



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52 **1st Quarter of 2025/26**



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

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GLOSSARY

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

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

Approved budget - means an annual budget—

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

Budget - The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unauthorised expenditure - in relation to a municipality, means any expenditure

incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

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

Virement - A transfer of budget.

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

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

LEGISLATIVE FRAMEWORK

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

Report of the Executive Mayor

In accordance with Section 52(d) of the Municipal Finance Management Act, I submit a report to the council within 30 days after the end of the first quarter of 2025/26, on the implementation of the budget and the financial state of affairs of the Kannaland Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a Municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

Executive Mayor

Recommendations

That the council takes cognisance of the Quarterly budget statement of the **first quarter of the 2025/26 MTREF (Q1)**.

SECTION 1 – EXECUTIVE SUMMARY

1.1 INTRODUCTION

In terms of section 52(d) of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality. The format and content of in-year reporting are set out in the Municipal Budget and Reporting Regulations of 2009, that was published in terms of section 168 of the MFMA (2003).

1.2 CONSOLIDATED PERFORMANCE

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

It also compares the quarterly projections for service delivery targets and performance indicators contained in the SDBIP, against the actual; outcomes of the municipality's performance in service delivery for the 1st quarter of 2025/26.

The performance against the budget can be summarized as follow:

Amount in thousands	Amended Budget	YTD Budget	Monthly Actual	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 254 396	R 63 599	R 17 097	R 67 953	R 4 354	7%
Operating Expenditure	R 262 857	R 65 537	R 19 865	R 50 803	R (14 734)	-22%
Capital	R 13 721	R 3 430	R2 801	R 5 614	R 2 183	64%

Operational Revenue

The municipality's total operational revenue budget amounts to R255 million and the year-to-date revenue on the budget accrued to R67.95 million. This represents 27% of the YTD variance for total revenue.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R263 million, with a year-to-date performance of R50.80 million, or 19% of the YTD variance for total expenditure budget.

Capital Expenditure

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

Operating Surplus/Deficit

The variances for operating revenue amounted to R17.10 million exceeding budget, and expenditure amounting to R 19.87 million below budget, with an operating deficit of R 2.77 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.

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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 slow spending on capital budget;
- (c) That 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 – QUARTERLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	28,504	29,723	29,723	2,482	7,455	7,431	25	0%	29,723
Service charges	131,751	155,248	155,248	11,702	37,604	38,812	(1,207)	-3%	155,248
Investment revenue	1,479	1,003	1,003	119	230	251	(21)	-8%	1,003
Transfers and subsidies - Operational	56,603	53,464	53,464	1,221	18,281	13,366	4,915	37%	53,464
Other own revenue	23,574	14,958	14,958	1,573	4,382	3,739	642	17%	14,958
Total Revenue (excluding capital transfers and	241,910	254,396	254,396	17,097	67,953	63,599	4,354	7%	254,396
Employee costs	114,550	97,832	97,832	8,388	24,967	24,281	685	3%	97,832
Remuneration of Councillors	4,264	3,526	3,526	304	910	882	28	3%	3,526
Depreciation and amortisation	40,078	13,179	13,179	1,098	3,295	3,295	0	0%	13,179
Interest	679	1,346	1,346	498	531	336	195	58%	1,346
Inventory consumed and bulk purchases	67,057	90,807	90,757	7,729	16,016	22,689	(6,673)	-29%	90,757
Transfers and subsidies	589	590	590	40	71	147	(77)	-52%	590
Other expenditure	11,551	55,577	55,627	1,808	5,014	13,907	(8,893)	-64%	55,627
Total Expenditure	238,767	262,857	262,857	19,865	50,803	65,537	(14,734)	-22%	262,857
Surplus/(Deficit)	3,144	(8,461)	(8,461)	(2,768)	17,150	(1,939)	19,088	-985%	(8,461)
Transfers and subsidies - capital (monetary allocations)	18,627	15,779	15,779	3,645	6,174	4,525	1,649	36%	15,779
Transfers and subsidies - capital (in-kind)	3	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	21,773	7,317	7,317	876	23,323	2,586	20,737	802%	7,317
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	21,773	7,317	7,317	876	23,323	2,586	20,737	802%	7,317
Capital expenditure & funds sources									
Capital expenditure	21,487	13,721	13,721	2,801	5,614	3,430	2,183	64%	13,721
Capital transfers recognised	21,027	13,721	13,721	2,801	5,614	3,430	2,183	64%	13,721
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	374	-	-	-	-	-	-	-	-
Total sources of capital funds	21,401	13,721	13,721	2,801	5,614	3,430	2,183	64%	13,721
Financial position									
Total current assets	104,649	43,973	44,023		124,779				44,023
Total non current assets	323,536	310,072	310,072		327,538				310,072
Total current liabilities	139,049	107,528	107,578		138,530				107,578
Total non current liabilities	57,420	48,640	48,640		57,420				48,640
Community wealth/Equity	233,399	197,877	197,877		226,431				197,877
Cash flows									
Net cash from (used) operating	123,591	24,534	24,534	10,297	60,296	6,713	(53,582)	-798%	253,435
Net cash from (used) investing	(18,861)	(15,779)	(15,779)	(2,302)	(5,537)	3,945	9,482	240%	15,779
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	144,570	18,462	18,462	-	126,770	20,365	(106,405)	-522%	341,226
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5,296	4,280	3,466	2,824	2,619	2,497	15,727	135,768	172,479
Creditors Age Analysis									
Total Creditors	13,056	10,983	9,625	-	-	-	-	75,429	109,092

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue - Functional										
<i>Governance and administration</i>		83,284	52,425	52,425	3,840	26,131	13,106	13,025	99%	52,425
Executive and council		37,587	8,106	8,106	—	16,234	2,026	14,208	701%	8,106
Finance and administration		45,697	44,319	44,319	3,840	9,897	11,080	(1,182)	-11%	44,319
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		24,877	21,833	21,833	4,037	7,176	5,458	1,718	31%	21,833
Community and social services		15,125	16,505	16,505	4,037	7,176	4,126	3,050	74%	16,505
Sport and recreation		58	60	60	—	—	15	(15)	-100%	60
Public safety		(6)	—	—	—	—	—	—	—	—
Housing		9,700	5,268	5,268	—	—	1,317	(1,317)	-100%	5,268
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		2,318	2,487	2,487	293	655	622	33	5%	2,487
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		2,318	2,487	2,487	293	655	622	33	5%	2,487
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		150,059	193,429	193,429	12,572	40,164	48,937	(8,774)	-18%	193,429
Energy sources		87,144	117,820	117,820	7,616	25,475	30,035	(4,560)	-15%	117,820
Water management		36,906	42,176	42,176	2,564	7,453	10,544	(3,091)	-29%	42,176
Waste water management		13,215	16,009	16,009	1,211	3,663	4,002	(340)	-8%	16,009
Waste management		12,795	17,425	17,425	1,181	3,574	4,356	(783)	-18%	17,425
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	260,539	270,174	270,174	20,742	74,126	68,124	6,003	9%	270,174
Expenditure - Functional										
<i>Governance and administration</i>		86,298	89,151	89,151	7,409	20,088	22,120	(2,031)	-9%	89,151
Executive and council		33,308	28,542	28,542	2,069	5,995	7,135	(1,140)	-16%	28,542
Finance and administration		52,990	60,609	60,609	5,340	14,093	14,984	(891)	-6%	60,609
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		19,076	18,398	18,398	1,035	3,079	4,591	(1,512)	-33%	18,398
Community and social services		10,817	9,366	9,366	715	2,135	2,333	(198)	-8%	9,366
Sport and recreation		1,557	1,702	1,702	101	325	425	(100)	-24%	1,702
Public safety		1,447	369	369	120	308	92	216	234%	369
Housing		5,254	6,962	6,962	100	311	1,741	(1,430)	-82%	6,962
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		15,046	20,583	20,583	1,152	3,546	5,146	(1,599)	-31%	20,583
Planning and development		281	380	380	8	29	95	(66)	-70%	380
Road transport		14,765	20,203	20,203	1,144	3,518	5,051	(1,533)	-30%	20,203
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		118,346	134,725	134,725	10,269	24,090	33,681	(9,591)	-28%	134,725
Energy sources		73,468	94,302	94,302	8,232	17,367	23,575	(6,209)	-26%	94,302
Water management		22,092	17,934	17,934	1,004	3,398	4,483	(1,086)	-24%	17,934
Waste water management		10,782	10,707	10,707	455	1,579	2,677	(1,098)	-41%	10,707
Waste management		12,005	11,782	11,782	578	1,747	2,945	(1,199)	-41%	11,782
<i>Other</i>		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	238,767	262,857	262,857	19,865	50,803	65,537	(14,734)	-22%	262,857
Surplus/ (Deficit) for the year		21,773	7,317	7,317	876	23,323	2,586	20,737	802%	7,317

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

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		37,587	8,606	8,606	–	16,234	2,151	14,083	654.6%	8,606
Vote 2 - CORPORATE SERVICES		25,969	22,740	22,740	4,249	7,625	5,685	1,940	34.1%	22,740
Vote 3 - FINANCIAL SERVICES		45,108	43,444	43,444	3,754	9,723	10,861	(1,138)	-10.5%	43,444
Vote 4 - TECHNICAL SERVICES		151,875	195,384	195,384	12,739	40,545	49,426	(8,881)	-18.0%	195,384
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	260,539	270,174	270,174	20,742	74,126	68,124	6,003	8.8%	270,174
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33,308	28,542	28,542	2,069	5,995	7,135	(1,140)	-16.0%	28,542
Vote 2 - CORPORATE SERVICES		61,566	45,318	45,318	3,726	11,259	11,153	106	1.0%	45,318
Vote 3 - FINANCIAL SERVICES		12,318	37,137	37,137	2,768	6,533	9,284	(2,751)	-29.6%	37,137
Vote 4 - TECHNICAL SERVICES		131,113	150,855	150,855	11,276	26,980	37,714	(10,734)	-28.5%	150,855
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		462	1,005	1,005	27	35	251	(216)	-85.9%	1,005
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	238,767	262,857	262,857	19,865	50,803	65,537	(14,734)	-22.5%	262,857
Surplus/ (Deficit) for the year	2	21,773	7,317	7,317	876	23,323	2,586	20,737	801.9%	7,317

2.4 TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		86,289	107,694	107,694	7,579	25,374	26,923	(1,549)	-6%	107,694
Service charges - Water		25,346	30,912	30,912	2,245	6,512	7,728	(1,216)	-16%	30,912
Service charges - Waste Water Management		10,179	7,384	7,384	947	2,878	1,846	1,032	56%	7,384
Service charges - Waste management		9,937	9,258	9,258	932	2,840	2,315	525	23%	9,258
Sale of Goods and Rendering of Services		481	295	295	58	136	74	62	84%	295
Agency services		1,324	1,450	1,450	164	352	362	(11)	-3%	1,450
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		9,583	8,594	8,594	803	2,391	2,149	243	11%	8,594
Interest earned from Current and Non Current Assets		1,479	1,003	1,003	119	230	251	(21)	-8%	1,003
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		692	493	493	62	184	123	61	50%	493
Licence and permits		206	230	230	17	51	57	(7)	-11%	230
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		314	200	200	43	82	50	32	65%	200
Non-Exchange Revenue										
Property rates		28,504	29,723	29,723	2,482	7,455	7,431	25	0%	29,723
Surcharges and Taxes		6,604	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		236	231	231	75	137	58	79	137%	231
Licence and permits		-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		56,603	53,464	53,464	1,221	18,281	13,366	4,915	37%	53,464
Interest		3,420	3,465	3,465	290	864	866	(2)	0%	3,465
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		714	-	-	61	184	-	184	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		241,910	254,396	254,396	17,097	67,953	63,599	-		254,396
Expenditure By Type										
Employee related costs		114,550	97,832	97,832	8,388	24,967	24,281	685	3%	97,832
Remuneration of councillors		4,264	3,526	3,526	304	910	882	28	3%	3,526
Bulk purchases - electricity		63,298	82,476	82,476	7,365	15,158	20,619	(5,461)	-26%	82,476
Inventory consumed		3,759	8,331	8,281	364	858	2,070	(1,212)	-59%	8,281
Debt impairment		(40,672)	13,468	13,468	-	-	3,367	(3,367)	-100%	13,468
Depreciation and amortisation		40,078	13,179	13,179	1,098	3,295	3,295	0	0%	13,179
Interest		679	1,346	1,346	498	531	336	195	58%	1,346
Contracted services		20,514	20,447	20,447	1,235	2,557	5,112	(2,555)	-50%	20,447
Transfers and subsidies		589	590	590	40	71	147	(77)	-52%	590
Irrecoverable debts written off		13,534	-	-	30	30	-	30	-	-
Operational costs		16,845	21,662	21,712	544	2,427	5,428	(3,001)	-55%	21,712
Losses on Disposal of Assets		1,329	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		238,767	262,857	262,857	19,865	50,803	65,537	(14,734)	-22%	262,857
Surplus/(Deficit)		3,144	(8,461)	(8,461)	(2,768)	17,150	(1,939)	14,734	(0)	(8,461)
Transfers and subsidies - capital (monetary allocations)		18,627	15,779	15,779	3,645	6,174	4,525	1,649	0	15,779
Transfers and subsidies - capital (in-kind)		3	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		21,773	7,317	7,317	876	23,323	2,586			7,317
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		21,773	7,317	7,317	876	23,323	2,586			7,317
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		21,773	7,317	7,317	876	23,323	2,586			7,317
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		21,773	7,317	7,317	876	23,323	2,586			7,317

2.5 OPERATING REVENUE BY SOURCES:

- The performance against the revenue budget can be explained as follow:
- Service Charges – Electricity** amounts to R 7.6 million for **September 2025** and R 25.4 million YTD which represents **-6%** variance to the budget.
- Service Charges – Water** amounts to R 2.2 million for **September 2025** and R 6.5 million YTD which represents **-16%** variance to the budget.
- Service Charges – Waste Water Management** amounts to R 947 thousand for **September 2025** and R 2.9 million YTD which represents **56%** variance to the budget.

- **Service Charges – Waste Management** amounts to R 932 thousand for **September 2025** and R 2.8 million YTD which represents **23%** variance to the budget.
- **Sale of Goods and Rendering of Services** – amounts to R58 thousand for **September 2025** and R 136 thousand YTD which represents **84%** variance to the budget.
- **Interest on outstanding debtors** – **11%** YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Licence and permits-11%** YTD variance from the budget.
- **Rental from fixed Assets** – amounted to R 62 thousand and R 184 thousand YTD which represents a 50% variance to the budget.
- **Fines, Penalties & Forfeits** – Almost no activity, with a **137%** YTD variance, with no vendor appointed to provide cameras and administrative support on speed fines.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

2.6 OPERATING EXPENDITURE BY TYPE

- **Bulk Purchases- electricity-** amounted to R 7.4million in **September 2025** and 15.2 million YTD
- **Inventory Consumed** – represents a negative **59%** negative on the budget.
- **Contracted Services** – amounted to R 1.2 million in **September 2025** and R 2.6million YTD.
- **Other Expenditure** - amounted to R 544 thousand in **September 2025**.

2.7 TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter									
Vote Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %
R thousands	1								Full Year Forecast
Multi-Year expenditure appropriation	2								
Vote 4 - TECHNICAL SERVICES		16,944	13,721	13,721	2,801	5,614	3,430	2,183	64%
Total Capital Multi-year expenditure	4,7	16,944	13,721	13,721	2,801	5,614	3,430	2,183	64%
Single Year expenditure appropriation	2								
Vote 1 - MUNICIPAL MANAGER		140	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		293	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		4,110	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	4,543	-	-	-	-	-	-	-
Total Capital Expenditure	3	21,487	13,721	13,721	2,801	5,614	3,430	2,183	64%
Capital Expenditure - Functional Classification									
Governance and administration		348	-	-	-	-	-	-	-
Executive and council		140	-	-	-	-	-	-	-
Finance and administration		208	-	-	-	-	-	-	-
Community and public safety		86	-	-	-	-	-	-	-
Community and social services		86	-	-	-	-	-	-	-
Economic and environmental services		26	-	-	-	-	-	-	-
Road transport		26	-	-	-	-	-	-	-
Trading services		21,027	13,721	13,721	2,801	5,614	3,430	2,183	64%
Energy sources		4,110	2,967	2,967	-	-	742	(742)	-100%
Water management		779	1,217	1,217	-	514	304	210	69%
Waste water management		13,836	9,536	9,536	2,801	5,099	2,384	2,715	114%
Waste management		2,303	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	21,487	13,721	13,721	2,801	5,614	3,430	2,183	64%
Funded by:									
National Government		16,139	12,503	12,503	2,801	5,099	3,126	1,973	63%
Provincial Government		4,889	1,217	1,217	-	514	304	210	69%
Transfers recognised - capital		21,027	13,721	13,721	2,801	5,614	3,430	2,183	64%
Internally generated funds		374	-	-	-	-	-	-	-
Total Capital Funding	7	21,401	13,721	13,721	2,801	5,614	3,430	2,183	64%

CAPITAL EXPENDITURE

- The YTD capital expenditure at the end of **quarter one** was **R 5.6 million** which amounts to **41%** of the total budget.

2.8 TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter						
Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands						
ASSETS	1					
Current assets						
Cash and cash equivalents		23,018	18,162	18,162	28,480	18,162
Trade and other receivables from exchange transactions		81,115	54,173	54,173	91,769	54,173
Receivables from non-exchange transactions		9,159	458	458	10,531	458
Current portion of non-current receivables		—	—	—	—	—
Inventory		1,503	116	166	1,571	166
VAT		(9,850)	(27,873)	(27,873)	(7,237)	(27,873)
Other current assets		(295)	(1,062)	(1,062)	(336)	(1,062)
Total current assets		104,649	43,973	44,023	124,779	44,023
Non current assets						
Investments		—	—	—	—	—
Investment property		1,018	1,064	1,064	1,018	1,064
Property, plant and equipment		322,512	309,004	309,004	326,514	309,004
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		—	—	—	—	—
Intangible assets	7	4	4	4	6	4
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
Total non current assets		323,536	310,072	310,072	327,538	310,072
TOTAL ASSETS		428,185	354,045	354,095	452,316	354,095
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	—	—	—	—
Consumer deposits		1,584	1,446	1,446	1,611	1,446
Trade and other payables from exchange transactions		108,822	104,511	104,561	96,396	104,561
Trade and other payables from non-exchange transactions		20,091	15,581	15,581	26,394	15,581
Provision		12,368	4,735	4,735	12,368	4,735
VAT		(3,817)	(18,745)	(18,745)	1,761	(18,745)
Other current liabilities		—	—	—	—	—
Total current liabilities		139,049	107,528	107,578	138,530	107,578
Non current liabilities						
Financial liabilities		—	—	—	—	—
Provision		40,334	37,090	37,090	40,334	37,090
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		17,086	11,550	11,550	17,086	11,550
Total non current liabilities		57,420	48,640	48,640	57,420	48,640
TOTAL LIABILITIES		196,468	156,168	156,218	195,950	156,218
NET ASSETS	2	231,717	197,877	197,877	256,367	197,877
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		232,937	197,416	197,416	225,969	197,416
Reserves and funds		462	462	462	462	462
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	233,399	197,877	197,877	226,431	197,877

2.9 TABLE C7 – QUARTERLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	1	19,650	27,286	27,286	1,883	5,529	6,822	(1,293)	-19%	27,286
Service charges		100,836	151,165	151,165	10,532	29,390	37,791	(8,402)	-22%	151,165
Other revenue		17,289	24,122	24,122	661	5,286	6,030	(744)	-12%	24,122
Transfers and Subsidies - Operational		56,202	53,464	53,464	2,945	22,427	13,366	9,061	68%	53,464
Transfers and Subsidies - Capital		24,160	15,779	15,779	4,000	8,335	4,525	3,810	84%	15,779
Interest		-	3,775	3,775	-	-	944	(944)	-100%	3,775
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(94,546)	(249,711)	(249,711)	(9,724)	(10,671)	(62,428)	(51,757)	83%	(20,809)
Interest		-	(1,346)	(1,346)	-	-	(336)	(336)	100%	(1,346)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		123,591	24,534	24,534	10,297	60,296	6,713	(53,582)	-798%	253,435
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(18,861)	(15,779)	(15,779)	(2,302)	(5,537)	3,945	9,482	240%	15,779
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18,861)	(15,779)	(15,779)	(2,302)	(5,537)	3,945	9,482	240%	15,779
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD										
		104,730	8,755	8,755	7,995	54,759	10,658			269,214
Cash/cash equivalents at beginning:		39,840	9,707	9,707		72,011	9,707			72,011
Cash/cash equivalents at month/year end:		144,570	18,462	18,462		126,770	20,365			341,226

The total bank balances at the end of **Quarter one** was as follow;

- Standard Bank Main Account is **R 813 thousand**;
- The Traffic Account has **R 828 thousand**;
- Deposit Account has **R 7.1 million**;
- Call Account has **R 24.9 million**; and
- Eskom Bulk Account has **R 444 thousand**.

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter													
Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2,865	1,167	1,033	803	688	689	4,441	25,538	37,225	32,159	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,181	712	426	170	147	71	439	1,535	5,683	2,363	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2,730	766	680	576	521	474	2,904	26,839	35,489	31,313	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	976	470	398	396	392	390	2,317	15,975	21,315	19,470	–	–
Receivables from Exchange Transactions - Waste Management	1600	1,843	784	618	600	588	580	3,428	22,845	31,286	28,041	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	37	67	85	93	107	124	1,232	38,149	39,894	39,705	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(5,337)	314	225	185	176	169	966	4,888	1,588	6,385	–	–
Total By Income Source	2000	5,296	4,280	3,466	2,824	2,619	2,497	15,727	135,768	172,479	159,436	–	–
2024/25 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(2,510)	717	465	150	89	33	64	327	(664)	663	–	–
Commercial	2300	790	184	164	160	154	140	877	5,983	8,450	7,313	–	–
Households	2400	7,003	3,223	2,694	2,373	2,263	2,211	14,027	116,961	150,755	137,835	–	–
Other	2500	14	156	144	141	115	113	759	12,497	13,938	13,625	–	–
Total By Customer Group	2600	5,296	4,280	3,466	2,824	2,619	2,497	15,727	135,768	172,479	159,436	–	–

The total debtor's book of the Kannaland Local Municipality was standing at **R 172 million** at the end of quarter one. The breakdown of the total debtor's book is provided below:

- **R5.3 million** or 3% of the current month or within 30 days.
- **R4.3 million** or 2.48% is over 30 days but less than 60 days or two months.
- **R3.5 million** or 2% is over 60 days but less than 90 days or three months.
- **R2.8 million** or 1.64 is over 90 days but less than 120 days or four months.
- **R2.6 million** or 1.52% is over 120 days but less than 150 days or five months.
- **R2.5 million** or 1.45% is over 150 days but less than 180 days or six months.
- **R15.7 million** or 9.12% is over 180 days but less than one year.
- **R135.8 million** or 79% of the total outstanding debtors are older than one year and more.

The biggest challenge on the effective implementation of credit control policy or application of the pre-payment system, arises on areas where the municipality is not supplying the electricity and is rendering other municipal services. It becomes impossible to disconnect electricity service on households that are on arrears. The municipality may need to look at the possibilities of obtaining a license to supply electricity on those areas.

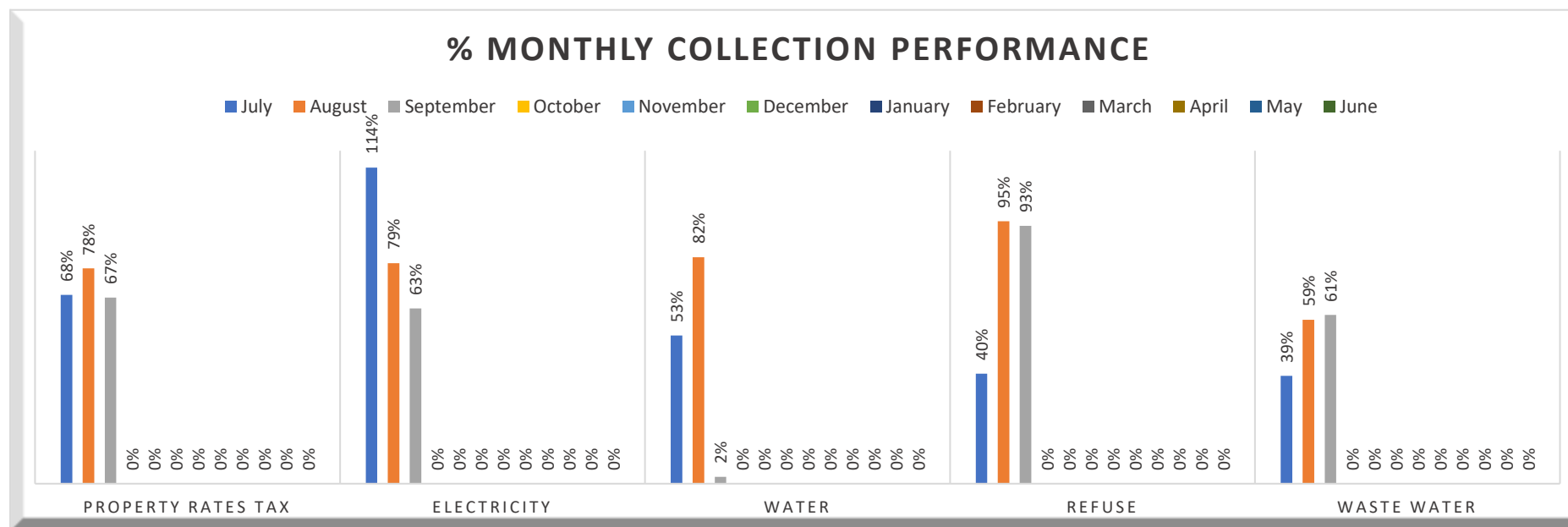
3.2 DEBTORS PAYMENT PERCENTAGES

Municipal Debt Relief	Western Cape
MFMA Circular No. 124	Code
Municipal Finance Management Act No. 56 of 2003	WC041

Collection Rate Assessment					
Aggregate Collection	Summary - Quarter 1				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	41,820,405	31,073,817	10,746,588	74%	74%
2.Collection <u>excl Eskom supplied areas</u>	26,949,730	20,525,187	6,424,543	76%	76%
3.Collection: Property Rates	7,491,274	3,712,343	3,778,930	50%	50%
4.Total average collection: Electricity (Municipal supplied areas)	20,793,880	20,496,712	297,168	99%	99%
5.Total average collection: Water	7,162,806	4,145,085	3,017,721	58%	58%
6.Total average collection: Wastewater	2,961,046	1,239,405	1,721,641	42%	42%
7.Total average collection: Refuse	3,166,027	1,311,721	1,854,307	41%	41%
8.Total average collection: Interest	245,372	168,552	76,820	69%	0%

The total billing for the first quarter accrued to **R42 million** and the receipts amount to **R31 million** as per the table above. Key observations:

- (i) The total billing as per the Budget C-Schedule on the first quarter MFMA section 52 report amount to **R45.06 million**. The details are provided on page 8, table C1. There are differences identified and will be investigated in order to enhance completeness and accuracy in our reporting.
- (ii) The differences are due to the C-Schedules extracted from SAMRAS WEB whilst the Debtors payment and billing are extracted from SAMRAS Classic. This needs to be investigated



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			153,877	106,240	47,637	69%	160,639	108,823	51,815	68%	156,354	65,690	90,864	42%
Electricity	Mun Supplied	Nelsonville- Ward 1	116,053	54,707	61,346	47%	164,226	125,942	38,284	77%	251,564	114,714	136,850	46%
Water			170,053	44,777	125,276	26%	242,435	62,014	180,421	26%	201,674	91,302	110,372	45%
Refuse			151,226	40,905	110,320	27%	211,015	59,760	151,255	28%	241,174	195,757	45,416	81%
Waste Water			192,608	55,871	136,737	29%	249,496	114,099	135,397	46%	1,299	-	1,299	0%
Interest			1,299	-	1,299	0%	1,299	260	1,039	20%	-	-	-	#DIV/0!
Property Rates Tax			71,835	38,642	33,192	54%	74,985	16,624	58,361	22%	-	-	-	#DIV/0!
Electricity	Ekom supplied	Zoar - Ward 2	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Water			476,658	26,052	450,606	5%	461,793	34,862	426,931	8%	479,575	27,170	452,405	6%
Refuse			334,303	23,356	310,947	7%	383,939	30,327	353,611	8%	378,057	23,288	354,769	6%
Waste Water			324,119	30,393	293,726	9%	371,973	36,044	335,930	10%	365,981	25,878	340,103	7%
Interest			4,772	5,054	0	106%	4,772	122	4,650	3%	4,772	9,544	0	200%
Property Rates Tax			179,972	61,594	118,378	34%	191,185	96,375	94,810	50%	-	-	-	#DIV/0!
Electricity	Ekom supplied	Calitzdorp Farms- Ward 3	-	-	-	#DIV/0!	48	-	48	0%	-	-	-	#DIV/0!
Water			67,647	15,641	52,006	23%	51,565	41,029	10,536	80%	64,625	37,052	27,573	57%
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Interest			-	1,136	0	#DIV/0!	-	(4,134)	4,134	#DIV/0!	-	-	-	#DIV/0!
Property Rates Tax			21,755	11,563	10,192	53%	22,705	9,864	12,841	43%	-	-	-	#DIV/0!
Electricity	Mun Supplied	Bereasg Calitzdorp- Ward 3	16,450	12,432	4,017	76%	18,385	15,400	2,985	84%	15,215	13,133	2,083	86%
Water			268,356	31,638	236,717	12%	343,741	38,072	305,670	11%	303,284	36,748	266,535	12%
Refuse			109,325	21,839	87,486	20%	134,790	16,187	118,602	12%	133,060	24,389	108,671	18%
Waste Water			96,517	13,655	82,862	14%	124,175	16,237	107,937	13%	122,474	16,242	106,232	13%
Interest			1,633	150	1,483	9%	1,633	(14,061)	15,694	-861%	1,633	150	1,483	9%
Property Rates Tax			451,384	362,720	88,664	80%	471,589	401,095	70,495	85%	732,529	774,689	0	#DIV/0!
Electricity	Mun Supplied	Calitzdorp Town- Ward 3	603,928	478,548	125,379	79%	660,743	461,148	199,595	70%	225,265	197,987	27,277	88%
Water			227,039	170,340	56,700	75%	209,087	206,511	2,577	99%	100,727	93,261	7,466	93%
Refuse			94,581	79,770	14,810	84%	102,803	92,636	10,166	90%	23,033	25,673	0	111%
Waste Water			22,002	15,839	6,163	72%	23,529	16,400	7,129	70%	6,777	3,396	3,381	50%
Interest			6,795	(3,936)	10,730	-58%	6,870	(2,273)	9,143	-33%	-	-	-	-
Property Rates Tax			952,044	706,886	245,158	74%	991,160	860,576	130,584	87%	2,472,806	-	2,472,806	0%
Electricity	Mun Supplied	Ladismith Town- Ward 4	2,637,223	3,527,932	0	134%	3,525,374	3,376,325	149,049	96%	4,419,056	3,912,236	506,821	89%
Water			604,551	542,777	61,774	90%	610,590	574,735	35,855	94%	648,932	597,673	51,260	92%
Refuse			189,117	181,222	7,895	96%	207,634	189,906	17,728	91%	205,735	178,183	27,552	87%
Waste Water			295,757	259,819	35,938	88%	317,802	284,370	33,431	89%	313,347	283,549	29,798	90%
Interest			60,744	38,143	22,600	63%	61,471	31,620	29,852	51%	66,087	100,930	0	153%
Property Rates Tax			490,411	309,167	181,245	63%	518,230	477,138	41,093	92%	-	-	-	#DIV/0!
Electricity	Ekom supplied	Ladismith Farms- Ward 4	1,628,356	1,624,886	3,470	100%	2,855,352	2,855,050	301	100%	3,149,379	3,149,570	0	100%
Water			395,211	373,427	21,784	94%	397,154	409,643	0	103%	529,798	531,332	0	100%
Refuse			20,176	9,957	10,219	49%	21,736	15,354	6,382	71%	21,736	15,109	6,627	70%
Waste Water			11,815	6,736	5,079	57%	12,323	16,534	0	134%	12,323	19,417	0	158%
Interest			4,875	1,090	3,785	22%	4,875	1,321	3,554	27%	4,875	-	4,875	0%
Property Rates Tax			53,490	19,657	33,833	37%	56,652	59,689	0	105%	-	-	-	#DIV/0!
Electricity	Ekom supplied	Van Wyksdorp- Ward 4	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Water			64,064	8,615	55,449	13%	60,023	36,707	23,316	61%	59,689	8,981	50,708	15%
Refuse			40,134	7,899	32,236	20%	46,014	8,053	37,961	18%	38,749	4,562	34,187	12%
Waste Water			25,214	1,440	23,774	6%	30,293	267	30,026	1%	24,967	942	24,025	4%
Interest			63	-	63	0%	63	41	23	64%	63	-	63	0%

3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter											
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	10,435	10,134	9,317	-	-	-	-	43,372	73,258	-
Bulk Water	0200	43	-	-	-	-	-	-	-	43	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	434	58	49	-	-	-	-	1,238	1,779	-
Auditor General	0800	1,363	240	170	-	-	-	-	18,617	20,391	-
Other	0900	781	550	88	-	-	-	-	12,202	13,621	-
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	13,056	10,983	9,625	-	-	-	-	75,429	109,092	-

- The total outstanding creditors as at the end of **quarter one** amounts to **R 109.1 million**.

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

- ESKOM = R73.3 million, of which the entire amount is conditionally written off. The other R35.8 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R34 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 2025-2026 FY.

3.4 INVESTMENT PORTFOLIO ANALYSIS

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

3.5 GRANT RECEIPTS AND EXPENDITURE

9/30/2025				
	Original Budget	Total Received	Total Spent	Unspent
Grant Name	Amount			
Provincial Government	R10,947,000.00	R 1,722,000.00	R 760,571.43	R 961,428.57
Housing				
Human Settlement Grant	R 3,842,000.00			
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	R -			R -
Title Deeds Restoration Grant	R 1,426,000.00			
Financial Capability (Performance Man System)	R 500,000.00	R 500,000.00		R 500,000.00
Lib Replacement: Vulnerable Mun	R 3,666,000.00	R 1,222,000.00	R 733,431.43	R 488,568.57
Municipal Water Resilience Grant	R 1,400,000.00			
Comm Dev Workers	R 113,000.00		R 27,140.00	R 85,860.00
National Government Grants	R60,035,000.00	R27,814,000.00	R23,721,685.51	R 4,092,314.49
Equitable Share	R38,962,000.00	R16,234,000.00	R16,234,000.00	
FMG (Audit)	R 2,900,000.00	R 2,900,000.00	R 932,507.63	R 1,967,492.37
Mun Infrastructure Grant	R 577,200.00	R 577,200.00	R 123,373.44	R 453,826.56
Mun Infrastructure Grant	R10,966,800.00	R 6,222,800.00	R 6,173,870.94	R 48,929.06
EPWP	R 1,378,000.00	R 345,000.00	R 257,933.50	R 87,066.50
INEP	R 3,412,000.00	R 1,535,000.00		R 1,535,000.00
INEP (Eskom)	R 1,839,000.00			R -
WSIG	R -	R -	R -	R -

The following indicates expenditure on each respective grant received (Operational) and (Capital) for Quarter one of 2025/26 –

Received

National Treasury:

Equitable Share amounts to R16.2 million.

Financial Management Grants amounts to R 2.9 million

Municipal Infrastructure Grant PMU amounts to R 577 thousand.

Municipal Infrastructure Grant amounts to R6.2 million

Expanded Public Works Program amounts to R345 thousand

Integrated National Electrification Program amounts to R1.5 million.

Provincial Treasury:

Performance Management System Grant amounts to R500 thousand.

Library Conditional Grant amounts to R1.2 million.

Expenditure:

National Treasury:

Equitable Share amounts to R16.2 million.

Financial Management Grants amounts to R 933 million

Municipal Infrastructure Grant PMU amounts to R 123 thousand.

Municipal Infrastructure Grant amounts to R6.17 million

Expanded Public Works Program amounts to R258 thousand

Integrated National Electrification Program amounts to R1.5 million.

Provincial Treasury:

Library Conditional Grant amounts to R733 thousand.

Community Development Workers amounts to R27 thousand.

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

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter										
Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,448	3,197	3,197	229	685	799	(114)	-14%	3,197
Pension and UIF Contributions		187	–	–	17	51	–	51		–
Medical Aid Contributions		123	–	–	11	33	–	33		–
Motor Vehicle Allowance		207	–	–	22	66	–	66		–
Cellphone Allowance		300	329	329	25	75	82	(7)	-9%	329
Sub Total - Councillors		4,264	3,526	3,526	304	910	882	28	3%	3,526
% increase	4		-17.3%	-17.3%						-17.3%
Senior Managers of the Municipality										
Basic Salaries and Wages		3,410	5,175	5,175	270	836	1,294	(457)	-35%	5,175
Pension and UIF Contributions		5	6	6	0	1	2	(0)	-16%	6
Motor Vehicle Allowance		367	676	676	32	108	169	(61)	-36%	676
Cellphone Allowance		35	150	150	2	6	37	(31)	-84%	150
Other benefits and allowances		53	84	84	4	13	21	(8)	-36%	84
Sub Total - Senior Managers of Municipality		3,870	6,091	6,091	309	965	1,523	(557)	-37%	6,091
% increase	4		57.4%	57.4%						57.4%
Other Municipal Staff										
Basic Salaries and Wages		71,907	67,870	67,870	5,838	17,404	16,967	437	3%	67,870
Pension and UIF Contributions		7,364	7,439	7,439	620	1,871	1,860	11	1%	7,439
Medical Aid Contributions		2,424	2,336	2,336	212	649	584	65	11%	2,336
Overtime		10,321	4,020	4,020	823	2,361	1,005	1,356	135%	4,020
Performance Bonus		1,849	632	632	–	–	158	(158)	-100%	632
Motor Vehicle Allowance		4,164	4,516	4,516	325	996	1,129	(133)	-12%	4,516
Cellphone Allowance		138	146	146	10	32	36	(4)	-12%	146
Housing Allowances		418	481	481	19	58	120	(63)	-52%	481
Other benefits and allowances		6,560	4,152	4,152	202	484	862	(377)	-44%	4,152
Payments in lieu of leave		5,464	150	150	31	145	38	108	287%	150
Long service awards		70	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		110,679	91,741	91,741	8,079	24,001	22,759	1,242	5%	91,741
% increase	4		-17.1%	-17.1%						-17.1%
Total Parent Municipality		118,813	101,358	101,358	8,691	25,876	25,163	713	3%	101,358
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Other benefits and allowances		1	–	–	0	0	–	0		–
Sub Total - Executive members Board	2	1	–	–	0	0	–	0		–
% increase	4									
Senior Managers of Entities										
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–		–
% increase	4									
Other Staff of Entities										
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–		–
% increase	4									
Total Municipal Entities		1	–	–	0	0	–	0		–
TOTAL SALARY, ALLOWANCES & BENEFITS		118,814	101,358	101,358	8,691	25,876	25,163	713	3%	101,358
% increase	4		-14.7%	-14.7%						-14.7%
TOTAL MANAGERS AND STAFF		114,549	97,832	97,832	8,388	24,966	24,281	685	3%	97,832

3.7 MATERIAL VARIANCES TO THE SDBIP

FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2025/26 includes the following KPA's to be discussed in more detail in Appendix C.

KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens

KPA 2: To Provide adequate Services and improve our public relations

KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks

KPA 4: To Facilitate Economic Growth and Social and Community development

KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation

KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy

KPA 7: To Strive towards a financially sustainable municipality

Detailed Capital Budget 2025-26

TRANSFERS AND SUBSIDIES

		Subtotal	15 778 800,00	12 241 550,00	49 357 000,00
			2025/26	2026/27	2027/28
		Amount	Amount	Amount	
Municipal Water Resilience Grant	Capex PT	1 400 000,00	-	-	
Municipal Energy Resilience Grant	Capex PT				
Mun Infrastructure Grant	Capex Nat	10 966 800,00	11 541 550,00	11 875 000,00	
INEP	Capex Nat	3 412 000,00	700 000,00	732 000,00	
WSIG	Capex Nat	-	-	36 750 000,00	

WC041 Kannaland - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		8 974	8 974	8 974	8 974	8 974	8 974	8 974	8 974	8 974	8 974	8 974	8 975	107 694	111 614	114 355
Service charges - Water		2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	30 912	32 334	33 757
Service charges - Waste Water Management		615	615	615	615	615	615	615	615	615	615	615	615	7 384	7 723	8 063
Service charges - Waste Management		772	772	772	772	772	772	772	772	772	772	772	772	9 258	10 045	10 832
Sale of Goods and Rendering of Services		25	25	25	25	25	25	25	25	25	25	25	25	295	309	322
Agency services		121	121	121	121	121	121	121	121	121	121	121	121	1 450	1 517	1 517
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		716	716	716	716	716	716	716	716	716	716	716	716	8 594	8 989	9 374
Interest earned from Current and Non Current Assets		84	84	84	84	84	84	84	84	84	84	84	84	1 003	1 569	1 638
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		41	41	41	41	41	41	41	41	41	41	41	41	493	604	539
Licence and permits		19	19	19	19	19	19	19	19	19	19	19	19	230	241	251
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		17	17	17	17	17	17	17	17	17	17	17	17	200	209	218
Non-Exchange Revenue																
Property rates		2 477	2 477	2 477	2 477	2 477	2 477	2 477	2 477	2 477	2 477	2 477	2 477	29 723	31 090	32 458
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		19	19	19	19	19	19	19	19	19	19	19	19	231	241	252
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	53 464	56 662	91 169
Interest		289	289	289	289	289	289	289	289	289	289	289	289	3 465	3 624	3 783
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		21 200	21 200	21 200	21 200	21 200	21 200	21 200	21 200	21 200	21 200	21 200	21 200	254 396	266 770	308 528
Expenditure																
Employee related costs		8 094	8 094	8 094	8 094	8 094	8 799	8 094	8 094	8 094	8 094	8 094	8 095	97 832	101 782	105 010
Remuneration of councillors		294	294	294	294	294	294	294	294	294	294	294	294	3 526	3 685	3 777
Bulk purchases - electricity		6 873	6 873	6 873	6 873	6 873	6 873	6 873	6 873	6 873	6 873	6 873	6 873	82 476	86 270	90 066
Inventory consumed		694	694	694	694	694	694	694	694	694	694	694	694	8 331	8 714	9 096
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	13 468	16 958	15 432
Depreciation and amortisation		1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	13 179	13 785	14 392
Interest		112	112	112	112	112	112	112	112	112	112	112	112	1 346	1 408	1 470
Contracted services		1 704	1 704	1 704	1 704	1 704	1 704	1 704	1 704	1 704	1 704	1 704	1 704	20 447	25 936	59 278
Transfers and subsidies		49	49	49	49	49	49	49	49	49	49	49	49	590	617	644
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 806	21 662	24 243	24 705
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	(12 346)	-	-	-
Total Expenditure		21 846	21 846	21 846	21 846	21 846	22 551	21 846	21 846	21 846	21 846	21 846	21 846	262 857	283 397	323 869
Surplus/(Deficit)		(646)	(646)	(646)	(646)	(646)	(1 352)	(646)	(646)	(646)	(646)	(646)	(646)	(8 461)	(16 627)	(15 341)
Transfers and subsidies - capital (monetary allocations)		1 031	2 464	1 031	1 031	2 157	1 031	1 031	1 884	1 031	1 031	1 031	1 031	15 779	12 242	49 357
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		384	1 817	384	384	1 510	(321)	384	1 237	384	384	384	383	7 317	(4 385)	34 016
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		384	1 817	384	384	1 510	(321)	384	1 237	384	384	384	383	7 317	(4 385)	34 016
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		384	1 817	384	384	1 510	(321)	384	1 237	384	384	384	383	7 317	(4 385)	34 016
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	384	1 817	384	384	1 510	(321)	384	1 237	384	384	384	383	7 317	(4 385)	34 016

WC041 Kannaland - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS													Budget Year 2025/26			Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28			
Cash Receipts By Source	1																	
Property rates	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	27 286	28 496	29 759			
Service charges - electricity revenue	8 951	8 951	8 951	8 951	8 951	8 951	8 951	8 951	8 951	8 951	8 951	8 951	107 416	111 323	114 056			
Service charges - water revenue	2 370	2 370	2 370	2 370	2 370	2 370	2 370	2 370	2 370	2 370	2 370	2 370	23 439	29 747	31 056			
Service charges - sanitation revenue	566	566	566	566	566	566	566	566	566	566	566	566	6 793	7 105	7 418			
Service charges - refuse revenue	710	710	710	710	710	710	710	710	710	710	710	710	8 518	9 241	9 965			
Rental of facilities and equipment	33	33	33	33	33	33	33	33	33	33	33	33	397	503	434			
Interest earned - external investments	84	84	84	84	84	84	84	84	84	84	84	84	1 003	1 569	1 638			
Interest earned - outstanding debtors	231	231	231	231	231	231	231	231	231	231	231	231	2 772	2 899	3 027			
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Fines, penalties and forfeits	33	33	33	33	33	33	33	33	33	33	33	33	401	419	437			
Licences and permits	3	3	3	3	3	3	3	3	3	3	3	3	30	31	33			
Agency services	2	2	2	2	2	2	2	2	2	2	2	2	24	25	26			
Transfers and Subsidies - Operational	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	53 464	56 662	91 169			
Other revenue	41	41	41	41	41	41	41	41	41	41	41	41	495	518	540			
Cash Receipts by Source	19 753	19 753	19 753	19 753	19 753	19 753	19 753	19 753	19 753	19 753	19 753	19 753	237 037	248 540	269 559			
Other Cash Flows by Source																		
Transfers and subsidies - capital (monetary allocations)	1 031	2 464	1 031	1 031	2 157	1 031	1 031	1 884	1 031	1 031	1 031	1 031	15 779	12 242	49 357			
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Cash Receipts by Source	20 784	22 217	20 784	20 784	21 910	20 784	20 784	21 637	20 784	20 784	20 784	20 784	252 815	260 781	338 916			
Cash Payments by Type																		
Employee related costs	(8 153)	(8 153)	(8 153)	(8 153)	(8 153)	(8 153)	(8 153)	(8 153)	(8 153)	(8 153)	(8 153)	(8 153)	(97 832)	(101 055)	(105 265)			
Remuneration of councillors	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(3 526)	(3 685)	(3 777)			
Finance charges	(112)	(112)	(112)	(112)	(112)	(112)	(112)	(112)	(112)	(112)	(112)	(112)	(1 346)	(1 408)	(1 470)			
Bulk purchases - Electricity	(6 873)	(6 873)	(6 873)	(6 873)	(6 873)	(6 873)	(6 873)	(6 873)	(6 873)	(6 873)	(6 873)	(6 873)	(82 476)	(86 270)	(90 066)			
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other materials	(693)	(693)	(693)	(693)	(693)	(693)	(693)	(693)	(693)	(693)	(693)	(693)	(8 315)	(7 795)	(8 225)			
Contracted services	(1 704)	(1 704)	(1 704)	(1 704)	(1 704)	(1 704)	(1 704)	(1 704)	(1 704)	(1 704)	(1 704)	(1 704)	(20 447)	(26 086)	(59 429)			
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other expenditure	(1 780)	(1 780)	(1 780)	(1 780)	(1 780)	(1 780)	(1 780)	(1 780)	(1 780)	(1 780)	(1 780)	(2 080)	(21 662)	(24 243)	(24 705)			
Cash Payments by Type	(19 609)	(19 609)	(19 609)	(19 609)	(19 609)	(19 609)	(19 609)	(19 609)	(19 609)	(19 609)	(19 609)	(19 909)	(235 604)	(250 542)	(292 936)			
Other Cash Flows/Payments by Type																		
Capital assets	-	-	-	-	-	-	-	-	-	-	-	(15 779)	(15 779)	(12 242)	(49 357)			
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Cash Flows/Payments	(1 313)	(1 313)	(1 313)	(1 313)	(1 313)	(1 313)	(1 313)	(1 313)	(1 313)	(1 313)	(1 313)	(1 313)	(15 753)	(16 510)	(17 080)			
Total Cash Payments by Type	(20 921)	(20 921)	(20 921)	(20 921)	(20 921)	(20 921)	(20 921)	(20 921)	(20 921)	(20 921)	(20 921)	(20 921)	(37 000)	(267 135)	(279 294)	(359 373)		
NET INCREASE/(DECREASE) IN CASH HELD	(138)	1 295	(138)	(138)	988	(138)	(138)	715	(138)	(138)	(138)	(138)	(16 216)	(14 320)	(18 512)	(20 457)		
Cash/cash equivalents at the month/year begin:	9 707	9 570	10 865	10 727	10 589	11 577	11 440	11 302	12 017	11 879	11 742	11 604	9 707	(4 613)	(23 125)	(43 582)		
Cash/cash equivalents at the month/year end:	9 570	10 865	10 727	10 589	11 577	11 440	11 302	12 017	11 879	11 742	11 604	(4 613)	(4 613)	(23 125)	(43 582)			

3.8 CAPITAL PROGRAMME PERFORMANCE

EXPENDITURE STATUS 2025/2026 FY (Sept 2025)								
No.	Grant	Project No	Project Name	Original Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG			R 10 966 800,00	R 6 173 870,94	R 4 792 929,06	56%	
2	Water Resilience Grant		Municipal Water Resilience Grant	R 1 400 000,00		R 1 400 000,00	0%	
3	INEP			R 3 412 000,00	R -	R 3 412 000,00	0%	
		TOTALS		R 15 778 800,00	R 6 173 870,94	R 9 604 929,06	39,1%	EXPENDITURE FOR 2025/2026 FY

SECTION 4 – QUALITY CERTIFICATION



Posbus 30 P.O. Box
LADISMITH
6655

KANNALAND
MUNISIPALITEIT | MUNICIPALITY

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Fax : (028) 551 1766

Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, Dillo Sereo Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **quarter one ended 30 September 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.


Print name: Dillo Sereo

Municipal Manager of **Kannaland Municipality WC041**

Signature 

Date :16 October 2025

ANNEXURE A - Bank Withdrawals MFMA Section 11(4)

PROVINCIAL TREASURY		
Withdrawals from Municipal Bank Accounts		
In accordance with Section 11, Sub-section 1 (b) to (j)		
NAME OF MUNICIPALITY:	KANNALAND MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	WC041	
QUARTER ENDED:	Sep-25	
	Amount	Reason for withdrawal
MFMA section 11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, and may do so only -	R 0,00	
(b) to defray expenditure authorised in terms of section 26(4);	R 0,00	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	R 0,00	
(d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section;	R 0,00	
(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including -	R 2 379 621,13	Motor Registration and RTMC transaction fees
(f) money collected by the municipality on behalf of that person or organ of state by agreement; or	R 0,00	
(g) any insurance or other payments received by the municipality for that person or organ of state;	R 0,00	
(h) to refund money incorrectly paid into a bank account;	R 0,00	
(i) to refund guarantees, sureties and security deposits;	R 0,00	
(j) for cash management and investment purposes in accordance with section 13;	R 0,00	
(k) to defray increased expenditure in terms of section 31; or	R 0,00	
(l) for such other purposes as may be prescribed.	R 0,00	
(4) The accounting officer must within 30 days after the end of each quarter -	Name and Surname: L. STEENKAMP	
(a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and	Rank/Position: Chief Financial Officer	
(b) submit a copy of the report to the relevant provincial treasury and the Auditor-General.	Signature: 	
Tel number	Fax number	Email Address
(028) 551 8000	(028) 551 1766	jedene@kannaland.gov.za

The completed form must reach Mr Wesley Baatjies at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 5007, Fax 021 483 8623, Email: wbaatjies@pgwc.gov.za on or before the 15th of the month following the end of each quarter.

