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

2026/27 TO 2028/29

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET

DRAFT

TABLE OF CONTENTS

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

PURPOSE

To table to Council the 2026/27 – 2028/29 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 2026.

Based on the above, attached herewith is the Annual budget of Kagisano-Molopo Local Municipality for the MTREF year 2026/27 to 2028/2029.

SUMMARY

The DRAFT 2026/2027 – 2028/29 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 2026/2027 – 2028/29 MTREF Budget is projected at R214 189 million for the 2026/27 financial year (2027/28: R206 764million; 2028/29: R221 684 million).

- The total operating expenditure for the 2026/2027 – 2028/29 MTREF Budget is projected to be R210 775 million for the 2026/27 financial year (2027/28: R217 410 million; 2028/29: R223 457 million). This includes the budgeting of non-cash item such as debt impairment and depreciation which amounts to R31 834 million for the 2026/27 financial year (2027/28: R32 067 million; 2028/29: R32 403 million)

- Total capital expenditure for the 2026/2027 – 2028/29 MTREF Budget is projected at R35 107 million for the 2026/27 financial year (2027/28: R42 703 million; 2028/29: R43 846 million).

- A surplus for the financial position for 2026/27 – 2028/29 MTREF Budget is projected based on revenue less expenditure at R38 522 million for the 2026/27 financial year (2027/28: R32 057 million; 2028/29: R42 073 million)

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 2026/27, **R3,0 million** in 2027/28 and **R3,0 million** in 2028/29. 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 2026 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 2026 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 **R36,9 million** in 2026/27, **R40,7 million** in 2027/28 and **R41,9 million** in 2028/29.

- **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	159 076 000.00	155 762 000.00	167 159 000.00
Expanded Public Works Programme	Conditional	2 227 000.00		
Local Government Financial Management Grant	Conditional	3 000 000.00	3 000 000.00	3 000 000.00
Municipal Infrastructure Grant (PMU)	Conditional	1 847 750.00	2 037 000.00	2 097 150.00
Total Operating Revenue		**166 150 750.00**	**160 799 000.00**	**172 256 150.00**
Municipal Infrastructure Grant (PMU)	Conditional	35 107 250.00	38 703 000.00	39 845 850.00
Energy Efficiency Demand Side Management Grant	Conditional	-	4 000 000.00	4 000 000.00
Total Capital Revenue		**35 107 250.00**	**42 703 000.00**	**43 845 850.00**
Total Transfers and Subsidies		**201 258 000.00**	**203 502 000.00**	**216 102 000.00**

In terms of the above table, the total Operating Grants amount to R166 150 million, R160 799 million and R172 256 million for the three financial years, whilst the total Capital Grants amount to R35 107 million, R42 703 million and R43 845 million over the MTREF period.

Included in the above capital budget, the following capital projects for the 2026/27 financial year:

Project Name (as it appears on MIG-MIS)	**Total Budget for 2026/2027**
General Text	**Whole number**
Construction Of Piet Plessis Sports Facility Phase 1	2 201 268.00
Construction Of Piet Plessis Sports Facility Phase 2	R8 544 534.00
Construction of Kudunkgwane Internal Road and stormwater	3 075 452.00
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7)	2 898 251.00
Construction of Ditshukutswane Community Hall	10 960 196.00
Construction of Ganyesa Bridge in ward 14	7 427 549.00
Total	**35 107 250.00**

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 draft approval of the 2026/27 to 2028/29 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 draft approval of the budget on or before the end of June 2026.

I therefore table the draft budget 2026/27 to 2028/29 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 draft service delivery and implementation plan for the 2026/27 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 Draft 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 draft Integrated Development Plan 2026/27 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 2026/27 – 2027/28 financial years as per the approved The Integrated Development Plan, as follows:

Project Name (as it appears on MIG-MIS)	Total Budget for 2026/2027	Total Planned Expenditure for 2027/2028
General Text	Whole number	Whole number
Construction Of Piet Plessis Sports Facility Phase 1	2 201 268.00	-
Construction Of Piet Plessis Sports Facility Phase 2	8 544 534.00	-
Construction of Kudunkgwane Internal Road and stormwater	3 075 452.00	-
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7)	2 898 251.00	-
Construction of Ditshukutswane Community Hall	10 960 196.00	-
Construction of Ganyesa Bridge in ward 14	7 427 549.00	2 572 000.00
Energising and converting of converntional high mast lights to solar.	-	4 500 000.00
Construction of Access road in tlapeng from Main Road via Community Hall to Raditshane High School(ward 15)		7 000 000.00
Construction of access road from R378 to Tshetshu (ward 3)		8 114 000.00
Procurement of yellow fleet by June 2026		9 000 000.00
Construction of access road at Kgokgojane (ward 7)		7 517 000.00
EEDS		4 000 000.00
Computer Equipment - Laptop	250 000.00	
Total	**35 357 250.00**	**42 703 000.00**

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 2026/2027 – 2027/28 MTREF Budget is projected at R35,5 million for the 2026/27 financial year (2026/27: R35,3 million; 2027/28: R42,7 million).

The infrastructure development objectives have been planned for the 2026/27 MTREF year is shown in the Draft Integrated Development Plan 2027/28.

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 draft annual budget. This includes the correction of data strings and budget alignment in terms of MSCOA.

1.2 COUNCIL RESOLUTIONS

On 31 March 2025 the Council of Kagisano-Molopo Local Municipality met to consider the DRAFT annual budget of the municipality for the financial year 2026/27. The Council **adopts** the following resolutions:

1. The draft Annual Budget of Kagisano-Molopo Local Municipality for the financial year 2026/27 and the indicative allocations for the projected outer years 2027/28 and 2028/29; 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 2026/27 to 2028/2029.

4. The following Draft 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 Draft Annual Procurement Plan for the 2026/27 financial year be **ADOPTED**.

1.3 EXECUTIVE SUMMARY

The DRAFT 2026/2027 – 2028/29 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 2026/27 MTREF can be summarised as follows:

- 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 2026/27 MTREF:

- The 2026/27 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 2026/27 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 2026/27 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 2026/27 DRAFT budget and MTREF.

Explanatory notes to Table A1 - Budget Summary

NW397 Kagisano-Molopo- Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	13 391	13 552	–	13 836	22 906	22 906	22 906	18 279	18 788	19 446
Service charges	–	23 334	–	–	–	–	7	–	–	–
Investment revenue	1 416	476	144	60	700	700	179	350	400	450
Transfer and subsidies - Operational	187 772	167 037	122 560	168 609	166 909	166 909	146 225	166 151	160 799	172 256
Other own revenue	19 895	2 495	2 816	16 225	16 613	16 613	2 629	26 914	27 233	27 553
Total Revenue (excluding capital transfers and contributions)	222 474	206 894	125 520	198 730	207 127	207 127	171 945	211 694	207 221	219 705
Employee costs	47 764	62 389	34 757	79 611	73 641	73 641	42 359	77 753	83 250	88 338
Remuneration of councillors	13 025	14 082	7 045	15 436	13 163	13 163	9 290	15 117	15 452	15 794
Depreciation and amortisation	24 900	10 391	–		26 867	26 867	11 452	26 867	27 046	27 207
Interest	1 038	4 141	–	250	250	250	–	250	175	175
Inventory consumed and bulk purchases	3 130	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	124	140	–	–	–	140	–	–	–
Other expenditure	115 383	129 825	38 105	83 562	80 684	80 684	47 168	82 387	80 805	81 067
Total Expenditure	205 241	220 952	80 046	206 794	194 605	194 605	110 410	202 373	206 728	212 581
Surplus/(Deficit)	17 233	(14 059)	45 474	(8 063)	12 522	12 522	61 536	9 320	493	7 124
Transfers and subsidies - capital (monetary allocations)	–	29 802	7 909	37 704	37 704	37 704	31 997	35 107	42 703	43 846
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	17 233	15 743	53 383	29 641	50 227	50 227	93 533	44 428	43 196	50 970
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	17 233	15 743	53 383	29 641	50 227	50 227	93 533	44 428	43 196	50 970
Capital expenditure & funds sources										
Capital expenditure	48 458	(11 823)	12 192	37 954	37 954	37 954	12 192	35 357	42 703	43 846
Transfers recognised - capital	25 942	(12 643)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	(36)	2 049	–	250	250	250	–	250	–	–
Total sources of capital funds	25 906	(10 594)	12 192	37 954	37 954	37 954	12 192	35 357	42 703	43 846
Financial position										
Total current assets	21 051	(102 929)	15 931	166 422	180 986	180 986	(10 437)	41 080	37 283	45 521
Total non current assets	(1 457)	4 331	20 758	488 371	490 446	490 446	25 033	9 841	17 007	17 989
Total current liabilities	14 477	(13 731)	(16 694)	77 698	62 856	62 856	(131 714)	(4 824)	(276)	994
Total non current liabilities	13 330	2 614	–	40 370	40 370	40 370	–	–	–	–
Community wealth/Equity	(25 446)	(78 891)	–	507 084	517 980	517 980	52 778	11 317	11 371	11 547
Cash flows										
Net cash from (used) operating	14 075	(6 702)	78 878	58 776	70 511	70 511	130 589	62 363	65 862	75 251
Net cash from (used) investing	–	–	(11 296)	(37 954)	(37 954)	(37 954)	7 818	(35 357)	(42 703)	(43 846)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	1 314	(98 658)	67 582	21 942	43 505	43 505	140 213	32 006	28 159	36 405
Cash backing/surplus reconciliation										
Cash and investments available	(11 588)	(107 689)	8 711	23 746	34 200	34 200	13 375	30 572	26 498	34 364
Application of cash and investments	9 294	(14 933)	(22 633)	(104 886)	(78 083)	(78 083)	(111 767)	(34 104)	(29 270)	(27 559)
Balance - surplus (shortfall)	(20 882)	(92 756)	31 345	128 632	112 284	112 284	125 142	64 676	55 767	61 923
Asset management										
Asset register summary (WDV)	10 658	24 390	13 081	488 371	490 446	490 446	9 841	9 841	4 990	14 998
Depreciation	21 985	21 371	–	27 934	26 867	26 867	26 867	26 867	27 046	27 207
Renewal and Upgrading of Existing Assets	7 733	(1 303)	1 739	28 387	28 387	28 387	10 746	4 000	4 000	37 968
Repairs and Maintenance	3 219	4 802	715	3 370	4 750	4 750	6 700	6 700	6 000	6 000
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	(4 369)	(4 369)	(4 369)	–	(4 967)	(5 021)	(5 197)
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 R38 522 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.

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

NW397 Kagisano-Molopo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**171 634**	**176 759**	**91 871**	**156 381**	**166 605**	**166 605**	**149 010**	**152 223**	**158 800**
Executive and council		52 753	39 529	43 098	50 007	50 007	50 007	50 007	52 492	55 137
Finance and administration		118 881	137 230	48 773	106 374	116 598	116 598	99 003	99 731	103 663
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**30 552**	**16 395**	**17 330**	**20 073**	**20 073**	**20 073**	**40 386**	**32 243**	**36 470**
Community and social services		30 552	16 395	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	17 330	20 073	20 073	20 073	40 386	32 243	36 470
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**20 288**	**25 937**	**15 870**	**54 001**	**52 174**	**52 174**	**51 425**	**59 097**	**61 513**
Planning and development		20 288	25 937	15 870	54 001	52 174	52 174	51 425	59 097	61 513
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**–**	**2 036**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	2 036	–	–	–	–	–	–	–
Other	4	**–**	**15 568**	**8 358**	**5 980**	**5 980**	**5 980**	**5 980**	**6 361**	**6 769**
Total Revenue - Functional	2	**222 474**	**236 696**	**133 429**	**236 435**	**244 832**	**244 832**	**246 801**	**249 924**	**263 551**
Expenditure - Functional										
Governance and administration		**120 830**	**163 797**	**65 430**	**169 503**	**157 582**	**157 582**	**165 825**	**161 443**	**163 990**
Executive and council		57 124	46 382	22 075	48 336	43 233	43 233	48 486	50 442	51 629
Finance and administration		63 706	117 415	43 355	121 167	114 349	114 349	117 339	111 001	112 361
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**27 639**	**18 586**	**9 901**	**18 103**	**18 537**	**18 537**	**15 124**	**23 377**	**26 194**
Community and social services		19 432	18 505	479	442	792	792	–	–	–
Sport and recreation		8 207	–	–	–	–	–	–	–	–
Public safety		–	81	9 422	17 661	17 745	17 745	15 124	23 377	26 194
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**56 766**	**34 709**	**4 553**	**13 506**	**13 574**	**13 574**	**15 365**	**15 280**	**15 499**
Planning and development		46 318	24 987	4 553	13 506	13 574	13 574	15 365	15 280	15 499
Road transport		10 448	9 722	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other	4	**6**	**3 861**	**162**	**5 682**	**4 913**	**4 913**	**6 060**	**6 628**	**6 897**
Total Expenditure - Functional	3	**205 241**	**220 952**	**80 046**	**206 794**	**194 605**	**194 605**	**202 373**	**206 728**	**212 581**
Surplus/(Deficit) for the year		**17 233**	**15 743**	**53 383**	**29 641**	**50 227**	**50 227**	**44 428**	**43 196**	**50 970**

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

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.

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

NW397 Kagisano-Molopo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 1 - Executive and council		52 753	39 529	43 098	50 007	50 007	50 007	50 007	52 492	55 137
Vote 2 - Finance and administration		118 881	137 230	48 773	106 374	116 598	116 598	99 003	99 731	103 663
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		30 552	16 395	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	17 330	20 073	20 073	20 073	40 386	32 243	36 470
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		20 288	25 937	15 870	54 001	52 174	52 174	51 425	59 097	61 513
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	2 036	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	15 568	8 358	5 980	5 980	5 980	5 980	6 361	6 769
Total Revenue by Vote	2	**222 474**	**236 696**	**133 429**	**236 435**	**244 832**	**244 832**	**246 801**	**249 924**	**263 551**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive and council		57 124	46 382	22 075	48 336	43 233	43 233	48 486	50 442	51 629
Vote 2 - Finance and administration		63 706	117 415	43 355	121 167	114 349	114 349	117 339	111 001	112 361
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		19 432	18 505	479	442	792	792	–	–	–
Vote 5 - Sport and recreation		8 207	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	81	9 422	17 661	17 745	17 745	15 124	23 377	26 194
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		46 318	24 987	4 553	13 506	13 574	13 574	15 365	15 280	15 499
Vote 10 - Road transport		10 448	9 722	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–
Vote 15 - Other		6	3 861	162	5 682	4 913	4 913	6 060	6 628	6 897
Total Expenditure by Vote	2	**205 241**	**220 952**	**80 046**	**206 794**	**194 605**	**194 605**	**202 373**	**206 728**	**212 581**
Surplus/(Deficit) for the year	2	**17 233**	**15 743**	**53 383**	**29 641**	**50 227**	**50 227**	**44 428**	**43 196**	**50 970**

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

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/ Surplus 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.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

NW397 Kagisano Molopo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue									–	–	–
Service charges - Electricity	2	–	23 334	–	–	–	–	–	–	–	–
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	–	–	–	–	–	–	7	–	–	–
Sale of Goods and Rendering of Services		100	566	53	155	155	155	61	190	200	220
Agency services		–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		25 619	1 613	–	124	124	124	(290)	25 197	25 449	25 704
Interest earned from Current and Non Current Ass		1 416	476	144	60	700	700	179	350	400	450
Dividends		–	–	–	–	–	–	197	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 374	1 323	2 286	1 235	1 235	1 235	2 191	1 267	1 305	1 344
Licence and permits		–	–	–	–	–	–	–	–	–	–
Special rating levies		–	–	–	–	–	–	–	–	–	–
Construction Contract Revenue		–	–	–	–	–	–	–	–	–	–
Development Charges		–	–	–	–	–	–	–	–	–	–
Operational Revenue		180	325	478	112	500	500	470	260	279	285
Non-Exchange Revenue											
Property rates	2	13 391	13 552	–	13 836	22 906	22 906	22 906	18 279	18 788	19 446
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		187 772	167 037	122 560	168 609	166 909	166 909	146 225	166 151	160 799	172 256
Interest		–	–	–	14 600	14 600	14 600	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		(7 378)	(2 398)	–	–	–	–	–	–	–	–
Other Gains		–	1 066	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		**222 474**	**206 894**	**125 520**	**198 730**	**207 127**	**207 127**	**171 945**	**211 694**	**207 221**	**219 705**
Expenditure											
Employee related costs	2	47 764	62 389	34 757	79 611	73 641	73 641	42 359	77 753	83 250	88 338
Remuneration of councillors		13 025	14 082	7 045	15 436	13 163	13 163	9 290	15 117	15 452	15 794
Bulk purchases - electricity	2	–	–	–	–	–	–	–	–	–	–
Inventory consumed	8	3 130	–	–	–	–	–	–	–	–	–
Debt impairment	3	–	–	–	9 103	9 103	9 103	–	4 967	5 021	5 197
Depreciation and amortisation		24 900	10 391	–	27 934	26 867	26 867	11 452	26 867	27 046	27 207
Interest		1 038	4 141	–	250	250	250	–	250	175	175
Contracted services		69 328	88 270	21 782	38 382	37 066	37 066	27 749	38 172	42 645	41 820
Transfers and subsidies		–	124	140	–	–	–	140	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–
Operational costs		47 054	41 555	16 323	36 077	34 515	34 515	19 419	39 247	33 139	34 050
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		(998)	–	–	–	–	–	–	–	–	–
Total Expenditure		**205 241**	**220 952**	**80 046**	**206 794**	**194 605**	**194 605**	**110 410**	**202 373**	**206 728**	**212 581**
Surplus/(Deficit)		**17 233**	**(14 059)**	**45 474**	**(8 063)**	**12 522**	**12 522**	**61 536**	**9 320**	**493**	**7 124**
Transfers and subsidies - capital (monetary	6	–	29 802	7 909	37 704	37 704	37 704	31 997	35 107	42 703	43 846
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**17 233**	**15 743**	**53 383**	**29 641**	**50 227**	**50 227**	**93 533**	**44 428**	**43 196**	**50 970**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**17 233**	**15 743**	**53 383**	**29 641**	**50 227**	**50 227**	**93 533**	**44 428**	**43 196**	**50 970**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**17 233**	**15 743**	**53 383**	**29 641**	**50 227**	**50 227**	**93 533**	**44 428**	**43 196**	**50 970**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**17 233**	**15 743**	**53 383**	**29 641**	**50 227**	**50 227**	**93 533**	**44 428**	**43 196**	**50 970**

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

A surplus for the 2026/27 financial year is projected based on revenue less expenditure at R44 428 million.

REVENUE:

The total operating revenue for the 2026/2027 – 2028/29 MTREF Budget is projected at R211 694 million for the 2026/27 financial year (2027/28: R207 221 million; 2028/29: R219 705 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 R190 thousand is projected for the MTREF 2026/27 period, which is projected to gradually increase over the MTREF period, (2027/28 R200 thousand, 2028/29 R220 thousand

b) 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 R350 thousand in the 2026/27 financial year (2027/28: R400 thousand; 2028/29: R450 thousand)

c) 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 1.2 million for the 2026/27 financial year, R1.3 million for 2027/28 financial year and R1.3 million for 2028/29 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.

d) Property rates:

1. Property rates is budgeted at R23.2 million for the 2026/27 financial year, 2027/2028 budget is R23.9 million and 2028/2029 budget is R24.7 million.
2. Property rates figure that are mentioned in bullet number 1 is before deducting revenue foregone. Revenue foregone for 2026/27 financial year R4.9 million (2027/28: R5.0 million, 2028/29: R5.1 million)
3. Total property rates billing less revenue foregone for 2026/27 financial year is budgeted at R18.2 million (2027/28: R18.9 million, 2028/29 R19.5 million)
4. Tariff form 2025/26 has been reduced from 0.0024 to 0.002 due to high market values
5. Rebates have been reduced from 85% to 60%, rebates will only be given to those who apply for it
6. State organs are excluded from applying for rebates

e) Interest

1. This relates to interest earned from outstanding debtors on property rates debtor and rental because of late/non-payment of billed revenue.
2. R25.1 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 2026/2027 – 2028/29 MTREF Budget is projected to be R202 373 million for the 2026/27 financial year (2027/28: R206 728 million; 2028/29: R212 581, million). This includes the budgeting of non-cash item such as debt impairment (2026/27: R4.9 million 2027/28: R5.0 million, R5.1 million) and depreciation (2026/27: R26.8 million 2027/28: R27.0 million 2028/29 R27.2million)

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 2026/2027 plus 6.7%. This is based on all senior managers being appointed in 2026/27 financial year

2. Other officials are budgeted based on proposed funded positions to be filled as well as increase in living conditions of 6.7%. This includes Bargaining council increments on municipal staff and notch movement increments.

3. Employee related cost budget for 2026/27 is R77 753 million and for two outer years are as follows 2027/28: R83 250 million and 2028/29: R88 838 million.

b) Remuneration of Councillors:

1. Councillors' remunerations are determined the upper limits of councillors and 3% increase for 2026/27 financial year as well as the outer years.
2. The grading calculation for councillor's upper limits has decreased from Grade 3 to Grade 2
3. Remuneration of councillors for 2026/27 financial year is R 15 117 million and for two outer years is R15 425 million for 2027/28 and for 2028/29 is R15 794 million

c) Debt Impairment:

1. Debt impairment is budgeted at R4.9 million for 2026/27, (2027/28: R5.0, 2028/29 R5.1 million)
2. The municipality is negotiating with all the debtors and farmers union to come and settle their accounts and get a discount
3. The municipality anticipate impairing 65% 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 2026/27 and 2027/28 which will be capitalised resulting in the increase in depreciation.
2. Depreciation and asset impairment is budgeted at R26.8 million year 1, an increase in year 2 to R27.0 million and increases to R27.2 million in year 3 (2028/29).

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 172 million.
2. Repairs and maintenance is budgeted at R6.7 million that forms part of the R38 172 million of contracted services
3. 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 2026/27 financial year.

h) Operating costs:

1. Operating costs budgeted at R39 249 million for 2026/27, with a projected decrease in operating costs over the MTREF period, (2027/2028: R33 139 million and 2028/29: R34 050 million)

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

NW397 Kagisano-Molopo - Table B5 Capital Expenditure Budget by vote and funding

Vote Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–
8.1-Ambulance		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	–	–	–	–	–	–	–	–	–
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		8 382	(67)	–	250	250	250	–	250	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		(16 494)	159	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		(19 940)	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		46	–	–	–	–	–	–	–	–	–
8.1-Ambulance		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	(11 915)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Vote 10 - Road transport		41 197	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		35 267	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**48 458**	**(11 823)**	**12 192**	**37 954**	**37 954**	**37 954**	**12 192**	**35 357**	**42 703**	**43 846**
Total Capital Expenditure - Vote		**48 458**	**(11 823)**	**12 192**	**37 954**	**37 954**	**37 954**	**12 192**	**35 357**	**42 703**	**43 846**
Capital Expenditure - Functional											
Governance and administration		**8 382**	**(67)**	**–**	**250**	**250**	**250**	**–**	**250**	**–**	**–**
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		8 382	(67)		250	250	250		250		
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**(36 388)**	**159**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community and social services		(16 494)	159								
Sport and recreation		(19 940)									
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		46	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**41 197**	**(11 915)**	**12 192**	**37 704**	**37 704**	**37 704**	**12 192**	**35 107**	**42 703**	**43 846**
Planning and development			(11 915)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Road transport		41 197	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**35 267**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		35 267									
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management											
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**48 458**	**(11 823)**	**12 192**	**37 954**	**37 954**	**37 954**	**12 192**	**35 357**	**42 703**	**43 846**
Funded by:											
National Government		25 942	(12 643)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**25 942**	**(12 643)**	**12 192**	**37 704**	**37 704**	**37 704**	**12 192**	**35 107**	**42 703**	**43 846**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		(36)	2 049		250	250	250		250		
Total Capital Funding	7	**25 906**	**(10 594)**	**12 192**	**37 954**	**37 954**	**37 954**	**12 192**	**35 357**	**42 703**	**43 846**

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

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 2026/27 – 2028/29 MTREF years, no multi-year projects were budgeted for. All projects are expected to be drafted in a single year.

3. Total capital expenditure for the 2026/2027 – 2028/29 MTREF Budget is projected at R35.5 million for the 2026/27 financial year (2027/28: R42.7 million; 2028/29: R43.8 million).

4. Key capital projects have been planned for the 2026/27 financial year as per the approved The Integrated Development Plan, as follows:

Project Name (as it appears on MIG-MIS)	Total Budget for 2026/2027	Total Planned Expenditure for 2027/2028
General Text	Whole number	Whole number
Construction Of Piet Plessis Sports Facility Phase 1	2 201 268.00	-
Construction Of Piet Plessis Sports Facility Phase 2	8 544 534.00	-
Construction of Kudunkgwane Internal Road and stormwater	3 075 452.00	-
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7)	2 898 251.00	-
Construction of Ditshukutswane Community Hall	10 960 196.00	-
Construction of Ganyesa Bridge in ward 14	7 427 549.00	2 572 000.00
Energising and converting of converntional high mast lights to solar.	-	4 500 000.00
Construction of Access road in tlapeng from Main Road via Community Hall to Raditshane High School(ward 15)		7 000 000.00
Construction of access road from R378 to Tshetshu (ward 3)		8 114 000.00
Procurement of yellow fleet by June 2026		9 000 000.00
Construction of access road at Kgokgojane (ward 7)		7 517 000.00
EEDS		4 000 000.00
Computer Equipment - Laptop	250 000.00	
Total	**35 357 250.00**	**42 703 000.00**

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 2026/27 MTREF year is shown in the draft Integrated Development Plan 2027/28 as revised.

Explanatory notes to Table A6 - Budgeted Financial Position

NW397 Kagisano-Molopo - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents		(11 588)	(107 689)	8 711	23 746	34 200	34 200	19 375	30 572	26 498	34 364
Short term Investments		–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	1	416	322	(3 280)	2 233	2 233	2 233	(1 045)	25 197	25 449	25 704
Receivables from non-exchange transactions	1	26 878	3 832	(1 508)	117 097	130 147	130 147	(42 070)	3 311	3 337	3 453
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	31	–	–	–	–	–	–	–	–
VAT Receivable		5 183	627	12 008	23 405	14 405	14 405	13 303	(18 000)	(18 000)	(18 000)
Other current assets		162	(52)	–	(60)	–	–	–	–	–	–
Total current assets		**21 051**	**(102 929)**	**15 931**	**166 422**	**180 986**	**180 986**	**(10 437)**	**41 080**	**37 283**	**45 521**
Non current assets											
Investments		–	–	–	–	–	–	(6 000)	–	–	–
Investment property		(12 763)	1 066	–	43 673	43 673	43 673	–	–	–	–
Property, plant and equipment	3	12 270	3 647	12 192	444 697	446 773	446 773	12 548	9 841	17 007	17 989
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		(965)	(383)	8 566	–	–	–	18 485	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		**(1 457)**	**4 331**	**20 758**	**488 371**	**490 446**	**490 446**	**25 033**	**9 841**	**17 007**	**17 989**
TOTAL ASSETS		**19 594**	**(98 598)**	**36 689**	**654 793**	**671 432**	**671 432**	**14 597**	**50 921**	**54 290**	**63 510**
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–	(4 203)	–	–	–
Consumer deposits		–	(318)	–	–	–	–	(336)	–	–	–
Trade and other payables from exchange transactions	4	9 579	(7 288)	(28 894)	75 604	60 762	60 762	(93 417)	(4 854)	(306)	964
Trade and other payables from non-exchange transactions	5	4 282	(6 144)	12 200	1 700	1 700	1 700	(33 758)	30	30	30
Provision		616	–	–	–	–	–	–	–	–	–
VAT		–	–	–	–	–	–	–	–	–	–
Other current liabilities		–	19	–	393	393	393	–	–	–	–
Total current liabilities		**14 477**	**(13 731)**	**(16 694)**	**77 698**	**62 856**	**62 856**	**(131 714)**	**(4 824)**	**(276)**	**994**
Non current liabilities											
Financial liabilities	6	(6 142)	–	–	–	–	–	–	–	–	–
Provision	7	19 270	1 125	–	37 989	37 989	37 989	–	–	–	–
Long term portion of trade payables		–	1 455	–	–	–	–	–	–	–	–
Other non-current liabilities		202	34	–	2 381	2 381	2 381	–	–	–	–
Total non current liabilities		**13 330**	**2 614**	**–**	**40 370**	**40 370**	**40 370**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES		**27 807**	**(11 117)**	**(16 694)**	**118 068**	**103 226**	**103 226**	**(131 714)**	**(4 824)**	**(276)**	**994**
NET ASSETS		**(8 213)**	**(87 481)**	**53 383**	**536 725**	**568 207**	**568 207**	**146 310**	**55 745**	**54 567**	**62 516**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	(25 446)	(78 891)	–	507 084	517 980	517 980	52 778	6 350	6 350	6 350
Reserves and funds	9	–	–	–	–	–	–	–	4 967	5 021	5 197
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	**(25 446)**	**(78 891)**	**–**	**507 084**	**517 980**	**517 980**	**52 778**	**11 317**	**11 371**	**11 547**

Explanatory notes to MBRR to Table A6 – Budgeted Financial Position

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.

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

NW397 Kagisano-Molopo - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	(18)	428	8 134	11 453	11 453	6 981	14 867	15 310	15 846
Service charges		–	–	–	–	–	–	–	–	–	–
Other revenue		–	–	244	10 679	11 067	11 067	8 847	19 457	19 505	19 564
Transfers and Subsidies - Operational	1	–	(154)	101 315	168 609	168 609	168 609	128 687	166 151	160 799	172 256
Transfers and Subsidies - Capital	1	–	–	2 000	37 704	37 704	37 704	26 152	35 107	42 703	43 846
Interest		–	–	–	7 360	700	700	–	350	400	450
Dividends		–	–	–	–	–	–	–	–	–	–
Payments							–				
Suppliers and employees		1 347	(6 529)	(25 109)	(173 459)	(158 772)	(158 772)	(40 077)	(173 319)	(172 680)	(176 536)
Finance charges		–	–	–	(250)	(250)	(250)	–	(250)	(175)	(175)
Transfers and Subsidies	1	12 728	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**14 075**	**(6 702)**	**78 878**	**58 776**	**70 511**	**70 511**	**130 589**	**62 363**	**65 862**	**75 251**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	6 000	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	260	279	285
Interest on Short Term Investment (Greater then		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	(11 296)	(37 954)	(37 954)	(37 954)	1 818	(35 357)	(42 703)	(43 846)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**(11 296)**	**(37 954)**	**(37 954)**	**(37 954)**	**7 818**	**(35 357)**	**(42 703)**	**(43 846)**
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		**14 075**	**(6 702)**	**67 582**	**20 822**	**32 556**	**32 556**	**138 407**	**27 006**	**23 159**	**31 405**
Cash/cash equivalents at the year begin:	2	(12 761)	(91 957)	–	1 120	10 948	10 948	1 806	5 000	5 000	5 000
Cash/cash equivalents at the year end:	2	1 314	(98 658)	67 582	21 942	43 505	43 505	140 213	32 006	28 159	36 405

Explanatory notes MBRR 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 2026/27 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

3. Cash and cash equivalents totals R5 000 million as at the start of the 2026/27 financial year and it is anticipating that the closing balance would be R32 006 million on 30 June 2027. This is because of the intensive debt collection and revenue enhancement process that the municipality intends to execute during the 2026/27 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 ***65% collection of current year billing*** 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 R18 000 million from VAT receivable

7. The municipality anticipate receiving R650 thousand from Insurance Refund: capital

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

9. 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.

10. 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.

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

NW397 Kagisano-Molopo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	1 314	(98 658)	67 582	21 942	43 505	43 505	142 020	32 006	28 159	36 405
Other current investments > 90 days		(12 902)	(9 031)	(58 871)	1 805	(9 304)	(9 304)	(122 644)	(1 433)	(1 661)	(2 041)
Non current Investments	1	–	–	–	–	–	–	(6 000)	–	–	–
Cash and investments available:		**(11 588)**	**(107 689)**	**8 711**	**23 746**	**34 200**	**34 200**	**13 375**	**30 572**	**26 498**	**34 364**
Application of cash and investments											
Unspent conditional transfers		(2 084)	(6 144)	12 200	1 700	1 700	1 700	(33 758)	30	30	30
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(5 183)	(1 522)	(12 008)	(23 405)	(14 405)	(14 405)	(13 701)	18 000	18 000	18 000
Other working capital requirements	3	15 945	(7 286)	(22 826)	(83 574)	(65 771)	(65 771)	(64 308)	(57 101)	(52 320)	(50 785)
Other provisions		616	19	–	393	393	393	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	4 967	5 021	5 197
Total Application of cash and investments:		**9 294**	**(14 933)**	**(22 633)**	**(104 886)**	**(78 083)**	**(78 083)**	**(111 767)**	**(34 104)**	**(29 270)**	**(27 559)**
Surplus(shortfall) - Excluding Non-Current Credito		**(20 882)**	**(92 756)**	**31 345**	**128 632**	**112 284**	**112 284**	**125 142**	**64 676**	**55 767**	**61 923**
Creditors transferred to Debt Relief - Non-Current		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditor		**(20 882)**	**(92 756)**	**31 345**	**128 632**	**112 284**	**112 284**	**125 142**	**64 676**	**55 767**	**61 923**

Explanatory notes MBRR 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 2026/27 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 R64 676 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 R18 million in VAT refund in the 2026/27 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 R64 676 million of cash and cash equivalents budget at year-end, 2027, which is nett of the capital budget, has already been considered in the cash flow budget, based realistic anticipated revenue to be collected in 2026/27***

Explanatory notes to Table A9 – Asset Management

NW397 Kagisano-Molopo- Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	40 725	(10 520)	10 453	9 568	9 568	9 568	24 611	38 703	5 878
Roads Infrastructure		21 675	9 037	2 777	8 064	8 064	8 064	10 503	25 203	5 878
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		35 267	(20 218)	7 677	1 254	1 254	1 254	2 898	4 500	
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*56 942*	*(11 181)*	*10 453*	*9 318*	*9 318*	*9 318*	*13 401*	*29 703*	*5 878*
Community Facilities								10 960		
Sport and Recreation Facilities		(19 894)								
Community Assets		*(19 894)*	–	–	–	–	–	*10 960*	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		1 680	1 321		250	250	250	250		
Furniture and Office Equipment		21	(1 388)							
Machinery and Equipment		26								
Transport Assets		1 950	728						9 000	
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	7 407	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		4 659								
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*4 659*	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
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	**326**	**(1 303)**	**1 739**	**28 387**	**28 387**	**28 387**	**10 746**	**4 000**	**37 968**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure			(1 462)	1 739	3 000	3 000	3 000		4 000	4 000
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	*(1 462)*	*1 739*	*3 000*	*3 000*	*3 000*	–	*4 000*	*4 000*
Community Facilities		(1 631)	159							
Sport and Recreation Facilities					25 387	25 387	25 387	10 746		33 968
Community Assets		*(1 631)*	*159*	–	*25 387*	*25 387*	*25 387*	*10 746*	–	*33 968*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		1 957								
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*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	**48 458**	**(11 823)**	**12 192**	**37 954**	**37 954**	**37 954**	**35 357**	**42 703**	**43 846**
Roads Infrastructure		21 675	9 037	2 777	8 064	8 064	8 064	10 503	25 203	5 878
Storm water Infrastructure										
Electrical Infrastructure		35 267	(21 680)	9 416	4 254	4 254	4 254	2 898	8 500	4 000
Water Supply Infrastructure		4 659								
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*61 601*	*(12 643)*	*12 192*	*12 318*	*12 318*	*12 318*	*13 401*	*33 703*	*9 878*
Community Facilities		(1 631)	159					10 960		
Sport and Recreation Facilities		(19 894)			25 387	25 387	25 387	10 746		33 968
Community Assets		*(21 524)*	*159*	–	*25 387*	*25 387*	*25 387*	*21 706*	–	*33 968*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		1 957								
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*1 957*	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		2 748	–	–	–	–	–	–	–	–
Intangible Assets		*2 748*	–	–	–	–	–	–	–	–
Computer Equipment		1 680	1 321		250	250	250	250		
Furniture and Office Equipment		21	(1 388)							
Machinery and Equipment		26								
Transport Assets		1 950	728						9 000	
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**48 458**	**(11 823)**	**12 192**	**37 954**	**37 954**	**37 954**	**35 357**	**42 703**	**43 846**

ASSET REGISTER SUMMARY - PPE (WDV)	5	10 658	24 390	13 081	488 371	490 446	490 446	9 841	4 990	14 998
Roads Infrastructure		45 827	10 902	2 777	132 144	132 144	132 144	1 871	9 030	(5 830)
Storm water Infrastructure										
Electrical Infrastructure		1 550	22 727	1 739	25 226	25 226	25 226	(2 798)	(1 727)	(1 727)
Water Supply Infrastructure			22		48	48	48			
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***47 377***	***33 651***	***4 516***	***157 418***	***157 418***	***157 418***	***(928)***	***7 303***	***(7 557)***
Community Assets		(9 867)	(3 157)		219 529	219 529	219 529	13 447	(8 301)	25 625
Heritage Assets		–	–	–	–	–	–	–	–	–
Investment properties		(12 763)	1 066		43 673	43 673	43 673			
Other Assets		3 047	(4 993)							
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		(965)	(383)	8 566						
Computer Equipment		(10 179)	1 009		2 601	4 736	4 736	250		
Furniture and Office Equipment		(809)	(228)		57 904	57 844	57 844	(1 542)	(1 559)	(1 567)
Machinery and Equipment		87	5		39	39	39	(53)	(87)	(120)
Transport Assets		(403)	(2 581)		5 383	5 383	5 383	(1 333)	7 633	(1 383)
Land		(4 868)			1 824	1 824	1 824			
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**10 658**	**24 390**	**13 081**	**488 371**	**490 446**	**490 446**	**9 841**	**4 990**	**14 998**
EXPENDITURE OTHER ITEMS		**25 204**	**26 173**	**715**	**31 304**	**31 617**	**31 617**	**33 567**	**33 046**	**33 207**
Depreciation	7	21 985	21 371		27 934	26 867	26 867	26 867	27 046	27 207
Repairs and Maintenance by Asset Class	3	**3 219**	**4 802**	**715**	**3 370**	**4 750**	**4 750**	**6 700**	**6 000**	**6 000**
Roads Infrastructure			347	477	480	680	680	1 180	1 180	1 180
Storm water Infrastructure										
Electrical Infrastructure		542			220	220	220	220	220	220
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***542***	***347***	***477***	***700***	***900***	***900***	***1 400***	***1 400***	***1 400***
Community Facilities		45	552	20	1 470	2 650	2 650	3 300	2 600	2 600
Sport and Recreation Facilities					520	520	520	900	900	900
Community Assets		***45***	***552***	***20***	***1 990***	***3 170***	***3 170***	***4 200***	***3 500***	***3 500***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating			3 585	21	380	380	380	600	600	600
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	***3 585***	***21***	***380***	***380***	***380***	***600***	***600***	***600***
Operational Buildings		885								
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***885***	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		**1 267**	**106**							
Transport Assets		**479**	**212**	**197**	**300**	**300**	**300**	**500**	**500**	**500**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**25 204**	**26 173**	**715**	**31 304**	**31 617**	**31 617**	**33 567**	**33 046**	**33 207**

Explanatory notes MBRR to Table A9 – Asset Management

- 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

Explanatory notes to Table A10 - Basic Service Delivery Measurement

NW397 Kagisano-Molopo - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
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**)		–	–	–	(4 369 404)	(4 369 404)	(4 369 404)	(4 967 352)	(5 020 800)	(5 196 528)
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
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		–	–	–	(4 369)	(4 369)	(4 369)	(4 967)	(5 021)	(5 197)

Explanatory notes MBRR 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 2026/27 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.

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 DRAFT budget and the rendering of service delivery to the community.

b) Budget and IDP review will be conducted before tabling the final budget in May 2026, 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 will be conducted in May 2026 where the annual budget will be discussed with the community and their inputs were considered in the 2026/27 MTREF budget.

d) The municipality will await Inputs and recommendation from Provincial Treasury on the draft budget of the municipality during their budget engagement. The recommendation will be considered in the final Budge

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 65 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 2026/27 – 2027/28 financial years.

General inflation outlook and its impact on the municipal activities

The municipality has implemented a general CPI forecast for 2026/27, 2027/28 and 2028/29.

A rate of 3% 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 draft 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)

LAND DEVELOPMENT APPLICATIONS	FINANCIAL YEARS		
	2026/2027	2027/2028	2028/2029
Amendment of an existing scheme or land use scheme by the rezoning to an overlay zone	R 1600.00	R 1 600.00	R 1 600.00
Establishment of a Township	R 3 600.00	R 3 600.00	R 3 600.00
Removal, amendment, or suspension of a restrictive or obsolete condition, servitude or reservation registered against the title of the land	R 1 800.00	R 1 800.00	R 1 800.00
The application for the extension of the boundaries of a township	R 1 800.00	R 1 800.00	R 1 800.00
Application for Consolidation of a Land Units	R 600.00	R 600.00	R 600.00
Application for Subdivision of land	R 1 200.00	R 1 200.00	R 1 200.00
Amendment or Cancellation of Subdivision plan	R 450.00	R 450.00	R 450.00
Application for development on or change to land use purpose of communal land – High Intensity Development	R 1 400.00	R 1 400.00	R 1 400.00
Application for development on or change to land use purpose of communal land – Low Intensity Development	R 600.00	R 600.00	R 600.00
Sitting allowances as determined by the Council in line with National Treasury Regulations	National Treasury Regulation	National Treasury Regulation	National Treasury Regulation
Zoning / Valuation Certificate	R 400.00	R 450.00	R 500.00
Amendment or Cancellation of General Plan	R 1 800.00	R 1 800.00	R 1 800.00
Permanent Closure of Public Place	R 1 700.00	R 1 700.00	R 1 700.00
Consent Use	R 1 100.00	R 1 100.00	R 1 100.00
Departure from Provisions of Land Use Scheme	R 1 700.00	R 1 700.00	R 1 700.00
Clearance Certificate	R 400.00	R 450.00	R 500.00

PROPERTY RATES

Category	2026/2027	2027/2028	2027/2029
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	0.00240625	0.00240625	0.00240625
Agricultural Properties	0.002	0.002	0.002
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 600.00	R 650.00	R 700.00
Bid Documents – R501 000 to R1m	R 800.00	R 850.00	R 900.00
Bid Documents – R1m to R5m	R 1100.00	R 1150.00	R 1 200.00
Bid Documents – R5m to R10m	R 1 400.00	R 1 450.00	R 1 500.00
Bid Documents – R10m to R50m	R 1 650.00	R 1 700.00	R 1 750.00
Quotations Documents	R 400.00	R 450.00	R 500.00

COMMUNITY HALLS
Rates are charged per day

Community / Public meetings	Free	Free	Free
Churches and School Functions	R 1000.00	R 1 050.00	R 1 100.00
Weddings, Receptions, Formal functions	R 2 500.00	R 3 000.00	R 3 500.00
Formal Functions where admission is charged	R 4 000.00	R 4 500.00	R 5 000.00
Music Festival / Bash by locals artists	R 6 000.00	R 6 500.00	R 7 000.00
Music Festival / Bash by National and Provincial artists	R 8 500.00	R 9 000.00	R 9 500.00
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 3 000.00	R 3 500.00	R 4 000.00
Ganyesa Community Auditorium Hall	R 3 000.00	R 3 500.00	R 4 000.00
Charitable Function	R 2 500.00	R 3 000.00	R 3 500.00

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	R 1 000.00	R 1 500.00	R 2 000.00
Fund Raising Activities	R 1 000.00	R 1 500.00	R 2 000.00
Music Festival / Bash by local artists	R 6 000.00	R 6 500.00	R 7 000.00
Music Festival / Bash by National and Provincial artists	R 8 500.00	R 9 000.00	R 9 500.00
Charitable Functions	R 2 500.00	R 3 000.00	R 3 500.00

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
New Mount Academy (Wild Silk)	R 8 000.00	R 8 800.00	R 9 680.00

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 65 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 2026/27 – 2028/29 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 2026/27 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 draft 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 draft 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 May 2026. 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 2026/27 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 2026. 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:

NW397 Kagisano-Molopo- Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	13 391	13 552	–	13 836	22 906	22 906	22 906	18 279	18 788	19 446
Service charges	–	23 334	–	–	–	–	7	–	–	–
Investment revenue	1 416	476	144	60	700	700	179	350	400	450
Transfer and subsidies - Operational	187 772	167 037	122 560	168 609	166 909	166 909	146 225	166 151	160 799	172 256
Other own revenue	19 895	2 495	2 816	16 225	16 613	16 613	2 629	26 914	27 233	27 553
Total Revenue (excluding capital transfers and contributions)	222 474	206 894	125 520	198 730	207 127	207 127	171 945	211 694	207 221	219 705
Employee costs	47 764	62 389	34 757	79 611	73 641	73 641	42 359	77 753	83 250	88 338
Remuneration of councillors	13 025	14 082	7 045	15 436	13 163	13 163	9 290	15 117	15 452	15 794
Depreciation and amortisation	24 900	10 391	–		26 867	26 867	11 452	26 867	27 046	27 207
Interest	1 038	4 141	–	250	250	250	–	250	175	175
Inventory consumed and bulk purchases	3 130	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	124	140	–	–	–	140	–	–	–
Other expenditure	115 383	129 825	38 105	83 562	80 684	80 684	47 168	82 387	80 805	81 067
Total Expenditure	205 241	220 952	80 046	206 794	194 605	194 605	110 410	202 373	206 728	212 581
Surplus/(Deficit)	17 233	(14 059)	45 474	(8 063)	12 522	12 522	61 536	9 320	493	7 124
Transfers and subsidies - capital (monetary allocations)	–	29 802	7 909	37 704	37 704	37 704	31 997	35 107	42 703	43 846
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	17 233	15 743	53 383	29 641	50 227	50 227	93 533	44 428	43 196	50 970
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	17 233	15 743	53 383	29 641	50 227	50 227	93 533	44 428	43 196	50 970
Capital expenditure & funds sources										
Capital expenditure	48 458	(11 823)	12 192	37 954	37 954	37 954	12 192	35 357	42 703	43 846
Transfers recognised - capital	25 942	(12 643)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	(36)	2 049	–	250	250	250	–	250	–	–
Total sources of capital funds	25 906	(10 594)	12 192	37 954	37 954	37 954	12 192	35 357	42 703	43 846
Financial position										
Total current assets	21 051	(102 929)	15 931	166 422	180 986	180 986	(10 437)	41 080	37 283	45 521
Total non current assets	(1 457)	4 331	20 758	488 371	490 446	490 446	25 033	9 841	17 007	17 989
Total current liabilities	14 477	(13 731)	(16 694)	77 698	62 856	62 856	(131 714)	(4 824)	(276)	994
Total non current liabilities	13 330	2 614	–	40 370	40 370	40 370	–	–	–	–
Community wealth/Equity	(25 446)	(78 891)	–	507 084	517 980	517 980	52 778	11 317	11 371	11 547
Cash flows										
Net cash from (used) operating	14 075	(6 702)	78 878	58 776	70 511	70 511	130 589	62 363	65 862	75 251
Net cash from (used) investing	–	–	(11 296)	(37 954)	(37 954)	(37 954)	7 818	(35 357)	(42 703)	(43 846)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	1 314	(98 658)	67 582	21 942	43 505	43 505	140 213	32 006	28 159	36 405
Cash backing/surplus reconciliation										
Cash and investments available	(11 588)	(107 689)	8 711	23 746	34 200	34 200	13 375	30 572	26 498	34 364
Application of cash and investments	9 294	(14 933)	(22 633)	(104 886)	(78 083)	(78 083)	(111 767)	(34 104)	(29 270)	(27 559)
Balance - surplus (shortfall)	(20 882)	(92 756)	31 345	128 632	112 284	112 284	125 142	64 676	55 767	61 923
Asset management										
Asset register summary (WDV)	10 658	24 390	13 081	488 371	490 446	490 446	9 841	9 841	4 990	14 998
Depreciation	21 985	21 371	–	27 934	26 867	26 867	26 867	26 867	27 046	27 207
Renewal and Upgrading of Existing Assets	7 733	(1 303)	1 739	28 387	28 387	28 387	10 746	4 000	4 000	37 968
Repairs and Maintenance	3 219	4 802	715	3 370	4 750	4 750	6 700	6 700	6 000	6 000
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	(4 369)	(4 369)	(4 369)	–	(4 967)	(5 021)	(5 197)
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 draft 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 3% 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 65 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 2026/27 – 2028/29 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		222 474	206 894	125 520	198 730	207 127	207 127	171 945	211 694	207 221	219 705
Total Operating Expenditure		205 241	220 952	80 046	206 794	194 605	194 605	110 410	202 373	206 728	212 581
Operating Performance Surplus/(Deficit)		17 233	(14 059)	45 474	(8 063)	12 522	12 522	61 536	9 320	493	7 124
Cash and Cash Equivalents (30 June 2012)									32 006		
Revenue											
% Increase in Total Operating Revenue			(7.0%)	(39.3%)	58.3%	4.2%	0.0%	(17.0%)	2.2%	(2.1%)	6.0%
% Increase in Property Rates Revenue			1.2%	(100.0%)	0.0%	65.5%	0.0%	0.0%	(20.2%)	2.8%	3.5%
% Increase in Electricity Revenue			0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges			175.5%	(100.0%)	0.0%	65.5%	0.0%	0.0%	(20.2%)	2.8%	3.5%
Expenditure											
% Increase in Total Operating Expenditure			7.7%	(63.8%)	158.3%	(5.9%)	0.0%	(43.3%)	4.0%	2.2%	2.8%
% Increase in Employee Costs			30.6%	(44.3%)	129.1%	(7.5%)	0.0%	(42.5%)	5.6%	7.1%	6.1%
% Increase in Electricity Bulk Purchases			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		
Average Cost Per Councillor (Remuneration)				0	0				0		
R&M % of PPE		27.7%	19.4%	15.8%	0.7%	1.0%	1.0%		68.1%	120.2%	40.0%
Asset Renewal and R&M as a % of PPE		94.2%	14.1%	54.4%	6.5%	6.8%	6.8%		177.3%	200.4%	293.2%
Debt Impairment % of Total Billable Revenue		0.0%	0.0%	0.0%	65.8%	39.7%	39.7%	0.0%	27.2%	26.7%	26.7%
Capital Revenue											
Internally Funded & Other (R'000)		(36)	2 049	–	250	250	250	–	250	–	–
Borrowing (R'000)		–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)		25 942	(12 643)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Internally Generated funds % of Non Grant Funding		100.0%	100.0%	0.0%	100.0%	100.0%	100.0%	0.0%	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		100.1%	119.3%	100.0%	99.3%	99.3%	99.3%	100.0%	99.3%	100.0%	100.0%
Capital Expenditure											
Total Capital Programme (R'000)		48 458	(11 823)	12 192	37 954	37 954	37 954	12 192	35 357	42 703	43 846
Asset Renewal		7 733	(1 303)	1 739	28 387	28 387	28 387	10 746	4 000	4 000	37 968
Asset Renewal % of Total Capital Expenditure		29.9%	12.3%	14.3%	74.8%	74.8%	74.8%	88.1%	11.3%	9.4%	86.6%
Cash											
Cash Receipts % of Rate Payer & Other		0.0%	(0.0%)	4.9%	10.6%	9.7%	9.7%	10.5%	9.7%	9.7%	177.5%
Cash Coverage Ratio		0	(0)	0	0	0	0	0	0	0	0
Borrowing											
Most recent Credit Rating									0		
Capital Charges to Operating		0.5%	1.9%	0.0%	0.1%	0.1%	0.1%	0.0%	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		(20 882)	(92 756)	31 345	128 632	112 284	112 284	125 142	64 676	55 767	61 923
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%
Free Services as a % of Operating Revenue											
(excl operational transfers)		0.0%	0.0%	0.0%	(14.5%)	(10.9%)	(10.9%)		(10.9%)	(10.8%)	(11.0%)
High Level Outcome of Funding Compliance											
Total Operating Revenue		222 474	206 894	125 520	198 730	207 127	207 127	171 945	211 694	207 221	219 705
Total Operating Expenditure		205 241	220 952	80 046	206 794	194 605	194 605	110 410	202 373	206 728	212 581
Surplus/(Deficit) Budgeted Operating Statement		17 233	(14 059)	45 474	(8 063)	12 522	12 522	61 536	9 320	493	7 124
Surplus/(Deficit) Considering Reserves and Cash Backing		(20 882)	(92 756)	31 345	128 632	112 284	112 284	125 142	64 676	55 767	61 923
MTREF Funded (1) / Unfunded (0)	15	0	0	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ×	15	×	×	✓	✓	✓	✓	✓	✓	✓	✓

EXPLANATORY NOTES MBRR to 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.

NW397 Kagisano-Molopo - Table SA18 Transfers and Grant Receipts

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
RECEIPTS										
Operating										
National Government										
Monetary Allocations										
Equitable Share		144 818	161 140	120 359	160 479	160 606	160 606	159 076	155 762	167 059
Expanded Public Works Programme Integrated Grant		2 244	2 036	560	2 241	2 241	2 241	2 227		
Local Government Financial Management Grant		32 144	3 000	1 641	3 000	3 000	3 000	3 000	3 000	3 100
Municipal Infrastructure Grant					1 827			1 848	2 037	2 097
Total Monetary Allocations		**179 206**	**166 176**	**122 560**	**167 547**	**165 847**	**165 847**	**166 151**	**160 799**	**172 256**
Total Operating/National Government		**179 206**	**166 176**	**122 560**	**167 547**	**165 847**	**165 847**	**166 151**	**160 799**	**172 256**
Provincial Government										
Monetary Allocations										
Capacity Building and Other					1 062	1 062	1 062			
Total Monetary Allocations		**-**	**-**	**-**	**1 062**	**1 062**	**1 062**	**-**	**-**	**-**
Total Operating/Provincial Government		**-**	**-**	**-**	**1 062**	**1 062**	**1 062**	**-**	**-**	**-**
Other Grant Providers										
Monetary Allocations										
Departmental Agencies and Accounts		546	861							
Private Enterprises		8 020								
Total Monetary Allocations		**8 567**	**861**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Operating/Other Grant Providers		**8 567**	**861**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Operating		**187 772**	**167 037**	**122 560**	**168 609**	**166 909**	**166 909**	**166 151**	**160 799**	**172 256**
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant			4 000	1 400	3 000	3 000	3 000		4 000	4 000
Municipal Infrastructure Grant			25 802	6 509	34 704	34 704	34 704	35 107	38 703	39 846
Total Monetary Allocations		**-**	**29 802**	**7 909**	**37 704**	**37 704**	**37 704**	**35 107**	**42 703**	**43 846**
Total Capital/National Government		**-**	**29 802**	**7 909**	**37 704**	**37 704**	**37 704**	**35 107**	**42 703**	**43 846**
Total Capital		**-**	**29 802**	**7 909**	**37 704**	**37 704**	**37 704**	**35 107**	**42 703**	**43 846**
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		**187 772**	**196 839**	**130 469**	**206 313**	**204 613**	**204 613**	**201 258**	**203 502**	**216 102**

NW397 Kagisano-Molopo - Table SA19 Expenditure on Transfers and Grant

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
EXPENDITURE										
Operating										
National Government										
Monetary Allocations										
Equitable Share		174 867	178 794	60 816	159 952	147 311	147 311	156 783	151 975	156 507
Expanded Public Works Programme Integrated Grant		6 843	121					2 227		
Local Government Financial Management Grant		2 263	6 100	10	3 000	3 000	3 000	3 000	3 000	3 100
Municipal Infrastructure Grant			3 877	2 150	1 739	4 760	4 760	1 904	1 913	1 922
Total Monetary Allocations		**183 973**	**188 892**	**62 976**	**164 691**	**155 071**	**155 071**	**163 914**	**156 888**	**161 530**
Total National Government		**183 973**	**188 892**	**62 976**	**164 691**	**155 071**	**155 071**	**163 914**	**156 888**	**161 530**
Total Operating		**183 973**	**188 892**	**62 976**	**164 691**	**155 071**	**155 071**	**163 914**	**156 888**	**161 530**
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant			(1 462)	1 739	3 000	3 000	3 000		4 000	4 000
Municipal Disaster Recovery Grant		4 659								
Municipal Infrastructure Grant		21 284	(11 181)	10 453	34 704	34 704	34 704	35 107	38 703	39 846
Total Monetary Allocations		**25 942**	**(12 643)**	**12 192**	**37 704**	**37 704**	**37 704**	**35 107**	**42 703**	**43 846**
Total National Government		**25 942**	**(12 643)**	**12 192**	**37 704**	**37 704**	**37 704**	**35 107**	**42 703**	**43 846**
Total Capital		**25 942**	**(12 643)**	**12 192**	**37 704**	**37 704**	**37 704**	**35 107**	**42 703**	**43 846**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**209 915**	**176 249**	**75 169**	**202 395**	**192 775**	**192 775**	**199 021**	**199 591**	**205 375**

Grant Description	Grant Type	2025/2026	2026/2027	2027/2028
Equitable Shares	Unconditional	159 076 000.00	155 762 000.00	167 159 000.00
Expanded Public Works Programme	Conditional	2 227 000.00		
Local Government Financial Management Grant	Conditional	3 000 000.00	3 000 000.00	3 000 000.00
Municipal Infrastructure Grant (PMU)	Conditional	1 847 750.00	2 037 000.00	2 097 150.00
Total Operating Revenue		**166 150 750.00**	**160 799 000.00**	**172 256 150.00**
Municipal Infrastructure Grant (PMU)	Conditional	35 107 250.00	38 703 000.00	39 845 850.00
Energy Efficiency Demand Side Management Grant	Conditional	-	4 000 000.00	4 000 000.00
Total Capital Revenue		**35 107 250.00**	**42 703 000.00**	**43 845 850.00**
Total Transfers and Subsidies		**201 258 000.00**	**203 502 000.00**	**216 102 000.00**

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 2026/27 – 2028/29 MTREF Budget.

2.9 Councillor and board member allowances and employee benefits

NW397 Kagisano-Molopo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Othe										
Allowances and Service Related Benefits										
Basic Salary		11 835	12 840	6 418	14 183	12 040	12 040	13 821	14 156	14 498
Cell phone Allowance		1 182	1 242	626	1 253	1 123	1 123	1 296	1 296	1 296
Housing Allowance		–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Office-bearer Allowance		–	–	–	–	–	–	–	–	–
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		–	–	–	–	–	–	–	–	–
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefi		**13 017**	**14 082**	**7 045**	**15 436**	**13 163**	**13 163**	**15 117**	**15 452**	**15 794**
Social Contributions										
Medial Aid Benefits		–	–	–	–	–	–	–	–	–
Pension Fund Contributions		8								
Total Social Contributions		**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Councillors		**13 025**	**14 082**	**7 045**	**15 436**	**13 163**	**13 163**	**15 117**	**15 452**	**15 794**
% increase	4		**8.1%**	**(50.0%)**	**119.1%**	**(14.7%)**	**–**	**14.8%**	**2.2%**	**2.2%**
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		2 812	1 994	457	9 354	4 659	4 659	6 561	6 725	6 893
Bonuses		24	178	272	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		70								
Cellular and Telephone	3	3	11	5	104	70	70	106	106	106
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3		36	134	740	442	442			
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**73**	**47**	**139**	**845**	**512**	**512**	**106**	**106**	**106**
Service Related Benefits										
Acting	3		114	16						
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	633	199		227	227				–
Lifeguard/Duty Squads										–
Long Service Award		395	222		200	200				–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**1 028**	**535**	**16**	**427**	**427**	**-**	**-**	**-**	**-**
Total Salaries and Allowances		**3 937**	**2 753**	**885**	**10 626**	**5 598**	**5 171**	**6 667**	**6 831**	**6 999**
Social Contributions										
Bargaining Council					0	0	0	2	2	2
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Unemployment Insurance		5	2	1	15	6	6	5	5	5
Total Social Contributions		**5**	**2**	**1**	**15**	**7**	**7**	**7**	**7**	**7**
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**3 942**	**2 756**	**886**	**10 642**	**5 605**	**5 177**	**6 674**	**6 838**	**7 006**
% increase	4		**(30.1%)**	**(67.8%)**	**1 100.9%**	**(47.3%)**	**(7.6%)**	**28.9%**	**2.5%**	**2.5%**
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		31 883	43 193	23 401	50 809	50 540	50 540	52 989	55 315	59 199
Bonuses		2 138	332	437	271	271	271	235	530	557
Allowance										
Accommodation, Travel and Incidental		196								
Cellular and Telephone	3	267			356	347	347	434	472	472
Housing Benefits	3	941	1 507	797	1 218	1 637	1 637	1 801	1 802	1 803
Non-pensionable										
Travel or Motor Vehicle	3		968	183	3 866	624	624	372	372	372
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**1 403**	**2 475**	**980**	**5 440**	**2 607**	**2 607**	**2 608**	**2 646**	**2 647**
Service Related Benefits										
Acting	3	1 682	1 155	947						
Bonus	3		2 249	2 764	2 850	3 358	3 358	3 293	4 110	4 418
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3	272	(35)							
Lifeguard/Duty Squads										
Long Service Award		348	(28)						38	41
Overtime			405		360	360	360	750	930	930
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Salaries and Allowances		**37 726**	**49 746**	**28 529**	**59 729**	**57 136**	**57 136**	**59 875**	**63 569**	**67 792**
Social Contributions										
Bargaining Council		13	17	10	15	21	21	32	32	32
Group Life Insurance			2							
Medical		2 043	3 774	1 403	2 867	2 845	2 845	3 023	3 023	3 023
Pension		4 028	5 157	3 612	6 487	7 582	7 582	8 119	9 756	10 453
Unemployment Insurance		279	336	169	299	453	453	29	31	31
Total Social Contributions		**6 363**	**9 285**	**5 193**	**9 667**	**10 901**	**10 901**	**11 203**	**12 843**	**13 540**
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**44 088**	**59 030**	**33 721**	**69 397**	**68 037**	**68 037**	**71 079**	**76 412**	**81 332**
% increase	4		**33.9%**	**(42.9%)**	**105.8%**	**(2.0%)**	**–**	**4.5%**	**7.5%**	**6.4%**
Total Parent Municipality		**61 056**	**75 868**	**41 652**	**95 474**	**86 804**	**86 377**	**92 870**	**98 702**	**104 132**

The salary bill assumptions are based on the following assumptions:

1. Councillors remunerations are based on the 2025 Determination of councillors plus 3% 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 2026/2027 plus 7%. This is based on all senior managers being appointed by 202/27 financial year.

3. Other officials are budgeted based on proposed funded positions to be filled as well as increase in living conditions of 6.75%. 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 draft budget 2026/27.

NW397 Kagisano-Molopo - 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		777	777	43	–	–	820 548
Chief Whip			–	–	–	–	–	–
Executive Mayor			5 785	5 785	43	–	–	5 828 280
Deputy Executive Mayor			–	–	–	–	–	–
Executive Committee			–	–	259	–	–	259 200
Total for all other councillors			6 150	7 259	950	–	–	8 209 044
Total Councillors	8	–	**12712 317**	**13821 072**	**1296 000**			**15 117 072**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 532	1 532	12	–	–	1 543 692
Chief Finance Officer			629	629	9	–	–	637 776
CORPORATE SERVICES ADMINISTRATION			1 886	1 886	70	–	–	1 955 964
COMMUNITY AND SOCIAL SERVICES			–	1 257	10	–	–	1 267 044
LED PLANNING AND DEVELOPMENT			–	629	7	–	–	635 652
INTERNAL AUDIT			–	–	–	–	–	–
INFRUSTRACTURE			1 109	629	5	–	–	633 528
List of each offical with packages >= senior manager								
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			1 532	–	–	–	–	–
			629	–	–	–	–	–
			1 886	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			629	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	–	**9 830 269**	**6 561 300**	**112 356**	–		**6 673 656**

2.10 Monthly targets for revenue, expenditure and cash flow

NW397 Kagisano-Molopo - 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		16	16	16	16	16	16	16	16	16	16	16	16	190	200	220
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	25 197	25 449	25 704
Interest earned from Current and Non Current Ass		29	29	29	29	29	29	29	29	29	29	29	29	350	400	450
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		106	106	106	106	106	106	106	106	106	106	106	106	1 267	1 305	1 344
Licence and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		22	22	22	22	22	22	22	22	22	22	22	22	260	279	285
Non-Exchange Revenue																
Property rates		22	22	22	22	22	22	22	22	22	22	22	22	18 279	18 788	19 446
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	166 151	160 799	172 256
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		**16 140**	**16 140**	**16 140**	**16 140**	**16 140**	**16 140**	**16 140**	**16 140**	**16 140**	**16 140**	**16 140**	**16 140**	**211 694**	**207 221**	**219 705**
Expenditure																
Employee related costs		6 479	6 479	6 479	6 479	6 479	6 479	6 479	6 479	6 479	6 479	6 479	6 479	77 753	83 250	88 338
Remuneration of councillors		1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	15 117	15 452	15 794
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Debt impairment		414	414	414	414	414	414	414	414	414	414	414	414	4 967	5 021	5 197
Depreciation and amortisation		2 239	2 239	2 239	2 239	2 239	2 239	2 239	2 239	2 239	2 239	2 239	2 239	26 867	27 046	27 207
Interest		21	21	21	21	21	21	21	21	21	21	21	21	250	175	175
Contracted services		3 181	3 181	3 181	3 181	3 181	3 181	3 181	3 181	3 181	3 181	3 181	3 181	38 172	42 645	41 820
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		3 271	3 271	3 271	3 271	3 271	3 271	3 271	3 271	3 271	3 271	3 271	3 271	39 247	33 139	34 050
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**202 373**	**206 728**	**212 581**
Surplus/(Deficit)		**(725)**	**(725)**	**(725)**	**(725)**	**(725)**	**(725)**	**(725)**	**(725)**	**(725)**	**(725)**	**(725)**	**(725)**	**9 320**	**493**	**7 124**
Transfers and subsidies - capital (monetary allocations)		2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	35 107	42 703	43 846
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**44 428**	**43 196**	**50 970**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**44 428**	**43 196**	**50 970**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**44 428**	**43 196**	**50 970**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**	**44 428**	**43 196**	**50 970**

NW397 Kagisano-Molopo - 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
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		8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	99 003	99 731	103 663
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	40 386	32 243	36 470
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	51 425	59 097	61 513
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		498	498	498	498	498	498	498	498	498	498	498	498	5 980	6 361	6 769
Total Revenue by Vote		**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**246 801**	**249 924**	**263 551**
Expenditure by Vote to be appropriated																
Vote 1 - Executive and council		4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	48 486	50 442	51 629
Vote 2 - Finance and administration		9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	117 339	111 001	112 361
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	15 124	23 377	26 194
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	15 365	15 280	15 499
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		505	505	505	505	505	505	505	505	505	505	505	505	6 060	6 628	6 897
Total Expenditure by Vote		**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**202 373**	**206 728**	**212 581**
Surplus/(Deficit) before assoc.		**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**44 428**	**43 196**	**50 970**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**3 702**	**44 428**	**43 196**	**50 970**

NW397 Kagisano-Molopo - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional																
Governance and administration		**12 418**	**12 418**	**12 418**	**12 418**	**12 418**	**12 418**	**12 418**	**12 418**	**12 418**	**12 418**	**12 418**	**12 418**	149 010	152 223	158 800
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		8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	8 250	99 003	99 731	103 663
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**3 366**	**3 366**	**3 366**	**3 366**	**3 366**	**3 366**	**3 366**	**3 366**	**3 366**	**3 366**	**3 366**	**3 366**	**40 386**	**32 243**	**36 470**
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	40 386	32 243	36 470
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**4 285**	**4 285**	**4 285**	**4 285**	**4 285**	**4 285**	**4 285**	**4 285**	**4 285**	**4 285**	**4 285**	**4 285**	**51 425**	**59 097**	**61 513**
Planning and development		4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	4 285	51 425	59 097	61 513
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		**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**20 567**	**246 801**	**249 924**	**263 551**
Expenditure - Functional																
Governance and administration		**13 819**	**13 819**	**13 819**	**13 819**	**13 819**	**13 819**	**13 819**	**13 819**	**13 819**	**13 819**	**13 819**	**13 819**	165 825	161 443	163 990
Executive and council		4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	48 486	50 442	51 629
Finance and administration		9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	9 778	117 339	111 001	112 361
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**1 260**	**1 260**	**1 260**	**1 260**	**1 260**	**1 260**	**1 260**	**1 260**	**1 260**	**1 260**	**1 260**	**1 260**	**15 124**	**23 377**	**26 194**
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	15 124	23 377	26 194
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1 280**	**1 280**	**1 280**	**1 280**	**1 280**	**1 280**	**1 280**	**1 280**	**1 280**	**1 280**	**1 280**	**1 280**	15 365	15 280	15 499
Planning and development		1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	15 365	15 280	15 499
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		**505**	**505**	**505**	**505**	**505**	**505**	**505**	**505**	**505**	**505**	**505**	**505**	**6 060**	**6 628**	**6 897**
Total Expenditure - Functional		**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**16 864**	**202 373**	**206 728**	**212 581**
Surplus/(Deficit) before assoc.		3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	44 428	43 196	50 970
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	44 428	43 196	50 970

NW397 Kagisano-Molopo - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Multi-year expenditure ***to be appropriated***	1															
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8.1-Ambulance		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure ***to be appropriated***																
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		21	21	21	21	21	21	21	21	21	21	21	21	250	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8.1-Ambulance		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	35 107	42 703	43 846
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**35 357**	**42 703**	**43 846**
Total Capital Expenditure	2	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**35 357**	**42 703**	**43 846**

NW397 Kagisano-Molopo - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional	1															
Governance and administration		**21**	**21**	**21**	**21**	**21**	**21**	**21**	**21**	**21**	**21**	**21**	**21**	**250**	**–**	**–**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		21	21	21	21	21	21	21	21	21	21	21	21	250	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**35 107**	**42 703**	**43 846**
Planning and development		2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	35 107	42 703	43 846
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**35 357**	**42 703**	**43 846**
Funded by:																
National Government		2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	**2 926**	**35 107**	**42 703**	**43 846**
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**2 926**	**35 107**	**42 703**	**43 846**
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		21	21	21	21	21	21	21	21	21	21	21	21	250	–	–
Total Capital Funding		**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	**2 946**	2 946	2 946	35 357	42 703	43 846

NW397 Kagisano-Molopo - Table SA30 Budgeted Monthly Cash Flows

Description	2026/27												2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	M01 July	M02 Aug	M03 Sept	M04 Oct	M05 Nov	M06 Dec	M07 Jan	M08 Feb	M09 Mar	M10 Apr	M11 May	M12 June	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
Cash Receipts By Source															
Property rates	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	14 867	15 310	15 846
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	106	106	106	106	106	106	106	106	106	106	106	106	1 267	1 305	1 344
Interest earned - external investments	29	29	29	29	29	29	29	29	29	29	29	29	350	400	450
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	166 151	160 799	172 256
Other revenue	16	16	16	16	16	16	16	16	16	16	16	16	190	200	220
Cash Receipts by Source	**15 235**	**15 235**	**15 235**	**15 235**	**15 235**	**15 235**	**15 235**	**15 235**	**15 235**	**15 235**	**15 235**	**15 235**	**182 825**	**178 014**	**190 116**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	35 107	42 703	43 846
Transfers and subsidies - capital (monetary allocations) (	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vat Control (receipts)	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	18 000	18 000	18 000
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital	22	22	22	22	22	22	22	22	22	22	22	22	260	279	285
Interest on Short Term Investment (Greater then 90 days)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	**19 683**	**19 683**	**19 683**	**19 683**	**19 683**	**19 683**	**19 683**	**19 683**	**19 683**	**19 683**	**19 683**	**19 683**	**236 192**	**238 996**	**252 247**
Cash Payments by Type															
Employee related costs	(6 479)	(6 479)	(6 479)	(6 479)	(6 479)	(6 479)	(6 479)	(6 479)	(6 479)	(6 479)	(6 479)	(6 479)	(77 753)	(83 250)	(88 338)
Remuneration of councillors	(1 260)	(1 260)	(1 260)	(1 260)	(1 260)	(1 260)	(1 260)	(1 260)	(1 260)	(1 260)	(1 260)	(1 260)	(15 117)	(15 452)	(15 794)
Finance charges	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(250)	(175)	(175)
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition inventory - water and other inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	(3 528)	(3 528)	(3 528)	(3 528)	(3 528)	(3 528)	(3 528)	(3 528)	(3 528)	(3 528)	(3 528)	(3 528)	(42 333)	(41 694)	(39 703)
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	(3 176)	(3 176)	(3 176)	(3 176)	(3 176)	(3 176)	(3 176)	(3 176)	(3 176)	(3 176)	(3 176)	(3 176)	(38 117)	(32 284)	(32 701)
Cash Payments by Type	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(14 464)**	**(173 569)**	**(172 855)**	**(176 711)**
Other Cash Flows/Payments by Type															
Capital assets	(2 946)	(2 946)	(2 946)	(2 946)	(2 946)	(2 946)	(2 946)	(2 946)	(2 946)	(2 946)	(2 946)	(2 946)	(35 357)	(42 703)	(43 846)
Retention (Capital) (Only V.7.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(17 411)**	**(208 927)**	**(215 558)**	**(220 557)**
NET INCREASE/(DECREASE) IN CASH HELD	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	27 266	23 438	31 690
Cash/cash equivalents at the month/year begin:	417	2 689	4 961	7 233	9 505	11 777	14 049	16 322	18 594	20 866	23 138	25 410	5 000	5 000	5 000
Cash/cash equivalents at the month/year end:	**2 689**	**4 961**	**7 233**	**9 505**	**11 777**	**14 049**	**16 322**	**18 594**	**20 866**	**23 138**	**25 410**	**27 682**	**32 266**	**28 438**	**36 690**

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

NW397 Kagisano-Molopo - Table B5 Capital Expenditure Budget by vote and funding

Vote Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–
8.1-Ambulance		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	–	–	–	–	–	–	–	–	–
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		8 382	(67)	–	250	250	250	–	250	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		(16 494)	159	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		(19 940)	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		46	–	–	–	–	–	–	–	–	–
8.1-Ambulance		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	(11 915)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Vote 10 - Road transport		41 197	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		35 267	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**48 458**	**(11 823)**	**12 192**	**37 954**	**37 954**	**37 954**	**12 192**	**35 357**	**42 703**	**43 846**
Total Capital Expenditure - Vote		**48 458**	**(11 823)**	**12 192**	**37 954**	**37 954**	**37 954**	**12 192**	**35 357**	**42 703**	**43 846**
Capital Expenditure - Functional											
Governance and administration		**8 382**	**(67)**	**–**	**250**	**250**	**250**	**–**	**250**	**–**	**–**
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		8 382	(67)		250	250	250		250		
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**(36 388)**	**159**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community and social services		(16 494)	159								
Sport and recreation		(19 940)									
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		46	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**41 197**	**(11 915)**	**12 192**	**37 704**	**37 704**	**37 704**	**12 192**	**35 107**	**42 703**	**43 846**
Planning and development			(11 915)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Road transport		41 197	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**35 267**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		35 267									
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management											
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**48 458**	**(11 823)**	**12 192**	**37 954**	**37 954**	**37 954**	**12 192**	**35 357**	**42 703**	**43 846**
Funded by:											
National Government		25 942	(12 643)	12 192	37 704	37 704	37 704	12 192	35 107	42 703	43 846
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**25 942**	**(12 643)**	**12 192**	**37 704**	**37 704**	**37 704**	**12 192**	**35 107**	**42 703**	**43 846**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		(36)	2 049		250	250	250		250		
Total Capital Funding	7	**25 906**	**(10 594)**	**12 192**	**37 954**	**37 954**	**37 954**	**12 192**	**35 357**	**42 703**	**43 846**

Project Name (as it appears on MIG-MIS)	**Total Budget for 2026/2027**	**Total Planned Expenditure for 2027/2028**
General Text	**Whole number**	**Whole number**
Construction Of Piet Plessis Sports Facility Phase 1	2 201 268.00	-
Construction Of Piet Plessis Sports Facility Phase 2	8 544 534.00	-
Construction of Kudunkgwane Internal Road and stormwater	3 075 452.00	-
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7)	2 898 251.00	-
Construction of Ditshukutswane Community Hall	10 960 196.00	-
Construction of Ganyesa Bridge in ward 14	7 427 549.00	2 572 000.00
Energising and converting of converntional high mast lights to solar.	-	4 500 000.00
Construction of Access road in tlapeng from Main Road via Community Hall to Raditshane High School(ward 15)		7 000 000.00
Construction of access road from R378 to Tshetshu (ward 3)		8 114 000.00
Procurement of yellow fleet by June 2026		9 000 000.00
Construction of access road at Kgokgojane (ward 7)		7 517 000.00
EEDS		4 000 000.00
Computer Equipment - Laptop	250 000.00	
Total	**35 357 250.00**	**42 703 000.00**

- The municipality for this MTREF budget allocated R35 357 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 2026/27 MTREF year is shown in the draft Integrated Development Plan 2026/27 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 draft 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 draft 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 draft stage and will be finalized after the approval of the 2026/27 MTREF in May 2026 directly aligned and informed by the 2026/27 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 will take place in terms of Regulation 7 of the MBRR before the adoption of the final budget in May 2026.

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: ______________________________________