KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52
3rd 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

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 third 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 **third quarter of the 2025/26 MTREF (Q3).**

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 3rdquarter 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 Bud YTD A Variar
Operating Revenue	R 254 396	R 188 782	R 33 882	R 189 486	R 704	0
Operating Expenditure	R 262 857	R 175 472	R 27 038	R 157 721	R (37 816)	-19%
Capital	R 13 721	R 9 147	R 202	R 8 398	R (1 022)	11%

Operational Revenue

The municipality's total operational revenue budget amounts to R254 million and the year-to-date revenue on the budget accrued to R189 million. This represents 74% 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 R158 million, or 60% 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 8.4 million, or 61% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R33,88 million exceeding budget, and expenditure amounting to R 27.04 million below budget, with an operating surplus of R 6.84million 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 - Q3 Third 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	4,905	22,744	22,292	452	2%	29,723
Service charges	131,751	155,248	155,248	16,843	107,907	116,436	(8,528)	-7%	155,248
Investment revenue	1,479	1,003	1,003	117	996	752	243	32%	1,003
Transfers and subsidies - Operational	56,603	53,464	50,778	10,175	43,975	38,083	5,892	15%	50,778
Other own revenue	23,574	14,958	14,958	1,842	13,863	11,218	2,645	24%	14,958
Total Revenue (excluding capital transfers and	**241,910**	**254,396**	**251,709**	**33,882**	**189,486**	**188,782**	**704**	**0%**	**251,709**
Employee costs	114,550	97,832	97,296	8,957	79,078	73,148	5,930	8%	97,296
Remuneration of Councillors	4,264	3,526	3,526	473	3,097	2,645	453	17%	3,526
Depreciation and amortisation	40,078	13,179	13,179	2,196	9,884	9,884	0	0%	13,179
Interest	679	1,346	1,346	0	532	1,009	(477)	-47%	1,346
Inventory consumed and bulk purchases	67,057	90,807	90,787	13,116	46,428	68,090	(21,662)	-32%	90,787
Transfers and subsidies	589	590	590	–	175	442	(268)	-61%	590
Other expenditure	11,551	55,577	53,760	2,295	18,527	40,319	(21,792)	-54%	53,760
Total Expenditure	**238,767**	**262,857**	**260,483**	**27,038**	**157,721**	**195,537**	**(37,816)**	**-19%**	**260,483**
Surplus/(Deficit)	**3,144**	**(8,461)**	**(8,774)**	**6,844**	**31,765**	**(6,756)**	**38,520**	**-570%**	**(8,774)**
Transfers and subsidies - capital (monetary allocations)	18,627	15,779	19,572	–	10,681	15,532	(4,851)	-31%	19,572
Transfers and subsidies - capital (in-kind)	3	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**	**33,669**	**384%**	**10,798**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**	**33,669**	**384%**	**10,798**
Capital expenditure & funds sources									
Capital expenditure	**21,487**	**13,721**	**17,186**	**202**	**8,398**	**9,419**	**(1,022)**	**-11%**	**17,186**
Capital transfers recognised	21,027	13,721	17,019	202	8,398	9,377	(980)	-10%	17,019
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	374	–	–	–	–	–	–		–
Total sources of capital funds	**21,401**	**13,721**	**17,019**	**202**	**8,398**	**9,377**	**(980)**	**-10%**	**17,019**
Financial position									
Total current assets	103,944	43,973	41,633		183,626				41,633
Total non current assets	642,174	310,072	313,537		323,732				313,537
Total current liabilities	232,087	107,528	105,173		174,666				105,173
Total non current liabilities	88,308	48,640	48,640		57,420				48,640
Community wealth/Equity	429,149	197,877	197,877		245,336				197,877
Cash flows									
Net cash from (used) operating	123,591	24,534	25,641	26,911	137,346	20,083	(117,262)	-584%	254,542
Net cash from (used) investing	(18,861)	(15,779)	(19,572)	(233)	(10,081)	14,679	24,760	169%	19,572
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**186,359**	**18,462**	**15,776**	**–**	**199,276**	**44,470**	**(154,807)**	**-348%**	**346,126**

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	8,573	5,491	4,330	3,546	3,487	3,376	16,422	153,015	198,241
Creditors Age Analysis									
Total Creditors	15,702	3,413	12,578	–	–	–	–	99,625	131,317

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q3 Third 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	52,439	15,228	65,975	39,329	26,646	68%	52,439
Executive and council		37,587	8,106	8,120	9,745	36,966	6,090	30,877	507%	8,120
Finance and administration		45,697	44,319	44,319	5,483	29,009	33,239	(4,231)	-13%	44,319
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		24,877	21,833	19,132	359	14,082	14,349	(268)	-2%	19,132
Community and social services		15,125	16,505	16,749	359	12,217	12,562	(345)	-3%	16,749
Sport and recreation		58	60	60	–	34	45	(11)	-25%	60
Public safety		(6)	–	–	–	2	–	2		–
Housing		9,700	5,268	2,324	–	1,829	1,743	86	5%	2,324
Health		–	–	–	–	–	–	–		–
Economic and environmental services		2,318	2,487	2,487	441	2,588	1,865	723	39%	2,487
Planning and development		–	–	–	–	–	–	–		–
Road transport		2,318	2,487	2,487	441	2,588	1,865	723	39%	2,487
Environmental protection		–	–	–	–	–	–	–		–
Trading services		150,059	193,429	197,222	17,855	117,521	148,770	(31,249)	-21%	197,222
Energy sources		87,144	117,820	117,820	8,804	70,785	89,218	(18,433)	-21%	117,820
Water management		36,906	42,176	45,969	4,969	25,435	34,477	(9,042)	-26%	45,969
Waste water management		13,215	16,009	16,009	2,081	10,809	12,006	(1,197)	-10%	16,009
Waste management		12,795	17,425	17,425	2,000	10,493	13,069	(2,576)	-20%	17,425
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**260,539**	**270,174**	**271,281**	**33,882**	**200,166**	**204,314**	**(4,147)**	**-2%**	**271,281**
Expenditure - Functional										
Governance and administration		86,298	89,151	89,644	7,099	61,920	67,400	(5,480)	-8%	89,644
Executive and council		33,308	28,542	28,135	2,625	19,799	21,101	(1,303)	-6%	28,135
Finance and administration		52,990	60,609	61,509	4,474	42,122	46,299	(4,177)	-9%	61,509
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		19,076	18,398	15,531	1,151	11,812	11,657	155	1%	15,531
Community and social services		10,817	9,366	9,443	839	7,111	7,090	21	0%	9,443
Sport and recreation		1,557	1,702	1,702	174	972	1,276	(305)	-24%	1,702
Public safety		1,447	369	369	27	817	276	541	196%	369
Housing		5,254	6,962	4,018	111	2,912	3,013	(101)	-3%	4,018
Health		–	–	–	–	–	–	–		–
Economic and environmental services		15,046	20,583	20,583	1,711	12,287	15,437	(3,150)	-20%	20,583
Planning and development		281	380	380	–	111	285	(174)	-61%	380
Road transport		14,765	20,203	20,203	1,711	12,176	15,152	(2,976)	-20%	20,203
Environmental protection		–	–	–	–	–	–	–		–
Trading services		118,346	134,725	134,725	17,077	71,702	101,043	(29,341)	-29%	134,725
Energy sources		73,468	94,302	94,302	13,895	50,452	70,726	(20,274)	-29%	94,302
Water management		22,092	17,934	18,244	1,703	10,352	13,683	(3,331)	-24%	18,244
Waste water management		10,782	10,707	10,397	718	4,814	7,798	(2,984)	-38%	10,397
Waste management		12,005	11,782	11,782	760	6,084	8,836	(2,752)	-31%	11,782
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**238,767**	**262,857**	**260,483**	**27,038**	**157,721**	**195,537**	**(37,816)**	**-19%**	**260,483**
Surplus/ (Deficit) for the year		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**	**33,669**	**384%**	**10,798**

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) - Q3 Third Quarter

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	8,620	9,745	37,233	6,465	30,768	475.9%	8,620
Vote 2 - CORPORATE SERVICES		25,969	22,740	20,039	670	15,743	15,029	713	4.7%	20,039
Vote 3 - FINANCIAL SERVICES		45,108	43,444	43,444	5,458	28,404	32,583	(4,180)	-12.8%	43,444
Vote 4 - TECHNICAL SERVICES		151,875	195,384	199,178	18,009	118,787	150,236	(31,449)	-20.9%	199,178
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**	**271,281**	**33,882**	**200,166**	**204,314**	**(4,147)**	**-2.0%**	**271,281**
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33,308	28,542	28,135	2,625	19,799	21,101	(1,303)	-6.2%	28,135
Vote 2 - CORPORATE SERVICES		61,566	45,318	42,451	4,189	38,276	32,014	6,262	19.6%	42,451
Vote 3 - FINANCIAL SERVICES		12,318	37,137	38,037	1,889	18,184	28,527	(10,344)	-36.3%	38,037
Vote 4 - TECHNICAL SERVICES		131,113	150,855	150,855	18,319	81,292	113,141	(31,849)	-28.2%	150,855
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		462	1,005	1,005	17	171	754	(583)	-77.3%	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**	**260,483**	**27,038**	**157,721**	**195,537**	**(37,816)**	**-19.3%**	**260,483**
Surplus/ (Deficit) for the year	2	**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**	**33,669**	**383.6%**	**10,798**

2.4 TABLE C4 – QUARTERLY FINANCIAL PERFROMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third 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	8,771	68,936	80,770	(11,834)	-15%	107,694
Service charges - Water		25,346	30,912	30,912	4,577	22,406	23,184	(778)	-3%	30,912
Service charges - Waste Water Management		10,179	7,384	7,384	1,761	8,368	5,538	2,830	51%	7,384
Service charges - Waste management		9,937	9,258	9,258	1,734	8,197	6,944	1,253	18%	9,258
Sale of Goods and Rendering of Services		481	295	295	12	264	221	43	19%	295
Agency services		1,324	1,450	1,450	113	1,004	1,087	(84)	-8%	1,450
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		9,583	8,594	8,594	884	7,555	6,446	1,109	17%	8,594
Interest earned from Current and Non Current Assets		1,479	1,003	1,003	117	996	752	243	32%	1,003
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		692	493	493	120	560	370	190	51%	493
Licence and permits		206	230	230	20	120	172	(52)	-30%	230
Special rating levies		–	–	–	–	–	–	–		–
Operational Revenue		314	200	200	25	235	150	85	57%	200
Non-Exchange Revenue										
Property rates		28,504	29,723	29,723	4,905	22,744	22,292	452	2%	29,723
Surcharges and Taxes		6,604	–	–	–	–	–	–		–
Fines, penalties and forfeits		236	231	231	265	1,085	173	912	528%	231
Licence and permits		–	–	–	–	2	–	2		–
Transfer and subsidies - Operational		56,603	53,464	50,778	10,175	43,975	38,083	5,892	15%	50,778
Interest		3,420	3,465	3,465	279	2,484	2,598	(114)	-4%	3,465
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		714	–	–	124	554	–	554		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**241,910**	**254,396**	**251,709**	**33,882**	**189,486**	**188,782**	**–**		**251,709**
Expenditure By Type										
Employee related costs		114,550	97,832	97,296	8,957	79,078	73,148	5,930	8%	97,296
Remuneration of councillors		4,264	3,526	3,526	473	3,097	2,645	453	17%	3,526
Bulk purchases - electricity		63,298	82,476	82,476	12,839	43,887	61,857	(17,970)	-29%	82,476
Inventory consumed		3,759	8,331	8,311	277	2,541	6,233	(3,692)	-59%	8,311
Debt impairment		(40,672)	13,468	13,468	–	–	10,101	(10,101)	-100%	13,468
Depreciation and amortisation		40,078	13,179	13,179	2,196	9,884	9,884	0	0%	13,179
Interest		679	1,346	1,346	0	532	1,009	(477)	-47%	1,346
Contracted services		20,514	20,447	18,187	1,479	9,959	13,640	(3,681)	-27%	18,187
Transfers and subsidies		589	590	590	–	175	442	(268)	-61%	590
Irrecoverable debts written off		13,534	–	–	–	44	–	44		–
Operational costs		16,845	21,662	22,104	815	8,524	16,577	(8,054)	-49%	22,104
Losses on Disposal of Assets		1,329	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**238,767**	**262,857**	**260,483**	**27,038**	**157,721**	**195,537**	**(37,816)**	**-19%**	**260,483**
Surplus/(Deficit)		**3,144**	**(8,461)**	**(8,774)**	**6,844**	**31,765**	**(6,756)**	**37,816**	**(0)**	**(8,774)**
Transfers and subsidies - capital (monetary allocations)		18,627	15,779	19,572	–	10,681	15,532	(4,851)	(0)	19,572
Transfers and subsidies - capital (in-kind)		3	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**			**10,798**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**			**10,798**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**			**10,798**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**21,773**	**7,317**	**10,798**	**6,844**	**42,445**	**8,776**			**10,798**

2.5 OPERATING REVENUE BY SOURCES:

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

- **Service Charges – Electricity** amounts to R 8.8 million for **March 2026** and R 60.2 million YTD which represents **-15%** variance to the budget.

- **Service Charges – Waste Water Management** amounts to R 1.8 million for **March 2026** and R 8.4 million YTD which represents **51%** variance to the budget.

- **Service Charges – Waste Management** amounts to R 1.7 million for **March 2026** and R 8.2 million YTD which represents **18%** variance to the budget.

- **Sale of Goods and Rendering of Services** – amounts to R12 thousand for

March 2026 and R 264 thousand YTD which represents **19%** variance to the budget.

- **Agency Services** – amounts to R113 thousand for **March 2026** and R 1million YTD which represents **-18%** variance to the budget.

- **Interest on outstanding debtors** – **17%** YTD variance from the budget. This variance is due to improved debt collection strategies.
- **Licence and permits**- -**30%** YTD variance from the budget.
- **Rental from fixed Assets –** amounted to R 120 thousand and R 560 thousand YTD which represents a **51%** variance to the budget.
- **Fines, Penalties & Forfeits** – with a **528%** 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 9 million for **March 2026** and R 79.1 million YTD, this represents a 8**%** spending on the budget. The variance on employee related cost is due to salary increases, and high overtime and standby during the month of reporting.
- **Remuneration of Councillors –** amounted to R 473 thousand for **March 2026** and R 2.6million YTD, this represents a **17%** on the budget.
- **Bulk Purchases- electricity-** amounted to R 12million in **March 2026** and 44 million YTD represents a -29% variance to the budget.
- **Inventory Consumed –** represents a negative **59%** negative on the budget.
- **Contracted Services** – amounted to R 1.5 million in **March 2026** and R 10 million YTD represents a -27% variance to the budget.
- **Other Expenditure** - amounted to R 815 thousand in **March 2026.**

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) - Q3 Third 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	17,019	202	8,398	9,377	(980)	-10%	17,019
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**	**17,019**	**202**	**8,398**	**9,377**	**(980)**	**-10%**	**17,019**
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		140	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		293	–	167	–	–	42	(42)	-100%	167
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	–	167	–	–	42	**(42)**	**-100%**	167
Total Capital Expenditure	3	**21,487**	**13,721**	**17,186**	**202**	**8,398**	**9,419**	**(1,022)**	**-11%**	**17,186**
Capital Expenditure - Functional Classification										
Governance and administration		**348**	**–**	**–**	**–**	**–**	**–**	–		**–**
Executive and council		140	–	–	–	–	–	–		–
Finance and administration		208	–	–	–	–	–	–		–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**86**	**–**	**167**	**–**	**–**	**42**	(42)	-100%	**167**
Community and social services		86	–	167	–	–	42	(42)	-100%	167
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**	**17,019**	**202**	**8,398**	**9,377**	(980)	-10%	**17,019**
Energy sources		4,110	2,967	2,967	–	–	2,225	(2,225)	-100%	2,967
Water management		779	1,217	4,516	202	716	–	716		4,516
Waste water management		13,836	9,536	9,536	–	7,681	7,152	529	7%	9,536
Waste management		2,303	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**21,487**	**13,721**	**17,186**	**202**	**8,398**	**9,419**	**(1,022)**	**-11%**	**17,186**
Funded by:										
National Government		16,139	12,503	12,503	–	7,681	9,377	(1,696)	-18%	12,503
Provincial Government		4,889	1,217	4,516	202	716	–	716		4,516
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**	**17,019**	**202**	**8,398**	**9,377**	**(980)**	**-10%**	**17,019**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		374	–	–	–	–	–	–		–
Total Capital Funding	7	**21,401**	**13,721**	**17,019**	**202**	**8,398**	**9,377**	**(980)**	**-10%**	**17,019**

CAPITAL EXPENDITURE

- amounted to **R 202 thousand** in **March 2026** and **R 8.4 million YTD** which represents a -11**%** variance to the budget**.**

2.8 TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q3 Third 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	15,309	57,026	15,309
Trade and other receivables from exchange transactions		89,823	54,173	54,173	112,386	54,173
Receivables from non-exchange transactions		12,540	458	458	13,585	458
Current portion of non-current receivables		–	–	–	–	–
Inventory		3,845	116	134	1,844	134
VAT		(35,509)	(27,873)	(27,379)	(1,465)	(27,379)
Other current assets		(1,428)	(1,062)	(1,062)	250	(1,062)
Total current assets		**103,944**	**43,973**	**41,633**	**183,626**	**41,633**
Non current assets						
Investments		–	–	–	–	–
Investment property		2,134	1,064	1,064	1,018	1,064
Property, plant and equipment		640,024	309,004	312,470	322,711	312,470
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		16	4	4	3	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**	**313,537**	**323,732**	**313,537**
TOTAL ASSETS		**746,118**	**354,045**	**355,170**	**507,358**	**355,170**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		3,030	1,446	1,446	1,656	1,446
Trade and other payables from exchange transactions		199,554	104,511	102,155	111,270	102,155
Trade and other payables from non-exchange transactions		37,187	15,581	15,581	37,186	15,581
Provision		20,859	4,735	4,735	12,368	4,735
VAT		(28,544)	(18,745)	(18,745)	12,185	(18,745)
Other current liabilities		–	–	–	–	–
Total current liabilities		**232,087**	**107,528**	**105,173**	**174,666**	**105,173**
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**	**153,813**	**232,086**	**153,813**
NET ASSETS	2	**425,722**	**197,877**	**201,358**	**275,272**	**201,358**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		428,226	197,416	197,416	244,875	197,416
Reserves and funds		923	462	462	462	462
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**429,149**	**197,877**	**197,877**	**245,336**	**197,877**

2.9 TABLE C7 – QUARTERLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third 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	1,571	15,825	20,465	(4,640)	-23%	27,286
Service charges		100,836	151,165	151,165	8,826	80,585	113,374	(32,789)	-29%	151,165
Other revenue		17,289	24,122	24,122	368	8,576	18,091	(9,515)	-53%	24,122
Transfers and Subsidies - Operational		56,202	53,464	50,778	9,741	48,547	38,083	10,463	27%	50,778
Transfers and Subsidies - Capital		24,160	15,779	19,572	9,269	24,433	15,532	8,901	57%	19,572
Interest		–	3,775	3,775	–	–	2,831	(2,831)	-100%	3,775
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(94,546)	(249,711)	(249,711)	(2,864)	(40,620)	(187,283)	(146,663)	78%	(20,809)
Interest		–	(1,346)	(1,346)	–	–	(1,009)	(1,009)	100%	(1,346)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**123,591**	**24,534**	**25,641**	**26,911**	**137,346**	**20,083**	**(117,262)**	**-584%**	**254,542**
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)	(19,572)	(233)	(10,081)	14,679	24,760	169%	19,572
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(18,861)**	**(15,779)**	**(19,572)**	**(233)**	**(10,081)**	**14,679**	**24,760**	**169%**	**19,572**
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**	**6,069**	**26,678**	**127,265**	**34,762**			**274,114**
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	15,776		199,276	44,470			346,126

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

- Standard Bank Main Account is **R 671 thousand;**
- The Traffic Account has **R 1.55 million;**
- Deposit Account has **R 2.2 million**;
- Call Account has **R 28.27 million**; and
- Eskom Bulk Account has **R 3 thousand.**

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third 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	4,325	2,668	1,841	1,203	1,117	1,087	4,884	29,426	46,550	37,716	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,099	403	253	186	155	208	560	1,805	6,668	2,913	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2,900	783	731	656	712	557	2,769	28,258	37,367	32,952	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	975	452	451	446	446	450	2,429	18,140	23,790	21,911	–	–
Receivables from Exchange Transactions - Waste Management	1600	1,706	711	701	694	693	692	3,593	25,994	34,783	31,666	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	0	89	105	114	139	160	1,175	43,864	45,646	45,452	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(4,432)	384	248	247	225	221	1,013	5,529	3,436	7,235	–	–
Total By Income Source	**2000**	**8,573**	**5,491**	**4,330**	**3,546**	**3,487**	**3,376**	**16,422**	**153,015**	**198,241**	**179,847**	**–**	**–**
2024/25 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(931)	402	250	173	92	114	258	371	730	1,010	–	–
Commercial	2300	1,309	368	204	184	258	156	773	6,532	9,784	7,903	–	–
Households	2400	8,286	4,574	3,710	3,045	2,991	2,961	14,617	133,072	173,257	156,686	–	–
Other	2500	(91)	146	166	143	147	145	774	13,040	14,469	14,248	–	–
Total By Customer Group	**2600**	**8,573**	**5,491**	**4,330**	**3,546**	**3,487**	**3,376**	**16,422**	**153,015**	**198,241**	**179,847**	**–**	**–**

The total debtor’s book of the Kannaland Local Municipality was standing at **R 198.2 million** at the end of quarter three. The breakdown of the total debtor’s book is provided below:

- **R8.6 million** or 4.3% of the current month or within 30 days.
- **R5.4 million** or 2.8% is over 30 days but less than 60 days or two months.
- **R4.3 million** or 2.2% is over 60 days but less than 90 days or three months.
- **R3.5 million** or 1.8% is over 90 days but less than 120 days or four months.
- **R3.5 million** or 1.8% is over 120 days but less than 150 days or five months.
- **R3.4 million** or 2.2% is over 150 days but less than 180 days or six months.
- **R16.4 million** or 8.3% is over 180 days but less than one year.
- **R153 million** or 77% 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 Details		
Municipal Debt Relief	Western Cape		
MFMA Circular No. 124	Municipality		eriod Monitore
Municipal Finance Management Act No. 56 of 2003	Kannaland		January

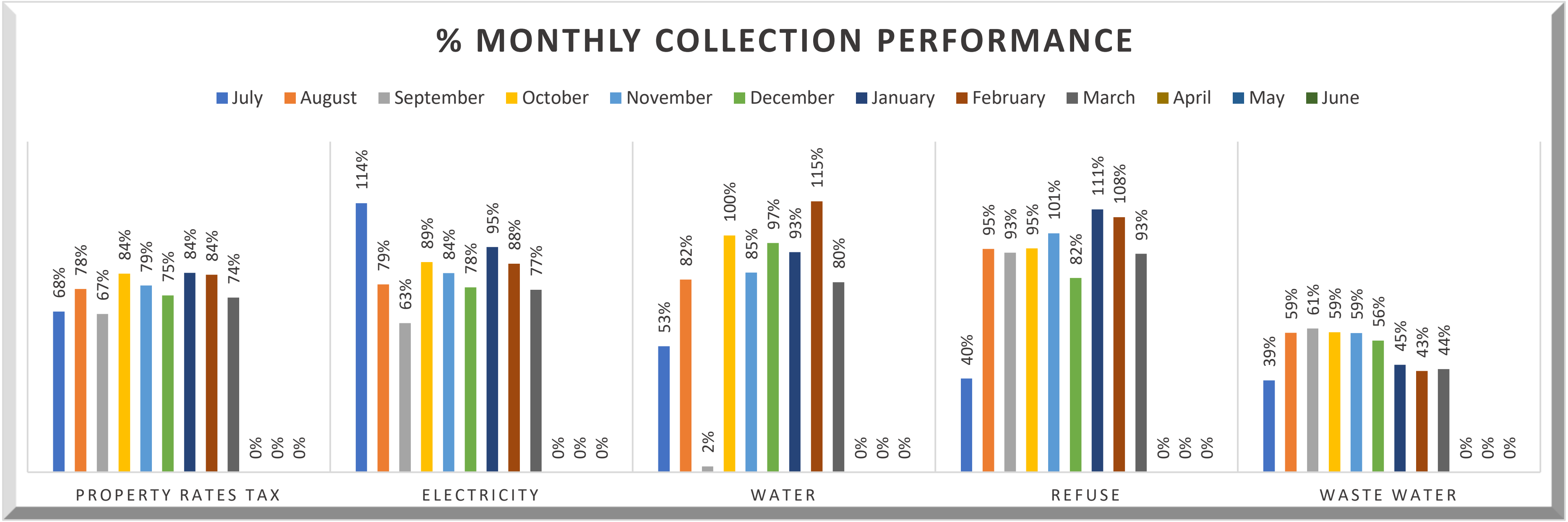
Collection Rate Assessment

Aggregate Collection	Summary - Quarter 3			
	Billing	Collection	R - Billing not collected	% Collection
1.Collection for whole demarcation	44,172,882	35,639,295	8,533,587	81%
2.Collection excl Eskom supplied areas	27,605,117	23,982,990	3,622,127	87%
3.Collection: **Property Rates**	7,581,608	7,290,840	290,769	96%
4.Total average collection: **Electricity** (Municipal supplied areas)	18,883,688	19,563,416	(679,728)	104%
5.Total average collection: **Water**	11,202,799	4,920,194	6,282,605	44%
6.Total average collection: **Wastewater**	3,179,853	1,650,667	1,529,187	52%
7.Total average collection: **Refuse**	3,071,227	1,469,983	1,601,244	48%
8.Total average collection: **Interest**	253,707	744,196	(490,490)	293%

The total billing for the third quarter accrued to **R44 million** and the receipts amount to **R36 million** as per the table above. Key observations:

(i) The total billing as per the Budget C-Schedule on the third quarter MFMA section 52 report amount to **R21.7 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



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

Province

Western Cape	WC041

Average collection rate (MFMA Circular 124 condition 6.7)

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

Collection Rate Assessment

Total Aggregate Collection		7.January - Reporting for December in January: Billing For December	Collection in January	R - Billing not collected	% Collection	8.February - Reporting for January in February: Billing For January	Collection in February	R - Billing not collected	% Collection	9.March - Reporting for Feberuary in March: Billing For February	Collection in March	R - Billing not collected	% Collection	Click to view/close months	Summary - Quarter 3: Billing	Collection	R - Billing not collected	% Collection	Q1
1.Collection for whole demarcation	Summary	14,395,091	12,153,931	3,034,005	84%	15,198,245	12,706,308	3,584,060	84%	14,579,547	10,779,057	3,956,997	74%		44,172,882	35,639,295	8,533,587	81%	81%
2.Collection excl Eskom supplied areas		8,838,222	8,429,272	1,449,256	95%	9,484,764	8,380,852	1,849,284	88%	9,282,130	7,172,866	2,153,534	77%		27,605,117	23,982,990	3,622,127	87%	87%
3.Collection: **Property Rates**		2,528,097	2,357,496	170,602	93%	2,528,014	2,900,842	0	115%	2,525,497	2,032,502	492,995	80%		7,581,608	7,290,840	290,769	96%	96%
4.Total average collection: **Electricity** (Municipal supplied areas)		6,102,905	6,793,656	0	111%	6,116,996	6,604,403	0	108%	6,663,787	6,165,356	498,431	93%		18,883,688	19,563,416	(679,728)	104%	104%
5.Total average collection: **Water**		3,578,336	1,626,538	1,951,798	45%	4,392,091	1,881,146	2,510,945	43%	3,232,372	1,412,510	1,819,862	44%		11,202,799	4,920,194	6,282,605	44%	44%
6.Total average collection: **Wastewater**		1,064,510	630,189	434,321	59%	1,052,859	524,826	528,033	50%	1,062,485	495,652	566,833	47%		3,179,853	1,650,667	1,529,187	52%	52%
7.Total average collection: **Refuse**		1,036,801	559,517	477,285	54%	1,023,655	478,573	545,082	47%	1,010,771	431,894	578,878	43%		3,071,227	1,469,983	1,601,244	48%	48%
8. 7.Total average collection: **Interest**		84,441	186,535	0	221%	84,630	316,518	0	374%	84,635	241,143	0	285%		253,707	744,196	(490,490)	293%	293%

Complete This Section

Quarter 3 Performance Per Ward

Services	Electricity Supplier	Ward Name & Number	7.January: Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	8.February: Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	9.March: Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q3
Property Rates Tax	Mun Supplied	Nissenville - Ward 1	161,172	163,964	0	102%	161,323.04	142,481.69	18,841	88%	161,323	167,607.33	0	104%	483,818	474,053	9,764	98%	98%
Electricity			130,157	62,961	67,196	48%	83,158.54	44,494.62	38,664	54%	160,931	62,421.39	98,510	39%	374,247	169,877	204,370	45%	45%
Water			393,275	57,461	335,814	15%	533,218.92	100,018.76	433,200	19%	354,062	107,697.57	246,365	30%	1,280,557	265,178	1,015,379	21%	21%
Refuse			174,342	83,671	90,672	48%	166,039.09	70,436.64	95,602	42%	162,233	82,627.90	79,606	51%	502,615	236,735	265,880	47%	47%
Waste Water			215,678	112,771	102,907	52%	208,687.21	93,336.77	115,350	45%	205,025	129,588.98	75,436	63%	629,391	335,697	293,694	53%	53%
Interest			1,299	778	522	60%	1,399.30	350.00	1,049	25%	1,399	39,385.32	0	2815%	4,098	40,513	(36,415)	989%	989%
Property Rates Tax	Eskom supplied	Zoar - Ward 2	75,432	34,964	40,468	46%	75,431.99	29,973	45,459	40%	75,432	17,584	57,848	23%	226,296	82,521	143,775	36%	36%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			890,543	59,900	830,643	7%	1,024,481.41	42,245	982,236	4%	640,989	35,551	605,438	6%	2,556,014	137,696	2,418,317	5%	5%
Refuse			377,019	75,651	301,368	20%	369,753.85	63,419	306,335	17%	368,633	42,605	326,028	12%	1,115,407	181,675	933,732	16%	16%
Waste Water			365,981	93,591	272,390	26%	358,990.52	72,391	286,599	20%	357,951	62,422	295,529	17%	1,082,923	228,405	854,518	21%	21%
Interest			4,772	4,789	0	100%	4,772.12	76,304	0	1599%	4,772	9,141	0	192%	14,316	90,234	(75,918)	630%	630%
Property Rates Tax	Eskom supplied	Calitzdorp Farms - Ward 3	190,254	107,376	82,879	56%	190,254	192,446	0	101%	190,254	277,574	0	146%	570,763	577,396	(6,633)	101%	101%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			66,961	46,059	20,902	69%	154,637	54,546	100,091	35%	101,281	30,317	70,964	30%	322,879	130,923	191,956	41%	41%
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Interest			-	12	0	#DIV/0!	-	173,731	0	#DIV/0!	-	118,677	0	#DIV/0!	-	292,420	(292,420)	#DIV/0!	#DIV/0!
Property Rates Tax	Mun Supplied	Bergsig Calitzdorp - Ward 3	22,705	14,969	7,736	66%	22,705	14,755	7,950	65%	22,705	9,709	12,996	43%	68,115	39,434	28,681	58%	58%
Electricity			7,234	12,518	0	173%	11,587	9,358	2,230	81%	13,046	10,376	2,670	80%	31,867	32,252	(385)	101%	101%
Water			462,361	12,319	450,042	3%	703,119	43,033	660,085	6%	507,106	33,490	473,616	7%	1,672,586	88,843	1,583,743	5%	5%
Refuse			121,643	40,521	81,122	33%	124,756	25,729	99,028	21%	117,491	13,641	103,850	12%	363,890	79,890	284,000	22%	22%
Waste Water			110,208	32,694	77,514	30%	113,537	15,887	97,650	14%	126,611	9,190	117,421	7%	350,356	57,772	292,584	16%	16%
Interest			1,633	372	1,261	23%	483	360	124	74%	483	370	113	77%	2,599	1,101	1,498	42%	42%
Property Rates Tax	Mun Supplied	Calitzdorp Town - Ward 3	469,105	570,066	0	122%	469,207	524,081	0	112%	469,271	367,797	101,474	78%	1,407,582	1,461,945	(54,362)	104%	104%
Electricity			651,358	635,542	15,816	98%	1,008,526	1,284,238	0	127%	1,136,318	931,900	204,418	82%	2,796,202	2,851,680	(55,478)	102%	102%
Water			387,220	252,585	134,635	65%	498,094	370,130	127,965	74%	401,176	206,081	195,095	51%	1,286,490	828,795	457,695	64%	64%
Refuse			98,651	118,996	0	121%	98,997	92,530	6,467	93%	98,651	77,044	21,607	78%	296,299	288,571	7,729	97%	97%
Waste Water			22,779	25,858	0	114%	22,779	21,210	1,568	93%	24,201	16,722	7,480	69%	69,759	63,790	5,969	91%	91%
Interest			6,777	21,530	0	318%	6,777	18,725	0	276%	6,777	3,702	3,074	55%	20,330	43,958	(23,628)	216%	216%
Property Rates Tax	Mun Supplied	Ladismith Town - Ward 4	1,012,662	1,064,721	0	105%	1,012,682	1,161,956	0	115%	1,009,744	920,237	89,507	91%	3,035,088	3,146,914	(111,826)	104%	104%
Electricity			3,023,782	3,789,532	0	125%	2,834,757	3,086,565	0	109%	3,016,642	2,826,266	190,376	94%	8,875,181	9,702,363	(827,182)	109%	109%
Water			782,616	698,598	84,018	89%	822,165	740,966	81,199	90%	706,676	642,902	63,774	91%	2,311,457	2,082,466	228,991	90%	90%
Refuse			203,970	217,995	0	107%	202,932	201,630	1,302	99%	202,586	195,342	7,244	96%	609,487	614,966	(5,479)	101%	101%
Waste Water			312,574	354,534	0	113%	311,575	313,330	0	101%	311,406	269,943	41,462	87%	935,555	937,807	(2,252)	100%	100%
Interest			65,022	84,317	0	130%	66,260	5,250	61,010	8%	66,266	48,823	17,443	74%	197,549	138,390	59,158	70%	70%
Property Rates Tax	Eskom supplied	Ladismith Farms - Ward 4	540,916	348,296	192,620	64%	540,560	739,817	0	137%	540,916	236,303	304,613	44%	1,622,391	1,324,416	297,975	82%	82%
Electricity			2,290,374	2,293,104	0	100%	2,178,968	2,179,748	0	100%	2,336,850	2,334,392	2,457	100%	6,806,192	6,807,244	(1,052)	100%	100%
Water			512,611	492,306	20,305	96%	523,028	506,440	16,589	97%	394,011	343,726	50,285	87%	1,429,650	1,342,471	87,179	94%	94%
Refuse			21,736	13,850	7,886	64%	21,736	14,554	7,182	67%	21,736	13,977	7,759	64%	65,207	42,380	22,827	65%	65%
Waste Water			12,323	9,214	3,109	75%	12,323	8,539	3,785	69%	12,323	7,785	4,538	63%	36,970	25,538	11,432	69%	69%
Interest			4,875	74,687	0	1532%	4,875	37,843	0	776%	4,875	21,001	0	431%	14,625	133,532	(118,907)	913%	913%
Property Rates Tax	Eskom supplied	Van Wyksdorp - Ward 4	55,852	53,140	2,711	95%	55,852	95,332	0	171%	55,852	35,689	20,162	64%	167,555	184,161	(16,607)	110%	110%
Electricity			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			82,748	7,309	75,439	9%	133,348	23,768	109,580	18%	127,071	12,746	114,325	10%	343,166	43,822	299,344	13%	13%
Refuse			39,441	8,835	30,606	22%	39,441	10,274	29,166	26%	39,441	6,656	32,785	17%	118,322	25,765	92,557	22%	22%
Waste Water			24,967	1,527	23,440	6%	24,967	131	24,836	1%	24,967	-	24,967	0%	74,900	1,658	73,243	2%	2%
Interest			63	51	12	81%	63	3,955	0	6253%	63	42	22	66%	190	4,048	(3,858)	2133%	2133%

3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter											
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	15,569	0	11,917	–	–	–	–	65,165	**92,651**	–
Bulk Water	0200	94	–	–	–	–	–	–	–	**94**	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	**–**	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	**–**	–
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	0700	630	429	2	–	–	–	–	1,215	**2,275**	–
Auditor General	0800	(266)	3,188	500	–	–	–	–	21,592	**25,014**	–
Other	0900	(326)	(204)	159	–	–	–	–	11,653	**11,282**	–
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	**–**	–
Total By Customer Type	**1000**	**15,702**	**3,413**	**12,578**	**–**	**–**	**–**	**–**	**99,625**	**131,317**	–

- The total outstanding creditors as at the end of **quarter three** amounts to **R 131.3 million**.

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

- ESKOM = R92.6 million, of which the entire amount is conditionally written off. The other R38.7 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R36.3 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.3 million.

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

3/31/2026				
	Original Budget	Total Received	Total Spent	Unspent
Grant Name	Amount			
Provincial Government	**R10,947,000.00**	**R 7,507,667.00**	**R 4,776,785.53**	**R 2,730,881.47**
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 3,666,000.00	R 2,380,415.58	R 1,285,584.42
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 59,922.00	R 53,078.00
National Government Grants	**R60,035,000.00**	**R46,425,000.00**	**R43,018,639.31**	**R 3,406,360.69**
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 1,520,701.79	R 1,379,298.21
Mun Infrastructure Grant	R 577,200.00	R 577,200.00	R 434,866.76	R 142,333.24
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 1,378,000.00	R 998,194.70	R 379,805.30
INEP	R 3,412,000.00	R 3,412,000.00	R 3,412,000.00	R -
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 three of 2025/26 –

Received

National Treasury:

Municipal Infrastructure Grant amounts to **R8million rand**

Expanded Public Works Program amounts to **R413 thousand**

Integrated National Electrification Program amounts to **R1.195 million.**

Provincial Treasury:

Library Conditional Grant amounts to **R1.2 million.**

Expenditure:

National Treasury:

Financial Management Grants amounts to **R 247 thousand**

Municipal Infrastructure Grant PMU amounts to **R 131 thousand.**

Expanded Public Works Program amounts to **R357 thousand**

Integrated National Electrification Program amounts to **R1.877 million.**

Provincial Treasury:

Library Conditional Grant amounts to **R706 thousand.**

Community Development Grant amounts to **R7 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 - Q3 Third Quarter

Summary of Employee and Councillor remuneration R thousands	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,448	3,197	3,197	426	2,452	2,398	54	2%	3,197
Pension and UIF Contributions		187	–	–	–	135	–	135		–
Medical Aid Contributions		123	–	–	–	87	–	87		–
Motor Vehicle Allowance		207	–	–	22	198	–	198		–
Cellphone Allowance		300	329	329	25	225	247	(22)	-9%	329
Sub Total - Councillors		**4,264**	**3,526**	**3,526**	**473**	**3,097**	**2,645**	**453**	**17%**	**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	401	2,799	3,881	(1,082)	-28%	5,175
Pension and UIF Contributions		5	6	6	1	5	5	0	1%	6
Motor Vehicle Allowance		367	676	676	74	404	507	(103)	-20%	676
Cellphone Allowance		35	150	150	5	23	112	(90)	-80%	150
Other benefits and allowances		53	84	84	4	40	63	(23)	-36%	84
Sub Total - Senior Managers of Municipality		**3,870**	**6,091**	**6,091**	**485**	**3,270**	**4,568**	**(1,298)**	**-28%**	**6,091**
% increase	4		**57.4%**	**57.4%**						**57.4%**
Other Municipal Staff										
Basic Salaries and Wages		71,907	67,870	67,469	5,919	53,398	50,601	2,796	6%	67,469
Pension and UIF Contributions		7,364	7,439	7,420	650	5,843	5,565	278	5%	7,420
Medical Aid Contributions		2,424	2,336	2,322	175	1,894	1,741	152	9%	2,322
Overtime		10,321	4,020	4,020	1,271	7,257	3,015	4,242	141%	4,020
Performance Bonus		1,849	632	632	–	720	474	246	52%	632
Motor Vehicle Allowance		4,164	4,516	4,376	257	2,675	3,282	(607)	-18%	4,376
Cellphone Allowance		138	146	146	8	96	109	(13)	-12%	146
Housing Allowances		418	481	481	19	175	361	(186)	-51%	481
Other benefits and allowances		6,560	4,152	4,189	174	3,523	3,318	205	6%	4,189
Payments in lieu of leave		5,464	150	150	–	225	113	113	100%	150
Long service awards		70	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**110,679**	**91,741**	**91,205**	**8,472**	**75,807**	**68,579**	**7,227**	**11%**	**91,205**
% increase	4		**-17.1%**	**-17.6%**						**-17.6%**
Total Parent Municipality		**118,813**	**101,358**	**100,822**	**9,430**	**82,174**	**75,792**	**6,382**	**8%**	**100,822**
Unpaid salary, allowances & benefits in arrears:										
Other benefits and allowances		1	–	–	0	1	–	1		–

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 (MAR 2026)								
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 232,501.13	R 1,167,498.87	17%	
3	INEP			R 3,412,000.00	R 3,412,000.00	R -	100%	Refund to Department of Infrastructure
		TOTALS		**R 15,778,800.00**	**R 12,787,512.08**	**R 2,991,287.92**	**81.0%**	**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 three ended 31 March 2026** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Municipal Manager of **Kannaland Municipality WC041**

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

Date :20 April 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:	**Mar-26**	
	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 2,182,384.07	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 Office
(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.

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 01/01/2026 to 31/03/2026

D

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

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).