



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

2026/27 TO 2028/29

**MEDIUM TERM REVENUE AND EXPENDITURE
FRAMEWORK BUDGET**

FINAL

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PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

PURPOSE

To table to Council the 2026/27 – 2028/29 Medium Term Revenue and Expenditure Framework final budget for approval.

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 final budget, 31 May 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 Final 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 R197 494 million for the 2026/27 financial year (2027/28: R193 758 million; 2028/29: R204 967 million).
- The total operating expenditure for the 2026/2027 – 2028/29 MTREF Budget is projected to be R184 506 million for the 2026/27 financial year (2027/28: R179 888 million; 2028/29: R180 709 million). This includes the budgeting of non-cash item such as debt impairment and depreciation which amounts to R31 834 million for the 2025/26 financial year (2026/27: R32 067 million; 2027/28: R32 403 million)
- Total capital expenditure for the 2026/2027 – 2027/28 MTREF Budget is projected at R35 107 million for the 2025/26 financial year (2027/28: R42 703 million; 2028/29: R43 846 million).
- A surplus for the financial position for 2026/2027 – 2028/29 MTREF Budget is projected based on revenue less expenditure at R48 095 million for the 2026/27 financial year (2027/28: R56 573 million; 2028/29: R68 104 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 2025/26, **R3,0 million** in 2026/27 and **R3,0 million** in 2027/28. The conditional grants review highlighted the importance of a unified approach to capacity building by streamlining existing initiatives within the National Treasury and leveraging best practices. Over the 2025 MTREF period, the National Treasury will explore consolidating its financial management support initiatives – the local government financial management grant, the Municipal Finance Improvement Programme and the Municipal Revenue Management Improvement Programme – into a single, integrated programme tentatively referred to as the Local Government Financial Management Capability Programme. Further details on the consolidated programme are provided in Part 6.
- **EPWP integrated grant for municipalities** This grant promotes the use of labour-intensive methods in delivering municipal infrastructure and services. To determine eligibility for funding, municipalities must have reported performance on the EPWP, including performance in the infrastructure, social and environment and culture sectors and on the full-time equivalent jobs created in these sectors in the last 18 months. A formula then determines allocations based on this performance as well as the labour intensity of the work opportunities created. The number of bands in which labour intensity is recorded in the formula has been expanded from seven to eight, providing an incentive for labour-intense projects to further increase their intensity. The formula is weighted to give larger allocations to rural municipalities. The grant is allocated R2.2 million 2025 MTREF period.
- **Municipal Infrastructure Grant (MIG)** to provide specific capital finance for eradicating basic municipal infrastructure backlogs through the construction of new, and the renewal and refurbishment of existing infrastructure for poor household, microenterprises, and social institution servicing poor communities. To provide specific funding for the development of asset management plans for infrastructure servicing the poor.

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

infrastructure mainly servicing the poor o specialised waste management vehicles servicing the poor.

The cost to augment the **project management capacity/ unit (PMU)** must not exceed 5 per cent of a municipality's MIG allocation and may be used for programme/project management costs related to all Schedule 5, part B grant-funded projects and only if a business plan is approved. If these funds are not committed for this purpose or spent for this purpose, it must revert to fund MIG capital projects. An allocation of **R36,9 million** in 2026/27, **R40,7 million** in 2027/28 and **R41,9 million** in 2028/29.

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

Grant Description	Grant Type	2026/2027	2027/2028	2028/2029
Equitable Shares	Unconditional	157 076 000.00	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	3 100 000.00
Municipal Infrastructure Grant (PMU)	Conditional	1 847 750.00	2 037 000.00	2 097 150.00
Total Operating Revenue		164 150 750.00	160 799 000.00	172 356 150.00
Municipal Infrastructure Grant (PMU)	Conditional	35 107 250.00	38 703 000.00	39 845 850.00
Integrated National Electrification Programme (Mun	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		199 258 000.00	203 502 000.00	216 202 000.00

In terms of the above table, the total Operating Grants amount to R164 150 million, R160 799 million and R172 356 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	9 442 785.00
Construction of Kudungwane Internal Road and stormwater	5 075 452.00
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7)	-
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 final approval of the 2026/27 to 2028/29 budget (i.e. on or before end June 2027).

Lastly, let me take this opportunity to sincerely thank all role players who assisted in ensuring that the final budget is submitted to Council for adoption, leading up to the final approval of the budget on or before the end of June 2026.

I therefore table the final 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 final 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 final Integrated Development Plan and the political priorities at the national, provincial, municipality and local levels were considered and incorporated in compiling the annual budget.

Detail thereof is shown in the final Integrated Development Plan 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 Budget 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	9 442 785.00	-
Construction of Kudungwane Internal Road and stormwater	5 075 452.00	-
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE, DIPUDI (WARD 7)	-	-
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
Intergrated National Electrification Programme (Municipal) Grant		4 000 000.00
Total	35 107 250.00	42 703 000.00

These projects are funded from, Integrated National Electrification Programme (municipal) Grant and the Municipal Infrastructure Grant (MIG) and will be implemented over the MTREF years.

Total capital expenditure for the 2026/2027 – 2028/29 MTREF Budget is projected at R35,1 million for the 2026/27 financial year (2027/28: R42,7 million; 2028/29: R43,8 million).

The infrastructure development objectives have been planned for the 2025/26 MTREF year is shown in the final Integrated Development Plan 2026/27.

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 29 May 2026 the Council of Kagisano-Molopo Local Municipality met to consider the final annual budget of the municipality for the financial year 2026/27. The Council **adopts** the following resolutions:

1. The final Annual Budget of Kagisano-Molopo Local Municipality for the financial year 2026/27 and the indicative allocations for the projected outer years 2026/27 and 2027/28; and the multi-year and single year capital appropriations be **ADOPTED** as tabled, for the purpose of complying with Chapter 4 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 read in conjunction with Municipal Budget and Reporting Regulations 32141 (dated 17 April 2009),
2. The budgeted financial position, budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and service delivery measurements be **ADOPTED** as set-out in the following tables:
 - 2.1 Budgeted Financial Position;
 - 2.2 Budgeted Cash Flows;
 - 2.3 Cash backed reserves and accumulated surplus reconciliation;
 - 2.4 Asset management;
 - 2.5 Basic Service Delivery Measurement
3. The municipal Rates, Taxes and Tariffs be **ADOPTED** for the MTREF year 2026/27 to 2028/2029.
4. The following Final budget-related policies be **ADOPTED**:
 - 4.1 Municipality Property Rates Policy
 - 4.2 Property Rates By-law
 - 4.3 Credit Control and Debt Collection Policy
 - 4.4 Credit Control and Debt Collection By-law
 - 4.5 Tariff Policy
 - 4.6 Virement Policy
 - 4.7 Cash Management and Investment Policy
 - 4.8 Borrowings Policy
 - 4.9 Funding and Reserve Policy
 - 4.10 Policy related to long-term financial planning
 - 4.11 Supply Chain Management Policy
 - 4.12 Asset Management Policy
 - 4.13 Policy relating to infrastructure investment and capital projects
 - 4.14 Unauthorised, Irregular and Fruitless and Wasteful Expenditure Policy
 - 4.15 Indigent Policy
 - 4.16 Budget Policy
 - 4.17 Petty Cash Policy
 - 4.18 Cost Containment Policy
5. The final Annual Procurement Plan for the 2026/27 financial year be **ADOPTED**.
6. The final Funding Plan 2026/27 financial year be **ADOPTED**

1.3 EXECUTIVE SUMMARY

The Final 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 final 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 been 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:

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 final budget and MTREF.

Description	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
R thousands										
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	1 200	1 200	179	350	400	450
Transfer and subsidies - Operational	187 772	167 037	122 560	168 609	167 547	167 547	163 465	164 151	160 799	172 256
Other own revenue	19 895	2 495	2 816	16 225	16 613	16 613	2 824	14 715	13 770	12 815
Total Revenue (excluding capital transfers and contributions)	222 474	206 894	125 520	198 730	208 265	208 265	189 380	197 494	193 758	204 967
Employee costs	47 764	62 389	34 757	79 611	73 641	73 641	52 637	74 540	76 549	79 145
Remuneration of councillors	13 025	14 082	7 045	15 436	13 163	13 163	11 535	15 117	15 452	15 794
Depreciation and amortisation	24 900	10 391	-	27 934	26 867	26 867	11 452	26 867	27 046	27 207
Finance charges	1 038	4 141	-	250	250	250	(85)	250	175	175
Inventory consumed and bulk purchases	3 130	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	124	140	-	-	-	325	-	-	-
Other expenditure	115 383	129 825	38 105	83 562	79 622	79 622	43 016	67 733	60 666	58 388
Total Expenditure	205 241	220 952	80 046	206 794	193 543	193 543	118 881	184 506	179 888	180 709
Surplus/(Deficit)	17 233	(14 059)	45 474	(8 063)	14 722	14 722	70 500	12 988	13 870	24 258
Transfers and subsidies - capital (monetary allocations)	-	29 802	7 909	37 704	40 204	40 204	68 528	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	54 927	54 927	139 028	48 095	56 573	68 104
Income Tax	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Income Tax	17 233	15 743	53 383	29 641	54 927	54 927	139 028	48 095	56 573	68 104
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	17 233	15 743	53 383	29 641	54 927	54 927	139 028	48 095	56 573	68 104
Capital expenditure & funds sources										
Capital expenditure	48 458	(11 823)	12 192	37 954	40 454	40 454	15 585	35 107	42 703	43 846
Transfers recognised - capital	25 942	(12 643)	12 192	37 704	40 204	40 204	-	35 107	42 703	43 846
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	(36)	2 049	-	250	250	250	-	-	-	-
Total sources of capital funds	25 906	(10 594)	12 192	37 954	40 454	40 454	-	35 107	42 703	43 846
Financial position										
Total current assets	21 051	(102 929)	15 931	166 422	179 188	179 188	(5 490)	44 070	61 017	50 769
Total non current assets	(1 457)	4 331	20 758	488 371	492 946	492 946	5 709	3 273	10 636	11 443
Total current liabilities	14 477	(13 731)	(16 694)	77 698	60 092	60 092	(191 586)	(5 752)	10 081	(10 892)
Total non current liabilities	13 330	2 614	-	40 370	40 370	40 370	-	-	-	-
Community wealth/Equity	(25 446)	(78 891)	-	507 084	516 745	516 745	52 778	5 000	5 000	5 000
Cash flows										
Net cash from (used) operating	14 075	(6 702)	78 878	58 776	74 389	74 389	169 541	69 458	93 309	84 187
Net cash from (used) investing	-	-	(11 296)	(37 954)	(40 454)	(40 454)	28 328	(35 107)	(42 703)	(43 846)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	1 314	(98 658)	67 582	21 942	44 883	44 883	138 263	39 351	55 606	45 342
Cash backing/surplus reconciliation										
Cash and investments available	(11 588)	(107 689)	8 711	23 746	24 534	24 534	(4 497)	37 727	55 426	45 777
Application of cash and investments	9 294	(14 933)	(22 633)	(104 886)	(99 917)	(99 917)	(170 912)	(22 288)	(4 831)	(24 235)
Balance - surplus (shortfall)	(20 882)	(92 756)	31 345	128 632	124 451	124 451	166 415	60 015	60 257	70 012
Asset management										
Asset register summary (WDV)	10 658	24 390	13 081	488 371	492 946	492 946	26 043	8 241	3 640	13 648
Depreciation	21 985	21 371	-	27 934	26 867	26 867	11 452	26 867	27 046	27 207
Renewal and Upgrading of Existing Assets	7 733	(1 303)	1 739	28 387	19 243	19 243	3 913	10 746	4 000	37 968
Repairs and Maintenance	3 219	4 802	715	3 370	4 750	4 750	1 060	6 700	6 000	6 000
Free services										
Cost of Free Basic Services provided	-	123	140	-	-	-	140	-	-	-
Revenue cost of free services provided	30 871	14 686	-	4 369	-	-	(419)	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
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 R48 095 million of the budgets, which projects a deficit.
5. Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget.

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

Kagisano-Molopo (NW397) - Table A2 Budgeted Financial Performance by Functional Classification

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		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
R thousands	1									
Revenue - Functional										
<i>Municipal governance and administration</i>		171 634	176 759	91 871	156 381	168 805	168 805	134 811	138 760	144 062
Executive and council		52 753	39 529	43 098	50 007	50 007	50 007	48 007	52 492	55 137
Finance and administration		118 881	137 230	48 773	106 374	118 798	118 798	86 803	86 268	88 925
Internal audit										
<i>Community and public safety</i>		30 552	16 395	17 330	20 073	19 011	19 011	40 386	32 243	36 470
Community and social services		30 552	16 395							
Sport and recreation										
Public safety				17 330	20 073	19 011	19 011	40 386	32 243	36 470
Housing										
Health										
<i>Economic and environmental services</i>		20 288	25 937	15 870	54 001	54 674	54 674	51 425	59 097	61 513
Planning and development		20 288	25 937	15 870	54 001	54 674	54 674	51 425	59 097	61 513
Road transport										
Environmental protection										
<i>Trading services</i>		-	2 036	-	-	-	-	-	-	-
Energy sources										
Water management										
Waste water management										
Waste management			2 036							
<i>Other</i>	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	248 470	248 470	232 601	236 461	248 813
Expenditure - Functional										
<i>Municipal governance and administration</i>		120 830	163 797	65 430	169 503	157 582	157 582	147 771	134 236	131 701
Executive and council		57 124	46 382	22 075	48 336	43 233	43 233	44 345	43 546	43 678
Finance and administration		63 706	117 415	43 355	121 167	114 349	114 349	103 426	90 689	88 023
Internal audit										
<i>Community and public safety</i>		27 639	18 586	9 901	18 103	17 475	17 475	15 093	23 347	26 164
Community and social services		19 432	18 505	479	442	792	792			
Sport and recreation		8 207								
Public safety			81	9 422	17 661	16 683	16 683	15 093	23 347	26 164
Housing										
Health										
<i>Economic and environmental services</i>		56 766	34 709	4 553	13 506	13 574	13 574	15 582	15 677	15 947
Planning and development		46 318	24 987	4 553	13 506	13 574	13 574	15 582	15 677	15 947
Road transport		10 448	9 722							
Environmental protection										
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources										
Water management										
Waste water management										
Waste management										
<i>Other</i>	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	193 543	193 543	184 506	179 888	180 709
Surplus/(Deficit)		17 233	15 743	53 383	29 641	54 927	54 927	48 095	56 573	68 104

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 of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital)
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. The Deficit projected for the MTREF years is mainly due to non-cash items of Depreciation and Debt Impairment.
3. The votes description above represents the departments within the municipality.
 - a) Vote 1,2 & 3 – Executive and Council:
 - The represent the Office of the Mayor, Office of the Speaker. Functions relate to good governance and public participation amongst others.
 - b) Vote 4 & 5 – Finance and Administration:
 - This represents the directorates of Office of the Municipal Manager, Budget and Treasury Office and Corporate Support Services, which deals with finance and administration functions of the municipality.
 - c) Vote 6 – Community and Social Services:
 - This represents the Office of Community Services and related functions.
 - d) Vote 7 – Planning and Development:
 - This represents the functions of economic development/planning, project management unit (PMU), Town Planning, Building Regulations and Enforcement, and City Engineer. Functions relating to infrastructure and technical services.
 - e) Vote 8 – Local Economic Development and Tourism:
 - This represents the functions of the Local Economic Development (LED), Agriculture and Tourism.

Kagisano-Molopo (NW397) - Table A4 Budgeted Financial Performance

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 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	69	62	63	64
Agency services		-	-	-	-	-	-	-	-	-	-
Interest - Deemed Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		25 619	1 613	-	124	124	124	(328)	125	123	122
Interest earned from Current and Non Current Assets		1 416	476	144	60	1 200	1 200	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	2 416	1 267	1 305	1 344
Licences or 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	167 547	167 547	163 465	164 151	160 799	172 256
Interest Receivables		-	-	-	14 600	14 600	14 600	-	13 000	12 000	11 000
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on Disposal of Fixed and Intangible Assets		(7 378)	(2 398)	-	-	-	-	-	-	-	-
Other Gains		-	1 066	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		222 474	206 894	125 520	198 730	208 265	208 265	189 380	197 494	193 758	204 967
Expenditure											
Employee related costs	2	47 764	62 389	34 757	79 611	73 641	73 641	52 637	74 540	76 549	79 145
Remuneration of councillors		13 025	14 082	7 045	15 436	13 163	13 163	11 535	15 117	15 452	15 794
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inv embry consumed	8	3 130	-	-	-	-	-	-	-	-	-
Debt impairment	3	-	-	-	9 103	9 103	9 103	-	4 967	5 021	5 197
Depreciation, Amortisation and Impairment		24 900	10 391	-	27 934	26 867	26 867	11 452	26 867	27 046	27 207
Interest/Dividends and Rent on Land		1 038	4 141	-	250	250	250	(85)	250	175	175
Contracted services		69 328	88 270	21 782	38 382	36 004	36 004	37 952	32 922	31 417	29 535
Transfers and subsidies		-	124	140	-	-	-	325	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational Cost and Other Cost		47 054	41 555	16 323	36 077	34 515	34 515	5 063	29 843	24 228	23 657
Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		(998)	-	-	-	-	-	-	-	-	-
Total Expenditure		205 241	220 952	80 046	206 794	193 543	193 543	118 881	184 506	179 888	180 709
Surplus/(Deficit)		17 233	(14 059)	45 474	(8 063)	14 722	14 722	70 500	12 988	13 870	24 258
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	29 802	7 909	37 704	40 204	40 204	68 528	35 107	42 703	43 846
Surplus/(Deficit) after capital transfers and contributions		17 233	15 743	53 383	29 641	54 927	54 927	139 028	48 095	56 573	68 104
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		17 233	15 743	53 383	29 641	54 927	54 927	139 028	48 095	56 573	68 104
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	54 927	54 927	139 028	48 095	56 573	68 104
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany /Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		17 233	15 743	53 383	29 641	54 927	54 927	139 028	48 095	56 573	68 104

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

A surplus for the 2025/26 financial year is projected based on revenue less expenditure at R48 095 million.

REVENUE:

The total operating revenue for the 2026/2027 – 2028/29 MTREF Budget is projected at R197 494 million for the 2026/27 financial year (2027/28: R193 758 million; 2028/29: R204 967 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 R62 thousand is projected for the MTREF 2026/27 period, which is projected to gradually increase over the MTREF period, (2027/28 R63 thousand, 2028/29 R64 thousand)

b) Interest earned from Receivables:

1. This relates to interest earned from outstanding debtors on rental debtors because of late/non-payment of billed revenue
2. R125 000.00 for the financial year 2026/27, and for MTRFE is projected to be levied against these debtors, there is projected to increase over the MTREF period, 2027/28 R123 000.00, 2028/29 R122 000.00

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

1. This relates to the interest earned on the main bank account of the municipality and investment call accounts.
2. The municipality projects these accounts to generate interest of R350 000.00 thousand in the 2026/27 financial year (2027/28: R400 000.00 thousand; 2028/29: R450 000.00 thousand)

d) Rental from Fixed Assets:

1. This comprise of leasing of municipal properties (Rental Debtors billing) and the hiring of Community assets (halls and sports facilities).
2. The municipality intends to collect 100% from all rentals of facilities
3. This is budgeted at R 1 267 million for the 2026/27 financial year, R1 305 million for 2027/28 financial year and R1 344 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.

e) Operating Revenue:

1. A budgeted at R260 thousand is estimated on insurance pay-outs that the municipality is anticipating receiving in 2026/27, for 2027/2028 financial year the budget is R279 thousand and for 2028/2029 financial year the budget is R285 thousand.

f) Property rates:

1. Property rates is budgeted at R18 279 million for the 2026/27 financial year, 2027/2028 budget is R18 788 million and 2028/2029 budget is R19 446 million.
2. Tariff form 2026/27 has been reduced from 0.0024 to 0.002 due to high market values
3. Rebates have been reduced from 85% to 60%, rebates will only be given to those who apply for it
4. State organs are excluded from applying for rebates

g) Interest

1. This relates to interest earned from outstanding debtors on property rates debtors as a result of late/non-payment of billed revenue.
2. R13 000 million is projected to be levied 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 R184 506 million for the 2026/27 financial year (2027/28: R178 888 million; 2028/29: R180 790, million). This includes the budgeting of non-cash item such as debt impairment (2026/27: R4 967 million 2027/28: R5 021 million, R5 197 million) and depreciation (2026/27: R26 867 million 2027/28: R27 046 million 2028/29 R27 207million)

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 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 7%. This includes Bargaining council increments on municipal staff and notch movement increments.
3. Employee related cost budget for 2026/27 is R74 540 million and for two outer years are as follows 2027/28: R76 549 million and 2028/29: R79 145 million.

b) Remuneration of Councillors:

1. Councillors' remunerations are determined the upper limits of councillors and 7% increase for 2026/27 financial year as well as the outer years.
2. Remuneration of councillors for 2026/27 financial year is R 15 117 million and for two outer years is R15 462 million for 2027/28 and for 2028/29 is R15 794 million

c) Debt Impairment:

1. Debt impairment is budgeted at R4 967 million for 2026/27, (2027/28: R5 021, 2028/29 R5 197
2. million)
3. The municipality anticipate impairing 50% of property rates billing.

d) Depreciation and amortisation:

1. An increase is projected; this is as a result additions on property, plant and equipment of both 2026/27 and 2027/28 which will be capitalised resulting in the increase in depreciation.
2. Depreciation and asset impairment is budgeted at R26 867 million year 1, an increase in year 2 to R27 046 million and increases to R27 207 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 R32 922 million in 2026/27.
2. The municipality has reduced contracted service in 2026/27 financial year
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 R29 843 million for 2026/27, with a projected decrease in operating costs over the MTREF period, (2027/2028: R24 228 and 2028/29: R23 567 million)
2. The municipality has decreased its operational expenditure for the next financial year to decrease its deficit for the MTREF

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

Kagisano-Molopo (NW397) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
R thousands	1										
Capital Expenditure - Functional											
Municipal governance and administration		8 382	(67)	-	250	250	250	203	-	-	-
Executive and council											
Finance and administration		8 382	(67)		250	250	250	203			
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	40 204	40 204	15 382	35 107	42 703	43 846
Planning and development			(11 915)	12 192	37 704	40 204	40 204	15 382	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	40 454	40 454	15 585	35 107	42 703	43 846
Funded by											
National Government	-	25 942	(12 643)	12 192	37 704	40 204	40 204	15 382	35 107	42 703	43 846
Provincial Government											
District Municipality											
Transfers and subsidies - capital (monetary allocations)											
Transfers recognised - capital	4	25 942	(12 643)	12 192	37 704	40 204	40 204	15 382	35 107	42 703	43 846
Borrowing	6										
Internally generated funds		(36)	2 049		250	250	250	203			
Total Capital Funding	7	25 906	(10 594)	12 192	37 954	40 454	40 454	15 585	35 107	42 703	43 846

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 finalised in a single year
3. 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).
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
General Text	Whole number
Construction Of Piet Plessis Sports Facility Phase 1	2 201 268.00
Construction Of Piet Plessis Sports Facility Phase 2	9 442 785.00
Construction of Kudungwane Internal Road and stormwater	5 075 452.00
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE, DIPUDI (WARD 7)	-
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

Project Name (as it appears on MIG-MIS)	Total Budget for 2026/2027	Total Budget 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	9 442 785.00	-
Construction of Kudungwane Internal Road and stormwater	5 075 452.00	-
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE, DIPUDI (WARD 7)	-	-
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
Intergrated National Electrification Programme (Municipal) Grant		4 000 000.00
Total	35 107 250.00	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 final Integrated Development Plan 2026/27.

Kagisano-Molopo (NW397) - Table A6 Budgeted Financial Position

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	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29	
ASSETS													
Current assets													
Cash and cash equivalents			(11 588)	(107 689)	8 711	23 746	24 534	24 534	24 529	37 727	55 426	45 777	
Short Term Investments			-	-	-	-	-	-	-	-	-	-	
Trade and other receivables from exchange transactions		1	416	322	(3 280)	2 233	998	998	(956)	125	123	122	
Receivables from non-ex change transactions		1	26 878	3 832	(1 508)	117 097	139 250	139 250	(42 365)	24 218	23 468	22 870	
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	179 188	179 188	(5 490)	44 070	61 017	50 769	
Non current assets													
Investments			-	-	-	-	-	-	(29 026)	-	-	-	
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	449 273	449 273	15 941	8 241	15 657	16 639	
Biological assets			-	-	-	-	-	-	-	-	-	-	
Living resources			-	-	-	-	-	-	-	-	-	-	
Heritage assets			-	-	-	-	-	-	-	-	-	-	
Intangible assets			(965)	(383)	8 566	-	-	-	18 795	-	-	-	
Trade and other receivables from exchange transactions			-	-	-	-	-	-	-	-	-	-	
Non-current receivables from non-ex change transactions			-	-	-	-	-	-	-	(4 967)	(5 021)	(5 197)	
Other non-current assets			-	-	-	-	-	-	-	-	-	-	
Total non current assets			(1 457)	4 331	20 758	488 371	492 946	492 946	5 709	3 273	10 636	11 443	
TOTAL ASSETS			19 594	(98 598)	36 689	654 793	672 134	672 134	219	47 343	71 653	62 212	
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	59 698	59 698	(108 998)	(5 782)	(7 919)	(10 892)	
Trade and other payables from non-ex change transaction		5	4 282	(6 144)	12 200	1 700	-	-	(78 049)	30	18 000	-	
Provision			616	-	-	-	-	-	-	-	-	-	
VAT payable			-	-	-	-	-	-	-	-	-	-	
Other current liabilities			-	19	-	393	393	393	-	-	-	-	
Total current liabilities			14 477	(13 731)	(16 694)	77 698	60 092	60 092	(191 586)	(5 752)	10 081	(10 892)	
Non current liabilities													
Financial liabilities		6	(6 142)	-	-	-	-	-	-	-	-	-	
Provision		7	19 270	1 125	-	37 989	37 989	37 989	-	-	-	-	
Long term Trade and other 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	100 462	100 462	(191 586)	(5 752)	10 081	(10 892)	
NET ASSETS			10	(8 213)	(87 481)	53 383	536 725	571 672	191 806	53 095	61 573	73 104	
COMMUNITY WEALTH/EQUITY													
Accumulated surplus/(deficit)		8	(25 446)	(78 891)	-	507 084	516 745	516 745	52 778	5 000	5 000	5 000	
Reserves and funds		9	-	-	-	-	-	-	-	-	-	-	
Other			-	-	-	-	-	-	-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY			10	(25 446)	(78 891)	-	507 084	516 745	516 745	52 778	5 000	5 000	5 000

Explanatory notes:

- 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).
- 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.
- 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.

Kagisano-Molopo (NW397) - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	(18)	428	8 134	12 158	12 158	7 261	7 060	7 320	7 576
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	244	10 679	12 302	12 302	8 889	19 330	19 368	19 408
Transfers and Subsidies - Operational	1	-	(154)	101 315	168 609	167 547	167 547	192 554	164 151	178 769	172 226
Transfers and Subsidies - Capital	1	-	-	2 000	37 704	40 204	40 204	26 152	35 107	42 703	43 846
Interest		-	-	-	7 360	1 200	1 200	(1 200)	350	400	450
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		1 347	(6 529)	(25 109)	(173 459)	(158 772)	(158 772)	(46 860)	(156 290)	(155 076)	(159 144)
Finance charges		-	-	-	(250)	(250)	(250)	-	(250)	(175)	(175)
Transfers and Subsidies	1	12 728	-	-	-	-	-	(17 256)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		14 075	(6 702)	78 878	58 776	74 389	74 389	169 541	69 458	93 309	84 187
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	29 026	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	260	279	285
Interest on Short Term Investment (Greater than 90 days)		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(11 296)	(37 954)	(40 454)	(40 454)	(699)	(35 107)	(42 703)	(43 846)
Retention (Capital) (Only V.7.2)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(11 296)	(37 954)	(40 454)	(40 454)	28 328	(34 847)	(42 424)	(43 561)
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	33 935	33 935	197 869	34 611	50 885	40 627
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	44 883	44 883	199 675	39 611	55 885	45 627

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- 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.
- The 2026/27 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
- Cash and cash equivalents totals R34 611 million as at the start of the 2026/27 financial year and it is anticipating that the closing balance would be R39 611 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
- A Positive cash flow is projected over the MTREF period.
- The actual revenue projections are based on **39% 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.
- The municipality anticipate receiving R18 million from VAT receivable

7. Based on the above the municipality would be able to cover its operational costs with its anticipated revenue collection.
8. The MFMA through section 18 requires that the budget can only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous financial years not committed for other purposes.
9. Based on the above assessment, the source of funding for capital projects other than MIG funding, would be utilised from the anticipated revenue to be collected, as forecasted in the Cash flow Statement budget over the MTREF three-year period.

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

Raglan-2020-2026 (NW397) - Table A6 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
R thousands											
Cash and investments available											
Cash/cash equivalents at the year end	1	1 314	(98 658)	67 582	21 942	44 883	44 883	138 263	39 351	55 606	45 342
Other current investments > 90 days		(12 902)	(9 031)	(58 871)	1 805	(20 349)	(20 349)	(113 734)	(1 624)	(180)	436
Non current assets - Investments	1	-	-	-	-	-	-	(29 026)	-	-	-
Cash and investments available:		(11 588)	(107 689)	8 711	23 746	24 534	24 534	(4 497)	37 727	55 426	45 777
Application of cash and investments											
Unspent conditional transfers		(2 084)	(6 144)	12 200	1 700	-	-	(60 792)	30	18 000	-
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)	(85 905)	(85 905)	(96 419)	(40 318)	(40 831)	(42 235)
Other provisions		616	19	-	393	393	393	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		9 294	(14 933)	(22 633)	(104 886)	(99 917)	(99 917)	(170 912)	(22 288)	(4 831)	(24 235)
Surplus(shortfall) - Excl Non-Current Creditors Trf to D		(20 882)	(92 756)	31 345	128 632	124 451	124 451	166 415	60 015	60 257	70 012
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) -Incl Non-Current Creditors Trf to D		(20 882)	(92 756)	31 345	128 632	124 451	124 451	166 415	60 015	60 257	70 012

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

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

4. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
5. Based on the above, the municipality as a surplus of R37 727 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 cash-backed current year surplus in the Financial Performance, 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 R60 015 million of cash and cash equivalents budget at year-end, 2026, which is nett of the capital budget, has already been considered in the cash flow budget, based realistic anticipated revenue to be collected in 2026/27***

2026/27 FINAL MTREF BUDGET

[illegible]

KAGISANO-MOLOPO LOCAL MUNICIPALITY

2026/27 FINAL MTREF BUDGET

Total Upgrading of Existing Assets	6	326	(1 303)	1 739	28 387	19 243	19 243	10 746	4 000	37 968
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure			(1 462)	1 739	3 000	5 500	5 500		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	5 500	5 500	-	4 000	4 000
Community Facilities		(1 631)	159							
Sport and Recreation Facilities					25 387	13 743	13 743	10 746		33 968
Community Assets		(1 631)	159	-	25 387	13 743	13 743	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	40 454	40 454	35 107	42 703	43 846
Roads Infrastructure		21 675	9 037	2 777	8 064	6 462	6 462	10 503	25 203	5 878
Storm water Infrastructure										
Electrical Infrastructure		35 267	(21 680)	9 416	4 254	20 000	20 000	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	26 462	26 462	13 401	33 703	9 878
Community Facilities		(1 631)	159					10 960		
Sport and Recreation Facilities		(19 894)			25 387	13 743	13 743	10 746		33 968
Community Assets		(21 524)	159	-	25 387	13 743	13 743	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			
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	40 454	40 454	35 107	42 703	43 846

KAGISANO-MOLOPO LOCAL MUNICIPALITY

2026/27 FINAL MTREF BUDGET

ASSET REGISTER SUMMARY - PPE (WDV)	5	10 658	24 390	13 081	488 371	492 946	492 946	8 241	3 640	13 648
Roads Infrastructure		45 827	10 902	2 777	132 144	130 542	130 542	1 871	9 030	(5 830)
Storm water Infrastructure										
Electrical Infrastructure		1 550	22 727	1 739	25 226	40 972	40 972	(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	171 562	171 562	(928)	7 303	(7 557)
Community Assets		(9 867)	(3 157)		219 529	207 884	207 884	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			
Furniture and Office Equipment		(809)	(228)		57 904	57 844	57 844	(2 892)	(2 909)	(2 917)
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)		10 658	24 390	13 081	488 371	492 946	492 946	8 241	3 640	13 648
EXPENDITURE OTHER ITEMS										
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 A9

- ASSETS MANAGEMENT table provides an overview of detail new assets, renewal of existing assets, repairs and maintenance by asset class, upgrading of an existing and depreciation of municipal assets.
- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality is working on meeting national treasury requirements on its assets

FINAL BUDGET

0 - Table A10 Basic service delivery measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
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) (impermisable values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		(55 423)	(30 871)	-	(14 416)	(14 416)	(14 416)	(4 369)	(4 588)	(4 817)
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	(55 423)	(30 871)	-	(14 416)	(14 416)	(14 416)	(4 369)	(4 588)	(4 817)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- 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 are budgeted at R4.3 million.

PART 2 – SUPPORTING INFORMATION**2.1 Overview of the annual budget process**

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

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

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

- that the process followed to compile the budget complies with legislation and good budget practices;
 - that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
 - that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
 - that various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.
- a) During the draft budget preparations, the Budget and IDP Steering Committee met once (1) to discuss the projects' status and other budget implications that may have an impact on the DRAFT budget and the rendering of service delivery to the community.
- b) Budget and IDP review were conducted 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 were held during May 2026 where the annual budget were discussed with the community and their inputs were considered in the 2026/27 MTREF budget.
- d) Inputs and recommendation made by Provincial Treasury on the draft budget of the municipality during their budget engagement. These were considered in the final Budget, and the budget was amended with their recommendations as far as possible.

2.2 Overview of Budget Assumptions

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

Furthermore, an additional 10% collection based on the opening balances of rental debtors, state property rates debtors and agriculture property rates debtors. This is based on the intensive debt collection campaign and revenue enhancement initiatives that the municipality intends to embark on in the 2026/27 – 2028/29 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 7% for each year on certain expenditure types. These growth parameters does not apply to tariff increases for property rates, user and other charges raised by municipalities.

Rates, tariffs and charges

The municipality implemented a new valuation rolled in 2025/2026 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

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 1 600.00	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

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

COMMUNITY HALLS*Rates are charged per day*

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

SPORTS FACILITIES – GANYESA, TLAKGAMENG AND MOROKWENG*All Sports Facilities will not be permitted for Festivals and / Bashes to protect the artificial grass on the pitch**Rates are charged per day*

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

RENTALS OF FACILITIES*Rates are charged per month***1. GOVERNMENT DEPARTMENT**

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

2. TOSCA BUSINESSES

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

3. FLATS / ROOMS

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

4. FARMS

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

5. RATE PER SQUARE METER

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

Collection rates for each revenue source and customer type

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

This budget is premised on a 37 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 final Revised IDP

2.4 Measurable performance objectives and indicators

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

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

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

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

Refer to the detailed final SDBIP 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 39 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 202. 6The 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.

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

Description	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
R thousands										
<u>Financial Performance</u>										
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	1 200	1 200	179	350	400	450
Transfer and subsidies - Operational	187 772	167 037	122 560	168 609	167 547	167 547	163 465	164 151	160 799	172 256
Other own revenue	19 895	2 495	2 816	16 225	16 613	16 613	2 824	14 715	13 770	12 815
Total Revenue (excluding capital transfers and contributions)	222 474	206 894	125 520	198 730	208 265	208 265	189 380	197 494	193 758	204 967
Employee costs	47 764	62 389	34 757	79 611	73 641	73 641	52 637	74 540	76 549	79 145
Remuneration of councillors	13 025	14 082	7 045	15 436	13 163	13 163	11 535	15 117	15 452	15 794
Depreciation and amortisation	24 900	10 391	-	27 934	26 867	26 867	11 452	26 867	27 046	27 207
Finance charges	1 038	4 141	-	250	250	250	(85)	250	175	175
Inventory consumed and bulk purchases	3 130	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	124	140	-	-	-	325	-	-	-
Other expenditure	115 383	129 825	38 105	83 562	79 622	79 622	43 016	67 733	60 666	58 388
Total Expenditure	205 241	220 950	80 046	206 794	193 543	193 543	118 881	184 506	179 888	180 709
Surplus/(Deficit)	17 233	(14 059)	45 474	(8 063)	14 722	14 722	70 500	12 988	13 870	24 258
Transfers and subsidies - capital (monetary allocations)	-	29 802	7 909	37 704	40 204	40 204	68 528	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	54 927	54 927	139 028	48 095	56 573	68 104
Income Tax	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Income Tax	17 233	15 743	53 383	29 641	54 927	54 927	139 028	48 095	56 573	68 104
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	17 233	15 743	53 383	29 641	54 927	54 927	139 028	48 095	56 573	68 104
<u>Capital expenditure & funds sources</u>	-	-	-	-	-	-	-	-	-	-
Capital expenditure	48 458	(11 823)	12 192	37 954	40 454	40 454	15 585	35 107	42 703	43 846
Transfers recognised - capital	25 942	(12 643)	12 192	37 704	40 204	40 204	-	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	40 454	40 454	-	35 107	42 703	43 846
<u>Financial position</u>	-	-	-	-	-	-	-	-	-	-
Total current assets	21 051	(102 929)	15 931	166 422	179 188	179 188	(5 490)	44 070	61 017	50 769
Total non current assets	(1 457)	4 331	20 758	488 371	492 946	492 946	5 709	3 273	10 636	11 443
Total current liabilities	14 477	(13 731)</								

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. Combination of incremental and zero budgeting methods where used.
2. Growth in the municipality and economic development;
3. Revenue management and enhancement;
4. Achievement of a 39 per cent annual collection rate for consumer revenue based on current year billing;
5. 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

6. National Treasury guidelines;
7. Municipal tariff increases;
8. Achievement of full cost recovery of specific user charges;
9. Determining tariff escalation rate by establishing/calculating revenue requirements;
10. And the ability to extend new services and obtain cost recovery levels.

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

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

EXPLANATORY NOTES TABLE SA 10

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

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

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

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

FINAL BUDGET

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.

Kagisano-Molopo (NW397) - 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		
		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
R thousands										
RECEIPTS										
Operating										
National Government										
Monetary Allocations										
Equitable Share		144 818	161 140	120 359	160 479	160 479	160 479	157 076	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	1 827	1 827	1 848	2 037	2 097
Total Monetary Allocations		179 206	166 176	122 560	167 547	167 547	167 547	164 151	160 799	172 256
Total Operating/National Government		179 206	166 176	122 560	167 547	167 547	167 547	164 151	160 799	172 256
Provincial Government										
Monetary Allocations										
Capacity Building and Other					1 062					
Total Monetary Allocations		-	-	-	1 062	-	-	-	-	-
Total Operating/Provincial Government		-	-	-	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	167 547	167 547	164 151	160 799	172 256
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant			4 000	1 400	3 000	5 500	5 500		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	40 204	40 204	35 107	42 703	43 846
Total Capital/National Government		-	29 802	7 909	37 704	40 204	40 204	35 107	42 703	43 846
Total Capital		-	29 802	7 909	37 704	40 204	40 204	35 107	42 703	43 846
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		187 772	196 839	130 469	206 313	207 751	207 751	199 258	203 502	216 102

Kagisano-Molopo (NW397) - 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		
		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
R thousands										
EXPENDITURE										
Operating										
National Government										
Monetary Allocations										
Equitable Share		174 867	178 794	60 816	159 952	147 311	147 311	145 062	132 498	132 247
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	2 121	2 310	2 370
Total Monetary Allocations		183 973	188 892	62 976	164 691	155 071	155 071	152 410	137 807	137 717
Total National Government		183 973	188 892	62 976	164 691	155 071	155 071	152 410	137 807	137 717
Total Operating		183 973	188 892	62 976	164 691	155 071	155 071	152 410	137 807	137 717
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant			(1 462)	1 739	3 000	5 500	5 500		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	40 204	40 204	35 107	42 703	43 846
Total National Government		25 942	(12 643)	12 192	37 704	40 204	40 204	35 107	42 703	43 846
Total Capital		25 942	(12 643)	12 192	37 704	40 204	40 204	35 107	42 703	43 846
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		209 915	176 249	75 169	202 395	195 275	195 275	187 517	180 510	181 563

Grant Description	Grant Type	2026/2027	2027/2028	2028/2029
Equitable Shares	Unconditional	157 076 000.00	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	3 100 000.00
Municipal Infrastructure Grant (PMU)	Conditional	1 847 750.00	2 037 000.00	2 097 150.00
Total Operating Revenue		164 150 750.00	160 799 000.00	172 356 150.00
Municipal Infrastructure Grant (PMU)	Conditional	35 107 250.00	38 703 000.00	39 845 850.00
Integrated National Electrification Programme (Municipal)	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		199 258 000.00	203 502 000.00	216 202 000.00

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

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

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		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
R thousands										
Councillors (Political Office Bearers plus Other)										
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 Benefits		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			8.1%	(50.0%)	119.1%	(14.7%)	-	14.8%	2.2%	2.2%
Senior Managers of the Municipality										
Salaries and Allowances										
Basic Salary		2 812	1 994	457	9 354	4 659	4 659	6 561	6 595	6 723
Bonuses										
Allowance										
Accommodation, Travel and Incidental		70								
Cellular and Telephone		3	11	5	104	70	70	106	106	106
Housing Benefits										
Non-pensionable										
Travel or Motor Vehicle			36	134	740	442	442			
Voluntary Work										
Total Allowance		73	47	139	845	512	512	106	106	106
Service Related Benefits										
Acting			114	16						
Bonus										
Danger Allowance										
Entertainment										
Fire Brigade										
In-kind Benefits										
Leave Pay			633	199		227	227			
Lifeguard/Duty Squads										
Long Service Award			395	222		200	200			
Overtime										
Scarcity										
Standby Allowance										
Tools Allowance										
Uniform/Special/Protective Clothing										
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		-	1 142	437	-	427	427	-	-	-
Total Salaries and Allowances		2 885	3 183	1 034	10 199	5 598	5 598	6 667	6 701	6 829
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										
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Senior Managers of Municipality		2 890	3 185	1 035	10 214	5 605	5 605	6 674	6 708	6 836
% increase			10.2%	(67.5%)	886.8%	(45.1%)	-	19.1%	0.5%	1.9%
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		31 883	43 193	23 401	50 809	50 540	50 540	51 206	50 212	51 647
Bonuses		2 138	332	437	271	271	271	235	530	557
Allowance										
Accommodation, Travel and Incidental		196								
Cellular and Telephone		267			356	347	347	434	472	472
Housing Benefits		941	1 507	797	1 218	1 637	1 637	1 801	1 802	1 803
Non-pensionable										
Travel or Motor Vehicle			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		1 682	1 155	947						
Bonus			2 249	2 764	2 850	3 358	3 358	3 093	3 910	4 218
Danger Allowance										
Entertainment										
Fire Brigade										
In-kind Benefits										
Leave Pay		272	(35)							
Lifeguard/Duty Squads										
Long Service Award		348	(28)							
Overtime			405		360	360	360	750	930	930
Scarcity										
Standby Allowance										
Tools Allowance										
Uniform/Special/Protective Clothing										
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		2 302	3 747	3 711	3 210	3 718	3 718	3 843	4 840	5 148
Total Salaries and Allowances		37 726	49 746	28 529	59 729	57 136	57 136	57 892	58 228	59 999
Social Contributions										
Bargaining Council		13	17	10	15	21	21	2	2	2
Group Life Insurance			2							
Medical		2 043	3 774	1 403	2 867	2 845	2 845	2 823	2 823	2 823
Pension		4 028	5 157	3 612	6 487	7 582	7 582	7 119	8 756	9 453
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	9 973	11 613	12 310
Post-retirement Benefit										
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	67 866	69 841	72 308
% increase			33.9%	(42.9%)	105.8%	(2.0%)	-	(0.3%)	2.9%	3.5%
Total Parent Municipality		60 004	76 297	41 801	95 047	86 804	86 804	89 657	92 001	94 939

Supporting Table SA22 Summary councillor and staff benefits

The salary bill assumptions are based on the following assumptions:

1. Councillors remunerations are based on the 2025 Determination of councillors plus 7% increase for 2025/26 financial year as well as the outer years.
2. Senior managers remuneration is based on the proposed determination and cost of living adjustment of the upper limits of the total remuneration packages of municipal managers and managers directly accountable to municipal manager for the financial year 2023/2024 plus 7%. This is based on all senior managers being appointed by 2025/26 financial year.
3. Other officials are budgeted based on proposed funded positions to be filled as well as increase in living conditions of 7%. This includes Bargaining council increments on municipal staff and notch movement increments.
4. The vacant positions as per the organisational structure will be reviewed during the budget engagement to ensure that all relevant positions are budgeted for. This will be than effected in the draft budget 2025/26.

Kagisano-Molopo (NW397) - Supporting Table SA23 Summary salaries, allowances and benefits(Councillors, Senior Managers and Board Members of Entities)

Description	Ref	2026/27	2026/27	2026/27	2026/27	2026/27	2026/27
R thousands		Basic Salary	Social Contributions	Allowances	Service Related Benefits	Bonuses	Total Package
<u>Councillors</u>							
Speaker		777		43			821
Chief Whip							
Executive Mayor/Mayor		5 785		43			5 828
Deputy Executive Mayor/Deputy Mayor							
Executive Committee/Mayoral Committee				259			259
Total for All Other Councillors		6 150		864			7 014
Section 79 committee chairperson		1 109		86			1 195
Total - Councillors		13 821	-	1 296	-		15 117
<u>Senior Managers of Municipalities</u>							
Municipal Manager (MM)		1 532	0	12			1 544
Chief Financial Officer		629	4	5			638
Designation		1 886	0	70			1 956
Designation				5			5
Designation			0				0
Designation			2				2
Designation							
Designation							
Designation		629	0				629
Designation				10			10
Designation							
Designation		629					629
Designation		1 257					1 257
Designation			0	5			5
Designation							
Total - Senior Managers of Municipalities		6 561	7	106	-	-	6 674

2.10 Monthly targets for revenue, expenditure and cash flow

Kagisano-Molopo (NW397) - Table SA25 Budgeted Monthly Revenue and Expenditure

Description	Ref	2026/27												2026/27 Medium Term Revenue & Expenditure Framework		
		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
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		5	5	5	5	5	6	5	5	5	5	5	5	62	63	64
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest - Deemed Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		10	10	10	10	10	10	10	10	10	10	10	10	125	123	122
Interest earned from Current and Non Current Assets		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
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		22	22	22	22	22	22	22	22	22	22	22	22	260	279	285
Non-Exchange Revenue																
Property rates		1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	18 279	18 788	19 446
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	164 151	160 799	172 256
Interest Receivables		1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	13 000	12 000	11 000
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations																
Total Revenue (excluding capital transfers and contrib)		16 458	16 458	16 458	16 458	16 458	16 458	16 458	16 458	16 458	16 458	16 458	16 458	197 494	193 736	204 967
Expenditure																
Employee related costs		6 212	6 212	6 212	6 212	6 212	6 212	6 212	6 212	6 212	6 212	6 212	6 212	74 540	76 549	79 145
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, Amortisation and Impairment		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/Dividends and Rent on Land		21	21	21	21	21	21	21	21	21	21	21	21	250	175	175
Contracted services		2 744	2 744	2 744	2 744	2 744	2 744	2 744	2 744	2 744	2 744	2 744	2 744	32 922	31 417	29 535
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Cost and Other Cost		2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	29 843	24 239	23 657
Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	194 506	179 888	180 709
Surplus/(Deficit)		1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	12 988	13 870	24 258
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		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
Surplus/(Deficit) after capital transfers and contributions		4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	48 095	56 573	68 104
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	48 095	56 573	68 104
Share of Surplus/(Deficit) attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	48 095	56 573	68 104
Share of Surplus/(Deficit) attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	48 095	56 573	68 104

Kagisano-Molopo (NW397) - Table SA27 Budgeted Monthly Revenue and Expenditure by Functional Classification

Description	Ref	2026/27												2026/27 Medium Term Revenue & Expenditure Framework		
		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
R thousands																
Revenue - Functional																
<i>Municipal governance and administration</i>		11 234	11 234	11 234	11 234	11 234	11 234	11 234	11 234	11 234	11 234	11 234	11 234	134 811	138 769	144 062
Executive and council		4 001	4 001	4 001	4 001	4 001	4 001	4 001	4 001	4 001	4 001	4 001	4 001	48 007	52 492	55 137
Finance and administration		7 234	7 234	7 234	7 234	7 234	7 234	7 234	7 234	7 234	7 234	7 234	7 234	86 803	86 268	88 925
Internal audit																
<i>Community and public safety</i>		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																
<i>Economic and environmental services</i>		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																
<i>Trading services</i>																
Energy sources																
Water management																
Waste water management																
Waste management																
<i>Other</i>		498	498	498	498	498	498	498	498	498	498	498	498	5 980	6 361	6 769
Total Revenue - Functional		19 383	19 383	19 383	19 383	19 383	19 383	19 383	19 383	19 383	19 383	19 383	19 383	232 601	226 461	248 813
Expenditure - Functional																
<i>Municipal governance and administration</i>		12 314	12 314	12 314	12 314	12 314	12 314	12 314	12 314	12 314	12 314	12 314	12 314	147 771	134 236	131 701
Executive and council		3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	44 345	43 546	43 678
Finance and administration		8 619	8 619	8 619	8 619	8 619	8 619	8 619	8 619	8 619	8 619	8 619	8 619	103 426	90 689	88 023
Internal audit																
<i>Community and public safety</i>		1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	15 093	23 347	26 164
Community and social services																
Sport and recreation																
Public safety		1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	15 093	23 347	26 164
Housing																
Health																
<i>Economic and environmental services</i>		1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	15 582	15 677	15 947
Planning and development		1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	15 582	15 677	15 947
Road transport																
Environmental protection																
<i>Trading services</i>																
Energy sources																
Water management																
Waste water management																
Waste management																
<i>Other</i>		505	505	505	505	505	505	505	505	505	505	505	505	6 060	6 628	6 897
Total Expenditure - Functional		15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	15 376	184 506	179 888	180 709
Surplus/(Deficit)	1	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	4 008	48 095	56 573	68 104

Kagisano-Molopo (NW397) - Table SA29 Budgeted Monthly Capital Expenditure by Functional Classification and Funding

Description	Ref	2026/27												2026/27 Medium Term Revenue & Expenditure Framework		
		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
R thousands																
Capital Expenditure - Functional																
<i>Municipal governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council																
Finance and administration																
Internal audit																
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services																
Sport and recreation																
Public safety																
Housing																
Health																
<i>Economic and environmental services</i>		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																
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources																
Water management																
Waste water management																
Waste management																
<i>Other</i>																
Total Capital Expenditure - Functional	2	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
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)																
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																
Total Capital Funding		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

Kagisano-Molopo (NW397) - Table SA30 Budgeted Monthly Cash Flows

Description	2026/27												2026/27 Medium Term Revenue & Expenditure Framework		
	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	588	588	588	588	588	588	588	588	588	588	588	588	7 060	7 320	7 576
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	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	13 679	164 151	178 769	172 226
Other revenue	5	5	5	5	5	5	5	5	5	5	5	5	62	63	64
Cash Receipts by Source	14 408	14 408	14 408	14 408	14 408	14 408	14 408	14 408	14 408	14 408	14 408	14 408	172 891	187 857	181 660
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 than 90 days)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	18 855	18 855	18 855	18 855	18 855	18 855	18 855	18 855	18 855	18 855	18 855	18 855	226 258	248 839	243 791
Cash Payments by Type															
Employee related costs	(5 060)	(5 060)	(5 060)	(5 060)	(5 060)	(5 060)	(5 060)	(5 060)	(5 060)	(5 060)	(5 060)	(5 060)	(60 723)	(65 647)	(70 945)
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	(13 045)	(13 045)	(13 045)	(13 045)	(13 045)	(13 045)	(13 045)	(13 045)	(13 045)	(13 045)	(13 045)	(13 045)	(156 540)	(155 251)	(159 319)
Other Cash Flows/Payments by Type															
Capital assets	(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)
Retention (Capital) (Only V.7.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	(15 971)	(15 971)	(15 971)	(15 971)	(15 971)	(15 971)	(15 971)	(15 971)	(15 971)	(15 971)	(15 971)	(15 971)	(191 647)	(197 954)	(203 165)
NET INCREASE/(DECREASE) IN CASH HELD	2 884	2 884	2 884	2 884	2 884	2 884	2 884	2 884	2 884	2 884	2 884	2 884	34 611	50 885	40 627
Cash/cash equivalents at the month/year begin:	417	3 301	6 185	9 069	11 954	14 838	17 722	20 606	23 491	26 375	29 259	32 144	5 000	5 000	5 000
Cash/cash equivalents at the month/year end:	3 301	6 185	9 069	11 954	14 838	17 722	20 606	23 491	26 375	29 259	32 144	35 028	39 611	55 885	45 627

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

Kagisano-Molopo (NW397) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
R thousands	1										
Capital Expenditure - Functional											
<i>Municipal governance and administration</i>		8 382	(67)	-	250	250	250	203	-	-	-
Executive and council											
Finance and administration		8 382	(67)		250	250	250	203			
Internal audit											
<i>Community and public safety</i>		(36 388)	159	-	-	-	-	-	-	-	-
Community and social services		(16 494)	159								
Sport and recreation		(19 940)									
Public safety											
Housing		46									
Health											
<i>Economic and environmental services</i>		41 197	(11 915)	12 192	37 704	40 204	40 204	15 382	35 107	42 703	43 846
Planning and development			(11 915)	12 192	37 704	40 204	40 204	15 382	35 107	42 703	43 846
Road transport		41 197									
Environmental protection											
<i>Trading services</i>		35 267	-	-	-	-	-	-	-	-	-
Energy sources		35 267									
Water management											
Waste water management											
Waste management											
<i>Other</i>											
Total Capital Expenditure - Functional	3	48 458	(11 823)	12 192	37 954	40 454	40 454	15 585	35 107	42 703	43 846
Funded by	-										
National Government		25 942	(12 643)	12 192	37 704	40 204	40 204	15 382	35 107	42 703	43 846
Provincial Government											
District Municipality											
Transfers and subsidies - capital (monetary allocations)											
Transfers recognised - capital	4	25 942	(12 643)	12 192	37 704	40 204	40 204	15 382	35 107	42 703	43 846
Borrowing	6										
Internally generated funds		(36)	2 049		250	250	250	203			
Total Capital Funding	7	25 906	(10 594)	12 192	37 954	40 454	40 454	15 585	35 107	42 703	43 846

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	9 442 785.00
Construction of Kudungwane Internal Road and stormwater	5 075 452.00
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE , DIPUDI (WARD 7)	-
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

Project Name (as it appears on MIG-MIS)	Total Budget for 2026/2027	Total Budget 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	9 442 785.00	-
Construction of Kudungwane Internal Road and stormwater	5 075 452.00	-
INSTALLATION OF SOLAR(PHOTO VOLTAIC) HIGH MAST LIGHT IN THE POUVAL, ETHOL, MADINONYANE (WARD 8) AND KGOKGOLE, DIPUDI (WARD 7)	-	-
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
Intergrated National Electrification Programme (Municipal) Grant		4 000 000.00
Total	35 107 250.00	42 703 000.00

Kagisano-Molopo (NW397) - Table SA34a Capital Expenditure on New Assets by Asset Class

[illegible]

Community Assets	(19 894)	-	-	-	-	-	10 960	-	-
Community Facilities	-	-	-	-	-	-	10 960	-	-
Halls							10 960		
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	(19 894)	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities	(19 894)								
Capital Spares									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices									
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Local Settlement Software Applications									
Unspecified									
Computer Equipment	1 680	1 321	-	250	250	250	-	-	-
Computer Equipment	1 680	1 321		250	250	250			
Furniture and Office Equipment	21	(1 388)	-	-	-	-	-	-	-
Furniture and Office Equipment	21	(1 388)							
Machinery and Equipment	26	-	-	-	-	-	-	-	-
Machinery and Equipment	26								
Transport Assets	1 950	728	-	-	-	-	-	9 000	-
Transport Assets	1 950	728						9 000	
Land	-	-	-	-	-	-	-	-	-
Land									
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Total Capital Expenditure on new assets	40 725	(10 520)	10 453	9 568	21 212	21 212	24 361	38 703	5 878

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		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
R thousands										
Repairs and Maintenance Expenditure by Asset Class/Sub-class										
Infrastructure		542	347	477	700	900	900	1 400	1 400	1 400
Roads Infrastructure		-	347	477	480	680	680	1 180	1 180	1 180
Roads			347	477	480	330	330	830	830	830
Road Structures						350	350	350	350	350
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		542	-	-	220	220	220	220	220	220
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks		27								
LV Networks		516			220	220	220	220	220	220
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

Community Assets	45	552	20	1 990	3 170	3 170	4 200	3 500	3 500
Community Facilities	45	552	20	1 470	2 650	2 650	3 300	2 600	2 600
Halls	45	552	20	500	1 680	1 680	2 330	1 630	1 630
Centres				670	670	670	670	670	670
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries				300	300	300	300	300	300
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	-	520	520	520	900	900	900
Indoor Facilities									
Outdoor Facilities				520	520	520	900	900	900
Capital Spares									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	-	3 585	21	380	380	380	600	600	600
Revenue Generating	-	3 585	21	380	380	380	600	600	600
Improved Property		3 579	21	380	380	380	600	600	600
Unimproved Property		6							
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	885	-	-	-	-	-	-	-	-
Operational Buildings	885	-	-	-	-	-	-	-	-
Municipal Offices	885								
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	1 267	106	-	-	-	-	-	-	-
Machinery and Equipment	1 267	106							
Transport Assets	479	212	197	300	300	300	500	500	500
Transport Assets	479	212	197	300	300	300	500	500	500
Land	-	-	-	-	-	-	-	-	-
Land									
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Total Capital Expenditure on new assets	3 219	4 802	715	3 370	4 750	4 750	6 700	6 000	6 000

Community Assets	8 207	6 851	-	8 259	8 259	8 259	8 259	8 301	8 343
Community Facilities	-	-	-	8 259	8 259	8 259	8 259	8 301	8 343
Halls				8 259	8 259	8 259	8 259	8 301	8 343
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	8 207	6 851	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities	8 207	6 851							
Capital Spares									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	1 602	1 345	-	2 169	2 169	2 169	2 169	2 169	2 169
Operational Buildings	1 602	1 345	-	2 169	2 169	2 169	2 169	2 169	2 169
Municipal Offices	1 602	1 345		2 169	2 169	2 169	2 169	2 169	2 169
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
Computer Equipment	661	888	-	1 068	-	-	-	-	-
Computer Equipment	661	888		1 068					
Furniture and Office Equipment	589	(558)	-	722	722	722	722	739	747
Furniture and Office Equipment	589	(558)		722	722	722	722	739	747
Machinery and Equipment	20	13	-	53	53	53	53	87	120
Machinery and Equipment	20	13		53	53	53	53	87	120
Transport Assets	457	1 450	-	1 333	1 333	1 333	1 333	1 367	1 383
Transport Assets	457	1 450		1 333	1 333	1 333	1 333	1 367	1 383
Land	-	-	-	-	-	-	-	-	-
Land									
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Total Capital Expenditure on new assets	21 985	21 371	-	27 934	26 867	26 867	26 867	27 046	27 207

- The municipality for this MTREF budget allocated R35 107 million on capital expenditure.
- These projects are funded from the internally generated revenue and the Municipal Infrastructure Grant (MIG) and will be implemented over the MTREF years.
- The infrastructure development objectives have been planned for the 2025/26 MTREF year is shown in the final Integrated Development Plan 2026/27 financial year.

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 final stage and will be finalised after the approval of the 2026/27 MTREF in June 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 took place in terms of Regulation 7 of the MBRR in May 2026.

2.16 Other supporting documents

None noted.

FINAL BUDGET

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: _____

