AN ANNUAL FINAL BUDGET AND SUPPORTING DOCUMENTATION OF THE KAGISANO-MOLOPO LOCAL MUNICIPALITY (NW397)

2025/26 TO 2027/28

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET

FINAL

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PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

PURPOSE

To table to Council the 2025/26 – 2027/28 Medium Term Revenue and Expenditure Framework draft budget for noting.

BACKGROUND

Municipalities have an obligation to execute the following objects of local government as stipulated in Section 152 of the Constitution of Republic of South Africa;

- to provide a democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organizations in the matters of local government

Section 21(1)(a) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA), requires from the Mayor of Kagisano-Molopo Local Municipality to co-ordinate the process for preparing the annual budget and for reviewing the Municipality's Integrated Development Plan (IDP) and budget-related policies to ensure that the tabled budget and any revisions of the IDP and budget-related policies are mutually consistent and credible.

Section 16(2) of the MFMA determines that the Mayor must table the annual budget at a Council meeting at least 90 days before the start of a budget year.

Furthermore, section 17 of the MFMA, an annual budget of a Municipality must set out realistically anticipated revenue for the budget year and appropriate expenditure for the budget year under the different votes of the Municipality.

An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.

In terms of section 16 (1) of the Municipal Finance Management Act the Council of a Municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.

Section 24 (1) of the Municipal Finance Management Act, the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

DISCUSSION

In order for a Municipality to comply with Section 24 (1) of the Municipal Finance Management Act, the municipal council must at least 30 days before the start of the budget year consider approval of the annual draft budget, 31 March 2025.

Based on the above, attached herewith is the Annual budget of Kagisano-Molopo Local Municipality for the MTREF year 2025/26 to 2027/2028.

SUMMARY

The FINAL 2025/2026 – 2027/28 MTREF Annual Budget Report deals with the operating budget, tariffs, capital budget and funding sources proposals to ensure that Kagisano-Molopo Local Municipality render services to the local community in a financially sustainable manner.

The application of sound financial management principles for the compilation of the Municipality's Financial Plan are essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The process of developing the municipality's annual budget is largely guided by the strategic thrusts and operational priorities of Kagisano-Molopo's IDP as well as the MTREF that sets out the expected annual revenue and projected expenditure for the budget year under consideration, plus the two outer years.

- The total operating revenue for the 2025/2026 – 2027/28 MTREF Budget is projected at R198 730 million for the 2025/26 financial year (2026/27: R196 535 million; 2027/28: R205 728 million).

- The total operating expenditure for the 2025/2026 – 2027/28 MTREF Budget is projected to be R206 794 million for the 2025/26 financial year (2026/27: R220 409 million; 2027/28: R226 139 million). This includes the budgeting of non-cash item such as debt impairment and depreciation which amounts to R37 037 million for the 2025/26 financial year (2026/27: R37 635 million; 2027/28: R38 318 million)

- Total capital expenditure for the 2025/2026 – 2027/28 MTREF Budget is projected at R37 704 million for the 2025/26 financial year (2026/27: R37 476 million; 2027/28: R39 083 million).

- A surplus for the financial position for 2025/2026 – 2027/28 MTREF Budget is projected based on revenue less expenditure at R29 641 million for the 2025/26 financial year (2026/27: R13 602 million; 2027/28: R18 672 million).

On 21st of May 2025, the Minister of Finance tabled the 2025/2026 Budget 3.0 in Parliament. The budget as tabled includes various grant allocations to municipalities in terms of the requirements of the Division of Revenue Act (DORA).

Conditions of different operational and capital conditional Grants are as Follows:

- **Local government financial management grant (FMG)** The local government financial management grant, managed by the National Treasury, funds the placement of financial management interns in municipalities over a multi-year period, with the aim of retaining their skills. This includes building in-house municipal capacity to implement multi-year budgeting, linking integrated development plans to budgets and producing quality and timely in-year and annual reports. This grant prioritises supporting municipalities with challenges in processes, procedures and systems to effectively implement the Municipal Finance Management Act and to improve compliance and areas of weakness identified in the financial management capability maturity model. The grant also provides funds for the implementation of the municipal standard chart of accounts. An allocation of **R3,0 million** in 2025/26, **R3,0 million** in 2026/27 and **R3,1 million** in 2027/28. The conditional grants review highlighted the importance of a unified approach to capacity building by streamlining existing initiatives within the National Treasury and leveraging best practices. Over the 2025 MTREF period, the National Treasury will explore consolidating its financial management support initiatives – the local government financial management grant, the Municipal Finance Improvement Programme and the Municipal Revenue Management Improvement Programme – into a single, integrated programme tentatively referred to as the Local Government Financial Management Capability Programme. Further details on the consolidated programme are provided in Part 6.

- **EPWP** integrated grant for municipalities This grant promotes the use of labour-intensive methods in delivering municipal infrastructure and services. To determine eligibility for funding, municipalities must have reported performance on the EPWP, including performance in the infrastructure, social and environment and culture sectors and on the full-time equivalent jobs created in these sectors in the last 18 months. A formula then determines allocations based on this performance as well as the labour intensity of the work opportunities created. The number of bands in which labour intensity is recorded in the formula has been expanded from seven to eight, providing an incentive for labour-intense projects to further increase their intensity. The formula is weighted to give larger allocations to rural municipalities. The grant is allocated R2.2 million 2025 MTREF period.

- **Municipal Infrastructure Grant (MIG)** to provide specific capital finance for eradicating basic municipal infrastructure backlogs through the construction of new, and the renewal and refurbishment of existing infrastructure for poor household, microenterprises, and social institution servicing poor communities. To provide specific funding for the development of asset management plans for infrastructure servicing the poor.

  Municipalities must prioritise MIG funds for infrastructure that services eligible beneficiaries, such as: basic residential infrastructure for the poor for water, sanitation, roads and stormwater, solid waste management, street lighting and community facilities, new or upgrading of municipal bulk infrastructure to support existing areas, the formalisation of informal settlements and to support economic development renewal of eligible infrastructure servicing the poor subject to the confirmation by the relevant sector department of the state of infrastructure and a commitment from the municipality on how future operations and maintenance of the renewed infrastructure will be funded o renewal

and refurbishment of water and sanitation, roads infrastructure, solid waste management infrastructure mainly servicing the poor o specialised waste management vehicles servicing the poor.
The cost to augment the **project management capacity/ unit (PMU)** must not exceed 5 per cent of a municipality's MIG allocation and may be used for programme/project management costs related to all Schedule 5, part B grant-funded projects and only if a business plan is approved. If these funds are not committed for this purpose or spent for this purpose, it must revert to fund MIG capital projects. An allocation of **R36,5 million** in 2025/26, **R39,4 million** in 2026/27 and **R41,1 million** in 2027/28.

- **Energy Efficiency Demand Side Management Grant (EEDSM)** to provide subsidies to municipalities to implement EEDSM. Funds can only be used to implement electricity-saving projects in municipal infrastructure. The focus for implementation of energy efficiency interventions is limited to municipal building infrastructure, streetlights, traffic lights, wastewater treatment works and pump stations. Municipalities must determine a detailed and extended electricity consumption baseline in line with South African Standards and in the format pre-determined by the Department of Electricity and Energy. Municipalities shall ensure that the procurement of technologies required for the implementation of EEDSM measures are procured in accordance to the approved and/or recommended standardised technical specifications, and in the panel of energy efficient technology suppliers appointed by the transferring officer.

The municipality's draft budget includes the following grant allocations:

Grant Description	Grant Type	2025/2026	2026/2027	2027/2028
Equitable Shares	Unconditional	160 479 000.00	159 588 000.00	166 797 000.00
Expanded Public Works Programme	Conditional	2 241 000.00		
Local Government Financial Management Grant	Conditional	3 000 000.00	3 000 000.00	3 100 000.00
Municipal Infrastructure Grant (PMU)	Conditional	1 826 550.00	1 972 400.00	2 057 000.00
Library Grant	Conditional	1 062 000.00	1 111 000.00	1 111 000.00
Total Operating Revenue		**168 608 550.00**	**165 671 400.00**	**173 065 000.00**
Municipal Infrastructure Grant (PMU)	Conditional	34 704 450.00	37 475 600.00	39 083 000.00
Energy Efficiency Demand Side Management Grant	Conditional	3 000 000.00		
Total Capital Revenue		**37 704 450.00**	**37 475 600.00**	**39 083 000.00**
Total Transfers and Subsidies		**206 313 000.00**	**203 147 000.00**	**212 148 000.00**

In terms of the above table, the total Operating Grants amount to R168 608 million, R165 671 million and R173 065 million for the three financial years, whilst the total Capital Grants amount to R37 704 million, R37 457 million and R39 083 million over the MTREF period.

Included in the above capital budget, the following capital projects for the 2025/26 financial year:

Project Name	Total budget for 2025/2026
General Text	**Project amount**
Construction Of Piet Plessis Sports Facility Phase 1	**R2 201 267.95**
Construction Of Piet Plessis Sports Facility Phase 2	**R23 185 533.51**
Construction of Kudunkgwane Internal Road and stormwater	**8 063 533.01**
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7) AND TSEOGE WARD 11	**1 254 115.53**
Energy Efficiency Demand Side Management Grant	**3 000 000.00**
Total	**37 704 450.00**

Budget consultation processes with relevant stakeholders, including the community of Kagisano-Molopo Local Municipality and Provincial Treasury, was undertaken as required by section 23 of the MFMA. Any other further improvements to the budget and amendments were made in the period leading up to the final approval of the 2025/26 to 2027/28 budget (i.e. on or before end June 2025).

Lastly, let me take this opportunity to sincerely thank all role players who assisted in ensuring that the draft budget is submitted to Council for noting, leading up to the final approval of the budget on or before the end of June 2025**.**

I therefore table the draft budget 2025/26 to 2027/28 and the accompanying documents before Council for **ADOPTION**.

a) Summary of the medium-term service delivery objectives and the associated medium-term financial implications contained in the annual budget.

The executive summary and explanatory notes supporting schedules to the annual budget below explains in detail the medium-term service delivery objectives and the associated medium-term financial implications contained in the annual budget.

Refer to the final service delivery and implementation plan for the 2025/26 financial year.

b) Summary of linkage between the annual budget, the Integrated Development Plan and the political priorities at the national, provincial, municipality and local levels.

The Final Integrated Development Plan and the political priorities at the national, provincial, municipality and local levels were considered and incorporated in compiling the annual budget.

Detail thereof is shown in the final Integrated Development Plan 2025/26 as revised.

c) Summary of infrastructure development objectives.

The objective of infrastructure development is to eradicate backlogs to improve access to service and ensure proper operations and maintenance and to ensure that an efficient, competitive and responsive economic infrastructure network exist within the municipality.

Key capital projects have been planned for the 2025/26 – 2027/28 financial years as per the approved The Integrated Development Plan, as follows:

Source of Funding	Description	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
Own Funding	Computer Equipment – Laptops	250,000.00	-	-
Municipal Infrastructure Grant	Piet Plessis Sports Facility (Phase 1 and Phase 2)	25,386,801.46	-	-
Energy efficiency and demand side management grant	The Replacement of 200 Energy Efficiency bulbs on Highmast Lights at various villiages	3,000,000.00		
Municipal Infrastructure Grant	Construction of Kudunkgwane Internal Road and stormwater	8,063,533.01		-
Municipal Infrastructure Grant	Installation of solar(photo voltaic) high mast light in the Pouval, ethol, Madinonyane (ward 8) and Kgokgole , Dipudi (ward 7) and Tseoge ward 11	1,254,115.53	13,644,134.47	-
Municipal Infrastructure Grant	Construction of Ditshukutswane Community Hall		10,906,196.00	-

Municipal Infrastructure Grant	Construction of bridge at Ganyesa (Ward 14)	-	10,000,000.00	-
Municipal Infrastructure Grant	Energising of high mast lights in various wards	-	2 925 269.53	1,574,730.47
Municipal Infrastructure Grant	Access road from Main Road via Community Hall to Raditshane High School(ward 15)	-	-	7,000,000.00
Municipal Infrastructure Grant	Construction of access road from R378 to Tshetshu (ward)			11,000,000.00
Municipal Infrastructure Grant	Procurement of yellow fleet			9,000,000.00
Municipal Infrastructure Grant	Construction of access road at Kgokgojane (ward 7)			10,508,269.53

These projects are funded from the internally generated revenue, EEDSM and the Municipal Infrastructure Grant (MIG) and will be implemented over the MTREF years.

Total capital expenditure for the 2025/2026 – 2027/28 MTREF Budget is projected at R37,7 million for the 2026/27 financial year (2026/27: R37,4 million; 2027/28: R39,0 million).

The infrastructure development objectives have been planned for the 2025/26 MTREF year is shown in the Final Integrated Development Plan 2025/26.

d) Summary of material amendments made to the annual budget after the consultation processes

The inputs from the budget consultation process and from the public consultation processes were considered and incorporated where possible in this final annual budget. This includes the correction of data strings and budget alignment in terms of MSCOA.

1.2 COUNCIL RESOLUTIONS

On 29 May 2025 the Council of Kagisano-Molopo Local Municipality met to consider the FINAL annual budget of the municipality for the financial year 2025/26. The Council **adopts** the following resolutions:

1. The final Annual Budget of Kagisano-Molopo Local Municipality for the financial year 2025/26 and the indicative allocations for the projected outer years 2026/27 and 2027/28; and the multi-year and single year capital appropriations be **ADOPTED** as tabled, for the purpose of complying with Chapter 4 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 read in conjunction with Municipal Budget and Reporting Regulations 32141 (dated 17 April 2009),

2. The budgeted financial position, budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and service delivery measurements be **ADOPTED** as set-out in the following tables:
   2.1 Budgeted Financial Position;
   2.2 Budgeted Cash Flows;
   2.3 Cash backed reserves and accumulated surplus reconciliation;
   2.4 Asset management;
   2.5 Basic Service Delivery Measurement

3. The municipal Rates, Taxes and Tariffs be **ADOPTED** for the MTREF year 2025/26 to 2027/2028.

4. The following Final budget-related policies be **ADOPTED**:
   4.1 Municipality Property Rates Policy
   4.2 Property Rates By-law
   4.3 Credit Control and Debt Collection Policy
   4.4 Credit Control and Debt Collection By-law
   4.5 Tariff Policy
   4.6 Virement Policy
   4.7 Cash Management and Investment Policy
   4.8 Borrowings Policy
   4.9 Funding and Reserve Policy
   4.10 Policy related to long-term financial planning
   4.11 Supply Chain Management Policy
   4.12 Asset Management Policy
   4.13 Policy relating to infrastructure investment and capital projects
   4.14 Unauthorised, Irregular and Fruitless and Wasteful Expenditure Policy
   4.15 Indigent Policy
   4.16 Budget Policy
   4.17 Petty Cash Policy
   4.18 Cost Containment Policy

5. The Final Annual Procurement Plan for the 2025/26 financial year be **ADOPTED**.
6. The Final Funding Plan 2025/26 financial year be **ADOPTED**

1.3 EXECUTIVE SUMMARY

The FINAL 2025/2026 – 2027/28 MTREF Budget Report deals with the operating budget, tariffs, capital budget and funding sources proposals to ensure that Kagisano-Molopo Local Municipality render services to the local community in a financially sustainable manner.

The application of sound financial management principles for the compilation of the Municipality's Financial Plan are essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The process of developing the municipality's annual budget is largely guided by the strategic thrusts and operational priorities of Kagisano-Molopo's IDP as well as the MTREF that sets out the expected annual revenue and projected expenditure for the budget year under consideration, plus the two outer years.

The Budget Circulars issued by National Treasury serves as a guideline and baseline on key points and assumptions, including all the latest MFMA Circulars.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are being implemented by the Municipality, due to the low average Collection Rates. Cost containment Regulations and Policy are also being implemented to further curb costs and to improve operational efficiency, in line with the requirements of the Cost Containment Regulations (Number 42514 dated 7 June 2019), as well as the approved Cost Containment Policy of Council.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarised as follows:

- COVID-19 pandemic and its impact on service delivery and the impact the pandemic had on the payment of service by customers and debtors,
- The ongoing difficulties in the national and local economy;
- Decrease in EPWP conditional grant allocation from the Division of Revenue Act;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Budgeting for a surplus (i.e. Total Revenue exceeding Total Expenditure) on the operating Budget;
- Fully implementing cost containment measures and removing non-core expenditure
- items;
- Maintaining revenue collection rates at acceptable levels and even more;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of rates and tariff increases;
- Maintaining an acceptable cost coverage ratio;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the municipality's declining cash position into account.

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

- The 2025/26 Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2025/26 annual budget;

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality.
- Municipality is in the process of turning around the current declining position in order to build a sustainable future, revenue enhancement is one of the key elements of turn around strategies that has be used to address the challenges.
- The declining Collection Rate, as previously alluded to.
- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.

In view of the aforementioned, the following is an overview of the 2025/26 Medium-term Revenue and Expenditure Framework:

1.4 ANNUAL BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 DRAFT budget and MTREF.

0 - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	20 938	13 391	–	11 216	11 216	11 216	10 543	13 836	14 528	15 255
Service charges	–	–	–	0	0	0	–	0	0	0
Investment revenue	907	1 416	–	2 030	2 030	2 030	410	60	63	66
Transfer and subsidies - Operational	175 173	187 772	–	169 330	169 330	169 330	89 619	168 609	165 671	173 065
Other own revenue	22 066	19 895	–	18 908	18 908	18 908	1 348	16 225	16 273	17 342
Total Revenue (excluding capital transfers and contributions)	219 084	222 474	–	201 484	201 484	201 484	101 921	198 730	196 535	205 728
Employee costs	45 894	47 764	(941 473)	72 029	72 029	72 029	49 208	79 611	83 936	91 295
Remuneration of councillors	12 519	13 025	(98 355)	14 131	14 131	14 131	12 691	15 436	16 399	17 430
Depreciation and amortisation	40 517	24 900	35 848	27 934	27 934	27 934	–	27 934	28 117	28 282
Interest	90	1 038	–	250	250	250	248	250	175	175
Inventory consumed and bulk purchases	3 899	3 130	14 939	–	–	–	66	–	–	–
Transfers and subsidies	1 428	–	(5 015)	8 500	8 500	8 500	46	–	–	–
Other expenditure	97 023	114 385	3 045 257	107 039	107 039	107 039	38 101	83 562	91 781	88 957
Total Expenditure	201 370	204 242	2 051 201	229 883	229 883	229 883	100 360	206 794	220 409	226 139
Surplus/(Deficit)	17 714	18 232	(2 051 201)	(28 399)	(28 399)	(28 399)	1 561	(8 063)	(23 873)	(20 411)
Transfers and subsidies - capital (monetary allocations)	–	–	–	37 039	37 039	37 039	481	37 704	37 476	39 083
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	17 714	18 232	(2 051 201)	8 640	8 640	8 640	2 042	29 641	13 602	18 672
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	17 714	18 232	(2 051 201)	8 640	8 640	8 640	2 042	29 641	13 602	18 672
Capital expenditure & funds sources										
Capital expenditure	(10 451)	48 458	–	45 930	45 930	45 930	11 980	37 954	37 476	39 083
Transfers recognised - capital	(3 056)	25 942	–	32 730	32 730	32 730	10 417	37 704	37 476	39 083
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	(1 147)	(36)	–	13 200	13 200	13 200	398	250	–	–
Total sources of capital funds	(4 204)	25 906	–	45 930	45 930	45 930	10 815	37 954	37 476	39 083
Financial position										
Total current assets	27 122	21 051	–	88 601	88 601	88 601	(56 944)	166 422	161 077	175 250
Total non current assets	(2 216)	(1 457)	(1 979 799)	595 237	595 237	595 237	13 277	488 371	493 444	494 930
Total current liabilities	11 545	14 477	87 133	7 178	7 178	7 178	(45 390)	77 698	87 708	98 239
Total non current liabilities	(4 427)	13 330	(484)	28 325	28 325	28 325	–	40 370	40 370	40 370
Community wealth/Equity	(355)	(25 446)	–	639 695	639 695	639 695	–	507 084	512 841	512 898
Cash flows										
Net cash from (used) operating	(13 774)	14 075	28 054	53 226	53 226	53 226	(36 715)	58 776	53 357	58 410
Net cash from (used) investing	–	–	–	(45 930)	(45 930)	(45 930)	–	(37 954)	(37 476)	(28 575)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(345)	1 314	28 054	10 437	10 437	10 437	–	21 942	17 001	30 956
Cash backing/surplus reconciliation										
Cash and investments available	(787)	(11 588)	–	10 437	10 437	10 437	(37 137)	23 746	19 287	33 812
Application of cash and investments	14 891	9 294	87 193	(208 813)	(208 813)	(208 813)	–	(104 886)	(91 693)	(77 704)
Balance - surplus (shortfall)	(15 678)	(20 882)	(87 193)	219 251	219 251	219 251	(37 137)	128 632	110 981	111 517
Asset management										
Asset register summary (WDV)	(22 815)	10 658	(1 979 799)	595 237	595 237	595 237		488 371	490 519	482 847
Depreciation	24 807	21 985	35 848	27 934	27 934	27 934		27 934	28 117	28 282
Renewal and Upgrading of Existing Assets	(16 105)	7 733	–	22 865	22 865	22 865		28 387	–	–
Repairs and Maintenance	22	–	–	11 165	11 165	11 165		11 165	11 590	12 365
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	(55 423)	(30 871)	–	(14 416)	(14 416)	(14 416)		(4 369)	(4 588)	(4 817)
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard.

4. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF, except for year R29 641 million of the budgets, which projects a deficit.

5. Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget.

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

0 - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Revenue - Functional</u>										
Governance and administration		**180 396**	**171 634**	**–**	**149 700**	**149 700**	**149 700**	**156 381**	**157 495**	**164 087**
Executive and council		36 755	52 753	–	57 787	57 787	57 787	50 007	52 492	55 137
Finance and administration		143 641	118 881	–	91 913	91 913	91 913	106 374	105 003	108 950
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**21 742**	**30 552**	**–**	**16 921**	**16 921**	**16 921**	**20 073**	**16 350**	**17 245**
Community and social services		21 742	30 552	–	16 921	16 921	16 921	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	20 073	16 350	17 245
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**16 946**	**20 288**	**–**	**60 055**	**60 055**	**60 055**	**54 001**	**53 805**	**56 710**
Planning and development		16 946	20 288	–	60 055	60 055	60 055	54 001	53 805	56 710
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**2 036**	**2 036**	**2 036**	**–**	**–**	**–**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	2 036	2 036	2 036	–	–	–
Other	4	**–**	**–**	**–**	**9 812**	**9 812**	**9 812**	**5 980**	**6 361**	**6 769**
Total Revenue - Functional	2	**219 084**	**222 474**	**–**	**238 523**	**238 523**	**238 523**	**236 435**	**234 011**	**244 811**
<u>Expenditure - Functional</u>										
Governance and administration		**120 005**	**120 830**	**1 906 103**	**178 041**	**178 041**	**178 041**	**169 503**	**174 490**	**176 551**
Executive and council		41 761	57 124	(290 020)	51 401	51 401	51 401	48 336	50 702	53 221
Finance and administration		78 244	63 706	2 196 123	126 640	126 640	126 640	121 167	123 788	123 330
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**31 854**	**27 639**	**(4 111)**	**22 512**	**22 512**	**22 512**	**18 103**	**26 186**	**28 191**
Community and social services		29 359	19 432	9 710	22 512	22 512	22 512	442	442	442
Sport and recreation		2 495	8 207							
Public safety				(13 821)				17 661	25 744	27 749
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**49 239**	**56 766**	**164 456**	**22 807**	**22 807**	**22 807**	**13 506**	**13 687**	**14 963**
Planning and development		36 086	46 318	164 456	22 807	22 807	22 807	13 506	13 687	14 963
Road transport		13 153	10 448							
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**(156)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		(156)								
Other	4		**6**		**6 524**	**6 524**	**6 524**	**5 682**	**6 045**	**6 433**
Total Expenditure - Functional	3	**200 941**	**205 241**	**2 066 448**	**229 883**	**229 883**	**229 883**	**206 794**	**220 409**	**226 139**
Surplus/(Deficit) for the year		**18 143**	**17 233**	**(2 066 448)**	**8 640**	**8 640**	**8 640**	**29 641**	**13 602**	**18 672**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital)

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

0 - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Executive and Council		36 755	52 753	–	57 787	57 787	57 787	50 007	52 492	55 137
Vote 2 - Finance and Administration		143 641	118 881	–	91 913	91 913	91 913	106 374	105 003	108 950
Vote 3 - Community and Social Services		21 742	30 552	–	16 921	16 921	16 921	20 073	16 350	17 245
Vote 4 - Other		16 946	20 288	–	60 055	60 055	60 055	54 001	53 805	56 710
Vote 5 - Waste Management		–	–	–	2 036	2 036	2 036	–	–	–
Vote 6 - Road Transport		–	–	–	–	–	–	–	–	–
Vote 7 - Water Management		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	9 812	9 812	9 812	5 980	6 361	6 769
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	**219 084**	**222 474**	**–**	**238 523**	**238 523**	**238 523**	**236 435**	**234 011**	**244 811**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Executive and Council		41 761	57 124	(290 020)	51 401	51 401	51 401	48 336	50 702	53 221
Vote 2 - Finance and Administration		78 244	63 706	2 196 123	126 640	126 640	126 640	121 167	123 788	123 330
Vote 3 - Community and Social Services		31 854	27 639	–	22 512	22 512	22 512	18 103	26 186	28 191
Vote 4 - Other		36 086	46 318	164 456	22 807	22 807	22 807	13 506	13 687	14 963
Vote 5 - Waste Management		–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		13 153	10 448	–	–	–	–	–	–	–
Vote 7 - Water Management		(156)	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	6	–	6 524	6 524	6 524	5 682	6 045	6 433
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	**200 941**	**205 241**	**2 070 560**	**229 883**	**229 883**	**229 883**	**206 794**	**220 409**	**226 139**
Surplus/(Deficit) for the year	2	**18 143**	**17 233**	**(2 070 560)**	**8 640**	**8 640**	**8 640**	**29 641**	**13 602**	**18 672**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

2. The Deficit projected for the MTREF years is mainly due to non-cash items of Depreciation and Debt Impairment.

3. The votes description above represents the departments within the municipality.

   a) Vote 1,2 & 3 – Executive and Council:
      - `The represent the Office of the Mayor, Office of the Speaker. Functions relate to good governance and public participation amongst others.

   b) Vote 4 & 5 – Finance and Administration:
      - This represents the directorates of Office of the Municipal Manager, Budget and Treasury Office and Corporate Support Services, which deals with finance and administration functions of the municipality.

c) Vote 6 – Community and Social Services:
   - This represents the Office of Community Services and related functions.

d) Vote 7 – Planning and Development:
   - This represents the functions of economic development/planning, project management unit (PMU), Town Planning, Building Regulations and Enforcement, and City Engineer. Functions relating to infrastructure and technical services.

e) Vote 8 – Local Economic Development and Tourism:
   - This represents the functions of the Local Economic Development (LED), Agriculture and Tourism.

0 - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	0	0	0	-	0	0	0
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		210	100	-	133	133	133	153	155	171	192
Agency services											
Interest											
Interest earned from Receivables		2 514	25 619	-	2 553	2 553	2 553	-	124	126	128
Interest earned from Current and Non Current Assets		907	1 416	-	2 030	2 030	2 030	410	60	63	66
Dividends											
Rent on Land											
Rental from Fixed Assets		1 292	1 374	-	1 583	1 583	1 583	806	1 235	1 259	1 277
Licence and permits											
Operational Revenue		261	180	-	112	112	112	281	112	118	124
Non-Exchange Revenue											
Property rates	2	20 938	13 391	-	11 216	11 216	11 216	10 543	13 836	14 528	15 255
Surcharges and Taxes											
Fines, penalties and forfeits											
Licences or permits											
Transfer and subsidies - Operational		175 173	187 772	-	169 330	169 330	169 330	89 619	168 609	165 671	173 065
Interest		18 684	-	-	13 644	13 644	13 644	109	14 600	14 600	15 621
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		(894)	(7 378)	-	-	-	-	-	-	-	-
Other Gains		-	-	-	883	883	883	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contribution		**219 084**	**222 474**	**-**	**201 484**	**201 484**	**201 484**	**101 921**	**198 730**	**196 535**	**205 728**
Expenditure											
Employee related costs	2	45 894	47 764	(941 473)	72 029	72 029	72 029	49 208	79 611	83 936	91 295
Remuneration of councillors		12 519	13 025	(98 355)	14 131	14 131	14 131	12 691	15 436	16 399	17 430
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	3 899	3 130	14 939	-	-	-	66	-	-	-
Debt impairment	3	-	-	-	12 000	12 000	12 000	-	9 103	9 558	10 036
Depreciation and amortisation		40 517	24 900	35 848	27 934	27 934	27 934	-	27 934	28 117	28 282
Interest		90	1 038	-	250	250	250	248	250	175	175
Contracted services		47 841	69 328	70 388	47 685	47 685	47 685	21 238	38 382	47 861	42 667
Transfers and subsidies		1 428	-	(5 015)	8 500	8 500	8 500	46	-	-	-
Irrecoverable debts written off											
Operational costs		48 753	46 056	2 989 807	47 354	47 354	47 354	16 929	36 077	34 362	36 254
Losses on disposal of Assets											
Other Losses		429	(998)	-	-	-	-	-	-	-	-
Total Expenditure		**201 370**	**204 242**	**2 051 201**	**229 883**	**229 883**	**229 883**	**100 360**	**206 794**	**220 409**	**226 139**
Surplus/(Deficit)		**21 613**	**18 232**	**(2 051 201)**	**(28 399)**	**(28 399)**	**(28 399)**	**1 561**	**(8 063)**	**(23 873)**	**(20 411)**
Transfers and subsidies - capital (monetary allocations)	6	–	–	–	37 039	37 039	37 039	481	37 704	37 476	39 083
Transfers and subsidies - capital (in-kind)	6										
Surplus/(Deficit) after capital transfers & contributions		**21 613**	**18 232**	**(2 051 201)**	**8 640**	**8 640**	**8 640**	**1 561**	**29 641**	**13 602**	**18 672**
Income Tax											
Surplus/(Deficit) after income tax		**21 613**	**18 232**	**(2 051 201)**	**8 640**	**8 640**	**8 640**	**1 561**	**29 641**	**13 602**	**18 672**
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		**21 613**	**21 362**	**(2 051 201)**	**8 640**	**8 640**	**8 640**	**1 561**	**29 641**	**13 602**	**18 672**
Share of Surplus/Deficit attributable to Associate	7										
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year	1	**21 613**	**21 362**	**(2 051 201)**	**8 640**	**8 640**	**8 640**	**1 561**	**29 641**	**13 602**	**18 672**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure

A surplus for the 2025/26 financial year is projected based on revenue less expenditure at R29 641 million.

REVENUE:

The total operating revenue for the 2025/2026 – 2027/28 MTREF Budget is projected at R198 730 million for the 2025/26 financial year (2026/27: R196 535 million; 2027/28: R252 728 million).

a) Sale on Goods and Rendering of Services:

1. This relates to the sale of tender documents and the issuance of property clearance certificates.
2. An amount of R155 thousand is projected for the MTREF 2025/26 period, which is projected to gradually increase over the MTREF period, (2026/27 R171 thousand, 2027/28 R192 thousand)

b) Interest earned from Receivables:

1. This relates to interest earned from outstanding debtors on rental debtors because of late/non-payment of billed revenue
2. R124 000.00 for the financial year 2025/26, and for MTRFE is projected to be levied against these debtors, there is projected to increase over the MTREF period, 2026/27 R126 000.00, 2027/28 R126 000.00

c) Interest earned from Current and Non-Current Assets:

1. This relates to the interest earned on the main bank account of the municipality and investment call accounts.
2. The municipality projects these accounts to generate interest of R60 000.00 thousand in the 2025/26 financial year (2026/27: R63 000.00 thousand; 2027/28: R66 000.00 thousand)

d) Rental from Fixed Assets:

1. This comprise of leasing of municipal properties (Rental Debtors billing) and the hiring of Community assets (halls and sports facilities).
2. The municipality intents to collect 100% from all rentals of facilities
3. This is budgeted at R 1 235 436.00 million for the 2025/26 financial year, R1 258 172.00 for 2026/27 financial year and R1 276 729.00 for 2027/28 financial year.
4. The increase is mainly due to the escalation in rental amount per lease agreements and the anticipation that all properties will be leased out.
5. Repairs and maintenance, which has been budgeted for, needs to be done to attract potential tenants.
6. We believe that this will gradually increase over the MTREF financial years.

e) Operating Revenue:

1. A budgeted at R112 092.00 thousand is estimated on insurance pay-outs that the municipality is anticipating receiving, for 2026/2027 financial year the budget is R117 696.00 and for 2027/2028 financial year the budget is R123 581.00.

f) Property rates:

1. Property rates is budgeted at R13 863 million for the 2025/26 financial year, 2026/2027 budget is R14 528 million and 2027/2028 budget is R15 255 million.
2. An increase is expected in the 2026/27 financial year due to the implementation of the new valuation roll.
3. Tariff form 2025/26 has been reduced from 0.0024 to 0.002 due to high market values
4. Rebates have been reduced from 85% to 60%, rebates will only be given to those who apply for it
5. State organs are excluded from applying for rebates

g) Interest

1. This relates to interest earned from outstanding debtors on property rates debtors as a result of late/non-payment of billed revenue.
2. R14 600 million is projected to be levies against these debtors, there is projected to increase over the MTREF period.

EXPENDITURE

The total operating expenditure for the 2025/2026 – 2027/28 MTREF Budget is projected to be R206 794 million for the 2025/26 financial year (2026/27: R220 409 million; 2027/28: R226 139, million). This includes the budgeting of non-cash item such as debt impairment (2025/26: R9 103 million 2026/27: R9 558 million, R10 036 million) and depreciation (2025/26: R27 934 million 2026/27: R28 117 million 2027/28 R28 282 million)

a) Employee Related Costs:

1. Senior managers remuneration is based on the proposed determination and cost of living adjustment of the upper limits of the total remuneration packages of municipal managers and managers directly accountable to municipal manager for the financial year 2025/2026 plus 7%. This is based on all senior managers being appointed in 2025/26 financial year

2. Other officials are budgeted based on proposed funded positions to be filled as well as increase in living conditions of 7%. This includes Bargaining council increments on municipal staff and notch movement increments.

3. Employee related cost budget for 2025/26 is R79 611 million and for two outer years are as follows 2026/27: R84 936 million and 2027/28: R91 925 million.

b) Remuneration of Councillors:

1. Councillors' remunerations are determined the upper limits of councillors and 7% increase for 2025/26 financial year as well as the outer years.
2. Remuneration of councillors for 2025/26 financial year is R 15 436 million and for two outer years is R16 339 million for 2026/27 and for 2027/28 is R17 430 million

c) Debt Impairment:

1. Debt impairment is budgeted at R9 103 million for 2025/26, (2026/27: R9 558, 2027/28 R10 036 million)
2. The municipality anticipate impairing 50% of property rates billing.

d) Depreciation and amortisation:

1. An increase is projected; this is as a result additions on property, plant and equipment of both 2025/26 and 2026/27 which will be capitalised resulting in the increase in depreciation.
2. Depreciation and asset impairment is budgeted at R27 934 million year 1, an increase in year 2 to R28 117 million and increases to R28 282 million in year 3 (2027/28).

e) Interest:

1. Finance charges is projected at R250 000 thousand because of previous years' trend on finance charges and a decrease is projected
2. The municipality is committed to ensure that all creditors are paid within 30 days of receipt of the invoice to avoid interest charges.

f) Contracted Services:

1. Contracted services is budgeted at R38 382 million.
2. The municipality would ensure the cost containment measures are emphasised to ensure that these costs remain low.

g) Transfers and Subsidies:

1. The municipality did not allocate any transfers and services in 2025/26 financial year.

h) Operating costs:

1. Operating costs budgeted at R36 077 million for 2025/26, with a projected decrease in operating costs over the MTREF period, (2026/2027: R34 362 and 2027/28: R36 254 million)

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 4 - Other		–	–	–	–	–	–	–	–	–	–
Vote 5 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 7 - Water Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		2 779	8 382	–	7 450	7 450	7 450	633	250	–	–
Vote 3 - Community and Social Services		(3 359)	(36 388)	–	–	–	–	–	–	–	–
Vote 4 - Other		(9 872)	76 465	–	38 480	38 480	–	–	37 704	37 517	36 911
Vote 5 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 7 - Water Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		(10 451)	48 458	–	45 930	45 930	7 450	633	37 954	37 517	36 911
Total Capital Expenditure - Vote		(10 451)	48 458	–	45 930	45 930	7 450	633	37 954	37 517	36 911
Capital Expenditure - Functional											
Governance and administration		2 779	8 382	–	7 450	7 450	7 450	633	250	–	–
Executive and council											
Finance and administration		2 779	8 382		7 450	7 450	7 450	633	250		
Internal audit											
Community and public safety		(3 359)	(36 388)	–	–	–	–	1 026	–	–	–
Community and social services		16 579	(16 494)					398			
Sport and recreation		70	(19 940)					627			
Public safety											
Housing		(20 007)	46								
Health											
Economic and environmental services		(6 822)	41 197	–	38 480	38 480	38 480	9 452	37 704	37 476	39 083
Planning and development		(3 614)			38 480	38 480	38 480	9 452	37 704	37 476	39 083
Road transport		(3 209)	41 197								
Environmental protection											
Trading services		(3 049)	35 267	–	–	–	–	870	–	–	–
Energy sources		(3 049)	35 267					870			
Water management					–	–	–		–	–	–
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	(10 451)	48 458	–	45 930	45 930	45 930	11 980	37 954	37 476	39 083
Funded by:											
National Government		(3 056)	25 942		32 730	32 730	32 730	10 417	37 704	37 476	39 083
Provincial Government					–	–	–		–	–	–
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	4	(3 056)	25 942	–	32 730	32 730	32 730	10 417	37 704	37 476	39 083
Borrowing	6										
Internally generated funds		(1 147)	(36)		13 200	13 200	13 200	398	250		
Total Capital Funding	7	(4 204)	25 906	–	45 930	45 930	45 930	10 815	37 954	37 476	39 083

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. For the 2025/26 – 2027/28 MTREF years, no multi-year projects were budgeted for. All projects are expected to be finalised in a single year.

3. Total capital expenditure for the 2025/2026 – 2027/28 MTREF Budget is projected at R37 954 million for the 2025/26 financial year (2026/27: R37 476 million; 2027/28: R39 083 million).

4. Key capital projects have been planned for the 2025/26 financial year as per the approved The Integrated Development Plan, as follows:

Project Name	Total budget for 2025/2026
General Text	**Project amount**
Construction Of Piet Plessis Sports Facility Phase 1	R2 201 267.95
Construction Of Piet Plessis Sports Facility Phase 2	R23 185 533.51
Construction of Kudunkgwane Internal Road and stormwater	8 063 533.01
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7) AND TSEOGE WARD 11	1 254 115.53
Energy Efficiency Demand Side Management Grant	3 000 000.00
Total	37 704 450.00

Source of Funding	Description	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
Own Funding	Computer Equipment – Laptops	250,000.00	-	-
Municipal Infrastructure Grant	Piet Plessis Sports Facility (Phase 1 and Phase 2)	25,386,801.46	-	-
Energy efficiency and demand side management grant	The Replacement of 200 Energy Efficiency bulbs on Highmast Lights at various villiages	3,000,000.00		
Municipal Infrastructure Grant	Construction of Kudunkgwane Internal Road and stormwater	8,063,533.01		-
Municipal Infrastructure Grant	Installation of solar(photo voltaic) high mast light in the Pouval, ethol, Madinonyane (ward 8) and Kgokgole , Dipudi (ward 7) and Tseoge ward 11	1,254,115.53	13,644,134.47	-
Municipal Infrastructure Grant	Construction of Ditshukutswane Community Hall		10,906,196.00	-
Municipal Infrastructure Grant	Construction of bridge at Ganyesa (Ward 14)	-	10,000,000.00	-
Municipal Infrastructure Grant	Energising of high mast lights in various wards by June 2026	-	2 925 269.53	1,574,730.47
Municipal Infrastructure Grant	Access road from Main Road via Community Hall to Raditshane High School(ward 15) by June 2026	-	-	7,000,000.00
Municipal Infrastructure Grant	Construction of access road from R378 to Tshetshu (ward) by June 2026			11,000,000.00
Municipal Infrastructure Grant	Procurement of yellow fleet by June 2026			9,000,000.00
Municipal Infrastructure Grant	Construction of access road at Kgokgojane (ward 7) by June 2026			10,508,269.53

5. These projects are funded from the internally generated revenue and the Municipal Infrastructure Grant (MIG) and will be implemented over the MTREF years.

6. The infrastructure development objectives have been planned for the 2025/26 MTREF year is shown in the final Integrated Development Plan 2025/26 as revised.

0 - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		(787)	(11 588)	–	10 437	10 437	10 437	(37 137)	23 746	19 287	33 812
Trade and other receivables from exchange transactions	1	(337)	416	–	3 025	3 025	3 025	–	2 233	2 235	2 236
Receivables from non-exchange transactions	1	31 740	26 878	–	66 732	66 732	66 732	(14 478)	117 097	116 213	115 863
Current portion of non-current receivables					–	–	–		–	–	–
Inventory	2	–	–	–	–	–	–	–	–	–	–
VAT		(3 367)	5 183	–	8 406	8 406	8 406	(5 339)	23 405	23 405	23 405
Other current assets		(128)	162	–	–	–	–	9	(60)	(63)	(66)
Total current assets		**27 122**	**21 051**	**–**	**88 601**	**88 601**	**88 601**	**(56 944)**	**166 422**	**161 077**	**175 250**
Non current assets											
Investments					–	–	–		–	–	–
Investment property		3 919	(12 763)	-	45 016	45 016	45 016	–	43 673	43 673	43 673
Property, plant and equipment	3	(5 545)	12 270	(1 979 799)	550 221	550 221	550 221	13 287	444 697	449 771	451 256
Biological assets					–	–	–		–	–	–
Living and non-living resources					–	–	–		–	–	–
Heritage assets					–	–	–		–	–	–
Intangible assets		(590)	(965)	–	–	–	–	(10)	–	–	–
Trade and other receivables from exchange transactions					–	–	–		–	–	–
Non-current receivables from non-exchange transactions					–	–	–		–	–	–
Other non-current assets					–	–	–		–	–	–
Total non current assets		**(2 216)**	**(1 457)**	**(1 979 799)**	**595 237**	**595 237**	**595 237**	**13 277**	**488 371**	**493 444**	**494 930**
TOTAL ASSETS		**24 906**	**19 594**	**(1 979 799)**	**683 838**	**683 838**	**683 838**	**(43 667)**	**654 793**	**654 522**	**670 180**
LIABILITIES											
Current liabilities											
Bank overdraft					–	–	–		–	–	–
Financial liabilities		–	–	–	–	–	–	–	–	–	–
Consumer deposits					–	–	–		–	–	–
Trade and other payables from exchange transactions	4	13 335	9 579	87 133	7 000	7 000	7 000	(64 835)	75 604	85 621	96 158
Trade and other payables from non-exchange transaction	5	(2 699)	4 282	–	–	–	–	19 445	1 700	1 694	1 688
Provision		909	616	–	178	178	178	–	393	393	393
VAT					–	–	–		–	–	–
Other current liabilities					–	–	–		–	–	–
Total current liabilities		**11 545**	**14 477**	**87 133**	**7 178**	**7 178**	**7 178**	**(45 390)**	**77 698**	**87 708**	**98 239**
Non current liabilities											
Financial liabilities	6	(4 203)	(6 142)	(484)	–	–	–	–	–	–	–
Provision	7	(224)	19 472	–	28 325	28 325	28 325	–	40 370	40 370	40 370
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities					–	–	–		–	–	–
Total non current liabilities		**(4 427)**	**13 330**	**(484)**	**28 325**	**28 325**	**28 325**	**–**	**40 370**	**40 370**	**40 370**
TOTAL LIABILITIES		**7 118**	**27 807**	**86 650**	**35 502**	**35 502**	**35 502**	**(45 390)**	**118 068**	**128 078**	**138 610**
NET ASSETS		**17 788**	**(8 213)**	**(2 066 448)**	**648 335**	**648 335**	**648 335**	**1 723**	**536 725**	**526 443**	**531 570**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	(355)	(25 446)	–	639 695	639 695	639 695	–	507 084	512 841	512 898
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	**(355)**	**(25 446)**	**–**	**639 695**	**639 695**	**639 695**	**–**	**507 084**	**512 841**	**512 898**

Explanatory notes:

1. Table A6 is consistent with international standards of good financial management practice and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators.

5. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.
    - Table A6 is consistent with international standards of good financial management practice and improves understanding for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
    - The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

0 - Table A7 Budgeted Cash Flows

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	32 706	32 706	32 706	(4)	8 134	8 787	9 334
Service charges					–	–	–		–	–	–
Other revenue		–	–	–	1 401	1 401	1 401	–	10 679	10 727	10 777
Transfers and Subsidies - Operational	1	–	–	–	169 330	169 330	169 330	0	168 609	165 671	173 065
Transfers and Subsidies - Capital	1	–	–	–	37 039	37 039	37 039	–	37 704	37 476	39 083
Interest		–	–	–	2 030	2 030	2 030	57	7 360	7 363	7 877
Dividends					–	–	–		–	–	–
Payments											
Suppliers and employees		(1 046)	1 347	28 054	(180 529)	(180 529)	(180 529)	(8 657)	(173 459)	(176 492)	(181 551)
Interest		–	–	–	(250)	(250)	(250)	–	(250)	(175)	(175)
Transfers and Subsidies	1	(12 728)	12 728	–	(8 500)	(8 500)	(8 500)	(28 111)	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(13 774)**	**14 075**	**28 054**	**53 226**	**53 226**	**53 226**	**(36 715)**	**58 776**	**53 357**	**58 410**
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		–	–	–	(45 930)	(45 930)	(45 930)	–	(37 954)	(37 476)	(28 575)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**–**	**(45 930)**	**(45 930)**	**(45 930)**	**–**	**(37 954)**	**(37 476)**	**(28 575)**
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		**(13 774)**	**14 075**	**28 054**	**7 297**	**7 297**	**7 297**	**–**	**20 822**	**15 881**	**29 836**
Cash/cash equivalents at the year begin:	2	**13 430**	**(12 761)**	**–**	**3 140**	**3 140**	**3 140**	**–**	**1 120**	**1 120**	**1 120**
Cash/cash equivalents at the year end:	2	**(345)**	**1 314**	**28 054**	**10 437**	**10 437**	**10 437**	**–**	**21 942**	**17 001**	**30 956**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

2. The 2025/26 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

3. Cash and cash equivalents totals R1 120 million as at the start of the 2025/26 financial year and it is anticipating that the closing balance would be R21 942 million on 30 June 2026. This is because of the intensive debt collection and revenue enhancement process that the municipality intends to execute during the 2025/26 MTREF period. The municipality is currently preparing a revenue enhancement strategy to boost revenue collection

4. A Positive cash flow is projected over the MTREF period.

5. The actual revenue projections are based on ***<u>50% collection of current year billing</u>*** that is consistent with the collection in prior years. This collection is based on both property rates and rental of facilities.

6. The municipality anticipate receiving R9 million from VAT receivable

7. Based on the above the municipality would be able to cover its operational costs with its anticipated revenue collection.

8. The MFMA through section 18 requires that the budget can only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous financial years not committed for other purposes.

9. Based on the above assessment, the source of funding for capital projects other than MIG funding, would be utilised from the anticipated revenue to be collected, as forecasted in the Cash flow Statement budget over the MTREF three-year period.

0 - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	(345)	1 314	28 054	10 437	10 437	10 437	(36 587)	21 942	17 001	30 956
Other current investments > 90 days		(442)	(12 902)	(28 054)	–	–	–	(549)	1 805	2 286	2 857
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**(787)**	**(11 588)**	**–**	**10 437**	**10 437**	**10 437**	**(37 137)**	**23 746**	**19 287**	**33 812**
Application of cash and investments											
Unspent conditional transfers		(2 752)	(2 084)	–	–	–	–	19 445	1 700	1 694	1 688
Unspent borrowing											
Statutory requirements	2	3 346	(5 183)	60	(8 406)	(8 406)	(8 406)	4 477	(23 405)	(23 405)	(23 405)
Other working capital requirements	3	13 388	15 945	87 133	(200 585)	(200 585)	(200 585)	(64 840)	(83 574)	(70 375)	(56 380)
Other provisions		909	616	–	178	178	178	–	393	393	393
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**14 891**	**9 294**	**87 193**	**(208 813)**	**(208 813)**	**(208 813)**	**–**	**(104 886)**	**(91 693)**	**(77 704)**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Bene		**(15 678)**	**(20 882)**	**(87 193)**	**219 251**	**219 251**	**219 251**	**–**	**128 632**	**110 981**	**111 517**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Bene		**(15 678)**	**(20 882)**	**(87 193)**	**219 251**	**219 251**	**219 251**	**–**	**128 632**	**110 981**	**111 517**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

   Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

4. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

5. Based on the above, the municipality as a surplus of R128 632 million, which is indicative that the municipality's budget is funded.

6. Included in the table is the anticipated collection from statutory requirement, i.e. VAT receivables. The municipality is anticipating receiving an amount of R9 million in VAT refund in the 2025/26 financial year. This is consistent with previous financial years. This has been included in the cash and cash equivalents balance in the statement of position (A6).

7. ***The capital budget may be funded from <u>cash-backed current year surplus in the Financial Performance,</u> including capital grants and other contributions, cash-backed accumulated funds from previous financial years not committed for other purposes (MFMA Circular 42.)***

8. Based on the above assessment, the source of funding for capital projects other than MIG funding, would be utilised from the anticipated revenue to be collected, as forecasted in the Cash flow Statement budget over the MTREF three-year period.

9. ***The balance of R21 942 million of cash and cash equivalents budget at year-end, 2026, which is nett of the capital budget, has already been considered in the cash flow budget, based realistic anticipated revenue to be collected in 2025/26***

0 - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE										
Total New Assets	1	**15 025**	**58 669**	**–**	**23 065**	**23 065**	**23 065**	**9 568**	**37 004**	**39 083**
Roads Infrastructure		8 549	21 675	–	14 365	14 365	14 365	8 064	10 000	28 508
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		7 360	35 267	–	–	–	–	1 254	16 569	1 575
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***15 908***	***56 942***	–	***14 365***	***14 365***	***14 365***	***9 318***	***26 569***	***30 083***
Community Facilities		(7 932)	–	–	–	–	–	–	10 906	–
Sport and Recreation Facilities		–	(19 894)	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	***10 435***	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		(1 440)	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**(626)**	**1 680**	–	**450**	**450**	**450**	**250**	–	–
Furniture and Office Equipment		**(232)**	**21**	–	**2 000**	**2 000**	**2 000**	–	–	–
Machinery and Equipment		**(25)**	**26**	–	**2 000**	**2 000**	**2 000**	–	–	–
Transport Assets		–	–	–	**4 250**	**4 250**	**4 250**	–	–	**9 000**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**(17 735)**	**7 407**	–	**4 500**	**4 500**	**4 500**	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		6 201	4 659	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***6 201***	***4 659***	–	–	–	–	–	–	–
Community Facilities		(4 262)	–	–	4 500	4 500	4 500	–	–	–
Sport and Recreation Facilities		(19 628)	–	–	–	–	–	–	–	–
Community Assets		***(23 890)***	–	–	***4 500***	***4 500***	***4 500***	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		29	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		***29***	–	–	–	–	–	–	–	–
Operational Buildings		(76)	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***(76)***	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	2 748	–	–	–	–	–	–	–
Intangible Assets		–	***2 748***	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	**1 631**	**326**	**–**	**18 365**	**18 365**	**18 365**	**28 387**	**–**	**–**
Roads Infrastructure		(3 209)	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	4 000	4 000	4 000	3 000	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***(3 209)***	**–**	–	***4 000***	***4 000***	***4 000***	***3 000***	–	–
Community Facilities		(68)	(1 631)	–	–	–	–	–	–	–
Sport and Recreation Facilities		(242)	–	–	14 365	14 365	14 365	25 387	–	–
Community Assets		***(310)***	***(1 631)***	–	***14 365***	***14 365***	***14 365***	***25 387***	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		5 150	1 957	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***5 150***	***1 957***	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**(10 451)**	**48 458**	**–**	**45 930**	**45 930**	**45 930**	**37 954**	**37 476**	**39 083**
Roads Infrastructure		5 340	21 675	–	14 365	14 365	14 365	8 064	10 000	28 508
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		7 360	35 267	–	4 000	4 000	4 000	4 254	16 569	1 575
Water Supply Infrastructure		6 201	4 659	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***18 901***	***61 601***	–	***18 365***	***18 365***	***18 365***	***12 318***	***26 569***	***30 083***
Community Facilities		(12 262)	(1 631)	–	4 500	4 500	4 500	–	10 906	–
Sport and Recreation Facilities		(19 870)	(19 894)	–	14 365	14 365	14 365	25 387	–	–
Community Assets		***(32 132)***	***(21 524)***	–	***18 865***	***18 865***	***18 865***	***25 387***	***10 906***	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		29								
Investment properties		***29***	–	–	–	–	–	–	–	–
Operational Buildings		5 073	1 957							
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***5 073***	***1 957***	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		(1 440)	2 748							
Intangible Assets		***(1 440)***	***2 748***	–	–	–	–	–	–	–
Computer Equipment		**(626)**	**1 680**		**450**	**450**	**450**	**250**		
Furniture and Office Equipment		**(232)**	**21**		**2 000**	**2 000**	**2 000**			
Machinery and Equipment		**(25)**	**26**		**2 000**	**2 000**	**2 000**			
Transport Assets			**1 950**		**4 250**	**4 250**	**4 250**			**9 000**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**(10 451)**	**48 458**	**–**	**45 930**	**45 930**	**45 930**	**37 954**	**37 476**	**39 083**
ASSET REGISTER SUMMARY - PPE (WDV)	5	(22 815)	(36 719)	(1 979 799)	299 795	299 795	299 795	299 795	328 235	332 938
Roads Infrastructure		(23 440)	45 827		138 445	138 445	138 445	132 144	139 789	147 768
Storm water Infrastructure										
Electrical Infrastructure		4 537	1 550		143 384	143 384	143 384	25 226	34 586	20 941
Water Supply Infrastructure								48	48	48
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure					–	–	–	–	–	–
Infrastructure		***(18 903)***	***47 377***	–	***281 829***	***281 829***	***281 829***	***157 418***	***174 422***	***168 757***
Community Assets		(25 910)	(9 867)		201 009	201 009	201 009	219 529	205 006	194 058
Heritage Assets					–	–	–	–	–	–
Investment properties		**3 919**	**(12 763)**		**45 016**	**45 016**	**45 016**	**43 673**	**43 673**	**43 673**
Other Assets		18 795	3 047	(3 281)	45 830	45 830	45 830			
Biological or Cultivated Assets										
Intangible Assets		(590)	(965)							
Computer Equipment		**43**	**(10 179)**	**24 889**	**3 365**	**3 365**	**3 365**	**2 601**	**2 347**	**2 343**
Furniture and Office Equipment		**(513)**	**(809)**	**(2 198 448)**	**2 751**	**2 751**	**2 751**	**57 904**	**57 891**	**57 885**
Machinery and Equipment		**(21)**	**87**	**196 993**	**2 003**	**2 003**	**2 003**	**39**	**5**	**(28)**
Transport Assets		**(3 988)**	**(403)**	**49**	**11 610**	**11 610**	**11 610**	**5 383**	**5 350**	**14 333**
Land		**4 353**	**(4 868)**		**1 824**	**1 824**	**1 824**	**1 824**	**1 824**	**1 824**
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**(22 815)**	**10 658**	**(1 979 799)**	**595 237**	**595 237**	**595 237**	**488 371**	**490 519**	**482 847**

EXPENDITURE OTHER ITEMS		11 064	11 537	30 387	39 099	39 099	39 099	39 099	39 707	40 647
Depreciation	7	24 807	21 985	35 848	27 934	27 934	27 934	27 934	28 117	28 282
Repairs and Maintenance by Asset Class	3	22	–	–	11 165	11 165	11 165	11 165	11 590	12 365
Roads Infrastructure		–	–	–	1 267	1 267	1 267	480	480	480
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		22	542	–	929	930	930	220	220	220
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	108	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		22	542	108	2 197	2 197	2 197	700	700	700
Community Facilities		29	45	–	5 371	5 371	5 371	1 470	1 470	1 470
Sport and Recreation Facilities		–	–	–	832	832	832	520	520	520
Community Assets		29	45	–	6 203	6 203	6 203	1 990	1 990	1 990
Heritage Assets		–	–	–	300	300	300	–	–	–
Revenue Generating		–	–	–	1 195	1 195	1 195	380	380	380
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	1 195	1 195	1 195	380	380	380
Operational Buildings		1 419	885	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		1 419	885	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		312	1 267	15	470	470	470	–	–	–
Transport Assets		1 037	479	–	800	800	800	300	310	320
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		27 626	25 204	35 971	39 099	39 099	39 099	31 304	31 497	31 671
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	49.8%	49.8%	49.8%	49.8%	17.5%	37.7%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	81.9%	81.9%	81.9%	81.9%	26.7%	54.1%
R&M as a % of PPE & Investment Property		0.0%	0.0%	0.0%	3.7%	3.7%	3.7%	3.7%	3.6%	3.8%
Renewal and upgrading and R&M as a % of PPE and Investment Property		0.0%	0.0%	0.0%	11.4%	11.4%	11.4%	11.4%	5.9%	8.4%

EXPLANATORY NOTES A9

- ASSETS MANAGEMENT table provides an overview of detail new assets, renewal of existing assets, repairs and maintenance by asset class, upgrading of an existing and depreciation of municipal assets.
- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality is working on meeting national treasury requirements on its assets

0 - Table A10 Basic service delivery measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		(55 423)	(30 871)	–	(14 416)	(14 416)	(14 416)	(4 369)	(4 588)	(4 817)
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**(55 423)**	**(30 871)**	**–**	**(14 416)**	**(14 416)**	**(14 416)**	**(4 369)**	**(4 588)**	**(4 817)**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. This reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share.

2. The Municipality continues to make progress with the eradication of backlogs.

3. The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2025/26 MTREF.

4. The municipality does not over any service charges to the community, and only levies property rates to its customers. It is anticipated that the municipality will provide rates exemption on property excluding government properties, reductions and rebates and impermissible values in excess of section 17 of the Municipal Property Rates Act.

5. The municipality is a rural municipality and does not offer other municipal services such as water, sanitations, electricity and refuge services.

6. The municipality in terms of Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA are budgeted at R14 million.

PART 2 – SUPPORTING INFORMATION

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Mayor, all Mayoral Committee Members , including the Mayoral Committee Member responsible for Budget and Treasury, Municipal Manager and senior officials of the municipality.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

a) During the draft budget preparations, the Budget and IDP Steering Committee met once (1) to discuss the projects' status and other budget implications that may have an impact on the FINAL budget and the rendering of service delivery to the community.

b) Budget and IDP review were conducted in May 2025, with management and councillors, where the budget and IDP indicators would were discussed a considering the consultations with the community and key stakeholders, including IGR meetings.

c) Community participation meetings were held during May 2025 where the annual budget were discussed with the community and their inputs were considered in the 2025/26 MTREF budget.

d) Inputs and recommendation made by Provincial Treasury on the draft budget of the municipality during their budget engagement. These were considered in the Final Budget, and the budget was amended with their recommendations as far as possible.

2.2 Overview of Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. This budget is premised on a 45 per cent collection rate on current year billing.

Furthermore, an additional 10% collection based on the opening balances of rental debtors, state property rates debtors and agriculture property rates debtors. This is based on the intensive debt collection campaign and revenue enhancement initiatives that the municipality intends to embark on in the 2025/26 – 2027/28 financial years.

General inflation outlook and its impact on the municipal activities

The municipality has implemented a general CPI forecast for 2025/26, 2026/27 and 2027/28.

A rate of 7% for each year on certain expenditure types. These growth parameters does not apply to tariff increases for property rates, user and other charges raised by municipalities.

Rates, tariffs and charges

The municipality implemented a new valuation roll in 2019/20 financial year and the rates and tariffs has been revised to ensure that it is in accordance with the municipal property rates act and regulations.

State property tariff were reduced in the previous year and the municipality would implement a reduction of the rate over the MTREF period to ensure that this rate is compliant with the revised MPRA act.

Sundry tariff increases will be limited, in most instances, to be within the CPI inflation rate.

The municipality reduced its rebate on agricultural properties from 85% to 60% in the final budget.

The municipal draft rates, tariffs and charges are included in the Municipal Tariff Policy, herewith attached.

LAND DEVELOPMENT APPLICATIONS

NEW TARIFF IN TERMS OF SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT NO. 16 OF 2013)	FINANCIAL YEARS		
LAND DEVELOPMENT APPLICATIONS	**2025/2026**	**2026/2027**	**2027/2028**
Application Fee	R 300.00	R 350.00	R 400.00
Amendment of an existing scheme or land use scheme by the rezoning of land, including rezoning to an overlay zone	R 2 200.00	R 2 250.00	R 3 000.00
Establishment of a Township	R 5 600.00	R 5 650.00	R 5 750.00
Removal, amendment, or suspension of a restrictive or obsolete condition, servitude or reservation registered against the title of the land	R 1 900.00	R 1 950.00	R 2 000.00
The application for the extension of the boundaries of a township	R 1 850.00	R 1 900.00	R 1 950.00
Application for Consolidation of land units	R 700.00	R 750.00	R 800.00
Application for Subdivision of land	R 2 100.00	R 2 150.00	R 2 200.00
Application for Consent Use	R 8 000.00	R 8 500.00	R 9 200.00
Application for Exemption (Section 75 SPLUMA By-law)	R 1 900.00	R 1 950.00	R 2 100.00
Amendment or cancellation of subdivision plan	R 450.00	R 500.00	R 550.00
Application for development on or change to land use purpose of communal land – High Intensity Development	R 1 400.00	R 1 500.00	R 1 600.00
Application for development on or change to land use purpose of communal land – Low Intensity Development	R 900.00	R 950.00	R 1000.00
Sitting Allowances as Determined by Council in line with National Treasury Regulations	National Treasury Regulation	National Treasury Regulation	National Treasury Regulation
Zoning/Valuation Certificate	R 350.00	R 400.00	R 450.00
Amendment or Cancellation of General Plan	R 1 900.00	R 1 950.000	R 2 200.00

PROPERTY RATES

Category	2024/2025	2025/2026	2026/2027
Residential Properties	0.009625	0.009625	0.009625
Business and Commercial properties	0.01925	0.01925	0.01925
Industrial properties	0.01925	0.01925	0.01925
Mining properties	0.01925	0.01925	0.01925
Properties owned by an organ of state and used for public service purposes	0.002	0.002	0.002
Agricultural Properties	0.00240625	0.00240625	0.00240625
Public Service Infrastructure (PSI)	Exempted	Exempted	Exempted
Public Benefit Organization and used for specified public benefit activities	0.00240625	0.00240625	0.00240625
Multiple Use Purpose	Each Component is categorized and rated as per above	Each Component is categorized and rated as per above	Each Component is categorized and rated as per above

Rates payable on an annual basis will be subject to a discount of 5% if paid in full on or before 30 September of each year.

Rebates

Categories of Indigent Owners			
R 0 to R 4 000 per month	100%.	100%	100%
R4 001 to R5 500 per month	50%.	50%	50%
R5 501 to R8 000 per month	20%.	20%	20%
Agricultural			
Agricultural properties	60%	60%	60%
Residential			
Residential properties	R15 000 off the market value - impermissible	R15 000 off the market value – impermissible	R15 000 off the market value - impermissible

TENDER DOCUMENTS

Bid Documents – R200 000 to R500 000	R 500.00	R 550.00	R 600.00
Bid Documents – R501 000 to R1m	R 700.00	R 750.00	R 800.00
Bid Documents – R1m to R5m	R 1000.00	R 1050.00	R 1 100.00
Bid Documents – R5m to R10m	R 1 300.00	R 1 350.00	R 1 400.00
Bid Documents – R10m to R50m	R 1 550.00	R 1 600.00	R 1 650.00
Quotations Documents	R 300.00	R 350.00	R 400.00

COMMUNITY HALLS

Rates are charged per day

Community / Public meetings	Free	Free	Free
Churches and School Functions	R 500.00	R 1 000.00	R 1 500.00
Weddings, Receptions, Formal functions	R 1 000.00	R 1 500.00	R 2 000.00
Formal Functions where admission is charged	R 2 000.00	R 2 500.00	R 3 000.00
Music Festival / Bash by locals	R 3 000.00	R 3 500.00	R 4 000.00
Music Festival / Bash by National and Provincial	R 4 500.00	R 5 000.00	R 5 500.00
Traditional Music Festival / Bash	R 1 500.00	R 2 000.00	R 2 500.00
Fund Raising Activities	R 1 000.00	R 1 500.00	R 2 000.00
Ganyesa Community Hall	R 1 500.00	R 2 000.00	R 2 500.00
Ganyesa Community Auditorium Hall	R 1 500.00	R 2 000.00	R 2 500.00
Charitable Function	R 2 000.00	R 2 500.00	R 3 000.00

SPORTS FACILITIES – GANYESA, TLAKGAMENG AND MOROKWENG

All Sports Facilities will not be permitted for Festivals and / Bashes to protect the artificial grass on the pitch
Rates are charged per day

Community / Public meetings	Free	Free	Free
Approved Soccer League Games / soccer games/ sports activities where admission is free	Free	Free	Free
Approved Soccer League Games / soccer games / sports activities where admission is charged	R 500.00	R 1 000.00	R 1 500.00
Fund Raising Activities	R 1 000.00	R 1 500.00	R 2 000.00
Music Festival / Bash by locals	R 3 000.00	R 3 500.00	R 4 000.00
Music Festival / Bash by National and Provincial	R 4 500.00	R 5 000.00	R 5 500.00
Charitable Functions	R 2 000.00	R 2 500.00	R 3 000.00

RENTALS OF FACILITIES

Rates are charged per month

1. GOVERNMENT DEPARTMENT

ANC Office	Market related rate	Market related rate	Market related rate
Social Development	Market related rate	Market related rate	Market related rate
Post Office / Telkom	R 4 377.43	R 4 661.73	R 4 964.74
Public Works	Market related rate	Market related rate	Market related rate
SASSA Office (Ward Committee House)	R 2 299.96	R 2 299.96	R 2 299.96
SASSA Tlakgameng Thusong Service Centre	R 15 392.04	R 15 392.04	R 15 392.04
SASSA Morokweng Thusong Service Centre	R 8 846.00	R 8 846.00	R 8 846.00
SASSA Kgokgojane Thusong Service Centre	R 3 618.01	R 3 618.01	R 3 618.01
SASSA Bray	R 2 365.00	R 2 365.00	R 2 365.00
SASSA Piet Plessis	R 2 224.75	R 2 224.75	R 2 224.75
SAPO Paypoints (Community Halls)	Market related rate	Market related rate	Market related rate

2. TOSCA BUSINESSES

Shop / Winkel	Market related rate	Market related rate	Market related rate
Bottle Store	Market related rate	Market related rate	Market related rate
Filling Station	Market related rate	Market related rate	Market related rate
Slaghuis / Butchery	Market related rate	Market related rate	Market related rate
Bande	Market related rate	Market related rate	Market related rate
Truck and Auto	Market related rate	Market related rate	Market related rate
Tosca House – Vergelee road	Market related rate	Market related rate	Market related rate
Guest House	Market related rate	Market related rate	Market related rate

3. FLATS / ROOMS

2 Bedrooms	Market related rate	Market related rate	Market related rate
3 Bedrooms	Market related rate	Market related rate	Market related rate
Single Room	Market related rate	Market related rate	Market related rate
Single Room	Market related rate	Market related rate	Market related rate
Single Room	Market related rate	Market related rate	Market related rate

4. FARMS

Remainder of the farm FOREST HALL JM 182, with 2564.4682 Hectares	Market related rate	Market related rate	Market related rate
Remainder of the farm EDEN JM 169, with extent 894.0114 Hectares	Market related rate	Market related rate	Market related rate
Remainder of Portion 1 of the farm BRAY JM 110, with extent 1822.5696 Hectares	Market related rate	Market related rate	Market related rate
Portion 8 of the farm ABINGDON JM 111, with extent 1284.7980 Hectares	Market related rate	Market related rate	Market related rate
Remainder of the farm ABINGDON JM 111, with extent 1021.6854 Hectares	Market related rate	Market related rate	Market related rate

5. RATE PER SQUARE METER

All new Lease Agreements will be costed of priced based on the current market related rate.

Collection rates for each revenue source and customer type

The Municipality has in place a revised fair debt collection and credit control policy. Furthermore, its policy on indigent support and rebates means that indigent households receive free or subsidised basic services thereby keeping them free of the burden of municipal debt.

This budget is premised on a 50 per cent collection rate on current year billing.

Furthermore, an additional 10% collection based on the opening balances of rental debtors, state property rates debtors and agriculture property rates debtors. This is based on the intensive debt collection campaign and revenue enhancement initiatives that the municipality intends to embark on in the 2025/26 – 2027/28 financial years.

Free or subsidised basic services

Kagisano-Molopo's criteria for supporting free or subsidised basic services are set out in the indigent support and rebate policy. The Government allocates revenue from the Division of Revenue Act (DORA) in the form of the Equitable Share Grant with the primary aim of assisting with the costs of providing free or subsidised basic services to indigent households. Any costs over and above the Equitable Share allocation are met by the Municipality.

2.3 Overview of alignment of annual budget with Integrated Development Plan

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. The Municipality's budget is influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual Report.

The 2025/26 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure, and capital expenditure.

Refer to the detailed final Revised IDP

2.4 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee’s performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the district relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The district therefore has adopted one integrated performance management system which encompasses:

1. Planning (setting goals, objectives, targets and benchmarks);
2. Monitoring (regular monitoring and checking on the progress against plan);
3. Measurement (indicators of success);
4. Review (identifying areas requiring change and improvement);
5. Reporting (what information, to whom, from whom, how often and for what purpose); and
6. Improvement (making changes where necessary).

Refer to the detailed final SBIP for detailed budgeted figures per IDP targets.

2.5 Overview of budget-related policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.5.1 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been continued from previous years to maintain cash inflow. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection with specific focus in the "traditional areas".

2.5.2 Creditors Management

The Municipality is ensuring that creditors are settled within the legislated 30 days of invoiced due.

2.5.3 Review of credit control and debt collection procedures/policies and bylaws

The Credit Control & Debt Collection Policy will be reviewed and approved by Council in June 2022. The policy is credible, sustainable, and manageable and informed by affordability and value for money, hence there is no need to review any components of the policy.

The 2025/26 MTREF has been prepared on the basis of achieving an average debtor's collection rate of 50 per cent on current billings.

2.5.4 Asset Management

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. The renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.5.5 Budget Adjustment Policy/ Budget Implementation and Management Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities.

To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.5.6 Supply Chain Management Policy

The amendment of the Supply Chain Management Policy was done in terms of Supply Chain Management Regulations clause 3(1) (b) and was adopted by Council in May 2021. The SCM Policy will be reviewed in line with MFMA Circular no. 77 and will be tabled with the DRAFT budget.

2.5.7 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

2.5.8 Tariff of Charges Policy

The Municipality's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.5.9 Municipality Property Rates Policy and By-law

Rates are levied in accordance with the Municipal Property Rates Act (MPRA) as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll. Where rates were levied at a higher rate than prescribed by the Act, i.e. state owned properties, the reduced rate has been implemented and will be straight-lined over a period of four years that will ensure that the tariff is in line with the MPRA.

2.5.10 Cash Management and Investment Policy

The purpose of the cash management and investment policy is to ensure that investment of surplus funds is controlled and to ensure that prudent investment procedures are consistently applied. Amendments to the policy has been done to ensure it complies with the municipal investment regulations.

2.5.11 Borrowings Policy

The purpose of the borrowings policy is to establish a borrowing framework policy for the Municipality and set out the objectives, statutory requirements and guidelines for the borrowing of funds.

2.5.12 Funding and Reserve Policy

This policy aims to set standards and guidelines towards ensuring financial viability over both the short and long term and includes funding as well as reserves requirements.

It also ensures the operating and capital budgets of Council are appropriately funded and reserves are maintained at the required levels

2.5.13 Policy related to long-term financial planning

The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long-term objectives through the implementation of the medium term operating and capital budgets.

2.5.14 Policy relating to infrastructure investment and capital projects

The purpose of the policy is to assist and guide municipal decision makers in excising their discretionary powers when considering conditions of approval to be imposed under the Land Use Planning Ordinance

It is also to inform interested and affected parties regarding the principle and calculation methods of development contributions and the process to be followed in reaching and recording agreements in respect thereof and to ensure the provision of adequate engineering services and/or payment of development contributions in respect of new developments.

2.5.15 Indigent Policy

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for basic municipal services. The municipality adopted the indigent policy to ensure that these households have access to at least such basic municipal services, and is guided in the formulation of this policy by the national government's policy in this regard.

2.5.16 Petty Cash Policy

This policy is to ensure that processes are implemented to ensure the effective management of petty cash within the municipality.

2.6 Overview of budget funding

Medium-term outlook: operating and capital revenue

The following table is a breakdown of the operating and capital revenue over the medium-term:

0 - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	20 938	13 391	–	11 216	11 216	11 216	10 543	13 836	14 528	15 255
Service charges	–	–	–	0	0	0	–	0	0	0
Investment revenue	907	1 416	–	2 030	2 030	2 030	410	60	63	66
Transfer and subsidies - Operational	175 173	187 772	–	169 330	169 330	169 330	89 619	168 609	165 671	173 065
Other own revenue	22 066	19 895	–	18 908	18 908	18 908	1 348	16 225	16 273	17 342
Total Revenue (excluding capital transfers and contributions)	219 084	222 474	–	201 484	201 484	201 484	101 921	198 730	196 535	205 728
Employee costs	45 894	47 764	(941 473)	72 029	72 029	72 029	49 208	79 611	83 936	91 295
Remuneration of councillors	12 519	13 025	(98 355)	14 131	14 131	14 131	12 691	15 436	16 399	17 430
Depreciation and amortisation	40 517	24 900	35 848	27 934	27 934	27 934	–	27 934	28 117	28 282
Interest	90	1 038	–	250	250	250	248	250	175	175
Inventory consumed and bulk purchases	3 899	3 130	14 939	–	–	–	66	–	–	–
Transfers and subsidies	1 428	–	(5 015)	8 500	8 500	8 500	46	–	–	–
Other expenditure	97 023	114 385	3 045 257	107 039	107 039	107 039	38 101	83 562	91 781	88 957
Total Expenditure	201 370	204 242	2 051 201	229 883	229 883	229 883	100 360	206 794	220 409	226 139
Surplus/(Deficit)	17 714	18 232	(2 051 201)	(28 399)	(28 399)	(28 399)	1 561	(8 063)	(23 873)	(20 411)
Transfers and subsidies - capital (monetary allocations)	–	–	–	37 039	37 039	37 039	481	37 704	37 476	39 083
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	17 714	18 232	(2 051 201)	8 640	8 640	8 640	2 042	29 641	13 602	18 672
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	17 714	18 232	(2 051 201)	8 640	8 640	8 640	2 042	29 641	13 602	18 672
Capital expenditure & funds sources										
Capital expenditure	(10 451)	48 458	–	45 930	45 930	45 930	11 980	37 954	37 476	39 083
Transfers recognised - capital	(3 056)	25 942	–	32 730	32 730	32 730	10 417	37 704	37 476	39 083
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	(1 147)	(36)	–	13 200	13 200	13 200	398	250	–	–
Total sources of capital funds	(4 204)	25 906	–	45 930	45 930	45 930	10 815	37 954	37 476	39 083
Financial position										
Total current assets	27 122	21 051	–	88 601	88 601	88 601	(56 944)	166 422	161 077	175 250
Total non current assets	(2 216)	(1 457)	(1 979 799)	595 237	595 237	595 237	13 277	488 371	493 444	494 930
Total current liabilities	11 545	14 477	87 133	7 178	7 178	7 178	(45 390)	77 698	87 708	98 239
Total non current liabilities	(4 427)	13 330	(484)	28 325	28 325	28 325	–	40 370	40 370	40 370
Community wealth/Equity	(355)	(25 446)	–	639 695	639 695	639 695	–	507 084	512 841	512 898
Cash flows										
Net cash from (used) operating	(13 774)	14 075	28 054	53 226	53 226	53 226	(36 715)	58 776	53 357	58 410
Net cash from (used) investing	–	–	–	(45 930)	(45 930)	(45 930)	–	(37 954)	(37 476)	(28 575)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(345)	1 314	28 054	10 437	10 437	10 437	–	21 942	17 001	30 956
Cash backing/surplus reconciliation										
Cash and investments available	(787)	(11 588)	–	10 437	10 437	10 437	(37 137)	23 746	19 287	33 812
Application of cash and investments	14 891	9 294	87 193	(208 813)	(208 813)	(208 813)	–	(104 886)	(91 693)	(77 704)
Balance - surplus (shortfall)	(15 678)	(20 882)	(87 193)	219 251	219 251	219 251	(37 137)	128 632	110 981	111 517
Asset management										
Asset register summary (WDV)	(22 815)	10 658	(1 979 799)	595 237	595 237	595 237		488 371	490 519	482 847
Depreciation	24 807	21 985	35 848	27 934	27 934	27 934		27 934	28 117	28 282
Renewal and Upgrading of Existing Assets	(16 105)	7 733	–	22 865	22 865	22 865		28 387	–	–
Repairs and Maintenance	22	–	–	11 165	11 165	11 165		11 165	11 590	12 365
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	(55 423)	(30 871)	–	(14 416)	(14 416)	(14 416)		(4 369)	(4 588)	(4 817)
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

A Credible Budget

Amongst other things, a credible budget is a budget that:

Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;

- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore, the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water and sanitation.

The revenue strategy is a function of key components such as:

1. A rate of 7% was mainly used for outer year projections.
2. Combination of incremental and zero budgeting methods where used.
3. Growth in the municipality and economic development;
4. Revenue management and enhancement;
5. Achievement of a 50 per cent annual collection rate for consumer revenue based on current year billing;

6. An additional 10% collection based on the opening balances of rental debtors, state property rates debtors and agriculture property rates debtors. This is based on the intensive debt collection campaign and revenue enhancement initiatives that the municipality intends to embark on in the 2025/26 – 2027/28 financial years.
7. National Treasury guidelines;
8. Municipal tariff increases;
9. Achievement of full cost recovery of specific user charges;
10. Determining tariff escalation rate by establishing/calculating revenue requirements;
11. And the ability to extend new services and obtain cost recovery levels.

The budget is funded from transfers from national and provincial spheres of government as well as own funding. Below is a summary of the total budget funding sources:

Based on the above, the municipality is highly depended on government grants.

Supporting Table SA10 Funding measurement

Total Operating Revenue		219 084	222 474	–	201 484	201 484	201 484	101 921	198 730	196 535	205 728
Total Operating Expenditure		197 471	201 112	2 051 201	229 883	229 883	229 883	100 360	206 794	220 409	226 139
Operating Performance Surplus/(Deficit)		21 613	21 362	(2 051 201)	(28 399)	(28 399)	(28 399)	1 561	(8 063)	(23 873)	(20 411)
Cash and Cash Equivalents (30 June 2012)									21 942		
Revenue											
% Increase in Total Operating Revenue			1.5%	(100.0%)	0.0%	0.0%	0.0%	(49.4%)	(1.4%)	(1.1%)	4.7%
% Increase in Property Rates Revenue			(36.0%)	(100.0%)	0.0%	0.0%	0.0%	(6.0%)	31.2%	5.0%	5.0%
% Increase in Electricity Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges			(36.0%)	(100.0%)	0.0%	0.0%	0.0%	(6.0%)	23.4%	5.0%	5.0%
Expenditure											
% Increase in Total Operating Expenditure		0.0%	1.8%	919.9%	(88.8%)	0.0%	0.0%	(56.3%)	(10.0%)	6.6%	2.6%
% Increase in Employee Costs		0.0%	4.1%	(2071.1%)	(107.7%)	0.0%	0.0%	(31.7%)	10.5%	5.4%	8.8%
% Increase in Electricity Bulk Purchases		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)		0	0	0	0	0	0	0	0	0	0
Average Cost Per Councillor (Remuneration)		0	0	0	0	0	0	0	0	0	0
R&M % of PPE		0.0%	0.0%	0.0%	3.7%	3.7%	3.7%	3.7%	3.7%	3.6%	3.8%
Asset Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	11.4%	11.4%	11.4%	11.4%	11.4%	5.9%	8.4%
Debt Impairment % of Total Billable Revenue		0.0%	0.0%	0.0%	107.0%	107.0%	107.0%	0.0%	65.8%	65.8%	65.8%
Capital Revenue											
Internally Funded & Other (R'000)		–	–	–	13 200	–	13 200	398	250	–	–
Borrowing (R'000)		–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)		–	–	–	32 730	–	32 730	10 417	37 704	37 476	39 083
Internally Generated funds % of Non Grant Funding		0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		0.0%	0.0%	0.0%	71.3%	0.0%	71.3%	96.3%	99.3%	100.0%	100.0%
Capital Expenditure											
Total Capital Programme (R'000)		–	–	–	45 930	–	45 930	11 980	37 954	37 476	39 083
Asset Renewal		–	–	–	22 865	22 865	22 865	–	28 387	–	–
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	0.0%	49.8%	0.0%	49.8%	0.0%	74.8%	0.0%	0.0%
Cash											
Cash Receipts % of Rate Payer & Other		0.0%	0.0%	0.0%	0.0%	0.0%	50.1%	(0.0%)	133.4%	131.7%	129.2%
Cash Coverage Ratio		–	–	–	–	–	–	–	0	0	0
Borrowing											
Most recent Credit Rating									0		
Capital Charges to Operating		0.0%	0.5%	0.0%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves											
Uncommitted reserves after application of cash and investments		–	–	–	3 677	3 677	219 251	–	128 632	110 981	111 517
Free Services											
Free Basic Services as a % of Equitable Share		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)		(126.2%)	(89.0%)	0.0%	(44.8%)	(44.8%)	(44.8%)	(35.5%)	(14.5%)	(14.9%)	(14.7%)
High Level Outcome of Funding Compliance											
Total Operating Revenue		219 084	222 474	–	201 484	201 484	201 484	101 921	198 730	196 535	205 728
Total Operating Expenditure		197 471	201 112	2 051 201	229 883	229 883	229 883	100 360	206 794	220 409	226 139
Surplus/(Deficit) Budgeted Operating Statement		21 613	21 362	(2 051 201)	(28 399)	(28 399)	(28 399)	1 561	(8 063)	(23 873)	(20 411)
Surplus/(Deficit) Considering Reserves and Cash Backing		–	–	–	3 677	3 677	219 251	–	128 632	110 981	111 517
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ×	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

EXPLANATORY NOTES TABLE SA 10

Supporting Table SA 10 shows that the municipal budget is funded over the MTREF

A municipality's budget is considered funded when the projected revenue, including realistic estimates and cash-backed surpluses, is sufficient to cover all budgeted expenditures. This ensures the municipality can meet its financial obligations and provide services without overspending or facing cash flow problems.

The municipal budget will only be used for the items that are budgeted for to avoid UIF&W

Cost Containment Policy will be put into strict measures to ensure that the municipality will be funded for the whole financial year

2.7 Receipts and Expenditure on allocations and grant programmes

These tables reflect to grant receipts and grant programmes that the municipality is anticipating receiving in terms of the Division of Revenue Act (DoRA) as well as from provincial and sector departments.

0 - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**161 777**	**179 206**	**–**	**167 915**	**167 915**	**167 915**	**167 547**	**164 560**	**171 954**
Local Government Equitable Share		115 038	144 818		161 140	161 140	161 140	160 479	159 588	166 797
			–		–	–	–	–		
Finance Management		43 964	32 144		3 000	3 000	3 000	3 000	3 000	3 100
Municipal Systems Improvement					–	–	–	–	–	–
EPWP Incentive		2 775	2 244		2 036	2 036	2 036	2 241	–	–
Integrated National Electrification Programme					–	–	–	–	–	–
Other					1 739	1 739	1 739	1 827	1 972	2 057
Provincial Government:		**12 728**	**8 020**	**–**	**1 015**	**1 015**	**1 015**	**1 062**	**1 111**	**1 111**
		12 728	6 070							
Other			1 950		1 015	1 015	1 015	1 062	1 111	1 111
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality					–	–	–	–	–	–
Other grant providers:		**668**	**546**	**–**	**400**	**400**	**400**	**–**	**–**	**–**
Other grant providers		99	99		400	400	400			
		570	447							
Total Operating Transfers and Grants	5	**175 173**	**187 772**	**–**	**169 330**	**169 330**	**169 330**	**168 609**	**165 671**	**173 065**
Capital Transfers and Grants										
National Government:		**–**	**–**	**–**	**37 039**	**37 039**	**37 039**	**37 704**	**37 476**	**39 083**
Municipal Infrastructure Grant (MIG)					33 039	33 039	33 039	34 704	37 476	39 083
Public Transport and Systems					–	–	–	–	–	–
Rural Transport Services and Infrastructure					–	–	–	–	–	–
Regional Bulk Infrastructure					–	–	–	–	–	–
Neighbourhood Development Partnership					–	–	–	–	–	–
Other					4 000	4 000	4 000	3 000	–	–
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Provincial Government					–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality					–	–	–	–	–	–
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers					–	–	–	–	–	–
Total Capital Transfers and Grants	5	**–**	**–**	**–**	**37 039**	**37 039**	**37 039**	**37 039**	**37 519**	**37 272**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**175 173**	**187 772**	**–**	**206 369**	**206 369**	**206 369**	**205 648**	**203 191**	**210 337**

0 - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**161 777**	**179 206**	**–**	**167 915**	**167 915**	**167 915**	**167 547**	**164 560**	**171 954**
Local Government Equitable Share		115 038	144 818		161 140	161 140	161 140	160 479	159 588	166 797
		–	–		–	–	–	–		
Finance Management		43 964	32 144		3 000	3 000	3 000	3 000	3 000	3 100
Municipal Systems Improvement					–	–	–	–	–	–
EPWP Incentive		2 775	2 244		2 036	2 036	2 036	2 241	–	–
Integrated National Electrification Programme					–	–	–	–	–	–
Other					1 739	1 739	1 739	1 827	1 972	2 057
Provincial Government:		**12 728**	**8 020**	**–**	**1 015**	**1 015**	**1 015**	**1 062**	**1 111**	**1 111**
		12 728	6 070							
Other			1 950		1 015	1 015	1 015	1 062	1 111	1 111
District Municipality:		–	–	–	–	–	–	–	–	–
District Municipality										
Other grant providers:		**668**	**546**	**–**	**400**	**400**	**400**	**–**	**–**	**–**
Other grant providers:		99	99		400	400	400			
		570	447							
Total operating expenditure of Transfers and Grants		**175 173**	**187 772**	**–**	**169 330**	**169 330**	**169 330**	**168 609**	**165 671**	**173 065**
Capital expenditure of Transfers and Grants										
National Government:		**–**	**–**	**–**	**37 039**	**37 039**	**37 039**	**37 704**	**37 476**	**39 083**
Municipal Infrastructure Grant (MIG)					33 039	33 039	33 039	34 704	37 476	39 083
Public Transport and Systems					–	–	–	–	–	–
Rural Transport Services and Infrastructure					–	–	–	–	–	–
Regional Bulk Infrastructure					–	–	–	–	–	–
Neighbourhood Development Partnership					–	–	–	–	–	–
Other					4 000	4 000	4 000	3 000	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Provincial Government										
District Municipality:		–	–	–	–	–	–	–	–	–
District Municipality										
Other grant providers:		–	–	–	–	–	–	–	–	–
Other grant providers										
Total capital expenditure of Transfers and Grants		**–**	**–**	**–**	**33 039**	**33 039**	**33 039**	**33 039**	**34 519**	**37 272**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**175 173**	**187 772**	**–**	**202 369**	**202 369**	**202 369**	**201 648**	**200 191**	**210 337**

Grant Description	Grant Type	2025	2026	2027
Equitable Share	UnConditional Grant	160 479 000.00	159 588 000.00	166 797 000.00
Local Government Financial Management Grant	Conditional Grant	3 000 000.00	3 000 000.00	3 100 000.00
Municipal Infrastructure Grant (PMU)	Conditional Grant	1 826 550.00	1 972 400.00	2 057 000.00
EPWP Grant	Conditional Grant	2 241 000.00		
Library Grant	Conditional Grant	1 015 000.00		
Total Operating Revenue		**168 561 550.00**	**164 560 400.00**	**171 954 000.00**
Municipal Infrustructure Grant	Conditional Grant	34 704 450.00	37 475 600.00	39 083 000.00
Energy Efficiency Demand Side Management Grant	Conditional Grant	3 000 000.00		
Total Capital Revenue		**37 704 450.00**	**37 475 600.00**	**39 083 000.00**
Total Grant Revenue		**206 266 000.00**	**202 036 000.00**	**211 037 000.00**

2.8 Allocations and grants made by the municipality.

- The municipality did not allocate or transfer any amount to individuals and co-operatives for the 2025/26 – 2027/28 MTREF Budget.

2.9 Councillor and board member allowances and employee benefits

0 - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		11 267	11 773		12 878	12 878	12 878	14 183	15 146	16 177
Pension and UIF Contributions					–	–	–	–	–	–
Medical Aid Contributions					–	–	–	–	–	–
Motor Vehicle Allowance					–	–	–	–	–	–
Cellphone Allowance		1 253	1 253		1 253	1 253	1 253	1 253	1 253	1 253
Housing Allowances					–	–	–	–	–	–
Other benefits and allowances					–	–	–			
Sub Total - Councillors		**12 519**	**13 025**	**–**	**14 131**	**14 131**	**14 131**	**15 436**	**16 399**	**17 430**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**3.6%**	**3.7%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages					7 759	7 759	7 759	8 759	9 354	10 658
Pension and UIF Contributions					18	18	18	–	–	–
Medical Aid Contributions					–	–	–	–	–	–
Overtime					–	–	–	–	–	–
Performance Bonus					–	–	–	–	–	–
Motor Vehicle Allowance	3				643	643	643	–	–	–
Cellphone Allowance	3				104	104	104	70	70	70
Housing Allowances	3				–	–	–	–	–	–
Other benefits and allowances	3				–	–	–	–	–	–
Payments in lieu of leave					–	–	–	–	–	–
Long service awards					–	–	–	–	–	–
Post-retirement benefit obligations	6				–	–	–	–	–	–
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		**–**	**–**	**–**	**8 524**	**8 524**	**8 524**	**8 828**	**9 424**	**10 727**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**18.7%**	**(6.9%)**
Other Municipal Staff										
Basic Salaries and Wages		26 699	28 569		44 310	44 310	44 310	51 588	54 364	59 364
Pension and UIF Contributions		6 361	6 361		6 361	6 361	6 361	6 361	6 785	7 239
Medical Aid Contributions		2 680	2 680		2 680	2 680	2 680	2 680	2 849	3 068
Overtime		720	720		720	720	720	720	720	720
Performance Bonus		261	261		261	261	261	261	279	298
Motor Vehicle Allowance	3									
Cellphone Allowance	3	347	347		347	347	347	347	347	347
Housing Allowances	3	2 286	2 286		2 286	2 286	2 286	2 286	2 437	2 599
Other benefits and allowances	3	6 541	6 541		6 541	6 541	6 541	6 541	6 730	6 932
Payments in lieu of leave					–	–	–	–	–	–
Long service awards										
Post-retirement benefit obligations	6				–	–	–	–	–	–
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Municipal Staff		**45 894**	**47 764**	**–**	**63 505**	**63 505**	**63 505**	**70 783**	**74 511**	**80 568**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**6.5%**	**6.2%**
Total Parent Municipality		**58 413**	**60 789**	**–**	**88 007**	**88 007**	**88 007**	**88 007**	**94 355**	**98 538**
			–	**–**	**–**	**–**	**–**	**–**	**7.2%**	**4.4%**
Board Members of Entities										
Basic Salaries and Wages					–	–	–	–	–	–
Pension and UIF Contributions					–	–	–	–	–	–
Medical Aid Contributions					–	–	–	–	–	–
Overtime					–	–	–	–	–	–
Performance Bonus					–	–	–	–	–	–
Motor Vehicle Allowance	3				–	–	–	–	–	–
Cellphone Allowance	3				–	–	–	–	–	–
Housing Allowances	3				–	–	–	–	–	–
Other benefits and allowances	3									
Board Fees					–	–	–	–	–	–
Payments in lieu of leave					–	–	–	–	–	–
Long service awards					–	–	–	–	–	–
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Board Members of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Staff of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Municipal Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL SALARY, ALLOWANCES & BENEFITS		**58 413**	**60 789**	**–**	**88 007**	**88 007**	**88 007**	**88 007**	**94 355**	**98 538**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**7.2%**	**4.4%**
TOTAL MANAGERS AND STAFF	5,7	**45 894**	**47 764**	**–**	**72 029**	**72 029**	**72 029**	**79 611**	**83 936**	**91 295**

Supporting Table SA22 Summary councillor and staff benefits

The salary bill assumptions are based on the following assumptions:

1. Councillors remunerations are based on the 2025 Determination of councillors plus 7% increase for 2025/26 financial year as well as the outer years.

2. Senior managers remuneration is based on the proposed determination and cost of living adjustment of the upper limits of the total remuneration packages of municipal managers and managers directly accountable to municipal manager for the financial year 2023/2024 plus 7%. This is based on all senior managers being appointed by 2025/26 financial year.

3. Other officials are budgeted based on proposed funded positions to be filled as well as increase in living conditions of 7%. This includes Bargaining council increments on municipal staff and notch movement increments.

4. The vacant positions as per the organisational structure will be reviewed during the budget engagement to ensure that all relevant positions are budgeted for. This will be than effected in the final budget 2025/26.

0 - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contribution 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		952 291		43 200			995 491
Chief Whip								–
Executive Mayor			1 112 488		43 200			1 155 688
Deputy Executive Mayor								–
Executive Committee			3 898 920		216 000			4 114 920
Total for all other councillors			8 262 674		907 200			9 169 874
Total Councillors	8	–	**14 226 372**	–	**1 209 600**			**15 435 972**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 750 142		12 000			1 762 142
Chief Finance Officer			1 501 663		9 600			1 511 263
								–
								–
								–
								–
List of each offical with packages >= senior manager								
Director Corporate Services			1 501 663		9 600			1 511 263
Director Planning and Development			1 501 663		9 600			1 511 263
Director Infrastructure			1 501 663		9 600			1 511 263
Director Community Services			1 501 663		9 600			1 511 263
Director LED			1 501 663		9 600			1 511 263
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**10 760 120**	–	**69 600**	–		**10 829 720**
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**24 986 492**	–	**1 279 200**	–		**26 265 692**

2.10 Monthly targets for revenue, expenditure and cash flow

0 - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	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
Revenue																
Exchange Revenue																
Service charges - Electricity													0	0	0	0
Service charges - Water													–	–	–	–
Service charges - Waste Water Management													–	–	–	–
Service charges - Waste Management													–	–	–	–
Sale of Goods and Rendering of Services		13	13	13	13	13	13	13	13	13	13	13	13	155	171	192
Agency services													–	–	–	–
Interest													–	–	–	–
Interest earned from Receivables		10	10	10	10	10	10	10	10	10	10	10	10	124	126	128
Interest earned from Current and Non Current As		5	5	5	5	5	5	5	5	5	5	5	5	60	63	66
Dividends													–	–	–	–
Rent on Land													–	–	–	–
Rental from Fixed Assets		103	103	103	103	103	103	103	103	103	103	103	103	1 235	1 259	1 277
Licence and permits													–	–	–	–
Operational Revenue		9	9	9	9	9	9	9	9	9	9	9	9	112	118	124
Non-Exchange Revenue																
Property rates			13 836									–	–	13 836	14 528	15 255
Surcharges and Taxes													–	–	–	–
Fines, penalties and forfeits													–	–	–	–
Licences or permits													–	–	–	–
Transfer and subsidies - Operational		56 203					56 203			56 203			–	168 609	165 671	173 065
Interest			14 600										–	14 600	14 600	15 621
Fuel Levy													–	–	–	–
Operational Revenue													–	–	–	–
Gains on disposal of Assets													–	–	–	–
Other Gains													–	–	–	–
Discontinued Operations													–	–	–	–
Total Revenue (excluding capital transfers and		**56 343**	**28 576**	**140**	**140**	**140**	**56 343**	**140**	**140**	**56 343**	**140**	**140**	**140**	**198 730**	**196 535**	**205 728**
Expenditure																
Employee related costs		6 634	6 634	6 634	6 634	6 634	6 634	6 634	6 634	6 634	6 634	6 634	6 634	79 611	83 936	91 295
Remuneration of councillors		1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	15 436	16 399	17 430
Bulk purchases - electricity													–	–	–	–
Inventory consumed													–	–	–	–
Debt impairment													9 103	9 103	9 558	10 036
Depreciation and amortisation													27 934	27 934	28 117	28 282
Interest		21	21	21	21	21	21	21	21	21	21	21	21	250	175	175
Contracted services		3 199	3 199	3 199	3 199	3 199	3 199	3 199	3 199	3 199	3 199	3 199	3 199	38 382	47 861	42 667
Transfers and subsidies													–	–	–	–
Irrecoverable debts written off													–	–	–	–
Operational costs		3 006	3 006	3 006	3 006	3 006	3 006	3 006	3 006	3 006	3 006	3 006	3 006	36 077	34 362	36 254
Losses on disposal of Assets												–	–	–	–	–
Other Losses												–	–	–	–	–
Total Expenditure		**14 146**	**14 146**	**14 146**	**14 146**	**14 146**	**14 146**	**14 146**	**14 146**	**14 146**	**14 146**	**14 146**	**51 184**	**206 794**	**220 409**	**226 139**
Surplus/(Deficit)		**42 197**	**14 430**	**(14 006)**	**(14 006)**	**(14 006)**	**42 197**	**(14 006)**	**(14 006)**	**42 197**	**(14 006)**	**(14 006)**	**(8 063)**	**(8 063)**	**(23 873)**	**(20 411)**
Transfers and subsidies - capital (monetary allocations)		12 568					12 568			12 568			–	37 704	37 519	37 272
Transfers and subsidies - capital (in-kind)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**54 543**	**14 430**	**(14 006)**	**(14 006)**	**(14 006)**	**54 543**	**(14 006)**	**(14 006)**	**54 543**	**(14 006)**	**(14 006)**	**(8 063)**	**29 641**	**13 646**	**16 861**
Income Tax													–	–	–	–
Surplus/(Deficit) after income tax		**54 543**	**14 430**	**(14 006)**	**(14 006)**	**(14 006)**	**54 543**	**(14 006)**	**(14 006)**	**54 543**	**(14 006)**	**(14 006)**	**(51 043)**	**29 641**	**13 646**	**16 861**
Share of Surplus/Deficit attributable to Joint Venture													–	–	–	–
Share of Surplus/Deficit attributable to Minorities													–	–	–	–
Surplus/(Deficit) attributable to municipality		**54 543**	**14 430**	**(14 006)**	**(14 006)**	**(14 006)**	**54 543**	**(14 006)**	**(14 006)**	**54 543**	**(14 006)**	**(14 006)**	**(51 043)**	**29 641**	**13 646**	**16 861**
Share of Surplus/Deficit attributable to Associate													–	–	–	–
Intercompany/Parent subsidiary transactions													–	–	–	–
Surplus/(Deficit) for the year	1	**54 543**	**14 430**	**(14 006)**	**(14 006)**	**(14 006)**	**54 543**	**(14 006)**	**(14 006)**	**54 543**	**(14 006)**	**(14 006)**	**(51 043)**	**29 641**	**13 646**	**16 861**

0 - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	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
Revenue by Vote																
Vote 1 - Executive and Council		4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	50 007	52 492	55 137
Vote 2 - Finance and Administration		8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	106 374	105 003	108 950
Vote 3 - Community and Social Services		1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	20 073	16 350	17 245
Vote 4 - Other		4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	54 001	53 805	56 710
Vote 5 - Waste Management													–	–	–	–
Vote 6 - Road Transport													–	–	–	–
Vote 7 - Water Management													–	–	–	–
Vote 8 - [NAME OF VOTE 8]		498	498	498	498	498	498	498	498	498	498	498	498	5 980	6 361	6 769
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		**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**236 435**	**234 011**	**244 811**
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	48 336	50 702	53 221
Vote 2 - Finance and Administration		10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	121 167	123 788	123 330
Vote 3 - Community and Social Services		1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	18 103	26 186	28 191
Vote 4 - Other		1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	13 506	13 687	14 963
Vote 5 - Waste Management													–	–	–	–
Vote 6 - Road Transport													–	–	–	–
Vote 7 - Water Management													–	–	–	–
Vote 8 - [NAME OF VOTE 8]		473	473	473	473	473	473	473	473	473	473	473	473	5 682	6 045	6 433
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		**17 233**	**17 233**	**17 233**	**17 233**	**17 233**	**17 233**	**17 233**	**17 233**	**17 233**	**17 233**	**17 233**	**17 233**	**206 794**	**220 409**	**226 139**
Surplus/(Deficit) before assoc.		**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**29 641**	**13 602**	**18 672**
Income Tax													–	–	–	–
Share of Surplus/Deficit attributable to Minorities													–	–	–	–
Intercompany/Parent subsidiary transactions													–	–	–	–
Surplus/(Deficit)	1	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**2 470**	**29 641**	**13 602**	**18 672**

0 - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	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
Revenue - Functional																
Governance and administration		**13 032**	**13 032**	**13 032**	**13 032**	**13 032**	**13 032**	**13 032**	**13 032**	**13 032**	**13 032**	**13 032**	**13 032**	**156 381**	**157 495**	**164 087**
Executive and council		4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	50 007	52 492	55 137
Finance and administration		8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	8 864	106 374	105 003	108 950
Internal audit													–	–	–	–
Community and public safety		**1 673**	**1 673**	**1 673**	**1 673**	**1 673**	**1 673**	**1 673**	**1 673**	**1 673**	**1 673**	**1 673**	**1 673**	**20 073**	**16 350**	**17 245**
Community and social services													–	–	–	–
Sport and recreation													–	–	–	–
Public safety		1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	1 673	20 073	16 350	17 245
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**4 500**	**4 500**	**4 500**	**4 500**	**4 500**	**4 500**	**4 500**	**4 500**	**4 500**	**4 500**	**4 500**	**4 500**	**54 001**	**53 805**	**56 710**
Planning and development		4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	54 001	53 805	56 710
Road transport											–		–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management													–	–	–	–
Other		**498**	**498**	**498**	**498**	**498**	**498**	**498**	**498**	**498**	**498**	**498**	**498**	**5 980**	**6 361**	**6 769**
Total Revenue - Functional		**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**19 703**	**236 435**	**234 011**	**244 811**
Expenditure - Functional																
Governance and administration		**14 125**	**14 125**	**14 125**	**14 125**	**14 125**	**14 125**	**14 125**	**14 125**	**14 125**	**14 125**	**14 125**	**14 125**	**169 503**	**174 490**	**176 551**
Executive and council		4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	4 028	48 336	50 702	53 221
Finance and administration		10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	10 097	121 167	123 788	123 330
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**1 509**	**1 509**	**1 509**	**1 509**	**1 509**	**1 509**	**1 509**	**1 509**	**1 509**	**1 509**	**1 509**	**1 509**	**18 103**	**26 186**	**28 191**
Community and social services		37	37	37	37	37	37	37	37	37	37	37	442	442	442	442
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	17 661	17 661	25 744	27 749
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1 125**	**1 125**	**1 125**	**1 125**	**1 125**	**1 125**	**1 125**	**1 125**	**1 125**	**1 125**	**1 125**	**1 125**	**13 506**	**13 687**	**14 963**
Planning and development		1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	13 506	13 506	13 687	14 963
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		**473**	**473**	**473**	**473**	**473**	**473**	**473**	**473**	**473**	**473**	**473**	**473**	**5 682**	**6 045**	**6 433**
Total Expenditure - Functional		**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**17 233**	**206 794**	**220 409**	**226 139**
Surplus/(Deficit) before assoc.		**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**2 470**	**29 641**	**13 602**	**18 672**
Intercompany/Parent subsidiary transactions													–	–	–	–
Surplus/(Deficit)	1	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**6 379**	**2 470**	**29 641**	**13 602**	**18 672**

0 - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
***Multi-year expenditure** to be appropriated*	1															
Vote 1 - Executive and Council													–	–	–	–
Vote 2 - Finance and Administration													–	–	–	–
Vote 3 - Community and Social Services													–	–	–	–
Vote 4 - Other													–	–	–	–
Vote 5 - Waste Management													–	–	–	–
Vote 6 - Road Transport													–	–	–	–
Vote 7 - Water Management													–	–	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
***Single-year expenditure** to be appropriated*																
Vote 1 - Executive and Council													–	–	–	–
Vote 2 - Finance and Administration					250								250	250	–	–
Vote 3 - Community and Social Services													–	–	–	–
Vote 4 - Other		12 568					12 568			12 568			37 704	37 704	37 517	36 911
Vote 5 - Waste Management													–	–	–	–
Vote 6 - Road Transport													–	–	–	–
Vote 7 - Water Management													–	–	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital single-year expenditure sub-total	2	12 568	–	–	250	–	12 568	–	–	12 568	–	–	37 954	37 954	37 517	36 911
Total Capital Expenditure	2	12 568	–	–	250	–	12 568	–	–	12 568	–	–	37 954	37 954	37 517	36 911

0 - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional	1															
Governance and administration		–	–	–	250	–	–	–	–	–	–	–	–	250	–	–
Executive and council													–	–	–	–
Finance and administration					250								–	250	–	–
Internal audit													–	–	–	–
Community and public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and social services													–	–	–	–
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		12 568	–	–	–	–	12 568	–	–	12 568	–	–	–	37 704	37 517	36 911
Planning and development		12 568					12 568			12 568			–	37 704	37 476	39 083
Road transport													–	–	–	–
Environmental protection													–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources													–	–	–	–
Water management													–	–	–	–
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Capital Expenditure - Functional	2	12 568	–	–	250	–	12 568	–	–	12 568	–	–	–	37 954	37 517	36 911
Funded by:																
National Government		12 568					12 568			12 568			37 704	37 704	37 476	39 083
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher													–	–	–	–
Transfers recognised - capital		12 568	–	–	–	–	12 568	–	–	12 568	–	–	37 704	37 704	37 476	39 083
Borrowing													–	–	–	–
Internally generated funds					250								250	250	–	–
Total Capital Funding		–	–	–	–	–	–	–	–	–	–	–	37 954	37 954	37 476	39 083

0 - 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	678	678	678	678	678	678	678	678	678	678	678	678	8 134	8 787	9 334
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	118	118	118	118	118	118	118	118	118	118	118	118	1 412	1 438	1 461
Interest earned - external investments	5	5	5	5	5	5	5	5	5	5	5	5	60	63	66
Interest earned - outstanding debtors	608	608	608	608	608	608	608	608	608	608	608	608	7 300	7 300	7 811
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational	14 051	14 051	14 051	14 051	14 051	14 051	14 051	14 051	14 051	14 051	14 051	14 051	168 609	165 671	173 065
Other revenue	22	22	22	22	22	22	22	22	22	22	22	22	267	289	316
Cash Receipts by Source	**15 482**	**15 482**	**15 482**	**15 482**	**15 482**	**15 482**	**15 482**	**15 482**	**15 482**	**15 482**	**15 482**	**15 482**	**185 781**	**183 548**	**192 053**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	3 142	3 142	3 142	3 142	3 142	3 142	3 142	3 142	3 142	3 142	3 142	3 142	37 704	37 476	39 083
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)	750	750	750	750	750	750	750	750	750	750	750	750	9 000	9 000	9 000
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**19 374**	**19 374**	**19 374**	**19 374**	**19 374**	**19 374**	**19 374**	**19 374**	**19 374**	**19 374**	**19 374**	**19 374**	**232 485**	**230 024**	**240 136**
Cash Payments by Type															
Employee related costs	(6 634)	(6 634)	(6 634)	(6 634)	(6 634)	(6 634)	(6 634)	(6 634)	(6 634)	(6 634)	(6 634)	(6 634)	(79 611)	(83 965)	(91 295)
Remuneration of councillors	(1 286)	(1 286)	(1 286)	(1 286)	(1 286)	(1 286)	(1 286)	(1 286)	(1 286)	(1 286)	(1 286)	(1 286)	(15 436)	(16 399)	(17 430)
Interest	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(250)	(175)	(175)
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Acquisitions - water & other inventory	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	(3 501)	(3 501)	(3 501)	(3 501)	(3 501)	(3 501)	(3 501)	(3 501)	(3 501)	(3 501)	(3 501)	(3 501)	(42 015)	(41 487)	(36 435)
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(3 033)	(36 397)	(34 641)	(36 390)
Cash Payments by Type	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(14 476)**	**(173 709)**	**(176 667)**	**(181 726)**
Other Cash Flows/Payments by Type															
Capital assets	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(3 163)	(37 954)	(37 476)	(28 575)
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(17 639)**	**(211 664)**	**(214 143)**	**(210 300)**
NET INCREASE/(DECREASE) IN CASH HELD	**1 735**	**1 735**	**1 735**	**1 735**	**1 735**	**1 735**	**1 735**	**1 735**	**1 735**	**1 735**	**1 735**	**1 735**	**20 822**	**15 881**	**29 836**
Cash/cash equivalents at the month/year begin:	1 120	1 828	3 564	5 299	7 034	8 769	10 504	12 239	13 974	15 709	17 445	19 180	1 120	1 120	1 120
Cash/cash equivalents at the month/year end:	2 855	3 564	5 299	7 034	8 769	10 504	12 239	13 974	15 709	17 445	19 180	20 915	21 942	17 001	30 956

2.11 Annual budgets and service delivery and budget implementation plan – internal departments

Not applicable to Kagisano-Molopo Local Municipality

2.12 Annual budgets and service delivery agreements – municipal entities and other external mechanisms

Not applicable to Kagisano-Molopo Local Municipality

2.13 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

2.14 Capital expenditure details

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 4 - Other		–	–	–	–	–	–	–	–	–	–
Vote 5 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 7 - Water Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		2 779	8 382	–	7 450	7 450	7 450	633	250	–	–
Vote 3 - Community and Social Services		(3 359)	(36 388)	–	–	–	–	–	–	–	–
Vote 4 - Other		(9 872)	76 465	–	38 480	38 480	–	–	37 704	37 517	36 911
Vote 5 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 7 - Water Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**(10 451)**	**48 458**	**–**	**45 930**	**45 930**	**7 450**	**633**	**37 954**	**37 517**	**36 911**
Total Capital Expenditure - Vote		**(10 451)**	**48 458**	**–**	**45 930**	**45 930**	**7 450**	**633**	**37 954**	**37 517**	**36 911**
Capital Expenditure - Functional											
Governance and administration		**2 779**	**8 382**	**–**	**7 450**	**7 450**	**7 450**	**633**	**250**	**–**	**–**
Executive and council											
Finance and administration		2 779	8 382		7 450	7 450	7 450	633	250		
Internal audit											
Community and public safety		**(3 359)**	**(36 388)**	**–**	**–**	**–**	**–**	**1 026**	**–**	**–**	**–**
Community and social services		16 579	(16 494)					398			
Sport and recreation		70	(19 940)					627			
Public safety											
Housing		(20 007)	46								
Health											
Economic and environmental services		**(6 822)**	**41 197**	**–**	**38 480**	**38 480**	**38 480**	**9 452**	**37 704**	**37 476**	**39 083**
Planning and development		(3 614)			38 480	38 480	38 480	9 452	37 704	37 476	39 083
Road transport		(3 209)	41 197								
Environmental protection											
Trading services		**(3 049)**	**35 267**	**–**	**–**	**–**	**–**	**870**	**–**	**–**	**–**
Energy sources		(3 049)	35 267					870			
Water management					–	–	–		–	–	–
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	**(10 451)**	**48 458**	**–**	**45 930**	**45 930**	**45 930**	**11 980**	**37 954**	**37 476**	**39 083**
Funded by:											
National Government		(3 056)	25 942		32 730	32 730	32 730	10 417	37 704	37 476	39 083
Provincial Government					–	–	–		–	–	–
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	4	**(3 056)**	**25 942**	**–**	**32 730**	**32 730**	**32 730**	**10 417**	**37 704**	**37 476**	**39 083**
Borrowing	6										
Internally generated funds		(1 147)	(36)		13 200	13 200	13 200	398	250		
Total Capital Funding	7	**(4 204)**	**25 906**	**–**	**45 930**	**45 930**	**45 930**	**10 815**	**37 954**	**37 476**	**39 083**

Project Name	Total budget for 2025/2026
General Text	**Project amount**
Construction Of Piet Plessis Sports Facility Phase 1	R2 201 267.95
Construction Of Piet Plessis Sports Facility Phase 2	R23 185 533.51
Construction of Kudunkgwane Internal Road and stormwater	8 063 533.01
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7) AND TSEOGE WARD 11	1 254 115.53
Energy Efficiency Demand Side Management Grant	3 000 000.00
Total	37 704 450.00

Source of Funding	Description	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
Own Funding	Computer Equipment – Laptops	250,000.00	-	-
Municipal Infrastructure Grant	Piet Plessis Sports Facility (Phase 1 and Phase 2)	25,386,801.46	-	-
Energy efficiency and demand side management grant	The Replacement of 200 Energy Efficiency bulbs on Highmast Lights at various villiages	3,000,000.00		
Municipal Infrastructure Grant	Construction of Kudunkgwane Internal Road and stormwater	8,063,533.01		-
Municipal Infrastructure Grant	Installation of solar(photo voltaic) high mast light in the Pouval, ethol, Madinonyane (ward 8) and Kgokgole , Dipudi (ward 7) and Tseoge ward 11	1,254,115.53	13,644,134.47	-
Municipal Infrastructure Grant	Construction of Ditshukutswane Community Hall		10,906,196.00	-
Municipal Infrastructure Grant	Construction of bridge at Ganyesa (Ward 14)	-	10,000,000.00	-
Municipal Infrastructure Grant	Energising of high mast lights in various wards by June 2026	-	2 925 269.53	1,574,730.47
Municipal Infrastructure Grant	Access road from Main Road via Community Hall to Raditshane High School(ward 15) by June 2026	-	-	7,000,000.00
Municipal Infrastructure Grant	Construction of access road from R378 to Tshetshu (ward) by June 2026			11,000,000.00
Municipal Infrastructure Grant	Procurement of yellow fleet by June 2026			9,000,000.00
Municipal Infrastructure Grant	Construction of access road at Kgokgojane (ward 7) by June 2026			10,508,269.53

- The municipality for this MTREF budget allocated R37 954 million on capital expenditure.
- These projects are funded from the internally generated revenue and the Municipal Infrastructure Grant (MIG) and will be implemented over the MTREF years.
- The infrastructure development objectives have been planned for the 2025/26 MTREF year is shown in the final Integrated Development Plan 2025/26 as revised.

2.15 Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

In year reporting

Compliance in terms of reporting to National Treasury in electronic format on a monthly basis has progressively improved. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.

Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department and internal auditing. The municipality is currently on the final stage of recruitment to appoint five interns.

Since the introduction of the Internship programme the municipality has successfully employed and trained 16 interns through this programme and a majority of them were appointed either in the municipality or other institutions.

Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.
The Budget and Treasury Office vacancies needs to be addressed to ensure that the finance department is functioning effectively and efficiently.

Key vacancies as at the final budget preparation is Chief Financial Officer

Audit Committee

An Audit Committee has been established and is fully functional. The municipality makes use of the shared services of the Dr RSM District Municipality.

Service Delivery and Implementation Plan (SDBIP)

The detailed SDBIP document is at final stage and will be finalised after the approval of the 2025/26 MTREF in June 2025 directly aligned and informed by the 2025/26 MTREF Budget.

Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

MFMA Training

The MFMA training module in electronic format is presented at the municipality and training is ongoing. All Budget and Treasury Office officials has the minimum competency requirements.

MFMA training was conducted by Provincial Treasury on Supply Chain Management, Budget Preparations and GRAP updates over the past 12 months.

Policies

The review of all budget-related policies took place in terms of Regulation 7 of the MBRR in May 2025.

2.16 Other supporting documents

None noted.

2.15 Municipal manager's quality certification

I, **O O Ntsimane**, the Acting Municipal Manager of Kagisano-Molopo Local Municipality hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the annual budget and supporting documentation are consistent with the business plan of the municipality and the Integrated Development Plan of the municipality.

Print Name: ____

Acting Municipal Manager of Kagisano-Molopo Local Municipality

Signature: ____

Date: ________________________________