KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52
2nd 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

Table of Contents

GLOSSARY 3
LEGISLATIVE FRAMEWORK 5
Report of the Executive Mayor 5
Recommendations 5
SECTION 1 – EXECUTIVE SUMMARY 6
1.1 INTRODUCTION 6
1.2 CONSOLIDATED PERFORMANCE 6
1.3 MATERIAL DIFFERENCES TO THE SDBIP 6
1.4 REMEDIAL ACTIONS 7
SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES 8
2.1 TABLE C1 – QUARTERLY BUDGET SUMMARY 8
2.2 TABLE C2 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE 9
2.3 TABLE C3 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE 10
2.4 TABLE C4 – QUARTERLY FINANCIAL PERFROMANCE 11
2.5 OPERATING REVENUE BY SOURCES: 11
2.6 OPERATING EXPENDITURE BY TYPE 11
2.7 TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE 12
2.8 TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION 14
2.9 TABLE C7 – QUARTERLY BUDGETED CASH FLOW 15
SECTION 3 SUPPORTING DOCUMENTATION 16
3.1 TABLE SC3 – DEBTORS AGE ANALYSIS 16
3.2 DEBTORS PAYMENT PERCENTAGES 17
3.3 TABLE SC4 – CREDITORS AGE ANALYSIS 20
3.4 INVESTMENT PORTFOLIO ANALYSIS 21
3.6 TABLE SC8 – EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF 22
3.7 MATERIAL VARIANCES TO THE SDBIP 24
3.8 CAPITAL PROGRAMME PERFORMANCE 26
SECTION 4 – QUALITY CERTIFICATION 27
ANNEXURE A - Bank Withdrawals MFMA Section 11(4) 28
ANNEXURE D – BUDGET FUNDING PLAN 30

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 second 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 **second quarter of the 2025/26 MTREF (Q2).**

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 2nd 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 127 198	R 28 935	R 130 794	R 3 596	3%
Operating Expenditure	R 262 857	R 131 780	R 23 852	R 105 362	R (26 418)	-20%
Capital	R 13 721	R 8 742	R1 374	R 10 680	R 1 937	22%

Operational Revenue

The municipality's total operational revenue budget amounts to R255 million and the year-to-date revenue on the budget accrued to R130.80 million. This represents 51% of the YTD variance for total revenue.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R263 million, with a year-to-date performance of R105.36 million, or 40% of the YTD variance for total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R14 million with a year-to-date performance of R 10 million, or 68% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R28.94 million exceeding budget, and expenditure amounting to R 23.85 million below budget, with an operating surplus of R 5.08 million for the month under review. This performance is to be noted against an unfunded budget.

1.3 MATERIAL DIFFERENCES TO THE SDBIP

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

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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 - Q2 Second Quarter

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

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue - Functional									%	
Governance and administration		**83,284**	**52,425**	**52,425**	**14,202**	**46,991**	**26,213**	20,778	79%	**52,425**
Executive and council		37,587	8,106	8,106	10,957	27,218	4,053	23,166	572%	8,106
Finance and administration		45,697	44,319	44,319	3,245	19,772	22,160	(2,387)	-11%	44,319
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**24,877**	**21,833**	**21,833**	**3,356**	**12,955**	**10,916**	2,039	19%	**21,833**
Community and social services		15,125	16,505	16,505	1,515	11,096	8,252	2,844	34%	16,505
Sport and recreation		58	60	60	12	29	30	(1)	-5%	60
Public safety		(6)	–	–	(0)	2	–	2		–
Housing		9,700	5,268	5,268	1,829	1,829	2,634	(805)	-31%	5,268
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**2,318**	**2,487**	**2,487**	**373**	**1,683**	**1,244**	439	35%	**2,487**
Planning and development		–	–	–	–	–	–	–		–
Road transport		2,318	2,487	2,487	373	1,683	1,244	439	35%	2,487
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**150,059**	**193,429**	**193,429**	**12,380**	**79,845**	**97,568**	(17,723)	-18%	**193,429**
Energy sources		87,144	117,820	117,820	7,409	49,987	59,763	(9,776)	-16%	117,820
Water management		36,906	42,176	42,176	3,120	16,039	21,088	(5,049)	-24%	42,176
Waste water management		13,215	16,009	16,009	947	7,005	8,004	(999)	-12%	16,009
Waste management		12,795	17,425	17,425	903	6,813	8,712	(1,899)	-22%	17,425
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**260,539**	**270,174**	**270,174**	**30,310**	**141,473**	**135,940**	**5,533**	**4%**	**270,174**
Expenditure - Functional										
Governance and administration		**86,298**	**89,151**	**89,151**	**8,875**	**42,970**	**44,910**	(1,940)	-4%	**89,151**
Executive and council		33,308	28,542	28,542	2,825	13,568	14,271	(703)	-5%	28,542
Finance and administration		52,990	60,609	60,609	6,049	29,402	30,640	(1,237)	-4%	60,609
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**19,076**	**18,398**	**18,398**	**3,171**	**8,910**	**9,216**	(307)	-3%	**18,398**
Community and social services		10,817	9,366	9,366	948	5,019	4,700	319	7%	9,366
Sport and recreation		1,557	1,702	1,702	57	596	851	(255)	-30%	1,702
Public safety		1,447	369	369	148	736	184	551	299%	369
Housing		5,254	6,962	6,962	2,019	2,560	3,481	(922)	-26%	6,962
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**15,046**	**20,583**	**20,583**	**1,606**	**7,708**	**10,291**	(2,583)	-25%	**20,583**
Planning and development		281	380	380	23	83	190	(107)	-56%	380
Road transport		14,765	20,203	20,203	1,583	7,625	10,101	(2,476)	-25%	20,203
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**118,346**	**134,725**	**134,725**	**10,200**	**45,774**	**67,362**	(21,588)	-32%	**134,725**
Energy sources		73,468	94,302	94,302	7,600	31,610	47,151	(15,541)	-33%	94,302
Water management		22,092	17,934	17,934	928	6,659	8,967	(2,307)	-26%	17,934
Waste water management		10,782	10,707	10,707	462	3,177	5,354	(2,176)	-41%	10,707
Waste management		12,005	11,782	11,782	1,210	4,328	5,891	(1,563)	-27%	11,782
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**238,767**	**262,857**	**262,857**	**23,852**	**105,362**	**131,780**	**(26,418)**	**-20%**	**262,857**
Surplus/ (Deficit) for the year		**21,773**	**7,317**	**7,317**	**6,458**	**36,111**	**4,160**	**31,951**	**768%**	**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) - Q2 Second										
Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		37,587	8,606	8,606	11,223	27,485	4,303	23,182	538.7%	8,606
Vote 2 - CORPORATE SERVICES		25,969	22,740	22,740	3,533	13,971	11,370	2,601	22.9%	22,740
Vote 3 - FINANCIAL SERVICES		45,108	43,444	43,444	2,952	19,230	21,722	(2,492)	-11.5%	43,444
Vote 4 - TECHNICAL SERVICES		151,875	195,384	195,384	12,602	80,788	98,545	(17,757)	-18.0%	195,384
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		–	–	–	–	–	–	–		–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**260,539**	**270,174**	**270,174**	**30,310**	**141,473**	**135,940**	**5,533**	**4.1%**	**270,174**
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33,308	28,542	28,542	2,825	13,568	14,271	(703)	-4.9%	28,542
Vote 2 - CORPORATE SERVICES		61,566	45,318	45,318	7,019	27,026	23,011	4,015	17.4%	45,318
Vote 3 - FINANCIAL SERVICES		12,318	37,137	37,137	2,735	12,882	18,568	(5,687)	-30.6%	37,137
Vote 4 - TECHNICAL SERVICES		131,113	150,855	150,855	11,231	51,799	75,427	(23,628)	-31.3%	150,855
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		462	1,005	1,005	42	87	503	(415)	-82.7%	1,005
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**238,767**	**262,857**	**262,857**	**23,852**	**105,362**	**131,780**	**(26,418)**	**-20.0%**	**262,857**
Surplus/ (Deficit) for the year	2	**21,773**	**7,317**	**7,317**	**6,458**	**36,111**	**4,160**	**31,951**	**768.1%**	**7,317**

2.4 TABLE C4 – QUARTERLY FINANCIAL PERFROMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue									%	
Exchange Revenue										
Service charges - Electricity		86,289	107,694	107,694	7,402	48,265	53,847	(5,582)	-10%	107,694
Service charges - Water		25,346	30,912	30,912	3,096	14,415	15,456	(1,041)	-7%	30,912
Service charges - Waste Water Management		10,179	7,384	7,384	909	5,642	3,692	1,950	53%	7,384
Service charges - Waste management		9,937	9,258	9,258	903	5,572	4,629	942	20%	9,258
Sale of Goods and Rendering of Services		481	295	295	25	214	147	67	45%	295
Agency services		1,324	1,450	1,450	74	711	725	(14)	-2%	1,450
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		9,583	8,594	8,594	7	4,084	4,297	(214)	-5%	8,594
Interest earned from Current and Non Current Assets		1,479	1,003	1,003	313	790	501	289	58%	1,003
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		692	493	493	64	372	247	125	51%	493
Licence and permits		206	230	230	3	73	115	(42)	-36%	230
Special rating levies		–	–	–	–	–	–	–		–
Operational Revenue		314	200	200	18	168	100	68	68%	200
Non-Exchange Revenue										
Property rates		28,504	29,723	29,723	2,518	15,241	14,861	379	3%	29,723
Surcharges and Taxes		6,604	–	–	–	–	–	–		–
Fines, penalties and forfeits		236	231	231	210	605	115	490	425%	231
Licence and permits		–	–	–	–	2	–	2		–
Transfer and subsidies - Operational		56,603	53,464	53,464	13,336	32,848	26,732	6,116	23%	53,464
Interest		3,420	3,465	3,465	(5)	1,423	1,732	(309)	-18%	3,465
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		714	–	–	61	368	–	368		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**241,910**	**254,396**	**254,396**	**28,935**	**130,794**	**127,198**	**–**		**254,396**
Expenditure By Type										
Employee related costs		114,550	97,832	97,732	11,631	54,440	49,218	5,222	11%	97,732
Remuneration of councillors		4,264	3,526	3,526	303	1,956	1,763	193	11%	3,526
Bulk purchases - electricity		63,298	82,476	82,476	7,050	27,475	41,238	(13,763)	-33%	82,476
Inventory consumed		3,759	8,331	8,335	48	1,559	4,167	(2,609)	-63%	8,335
Debt impairment		(40,672)	13,468	13,468	–	–	6,734	(6,734)	-100%	13,468
Depreciation and amortisation		40,078	13,179	13,179	–	5,491	6,589	(1,098)	-17%	13,179
Interest		679	1,346	1,346	0	532	673	(141)	-21%	1,346
Contracted services		20,514	20,447	20,297	3,240	7,408	10,148	(2,740)	-27%	20,297
Transfers and subsidies		589	590	590	10	119	295	(176)	-60%	590
Irrecoverable debts written off		13,534	–	–	15	44	–	44		–
Operational costs		16,845	21,662	21,908	1,555	6,337	10,954	(4,616)	-42%	21,908
Losses on Disposal of Assets		1,329	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**238,767**	**262,857**	**262,857**	**23,852**	**105,362**	**131,780**	**(26,418)**	**-20%**	**262,857**
Surplus/(Deficit)		**3,144**	**(8,461)**	**(8,461)**	**5,083**	**25,432**	**(4,583)**	**26,418**	**(0)**	**(8,461)**
Transfers and subsidies - capital (monetary allocations)		18,627	15,779	15,779	1,374	10,680	8,742	1,937	0	15,779
Transfers and subsidies - capital (in-kind)		3	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**21,773**	**7,317**	**7,317**	**6,458**	**36,111**	**4,160**			**7,317**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**21,773**	**7,317**	**7,317**	**6,458**	**36,111**	**4,160**			**7,317**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**21,773**	**7,317**	**7,317**	**6,458**	**36,111**	**4,160**			**7,317**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**21,773**	**7,317**	**7,317**	**6,458**	**36,111**	**4,160**			**7,317**

2.5 OPERATING REVENUE BY SOURCES:

The performance against the revenue budget can be explained as follow:

- **Service Charges – Electricity** amounts to R 7.4 million for **December 2025** and R 48.3 million YTD which represents **-10%** variance to the budget.

- **Service Charges – Water** amounts to R 3 million for **December 2025** and R 14.4 million YTD which represents **-7%** variance to the budget.

- **Service Charges – Waste Water Management** amounts to R 909 thousand for **December 2025** and R 5.6 million YTD which represents **53%** variance to the budget.

- **Service Charges – Waste Management** amounts to R 903 thousand for **December 2025** and R 5.6 million YTD which represents **20%** variance to the budget.

- **Sale of Goods and Rendering of Services** – amounts to R25 thousand for **December 2025** and R 214 thousand YTD which represents **45%** variance to the budget.

- **Interest on outstanding debtors** – **-5%** YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Licence and permits**- -**36%** YTD variance from the budget.
- **Rental from fixed Assets –** amounted to R 64 thousand and R 372 thousand YTD which represents a **51%** variance to the budget.
- **Fines, Penalties & Forfeits** – with a **425%** YTD variance, vendor appointed to provide cameras and administrative support on speed fines.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature**.**

2.6 OPERATING EXPENDITURE BY TYPE

- **Employee Related Costs –** amounted to R 11.63 million for **December 2025** and **R 54.4** million YTD, this represents a 11**%** spending on the budget. The variance on employee related cost is due to salary increases, bonusses and high overtime and standby during the month of reporting.
- **Remuneration of Councillors –** amounted to R 303 thousand for **December 2025** and R 1.96million YTD, this represents a **11%** on the budget.
- **Bulk Purchases- electricity-** amounted to R 7.05 million in **December 2025** and 27.48 million YTD represents a -33% variance to the budget.
- **Inventory Consumed –** represents a negative **63%** negative on the budget.
- **Contracted Services** – amounted to R 3.24 million in **December 2025** and R 7.40million YTD represents a -27% variance to the budget.
- **Other Expenditure** - amounted to R 1.56 million in **December 2025.**

Most expenditure items fell below forecast due to a combination of cash flow constraints and a delay in recognizing expenses when incurred. Currently, the municipality is transitioning to the accrual basis of accounting; however, expenses are still being recorded only upon payment. This reporting process is expected to be fully corrected within the next few months.

2.7 TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 3 - FINANCIAL SERVICES		–	–	–	–	–	–	–		–
Vote 4 - TECHNICAL SERVICES		16,944	13,721	13,721	1,194	8,195	6,860	1,335	19%	13,721
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 Capital Multi-year expenditure	4,7	**16,944**	**13,721**	**13,721**	**1,194**	**8,195**	**6,860**	**1,335**	**19%**	**13,721**
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		140	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		293	–	–	–	–	–	–		–
Vote 3 - FINANCIAL SERVICES		–	–	–	–	–	–	–		–
Vote 4 - TECHNICAL SERVICES		4,110	–	–	–	–	–	–		–
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		–	–	–	–	–	–	–		–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	4,543	–	–	–	–	–	–		–
Total Capital Expenditure	3	**21,487**	**13,721**	**13,721**	**1,194**	**8,195**	**6,860**	**1,335**	**19%**	**13,721**
Capital Expenditure - Functional Classification										
Governance and administration		**348**	**–**	**–**	**–**	**–**	**–**	–		**–**
Executive and council		140	–	–	–	–	–	–		–
Finance and administration		208	–	–	–	–	–	–		–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**86**	**–**	**–**	**–**	**–**	**–**	–		**–**
Community and social services		86	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**26**	**–**	**–**	**–**	**–**	**–**	–		**–**
Planning and development		–	–	–	–	–	–	–		–
Road transport		26	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**21,027**	**13,721**	**13,721**	**1,194**	**8,195**	**6,860**	1,335	19%	**13,721**
Energy sources		4,110	2,967	2,967	–	–	1,483	(1,483)	-100%	2,967
Water management		779	1,217	1,217	–	514	609	(94)	-16%	1,217
Waste water management		13,836	9,536	9,536	1,194	7,681	4,768	2,913	61%	9,536
Waste management		2,303	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**21,487**	**13,721**	**13,721**	**1,194**	**8,195**	**6,860**	**1,335**	**19%**	**13,721**
Funded by:										
National Government		16,139	12,503	12,503	1,194	7,681	6,252	1,429	23%	12,503
Provincial Government		4,889	1,217	1,217	–	514	609	(94)	-16%	1,217
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		**21,027**	**13,721**	**13,721**	**1,194**	**8,195**	**6,860**	**1,335**	**19%**	**13,721**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		374	–	–	–	–	–	–		–
Total Capital Funding	7	**21,401**	**13,721**	**13,721**	**1,194**	**8,195**	**6,860**	**1,335**	**19%**	**13,721**

CAPITAL EXPENDITURE

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

2.8 TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter						
Description	Ref	2024/25	Budget Year 2025/26			
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		34,673	18,162	18,162	33,176	18,162
Trade and other receivables from exchange transactions		89,823	54,173	54,173	104,028	54,173
Receivables from non-exchange transactions		12,540	458	458	12,175	458
Current portion of non-current receivables		–	–	–	–	–
Inventory		3,845	116	110	1,598	110
VAT		(35,509)	(27,873)	(27,873)	(4,356)	(27,873)
Other current assets		(1,428)	(1,062)	(1,062)	570	(1,062)
Total current assets		**103,944**	**43,973**	**43,968**	**147,191**	**43,968**
Non current assets						
Investments		–	–	–	–	–
Investment property		2,134	1,064	1,064	1,018	1,064
Property, plant and equipment		640,024	309,004	309,004	326,900	309,004
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		16	4	4	5	4
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**642,174**	**310,072**	**310,072**	**327,923**	**310,072**
TOTAL ASSETS		**746,118**	**354,045**	**354,040**	**475,114**	**354,040**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		3,030	1,446	1,446	1,639	1,446
Trade and other payables from exchange transactions		199,554	104,511	104,505	99,544	104,505
Trade and other payables from non-exchange transactions		37,187	15,581	15,581	27,668	15,581
Provision		20,859	4,735	4,735	12,368	4,735
VAT		(28,544)	(18,745)	(18,745)	7,133	(18,745)
Other current liabilities		–	–	–	–	–
Total current liabilities		**232,087**	**107,528**	**107,522**	**148,353**	**107,522**
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		59,682	37,090	37,090	40,334	37,090
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		28,626	11,550	11,550	17,086	11,550
Total non current liabilities		**88,308**	**48,640**	**48,640**	**57,420**	**48,640**
TOTAL LIABILITIES		**320,395**	**156,168**	**156,162**	**205,773**	**156,162**
NET ASSETS	2	**425,722**	**197,877**	**197,877**	**269,341**	**197,877**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		428,226	197,416	197,416	238,944	197,416
Reserves and funds		923	462	462	462	462
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**429,149**	**197,877**	**197,877**	**239,406**	**197,877**

2.9 TABLE C7 – QUARTERLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

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

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

- Standard Bank Main Account is **R 1.152 million;**
- The Traffic Account has **R 1.153 million;**
- Deposit Account has **R 6.2 million**;
- Call Account has **R 19.1 million**; and
- Eskom Bulk Account has **R 444 thousand.**

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

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

The total debtor's book of the Kannaland Local Municipality was standing at **R 187.2 million** at the end of quarter two. The breakdown of the total debtor's book is provided below:

- **R9.9 million** or 5.3% of the current month or within 30 days.
- **R4.1 million** or 2.2% is over 30 days but less than 60 days or two months.
- **R3.8 thousand** or 2.0% is over 60 days but less than 90 days or three months.
- **R3.6 million** or 1.9% is over 90 days but less than 120 days or four months.
- **R3.4 million** or 1.8% is over 120 days but less than 150 days or five months.
- **R2.9 million** or 1.6% is over 150 days but less than 180 days or six months.
- **R15.0 million** or 8.0% is over 180 days but less than one year.
- **R141 million** or 75% of the total outstanding debtors are older than one year and more.

The effective implementation of the credit control policy, including the application of the pre-payment system, remains a significant challenge in areas where the municipality does not supply electricity but renders other municipal services. In such cases, it is not possible to enforce credit control measures through electricity disconnections for households in arrears. As a result, the municipality may need to explore the feasibility of obtaining an electricity distribution licence for these areas in order to strengthen credit control enforcement and improve revenue collection.

3.2 DEBTORS PAYMENT PERCENTAGES

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

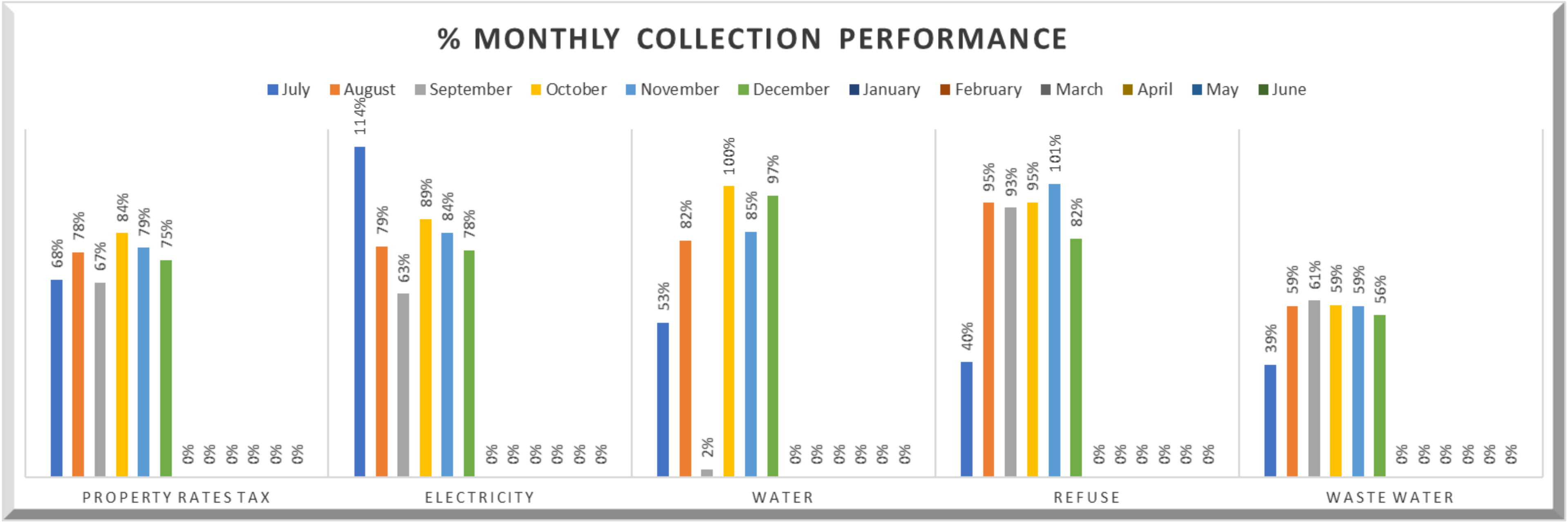
Municipal Details		
Western Cape		
Code		District
WC041		

Collection Rate Assessment										
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	41,820,405	31,073,817	10,746,588	74%	74%	44,211,123	35,125,125	9,085,998	79%	79%
2.Collection excl Eskom supplied areas	26,949,730	20,525,187	6,424,543	76%	76%	26,913,959	22,611,847	4,302,112	84%	84%
3.Collection: **Property Rates**	7,491,274	3,712,343	3,778,930	50%	50%	7,537,519	7,079,687	457,832	94%	94%
4.Total average collection: **Electricity** (Municipal supplied areas)	20,793,880	20,496,712	297,168	99%	99%	21,813,396	20,138,202	1,675,194	92%	92%
5.Total average collection: **Water**	7,162,806	4,145,085	3,017,721	58%	58%	8,164,941	4,734,660	3,430,281	58%	58%
6.Total average collection: **Wastewater**	2,961,046	1,239,405	1,721,641	42%	42%	3,257,856	1,460,484	1,797,372	45%	45%
7.Total average collection: **Refuse**	3,166,027	1,311,721	1,854,307	41%	41%	3,182,083	1,226,830	1,955,253	39%	39%
8.Total average collection: **Interest**	245,372	168,552	76,820	69%	0%	255,329	485,262	(229,933)	190%	190%

The total billing for the second quarter accrued to **R44 million** and the receipts amount to **R35 million** as per the table above. Key observations:

(i) The total billing as per the Budget C-Schedule on the second quarter MFMA section 52 report amount to **R89.14 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 2 Performance Per Ward

Services	Electricity Supplier	Ward Name & Number	4.October				5.November				6.December			
			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	Mun Supplied	Nissenville - Ward 1	160,712	129,605	31,107	81%	161,172	114,433	46,738	71%	161,172	135,958	25,214	84%
Electricity			167,945	83,067	84,878	49%	106,341	239,725	0	225%	121,362	250,563	0	206%
Water			217,066	63,002	154,064	29%	220,135	59,557	160,578	27%	246,755	122,312	124,444	50%
Refuse			199,598	58,039	141,559	29%	194,755	44,064	150,691	23%	187,835	85,958	101,878	46%
Waste Water			239,509	78,725	160,784	33%	233,654	127,965	105,689	55%	227,329	149,302	78,027	66%
Interest			1,299	180,606	0	13899%	1,299	-	1,299	0%	1,299	17,496	0	1346%
Property Rates Tax	Eskom supplied	Zoar - Ward 2	74,817	13,655	61,162	18%	75,358	12,573	62,785	17%	75,347	13,620	61,727	18%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Water			523,124	43,486	479,638	8%	593,035	29,242	563,793	5%	572,556	30,496	542,059	5%
Refuse			378,403	28,573	349,830	8%	377,711	23,601	354,110	6%	377,019	26,144	350,875	7%
Waste Water			367,313	29,845	337,467	8%	366,647	31,191	335,456	9%	365,981	31,743	334,238	9%
Interest			4,772	4,834	0	101%	4,772	4,772	0	100%	4,772	4,855	0	102%
Property Rates Tax	Eskom supplied	Calitzdorp Farms - Ward 3	190,152	126,895	63,257	67%	190,254	297,559	0	156%	190,254	437,609	0	230%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Water			45,325	24,656	20,669	54%	71,248	31,377	39,872	44%	82,130	21,432	60,698	26%
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Interest			-	-	-	#DIV/0!	-	507	0	#DIV/0!	-	24,938	0	#DIV/0!
Property Rates Tax	Mun Supplied	Bergsig Calitzdorp - Ward 3	22,705	10,180	12,524	45%	22,705	7,174	15,531	32%	22,705	6,446	16,259	28%
Electricity			18,247	14,145	4,102	78%	17,969	7,799	10,170	43%	13,833	14,914	0	108%
Water			330,446	42,113	288,333	13%	240,315	29,904	210,411	12%	331,040	26,205	304,835	8%
Refuse			128,562	20,619	107,943	16%	123,373	17,729	105,644	14%	120,951	16,562	104,389	14%
Waste Water			116,870	14,702	102,168	13%	111,152	9,899	101,252	9%	108,361	9,945	98,416	9%
Interest			1,633	411	1,222	25%	1,633	171	1,462	10%	1,633	150	1,483	9%
Property Rates Tax	Mun Supplied	Calitzdorp Town - Ward 3	471,192	436,761	34,431	93%	469,040	409,714	59,326	87%	469,105	290,030	179,075	62%
Electricity			749,731	567,235	182,496	76%	501,827	589,703	0	118%	572,393	430,889	141,503	75%
Water			236,942	199,536	37,405	84%	263,906	229,309	34,597	87%	276,632	177,641	98,992	64%
Refuse			100,035	105,042	0	105%	99,689	83,768	15,921	84%	98,651	63,930	34,721	65%
Waste Water			22,906	24,618	0	107%	22,906	16,159	6,747	71%	22,779	15,607	7,172	69%
Interest			6,777	25,127	0	371%	6,777	13,469	0	199%	6,777	3,620	3,157	53%
Property Rates Tax	Mun Supplied	Ladismith Town - Ward 4	992,297	1,218,571	0	123%	1,006,659	825,372	181,287	82%	1,012,708	1,073,600	0	106%
Electricity			4,389,027	4,214,492	174,535	96%	2,994,747	2,892,340	102,407	97%	3,660,200	2,834,224	825,975	77%
Water			676,082	666,125	9,957	99%	770,945	691,583	79,361	90%	680,241	660,285	19,956	97%
Refuse			204,520	208,355	0	102%	203,136	159,653	43,483	79%	204,316	214,486	0	105%
Waste Water			314,473	320,091	0	102%	313,199	228,709	84,490	73%	312,907	342,910	0	110%
Interest			67,027	70,362	0	105%	65,022	71,740	0	110%	65,022	47,350	17,672	73%
Property Rates Tax	Eskom supplied	Ladismith Farms - Ward 4	517,338	503,922	13,416	97%	543,167	424,402	118,765	78%	540,916	469,175	71,741	87%
Electricity			3,308,881	3,308,835	46	100%	2,253,738	2,214,546	39,192	98%	2,937,155	2,475,727	461,428	84%
Water			507,924	484,207	23,717	95%	560,335	547,429	12,906	98%	528,903	502,663	26,240	95%
Refuse			21,736	16,126	5,610	74%	21,736	18,591	3,145	86%	21,736	12,739	8,996	59%
Waste Water			12,323	10,699	1,624	87%	12,323	8,672	3,652	70%	12,323	7,541	4,782	61%
Interest			4,875	3,006	1,869	62%	4,875	9,738	0	200%	4,875	58	4,817	1%
Property Rates Tax	Eskom supplied	Van Wyksdorp - Ward 4	56,042	52,411	3,632	94%	55,852	42,828	13,024	77%	55,852	27,195	28,657	49%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Water			64,071	19,307	44,764	30%	63,460	22,879	40,582	36%	62,325	9,914	52,411	16%
Refuse			39,441	9,336	30,105	24%	39,441	8,442	30,998	21%	39,441	5,075	34,366	13%
Waste Water			24,967	1,155	23,812	5%	24,967	630	24,337	3%	24,967	377	24,590	2%
Interest			63	-	63	0%	63	664	0	1050%	63	1,389	0	2196%

Services	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q2
Property Rates Tax	Nissenville - Ward 1	483,055	379,996	103,059	79%	79%
Electricity		395,648	573,354	(177,707)	145%	145%
Water		683,957	244,871	439,086	36%	36%
Refuse		582,188	188,060	394,128	32%	32%
Waste Water		700,492	355,993	344,499	51%	51%
Interest		3,898	198,102	(194,204)	5082%	5082%
Property Rates Tax	Zoar - Ward 2	225,522	39,848	185,674	18%	18%
Electricity		-	-	-	#DIV/0!	#DIV/0!
Water		1,688,715	103,225	1,585,491	6%	6%
Refuse		1,133,133	78,317	1,054,816	7%	7%
Waste Water		1,099,941	92,779	1,007,162	8%	8%
Interest		14,316	14,460	(144)	101%	101%
Property Rates Tax	Calitzdorp Farms - Ward 3	570,661	862,063	(291,402)	151%	151%
Electricity		-	-	-	#DIV/0!	#DIV/0!
Water		198,703	77,465	121,238	39%	39%
Refuse		-	-	-	#DIV/0!	#DIV/0!
Waste Water		-	-	-	#DIV/0!	#DIV/0!
Interest		-	25,445	(25,445)	#DIV/0!	#DIV/0!
Property Rates Tax	Bergsig Calitzdorp - Ward 3	68,115	23,801	44,314	35%	35%
Electricity		50,049	36,857	13,192	74%	74%
Water		901,801	98,222	803,579	11%	11%
Refuse		372,885	54,909	317,976	15%	15%
Waste Water		336,383	34,546	301,837	10%	10%
Interest		4,899	732	4,167	15%	15%
Property Rates Tax	Calitzdorp Town - Ward 3	1,409,337	1,136,505	272,832	81%	81%
Electricity		1,823,951	1,587,827	236,124	87%	87%
Water		777,480	606,486	170,994	78%	78%
Refuse		298,375	252,740	45,635	85%	85%
Waste Water		68,590	56,383	12,207	82%	82%
Interest		20,330	42,216	(21,886)	208%	208%
Property Rates Tax	Ladismith Town - Ward 4	3,011,664	3,117,542	(105,879)	104%	104%
Electricity		11,043,974	9,941,056	1,102,918	90%	90%
Water		2,127,267	2,017,993	109,274	95%	95%
Refuse		611,972	582,495	29,477	95%	95%
Waste Water		940,578	891,709	48,870	95%	95%
Interest		197,071	189,452	7,619	96%	96%
Property Rates Tax	Ladismith Farms - Ward 4	1,601,420	1,397,499	203,922	87%	87%
Electricity		8,499,775	7,999,108	500,667	94%	94%
Water		1,597,161	1,534,299	62,862	96%	96%
Refuse		65,207	47,456	17,751	73%	73%
Waste Water		36,970	26,912	10,058	73%	73%
Interest		14,625	12,802	1,823	88%	88%
Property Rates Tax	Van Wyksdorp - Ward 4	167,745	122,433	45,312	73%	73%
Electricity		-	-	-	#DIV/0!	#DIV/0!
Water		189,856	52,099	137,757	27%	27%
Refuse		118,322	22,853	95,469	19%	19%
Waste Water		74,900	2,161	72,739	3%	3%
Interest		190	2,053	(1,863)	1082%	1082%

3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

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

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

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

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

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

3.4 INVESTMENT PORTFOLIO ANALYSIS

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

3.5 GRANT RECEIPTS AND EXPENDITURE

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

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

Received

National Treasury:

Equitable Share amounts to **R10.96 million.**

Municipal Infrastructure Grant amounts to **R4.7 million**

Expanded Public Works Program amounts to **R620 thousand**

Integrated National Electrification Program amounts to **R682 thousand.**

Provincial Treasury:

Community Development Grant amounts to **R113 thousand.**
Library Conditional Grant amounts to **R1.2 million.**

Water Resilience Grant amounts to **R1.4million.**

Expenditure:

National Treasury:

Equitable Share amounts to **R10.96 million.**

Financial Management Grants amounts to **R 330 thousand**

Municipal Infrastructure Grant PMU amounts to **R 178 thousand.**

Municipal Infrastructure Grant amounts to **R2.9 million**

Expanded Public Works Program amounts to **R384 thousand**

Integrated National Electrification Program amounts to **R1.535 million.**

Provincial Treasury:

Library Conditional Grant amounts to **R941 thousand.**

Human Settlement amounts to **R1.828 million.**
Financial Capability Grant (Performance Systems) amounts to **R266 thousand**
Community Development Grant amounts to **R26 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 - Q2 Second Quarter

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,448	3,197	3,197	228	1,507	1,599	(92)	-6%	3,197
Pension and UIF Contributions		187	–	–	17	102	–	102		–
Medical Aid Contributions		123	–	–	11	65	–	65		–
Motor Vehicle Allowance		207	–	–	22	132	–	132		–
Cellphone Allowance		300	329	329	25	150	164	(14)	-9%	329
Sub Total - Councillors		**4,264**	**3,526**	**3,526**	**303**	**1,956**	**1,763**	**193**	**11%**	**3,526**
% increase	4		**-17.3%**	**-17.3%**						**-17.3%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3,410	5,175	5,175	272	1,657	2,588	(930)	-36%	5,175
Pension and UIF Contributions		5	6	6	1	3	3	(0)	-8%	6
Motor Vehicle Allowance		367	676	676	46	231	338	(107)	-32%	676
Cellphone Allowance		35	150	150	2	12	75	(63)	-84%	150
Other benefits and allowances		53	84	84	4	27	42	(15)	-36%	84
Sub Total - Senior Managers of Municipality		**3,870**	**6,091**	**6,091**	**325**	**1,930**	**3,046**	**(1,115)**	**-37%**	**6,091**
% increase	4		**57.4%**	**57.4%**						**57.4%**
Other Municipal Staff										
Basic Salaries and Wages		71,907	67,870	67,770	5,921	36,012	33,885	2,128	6%	67,770
Pension and UIF Contributions		7,364	7,439	7,439	652	3,908	3,719	189	5%	7,439
Medical Aid Contributions		2,424	2,336	2,336	214	1,290	1,168	122	10%	2,336
Overtime		10,321	4,020	4,020	810	4,907	2,010	2,897	144%	4,020
Performance Bonus		1,849	632	632	720	720	316	404	128%	632
Motor Vehicle Allowance		4,164	4,516	4,516	297	1,909	2,258	(349)	-15%	4,516
Cellphone Allowance		138	146	146	12	67	73	(6)	-8%	146
Housing Allowances		418	481	481	20	115	241	(125)	-52%	481
Other benefits and allowances		6,560	4,152	4,152	2,661	3,434	2,428	1,006	41%	4,152
Payments in lieu of leave		5,464	150	150	–	147	75	72	96%	150
Long service awards		70	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**110,679**	**91,741**	**91,641**	**11,306**	**52,510**	**46,173**	**6,337**	**14%**	**91,641**
% increase	4		**-17.1%**	**-17.2%**						**-17.2%**
Total Parent Municipality		**118,813**	**101,358**	**101,258**	**11,934**	**56,396**	**50,981**	**5,414**	**11%**	**101,258**
Unpaid salary, allowances & benefits in arrears:										
Other benefits and allowances		1	–	–	0	0	–	0		–

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 Projects

			17 617 800,00	12 241 550,00	49 357 000,00
			2025/26	2026/27	2027/28
Capital Projects			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
INEP (Eskom)	Capex	Nat	1 839 000,00	-	
WSIG	Capex	Nat	-	-	36 750 000,00

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	28,439	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**	**289,559**
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)**	**(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)**	**(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)
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 (DEC 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 9,143,010.95	R 1,823,789.05	83%	
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 1,535,000.00	R 1,877,000.00	45%	Refund to Department Infrastructure
4	INEP		**INEP (Eskom)**	R 1,839,000.00	R -	R 1,839,000.00	0%	
5	MIG	PMU/041	**PMU 2025/26**	R 577,200.00	R 302,293.74	R 274,906.26	52%	Registered
		TOTALS		**R 18,195,000.00**	**R 10,980,304.69**	**R 7,214,695.31**	**60.3%**	**EXPENDITURE FOR 2025/2026 FY**

SECTION 4 – QUALITY CERTIFICATION

KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Posbus 30 P.O. Box
LADISMITH
6655

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

Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, Dillo Sereo Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **quarter two ended 31 December 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 January 2026

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:	**Dec-25**	
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 -	**Amount**	**Reason for withdrawal**
	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 2,642,267.04	Motor Registration and RTMC transaction fees
(i) money collected by the *municipality* on behalf of that person or organ of state by agreement; or	R 0.00	
(ii) any insurance or other payments received by the *municipality* for that person or organ of state;	R 0.00	
(f) to refund money incorrectly paid into a bank account;	R 0.00	
(g) to refund guarantees, sureties and *security* deposits;	R 0.00	
(h) for cash management and *investment* purposes in accordance with section 13;	R 0.00	
(i) to defray increased expenditure in terms of section 31; or	R 0.00	
(j) 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) 492 0111	(028) 551 1766	jodene@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: wbaatjie@pgwc.gov.za on or before the 15th of the month following the end of each quarter.

15-01-2026

national treasury
Department: National Treasury
REPUBLIC OF SOUTH AFRICA

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01/10/2025 to 31/12/2025

D

Date	Payee	Amount in R'000	Description and Purpose (including section reference e.g. sec 11(f))	Authorised by (name)
31-Dec	Department of Transport	-	Section 11, Sub-section e (1)	L Steenkamp

Instructions for completing this report:

The Accounting Officer must include information motivating the non-budgetted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.
This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

Withdrawals that must be reported each quarter:

1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;
2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1);
3. Section 11(d) -Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including
   (i) money collected by the municipality on behalf of that person or organ of state by agreement; or
   (ii) any insurance or other payments received by the municipality for that person or organ of state;
5. Section 11(f) - Refund money incorrectly paid into a bank account;
6. Section 11(g) - Refund guarantees, sureties and security deposits;
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;
9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.

Distribution:

1. Table this report in a full council meeting, including additional motivation on action taken to rectify,within 30 days after the end of each quarter (section 11(4))
2. Submit a copy to the relevant National Treasury, provincial treasury and the Auditor-General

ANNEXURE D – BUDGET FUNDING PLAN

The municipality is currently subject to a Financial Recovery Plan (FRP).