 423	1 732	(309)	-18%	3 465
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		714	-	-	61	368	-	368	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		241 910	254 396	254 396	28 935	130 794	127 198	-		254 396
Expenditure By Type										
Employee related costs		114 550	97 832	97 732	11 631	54 440	49 218	5 222	11%	97 732
Remuneration of councillors		4 264	3 526	3 526	303	1 956	1 763	193	11%	3 526
Bulk purchases - electricity		63 298	82 476	82 476	7 050	27 475	41 238	(13 763)	-33%	82 476
Inventory consumed		3 759	8 331	8 335	48	1 559	4 167	(2 609)	-63%	8 335
Debt impairment		(40 672)	13 468	13 468	-	-	6 734	(6 734)	-100%	13 468
Depreciation and amortisation		40 078	13 179	13 179	-	5 491	6 589	(1 098)	-17%	13 179
Interest		679	1 346	1 346	0	532	673	(141)	-21%	1 346
Contracted services		20 514	20 447	20 297	3 240	7 408	10 148	(2 740)	-27%	20 297
Transfers and subsidies		589	590	590	10	119	295	(176)	-60%	590
Irrecoverable debts written off		13 534	-	-	15	44	-	44	-	-
Operational costs		16 845	21 662	21 908	1 555	6 337	10 954	(4 616)	-42%	21 908
Losses on Disposal of Assets		1 329	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		238 767	262 857	262 857	23 852	105 362	131 780	(26 418)	-20%	262 857
Surplus/(Deficit)		3 144	(8 461)	(8 461)	5 083	25 432	(4 583)	26 418	(0)	(8 461)
Transfers and subsidies - capital (monetary allocations)		18 627	15 779	15 779	1 374	10 680	8 742	1 937	0	15 779
Transfers and subsidies - capital (in-kind)		3	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		21 773	7 317	7 317	6 458	36 111	4 160			7 317
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		21 773	7 317	7 317	6 458	36 111	4 160			7 317
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to Municipality		21 773	7 317	7 317	6 458	36 111	4 160			7 317
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		21 773	7 317	7 317	6 458	36 111	4 160			7 317

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 7.4 million for **December 2025** and R 48.3 million YTD which represents **-10%** variance to the budget.
- **Service Charges – Water** amounts to R 3 million for **December 2025** and R 14.4 million YTD which represents **-7%** variance to the budget.
- **Service Charges – Waste Water Management** amounts to R 909 thousand for **December 2025** and R 5.6 million YTD which represents **53%** variance to the budget.
- **Service Charges – Waste Management** amounts to R 903 thousand for **December 2025** and R 5.6 million YTD which represents **20%** variance to the budget.
- **Sale of Goods and Rendering of Services** – amounts to R25 thousand for **December 2025** and R 214 thousand YTD which represents **45%** variance to the budget.
- **Interest on outstanding debtors** – **-5%** YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Licence and permits-** **-36%** YTD variance from the budget.
- **Rental from fixed Assets** – amounted to R 64 thousand and R 372 thousand YTD which represents a **51%** variance to the budget.
- **Fines, Penalties & Forfeits** – with a **425%** YTD variance, vendor appointed to provide cameras and administrative support on speed fines.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

## 2.6 OPERATING EXPENDITURE BY TYPE

- **Employee Related Costs** – amounted to R 11.63 million for **December 2025** and R 54.4 million YTD, this represents a 11% spending on the budget. The variance on employee related cost is due to salary increases, and high overtime and standby during the month of reporting.
- **Remuneration of Councillors** – amounted to R 303 thousand for **December 2025** and R 1.96million YTD, this represents a **11%** on the budget.
- **Bulk Purchases- electricity-** amounted to R 7.05 million in **December 2025** and 27.48 million YTD represents a **-33%** variance to the budget.
- **Inventory Consumed** – represents a negative **63%** negative on the budget.

- **Contracted Services** – amounted to R 3.24 million in **December 2025** and R 7.40million YTD represents a -27% variance to the budget.
- **Other Expenditure** - amounted to R 1.56 million in **December 2025**.

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

## 2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December									
Vote Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %
<b>R thousands</b>	<b>1</b>								
<b>Multi-Year expenditure appropriation</b>	<b>2</b>								
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		16 944	13 721	13 721	1 194	8 195	6 860	1 335	19%
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]		-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>16 944</b>	<b>13 721</b>	<b>13 721</b>	<b>1 194</b>	<b>8 195</b>	<b>6 860</b>	<b>1 335</b>	<b>19%</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>								
Vote 1 - MUNICIPAL MANAGER		140	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		293	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		4 110	-	-	-	-	-	-	-
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>4 543</b>	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>3</b>	<b>21 487</b>	<b>13 721</b>	<b>13 721</b>	<b>1 194</b>	<b>8 195</b>	<b>6 860</b>	<b>1 335</b>	<b>19%</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>		<b>348</b>	-	-	-	-	-	-	-
Executive and council		140	-	-	-	-	-	-	-
Finance and administration		208	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>86</b>	-	-	-	-	-	-	-
Community and social services		86	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>26</b>	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-
Road transport		26	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>21 027</b>	<b>13 721</b>	<b>13 721</b>	<b>1 194</b>	<b>8 195</b>	<b>6 860</b>	<b>1 335</b>	<b>19%</b>
Energy sources		4 110	2 967	2 967	-	1 483	(1 483)	-100%	2 967
Water management		779	1 217	1 217	-	514	609	(94)	-16%
Waste water management		13 836	9 536	9 536	1 194	7 681	4 768	2 913	61%
Waste management		2 303	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>21 487</b>	<b>13 721</b>	<b>13 721</b>	<b>1 194</b>	<b>8 195</b>	<b>6 860</b>	<b>1 335</b>	<b>19%</b>
<b>Funded by:</b>									
National Government		16 139	12 503	12 503	1 194	7 681	6 252	1 429	23%
Provincial Government		4 889	1 217	1 217	-	514	609	(94)	-16%
District Municipality		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>21 027</b>	<b>13 721</b>	<b>13 721</b>	<b>1 194</b>	<b>8 195</b>	<b>6 860</b>	<b>1 335</b>	<b>19%</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	-	-	-	-	-	-	-
<b>Internally generated funds</b>		<b>374</b>	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	<b>7</b>	<b>21 401</b>	<b>13 721</b>	<b>13 721</b>	<b>1 194</b>	<b>8 195</b>	<b>6 860</b>	<b>1 335</b>	<b>19%</b>

### CAPITAL EXPENDITURE

- amounted to R 1.19 million in December 2025 and R 8.2 million YTD which represents a 60% variance to the budget.



## 2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
<b>R thousands</b>						
<b>ASSETS</b>	1					
<b>Current assets</b>						
Cash and cash equivalents		34 673	18 162	18 162	33 176	18 162
Trade and other receivables from exchange transactions		89 823	54 173	54 173	104 028	54 173
Receivables from non-exchange transactions		12 540	458	458	12 175	458
Current portion of non-current receivables		—	—	—	—	—
Inventory		3 845	116	110	1 598	110
VAT		(35 509)	(27 873)	(27 873)	(4 356)	(27 873)
Other current assets		(1 428)	(1 062)	(1 062)	570	(1 062)
<b>Total current assets</b>		<b>103 944</b>	<b>43 973</b>	<b>43 968</b>	<b>147 191</b>	<b>43 968</b>
<b>Non current assets</b>						
Investments		—	—	—	—	—
Investment property		2 134	1 064	1 064	1 018	1 064
Property, plant and equipment		640 024	309 004	309 004	326 900	309 004
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		—	—	—	—	—
Intangible assets		16	4	4	5	4
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
<b>Total non current assets</b>		<b>642 174</b>	<b>310 072</b>	<b>310 072</b>	<b>327 923</b>	<b>310 072</b>
<b>TOTAL ASSETS</b>		<b>746 118</b>	<b>354 045</b>	<b>354 040</b>	<b>475 114</b>	<b>354 040</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	—	—	—	—
Consumer deposits		3 030	1 446	1 446	1 639	1 446
Trade and other payables from exchange transactions		199 554	104 511	104 505	99 544	104 505
Trade and other payables from non-exchange transactions		37 187	15 581	15 581	27 668	15 581
Provision		20 859	4 735	4 735	12 368	4 735
VAT		(28 544)	(18 745)	(18 745)	7 133	(18 745)
Other current liabilities		—	—	—	—	—
<b>Total current liabilities</b>		<b>232 087</b>	<b>107 528</b>	<b>107 522</b>	<b>148 353</b>	<b>107 522</b>
<b>Non current liabilities</b>						
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
<b>Total non current liabilities</b>		<b>88 308</b>	<b>48 640</b>	<b>48 640</b>	<b>57 420</b>	<b>48 640</b>
<b>TOTAL LIABILITIES</b>		<b>320 395</b>	<b>156 168</b>	<b>156 162</b>	<b>205 773</b>	<b>156 162</b>
<b>NET ASSETS</b>	2	<b>425 722</b>	<b>197 877</b>	<b>197 877</b>	<b>269 341</b>	<b>197 877</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		428 226	197 416	197 416	238 944	197 416
Reserves and funds		923	462	462	462	462
Other		—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>429 149</b>	<b>197 877</b>	<b>197 877</b>	<b>239 406</b>	<b>197 877</b>

## 2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	Budget Year 2025/26								
		2024/25								
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	1								%	
<b>Receipts</b>										
Property rates		19 650	27 286	27 286	1 706	10 577	13 643	(3 066)	-22%	27 286
Service charges		100 836	151 165	151 165	5 712	51 599	75 583	(23 984)	-32%	151 165
Other revenue		17 289	24 122	24 122	415	6 944	12 061	(5 117)	-42%	24 122
Transfers and Subsidies - Operational		56 202	53 464	53 464	10 957	37 168	26 732	10 435	39%	53 464
Transfers and Subsidies - Capital		24 160	15 779	15 779	3 028	15 163	8 742	6 420	73%	15 779
Interest		-	3 775	3 775	-	-	1 887	(1 887)	-100%	3 775
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(94 546)	(249 711)	(249 711)	(14 836)	(31 169)	(124 855)	(93 687)	75%	(20 809)
Interest		-	(1 346)	(1 346)	-	-	(673)	(673)	100%	(1 346)
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>123 591</b>	<b>24 534</b>	<b>24 534</b>	<b>6 981</b>	<b>90 281</b>	<b>13 120</b>	<b>(77 161)</b>	<b>-588%</b>	<b>253 435</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(18 861)	(15 779)	(15 779)	(1 373)	(9 849)	7 889	17 738	225%	15 779
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(18 861)</b>	<b>(15 779)</b>	<b>(15 779)</b>	<b>(1 373)</b>	<b>(9 849)</b>	<b>7 889</b>	<b>17 738</b>	<b>225%</b>	<b>15 779</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>104 730</b>	<b>8 755</b>	<b>8 755</b>	<b>5 609</b>	<b>80 432</b>	<b>21 009</b>			<b>269 214</b>
Cash/cash equivalents at beginning:		81 629	9 707	9 707		72 011	9 707			72 011
Cash/cash equivalents at month/year end:		186 359	18 462	18 462		152 443	30 717			341 226

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

- Standard Bank Main Account is **R 1.152 million**;
- The Traffic Account has **R 1.153 million**;
- Deposit Account has **R 6.2 million**;
- Call Account has **R 19.1 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 - M06 December													
Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	4 568	1 236	1 185	1 115	1 079	970	4 397	27 515	42 064	35 075	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 112	355	385	311	242	120	378	1 790	7 693	2 840	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2 909	989	729	673	641	588	2 637	27 669	36 835	32 208	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	961	457	460	461	457	392	2 309	17 125	22 621	20 743	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 802	751	734	725	724	586	3 344	24 527	33 193	29 905	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	–	34	63	89	112	120	1 030	40 205	41 653	41 557	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(4 365)	288	268	246	238	184	913	5 351	3 123	6 932	–	–
Total By Income Source	2000	9 987	4 110	3 824	3 619	3 492	2 959	15 009	144 181	187 183	169 261	–	–
2024/25 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(2 056)	332	357	294	221	115	240	347	(150)	1 217	–	–
Commercial	2300	996	347	217	166	154	146	772	6 370	9 168	7 607	–	–
Households	2400	11 075	3 234	3 097	3 006	2 973	2 559	13 310	124 744	163 998	146 592	–	–
Other	2500	(28)	197	152	153	144	139	687	12 721	14 166	13 845	–	–
Total By Customer Group	2600	9 987	4 110	3 824	3 619	3 492	2 959	15 009	144 181	187 183	169 261	–	–

The total amount owed to Kannaland Municipality amounted to **R 187.2 million** at the end of **December 2025**.

- **R144.2 million or 77%** of the total outstanding debtors are older than one year.
- **R169.2 million or 90.4%** 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 - M06 December

Description	NT Code	Budget Year 2025/26								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	12 204	7 518	6 430	–	–	–	–	56 810	82 962
Bulk Water	0200	111	–	–	–	–	–	–	–	111
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	1 060	184	74	–	–	–	–	1 285	2 603
Auditor General	0800	1 369	858	572	–	–	–	–	19 518	22 317
Other	0900	317	400	(360)	–	–	–	–	12 417	12 774
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	15 061	8 959	6 716	–	–	–	–	90 030	120 766

- The total outstanding creditors as at the end of **December 2025** amounts to **R 120.77 million**.

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

- ESKOM = R82.9 million, of which the entire amount is conditionally written off. The other R35 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R34.4 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.7 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.

2025/12/31				
	Original Budget	Total Received	Total Spent	Unspent
Grant Name	Amount			
<b>Provincial Government</b>	<b>R 10 947 000,00</b>	<b>R 6 285 667,00</b>	<b>R 3 821 574,85</b>	<b>R 2 464 092,15</b>
Housing				
Human Settlement Grant	R 3 842 000,00	R 1 828 667,00	R 1 828 667,00	R 1 828 667,00
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	R -			R -
Title Deeds Restoration Grant	R 1 426 000,00			
Financial Capability (Performance Man System)	R 500 000,00	R 500 000,00	R 266 144,50	R 233 855,50
Lib Replacement: Vulnerable Mun	R 3 666 000,00	R 2 444 000,00	R 1 673 833,35	R 770 166,65
Salaries			R 238 538,59	
Salaries			R 233 561,45	
Salaries			R 261 331,39	
Salaries			R 257 190,73	
Salaries			R 294 570,32	
Salaries			R 388 640,87	
Municipal Water Resilience Grant	R 1 400 000,00	R 1 400 000,00		R 1 400 000,00
Comm Dev Workers	R 113 000,00	R 113 000,00	R 52 930,00	R 60 070,00
<b>National Government Grants</b>	<b>R 60 035 000,00</b>	<b>R 44 817 000,00</b>	<b>R 40 118 096,33</b>	<b>R 4 698 903,67</b>
Equitable Share	R 38 962 000,00	R 27 191 000,00	R 27 191 000,00	
FMG (Audit)	R 2 900 000,00	R 2 900 000,00	R 1 305 391,44	R 1 594 608,56
FMG ( Intern Salaries)			R 107 275,98	
FMG ( Intern Salaries)	R -		R 74 582,36	
FMG ( Intern Salaries)			R 792 911,65	
FMG ( Intern Salaries)			R 236 253,95	
FMG ( Intern Salaries)			R 32 320,00	
FMG ( Intern Salaries)			R 64 047,50	
Mun Infrastructure Grant	R 577 200,00	R 577 200,00	R 302 293,74	R 274 906,26
MIG PMU			R 41 124,48	
MIG PMU			R 41 124,48	
MIG PMU			R 41 124,48	
MIG PMU			R 41 124,48	
MIG PMU			R 51 426,17	
MIG PMU			R 86 369,65	
Mun Infrastructure Grant	R 10 966 800,00	R 10 966 800,00	R 9 143 010,95	R 1 823 789,05
EPWP	R 1 378 000,00	R 965 000,00	R 641 400,20	R 323 599,80
Salaries			R 132 138,00	
Salaries			R 125 795,50	
Salaries			R 125 139,00	
Salaries			R 122 684,70	
Salaries			R 135 643,00	
INEP	R 3 412 000,00	R 2 217 000,00	R 1 535 000,00	R 682 000,00
INEP (Eskom)	R 1 839 000,00			R -
WSIG	R -	R -	R -	R -

### 3.5 GRANT RECEIPTS AND EXPENDITURE

#### Received

##### National Treasury

- Integrated National Electrification Programme amounts to R **682 thousand**
- Municipal Infrastructure Grant amounts to **R944 thousand**
- Equitable Share amounts to **R10.96 million**

##### Provincial Treasury

- Water Resilience Grant amounts to R **1.4 million**

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

##### National Treasury

##### Expenditure:

- Financial Management Grant amounts to **R 62 thousand.**
- Municipal Infrastructure Grant PMU amounts to **R86 thousand.**
- Expanded Public Works Programme amounts to **R 136 thousand.**
- Municipal Infrastructure Grant amounts to **R1.3 million**

##### Provincial Treasury

##### Expenditure:

- Libraries Grant amounts to **R389 thousand.**
- Human Settlement amounts to **R1.828 million.**
- Financial Capability Grant (Performance Systems) amounts to **R266 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 - M06 December									
Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %
R thousands									
	1	A	B	C					D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		3 448	3 197	3 197	228	1 507	1 599	(92)	-6%
Pension and UIF Contributions		187	—	—	17	102	—	102	—
Medical Aid Contributions		123	—	—	11	65	—	65	—
Motor Vehicle Allowance		207	—	—	22	132	—	132	—
Cellphone Allowance		300	329	329	25	150	164	(14)	-9%
Housing Allowances		—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—
<b>Sub Total - Councillors</b>		<b>4 264</b>	<b>3 526</b>	<b>3 526</b>	<b>303</b>	<b>1 956</b>	<b>1 763</b>	<b>193</b>	<b>11%</b>
<b>% increase</b>	4		<b>-17,3%</b>	<b>-17,3%</b>					<b>-17,3%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages		3 410	5 175	5 175	272	1 657	2 588	(930)	-36%
Pension and UIF Contributions		5	6	6	1	3	3	(0)	-8%
Medical Aid Contributions		—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—
Motor Vehicle Allowance		367	676	676	46	231	338	(107)	-32%
Cellphone Allowance		35	150	150	2	12	75	(63)	-84%
Housing Allowances		—	—	—	—	—	—	—	—
Other benefits and allowances		53	84	84	4	27	42	(15)	-36%
Payments in lieu of leave		—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>		<b>3 870</b>	<b>6 091</b>	<b>6 091</b>	<b>325</b>	<b>1 930</b>	<b>3 046</b>	<b>(1 115)</b>	<b>-37%</b>
<b>% increase</b>	4		<b>57,4%</b>	<b>57,4%</b>					<b>57,4%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		71 907	67 870	67 770	5 921	36 012	33 885	2 128	6%
Pension and UIF Contributions		7 364	7 439	7 439	652	3 908	3 719	189	5%
Medical Aid Contributions		2 424	2 336	2 336	214	1 290	1 168	122	10%
Overtime		10 321	4 020	4 020	810	4 907	2 010	2 897	144%
Performance Bonus		1 849	632	632	720	720	316	404	128%
Motor Vehicle Allowance		4 164	4 516	4 516	297	1 909	2 258	(349)	-15%
Cellphone Allowance		138	146	146	12	67	73	(6)	-8%
Housing Allowances		418	481	481	20	115	241	(125)	-52%
Other benefits and allowances		6 560	4 152	4 152	2 661	3 434	2 428	1 006	41%
Payments in lieu of leave		5 464	150	150	—	147	75	72	96%
Long service awards		70	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>		<b>110 679</b>	<b>91 741</b>	<b>91 641</b>	<b>11 306</b>	<b>52 510</b>	<b>46 173</b>	<b>6 337</b>	<b>14%</b>
<b>% increase</b>	4		<b>-17,1%</b>	<b>-17,2%</b>					<b>-17,2%</b>
<b>Total Parent Municipality</b>		<b>118 813</b>	<b>101 358</b>	<b>101 258</b>	<b>11 934</b>	<b>56 396</b>	<b>50 981</b>	<b>5 414</b>	<b>11%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>118 814</b>	<b>101 358</b>	<b>101 258</b>	<b>11 934</b>	<b>56 396</b>	<b>50 981</b>	<b>5 415</b>	<b>11%</b>
<b>% increase</b>	4		<b>-14,7%</b>	<b>-14,8%</b>					<b>-14,8%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>114 549</b>	<b>97 832</b>	<b>97 732</b>	<b>11 631</b>	<b>54 440</b>	<b>49 218</b>	<b>5 222</b>	<b>11%</b>

## **SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN**

The municipal council approved the Budget Funding Plan on 10 December 2024. Progress on the funding plan will be reported on from January 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

Mpumalanga Provincial Treasury

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

Period

Dec'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:

### Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

6.3+ Maintaining the Eskom and bulk water current account –

Condition 6.12 (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 <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No	There was a payment in December reported on in November not for the month under review
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 <a href="https://fguploadportal.treasury.gov.za">https://fguploadportal.treasury.gov.za</a> ?	No	There was a payment in December reported on in November not for the month under review
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	There was a payment in December reported on in November not for the month under review
4	6.3.1	- Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>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.</i>	No	There was a payment in December reported on in November not for the month under review
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 <a href="https://fguploadportal.treasury.gov.za">https://fguploadportal.treasury.gov.za</a> ?	No	There was a payment in December reported on in November not for the 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 a payment in December reported on in November not for the 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 - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	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	


Notes/Comments

		<b>Note</b> - 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	
		<b>Note</b> - 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	- <b>If the municipality's MTREF is not funded</b> , 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	
		<b>Note</b> - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.		
12	6.4.2	- <b>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</b> , 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)? <b>Note</b> - 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	<b>Cost reflective tariffs</b> – (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? <i>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.</i>	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? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No	
	6.6	<i>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.</i>		
	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 mSCO data strings uploaded via the GoMuni Upload Portal?	Yes	
		<i>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.</i>		
	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 progress.
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?	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? <i>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</i>	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 <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	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? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1</i>	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 <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	Yes
		<i>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.</i>	
	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 <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	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?	
		<i>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.</i>	
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
		<i>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.</i>	
	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
		<i>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).</i>	
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? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes
41	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes

## 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						Part B					Part C			Part D				Part C									Part E											Scoring and Rating				
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges						Maximization of Revenue Base			Oversight															
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	Kannaland	WC041	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	68%	Moderate compliance
26.August25	Kannaland	WC041	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	83%	Above Moderate
27.September25	Kannaland	WC041	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	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	Kannaland	WC041	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	N/A	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	76%	Moderate compliance
29.November25	Kannaland	WC041	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	N/A	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	85%	Above Moderate
30.December25	Kannaland	WC041	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	71%	Moderate compliance

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



**Western Cape  
Government**

Provincial Treasury  
**Victor Senna**  
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AND

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Dear Ms Gaarekwe and Mr Sereo

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

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. November 2025 constitutes the fourth 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 December 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 November 2025



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Provincial Treasury | Fiscal and Economic Services





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

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

- 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.

- Kannaland Municipality remains non-compliant with MFMA Section 65(2)(e) and MFMA Circular 124, as as only partial payments have been made towards the Eskom bulk electricity account. A payment of R10.2 million was made on 10 December 2025. The arrear balance of R33 million continues to escalate and no invoices for November 2025 have been reported on the FMR. The Municipality had previously committed to a six-month payment arrangement of R5.5 million per month during engagements with Eskom and Provincial Treasury, which commitment was not honoured, as the arrears continue to increase. This non-compliance places the Municipality at risk of losing the benefits of the Eskom Debt Relief Programme. Eskom has issued a breach notice on 17 November 2025, requiring urgent corrective action. The Municipality is currently under an approved Financial Recovery Plan (FRP), with implementation monitored through the FRP Technical Implementation Committee. In addition, the Cash Flow Committee convenes weekly, during which this matter has been consistently raised, and Provincial Treasury has repeatedly emphasised the need for the Municipality to prioritise Eskom payments and restore compliance with debt relief conditions.

MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE  
KANNALAND MUNICIPALITY NOVEMBER 2025

**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 a 2 per cent decrease compared to the previous month, with the overall current collection rate at 82 per cent, which is slightly below the required threshold of 85 per cent. When excluding Eskom-supplied areas, the collection rate improves to 87 per cent, thereby meeting the requirement. The shortfall is therefore mainly attributable to collection challenges in Eskom-supplied areas, where the Municipality is unable to use electricity as a credit control tool. To address this, the Municipality has undertaken measures such as updating consumer data to improve 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 Budget Funding Plan (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.	<b>The Budget Performance Overview (paragraph 4) of the MFMA s71 statement</b> 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.	<b>The conclusion (paragraph 14) of the MFMA s71 statement</b> explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors, with the implementation of the Municipality's Budget Funding Plan and/or Funded Budget.	Yes
3.	<b>Annexure B of the MFMA s71 statement included the following debt relief reporting components</b>	
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 <b>MFMA Budget Circular No. 128 (Annexure B)</b> .	Yes
3.2	The Municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the Municipality.	Yes
3.4.1	The Municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes

MFMA S71 Statement component		Compliance (Yes/No)
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of <b>MFMA Budget Circular No. 128 (Annexure D)</b> .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of <b>MFMA Budget Circular No. 128 (Annexure C)</b> .	Yes
3.6.1	The summary of the Municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The Municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	No
3.7.1	Any Eskom and Water (if the Municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The Municipality's proof of payment of any such Eskom and/or Water Bulk current account invoice(s) during the month of reporting.	No
3.7.3	The Municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	No
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and/or Mayoral Committee meeting	Yes

The Municipality has incorporated its monthly debt compliance reporting into the MFMA Section 71 narratives as required. Although improvements were made following Provincial Treasury's engagement on 14 August 2025, the FMR submitted for November 2025 still contains blurred supporting documents, specifically the debt relief collection assessment table and the property rates reconciliation template. These issues continue to limit Provincial Treasury's ability to fully assess the Municipality's compliance with reporting requirements.

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

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

#### 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 2024/25 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 November 2025:

National Treasury		Annexure A2 - Monthly	
Municipal Debt Relief			
MFMA Circular No. 124			
Municipal Finance Management Act No. 56 of 2003			
Western Cape Provincial Treasury			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period		Nov'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	5.3.1 - Maintaining the Eskom and bulk water current account - 6.12 - Current account for the purpose of this exercise means the account for a single monthly installment.		
6.12.1	- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?	No	
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 <a href="https://uploadportal.treasury.gov.za">https://uploadportal.treasury.gov.za</a> ? <i>Note - refer condition 6.12.3</i>	No	
6.12.3	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	No	
6.3.1	- Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>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.</i>	No	
6.3.2	- 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 <a href="https://uploadportal.treasury.gov.za">https://uploadportal.treasury.gov.za</a> ?	No	
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	

MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE  
KANNALAND MUNICIPALITY - NOVEMBER 2025



6.4 Compliance with a funded MTREF – (Choose from drop down list the MTREF assessed)		2023/24 Adopted MTREF
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/funding.aspx</a> ?	No
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
6.4.1	<i>Note – If the municipality during the preceding 12 months only managed to collect 80 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should also be 20 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".</i>	
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
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 5.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
6.4.2	<i>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 a FRP that will give effect to a funded MTREF. If not, the FRP requires restructuring.</i>	
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 5.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
6.4.2	<i>Note – only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	
6.4.3	- 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 align with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher winter Eskom tariffs, lower January collection rates, etc.)?	Yes
6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:	
6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>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.</i>	No
6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.</i>	No
6.6	<i>Supporting evidence – The National Treasury and/or provincial treasury's related budget assessment confirm the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i>	

	6.7	Maintain a minimum average quarterly collection of property rates and services charges	
	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statements(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?  <i>Note - although the form and standard for collection (MFMA Circular No. 22) is a 95 per cent threshold, municipalities under the MFMA s.71 report will be exempted for the first two years from achieving 80 and 85%</i>	Not yet end of quarter
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool 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;	Not yet end of quarter
	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Not yet end of quarter
	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Not yet end of quarter
	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
	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTRF with a smart pre-paid meter?	No
	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	
	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
	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>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</i>	No
	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 <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	No
	6.9	Monitor and report on implementation	
	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
	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? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	No
	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
	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) simultaneously via the GoMuni Upload Portal <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	No





	6.10	Provincial Treasury Note: Provincial Treasury certification of municipal compliance – In terms of section 5 and 24 of the MFMA with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief unless:	
	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 <input type="checkbox"/>
	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 <a href="https://goportal.treasury.gov.za">https://goportal.treasury.gov.za</a> ? Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.	Yes <input type="checkbox"/>
	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? Note - if the PT failed to comply (in terms of non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.4.	No <input type="checkbox"/>
	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? 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. (In conformity with MFMA Circular No. 124, condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new loans from banks 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 budgeting purposes are not considered within the ambit of this condition.	No <input type="checkbox"/>
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources)	
	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 <input type="checkbox"/>
	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? Note: Only if certain in the specific circumstances will be exempted to make in the Minister of Finance's request to exempt the municipality from MFMA s.71.	Yes <input type="checkbox"/>
	6.13	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. Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrears debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accounting 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 <input type="checkbox"/>
	6.14	NERSA license - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? Note: An applicant for Municipal Debt Relief as set out in paragraph 4 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 12 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be approved by the relevant director for supplying to external customers as required in Chapter 4 of the Electricity Regulation Act, 2006, 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 under support to Eskom, Eskom will once again have to enforce its credit control and debt collection process and be subject to the municipality's actions that are the subject of municipal debt relief, etc.	No <input type="checkbox"/>

The Western Cape Provincial Treasury's assessment and compliance certificate confirm that Kannaland Municipality did not fully comply with all the conditions of MFMA Circular No. 124, as outlined above. The Municipality's average compliance score decreased from 56 per cent to 54 per cent in November 2025 compared to the previous month, this low decline is largely attributed to the fact that November 2025 is not an end-of-quarter reporting month. The Municipality continues to fall in meeting the requirement to pay its bulk electricity accounts within 30 days and has not upheld its payment arrangement with Eskom. Furthermore, the mandatory FRP document and progress report remain outstanding on the GoMuni portal. While copies have been provided to Provincial Treasury, the Municipality is required to upload the FRP documentation under the MFRS submissions section to ensure full compliance.

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

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

Yours sincerely



**VICTOR SENNA**

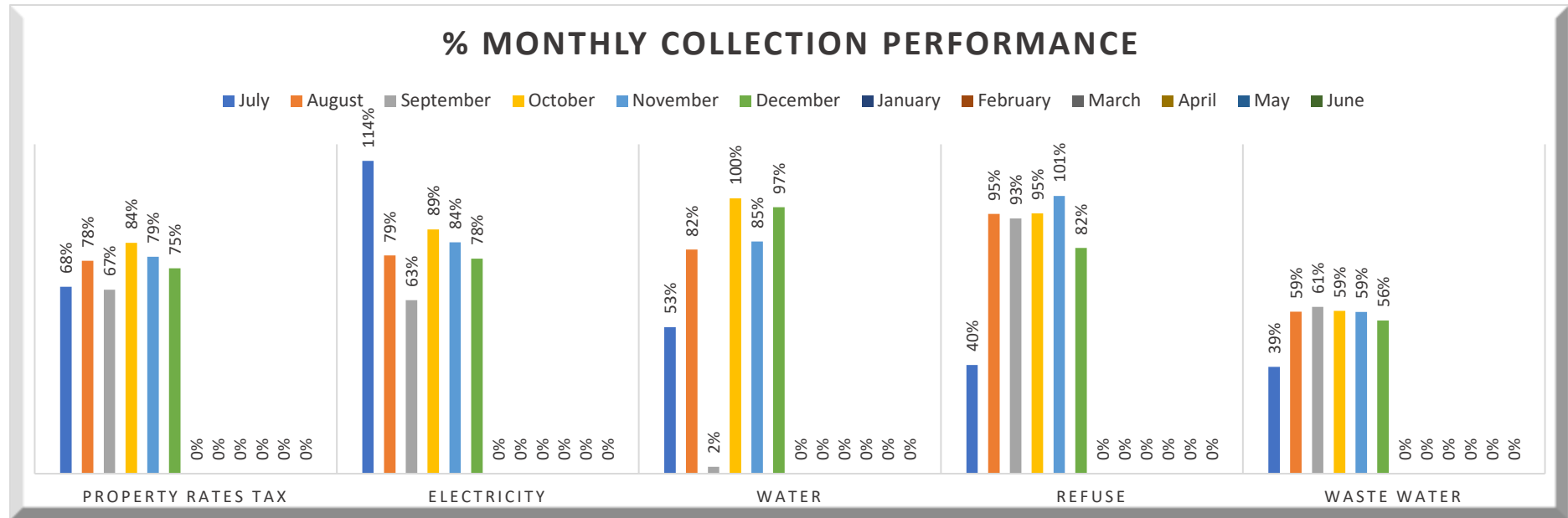
**DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES**

**DATE: 23/12/2025**

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



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

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%	44 211 123	35 125 125	9 085 998	79%	79%
2.Collection <u>excl Eskom supplied areas</u>	26 949 730	20 525 187	6 424 543	76%	76%	26 913 959	22 611 847	4 302 112	84%	84%
3.Collection: <b>Property Rates</b>	7 491 274	3 712 343	3 778 930	50%	50%	7 537 519	7 079 687	457 832	94%	94%
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	20 793 880	20 496 712	297 168	99%	99%	21 813 396	20 138 202	1 675 194	92%	92%
5.Total average collection: <b>Water</b>	7 162 806	4 145 085	3 017 721	58%	58%	8 164 941	4 734 660	3 430 281	58%	58%
6.Total average collection: <b>Wastewater</b>	2 961 046	1 239 405	1 721 641	42%	42%	3 257 856	1 460 484	1 797 372	45%	45%
7.Total average collection: <b>Refuse</b>	3 166 027	1 311 721	1 854 307	41%	41%	3 182 083	1 226 830	1 955 253	39%	39%
8.Total average collection: <b>Interest</b>	245 372	168 552	76 820	69%	0%	255 329	485 262	(229 933)	190%	190%

## WC041

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

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## 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	2 128	2 157							
Indigent HH's with piped water inside yard (but not in dwelling)																	
Indigent HH's using public tap (at least min.service level)	2																
Indigent HH's with other water supply (at least min.service level)	4																
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-
Indigent HH's using public tap (< min.service level)	3																
Indigent HH's with other water supply (< min.service level)	4																
Indigent HH's with No water supply																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5				-	1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-
Status of Water meters :																	
Number of Indigent HH's with prepaid Water					1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Water																	
Number of Indigent HH's NOT metered currently - Water																	
Number of Indigent HH's with NO Water supply - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	10	-	-	-	-	1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-
Status of unlimited supply of Water :																	
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																
Energy: ( Include All Indigent households also in Eskom supplied areas )																	
Indigent HH's with Electricity (at least min.service level)					1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (min.service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-
Indigent HH's with Electricity (< min.service level)																	
Indigent HH's with Electricity - prepaid (< min. service level)																	
Indigent HH's with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5				-	1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity					1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Electricity																	
Number of Indigent HH's NOT metered currently - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with other energy sources - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	12	-	-	-	-	1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																

<b>Number of ALL Households receiving Free Basic Service (including registered Indigent Households)</b>	7																
Water (6 kilolitres per household per month)						1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)						1 872	1 929	2 009	2 084	2 128	2 157	-	-	-	-	-	-
<b>Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)</b>																	
Water (6 kilolitres per household per month)						91 203,84	93 980,88	97 878,48	#####	#####	#####	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)						#####	#####	#####	#####	#####	#####	-	-	-	-	-	-
<b>Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)</b>																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
<b>Total cost of FBS Water and Electricity provided to ALL Households</b>	8	-	-	-	-	345 693	356 219	370 992	384 842	392 967	398 322	-	-	-	-	-	-
<b>Highest level of free service provided per household (ALL Households)</b>																	
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)																	
<b>Revenue cost of subsidised services provided for ALL Households (R'000)</b>	9																
<b>Residential Category :</b> Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(a)																
<b>PSI Category :</b> Property rates (tariff adjustment) ( impermissible 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																	
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Property Reconciliation									
Property		301							
Tracts		Carter Route District							
Type		LM							
Reconciliation Period		Period							
4Q1 Period		01/01/2021 - 01/01/2022							
Reconciliation Year		2021/2022							
Reconciliation Period		Quarter 2							
Reconciliation Summary									
High-Level Reconciliation									
Property Categories		# of Properties			Market Values				
Property Categories	UY	MS	Variance	2Q Market Values	MS Market Values	Variance			
Residential	1495	400	-405	775,138,000.00	196,560,000.00	-578,578,000.00			
Industrial	22	0	22	53,437,000.00	-	53,437,000.00			
Business and Commercial	3	0	3	98,548,000.00	317,873,000.00	-219,325,000.00			
Agricultural	1070	3038	-1968	1,847,224,000.00	1,734,183,000.00	113,041,000.00			
Utility	0	0	0	-	-	-			
State Owned or Public Property	38	0	38	167,667,000.00	-	167,667,000.00			
Other	148	3883	-3735	1,631,000.00	1,698,000.00	-67,000.00			
FMU	4	0	4	1,003,000.00	9,362,000.00	-8,359,000.00			
Multi-Use	34	0	34	-	-	-			
Unland	4	0	4	-	-	-			
Other	38	87	-49	43,379,000.00	47,391,000.00	-4,012,000.00			
Municipal	120	1219	-1099	109,118,000.00	127,060,000.00	-17,942,000.00			
Other	9	83	-74	4,847,000.00	78,512,000.00	-73,665,000.00			
Total	3228	5823	-2595	3,715,518,000.00	3,174,563,000.00	540,955,000.00			
Detailed Reconciliation									
Property Categories		Working Values			Quarterly				
Property Categories	UY	MS	Variance	UY	MS	Variance			
Residential	850,345	858,727	-8,382	2,573,538.14	3,792,792.08	-1,219,253.94			
Industrial	186,237	-	186,237	579,981.98	-	579,981.98			
Business and Commercial	598,035	1,363,823	-765,788	1,784,191.76	3,481,488.42	-1,697,296.66			
Agricultural	858,237	458,784	399,453	1,486,719.58	1,576,853.47	-90,133.89			
Utility	-	-	-	-	-	-			
State Owned or Public Property	301,641	-	301,641	1,084,535.77	-	1,084,535.77			
Other	148	3,713	-3,565	1,087.34	11,199.24	-10,111.90			
FMU	-	-	-	-	-	-			
Multi-Use	-	-	-	-	-	-			
Unland	-	-	-	-	-	-			
Other	-	-	-	-	-	-			
Municipal	-	-	-	-	-	-			
Other	-	-	-	-	-	-			
Total	3,015,241.30	3,115,298.01	-100,056.71	7,899,824.18	7,884,175.01	15,649.17			

Prepared By: Craig Opperman

Signature: [Signature]

Reviewed By: For GRISPE

Signature: [Signature]

Date: 2026-01-15

Date: 15-01-2026



## SECTION 7 – QUALITY CERTIFICATION



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

P.O. Box 36 P.O. Box  
1, ADIKSMITH  
6655

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

Kerkstr. 33, Church St.  
1, ADIKSMITH  
6655

### QUALITY CERTIFICATE

I, Dillo Sereu 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 **December 2025** has been prepared in accordance with the  
Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereu

Municipal Manager of Kannaland Municipality WC041

Signature: 

Date :13 January 2026

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

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

<b>YOUR ACCOUNT NO</b>	<b>6940893537</b>
<b>BILLING DATE</b>	2025-09-08
<b>TAX INVOICE NO</b>	694590431563
<b>ACCOUNT MONTH</b>	SEPTEMBER 2025
<b>CURRENT DUE DATE</b>	2025-10-08
<b>VAT REG NO</b>	4540197268
<b>NOTIFIED MAX DEMAND</b>	1,600.00
<b>UTILISED CAPACITY</b>	1,683.62

### CONSUMPTION DETAILS (2025-08-06 - 2025-09-05)

ENERGY CONSUMPTION OFF PEAK kWh	203,719.41
ENERGY CONSUMPTION STD kWh	254,491.23
ENERGY CONSUMPTION PEAK kWh	111,552.02
DEMAND CONSUMPTION - OFF PEAK	1,327.19
DEMAND CONSUMPTION - STD	1,183.60
DEMAND CONSUMPTION - PEAK	1,239.35
DEMAND READING - KW/KVA	1,327.19
REACTIVE ENERGY - OFF PEAK	110,641.89
REACTIVE ENERGY - STD	102,907.81
REACTIVE ENERGY - PEAK	36,713.92
EXCESS REACTIVE ENERGY	569,762.66

#### PREMISE ID NUMBER

6940893530

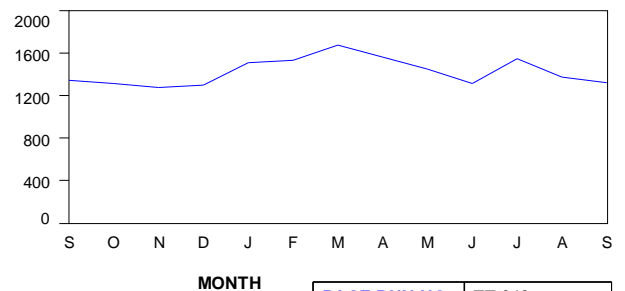
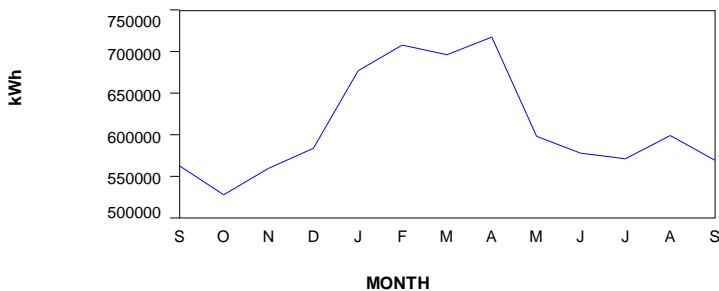
**TARIFF NAME:** Municflex

MUNICIPALITY CALITZDORP 1/3214 INTERVAL

Administration Charge @ R19.67 per day for 31 days	R	609.77
TX Network Capacity Charge 1,683.63 kVa @ R10.75 : = R10.75/kVA	R	18,099.02
Network Capacity Charge 1,683.63 kVA @ R36.97 : = R36.97/kVA	R	62,243.80
Network Demand Charge 1,239.35 kVA @ R24.67 : = R24.67 /kVA	R	30,574.76
Ancillary Service Charge 569,763 kWh @ R0.004 /kWh	R	2,279.05
Generator Capacity Charge 1,683.63 kVa @ R7.71 : = R7.71/kVA	R	12,980.79
Legacy Charge 569,762.66 kWh @ R0.2259 /kWh	R	128,709.38
Low Season Standard Energy Charge 49,230 kWh @ R1.6304 /kWh	R	80,264.59
Low Season Peak Energy Charge 23,717 kWh @ R2.8998 /kWh	R	68,774.56
High Season Off Peak Energy Charge 183,068 kWh @ R1.1647 /kWh	R	213,219.30
High Season Peak Energy Charge 87,835 kWh @ R6.9876 /kWh	R	613,755.85
Low Season Off Peak Energy Charge 20,651 kWh @ R1.1647 /kWh	R	24,052.22
High Season Standard Energy Charge 205,262 kWh @ R1.7468 /kWh	R	358,551.66
Service Charge @ R201.62 per day for 31 days	R	6,250.22
Electrification and Rural Subsidy 569,763 kWh @ R0.0502 /kWh	R	28,602.10

#### TOTAL CHARGES

R **1,648,967.07**



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**CONTACT CENTRE:** (0860) 037566Shareca  
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**E-MAIL:** NorthernCape@eskom.co.za  
**WEB:** WWW.ESKOM.CO.ZA

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

<b>YOUR ACCOUNT NO</b>	<b>6940893537</b>
<b>BILLING DATE</b>	2025-10-07
<b>TAX INVOICE NO</b>	694634124924
<b>ACCOUNT MONTH</b>	OCTOBER 2025
<b>CURRENT DUE DATE</b>	2025-11-06
<b>VAT REG NO</b>	4540197268
<b>NOTIFIED MAX DEMAND</b>	1,600.00
<b>UTILISED CAPACITY</b>	1,683.62

### CONSUMPTION DETAILS (2025-09-06 - 2025-10-05)

ENERGY CONSUMPTION OFF PEAK kWh	217,206.29
ENERGY CONSUMPTION STD kWh	217,276.13
ENERGY CONSUMPTION PEAK kWh	86,135.63
DEMAND CONSUMPTION - OFF PEAK	1,284.56
DEMAND CONSUMPTION - STD	1,198.40
DEMAND CONSUMPTION - PEAK	1,210.51
DEMAND READING - KW/KVA	1,284.56
REACTIVE ENERGY - OFF PEAK	125,128.83
REACTIVE ENERGY - STD	95,000.00
REACTIVE ENERGY - PEAK	32,085.79

#### PREMISE ID NUMBER

6940893530

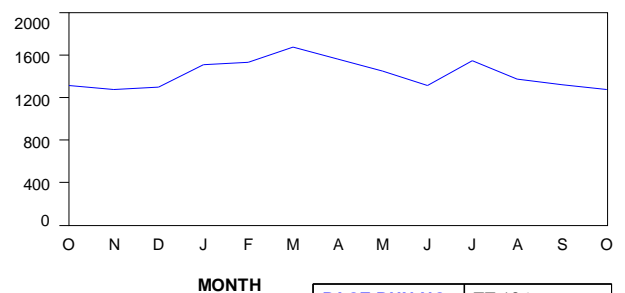
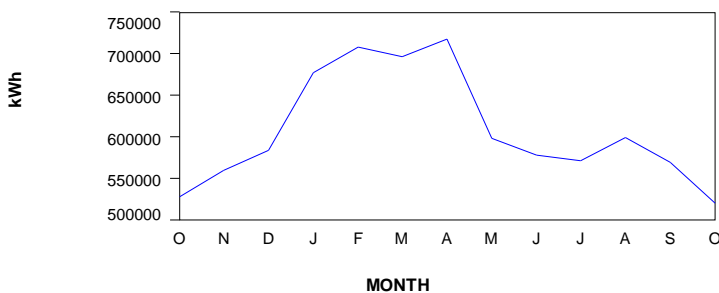
**TARIFF NAME:** Municflex

MUNICIPALITY CALITZDORP 1/3214 INTERVAL

Administration Charge @ R19.67 per day for 30 days	R	590.10
TX Network Capacity Charge 1,683.63 kVa @ R10.75 : = R10.75/kVA	R	18,099.02
Network Capacity Charge 1,683.63 kVA @ R36.97 : = R36.97/kVA	R	62,243.80
Network Demand Charge 1,210.52 kVA @ R24.67 : = R24.67 /kVA	R	29,863.53
Ancillary Service Charge 520,618 kWh @ R0.004 /kWh	R	2,082.47
Generator Capacity Charge 1,683.63 kVa @ R7.71 : = R7.71/kVA	R	12,980.79
Legacy Charge 520,618.05 kWh @ R0.2259 /kWh	R	117,607.62
Low Season Standard Energy Charge 217,276 kWh @ R1.6304 /kWh	R	354,246.79
Low Season Peak Energy Charge 86,136 kWh @ R2.8998 /kWh	R	249,777.17
Low Season Off Peak Energy Charge 217,206 kWh @ R1.1647 /kWh	R	252,979.83
Service Charge @ R201.62 per day for 30 days	R	6,048.60
Electrification and Rural Subsidy 520,618 kWh @ R0.0502 /kWh	R	26,135.02

#### TOTAL CHARGES

R **1,132,654.74**



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

<b>YOUR ACCOUNT NO</b>	<b>6940893537</b>
<b>BILLING DATE</b>	2025-11-07
<b>TAX INVOICE NO</b>	694351489484
<b>ACCOUNT MONTH</b>	NOVEMBER 2025
<b>CURRENT DUE DATE</b>	2025-12-08
<b>VAT REG NO</b>	4540197268
<b>NOTIFIED MAX DEMAND</b>	1,600.00
<b>UTILISED CAPACITY</b>	1,683.62

### CONSUMPTION DETAILS (2025-10-06 - 2025-11-05)

ENERGY CONSUMPTION OFF PEAK kWh	209,166.85
ENERGY CONSUMPTION STD kWh	248,167.15
ENERGY CONSUMPTION PEAK kWh	106,832.28
DEMAND CONSUMPTION - OFF PEAK	1,289.41
DEMAND CONSUMPTION - STD	1,191.53
DEMAND CONSUMPTION - PEAK	1,176.42
DEMAND READING - KW/KVA	1,289.41
REACTIVE ENERGY - OFF PEAK	125,277.95
REACTIVE ENERGY - STD	118,139.58
REACTIVE ENERGY - PEAK	44,106.06

#### PREMISE ID NUMBER

6940893530

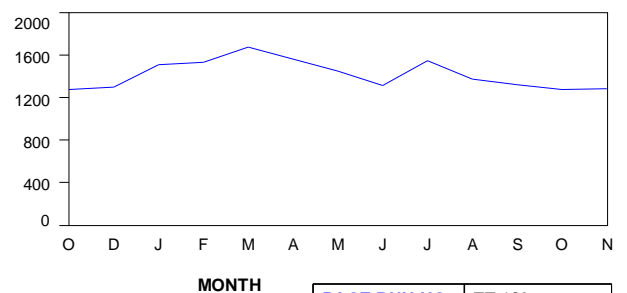
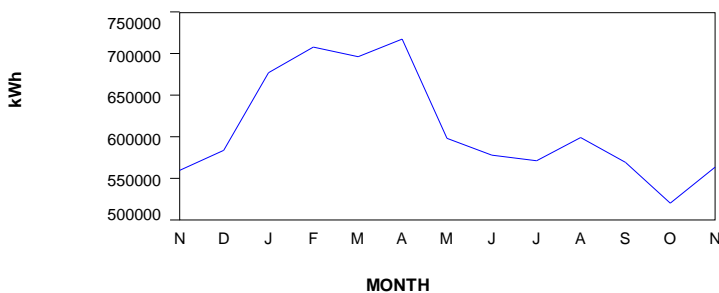
**TARIFF NAME:** Municflex

MUNICIPALITY CALITZDORP 1/3214 INTERVAL

Administration Charge @ R19.67 per day for 31 days	R	609.77
TX Network Capacity Charge 1,683.63 kVa @ R10.75 : = R10.75/kVA	R	18,099.02
Network Capacity Charge 1,683.63 kVA @ R36.97 : = R36.97/kVA	R	62,243.80
Network Demand Charge 1,191.54 kVA @ R24.67 : = R24.67 /kVA	R	29,395.29
Ancillary Service Charge 564,166 kWh @ R0.004 /kWh	R	2,256.66
Generator Capacity Charge 1,683.63 kVa @ R7.71 : = R7.71/kVA	R	12,980.79
Legacy Charge 564,166.28 kWh @ R0.2259 /kWh	R	127,445.16
Low Season Standard Energy Charge 248,167 kWh @ R1.6304 /kWh	R	404,611.48
Low Season Peak Energy Charge 106,832 kWh @ R2.8998 /kWh	R	309,791.43
Low Season Off Peak Energy Charge 209,167 kWh @ R1.1647 /kWh	R	243,616.80
Service Charge @ R201.62 per day for 31 days	R	6,250.22
Electrification and Rural Subsidy 564,166 kWh @ R0.0502 /kWh	R	28,321.13

#### TOTAL CHARGES

R **1,245,621.55**



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**CONTACT CENTRE:** (0860) 037566Shareca  
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KANNALAND LOCAL MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
P O BOX 30  
LADISMITH  
6655

<b>YOUR ACCOUNT NO</b>	<b>6940893537</b>
<b>BILLING DATE</b>	2025-12-08
<b>TAX INVOICE NO</b>	694752162725
<b>ACCOUNT MONTH</b>	DECEMBER 2025
<b>CURRENT DUE DATE</b>	2026-01-07
<b>VAT REG NO</b>	4540197268
<b>NOTIFIED MAX DEMAND</b>	1,600.00
<b>UTILISED CAPACITY</b>	1,683.62

### CONSUMPTION DETAILS (2025-11-06 - 2025-12-05)

ENERGY CONSUMPTION OFF PEAK kWh	242,859.77
ENERGY CONSUMPTION STD kWh	272,781.80
ENERGY CONSUMPTION PEAK kWh	111,174.13
DEMAND CONSUMPTION - OFF PEAK	1,389.10
DEMAND CONSUMPTION - STD	1,343.43
DEMAND CONSUMPTION - PEAK	1,270.65
DEMAND READING - KW/KVA	1,389.10
REACTIVE ENERGY - OFF PEAK	139,530.89
REACTIVE ENERGY - STD	133,049.21
REACTIVE ENERGY - PEAK	49,012.17

#### PREMISE ID NUMBER

6940893530

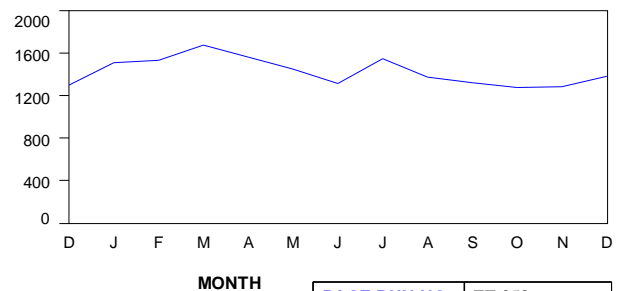
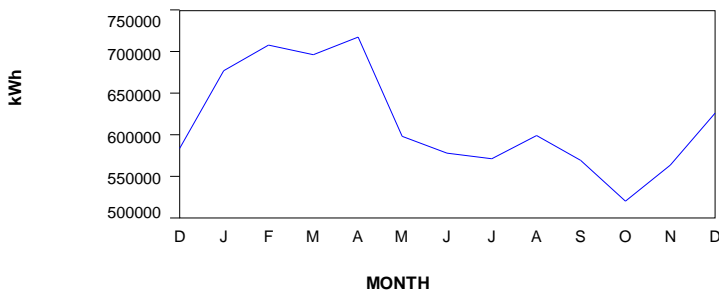
**TARIFF NAME:** Municflex

MUNICIPALITY CALITZDORP 1/3214 INTERVAL

Administration Charge @ R19.67 per day for 30 days	R	590.10
TX Network Capacity Charge 1,683.63 kVa @ R10.75 : = R10.75/kVA	R	18,099.02
Network Capacity Charge 1,683.63 kVA @ R36.97 : = R36.97/kVA	R	62,243.80
Network Demand Charge 1,343.43 kVA @ R24.67 : = R24.67 /kVA	R	33,142.42
Ancillary Service Charge 626,816 kWh @ R0.004 /kWh	R	2,507.26
Generator Capacity Charge 1,683.63 kVa @ R7.71 : = R7.71/kVA	R	12,980.79
Legacy Charge 626,815.7 kWh @ R0.2259 /kWh	R	141,597.67
Low Season Standard Energy Charge 272,782 kWh @ R1.6304 /kWh	R	444,743.77
Low Season Peak Energy Charge 111,174 kWh @ R2.8998 /kWh	R	322,382.37
Low Season Off Peak Energy Charge 242,860 kWh @ R1.1647 /kWh	R	282,859.04
Service Charge @ R201.62 per day for 30 days	R	6,048.60
Electrification and Rural Subsidy 626,816 kWh @ R0.0502 /kWh	R	31,466.16

#### TOTAL CHARGES

R **1,358,661.00**



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

KANNALAND LOCAL MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
P O BOX 30  
LADISMITH  
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**CONTACT CENTRE:** (0860) 037566Shareca  
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**WEB:** WWW.ESKOM.CO.ZA

**CUSTOMER SELF SERVICE WEBSITE**  
<https://csonline.co.za>

**WESTERN REGION**  
**PO BOX 377 Bellville 7535**

### DIRECT DEPOSIT DETAIL

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

# TAX INVOICE

E-MAIL: [zoe@kannaland.gov.za](mailto:zoe@kannaland.gov.za)

## ACCOUNT TRANSACTION SUMMARY

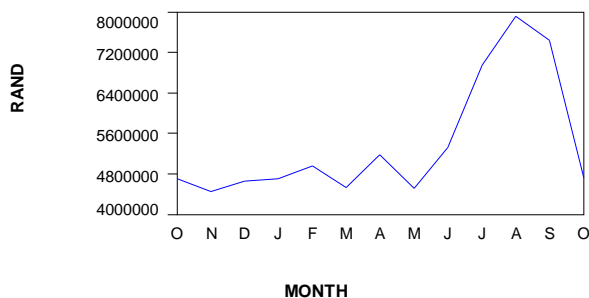
FIXED CHARGE		R	25,465.00
ADMINISTRATION CHARGE		R	590.10
TRANSMISSION NETWORK CAPACITY		R	97,900.00
DIST. NETWORK CAPACITY CHARGE		R	162,400.00
NETWORK DEMAND CHARGE		R	49,864.61
URBAN LOW VOLTAGE SUBSIDY		R	22,300.00
ANCILLARY SERVICE (ALL)		R	7,836.63
GENERATOR CAPACITY CHARGE		R	64,600.00
LEGACY CHARGE (ALL)		R	443,299.18
ENERGY CHARGE (STD)	725,878.00	R	1,096,583.89
ENERGY CHARGE (PEAK)	331,483.00	R	890,628.52
ENERGY CHARGE (OFF)	1,060,648.00	R	1,144,439.19
SERVICE CHARGE		R	6,048.60
ELECTRIFICATION AND RURAL SUBS (ALL)		R	106,324.05
REBILLED ADJUSTMENTS	(Summary - See attachment for details)	R	0.00

**TOTAL CHARGES FOR BILLING PERIOD**

## ACCOUNT SUMMARY FOR OCTOBER 2025

BALANCE BROUGHT FORWARD	(Due Date 2025-10-17)	R	59,791,144.46
PAYMENT(S) RECEIVED	Cash - 2025-10-02	R	-3,796,379.16
TOTAL CHARGES FOR BILLING PERIOD		R	4,118,279.77
ADJUSTMENT	Interest on overdue account	R	1,014.91
ADJUSTMENT	Interest on overdue account	R	158,672.12
VAT RAISED ON ITEMS AT 15%		R	617,741.97

CURRENT		TOTAL DUE		R 60,890,474.07	
4,924,993.52					
ARREARS					
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS		
40,033,329.25	7,828,937.60	0.00	8,103,213.70		
Total outstanding debt must be settled immediately, subject to disconnection without further notice					



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## ACCOUNT NO / REFERENCE NO

**7052108005**

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

 7100 10 0010

272157001 70521080058



>>>>>> 9207 2705 2108 0051

**TOTAL AMOUNT DUE**

**60,890,474.07**

### PAYMENT ARRANGEMENT

## INSTALMENT

00

**ARREARS** (Due Immediately)

55,965,480.55

**DUE DATE** (For Current Amount)

2025-11-10

**AMOUNT PAID**

LATE PAYMENT CHARGES WILL BE  
ADDED TO OVERDUE ACCOUNT

**CONTACT CENTRE:** (0860) 037566Shareca  
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KANNALAND LOCAL MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
P O BOX 30  
LADISMITH  
6655

<b>YOUR ACCOUNT NO</b>	<b>7052108005</b>
<b>BILLING DATE</b>	2025-10-10
<b>TAX INVOICE NO</b>	705155186164
<b>ACCOUNT MONTH</b>	OCTOBER 2025
<b>CURRENT DUE DATE</b>	2025-11-10
<b>VAT REG NO</b>	4540197268
<b>NOTIFIED MAX DEMAND</b>	10,000.00
<b>UTILISED CAPACITY</b>	10,000.00

### CONSUMPTION DETAILS (2025-09-06 - 2025-10-05)

ENERGY CONSUMPTION OFF PEAK kWh	1,060,647.50
ENERGY CONSUMPTION STD kWh	725,878.00
ENERGY CONSUMPTION PEAK kWh	331,483.00
ENERGY CONSUMPTION ALL kWh	2,118,008.50
DEMAND CONSUMPTION - OFF PEAK	4,409.74
DEMAND CONSUMPTION - STD	5,027.00
DEMAND CONSUMPTION - PEAK	5,194.22
DEMAND READING - KW/KVA	5,194.22
REACTIVE ENERGY - OFF PEAK	547,805.00
REACTIVE ENERGY - STD	402,306.50
REACTIVE ENERGY - PEAK	143,154.50

#### PREMISE ID NUMBER

7052108105

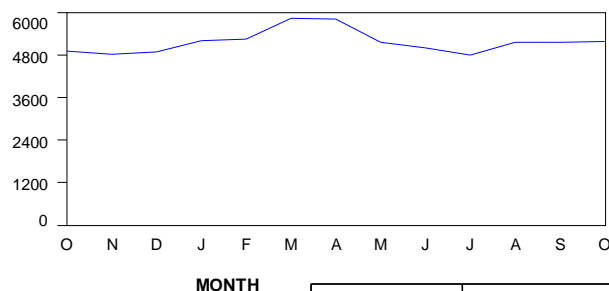
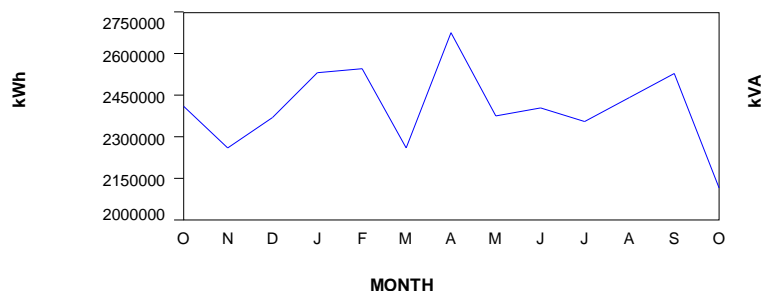
**TARIFF NAME:** Municflex

LADISMITH MUNISIPALITEIT 1/3225 REMOTE

Administration Charge @ R19.67 per day for 30 days	R	590.10
TX Network Capacity Charge 10,000 kVa @ R9.79 : = R9.79/kVa	R	97,900.00
Network Capacity Charge 10,000 kVa @ R16.24 : = R16.24/kVa	R	162,400.00
Network Demand Charge 5,194.23 kVa @ R9.60 : = R9.60 /kVa	R	49,864.61
Urban Low Voltage Subsidy 10,000 kVa @ R2.23 : = R2.23/kVa	R	22,300.00
Ancillary Service Charge 2,118,009 kWh @ R0.0037 /kWh	R	7,836.63
Generator Capacity Charge 10,000 kVa @ R6.46 : = R6.46/kVa	R	64,600.00
Legacy Charge 2,118,008.5 kWh @ R0.2093 /kWh	R	443,299.18
Low Season Standard Energy Charge 725,878 kWh @ R1.5107 /kWh	R	1,096,583.89
Low Season Peak Energy Charge 331,483 kWh @ R2.6868 /kWh	R	890,628.52
Low Season Off Peak Energy Charge 1,060,648 kWh @ R1.079 /kWh	R	1,144,439.19
Service Charge @ R201.62 per day for 30 days	R	6,048.60
Electrification and Rural Subsidy 2,118,009 kWh @ R0.0502 /kWh	R	106,324.05
Fixed Charge @ R25,465.00	R	25,465.00
REBILLED ADJUSTMENTS (Summary - See attachment for details)	R	0.00

#### TOTAL CHARGES

R **4,118,279.77**



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**CONTACT CENTRE:** (0860) 037566Shareca  
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KANNALAND LOCAL MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
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6655

<b>YOUR ACCOUNT NO</b>	<b>7052108005</b>
<b>BILLING DATE</b>	2025-10-10
<b>TAX INVOICE NO</b>	705155186164
<b>ACCOUNT MONTH</b>	OCTOBER 2025
<b>CURRENT DUE DATE</b>	2025-11-10
<b>VAT REG NO</b>	4540197268
<b>NOTIFIED MAX DEMAND</b>	10,000.00
<b>UTILISED CAPACITY</b>	10,000.00

## REBILLED ADJUSTMENTS

**R 0.00**

TAX INVOICE NO. 705759585063 DATED 2025-10-10 FOR PREMISE 7052108105

### CORRECTIONS

Administration Charge @ R181.34 per day for 25 days	R	6,326,191.74
TX Network Capacity Charge 10,000 kVa @ R16.05 : (for 25 of 30	R	4,533.50
Network Capacity Charge 10,000 kVa @ R11.55 : (for 25 of 30 day	R	133,750.00
Network Demand Charge 4,824.53 kVa @ R21.37 : (for 25 of 30 da	R	96,250.00
Urban Low Voltage Subsidy 10,000 kVa @ R28.29 : (for 25 of 30 d	R	85,916.84
Ancillary Service Charge 1,968,927 kWh @ R0.0073 /kWh	R	235,750.00
High Season Peak Energy Charge 324,663 kWh @ R6.227 /kWh	R	14,373.17
High Season Off Peak Energy Charge 954,363 kWh @ R1.0244 /k	R	2,021,676.50
High Season Standard Energy Charge 689,902 kWh @ R1.8865 /k	R	977,649.46
Electrification and Rural Subsidy 1,968,927 kWh @ R0.1567 /kWh	R	1,301,500.12
High Season Reactive energy Charge 139,344 kvarh @ R0.283 /kva	R	308,530.86
Administration Charge @ R19.67 per day for 5 days	R	39,434.35
TX Network Capacity Charge 10,000 kVa @ R9.79 : (for 5 of 30 da	R	98.35
Network Capacity Charge 10,000 kVa @ R16.24 : (for 5 of 30 days)	R	16,316.67
Network Demand Charge 4,824.53 kVa @ R9.60 : (for 5 of 30 days	R	27,066.67
Urban Low Voltage Subsidy 10,000 kVa @ R2.23 : (for 5 of 30 days	R	7,719.25
Ancillary Service Charge 388,341 kWh @ R0.0037 /kWh	R	3,716.67
Generator Capacity Charge 10,000 kVa @ R6.46 : (for 5 of 30 days	R	1,436.86
Legacy Charge 388,341 kWh @ R0.2093 /kWh	R	10,766.67
High Season Off Peak Energy Charge 147,118 kWh @ R1.079 /kW	R	81,279.77
High Season Peak Energy Charge 74,814 kWh @ R6.4743 /kWh	R	158,740.32
High Season Standard Energy Charge 166,409 kWh @ R1.6186 /k	R	484,368.28
Service Charge @ R201.62 per day for 5 days	R	269,349.61
Electrification and Rural Subsidy 388,341 kWh @ R0.0502 /kWh	R	1,008.10
Fixed Charge @ R25,465.00	R	19,494.72
	R	25,465.00

### CANCELLATIONS

Administration Charge @ R181.34 per day for 25 days	R	-6,326,191.74
TX Network Capacity Charge 10,000 kVa @ R16.05 : (for 25 of 30	R	-4,533.50
Network Capacity Charge 10,000 kVa @ R11.55 : (for 25 of 30 day	R	-133,750.00
Network Demand Charge 4,824.53 kVa @ R21.37 : (for 25 of 30 da	R	-96,250.00
Urban Low Voltage Subsidy 10,000 kVa @ R28.29 : (for 25 of 30 d	R	-85,916.84
Ancillary Service Charge 1,968,927 kWh @ R0.0073 /kWh	R	-235,750.00
High Season Peak Energy Charge 324,663 kWh @ R6.227 /kWh	R	-14,373.17
High Season Off Peak Energy Charge 954,363 kWh @ R1.0244 /k	R	-2,021,676.50
High Season Standard Energy Charge 689,902 kWh @ R1.8865 /k	R	-977,649.46
Electrification and Rural Subsidy 1,968,927 kWh @ R0.1567 /kWh	R	-1,301,500.12
High Season Reactive energy Charge 139,344 kvarh @ R0.283 /kva	R	-308,530.86
Administration Charge @ R19.67 per day for 5 days	R	-39,434.35
TX Network Capacity Charge 10,000 kVa @ R9.79 : (for 5 of 30 da	R	-98.35
Network Capacity Charge 10,000 kVa @ R16.24 : (for 5 of 30 days)	R	-16,316.67
Network Demand Charge 4,824.53 kVa @ R9.60 : (for 5 of 30 days	R	-27,066.67
Urban Low Voltage Subsidy 10,000 kVa @ R2.23 : (for 5 of 30 days	R	-7,719.25
Ancillary Service Charge 388,341 kWh @ R0.0037 /kWh	R	-3,716.67
Generator Capacity Charge 10,000 kVa @ R6.46 : (for 5 of 30 days	R	-1,436.86
Legacy Charge 388,341 kWh @ R0.2093 /kWh	R	-10,766.67
High Season Off Peak Energy Charge 147,118 kWh @ R1.079 /kW	R	-81,279.77
High Season Peak Energy Charge 74,814 kWh @ R6.4743 /kWh	R	-158,740.32
High Season Standard Energy Charge 166,409 kWh @ R1.6186 /k	R	-484,368.28
Service Charge @ R201.62 per day for 5 days	R	-269,349.61
Electrification and Rural Subsidy 388,341 kWh @ R0.0502 /kWh	R	-1,008.10
Fixed Charge @ R25,465.00	R	-19,494.72
	R	-25,465.00

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

<b>YOUR ACCOUNT NO</b>	<b>7052108005</b>
<b>BILLING DATE</b>	2025-11-12
<b>TAX INVOICE NO</b>	705957155291
<b>ACCOUNT MONTH</b>	NOVEMBER 2025
<b>CURRENT DUE DATE</b>	2025-12-12
<b>VAT REG NO</b>	4540197268
<b>NOTIFIED MAX DEMAND</b>	10,000.00
<b>UTILISED CAPACITY</b>	10,000.00

### CONSUMPTION DETAILS (2025-10-06 - 2025-11-05)

ENERGY CONSUMPTION OFF PEAK kWh	1,060,752.50
ENERGY CONSUMPTION STD kWh	823,473.50
ENERGY CONSUMPTION PEAK kWh	380,524.00
ENERGY CONSUMPTION ALL kWh	2,264,750.00
DEMAND CONSUMPTION - OFF PEAK	4,510.54
DEMAND CONSUMPTION - STD	4,828.37
DEMAND CONSUMPTION - PEAK	4,731.18
DEMAND READING - KW/KVA	4,828.37
REACTIVE ENERGY - OFF PEAK	510,995.25
REACTIVE ENERGY - STD	423,449.75
REACTIVE ENERGY - PEAK	159,922.00

#### PREMISE ID NUMBER

7052108105

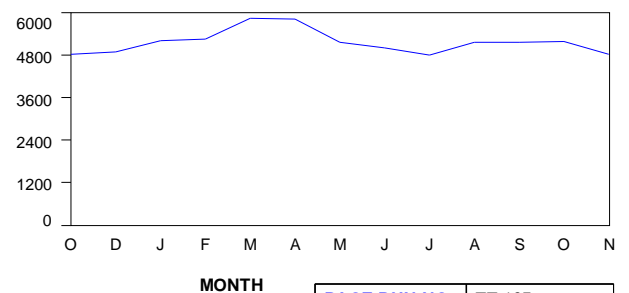
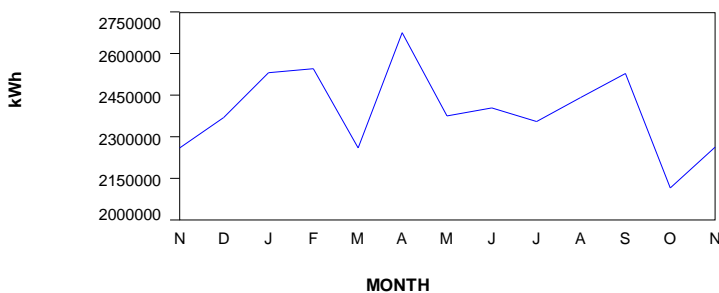
**TARIFF NAME:** Municflex

LADISMITH MUNISIPALITEIT 1/3225 REMOTE

Administration Charge @ R19.67 per day for 31 days	R	609.77
TX Network Capacity Charge 10,000 kVa @ R9.79 : = R9.79/kVa	R	97,900.00
Network Capacity Charge 10,000 kVa @ R16.24 : = R16.24/kVa	R	162,400.00
Network Demand Charge 4,828.38 kVa @ R9.60 : = R9.60 /kVa	R	46,352.45
Urban Low Voltage Subsidy 10,000 kVa @ R2.23 : = R2.23/kVa	R	22,300.00
Ancillary Service Charge 2,264,750 kWh @ R0.0037 /kWh	R	8,379.58
Generator Capacity Charge 10,000 kVa @ R6.46 : = R6.46/kVa	R	64,600.00
Legacy Charge 2,264,750 kWh @ R0.2093 /kWh	R	474,012.18
Low Season Standard Energy Charge 823,474 kWh @ R1.5107 /kWh	R	1,244,022.17
Low Season Peak Energy Charge 380,524 kWh @ R2.6868 /kWh	R	1,022,391.88
Low Season Off Peak Energy Charge 1,060,753 kWh @ R1.079 /kWh	R	1,144,552.49
Service Charge @ R201.62 per day for 31 days	R	6,250.22
Electrification and Rural Subsidy 2,264,750 kWh @ R0.0502 /kWh	R	113,690.45
Fixed Charge @ R25,465.00	R	25,465.00

#### TOTAL CHARGES

R **4,432,926.19**



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

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

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

**CUSTOMER SELF SERVICE WEBSITE**  
<https://csonline.co.za>

**WESTERN REGION**  
PO BOX 377 Bellville 7535

### DIRECT DEPOSIT DETAIL

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

# TAX INVOICE

E-MAIL: [zoe@kannaland.gov.za](mailto:zoe@kannaland.gov.za)

## ACCOUNT TRANSACTION SUMMARY

FIXED CHARGE		R	25,465.00
ADMINISTRATION CHARGE		R	590.10
TRANSMISSION NETWORK CAPACITY		R	97,900.00
DIST. NETWORK CAPACITY CHARGE		R	162,400.00
NETWORK DEMAND CHARGE		R	47,635.20
URBAN LOW VOLTAGE SUBSIDY		R	22,300.00
ANCILLARY SERVICE (ALL)		R	7,902.91
GENERATOR CAPACITY CHARGE		R	64,600.00
LEGACY CHARGE (ALL)		R	447,048.53
ENERGY CHARGE (STD)	772,175.00	R	1,166,524.77
ENERGY CHARGE (PEAK)	386,850.00	R	1,039,388.58
ENERGY CHARGE (OFF)	976,898.00	R	1,054,072.94
SERVICE CHARGE		R	6,048.60
ELECTRIFICATION AND RURAL SUBS (ALL)		R	107,223.28

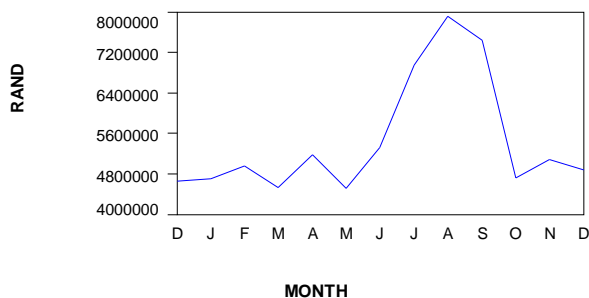
**TOTAL CHARGES FOR BILLING PERIOD**

R	4,249,099.91
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## ACCOUNT SUMMARY FOR DECEMBER 2025

BALANCE BROUGHT FORWARD	(Due Date 2025-12-12)	R	66,701,173.12
PAYMENT(S) RECEIVED	Cash - 2025-12-10	R	-8,132,498.45
TOTAL CHARGES FOR BILLING PERIOD		R	4,249,099.91
ADJUSTMENT	Interest on overdue account	R	644.01
ADJUSTMENT	Interest on overdue account	R	2,302.85
ADJUSTMENT	Interest on overdue account	R	408,763.23
ADJUSTMENT	Interest on overdue account	R	111,820.50
VAT RAISED ON ITEMS AT 15%		R	637,364.99

CURRENT		TOTAL DUE		R	63,978,670.16
5,409,995.49					
ARREARS					
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS		
47,832,982.10	4,924,993.52	5,810,699.05	0.00		
Total outstanding debt must be settled immediately, subject to disconnection without further notice					



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BILL PAGE	1 OF 2

## ACCOUNT NO / REFERENCE NO

**7052108005**

NAME

## KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

 7100 10 0010

272157001 70521080058



>>>>>> 9207 2705 2108 0051

**TOTAL AMOUNT DUE**

**63,978,670.16**

### PAYMENT ARRANGEMENT

**INSTALMENT**

0.00

**ARREARS** (Due Immediately)

58,568,674.67

**DUE DATE** (For Current Amount)

2026-01-19

**AMOUNT PAID**

**LATE PAYMENT CHARGES WILL BE  
ADDED TO OVERDUE ACCOUNT**





WESTERN REGION  
PO BOX 377 Bellville 7535

CONTACT CENTRE: (0860) 037566Shareca

FAX NO: 0862 437 566

E-MAIL: NorthernCape@eskom.co.za

WEB: WWW.ESKOM.CO.ZA

YOUR ACCOUNT NO	7052108005
BILLING DATE	2025-12-19
TAX INVOICE NO	705331859345
ACCOUNT MONTH	DECEMBER 2025
CURRENT DUE DATE	2026-01-19
VAT REG NO	4540197268
NOTIFIED MAX DEMAND	10,000.00
UTILISED CAPACITY	10,000.00

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

CONSUMPTION DETAILS (2025-11-06 - 2025-12-05)

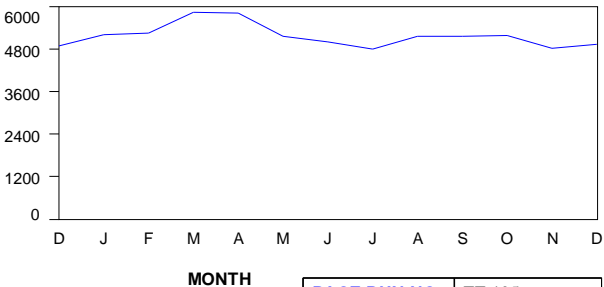
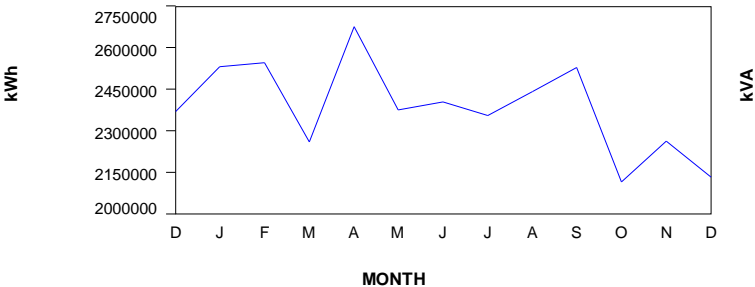
ENERGY CONSUMPTION OFF PEAK kWh	976,897.75
ENERGY CONSUMPTION STD kWh	772,175.00
ENERGY CONSUMPTION PEAK kWh	386,849.50
ENERGY CONSUMPTION ALL kWh	2,135,922.25
DEMAND CONSUMPTION - OFF PEAK	4,460.20
DEMAND CONSUMPTION - STD	4,696.83
DEMAND CONSUMPTION - PEAK	4,962.00
DEMAND READING - KW/KVA	4,962.00
REACTIVE ENERGY - OFF PEAK	549,780.00
REACTIVE ENERGY - STD	491,636.00
REACTIVE ENERGY - PEAK	190,152.00

PREMISE ID NUMBER 7052108105 TARIFF NAME: Municflex

LADISMITH MUNISIPALITEIT 1/3225 REMOTE

Administration Charge @ R19.67 per day for 30 days	R	590.10
TX Network Capacity Charge 10,000 kVa @ R9.79 : = R9.79/kVa	R	97,900.00
Network Capacity Charge 10,000 kVa @ R16.24 : = R16.24/kVa	R	162,400.00
Network Demand Charge 4,962 kVa @ R9.60 : = R9.60 /kVa	R	47,635.20
Urban Low Voltage Subsidy 10,000 kVa @ R2.23 : = R2.23/kVa	R	22,300.00
Ancillary Service Charge 2,135,922 kWh @ R0.0037 /kWh	R	7,902.91
Generator Capacity Charge 10,000 kVa @ R6.46 : = R6.46/kVa	R	64,600.00
Legacy Charge 2,135,922.25 kWh @ R0.2093 /kWh	R	447,048.53
Low Season Standard Energy Charge 772,175 kWh @ R1.5107 /kWh	R	1,166,524.77
Low Season Peak Energy Charge 386,850 kWh @ R2.6868 /kWh	R	1,039,388.58
Low Season Off Peak Energy Charge 976,898 kWh @ R1.079 /kWh	R	1,054,072.94
Service Charge @ R201.62 per day for 30 days	R	6,048.60
Electrification and Rural Subsidy 2,135,922 kWh @ R0.0502 /kWh	R	107,223.28
Fixed Charge @ R25,465.00	R	25,465.00

TOTAL CHARGES R 4,249,099.91





# Calitzdorp Besproeiingsraad

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: 21  
Datum: 03 Desember 2025

### MUNISIPALE WATERVERBRUIK – CALITZDORP: November 2025

Sub Oorverbruik

Maand	Nov-25		
Meterlesing einde	Nov-25		8826220
Meterlesing begin	Nov-25		8747980
Ontrek	kl		78240
Dae @ 455 kl per dag toelaag	30		13650
67175-32905=34570	kl		64590
Min beurt teruggegee	kl		0
Oorverbruik	kl		52408
0-26000 kl tarief @ 1.15kl	26000	R	26 000.00
26000-36000kl @ 2.32kl	26000	R	60 320.00
36000-46000 @3.87/5kl	408	R	1 578.96
56 000 en meer tarief		R	-
Sub Oorverbruik		R	87 898.96
Plus 15% BTW		R	13 184.84
Totaal verskuldig		R	101 083.80

64590-12182=52408

### Glyskaal met ingang 2025

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

### Beurt teruggegee formule

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

### Bankbesonderhede:

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

### Terme:

- Betaalbaar binne dertig (30) dae vanaf datum van rekening.
- Betalings mag nie weerhou word totdat 'n geskil besleg is nie.
- Rente teen 16% word gehef op rekeninge ouer as 30 dae.
- 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 IRRIGATION BOARD

**Tel: 044 0040172 / 0764738011 Email: calitzdorpwater@mdwireless.co.za**  
**BTW/VAT Reg: 4540197268**

## STATEMENT

**For Attention:**  
Municipal Manager  
Kannaland Municipality  
P O Box 30  
**LADISMITH**  
6655  
BTW Nr 4540197268

Statement: CBR20  
Date: 05 November 2025

**MUNICIPAL WATER OVER-USE – CALITZDORP: MARCH 2025 TO March 2026**

[illegible]