KANNALAND
MUNISIPALITEIT | MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT

Section 72 MFMA – 2025 / 2026



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

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GLOSSARY

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

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

Approved budget - means an annual budget—

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

Budget - The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unauthorised expenditure - in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

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

Virement - A transfer of budget.

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

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

LEGISLATIVE REQUIREMENT

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act Nr. 56 of 2003 (MFMA)

MFMA - Section 72: Mid-Year Budget and Performance Assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—

(a) assess the performance of the municipality during the first half of the financial year, taking into account -
(i) the monthly statements referred to in section 71 for the first half of the financial year;
(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan;
(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to -
(i) the mayor of the municipality;
(ii) the National Treasury; and
(iii) the relevant provincial treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)*(b)* of this section.

(3) The accounting officer must, as part of the review -
(a) make recommendations as to whether an adjustments budget is necessary; and
(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

MFMA - Section 54: Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must -
(a) consider the statement or report;
(b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
(d) issue any appropriate instructions to the accounting officer to ensure -

(i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
(ii) that spending of funds and revenue collection proceed in accordance with the budget;
(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
(f) in the case of a section 72 report, submit the report to the council by 31 January of each year.

(2) If the municipality faces any serious financial problems, the mayor must -
(a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include -
(i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
(ii) the tabling of an adjustments budget; or
(iii) steps in terms of Chapter 13; and
(b) alert the council and the MEC for local government in the province to those problems.

(3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Municipal Budget and Reporting Regulations (2009)

Section 33: Format of a mid-year budget and performance assessment

A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in a 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.

Section 34: Publication of mid-year budget and performance assessments

(1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.

(2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including -

(a) summaries in alternate languages predominant in the community, and

(b) information relevant to each ward in the municipality.

Section 35: Submission of mid-year budget and performance assessments

The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form –

(a) the mid-year budget and performance assessment by 25 January of each year; and

(b) any other information relating to the mid-year budget and performance assessments as may be required by the National Treasury.

PART 1: IN-YEAR REPORT

Section 1 – Mayor's Report

1.1 Challenges and Remedial Action – 2024/25 Audit

Outcome area	Movement	2024-25	2023-24	2022-23
Financial statements				
Annual performance report				
• KPA 2: Basic Service Delivery and Infrastructure Development: Objective: To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens Objective: To provide adequate Services and improve our public relations				
Compliance with legislation				
• Annual financial statements, performance reports and annual reports				
• Assets management				
• Consequences management				
• Expenditure management				
• Governance and oversight	New			
• Human resource management				
• Procurement and contract management				
• Revenue management				
• Strategic planning and performance management				
• Utilisation of conditional grants				

	Unqualified / No material findings		Qualified		Adverse		Disclaimed		Material findings		Not audited

	Improvement		Regression		Unchanged

The municipality is in the process of drafting an audit action plan, with the Accounting Officer committed to addressing prior audit findings as recommended by the AGSA. Internal monitoring will be strengthened through frequent assessments of the adequacy and effectiveness of internal controls to ensure sustainable clean administration. Any issues and remedial actions identified in the Oversight Report will be addressed, implemented, and closely monitored.

Financial Management Challenges:

- Adoption of an unfunded budget;
- Inability to make provision for capital projects, therefore resulting in making use of service providers to perform certain basic service delivery functions;
- Effectiveness of internal audit and risk management;
- Limited revenue and financial resources;
- Poorly maintained assets (vehicles, roads, and other infrastructure;
- Service delivery challenges due to budget constraints
- Lack of skills and capacity to facilitate compliance with the Municipal Minimum Competency Framework; and

Other Organisational Challenges:

Service Area	Challenge
Infrastructure, Water, Roads, Sanitation, Electrical	Inadequate funding (own funding)
	Large number of faulty water meters. Users only pay for basic services until meters are replaced that leads to financial loss
	Roads - Grant funding not adequate to maintain and upgrade roads
	Electricity - maintaining and managing electricity losses due to aging networks
	Water - availability of water, especially in the hot and dry summer months
	Non-compliant landfill sites. No funding is available to comply with requirements
	Slow spending on capital projects -leading to rollovers and loss of funding
Law enforcement	Illegal connections and tampering with meters. Law enforcement is not functional year and no applicable by laws
Fleet Management	Limited and aged fleet available in all service delivery departments
Human Settlements	Challenges exist with regard to the capacity of bulk infrastructure services resulting in significant increases in housing waiting lists
	Incorrect title deeds
	High demand for low cost and GAP housing
Workforce	Attracting suitable qualified personnel in key functions
	Deviating from HR processes and lack of policy implementation
	Occupational Health and Safety and Wellness programmes not fully operational

Remedial Action

The municipality is currently under a Financial Recovery Plan (FRP), and as such, internal controls are being strengthened, with cash flow monitored on a weekly basis to ensure that expenditure is limited, prioritised, and directed toward service delivery–related activities.

1.2 Impact of the National and Provincial Adjusts Budget

During the Medium-Term Budget Policy Statement, the Minister of Finance reiterated that municipalities are the coalface of service delivery. Despite this, a significant number of municipalities continue to face challenges related to governance, financial management, and service delivery. To address these challenges and position municipalities as drivers of economic growth, a multi-pronged approach has been adopted, focusing on strengthening budget processes, enhancing oversight, improving the skills and capacity of municipal employees, and increasing investment in the maintenance and development of infrastructure.

For the 2025/26 financial year, Kannaland Municipality has been identified as a financially distressed municipality and is subject to a Financial Recovery Plan (FRP) in terms of Section 139(5)(a) of the Constitution. While the municipality is not fully under administration, the provincial intervention is focused on restoring financial stability, improving governance and oversight, and supporting sustainable service delivery outcomes.

1.3 Budget Implementation

The implementation of the municipality's budget in accordance with the SDBIP will be dealt with in more detail within this report. Budget implementation can however 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

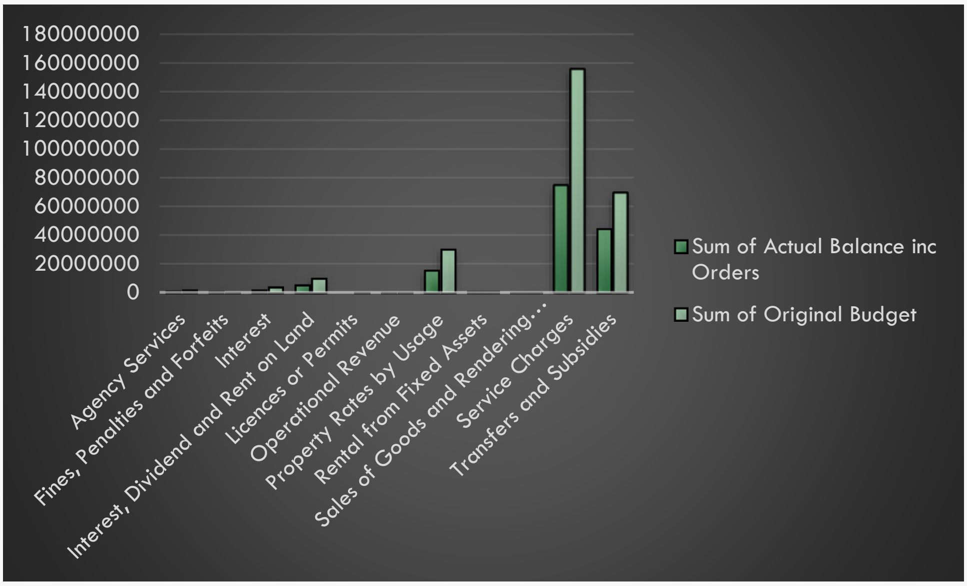
Operational Expenditure

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.

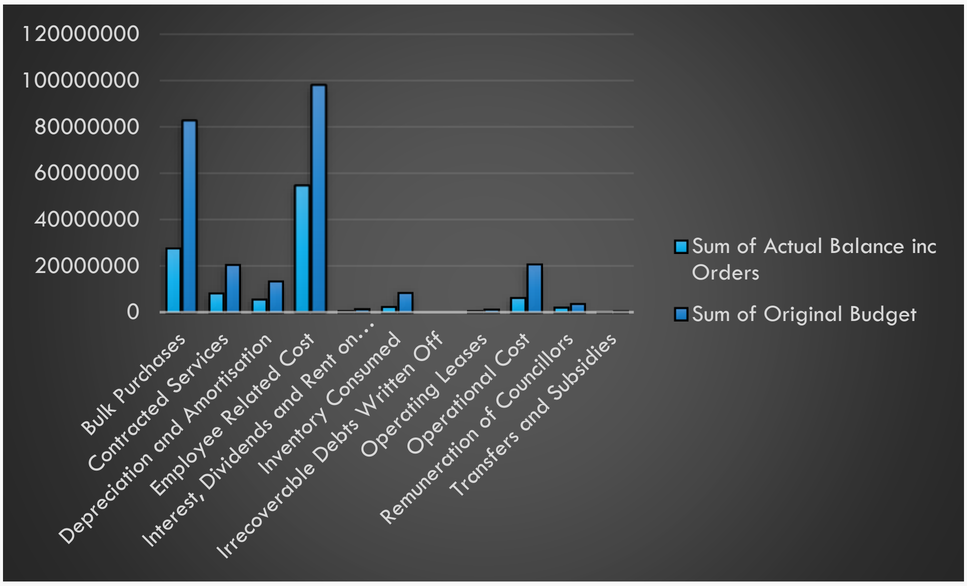
Capital Expenditure

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.

Actual Revenue vs YTD Budgeted Revenue



Actual Expenditure vs YTD Budgeted Expenditure



1.4 Adjustments Budget

Considering the allocation changes required and the impact of straight-line budgeting, it is evident that overall revenue performance is materialising differently than initially projected. Certain revenue streams will require downward revision, while others will need to be adjusted upward to reflect more realistic collection trends. At this stage, it is not yet possible to specify the exact income lines that will be affected.

The assessment of expenditure remains challenging due to delays in the recognition of costs when incurred, with expenditure currently being recognised only once payments are made. As a result, expenditure trends may not yet fully reflect actual obligations. Notwithstanding this limitation, key expenditure categories are expected to require adjustment as expenditure recognition improves.

Both the capital and operational budgets will be revised through amended allocations and the approval of eligible rollovers to ensure alignment with actual performance and funding availability.

Based on the Mid-year Performance Assessment and in terms of Section 28 of the MFMA, it is therefore recommended that the municipality revise its budget during February 2026 to incorporate the necessary corrections to revenue and expenditure projections.

Liquidity continues to pose a significant and ongoing risk that must be carefully managed. The combined impact of the above factors presents a risk to sustainable service delivery and the municipality's ability to support local economic growth

Section 2 – Resolutions

Recommendation:

That the council takes cognisance of the Mid-Year Budget and Performance Assessment Report in terms as presented in terms of section 72 of the MFMA.

Section 3 – Executive Summary

3.1 Introduction

The Mid-year Assessment has been prepared in terms of the Municipal Budget and Reporting Regulations in the prescribed format. It is used as a management tool to assess the municipality's performance and financial position against the approved budget by analysing trends and patterns during the first halve of the financial year, with a view of giving effect to the Mayor and Council's oversight role and to recommend the need for an adjustment budget as envisaged by the Municipal Finance Management Act.

3.2 Consolidated Performance

WC041 Kannaland - Supporting Table SC2 Monthly Budget Statement - performance indicators - Mid-Year Assessment

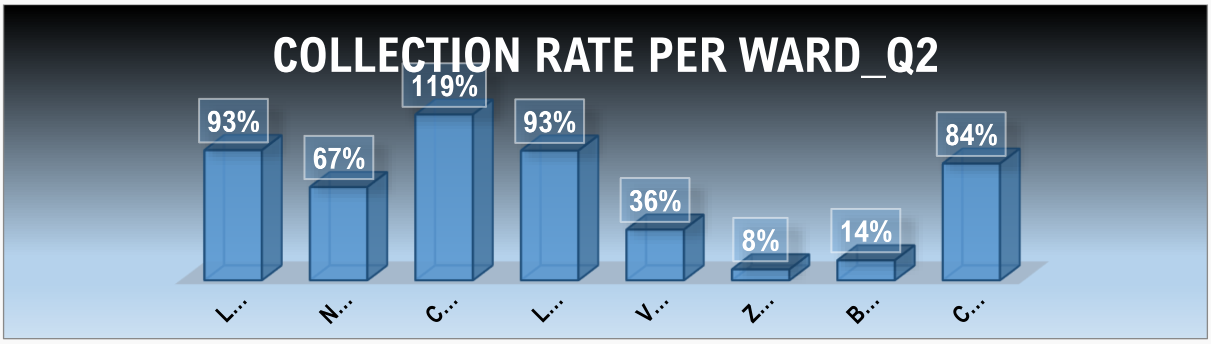
Description of financial indicator	Basis of calculation	Ref	2024/25	Budget Year 2025/26			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0,3%	5,5%	5,5%	5,7%	5,5%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		61,8%	66,5%	66,5%	60,3%	66,5%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	44,8%	40,9%	40,9%	99,2%	40,9%
Liquidity Ratio	Monetary Assets/Current Liabilities		14,9%	16,9%	16,9%	22,4%	16,9%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		41,7%	21,1%	21,1%	89,3%	21,1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		47,4%	38,5%	38,4%	41,6%	38,4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		12,1%	2,9%	3,0%	8,1%	3,0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		16,8%	5,7%	5,7%	4,6%	5,7%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

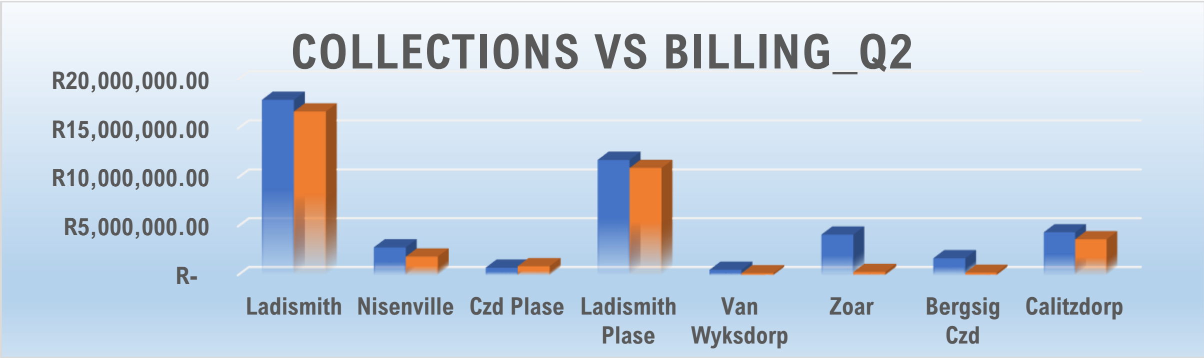
3.3 Payment Percentage

	Billing	Collections	
Ladismith	R 35 022 740,73	R 33 381 899,85	95%
Nisenville	R 5 681 038,00	R 3 147 975,02	55%
Czd Plase	R 1 514 854,89	R 1 290 968,19	85%
Ladismith Plase	R 22 413 129,72	R 21 344 235,35	95%
Van Wyksdorp	R 1 108 281,46	R 446 200,77	40%
Zoar	R 7 980 945,91	R 688 293,05	9%
Bergsig Czd	R 3 495 163,10	R 525 707,75	15%
Calitzdorp	R 8 843 601,95	R 7 693 305,92	87%
	R 86 059 755,76	R 68 518 585,90	79,6%
	R 86 059 755,76	-R 68 518 585,90	
	R -	R -	
Prepaid Elec Sales Jul-Dec	R 13 136 037,30	R 13 136 037,30	
	R 99 195 793,06	R 81 654 623,20	82,3%

The **current collection rate** is at **82,3%%** and this is aligned with the **budget assumption** being based on an **85%** average collection rate. Improved credit control will be needed with a revision of debt impairment as indicated above.

Collection rate per ward:





The collection rate remains negatively impacted, particularly in more impoverished wards, due to the low level of indigent registrations. This results in the municipality significantly understating the true cost of subsidised services. To address this challenge, collection attorneys have been appointed to strengthen debt recovery processes, improve revenue collection, and support the accurate identification and management of indigent households.

Section 4 – In-Year Budget Tables

TABLE C1 – MID-YEAR BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

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

TABLE C2 – MID-YEAR FINANCIAL PERFORMANCE (FUNCTIONAL CLASSIFICATION)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

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**

TABLE C3 – MID-YEAR FINANCIAL PERFROMANCE (MUNICIPAL VOTE)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year										
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**

TABLE C4 – MID-YEAR FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

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**

TABLE C5 – MID-YEAR ASSESSMENT CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

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**

TABLE C6 – MID-YEAR FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment						
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**

TABLE C7 – MID-YEAR CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

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 balance ending of **December 2025** were as follow;

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

PART 2: SUPPORTING DOCUMENTATION

Section 5 – Debtor's Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description R thousands	NT Code	Budget Year 2025/26 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 million** at the end of December 2025. 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.

Section 6 – Creditor's Analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

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 creditors have shown increase in the total from the beginning of the year, the total amount owed is R120.77 million, which represents 9.7% increase from the first quarter reported figures. Breakdown van creditors.

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.

Section 7 – Investment Portfolio Analysis

The municipality has no investments to declare.

Section 7 – Allocation of Grant Receipts & 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
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
Mun Infrastructure Grant	R 577 200,00	R 577 200,00	R 302 293,74	R 274 906,26
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
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 -

Section 8 – Mid-Year Councillor & Staff Expenditure

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment										
		2024/25	Budget Year 2025/26							
Summary of Employee and Councillor remuneration R thousands	Ref	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	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
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
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
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		367	676	676	46	231	338	(107)	-32%	676
Cellphone Allowance		35	150	150	2	12	75	(63)	-84%	150
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		53	84	84	4	27	42	(15)	-36%	84
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
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	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
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**
TOTAL SALARY, ALLOWANCES & BENEFITS		**118 814**	**101 358**	**101 258**	**11 934**	**56 396**	**50 981**	**5 415**	**11%**	**101 258**
% increase	4		**-14,7%**	**-14,8%**						**-14,8%**
TOTAL MANAGERS AND STAFF		**114 549**	**97 832**	**97 732**	**11 631**	**54 440**	**49 218**	**5 222**	**11%**	**97 732**

Section 10 – Mid-Year Monthly Actuals & Revised Targets - Cash

This municipality is still experiencing cash flow budgeting errors that needs to be corrected.

Section 11 – Material Variances from the SDBIP

This will be reported seperately as an Annexure.

Section 12 – Capital Expenditure Trend

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Mid-Year Assessment									
	2024/25	Budget Year 2025/26							
Month R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	–	1 143	1 143	2 570	2 570	1 143	(1 426)	-124,7%	19%
August	370	1 143	1 143	243	2 813	2 287	(526)	-23,0%	21%
September	2 077	1 143	1 143	2 801	5 614	3 430	(2 183)	-63,7%	41%
October	2 443	1 143	1 143	–	5 614	4 574	(1 040)	-22,7%	41%
November	1 530	1 143	1 143	1 388	7 002	5 717	(1 285)	-22,5%	51%
December	702	1 143	1 143	1 194	8 195	6 860	(1 335)	-19,5%	60%
January	114	1 143	1 143	–	8 195	8 004	(192)	-2,4%	60%
February	1 309	1 143	1 143	–	8 195	9 147	952	10,4%	60%
March	2 508	1 143	1 143	–	8 195	10 291	2 095	20,4%	60%
April	1 078	1 143	1 143	–	8 195	11 434	3 239	28,3%	60%
May	1 967	1 143	1 143	–	8 195	12 577	4 382	34,8%	60%
June	7 390	1 143	1 143	–	8 195	13 721	5 525	40,3%	60%
Total Capital expenditure	21 487	13 721	13 721	8 195					

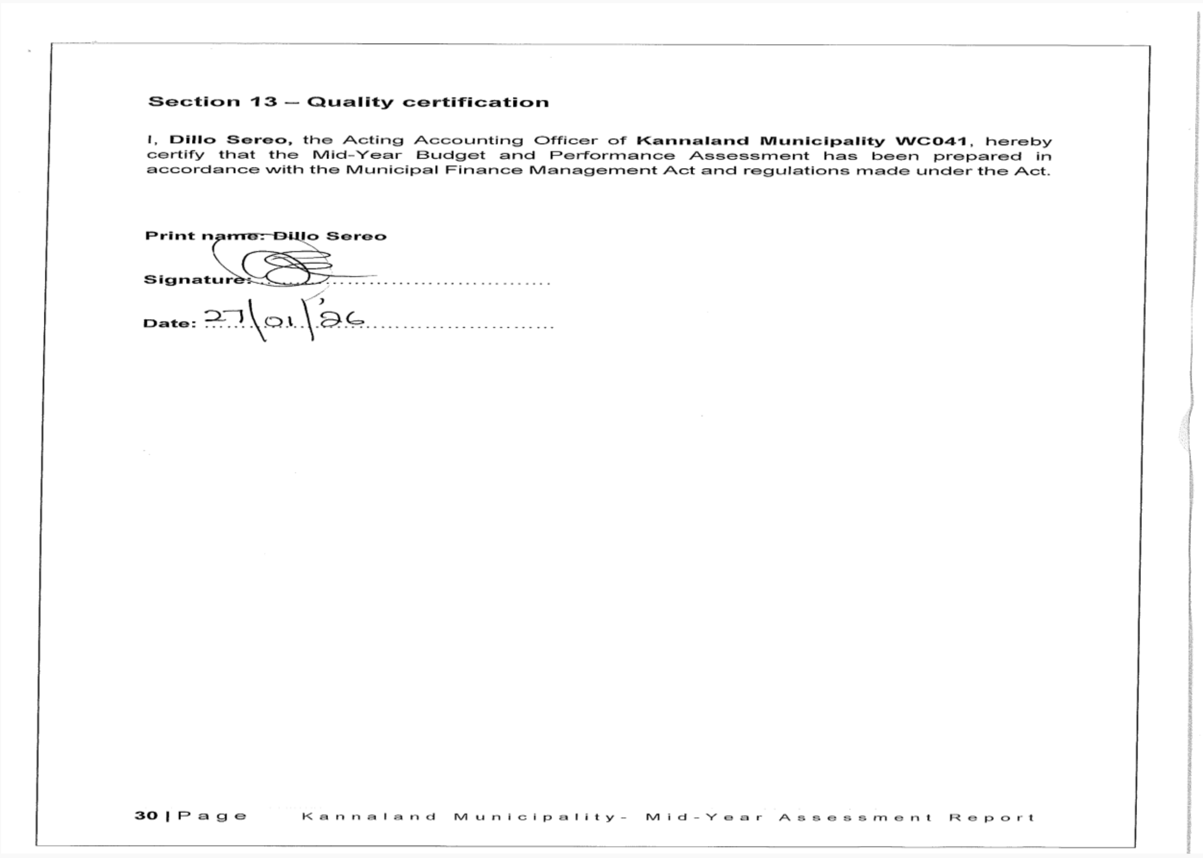
Section 13 – Quality certification

I, **Dillo Sereo,** the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Mid-Year Budget and Performance Assessment has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Signature: …………………………………

Date: …………………………………………



Section 13 – Quality certification

I, **Dillo Sereo,** the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Mid-Year Budget and Performance Assessment has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Signature: ……………………………

Date: 27/01/26…………………………

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APPENDIX 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**	
	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 2,642,267.04	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

D

Municipal Finance Management Act, section 11(4)

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

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 B: Budget Funding Plan

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