



ADJUSTMENT BUDGET 2025/2026 OF THULAMELA MUNICIPALITY



Thulamela Municipality Vision

We, the people of Thulamela would like our Municipality to Achieve a city status by 2030, to promote urban regeneration and comprehensive rural development whilst encouraging Local economic Development to improve the quality of lives of our People.

Thulamela Municipality Mission

We build prosperity, eradicate poverty and promote social, political and economic empowerment of all our people through delivery of quality services, community participation, local economic development and smart administration.

TABLE OF CONTENT

No.	Description	Page no.
	Table of content	2
	Abbreviations	3
1	PART 1- ANNUAL BUDGET	
1.1	The Mayor's report	4-7
1.2	Resolution	8
1.3	Executive Summary	9-13
1.4	Annual Budget Tables	14-28
2.	PART 2-SUPPORTING DOCUMENTATION	
2.1	Councilor allowances and employee benefits	29
2.2	Monthly targets for revenue, expenditure and cash flow	29
2.3	Capital Expenditure Details	30
2.4	Legislation compliance status	30
2.5	Other supporting documents	30

- ANNEXURE A – MTREF TABLE B1-B10
- ANNEXURE B – MTREF TABLE SB1-SB20

ABBREVIATIONS

MFMA- Municipal Finance Management Act 56 of 2003

MBRR- Municipal Budget and Reporting Regulations

MTREF- Medium Term Revenue and Expenditure Framework

EPWP – Expanded Public Works Programme

FMG – Finance Management Grant

INEP – Integrated National Electricity Program

MIG –Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

EEDG –Energy Efficiency and Demand Side Management Grant

MDTG-Municipal Demarcation Transition Grant

MSCOA –Municipal Standards Chart of Account

1.1 Mayors Report

ADJUSTMENT BUDGET SPEECH FOR 2025/2026 FINANCIAL YEAR BY THE MAYOR OF THULAMELA MUNICIPALITY HER WORSHIP, CLLR A.S RAMBUDA DURING THE SPECIAL COUNCIL SITTING HELD ON THE 26 FEBRUARY 2026 AT COUNCIL CHAMBER

Honourable Speaker: Cllr. Fhulufhelo Mutheiwana

Chief Whip of Council: Cllr. Ndivhuwo Calvin Radamba

Members of the Executive Committee

MPAC Chair Cllr. O.T Malindi

Section 79 Committee Chairpersons

Fellow Councillors

All traditional leaders

Municipal Manager

All Senior managers and Managers

Residents of Thulamela municipality

Distinguished guests

Ladies and Gentlemen

Good morning

Ndi matsheloni

Avuxeni

Thobela

Honourable speaker, it is a great honour and privilege for me, as mayor of Thulamela local municipality to table the proposed adjustment budget for the 2025/2026 final year.

This budget is the product of vigorous planning, extensive public participation, and a shared vision to build a resilient, inclusive and putting Thulamela communities first.

Fellow councillors, this budget adjustment takes place when the Thulamela municipality successfully hosted 2026 National Armed Forces Day, the first on rural

communities on Saturday 21st February 2026 at Thavhani Mall in Punda Maria Road R524.

The event widely considered a historic moment, showcased world class top tier military powers, boosted local economy and attracted many communities.

Madam speaker, this year adjustment budget speech follows the President's State of the Nation Address (**SONA**) by his Excellency, President Matamela Cyril Ramaphosa on the 12th of February 2026 at the Cape Town City Hall, Darling Street, at the Grand Parade, where President Nelson Mandela first appeared on 11 February 1990 before the people of South Africa after 27 years in prison

In the address, President Cyril Ramaphosa sets out government's policy priorities and programme of action for the year ahead.

President Cyril Ramaphosa has outlined a set of concrete and measurable actions to end load shedding, restore our economy, tackle crime, improve service delivery and rebuild our public institutions.

Honourable house members, the budget sets out how the municipality will fund these priorities within the constraints of available resources.

Finance Minister Enoch Godongwana has delivered his National Budget Speech on Wednesday, 25th February 2026 at the Cape Town City Hall.

Honourable speaker, this Budget Adjustment is prepared in terms of Municipal Budget and Reporting regulations, Government Gazette number 32141 promulgated on the 1st of April 2009.

Section 28 of Municipal Finance Management Act, no 56 of 2003 subsection 1 says: A municipality may revise an approved annual budget through an adjustment budget.

Madam Speaker, the application of a sound finance management principle is very essential in ensuring that the municipality remains viable and sustainable as we provide quality services to the communities of Thulamela Local Municipality.

We serve with dedication

Let's grow our Thulamela together.

We have through the budget steering committee made an attempt to accommodate all reasonable request into the final adjustment budget.

Fellow Councillors, lets us focus on administering tax systems, customs service, and enforcing compliance through audit, penalties and asset recovery

As Thulamela municipality we will involves managing Accounts receivable, invoicing and collecting debts from customers for services or products delivered.

Honourable speaker, today we present a budget that speaks to the needs of all residents of our municipality.

This municipality is built on integrity. we do not tolerate financial mismanagement, and we demand the highest standards of accountability from all our officials.

Ensuring that councillors are actively bringing service to their communities is the cornerstone of effective local governance.

Madam speaker, supporting councillors who are dedicated to this work helps build stronger, more responsive communities.

Madam speaker, the municipality has adjusted the total budget from R1,141billion to R1,23 billion, resulting in a net increase of R61,6 million.

The municipality has adjusted the total revenue budget from R11,141billion to R1,203 billion, resulting in a net increase of R61,6 million.

Madam speaker, we anticipate receiving double what we receive then, meaning approximately R40 to R45 million and thus recovery of impairment will be double the cash receipts at approximately R90 million excluding interest portion and thus conservative and prudent.

The inverse rate is based on the payment rate where we impart between 95 and 100 per cent.

The municipality has adjusted salaries of employees upwards from R391,1 million to R401,2million. The increase is due to an increase in the number of EPWP employees that must be funded from own funding.

The municipality has adjusted budget for general expenditure upward from R267,1 million to R321,9 million. The budget increase of R54,7 million is informed by an

increase in contracted service expenditure in the following votes (amongst others): Security services, Professional services and Litigation.

Honourable speaker, the municipality has adjusted budget upwards from R82,9 million to R91,1 million resulting in a net increase of R8million (10%). This is informed by recent floods that occurred and affected our municipality drastically.

Madam speaker, provision has been adjusted downward from R90,1 million to R68,1 million resulting in a net decrease of R22 million (19%).

Recoveries of previously provided for impairment on long outstanding debtors driven by the incentive schemes that we are going to robustly and aggressively campaign, publicise and ensure a wide forum is reached taking cognisance of our previous lessons learned and gains in the previous schemes which we ran three and half years ago.

We are anticipating receiving double what we receive then, meaning approximately 40 to 45 million rands and thus recovery of impairment will be double the cash receipts at approximately 90 million rands excluding interest portion and thus conservative and prudent.

The inverse rate is based on the payment rate where we impart between 95 and 100 per cent.

Honourable house, the municipality has increased the adjusted budget from R85,9 million to R98,9 million resulting in an increase of R13,0 million (15%).

The increase of budget is based on the projects that have been completed last financial year and some projects that are to be completed this financial year.

The municipality has adjusted capital budget from R184,3 million to R183,8 million.

The decrease of R522 000 million resulted in 0% percent variance. The small variance is caused by a project that has been moved to operational expenditure.

The work ahead will not be easy, but together, we will succeed.

Madam speaker, I hereby table this adjustment budget to council and further recommend that:

The Adjustment Budget for 2025/2026 financial year be approved as per **MFMA** and budget regulations.

I thank you.

Ndi a livhuwa.

1.2 Resolution

1.3 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, taking into cognisance the "key game changers". These game-changers include ensuring that budget is funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

The National Treasury has lowered its 2024 economic growth forecast to 1.1 per cent, from the 1.3 per cent projected in the 2024 Budget Review, weighed down by stop-start economic growth and stubborn inflation in the first half of the year. The economy has since strengthened in response to the suspension of power cuts since March 2024, improved confidence following the formation of the government of national unity in June, better than-expected inflation outcomes in recent months and reduced borrowing costs. All these factors are expected to continue to support the economy over the period ahead.

GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years. The pace of growth is still being limited by persistent – though gradually easing – constraints, particularly in logistics infrastructure. Faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, improving state capabilities and supporting higher infrastructure investment.

The Adjustment budget for 2025/2026 was compiled in accordance with the requirements of the Municipal Finance Management Act (Act 56 of 2003) as well as the Municipal Budget and Reporting Regulations and all Circulars, which gives a clear directive on the prescribed reporting framework and structure to be used.

The main challenges experienced during the compilation of the 2025/2026 Adjustment Budget and MTREF can be summarized as follows:

- On-going difficulties in the national and local economy.
- The municipal is grant dependency.
- Low revenue base
- Non-payment of municipal services

- The recent floods and poverty are the highest challenge in our municipality. We will enhance measures to reduce poverty within Thulamela Municipality through the budget of community services and technical services.
- Despite the limited resources, Thulamela municipality is still and will always stay committed to a better life for all.

The following changes are noted in the budget:

1.3.1 REVENUE

LIM343- THULAMELA MUNICIPALITY TOTAL REVENUE BUDGET

	2025/2026 Approved Budget	PROPOSED ADJUSTMENT BUDGET 2025/2026	ADJUSTMENT AFFECTED	PERCENTAGE %
REVENUE	-1 141 565 481.00	- 1 203 226 809.00	61 661 328.00	-5%

The municipality has adjusted the total revenue budget from R1,142 billion to R1,203 billion, resulting in a net increase of R61,661 million. The reasons for upwards budget adjustment of revenue are (*amongst others*): recoveries of previously provided for impairment on long outstanding debtors driven by the incentive schemes that we are going to robustly and aggressively campaign, publicise and ensure a wide forum is reached taking cognisance of our previous lessons learned and gains in the previous schemes which we ran three and half years ago. We anticipate receiving double what we receive then, meaning approximately R40 to R45 million and thus recovery of impairment will be double the cash receipts at approximately R90 million excluding interest portion and thus conservative and prudent. The inverse rate is based on the payment rate where we impart between 95 and 100 per cent. The municipality has a surplus of R183,815 million which will be used to fund Capital expenditure of the same amount.

1.3.2 EXPENDITURE

1.3.2.1 OPERATIONAL EXPENDITURE

Lim343-Thulamela municipality total operational expenditure

	2025/2026 Approved Budget	PROPOSED ADJUSTMENT BUDGET 20252026	ADJUSTMENT AFFECTED	PERCENTAGE %
SALARIES, WAGES & ALLOWANCES	391 144 311	401 257 761	10 113 450	3%
REMUNERATION OF COUNCILLRS	39 916 129	37 916 129	- 2 000 000	-5%
GENERAL EXPENDITURE	267 123 096	321 922 147	54 799 051	21%
REPAIRS AND MAINTANCE	82 913 023	91 151 528	8 238 505	10%
PROVISION	90 198 641	68 198 641	- 22 000 000	-24%
DEPRECIATION AND IMPAIRMENT	85 933 153	98 965 475	13 032 322	15%
	957 228 353	1 019 411 681	62 183 328	19%

The municipality has adjusted the operating expenditure budget from R957 million to R1 019 billion. A net upward adjustment by R62,1 million. The increase is due to the following performance items:

Salaries, Wages and Allowances

The municipality has adjusted salaries of employees upwards from R391,1 million to R401,2 million. The increase is due to an increase in the number of EPWP employees that must be funded from own funding.

General Expenditure

The municipality has adjusted budget for general expenditure upward from R267,1 million to R321,9 million. The budget increase of R54,7 million is informed by an increase in contracted service expenditure in the following votes (*amongst others*): Security services, Professional services and Litigation.

Repairs and Maintenance

The municipality has adjusted budget upwards from R82,9 million to R91,1 million resulting in a net increase of R8 million (10%). This is informed by recent floods that occurred and affected our municipality drastically.

Provision

Provision has been adjusted downward from R90,1 million to R68,1 million resulting in a net decrease of R22 million (19%) because recoveries of previously provided for impairment on long outstanding debtors driven by the incentive schemes that we are

going to robustly and aggressively campaign, publicise and ensure a wide forum is reached taking cognisance of our previous lessons learned and gains in the previous schemes which we ran three and half years ago. We are anticipating receiving double what we receive then, meaning approximately 40 to 45 million rands and thus recovery of impairment will be double the cash receipts at approximately 90 million rands excluding interest portion and thus conservative and prudent. The inverse rate is based on the payment rate where we impart between 95 and 100 per cent.

Depreciation and impairment

The municipality has increased the adjusted budget from R85,9 million to R98,9 million resulting in an increase of R13,0 million (15%). The increase of budget is based on the projects that have been completed last financial year and some projects that are to be completed this financial year.

1.3.2.2 CAPITAL EXPENDITURE

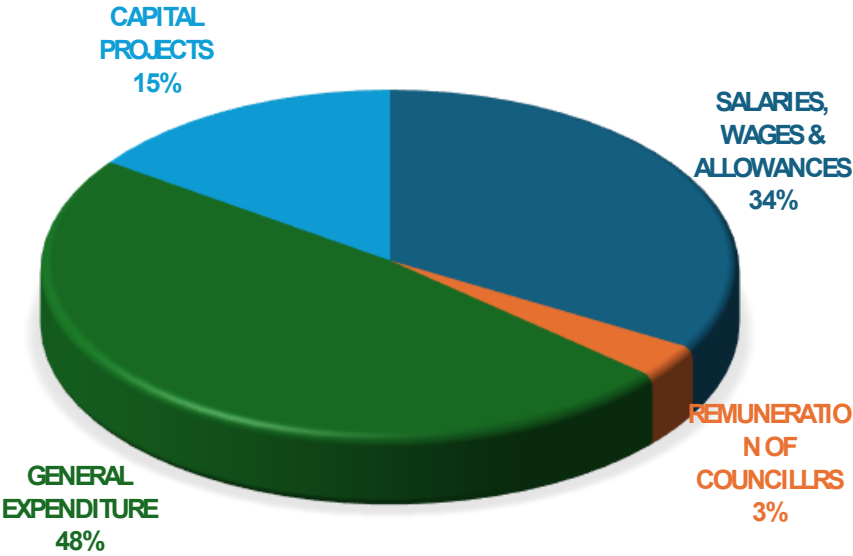
Lim343- Thulamela municipality capital expenditure

	2025/2026 Approved Budget	PROPOSED ADJUSTMENT BUDGET 2025/2026	ADJUSTMENT AFFECTED	PERCENTAGE %
CAPITAL PROJECTS	184 337 128.00	183 815 128.00	- 522 000.00	0%
TOTAL EXPENDITURE	1 141 565 481.00	1 203 226 809.00	61 661 328.00	5%

The municipality has adjusted capital budget from R184,3 million to R183,8 million. The small variance is caused by a project that has been moved to operational expenditure.

The diagram below indicates how the total budget of the municipality has been spread up to the different categories of the expenditure, wherein general expenditure consumes a large slice of 48%, followed by Salaries 34%, Capital 15% and Remuneration of Councilors is consuming 3% of the budget.

ADJUSTMENT BUDGET 20252026



1.4 Adjustment Budget Tables

See attached copy of Medium-Term Revenue and Expenditure (MTREF) which represents the ten main budget tables (Table B1 to Table B10). These tables set out the municipality's 2025/2026 Adjustment Budget

LIM343 Thulamela - Table B1 Adjustments Budget Summary - 2026/02/28

Description	2025/26									Budget Year 2026/27	Budget Year 2027/28
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	121,872	-	-	-	-	-	6,290	6,290	128,162	127,478	133,087
Service charges	32,697	-	-	-	-	-	(6,684)	(6,684)	26,013	35,022	36,565
Investment revenue	93,500	-	-	-	-	-	(13,500)	(13,500)	80,000	97,801	102,104
Transfers recognised - operational	646,148	-	-	-	-	-	-	-	646,148	643,629	667,665
Other own revenue	112,497	-	-	-	-	-	75,556	75,556	188,053	122,321	126,906
Total Revenue (excluding capital transfers and contributions)	1,006,714	-	-	-	-	-	61,661	61,661	1,068,376	1,026,251	1,066,328
Employee costs	391,144	-	-	-	-	-	10,113	10,113	401,258	402,910	412,915
Remuneration of councillors	39,916	-	-	-	-	-	(2,000)	(2,000)	37,916	41,513	42,551
Depreciation & asset impairment	167,287	-	-	-	-	-	(8,968)	(8,968)	158,319	170,503	178,005
Finance charges	3,208	-	-	-	-	-	5	5	3,213	3,356	3,504
Inventory consumed and bulk purchases	24,266	-	-	-	-	-	(430)	(430)	23,836	23,290	24,315
Transfers and subsidies	2,299	-	-	-	-	-	(200)	(200)	2,099	2,405	2,511
Other expenditure	329,107	-	-	-	-	-	63,663	63,663	392,770	341,522	360,811
Total Expenditure	957,228	-	-	-	-	-	62,183	62,183	1,019,412	985,500	1,024,612
Surplus/(Deficit)	49,486	-	-	-	-	-	(522)	(522)	48,964	40,752	41,716
Transfers and subsidies - capital (monetary allocations)	134,851	-	-	-	-	-	-	-	134,851	133,736	145,007
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
Capital expenditure & funds sources											
Capital expenditure	184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
Transfers recognised - capital	134,976	-	-	-	-	-	480	480	135,456	128,606	137,885
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	49,361	-	-	-	-	-	(1,002)	(1,002)	48,359	45,882	48,838
Total sources of capital funds	184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
Financial position											
Total current assets	1,402,793	-	-	-	-	-	(104,814)	(104,814)	1,297,979	1,564,631	1,734,536
Total non current assets	2,343,539	-	-	-	-	-	(13,148)	(13,148)	2,330,392	2,427,139	2,518,975
Total current liabilities	178,456	-	-	-	-	-	1,087	1,087	179,543	189,406	204,425
Total non current liabilities	43,915	-	-	-	-	-	-	-	43,915	43,915	43,915
Community wealth/Equity	3,523,981	-	-	-	-	-	(119,049)	(119,049)	3,404,912	3,758,449	4,005,172
Cash flows											
Net cash from (used) operating	262,801	-	-	-	-	-	(76,247)	(76,247)	186,555	247,563	263,518
Net cash from (used) investing	(184,337)	-	-	-	-	-	3,522	3,522	(180,815)	(174,488)	(186,723)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	1,264,399	-	-	-	-	-	(72,725)	(72,725)	1,191,674	1,337,474	1,414,252
Cash backing/surplus reconciliation											
Cash and investments available	1,264,399	-	-	-	-	-	(72,725)	(72,725)	1,191,674	1,337,457	1,414,234
Application of cash and investments	93,417	-	-	-	-	-	26,101	26,101	119,518	34,855	(24,025)
Balance - surplus (shortfall)	1,170,982	-	-	-	-	-	(98,626)	(98,626)	1,072,156	1,302,801	1,438,258
Asset Management											
Asset register summary (WDV)	1,661,858	-	-	-	-	-	(16,145)	(16,145)	1,665,714	1,598,699	1,527,037
Depreciation	81,847	-	-	-	-	-	13,032	13,032	94,880	84,456	88,172
Renewal and Upgrading of Existing Assets	4,600	-	-	-	-	-	11,382	11,382	15,982	32,444	55,469
Repairs and Maintenance	86,913	-	-	-	-	-	8,239	8,239	95,152	93,819	92,727
Free services											
Cost of Free Basic Services provided	3	3	-	-	-	-	-	-	3	3	3
Revenue cost of free services provided	0	0	-	-	-	-	19,410	19,410	19,410	0	0
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	70	70	-	-	-	-	-	-	70	70	70

- Table B1 is a budget summary and provides a concise overview of the Municipality's budget from all 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. Financial management reforms emphasize the importance of the municipal budget being funded.
3. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - (A) The operating surplus/deficit (after Total Expenditure) is positive over the final budget.
 - (B) Capital expenditure is balanced by capital funding sources, of which:
 - i. Transfers recognized are reflected on the Financial Performance Budget
 - ii. Internally generated funds are 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 municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

Table B2 –Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The Total Revenue on this table includes capital revenues (Transfers recognized – capital)
2. Table 2 shows the surplus of R183,8 million which will be used to fund Capital projects for 2025/26 financial periods, this proves that the municipality follows section 18 of the MFMA. The municipality shows a surplus for all years.

LIM343 Thulamela - Table B2 Adjustments Budget Financial Performance (functional classification) - 2026/02/26

Standard Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5	6	7	8	9	10	11	12		
		A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		871,488	-	-	-	-	-	78,965	78,965	950,454	882,293	921,856
Executive and council		624,846	-	-	-	-	-	-	-	624,846	624,329	652,565
Finance and administration		246,642	-	-	-	-	-	78,965	78,965	325,608	257,964	269,291
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		12,887	-	-	-	-	-	(241)	(241)	12,646	18,945	14,571
Community and social services		365	-	-	-	-	-	-	-	365	382	399
Sport and recreation		2,086	-	-	-	-	-	(386)	(386)	1,700	2,182	2,278
Public safety		757	-	-	-	-	-	145	145	902	792	827
Housing		9,679	-	-	-	-	-	-	-	9,679	15,589	11,068
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		211,968	-	-	-	-	-	(9,362)	(9,362)	202,606	210,627	224,666
Planning and development		51,618	-	-	-	-	-	(7,665)	(7,665)	43,953	57,275	64,123
Road transport		160,350	-	-	-	-	-	(1,697)	(1,697)	158,653	153,352	160,542
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		45,222	-	-	-	-	-	(7,700)	(7,700)	37,521	48,122	50,242
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		45,222	-	-	-	-	-	(7,700)	(7,700)	37,521	48,122	50,242
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,141,565	-	-	-	-	-	61,661	61,661	1,203,227	1,159,987	1,211,335
Expenditure - Functional												
Governance and administration		398,269	-	-	-	-	-	38,879	38,879	437,149	409,634	432,103
Executive and council		148,485	-	-	-	-	-	(9,592)	(9,592)	138,892	153,823	159,134
Finance and administration		245,403	-	-	-	-	-	48,472	48,472	293,875	251,228	268,184
Internal audit		4,381	-	-	-	-	-	-	-	4,381	4,583	4,785
Community and public safety		101,885	-	-	-	-	-	278	278	102,163	112,307	111,370
Community and social services		3,537	-	-	-	-	-	(11)	(11)	3,526	3,699	3,862
Sport and recreation		28,315	-	-	-	-	-	676	676	28,991	29,545	30,445
Public safety		1,511	-	-	-	-	-	2,773	2,773	4,284	1,581	1,650
Housing		68,522	-	-	-	-	-	(3,160)	(3,160)	65,362	77,482	75,413
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		335,642	-	-	-	-	-	28,745	28,745	364,387	349,949	363,555
Planning and development		73,184	-	-	-	-	-	2,322	2,322	75,506	74,053	76,686
Road transport		262,458	-	-	-	-	-	26,423	26,423	288,881	275,896	286,869
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		121,432	-	-	-	-	-	(5,719)	(5,719)	115,713	113,610	117,583
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		121,432	-	-	-	-	-	(5,719)	(5,719)	115,713	113,610	117,583
Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	957,228	-	-	-	-	-	62,183	62,183	1,019,412	985,500	1,024,612
Surplus (Deficit) for the year		184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723

Table B3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

Vote Description <i>(Insert departmental structure etc)</i>	Ref	2025/26								Budget Year 2026/27	Budget Year 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	
		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - EXECUTIVE and COUNCIL		624,846	-	-	-	-	-	-	624,846	624,329	652,565	
Vote 2 - FINANCE and ADMIN		246,642	-	-	-	-	78,965	78,965	325,608	257,964	269,291	
Vote 3 - TECHNICAL SERVICES		170,029	-	-	-	-	(1,697)	(1,697)	168,332	168,941	171,610	
Vote 4 - COMMUNITY and PUBLIC SAFETY		48,430	-	-	-	-	(7,942)	(7,942)	40,488	51,476	53,745	
Vote 5 - PLANNING AND DEVELOPMENT		51,618	-	-	-	-	(7,665)	(7,665)	43,953	57,275	64,123	
Vote 6 -		-	-	-	-	-	-	-	-	-	-	
Vote 7 -		-	-	-	-	-	-	-	-	-	-	
Vote 8 -		-	-	-	-	-	-	-	-	-	-	
Vote 9 -		-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote	2	1,141,565	-	-	-	-	61,661	61,661	1,203,227	1,159,987	1,211,335	
Expenditure by Vote	1											
Vote 1 - EXECUTIVE and COUNCIL		152,866	-	-	-	-	(9,592)	(9,592)	143,274	158,406	163,919	
Vote 2 - FINANCE and ADMIN		241,161	-	-	-	-	50,265	50,265	291,426	248,882	265,735	
Vote 3 - TECHNICAL SERVICES		330,980	-	-	-	-	23,263	23,263	354,243	353,377	362,282	
Vote 4 - COMMUNITY and PUBLIC SAFETY		154,794	-	-	-	-	(2,281)	(2,281)	152,514	148,435	153,541	
Vote 5 - PLANNING AND DEVELOPMENT		77,427	-	-	-	-	529	529	77,956	76,399	79,135	
Vote 6 -		-	-	-	-	-	-	-	-	-	-	
Vote 7 -		-	-	-	-	-	-	-	-	-	-	
Vote 8 -		-	-	-	-	-	-	-	-	-	-	
Vote 9 -		-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote	2	957,228	-	-	-	-	62,183	62,183	1,019,412	985,500	1,024,612	
Surplus/ (Deficit) for the year	2	184,337	-	-	-	-	(522)	(522)	183,815	174,488	186,723	

**Table B4 – Budgeted Financial Performance (revenue and Expenditure)
LIM343 Thulamela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure)**

LIM343 Thulamela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2026/02/28

Description	Ref	2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H	9	10
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	32,697	-	-	-	-	-	(6,684)	(6,684)	26,013	35,022	36,565
Sale of Goods and Rendering of Services		45,271	-	-	-	-	-	(6,230)	(6,230)	39,041	52,003	53,494
Agency services		13,250	-	-	-	-	-	(1,250)	(1,250)	12,000	13,660	14,469
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		12,672	-	-	-	-	-	(1,037)	(1,037)	11,635	13,255	13,839
Interest earned from Current and Non Current Assets		93,500	-	-	-	-	-	(13,500)	(13,500)	80,000	97,801	102,104
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		3,755	-	-	-	-	-	505	505	4,260	3,928	4,100
Special Rating Levies		-	-	-	-	-	-	-	-	-	-	-
Licence and permits		1,067	-	-	-	-	-	(86)	(86)	981	1,116	1,165
Operational Revenue		6,412	-	-	-	-	-	86,039	86,039	92,451	6,707	7,002
Non-Exchange Revenue												
Property rates	2	121,872	-	-	-	-	-	6,290	6,290	128,162	127,478	133,087
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4,546	-	-	-	-	-	(861)	(861)	3,685	4,756	4,965
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		646,148	-	-	-	-	-	-	-	646,148	643,629	667,665
Interest		25,524	-	-	-	-	-	(1,524)	(1,524)	24,000	26,698	27,872
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,066,714	-	-	-	-	-	61,661	61,661	1,068,376	1,026,251	1,066,328

The municipality has adjusted the total operational revenue budget from R1 006 billion to R1 068 billion resulting in a net increase of R66,6 million. The reasons for upwards budget adjustment of revenue are (*amongst others*): recoveries of previously provided for impairment on long outstanding debtors driven by the incentive schemes that we are going to robustly and aggressively campaign, publicise and ensure a wide forum is reached taking cognisance of our previous lessons learned and gains in the previous schemes which we ran three and half years ago. We anticipate receiving double what we receive then, meaning approximately R40 to R45 million and thus recovery of impairment will be double the cash receipts at approximately R90 million excluding interest portion and thus conservative and prudent. The inverse rate is based on the payment rate where we impart between 95 and 100 per cent.

The municipality is adjusting collection to 58% of all billed services.

Major changes in Revenue are outlined below:

1. Exchange Revenue

- **Service charges** have decreased from R32,6 million to R26 million to correct over-budgeting that was done in the original budget.
- **Sales of goods and rendering services** have decreased from R45,2 million to R39 million. This is to correct over-budgeting in sale of sites that was done in the original budget. Sales of goods and rendering services items are outlined as follows:

SegmentDesc	TotalBudget	ADJUSTMENT BUDGET PROPOSAL 20252026	ADJUSTMENT AFFECTED
ADVERTISING New	-62 580	-85 000	-22 420
SPECIAL / WRITTEN CONSENTS New	-260 750	-340 000	-79 250
PROPERTY SITE IDENTIFICATION 05710010	-375 480	-300 000	75 480
APPLICATION OF SUBDIVISION 0571001216	-87 529	-150 000	-62 471
MISCELLANEOUS FEES 057001377 New	-31	-31	0
BUILDING PLANS APPROVAL 0571001031 N	-625 800	-400 000	225 800
PROPERTY REZONING 0571001326 New	-104 300	-150 000	-45 700
BURIAL FEE 053001004 New	-365 050	-365 050	0
CLEARANCE CERTIFICATE 0351001006 Nev	-73 010	-50 000	23 010
Construction Contract Revenue INEP Circ 16	-5 678 850	-5 678 850	0
APPLICATION FEE FOR WAY LEAVE BY -LA	-62 580	-500 000	-437 420
ESCORT(FUNERALS;FUNWALK;MARATHON	-62 580	-21 000	41 580
PROPERTY TRANSFER FEES 0571001041 N	-730 100	-730 100	0
APPLICATION OF DEED GRANT 0571001220	-208 600	-208 600	0
TENDER DOCUMENTS New	-57 365	-24 000	33 365
TRADING OF ANIMALS 041001127 New	-8 344	-8 344	0
SELLING OF SITES 0571001036 New	-36 505 000	-30 000 000	6 505 000
BREAKDOWN FEE NEW	-3 129	-30 000	-26 871
	-45 271 078	-39 040 975	6 230 103

- **Agency Services** has decreased from R13,2 million to R12 million because of various options of places for vehicles license and other related services.
- **Interests earned from Current and Non-current Assets** has been decreased to R80 million (14%) because of a continuous decrease of repo rate by South African reserve bank after the budget approval,
- **Rental from fixed assets** has increased by 13% due to soccer season which was giving municipality latitude to permit soccer clubs to use Thulamela stadium, as well as weddings, parties and meetings at municipal facilities, however other major impact is caused by continuous billboard advertisements.
- **Operational Revenue** has increased from R6,4 million to R92,5 million. This is caused by recoveries previously provided for impairment on long outstanding debtors driven by the incentive schemes that we are going to robustly and aggressively campaign, publicize and ensure a wide forum is reached by taking cognizance of our previous lessons learned and gains in the previous schemes which we ran three and half years ago. We anticipate receiving double what we receive then, meaning approximately 40 to 45 million rands and thus recovery of impairment will be double the cash receipts at approximately 90 million rands excluding interest portion and thus conservative and prudent. The inverse rate is based on the payment rate where we impart between 95 and 100 per cent. It is outlined as:

	ORIGINAL BUDGET	ADJUSTMENT BUDGET PROPOSAL 20252026	ADJUSTMENT AFFECTED
TELEPHONE RECOVERIES FROM EMPLOYEES	-20 860	-20 860	0
OTHER TARRIFFS SPATIAL PLANNING New	-187 740	-170 000	17 740
INSURANCE RECOVERIES FROM EMPLOYEES	-1 564 500	-1 564 500	0
Commission: Transaction Handling Fees New	-10 430	-12 740	-2 310
RENTAL OF FIBRE CONNECTION	-104	-104	0
SUNDRY / OTHER REVENUE 035 1001059 n	-156 450	-100 000	56 450
CONSOLIDATION FEE 0571001154 New	-5 215	-9 000	-3 785
REFUND FOR INSURANCE New	-104 300	-350 000	-245 700
Request for Information: Plan Printing and Dup	-302 470	-200 000	102 470
RURAL LAND SALES 0571001015 New	-3 000 000	-1 400 000	1 600 000
SKILLS DEVELOPMENT FUND 0031001081	-1 044 000	-600 000	444 000
STAFF AND COUNCILLORS RECOVERIES	-15 645	-1 000	14 645
Recoveries from write offs	0	-88 022 701	-88 022 701
	-6 411 714	-92 450 905	-86 039 191

2. Non-exchange Revenue

- **Property rates** have increased from R121,7 million to R128,1 million to correct over-budget in sale of sites that was done in the original budget.
- **Fines, penalties and forfeits** have decreased from R4,5 million to R3,6 million. The decrease is based on current actuals and audited figures.

Expenditure By Type													
Employee related costs	391,144	--	--	--	--	10,113	10,113	401,258	402,910	412,915			
Remuneration of councillors	39,916	--	--	--	--	(2,000)	(2,000)	37,916	41,513	42,551			
Bulk purchases - electricity	--	--	--	--	--	--	--	--	--	--			
Inventory consumed	24,266	--	--	--	--	(430)	(430)	23,836	23,290	24,315			
Debt impairment	81,354	--	--	--	--	(22,000)	(22,000)	59,354	81,773	85,371			
Depreciation and amortisation	85,933	--	--	--	--	13,032	13,032	98,965	88,730	92,634			
Interest	3,208	--	--	--	--	5	5	3,213	3,356	3,504			
Contracted services	181,181	--	--	--	--	57,457	57,457	238,638	189,433	199,318			
Transfers and subsidies	2,299	--	--	--	--	(200)	(200)	2,099	2,405	2,511			
Irrecoverable debts written off	4,694	--	--	--	--	--	--	4,694	4,909	5,125			
Operational costs	139,082	--	--	--	--	6,205	6,205	145,287	142,838	151,835			
Losses on disposal of Assets	2,063	--	--	--	--	--	--	2,063	2,158	2,253			
Other Losses	2,088	--	--	--	--	--	--	2,088	2,184	2,280			
Total Expenditure	957,228	--	--	--	--	62,183	62,183	1,019,412	985,500	1,024,612			
Surplus(Deficit)	49,486	--	--	--	--	(522)	(522)	48,964	40,752	41,716			
Transfers and subsidies - capital (monetary allocations)	134,851	--	--	--	--	--	--	134,851	133,736	145,007			
Transfers and subsidies - capital (in-kind - all)	--	--	--	--	--	--	--	--	--	--			
Surplus(Deficit) before taxation	184,337	--	--	--	--	(522)	(522)	183,815	174,488	186,723			
Income Tax	--	--	--	--	--	--	--	--	--	--			
Surplus(Deficit) after taxation	184,337	--	--	--	--	(522)	(522)	183,815	174,488	186,723			
Share of Surplus/Deficit attributable to Joint Venture	--	--	--	--	--	--	--	--	--	--			
Share of Surplus/Deficit attributable to Minorities	--	--	--	--	--	--	--	--	--	--			
Surplus(Deficit) attributable to municipality	184,337	--	--	--	--	(522)	(522)	183,815	174,488	186,723			
Share of Surplus/Deficit attributable to Associate	--	--	--	--	--	--	--	--	--	--			
Intercorporate/Parent subsidiary transactions	--	--	--	--	--	--	--	--	--	--			
Surplus/ (Deficit) for the year	184,337	--	--	--	--	(522)	(522)	183,815	174,488	186,723			

Total operational expenditure has increased from R957,2 million to R1 019,4 million resulting in a net increase of R62,1 million.

- **Employee-related costs-** municipality has adjusted salaries of employees upwards by R10,1 million. The increase is due to an increase in the number of EPWP employees that must be funded from own funding.
- **Remuneration of councillors** has decreased by R2 million as per current actual and upper limit which is yet to be released. However, the budget was increased by 5.15% same as employee related cost.

- **Debt Impairment** has decreased from R81,3 million to R59,3. This is caused by recoveries previously provided for impairment on long outstanding debtors driven by the incentive schemes that we are going to robustly and aggressively campaign, publicize and ensure a wide forum is reached by taking cognizance of our previous lessons learned and gains in the previous schemes which we ran three and half years ago. We anticipate receiving double what we receive then, meaning approximately 40 to 45 million rands and thus recovery of impairment will be double the cash receipts at approximately 90 million rands excluding interest portion and thus conservative and prudent. The inverse rate is based on the payment rate where we impart between 95 and 100 per cent.
- **Depreciation and Amortization** has been increased from R85,9 to R98.9 based on the projects that have been completed last financial year and some projects that are to be completed this financial year.
- **Contracted services** have increased from R181,1 million to R238,6 million. **They consist of the following:**

Outsourced services of electricity projects R5,6 million, Business and advisory services (covering ICT, finance, risk and Audit committees, occupational health, and safety issues etc. R49,1 million, security services R32 million, property registration conveyancer R6,4 million, Valuer R1,7 million, street bins R1 million and the rest is covering OHS pro-active programme, catering for imbizos etc.

Consultancy and professional service fees of legal advice and litigation R41,5 million, business and advisory R2,3 million, research and advisory R2,2 million, etc., and

Contractors. Main cost drivers of contractors are Repairs and maintenance R73,6 million, Energy efficiency grant expense R4 million, technical assistance R1 million, Audio visual services R1,1 million and employee's wellness programme R1,8 million. The rest are for catering, pest control and fumigation, event promoters, etc.

They are outlined as follows:

Segment description	Original budget	Adjustment budget proposals 20252026	Adjustment effect
Consultants and Professional Services	31 118 030	48 539 544	17 421 514
Outsourced Services	72 037 499	105 534 903	33 497 404
Contractors	78 025 131	84 563 636	6 538 505

Repairs and maintenance is has been increased from 5,2% to 5,7% of the total PPE which is below the required rate as per MFMA circular 86, however

the amount provided per SA34C will try to deal with all items that need to be repaired or maintained in the remainder of 2025/2026 financial year.

- **Transfers and subsidies** consist of poverty relief, disaster relief and LED poverty alleviation and have been adjusted downward to utilize the for GBV (Gender Based Violence) workshops and seminars.

Table B5 – Budgeted Capital Expenditure by vote, standard classification, and funding source

LIM343 Thulamela - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 2026/02/28

Description	Ref	2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	2025/27	2027/28
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE and COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE and ADMIN		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY and PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 6 -		-	-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE and COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE and ADMIN		8,000	-	-	-	-	-	(3,746)	(3,746)	4,254	6,040	3,950
Vote 3 - TECHNICAL SERVICES		135,713	-	-	-	-	-	29,475	29,475	165,188	151,978	168,845
Vote 4 - COMMUNITY and PUBLIC SAFETY		40,499	-	-	-	-	-	(26,501)	(26,501)	13,998	8,100	3,680
Vote 5 - PLANNING AND DEVELOPMENT		125	-	-	-	-	-	250	250	375	8,370	10,278
Vote 6 -		-	-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
Total Capital Expenditure - Vote		184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
Capital Expenditure - Functional												
Governance and administration		8,000	-	-	-	-	-	(3,746)	(3,746)	4,254	6,040	3,950
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		8,000	-	-	-	-	-	(3,746)	(3,746)	4,254	6,040	3,950
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		19,201	-	-	-	-	-	(3,500)	(3,500)	15,701	1,100	1,250
Community and social services		-	-	-	-	-	-	-	-	-	100	250
Sport and recreation		15,000	-	-	-	-	-	(6,500)	(6,500)	8,500	-	-
Public safety		-	-	-	-	-	-	1	1	-	-	-
Housing		4,201	-	-	-	-	-	2,999	2,999	7,200	1,000	1,000
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		131,637	-	-	-	-	-	26,726	26,726	158,363	159,348	178,123
Planning and development		125	-	-	-	-	-	250	250	375	8,370	10,278
Road transport		131,512	-	-	-	-	-	26,476	26,476	157,988	150,978	167,845
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		25,499	-	-	-	-	-	(20,002)	(20,002)	5,497	8,000	3,400
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		25,499	-	-	-	-	-	(20,002)	(20,002)	5,497	8,000	3,400
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
Funded by:												
National Government		134,976	-	-	-	-	-	480	480	135,456	128,606	137,885
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	134,976	-	-	-	-	-	480	480	135,456	128,606	137,885
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		49,361	-	-	-	-	-	(1,002)	(1,002)	48,359	45,882	48,838
Total Capital Funding		184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The capital budget has been adjusted downward by a small amount (0%) caused by a project that has been moved to operational expenditure.

Table B6 – Budgeted Financial Position

LIM343 Thulamela - Table B6 Adjustments Budget Financial Position - 2026/02/28

Description	Ref	2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	2025/27
		A	A1	B	C	D	E	F	G	H		
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		1,264,399	-	-	-	-	-	(72,725)	(72,725)	1,191,674	1,337,457	1,414,234
Trade and other receivables from exchange transactions	1	14,516	-	-	-	-	-	275	275	14,790	27,753	41,662
Receivables from non-exchange transactions	1	50,860	-	-	-	-	-	(32,795)	(32,795)	18,065	90,150	131,158
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		29,417	-	-	-	-	-	430	430	29,847	29,389	29,961
VAT		41,314	-	-	-	-	-	-	-	41,314	77,371	115,968
Other current assets		2,287	-	-	-	-	-	-	-	2,287	2,510	2,743
Total current assets		1,402,793	-	-	-	-	-	(104,814)	(104,814)	1,297,979	1,564,631	1,734,536
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	2,339,557	-	-	-	-	-	(9,554)	(9,554)	2,330,003	2,421,217	2,511,129
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Intangible assets		3,982	-	-	-	-	-	(3,593)	(3,593)	388	5,922	7,846
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		2,343,539	-	-	-	-	-	(13,148)	(13,148)	2,330,392	2,427,139	2,518,975
TOTAL ASSETS		3,746,332	-	-	-	-	-	(117,962)	(117,962)	3,628,370	3,991,770	4,253,512
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	657	657	657	-	-
Consumer deposits		451	-	-	-	-	-	-	-	451	451	451
Trade and other payables from exchange transactions		116,399	-	-	-	-	-	430	430	116,829	116,416	120,022
Trade and other payables from non-exchange transactions		(0)	-	-	-	-	-	-	-	(0)	(0)	(0)
Provisions		33,362	-	-	-	-	-	-	-	33,362	38,866	44,612
VAT		28,245	-	-	-	-	-	-	-	28,245	33,673	39,341
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total current liabilities		178,456	-	-	-	-	-	1,087	1,087	179,543	189,406	204,425
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	43,915	-	-	-	-	-	-	-	43,915	43,915	43,915
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total non current liabilities		43,915	-	-	-	-	-	-	-	43,915	43,915	43,915
TOTAL LIABILITIES		222,371	-	-	-	-	-	1,087	1,087	223,458	233,321	248,340
NET ASSETS	2	3,523,961	-	-	-	-	-	(119,049)	(119,049)	3,404,912	3,758,449	4,005,172
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		3,523,961	-	-	-	-	-	(119,049)	(119,049)	3,404,912	3,758,449	4,005,172
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		3,523,961	-	-	-	-	-	(119,049)	(119,049)	3,404,912	3,758,449	4,005,172

1. Table B6 is consistent with international standards of good financial management practice and improves understand ability for councillors and management of the impact of the budget on the statement of financial position.
2. This format of presenting the statement of financial position is aligned to GRAP, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity, i.e., assets readily

converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table B6 is supported by an extensive table of notes SB3 which providing a detailed analysis of the major components of several items, including:

- (a) Call investments deposits
- (b) Consumer debtors;
- (c) Property, plant and equipment;
- (d) Trade and other payables.
- (e) Provisions non-current;
- (f) Changes in net assets; and
- (g) Reserves

4. We assume to spend all our grant allocations; hence we do not budget for unspent conditional grants.

LIM343 Thulamela - Table B7 Adjustments Budget Cash Flows - 2026/02/28

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3	4	5	6	7	8	9	10		
		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		54,843	-	-	-	-	-	19,491	19,491	74,334	57,365	59,889
Service charges		14,714	-	-	-	-	-	374	374	15,088	15,760	16,454
Other revenue		79,454	-	-	-	-	-	(6,897)	(6,897)	72,557	83,674	87,064
Transfers and Subsidies - Operational	1	646,148	-	-	-	-	-	-	-	646,148	643,629	667,865
Transfers and Subsidies - Capital	1	134,851	-	-	-	-	-	-	-	134,851	133,736	145,007
Interest		110,688	-	-	-	-	-	(15,064)	(15,064)	95,625	119,780	120,874
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(775,589)	-	-	-	-	-	(74,351)	(74,351)	(849,940)	(799,984)	(800,934)
Finance charges		(8)	-	-	-	-	-	-	-	(8)	9	9
Transfers and Subsidies	1	(2,299)	-	-	-	-	-	200	200	(2,099)	(2,405)	(2,511)
NET CASH FROM(USED) OPERATING ACTIVITIES		262,801	-	-	-	-	-	(76,247)	(76,247)	186,555	247,563	263,518
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(184,337)	-	-	-	-	-	3,522	3,522	(180,815)	(174,488)	(186,723)
NET CASH FROM(USED) INVESTING ACTIVITIES		(184,337)	-	-	-	-	-	3,522	3,522	(180,815)	(174,488)	(186,723)
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		78,464	-	-	-	-	-	(72,725)	(72,725)	5,739	73,075	76,795
Cash/cash equivalents at the year begin:	2	1,185,935	-	-	-	-	-	-	-	1,185,935	1,264,399	1,337,457
Cash/cash equivalents at the year end:	2	1,264,399	-	-	-	-	-	(72,725)	(72,725)	1,191,674	1,337,474	1,414,252

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

- The Budgeted cash flow show a favorable closing balance which clearly indicate that the municipality will be able to finance the budget over the medium-term.

Table B8 Cash Backed Reserves/Accumulated Surplus

LIM343 Thulamela - Table B8 Cash backed reserves/accumulated surplus reconciliation - 2026/02/28

Description	Ref	2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	1,264,399	-	-	-	-	-	(72,725)	(72,725)	1,191,674	1,337,474	1,414,252
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	(17)	(18)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		1,264,399	-	-	-	-	-	(72,725)	(72,725)	1,191,674	1,337,457	1,414,234
Applications of cash and investments												
Unspent conditional transfers		(0)	-	-	-	-	-	-	-	(0)	(0)	(0)
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		(13,069)	-	-	-	-	-	0	0	(13,069)	(43,698)	(76,027)
Other working capital requirements	2	73,124	-	-	-	-	-	26,101	26,101	99,225	39,688	7,391
Other provisions		33,362	-	-	-	-	-	-	-	33,362	38,866	44,612
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		93,417	-	-	-	-	-	26,101	26,101	119,518	34,855	(24,025)
Surplus/(shortfall)		1,170,982	-	-	-	-	-	(98,826)	(98,826)	1,072,156	1,302,601	1,438,258

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”. The municipality shows the positive movement for all the years.
- Non-compliance with section 18 of the MFMA is assumed that a shortfall would indirectly indicate that the budget is not appropriately funded.
- From the table it can be seen that the cash backed reserved shows a positive movement, which proves that the municipality will be able to pay their expenses without borrowings Considering the requirements of section 18 of the MFMA, it can be shown that municipality has funded all the projects by having the positive cash
- As part of the budgeting and planning guidelines that informed the compilation of the adjustment budget of 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table B9 – Asset Management

LIM343 Thulamela - Table B9 Asset Management - 2026/02/28

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total Capital Expenditure to be adjusted	4	184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
Roads Infrastructure		118,712	-	-	-	-	-	26,500	26,500	145,212	149,978	153,026
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1	-	-	-	-	-	2,999	2,999	3,000	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		24,001	-	-	-	-	-	(20,000)	(20,000)	4,001	8,000	200
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		142,714	-	-	-	-	-	9,499	9,499	152,213	157,978	153,226
Community Facilities		4,002	-	-	-	-	-	(2)	(2)	4,000	7,000	5,500
Sport and Recreation Facilities		15,000	-	-	-	-	-	(6,500)	(6,500)	8,500	2,000	5,000
Community Assets		19,002	-	-	-	-	-	(6,502)	(6,502)	12,500	9,000	10,500
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	300	300
Intangible Assets		-	-	-	-	-	-	-	-	-	300	300
Computer Equipment		1,800	-	-	-	-	-	480	480	2,280	2,700	950
Furniture and Office Equipment		2,225	-	-	-	-	-	-	-	2,225	1,540	1,928
Machinery and Equipment		5,496	-	-	-	-	-	(3,999)	(3,999)	1,497	2,270	2,200
Transport Assets		13,100	-	-	-	-	-	-	-	13,100	700	17,619
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	184,337	-	-	-	-	-	(522)	(522)	183,815	174,488	186,723
ASSET REGISTER SUMMARY - PPE (WDV)	5	1,681,858	-	-	-	-	-	(16,145)	(16,145)	1,665,714	1,598,699	1,527,037
Roads Infrastructure		1,232,651	-	-	-	-	-	(8,000)	(8,000)	1,224,651	1,180,431	1,125,915
Storm water Infrastructure		0	-	-	-	-	-	(2,560)	(2,560)	(2,560)	0	0
Electrical Infrastructure		76,918	-	-	-	-	-	-	-	76,918	76,484	76,030
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		4,246	-	-	-	-	-	(683)	(683)	3,563	3,060	1,823
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		0	-	-	-	-	-	-	-	0	0	0
Infrastructure		1,313,815	-	-	-	-	-	(11,243)	(11,243)	1,302,572	1,259,976	1,203,767
Community Assets		121,154	-	-	-	-	-	(2,775)	(2,775)	118,379	108,505	95,299
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		3,982	-	-	-	-	-	(3,993)	(3,993)	388	5,922	7,846
Computer Equipment		8,977	-	-	-	-	-	480	480	9,457	7,312	3,704
Furniture and Office Equipment		6,992	-	-	-	-	-	220	220	7,212	6,796	6,569
Machinery and Equipment		13,077	-	-	-	-	-	137	137	13,214	10,504	7,996
Transport Assets		92,195	-	-	-	-	-	630	630	92,825	78,464	81,017
Land		121,666	-	-	-	-	-	-	-	121,666	121,261	120,838
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,681,858	-	-	-	-	-	(16,145)	(16,145)	1,665,714	1,598,699	1,527,037

EXPENDITURE OTHER ITEMS												
<i>Depreciation & asset impairment</i>		81,847	-	-	-	-	13,032	13,032	94,880	84,456	88,172	
Repairs and Maintenance by asset class		86,913					8,239	8,239	95,152	93,819	92,727	
<i>Roads Infrastructure</i>		42,748	-	-	-	-	10,000	10,000	52,748	46,807	48,866	
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Electrical Infrastructure</i>		13,357	-	-	-	-	(3,000)	(3,000)	10,357	14,788	10,219	
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Infrastructure</i>		104	-	-	-	-	-	-	104	109	114	
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Information and Communication Infrastructure</i>		104	-	-	-	-	46	46	150	109	114	
Infrastructure		56,314					7,046	7,046	63,360	61,813	59,313	
<i>Community Facilities</i>		66	-	-	-	-	-	-	66	69	72	
<i>Sport and Recreation Facilities</i>		261	-	-	-	-	40	40	301	273	285	
Community Assets		327					40	40	367	342	357	
<i>Heritage Assets</i>		-	-	-	-	-	-	-	-	-	-	
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	
<i>Investment properties</i>		-	-	-	-	-	-	-	-	-	-	
<i>Operational Buildings</i>		12,555	-	-	-	-	-	-	12,555	13,133	13,711	
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	
Other Assets		12,555							12,555	13,133	13,711	
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	
<i>Intangible Assets</i>		-	-	-	-	-	-	-	-	-	-	
<i>Computer Equipment</i>		2,610	-	-	-	-	1,153	1,153	3,763	2,730	2,851	
<i>Furniture and Office Equipment</i>		808	-	-	-	-	-	-	808	845	883	
<i>Machinery and Equipment</i>		4,798	-	-	-	-	-	-	4,798	5,019	5,240	
<i>Transport Assets</i>		9,500	-	-	-	-	-	-	9,500	9,937	10,374	
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	
<i>Mature</i>		-	-	-	-	-	-	-	-	-	-	
<i>Immature</i>		-	-	-	-	-	-	-	-	-	-	
<i>Living Resources</i>		-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		168,760					21,271	21,271	190,031	178,275	180,899	
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		2.5%	0.0%						8.7%	18.6%	29.7%	
<i>Renewal and upgrading of Existing Assets as % of deprecn*</i>		5.6%	0.0%						16.8%	38.4%	62.9%	
<i>R&M as a % of PPE</i>		5.2%	0.0%						6.7%	6.9%	6.1%	
<i>Renewal and upgrading and R&M as a % of PPE</i>		5.4%	0.0%						6.7%	7.9%	9.7%	

EXPENDITURE OTHER ITEMS												
<i>Depreciation & asset impairment</i>		70,786	-	-	-	-	12,621	12,621	83,406	74,042	77,374	
Repairs and Maintenance by asset class		62,197					(5,904)	(5,904)	56,292	74,664	78,915	
<i>Roads Infrastructure</i>		25,100	-	-	-	-	(1,995)	(1,995)	23,105	36,306	37,977	
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Electrical Infrastructure</i>		13,710	-	-	-	-	(4,452)	(4,452)	9,258	14,156	15,624	
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Infrastructure</i>		100	-	-	-	-	-	-	100	105	109	
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	
<i>Information and Communication Infrastructure</i>		300	-	-	-	-	-	-	300	314	328	
Infrastructure		39,210					(6,446)	(6,446)	32,764	50,881	54,038	
<i>Community Facilities</i>		45	-	-	-	-	-	-	45	47	49	
<i>Sport and Recreation Facilities</i>		250	-	-	-	-	-	-	250	261	274	
Community Assets		295							295	309	323	
<i>Heritage Assets</i>		-	-	-	-	-	-	-	-	-	-	
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	
<i>Investment properties</i>		-	-	-	-	-	-	-	-	-	-	
<i>Operational Buildings</i>		9,706	-	-	-	-	(2,158)	(2,158)	7,548	10,152	10,619	
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	
Other Assets		9,706					(2,158)	(2,158)	7,548	10,152	10,619	
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	
<i>Intangible Assets</i>		-	-	-	-	-	-	-	-	-	-	
<i>Computer Equipment</i>		1,000	-	-	-	-	1,700	1,700	2,700	785	821	
<i>Furniture and Office Equipment</i>		774	-	-	-	-	-	-	774	810	847	
<i>Machinery and Equipment</i>		5,012	-	-	-	-	(500)	(500)	4,512	5,243	5,484	
<i>Transport Assets</i>		6,200	-	-	-	-	1,500	1,500	7,700	6,485	6,784	
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	
<i>Mature</i>		-	-	-	-	-	-	-	-	-	-	
<i>Immature</i>		-	-	-	-	-	-	-	-	-	-	
<i>Living Resources</i>		-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		132,982					6,716	6,716	139,699	148,706	156,288	
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		15.3%	0.0%						8.9%	15.4%	21.2%	
<i>Renewal and upgrading of Existing Assets as % of deprecn*</i>		47.3%	0.0%						20.3%	43.2%	41.2%	
<i>R&M as a % of PPE</i>		4.5%	0.0%						2.8%	5.7%	6.4%	
<i>Renewal and upgrading and R&M as a % of PPE</i>		7.0%	0.0%						3.7%	8.1%	9.0%	

1. Table B9 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 to repairs and maintenance at least 8 per cent of carrying amount of PPE. The repairs and maintenance are mainly done In-house. Repairs and maintenance has been increased from 5,2% to 5,7%, which is still below the accepted norm of 8%. The

municipality will try to deal with all items that need to be repaired or maintained in 2025/2026 financial year.

Table B10 Basic Service Delivery Measurement

LIM343 Thulamela - Table B10 Basic service delivery measurement - 2026/02/28

Description	Ref	2025/26										Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	7	8	9	10	11	12	13	14			
		A1	B	C	D	E	F	G	H				
Household service targets	1												
Water:													
Piped water inside dwelling													
Piped water inside yard (but not in dwelling)	2												
Using public tap (at least min.service level)													
Other water supply (at least min.service level)													
Minimum Service Level and Above sub-total	3												
Using public tap (< min.service level)	3,4												
Other water supply (< min.service level)													
No water supply													
Below Minimum Service Level sub-total	5												
Total number of households	5												
Sanitation/Sewerage:													
Flush toilet (connected to sewerage)													
Flush toilet (with septic tank)													
Chemical toilet													
PI 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)		260	260							260	260	260	
Minimum Service Level and Above sub-total		260	260							260	260	260	
Electricity (< min.service level)													
Electricity - prepaid (< min. service level)													
Other energy sources													
Below Minimum Service Level sub-total													
Total number of households	5	260	260							260	260	260	
Refuse:													
Removed at least once a week (min.service)		60034	61234							61234	61234	61234	
Minimum Service Level and Above sub-total		60,034	61,234							61,234	61,234	61,234	
Removed less frequently than once a week		625	625							625	625	625	
Using communal refuse dump		1215	1215							1,215	1,215	1,215	
Using own refuse dump		20330	20330							20,330	20,330	20,330	
Other rubbish disposal		48117	48117							48,117	48,117	48,117	
No rubbish disposal													
Below Minimum Service Level sub-total		70,287	70,287							70,287	70,287	70,287	
Total number of households	5	130,321	131,521							131,521	131,521	131,521	
Households receiving Free Basic Service	15												
Water (6 kilolitres per household per month)													
Sanitation (free minimum level service)													
Electricity/other energy (50kwh per household per month)		8	8							8	8	8	
Refuse (removed at least once a week)		2	2							2	2	2	
Informal Settlements													
Cost of Free Basic Services provided (R'000)	16												
Water (6 kilolitres per indigent household per month)													
Sanitation (free sanitation service to indigent households)													
Electricity/other energy (50kwh per indigent household per month)		2	2							2	2	2	
Refuse (removed once a week for indigent households)		2	2							2	2	2	
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)													
Total cost of FBG provided		3	3							3	3	3	
Highest level of free service provided													
Property rates (R'000 value threshold)		2190	2190							2,190	2,190	2,190	
Water (kilolitres per household per month)													
Sanitation (kilolitres per household per month)													
Electricity (kwh per household per month)		50	50							50	50	50	
Refuse (average litres per week)		93	93							93	93	93	
Revenue cost of free services provided (R'000)	17												
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		0	0							0	0	0	
excess of section 17 of MPRA								16,000	16,000	16,000			
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)							3,410	3,410	3,410				
Municipal Housing - rental rebates													
Housing - top structure subsidies	6												
Other													
Total revenue cost of subsidised services provided		0	0					19,410	19,410	19,410	0	0	

This table proves an overview of service delivery levels for each main Service.

The indigent budget includes free basic electricity for all indigents who use grids and non- grids electricity.

Water and sanitation within Thulamela Municipality are provided by Vhembe District Municipality.

PART 2 – SUPPORTING DOCUMENTATION

2.1 Councilor allowances and employees' benefits

LIM343 Thulamela - Supporting Table SB11 Adjustments Budget - councilor and staff benefits - 2026/02/28											
Summary of remuneration	Ref	2025/26									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	S	6	7	8	9	10	11	12	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		25,155	-	-	-	-	-	(1,103)	(1,103)	24,052	-4.4%
Pension and UIF Contributions		3,664	-	-	-	-	-	-	-	3,664	0.0%
Medical Aid Contributions		368	-	-	-	-	-	3	3	371	0.8%
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-	-
Cellphone Allowance		4,466	-	-	-	-	-	(500)	(500)	3,966	-11.2%
Housing Allowances		-	-	-	-	-	-	-	-	-	-
Other benefits and allowances		6,254	-	-	-	-	-	(400)	(400)	5,854	-6.4%
Sub Total - Councillors		39,916	-	-	-	-	-	(2,000)	(2,000)	37,916	-5.0%
% increase			(0)								(0)
Senior Managers of the Municipality											
Basic Salaries and Wages		7,466	-	-	-	-	-	(266)	(266)	7,199	-3.6%
Pension and UIF Contributions		128	-	-	-	-	-	92	92	220	72.1%
Medical Aid Contributions		270	-	-	-	-	-	37	37	307	13.6%
Overtime		-	-	-	-	-	-	-	-	-	-
Performance Bonus		649	-	-	-	-	-	-	-	649	0.0%
Motor Vehicle Allowance		1,760	-	-	-	-	-	-	-	1,760	0.0%
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		14	-	-	-	-	-	-	-	14	0.0%
Other benefits and allowances		1	-	-	-	-	-	0	0	1	16.2%
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10,288	-	-	-	-	-	(137)	(137)	10,151	-1.3%
% increase			(0)								(0)
Other Municipal Staff											
Basic Salaries and Wages		245,230	-	-	-	-	-	7,631	7,631	252,861	3.1%
Pension and UIF Contributions		48,639	-	-	-	-	-	58	58	48,698	0.1%
Medical Aid Contributions		15,808	-	-	-	-	-	354	354	16,162	2.2%
Overtime		10,189	-	-	-	-	-	-	-	10,189	0.0%
Performance Bonus		21,862	-	-	-	-	-	394	394	22,256	
Motor Vehicle Allowance		27,098	-	-	-	-	-	1,413	1,413	28,511	5.2%
Cellphone Allowance		103	-	-	-	-	-	(8)	(8)	95	-8.1%
Housing Allowances		441	-	-	-	-	-	12	12	454	
Other benefits and allowances		100	-	-	-	-	-	1	1	101	1.3%
Payments in lieu of leave		5,768	-	-	-	-	-	80	80	5,848	1.4%
Long service awards		-	-	-	-	-	-	5,431	5,431	5,431	#DIV/0!
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		487	-	-	-	-	-	14	14	501	
In kind benefits		-	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		375,725	-	-	-	-	-	15,382	15,382	391,107	4.1%
% increase											
Total Parent Municipality		425,930	-	-	-	-	-	13,244	13,244	439,174	3.1%

The detailed explanation regarding Employees related costs and remuneration of councilors have been given on table B4 explanations.

2.2 Monthly targets for revenue, expenditure and cash flow

Disclosure on monthly targets for revenue, expenditure and cash flow is made in the following MTREF tables:

- (A) TABLE SB12 - Budgeted monthly revenue and expenditure
- (B) TABLE SB13 - Budgeted monthly revenue and expenditure (municipal vote)
- (C) TABLE SB14 - Budgeted monthly revenue and expenditure (standard classification)
- (D) TABLE SB16 - Budgeted monthly capital expenditure (municipal vote)
- (E) TABLE SB17 - Budgeted monthly capital expenditure (standard classification)
- (F) TABLE SB15 - Budgeted monthly cash flow

2.3 Capital Expenditure Details

Capital Details are shown in the following MTREF Tables:

- TABLE SB18a – Capital expenditure on new assets by assets class
- TABLE SB18 b– Capital Expenditure on the renewal of existing assets by assets class
- TABLE SB18c – Repairs and maintenance expenditure by assets class
- TABLE SB18 d- Depreciation by assets classification
- TABLE SB19– Future financial implications of the capital budget
- TABLE SB20 – Detailed capital budget per municipal vote

2.4 Legislation Compliance Status

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA. The budget has been done in compliance with the process detailed below.

2.5 Other Supporting Documents

Various supporting documents are attached to enable the reader a fuller understanding of the various processes involved. They consist of the following:

- (A) ANNEXURE A – MTREF TABLE B1-A10
- (B) ANNEXURE A – MTREF TABLE SB1-SB20