

KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for September 2026/27







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

Table of Contents

GLOSSARY 3
LEGISLATIVE FRAMEWORK 6
Report of the Executive Augustor 6
Recommendations 7
SECTION 1 – EXECUTIVE SUMMARY 8
1.1 INTRODUCTION 8
1.2 CONSOLIDATED PERFORMANCE 8
1.3 MATERIAL DIFFERENCES TO THE SDBIP 9
1.4 REMEDIAL ACTIONS 9
SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES 10
2.1 TABLE C1 – MONTHLY BUDGET SUMMARY 10
2.2 TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE 12
2.3 TABLE C3 – MONTHLY BUDGETED FINANCIAL PERFORMANCE 13
2.4 TABLE C4 – MONTHLY FINANCIAL PERFROMANCE 14
2.5 OPERATING REVENUE BY SOURCES: 15
2.6 OPERATING EXPENDITURE BY TYPE 15
2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE 17
2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION 19
2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW 20
SECTION 3 SUPPORTING DOCUMENTATION 21
3.1 TABLE SC3 – DEBTORS AGE ANALYSIS 21
3.3 TABLE SC4 – CREDITORS AGE ANALYSIS 22
3.4 INVESTMENT PORTFOLIO ANALYSIS 23
3.6 TABLE SC8 – EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF 24
SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN ..... **Error! Bookmark not defined.**
SECTION 5 – PROGRESS ON MUNICIPAL DEBT RELIEF 26
SECTION 6 – QUALITY CERTIFICATION 48

GLOSSARY

Adjustment's budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality September 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 its September 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 September2026, 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 September 2026.

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

SECTION 1 – EXECUTIVE SUMMARY

1.1 INTRODUCTION

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

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

1.2 CONSOLIDATED PERFORMANCE

The performance against the budget can be summarized as follow:

Amount in thousands	Amended Budget	YTD Budget	Monthly Actual	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 283 532	R70 883	R 5 722	R 61 090	(R 9 793)	-14%
Operating Expenditure	R 266 963	R 66 740	R 19 592	R 60 712	R (6 029)	-9%
Capital	R20 913	R 5 228	R 344	R 1 024	R (4 204)	-80%

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

Operational Revenue

The municipality's total operational revenue budget amounts to 284 million and the year-to-date revenue on the budget accrued to 61 million. This represents 21% of the YTD variance for total revenue.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R267 million, with a year-to-date performance of R60 million, or 22% of the YTD variance for total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R21 million with a year-to-date performance of R 1 million, or 5% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R5.7 million, and expenditure amounting to R 19.5 million, with a deficit of R 13.8 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 - M03 September

Description	2025/26	Budget Year 2026/27							
R Thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Financial Performance									
Property rates	30 113	39 180	39 180	154	5 740	9 795	(4 055)	-41%	39 180
Service charges	144 151	173 855	173 855	5 520	34 119	43 464	(9 344)	-21%	173 855
Investment revenue	1 570	1 600	1 600	–	265	400	(135)	-34%	1 600
Transfers and subsidies - Operational	50 143	49 078	49 078	–	17 311	12 269	5 042	41%	49 078
Other own revenue	41 453	19 820	19 820	47	3 655	4 955	(1 300)	-26%	19 820
Total Revenue (excluding capital transfers and contributions)	267 429	**283 532**	**283 532**	**5 722**	**61 090**	**70 883**	**(9 793)**	**-14%**	**283 532**
Employee costs	104 957	94 858	94 858	8 878	25 437	23 714	1 723	7%	94 858
Remuneration of Councillors	3 479	4 713	4 713	274	873	1 178	(305)	-26%	4 713
Depreciation, amortisation and impairment	37 034	18 532	18 532	–	3 089	4 633	(1 544)	-33%	18 532
Interest, Dividends and Rent on Land	13 205	1 135	1 135	–	860	284	576	203%	1 135
Inventory consumed and bulk purchases	85 306	91 055	91 040	9 730	27 068	22 760	4 308	19%	91 040
Transfers and subsidies	240	590	590	–	15	147	(132)	-90%	590
Other expenditure	88 012	56 080	56 095	710	3 370	14 024	(10 654)	-76%	56 095
Total Expenditure	332 234	**266 963**	**266 963**	**19 592**	**60 712**	**66 740**	**(6 029)**	**-9%**	**266 963**
Surplus/(Deficit)	(64 805)	**16 569**	**16 569**	**(13 870)**	**379**	**4 142**	**(3 764)**	**-91%**	**16 569**
Transfers and subsidies - capital (monetary allocations)	22 707	24 050	24 050	–	782	6 013	(5 230)	-87%	24 050
Transfers and subsidies - capital (in-kind)	102	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(41 996)	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after Income Tax	(41 996)	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(41 996)	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**
Capital expenditure & funds sources									
Capital expenditure	20 867	**20 913**	**20 913**	**344**	**1 024**	**5 228**	**(4 204)**	**-80%**	**20 913**
Capital transfers recognised	20 589	20 913	20 913	344	1 024	5 228	(4 204)	-80%	20 913
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	189	–	–	–	–	–	–	–	–
Total sources of capital funds	20 778	**20 913**	**20 913**	**344**	**1 024**	**5 228**	**(4 204)**	**-80%**	**20 913**
Financial position									
Total current assets	134 723	244 082	244 097		154 485				244 097
Total non current assets	378 943	348 604	348 604		376 878				348 604
Total current liabilities	202 867	235 121	235 136		219 530				235 136
Total non current liabilities	52 819	63 622	63 622		52 819				63 622
Community wealth/Equity	257 979	293 944	293 944		259 014				293 944
Cash flows									
Net cash from (used) operating	136 763	44 810	44 810	6 186	18 798	17 188	(1 610)	-9%	44 810
Net cash from (used) investing	(16 299)	(24 050)	(24 050)	–	(270)	–	270	–	(24 050)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	**192 476**	**36 068**	**36 068**	**–**	**105 855**	**32 497**	**(73 358)**	**-226%**	**108 086**
Debtors & creditors analysis	**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**
Debtors Age Analysis									
Total By Income Source	10 929	1 621	6 415	3 645	37	4 352	26 665	171 663	225 328
Creditors Age Analysis									
Total Creditors	13 440	(1 820)	12 559	16 192	108 196	–	–	–	148 567

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
R Thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**88 675**	**63 025**	**63 025**	**162**	**23 636**	**15 756**	7 879	50%	**63 025**
Executive and council		39 063	8 348	8 348	–	16 697	2 087	14 610	700%	8 348
Finance and administration		49 612	54 677	54 677	162	6 939	13 669	(6 730)	-49%	54 677
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**24 301**	**17 306**	**17 306**	**13**	**1 005**	**4 326**	(3 322)	-77%	**17 306**
Community and social services		22 436	16 994	16 994	13	1 005	4 248	(3 244)	-76%	16 994
Sport and recreation		34	62	62	–	–	16	(16)	-100%	62
Public safety		2	250	250	–	–	62	(62)	-100%	250
Housing		1 829	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**16 325**	**3 589**	**3 589**	**7**	**600**	**897**	(298)	-33%	**3 589**
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		16 325	3 589	3 589	7	600	897	(298)	-33%	3 589
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**160 937**	**223 662**	**223 662**	**5 539**	**36 633**	**55 916**	(19 283)	-34%	**223 662**
Energy sources		93 052	126 176	126 176	3 639	23 604	31 544	(7 940)	-25%	126 176
Water management		39 605	55 787	55 787	1 805	7 857	13 947	(6 089)	-44%	55 787
Waste water management		14 335	20 544	20 544	75	2 656	5 136	(2 481)	-48%	20 544
Waste management		13 945	21 155	21 155	20	2 515	5 289	(2 773)	-52%	21 155
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	2	**290 238**	**307 582**	**307 582**	**5 722**	**61 873**	**76 895**	**(15 023)**	**-20%**	**307 582**
Expenditure - Functional										
Governance and administration		**130 313**	**97 931**	**97 931**	**5 965**	**19 104**	**24 483**	(5 378)	-22%	**97 931**
Executive and council		32 272	29 178	29 178	1 907	5 641	7 295	(1 654)	-23%	29 178
Finance and administration		98 042	68 752	68 752	4 057	13 464	17 188	(3 724)	-22%	68 752
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**19 533**	**16 583**	**16 583**	**1 051**	**2 880**	**4 146**	(1 266)	-31%	**16 583**
Community and social services		14 987	13 315	13 315	788	2 152	3 329	(1 177)	-35%	13 315
Sport and recreation		1 144	1 599	1 599	48	231	400	(168)	-42%	1 599
Public safety		150	385	385	83	139	96	43	45%	385
Housing		3 252	1 285	1 285	132	358	321	36	11%	1 285
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**30 230**	**17 119**	**17 119**	**1 224**	**4 075**	**4 280**	(205)	-5%	**17 119**
Planning and development		191	–	–	–	–	–	–	–	–
Road transport		30 039	17 119	17 119	1 224	4 075	4 280	(205)	-5%	17 119
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**152 157**	**135 329**	**135 329**	**11 352**	**34 652**	**33 832**	820	2%	**135 329**
Energy sources		94 122	93 911	93 911	10 009	28 782	23 478	5 304	23%	93 911
Water management		30 412	18 727	18 727	453	2 375	4 682	(2 307)	-49%	18 727
Waste water management		13 534	10 411	10 411	388	1 618	2 603	(985)	-38%	10 411
Waste management		14 089	12 280	12 280	502	1 877	3 070	(1 193)	-39%	12 280
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Functional	3	**332 234**	**266 963**	**266 963**	**19 592**	**60 712**	**66 740**	**(6 029)**	**-9%**	**266 963**
Surplus/ (Deficit) for the year		**(41 996)**	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**

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) - M03 September

Vote Description	Ref	2025/26	Budget Year 2026/27							
R Thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		39 563	8 348	8 348	–	16 697	2 087	14 610	700%	8 348
Vote 2 - CORPORATE SERVICES		39 275	19 564	19 564	20	1 577	4 891	(3 314)	-68%	19 564
Vote 3 - FINANCIAL SERVICES		48 526	54 083	54 083	162	6 871	13 521	(6 650)	-49%	54 083
Vote 4 - TECHNICAL SERVICES		162 874	225 587	225 587	5 539	36 728	56 397	(19 668)	-35%	225 587
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	**290 238**	**307 582**	**307 582**	**5 722**	**61 873**	**76 895**	**(15 023)**	**-20%**	**307 582**
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		32 272	29 178	29 178	1 907	5 641	7 295	(1 654)	-23%	29 178
Vote 2 - CORPORATE SERVICES		66 708	42 997	42 997	3 609	10 958	10 749	209	2%	42 997
Vote 3 - FINANCIAL SERVICES		65 893	44 029	44 029	1 722	6 378	11 007	(4 630)	-42%	44 029
Vote 4 - TECHNICAL SERVICES		166 245	150 030	150 030	12 351	37 672	37 507	164	0%	150 030
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		1 116	728	728	3	64	182	(118)	-65%	728
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	**332 234**	**266 963**	**266 963**	**19 592**	**60 712**	**66 740**	**(6 029)**	**-9%**	**266 963**
Surplus/ (Deficit) for the year	2	**(41 996)**	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**

2.4 TABLE C4 – MONTHLY FINANCIAL PERFROMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
R Thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		92 627	119 362	119 362	3 624	23 524	29 841	(6 317)	-21%	119 362
Service charges - Water		29 736	32 118	32 118	1 801	6 652	8 029	(1 377)	-17%	32 118
Service charges - Waste Water Management		10 994	11 020	11 020	75	2 027	2 755	(728)	-26%	11 020
Service charges - Waste management		10 794	11 354	11 354	20	1 916	2 839	(923)	-33%	11 354
Sale of Goods and Rendering of Services		367	519	519	10	94	130	(36)	-28%	519
Agency services		1 400	1 504	1 504	–	210	376	(166)	-44%	1 504
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		10 499	11 449	11 449	(3)	2 064	2 862	(798)	-28%	11 449
Interest earned from Current and Non Current Assets		1 570	1 600	1 600	–	265	400	(135)	-34%	1 600
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		753	767	767	13	142	192	(50)	-26%	767
Licence and permits		150	244	244	7	29	61	(32)	-52%	244
Special rating levies		–	–	–	–	–	–	–	–	–
Construction Contract Revenue		–	–	–	–	–	–	–	–	–
Development Charges		–	–	–	–	–	–	–	–	–
Operational Revenue		7 360	345	345	20	88	86	1	2%	345
Non-Exchange Revenue									–	
Property rates		30 113	39 180	39 180	154	5 740	9 795	(4 055)	-41%	39 180
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		14 210	1 292	1 292	0	268	323	(55)	-17%	1 292
Licences or permits		2	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		50 143	49 078	49 078	–	17 311	12 269	5 042	41%	49 078
Interest		3 414	3 700	3 700	0	632	925	(293)	-32%	3 700
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		740	–	–	–	127	–	127	–	–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–
Other Gains		2 557	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contribution		**267 429**	**283 532**	**283 532**	**5 722**	**61 090**	**70 883**	**(9 793)**	**-14%**	**283 532**
Expenditure										
Employee related costs		104 957	94 858	94 858	8 878	25 437	23 714	1 723	7%	94 858
Remuneration of councillors		3 479	4 713	4 713	274	873	1 178	(305)	-26%	4 713
Bulk purchases - electricity		81 126	84 407	84 407	9 702	26 794	21 102	5 692	27%	84 407
Inventory consumed		4 180	6 648	6 633	28	274	1 658	(1 384)	-83%	6 633
Debt impairment		43 586	21 343	21 343	–	–	5 336	(5 336)	-100%	21 343
Depreciation, amortisation and impairment		37 034	18 532	18 532	–	3 089	4 633	(1 544)	-33%	18 532
Interest, Dividends and Rent on Land		13 205	1 135	1 135	–	860	284	576	203%	1 135
Contracted services		19 963	14 034	14 034	225	623	3 509	(2 886)	-82%	14 034
Transfers and subsidies		240	590	590	–	15	147	(132)	-90%	590
Irrecoverable debts written off		633	175	175	18	97	44	54	123%	175
Operational costs		16 910	20 529	20 544	467	2 650	5 136	(2 486)	-48%	20 544
Disposal of Fixed and Intangible Assets		6 606	–	–	–	–	–	–	–	–
Other Losses		315	–	–	–	–	–	–	–	–
Total Expenditure		**332 234**	**266 963**	**266 963**	**19 592**	**60 712**	**66 740**	**(6 029)**	**-9%**	**266 963**
Surplus/(Deficit)		**(64 805)**	**16 569**	**16 569**	**(13 870)**	**379**	**4 142**	**(3 764)**	**-91%**	**16 569**
Transfers and subsidies - capital (monetary allocations)		22 707	24 050	24 050	–	782	6 013	(5 230)	**-87%**	24 050
Transfers and subsidies - capital (in-kind)		102	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers &		**(41 996)**	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(41 996)**	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(41 996)**	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**(41 996)**	**40 620**	**40 620**	**(13 870)**	**1 161**	**10 155**	**(8 994)**	**-89%**	**40 620**

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 September 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 – Water** amounts to R 1.8 million for **September 2026** and R 6.7 million YTD which represents **-17%** variance to the budget.
- **Service Charges – Waste Water Management** amounts to R 75 thousand for **September 2026** and R 2.2 million YTD which represents **-26%** variance to the budget.
- **Agency Services** – amounts to 0 for **September 2026** and R210 thousand YTD which represents **-44%** variance to the budget.
- **Interest on outstanding debtors** – amounts to 3 thousand for **September 2026** and R2.1million which represents **-28 %** YTD variance to the budget. This variance is due to improved debt collection strategies.

- **Licence and permits**- -**52%** YTD variance from the budget.
- **Fines, Penalties & Forfeits** – with a **17%** 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 8.8 million for **September 2026** and R 25.4 million YTD, this represents a **7%** spending on the budget.

- **Remuneration of Councillors –** amounted to R 274 thousand for **September 2026** and R 873 thousand YTD, this represents a -**26%** on the budget.

- **Bulk Purchases- electricity-** amounted to R 9.7 million in **September 2026** and R 26.7 million YTD which represents **27%** YTD variance to the budget.
- **Contracted Services** – amounted to R 225 thousand in **September 2026** and R 623 thousand million YTD represents a -**82%** variance to the budget.
- **Other Expenditure** - amounted to R 467 thousand million in **September 2026**

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

2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2025/26	Budget Year 2026/27							
R Thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-year expenditure to be appropriated	2									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICES		–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL SERVICES		–	–	–	–	–	–	–	–	–
Vote 4 - TECHNICAL SERVICES		20 579	13 957	13 957	344	744	3 489	(2 745)	-79%	13 957
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]		–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	4,7	**20 579**	**13 957**	**13 957**	**344**	**744**	**3 489**	**(2 745)**	**-79%**	**13 957**
Single-year expenditure to be appropriated	2									
Vote 1 - MUNICIPAL MANAGER		102	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICES		118	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL SERVICES		58	–	–	–	–	–	–	–	–
Vote 4 - TECHNICAL SERVICES		10	6 957	6 957	–	280	1 739	(1 459)	-84%	6 957
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]		–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	4	288	6 957	6 957	–	280	1 739	**(1 459)**	**-84%**	6 957
Total Capital Expenditure - Vote	3	**20 867**	**20 913**	**20 913**	**344**	**1 024**	**5 228**	**(4 204)**	**-80%**	**20 913**
Capital Expenditure - Functional										
Governance and administration		**189**	**–**	**–**	**–**	**–**	**–**	–	–	**–**
Executive and council		102	–	–	–	–	–	–	–	–
Finance and administration		87	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**89**	**–**	**–**	**–**	**–**	**–**	–	–	**–**
Community and social services		89	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**14**	**–**	**–**	**–**	**–**	**–**	–	–	**–**
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		14	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**20 575**	**20 913**	**20 913**	**344**	**1 024**	**5 228**	(4 204)	-80%	**20 913**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		4 323	11 304	11 304	–	280	2 826	(2 546)	-90%	11 304
Waste water management		16 252	9 609	9 609	344	744	2 402	(1 658)	-69%	9 609
Waste management		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**20 867**	**20 913**	**20 913**	**344**	**1 024**	**5 228**	**(4 204)**	**-80%**	**20 913**
Funded by:										
National Government		16 252	16 566	16 566	344	1 024	4 141	(3 117)	-75%	16 566
Provincial Government		4 337	4 348	4 348	–	–	1 087	(1 087)	-100%	4 348
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm										
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**20 589**	**20 913**	**20 913**	**344**	**1 024**	**5 228**	**(4 204)**	**-80%**	**20 913**
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		189	–	–	–	–	–	–	–	–
Total Capital Funding	7	**20 778**	**20 913**	**20 913**	**344**	**1 024**	**5 228**	**(4 204)**	**-80%**	**20 913**

CAPITAL EXPENDITURE

- amounted to **R 344 thousand** in **September 2026** and **R 1024 thousand YTD** which represents a **5%** variance to the budget**.**

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M03 September						
Description	Ref	2025/26	Budget Year 2026/27			
R Thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		23 381	24 703	24 703	31 808	24 703
Short term Investments		–	–	–	–	–
Trade and other receivables from exchange transactions		78 645	167 637	167 637	86 061	167 637
Receivables from non-exchange transactions		39 524	21 523	21 523	39 963	21 523
Current portion of non-current receivables		–	–	–	–	–
Inventory		2 115	1 249	1 264	2 222	1 264
VAT Receivable		(9 273)	28 465	28 465	(5 563)	28 465
Other current assets		331	505	505	(6)	505
Total current assets		**134 723**	**244 082**	**244 097**	**154 485**	**244 097**
Non current assets						
Investments		–	–	–	–	–
Investment property		24 433	1 219	1 219	24 433	1 219
Property, plant and equipment		354 504	347 383	347 383	352 440	347 383
Biological assets		–	–	–	–	–
Living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		6	2	2	6	2
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**378 943**	**348 604**	**348 604**	**376 878**	**348 604**
TOTAL ASSETS		**513 666**	**592 687**	**592 702**	**531 364**	**592 702**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 679	1 701	1 701	1 690	1 701
Trade and other payables from exchange transactions		175 446	149 393	149 408	176 785	149 408
Trade and other payables from non-exchange transactions		15 990	29 245	29 245	27 662	29 245
Provision		9 482	21 818	21 818	9 443	21 818
VAT Payable		88	32 962	32 962	3 728	32 962
Other current liabilities		182	–	–	221	–
Total current liabilities		**202 867**	**235 121**	**235 136**	**219 530**	**235 136**
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		38 328	35 286	35 286	35 082	35 286
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		14 491	28 336	28 336	17 737	28 336
Total non current liabilities		**52 819**	**63 622**	**63 622**	**52 819**	**63 622**
TOTAL LIABILITIES		**255 686**	**298 743**	**298 758**	**272 349**	**298 758**
NET ASSETS	2	**257 979**	**293 944**	**293 944**	**259 014**	**293 944**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		257 518	293 482	293 482	258 553	293 482
Reserves and funds		462	462	462	462	462
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**257 979**	**293 944**	**293 944**	**259 014**	**293 944**

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M03 September										
Description	Ref	2025/26	Budget Year 2026/27							
R Thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1									
Receipts										
Property rates		20 782	27 303	27 303	1 936	5 163	6 826	(1 663)	-24%	27 303
Service charges		104 866	151 538	151 538	7 330	19 480	51 133	(31 653)	-62%	151 538
Other revenue		10 888	26 817	26 817	1 350	2 334	6 704	(4 370)	-65%	26 817
Transfers and Subsidies - Operational		49 214	49 078	49 078	4 522	21 219	12 269	8 949	73%	49 078
Transfers and Subsidies - Capital		24 433	24 050	24 050	–	8 662	6 013	2 649	44%	24 050
Interest		–	–	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		(71 643)	(232 252)	(232 252)	(8 951)	(38 059)	(65 351)	(27 292)	42%	(232 252)
Finance charges		(1 776)	(1 135)	(1 135)	–	–	(284)	(284)	100%	(1 135)
Transfers and Subsidies		–	(590)	(590)	–	–	(122)	(122)	100%	(590)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**136 763**	**44 810**	**44 810**	**6 186**	**18 798**	**17 188**	**(1 610)**	**-9%**	**44 810**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–
Payments										
Capital assets		(14 952)	(24 050)	(24 050)	–	(782)	–	782	–	(24 050)
Retention (Capital)		(1 347)	–	–	–	512	–	(512)	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(16 299)**	**(24 050)**	**(24 050)**	**–**	**(270)**	**–**	**270**	**–**	**(24 050)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**120 464**	**20 759**	**20 759**	**6 186**	**18 528**	**17 188**			**20 759**
Cash/cash equivalents at the year begin:		**72 011**	**15 309**	**15 309**		**87 327**	**15 309**			**87 327**
Cash/cash equivalents at the year end:		**192 476**	**36 068**	**36 068**		**105 855**	**32 497**			**108 086**

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

- Standard Bank Main Account is **R 818 thousand;**
- The Traffic Account has **R 1.9 million;**
- Deposit Account has **R 5.8 million**;
- Call Account has **R 26.6 million**; and
- Eskom Bulk Account has **R 3 thousand.**

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC2 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC2 Monthly Budget Statement - aged debtors - M03 September

Description R Thousands	NT Code	Budget Year 2026/27											
		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	Total over 90 days	Actual Bad Debts Written Off against	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	4 038	207	1 857	1 306	–	2 084	11 012	33 776	54 280	48 178	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 463	285	646	189	34	130	810	1 926	7 485	3 091	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	3 897	1 078	889	736	1	684	3 944	29 569	40 800	34 935	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	971	0	921	434	–	430	3 047	20 400	26 203	24 310	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 817	5	1 459	656	0	647	4 563	29 278	38 425	35 143	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	42	23	137	120	1	177	1 786	50 327	52 614	52 412	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(3 300)	23	505	203	–	199	1 503	6 387	5 521	8 293	–	–
Total By Income Source	**2000**	**10 929**	**1 621**	**6 415**	**3 645**	**37**	**4 352**	**26 665**	**171 663**	**225 328**	**206 362**	**–**	**–**
2025/26 - totals only										–	**–**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	416	387	474	139	–	120	366	402	2 304	1 027	–	–
Commercial	2300	658	283	401	232	36	220	1 503	7 091	10 425	9 083	–	–
Households	2400	9 908	839	5 371	3 131	0	3 873	23 811	150 523	197 457	181 339	–	–
Other	2500	(52)	112	169	143	–	139	985	13 646	15 142	14 913	–	–
Total By Customer Group	**2600**	**10 929**	**1 621**	**6 415**	**3 645**	**37**	**4 352**	**26 665**	**171 663**	**225 328**	**206 362**	**–**	**–**

The total amount owed to Kannaland Municipality amounted to **R 225.3 million** at the end of **September 2026**.

- **R171 million or 76%** of the total outstanding debtors are older than one year.
- **R206.4 million or 91.6%** 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 - M03 September

Description R thousands	NT Code	Budget Year 2026/27								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	10 740	283	10 958	16 092	77 067	–	–	–	**115 140**
Bulk Water	0200	8	–	–	–	–	–	–	–	**8**
PAYE deductions	0300	–	–	–	–	–	–	–	–	**–**
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	**–**
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**
Trade Creditors	0700	211	220	255	191	979	–	–	–	**1 856**
Auditor General	0800	607	291	190	203	20 771	–	–	–	**22 062**
Other	0900	1 874	(2 614)	1 156	(294)	9 379	–	–	–	**9 502**
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	**–**
Total By Customer Type	**1000**	**13 440**	**(1 820)**	**12 559**	**16 192**	**108 196**	**–**	**–**	**–**	**148 567**

- The total outstanding creditors as at the end of **September 2026** amounts to **R 149 million**.

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

- ESKOM = R115 million, of which the entire amount is conditionally written off. The other R33.4 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R31.5 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R1.8 million.

- All other creditors 0-90 days are managed and paid on a month-to-month payment plan, for finalisation in the 2026-2027 FY.

3.4 INVESTMENT PORTFOLIO ANALYSIS

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

2026/09/30				
	Original Budget	**Total Received**	**Total Spent**	**Unspent**
Grant Name	Amount			
Provincial Government	**R 15 181 000,00**	**R 1 271 000,00**	**R 778 548,68**	**R 492 451,32**
Housing				
Human Settlement Grant				R -
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure				R -
Disaster Managedment Funds	R 6 000 000,00			R 6 000 000,00
Fire Services	R 250 000,00			R -
Lib Replacement: Vulnerable Mun	R 3 813 000,00	R 1 271 000,00	R 778 548,68	R 492 451,32
Municipal Water Resilience Grant	R 5 000 000,00			R -
Comm Dev Workers	R 118 000,00			R 118 000,00
National Government Grants	**R 63 947 000,00**	**R 28 595 000,00**	**R 2 064 377,08**	**R 26 530 622,92**
Equitable Share	R 40 072 000,00	R 16 697 000,00		
FMG (Audit)	R 2 900 000,00	R 2 900 000,00		R 2 900 000,00
Mun Infrastructure Grant	R 11 050 400,00	R 7 080 400,00	R 1 356 355,97	R 5 724 044,03
Mun Infrastructure Grant	R 581 600,00	R 581 600,00	R 138 967,11	R 442 632,89
EPWP	R 1 343 000,00	R 336 000,00	R 247 054,00	R 88 946,00
INEP				R -
INEP (Eskom)				R -
WSIG	R 8 000 000,00	R 1 000 000,00	R 322 000,00	R 678 000,00

3.5 GRANT RECEIPTS AND EXPENDITURE

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

National Treasury

Provincial Treasury

Disaster Management Fund amounted to R6 million

Expenditure:

- Municipal Infrastructure Grant PMU amounts to **R46 thousand.**
- Expanded Public Works Programme amounts to **R244 thousand**
- Municipal Infrastructure Grant amounts to **R 895 thousand**

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R260 thousand**

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

Please take note of table refer to attached C-schedule SC22

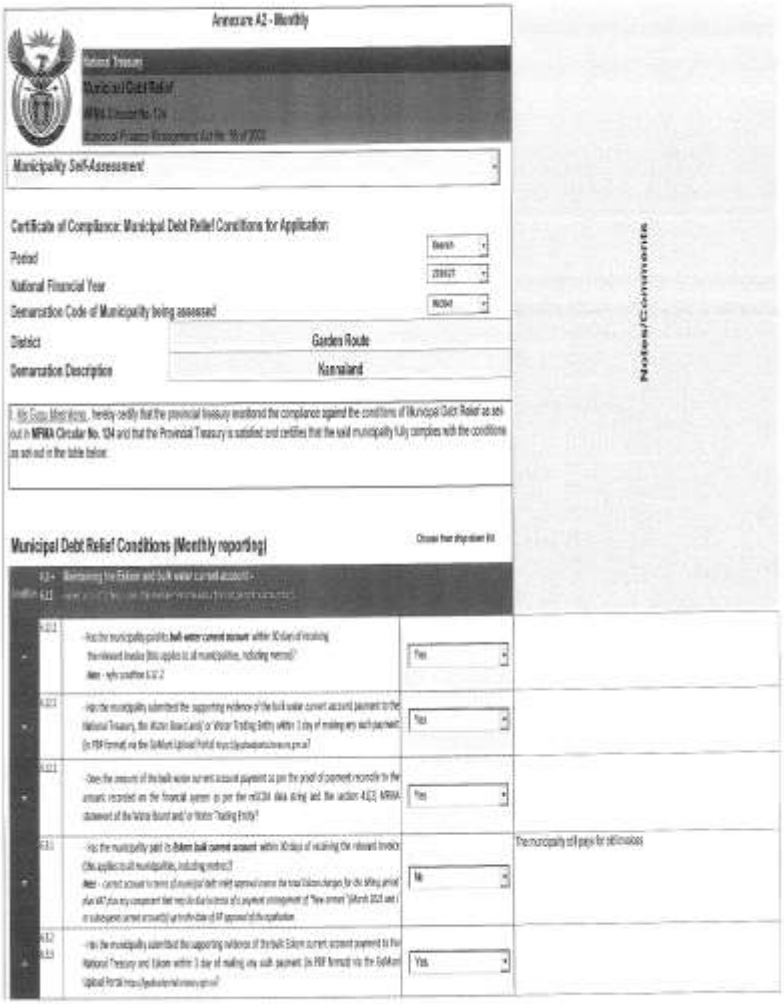
WC041 Kannaland - Supporting Table SC22 Monthly Budget Statement - Summary councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration R Thousands	Ref	2026/27	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other										
Allowances and Service Related Benefits										
Basic Salary		2 662	4 222	4 222	205	686	1 055	(370)	-35%	4 222
Cell phone Allowance		300	491	491	25	75	123	(48)	-39%	491
Housing Allowance		–	–	–	10	10	–	10		–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		276	–	–	34	102	–	102		–
Office-bearer Allowance		–	–	–	–	–	–	–	–	–
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		–	–	–	–	–	–	–	–	–
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefi		**3 238**	**4 713**	**4 713**	**274**	**873**	**1 178**	**(305)**	**-26%**	**4 713**
Social Contributions										
Medical Aid Benefits		105	–	–	–	–	–	–	–	–
Pension Fund Contributions		135	–	–	–	–	–	–	–	–
Total Social Contributions		**241**	–	–	–	–	–	–	–	–
Total Councillors		**3 479**	**4 713**	**4 713**	**274**	**873**	**1 178**	**(305)**	**-26%**	**4 713**
% increase	4		**35,5%**	–						–
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		5 009	5 406	5 406	246	1 732	1 351	381	28%	5 406
Bonuses		–	–	–	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		122	–	–	10	21	–	21		–
Cellular and Telephone	3	82	155	155	12	21	39	(18)	-46%	155
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3	295	707	707	(25)	105	177	(72)	-40%	707
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**499**	**862**	**862**	**(3)**	**147**	**216**	**(68)**	**-32%**	**862**
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–	–	–
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	119	–	–	41	41	–	41		–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**119**	–	–	**41**	**41**	–	**41**		–
Total Salaries and Allowances		**5 627**	**6 268**	**6 268**	**285**	**1 921**	**1 567**	**354**	**23%**	**6 268**
Social Contributions										
Bargaining Council		0	2	2	0	0	1	(0)	-93%	2
Group Life Insurance		29	85	85	–	–	21	(21)	–	85
Medical		97	–	–	26	26	–	26		–
Pension		247	–	–	62	62	–	62		–
Unemployment Insurance		8	7	7	1	2	2	0	30%	7
Total Social Contributions		**382**	**94**	**94**	**89**	**90**	**23**	**67**	**285%**	**94**
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		–	–	–	–	–	–	–	–	–
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**6 009**	**6 362**	**6 362**	**374**	**2 011**	**1 590**	**421**	**26%**	**6 362**
% increase	4		**5,9%**	–						–
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		69 472	63 822	63 822	6 087	17 539	15 956	1 584	10%	63 822
Bonuses		(136)	660	660	–	–	165	(165)	–	660
Allowance										
Accommodation, Travel and Incidental		–	80	80	–	–	20	(20)	–	80
Cellular and Telephone	3	101	146	146	9	26	36	(11)	-29%	146
Housing Benefits	3	524	503	503	22	61	126	(65)	-51%	503
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3	3 942	4 682	4 682	454	948	1 171	(223)	-19%	4 682
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**4 568**	**5 411**	**5 411**	**486**	**1 035**	**1 353**	**(318)**	**-24%**	**5 411**
Service Related Benefits										
Acting	3	1 248	1 175	1 175	119	171	294	(123)	-42%	1 175
Bonus	3	3 704	3 566	3 566	(45)	98	891	(794)	-89%	3 566
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	768	150	150	36	170	38	133	355%	150
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		268	–	–	114	114	–	114		–
Overtime		3 241	1 908	1 908	234	503	477	26	5%	1 908
Scarcity	3	134	–	–	30	30	–	30		–
Standby Allowance	3	5 519	2 267	2 267	363	906	567	340	60%	2 267
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**14 881**	**9 065**	**9 065**	**851**	**1 993**	**2 266**	**(274)**	**-12%**	**9 065**
Total Salaries and Allowances		**88 785**	**78 958**	**78 958**	**7 423**	**20 567**	**19 739**	**827**	**4%**	**78 958**
Social Contributions										
Bargaining Council		22	18	18	3	5	5	1	17%	18
Group Life Insurance		113	93	93	21	46	23	23	99%	93
Medical		1 217	2 043	2 043	308	715	511	204	40%	2 043
Pension		7 058	6 815	6 815	579	1 840	1 704	136	8%	6 815
Unemployment Insurance		544	569	569	57	141	142	(2)	-1%	569
Total Social Contributions		**8 953**	**9 538**	**9 538**	**968**	**2 747**	**2 385**	**362**	**15%**	**9 538**
Post-retirement Benefit	6									
Medical		1 211	–	–	113	113	–	113		–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**1 211**	–	–	**113**	**113**	–	**113**		–
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**98 949**	**88 496**	**88 496**	**8 505**	**23 426**	**22 124**	**1 302**	**6%**	**88 496**
% increase	4		**(10,6%)**	–						–
Total Parent Municipality		**108 437**	**99 571**	**99 571**	**9 152**	**26 310**	**24 893**	**1 417**	**6%**	**99 571**
TOTAL SALARY, ALLOWANCES & BENEFITS		**108 437**	**99 571**	**99 571**	**9 152**	**26 310**	**24 893**	**1 417**	**6%**	**99 571**
% increase	4		**(8,2%)**	–						–
TOTAL MANAGERS AND STAFF	5,7	**104 958**	**94 858**	**94 858**	**8 878**	**25 437**	**23 714**	**1 723**	**7%**	**94 858**

SECTION 5 – PROGRESS ON MUNICIPAL DEBT RELIEF

- Municipality's self-assessment in the format of the compliance certificate issued in MFMA Circular No. 124: Annexure A (signed by the Municipal Manager / (Acting); Attached as Annexure A
- Supporting information substantiating its compliance with conditions 6.1 – 6.14 in MFMA Circular No. 124.

5.1 MFMA Circular 124 – Municipality Compliance Self-Assessment



Annexure A2 - Monthly

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	March
National Financial Year	2026/27
Demarcation Code of Municipality being assessed	WC044
District	Garden Route
Demarcation Description	Kannaland

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

Notes/Comments

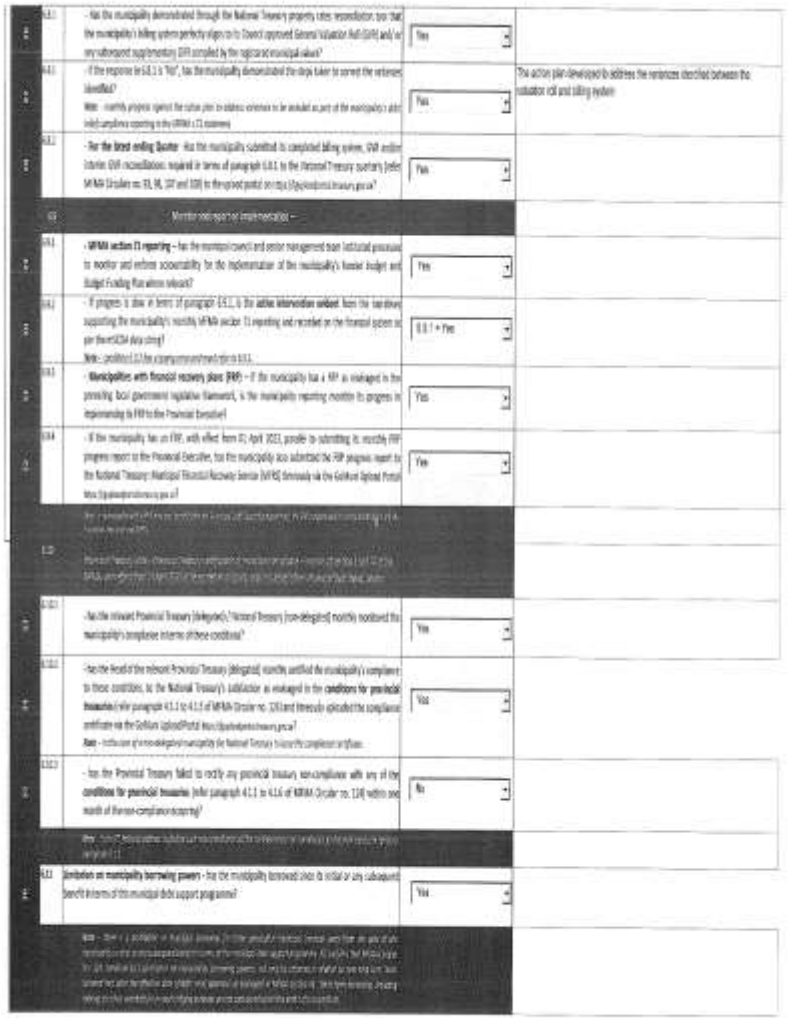
Municipal Debt Relief Conditions (Monthly reporting)

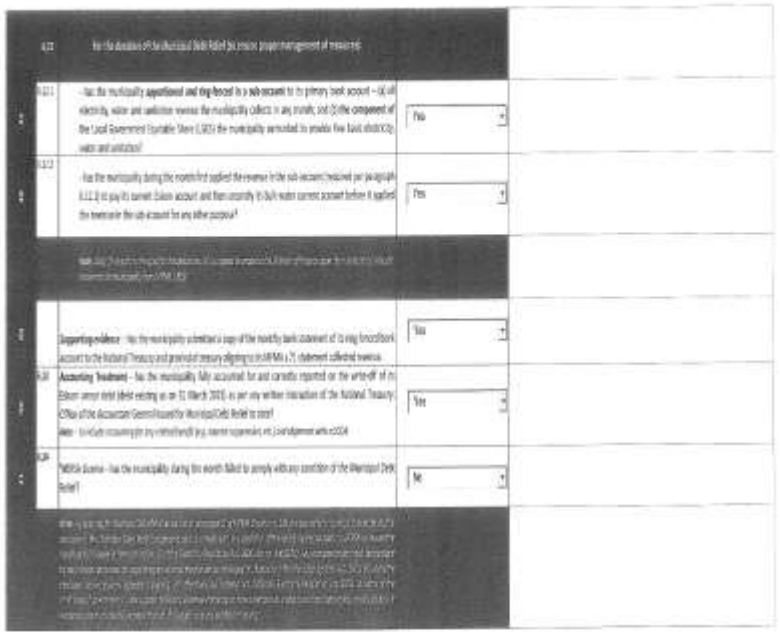
Choose from drop-down list

	A2+	Maintaining the Eskom and bulk water current accounts -		
Condition	A2.1			
-	A2.2.1	- Has the municipality paid its **bulk water current account** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition A2.2	Yes	
-	A2.2.2	- 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 3 day of making any such payment (in PDF Format) via the SARS eFiling Portal (https://pyapplications.sars.gov.za/)?	Yes	
-	A2.2.3	- 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(3) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
-	A2.3	- Has the municipality paid its **Eskom bulk current account** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT, plus any outstanding debt owed as a result of a payment arrangement of "New arrears" (March 2025 and / or subsequent current account(s) up to the date of MP approval of the application	No	The municipality still pays for old invoices
+	A2.3.2 A2.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 3 day of making any such payment (in PDF format) via the SARS eFiling Upload Portal (https://pyapplications.sars.gov.za/)	Yes	









PT: MSCC/ NT / MM Name: L Steenkamp

Signature of MCCC/ NT/ MM:

Date: 14-10-2016

*Note – if the official is signing on behalf of the Head of the Provincial Treasury/ MCCC/ Municipal Manager, the written consent of the MCCC/ MM must be attached as an annexure to a Certificate of Compliance

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							Maximization of Revenue Base			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										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	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	59%	Moderate compliance
26.August25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	59%	Moderate compliance
27.September25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	51%	Moderate compliance
28.October25	Kannaland	WC041	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	56%	Moderate compliance
29.November25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	54%	Moderate compliance
30.December25	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	51%	Moderate compliance
31.January26	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	54%	Moderate compliance
32.February26	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	54%	Moderate compliance
33.March26	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	54%	Moderate compliance
34.April26	Kannaland	WC041	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	54%	Moderate compliance
35.May26	Kannaland	WC041	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	56%	Moderate compliance
36.June26	Kannaland	WC041	Yes	Yes	No	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	56%	Moderate compliance
37.July26	Kannaland	WC041	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	90%	Above Moderate
38.August26	Kannaland	WC041	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	88%	Above Moderate
39.September26	Kannaland	WC041	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	83%	Above Moderate
40.October26	Kannaland	WC041																																									0%	Not completed
41.November26	Kannaland	WC041																																									0%	Not completed

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

Western Cape Government

Provincial Treasury
Victor Senna
Fiscal and Economic Services
Victor.Senna@westerncape.gov.za | Tel: 021 483 2666

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

Private Bag X9165
Cape Town
8000

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

AND

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

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

Dear Ms Gaarekwe and Mr Sereo

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

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. August 2026 constitutes the first month following the completion of the Municipality's third 12-month debt relief compliance cycle in July 2026. The Western Cape Provincial Treasury monitored and assessed the Municipality's compliance with the applicable debt relief conditions for August 2026, based on information submitted during September 2026. This letter provides an overview of the Provincial Treasury's assessment of the Municipality's compliance with the programme's conditions and forms part of the continued monitoring of the Municipality's outstanding obligations to Eskom following the completion of the 3-year debt relief compliance period.

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

In terms of National Treasury's approval, the Municipality must comply with conditions 6.1 to 6.14 of MFMA Circular No. 124 and the additional conditions stipulated in its debt relief approval letter. Provincial Treasury's assessment indicates that the Municipality's compliance decreased from 54.0 per cent in July 2026 to 51.0 per cent in August 2026, representing a decline of 3.0 percentage

points. Compliance remains below the 85.0 per cent achieved during the first cycle. August 2026 represents the first month of continued compliance monitoring following the completion of the third 12-month cycle in July 2026. The performance table below reflects the Municipality's compliance over the recent reporting periods. The Municipality must prioritise addressing the outstanding compliance requirements, particularly those relating to its current Eskom obligations.

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



National Treasury will only request Eskom to write off a Municipality's arrear debt where the Municipality demonstrates, to National Treasury's satisfaction, compliance with the applicable conditions for a consecutive period of 12 months. Following the completion of the third 12-month compliance cycle in July 2026, the Municipality must urgently address its outstanding compliance requirements, particularly those relating to its current Eskom obligations, while National Treasury determines its position regarding the outstanding arrear debt.

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

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

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

Kannaland Municipality remains non-compliant with section 65(2)(e) of the MFMA and condition 6.12.2 of MFMA Circular No. 124, which require the full current bulk electricity account to be settled within 30 days. The Municipality committed to paying R6.50 million per month from August 2026. However, the August 2026 FMR does not demonstrate that the Municipality settled its current Eskom within the prescribed period or honoured its monthly payment commitment. Continued cash flow constraints and the allocation of payments towards arrears remain concerns.

In a letter dated 15 September 2026, Eskom confirmed that the Municipality's overdue debt exceeded R69.44 million as at 10 September 2026. Eskom afforded the Municipality until 21 September 2026 to settle the outstanding debt or conclude an acceptable written payment arrangement, failing which formal credit-control measures could be initiated, potentially resulting in electricity supply interruptions or disconnection, subject to applicable legal requirements. The Municipality provided a proposal to Eskom on this date, but the credibility of the proposal must still be evaluated and Eskom must still respond.

The Municipality reported total Eskom debt of R109.80 million as at 31 August 2026, increasing by R1.33 **million** from July 2026. Of this amount, R11.60 million was classified as 0–30 days and R75.20 million as over one year. The detailed Eskom reconciliation requested previously remains outstanding, preventing Provincial Treasury from fully validating the reported balances, payments and movements between reporting periods. The Municipality must submit the reconciliation and supporting documentation.

Regarding bulk water, the Municipality reported that the invoice dated 5 August 2026, relating to July consumption, was settled within 30 days. However, Provincial Treasury could not verify the payment due to the absence of supporting evidence. The Municipality further indicated that the August consumption invoice was issued after the reporting date. The Municipality must submit the outstanding invoices, proof of payment and complete bank statements to enable Provincial Treasury to verify compliance with the prescribed payment requirements.

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

Provincial Treasury assessed the Municipality's 2026/27 Final Budget and found it to be unfunded. The Municipality is implementing its approved Financial Recovery Plan (FRP), which commenced on 1 September 2025 and provides the framework for restoring financial sustainability and achieving a funded MTREF. The recent FRP Oversight Committee engagement confirmed that the Municipality remains in Phase 1 of the FRP. The Municipality must therefore demonstrate measurable progress in implementing the approved recovery measures and ensure that future budgets align with the FRP parameters to achieve a funded MTREF.

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

The Municipality has not uploaded its Cost of Supply study to the GoMuni portal, and the submission therefore remains outstanding. Although Provincial Treasury has received a copy of the study, the Municipality should upload it to GoMuni. The completed Cost Reflective Tariff Tool required in terms of MFMA Circular No. 98 and item 5.2 of MFMA Budget Circular No. 122 also remains outstanding. The Municipality should prioritise both submissions and use the Cost of Supply study to support the implementation of cost reflective tariffs across the four main trading services.

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

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

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

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

The Municipality reported a collection rate of 55.0 per cent in the August 2026 FMR, increasing to 62.0 per cent when Eskom-supplied areas are excluded. However, the revenue collection report per ward reflects a collection rate of 73.8 per cent. Provincial Treasury followed up on these discrepancies, but no response has been received from the Municipality. The Municipality must reconcile the reported collection rates and provide the supporting billing and collection information to enable Provincial Treasury to assess compliance with the required minimum quarterly collection rate of 85.0 per cent.

Collection levels remain under pressure due to the high level of outstanding consumer debt, including significant arrears relating to Zoar. The Municipality has expanded its blocking list to include businesses and government institutions, but the impact on debt recovery has not been quantified. The Municipality also reported that its existing debt-collection contracts are limited to issuing demand letters and should identify an appropriate procurement mechanism to strengthen its credit-control measures. The rollout of smart meters has reportedly contributed to improved collections over the past five months. However, the financial impact has not yet been quantified. The Municipality should monitor and report on additional revenue collected through the smart-meter programme to determine whether the intervention is improving overall collection performance.

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

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

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

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

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

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

	MFMA S71 Statement component	Compliance (Yes/No)
1.	***The Budget Performance Overview (paragraph 4) of the MFMA S71 statement*** explicitly advised on the Municipality's progress in implementing the Municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges, and corrective actions.	Yes

	MFMA S71 Statement component	Compliance (Yes/No)
2.	***The conclusion (paragraph 14) of the MFMA S71 statement*** explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors. with the implementation of the Municipality's Budget Funding Plan and/or Funded Budget.	Yes
3.	***Annexure B of the MFMA S71 statement included the following debt relief reporting components***	
3.1.1	The Municipality's MFMA Circular No. 124 self-assessment.	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of **MFMA Budget Circular No. 128 (Annexure B).**	Yes
3.2	The Municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date.	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the Municipality.	Yes
3.4.1	The Municipality's revenue collection performance iii. the overall performance graph; iv. Summary worksheet; and v. Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of **MFMA Budget Circular No. 128 (Annexure D).**	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of **MFMA Budget Circular No. 128 (Annexure C).**	Yes
3.6.1	The summary of the Municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The Municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	**No**
3.7.1	Any Eskom and Water (if the Municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The Municipality's proof of payment of any such Eskom and/or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The Municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	**No**
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and/or Mayoral Committee meeting.	Yes

The Municipality has 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 August 2026 still contains blurred supporting documents, specifically Municipality self-assessment and property rates reconciliation. These issues continue to limit Provincial Treasury's ability to fully assess the Municipality's compliance with reporting requirements.

11. Condition 6.10 - Provincial Treasury certification of municipal compliance

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

12. Condition 6.11 - Limitation on Municipal borrowing powers

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

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

13. Condition 6.12 - Proper management of resources

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

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

14. Condition 6.13 - Accounting Treatment

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

15. Condition 6.14 - NERSA Licence

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

16. Provincial Treasury Compliance Certification

The Provincial Treasury certifies that it monitored and assessed WC041 Kannaland Municipality's compliance against the MFMA Circular No. 124 **conditions** and NT debt relief approval letter as set-out below in the PT's compliance certificate for the Municipality in relation to the period 1 – 31 August 2026:

Annexure A2 - Monthly

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

Western Cape Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	
National Financial Year	
Demarcation Code of Municipality being assessed	
District	**West Coast**
Demarcation Description	**Matzikama**

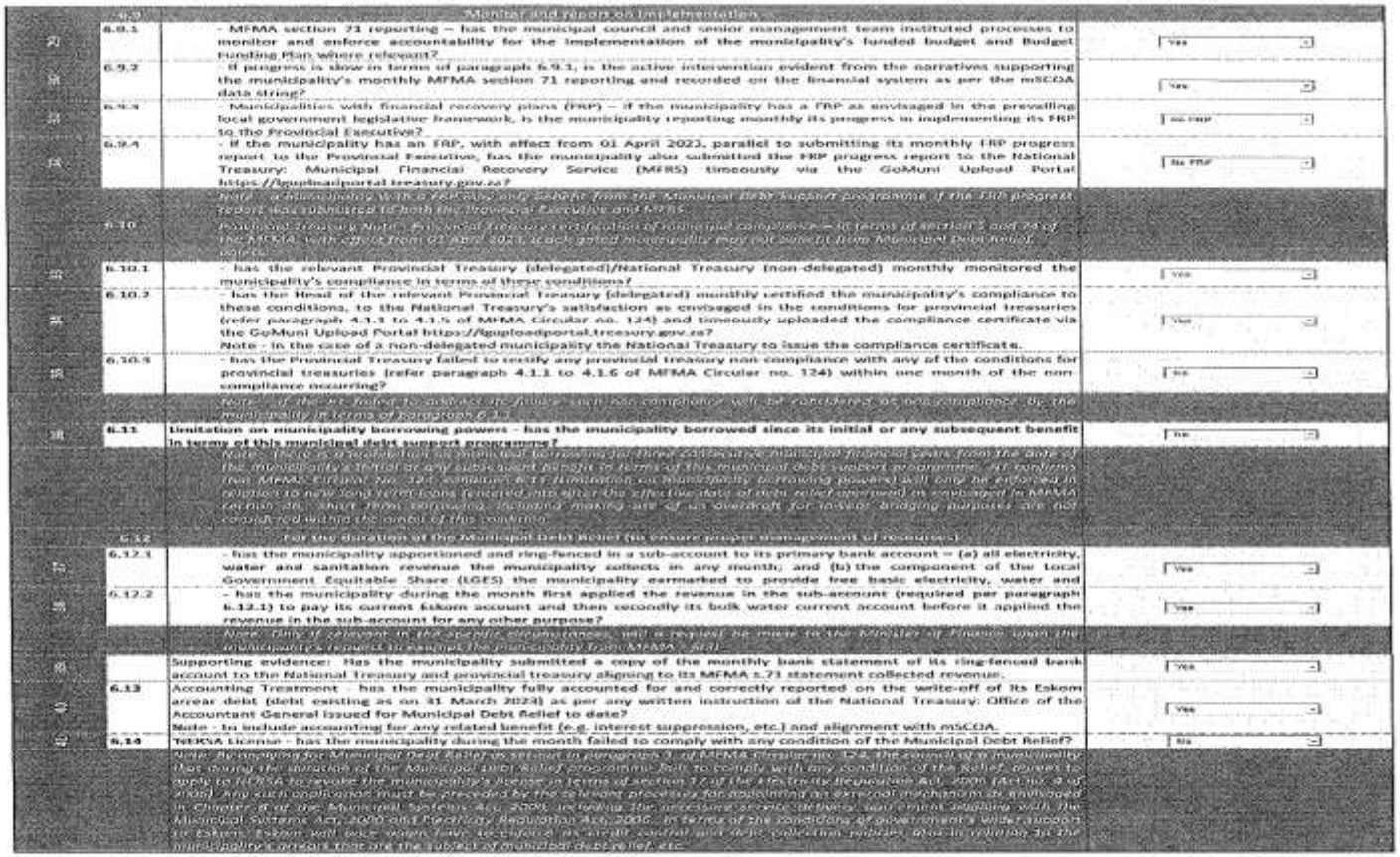
I, Mr Victor Senna, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out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

Condition		Municipal Debt Relief Conditions (Monthly reporting)	Choose from drop down list
	6.1 & 6.12	Maintaining the Eskom and bulk water current account (current account for the purpose of this exercise are for the account for a single month's consumption)	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	Yes
2	6.13.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes
3	6.12.3	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and/or subsequent current account(s) up to the date of NT approval of the application.	Yes
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
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?	Yes
	6.4	Compliance with a funded MTREF – municipality to indicate (choose from drop down list the MTREF assessed)	2026/27 Adopted MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (rate property) on the provision for debt impairment aligned with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projection (rate property rates). If the municipality merely kept 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 shall recommend to this item as "No".	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		Note - If the municipality merely used the depreciation and asset impairment to balance the budget and there is no real alignment between the provision for such in the form of assets in use register, the Provincial Treasury must respond to this item as "No".	
11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	[illegible]

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



		- Note: If the municipality has an FRP in place but/not funding plan is not receiving. However, the FRP does not/will the existing FRP incorporate it will give effect to a funded MTREF. If not the FRP requires strengthening	
32	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 03 December 2022)? Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.	[N/a]
33	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,	[Yes]
34	6.5	**Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 28 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:	
35	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]
36	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]
37	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.	[Yes]
38	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity and water limits of 50 kilowatt electricity and 6 Kilolitres water, respectively? Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.	[No]
	6.6	Supporting evidence: the National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6	
	6.7	Maintain a minimum average quarterly collection of property rates and services charges	
39	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	[Not yet end of quarter]
		Note - although the 80% and standard for collection (MFMA Circular no. 124 dd. 6 dd. 85 per cent thresholds municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following:**	
40	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]
41	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]
42	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]
43	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	[Yes]
44	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?	[Yes]
45	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	
46	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]
47	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement	[Yes]
48	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://fguploadportal.treasury.gov.za?	[Yes]



29	6.9	Monitor and report on implementation	
30	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
31	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?	Yes
32	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 FRP
33	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No FRP
34		*Note - a municipality will be responsible only to report on the Municipal Debt Support programme, if the FRP progress report was submitted to both the Provincial Executive and MFRS.*	
35	6.10	*Provincial Treasury Note - Provincial Treasury certification of municipal compliance in terms of section 5 and 54 of the MFMA with effect from 01 April 2023, is each gazetted municipality may or may not benefit from Municipal Debt Relief, where:*	
36	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
37	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? Note - In the case of a non-delegated municipality the National Treasury to issue the compliance certificate.	Yes
38	6.10.3	- has the Provincial Treasury failed to certify any provincial treasury non compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
39		*Note - If the PT failed to advise on failure, such non compliance will be considered as non compliance by the municipality in terms of paragraph 6.1.1*	
40	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
41		*Note - There is a moratorium 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. All conditions that MFMA Circular No. 124, condition 4.1.1 (limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (secured and unsecured) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for interim bridging purposes are not considered as being the intent of this condition.*	
42	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources)	
43	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	Yes
44	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
45		*Note - Only if relevant in the specific circumstances, and a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s 216(1)*	
46		**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
47	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 2024) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date?** **Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.**	Yes
48	6.14	**NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?**	No
49		*Note: Non-compliance with any condition of the Municipal Debt Relief programme may be considered by the MFMA minister (or DG) the power to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for application as exercised and chronicled in Chapter 8 of the Municipal Systems Act, 2000, including the processes of consultation with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006, in terms of the conditions of government's wider support to Eskom. Eskom will once again have exposure as a credit control and debt collection partner, also in relation to the municipality's consumer base are the subject of municipal debt relief, etc.*	

The Western Cape Provincial Treasury's assessment confirmed that Kannaland Municipality did not fully comply with the conditions of MFMA Circular No. 124. The Municipality's compliance score decreased from 54.0 per cent in July 2026 to 51.0 per cent in August 2026. Non-compliance persists, particularly regarding the settlement of current Eskom obligations, incomplete FRP reporting and other outstanding programme requirements. Furthermore, FRP progress reporting remains incomplete on the GoMuni portal, with reports for several reporting periods still outstanding. The Municipality must upload all outstanding reports under the Municipal Financial Recovery Service section on GoMuni, as copies submitted directly to Provincial Treasury do not replace the prescribed reporting requirements.

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

July 2026 represented the final month of Kannaland's original 36-month debt relief compliance period. However, the Municipality must address the outstanding compliance requirements, particularly the settlement of current bulk accounts, completion of FRP reporting and implementation of the General Valuation Roll reconciliation action plan. The Municipality must also submit the outstanding Eskom reconciliation and confirm whether it has concluded an acceptable written payment arrangement with Eskom, together with evidence of its implementation.

Following the completion of the three-year compliance period, Kannaland must continue to report monthly on the Debt Relief Programme in the prescribed format until its outstanding Eskom obligations have been settled, unless advised otherwise by National Treasury and Provincial Treasury.

Yours sincerely

Victor Senna

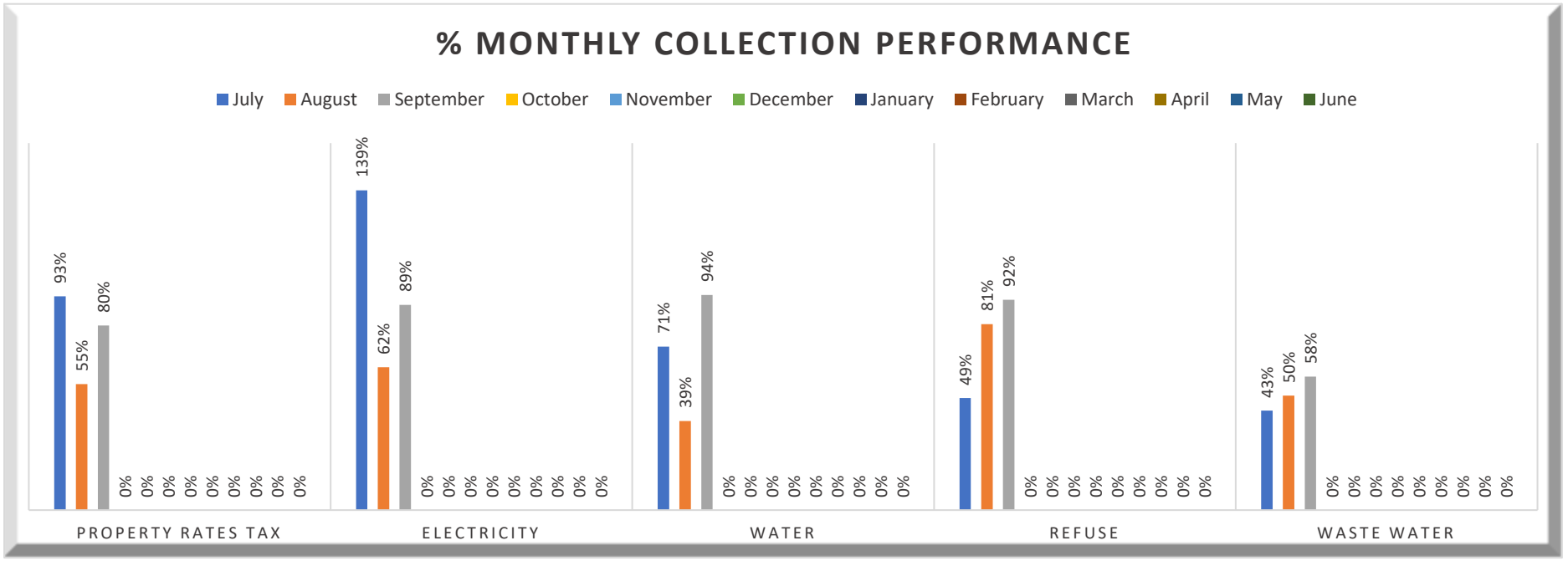
Digitally signed by Victor Senna
Date: 2026.09.28 14:51:19 +02'00'

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

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

5.4 MFMA Circular 124- Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)

5.4.1 Monthly/Quarterly collection per ward



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

Province	Demarcation Code	Municipality
Western Cape	WC041	Kannaland

Average collection rate (MFMA Circular 124 condition 6.7)

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

Collection Rate Assessment

Total Aggregate Collection		1.July - Reporting for June in July				2.August - Reporting for July in August				3.September - Reporting for August in September			
		Billing For June	Collection in July	R - Billing not collected	% Collection	Billing For July	Collection in August	R - Billing not collected	% Collection	Billing For August	Collection for in September	R - Billing not collected	% Collection
1.Collection for whole demarcation	Summary	8 833 085	7 610 895	2 065 607	86%	12 604 743	6 925 921	5 678 822	55%	13 614 932	10 953 173	2 661 759	80%
2.Collection excl Eskom supplied areas		6 132 137	6 097 704	1 165 419	99%	9 818 740	6 110 864	3 740 856	62%	4 193 688	3 752 893	1 127 363	89%
3.Collection: **Property Rates**		2 517 138	2 346 691	170 447	93%	2 797 329	1 086 153	1 711 176	39%	5 152 553	4 835 241	317 312	94%
4.Total average collection: **Electricity** (Municipal supplied areas)		2 128 127	2 967 545	0	139%	4 960 576	4 021 665	938 910	81%	1 660 869	1 521 909	138 959	92%
5.Total average collection: **Water**		2 069 687	1 474 775	594 911	71%	2 530 758	1 263 618	1 267 140	50%	1 842 121	1 072 549	769 572	58%
6.Total average collection: **Wastewater**		1 032 765	504 285	528 480	49%	1 131 128	285 727	845 401	25%	1 415 433	1 196 634	218 798	85%
7.Total average collection: **Refuse**		1 001 747	434 065	567 682	43%	1 097 818	267 222	830 596	24%	1 203 303	632 286	571 017	53%
8. 7.Total average collection: **Interest**		87 621	(116 466)	204 087	-133%	87 134	1 535	85 599	2%	2 340 653	1 694 553	646 101	72%

Complete This Section

Quarter 1 Performance Per Ward

Services	Electricity Supplier	Ward Name & Number	1.July				2.August				3.September			
			Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection
Property Rates Tax	Main Supplied	Nissenville - Ward 1	161 206	151 950	9 256	94%	182 076	50 331	131 746	28%	181 987	138 697	43 290	76%
Electricity			162 646	56 244	106 402	35%	143 398	89 895	53 503	63%	152 037	79 390	72 647	52%
Water			182 049	84 486	97 563	46%	540 401	70 948	469 453	13%	203 706	100 363	103 343	49%
Refuse			152 546	62 865	89 681	41%	193 862	46 231	147 631	24%	184 561	78 340	106 221	42%
Waste Water			195 748	99 861	95 887	51%	235 454	58 814	176 640	25%	227 537	134 517	93 020	59%
Interest			1 399	20 349	0	1454%	150	456	0	305%	150	(1 100)	1 250	-736%
Property Rates Tax	Eskom supplied	Zoar - Ward 2	75 377	15 474	59 904	21%	114 818	20 898	93 920	18%	-	294 450	0	#DIV/0!
Electricity			-	-	#VALUE!	#VALUE!	-	-	-	#DIV/0!	114 818	53 952	60 866	47%
Water			392 797	33 581	359 216	9%	408 985	20 433	388 553	5%	-	-	-	#DIV/0!
Refuse			370 017	35 200	334 817	10%	388 676	16 576	372 100	4%	515 860	66 611	449 249	13%
Waste Water			358 993	36 760	322 233	10%	376 030	21 244	354 786	6%	383 310	34 231	349 079	9%
Interest			4 772	(16 672)	21 444	-349%	4 772	-	4 772	0%	370 867	40 090	330 777	11%
Property Rates Tax	Eskom supplied	Calitzdorp Farms - Ward 3	190 150	182 211	7 939	96%	211 147	32 635	178 512	15%	4 772	(45)	4 817	-1%
Electricity			-	-	#VALUE!	#VALUE!	206	-	206	0%	-	(10 485)	10 485	#DIV/0!
Water			34 222	18 084	16 138	53%	95 403	1 714	93 689	2%	208 086	132 842	75 244	64%
Refuse			-	-	#VALUE!	#VALUE!	-	-	-	#DIV/0!	170	-	170	0%
Waste Water			-	-	#VALUE!	#VALUE!	-	-	-	#DIV/0!	44 790	19 483	25 307	43%
Interest			-	(17 877)	#VALUE!	#VALUE!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Property Rates Tax	Main Supplied	Bergsig Calitzdorp - Ward 3	22 705	15 060	7 645	66%	81 992	15 244	66 749	19%	-	-	-	#DIV/0!
Electricity			24 179	12 575	11 603	52%	19 383	16 655	2 729	86%	-	-	-	#DIV/0!
Water			186 740	137 857	48 883	74%	189 909	35 455	154 454	19%	-	26 127	0	#DIV/0!
Refuse			115 835	38 104	77 731	33%	132 697	25 022	107 675	19%	81 992	25 115	56 877	31%
Waste Water			104 172	25 109	79 063	24%	120 707	20 712	99 994	17%	22 366	13 214	9 152	59%
Interest			483	(128 089)	128 572	-26519%	483	(3 305)	3 788	-684%	151 917	44 069	107 848	29%
Property Rates Tax	Main Supplied	Calitzdorp Town - Ward 3	464 899	353 312	111 587	76%	611 133	279 383	331 750	46%	130 909	30 181	100 728	23%
Electricity			543 128	454 749	88 380	84%	701 931	344 836	357 095	49%	119 330	21 599	97 731	18%
Water			171 936	124 827	47 109	73%	158 883	191 557	0	121%	483	150	333	31%
Refuse			99 689	76 086	23 603	76%	105 450	50 492	54 958	48%	-	(1 354)	1 354	#DIV/0!
Waste Water			25 283	19 500	5 783	77%	27 103	13 493	13 609	50%	611 754	674 111	0	110%
Interest			6 870	2 359	4 512	34%	6 786	(29 893)	36 679	-441%	697 346	370 630	326 716	53%
Property Rates Tax	Main Supplied	Ladismith Town - Ward 4	1 009 806	895 897	113 909	89%	1 104 150	539 419	564 731	49%	201 863	202 783	0	100%
Electricity			1 346 406	2 383 271	0	177%	4 026 634	3 500 447	526 187	87%	104 377	115 060	0	110%
Water			572 169	646 109	0	113%	622 166	482 003	140 164	77%	26 283	19 428	6 854	74%
Refuse			202 138	196 960	5 177	97%	212 088	117 013	95 075	55%	6 786	33 721	0	497%
Waste Water			310 946	312 177	0	100%	331 898	161 379	170 519	49%	-	224 391	0	#DIV/0!
Interest			69 158	56 086	13 072	81%	70 006	34 277	35 728	49%	1 088 305	1 423 459	0	131%
Property Rates Tax	Eskom supplied	Ladismith Farms - Ward 4	536 952	708 040	0	132%	450 745	126 189	324 556	28%	4 171 127	3 688 176	482 951	88%
Electricity			51 768	60 706	0	117%	69 023	69 833	0	101%	1 112 133	1 140 267	0	103%
Water			440 973	419 992	20 981	95%	467 927	450 763	17 164	96%	212 803	260 889	0	123%
Refuse			21 736	17 806	3 929	82%	22 117	8 693	13 424	39%	332 586	392 652	0	118%
Waste Water			12 323	10 245	2 078	83%	12 743	9 957	2 786	78%	70 006	81 714	0	117%
Interest			4 875	(32 622)	37 497	-669%	4 875	-	4 875	0%	-	(160 022)	160 022	#DIV/0!
Property Rates Tax	Eskom supplied	Van Wyksdorp - Ward 4	56 042	24 747	31 295	44%	41 267	22 054	19 214	53%	461 832	481 846	0	104%
Electricity			-	-	#VALUE!	#VALUE!	-	-	-	#DIV/0!	16 906	34 238	0	203%
Water			88 800	9 839	78 961	11%	47 083	10 746	36 337	23%	1 190 761	532 749	658 012	45%
Refuse			39 787	7 044	32 743	18%	42 928	3 195	39 733	7%	22 117	20 367	1 750	92%
Waste Water			25 300	633	24 667	3%	27 193	128	27 066	0%	12 743	5 945	6 798	47%
Interest			63	-	0	#VALUE!	63	-	63	0%	4 875	(23 609)	28 484	-484%
Property Rates Tax					-	#DIV/0!			-	#DIV/0!	-	(850)	850	#DIV/0!
Electricity					-	#DIV/0!			-	#DIV/0!	41 267	45 136	0	109%
Water					-	#DIV/0!			-	#DIV/0!	-	-	-	#DIV/0!
Refuse					-	#DIV/0!			-	#DIV/0!	59 230	16 833	42 397	28%
Waste Water					-	#DIV/0!			-	#DIV/0!	42 928	9 028	33 899	21%
Interest					-	#DIV/0!			-	#DIV/0!	27 193	1 036	26 158	4%
Property Rates Tax					-	#DIV/0!			-	#DIV/0!	63	3	60	5%
Electricity					-	#DIV/0!			-	#DIV/0!	-	42 752	0	#DIV/0!
Water					-	#DIV/0!			-	#DIV/0!			-	#DIV/0!
Refuse					-	#DIV/0!			-	#DIV/0!			-	#DIV/0!
Waste Water					-	#DIV/0!			-	#DIV/0!			-	#DIV/0!
Interest					-	#DIV/0!			-	#DIV/0!			-	#DIV/0!

5.4.2 – Restriction of Free Basic Services to Indigent Household

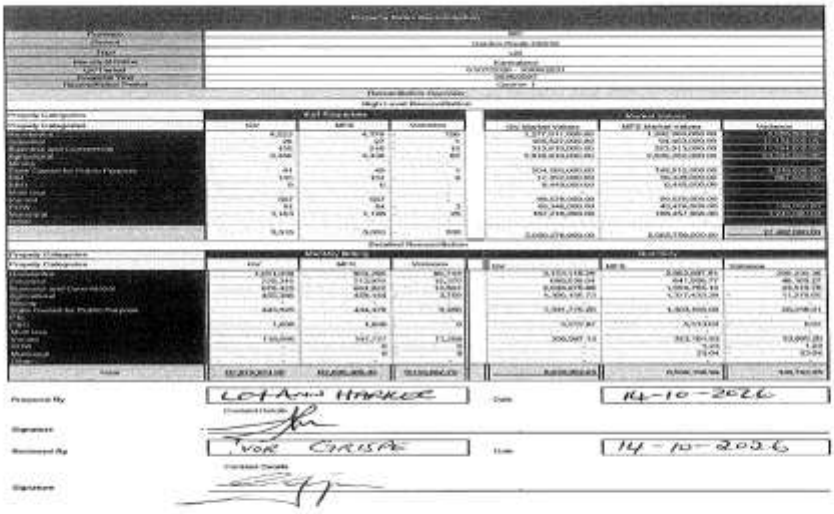
National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))
Instruction *- complete only with information of the current households registered as indigent with the municipality (Do NOT include the information of all households unless explicitly stated otherwise)*

Description	Ref	As Per Debt Relief Application	Current Year - 2024/2025			2024/2025 - Monthly Monitoring											
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																
Water *: (Include All Indigent households also in Eskom supplied areas)*																	
Indigent HH's with piped water inside dwelling						2 127	2 201	2 277									
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		–	–	–	–	**2 127**	**2 201**	**2 277**	–	–	–	–	–	–	–	–	–
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	–	–	–	–	**2 127**	**2 201**	**2 277**	–	–	–	–	–	–	–	–	–
Status of Water meters :																	
Number of Indigent HH's with prepaid Water						2 127	2 201	2 277	–	–	–	–	–	–	–	–	–
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	–	–	–	–	**2 127**	**2 201**	**2 277**	–	–	–	–	–	–	–	–	–
Status of unlimited supply of Water :																	
Number of Indigent HH's with conventional metered Water - where the municipality is *NOT physcally restricting Water to the national free basic limit of 6 kilolitres per household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households receiving unlimited supply - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres**	11																
Energy *: (Include All Indigent households also in Eskom supplied areas)*																	
Indigent HH's with Electricity (at least min.service level)																	
Indigent HH's with Electricity - prepaid (min.service level)						2 127	2 201	2 277	–	–	–	–	–	–	–	–	–
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		–	–	–	–	**2 127**	**2 201**	**2 277**	–	–	–	–	–	–	–	–	–
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	–	–	–	–	**2 127**	**2 201**	**2 277**	–	–	–	–	–	–	–	–	–
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity						2 127	2 201	2 277	–	–	–	–	–	–	–	–	–
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	–	–	–	–	**2 127**	**2 201**	**2 277**	–	–	–	–	–	–	–	–	–
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physcally restricting Electricity to the national free basic limit of 50kwh per household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households receiving unlimited supply - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's **billed for consumption above the 50 kwh**	13																

Number of ALL Households receiving Free Basic Service *(including registered Indigent Households)*	7																
Water (6 kilolitres per household per month)						2 127	2 201	2 277	–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)						2 127	2 201	2 277	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided to ALLHouseholds in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)						########	########	########	-	-	-	-	-	-	-	-	
Electricity/other energy (50kwh per household per month)						########	########	########	-	-	-	-	-	-	-	-	
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
Total cost of FBS Water and Electricity provided to ALL Households	8	–	–	–	–	392 782	406 448	420 482	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)																	
Water (kilolitres per household per month)																	
Sanitation (kilolitres per household per month)																	
Sanitation (Rand per household per month)																	
Electricity (kwh per household per month)																	
Refuse (average litres per week)																	
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	14(a)																
PSI Category : Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates **in excess of section 17 of MPRA)**																	
Water **(in excess of 6 kilolitres per indigent household per month)**	15																
Sanitation **(in excess of free sanitation service to indigent households)**	16																
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**																	
Refuse **(in excess of one removal a week for indigent households)**																	
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

MFMA Circular 124 – Property Rates Reconciliation



SECTION 7 – QUALITY CERTIFICATION



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Posbus 39 P.O. Box
LADISMITH
6655

info@kannaland.co.za
Tel : (028) 551 1013
Fax : (028) 551 1766

Kerkstr. 33 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

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

(mark as appropriate)

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

For the month **September 2026** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Municipal Manager of **Kannaland Municipality WC041**

Signature

Date :14 October 2026

Standard Bank of South Africa

ComputerGeneratedCopy

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

REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	**User Name**	KANNALAND MUNICIPALITY
Sub Module	SSVS	**Reference**	2026259001
Description	LJT64 20260916 14:45:11.9	**Action date**	20260916
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)

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

Trans No	3
Acc No / CDI	280110022
Branch No	50014
Statement Ref	KANNALAND MUN
Account Name	CALITZDORP BESPROEINGSRAAD
Creditor Code	CALITZDORP BESPR
Amount	23,843.64
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	**User Name**	KANNALAND MUNICIPALITY
Sub Module	SSVS	**Reference**	2026280003
Description	LJT64 20261007 10:31:44.6	**Action date**	20261007
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)

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

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

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	**User Name**	KANNALAND MUNICIPALITY
Sub Module	SSVS	**Reference**	2026280003
Description	LJT64 20261007 10:31:44.6	**Action date**	20261007
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)

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

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

Standard Bank of South Africa

ComputerGeneratedCopy

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Totals for Sub Batch	001		
Total amount processed	5,000,000.00		
Total amount rejected	0.00		
Total Sub Batch amount	5,000,000.00		
Total RTGS Processed	0	**Amount**	0.00
Total RTC Processed	0	**Amount**	0.00
Total RTGS Rejected	0	**Amount**	0.00
Total RTC Rejected	0	**Amount**	0.00
Hash Total	27580818407000000000		
Total Batch amount processed	5,000,000.00		
Total Batch amount rejected	0.00		
Total Batch amount	5,000,000.00		

Total RTGS Processed	0	**Amount:**	0.00
Total RTC Processed	0	**Amount:**	0.00
Total RTGS Rejected	0	**Amount:**	0.00
Total RTC Rejected	0	**Amount:**	0.00

*** DISCLAIMER ***

Make sure that you have entered the correct account number as we will pay to, or collect from, the account number you entered. Banks do not check that the specified account number and account name match. Accordingly, Standard Bank cannot be held responsible for payments going to, or collections being taken from, an incorrect account number should incorrect or fraudulent account details be entered. If you would like more information, speak to your Standard Bank representative about our account verification services.

** END OF REPORT **

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPALI	**Statement For**	20261007	**VAT Registration**	4540197268
Branch	000113	LADISMITH CAPE	**Statement No**	108		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20261006	355,911.17
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS KL4 V 0000285215501	0.00	0.00	200.00	20261006	356,111.17
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS PLC 9 0008453109577	0.00	0.00	762.00	20261006	356,873.17
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS R3G 5 0004773109682	0.00	0.00	6,120.40	20261006	362,993.57
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0008453109577	0.00	0.00	6,192.40	20261006	369,185.97
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS KU2 Z 0001095219639	0.00	0.00	8,138.10	20261006	377,324.07
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS R3G 5 0004773109682	0.00	0.00	9,210.30	20261006	386,534.37
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS EY4 U 0006033109453	0.00	0.00	10,547.86	20261006	397,082.23
1	FEE: CASH DEPOSIT - COINS ## 420543546 R21871,00 06/10	0.00	-0.01	0.00	20261006	397,082.22
1	FEE: CASH DEPOSIT - COINS ## 420543546 R14093,50 06/10	0.00	-0.02	0.00	20261006	397,082.20
1	FEE: CASH DEPOSIT - COINS ## 420543546 R6913,00 06/10	0.00	-0.02	0.00	20261006	397,082.18
1	FEE: CASH DEPOSIT - COINS ## 420543546 R2895,50 06/10	0.00	-0.03	0.00	20261006	397,082.15
1	FEE: CASH DEPOSIT - COINS ## 420543546 R3955,00 06/10	0.00	-0.03	0.00	20261006	397,082.12
1	FEE: CASH DEPOSIT - COINS ## 420543546 R7694,50 06/10	0.00	-0.03	0.00	20261006	397,082.09
1	FEE: CASH DEPOSIT - COINS ## 420543546 R19588,40 06/10	0.00	-0.05	0.00	20261006	397,082.04
1	FEE: CASH DEPOSIT - COINS ## 420543546 R14865,00 06/10	0.00	-0.08	0.00	20261006	397,081.96
1	FEE: CASH DEPOSIT - COINS ## 420543546 R2303,90 06/10	0.00	-0.08	0.00	20261006	397,081.88
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R2303,90 06/10	0.00	-12.87	0.00	20261006	397,069.01
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R2895,50 06/10	0.00	-16.24	0.00	20261006	397,052.77
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R3955,00 06/10	0.00	-22.20	0.00	20261006	397,030.57
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20261006	397,030.57
2	FEE: CASH DEPOSIT - NOTES ## 420543546 R6913,00 06/10	0.00	-38.83	0.00	20261006	396,991.74
2	FEE: CASH DEPOSIT - NOTES ## 420543546 R7694,50 06/10	0.00	-43.22	0.00	20261006	396,948.52
2	FEE: CASH DEPOSIT - NOTES ## 420543546 R14093,50 06/10	0.00	-79.19	0.00	20261006	396,869.33
2	FEE: CASH DEPOSIT - NOTES ## 420543546 R14865,00 06/10	0.00	-83.46	0.00	20261006	396,785.87
2	FEE: CASH DEPOSIT - NOTES ## 420543546 R19588,40 06/10	0.00	-110.04	0.00	20261006	396,675.83
2	FEE: CASH DEPOSIT - NOTES ## 420543546 R21871,00 06/10	0.00	-122.91	0.00	20261006	396,552.92
2	FEE: CASH DEPOSIT - NOTES ## 420543546 R56500,00 06/10	0.00	-317.53	0.00	20261006	396,235.39
2	CREDIT TRANSFER DU PLESSIS WERKSWINKEL	0.00	0.00	624.00	20261007	396,859.39
2	CREDIT TRANSFER CBL 3111	0.00	0.00	936.00	20261007	397,795.39
2	INTERBANK CREDIT TRANSFER LINKOVATION	0.00	0.00	1,248.00	20261007	399,043.39
2	ELECTRONIC BANKING TRANSFER FR DEP TO MAIN	0.00	0.00	6,000,000.00	20261007	6,399,043.39
2	ELECTRONIC BANKING PAYMENT TO WIL D DICKENS WILFR GAV5312:03	0.00	-47,198.55	0.00	20261007	6,351,844.84
2	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING GAV5314:34	0.00	-64,233.72	0.00	20261007	6,287,611.12
2	ELECTRONIC BANKING PAYMENT TO	0.00	-375,000.00	0.00	20261007	5,912,611.12

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CURRENT ACCOUNT - STATEMENT DETAILS

Page	Details	Service Fee	Debit	Credit	Date	Balance
	T001 THE AUDITOR G GAV5312:03					
2	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING GAV5311:03	0.00	-2,500,000.00	0.00	20261007	3,412,611.12
2	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING GAV5311:03	0.00	-2,500,000.00	0.00	20261007	912,611.12
2	ELECTRONIC BANKING TRANSFER TO TRANSPORT REC *	0.00	-502,009.40	0.00	20261007	410,601.72

** END OF REPORT **

Calitzdorp Besproeiïngsraad

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

BELASTINGFAKTUUR

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655

BTW Nr 4540197268

Faktuur Nr: 31
Datum: 02 October 2026

MUNISIPALE WATERVERBRUIK – CALITZDORP: September 2026

Sub Oorverbruik

Maand			**Sep-26**
Meterlesing einde	Sep-26		9338620
Meterlesing begin	Sep-26		9282360
Ontrek	kl		56260
Dae @ 455 kl per dag toelaag	30		13650
	kl		
Min Pyplyn	kl		16345
Oorverbruik	kl		26265
0-26000 kl tarief @ 1.20kl	26000	R	31 200.00
26000-36000kl @ 2.43kl	265	R	643.95
36000-46000 @4.06/5kl	0	R	-
56 000 en meer tarief		R	-
Sub Oorverbruik		R	31 843.95
Plus 15% BTW		R	4 776.59
Totaal verskuldig		**R**	**36 620.54**

Glyskaal met ingang 2026		
Dae		31
Toegelaat per dag - kl		455
0 - 26000 kl tarief	R	1.20
26000 - 36000 kl tarief	R	2.43
36000 - 46000 kl tarief	R	4.06
46000 - 56000 kl tarief	R	7.73
56 000 kl en meer tarief	R	15.47

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

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

Terme:

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

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	**User Name**	KANNALAND MUNICIPALITY
Sub Module	SSVS	**Reference**	2026272004
Description	LJT64 20260929 14:29:48.3	**Action date**	20260929
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS

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

Trans No	1
Acc No / CDI	70940086231
Branch No	0
Statement Ref	7140740590LC2026096
Account Name	SARS - PAYE - PAY-AS-YOU-EARN
Creditor Code	PAYESEPT26
Amount	1,507,024.98
StatusDescription	FINAL AUDIT TO BE DOWNLOADED
RTGS/RTC	
ISN/Bus Ref	0
Pay Alert	N

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Totals for Sub Batch	001		
Total amount processed	1,507,024.98		
Total amount rejected	0.00		
Total Sub Batch amount	1,507,024.98		
Total RTGS Processed	0	**Amount**	0.00
Total RTC Processed	0	**Amount**	0.00
Total RTGS Rejected	0	**Amount**	0.00
Total RTC Rejected	0	**Amount**	0.00
Hash Total	1509106784307372		
Total Batch amount processed	1,507,024.98		
Total Batch amount rejected	0.00		
Total Batch amount	1,507,024.98		

Total RTGS Processed	0	**Amount:**	0.00
Total RTC Processed	0	**Amount:**	0.00
Total RTGS Rejected	0	**Amount:**	0.00
Total RTC Rejected	0	**Amount:**	0.00

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** END OF REPORT **

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPALI	**Statement For**	20260929	**VAT Registration**	4540197268
Branch	000113	LADISMITH CAPE	**Statement No**	101		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260928	4,502,256.59
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS PLC 9 0008393109577	0.00	0.00	426.00	20260928	4,502,682.59
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS KL4 V 0000275215501	0.00	0.00	1,150.00	20260928	4,503,832.59
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS R3G 5 0004713109682	0.00	0.00	1,208.40	20260928	4,505,040.99
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS EY4 U 0005973109453	0.00	0.00	1,349.65	20260928	4,506,390.64
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS KU2 Z 0001035219639	0.00	0.00	2,830.00	20260928	4,509,220.64
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS R3G 5 0004713109682	0.00	0.00	7,891.88	20260928	4,517,112.52
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS KU2 Z 0001035219639	0.00	0.00	8,736.90	20260928	4,525,849.42
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0008393109577	0.00	0.00	10,546.20	20260928	4,536,395.62
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS EY4 U 0005973109453	0.00	0.00	13,974.81	20260928	4,550,370.43
1	CREDIT TRANSFER VDV BOERDERY	0.00	0.00	19,506.00	20260929	4,569,876.43
1	MAGTAPE CREDIT OAC RENTAL	0.00	0.00	386.40	20260929	4,570,262.83
1	IB PAYMENT FROM SHAUNDRE APPOLLIS 455	0.00	0.00	1,382.04	20260929	4,571,644.87
1	IB PAYMENT FROM TOBIAS 415	0.00	0.00	3,986.00	20260929	4,575,630.87
1	CASH DEPOSIT NOTES/COINS CALITZDORP	0.00	0.00	360.00	20260929	4,575,990.87
1	CASH DEPOSIT NOTES/COINS CO MOTORS	0.00	0.00	402.50	20260929	4,576,393.37
1	CASH DEPOSIT NOTES/COINS CBL MOTORS 2026/09/16	0.00	0.00	798.00	20260929	4,577,191.37
1	CASH DEPOSIT NOTES/COINS LDS	0.00	0.00	1,187.00	20260929	4,578,378.37
1	CASH DEPOSIT NOTES/COINS CO MOTORS	0.00	0.00	1,423.20	20260929	4,579,801.57
1	CASH DEPOSIT NOTES/COINS ZOAR	0.00	0.00	3,640.00	20260929	4,583,441.57
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20260929	4,583,441.57
2	CASH DEPOSIT NOTES/COINS CO MOTORS	0.00	0.00	4,139.20	20260929	4,587,580.77
2	CASH DEPOSIT NOTES/COINS LDS	0.00	0.00	4,738.50	20260929	4,592,319.27
2	CASH DEPOSIT NOTES/COINS CALITZDORP	0.00	0.00	4,754.20	20260929	4,597,073.47
2	CASH DEPOSIT NOTES/COINS CBL MOTORS 2026/09/15	0.00	0.00	4,775.00	20260929	4,601,848.47
2	CASH DEPOSIT NOTES/COINS LDS	0.00	0.00	6,500.00	20260929	4,608,348.47
2	CASH DEPOSIT NOTES/COINS CBL MOTORS 2026/09/17	0.00	0.00	6,814.00	20260929	4,615,162.47
2	CASH DEPOSIT NOTES/COINS LDS	0.00	0.00	7,061.50	20260929	4,622,223.97
2	CASH DEPOSIT NOTES/COINS CBL MOTORS 2026/09/14	0.00	0.00	7,492.50	20260929	4,629,716.47
2	CASH DEPOSIT NOTES/COINS LDS	0.00	0.00	7,685.50	20260929	4,637,401.97
2	CASH DEPOSIT NOTES/COINS LDS	0.00	0.00	17,720.40	20260929	4,655,122.37
2	CASH DEPOSIT NOTES/COINS LDS	0.00	0.00	20,375.50	20260929	4,675,497.87
2	CASH DEPOSIT NOTES/COINS LDS	0.00	0.00	22,804.90	20260929	4,698,302.77
2	ELECTRONIC BANKING PAYMENT TO PHILL PHILLIP FIRGI RVX6814:42	0.00	-4,982.00	0.00	20260929	4,693,320.77
2	ELECTRONIC BANKING PAYMENT TO	0.00	-5,360.60	0.00	20260929	4,687,960.17

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CURRENT ACCOUNT - STATEMENT DETAILS

Page	Details	Service Fee	Debit	Credit	Date	Balance
	FNB B FIRST NATIONA RVX6814:42					
2	ELECTRONIC BANKING PAYMENT TO PHILL PHILLIP FIRGI RVX6814:42	0.00	-13,782.00	0.00	20260929	4,674,178.17
2	ELECTRONIC BANKING PAYMENT TO PAYES SARS - PAYE - RVX6814:43	0.00	-1,507,024.98	0.00	20260929	3,167,153.19
2	ELECTRONIC BANKING PAYMENT TO SALARIES *	0.00	-2,426,960.27	0.00	20260929	740,192.92
2	ACCOUNT PAYMENT SBSA FLEET177482830000164261	5.50	-27,801.25	0.00	20260929	712,391.67

** END OF REPORT **