

**ANNUAL BUDGET  
OF  
ELIAS MOTSOLEDI LOCAL  
MUNICIPALITY**



**2025/26 TO 2027/28  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

## ABBREVIATIONS AND ACRONYMS

<b>AO</b>	Accounting Officer	<b>SAPS</b>	South African Police Service
<b>AMR</b>	Automated Meter Reading	<b>SDBIP</b>	Service Delivery Budget Implementation Plan
<b>LED</b>	Local Economic Development	<b>SMME</b>	Small Micro and Medium Enterprises
<b>MEC</b>	Member of the Executive Committee	<b>BPC</b>	Budget Planning Committee
<b>MFMA</b>	Municipal Financial Management Act	<b>CFO</b>	Chief Financial Officer
<b>MIG</b>	Municipal Infrastructure Grant	<b>CPI</b>	Consumer Price Index
<b>MMC</b>	Member of Mayoral Committee	<b>CRRF</b>	Capital Replacement Reserve Fund
<b>MPRA</b>	Municipal Properties Rates Act	<b>DBSA</b>	Development Bank of South Africa
<b>MSA</b>	Municipal Systems Act	<b>DORA</b>	Division of Revenue Act
<b>MTEF</b>	Medium-term Expenditure Framework	<b>DWA</b>	Department of Water Affairs
<b>MTREF</b>	Medium-term Revenue and Expenditure Framework	<b>EE</b>	Employment Equity
<b>NERSA</b>	National Electricity Regulator South Africa	<b>FBS</b>	Free basic services
<b>NGO</b>	Non-Governmental organisations	<b>GDP</b>	Gross domestic product
<b>NKPIs</b>	National Key Performance Indicators	<b>GFS</b>	Government Financial Statistics
<b>OHS</b>	Occupational Health and Safety	<b>GRAP</b>	General Recognised Accounting Practice
<b>OP</b>	Operational Plan	<b>HR</b>	Human Resources
<b>PBO</b>	Public Benefit Organisations	<b>IDP</b>	Integrated Development Strategy
<b>PMS</b>	Performance Management System	<b>IT</b>	Information Technology
<b>PPE</b>	Property Plant and Equipment	<b>KM</b>	Kilometre
<b>PPP</b>	Public Private Partnership	<b>KPA</b>	Key Performance Area
<b>RSC</b>	Regional Services Council	<b>KPI</b>	Key Performance Indicator
<b>SALGA</b>	South African Local Government Association	<b>KWH</b>	Kilowatt
<b>IDP</b>	Integrated Development Plan		

## **Speech by Mayor**

Address by the Mayor of Elias Motsoaledi Local Municipality, Cllr David Tladi during for the Tabling of the Draft 2025/26 Reviewed IDP and Medium Term Revenue and Expenditure Framework (MTREF) 2025/2026 to 2027/2028 held at Municipal Chamber on the 31st March 2025.

Honourable Speaker, Cllr Junior Thethe  
The Chief Whip of Council, Cllr Elias Ntuli.  
Exco members  
Traditional Leaders  
Fellow Councillors  
Ward community members and CDWs  
Municipal Manager and your Team  
Leadership of SAMWU and IMATU present here  
distinguished guests, and  
valued residents of our Municipality

Good Afternoon

It is with great pleasure and a sense of responsibility that I stand before you today to present the Draft 2025/26 Reviewed Integrated Development Plan (IDP) and the Medium Term Revenue and Expenditure Framework (MTREF) for the years 2025/2026 to 2027/2028 and obtain approval from this Council to publish the draft IDP review in the local media domain for public comment. Such an occasion, Honourable Speaker, bears deep significance for the political leadership of this Municipality, but more importantly, for the diverse communities that make up our Municipality.

Local government remains a strategic site for the delivery of basic services and as such, its role is weaved into the material of the communities it serves.

This Council meeting is important in nature as we are tabling both the IDP and Budget for community inputs. These two tools of governance determine the developmental line and future of our communities.

Honourable Speaker, Today is the last day of the important month of Human Rights month 2025.

Human Rights Month is commemorated in March to remind South Africans about the sacrifices that accompanied the struggle for the attainment of democracy in South Africa. Human Rights Day on 21 March falls within this period.

The month of March is a heightened period in South Africa to mark Human Rights Month, commemorated under the 2025 theme, *“Deepening a culture of social justice and human rights”*.

The 1960s were characterised by systematic defiance and protest against apartheid and racism across the country. On 21 March 1960, the community of Sharpeville and Langa townships, like their fellow compatriots across the country, embarked on a protest march to protest against pass laws.

The apartheid police shot and killed 69 of the protesters at Sharpeville, many of them shot while fleeing. Many other people were killed in other parts of the country.

The tragedy came to be known as the Sharpeville Massacre and it exposed the apartheid government's deliberate violation of human rights to the world.

The democratic government declared 21 March Human Rights Day to commemorate and honour those who fought for our liberation and the rights we enjoy today.

Honourable Speaker

The IDP serves as our municipality's strategic blueprint, guiding our development priorities and ensuring that we address the needs and aspirations of our community.

The MTREF, on the other hand, outlines our financial framework, detailing how we will allocate resources to achieve our goals over the next three years.

Honourable Speaker, Our work is grounded in the legislative framework that governs local government in our country.

The Municipal Systems Act, the Municipal Finance Management Act, and the Municipal Structures Act provide the foundation for our planning and budgeting processes. These laws ensure that we operate transparently, accountably, and in a manner that promotes public participation.

The Municipal Systems Act mandates that we develop an IDP that reflects the developmental needs of our community, while the Municipal Finance Management Act requires us to prepare a budget that is realistic, sustainable, and aligned with our strategic objectives. It is our duty to adhere to these legislative requirements as we work towards a more effective and responsive local government.

The IDP can be regarded as a tool that enables the municipality to align its financial and institutional resources. As a result the IDP and Budget are predictably linked to one another.

The process is done within the dictates of the law. Section 21 (1) of the Local Government Municipal Finance Management Act, 56 of 2003 stipulates that: The mayor of a municipality must:

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget related policies are mutually consistent and credible.

Section 34 of the Municipal Systems Act requires a municipal council to annually review the IDP in accordance with an assessment of its performance and to the extent that changing circumstance so demand.

The IDP is a principal planning instrument which outlines how the municipality will take up the challenge to develop and grow the Municipality, to effectively engage our community and develop partnerships with business sector. It plans how the collective efforts of the political and administrative arms of the Municipality must progressively address the ever-increasing expectations of our people.

Honourable Speaker I now present to this council this draft budget in terms of the Municipal Finance Management Act which directs the Mayor of a Municipality to table the draft budget of the next financial year to Council 90 days before the start of the new budget year, i.e., no later than 31 March each year.

Complying with the IDP and budget process plan ensure adherence to legislative timelines. Failure to comply can have negative consequences on the audit opinion by the Auditor General (AG) and can compromise the planning process of the organization. Therefore, the draft budget I will present today is scheduled in the format that is prescribed by legislation. In this regard, this draft budget sets out realistically anticipated revenue for the budget year from each revenue source; and appropriates expenditure for the budget year under the different votes of the municipality

Honourable Speaker, without any further ado, allow me to present to this esteemed house through some key highlights from our draft 2025/26 budget.

Honourable Speaker

I now indicate the specific allocation for 2025/2026 and compare it with those of 2023/2024 financial year.

The total operating revenue budget amounts R 771 million and operating expenditure budget amounts to R 761 million resulting with the operating surplus of R 9 million.

The operating expenditure budget represents 89 percent of the total expenditure budget and the capital budget on the other hand represents 11 percent of the total expenditure budget. The 2025/2026 total expenditure budget is 3 per cent more than the 2024/2025. An increase is mainly due to an increase in bulk purchases and an increase in employee related cost.

#### REVENUE GENERATION ASSUMPTIONS

The total grants allocated to the municipality in terms of the 2025/2026 Division of Revenue Bill amount to R 474 million over the medium-term, reflecting a decrease of R53 million (11%) over the 2024/2025 DoRA allocation.

Elias Motsoaledi Local Municipality 2024/25 Annual Budget and MTREF

The operating revenue budget for 2025/2026 amount to R 771 million which reflect an increase of R 28 million over the 2024/2025 operating revenue budget which is tantamount to an increase of 4 per cent. The audited operating revenue amounts to R708 million for 2022/23.

Honourable Councillor

The base assumption is that tariff and rates increase will increase at CPI rate over the long term except for electricity.

Honourable Speaker: to fund our budget needs and to make provision for inflationary increases in goods and services is required, we do need to adjust our tariffs in a reasonable manner and to collect outstanding debt to increase our collection rate.

THE TARIFF INCREASES ARE AS FOLLOWS:

National Energy Regulator of South Africa (NERSA) increased its tariffs by 11.32 per cent therefore the municipal tariff will increase by 14.20% as per cost of supply computation submitted to NERSA and will be implemented accordingly.

Honourable Speaker, property rates, refuse and other services tariff will increase in 2025/2026 by 4.4 per cent which is in line with Consumer Price Inflation (CPI)

The 4.4 per cent increase Honourable Speaker is calculated taking into account the affordability of the community, we serve.

Honourable Speaker, please note that there are new land use schemes, sundries, municipal property rental and building regulations contravention tariffs we and the public need to familiarise themselves with.

#### OPERATING EXPENDITURE GUIDELINES AND ASSUMPTIONS

The total operating expenditure budget for 2025/2026 amount to R 761 million reflecting the increase of R 35 million over the 2024/2025 budget year which is equivalent to an increase of 5 per cent.

The increases on key expenditure cost drivers will be as follows in 2025/2026:

The employee's remuneration cost and bulk purchases amounts to R 208 million and R 155 million respectively which represent 48 per cent of a total operating expenditure. The audited operating expenditure amounts to R727 million for 2023/2024.

#### CAPITAL EXPENDITURE ASSUMPTIONS

Honourable Speaker, the total capital expenditure for 2025/2026 amount to R98 million reflecting a decrease of R60 million over the 2024/2025 adjusted budget.

The difference in capital budget for the two financial years is mainly due to a decrease in internally funded project, additional allocation for Municipal Disaster Recovery Grant as per Division of Revenue Act (DoRA) and implementation of Memorandum of Understanding between Sekhukhune District Municipality and Elias Motsoaledi Local Municipality.

The 2025/2026 capital expenditure will be funded mainly from capital conditional grants allocation and internally generated funds as follows:

Elias Motsoaledi Local Municipality 2025/2026 Annual Budget and MTREF

- R 68 million Municipal Infrastructure Grant (MIG) specifically for roads projects and sporting facilities
- R 20 million Integrated National Electrification Programme (INEP) for electricity reticulation
- R 4 million Energy Efficiency and Demand Side Management (EEDSM) for energy efficiency
- R 6 million internally generated funds

#### HONOURABLE SPEAKER

In conclusion, the Draft 2025/26 Reviewed IDP and budget represent our commitment to building a resilient, inclusive, and sustainable community.

I urge all members of the council and our residents to engage with this draft, provide your feedback, and participate in the upcoming public consultations.

Together, we can ensure that our plans reflect the needs and aspirations of all our residents.

I therefore urge this house to adopt the draft 2025/2026 budget and Integrated Development Plan (IDP) for public consultation as stipulated in today's agenda.

Thank you for your attention, and I look forward to working together as we embark on this important journey for our municipality.

DRAFT

## Part 1- Annual Budget

### Executive Summary

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

Section 17 of the Municipal Finance Management Act (MFMA) requires the municipality to prepare an annual budget in the prescribed format. National Treasury's MFMA circular 129 has been used as guidance for the compilation of the 2025/26 MTREF. The main challenges experienced during the compilation of the 2025/26 MTREF can be summarized as follows:

- Ageing and poorly maintained roads and electricity infrastructure
- Salaries and wage increase for municipal staff as well as the need to fill all active vacant positions.
- Sufficient surplus anticipated to be realized from operating budget makes it difficult to accommodate all the wards within the area of jurisdiction of the municipality in terms of capital projects implementations due to minimal collection rate especially of traffic fines.

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

- The 2024/25 adjustment budget priorities and targets as well as the base line allocations contained in that adjustment were adopted as the upper limits for the latest base lines for the 2025/26 annual budget.
- Tariffs and property rates increase should be affordable and should generally not exceed the 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, for example: cost of bulk electricity. In addition, we had to ensure that our tariffs remained or moved towards being cost reflective and had to take into account the need to address infrastructure backlogs.
- Capital projects and activities funded from external grants are budgeted as per the gazetted amount as outlined in 2025/26 Division of Revenue Act (DoRA).
- In addition to cost containment implemented by the municipality, the following items and allocations thereof had to be kept at minimum level:
  - Catering services



- Refreshments and entertainment (R2 000 allocated per directorate for the entire financial year)
- Ad hoc travelling
- Accommodation
- Subsistence, travelling and conference fees, and
- Overtime.

In view of the aforementioned information, the following table is a consolidated overview of the proposed 2025/26 Medium Term Revenue and Expenditure Framework:

### SUMMARY OF 2025/26 MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK

	SUMMARY OF 2025/26 DRAFT BUDGET			
	2024/25	2025/26	2026/27	2027/28
DESCRIPTION	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
<b>TOTAL REVENUE</b>	<b>887 244 679</b>	<b>863 353 150</b>	<b>878 679 944</b>	<b>922 326 043</b>
<b>LESS: TRANSFER RECOGNISED CAPITAL</b>	<b>143 508 000</b>	<b>92 269 256</b>	<b>78 787 323</b>	<b>86 387 006</b>
<b>OPERATING REVENUE</b>	<b>743 736 679</b>	<b>771 083 894</b>	<b>799 892 622</b>	<b>835 939 037</b>
<b>OPERATING EXPENDITURE</b>	<b>726 702 433</b>	<b>761 393 128</b>	<b>794 672 811</b>	<b>830 320 299</b>
<b>TRANSFER RECOGNISED CAPITAL</b>	<b>143 508 000</b>	<b>92 269 256</b>	<b>78 787 323</b>	<b>86 387 006</b>
<b>SURPLUS/(DEFECIT)</b>	<b>17 034 246</b>	<b>9 690 766</b>	<b>5 219 811</b>	<b>5 618 739</b>
<b>CAPITAL EXPENDITURE</b>	<b>158 166 958</b>	<b>98 719 256</b>	<b>78 787 323</b>	<b>86 387 006</b>

The above table is used as a testing tool for determination of municipal deficit or surplus throughout 2025/26 MTREF and as presented, the budget has a surplus of R9, 691 million; R5, 220 million and R5, 619 million respectively throughout the MTREF period.

Total operating revenue and expenditure for 2025/26 financial year amounts to R771, 084 million and R761, 393 million respectively. The budget increases steadily in the outer years.

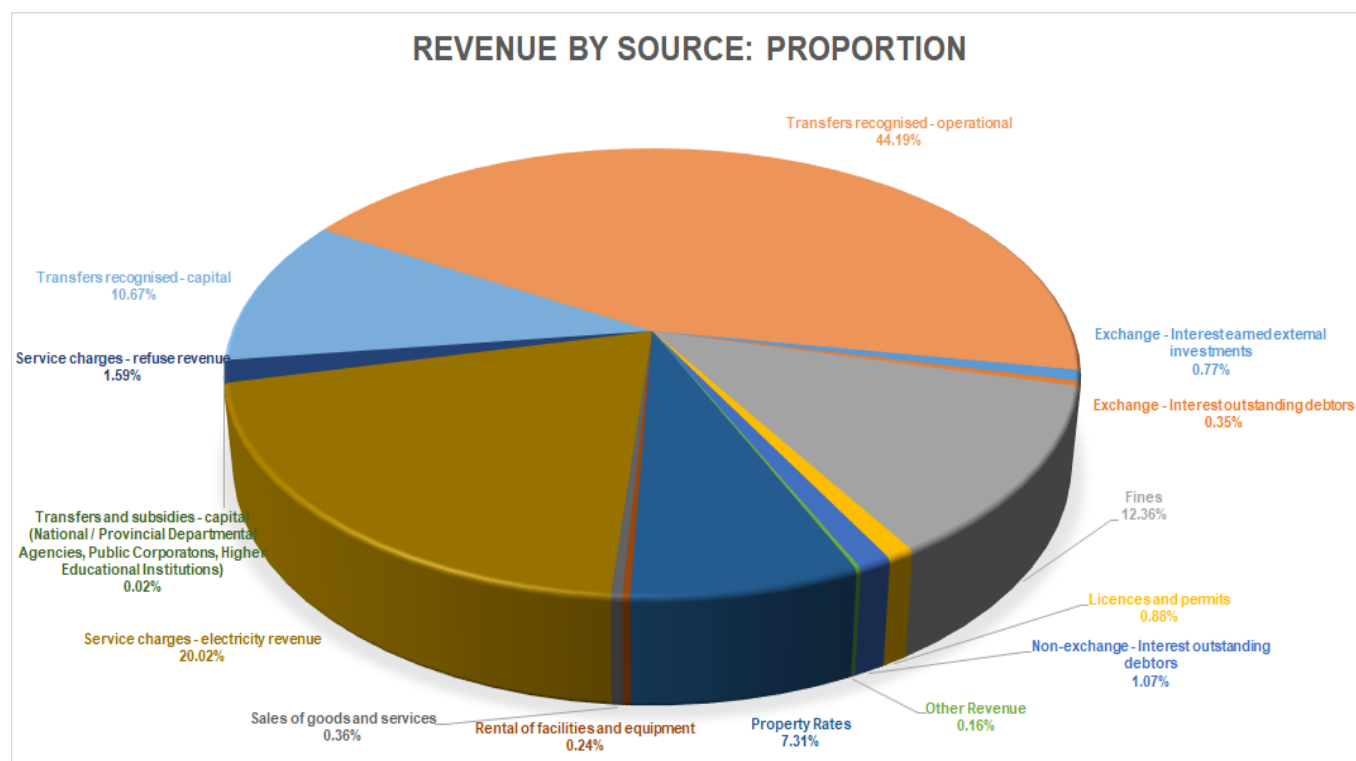
Total capital expenditure amounting to R98, 719 million is inclusive of conditional grants in terms of DoRA allocation to the tune of R92, 269 million and internally funded projects R6, 450 million.

## 1.1 Operating Revenue Framework

For Elias Motsoaledi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of this municipality. The reality is that we are faced with developmental backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices had to be made in relation to the setting of tariff increases and balancing expenditures against realistically anticipated revenues and prioritization of capital projects as contained in the Integrated Development Plan (i.e. the needs of all wards within Elias Motsoaledi Local Municipality).

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy
- Efficient revenue management, which aims to ensure 85% annual collection rate for property rates and other key service charges.
- Electricity tariff increases that are approved by the prior year National Electricity Regulator of South Africa (NERSA)
- Achievement of full cost recovery of specific user charges especially in relation to trading services
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service
- The municipality's property rates policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
- The municipality's indigent policy and rendering of free basic services; and
- Tariff policies of the municipality.



**Figure 1 Main operational revenue categories for the 2025/26 financial year.**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), transfer recognized - capital is excluded from the operating revenue statement, as inclusion of this revenue source would distort the calculation of the operating surplus/deficit.

Revenue to be generated from operational grants amounts to R381, 552 million translating to 49% for 2025/26 financial year making it clear that the municipality is still grants dependent however the level of dependency is gradually going down. In addition, revenue to be generated from rates and services charges amounts to 24% and 8% respectively. In the 2025/26 financial year, revenue from rates and services charges adds up to R249, 614 million translating to 32%. This increases to R260, 663 million, and R267, 179 million in the respective financial outer years of the MTREF.

Service charges are the second largest revenue source totaling 24% or R186, 529 million and increases to R194, 923 million and R199, 796 million respectively in the outer years. The third largest source is fines that amount to R106, 744 million in 2025/26 financial year and R128, 368 million and R140, 052 million respectively in the outer years.

## Operating Transfers and Grants Receipts

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>										
<b>RECEIPTS</b>										
<b>Operating</b>										
<b>National Government</b>										
Equitable Share		302 788	334 260	358 519	377 690	377 690	377 690	375 890	373 396	390 275
Expanded Public Works Programme Integrated Grant		2 199	1 796	2 243	2 609	2 609	2 609	2 862		
Local Government Financial Management Grant		2 650	2 850	2 850	2 800	2 800	2 800	2 800	2 800	2 900
<b>Total Operating/National Government</b>		<b>307 637</b>	<b>338 906</b>	<b>363 612</b>	<b>383 099</b>	<b>383 099</b>	<b>383 099</b>	<b>381 552</b>	<b>376 196</b>	<b>393 175</b>
<b>Other Grant Providers</b>										
Education, Training and Development Practices SETA				968						
<b>Total Operating/Other Grant Providers</b>				<b>968</b>						
<b>Total Operating</b>		<b>307 637</b>	<b>338 906</b>	<b>364 580</b>	<b>383 099</b>	<b>383 099</b>	<b>383 099</b>	<b>381 552</b>	<b>376 196</b>	<b>393 175</b>
<b>Capital</b>										
<b>National Government</b>										
Energy Efficiency and Demand Side Management Grant					4 000	4 000	4 000	4 000		4 000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		16 392	17 000	14 400	17 544	17 544	17 544	20 283	4 983	5 209
Municipal Disaster Recovery Grant						27 650	27 650			
Municipal Infrastructure Grant		57 924	73 896	60 985	74 314	74 314	74 314	67 807	73 617	76 986
<b>Total Capital/National Government</b>		<b>74 316</b>	<b>90 896</b>	<b>75 385</b>	<b>95 858</b>	<b>123 508</b>	<b>123 508</b>	<b>92 090</b>	<b>78 600</b>	<b>86 195</b>
<b>District Municipalities</b>										
Infrastructure						20 000	20 000			
<b>Total Capital/District Municipalities</b>						<b>20 000</b>	<b>20 000</b>			
<b>Other Grant Providers</b>										
Education, Training and Development Practices SETA					360	360	360	179	187	192
<b>Total Capital/Other Grant Providers</b>					<b>360</b>	<b>360</b>	<b>360</b>	<b>179</b>	<b>187</b>	<b>192</b>
<b>Total Capital</b>		<b>74 316</b>	<b>90 896</b>	<b>75 385</b>	<b>96 218</b>	<b>143 868</b>	<b>143 868</b>	<b>92 269</b>	<b>78 787</b>	<b>86 387</b>
<b>TOTAL</b>		<b>381 953</b>	<b>429 802</b>	<b>439 965</b>	<b>479 317</b>	<b>526 967</b>	<b>526 967</b>	<b>473 821</b>	<b>454 983</b>	<b>479 562</b>

The above table outlines the operating grants and transfers allocated to Elias Motsoaledi Local Municipality for 2025/26 MTREF and these grants are contributing significantly towards the revenue-base of the municipality.

### 1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia, with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1 (zero point two five is to one). The implementation of these regulations was implemented in the previous budget process and the Property Rates Policy of the Municipality conforms to the stipulations of the above-mentioned regulations more especially on the ratio thereof. The stipulation in the Property Rates Policy is highlighted below:

- The first R30 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to

this exemption, the following additional rebates on the market value of a property will be granted in terms of the municipality's own property rates tariffs:

PROPERTY CATEGORY	ADDITIONAL REBATES
Residential Properties	20%
Business, commercial and mining properties	25%
Industrial properties	0%
Agricultural Properties	0%
State Owned Properties for benefit of the public	20%
Public Service Infrastructure properties	0%
Public Benefit Organization Properties/OLD Age	0%
Vacant	20%

The following owners may be granted a rebate on, or a reduction in the rates payable on their property:

- Pensioners that meet the following criteria:
  - Registered owner of property,
  - Applicant must reside on the property,
  - Income not exceeding an amount set by Council,
- Ratable property registered in the name of the Council., if such property is used in supplying electricity, water, and gas or sewerage services.
- Hospitals, clinics, and institutions for mentally ill persons, which are not operated for gain.
- Ratable property registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purpose of such society.
- Cemeteries and crematoriums, which are registered in the names of private persons, and which are used exclusively for burials and cremations.
- Museums, art galleries, libraries and botanical gardens which are open to the public, whether admission fees are charged or not.
- Sports grounds used for the purpose of amateur sports and any social activities, which are connected with such sports.
- Ratable property registered in the name of benevolent or charitable organizations, registered as a (NPO) Non-Profit Organization or any ratable property let by the Council to any of the named organizations.
- Owners of a property situated in an area affected by a disaster within the meaning of the Disaster Management Act, 2002 or in any other serious adverse social or economic conditions.

- Owners of residential properties with to which Section 17(1)(h) of the Act applies on the market value of the property less the amount stated in that Section or higher amount as determined by Council.
- State or public infrastructure and their rates may be reduced to a percentage which is contemplated in Section 11 of the Act.
- Owners of agricultural properties who are bona fide farmers.

#### **1.4.2 Sale of electricity and impact of tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 12.74 per cent in the 2024/25 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases.

Registered indigents will continue to get 50 kWh allocated to them and this will result in indigents receiving 50 kWh per 30-day period free of charge.

National Treasury encouraged municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality which is contradictory with setting cost-reflective tariffs. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 2 to 5 per cent target band; therefore, municipalities are required to pay careful attention to tariff increases across all consumer groups.

#### **1.4.3 Waste removal and impact of tariff increase**

Service charge refuse removal is currently not doing fairly well since the revenue generated is currently less than the anticipated expenditure to be incurred and the municipality will, therefore, have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors for the function not to break-even are landfill sites, increases in general expenditure such as petrol and diesel and the cost of contracted service provider for refuse removal.

#### **1.4.4 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases above CPI, new tariffs introduced and tariffs where there is no increase. Otherwise, all other tariffs increased by CPI.

**New tariffs**

CATEGORY	TARIFF
	2025/2026
Deciations from approved plans	1 500.00
Resubmission of previously approved plans (Per sqm)	6.00
Boundary installations applications (Per sqm)	4.00
Temporary structure application	1 500.00
Walkway hoarding permitper week	100.00
Walkway hoarding permitper month	300.00
Relaxation of building line for Tuckshop/Spaza	500.00
Application Admin Fee for buying municipal stand	250.00
Application for Excision	4 800.00
Demolition without permit / unauthorised demolition Residential	1 500.00
Demolition without permit / unauthorised demolition Business	3 000.00
Building Control Inspection fee for Business License	300.00

**Tariff increased above CPI**

CATEGORY	TARIFF	TARIFF	%INCREASE
	2024/2025	2025/2026	2025/2026
Annual Licence Fee	1 346.93	3 000.00	122.73%
Sale of electricity (All category)			14.20%
Approval of site Development Plan	2 241.33	3 500.00	56.16%
Subdivision	3 663.15	5 000.00	36.49%
Town Establishment	8 305.62	15 000.00	80.60%
Permission to Occupy (PTO) application fee	386.61	500.00	29.33%
Wayleave Application	6 049.78	15 000.00	147.94%
Windeed Property Search	35.14	50.00	42.29%
Contravention of National Building Regulation and Building Standards by-law	3 866.09	5 000.00	29.33%
Building without approved plans and without sec 7(6)	3 600.00	5 000.00	38.89%

**Tariff without increase are business, public safety and planning (Refer to tariff structure for tab/sheet reference made)**

**1.5 Operating Expenditure Framework**

The municipality's expenditure framework for the 2025/26 budget and MTREF are informed by the following:

- The renewal of existing assets and the repairs and maintenance needs.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA.
- The alignment of capital programme to the asset renewal requirement as per MBRR.



- Operational surplus will be directed to funding the capital budget.

The budgeted allocation for employee related costs and remuneration of councilors for the 2025/26 financial year totals R239, 354 million, which equals 31% of the total operating expenditure. Based on MFMA circular 129, the two outer years' salary increases have been factored into this budget at CPI percentage increase of 4.5% and 2.5% respectively. The CPI also applied for remuneration for councilors for outer years.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget. The provision of debt impairment was determined based on the annual average collection rate of 47% and the credit control policy of the municipality. For the 2025/26 financial year this amount equates to R98, 359 million and escalates to R102, 782 million in 2026/27 and R105, 352 million 2027/28. While this expenditure is considered a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been made by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate for asset consumption. Budget appropriations in this regard total R65, 514 million for the 2025/26 financial year and equate to 9% of the total operating expenditure. Cognizance should be taken that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. Note should therefore be taken that depreciation and asset impairment as well as debt impairment constitute non-cash items and as a result they are excluded when determining surplus to be expended for funding capital projects, if any.

Bulk purchase is directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure includes distribution losses.

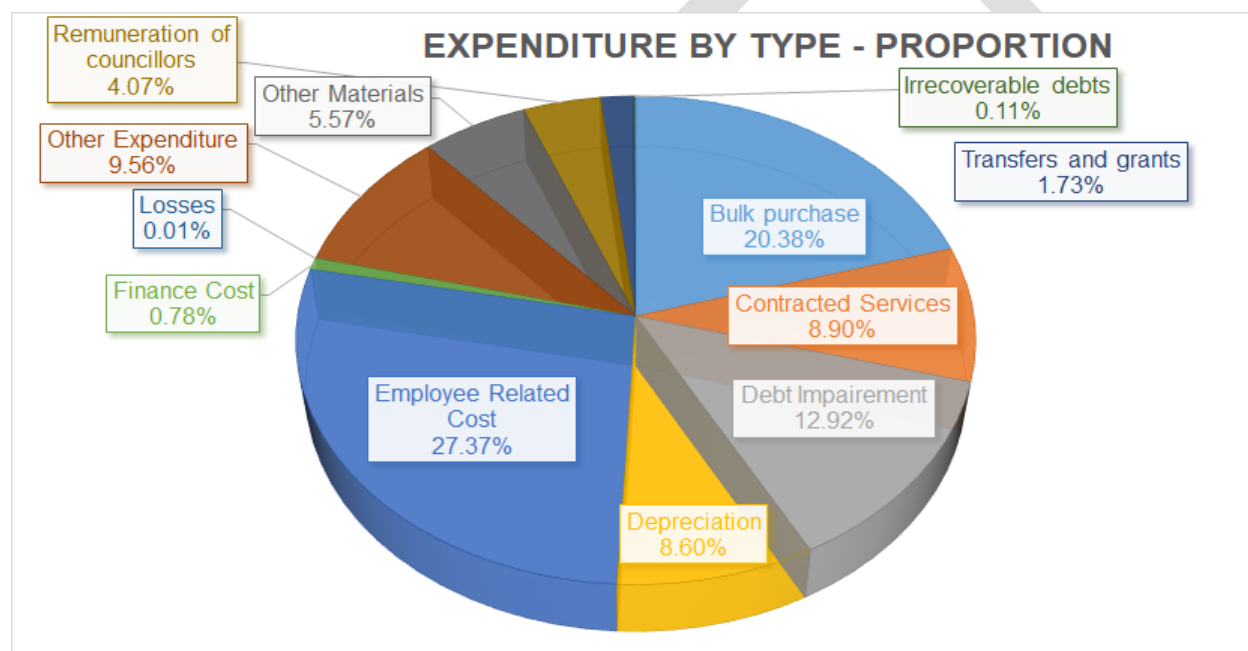
Other material comprises of amongst others the purchase of materials for maintenance, cleaning materials and chemicals. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure.



Contracted services comprise of 9% or R67, 738 million of the total operational budgets for the 2025/26 financial year and increases to R70, 768 million and increases to R72, 563 million in the two respective outer years. The norm for contracted services is 2% to 5% and as a result, the budget for contracted services through the MTREF period is excessive.

Other expenditure comprises various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following diagram gives a breakdown of the main expenditure categories for the 2025/26 financial year.



**Figure 2 Main operational expenditure categories for the 2025/26 financial year**

### **1.5.1 Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2025/26 budget and MTREF provide for budget appropriations in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance needs. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

During the compilation of the 2025/26 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. In this MTREF, repairs and maintenance budget has decreased from R41, 118 million in 2025/26 to R38, 873 million in 2026/27 then increases to R41, 668 million and increases to R42, 710 million respectively in the outer years. In addition, the municipality is still experiencing budgetary constraints that can meet the required 8% that repairs and maintenance should contribute towards property, plant and equipment, and investment property. In relation to property, plant and equipment, repairs and maintenance comprise of 2.6% throughout the MTREF period and this percentage is however way below the set norm of 8% as stipulated by National Treasury.

For the 2025/26 financial year R13, 267 million in total repairs and maintenance will be spent on infrastructure assets. The other assets that have been catered for in the repairs and maintenance budget are buildings, roads, maintenance of websites, machinery and equipment and transport assets. The overall budget for repairs and maintenance has decreased from R41, 118 million to R38, 873.

#### **1.5.2 Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 10 MBRR A10 (Basic Service Delivery Measurement) on.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act and this package covers all the basic services provided by EMLM and these services include, property rates rebates, service charges electricity, and refuse removal.

#### **1.6 Capital expenditure**

The major portion of capital expenditure budget is appropriated in vote 6 and for 2025/26 and the budget in vote 6 is mainly for electrification and road infrastructure capital projects. The other departments', *id-est* Corporate Services – the appropriations are mainly for procurement of operational equipment such as ICT equipment, Office furniture, and other equipment while Community Services – the appropriations are for fencing of cemeteries and landfill sites.

Some of the salient projects to be undertaken over the medium-term include, amongst others:

<b>Asset Category</b>	<b>Sum of 2025-26</b>	<b>Sum of 2026-27</b>	<b>Sum of 2027-28</b>
Computer Equipment	1 179 256	187 502	196 127
Electrical Infrastructure	26 862 380	8 300 000	12 709 000
Furniture and Office Equipment	500 000	-	-
Machinery and Equipment	400 000	-	-
Roads Infrastructure	55 688 670	67 300 000	70 486 000
Solid Waste Infrastructure	13 088 950	3 000 000	3 000 000
Storm water Infrastructure	1 000 000	-	-
<b>Grand Total</b>	<b>98 719 256</b>	<b>78 787 502</b>	<b>86 391 127</b>

### 1.7 Annual Budget Tables

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

**Table A1 - Budget Summary**

Description	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>Financial Performance</b>										
Property rates	39 913	54 993	59 511	67 168	61 818	61 818	34 097	63 085	65 740	67 383
Service charges	107 753	99 950	118 023	146 003	161 854	161 854	88 898	186 562	194 957	199 831
Investment revenue	2 308	2 996	7 316	9 404	6 772	6 772	3 773	18 957	19 810	20 305
Transfer and subsidies - Operational	307 637	338 906	364 580	383 099	383 099	383 099	286 981	381 552	376 196	393 175
Other own revenue	50 333	151 932	121 243	147 038	129 833	129 833	25 975	120 928	143 190	155 245
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>507 945</b>	<b>648 777</b>	<b>670 673</b>	<b>752 712</b>	<b>743 376</b>	<b>743 376</b>	<b>439 724</b>	<b>771 084</b>	<b>799 893</b>	<b>835 939</b>
Employee costs	160 266	164 834	188 236	213 757	196 286	196 286	117 045	208 388	212 895	218 383
Remuneration of councillors	24 998	25 945	26 131	28 178	29 661	29 661	16 294	30 966	32 360	33 169
Depreciation and amortisation	52 828	65 613	62 349	59 690	63 542	63 542	37 447	65 514	68 469	70 181
Finance charges	6 270	12 325	11 344	406	1 104	1 104	396	5 962	4 913	2 513
Inventory consumed and bulk purchases	136 444	132 547	153 572	158 988	180 954	180 954	107 277	197 582	219 259	242 655
Transfers and subsidies	1 547	9 409	15 844	9 404	12 133	12 133	5 639	13 145	13 214	13 544
Other expenditure	152 614	272 065	233 131	263 943	243 122	243 122	86 427	239 835	243 563	249 875
<b>Total Expenditure</b>	<b>534 967</b>	<b>682 738</b>	<b>690 607</b>	<b>734 364</b>	<b>726 803</b>	<b>726 803</b>	<b>370 526</b>	<b>761 393</b>	<b>794 673</b>	<b>830 320</b>
<b>Surplus/(Deficit)</b>	<b>(27 022)</b>	<b>(33 961)</b>	<b>(19 933)</b>	<b>18 347</b>	<b>16 574</b>	<b>16 574</b>	<b>69 198</b>	<b>9 691</b>	<b>5 220</b>	<b>5 619</b>
Transfers and subsidies - capital (monetary allocations)	74 316	90 896	75 385	96 218	143 868	143 868	73 468	92 269	78 787	86 387
Transfers and subsidies - capital (in-kind)	–	920	20	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>47 294</b>	<b>57 854</b>	<b>55 471</b>	<b>114 566</b>	<b>160 442</b>	<b>160 442</b>	<b>142 666</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>47 294</b>	<b>57 854</b>	<b>55 471</b>	<b>114 566</b>	<b>160 442</b>	<b>160 442</b>	<b>142 666</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	111 180	109 747	94 205	110 495	158 167	158 167	88 529	98 719	78 788	86 391
Transfers recognised - capital	82 341	82 823	71 376	96 218	143 868	143 868	83 737	92 090	78 600	86 195
Internally generated funds	6 189	24 180	23 745	14 277	14 299	14 299	4 792	6 629	188	196
<b>Total sources of capital funds</b>	<b>88 530</b>	<b>107 002</b>	<b>95 121</b>	<b>110 495</b>	<b>158 167</b>	<b>158 167</b>	<b>88 529</b>	<b>98 719</b>	<b>78 788</b>	<b>86 391</b>
<b>Financial position</b>										
<b>Total current assets</b>	<b>197 365</b>	<b>258 451</b>	<b>281 393</b>	<b>277 230</b>	<b>286 237</b>	<b>286 237</b>	<b>366 234</b>	<b>244 888</b>	<b>262 025</b>	<b>287 685</b>
Total non current assets	1 177 490	1 242 840	1 266 296	1 474 186	1 536 542	1 536 542	1 263 626	1 621 123	1 693 471	1 771 425
Total current liabilities	156 045	195 436	179 300	124 375	131 837	131 837	160 987	151 157	144 867	146 322
Total non current liabilities	124 194	117 573	124 347	117 850	135 904	135 904	124 347	133 238	120 842	100 980
Community wealth/Equity	1 098 946	1 188 282	1 289 665	1 509 192	1 555 038	1 555 038	1 344 527	1 623 491	1 696 549	1 738 962
<b>Cash flows</b>										
<b>Net cash from (used) operating</b>	<b>(271 879)</b>	<b>(39 643)</b>	<b>21 066</b>	<b>193 674</b>	<b>218 178</b>	<b>218 178</b>	<b>133 165</b>	<b>42 761</b>	<b>86 222</b>	<b>104 104</b>
Net cash from (used) investing	(65 577)	(99 203)	(97 122)	(100 130)	(143 515)	(143 515)	(80 152)	(87 487)	(69 488)	(76 295)
Net cash from (used) financing	(4 413)	(7 025)	(10 601)	(9 494)	(11 751)	(11 751)	(5 127)	(22 325)	(10 237)	(8 326)
Cash/cash equivalents at the year end	(329 529)	(131 152)	(53 565)	93 259	72 121	72 121	93 842	8 459	14 957	34 440
<b>Cash backing/surplus reconciliation</b>										
<b>Cash and investments available</b>	<b>16 184</b>	<b>34 567</b>	<b>24 139</b>	<b>76 076</b>	<b>59 653</b>	<b>59 653</b>	<b>64 726</b>	<b>8 459</b>	<b>14 957</b>	<b>34 440</b>
Application of cash and investments	128 561	138 204	56 120	(22 946)	(42 663)	(42 663)	(66 320)	(33 981)	(35 510)	(4 647)
<b>Balance - surplus (shortfall)</b>	<b>(112 377)</b>	<b>(103 637)</b>	<b>(31 981)</b>	<b>99 022</b>	<b>102 316</b>	<b>102 316</b>	<b>131 046</b>	<b>42 440</b>	<b>50 467</b>	<b>39 087</b>
<b>Asset management</b>										
<b>Asset register summary (WDV)</b>	<b>1 047 966</b>	<b>1 068 982</b>	<b>1 074 715</b>	<b>1 261 802</b>	<b>1 270 242</b>	<b>1 270 242</b>	<b>1 000 842</b>	<b>1 602 645</b>	<b>1 674 183</b>	<b>1 751 666</b>
Depreciation	57 072	60 957	61 783	58 901	62 754	62 754	37 447	65 514	68 469	70 181
Renewal and Upgrading of Existing Assets	56 407	79 519	68 481	78 075	113 642	113 642	62 019	56 239	70 300	70 486
Repairs and Maintenance	37 223	37 457	37 672	36 354	39 549	39 549	24 363	42 412	44 321	45 429
<b>Free services</b>										
<b>Cost of Free Basic Services provided</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7 093)</b>	<b>(7 093)</b>	<b>(7 093)</b>	<b>(4 974)</b>	<b>(10 137)</b>	<b>(10 593)</b>	<b>(10 858)</b>
Revenue cost of free services provided	–	–	–	14 656	14 656	14 656	7 093	8 394	8 771	8 991
Households below minimum service level	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

**Explanatory notes to Table A1 - Budget Summary**

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts contained in the annual budget 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.

- 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:
  - a. The operating surplus/deficit (after total expenditure net of non-cash items) is positive over the MTREF period.
  - b. Capital expenditure is balanced by capital funding sources, of which:
    - i. Transfers recognised is reflected on the Financial Performance budget.
    - ii. Internally generated funds are financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the capital budget.
- 2. The Cash backing/surplus reconciliation shows that the municipality does not have reserves and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position with regards to replacement of assets since no capital replacement reserve is in place. Notwithstanding the absence of capital replacement reserves, at least the municipality is not operating on an over annual nor funding some of its capital projects through direct borrowings. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of free services shows that the amount spent on free basic services and the revenue cost of free services provided by the municipality has dropped and this is attributed to offering free basic services only to indigents and this function is not yet optimized.

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

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1									
<b>Revenue - Functional</b>										
<i>Municipal governance and administration</i>		259 344	290 824	312 699	339 405	331 211	331 211	303 445	298 724	304 772
Executive and council		55 019	43 728	42 864	55 444	55 444	55 444	50 149	42 089	39 175
Finance and administration		193 140	233 642	253 277	265 077	256 883	256 883	240 135	237 102	244 021
Internal audit		11 184	13 455	16 559	18 884	18 884	18 884	13 161	19 533	21 577
<i>Community and public safety</i>		24 389	143 059	118 889	28 928	28 931	28 931	24 093	22 094	25 303
Community and social services		10 535	10 947	11 295	11 332	11 320	11 320	10 504	9 836	10 936
Sport and recreation		11 608	17 031	17 577	17 596	17 612	17 612	13 589	12 258	14 367
Public safety		2 245	115 082	90 016						
Housing										
Health										
<i>Economic and environmental services</i>		145 683	140 596	127 101	264 097	296 244	296 244	282 942	308 836	322 067
Planning and development		24 294	21 923	23 802	26 909	27 921	27 921	26 789	24 792	28 339
Road transport		118 491	117 863	102 462	236 351	267 486	267 486	255 321	283 259	292 883
Environmental protection		2 898	811	836	836	836	836	832	786	846
<i>Trading services</i>		152 846	166 114	187 389	216 500	230 859	230 859	252 874	249 025	270 184
Energy sources		123 719	129 775	136 984	176 261	190 868	190 868	215 642	203 864	223 747
Water management										
Waste water management										
Waste management		29 126	36 339	50 405	40 239	39 991	39 991	37 232	45 162	46 437
<i>Other</i>	4									
Total Revenue - Functional	2	582 261	740 593	746 078	848 930	887 245	887 245	863 353	878 680	922 326
<b>Expenditure - Functional</b>										
<i>Municipal governance and administration</i>		211 558	232 117	249 527	256 051	261 026	261 026	276 974	282 918	287 663
Executive and council		41 806	44 611	45 644	50 467	51 199	51 199	52 677	54 870	55 608
Finance and administration		159 302	175 536	191 940	193 168	195 700	195 700	210 584	213 783	217 433
Internal audit		10 449	11 970	11 943	12 416	14 127	14 127	13 714	14 266	14 622
<i>Community and public safety</i>		35 674	151 899	40 783	34 490	33 511	33 511	37 328	38 867	39 836
Community and social services		11 679	9 424	7 495	16 523	8 026	8 026	17 161	17 822	18 266
Sport and recreation		10 081	8 981	11 776	17 967	25 212	25 212	19 832	20 695	21 211
Public safety		13 914	133 495	21 512		273	273	335	350	358
Housing										
Health										
<i>Economic and environmental services</i>		112 425	122 636	191 145	252 886	212 100	212 100	221 919	224 986	230 811
Planning and development		16 794	18 411	20 264	29 097	24 646	24 646	32 186	27 453	28 158
Road transport		95 433	104 225	170 880	222 792	187 278	187 278	188 458	196 202	201 288
Environmental protection		197			996	176	176	1 275	1 332	1 365
<i>Trading services</i>		175 310	176 086	209 153	190 937	220 166	220 166	225 172	247 902	272 010
Energy sources		125 587	118 544	135 931	139 573	158 050	158 050	175 024	195 686	218 492
Water management										
Waste water management										
Waste management		49 723	57 542	73 221	51 364	62 115	62 115	50 148	52 216	53 518
<i>Other</i>	4									
Total Expenditure - Functional	3	534 967	682 738	690 607	734 364	726 803	726 803	761 393	794 673	830 321
Surplus/(Deficit)		47 294	57 854	55 471	114 566	160 442	160 442	101 960	84 007	92 006

**Explanatory notes to Table A2 - Budgeted Financial Performance (by standard classification)**

- 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 different 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.

- Note the total revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

**Table A3 - Budgeted Financial Performance (by vote)**

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue by Vote</b>	<b>1</b>									
Vote 1 - Executive & Council		47 876	37 271	36 200	48 780	48 780	48 780	45 493	37 243	35 229
Vote 2 - Municipal Manager		36 327	46 531	52 692	53 017	53 017	53 017	39 927	52 966	55 759
Vote 3 - Budget & Treasury		87 149	110 459	127 961	155 069	146 875	146 875	147 898	148 698	147 776
Vote 4 - Corporate Services		44 120	50 657	56 661	46 686	46 686	46 686	35 784	32 622	36 491
Vote 5 - Community Services		60 494	166 192	163 089	197 934	182 142	182 142	183 034	210 085	226 587
Vote 6 - Technical Services		224 677	246 456	245 385	309 085	387 373	387 373	374 382	366 287	386 860
Vote 7 - Developmental Planning		16 462	13 676	13 529	18 658	19 670	19 670	18 537	14 572	16 672
Vote 8 - Executive Support		23 821	14 925	15 770	19 701	19 701	19 701	18 298	16 208	16 952
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>540 927</b>	<b>686 165</b>	<b>711 287</b>	<b>848 930</b>	<b>904 245</b>	<b>904 245</b>	<b>863 353</b>	<b>878 680</b>	<b>922 326</b>
<b>Expenditure by Vote to be appropriated</b>	<b>1</b>									
Vote 1 - Executive & Council		35 367	35 203	39 933	42 336	43 295	43 295	43 414	45 367	46 501
Vote 2 - Municipal Manager		44 133	45 242	45 561	43 952	51 629	51 629	51 190	53 248	53 945
Vote 3 - Budget & Treasury		63 302	61 309	71 126	84 203	84 720	84 720	78 820	80 131	82 594
Vote 4 - Corporate Services		25 881	26 464	28 973	45 697	31 115	31 115	46 495	47 928	49 121
Vote 5 - Community Services		69 110	161 366	160 788	229 017	206 201	206 201	203 241	211 322	216 782
Vote 6 - Technical Services		166 068	217 995	224 368	249 634	265 197	265 197	288 222	310 728	334 260
Vote 7 - Developmental Planning		9 200	13 716	12 706	21 637	17 900	17 900	25 120	20 102	20 627
Vote 8 - Executive Support		22 702	23 555	26 738	17 889	26 747	26 747	24 891	25 847	26 492
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>435 763</b>	<b>584 849</b>	<b>610 193</b>	<b>734 364</b>	<b>726 804</b>	<b>726 804</b>	<b>761 393</b>	<b>794 673</b>	<b>830 321</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>105 164</b>	<b>101 316</b>	<b>101 093</b>	<b>114 566</b>	<b>177 441</b>	<b>177 441</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>

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

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 organizational structure of the Municipality.



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

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>	<b>1</b>										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	98 371	90 414	105 796	133 515	147 578	147 578	35 179	172 842	180 619	185 135
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	9 383	9 537	12 227	12 488	14 276	14 276	3 307	13 720	14 338	14 696
Sale of Goods and Rendering of Services		727	894	625	2 026	3 000	3 000	371	3 132	3 273	3 355
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3 526	2 645	2 646	9 925	7 889	7 889	900	3 032	3 168	3 247
Interest earned from Current and Non Current Assets		2 308	2 996	7 316	9 404	6 772	6 772	2 139	6 662	6 961	7 135
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 461	950	1 301	2 855	1 886	1 886	159	2 075	2 168	2 223
Licence and permits		-	-	6 344	7 302	7 302	7 302	1 737	7 623	7 967	8 166
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1 328	353	151	968	1 296	1 296	6	1 353	1 414	1 449
<b>Non-Exchange Revenue</b>											
Property rates	2	39 913	54 993	59 511	67 168	61 818	61 818	14 320	63 085	65 740	67 383
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 236	115 439	90 047	113 999	98 497	98 497	4 358	106 745	128 368	140 052
Licences or permits		5 966	6 062	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		307 637	338 906	364 580	383 099	383 099	383 099	159 552	381 552	376 196	393 175
Interest		15 229	11 555	13 214	9 963	9 963	9 963	3 524	9 264	9 681	9 923
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1 074	-	61	-	-	-	11	-	-	-
Other Gains		18 786	14 033	6 853	-	-	-	574	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>507 945</b>	<b>648 777</b>	<b>670 673</b>	<b>752 712</b>	<b>743 376</b>	<b>743 376</b>	<b>226 136</b>	<b>771 084</b>	<b>799 893</b>	<b>835 939</b>
<b>Expenditure</b>											
Employee related costs	2	160 266	164 834	188 236	213 757	196 286	196 286	45 545	208 388	212 895	218 384
Remuneration of councillors		24 998	25 945	26 131	28 178	29 661	29 661	6 341	30 966	32 360	33 169
Bulk purchases - electricity	2	97 964	93 185	109 783	121 123	139 391	139 391	40 887	155 170	174 938	197 226
Inventory consumed	8	38 479	39 362	43 789	37 865	41 563	41 563	13 113	42 412	44 321	45 429
Debt impairment	3	19 690	126 100	92 121	124 419	93 423	93 423	-	97 534	101 923	104 471
Depreciation and amortisation		52 828	65 613	62 349	59 690	63 542	63 542	16 205	66 337	69 329	71 063
Interest		6 270	12 325	11 344	406	1 104	1 104	150	5 962	4 913	2 513
Contracted services		88 573	75 939	79 028	70 102	84 910	84 910	21 569	67 738	70 768	72 563
Transfers and subsidies		1 547	9 409	15 844	9 404	12 133	12 133	1 642	12 645	13 214	13 544
Irrecoverable debts written off		-	-	3 755	8 116	1 413	1 413	651	1 880	1 964	2 013
Operational costs		37 838	58 011	56 682	61 255	63 308	63 308	18 686	72 317	68 002	69 899
Losses on disposal of Assets		5 900	5 784	1 180	50	67	67	-	44	46	47
Other Losses		612	6 231	364	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>534 967</b>	<b>682 738</b>	<b>690 607</b>	<b>734 364</b>	<b>726 803</b>	<b>726 803</b>	<b>164 789</b>	<b>761 393</b>	<b>794 673</b>	<b>830 321</b>
<b>Surplus/(Deficit)</b>		<b>(27 022)</b>	<b>(33 961)</b>	<b>(19 933)</b>	<b>18 347</b>	<b>16 574</b>	<b>16 574</b>	<b>61 347</b>	<b>9 691</b>	<b>5 220</b>	<b>5 619</b>
Transfers and subsidies - capital (monetary allocations)	6	74 316	90 896	75 385	96 218	143 868	143 868	47 213	92 269	78 787	86 387
Transfers and subsidies - capital (in-kind)	6	-	920	20	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers and contributions</b>		<b>47 294</b>	<b>57 854</b>	<b>55 471</b>	<b>114 566</b>	<b>160 442</b>	<b>160 442</b>	<b>108 560</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>47 294</b>	<b>57 854</b>	<b>55 471</b>	<b>114 566</b>	<b>160 442</b>	<b>160 442</b>	<b>108 560</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>47 294</b>	<b>57 854</b>	<b>55 471</b>	<b>114 566</b>	<b>160 442</b>	<b>160 442</b>	<b>108 560</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>47 294</b>	<b>57 854</b>	<b>55 471</b>	<b>114 566</b>	<b>160 442</b>	<b>160 442</b>	<b>108 560</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>



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

1. Operating revenue is R771, 084 million in 2025/26 and escalates to R799, 892 million and R835, 939 million in the outer years.
2. Service charges (waste management and electricity)  
Services charges relating to electricity and refuse removal, these revenue sources contribute significantly to the revenue basket of the municipality and the contribution thereof totals R186, 529 million for the 2025/26 financial year and increasing to R194, 923 million in 2025/26 and increasing to R199, 796 million in 2027/28 financial year.
3. Service charges - electricity  
Electricity tariffs have increased by 14.20% as per the cost of supply study submitted to NERSA.
4. Service charge – waste management  
Service charge – waste management is based on consideration of the actual performance and adjusted estimates for the remaining months of 2024/25 financial year and in conjunction with the audited amount and CPI.
5. Property rates, interest on outstanding debtors (exchange and non-exchange)  
A data cleansing process was performed on the system for property rates, service charges and electricity, focusing on quick code, tariff codes and property categories. This resulted in a decrease in the budget and had an impact on interest projections.
6. Interest earned from investment  
The interest earned on the investment budget has decreased compared to the previous year, as the prior year interest was elevated due to an additional grant (Municipal Disaster Recovery Grant) received by the municipality.
7. An increase in revenue sources below was based on CPI:
  - Licences and permits.
  - Other Revenue
  - Sales of goods and services
  - Rental of facilities and equipment
  - Service charges - refuse revenue.

8. Traffic fines

The traffic fine revenue has not been increased in line with CPI, as the installation of two new cameras is expected to generate additional revenue, compensating for any shortfall above CPI.

9. Transfer and subsidies - operational

Includes the local government equitable share, financial management grant, extended public works programme grant and the allocation is as per DORA.

10. Operating expenditure is R761, 393 million in 2025/26 and escalates to R794, 673 million and R830, 320 million in the outer years.

11. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

12. Employee related cost

An increase in employee related cost is due to CPI adjustment, an increase in number of employees to receive long service award and the unfreezing of several critical posts.

13. Bulk purchases

Bulk purchases increased by 11.32% as per the approved tariff increase by NERSA.

14. An increase in expenditure sources below was based on CPI:

- Debt impairment
- Depreciation
- Remuneration of councillors
- Irrecoverable debts

15. Inventory consumed

Inventory consumed decreased due to decrease in maintenance services for buildings, electrical and roads.

16. Finance cost

Finance cost is based on finance lease amortization schedule for the first year as the municipality entered into a finance lease contract recently.

17. Contracted services

The decrease is mainly due to security services, refuse removal, solid waste management and business advisory services.

**18. Transfer and grants**

Transfer and grants – free basic electricity subsidies increased by 11.32% in line with bulk purchases and new support for Small Medium Micro Enterprises.

**19. Operational cost**

Increase is due to procurement of new Performance Management System (PMS) services and operating lease contract entered into recently.

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

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>	<b>1</b>										
<b>Capital Expenditure - Functional</b>											
<i>Municipal governance and administration</i>		23 484	5 393	7 583	7 170	2 370	2 370	577	1 679	188	196
Executive and council											
Finance and administration		23 484	5 393	7 583	7 170	2 370	2 370	577	1 679	188	196
Internal audit											
<i>Community and public safety</i>		(150)	2 459	216	11 100	10 974	10 974	502	1 000	-	-
Community and social services		(150)	1 909		800	696	696		800		
Sport and recreation			550	216	10 300	10 278	10 278	502	200		
Public safety											
Housing											
Health											
<i>Economic and environmental services</i>		50 458	75 983	66 811	68 949	121 446	121 446	31 336	68 428	67 300	70 486
Planning and development			1 075								
Road transport		50 458	74 908	66 811	68 949	121 446	121 446	31 336	68 428	67 300	70 486
Environmental protection											
<i>Trading services</i>		37 389	25 912	19 596	23 277	23 377	23 377	5 710	27 612	11 300	15 709
Energy sources		31 253	20 437	18 535	22 227	22 227	22 227	5 710	26 862	8 300	12 709
Water management											
Waste water management											
Waste management		6 135	5 474	1 060	1 050	1 150	1 150		750	3 000	3 000
<i>Other</i>											
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>111 180</b>	<b>109 747</b>	<b>94 205</b>	<b>110 495</b>	<b>158 167</b>	<b>158 167</b>	<b>38 125</b>	<b>98 719</b>	<b>78 788</b>	<b>86 391</b>
<b>Funded by</b>	<b>-</b>										
National Government		82 341	82 823	70 534	95 858	123 508	123 508	36 875	92 090	78 600	86 195
Provincial Government											
District Municipality						20 000	20 000				
Transfers and subsidies - capital (monetary allocations) (Nat./				842	360	360	360		179	188	196
Transfers recognised - capital	<b>4</b>	<b>82 341</b>	<b>82 823</b>	<b>71 376</b>	<b>96 218</b>	<b>143 868</b>	<b>143 868</b>	<b>36 875</b>	<b>92 269</b>	<b>78 788</b>	<b>86 391</b>
Borrowing	<b>6</b>										
Internally generated funds		6 189	24 180	23 745	14 277	14 299	14 299	1 250	6 450		
<b>Total Capital Funding</b>	<b>7</b>	<b>88 530</b>	<b>107 002</b>	<b>95 121</b>	<b>110 495</b>	<b>158 167</b>	<b>158 167</b>	<b>38 125</b>	<b>98 719</b>	<b>78 788</b>	<b>86 391</b>

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

Capital projects are funded by Municipal Infrastructure Grant (MIG); Integrated National Electrification Programme (INEP), Energy Efficiency Demand Side Management (EEDSM), Local Government Sector Education and Training Authority (LGSETA) and internal generated revenue.

From table A4 point of view the municipality has budgeted for non-cash items, the effect thereof is the surplus of R9 million. However the internal generated funding is based on the surplus from A7 cash flow, which is exclusive of non-cash item.

**Table A5A - Budgeted Capital Expenditure by vote**

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Capital expenditure - Vote</b>										
Multi-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	824	2 648	2 375	1 000	1 660	1 660	997	1 179	188	196
Vote 5 - Community Services	-	4 714	1 915	10 000	10 000	10 000	1 862	800	-	3 000
Vote 6 - Technical Services	46 398	44 322	93 610	70 688	75 558	75 558	70 498	80 783	26 160	34 486
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>47 222</b>	<b>51 684</b>	<b>97 900</b>	<b>81 688</b>	<b>87 218</b>	<b>87 218</b>	<b>73 357</b>	<b>82 762</b>	<b>26 348</b>	<b>37 682</b>
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	6 268	6 170	710	710	172	500	-	-
Vote 5 - Community Services	498	1 674	407	2 150	2 124	2 124	1 168	950	3 000	-
Vote 6 - Technical Services	40 635	55 743	4 287	20 487	68 114	68 114	13 832	14 507	49 440	48 709
Vote 7 - Developmental Planning	-	1 075	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>41 133</b>	<b>58 492</b>	<b>10 962</b>	<b>28 807</b>	<b>70 948</b>	<b>70 948</b>	<b>15 172</b>	<b>15 957</b>	<b>52 440</b>	<b>48 709</b>
<b>Total Capital Expenditure - Vote</b>	<b>88 355</b>	<b>110 176</b>	<b>108 862</b>	<b>110 495</b>	<b>158 167</b>	<b>158 167</b>	<b>88 529</b>	<b>98 719</b>	<b>78 788</b>	<b>86 391</b>

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

1. Table A5 is a breakdown of the capital projects 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 departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2025/26 R89, 762 million has been allocated of the total R98, 719 million. This allocation decreases to R26, 348 million in 2025/26 and increases to R37, 682 million in 2027/28.
3. Single-year capital expenditure has been appropriated at R15, 957 million for the 2025/26 financial year and increases to R52, 440 million in 2026/27 and then declines to R48, 709 million in 2027/28 financial year.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement

of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years. The capital projects are funded from capital grants and transfers and internally generated funds from current year surpluses.

**Table A6 - Budgeted Financial Position**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1										
ASSETS											
Current assets											
Cash and cash equivalents		14 719	33 102	22 674	76 076	71 789	71 789	75 456	64 387	431 875	648 731
Trade and other receivables from exchange transactions	1	71 389	68 333	72 738	64 638	69 990	69 990	79 629	72 249	85 779	100 451
Receivables from non-exchange transactions	1	30 683	46 022	68 601	80 447	97 495	97 495	74 420	102 641	157 605	221 207
Current portion of non-current receivables		824	1 026	(505)	119	119	119	(637)	(495)	(495)	(495)
Inventory	2	18 416	25 184	31 509	41 956	38 258	38 258	27 730	(10 903)	(55 224)	(100 653)
VAT		44 891	68 188	69 069	13 993	20 723	20 723	74 068	69 171	69 174	70 340
Other current assets		16 442	16 596	17 306	-	-	-	17 255	17 306	17 306	17 306
Total current assets		197 365	258 451	281 393	277 230	298 373	298 373	347 922	314 357	706 021	956 887
Non current assets											
Investments		1 465	1 465	1 465	-	-	-	1 465	1 465	1 465	1 465
Investment property		96 399	103 831	110 604	47 492	47 492	47 492	110 604	110 040	109 450	108 847
Property, plant and equipment	3	1 079 151	1 135 695	1 153 764	1 405 874	1 467 731	1 467 731	1 146 656	1 225 613	1 233 516	1 247 780
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		463	463	463	463	463	463	463	463	463	463
Intangible assets		13	1 386	-	663	663	663	-	(8)	(17)	(26)
Trade and other receivables from exchange transactions		-	-	-	19 693	20 193	20 193	-	-	1 360	2 781
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		1 177 490	1 242 840	1 266 296	1 474 186	1 536 542	1 536 542	1 259 188	1 337 572	1 346 237	1 361 309
TOTAL ASSETS		1 374 855	1 501 291	1 547 689	1 751 416	1 834 915	1 834 915	1 607 109	1 651 929	2 052 258	2 318 195
LIABILITIES											
Current liabilities											
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		4 766	10 066	7 296	8 895	6 639	6 639	5 605	16 421	18 795	19 270
Consumer deposits		5 621	5 757	5 518	6 653	6 810	6 810	5 369	5 665	5 671	5 675
Trade and other payables from exchange transactions	4	100 644	99 475	106 565	90 033	96 954	96 954	76 831	64 967	302 412	628 532
Trade and other payables from non-exchange transactions	5	6 489	22 101	243	12 228	15 102	15 102	11 895	467	76 621	(80 202)
Provision		8 033	10 658	10 051	6 565	5 003	5 003	10 051	14 825	19 814	24 928
VAT		30 492	47 379	49 627	-	-	-	51 986	49 660	49 660	50 824
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		156 045	195 436	179 300	124 375	130 508	130 508	161 737	151 995	472 974	649 026
Non current liabilities											
Financial liabilities	6	14 616	6 913	2 557	27 548	45 602	45 602	2 557	42 074	37 579	35 458
Provision	7	85 995	87 650	94 179	46 761	46 761	46 761	94 179	94 179	94 179	94 179
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		23 583	23 010	27 611	43 541	43 541	43 541	27 611	27 611	27 611	27 611
Total non current liabilities		124 194	117 573	124 347	117 850	135 904	135 904	124 347	163 863	159 369	157 247
TOTAL LIABILITIES		280 239	313 009	303 647	242 224	266 412	266 412	286 084	315 858	632 342	806 274
NET ASSETS	10	1 094 616	1 188 283	1 244 042	1 509 192	1 568 503	1 568 503	1 321 026	1 336 071	1 419 916	1 511 921
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	1 098 946	1 188 282	1 289 665	1 509 192	1 568 503	1 568 503	1 321 026	1 336 071	1 419 916	1 511 921
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	1 098 946	1 188 282	1 289 665	1 509 192	1 568 503	1 568 503	1 321 026	1 336 071	1 419 916	1 511 921

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets less liabilities as “accounting” community wealth. The order of items within each group illustrates items in order of liquidity, i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is community wealth/equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the budgeted financial performance or the capital budget will inevitably impact on the budgeted financial position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.
5. Table A6 is supported by an extensive table of notes that provide detailed analysis of the major components of a number of items, including:
  - Call investments deposits.
  - Consumer debtors.
  - Property, plant and equipment.
  - Trade and other payables.
  - Provisions non-current.
  - Changes in net assets; and
  - Reserves.
6. Included in trade and other payables are the following non-cash items that should not be taken into account when determining the funding position of the municipality as there are already included as part of operating expenditure (as the contra account):
  - Accrued leave pay
  - Accrued bonus
7. Additionally, retention release is taking into account under payment to suppliers and employees in the cash flow statement.

**Table A7 - Budgeted Cash Flow Statement**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	1 165	35 212	68 803	64 791	64 791	9 127	50 923	53 066	54 392
Service charges		1 531	1 922	95 066	144 048	158 130	158 130	31 150	174 139	181 975	186 525
Other revenue		287	2 203	6 795	28 186	26 864	26 864	18 020	22 376	24 426	25 562
Transfers and Subsidies - Operational	1	115 158	378 202	343 852	383 099	376 370	376 370	160 855	381 552	376 196	393 175
Transfers and Subsidies - Capital	1	-	-	13 000	91 858	139 508	139 508	57 514	92 269	157 388	172 586
Interest		1 236	1 320	2 234	8 210	5 078	5 078	1 277	9 063	9 470	9 707
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(390 090)	(424 456)	(475 093)	(520 719)	(540 656)	(540 656)	(178 476)	(580 294)	(608 627)	(645 817)
Finance charges		-	-	-	(406)	(1 104)	(1 104)	-	(5 962)	(4 913)	(2 513)
Transfers and Subsidies	1	-	-	-	(9 404)	(12 133)	(12 133)	(3)	(12 645)	(13 214)	(13 544)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(271 879)	(39 643)	21 066	193 674	216 849	216 849	99 465	131 420	175 766	180 072
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	659	659	659	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	(1 194)	(1 694)	(1 694)	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(65 577)	(99 203)	(97 122)	(99 595)	(142 480)	(142 480)	(39 177)	(89 065)	(70 928)	(77 772)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(65 577)	(99 203)	(97 122)	(100 130)	(143 515)	(143 515)	(39 177)	(89 065)	(70 928)	(77 772)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	146	153	157
Payments											
Repayment of borrowing		(4 413)	(7 025)	(10 601)	(9 494)	(11 751)	(11 751)	(1 691)	9 126	10 875	11 147
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4 413)	(7 025)	(10 601)	(9 494)	(11 751)	(11 751)	(1 691)	9 272	11 028	11 304
NET INCREASE/ (DECREASE) IN CASH HELD		(341 870)	(145 871)	(86 658)	84 050	61 583	61 583	58 598	51 627	115 867	113 605
Cash/cash equivalents at the year begin:	2	12 341	14 719	33 093	9 209	22 674	22 674	23 282	22 674	327 707	547 117
Cash/cash equivalents at the year end:	2	(329 529)	(131 152)	(53 565)	93 259	84 257	84 257	81 880	74 301	443 574	660 722

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash level of the municipality is projected to consistently increase, however the achievement of these results requires implementation of stringent credit control.
4. 205/26 MTREF has been informed by the planning principle of ensuring adequate cash and cash equivalent over the medium-term and as a result, the cash and investment management policy is now in place.
5. Capital payment is exclusive of retention amounting to 10% of the work done.

**Cash flow from operating activities**

Receipts and payments are in line with the budget made under table A4. Payments to suppliers and employees exclude non-cash items relating to store issues (inventory consumed, printing and stationery) and post-employment medical aid benefits and long

service leave – current service and interest charge. Mscoa eliminated store items to be non-funding and in true essences store items are not funded where department's requests items from stores. Funding is required when the municipality procures goods from service provider therefore Treasury must consider this matter during funding process.

Included in payment to suppliers and employees are other cash payment like retention release amongst others.

Payments to suppliers and employees include amounts related to the release of retention held for contractors in accordance with contract terms upon satisfactory completion of work.

Furthermore, payments to suppliers and employees excludes non-cash items for store issue in other expenditure and inventory consumed and actuarial amounts in employee related cost which do not involve direct cash outflows but are recognized as expenses in accordance with the accounting principles.

#### **Cash flow from investing activities.**

Proceeds from disposal of property plant and equipment adjustment is as a result of land to be disposed.

The budget on capital assets takes into account retention and anticipated unspent portion of conditional grant.

#### **Cash flow from financing activities**

The repayment of borrowings relates to finance lease agreement the municipality entered into.

The municipality signed a finance lease contract recently therefore the adjustment is based on the recent amortization schedule.

#### **Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at CPI rate or slightly higher over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is budgeted as a percentage of annual billings as follows: property rates 81%; Services charges electricity 97%; Services charges refuse 44%; other revenue 100%; Rental on facilities 100%; traffic fines 13% and Interest on outstanding debtors (exchange) of 30% and (non-exchange) of 50%. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.



Comparing A7 Capital assets and A5 total Capex the inconsistency is due retention that will be held by the municipality and unspent conditional grant.

### **Cash and cash equivalent**

The cash and cash equivalent at the beginning reflect the cash and cash equivalent balance as per adjusted budget.

**Table A8 – Budgeted cash backed reserves/ accumulated surplus reconciliation.**

Description		Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
R thousands			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1		(329 529)	(131 152)	(53 565)	93 259	84 257	84 257	104 554	74 301	443 574	660 722
Other current investments > 90 days			344 248	164 254	76 239	(17 183)	(12 468)	(12 468)	(29 097)	(9 913)	(11 699)	(11 991)
Non current assets - Investments	1		1 465	1 465	1 465	-	-	-	1 465	1 465	1 465	1 465
<b>Cash and investments available:</b>			16 184	34 567	24 139	76 076	71 789	71 789	76 921	65 852	433 340	650 196
<b>Application of cash and investments</b>												
Unspent conditional transfers			6 024	21 278	243	5 386	8 260	8 260	11 898	467	78 887	(76 501)
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements	2		14 578	8 168	9 536	(13 993)	(20 723)	(20 723)	6 896	9 467	9 464	9 462
Other working capital requirements	3		99 925	98 100	36 290	(20 905)	(36 748)	(36 748)	(74 047)	(52 145)	142 387	419 413
Other provisions			8 033	10 658	10 051	6 565	5 003	5 003	10 051	14 825	19 814	24 928
Long term investments committed	4		-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5		-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>			128 561	138 204	56 120	(22 946)	(44 207)	(44 207)	(45 202)	(27 386)	250 553	377 302
<b>Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief</b>			<b>(112 377)</b>	<b>(103 637)</b>	<b>(31 981)</b>	<b>99 022</b>	<b>115 996</b>	<b>115 996</b>	<b>122 123</b>	<b>93 238</b>	<b>182 787</b>	<b>272 894</b>
Creditors transferred to Debt Relief - Non-Current portion			-	-	-	-	-	-	-	-	-	-
<b>Surplus(shortfall) - Incl Non-Current Creditors Trf to Debt Relief</b>			<b>(112 377)</b>	<b>(103 637)</b>	<b>(31 981)</b>	<b>99 022</b>	<b>115 996</b>	<b>115 996</b>	<b>122 123</b>	<b>93 238</b>	<b>182 787</b>	<b>272 894</b>

### **Explanatory notes - 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".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the above table, it is clearly indicated that the municipality has surplus over MTREF.

Table A9 - Asset Management

<b>Total Upgrading of Existing Assets</b>	6	15 779	37 498	58 261	68 514	107 590	107 590	55 689	48 000	70 486
Roads Infrastructure		15 779	37 208	57 392	58 514	97 590	97 590	55 689	45 000	70 486
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	869	-	-	-	-	3 000	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		15 779	37 208	58 261	58 514	97 590	97 590	55 689	48 000	70 486
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	10 000	10 000	10 000	-	-	-
<b>Community Assets</b>		-	-	-	10 000	10 000	10 000	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	291	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	73 064	93 043	90 602	110 495	173 029	173 029	98 719	78 788	86 391
Roads Infrastructure		46 358	64 969	57 392	58 514	114 640	114 640	55 689	67 300	70 486
Storm water Infrastructure		-	-	-	2 174	500	500	1 000	-	-
Electrical Infrastructure		24 091	16 617	17 351	22 044	22 044	22 044	26 862	8 300	12 709
Water Supply Infrastructure		-	-	-	-	20 000	20 000	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	4 081	7 922	8 250	1 100	1 100	13 089	3 000	3 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		70 449	85 667	82 665	90 982	158 284	158 284	96 640	78 600	86 195
Community Facilities		498	1 830	-	800	696	696	-	-	-
Sport and Recreation Facilities		-	-	-	10 000	10 000	10 000	-	-	-
<b>Community Assets</b>		498	1 830	-	10 800	10 696	10 696	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		824	1 605	2 081	1 360	2 160	2 160	1 179	188	196
Furniture and Office Equipment		-	695	5 496	6 110	790	790	500	-	-
Machinery and Equipment		214	2 092	360	1 243	1 098	1 098	400	-	-
<b>Transport Assets</b>		1 079	79	-	-	-	-	-	-	-
Land		-	1 075	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		73 064	93 043	90 602	110 495	173 029	173 029	98 719	78 788	86 391

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	19 338	23 060	25 288	32 420	45 955	45 955	30 942	8 488	15 905
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	2 174	500	500	1 000	-	-
Electrical Infrastructure		17 220	16 617	17 351	21 544	21 544	21 544	26 862	8 300	12 709
Water Supply Infrastructure		-	-	-	-	20 000	20 000	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	734	-	250	100	100	1 200	-	3 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		17 220	17 350	17 351	23 968	42 144	42 144	29 062	8 300	15 709
Community Facilities		-	454	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	454	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		824	1 605	2 081	1 360	2 160	2 160	1 179	188	196
Furniture and Office Equipment		-	695	5 496	6 110	790	790	500	-	-
Machinery and Equipment		214	1 801	360	983	861	861	200	-	-
Transport Assets		1 079	79	-	-	-	-	-	-	-
Land		-	1 075	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	37 947	32 484	7 053	9 561	19 484	19 484	12 089	22 300	-
Roads Infrastructure		30 578	27 761	-	-	17 050	17 050	-	22 300	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		6 871	-	-	500	500	500	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	3 347	7 053	8 000	1 000	1 000	11 889	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		37 449	31 109	7 053	8 500	18 550	18 550	11 889	22 300	-
Community Facilities		498	1 376	-	800	696	696	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		498	1 376	-	800	696	696	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	261	238	238	200	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	15 779	37 498	58 261	68 514	107 590	107 590	55 689	48 000	70 486
Roads Infrastructure		15 779	37 208	57 392	58 514	97 590	97 590	55 689	45 000	70 486
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	869	-	-	-	-	3 000	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		15 779	37 208	58 261	58 514	97 590	97 590	55 689	48 000	70 486
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	10 000	10 000	10 000	-	-	-
<b>Community Assets</b>		-	-	-	10 000	10 000	10 000	-	-	-

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>1 036 047</b>	<b>993 076</b>	<b>1 015 390</b>	<b>1 261 802</b>	<b>1 271 172</b>	<b>1 271 172</b>	<b>1 265 906</b>	<b>1 243 796</b>	<b>1 221 773</b>
Roads Infrastructure		587 852	538 865	524 562	1 194 290	1 194 383	1 194 383	1 156 413	1 116 735	1 076 065
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		48 989	50 202	62 142	1 274	(1 699)	(1 699)	(2 171)	(8 391)	(11 323)
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		18 282	14 599	39 201	(460)	(1 478)	(1 478)	(2 826)	(4 548)	(6 313)
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>655 123</b>	<b>603 666</b>	<b>625 905</b>	<b>1 195 105</b>	<b>1 191 205</b>	<b>1 191 205</b>	<b>1 151 416</b>	<b>1 103 796</b>	<b>1 058 429</b>
Community Assets		17 395	15 143	14 343	(1 117)	(1 071)	(1 071)	(2 195)	(3 377)	(4 588)
Heritage Assets		463	463	463	463	463	463	463	463	463
Investment properties		81 077	95 259	103 831	47 492	47 492	47 492	46 928	46 339	45 735
Other Assets		63 444	55 171	52 338	(5 873)	(5 009)	(5 009)	(5 223)	(10 681)	(16 275)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		23	6	0	663	663	663	655	646	637
Computer Equipment		2 538	2 956	3 973	344	1 143	1 143	787	(108)	(1 022)
Furniture and Office Equipment		2 849	2 402	8 479	4 610	(2 302)	(2 302)	(4 371)	(7 024)	(9 744)
Machinery and Equipment		18 300	23 582	16 197	(2 452)	(2 857)	(2 857)	(6 987)	(11 303)	(15 727)
Transport Assets		19 527	20 593	16 026	22 568	41 444	41 444	84 433	125 045	163 864
Land		175 308	173 835	173 835	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>1 036 047</b>	<b>993 076</b>	<b>1 015 390</b>	<b>1 261 802</b>	<b>1 271 172</b>	<b>1 271 172</b>	<b>1 265 906</b>	<b>1 243 796</b>	<b>1 221 773</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>37 767</b>	<b>99 850</b>	<b>97 158</b>	<b>95 256</b>	<b>102 303</b>	<b>102 303</b>	<b>103 644</b>	<b>108 315</b>	<b>111 023</b>
Depreciation	7	-	60 389	60 972	58 901	62 754	62 754	65 514	68 469	70 181
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>37 767</b>	<b>39 461</b>	<b>36 187</b>	<b>36 354</b>	<b>39 549</b>	<b>39 549</b>	<b>38 130</b>	<b>39 846</b>	<b>40 842</b>
Roads Infrastructure		13 895	20 323	12 995	7 766	8 266	8 266	7 629	7 972	8 172
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		12 201	7 235	6 655	4 750	4 750	4 750	5 808	6 070	6 222
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	1 925	2 203	2 841	2 841	2 966	3 099	3 176
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>26 096</b>	<b>27 558</b>	<b>21 575</b>	<b>14 718</b>	<b>15 856</b>	<b>15 856</b>	<b>16 403</b>	<b>17 141</b>	<b>17 570</b>
Community Facilities		166	537	448	6 262	7 686	7 686	7 024	7 341	7 524
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>166</b>	<b>537</b>	<b>448</b>	<b>6 262</b>	<b>7 686</b>	<b>7 686</b>	<b>7 024</b>	<b>7 341</b>	<b>7 524</b>
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	550	550	550	580	606	621
Machinery and Equipment		11 505	11 366	14 164	13 101	13 233	13 233	12 300	12 854	13 175
Transport Assets		-	-	-	1 724	2 224	2 224	1 822	1 903	1 951
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>37 767</b>	<b>99 850</b>	<b>97 158</b>	<b>95 256</b>	<b>102 303</b>	<b>102 303</b>	<b>103 644</b>	<b>108 315</b>	<b>111 023</b>
Renewal and upgrading of Existing Assets as % of total capex		73.5%	75.2%	72.1%	70.7%	73.4%	73.4%	68.7%	69.2%	61.6%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	115.9%	107.1%	132.6%	202.5%	202.5%	103.5%	102.7%	100.4%
R&M as a % of PPE		3.6%	4.0%	3.6%	2.9%	3.1%	3.1%	3.0%	3.2%	3.3%
Renewal and upgrading and R&M as a % of PPE		8.6%	11.0%	10.0%	9.1%	13.1%	13.1%	8.4%	8.9%	9.1%

## **Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to construct and/procure new assets, renewal, and upgrading of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal and upgrading of existing assets, and allocations to repairs and maintenance should be 8 per cent of property plant and equipment. The municipality allocated 78% of the capital budget to the renewal and upgrading of existing assets which is considered to be an achievement.
3. The renewal and upgrading of existing assets target have been met throughout the MTEF period, however, the achievement of repairs and maintenance target remains a challenge.

## **2 PART 2 – SUPPORTING DOCUMENTATION**

### **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 Municipal Manager, councillors responsible for financial matters, chief financial officer, senior managers responsible for at least the three largest votes in the municipality, manager responsible for budgeting, manager responsible for planning and any technical experts on infrastructure.

The primary aim 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 the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

## **2.1 Overview of budget related-policies**

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

### **2.1.1 Review of credit control and debt collection procedures/policies**

The credit control and debt collection policy as approved by Council in the past is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money, there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition, emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2025/26 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 85 per cent on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

### **2.1.2 Asset Management, Investment and Funding Policy**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a

priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

### **2.1.3 Budget Policy**

The 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.

### **2.1.4 Supply Chain Management Policy**

The Supply Chain Management policy was adopted by Council in September 2007 and the policy has been getting reviewed on annual basis and the changes made now are incorporated and presented in the resolutions paragraph.

### **2.1.5 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. The Virement policy was approved by Council in the past and is getting reviewed every financial year in respect of both Operating and Capital Budget Fund Transfers.

### **2.1.6 Cash Management and Investment Policy**

The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalent required at any point in time and introduces time frames to achieve certain benchmarks.

### **2.1.7 Tariff Policies**

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

All the above policies are available on the municipality's website, as well as the following budget related policies:

- Indigent
- Petty Cash
- Property rates
- Borrowing
- Cost containment
- Insurance management

## **2.2 Overview of budget assumptions**

### **External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

### **General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2025/26 MTREF:



- National Government macro-economic targets.
- The general inflationary outlook and the impact on municipality's residents and businesses.
- The impact of municipal cost drivers.
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

### **Collection rate for revenue services**

The base assumption is that tariff and rating decreases will decrease at a rate CPI rate or slightly lower over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is budgeted as a percentage of annual billings as follows: property rates 81%; Services charges electricity 97%; Services charges refuse 44%; other revenue 100%; Traffic fines 6%. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **Growth or decline in tax base of the municipality.**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate. In addition, the following are some of the assumptions that have direct impact on debtors and collection rate as well revenue generation:

- Property rates – 81%
- Service charge electricity - 97%
- Service charge refuse removal - 44%
- Rental on facilities - 100%
- Other revenue – 100%
- Interest on outstanding debtors (exchange) - 23%
- Interest on outstanding debtors (non-exchange) - 33%
- Traffic fines – 6%

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### **Salary increases**

MFMA circular 129 did not stipulate the salary increase projection and as a result, the proposal on salary and wage collective agreement was used. The proposed salary increases to be as follows:

- 2025/26 – CPI 4.4%
- 2025/26 – CPI 4.5%
- 2027/28 – CPI 2.5%

### **Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

### **Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 95% will be achieved on operating expenditure and 100% on the capital programme for the 2025/26 MTREF of which performance has been factored into the cash flow budget.

## **2.3 Overview of budget funding**

### **2.3.1 Medium-term outlook: operating revenue**

The following table is a breakdown of the operating revenue over the medium-term and presents operating surplus of R9, 499 million in 2025/26 that is relatively not adequate.

#### **Figure 5 Breakdown of operating revenue over the 2025/26 MTREF**

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 electricity and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

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

- Growth in the municipality and economic development.
- Revenue management and enhancement.
- Achievement of 85 per cent annual collection rate for consumer revenue.
- National Treasury guidelines.
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval.
- Achievement of full cost recovery of specific user charges.
- Determining tariff escalation rate by establishing/calculating revenue requirements.
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2025/26 MTREF on the different revenue categories are:

- Property rates
- Refuse removal
- Electricity
- Other

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted actual surplus of R9, 499 million, R3, 878 million and R4, 243 million in each of the financial years. This surplus is not entirely intended to fund capital expenditure from own sources.

## **THE IDP REVIEW PROCESS PLAN**

Section 21 (1)(b) of the MFMA prescribes that the Mayor of a Municipality must at least 10 months before the start of a financial year, table in Council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and the review of the Integrated Development Plan.

The municipality hopes to conclude the review process for the 2025-2026 IDP by the end of May 2025. The process plan will be implemented from July 2025 to June 2026 financial year. Below is the timetable for the IDP/ budget process for 2025-2026 Municipal fiscal year.

## IDP and Budget Process Plan for the 2025/2026 financial year

MONTH	ACTIVITY	TARGET DATE
<b>PREPARATORY PHASE</b>		
<b>July 2024</b>	❖ Review of previous year's IDP/Budget process with MTEF included.	1-31 July 2024
	❖ EXCO provides political guidance over the budget process and priorities that must inform preparations of the budget.	1-31 July 2024
	❖ Tabling of the draft 2025-2026 IDP and Budget process plan to IDP steering committee/technical committee for comments and inputs.	15 July 2024
	❖ Tabling of the 2025-2026 IDP and Budget process plan to council structures for approval	30 August 2024
<b>August 2024</b>	❖ Ward-to-Ward based analysis data collection	10 August 2024 -30 September 2024
	❖ 4 <sup>th</sup> Quarter Performance Lekgotla	
	❖ Submit AFS (Annual Financial Statements) for 2022/23 to AG.	28 August 2024
	❖ Submit 2023/24 cumulative Performance Report to AG & Council Structures.	31 August 2024
<b>ANALYSIS PHASE</b>		

MONTH	ACTIVITY	TARGET DATE
<b>September 2024</b>	<ul style="list-style-type: none"> <li>❖ Council determines strategic objectives for service delivery through IDP review processes and the development of the next 3-year budget (including review of sector departments plans).</li> <li>❖ Determine revenue projections, propose tariffs, and draft initial allocations per function and department for 2024-2025 financial year.</li> <li>❖ Electronic Consultations with provincial and national sector departments on sector specific programmes for alignment (schools, libraries, clinics, water, electricity, roads, etc.).</li> <li>❖ Finalize ward based data compilation for verification in December 2024</li> </ul>	01 September 2024- December 2024
<b>STRATEGIES PHASE</b>		
<b>October 2024</b>	<ul style="list-style-type: none"> <li>❖ Quarterly (1st) review of 2024/25 budget, related policies, amendments (if necessary), any related consultative process.</li> <li>❖ Collate information from ward-based data.</li> <li>❖ Begin preliminary preparations on proposed budget for 2025/26 financial year with consideration being given to partial performance of 2024/25</li> <li>❖ 1ST Quarter Performance Lekgotla (2024/25)</li> </ul>	28 October 2024  1-31 October 2024  1-31 October 2024  25 October 2024
<b>PROJECTS PHASE</b>		
<b>November 2024</b>	<ul style="list-style-type: none"> <li>❖ Confirm IDP projects with district and sector departments.</li> </ul>	1-30 November 2024

MONTH	ACTIVITY	TARGET DATE
	<ul style="list-style-type: none"> <li>❖ Engage with sector departments' strategic sessions to test feasibility of attendance to planned sessions.</li> <li>❖ Review and effect changes on initial IDP draft.</li> </ul>	
<b>INTEGRATION PHASE</b>		
<b>December 2024</b>	<ul style="list-style-type: none"> <li>❖ Consolidated Analysis Phase report in place</li> <li>❖ IDP Steering/technical Committee meeting to present the analysis phase data</li> <li>❖ IDP Representative Forum to present the analysis report</li> </ul>	04 December 2024 05 December 2024 12 December 2024
<b>January 2025</b>	<ul style="list-style-type: none"> <li>❖ Review budget performance and prepare for adjustment</li> <li>❖ Pre – strategic planning session for councillors</li> <li>❖ Table Draft 2022/23 Annual Report to Council.</li> <li>❖ Submit Draft Annual Report to AG, Provincial Treasury and COGHSTA.</li> <li>❖ Publish Draft Annual Report in the municipal jurisdiction (website etc.).</li> <li>❖ Prepare Oversight Report for the 2022/23 financial year.</li> <li>❖ Mid-Year Performance Lekgotla/Review/Strategic Planning Session, (review of IDP/Budget, related policies and consultative process)</li> </ul>	07-14 January 2025 15 January 2025 23 January 2025 16-17 January 2025

MONTH	ACTIVITY	TARGET DATE
<b>February 2025</b>	❖ Table the Budget Adjustment to council.	28 February 2025
	❖ Submission of Draft IDP/Budget for 2025-2026 to Management.	05 February 2025
	❖ Submission of Draft 2025-2026 IDP/Budget and sector plans to Portfolio Committees.	08-09 February 2025
	❖ Submission of 2024/25 Adjustment Budget to Budget Steering Committee	19-21 February 2025
	❖ Submission of 2025-2026 Draft IDP and Budget to EXCO	20 February 2025
	❖ Adjusted budget/IDP/SDBIP 2023/2024	28 February 2025
<b>March 2025</b>	❖ Submission of 2025-2026 Draft Budget to Budget Steering Committee	26 March 2025
	❖ Council considers the 2025-2026 Draft IDP and Budget.	31 March 2025
	❖ Publish the 2024-2025 Draft IDP and Budget for public comments.	31 March 2025
	❖ Adoption of Oversight Report for 2023-2024.	
<b>APPROVAL PHASE</b>		



MONTH	ACTIVITY	TARGET DATE
<b>April 2025</b>	<ul style="list-style-type: none"> <li>❖ Submit 2025-2026 Draft IDP and Budget to the National Treasury, Provincial Treasury and COGHSTA in both printed &amp; electronic formats.</li> <li>❖ Quarterly (3rd) review of 2024-2025 budget/IDP and related policies' amendment (if necessary) and related consultative process.</li> <li>❖ IDP Technical committee to consider the draft 2025-2026 IDP and Budget</li> <li>❖ IDP Representative Forum meeting to present the draft 2025-2026 IDP to various stakeholders</li> <li>❖ Consultation with National and Provincial Treasury, community participation and stakeholder consultation on the draft 2025-2026 IDP.</li> </ul>	14 April 2025 26 April 2025 09 April 2025 11 April 2025 12 April 2025- 17 May 2025
<b>May 2025</b>	<ul style="list-style-type: none"> <li>❖ 3rd Quarter Performance Lekgotla (2023/24)</li> <li>❖ Submission of 2025-2026 Final Budget to Budget Steering Committee</li> <li>❖ Final Draft Budget/IDP/SDBIP 2025/2026</li> <li>❖ Submission of Final Draft IDP/Budget for 2025/26 to council for Approval.</li> <li>❖ Finalize SDBIP for 2025-2026.</li> <li>❖ Develop Performance Agreements (Performance Plans) of MM, Senior Managers, Middle Managers and all employees for 2025-2026 performance year.</li> </ul>	02 May 2025 15 May 2025 30 May 2025 30 July 2025
<b>June 2025</b>	<ul style="list-style-type: none"> <li>❖ Submission of the SDBIP to the Mayor and MPAC.</li> <li>❖ Submission of 2025-2026 Performance Agreements to the Mayor.</li> </ul>	24 June 2025 31 July 2025

MONTH	ACTIVITY	TARGET DATE

The development of the integrated development plan which is a five-year plan of the municipality which is developed in accordance with Section 25(1) of the Municipal Systems Act, each municipal council must adopt an IDP after the start of its elected term within a prescribed period. An election represents the start of a 5-year IDP development process. Section 25 (3) does allow the municipal council to adopt the IDP of the preceding council. However, this needs to be done in accordance with the process prescribed.

In terms of the MSA No.32 of 2000, section 34, a municipal council

(a) **Must review** its integrated development plan.

(i) **Annually** in accordance with an assessment of its performance measurements in terms of section 41 (1); and

(ii) To the extent that changing circumstances so demand; and

(b) **May amend** its integrated development plan in accordance with a prescribed process.”

The **annual review** process thus relates to the assessment of the Municipality’s performance against organizational objectives as well as service delivery, taking cognisance of internal / external circumstances that might have arisen subsequent to the adoption of the previous IDP. The review and amendment process must also adhere to the requirements for public participation as articulated in Chapter 4 of the MSA (2000).

During this annual review process, we need to collate a lot of information to guide us. It is therefore evident that we need to adopt a **structured approach** to ensure that we translate all this data and information in a cohesive manner that will ensure that we establish **strategic priorities / objectives** that will address the prevailing challenges and implement appropriate strategies and projects to address these problems.

The process undertaken to review the comprises of five (5) phases namely.

- **Phase 1: Analysis**
- **Phase 2: Strategies**
- **Phase 3: Project Identification**
- **Phase 4: Integration**
- **Phase 5: Approval**

#### **Phase 1: Analysis phase (Research, information and analysis)**

The analysis phase deals with the existing situation and encompasses an assessment of the existing level of development. It is important during this phase that the municipality understands not only the symptoms, but also the **root cause of the challenges** in order to make **informed decisions** on appropriate solutions. The importance of a comprehensive evaluation of the previous year's **Annual Report is critical**, as it articulates what was achieved in the **previous IDP cycle** and the challenges that contributed to areas of underperformance. This provides a credible benchmark/reference for the current review process. It is important to determine the priority issues because the municipality will not have sufficient resources to address all the issues identified by different segments of the community.

#### **Phase 2: Strategies (Vision, Objectives and strategies)**

During this phase, the municipality works on finding solutions to the problems assessed in the Analysis phase. In terms of its mandate the municipality may employ various methodologies such as a **SWOT analysis** to determine its strengths and weaknesses to leverage these factors to ensure the achievement of the **developed strategic objectives**.

### **Phase 3: Projects (Development of projects and programmes)**

Once strategies are formulated, they result in the identification of projects. The municipality must make sure that the projects identified have a direct linkage to the priority issues and the objectives that were identified.

### **Phase 4: Integration and consolidation**

Once the projects are identified, the municipality must make sure that they are in line with the municipality's objectives and strategies, and also with the resource framework. Furthermore, this phase is an opportunity for the municipality to harmonize the projects in terms of contents, location and timing in order to arrive at consolidated and integrated programme e.g. a local economic development. A very critical phase of the IDP is to link planning to the municipal budget (i.e. allocation of internal or external funding to the identified projects) because this will ensure that implementation of projects and hence development is directed by the IDP.

### **Phase 5: Approval and Adoption**

Once the IDP has been completed, it has to be submitted to the municipal council for consideration and approval. The council must look at whether the IDP identifies the issues (problems) that affect the area and the extent to which the strategies and projects will contribute to addressing the problems. The council must also ensure that the IDP complies with relevant legislative requirements before it is approved. Furthermore, before the approval of the IDP, the municipality must give an opportunity to the public to comment on the draft. Once the IDP is amended according to the input from the public, the council considers it for approval.

One of the main features of the planning process is the involvement of community and stakeholder organizations in the process. Participation of affected and interested parties assures that the IDP addresses the real issues that are experienced by the citizens of a municipality.

### **2.6.2 Medium-term outlook: capital revenue**

#### **Sources of capital revenue over the MTREF**

The above table is graphically represented as follows for the 2025/26 financial year.

**Table SA1 – Supporting detail to budgeted financial performance**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Property rates</b>											
Total Property Rates	6	39 913	54 993	59 511	81 824	76 474	76 474	14 320	63 085	65 740	67 383
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	(14 656)	(14 656)	(14 656)	-	-	-	-
Net Property Rates		39 913	54 993	59 511	67 168	61 818	61 818	14 320	63 085	65 740	67 383
<b>Exchange revenue service charges</b>											
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	98 371	90 414	105 796	126 534	140 597	140 597	35 179	164 565	171 971	176 270
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	6 981	6 981	6 981	-	8 276	8 648	8 865
Net Service charges - electricity revenue		98 371	90 414	105 796	133 515	147 578	147 578	35 179	172 842	180 619	185 135
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6	-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue	6	-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6	9 383	9 537	12 227	12 375	14 163	14 163	3 307	13 602	14 215	14 570
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	113	113	113	-	118	123	126
Net Service charges - refuse revenue		9 383	9 537	12 227	12 488	14 276	14 276	3 307	13 720	14 338	14 696

<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	101 518	107 496	115 034	141 686	129 553	129 553	31 653	131 609	134 695	138 082
Pension, UIF and Group life Contributions		20 762	20 632	22 223	26 479	23 381	23 381	5 863	27 317	28 458	29 170
Medical Aid Contributions		5 522	6 017	6 976	7 730	8 020	8 020	1 905	6 633	6 932	7 106
Overtime		1 065	322	347	1 095	931	931	77	1 040	1 097	1 311
Performance Bonus		8 092	8 490	8 980	11 145	10 056	10 056	188	11 555	12 075	12 378
Motor Vehicle Allowance		13 204	14 271	15 719	18 657	16 912	16 912	4 035	18 035	18 847	19 322
Cellphone Allowance		2 002	1 977	2 194	2 524	2 732	2 732	599	2 478	2 539	2 556
Housing Allowances		220	255	284	295	294	294	77	323	337	345
Other benefits and allowances		1 019	1 124	1 393	535	958	958	369	794	825	842
Payments in lieu of leave		1 576	1 376	4 881	106	938	938	329	308	322	330
Long service awards		713	819	803	538	881	881	280	2 686	908	931
Post-retirement benefit obligations	4	4 049	943	8 373	2 222	660	660	-	4 774	4 989	5 114
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		524	1 113	1 029	745	970	970	171	836	873	895
In kind benefits		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	<b>160 266</b>	<b>164 834</b>	<b>188 236</b>	<b>213 757</b>	<b>196 286</b>	<b>196 286</b>	<b>45 545</b>	<b>208 388</b>	<b>212 895</b>	<b>218 384</b>
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Employee related costs</b>	1	<b>160 266</b>	<b>164 834</b>	<b>188 236</b>	<b>213 757</b>	<b>196 286</b>	<b>196 286</b>	<b>45 545</b>	<b>208 388</b>	<b>212 895</b>	<b>218 384</b>
<b>Depreciation and asset impairment</b>											
Depreciation of Property, Plant and Equipment		57 064	60 951	61 776	58 880	62 732	62 732	16 205	65 492	68 446	70 157
Lease amortisation		8	6	6	22	22	22	-	23	24	24
Capital asset impairment		(4 244)	4 656	566	788	788	788	-	823	860	881
<b>Total Depreciation and asset impairment</b>	1	<b>52 828</b>	<b>65 613</b>	<b>62 349</b>	<b>59 690</b>	<b>63 542</b>	<b>63 542</b>	<b>16 205</b>	<b>66 337</b>	<b>69 329</b>	<b>71 063</b>
<b>Bulk purchases - electricity</b>											
Electricity Bulk Purchases		97 964	93 185	109 783	121 123	139 391	139 391	40 887	155 170	174 938	197 226
<b>Total bulk purchases - electricity</b>	1	<b>97 964</b>	<b>93 185</b>	<b>109 783</b>	<b>121 123</b>	<b>139 391</b>	<b>139 391</b>	<b>40 887</b>	<b>155 170</b>	<b>174 938</b>	<b>197 226</b>
<b>Transfers and grants</b>											
Cash transfers and grants		1 547	1 099	6 016	9 404	12 133	12 133	1 642	12 645	13 214	13 544
Non-cash transfers and grants		-	8 310	9 829	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	1	<b>1 547</b>	<b>9 409</b>	<b>15 844</b>	<b>9 404</b>	<b>12 133</b>	<b>12 133</b>	<b>1 642</b>	<b>12 645</b>	<b>13 214</b>	<b>13 544</b>
<b>Contracted services</b>											
Outsourced Services		71 384	62 215	59 250	49 292	63 713	63 713	16 366	48 227	50 389	51 648
Consultants and Professional Services		7 497	4 453	6 250	5 516	6 023	6 023	1 786	5 012	5 228	5 385
Contractors		9 692	9 271	13 528	15 294	15 174	15 174	3 417	14 499	15 151	15 530
<b>Total contracted services</b>	1	<b>88 573</b>	<b>75 939</b>	<b>79 028</b>	<b>70 102</b>	<b>84 910</b>	<b>84 910</b>	<b>21 569</b>	<b>67 738</b>	<b>70 768</b>	<b>72 563</b>
<b>Operational Costs</b>											
Collection costs		-	295	1 051	982	814	814	814	4 008	4 189	4 293
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		-	-	5 456	5 800	6 881	6 881	576	7 183	7 507	7 694
Other Operational Costs		38 450	63 947	50 540	54 473	55 614	55 614	17 296	61 126	56 307	57 912
<b>Total Operational Costs</b>	1	<b>38 450</b>	<b>64 242</b>	<b>57 046</b>	<b>61 255</b>	<b>63 308</b>	<b>63 308</b>	<b>18 686</b>	<b>72 317</b>	<b>68 002</b>	<b>69 899</b>
<b>Repairs and Maintenance by Expenditure Item</b>											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		32 714	32 520	27 412	25 086	27 468	27 468	9 005	27 139	28 360	29 069
Contracted Services		4 509	4 937	10 260	11 268	12 081	12 081	2 775	10 991	11 485	11 772
Other Expenditure		-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>37 223</b>	<b>37 457</b>	<b>37 672</b>	<b>36 354</b>	<b>39 549</b>	<b>39 549</b>	<b>11 780</b>	<b>38 130</b>	<b>39 846</b>	<b>40 842</b>
<b>Inventory Consumed</b>											
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		38 479	39 362	43 789	37 865	41 563	41 563	13 113	42 412	44 321	45 429
<b>Total Inventory Consumed and Other Material</b>		<b>38 479</b>	<b>39 362</b>	<b>43 789</b>	<b>37 865</b>	<b>41 563</b>	<b>41 563</b>	<b>13 113</b>	<b>42 412</b>	<b>44 321</b>	<b>45 429</b>

**Table SA2 – Matrix Financial Performance Budget (revenue sources and expenditure type and vote)**

Description	###	Vote 1 - Executive & Council	Vote 2 - Municipal Manager	Vote 3 - Budget & Treasury	Vote 4 - Corporate Services	Vote 5 - Community Services	Vote 6 - Technical Services	Vote 7 - Developmental Planning	Vote 8 - Executive Support	Vote 9 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
<b>Revenue</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	
<b>Exchange Revenue</b>																	
Service charges - Electricity		-	-	8 276	-	-	164 565	-	-	-	-	-	-	-	-	-	172 842
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	13 720	-	-	-	-	-	-	-	-	-	-	13 720
Sale of Goods and Rendering of Services		-	-	994	-	97	-	2 041	-	-	-	-	-	-	-	-	3 132
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	69	-	2 267	697	-	-	-	-	-	-	-	-	-	3 032
Interest earned from Current and Non Current Assets		-	-	5 302	-	-	1 360	-	-	-	-	-	-	-	-	-	6 662
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	2 075	-	-	-	-	-	-	-	-	-	2 075
Licence and permits		-	-	-	-	7 623	-	-	-	-	-	-	-	-	-	-	7 623
Special Rating Levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	1 194	107	46	7	-	-	-	-	-	-	-	-	-	1 353
<b>Non-Exchange Revenue</b>																	
Property rates		-	-	63 085	-	-	-	-	-	-	-	-	-	-	-	-	63 085
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	106 584	71	90	-	-	-	-	-	-	-	-	106 745
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		45 493	39 927	59 716	35 498	52 697	113 517	16 407	18 298	-	-	-	-	-	-	-	381 552
Interest		-	-	9 264	-	-	-	-	-	-	-	-	-	-	-	-	9 264
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>45 493</b>	<b>39 927</b>	<b>147 898</b>	<b>35 605</b>	<b>183 034</b>	<b>282 292</b>	<b>18 537</b>	<b>18 298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>771 084</b>
<b>Expenditure</b>																	
Employee related costs		-	15 524	31 813	23 048	64 561	31 265	19 533	22 644	-	-	-	-	-	-	-	208 388
Remuneration of councillors		30 966	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30 966
Bulk purchases - electricity		-	-	-	-	-	155 170	-	-	-	-	-	-	-	-	-	155 170
Inventory consumed		75	337	2 071	125	10 511	28 383	909	-	-	-	-	-	-	-	-	42 412
Debt impairment		-	-	7 058	-	89 244	1 232	-	-	-	-	-	-	-	-	-	97 534
Depreciation and amortisation		-	-	564	2 690	6 145	56 939	-	-	-	-	-	-	-	-	-	66 337
Interest		-	-	12	-	-	5 960	-	-	-	-	-	-	-	-	-	5 962
Contracted services		3 623	24 869	12 635	4 360	21 329	52	100	770	-	-	-	-	-	-	-	67 738
Transfers and subsidies		500	-	10 137	2 008	-	-	-	-	-	-	-	-	-	-	-	12 645
Irrecoverable debts written off		-	-	1 880	-	-	-	-	-	-	-	-	-	-	-	-	1 880
Operational costs		8 249	10 460	12 649	14 239	11 452	9 213	4 578	1 477	-	-	-	-	-	-	-	72 317
Losses on disposal of Assets		-	-	-	26	-	18	-	-	-	-	-	-	-	-	-	44
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>43 414</b>	<b>51 190</b>	<b>78 820</b>	<b>46 495</b>	<b>203 241</b>	<b>288 222</b>	<b>25 120</b>	<b>24 891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>761 393</b>
<b>Surplus/(Deficit)</b>		<b>2 080</b>	<b>(11 263)</b>	<b>69 079</b>	<b>(10 890)</b>	<b>(20 207)</b>	<b>(5 931)</b>	<b>(6 583)</b>	<b>(6 593)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 691</b>
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	179	-	92 090	-	-	-	-	-	-	-	-	-	92 269
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>2 080</b>	<b>(11 263)</b>	<b>69 079</b>	<b>(10 711)</b>	<b>(20 207)</b>	<b>86 159</b>	<b>(6 583)</b>	<b>(6 593)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101 960</b>



**Table SA3 – Supporting detail of budgeted financial position**

<b>Consumables</b>											
<b>Standard Rated</b>											
Opening Balance		31 299	43 887	14 408	79 821	79 821	79 821	18 966	45 542	9 617	(27 925)
Acquisitions	7	19 733	22 010	20 394	—	—	—	16 160	—	—	—
Issues	8	(7 134)	(19 519)	(15 532)	(30 549)	(34 279)	(34 279)	(10 464)	(35 925)	(37 542)	(38 480)
Adjustments	9	—	(504)	(284)	—	—	—	—	—	—	—
Write-offs		—	—	—	—	—	—	—	—	—	—
Correction of Prior period errors		—	—	—	—	—	—	—	—	—	—
Closing balance - Consumables Standard Rated		43 887	46 874	18 986	49 272	45 542	45 542	23 662	9 617	(27 925)	(66 405)
<b>Zero Rated</b>											
Opening Balance		(20 278)	(34 102)	290	—	—	—	371	(6 805)	(13 292)	(20 071)
Acquisitions	7	167	—	161	—	—	—	22	—	—	—
Issues	8	(13 992)	(591)	(80)	(7 315)	(6 805)	(6 805)	(158)	(6 487)	(6 779)	(6 949)
Adjustments	9	—	—	—	—	—	—	—	—	—	—
Write-offs		—	—	—	—	—	—	—	—	—	—
Correction of Prior period errors		—	—	—	—	—	—	—	—	—	—
Closing balance - Consumables Zero Rated		(34 102)	(34 693)	371	(7 315)	(6 805)	(6 805)	235	(13 292)	(20 071)	(27 020)
<b>Finished Goods</b>											
Opening Balance		—	—	—	—	—	—	—	—	—	—
Acquisitions	7	—	—	—	—	—	—	—	—	—	—
Issues	8	—	—	—	—	—	—	—	—	—	—
Adjustments	9	—	—	—	—	—	—	—	—	—	—
Write-offs		—	—	—	—	—	—	—	—	—	—
Correction of Prior period errors		—	—	—	—	—	—	—	—	—	—
Closing balance - Finished Goods		—	—	—	—	—	—	—	—	—	—
<b>Materials and Supplies</b>											
Opening Balance		71	70	119	—	—	—	116	—	—	—
Acquisitions	7	1 791	23 682	18 648	—	—	—	17 701	—	—	—
Issues	8	(1 792)	(23 690)	(18 651)	—	—	—	(17 671)	—	—	—
Adjustments	9	—	—	—	—	—	—	—	—	—	—
Write-offs		—	—	—	—	—	—	—	—	—	—
Correction of Prior period errors		—	—	—	—	—	—	—	—	—	—
Closing balance - Materials and Supplies		70	62	116	—	—	—	146	—	—	—
<b>Work-in-progress</b>											
Opening Balance		—	—	—	—	—	—	—	—	—	—
Materials		—	—	—	—	—	—	—	—	—	—
Transfers		—	—	—	—	—	—	—	—	—	—
Closing balance - Work-in-progress		—	—	—	—	—	—	—	—	—	—
<b>Housing Stock</b>											
Opening Balance		—	—	—	—	—	—	—	—	—	—
Acquisitions	7	—	—	—	—	—	—	—	—	—	—
Transfers	8	—	—	—	—	—	—	—	—	—	—
Sales	9	—	—	—	—	—	—	—	—	—	—
Correction of Prior period errors		—	—	—	—	—	—	—	—	—	—
Closing balance - Housing Stock		—	—	—	—	—	—	—	—	—	—
<b>Land</b>											
Opening Balance		—	8 561	12 037	—	—	—	12 037	—	—	—
Acquisitions		—	—	—	—	—	—	—	—	—	—
Sales		—	—	—	—	—	—	—	—	—	—
Adjustments		—	—	—	—	—	—	—	—	—	—
Correction of Prior period errors		—	—	—	—	—	—	—	—	—	—
Transfers		—	—	—	—	—	—	—	—	—	—
Closing balance - Land		—	8 561	12 037	—	—	—	12 037	—	—	—
Closing Balance - Inventory & Consumables		9 855	22 805	31 509	41 956	38 738	38 738	36 169	(3 675)	(47 996)	(93 425)
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)	3	1 748 381	1 836 016	1 948 544	1 464 754	1 545 325	1 545 325	2 010 001	1 677 521	1 802 513	1 933 454
Leases recognised as PPE		—	21 356	19 330	—	—	—	33 409	—	—	—
Less: Accumulated depreciation		634 518	745 633	806 229	58 880	62 732	62 732	860 613	123 215	191 661	261 818
Total Property, plant and equipment (PPE)	2	1 113 863	1 112 739	1 161 645	1 405 874	1 482 592	1 482 592	1 192 797	1 554 306	1 610 852	1 671 637
<b>LIABILITIES</b>											
<b>Current liabilities - Financial liabilities</b>											
Short term loans (other than bank overdraft)		—	—	—	—	—	—	—	—	—	—
Current portion of long-term liabilities		(1 872)	5 871	8 568	8 895	6 639	6 639	2 169	15 764	27 263	39 237
Total Current liabilities - Financial liabilities		(1 872)	5 871	8 568	8 895	6 639	6 639	2 169	15 764	27 263	39 237
<b>Trade and other payables from exchange transactions</b>											
Trade and other payables from exchange transactions	5	63 117	65 966	66 081	90 033	114 220	114 220	77 979	55 825	8 224	(43 676)
Other trade payables from exchange transactions		—	—	—	—	—	—	—	—	—	—
Trade payables from Non-exchange transactions: Unspent conditional Grants		15 760	36 880	4 350	5 386	—	—	56 069	—	78 600	164 799
Trade payables from Non-exchange transactions: Other		353	823	—	6 841	6 841	6 841	(3)	6 841	6 841	6 841
VAT		31 627	47 726	50 760	—	—	—	63 433	—	—	—
Total Trade and other payables from exchange transactions	2	111 056	151 398	121 181	102 260	121 062	121 062	187 498	62 667	93 665	127 965
<b>Non current liabilities - Financial liabilities</b>											
Borrowing	4	2 106	7 288	2 992	27 548	45 602	45 602	16 491	85 118	120 140	153 041
Other financial liabilities		—	—	—	—	—	—	—	—	—	—
Total Non current liabilities - Financial liabilities		2 106	7 288	2 992	27 548	45 602	45 602	16 491	85 118	120 140	153 041
<b>Non current liabilities - Long Term portion of trade payables</b>											
Electricity Bulk Purchases		—	—	—	—	—	—	—	—	—	—
Payables and Accruals - General		—	—	—	—	—	—	—	—	—	—
Water Bulk Purchases		—	—	—	—	—	—	—	—	—	—
Municipal Debt Relief		—	—	—	—	—	—	—	—	—	—
<b>Provisions</b>											
Retirement benefits		—	—	—	—	—	—	—	—	—	—
Refuse landfill site rehabilitation		47 254	78 432	80 526	45 761	45 761	45 761	85 966	45 761	45 761	45 761
Other		6 455	7 563	7 124	1 000	1 000	1 000	8 210	1 000	1 000	1 000
Total Provisions		53 749	85 995	87 650	46 761	46 761	46 761	94 176	46 761	46 761	46 761
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated surplus/(deficit)</b>											
Accumulated surplus/(deficit) - opening balance		1 084 157	1 094 616	1 189 472	1 394 626	1 416 321	1 416 321	1 234 189	1 576 763	1 678 724	1 762 731
GRAP adjustments		—	—	—	—	—	—	—	—	—	—
Restated balance		1 084 157	1 094 616	1 189 472	1 394 626	1 416 321	1 416 321	1 234 189	1 576 763	1 678 724	1 762 731
Surplus/(Deficit) for the year		105 164	101 316	101 093	114 666	177 441	177 441	202 573	101 960	84 007	92 006
Transfers to/from Reserves		—	—	—	—	—	—	—	—	—	—
Depreciation effects		—	—	—	—	—	—	—	—	—	—
Other adjustments		—	—	—	—	—	—	—	—	—	—
Accumulated Surplus/(Deficit)	1	1 189 320	1 195 932	1 290 565	1 509 292	1 593 762	1 593 762	1 436 762	1 678 724	1 762 731	1 854 736
<b>RESERVES</b>											
Housing Development Fund		—	—	—	—	—	—	—	—	—	—
Capital replacement		—	—	—	—	—	—	—	—	—	—
Self-insurance		—	—	—	—	—	—	—	—	—	—
Other reserves		—	—	—	—	—	—	—	—	—	—
Revaluation		—	—	—	—	—	—	—	—	—	—
Total Reserves	2	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	1 189 320	1 195 932	1 290 565	1 509 292	1 593 762	1 593 762	1 436 762	1 678 724	1 762 731	1 854 736

**Table SA8 – Performance indicators and benchmarks**

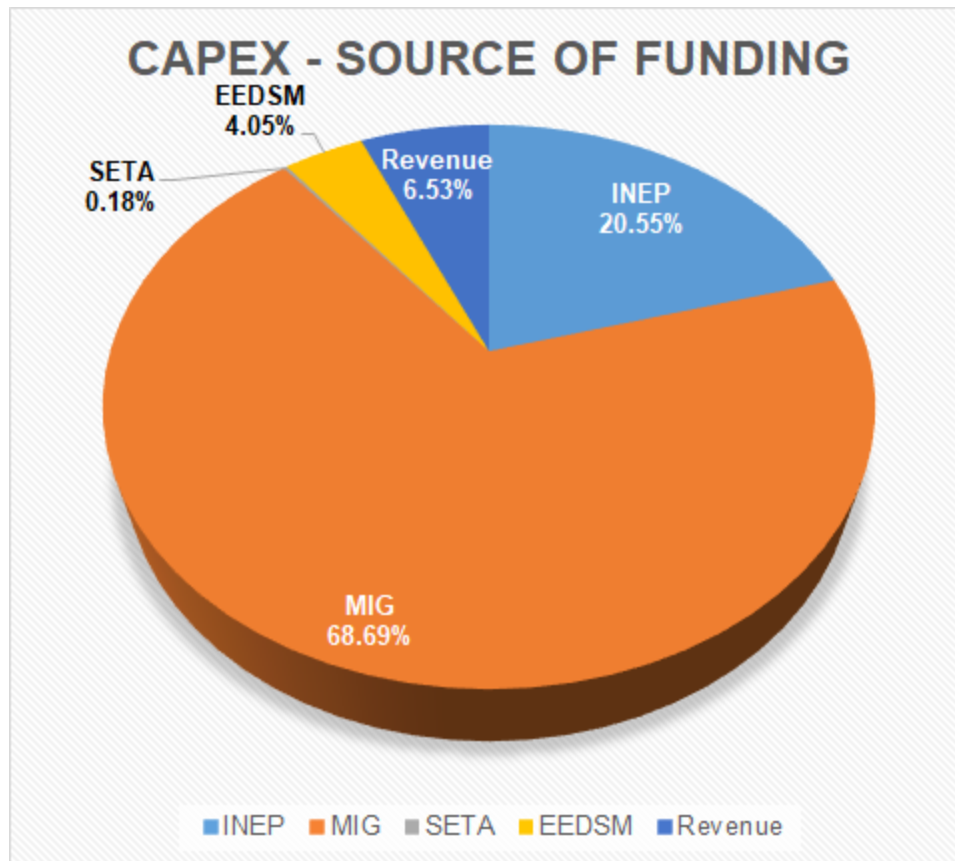
Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating	0.6%	1.3%	1.7%	1.3%	1.8%	1.8%	2.4%	-0.4%	-0.8%	-1.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing	0.5%	1.2%	1.6%	1.3%	1.7%	1.7%	1.9%	-0.4%	-0.7%	-1.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.6	1.6	1.9	2.2	2.3	2.3	2.3	3.5	3.1	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current	1.6	1.6	1.9	2.2	2.3	2.3	2.3	3.5	3.1	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.6	0.7	1.1	1.2	1.2	1.2	1.9	2.0	2.0
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	1.3%	2.0%	113.5%	144.6%	135.7%	135.7%	194.7%	118.6%	118.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		1.3%	2.0%	113.5%	143.8%	134.7%	134.7%	193.2%	118.6%	118.6%	118.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	34.3%	41.1%	42.5%	24.4%	27.5%	27.5%	50.7%	25.4%	25.3%	25.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		-4.7%	-25.8%	-6.3%	6.9%	0.0%	0.0%	63.2%	0.0%	32.8%	46.7%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital	32.7%	26.8%	28.0%	28.4%	26.4%	26.4%	23.7%	27.0%	26.6%	26.1%
Remuneration	Total remuneration/(Total Revenue - capital	37.9%	30.9%	32.3%	32.1%	30.4%	30.4%	37.9%	31.0%	30.7%	30.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital	7.9%	6.5%	5.7%	4.8%	5.3%	5.3%	6.0%	4.9%	5.0%	4.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	10.1%	9.8%	8.0%	8.7%	8.7%	7.6%	9.4%	9.3%	8.8%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating	64.8	54.8	36.1	44.7	44.2	44.2	(10 020.5)	(548.8)	(555.4)	(580.5)
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual	74.5%	157.7%	146.0%	92.1%	95.2%	95.2%	182.3%	78.4%	78.6%	84.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed	(10.5)	(3.7)	(1.7)	1.5	1.8	1.8	2.6	2.4	4.4	6.2

**Table SA10 – Funding measurement**

Description	MFMA section	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Funding measures</b>												
Cash/cash equivalents at the year beg - R'000	18(1)b	1	6 825	14 719	33 093	9 209	22 674	22 674	22 674	71 789	123 415	239 282
Cash + investments at the yr end less applications - R'000	18(1)b	2	(96 262)	(88 294)	(72 354)	(11 915)	(7 789)	(7 789)	46 208	68 690	136 943	199 216
Cash year end/monthly employee/supplier payments	18(1)b	3	(10.5)	(3.7)	(1.7)	1.5	1.8	1.8	2.6	2.4	4.4	6.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	105 164	101 316	101 093	114 566	177 441	177 441	202 573	101 960	84 007	92 006
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(3.9%)	8.1%	17.3%	(1.1%)	(6.0%)	(35.5%)	5.6%	(1.6%)	(3.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.4%	0.4%	14.7%	18.8%	21.1%	21.1%	31.2%	67.1%	64.6%	63.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	52.7%	36.9%	58.4%	41.8%	41.8%	23.5%	39.1%	39.1%	39.1%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	13.8%	7.8%	(1.1%)	15.4%	0.0%	12.0%	7.1%	25.3%	23.8%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	2.5%	0.0%	(100.0%)	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	3.6%	4.0%	3.6%	2.9%	3.1%	3.1%	3.0%	3.2%	3.3%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	51.9%	34.9%	7.8%	8.7%	11.3%	11.3%	0.0%	12.2%	28.3%	0.0%

**Table SA16 – Investment particulars by maturity**

Not applicable



**Figure 6 Breakdown of the source of funding for 2025/26 MTREF**

Capital grants and receipts equate to 93% of the total funding source which represents R92, 269 million for the 2025/26 financial year and decreases to R78, 787 million and increases to R86, 387 million in 2026/27 and 2027/28 financial years respectively. Only 7% of capital budgets is funded from internally generated revenue.



## 2.7 Expenditure on grants and reconciliation of unspent funds

**Table SA18 - Transfers and Grants Receipts**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>										
<b>RECEIPTS</b>										
<b>Operating</b>										
<b>National Government</b>										
Equitable Share		302 788	334 260	358 519	377 690	377 690	377 690	375 890	373 396	390 275
Expanded Public Works Programme Integrated Grant		2 199	1 796	2 243	2 609	2 609	2 609	2 862		
Local Government Financial Management Grant		2 650	2 850	2 850	2 800	2 800	2 800	2 800	2 800	2 900
<b>Total Operating/National Government</b>		<b>307 637</b>	<b>338 906</b>	<b>363 612</b>	<b>383 099</b>	<b>383 099</b>	<b>383 099</b>	<b>381 552</b>	<b>376 196</b>	<b>393 175</b>
<b>Other Grant Providers</b>										
Education, Training and Development Practices SETA				968						
<b>Total Operating/Other Grant Providers</b>				<b>968</b>						
<b>Total Operating</b>		<b>307 637</b>	<b>338 906</b>	<b>364 580</b>	<b>383 099</b>	<b>383 099</b>	<b>383 099</b>	<b>381 552</b>	<b>376 196</b>	<b>393 175</b>
<b>Capital</b>										
<b>National Government</b>										
Energy Efficiency and Demand Side Management Grant					4 000	4 000	4 000	4 000		4 000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		16 392	17 000	14 400	17 544	17 544	17 544	20 283	4 983	5 209
Municipal Disaster Recovery Grant						27 650	27 650			
Municipal Infrastructure Grant		57 924	73 896	60 985	74 314	74 314	74 314	67 807	73 617	76 986
<b>Total Capital/National Government</b>		<b>74 316</b>	<b>90 896</b>	<b>75 385</b>	<b>95 858</b>	<b>123 508</b>	<b>123 508</b>	<b>92 090</b>	<b>78 600</b>	<b>86 195</b>
<b>District Municipalities</b>										
Infrastructure						20 000	20 000			
<b>Total Capital/District Municipalities</b>						<b>20 000</b>	<b>20 000</b>			
<b>Other Grant Providers</b>										
Education, Training and Development Practices SETA					360	360	360	179	187	192
<b>Total Capital/Other Grant Providers</b>					<b>360</b>	<b>360</b>	<b>360</b>	<b>179</b>	<b>187</b>	<b>192</b>
<b>Total Capital</b>		<b>74 316</b>	<b>90 896</b>	<b>75 385</b>	<b>96 218</b>	<b>143 868</b>	<b>143 868</b>	<b>92 269</b>	<b>78 787</b>	<b>86 387</b>
<b>TOTAL</b>		<b>381 953</b>	<b>429 802</b>	<b>439 965</b>	<b>479 317</b>	<b>526 967</b>	<b>526 967</b>	<b>473 821</b>	<b>454 983</b>	<b>479 562</b>

**Table SA19 - Expenditure on transfers and grants expenditure**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating</b>										
<b>National Government</b>										
Equitable Share		297 206	365 162	373 718	379 092	382 899	382 899	395 983	405 549	413 528
Expanded Public Works Programme Integrated Grant		2 195	1 796	2 243	2 609	2 666	2 666	2 855		
Local Government Financial Management Grant		2 695	2 575	2 550	2 549	2 483	2 483	2 557	2 557	2 647
<b>Total National Government</b>		<b>302 096</b>	<b>369 534</b>	<b>378 511</b>	<b>384 250</b>	<b>388 048</b>	<b>388 048</b>	<b>401 394</b>	<b>408 106</b>	<b>416 175</b>
<b>Total Operating</b>		<b>302 096</b>	<b>369 534</b>	<b>378 511</b>	<b>384 250</b>	<b>388 048</b>	<b>388 048</b>	<b>401 394</b>	<b>408 106</b>	<b>416 175</b>
<b>Capital</b>										
<b>National Government</b>										
Energy Efficiency and Demand Side Management Grant					4 000	4 000	4 000	4 000		4 000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		31 801	14 942	12 554	17 544	17 544	17 544	20 283	4 983	5 209
Municipal Disaster Recovery Grant						27 650	27 650			
Municipal Infrastructure Grant		50 540	67 881	57 979	74 314	74 314	74 314	67 807	73 617	76 986
<b>Total National Government</b>		<b>82 341</b>	<b>82 823</b>	<b>70 534</b>	<b>95 858</b>	<b>123 508</b>	<b>123 508</b>	<b>92 090</b>	<b>78 600</b>	<b>86 195</b>
<b>District Municipalities</b>										
Infrastructure						20 000	20 000			
<b>Total District Municipalities</b>						<b>20 000</b>	<b>20 000</b>			
<b>Total Capital</b>		<b>82 341</b>	<b>82 823</b>	<b>70 534</b>	<b>95 858</b>	<b>143 508</b>	<b>143 508</b>	<b>92 090</b>	<b>78 600</b>	<b>86 195</b>
<b>TOTAL</b>		<b>384 438</b>	<b>452 356</b>	<b>449 044</b>	<b>480 108</b>	<b>531 556</b>	<b>531 556</b>	<b>493 484</b>	<b>486 706</b>	<b>502 370</b>

### Conditional operational grants

Financial Management Grant (FMG) and Expanded Public Works Programme Grant (EMPW) are budgeted for excluding VAT. Additionally, the expenditure for equitable shares is inclusive of the allocation for 2025-26 financial year and amount as per the bank balance as at 30 June 2024, hence the expenditure is above the allocation.

**Table SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	–	73 896	(4 000)	(4 000)	(4 000)	–	–	–
Current year receipts	–	(4 646)	(5 093)	(5 409)	(5 409)	(5 409)	(5 662)	(2 800)	(2 900)
Conditions met - transferred to revenue	–	(83 188)	63 710	(18 818)	(14 818)	(14 818)	(5 662)	(2 800)	(2 900)
<b>Conditions still to be met - transferred to liabilities</b>	–	<b>78 542</b>	<b>5 093</b>	<b>9 409</b>	<b>5 409</b>	<b>5 409</b>	–	–	–
<b>Provincial Government:</b>									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	(102)	(102)	(102)	–	–	–	–	–	–
Current year receipts			625	–	–	–	–	–	–
Conditions met - transferred to revenue	(102)	(102)	523	–	–	–	–	–	–
<b>Total operating transfers and grants revenue</b>	<b>(102)</b>	<b>(83 289)</b>	<b>64 233</b>	<b>(18 818)</b>	<b>(14 818)</b>	<b>(14 818)</b>	<b>(5 662)</b>	<b>(2 800)</b>	<b>(2 900)</b>
<b>Total operating transfers and grants - CTBM</b>	<b>–</b>	<b>78 542</b>	<b>5 093</b>	<b>9 409</b>	<b>5 409</b>	<b>5 409</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	(907)	(5 923)	(95 072)	(3 900)	(3 900)	(3 900)	–	–	–
Current year receipts	(5 016)	(111 605)	(75 385)	(95 858)	(123 508)	(123 508)	(92 090)	(78 600)	(86 195)
Conditions met - transferred to revenue	(5 923)	(122 985)	(191 167)	(98 272)	(125 922)	(125 922)	(92 090)	(78 600)	(86 195)
Conditions still to be met - transferred to liabilities	–	5 456	20 710	(1 486)	(1 486)	(1 486)	–	–	–
<b>Provincial Government:</b>									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	–	–	(300)	(360)	(360)	(360)	–	–	–
Current year receipts	–	–	–	(360)	(20 360)	(20 360)	(179)	(187)	(192)
Conditions met - transferred to revenue	–	–	(300)	(1 442)	(41 081)	(41 081)	(179)	(187)	(192)
Conditions still to be met - transferred to liabilities	–	–	–	721	20 360	20 360	–	–	–
<b>Total capital transfers and grants revenue</b>	<b>(5 923)</b>	<b>(122 985)</b>	<b>(191 467)</b>	<b>(99 713)</b>	<b>(167 003)</b>	<b>(167 003)</b>	<b>(92 269)</b>	<b>(78 787)</b>	<b>(86 387)</b>
<b>Total capital transfers and grants - CTBM</b>	<b>–</b>	<b>5 456</b>	<b>20 710</b>	<b>(765)</b>	<b>18 874</b>	<b>18 874</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>(6 024)</b>	<b>(206 274)</b>	<b>(127 234)</b>	<b>(118 531)</b>	<b>(181 821)</b>	<b>(181 821)</b>	<b>(97 931)</b>	<b>(81 587)</b>	<b>(89 287)</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>–</b>	<b>83 998</b>	<b>25 803</b>	<b>8 644</b>	<b>24 283</b>	<b>24 283</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Table SA21 – Transfers and Grants made by the municipality**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>										
<b>Cash Transfers and Grants</b>										
<b>Cash Transfers to Groups of Individuals</b>										
Households		1 547	1 099	6 016	9 404	12 133	12 133	12 645	13 214	13 544
<b>Total Cash Transfers to Groups of Individuals</b>		<b>1 547</b>	<b>1 099</b>	<b>6 016</b>	<b>9 404</b>	<b>12 133</b>	<b>12 133</b>	<b>12 645</b>	<b>13 214</b>	<b>13 544</b>
<b>Total Cash Transfers and Grants</b>		<b>1 547</b>	<b>1 099</b>	<b>6 016</b>	<b>9 404</b>	<b>12 133</b>	<b>12 133</b>	<b>12 645</b>	<b>13 214</b>	<b>13 544</b>
<b>Non-Cash Transfers and Grants</b>										
<b>Non-Cash Transfers to Organisations</b>										
Public corporations			8 310	9 829						
<b>Total Non-Cash Transfers to Organisations</b>		<b>-</b>	<b>8 310</b>	<b>9 829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Non-Cash Transfers and Grants</b>		<b>-</b>	<b>8 310</b>	<b>9 829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>		<b>1 547</b>	<b>9 409</b>	<b>15 844</b>	<b>9 404</b>	<b>12 133</b>	<b>12 133</b>	<b>12 645</b>	<b>13 214</b>	<b>13 544</b>



**Table SA22 – Summary councilors and staff benefits**

Description	###	Vote 1 - Executive & Council	Vote 2 - Municipal Manager	Vote 3 - Budget & Treasury	Vote 4 - Corporate Services	Vote 5 - Community Services	Vote 6 - Technical Services	Vote 7 - Developmental Planning	Vote 8 - Executive Support	Vote 9 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
<b>R thousand</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		-	-	8 276	-	-	164 565	-	-	-	-	-	-	-	-	-	172 842
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	13 720	-	-	-	-	-	-	-	-	-	-	13 720
Sale of Goods and Rendering of Services		-	-	994	-	97	-	2 041	-	-	-	-	-	-	-	-	3 132
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	69	-	2 267	697	-	-	-	-	-	-	-	-	-	3 032
Interest earned from Current and Non Current Assets		-	-	5 302	-	-	1 360	-	-	-	-	-	-	-	-	-	6 662
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	2 075	-	-	-	-	-	-	-	-	-	2 075
Licence and permits		-	-	-	-	7 623	-	-	-	-	-	-	-	-	-	-	7 623
Special Rating Levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	1 194	107	46	7	-	-	-	-	-	-	-	-	-	1 353
<b>Non-Exchange Revenue</b>																	
Property rates		-	-	63 085	-	-	-	-	-	-	-	-	-	-	-	-	63 085
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	106 584	71	90	-	-	-	-	-	-	-	-	106 745
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		45 493	39 927	59 716	35 498	52 697	113 517	16 407	18 298	-	-	-	-	-	-	-	381 552
Interest		-	-	9 264	-	-	-	-	-	-	-	-	-	-	-	-	9 264
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>45 493</b>	<b>39 927</b>	<b>147 898</b>	<b>35 605</b>	<b>183 034</b>	<b>282 292</b>	<b>18 537</b>	<b>18 298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>771 084</b>
<b>Expenditure</b>																	
Employee related costs		-	15 524	31 813	23 048	64 561	31 265	19 533	22 644	-	-	-	-	-	-	-	208 388
Remuneration of councillors		30 966	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30 966
Bulk purchases - electricity		-	-	-	-	-	155 170	-	-	-	-	-	-	-	-	-	155 170
Inventory consumed		75	337	2 071	125	10 511	28 383	909	-	-	-	-	-	-	-	-	42 412
Debt impairment		-	-	7 058	-	89 244	1 232	-	-	-	-	-	-	-	-	-	97 534
Depreciation and amortisation		-	-	564	2 690	6 145	56 939	-	-	-	-	-	-	-	-	-	66 337
Interest		-	-	12	-	-	5 950	-	-	-	-	-	-	-	-	-	5 962
Contracted services		3 623	24 869	12 635	4 360	21 329	52	100	770	-	-	-	-	-	-	-	67 738
Transfers and subsidies		500	-	10 137	2 008	-	-	-	-	-	-	-	-	-	-	-	12 645
Irrecoverable debts written off		-	-	1 880	-	-	-	-	-	-	-	-	-	-	-	-	1 880
Operational costs		8 249	10 460	12 649	14 239	11 452	9 213	4 578	1 477	-	-	-	-	-	-	-	72 317
Losses on disposal of Assets		-	-	-	26	-	18	-	-	-	-	-	-	-	-	-	44
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>43 414</b>	<b>51 190</b>	<b>78 820</b>	<b>46 495</b>	<b>203 241</b>	<b>288 222</b>	<b>25 120</b>	<b>24 891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>761 393</b>
<b>Surplus/(Deficit)</b>		<b>2 080</b>	<b>(11 263)</b>	<b>69 079</b>	<b>(10 890)</b>	<b>(20 207)</b>	<b>(5 931)</b>	<b>(6 583)</b>	<b>(6 593)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 691</b>
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	179	-	92 090	-	-	-	-	-	-	-	-	-	92 269
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>2 080</b>	<b>(11 263)</b>	<b>69 079</b>	<b>(10 711)</b>	<b>(20 207)</b>	<b>86 159</b>	<b>(6 583)</b>	<b>(6 593)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101 960</b>

## Monthly targets for revenue, expenditure and cash flow

### Table SA25 - Budgeted monthly revenue and expenditure

Description	Ref	2025/26												2025/26 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 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>	<b>1</b>															
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		14 403	14 403	14 403	14 403	14 403	14 403	14 403	14 403	14 403	14 403	14 403	14 403	172 842	180 619	185 135
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		1 143	1 143	1 144	1 144	1 145	1 143	1 143	1 143	1 143	1 143	1 143	1 143	13 720	14 338	14 696
Sale of Goods and Rendering of Services		261	261	261	261	261	261	261	261	261	261	261	261	3 132	3 273	3 355
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		253	253	253	321	253	184	253	253	253	253	253	253	3 032	3 168	3 247
Interest earned from Current and Non Current Assets		555	555	555	555	555	555	555	555	555	555	555	555	6 662	6 961	7 135
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		156	153	160	183	130	193	203	177	142	287	163	128	2 075	2 168	2 223
Licence and permits		866	757	645	647	632	679	632	547	757	646	457	362	7 623	7 967	8 166
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		125	121	368	237	59	18	83	62	72	96	52	62	1 353	1 414	1 449
<b>Non-Exchange Revenue</b>																
Property rates		5 257	5 242	5 242	5 242	5 242	5 404	5 242	5 242	5 242	5 242	5 242	5 242	63 085	65 740	67 383
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		8 671	8 784	8 337	8 439	8 813	8 992	9 438	9 579	9 887	9 323	9 915	6 567	106 745	128 368	140 052
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		156 206	3 667	-	-	1 202	123 676	-	793	96 009	-	-	-	381 552	376 196	393 175
Interest		772	772	772	772	772	772	772	772	772	772	772	772	9 264	9 681	9 923
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>188 668</b>	<b>36 111</b>	<b>32 140</b>	<b>32 205</b>	<b>33 467</b>	<b>156 281</b>	<b>32 986</b>	<b>33 787</b>	<b>129 496</b>	<b>32 981</b>	<b>33 216</b>	<b>29 747</b>	<b>771 084</b>	<b>799 893</b>	<b>835 939</b>
<b>Expenditure</b>																
Employee related costs		17 357	17 370	17 361	17 367	17 361	17 361	17 361	17 373	17 374	17 369	17 367	17 366	208 388	212 895	218 384
Remuneration of councillors		2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	30 966	32 360	33 169
Bulk purchases - electricity		12 931	12 931	12 931	12 931	12 931	12 931	12 931	12 931	12 931	12 931	12 931	12 931	155 170	174 938	197 226
Inventory consumed		5 048	3 703	3 948	2 614	4 059	2 760	4 592	2 108	4 052	2 625	3 547	3 547	42 412	44 321	45 429
Debt impairment		8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	97 534	101 923	104 471
Depreciation and amortisation		6 317	4 435	5 648	5 494	5 598	5 269	6 131	5 334	5 869	4 926	5 065	6 251	66 337	69 329	71 063
Interest		496	496	497	497	499	496	496	498	496	496	496	497	5 962	4 913	2 513
Contracted services		6 899	5 157	6 325	5 603	5 907	6 300	5 361	5 587	5 197	5 130	5 227	5 246	67 738	70 768	72 563
Transfers and subsidies		1 764	845	845	845	845	845	1 764	845	845	845	845	1 514	12 645	13 214	13 544
Irrecoverable debts written off		157	157	157	157	157	157	157	157	157	157	157	157	1 880	1 964	2 013
Operational costs		5 613	5 103	5 627	6 267	9 327	5 324	5 813	7 995	4 799	6 229	4 785	5 434	72 317	68 002	69 899
Losses on disposal of Assets		26	-	3	4	-	-	4	-	-	2	-	5	44	46	47
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>67 116</b>	<b>60 904</b>	<b>64 049</b>	<b>62 486</b>	<b>67 391</b>	<b>62 150</b>	<b>65 317</b>	<b>63 537</b>	<b>62 428</b>	<b>61 420</b>	<b>60 939</b>	<b>63 656</b>	<b>761 393</b>	<b>794 673</b>	<b>830 321</b>
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>121 551</b>	<b>(24 793)</b>	<b>(31 909)</b>	<b>(30 281)</b>	<b>(33 924)</b>	<b>94 131</b>	<b>(32 331)</b>	<b>(29 750)</b>	<b>67 068</b>	<b>(28 439)</b>	<b>(27 723)</b>	<b>(33 908)</b>	<b>9 691</b>	<b>5 220</b>	<b>5 619</b>
Transfers and subsidies - capital (monetary allocations)		28 007	-	23 054	-	10 773	11 263	42	4 983	14 129	-	18	-	92 269	78 787	86 387
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers and contributions</b>		<b>149 559</b>	<b>(24 793)</b>	<b>(8 856)</b>	<b>(30 281)</b>	<b>(23 151)</b>	<b>105 393</b>	<b>(32 289)</b>	<b>(24 768)</b>	<b>81 197</b>	<b>(28 439)</b>	<b>(27 704)</b>	<b>(33 908)</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>149 559</b>	<b>(24 793)</b>	<b>(8 856)</b>	<b>(30 281)</b>	<b>(23 151)</b>	<b>105 393</b>	<b>(32 289)</b>	<b>(24 768)</b>	<b>81 197</b>	<b>(28 439)</b>	<b>(27 704)</b>	<b>(33 908)</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>149 559</b>	<b>(24 793)</b>	<b>(8 856)</b>	<b>(30 281)</b>	<b>(23 151)</b>	<b>105 393</b>	<b>(32 289)</b>	<b>(24 768)</b>	<b>81 197</b>	<b>(28 439)</b>	<b>(27 704)</b>	<b>(33 908)</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>149 559</b>	<b>(24 793)</b>	<b>(8 856)</b>	<b>(30 281)</b>	<b>(23 151)</b>	<b>105 393</b>	<b>(32 289)</b>	<b>(24 768)</b>	<b>81 197</b>	<b>(28 439)</b>	<b>(27 704)</b>	<b>(33 908)</b>	<b>101 960</b>	<b>84 007</b>	<b>92 006</b>

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

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	45 493	45 493	37 243	35 229
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	39 927	39 927	52 966	55 759
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-	-	147 898	147 898	148 698	147 776
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	35 784	35 784	32 622	36 491
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	183 034	183 034	210 085	226 587
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	374 382	374 382	366 287	386 860
Vote 7 - Developmental Planning		-	-	-	-	-	-	-	-	-	-	-	18 537	18 537	14 572	16 672
Vote 8 - Executive Support		-	-	-	-	-	-	-	-	-	-	-	18 298	18 298	16 208	16 952
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		-	-	-	-	-	-	-	-	-	-	-	863 353	863 353	878 680	922 326
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	43 414	43 414	45 367	46 501
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	51 190	51 190	53 248	53 945
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-	-	78 820	78 820	80 131	82 594
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	46 495	46 495	47 928	49 121
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	203 241	203 241	211 322	216 782
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	288 222	288 222	310 728	334 260
Vote 7 - Developmental Planning		-	-	-	-	-	-	-	-	-	-	-	25 120	25 120	20 102	20 627
Vote 8 - Executive Support		-	-	-	-	-	-	-	-	-	-	-	24 891	24 891	25 847	26 492
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		-	-	-	-	-	-	-	-	-	-	-	761 393	761 393	794 673	830 321
<b>Surplus/(Deficit) before assoc.</b>		-	-	-	-	-	-	-	-	-	-	-	101 960	101 960	84 007	92 006
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	-	-	-	-	-	-	-	-	-	-	-	101 960	101 960	84 007	92 006

**Table SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Ref	2025/26											2025/26 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 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands																
Revenue - Functional																
Municipal governance and administration		104 820	10 151	7 630	7 535	7 326	86 863	7 355	7 292	42 553	7 326	7 300	7 292	303 445	298 724	304 772
Executive and council		19 362					23 789			6 997				50 149	42 089	39 175
Finance and administration		76 836	10 151	7 630	7 535	7 326	56 651	7 355	7 292	37 440	7 326	7 300	7 292	240 135	237 102	244 021
Internal audit		8 623					6 423			(1 884)				13 161	19 533	21 577
Community and public safety		10 545	12	12	12	12	9 751	12	12	3 688	12	12	12	24 093	22 094	25 303
Community and social services		3 209	9	9	9	9	4 479	9	9	2 737	9	9	9	10 504	9 836	10 936
Sport and recreation		7 336	3	3	3	3	5 272	3	3	951	3	3	3	13 589	12 258	14 367
Public safety																
Housing																
Health																
Economic and environmental services		55 905	10 710	32 329	9 433	10 942	42 204	10 439	11 262	71 372	10 423	10 701	7 222	282 942	308 836	322 067
Planning and development		8 585	1 043	175	175	1 380	6 607	180	973	7 137	177	176	180	26 789	24 792	28 339
Road transport		47 115	9 667	32 154	9 257	9 562	35 384	10 259	10 289	63 821	10 246	10 525	7 042	255 321	283 259	292 883
Environmental protection		205					212			415				832	786	846
Trading services		45 404	15 238	15 222	15 224	25 960	28 725	15 222	20 204	26 011	15 221	15 221	15 222	252 874	249 025	270 184
Energy sources		34 206	13 905	13 889	13 892	24 626	20 412	13 890	18 872	20 280	13 889	13 889	13 890	215 642	203 864	223 747
Water management																
Waste water management																
Waste management		11 198	1 332	1 333	1 333	1 334	8 313	1 332	1 332	5 731	1 332	1 332	1 332	37 232	45 162	46 437
Other																
Total Revenue - Functional		216 675	36 111	55 193	32 205	44 240	167 543	33 028	38 770	143 625	32 981	33 234	29 747	863 353	878 680	922 326
Expenditure - Functional																
Municipal governance and administration		25 639	21 382	23 786	22 026	26 436	21 950	23 829	23 914	21 730	22 173	21 846	22 263	276 974	282 918	287 663
Executive and council		4 452	4 646	3 922	4 922	3 914	4 638	4 323	4 265	4 141	4 663	4 189	4 602	52 677	54 870	55 608
Finance and administration		20 527	16 294	19 137	16 660	17 210	16 872	18 802	17 332	17 114	16 303	17 110	17 223	210 584	213 783	217 433
Internal audit		660	442	728	443	5 313	441	703	2 317	475	1 207	547	437	13 714	14 266	14 622
Community and public safety		3 264	3 256	3 084	3 345	3 165	3 263	2 966	2 967	3 078	3 126	2 813	3 001	37 328	38 867	39 836
Community and social services		1 405	1 504	1 382	1 438	1 426	1 459	1 376	1 471	1 380	1 430	1 422	1 468	17 161	17 822	18 266
Sport and recreation		1 831	1 725	1 674	1 879	1 710	1 776	1 562	1 468	1 670	1 668	1 363	1 505	19 832	20 695	21 211
Public safety		28	28	28	28	28	28	28	28	28	28	28	28	335	350	358
Housing																
Health																
Economic and environmental services		18 824	18 113	18 530	18 772	18 428	18 288	18 948	18 286	18 867	18 067	17 780	19 016	221 919	224 986	230 811
Planning and development		2 843	2 508	2 655	2 997	2 638	2 587	2 542	2 884	2 701	2 472	2 735	2 625	32 186	27 453	28 158
Road transport		15 872	15 532	15 758	15 702	15 657	15 628	16 265	15 329	16 093	15 440	14 972	16 210	188 458	196 202	201 288
Environmental protection		109	73	117	73	133	73	142	73	73	155	73	182	1 275	1 332	1 365
Trading services		19 388	18 152	18 649	18 344	19 363	18 648	19 574	18 370	18 753	18 055	18 500	19 376	225 172	247 902	272 010
Energy sources		14 675	14 469	13 922	14 515	14 727	14 869	15 064	14 536	14 430	14 276	14 491	15 050	175 024	195 686	218 492
Water management																
Waste water management																
Waste management		4 713	3 683	4 727	3 829	4 636	3 780	4 510	3 834	4 323	3 778	4 008	4 326	50 148	52 216	53 518
Other																
Total Expenditure - Functional		67 116	60 904	64 049	62 486	67 391	62 150	65 317	63 537	62 428	61 420	60 939	63 656	761 393	794 673	830 321
Surplus/(Deficit)	1	149 559	(24 793)	(8 856)	(30 281)	(23 151)	105 393	(32 289)	(24 768)	81 197	(28 439)	(27 704)	(33 908)	101 960	84 007	92 006



**Table SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	<b>1</b>															
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	1 179	-	188	196
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	800	800	-	3 000
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	5 315	5 315	26 160	-
Vote 7 - Developmental Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>2</b>	-	-	-	-	-	-	-	-	-	-	-	7 295	7 295	26 348	3 196
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	500	500	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	950	950	3 000	-
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	89 975	89 975	49 440	83 195
Vote 7 - Developmental Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>2</b>	-	-	-	-	-	-	-	-	-	-	-	91 425	91 425	52 440	83 195
<b>Total Capital Expenditure</b>	<b>2</b>	-	-	-	-	-	-	-	-	-	-	-	98 719	98 719	78 788	86 391

**Table SA 29 - Budgeted monthly capital expenditure (standard classification)**

Description	Ref	2025/26												2025/26 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 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>	<b>1</b>															
<b>Capital Expenditure - Functional</b>																
<i>Municipal governance and administration</i>		68	-	543	-	142	235	-	210	26	59	396	-	1 679	188	196
Executive and council																
Finance and administration		68		543		142	235		210	26	59	396		1 679	188	196
Internal audit																
<i>Community and public safety</i>		42	229	14	423	29	15	18	-	152	-	78	-	1 000	-	-
Community and social services			229		423		15			133				800		
Sport and recreation		42		14		29		18		20		78		200		
Public safety																
Housing																
Health																
<i>Economic and environmental services</i>		7 399	7 913	7 844	2 652	8 107	2 744	6 901	1 582	7 437	4 261	8 111	3 475	68 428	67 300	70 486
Planning and development																
Road transport		7 399	7 913	7 844	2 652	8 107	2 744	6 901	1 582	7 437	4 261	8 111	3 475	68 428	67 300	70 486
Environmental protection																
<i>Trading services</i>		2 946	1 937	2 096	2 393	3 349	2 375	3 221	1 939	2 088	1 635	1 324	2 309	27 612	11 300	15 709
Energy sources		2 811	1 813	2 085	2 360	3 260	2 326	3 198	1 895	1 929	1 552	1 324	2 309	26 862	8 300	12 709
Water management																
Waste water management																
Waste management		135	124	11	33	90	49	23	44	159	82			750	3 000	3 000
<i>Other</i>																
<b>Total Capital Expenditure - Functional</b>	<b>2</b>	<b>10 455</b>	<b>10 079</b>	<b>10 497</b>	<b>5 469</b>	<b>11 627</b>	<b>5 370</b>	<b>10 139</b>	<b>3 731</b>	<b>9 704</b>	<b>5 955</b>	<b>9 908</b>	<b>5 785</b>	<b>98 719</b>	<b>78 788</b>	<b>86 391</b>
<b>Funded by</b>																
National Government		9 888	9 480	9 641	5 012	10 797	5 070	9 642	3 253	9 065	5 783	9 059	5 399	92 090	78 600	86 195
Provincial Government																
District Municipality																
Transfers and subsidies - capital (monetary allocations) (Nat /		33		39		45			62					179	188	196
<b>Transfers recognised - capital</b>		<b>9 920</b>	<b>9 480</b>	<b>9 680</b>	<b>5 012</b>	<b>10 842</b>	<b>5 070</b>	<b>9 642</b>	<b>3 315</b>	<b>9 065</b>	<b>5 783</b>	<b>9 059</b>	<b>5 399</b>	<b>92 269</b>	<b>78 788</b>	<b>86 391</b>
<b>Borrowing</b>																
Internally generated funds		535	599	817	456	785	300	497	416	639	171	849	385	6 450		
<b>Total Capital Funding</b>		<b>10 455</b>	<b>10 079</b>	<b>10 497</b>	<b>5 469</b>	<b>11 627</b>	<b>5 370</b>	<b>10 139</b>	<b>3 731</b>	<b>9 704</b>	<b>5 955</b>	<b>9 908</b>	<b>5 785</b>	<b>98 719</b>	<b>78 788</b>	<b>86 391</b>

## Table SA30 – Budgeted Monthly Cash flow

Description	2025/26												2025/26 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 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>															
<b>Cash Receipts By Source</b>															
Property rates	3 203	3 203	3 203	15 692	3 203	3 203	3 203	3 203	3 203	3 203	3 203	3 203	50 923	53 066	54 392
Service charges - electricity revenue	12 559	12 559	12 559	12 559	29 856	12 559	12 559	12 559	12 559	12 559	12 559	12 558	168 000	175 560	179 949
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	634	634	634	(831)	635	634	633	633	633	633	633	633	6 139	6 415	6 576
Rental of facilities and equipment	156	153	160	183	130	193	203	177	142	287	163	128	2 075	2 168	2 223
Interest earned - external investments	442	442	442	442	442	442	442	442	442	442	442	442	5 302	5 540	5 679
Interest earned - outstanding debtors	-	158	513	3 090	-	-	-	-	-	-	-	-	3 761	3 930	4 028
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	952	980	(4 022)	930	971	990	1 037	1 052	1 083	1 021	1 113	726	6 832	8 183	8 913
Licences and permits	866	757	645	647	632	679	632	547	757	646	457	362	7 623	7 967	8 166
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	156 206	3 667	-	-	1 202	123 676	-	793	96 009	-	-	-	381 552	376 196	393 175
Other revenue	499	495	742	611	433	392	457	436	446	470	426	436	5 845	6 108	6 261
<b>Cash Receipts by Source</b>	<b>175 515</b>	<b>23 046</b>	<b>14 875</b>	<b>33 321</b>	<b>37 504</b>	<b>142 766</b>	<b>19 166</b>	<b>19 842</b>	<b>115 272</b>	<b>19 260</b>	<b>18 996</b>	<b>18 489</b>	<b>638 052</b>	<b>645 133</b>	<b>669 361</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National	28 007	-	23 021	-	10 736	11 263	-	4 983	14 081	-	-	-	92 090	157 200	172 390
Transfers and subsidies - capital (monetary allocations) (Nat / Pr	-	-	-	179	-	-	-	-	-	-	-	-	179	188	196
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	24	24	24	24	24	24	(122)	24	24	24	24	24	146	153	157
Vat Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>203 547</b>	<b>23 070</b>	<b>37 921</b>	<b>33 525</b>	<b>48 264</b>	<b>154 053</b>	<b>19 044</b>	<b>24 849</b>	<b>129 377</b>	<b>19 284</b>	<b>19 020</b>	<b>18 513</b>	<b>730 468</b>	<b>802 673</b>	<b>842 104</b>
<b>Cash Payments by Type</b>															
Employee related costs	(16 959)	(16 972)	(16 963)	(16 970)	(16 963)	(16 963)	(16 963)	(16 976)	(16 977)	(16 972)	(16 969)	(16 968)	(203 613)	(207 906)	(213 270)
Remuneration of councillors	(2 581)	(2 581)	(2 581)	(2 581)	(2 581)	(2 581)	(2 581)	(2 581)	(2 581)	(2 581)	(2 581)	(2 581)	(30 966)	(32 360)	(33 169)
Finance charges	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(5 962)	(4 913)	(2 513)
Bulk purchases - Electricity	(12 931)	(12 931)	(12 931)	(12 931)	(12 931)	(12 931)	(12 931)	(12 931)	(12 931)	(12 931)	(12 931)	(12 931)	(155 170)	(174 938)	(197 226)
Acquisition inventory - water and other inventory	(2 643)	(2 643)	(2 643)	(2 643)	(2 643)	(2 643)	(2 643)	(2 643)	(2 643)	(2 643)	(2 643)	(2 643)	(31 713)	(33 140)	(33 969)
Contracted services	(5 645)	(5 645)	(5 645)	(5 645)	(5 645)	(5 645)	(5 645)	(5 645)	(5 645)	(5 645)	(5 645)	(5 645)	(67 738)	(70 768)	(72 563)
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	(1 243)	(1 243)	(1 243)	(1 368)	(1 243)	(1 243)	1 524	(1 368)	(1 243)	(1 368)	(1 243)	(1 368)	(12 645)	(13 214)	(13 544)
Other expenditure	(6 006)	(6 025)	(6 025)	(6 025)	(5 821)	(6 025)	(6 025)	(6 025)	(6 025)	(6 025)	(6 025)	(6 045)	(72 095)	(67 770)	(69 661)
<b>Cash Payments by Type</b>	<b>(48 504)</b>	<b>(48 535)</b>	<b>(48 526)</b>	<b>(48 658)</b>	<b>(48 322)</b>	<b>(48 526)</b>	<b>(45 760)</b>	<b>(48 664)</b>	<b>(48 540)</b>	<b>(48 660)</b>	<b>(48 533)</b>	<b>(48 676)</b>	<b>(579 903)</b>	<b>(605 009)</b>	<b>(635 915)</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	(273)	(1 258)	(20 994)	(5 269)	(8 159)	(4 385)	(9 892)	(14 066)	(8 202)	(5 291)	(8 201)	(3 073)	(89 065)	(70 928)	(77 772)
Repayment of borrowing	760	760	760	760	(8 365)	760	9 886	760	760	760	760	760	9 126	10 875	11 147
Other Cash Flows/Payments	(1 583)	(1 583)	(1 583)	(1 583)	(1 583)	(1 583)	(1 583)	(1 583)	(1 583)	(1 583)	(1 583)	(1 583)	(18 999)	(21 746)	(25 960)
<b>Total Cash Payments by Type</b>	<b>(49 600)</b>	<b>(50 616)</b>	<b>(70 343)</b>	<b>(54 750)</b>	<b>(66 430)</b>	<b>(53 734)</b>	<b>(47 349)</b>	<b>(63 552)</b>	<b>(57 564)</b>	<b>(54 774)</b>	<b>(57 557)</b>	<b>(52 572)</b>	<b>(678 841)</b>	<b>(686 806)</b>	<b>(728 499)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>153 947</b>	<b>(27 546)</b>	<b>(32 423)</b>	<b>(21 225)</b>	<b>(18 166)</b>	<b>100 319</b>	<b>(28 305)</b>	<b>(38 703)</b>	<b>71 813</b>	<b>(35 490)</b>	<b>(38 537)</b>	<b>(34 059)</b>	<b>51 627</b>	<b>115 867</b>	<b>113 605</b>
Cash/cash equivalents at the month/year begin:	22 674	176 621	149 075	116 653	95 428	77 262	177 581	149 276	110 573	182 385	146 896	108 359	22 674	327 707	547 117
Cash/cash equivalents at the month/year end:	<b>176 621</b>	<b>149 075</b>	<b>116 653</b>	<b>95 428</b>	<b>77 262</b>	<b>177 581</b>	<b>149 276</b>	<b>110 573</b>	<b>182 385</b>	<b>146 896</b>	<b>108 359</b>	<b>74 301</b>	<b>74 301</b>	<b>443 574</b>	<b>660 722</b>

## Table SA31 – Not applicable

**Table SA 34a - Capital expenditure on new assets by asset class**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands										
<b><u>Capital Expenditure on new assets by Asset Class/Sub-class</u></b>										
<b><u>Infrastructure</u></b>		30 969								
<i>Drainage Collection</i>					2 174			1 000		
Electrical Infrastructure		30 969								
<i>Power Plants</i>			2 230	5 737						
<i>MV Networks</i>		31 801	18 063	12 799	21 544	21 544	21 544	26 862	8 300	12 709
<i>LV Networks</i>		(832)								
<i>Boreholes</i>						20 000	20 000			
<i>Landfill Sites</i>				(916)	250	100	100	1 200		
<i>Waste Transfer Stations</i>										3 000
<i>Waste Processing Facilities</i>										
<i>Waste Drop-off Points</i>			734							
<i>Centres</i>			454							
<b><u>Other assets</u></b>		33								
Operational Buildings		33								
<i>Municipal Offices</i>		33								
<b><u>Computer Equipment</u></b>		1 051								
Computer Equipment		1 051	1 930	2 113	1 360	1 660	1 660	1 179	188	196
<b><u>Furniture and Office Equipment</u></b>		284								
Furniture and Office Equipment		284	1 060	5 661	6 110	760	760	500		
<b><u>Machinery and Equipment</u></b>		8 712								
Machinery and Equipment		8 712	1 858	331	983	461	461	200		
<b><u>Transport Assets</u></b>		13 723								
Transport Assets		13 723	2 824							
<b><u>Land</u></b>		-								
Land			1 075							
<b>Total Capital Expenditure on new assets</b>		<b>54 773</b>								



**Table SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands										
<b>Capital Expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		47 534	31 444	7 053	8 500	18 550	18 550	11 889	22 300	-
Roads Infrastructure		47 534	28 097	-	-	17 050	17 050	-	22 300	-
Roads		47 534	28 097			17 050	17 050		22 300	
Electrical Infrastructure		-	-	-	500	500	500	-	-	-
Capital Spares					500	500	500			
Solid Waste Infrastructure		-	3 347	7 053	8 000	1 000	1 000	11 889	-	-
Landfill Sites			3 347	7 053	8 000	1 000	1 000	11 889		
<b>Community Assets</b>		498	1 376	-	800	696	696	-	-	-
Community Facilities		498	1 376	-	800	696	696	-	-	-
Cemeteries/Crematoria		498	1 376		800	696	696			
<b>Other assets</b>		-	247	-	-	-	-	-	-	-
Operational Buildings		-	247	-	-	-	-	-	-	-
Municipal Offices			247							
<b>Furniture and Office Equipment</b>		(3)	-	-	-	-	-	-	-	-
Furniture and Office Equipment		(3)								
<b>Machinery and Equipment</b>		-	-	-	261	238	238	200	-	-
Machinery and Equipment					261	238	238	200		
<b>Total Capital Expenditure on new assets</b>		48 029	33 067	7 053	9 561	19 484	19 484	12 089	22 300	

**Table SA34c - Repairs and maintenance expenditure by asset class**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands										
<u>Repairs and Maintenance Expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		26 082	25 023	20 528	14 718	15 856	15 856	16 403	17 141	17 570
Roads Infrastructure		13 895	20 456	13 024	7 766	8 266	8 266	7 629	7 972	8 172
Roads		13 895	20 456	13 024	7 766	8 266	8 266	7 629	7 972	8 172
Electrical Infrastructure		12 187	4 566	5 404	4 750	4 750	4 750	5 808	6 070	6 222
MV Networks		12 187	4 566	5 404	4 750	4 750	4 750	5 808	6 070	6 222
Solid Waste Infrastructure		-	-	2 100	2 203	2 841	2 841	2 966	3 099	3 176
Landfill Sites				2 100	2 203	2 841	2 841	2 966	3 099	3 176
<u>Community Assets</u>		166	537	448	6 262	7 686	7 686	7 024	7 341	7 524
Community Facilities		166	537	448	6 262	7 686	7 686	7 024	7 341	7 524
Parks		166	537	448	6 262	7 686	7 686	7 024	7 341	7 524
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>		-	-	-	550	550	550	580	606	621
Furniture and Office Equipment					550	550	550	580	606	621
<u>Machinery and Equipment</u>		10 975	11 898	16 695	13 101	13 233	13 233	12 300	12 854	13 175
Machinery and Equipment		10 975	11 898	16 695	13 101	13 233	13 233	12 300	12 854	13 175
<u>Transport Assets</u>		-	-	-	1 724	2 224	2 224	1 822	1 903	1 951
Transport Assets					1 724	2 224	2 224	1 822	1 903	1 951
Total Capital Expenditure on new assets		37 223	37 457	37 672	36 354	39 549	39 549	38 130	39 846	40 842

Table SA34d – Depreciation of Assets

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands										
Depreciation by Asset Class/Sub-class										
Infrastructure		43 492	45 071	46 642	40 397	44 147	44 147	46 089	48 163	49 367
Roads Infrastructure		37 644	37 522	39 827	36 420	36 327	36 327	37 926	39 632	40 623
Roads		37 644	37 231	39 370	35 937	35 937	35 937	37 518	39 207	40 187
Road Structures			227	228	241	227	227	237	248	254
Road Furniture			64	229	242	163	163	170	178	182
Storm water Infrastructure		-	-	-	42	42	42	44	46	47
Drainage Collection					42	42	42	44	46	47
Electrical Infrastructure		4 815	5 288	4 589	3 226	6 199	6 199	6 472	6 763	6 932
HV Transmission Conductors		4 812								
MV Substations			1 564	905	1 639	3 037	3 037	3 171	3 313	3 396
MV Switching Stations			355	318	376	321	321	335	350	359
MV Networks	3		623	1 494	1 212	599	599	625	654	670
LV Networks			632	262		641	641	669	699	717
Capital Spares			2 114	1 610		1 601	1 601	1 671	1 747	1 790
Solid Waste Infrastructure		1 034	2 261	2 227	710	1 578	1 578	1 648	1 722	1 765
Landfill Sites		1 034	581	516	417	426	426	445	465	476
Waste Transfer Stations										
Waste Processing Facilities			1 678	1 708	289	1 150	1 150	1 200	1 254	1 286
Capital Spares			3	3	3	3	3	3	3	3
		1 150	1 030	958	1 117	1 071	1 071	1 124	1 182	1 211
Community Assets										
Community Facilities		1 150	794	802	854	807	807	849	894	917
Halls			17	30	31	28	28	30	31	32
Centres			182	183	193	185	185	193	202	207
Cemeteries/Crematoria			91	92	97	93	93	97	101	104
Police										
Parks			2	1	3	1	1	8	15	15
Public Open Space		1 150								
Taxi Ranks/Bus Terminals			248	244	263	247	247	258	269	276
Capital Spares			252	253	267	253	253	264	276	283
Sport and Recreation Facilities		-	236	156	263	263	263	275	287	295
Indoor Facilities										
Outdoor Facilities			236	156	263	263	263	275	287	295
Capital Spares										
Heritage assets		-	-	-	6	6	6	-	-	-
Monuments										
Other Heritage					6	6	6			
Other assets		4 062	4 222	3 966	6 366	5 003	5 003	5 223	5 458	5 594
Operational Buildings		4 062	3 100	1 415	2 608	2 086	2 086	2 178	2 276	2 333
Municipal Offices		4 062	2 462	716	2 574	1 538	1 538	1 606	1 678	1 720
Stores			271	389	34	234	234	244	255	262
Training Centres			368	310		314	314	328	342	351
Housing		-	1 121	2 552	3 759	2 917	2 917	3 045	3 182	3 262
Staff Housing										
Social Housing			1 121	2 552	3 759	2 917	2 917	3 045	3 182	3 262
Intangible Assets		8	6	6	22	22	22	23	24	24
Servitudes			6	6	14	14	14	14	15	15
Licences and Rights		8	-	-	8	8	8	8	9	9
Computer Software and Applications		8			8	8	8	8	9	9
Computer Equipment		554	722	995	994	967	967	1 010	1 055	1 082
Computer Equipment		554	722	995	994	967	967	1 010	1 055	1 082
Furniture and Office Equipment		659	616	744	840	2 433	2 433	2 539	2 653	2 719
Furniture and Office Equipment		659	616	744	840	2 433	2 433	2 539	2 653	2 719
Machinery and Equipment		2 647	3 182	3 242	3 168	3 939	3 939	4 112	4 297	4 404
Machinery and Equipment		2 647	3 182	3 242	3 168	3 939	3 939	4 112	4 297	4 404
Transport Assets		4 499	6 108	5 229	5 990	5 168	5 168	5 395	5 638	5 779
Transport Assets		4 499	6 108	5 229	5 990	5 168	5 168	5 395	5 638	5 779
Total Capital Expenditure on new assets		57 072	60 957	61 783	58 901	62 754	62 754	65 514	68 469	70 181

**Table SA34e – Upgrading of Existing Assets**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands										
<b>Capital Expenditure on Upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		9 026	46 162	61 428	58 514	84 158	84 158	55 689	48 000	70 486
Roads Infrastructure		2 891	41 712	59 643	58 514	84 158	84 158	55 689	45 000	70 486
Roads		2 891	41 712	59 643	58 514	84 158	84 158	55 689	45 000	70 486
Solid Waste Infrastructure		6 135	4 450	1 785	-	-	-	-	3 000	-
Landfill Sites		6 135	4 450	1 785						
Waste Transfer Stations									3 000	
<b>Community Assets</b>		(648)	-	-	10 000	10 000	10 000	-	-	-
Community Facilities		(648)	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		(648)								
Sport and Recreation Facilities		-	-	-	10 000	10 000	10 000	-	-	-
Indoor Facilities										
Outdoor Facilities					10 000	10 000	10 000			
Capital Spares										
<b>Machinery and Equipment</b>		-	291	-	-	-	-	-	-	-
Machinery and Equipment			291							
<b>Total Capital Expenditure on new assets</b>		<b>8 378</b>	<b>46 452</b>	<b>61 428</b>	<b>68 514</b>	<b>94 158</b>	<b>94 158</b>	<b>55 689</b>	<b>48 000</b>	<b>70 486</b>

**Table SA35 – Future financial implications of the capital budget**

Not applicable

**Table SA36–Capital project list**

Function	Project Description	Type	Asset Class	Asset Sub-Class	Current Year 2024/25 Full Year Forecast	2025/26 Medium Term Revenue & Expenditure Framework		
						Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Technical Services	Aircons	New	Furniture and Office Equip	Furniture and Office Equipment	182 526	-	-	-
Technical Services	Electrification of Doorum (Designs)	New	Electrical Infrastructure	MV Networks	200 000	1 299 000	-	3 312 000
Technical Services	Electrification of Luckau Maganagobuswa	New	Electrical Infrastructure	MV Networks	5 277 000	2 688 000	-	-
Technical Services	Electrification of Lusaka (Designs)	New	Electrical Infrastructure	MV Networks	200 000	2 400 000	4 440 000	-
Technical Services	Electrification of Magukubjane	New	Electrical Infrastructure	MV Networks	4 267 000	-	-	-
Technical Services	Electrification of Mabose	New	Electrical Infrastructure	MV Networks	-	-	543 000	-
Technical Services	Electrification of Mantrombi Section	New	Electrical Infrastructure	MV Networks	2 000 000	3 600 000	-	-
Technical Services	Electrification of Kgaphamadi	New	Electrical Infrastructure	MV Networks	-	2 736 000	-	-
Technical Services	Electrification of Phooko	New	Electrical Infrastructure	MV Networks	3 000 000	-	-	-
Technical Services	Energy Efficiency Project	New	Electrical Infrastructure	Power Plants	4 000 000	4 000 000	-	4 000 000
Technical Services	Installation of high mast in Bloompoot	New	Electrical Infrastructure	MV Networks	-	-	-	437 500
Technical Services	Installation of high mast in Kgobokwane Kgaphamadi	New	Electrical Infrastructure	MV Networks	-	-	-	437 500
Technical Services	Installation of high mast light in Dikgalaopeng	New	Electrical Infrastructure	MV Networks	-	72 422	414 625	-
Technical Services	Installation of high mast light in Legolaneng	New	Electrical Infrastructure	MV Networks	-	-	-	437 500
Technical Services	Installation of high mast light in Lusaka	New	Electrical Infrastructure	MV Networks	-	-	-	437 500
Technical Services	Installation of high mast light in Magakadimeng	New	Electrical Infrastructure	MV Networks	-	72 422	414 625	-
Technical Services	Installation of high mast light in Makgopheng	New	Electrical Infrastructure	MV Networks	-	72 422	414 625	-
Technical Services	Installation of high mast light in Matlala Lehwelere	New	Electrical Infrastructure	MV Networks	-	72 422	414 625	-
Technical Services	Installation of high mast light in Matsitsi Village	New	Electrical Infrastructure	MV Networks	-	72 422	414 625	-
Technical Services	Installation of high mast light in Sephaku Fourways	New	Electrical Infrastructure	MV Networks	-	-	-	437 500
Technical Services	Installation of high mast light in Sterkfontein	New	Electrical Infrastructure	MV Networks	-	-	-	437 500
Technical Services	Installation of high mast light in Stompo	New	Electrical Infrastructure	MV Networks	-	72 426	414 625	-
Technical Services	Installation of high mast light in Tafelkop Rammupudu	New	Electrical Infrastructure	MV Networks	-	72 422	414 625	-
Technical Services	T-Junction	New	Electrical Infrastructure	MV Networks	-	72 422	414 625	-
Technical Services	Installation of high mast light in Thabakhubedu	New	Electrical Infrastructure	MV Networks	-	-	-	437 500
Technical Services	Installation of high mast light in Tshehla Trust	New	Electrical Infrastructure	MV Networks	-	-	-	437 500
Technical Services	Installation of high mast light in Waalkraal Clinic	New	Electrical Infrastructure	MV Networks	-	72 422	414 625	-
Technical Services	Refurbishment of Roosenekal Network	New	Electrical Infrastructure	MV Networks	-	2 000 000	-	-
Technical Services	Electrification of Motetema High view	New	Electrical Infrastructure	MV Networks	2 000 000	-	-	-
Technical Services	Electrification of Ntswelemotse	New	Electrical Infrastructure	MV Networks	200 000	3 240 000	-	-
Technical Services	Electrification of Oorlog (Designs)	New	Electrical Infrastructure	MV Networks	200 000	1 872 000	-	1 897 000
Technical Services	Electrification of Zaalplass Police Station (Designs)	New	Electrical Infrastructure	MV Networks	200 000	2 448 000	-	-
Technical Services	Groblersdal Lanfillsite	New	Solid Waste Infrastructure	Landfill Sites	-	11 538 950	-	-
Technical Services	Groblersdal Traffic Lights	New	Electrical Infrastructure	Capital Spares	500 000	-	-	-
Technical Services	Groblersdal Stormwater	New	Roads Infrastructure	Roads	-	1 000 000	-	-
Technical Services	Sekhukhune Boreholes	New	Community Facilities	Boreholes	20 000 000	-	-	-
					<b>158 166 958</b>	<b>98 719 256</b>	<b>78 787 502</b>	<b>86 391 127</b>



Function	Project Description	Type	Asset Class	Asset Sub-Class	Current Year 2024/25 Full Year Forecast	2025/26 Medium Term Revenue & Expenditure Framework		
						Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Technical Services	Re - construction of culvert bridge at Kgobokwane village	New	Roads Infrastructure	Roads	3 500 000	-	-	-
Technical Services	Re - construction of gabions at Marapong villag	New	Roads Infrastructure	Roads	1 200 000	-	-	-
Technical Services	Upgrading of gravel road to pave and stormwater at Moteti	New	Roads Infrastructure	Roads	10 600 000	-	-	-
Technical Services	Contruction of Jerusalema/Motsephiri stormwater contr	New	Roads Infrastructure	Storm water Conveyance	12 350 000	-	-	-
Technical Services	Ugrading of Stompo Bus Road	New	Roads Infrastructure	Roads	300 000	-	-	30 486 000
Technical Services	Upgrading of Tafelkop stadium	Upgradin	Roads Infrastructure	Roads	10 000 000	-	-	-
Technical Services	Upgrading of Hlogottlou-Bopanang Road	Upgradin	Roads Infrastructure	Roads	-	-	22 300 000	-
Technical Services	Upgrading of Kgobokwane-Kgaphamadi Road	Upgradin	Roads Infrastructure	Roads	21 000 000	19 174 445	-	-
Technical Services	Upgrading of Kgobokwane-Kgaphamadi Road (Internal)	Upgradin	Roads Infrastructure	Roads	2 834 257	-	-	-
Technical Services	Upgrading of Malaeneng A Ntwane Access Road	Upgradin	Roads Infrastructure	Roads	17 750 000	5 654 286	-	-
Technical Services	Upgrading of Malaeneng A Ntwane Access Road (Internal)	Upgradin	Roads Infrastructure	Roads	127 013	-	-	-
Technical Services	Upgrading of Mokumong access road to Marateng taxi	Upgradin	Roads Infrastructure	Roads	2 927 427	-	-	-
Technical Services	Upgrading of Mokumong access road to Marateng taxi rank (MIG)	Upgradin	Roads Infrastructure	Roads	16 989 800	16 257 144	-	-
Technical Services	Upgrading of Maraganeng internal Access road (Internal)	Upgradin	Roads Infrastructure	Roads	1 155 383	-	-	-
Technical Services	Upgrading of Maraganeng internal Access road (MIG)	Upgradin	Roads Infrastructure	Roads	8 574 200	14 602 795	-	-
Technical Services	Upgrading of Tafelkop Bapeding Bus route	Upgradin	Roads Infrastructure	Roads	600 000	-	-	-
Technical Services	Upgrading of Waalkral Bus route (Internal)	Upgradin	Roads Infrastructure	Roads	700 000	-	-	-
Technical Services	Upgrading of Waalkral Bus route (MIG)	Upgradin	Roads Infrastructure	Roads	-	-	45 000 000	40 000 000
Technical Services	Machinery and Equipment(tools)	New	Machinery and Equipment	Machinery and Equipment	237 948	200 000	-	-
Technical Services	Upgrading of Talane Bus route (Internal)	Upgradin	Roads Infrastructure	Roads	600 000	-	-	-
Information Technology	Computer Equipment	New	Computer Equipment	Computer Equipment	1 300 000	-	-	-
Human Resources	Furniture and Office Equipment	New	Furniture and Office Equip	Furniture and Office Equipment	710 000	-	-	-
Human Resources	Computer Equipment - SETA	New	Computer Equipment	Computer Equipment	360 404	-	-	-
Community Services	Furniture and Office Equipment	New	Furniture and Office Equip	Furniture and Office Equipment	50 000	-	-	-
Community Services	Elandsdoorn Landfill Site	Renewal	Community Facilities	Cemeteries/Crematoria	1 000 000	-	-	-
Community Services	Ablution Facility Groblersdal	Upgradin	Community Facilities	Parks	-	50 000	-	-
Community Services	Ablution Facility Roosenekal	New	Machinery and Equipment	Machinery and Equipment	-	50 000	-	-
Community Services	Construction of washbay at Groblersdal landfill site	New	Machinery and Equipment	Machinery and Equipment	-	200 000	-	-
Community Services	Fencing of Tafelkop Cemetery	New	Solid Waste Infrastructure	Capital Spares	-	800 000	-	-
Community Services	Landfill Site Off Storage	New	Community Facilities	Centres	-	50 000	-	-
Community Services	Landfill site - Notice boards	New	Solid Waste Infrastructure	Landfill Sites	100 000	100 000	-	-
Community Services	Weighbridge Groblersdal Landfill Site	New	Solid Waste Infrastructure	Waste Transfer Stations	-	300 000	-	-
Community Services	Development of Moteti Waste Transfer Station	New	Solid Waste Infrastructure	Waste Transfer Stations	-	-	-	3 000 000
Community Services	Upgrading of Elanddoorn Transfer Station	Upgradin	Solid Waste Infrastructure	Waste Transfer Stations	-	-	1 500 000	-
Community Services	Upgrading of Hlogottlou Transfer Station	Upgradin	Solid Waste Infrastructure	Waste Transfer Stations	-	-	1 500 000	-
Community Services	Fencing of Elandsdoorn/Ntwane Cemetery	Renewal	Community Facilities	Cemeteries	696 000	-	-	-
Coprporate Services	Computer Equipment	New	Computer Equipment	Computer Software and Applicatio	-	1 179 256	187 502	196 127
Coprporate Services	Furniture and Office Equipment	New	Furniture and Office Equip	Furniture and Office Equipment	-	500 000	-	-
Community Services	Professional Lawn Mowers and Industrial Bruch Cutters	New	Machinery and Equipment	Machinery and Equipment	278 000	-	-	-
Community Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	-	200 000	-	-
					158 166 958	98 719 256	78 787 502	86 391 127

## QUALITY CERTIFICATE

I, **NAMUDI REGINAH MAKGATA**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the 2025/26 annual budget and supporting documentations have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the integrated development plan.

  
Signature

14/04/2025  
Date

**Elías Motsoledi Local  
Municipality**

17 APR 2025

**Municipal Manager**