SCHEDULE A

FINAL BUDGET AND SUPPORTING DOCUMENTATION OF UMZUMBE LOCAL MUNICIPALITY

FINAL BUDGET OF

UMZUMBE LOCAL MUNICIPALITY

2026/27 TO 2027/28
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- **In the foyer of municipal buildings**

and

- **At www.umzumbe.gov.za**

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National ElectriMunicipality Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Final Budget

MAYORAL FINAL BUDGET SPEECH 2026 (MAY 2026)

Somlomo Cllr Mthethwa

Ngikhuleke eMakhosini aseNdlunkulu

Sekela Meya Cllr Ndlovu

Council Whip Cllr Cele

Members of the Executive Committee

All party Whips and All Councillors

Mphathi kaMasipala Ndosi

Abasebenzi bonke ngokwamazinga abo

Abezindaba uma bekhona

Bonke abakhona ngiyababingelela

Somlomo ngokwezibalo zangamuva zithi ingu 46,1 % intsha yase South Africa engaebenzi. Kwisifunda Ugu District iphakathi kuka 36% and 56,4 %. Isimo leso Makhansela esibhekene naso kanjalo nomnotho ontengayo, ukukhuphuka kuka petrol omba eqolo nokufaka ingcindezi enkulu kumphakathi wethu okumele silethe izidingo kuwo. Ngethula lefinal budget speech ngaphansi kwesimo esinjalo. Lena Makhansela eyokugcina ngci kule term of Council eqale ngo November 2021.

Zibeningi izigigaba ezikhungathe le term of office. Kule term sibe no Deputy Mayor ababili, noSpeaker abathathu. Saba noMunicipal Manager abane uma uhlanganisa nababebamba. Kuke kwaba nesikhathi la kwaphela khona 6 months iCouncil ingahlali nokwaholela ku section 139 b of the Constitution. Sabuya lapho sesiwumasipala obambisene (coalition government).

Sike sathola i-adverse Audit Opinion from Auditor General.

Sibonga ukuthi eziningi zalezozimo sikwazile ukuzidlulisa saqhubeka nomsebenzi ngoba okubalulekile ukunika izidingo zabantu.

Somlomo iqiniso lithi isimo sezimali asisihle kulomasipala wethu. Ngisaphinda ngiyasho ukuthi uma lomasipala ungakwazi ukuziqoqela imali eminyakeni ezayo ungasengcupheni yokuthi uhulumeni kazwelonke awuqede njengomasipala oVulamehlo neZinqoleni. Njengoba isimo sezimali sivimbezele kuzwelonke kuzoba lukhuni ukuthi umasipala ukwazi ukuqhubeka ulethe izidingo kubantu uma ungayenzi inzuzo (Revenue). Nakuba ikhona indawo esuka eMdoni Municipality kepha akukho okutheni eza nakho kodwa ama services abawadinga kithi makhulu futhi kumele siwahambisa ukuze ngokuzayo sithole no Hibberdene.

*Somlomo angiye khona. The proposed Operating Budget is **R225,797,390,87** bese kuthi i-total Capital budget is **R61,576,934,28.** Lesiphakamiso sihambisana ne deficit ka **R46,132,131.56.** Izidingo zomphakathi zilokhu zikhulile imali ilokhu yehla.*

Speaker ngizophinda ngithi nqampu nakwezinye izihloko :

1. TECHNICAL SERVICES

PROJECT	***PROPOSED BUDGET***
Mncindo Access Road	*R10,3million*
Indoor Sport Centre	*R25,3 million*
Hlokozi Sportfield	*R1,4 million*
Esiwoyini Sportfield	*R5,9 million*
LIC Project	*R2 million*
Storm water Maintenance	*R700,000*
Maintenance Road Repairs	*R3 million*
Electrification	*R459,000*

2. CORPORATE SERVICES

PROJECT	***PROPOSED BUDGET***
Office Furniture	*R400,000.00*

Upgrade of ablution facilities (sceptic tank)	*R100,000.00*
Software Upgrade	*R150, 000.00*
Computer Hardware	*R300,000.00*
Telephones	*R600,000.00*
Wifi Hot spots	*R350,000.00*
Software licence fees	*R2,9 million*
Telephone	*R6,5 million*
Securities	*R6,5 million*

3. PLANNING AND LED

PROJECT	***PROPOSED BUDGET***
Support for SMMES and Corp(contracted)	*R 2 million*
Amalgamated Entities	*R5 million*
Review of Spatial Development	*R 2 million*
Local Area Plan for Framework for Mthwalume, Long Beach and Koelwater	*R1,5 million*

4. SOCIAL SERVICES

PROJECT	***PROPOSED BUDGET***
Renovations of Halls	*R 550,000,00*
Brush Cutters	*R 69,440,00*
Library Services	*R1,1 million*
Waste Collection	*R 150,000,00*
Disaster Material support	*R540,000,00*
Gel Solar	*R150,000*
Fire & Rescue Services	*R278,000,00*
Waste Collection	*R2,6 million*

5. MAYORALTY

PROJECT	***PROPOSED BUDGET***
Mayoral Izimbizo	*R480,000,00*
IDP and Budget Roadshows	*R480,000,00*

Mayor's Initiative	*R530,000*
Media Bulk Buying	*R400,000*
Government Faces (New Term)	*R20,000*
Ward Committee Training	*R650,000*
Ward Committee Stipends	*R3,6 million*
Disability Games	*R380,000*
Umkhosi Womhlanga(local & Prov)	*R330,000*
Mfundo Arnold Lushaba Marathon	*R675,000*
Salga Games	*R405,000*

Makhansela okuningi sekushiwo yimi nombhalo oveza ngokusobala ukuthi kumele siqinise i-oversight kulokhu okuncane siqikelele ukuthi kuhlomulisa umphakathi waseMzumbe.

Phezukwakho konke lokhu sisahlalelwe izindawo zaseMthwalume Beach, Long Beach and Koolwaters ezisuka eMdoni ziza eMzumbe okumele sibheke ukuthi zithuthuka kanjani siphinde sinxenxe osozimali batshala ukuze zifake ama rates amaningi. Ngokwembiko incane kakhuluimali esizoyithola laphaya. Kuzomele ngokushesha sibheke umhlaba okhona laphaya sizame ukufaka intuthuko ikakhulu ezoletha revenue.
Kuningi okusamele sikwenze ukuguqula isimo somkhandlu wethu. Kukhona la okuzomele sinciphise khona sonke amakhansela nabasebenzi. Izinto ezinjengamanzi nje uma uya ezindaweni eziningi usuthelelwa kojeke ngenxa yemali nathi kuyaphoqa ukuthi senze njalo. Inkinga enkulu MaKhansela iyosuka mhla sangakwazi ukukhokhela abasebenzi. Kuyoba kuhle ukuthi sikugweme manje maKhansela. Ngifisa ukubonga amakhansela wonke kusuka ngoFebruary 2021 ngangima kanje ngethula izabelo mali zoMkhandlu

kuze kube imanje. Ngifisa ukubonga abasebenzi ebebeqiniseka ukuthi ibudget speech iyafinyelela ku Council ibe inkulumo ekholekayo. Lesi esokugcina kule term of office. Nge adjustment budget kobe sekune Council entsha noMeya omusha. Sibonga ukusebenzisana yonke leminyaka. Singcwekile ngepolitiki senza konke okusemandleni ethu ukuletha intuthuko kubantu bakithi. Angisho ukuthi umsebenzi usaqhubeka kithina sobawu 39 kuze kube umhlaka 04 November 2026.

Ngiyacela Makhansela samukele siphinde siphasise isabelomali ukuze siqhubeke nentuthuko.

Ngiyabonga

1.1 Council Resolutions

On 29 May 2026 the Council of Umzumbe Local Municipality met at the council Chamber to consider the Final budget of the municipality for the financial year 2026/27. The Council approved the Final budget (A-schedule) and related policies.

1.2 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.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. This has resulted in savings to the municipality.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 126 were used to guide the compilation of the 2026/27 Budget.

The main challenges experienced during the compilation of the 2026/27 Budget can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and Municipal Infrastructure.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2026/27 Budget process; and
- Availability of affordable capital.

The following budget principles and guidelines directly informed the compilation of the 2026/27 Budget:

- The 2026/27 Budget priorities and targets, as well as the base line allocations contained in that Final Budget were adopted as the upper limits for the new baselines for the 2026/27 budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the 2026/27 Budget:

Table 1 Consolidated Overview of the 2026/27 Budget

OPERATING REVENUE

The estimated operating income has been projected at R 197,160 million. Income levels have been projected based on current actual collection levels and the 2026/27 budget indicates income levels which are realistic and attainable by the municipality.

Total Revenue overall has drastictly decreased by R42,873 million when compared to the 2025/2026 financial year adjustment budget. This is mainly caused by the decrease in grants to be received from government departments.

Property rates for the 2025/2026 draft budget has remained unchanged, but will change when finalising the budget. This will be due to the demarcation board's decision to have parts of Umdoni Municipality incorporated to Umzumbe Municipality. The other contributing factor will be because of the supplementary valuation rolls, and maintenance of the valuation roll. This once corrected the valuations in the roll will affects rates billed. Property rates tariffs will also be finalised upon finalisation of the in the 2026/2027 final budget. This will be done upon receipt of the valuation roll all properties transferred from Umdoni.

Service charges refuse removal has been estimated at R200 000.00, this is due to properties transferred from Umdoni. This will be the first time the municipality has/provides this service at a charge

Interest earned from Investments has been reduced from R6 Million to R5.5 Million due to an investment that was withdrawn, thus placing the municipality investing less, hence the reduction in investment revenue

Transfer and subsidies Operational has been reduced from R181 404 to R176 761 compared to the adjusted budget. This reduction is due to an overall reduction in transfers and subsidies.

Grants and Subsidies

Included in the grants and subsidies is the equitable share allocation which has been calculated at R165 070 million, reduced from R169 550 million as at 2025/2026 budget. A reduction of 3%.

Finance Management Grant increased by 11% from R1.9 million to R2.1 million as allocated for the 2025/2027.

In addition, R 1,509 million has been allocated for the EPWP grant, an increase of 6% from R1,428

The municipality has also been allocated an amount of R6,122 million for MIG (Operational portion)

An amount of R459 000 has been allocated for INEP Grant, which is a drastic drop from R14,475 million. This reduction has a huge effect on our Grants and Subsidies

There are reductions in certain grants from National and Provincial departments as compared to previous allocations, a clear indication that the economy is not performing well, thus limiting growth.

Service Charges

The service charges approximate 5% of the total revenue budget. Tariffs have increased by 33%. These charges relate only to the refuse service. The refuse service is currently operating a loss of R 10,972 million and R 6,402 and 12,806 million per the audited annual financial statements 2024-2025 and 2023-2024 respectively.

Rental of Facilities

The rental of facilities approximates 1% of the total revenue budget. It has been reduced by 24% when compared to the current year budget. The performance of the current year has been unsatisfactory hence the reduction. The rentals from municipal properties and hall hire are budgeted under this revenue source.

OPERATING EXPENDITURE

The total operating expenditure has been estimated at R454.684 million. This amount is slightly lower than that of the adjustment budget expenditure to reduce the operating deficit and accommodate those expenditures that we cannot avoid its increase like employee related cost and non-cash items.

Operating expenditure has been reduced to a minimum to accommodate service delivery needs. The focus is to spend the limited income that we have on expenditure that matters and improve the lives of the communities that we serve. In this vein Council has also considered cost containment measures and its policy to limit expenditure to only service delivery expenditure.

Due to the operating deficit of R55,522 million which is reflected in the adjustment budget for 2025-2026, all expenditure levels were reviewed by Management and the Budget steering committee and where appropriately kept expenditure levels were kept at the same or reduced by 25%in some cases taking into account fixed term contractual obligations of the Municipality.

Strict financial control and discipline is required, together with strict implementation of the cost containment regulations. Expenditure on the Draft 2026/27 budget has been allocated as follows:

Employee Related costs equates to 45% of Operating expenditure of budgeted expenditure will be spent on Employee Related Costs. The total remuneration when combined with remuneration exceeds the norm of 25%-40% by 5%.It should be noted that service delivery departments are short-staffed and as a result they tend to spend more on overtime to cover the staff shortages.

Employee Related Costs R86 452 Million from R102 137 Million, the reduction is due to proposed positions that were budgeted for in 2025/2026. The municipality has taken a decision not to fill those positions due to budget constraints.

Remuneration of Councillors R25 371 Million increased from R22 884 Million, this is to cater for the upper limits

Depreciation R26 791 Million and has been kept the same due to assets being auctioned

Other expenditure is R60 423 Million which is below the R64 789 Million as budgeted for in the 2025/2026 financial year. Other expenditure has been reduced to accommodate service delivery needs. In line with the cost containment measures and numerous circulars, various expenditure items have been reduced such as travelling, advertising, printing and stationery and consultants. The overall decrease equates to (7%) when compared to the 2026/2027 budget.

Budgeted under this category is electricity and water usage (R2 300 000.00), telephone bills (R400 000.00), audit fees (R3,4 million), fuel (R4,5 million), protective clothing (R1,245 million), Software licenses (R2.7 million) etc. Insurance is also budgeted at R1.7 million. Operating lease of equipment (R700 000.00).

Contracted Services

The contracted services are 23% of total expenditure. Included in the contracted services is R 4,2 million for Accounting, Auditing and Valuation Roll Services. A further appropriation has been made for the UGU Entities which amounts to R3,5 Million. The municipality has further, appropriated under the contracted services category; R400 thousand for the internal audit services. The municipality has also budgeted for; under this category, R9 million towards security services; R7,2 million for legal costs and litigation under Council. Funds to repair and maintain Plant & Equipment R1,5 Million, Maintenance of Office Buildings R1 Million, Maintenance Motor Vehicles R1,2 Million.

Repairs and Maintenance expenditure has been classified under contracted services as per the classification from the MSCOA Charts.

The municipality has under this item budgeted for stationery, cleaning material, refuse bags and material for repair of roads (Inventory consumed) as required by MSCOA classification requirements. This category takes up about 1% of the total operating expenditure.

Total operating revenue has decreased by 1.25 per cent for the 2026/27 financial year when compared to the 2025/26 Adjustments Budget. For the two outer years, operational revenue will be in line with the projected revenue.

Total operating expenditure for the 2026/27 financial year has been appropriated at R234.7 million and translates into a budgeted deficit of R45K. When compared to the 2026/27 Adjustments Budget, operational expenditure has decreased by 1 per cent in the 2025/26 budget.

The capital budget of R50.6 million for 2026/27 is 1.73 per cent less when compared to the 2025/26 Adjustment Budget. The reduction is due decrease in our capital allocations and depletion of our reserves.

Total revenue excluding capital transfers and contributions has decreased from R 215 mil to R 200 Mil for the 2026/27 financial year. For the two outer years, operational revenue will increase at a low rate for 2027/27 and a better improvement in the 2027/28 financial year.

Total Operating expenditure for the 2026/27 financial year has been appropriated at R 213 million.
The capital budget of R 53 million for 2026/27

1.3 Operating Revenue Framework

For Umzumbe 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 every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury’s guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- 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);
- Increase ability to extend new services and recover costs;
- The municipality’s Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2026/27 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	200	209	219
Sale of Goods and Rendering of Services	2	110	117	177	149	283	283	31	183	191	200
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	2	10,325	9,197	3,975	6,000	6,000	6,000	2,175	5,500	5,753	6,012
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	92	100	139	109	126	126	98	700	732	765
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	14,475	14,475	14,475	-	459	9,407	9,832
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	605	5,376	781	545	400	400	41	654	684	715
Non-Exchange Revenue											
Property rates	2	8,244	8,270	12,623	12,451	12,451	12,451	12,605	13,451	14,069	14,702
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	-	-	-	-	-	-	-	-	-
Licences or permits	2	9	12	36	349	403	403	19	-	-	-
Transfer and subsidies - Operational	2	158,412	167,235	183,207	177,024	181,404	181,404	128,464	178,428	170,076	182,297
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	1,200	1,255	1,312
Other Gains	2	168	(818)	(496)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**177,964**	**189,489**	**200,444**	**211,102**	**215,541**	**215,541**	**143,434**	**200,774**	**202,377**	**216,053**

Table 3 Percentage growth in revenue by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Table 4 Operating Transfers and Grant Receipts

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS	1.2									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share	–	154,863	162,954	171,112	169,550	169,550	169,550	165,070	162,991	175,717
EPWP Incentive	–	4,846	6,277	1,400	1,428	1,428	1,428	1,509	–	–
Integrated National Electrification Programme	–	40,500	64,006	(2,563)	–	–	–	–	–	–
Municipal Drought Relief	–	–	–	–	–	–	–	–	–	–
Finance Management	–	5,600	7,450	1,800	1,900	1,822	1,822	2,100	2,200	2,300
Municipal Infrastructure Grant	–	–	–	–	2,067	24	24	1,855	3,458	2,853
Total Monetary Allocations		205,809	240,687	171,749	174,945	172,824	172,824	170,534	168,649	180,870
Total Operating/National Government		205,809	240,687	171,749	174,945	172,824	172,824	170,534	168,649	180,870
Provincial Government										
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts	–	–	1,000	2,000	2,079	2,020	2,020	1,954	1,427	1,427
KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts	–	9,783	29,518	(26)	–	6,560	6,560	5,940	–	–
Total Operating/Provincial Government		9,783	30,518	1,974	2,079	8,580	8,580	7,894	1,427	1,427
District Municipalities										
Monetary Allocations										
KwaZulu-Natal_DC 21 - Ugu_Capacity Building and Other_Specify (Add grant description)_Receip	–	–	–	–	–	–	–	–	–	–
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
[insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total Operating	5	215,592	271,205	173,723	177,024	181,404	181,404	178,427,700	170,076,000	182,297,000
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant (MIG)	–	119,485	149,419	41,042	39,281	41,177	41,177	40,212	43,000	45,000
Municipal Disaster Recovery Grant	–	9,000	24,772	23,700	–	25,000	25,000	–	–	–
Total Monetary Allocations		128,485	174,191	64,742	39,281	66,177	66,177	40,212,300	43,000,000	45,000,000
Total Capital/National Government		128,485	174,191	64,742	39,281	66,177	66,177	40,212,300	43,000,000	45,000,000
Provincial Government										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Provincial Government		-	-	-	-	-	-	-	-	-
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
[insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total Capital	5	128,485	174,191	64,742	39,281	66,177	66,177	40,212	43,000	45,000
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		344,076	445,396	238,465	216,305	247,580	247,580	218,640	213,076	227,297

References

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.
It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.3.1 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. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 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).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2024/25 financial:

Table 5 Comparison of proposed rates to levied for the 2026/27 financial year

	23. RATES RANDAGES (URBAN)	2026 /2027		2025/2026	
	Residential	**0.013192**		**0.012564**	
	Industrial	**0.016885**		**0.016081**	
	Business and Commercial	**0.019129**		**0.018218**	
	Public Service Purposes	**0.017677**		**0.016835**	
	Agriculture	**0.003298**		**0.003141**	
	Mining	**0.019129**		**0.018218**	
	Public Benefit Organization (PBO)	**0.003298**		**0.003141**	
	Multiple Purpose	**Rated on dominate use**			
	State Owned Property	**Known as Public Service Purposes**		**Known as Public Service Purposes**	
	Public Service Infrastructure	**0.003298**		**0.003141**	
	Vacant	**0.032980**		**0.031409**	
	The rebates applied for the financial year				
	Residential (R 60,000 elective and 15,000 legislated)	R 75 000		R 75 000	
	Vacant	R 15 000		R 15 000	
	Disabled Persons/Pensioners/Indigent: (inclusive of R 75 000 above)	R 370 000		R 370 000	
	Medium to High Density level developments (Sectional Titles and Share blocks) 4% on rates due for the financial year				
	Annual payments inclusive of arrears on or before a date determined during the final budget shall be granted a discount of 3.5% of the current rates and services raised during the financial year				
	5% rebate on the following categories of properties: Residential, Industrial, Commercial, Agricultural, Vacant Other				

RATES RANDAGE (RURAL)	2026 /2027		2025/2026	
Place of worship	0.0025		0.0025	
Agricultural-small holding	0.0025		0.0025	
Agricultural	0.0025		0.0025	
Business/Commercial/Industrial/Mining	0.01		0.01	
Public service property /State owned / Vacant land	0.01		0.01	
Communal land/Communal property association	0.0025		0.0025	
Public service infrastructure	0.0025		0.0025	
Residential	0.01		0.01	
Public benefit organisation	0.0025		0.0025	

1.3.2 Overall impact of tariff on households

Note that in all instances the overall impact of the implementation of the new valuation roll on household's bills has been minimised by maintaining our rate randages as advised by COGTA.

The Municipality will be getting more Properties through the lates demarcation boards decision. The effect of this will result in the municipality to have additional properties on the valuation roll, billing will be more as there will be more in different property categories. This will come into effect in November after the elections.

Rate tariffs and property values will be kept the same as the ones in uMdoni so as to avoid the confusion.

1.4 Operating Expenditure Framework

The Municipality's expenditure Budget for the 2026/27 is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other local government core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2026/27 budget (classified per main type of operating expenditure):

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
Expenditure												
Employee related costs	2	74,530	79,983	96,656	102,137	90,731	90,731	54,055	90,481	94,644	98,903	
Remuneration of councillors	2	23,629	22,335	25,185	22,884	22,841	22,841	15,462	19,561	20,461	21,382	
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-	
Inventory consumed	2,8	2,801	4,040	2,945	1,434	(1,473)	(1,473)	827	869	909	950	
Debt impairment	2,3	-	-	-	-	-	-	-	-	-	-	
Depreciation, amortisation and impairment	2	23,555	26,064	41,404	26,791	26,791	26,791	-	30,810	32,227	33,677	
Interest, Dividends and Rent on Land	2	0	19	30	-	-	-	-	-	-	-	
Contracted services	2	81,067	72,914	54,720	43,386	39,392	39,392	32,207	42,022	43,119	45,059	
Transfers and subsidies	2	7,392	5,751	3,682	2,218	1,141	1,141	1,932	696	728	760	
Irrecoverable debts written off	2	-	-	-	-	-	-	-	-	-	-	
Operational costs	2	40,248	36,145	32,757	21,402	27,739	27,739	22,266	29,454	30,763	32,147	
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-	
Other Losses	2	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		**253,222**	**247,251**	**257,380**	**220,253**	**207,161**	**207,161**	**126,750**	**213,893**	**222,850**	**232,878**	
Surplus/(Deficit)		**(75,259)**	**(57,762)**	**(56,936)**	**(9,151)**	**8,380**	**8,380**	**16,684**	**(13,119)**	**(20,473)**	**(16,825)**	
Transfers and subsidies - capital (monetary allocations)	6	47,552	43,357	62,603	39,281	66,177	66,177	41,702	40,212	43,000	45,000	
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		**(27,707)**	**(14,405)**	**5,666**	**30,130**	**74,557**	**74,557**	**58,386**	**27,093**	**22,527**	**28,175**	
Income Tax		-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after income tax		**(27,707)**	**(14,405)**	**5,666**	**30,130**	**74,557**	**74,557**	**58,386**	**27,093**	**22,527**	**28,175**	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		**(27,707)**	**(14,405)**	**5,666**	**30,130**	**74,557**	**74,557**	**58,386**	**27,093**	**22,527**	**28,175**	
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	1	**(27,707)**	**(14,405)**	**5,666**	**30,130**	**74,557**	**74,557**	**58,386**	**27,093**	**22,527**	**28,175**	

References

The budgeted allocation for employee related costs for the 2026/27 financial year totals R 90 million, which equals 37 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this. As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized. As part of the planning assumptions and interventions all vacancies should be removed from the budget and a report to be compiled by the Corporate Services Department relating to the prioritization of critical vacancies within the Municipality.

The cost associated with the remuneration of councillors 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 an annual collection rate of 95 per cent and the Debt Write-off Policy of the Municipality. .

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R30.8 million for the 2026/27 financial and equates to 13.65 per cent of the total operating expenditure.

Contracted services has been identified as a cost saving area for the Municipality. As part of the compilation of the 2026/27 Budget this group of expenditure was critically evaluated and operational efficiencies were enforced, security contract is a case in point.

Other expenditure comprises of 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.

Figure 1 Main operational expenditure categories for the 2026/27 financial year

1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2026/27 budget provides for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. 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. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 6 Operational repairs and maintenance

During the compilation of the 2026/27 Budget operational repairs and maintenance was identified as a strategic imperative owing to the aging Municipality's infrastructure and historic deferred maintenance.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 7 Repairs and maintenance per asset class

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**29,285**	**6,211**	**6,058**	**2,609**	**1,043**	**1,043**	**2,609**	**2,729**	**2,851**
Roads Infrastructure		29,285	6,211	6,058	2,609	1,043	1,043	2,609	2,729	2,851
Roads		29,285	6,211	6,058	2,609	1,043	1,043	2,609	2,729	2,851
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**469**	**722**	**–**	**519**	**522**	**522**	**–**	**–**	**–**
Community Facilities		469	722	–	519	522	522	–	–	–
Halls		469	722	–	519	522	522	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		**1,726**	**513**	**655**	**1,129**	**1,736**	**1,736**	**–**	**–**	**–**
Operational Buildings		1,726	513	655	1,129	1,736	1,736	–	–	–
Municipal Offices		1,690	488	655	870	1,649	1,649	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		35	25	–	260	87	87	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		3	1	6	43	17	17	1,061	1,110	1,160
Computer Equipment		3	1	6	43	17	17	1,061	1,110	1,160
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		2,942	1,825	1,633	1,086	1,174	1,174	1,304	1,364	1,426
Machinery and Equipment		2,942	1,825	1,633	1,086	1,174	1,174	1,304	1,364	1,426
Transport Assets		1,016	922	928	652	1,000	1,000	987	1,032	1,079
Transport Assets		1,016	922	928	652	1,000	1,000	987	1,032	1,079
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**35,440**	**10,195**	**9,279**	**6,039**	**5,493**	**5,493**	**5,961**	**6,235**	**6,516**
R&M as a % of PPE & Investment Property		*8.1%*	*2.1%*	*1.8%*	*1.5%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*
R&M as % Operating Expenditure		*14.0%*	*4.1%*	*3.6%*	*2.7%*	*2.7%*	*2.7%*	*4.7%*	*2.9%*	*2.9%*

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

1.4.2 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.

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 Final Division of Revenue Act.

1.5 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 8 2026/27 Budget capital budget per vote

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 4 - Road Transaport		–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 7 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 8 - Community and Social Services2		–	–	–	–	–	–	–	–	–	–
Vote 9 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 10 - Other		–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 12 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 13 - Energy Sources		–	–	–	–	–	–	–	–	–	–
Vote 14 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		1,403	510	7,159	104	–	–	7,007	187	196	204
Vote 2 - Finance and Administration		(13,614)	64,827	566,455	4,852	1,970	1,970	543,059	6,093	5,191	5,425
Vote 3 - Planning and Development		–	11,516	23,349	25,409	27,534	27,534	14,662	33,776	31,772	32,801
Vote 4 - Road Transaport		29,294	(9,377)	27,641	20,154	46,461	46,461	2,473	12,591	13,170	13,763
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Sport and Recreation		(10,564)	–	–	–	–	–	57	–	–	–
Vote 7 - Community and Social Services		(24,665)	(19,204)	464	826	50	50	(75)	626	625	653
Vote 8 - Community and Social Services2		–	–	–	–	–	–	–	–	–	–
Vote 9 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 10 - Other		–	–	–	–	120	120	(561)	–	–	–
Vote 11 - Public Safety		–	–	–	870	261	261	(545)	242	291	304
Vote 12 - Waste Management		–	–	–	174	174	174	150	130	136	143
Vote 13 - Energy Sources		–	–	–	–	–	–	–	–	–	–
Vote 14 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**(18,147)**	**48,272**	**625,067**	**52,389**	**76,569**	**76,569**	**566,227**	**53,645**	**51,381**	**53,293**
Total Capital Expenditure - Vote		**(18,147)**	**48,272**	**625,067**	**52,389**	**76,569**	**76,569**	**566,227**	**53,645**	**51,381**	**53,293**

Figure 2 Capital Infrastructure Programme

1.5.1 Future operational cost of new infrastructure

1.6 Final Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2026/27 budget as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

Choose name from list - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	8,244	8,270	12,623	12,451	12,451	12,451	12,605	13,451	14,069	14,702
Service charges	–	–	–	–	–	–	–	200	209	219
Investment revenue	10,325	9,197	3,975	6,000	6,000	6,000	2,175	5,500	5,753	6,012
Transfer and subsidies - Operational	158,412	167,235	183,207	177,024	181,404	181,404	128,464	178,428	170,076	182,297
Other own revenue	983	4,788	638	15,627	15,687	15,687	189	3,196	12,269	12,823
Total Revenue (excluding capital transfers and contributions)	177,964	189,489	200,444	211,102	215,541	215,541	143,434	200,774	202,377	216,053
Employee costs	74,530	79,983	96,656	102,137	90,731	90,731	54,055	90,481	94,644	98,903
Remuneration of councillors	23,629	22,335	25,185	22,884	22,841	22,841	15,462	19,561	20,461	21,382
Depreciation, amortisation and impairment	23,555	26,064	41,404	26,791	26,791	26,791	–	30,810	32,227	33,677
Interest, Dividends and Rent on Land	0	19	30	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	2,801	4,040	2,945	1,434	(1,473)	(1,473)	827	869	909	950
Transfers and subsidies	7,392	5,751	3,682	2,218	1,141	1,141	1,932	696	728	760
Other expenditure	121,315	109,059	87,478	64,789	67,130	67,130	54,474	71,476	73,882	77,206
Total Expenditure	253,222	247,251	257,380	220,253	207,161	207,161	126,750	213,893	222,850	232,878
Surplus/(Deficit)	(75,259)	(57,762)	(56,936)	(9,151)	8,380	8,380	16,684	(13,119)	(20,473)	(16,825)
Transfers and subsidies - capital (monetary allocations)	47,552	43,357	62,603	39,281	66,177	66,177	41,702	40,212	43,000	45,000
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(27,707)	(14,405)	5,666	30,130	74,557	74,557	58,386	27,093	22,527	28,175
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(27,707)	(14,405)	5,666	30,130	74,557	74,557	58,386	27,093	22,527	28,175
Capital expenditure & funds sources										
Capital expenditure	(18,147)	48,272	625,067	52,389	76,569	76,569	566,227	53,645	51,381	53,293
Transfers recognised - capital	(5,549)	(3,382)	43,976	34,345	62,465	62,465	15,167	38,087	41,102	42,552
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	(12,598)	51,654	–	18,043	14,104	14,104	551,060	15,558	10,279	10,741
Total sources of capital funds	(18,147)	48,272	43,976	52,389	76,569	76,569	566,227	53,645	51,381	53,293
Financial position										
Total current assets	121,051	72,225	3,324	63,345	83,392	83,392	42,140	18,769	19,890	25,820
Total non current assets	600,024	644,973	699,682	680,585	719,318	719,318	734,632	475,900	493,060	514,848
Total current liabilities	35,121	49,655	44,426	45,018	61,658	61,658	57,584	39,188	42,329	44,234
Total non current liabilities	2,214	2,480	2,576	2,404	2,404	2,404	2,576	4,611	4,823	5,040
Community wealth/Equity	2,634,194	2,391,603	578,928	696,507	738,647	738,647	360,128	450,870	465,798	491,393
Cash flows										
Net cash from (used) operating	(831,530)	(1,122,228)	(192,888)	49,610	91,147	91,147	(72,377)	44,517	42,219	48,753
Net cash from (used) investing	–	–	–	(60,247)	(88,055)	(88,055)	–	(59,875)	(57,187)	(59,300)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(831,530)	(1,122,228)	(181,690)	18,409	32,139	32,139	(68,894)	(6,763)	(21,731)	(32,278)
Cash backing/surplus reconciliation										
Cash and investments available	(831,530)	(1,122,228)	(181,690)	18,409	32,139	32,139	(68,894)	(6,763)	(21,731)	(32,278)
Application of cash and investments	6,418	18,595	23,745	10,802	25,650	25,650	35,700	4,985	2,278	2,440
Balance - surplus (shortfall)	(837,947)	(1,140,822)	(205,435)	7,607	6,488	6,488	(104,594)	(11,747)	(24,008)	(34,718)
Asset management										
Asset register summary (WDV)	436,223	476,690	519,290	396,056	429,947	429,947		458,530	474,890	486,838
Depreciation	23,555	26,064	41,404	26,791	26,791	26,791		30,810	32,227	33,677
Renewal and Upgrading of Existing Assets	86,014	92,724	52,320	18,502	44,336	44,336		11,478	11,976	12,515
Repairs and Maintenance	35,440	10,195	9,279	6,039	5,493	5,493		5,961	6,235	6,516
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	–	–	–	–	–	–		–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Final budget Summary provides the key information in this regard:
   a. The operating surplus/deficit (after Total Expenditure) is positive.
   b. Capital expenditure is balanced by capital funding sources, of which
      i. Transfers recognised is reflected on the Financial Performance Budget;
      ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
      iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. 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.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the adopted Funding and Reserves Policy. This cannot be achieved in one financial year, But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2026/27, when a small surplus is reflected.
5. 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 continues to increase.

Table 10 Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**176,252**	**181,902**	**195,119**	**160,103**	**166,519**	**166,519**	**173,573**	**178,562**	**190,688**
Executive and council		–	–	–	13,943	19,012	19,012	16,881	16,182	18,912
Finance and administration		176,252	181,902	195,119	146,160	147,507	147,507	156,692	162,380	171,776
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	**6,814**	**14,027**	**14,027**	**12,551**	**6,981**	**7,291**
Community and social services		–	–	–	6,488	13,650	13,650	12,551	6,981	7,291
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	326	377	377	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**49,265**	**50,955**	**66,038**	**68,990**	**86,696**	**86,696**	**54,203**	**50,217**	**53,024**
Planning and development		1,713	7,598	3,436	6,557	8,039	8,039	11,713	6,776	7,524
Road transport		47,552	43,357	62,603	62,433	78,658	78,658	42,490	43,441	45,500
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	**1,889**	**14,475**	**14,475**	**14,475**	**659**	**9,616**	**10,051**
Energy sources		–	–	1,889	14,475	14,475	14,475	459	9,407	9,832
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	200	209	219
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**225,518**	**232,858**	**263,047**	**250,382**	**281,718**	**281,718**	**240,986**	**245,377**	**261,053**
Expenditure - Functional										
Governance and administration		**145,078**	**148,640**	**173,604**	**143,955**	**144,737**	**144,737**	**151,300**	**158,110**	**165,225**
Executive and council		51,943	50,364	52,922	43,572	43,350	43,350	43,253	45,243	47,279
Finance and administration		91,967	96,735	118,634	97,501	98,950	98,950	107,377	112,167	117,214
Internal audit		1,167	1,542	2,048	2,882	2,436	2,436	670	700	732
Community and public safety		**26,198**	**33,068**	**43,114**	**26,255**	**23,709**	**23,709**	**18,682**	**19,541**	**20,420**
Community and social services		13,812	16,451	25,729	7,663	8,048	8,048	6,885	7,201	7,526
Sport and recreation		786	313	285	173	174	174	–	–	–
Public safety		10,619	15,330	16,038	17,234	14,302	14,302	11,797	12,340	12,895
Housing		981	974	1,062	1,185	1,185	1,185	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**69,438**	**58,971**	**31,851**	**33,168**	**25,750**	**25,750**	**42,727**	**43,960**	**45,939**
Planning and development		27,512	40,677	10,582	12,739	7,534	7,534	21,468	21,723	22,701
Road transport		41,926	17,509	21,236	12,375	10,938	10,938	18,955	19,827	20,719
Environmental protection		–	785	33	8,054	7,277	7,277	2,304	2,410	2,519
Trading services		**12,510**	**6,572**	**8,812**	**16,875**	**12,965**	**12,965**	**1,184**	**1,239**	**1,295**
Energy sources		9,426	3,405	5,295	14,326	6,692	6,692	382	399	417
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		3,084	3,167	3,517	2,549	6,274	6,274	803	839	877
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**253,222**	**247,251**	**257,380**	**220,253**	**207,161**	**207,161**	**213,893**	**222,850**	**232,878**
Surplus/(Deficit) for the year		**(27,705)**	**(14,394)**	**5,666**	**30,130**	**74,557**	**74,557**	**27,093**	**22,527**	**28,175**

References

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile ‘whole of government’ reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 11 Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	13,943	19,012	19,012	16,881	16,182	18,912
Vote 2 - Finance and Administration		176,252	181,902	195,119	146,160	147,507	147,507	156,692	162,380	171,776
Vote 3 - Planning and Development		1,713	7,598	3,436	6,557	8,039	8,039	11,713	6,776	7,524
Vote 4 - Road Transaport		47,552	43,357	62,603	62,433	78,658	78,658	42,490	43,441	45,500
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 6 - Sport and Recreation		–	–	–	–	–	–	–	–	–
Vote 7 - Community and Social Services		–	–	–	6,488	13,650	13,650	12,551	6,981	7,291
Vote 8 - Community and Social Services2		–	–	–	–	–	–	–	–	–
Vote 9 - Housing		–	–	–	–	–	–	–	–	–
Vote 10 - Other		–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	326	377	377	–	–	–
Vote 12 - Waste Management		–	–	–	–	–	–	200	209	219
Vote 13 - Energy Sources		–	–	1,889	14,475	14,475	14,475	459	9,407	9,832
Vote 14 - Environmental Protection		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**225,518**	**232,858**	**263,047**	**250,382**	**281,718**	**281,718**	**240,986**	**245,377**	**261,053**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive and Council		51,943	50,364	52,922	43,572	43,350	43,350	43,253	45,243	47,279
Vote 2 - Finance and Administration		91,967	96,735	118,634	97,501	98,950	98,950	107,377	112,167	117,214
Vote 3 - Planning and Development		27,512	40,677	10,582	12,739	7,534	7,534	21,468	21,723	22,701
Vote 4 - Road Transaport		41,926	17,509	21,236	12,375	10,938	10,938	18,955	19,827	20,719
Vote 5 - Internal Audit		1,167	1,542	2,048	2,882	2,436	2,436	670	700	732
Vote 6 - Sport and Recreation		786	313	285	173	174	174	–	–	–
Vote 7 - Community and Social Services		4,944	7,035	18,595	3,783	3,741	3,741	2,087	2,183	2,281
Vote 8 - Community and Social Services2		8,868	9,416	7,134	3,880	4,306	4,306	4,798	5,019	5,244
Vote 9 - Housing		981	974	1,062	1,185	1,185	1,185	–	–	–
Vote 10 - Other		–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		10,619	15,330	16,038	17,234	14,302	14,302	11,797	12,340	12,895
Vote 12 - Waste Management		3,084	3,167	3,517	2,549	6,274	6,274	803	839	877
Vote 13 - Energy Sources		9,426	3,405	5,295	14,326	6,692	6,692	382	399	417
Vote 14 - Environmental Protection		–	785	33	8,054	7,277	7,277	2,304	2,410	2,519
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**253,222**	**247,251**	**257,380**	**220,253**	**207,161**	**207,161**	**213,893**	**222,850**	**232,878**
Surplus/(Deficit) for the year	2	**(27,705)**	**(14,394)**	**5,666**	**30,130**	**74,557**	**74,557**	**27,093**	**22,527**	**28,175**

References

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

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

Table 12 Table A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	200	209	219
Sale of Goods and Rendering of Services	2	110	117	177	149	283	283	31	183	191	200
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	2	10,325	9,197	3,975	6,000	6,000	6,000	2,175	5,500	5,753	6,012
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	92	100	139	109	126	126	98	700	732	765
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	14,475	14,475	14,475	-	459	9,407	9,832
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	605	5,376	781	545	400	400	41	654	684	715
Non-Exchange Revenue											
Property rates	2	8,244	8,270	12,623	12,451	12,451	12,451	12,605	13,451	14,069	14,702
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	-	-	-	-	-	-	-	-	-
Licences or permits	2	9	12	36	349	403	403	19	-	-	-
Transfer and subsidies - Operational	2	158,412	167,235	183,207	177,024	181,404	181,404	128,464	178,428	170,076	182,297
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	1,200	1,255	1,312
Other Gains	2	168	(818)	(496)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**177,964**	**189,489**	**200,444**	**211,102**	**215,541**	**215,541**	**143,434**	**200,774**	**202,377**	**216,053**
Expenditure											
Employee related costs	2	74,530	79,983	96,656	102,137	90,731	90,731	54,055	90,481	94,644	98,903
Remuneration of councillors	2	23,629	22,335	25,185	22,884	22,841	22,841	15,462	19,561	20,461	21,382
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	2,801	4,040	2,945	1,434	(1,473)	(1,473)	827	869	909	950
Debt impairment	2,3	-	-	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment	2	23,555	26,064	41,404	26,791	26,791	26,791	-	30,810	32,227	33,677
Interest, Dividends and Rent on Land	2	0	19	30	-	-	-	-	-	-	-
Contracted services	2	81,067	72,914	54,720	43,386	39,392	39,392	32,207	42,022	43,119	45,059
Transfers and subsidies	2	7,392	5,751	3,682	2,218	1,141	1,141	1,932	696	728	760
Irrecoverable debts written off	2	-	-	-	-	-	-	-	-	-	-
Operational costs	2	40,248	36,145	32,757	21,402	27,739	27,739	22,266	29,454	30,763	32,147
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		**253,222**	**247,251**	**257,380**	**220,253**	**207,161**	**207,161**	**126,750**	**213,893**	**222,850**	**232,878**
Surplus/(Deficit)		**(75,259)**	**(57,762)**	**(56,936)**	**(9,151)**	**8,380**	**8,380**	**16,684**	**(13,119)**	**(20,473)**	**(16,825)**
Transfers and subsidies - capital (monetary allocations)	6	47,552	43,357	62,603	39,281	66,177	66,177	41,702	40,212	43,000	45,000
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**(27,707)**	**(14,405)**	**5,666**	**30,130**	**74,557**	**74,557**	**58,386**	**27,093**	**22,527**	**28,175**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**(27,707)**	**(14,405)**	**5,666**	**30,130**	**74,557**	**74,557**	**58,386**	**27,093**	**22,527**	**28,175**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**(27,707)**	**(14,405)**	**5,666**	**30,130**	**74,557**	**74,557**	**58,386**	**27,093**	**22,527**	**28,175**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**(27,707)**	**(14,405)**	**5,666**	**30,130**	**74,557**	**74,557**	**58,386**	**27,093**	**22,527**	**28,175**

References

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	99,691	46,288	8,595	18,409	32,139	32,139	44,749	(6,763)	(5,978)	(1,152)
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	1,891	1,264	1,127	–	(209)	(209)	(4,937)	1,370	1,433	1,498
Receivables from non-exchange transactions	3	20,128	22,252	356	26,329	26,329	26,329	9,052	5,845	6,113	6,388
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	–	–	–	(1,434)	1,695	1,695	180	(869)	(909)	(950)
VAT Receivable	6	(659)	2,448	(6,751)	17,661	21,059	21,059	(6,747)	19,186	19,230	20,036
Other current assets	7	–	(27)	(3)	2,379	2,379	2,379	(158)	–	–	–
Total current assets		**121,051**	**72,225**	**3,324**	**63,345**	**83,392**	**83,392**	**42,140**	**18,769**	**19,890**	**25,820**
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	10	599,865	644,836	699,631	680,315	718,685	718,685	734,331	475,829	492,985	514,769
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	–	–	–	–	–	–	–	–	–	–
Intangible assets	14	159	138	51	270	634	634	301	72	75	78
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**600,024**	**644,973**	**699,682**	**680,585**	**719,318**	**719,318**	**734,632**	**475,900**	**493,060**	**514,848**
TOTAL ASSETS		**721,074**	**717,198**	**703,006**	**743,930**	**802,710**	**802,710**	**776,772**	**494,669**	**512,950**	**540,667**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	89	99	107	–	–	–	107	107	112	117
Consumer deposits	19	58	72	89	70	70	70	117	89	93	97
Trade and other payables from exchange transactions	20	27,626	35,352	32,081	33,794	50,426	50,426	20,268	35,666	37,306	38,985
Trade and other payables from non-exchange transactions	21	2,048	8,168	5,545	–	–	–	30,465	5,038	5,270	5,507
Provision	22	7,271	7,893	8,476	8,810	8,810	8,810	8,476	(2,274)	(2,379)	(2,486)
VAT Payable	23	(1,972)	(1,930)	(1,873)	2,344	2,353	2,353	(1,849)	323	1,677	1,753
Other current liabilities	24	–	–	–	–	–	–	–	239	250	261
Total current liabilities		**35,121**	**49,655**	**44,426**	**45,018**	**61,658**	**61,658**	**57,584**	**39,188**	**42,329**	**44,234**
Non current liabilities											
Financial liabilities	25	–	–	–	–	–	–	–	–	–	–
Provision	26	2,214	2,480	2,576	2,404	2,404	2,404	2,576	2,274	2,379	2,486
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	–	–	–	–	–	–	–	2,337	2,445	2,555
Total non current liabilities		**2,214**	**2,480**	**2,576**	**2,404**	**2,404**	**2,404**	**2,576**	**4,611**	**4,823**	**5,040**
TOTAL LIABILITIES		**37,335**	**52,135**	**47,002**	**47,422**	**64,063**	**64,063**	**60,160**	**43,799**	**47,152**	**49,274**
NET ASSETS		**683,739**	**665,064**	**656,005**	**696,507**	**738,647**	**738,647**	**716,612**	**450,870**	**465,798**	**491,393**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	2,604,978	2,362,387	549,711	696,507	738,647	738,647	330,912	450,870	465,798	491,393
Reserves and funds	30	29,216	29,216	29,216	–	–	–	29,216	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**2,634,194**	**2,391,603**	**578,928**	**696,507**	**738,647**	**738,647**	**360,128**	**450,870**	**465,798**	**491,393**

References

1. Detail breakdown in Table SA3.
2. Detail breakdown in Table SA3.
3. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions
4. Detail breakdown in Table SA3.
5. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3
6. Detail breakdown in Table SA3.

Table 13 Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 4 - Road Transaport		–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 7 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 8 - Community and Social Services2		–	–	–	–	–	–	–	–	–	–
Vote 9 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 10 - Other		–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 12 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 13 - Energy Sources		–	–	–	–	–	–	–	–	–	–
Vote 14 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		1,403	510	7,159	104	–	–	7,007	187	196	204
Vote 2 - Finance and Administration		(13,614)	64,827	566,455	4,852	1,970	1,970	543,059	6,093	5,191	5,425
Vote 3 - Planning and Development		–	11,516	23,349	25,409	27,534	27,534	14,662	33,776	31,772	32,801
Vote 4 - Road Transaport		29,294	(9,377)	27,641	20,154	46,461	46,461	2,473	12,591	13,170	13,763
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Sport and Recreation		(10,564)	–	–	–	–	–	57	–	–	–
Vote 7 - Community and Social Services		(24,665)	(19,204)	464	826	50	50	(75)	626	625	653
Vote 8 - Community and Social Services2		–	–	–	–	–	–	–	–	–	–
Vote 9 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 10 - Other		–	–	–	–	120	120	(561)	–	–	–
Vote 11 - Public Safety		–	–	–	870	261	261	(545)	242	291	304
Vote 12 - Waste Management		–	–	–	174	174	174	150	130	136	143
Vote 13 - Energy Sources		–	–	–	–	–	–	–	–	–	–
Vote 14 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**(18,147)**	**48,272**	**625,067**	**52,389**	**76,569**	**76,569**	**566,227**	**53,645**	**51,381**	**53,293**
Total Capital Expenditure - Vote		**(18,147)**	**48,272**	**625,067**	**52,389**	**76,569**	**76,569**	**566,227**	**53,645**	**51,381**	**53,293**
Capital Expenditure - Functional											
Governance and administration		**(12,211)**	**65,337**	**573,614**	**4,956**	**1,970**	**1,970**	**550,066**	**6,280**	**5,387**	**5,629**
Executive and council		1,403	510	7,159	104	–	–	7,007	187	196	204
Finance and administration		(13,614)	64,827	566,455	4,852	1,970	1,970	543,059	6,093	5,191	5,425
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**(35,229)**	**(19,204)**	**464**	**1,696**	**310**	**310**	**(562)**	**867**	**916**	**957**
Community and social services		(24,665)	(19,204)	464	826	50	50	(75)	626	625	653
Sport and recreation		(10,564)	–	–	–	–	–	57	–	–	–
Public safety		–	–	–	870	261	261	(545)	242	291	304
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**29,294**	**2,139**	**50,990**	**45,563**	**73,995**	**73,995**	**17,135**	**46,367**	**44,942**	**46,564**
Planning and development		–	11,516	23,349	25,409	27,534	27,534	14,662	33,776	31,772	32,801
Road transport		29,294	(9,377)	27,641	20,154	46,461	46,461	2,473	12,591	13,170	13,763
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**174**	**174**	**174**	**150**	**130**	**136**	**143**
Energy sources		–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	174	174	174	150	130	136	143
Other		–	–	–	–	120	120	(561)	–	–	–
Total Capital Expenditure - Functional	3	**(18,147)**	**48,272**	**625,067**	**52,389**	**76,569**	**76,569**	**566,227**	**53,645**	**51,381**	**53,293**
Funded by:											
National Government		(5,549)	(3,382)	43,976	34,345	62,465	62,465	15,167	38,087	41,102	42,552
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**(5,549)**	**(3,382)**	**43,976**	**34,345**	**62,465**	**62,465**	**15,167**	**38,087**	**41,102**	**42,552**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		(12,598)	51,654	–	18,043	14,104	14,104	551,060	15,558	10,279	10,741
Total Capital Funding	7	**(18,147)**	**48,272**	**43,976**	**52,389**	**76,569**	**76,569**	**566,227**	**53,645**	**51,381**	**53,293**

References

Table 14 Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position											
Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	99,691	46,288	8,595	18,409	32,139	32,139	44,749	(6,763)	(5,978)	(1,152)
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	1,891	1,264	1,127	–	(209)	(209)	(4,937)	1,370	1,433	1,498
Receivables from non-exchange transactions	3	20,128	22,252	356	26,329	26,329	26,329	9,052	5,845	6,113	6,388
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	–	–	–	(1,434)	1,695	1,695	180	(869)	(909)	(950)
VAT Receivable	6	(659)	2,448	(6,751)	17,661	21,059	21,059	(6,747)	19,186	19,230	20,036
Other current assets	7	–	(27)	(3)	2,379	2,379	2,379	(158)	–	–	–
Total current assets		**121,051**	**72,225**	**3,324**	**63,345**	**83,392**	**83,392**	**42,140**	**18,769**	**19,890**	**25,820**
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	10	599,865	644,836	699,631	680,315	718,685	718,685	734,331	475,829	492,985	514,769
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	–	–	–	–	–	–	–	–	–	–
Intangible assets	14	159	138	51	270	634	634	301	72	75	78
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**600,024**	**644,973**	**699,682**	**680,585**	**719,318**	**719,318**	**734,632**	**475,900**	**493,060**	**514,848**
TOTAL ASSETS		**721,074**	**717,198**	**703,006**	**743,930**	**802,710**	**802,710**	**776,772**	**494,669**	**512,950**	**540,667**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	89	99	107	–	–	–	107	107	112	117
Consumer deposits	19	58	72	89	70	70	70	117	89	93	97
Trade and other payables from exchange transactions	20	27,626	35,352	32,081	33,794	50,426	50,426	20,268	35,666	37,306	38,985
Trade and other payables from non-exchange transactions	21	2,048	8,168	5,545	–	–	–	30,465	5,038	5,270	5,507
Provision	22	7,271	7,893	8,476	8,810	8,810	8,810	8,476	(2,274)	(2,379)	(2,486)
VAT Payable	23	(1,972)	(1,930)	(1,873)	2,344	2,353	2,353	(1,849)	323	1,677	1,753
Other current liabilities	24	–	–	–	–	–	–	–	239	250	261
Total current liabilities		**35,121**	**49,655**	**44,426**	**45,018**	**61,658**	**61,658**	**57,584**	**39,188**	**42,329**	**44,234**
Non current liabilities											
Financial liabilities	25	–	–	–	–	–	–	–	–	–	–
Provision	26	2,214	2,480	2,576	2,404	2,404	2,404	2,576	2,274	2,379	2,486
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	–	–	–	–	–	–	–	2,337	2,445	2,555
Total non current liabilities		**2,214**	**2,480**	**2,576**	**2,404**	**2,404**	**2,404**	**2,576**	**4,611**	**4,823**	**5,040**
TOTAL LIABILITIES		**37,335**	**52,135**	**47,002**	**47,422**	**64,063**	**64,063**	**60,160**	**43,799**	**47,152**	**49,274**
NET ASSETS		**683,739**	**665,064**	**656,005**	**696,507**	**738,647**	**738,647**	**716,612**	**450,870**	**465,798**	**491,393**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	2,604,978	2,362,387	549,711	696,507	738,647	738,647	330,912	450,870	465,798	491,393
Reserves and funds	30	29,216	29,216	29,216	–	–	–	29,216	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**2,634,194**	**2,391,603**	**578,928**	**696,507**	**738,647**	**738,647**	**360,128**	**450,870**	**465,798**	**491,393**

References

1. Detail breakdown in Table SA3.

2. Detail breakdown in Table SA3.

3. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions

4. Detail breakdown in Table SA3.

5. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3

6. Detail breakdown in Table SA3.

Table 15 Table A7 - Budgeted Cash Flow Statement

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	7,470	7,470	7,470	–	8,070	8,442	8,821
Service charges		–	–	–	–	–	–	–	184	192	201
Other revenue		–	–	–	17,971	18,040	18,040	–	2,295	12,666	13,238
Transfers and Subsidies - Operational	1	99,207	45,402	2,689	177,024	181,404	181,404	34,993	178,428	170,076	182,297
Transfers and Subsidies - Capital	1	–	–	–	39,281	66,177	66,177	–	40,212	43,000	45,000
Interest		1,030	1,902	635	6,000	6,000	6,000	217	5,500	5,753	6,012
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(931,767)	(1,169,531)	(196,213)	(195,919)	(186,802)	(186,802)	(107,588)	(189,477)	(197,183)	(206,056)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	(2,218)	(1,141)	(1,141)	–	(696)	(728)	(760)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(831,530)**	**(1,122,228)**	**(192,888)**	**49,610**	**91,147**	**91,147**	**(72,377)**	**44,517**	**42,219**	**48,753**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	1,200	1,255	1,312
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(60,247)	(88,055)	(88,055)	–	(61,075)	(58,442)	(60,612)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**–**	**(60,247)**	**(88,055)**	**(88,055)**	**–**	**(59,875)**	**(57,187)**	**(59,300)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(831,530)**	**(1,122,228)**	**(192,888)**	**(10,637)**	**3,093**	**3,093**	**(72,377)**	**(15,358)**	**(14,968)**	**(10,547)**
Cash/cash equivalents at the year begin:	2	**–**	**–**	**11,198**	**29,046**	**29,046**	**29,046**	**3,483**	**8,595**	**(6,763)**	**(21,731)**
Cash/cash equivalents at the year end:	2	**(831,530)**	**(1,122,228)**	**(181,690)**	**18,409**	**32,139**	**32,139**	**(68,894)**	**(6,763)**	**(21,731)**	**(32,278)**

References

Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	(831,530)	(1,122,228)	(181,690)	18,409	32,139	32,139	(68,894)	(6,763)	(21,731)	(32,278)
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**(831,530)**	**(1,122,228)**	**(181,690)**	**18,409**	**32,139**	**32,139**	**(68,894)**	**(6,763)**	**(21,731)**	**(32,278)**
Application of cash and investments											
Unspent conditional transfers		2,048	8,168	5,545	–	–	–	30,525	5,032	5,264	5,501
Unspent borrowing											
Statutory requirements	2	(1,312)	(3,602)	6,858	(23,451)	(25,237)	(25,237)	5,707	(28,192)	(27,312)	(28,480)
Other working capital requirements	3	27,626	35,352	32,081	25,443	42,077	42,077	20,208	30,418	26,704	27,905
Other provisions		7,271	7,893	8,476	8,810	8,810	8,810	8,476	(2,274)	(2,379)	(2,486)
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	(29,216)	(29,216)	(29,216)	–	–	–	(29,216)	–	–	–
Total Application of cash and investments:		**6,418**	**18,595**	**23,745**	**10,802**	**25,650**	**25,650**	**35,700**	**4,985**	**2,278**	**2,440**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(837,947)**	**(1,140,822)**	**(205,435)**	**7,607**	**6,488**	**6,488**	**(104,594)**	**(11,747)**	**(24,008)**	**(34,718)**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(837,947)**	**(1,140,822)**	**(205,435)**	**7,607**	**6,488**	**6,488**	**(104,594)**	**(11,747)**	**(24,008)**	**(34,718)**

References

1. Must reconcile with Budgeted Cash Flows

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality is unable to meet both these recommendations. In the main this is because Umzumbe Local Municipality does not have cash generating assets that would require that level of maintenance to keep in the condition necessary for it to keep generating cash for the municipality.

Table 17 Table A10 - Basic Service Delivery Measurement

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–

References

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 and senior officials of the municipality meeting under the chairpersonship of the for Finance Portfolio Chair(the Mayor).

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

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

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2025. Key dates applicable to the process were:

- **August 2026** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2026/27 Budget;
- **November 2026** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **3 to 7 January 2027** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2027** - Council considers the 2026/27 Mid-year Review and Final Budget;
- **February 2027** - Recommendations of EXCO are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2026/27 MTREF is revised accordingly;

- **28 March 2027 -** Tabling in Council of the draft 2027/28 IDP and 2026/27 Budget for public consultation;
- **April 2027** – Public consultation;
- **20 to 24 May 2027** – finalisation of the 2027/28 IDP and 2027/28 Budget, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **May 2027 -** Tabling of the 2027/28 before Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2026/27 Budget, based on the approved 2025/26 MTREF, Mid-year Review and Final budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2026/27 Budget, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2025/26 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2026/27 Budget, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2026/27 Budget:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends
- Performance trends
- The approved 2025/26 Final budget and performance against the SDBIP

- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circular 126 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

Community consultations will be short circuited inline with cost containments measures that have been agreed to.

2.2 Overview of alignment of annual budget with IDP

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

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the Municipality of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

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

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2026/27 Budget and further planning refinements that have directly informed the compilation of the budget:

Table 18 IDP Strategic Objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

1. Economic growth and development that leads to sustainable job creation by:
   - Ensuring there is a clear structural plan for the Municipality;
   - Ensuring planning processes function in accordance with set timeframes;
   - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
   - Effective implementation of the Indigent Policy;
   - Extending waste removal services and ensuring effective municipality cleansing;
   - Working with strategic partners such as SAPS to address crime;
   - Ensuring save working environments by effective enforcement of building and health regulations;
   - Promote viable, sustainable communities through proper zoning; and
   - Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities
   - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
   - Optimising effective community participation in the ward committee system; and
   - Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:
   - Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:
   - Reviewing the use of contracted services
   - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure Municipality to achieve set objectives
   - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2026/27 Budget has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 19 Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Table 20 Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Choose name from list - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	An efficient, effective and development-oriented public service	12	–	–	5,363	1,439	–	–	–	177	185	193
Improved Organisational cohesion and Effectiveness	An efficient, effective and development-oriented public service	12	–	1,304	–	–	–	–	–	–	–	–
Clean Governance, Comprehensive Public Participation and Accountability	A comprehensive, responsive and sustainable social protection system	13	–	4,792	6,892	4,372	3,467	3,110	3,110	1,880	1,967	2,055
Clean Governance, Comprehensive Public Participation and Accountability	A long and healthy life for all South Africans	2	–	261	243	130	117	–	–	–	–	–
Clean Governance, Comprehensive Public Participation and Accountability	A skilled and capable workforce to support an inclusive growth path	5	–	–	–	–	130	397	397	–	–	–
Clean Governance, Comprehensive Public Participation and Accountability	An efficient, effective and development-oriented public service	12	–	1,829	1,616	1,455	665	513	513	633	662	692
Clean Governance, Comprehensive Public Participation and Accountability	Responsive, accountable, effective and efficient local government	9	–	4,184	3,791	3,711	1,896	2,543	2,543	4,464	4,669	4,879
Clean Governance, Comprehensive Public Participation and Accountability	Sustainable human settlements and improved quality of household life	8	–	4,487	3,628	1,855	1,463	1,355	1,355	1,076	1,126	1,176
DRAFT BUDGET	A comprehensive, responsive and sustainable social protection system	13	–	6,127	6,003	3,849	2,119	1,355	1,355	1,265	1,323	1,383
DRAFT BUDGET	A long and healthy life for all South Africans	2	–	786	313	285	173	174	174	–	–	–
DRAFT BUDGET	A skilled and capable workforce to support an inclusive growth path	5	–	4,142	2,160	2,449	900	1,285	1,285	506	522	545
DRAFT BUDGET	An efficient, effective and development-oriented public service	12	–	11,971	5,799	3,332	11,905	8,280	8,280	3,541	3,704	3,870
DRAFT BUDGET	Responsive, accountable, effective and efficient local government	9	–	8,909	5,037	12,978	5,452	3,349	3,349	689	720	753
DRAFT BUDGET	Sustainable human settlements and improved quality of household life	8	–	146,686	153,586	172,619	161,118	156,273	156,273	165,222	172,680	180,451
DRAFT BUDGET	Vibrant, equitable, sustainable rural communities contributing towards food security for all	7	–	–	142	–	–	–	–	–	–	–
Efficient and integrated infrastructure and basic services	An efficient, competitive and responsive economic infrastructure network	6	–	29,285	6,211	6,058	2,609	1,043	1,043	2,609	2,729	2,851
Efficient and integrated infrastructure and basic services	An efficient, effective and development-oriented public service	12	–	5,017	(1,944)	3,824	8,826	10,529	10,529	3,072	3,214	3,358
Efficient and integrated infrastructure and basic services	Responsive, accountable, effective and efficient local government	9	–	7,432	8,795	–	–	–	–	2,439	1,819	1,901
Efficient and integrated infrastructure and basic services	Sustainable human settlements and improved quality of household life	8	–	–	319	169	2,757	1,440	1,440	696	728	760
Improved overall financial management and systems	Sustainable human settlements and improved quality of household life	8	–	480	1,362	211	1,043	2,071	2,071	2,174	2,274	2,376
Spatial Equity and Environmental Sustainability	A comprehensive, responsive and sustainable social protection system	13	–	–	738	227	26	–	–	–	–	–
Spatial Equity and Environmental Sustainability	An efficient, competitive and responsive economic infrastructure network	6	–	–	–	–	–	–	–	174	182	190
Spatial Equity and Environmental Sustainability	An efficient, effective and development-oriented public service	12	–	–	1,913	–	–	1,063	1,063	–	–	–
Spatial Equity and Environmental Sustainability	Protect and enhance our environmental assets and natural resources	10	–	–	785	33	1,970	1,193	1,193	2,304	2,410	2,519
Spatial Equity and Environmental Sustainability	Responsive, accountable, effective and efficient local government	9	–	715	443	467	182	183	183	183	191	200
Spatial Equity and Environmental Sustainability	Sustainable human settlements and improved quality of household life	8	–	7,431	14,900	33,264	6,867	7,672	7,672	10,313	10,787	11,273
Vibrant and Inclusive Rural Economy	A comprehensive, responsive and sustainable social protection system	13	–	1,102	6,300	2,065	1,100	1,674	1,674	1,739	1,819	1,901
Vibrant and Inclusive Rural Economy	An efficient, effective and development-oriented public service	12	–	5,549	3,923	2,327	2,776	858	858	5,042	5,274	5,511
Vibrant and Inclusive Rural Economy	Responsive, accountable, effective and efficient local government	9	–	–	7,130	–	346	248	248	1,304	1,364	1,426
Vibrant and Inclusive Rural Economy	Sustainable human settlements and improved quality of household life	8	–	–	–	4	1,948	1,323	1,323	1,791	1,874	1,958
Vibrant and Inclusive Rural Economy	Vibrant, equitable, sustainable rural communities contributing towards food security for all	7	–	731	1,803	256	398	(770)	(770)	600	628	656
Allocations to other priorities												
Total Expenditure			1	**253,222**	**247,251**	**257,380**	**220,253**	**207,161**	**207,161**	**213,893**	**222,850**	**232,878**

References

Table 21 Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Choose name from list - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Improved Organisational cohesion and Effectiveness	An efficient, effective and development-oriented public service	**12**	_	31,397	52,945	21,777	870	–	–	–	–	–
Clean Governance, Comprehensive Public Participation and Accountability	An efficient, effective and development-oriented public service	**12**	_	23,574	22,650	23,173	–	–	–	–	–	–
DRAFT BUDGET	A long and healthy life for all South Africans	**2**	_	–	–	–	43	–	–	60	63	66
DRAFT BUDGET	An efficient, competitive and responsive economic infrastructure network	**6**	_	390,229	438,350	478,639	12,676	16,228	16,228	9,023	9,438	9,863
DRAFT BUDGET	An efficient, effective and development-oriented public service	**12**	_	19,204	–	3,877	1,733	2,699	2,699	1,476	1,544	1,613
Efficient and integrated infrastructure and basic services	A long and healthy life for all South Africans	**2**	_	122	11,638	23,414	22,452	26,003	26,003	28,471	31,044	32,041
Efficient and integrated infrastructure and basic services	An efficient, competitive and responsive economic infrastructure network	**6**	_	81,620	90,501	23,713	8,783	30,233	30,233	4,264	4,460	4,661
Efficient and integrated infrastructure and basic services	An efficient, effective and development-oriented public service	**12**	_	–	–	–	3,641	261	261	5,129	4,220	4,410
Spatial Equity and Environmental Sustainability	An efficient, competitive and responsive economic infrastructure network	**6**	_	42,154	42,156	41,397	–	–	–	–	–	–
Spatial Equity and Environmental Sustainability	An efficient, effective and development-oriented public service	**12**	_	25,156	24,978	9,077	800	276	276	665	666	696
Vibrant and Inclusive Rural Economy	An efficient, competitive and responsive economic infrastructure network	**6**	_	21,016	–	–	1,391	870	870	4,609	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	**634,473**	**683,218**	**625,067**	**52,389**	**76,569**	**76,569**	**53,697**	**51,435**	**53,350**

2.3 Measurable performance objectives and indicators

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

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

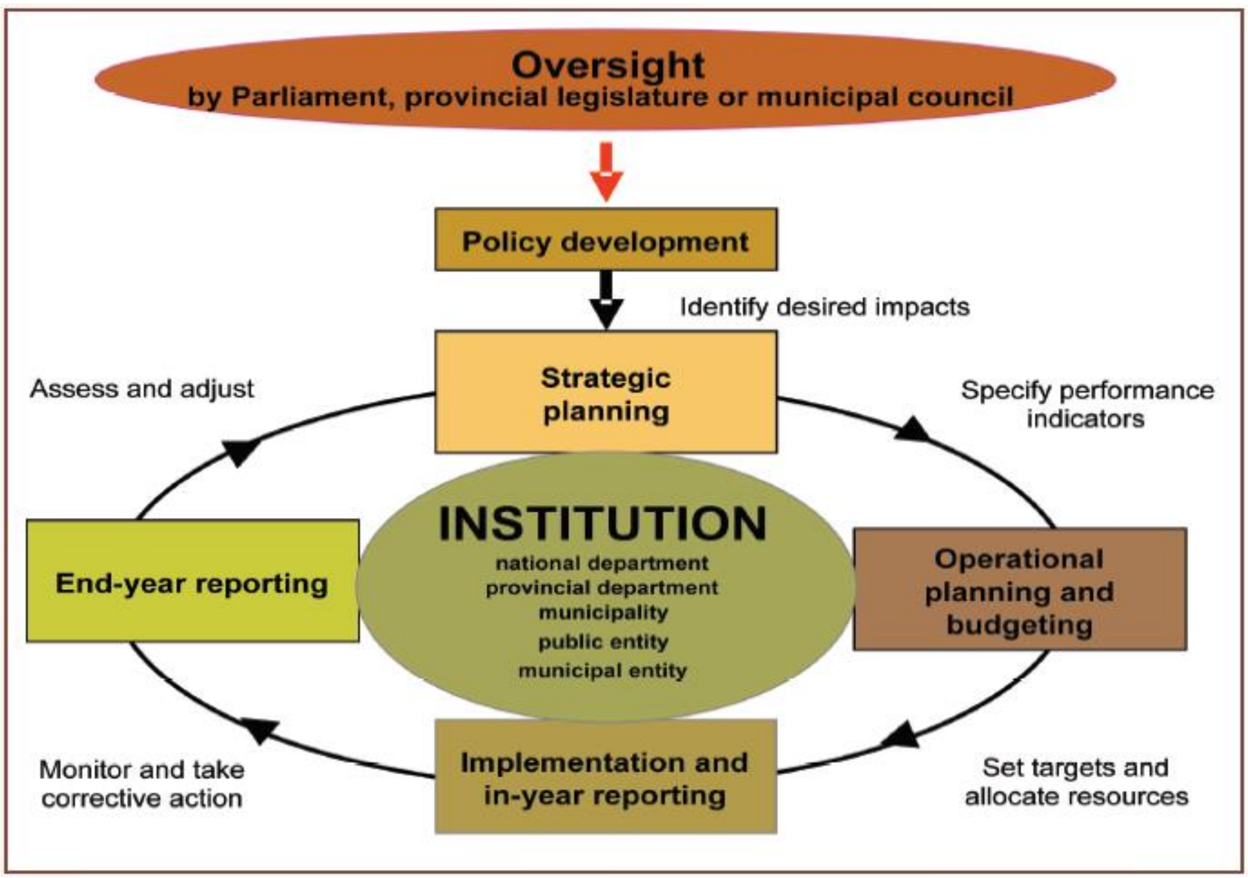

Figure 3 Planning, budgeting and reporting cycle

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

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

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

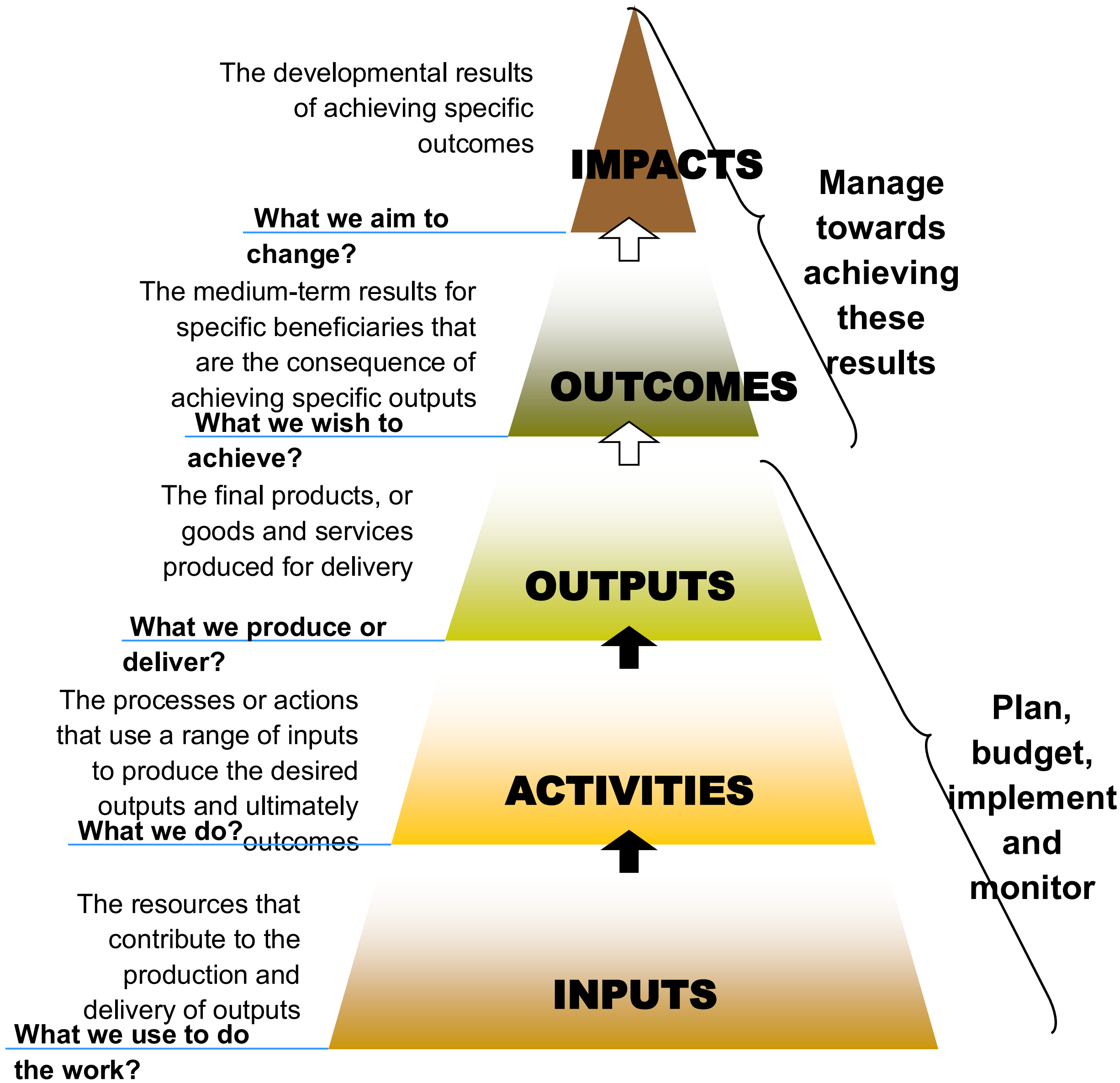

Figure 4 Definition of performance information concepts

The following table sets out the municipalities main performance objectives and benchmarks for the 2026/27 Budget.

Table 22 Table SA8 - Performance indicators and benchmarks

Choose name from list - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
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%
Liquidity											
Current Ratio	Current assets/current liabilities	3.4	1.5	0.1	1.4	1.4	1.4	0.7	0.5	0.5	0.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.4	1.5	0.1	1.4	1.4	1.4	0.7	0.5	0.5	0.6
Liquidity Ratio	Monetary Assets/Current Liabilities	2.9	1.0	0.2	0.4	0.5	0.5	0.7	(0.1)	(0.1)	0.0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%	5006.4%	2640.0%	2640.0%	0.0%	2157.4%	2157.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	5006.4%	2640.0%	2640.0%	0.0%	2157.4%	2157.4%	2157.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.9%	13.0%	-3.2%	20.2%	22.8%	22.8%	1.7%	12.0%	12.1%	11.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		-3.3%	-3.2%	-17.7%	183.6%	156.9%	156.9%	-29.4%	-527.4%	-171.7%	-120.8%
Other Indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	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)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	41.9%	42.2%	48.2%	48.4%	42.1%	42.1%	37.7%	45.1%	46.8%	45.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	55.2%	54.0%	60.8%	59.2%	52.7%	52.7%	76.0%	54.3%	56.4%	55.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	19.9%	5.4%	4.6%	2.9%	2.5%	2.5%	4.2%	3.0%	3.1%	3.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.2%	13.8%	20.7%	12.7%	12.4%	12.4%	0.0%	15.3%	15.9%	15.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	93.6	298.5	33.4	35.2	35.9	991.0	26.1	34.7	33.5	35.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17758.8%	21160.8%	-3605.3%	28519.9%	17346.1%	17346.1%	7938.8%	6314.8%	6105.5%	6091.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(26.7)	(38.0)	(6.3)	0.6	1.6	1.1	(2.4)	(0.2)	–	–

References

2.3.1.1 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

2.3.1.2 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Data collection and cleansing has also been identified as one of the strategic priorities in maximising revenue collection

2.3.1.3 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice.

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy was approved by Council in 2026 together with the 2026/27 Budget. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money certain components to achieve a higher collection rate.

2.4.2 Asset Management 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, Infrastructure 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).

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2026 together with 2026/27 budget.

2.4.4 Budget and Virement Policy

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

2.4.5 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 equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.6 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 of the next two years.

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

- Property Rates Policy;
- Funding and Reserves Policy;
- Budget Policy; and
- Indigent Policy.

2.5 Overview of budget assumptions

2.5.1 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 2026/27 Budget:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;

2.5.2 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI 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 currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.3 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

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.

2.5.4 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.

2.5.5 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2026/27 capital programme:

Table 23 Sources of capital revenue over the Budget

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funded by:											
National Government		(5,549)	(3,382)	43,976	34,345	62,465	62,465	15,167	38,087	41,102	42,552
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**(5,549)**	**(3,382)**	**43,976**	**34,345**	**62,465**	**62,465**	**15,167**	**38,087**	**41,102**	**42,552**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		(12,598)	51,654	–	18,043	14,104	14,104	551,060	15,558	10,279	10,741
Total Capital Funding	7	**(18,147)**	**48,272**	**43,976**	**52,389**	**76,569**	**76,569**	**566,227**	**53,645**	**51,381**	**53,293**

References

The above table is graphically represented as follows for the 2026/27 financial year.

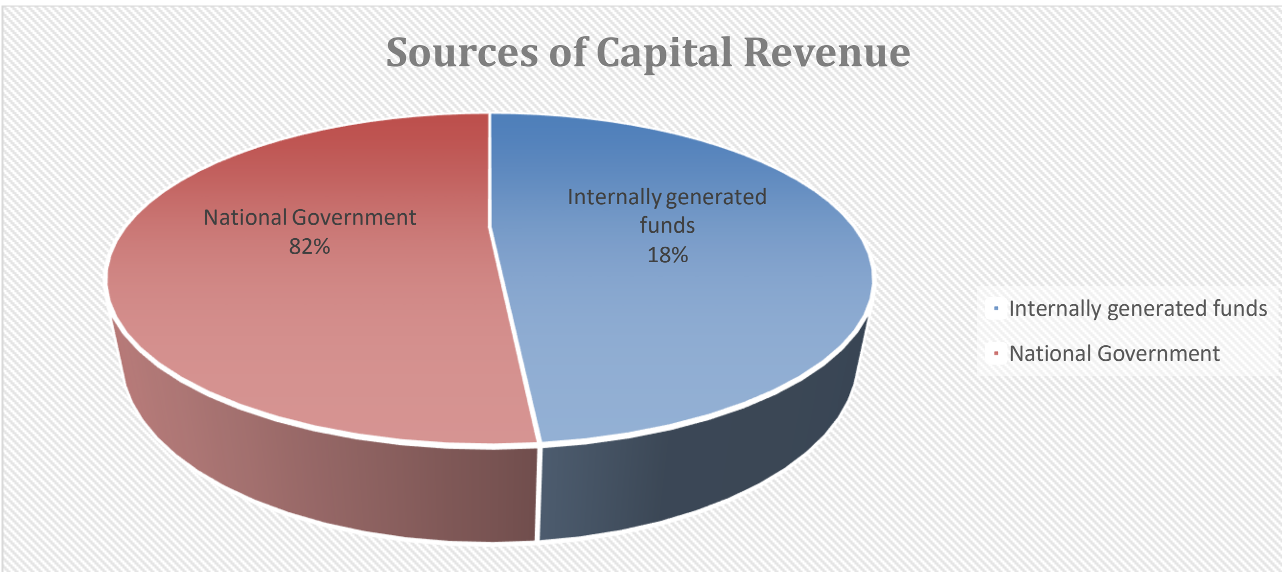

Figure 5 Sources of capital revenue for the 2026/27 financial year

Capital grants and receipts equates to 52 per cent of the total funding.

Table 24 Budget Table SA 18 - Capital transfers and grant receipts

Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant (MIG)	–	119,485	149,419	41,042	39,281	41,177	41,177	40,212	43,000	45,000
Municipal Disaster Recovery Grant	–	9,000	24,772	23,700	–	25,000	25,000	–	–	–
Total Monetary Allocations		**128,485**	**174,191**	**64,742**	**39,281**	**66,177**	**66,177**	**40,212,300**	**43,000,000**	**45,000,000**
Total Capital/National Government		**128,485**	**174,191**	**64,742**	**39,281**	**66,177**	**66,177**	**40,212,300**	**43,000,000**	**45,000,000**
Provincial Government										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Provincial Government		-	-	-	-	-	-	-	-	-
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
[insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total Capital	5	**128,485**	**174,191**	**64,742**	**39,281**	**66,177**	**66,177**	**40,212**	**43,000**	**45,000**
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		**344,076**	**445,396**	**238,465**	**216,305**	**247,580**	**247,580**	**218,640**	**213,076**	**227,297**

References

2.5.6 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from ‘Ratepayers and other’ to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

Table 25 Budget Table A7 - Budget cash flow statement

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	7,470	7,470	7,470	–	8,070	8,442	8,821
Service charges		–	–	–	–	–	–	–	184	192	201
Other revenue		–	–	–	17,971	18,040	18,040	–	2,295	12,666	13,238
Transfers and Subsidies - Operational	1	99,207	45,402	2,689	177,024	181,404	181,404	34,993	178,428	170,076	182,297
Transfers and Subsidies - Capital	1	–	–	–	39,281	66,177	66,177	–	40,212	43,000	45,000
Interest		1,030	1,902	635	6,000	6,000	6,000	217	5,500	5,753	6,012
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(931,767)	(1,169,531)	(196,213)	(195,919)	(186,802)	(186,802)	(107,588)	(189,477)	(197,183)	(206,056)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	(2,218)	(1,141)	(1,141)	–	(696)	(728)	(760)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(831,530)**	**(1,122,228)**	**(192,888)**	**49,610**	**91,147**	**91,147**	**(72,377)**	**44,517**	**42,219**	**48,753**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	1,200	1,255	1,312
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(60,247)	(88,055)	(88,055)	–	(61,075)	(58,442)	(60,612)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**–**	**(60,247)**	**(88,055)**	**(88,055)**	**–**	**(59,875)**	**(57,187)**	**(59,300)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(831,530)**	**(1,122,228)**	**(192,888)**	**(10,637)**	**3,093**	**3,093**	**(72,377)**	**(15,358)**	**(14,968)**	**(10,547)**
Cash/cash equivalents at the year begin:	2	**–**	**–**	**11,198**	**29,046**	**29,046**	**29,046**	**3,483**	**8,595**	**(6,763)**	**(21,731)**
Cash/cash equivalents at the year end:	2	**(831,530)**	**(1,122,228)**	**(181,690)**	**18,409**	**32,139**	**32,139**	**(68,894)**	**(6,763)**	**(21,731)**	**(32,278)**

References

2.5.7 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 126 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the Final budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 26 Table A8 - Cash backed reserves/accumulated surplus reconciliation.

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	(831,530)	(1,122,228)	(181,690)	18,409	32,139	32,139	(68,894)	(6,763)	(21,731)	(32,278)
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**(831,530)**	**(1,122,228)**	**(181,690)**	**18,409**	**32,139**	**32,139**	**(68,894)**	**(6,763)**	**(21,731)**	**(32,278)**
Application of cash and investments											
Unspent conditional transfers		2,048	8,168	5,545	–	–	–	30,525	5,032	5,264	5,501
Unspent borrowing											
Statutory requirements	2	(1,312)	(3,602)	6,858	(23,451)	(25,237)	(25,237)	5,707	(28,192)	(27,312)	(28,480)
Other working capital requirements	3	27,626	35,352	32,081	25,443	42,077	42,077	20,208	30,418	26,704	27,905
Other provisions		7,271	7,893	8,476	8,810	8,810	8,810	8,476	(2,274)	(2,379)	(2,486)
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	(29,216)	(29,216)	(29,216)	–	–	–	(29,216)	–	–	–
Total Application of cash and investments:		**6,418**	**18,595**	**23,745**	**10,802**	**25,650**	**25,650**	**35,700**	**4,985**	**2,278**	**2,440**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(837,947)**	**(1,140,822)**	**(205,435)**	**7,607**	**6,488**	**6,488**	**(104,594)**	**(11,747)**	**(24,008)**	**(34,718)**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(837,947)**	**(1,140,822)**	**(205,435)**	**7,607**	**6,488**	**6,488**	**(104,594)**	**(11,747)**	**(24,008)**	**(34,718)**

References

1. Must reconcile with Budgeted Cash Flows

Table 27 MBRR SA10 – Funding compliance measurement

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(831,530)	(1,122,228)	(181,690)	18,409	32,139	32,139	(68,894)	(6,763)	(21,731)	(32,278)
Cash + investments at the yr end less applications - R'000	18(1)b	2	(837,947)	(1,140,822)	(205,435)	7,607	6,488	6,488	(104,594)	(11,747)	(24,008)	(34,718)
Cash year end/monthly employee/supplier payments	18(1)b	3	(26.7)	(38.0)	(6.3)	0.6	1.6	1.1	(2.4)	(0.2)	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(27,707)	(14,405)	5,666	30,130	74,557	74,557	58,386	27,093	22,527	28,175
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(5.7%)	46.6%	(7.4%)	(6.0%)	(6.0%)	(4.8%)	3.6%	(1.4%)	(1.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	31.7%	32.0%	32.0%	0.0%	72.8%	140.6%	140.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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.	6.8%	(93.7%)	1675.5%	(0.8%)	0.0%	(84.2%)	75.3%	4.6%	4.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	8.1%	2.1%	1.8%	1.5%	1.3%	1.3%	1.3%	1.3%	1.3%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	(21.1%)	44.3%	1.1%	24.4%	21.2%	21.2%	0.0%	17.1%	18.7%	18.8%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Description	MFMA section	Ref	2022/23	2023/24	2024/25	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Supporting indicators												
% incr *total service charges (incl prop rates)*	18(1)a		0.0%	0.3%	52.6%	(1.4%)	0.0%	0.0%	1.2%	9.6%	4.6%	4.5%
% incr Property Tax	18(1)a		0.0%	0.3%	52.6%	(1.4%)	0.0%	0.0%	1.2%	8.0%	4.6%	4.5%
% incr Service charges - Electricity	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Water	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Waste Water Management	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Waste Management	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.6%	4.5%
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		8,244	8,270	12,623	12,451	12,451	12,451	12,605	13,651	14,279	14,921
Service charges			8,244	8,270	12,623	12,451	12,451	12,451	12,605	13,651	14,279	14,921
Property rates			8,244	8,270	12,623	12,451	12,451	12,451	12,605	13,451	14,069	14,702
Service charges - electricity revenue			–	–	–	–	–	–	–	–	–	–
Service charges - water revenue			–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue			–	–	–	–	–	–	–	–	–	–
Service charges - refuse removal			–	–	–	–	–	–	–	200	209	219
Agency services			–	–	–	–	–	–	–	–	–	–
Capital expenditure excluding capital grant funding			(12,598)	51,654	581,092	18,043	14,104	14,104	551,060	15,558	10,279	10,741
Cash receipts from ratepayers	18(1)a		–	–	–	25,441	25,510	25,510	–	10,549	21,300	22,261
Ratepayer & Other revenue	18(1)a		53,260	82,069	80,817	80,216	79,805	79,805	76,019	14,487	15,154	15,836
Change in consumer debtors (current and non-current)			N/A	1,497	(22,033)	24,846	(209)	–	(22,005)	3,100	332	340
Operating and Capital Grant Revenue	18(1)a		205,964	210,592	245,810	216,305	247,580	247,580	170,167	218,640	213,076	227,297
Capital expenditure - total	20(1)(vi)		(18,147)	48,272	625,067	52,389	76,569	76,569	566,227	53,645	51,381	53,293
Capital expenditure - renewal	20(1)(vi)		3,832	21,382	6,648	12,763	16,228	16,228		9,171	9,592	10,024
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)												
DoRA operating												
List operating grants												
										–	–	–
DoRA capital												
List capital grants												
										–	–	–
Trend												
Change in consumer debtors (current and non-current)			N/A	1,497	(22,033)	24,846	(209)	–	(22,005)	3,100	332	340
Total Operating Revenue			177,964	189,489	200,444	211,102	215,541	215,541	143,434	200,774	202,377	216,053
Total Operating Expenditure			253,222	247,251	257,380	220,253	207,161	207,161	126,750	213,893	222,850	232,878
Operating Performance Surplus/(Deficit)			(75,259)	(57,762)	(56,936)	(9,151)	8,380	8,380	16,684	(13,119)	(20,473)	(16,825)
Cash and Cash Equivalents (30 June 2012)										(6,763)		
Revenue												
% Increase in Total Operating Revenue				6.5%	5.8%	5.3%	2.1%	0.0%	(33.5%)	(6.9%)	0.8%	6.8%
% Increase in Property Rates Revenue				0.3%	52.6%	(1.4%)	0.0%	0.0%	1.2%	6.7%	4.6%	4.5%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				0.3%	52.6%	(1.4%)	0.0%	0.0%	1.2%	9.6%	4.6%	4.5%
Expenditure												
% Increase in Total Operating Expenditure			0.0%	(2.4%)	4.1%	(14.4%)	(5.9%)	0.0%	(38.8%)	3.2%	4.2%	4.5%
% Increase in Employee Costs			0.0%	7.3%	20.8%	5.7%	(11.2%)	0.0%	(40.4%)	(0.3%)	4.6%	4.5%
% Increase in Electricity Bulk Purchases			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)			0	650269.1301	-32218632.67	0	0	0	0	0	0	0
Average Cost Per Councillor (Remuneration)			0	0	645781.1538	0	0	0	0	0	0	0
R&M % of PPE			8.1%	2.1%	1.8%	1.5%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Asset Renewal and R&M as a % of PPE			27.9%	21.6%	11.9%	6.2%	11.6%	11.6%	3.8%	3.8%	3.8%	3.9%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue												
Internally Funded & Other (R'000)			(12,598)	51,654	–	18,043	14,104	14,104	551,060	15,558	10,279	10,741
Borrowing (R'000)			–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			(5,549)	(3,382)	43,976	34,345	62,465	62,465	15,167	38,087	41,102	42,552
Internally Generated funds % of Non Grant Funding			100.0%	100.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			30.6%	(7.0%)	100.0%	65.6%	81.6%	81.6%	2.7%	71.0%	80.0%	79.8%
Capital Expenditure												
Total Capital Programme (R'000)			(18,147)	48,272	625,067	52,389	76,569	76,569	566,227	53,645	51,381	53,293
Asset Renewal			86,014	92,724	52,320	18,502	44,336	44,336	–	11,478	11,976	12,515
Asset Renewal % of Total Capital Expenditure			(474.0%)	192.1%	119.0%	35.3%	57.9%	57.9%	0.0%	21.4%	23.3%	23.5%
Cash												
Cash Receipts % of Rate Payer & Other			0.0%	0.0%	0.0%	31.7%	32.0%	32.0%	0.0%	72.8%	140.6%	140.6%
Cash Coverage Ratio			(0)	(0)	(0)	0	0	0	(0)	(0)	–	–
Borrowing												
Most recent Credit Rating										0		
Capital Charges to Operating			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			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Uncommitted reserves after application of cash and investments			(837,947)	(1,140,822)	(205,435)	7,607	6,488	6,488	(104,594)	(11,747)	(24,008)	(34,718)
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			177,964	189,489	200,444	211,102	215,541	215,541	143,434	200,774	202,377	216,053
Total Operating Expenditure			253,222	247,251	257,380	220,253	207,161	207,161	126,750	213,893	222,850	232,878
Surplus/(Deficit) Budgeted Operating Statement			(75,259)	(57,762)	(56,936)	(9,151)	8,380	8,380	16,684	(13,119)	(20,473)	(16,825)
Surplus/(Deficit) Considering Reserves and Cash Backing			(837,947)	(1,140,822)	(205,435)	7,607	6,488	6,488	(104,594)	(11,747)	(24,008)	(34,718)
MTREF Funded (1) / Unfunded (0)		15	0	0	0	1	1	1	0	0	0	0
MTREF Funded ✓ / Unfunded ✗		15	✗	✗	✗	✓	✓	✓	✗	✗	✗	✗

References

15. Subject to figures provided in Schedule.

Expenditure on grants and reconciliations of unspent funds
Table 28 SA19 - Expenditure on transfers and grant programmes

Choose name from list - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share	–	154,863	162,954	171,112	(169,550)	(169,550)	(169,550)	(165,070)	(162,991)	(175,717)
EPWP Incentive	–	4,846	6,277	1,400	(1,428)	(1,428)	(1,428)	(1,509)	–	–
Integrated National Electrification Programme	–	40,500	64,006	2,563	–	–	–	–	–	–
Municipal Drought Relief	–	–	–	–	–	–	–	–	–	–
Finance Management	–	5,600	7,450	1,800	(1,900)	(1,822)	(1,822)	(2,100)	(2,200)	(2,300)
Municipal Infrastructure Grant	–	–	–	–	(2,067)	(24)	(24)	(1,855)	(3,458)	(2,853)
Total Monetary Allocations		205,809	240,687	176,875	(174,945)	(172,824)	(172,824)	(170,534)	(168,649)	(180,870)
Total Operating/National Government		205,809	240,687	176,875	(174,945)	(172,824)	(172,824)	(170,534)	(168,649)	(180,870)
Provincial Government										
KwaZulu-Natal	–	9,049	28,577	2,050	2,079	8,580	8,580	7,894	1,427	1,427
Total Operating/Provincial Government		9,049	28,577	2,050	2,079	8,580	8,580	7,894	1,427	1,427
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
KwaZulu-Natal-DC 21 - Ugu-Capacity Building and Other	–	375	375	–	–	–	–	–	–	–
Total Monetary Allocations		375	375	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		375	375	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		214,858	269,264	178,925	(172,866)	(164,244)	(164,244)	(162,640)	(167,222)	(179,443)
Capital										
National Government										
Monetary Allocations										
Other transfers/grants [insert description]										
Integrated National Electrification Programme Grant	–	(40,500)	(61,443)	–	–	–	–	–	–	–
KwaZulu-Natal-DC 21 - Ugu-Infrastructure	–	119	119	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant	–	(9,000)	(24,712)	(19,272)	–	25,000	25,000	–	–	–
Municipal Infrastructure Grant	–	(119,485)	(147,129)	(43,331)	39,281	41,177	41,177	40,212	43,000	45,000
Total National Government		(40,500)	(61,443)	-	-	-	-	-	-	-
Provincial Government										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Total Provincial Government		-	-	-	-	-	-	-	-	-
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
KwaZulu-Natal-DC 21 - Ugu-Infrastructure	–	27,538	27,538	–	–	–	–	–	–	–
Total Allocations In-kind		27,538	27,538	-	-	-	-	-	-	-
Total Capital/District Municipalities		27,538	27,538	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		(40,500)	(61,443)	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174,358	207,821	178,925	(172,866)	(164,244)	(164,244)	(162,640)	(167,222)	(179,443)

References
1. Expenditure must be separately listed for each transfer or grant received or recognised

Table 29 SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Choose name from list - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year										
Current year receipts		50,946	77,733	637	5,395	3,274	3,274	5,464	5,658	5,153
Repayment of grants										
Conditions met - transferred to revenue		–	–	(5,126)	10,791	6,547	6,547	10,927	11,316	10,306
Conditions still to be met - transferred to liabilities		50,946	77,733	5,763	(5,395)	(3,274)	(3,274)	(5,464)	(5,658)	(5,153)
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		9,783	30,518	1,974	2,079	8,580	8,580	7,894	1,427	1,427
Conditions met - transferred to revenue		734	1,941	(76)	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		9,049	28,577	2,050	2,079	8,580	8,580	7,894	1,427	1,427
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		(375)	(375)	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		375	375	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		359	1,567	(5,202)	10,791	6,547	6,547	10,927	11,316	10,306
Total operating transfers and grants - CTBM	2	60,370	106,685	7,813	(3,316)	5,306	5,306	2,430	(4,231)	(3,726)
Capital transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year										
Current year receipts		128,485	174,191	64,742	39,281	66,177	66,177	40,212	43,000	45,000
Conditions met - transferred to revenue		247,969	321,320	108,073	–	25,000	25,000	–	–	–
Conditions still to be met - transferred to liabilities		(119,485)	(147,129)	(43,331)	39,281	41,177	41,177	40,212	43,000	45,000
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		247,969	321,320	108,073	–	25,000	25,000	–	–	–
Total capital transfers and grants - CTBM	2	(119,485)	(147,129)	(43,331)	39,281	41,177	41,177	40,212	43,000	45,000
TOTAL TRANSFERS AND GRANTS REVENUE		248,328	322,886	102,871	10,791	31,547	31,547	10,927	11,316	10,306
TOTAL TRANSFERS AND GRANTS - CTBM		(59,114)	(40,445)	(35,518)	35,964	46,483	46,483	42,643	38,769	41,274

References

2.6 Councillor and employee benefits

Table 30 SA22 - Summary of councillor and staff benefits

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		11,123	10,631	12,154	11,456	11,456	11,456	11,787	12,329	12,884
Cell phone Allowance		1,591	1,614	1,564	1,685	1,642	1,642	1,685	1,762	1,842
Housing Allowance		–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		3,708	3,544	4,030	3,443	3,443	3,443	3,929	4,110	4,295
Office-bearer Allowance		–	–	–	–	–	–	–	–	–
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		7,207	6,546	7,438	6,300	6,300	6,300	2,160	2,259	2,361
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		23,629	22,335	25,185	22,884	22,841	22,841	19,561	20,461	21,382
Social Contributions										
Medial Aid Benefits		–	–	–	–	–	–	–	–	–
Pension Fund Contributions		–	–	–	–	–	–	–	–	–
Total Social Contributions		-	-	-	-	-	-	-	-	-
Total Councillors		23,629	22,335	25,185	22,884	22,841	22,841	19,561	20,461	21,382
% increase	4		(5.5%)	12.8%	(9.1%)	(0.2%)	–	(14.4%)	4.6%	4.5%
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		2,133	1,921	2,515	4,105	4,105	4,105	5,574	5,831	6,093
Bonuses		–	–	303	898	898	898	465	486	508
Allowance										
Accommodation, Travel and Incidental		236	107	131	1,368	1,368	1,368	–	–	–
Cellular and Telephone	3	–	–	199	102	102	102	33	34	36
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3	700	631	778	457	457	457	1,858	1,944	2,031
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		936	738	1,107	1,928	1,928	1,928	1,891	1,978	2,067
Service Related Benefits										
Acting	3	–	36	–	–	–	–	129	134	140
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	30	31	33
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	–	–	103	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		-	36	103	-	-	-	159	166	173
Total Salaries and Allowances		3,069	2,695	4,028	6,931	6,931	6,931	8,088	8,460	8,841
Social Contributions										
Bargaining Council		–	–	–	–	–	–	–	–	–
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Unemployment Insurance		–	–	–	–	–	–	4	4	5
Total Social Contributions		-	-	-	-	-	-	4	4	5
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		3,069	2,695	4,028	6,931	6,931	6,931	8,093	8,465	8,846
% increase	4		(12.2%)	49.5%	72.0%	–	–	16.8%	4.6%	4.5%
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		40,303	44,357	45,832	53,916	46,805	46,805	45,176	47,254	49,380
Bonuses		–	–	–	2,153	1,919	1,919	–	–	–
Allowance										
Accommodation, Travel and Incidental		2,850	2,928	3,028	4,500	4,500	4,500	3,600	3,766	3,935
Cellular and Telephone	3	–	–	–	–	–	–	966	1,010	1,056
Housing Benefits	3	516	434	425	938	854	854	463	485	506
Non-pensionable		189	66	538	180	180	180	1,095	1,145	1,197
Travel or Motor Vehicle	3	7,197	6,567	6,400	7,677	6,282	6,282	7,397	7,737	8,085
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		10,751	9,995	10,391	13,295	11,816	11,816	13,521	14,143	14,779
Service Related Benefits										
Acting	3	666	285	498	215	215	215	360	377	394
Bonus	3	3,024	3,363	3,409	1,921	1,537	1,537	3,424	3,582	3,743
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	808	1,231	1,116	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		45	105	297	208	203	203	–	–	–
Overtime		3,115	6,108	7,044	4,800	4,800	4,800	240	251	262
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	885	1,237	1,679	1,100	1,100	1,100	420	439	459
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	291	182	300	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		74	53	34	–	–	–	–	–	–
Total Service Related Benefits		8,909	12,565	14,377	8,244	7,855	7,855	4,444	4,649	4,858
Total Salaries and Allowances		59,964	66,917	70,600	77,608	68,393	68,393	63,141	66,045	69,018
Social Contributions										
Bargaining Council		20	30	28	37	34	34	28	30	31
Group Life Insurance		–	–	–	3	3	3	–	–	–
Medical		2,044	2,080	2,358	6,274	5,397	5,397	3,288	3,439	3,594
Pension		5,962	6,197	6,504	8,632	7,328	7,328	14,341	15,001	15,676
Unemployment Insurance		308	343	357	479	429	429	590	617	645
Total Social Contributions		8,335	8,650	9,247	15,425	13,191	13,191	18,248	19,087	19,946
Post-retirement Benefit	6									
Medical		2,872	1,435	12,490	2,174	2,174	2,174	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		291	287	291	–	–	–	–	–	–
Total Post-retirement Benefit		3,163	1,722	12,781	2,174	2,174	2,174	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		71,461	77,288	92,628	95,207	83,758	83,758	81,389	85,133	88,964
% increase	4		8.2%	19.8%	2.8%	(12.0%)	–	(2.8%)	4.6%	4.5%
Total Parent Municipality		98,159	102,318	121,841	125,021	113,529	113,529	109,042	114,058	119,191
Board Members of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3									
Housing Benefits	3									
Non-pensionable										
Travel or Motor Vehicle	3									
Voluntary Work										
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3									
Bonus	3									
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3									
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity	3									
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		–	–	–	–	–	–	–	–
Senior Managers of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3									
Housing Benefits	3									
Non-pensionable										
Travel or Motor Vehicle	3									
Voluntary Work										
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3									
Bonus	3									
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3									
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity	3									
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3									
Housing Benefits	3									
Non-pensionable										
Travel or Motor Vehicle	3									
Voluntary Work										
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3									
Bonus	3									
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3									
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity	3									
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		98,159	102,318	121,841	125,021	113,529	113,529	109,042	114,058	119,191
% increase	4		4.2%	19.1%	2.6%	(9.2%)	–	(4.0%)	4.6%	4.5%
TOTAL MANAGERS AND STAFF	5,7	74,530	79,983	96,656	102,137	90,689	90,689	89,481	93,598	97,809

References

"TOTAL MANAGERS AND STAFF" must agree to the line on Table A4 "Employee related costs"

2.7 Municipal manager's quality certificate

I …………………………………, municipal manager of Umzumbe Local Municipality, hereby certify that the Final budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Final budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name ____Shaka Cele____

Municipal manager of Umzumbe Local Municipality (KZN 213)

Signature ____

Date 28/03/2025