



APPROVED BUDGET OF THULAMELA MUNICIPALITY 2025/2026-2027/2028 MEDIUM TERM REVENUE & EXPENDITURE FORECASTS



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.

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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

PART 1 – Annual Budget

1.1 Mayor’s Report

2025/2026- 2027/28 IDP ANNUAL BUDGET SPEECH BY HER WORSHIP THE MAYOR OF THE THULAMELA MUNICIPALITY CLLR AS RAMBUDA.

Thursday, 30 MAY 2025

Honourable speaker of Council: Cllr Fhulufhelo Mutheiwana
Acting Chief Whip of the council: Cllr Tshivhangwaho Makungo
EXCO Members
MPAC Chair: Cllr Malindi O.T
Section 79 Chairpersons Committee
Fellow Councillors.
Ward Committees Members
Our Traditional leaders
Municipal Manager: Mr. Masala Thomas Makumule
Senior Managers and Managers
Thulamela Community
Distinguished guests
Ladies and Gentlemen

Good morning
Ndi Matsheloni
Avuxeni
Thobela

Honourable Speaker,

Greetings and thank you for giving me the opportunity to present the 2025/2026-2027/28 Annual IDP Budget Speech.

This year continent of Africa, commemorated Africa Day under the Theme: “Year of Justice for Africans and people of African Descent through reparation”

Let peace reign on our continent
Let reign in South Africa
Let peace reign in Limpopo
Let peace reign in Thulamela
Let’s grow Thulamela together

Last week, Sunday, the 25th of May 2025, The Premier of Limpopo Dr. Phophi Ramathuba and her entire members of legislature celebrated Africa Day here in our municipality at George Phadagi Town Hall.

It was an honor, as Thulamela municipality hosted the continent event.

Honourable Speaker, I present to this council the Annual Budget In terms of the Municipal Finance Act (Act 56, of 2003) Chapter 4, section 24, states that (1) the municipal Council of a Municipality must for at least 30 days before the start the budget year consider approval of the annual budget.

Honourable Speaker

Finance Minister Enoch Godongwana delivered the third reiteration of the 2025 National Budget Speech on Wednesday 21 May 2025.

The budget revised several key points, including the country 's economic status, growth projections, substantial debt servicing costs, the withdrawal of contentious VAT increase and the continuation of the social relief grant.

Honourable Speaker and your house,

The budget tabled today was influenced by the current challenges faced by our communities and the opportunities we foresee to build a better tomorrow.

The high unemployment rate within our communities, lack of sustainable services, the growing allocation of residential sites in almost all our villages which need roads infrastructure, water and electricity.

The above-mentioned challenges need all of us to work together.

Fellow Councillors

The budget process is also guided by National Treasury Circulars for all municipalities to conform to sections in the MFMA (Municipal Finance Management Act

The budget summary is illustrated as follows:

BUDGET SUMMARY				
	2024/2025 Adjustment	2025/2026 new budget proposals	2026/2027 new budget proposals	2027/2028 new budget proposals
SALARIES, WAGES & ALLOWANCES	379 611 507	391 144 311	402 910 244	412 915 191
REMUNERATION OF COUNCILLRS	37 961 129	39 916 129	41 512 772	42 550 593
GENERAL EXPENDITURE	282 182 948	267 123 096	272 503 337	288 755 409
REPAIRS AND MAINTANCE	52 292 403	82 913 023	88 819 022	92 727 059
PROVISION	85 897 422	90 380 925	91 215 098	95 228 562
DEPRECIATION AND IMPAIRMENT	83 406 329	85 750 869	88 539 205	92 434 930
CAPITAL PROJECTS	190 044 568	184 337 128	174 487 536	186 723 004
TOTAL EXPENDITURE	1 111 396 306	1 141 565 481	1 159 987 213	1 211 334 747
REVENUE	- 1 111 396 306	- 1 141 565 481	- 1 159 987 213	- 1 211 334 747
SURPLUS/DEFICIT	1	-	-	-

Madam Speaker

Tariffs generally increased by 4.3% as per MFMA Circular No: 130 except in cases where cost benefit analysis and consumer affordability have been applied.

Circulars 129 and 130 has been used to effect an increase of 4.3% rate on the tariffs for 2025/2026 financial year however some tariffs are based on cost recovery. *See Annexure A for detail of tariffs. The new tariffs are highlighted and reflected on the annexure.*

Fellow Councillors, Salaries and Wages increased by 5.1% as per collective bargaining agreement. The remuneration for Councilors has increased by 5.1%, while awaiting the Upper Limits Gazette.

Madam Speaker

Provisions increased from R86 million to R90 million, and inverse relationship with the payment rate which has remained constant while debtors increase.

Depreciation is the requirement of GRAP presentation in respect of assets. It has been provided for R86 million in 2025/2026 financial year, minor increase for additions/unbundled assets.

Furthermore, general expenditure has decreased for operational efficiency and cost containment measures.

Repairs and Maintenance has increased to R83 million and includes re-gravelling of streets, rehabilitation of streets, electricity, Machinery and equipment etc.

Madam Speaker

The capital budget for 2025/2026 financial year has decreased by R6 million (3% decrease) compared to what was budgeted for in 2024/2025 financial year, not a significant/material change.

Total capital budget will be funded as follows:

Source of Fund	Draft 2025/2026	Draft 2026/2027	Draft 2027/2028
MUNICIPAL Infrastructure Grant	132 776 000	128 456 000	137 735 000
Neighborhood Development Grant	2 100 000	0	0
ISDG	100 000	150 000	150 000
Own funding	49 361 128	45 881 536	48 838 004
TOTAL	184 337 128	174 487 536	186 723 004

Honorable Speaker, I hereby table the Annual IDP Budget to this Council and further recommend that:

The Annual IDP Budget 2025/2026- 2027/28 financial years be approved as per MFMA and budget regulations.

I THANK YOU

Ndi a livhuwa
Aa!

1.2 Resolution



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**EXTRACT RESOLUTION OF THULAMELA
MUNICIPALITY ORDINARY COUNCIL MEETING NO.
04/2024/2025 HELD ON THE 30TH OF MAY 2025.**

RESOLUTION NO. OC 14/05/2025

**SUBMISSION OF THE ANNUAL BUDGET, TARIFFS,
BUDGET RELATED POLICIES 2025/2026-2027/2028
FINANCIAL YEARS, MFMA CIRCULAR 129 AND 130,
MSCOA ROAD MAP, PROCUREMENT PLAN FOR
2025/2026 AND TABLED BUDGET
RECOMMENDATIONS.**

Council resolved:

- a) To approve Annual Budget, Municipal Tariffs for 2025/26-2027/2028 financial years and MFMA Circulars 129 and 130 together with the following budget related policies:
- i) Budget Policy
 - ii) Funding and Reserve Policy
 - iii) Indigent Subsidy Policy
 - iv) Tariff Policy
 - v) Credit Control and Debt Collection Policy
 - vi) Inventory Policy
 - vii) Property Rates Policy
 - viii) Asset Management Policy
 - ix) Banking and Investment Policy
 - x) Revenue Enhancement Strategy
 - xi) Virement Policy
 - xii) Supply Chain Management Policy
 - xiii) Service Standards Policy
 - xiv) Cost Containment Policy
 - xv) Policy on Unauthorised, Irregular, Fruitless and Wasteful expenditure
 - xvi) UIFW reduction strategy.
- b) To approve the Mscoa Road Map and Procurement Plan for 2025/2026.
- c) To note the tabled budget recommendations from Limpopo Provincial Treasury (LPT).


CHAIRPERSON OF COUNCIL
30 MAY 2025

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 Annual approved 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 including, 129 and 130 (*amongst others*) which gives a clear directive on the prescribed reporting framework and structure to be used. The results from consultative forums were considered positive.

The budget plan was prepared and tabled by the council and approved in August 2024. On the 28 March 2025, the draft Integrated Development Plan, draft Budget, draft Organizational structure, and draft tariff structure were tabled to the council. Public Participations were conducted during April 2025 in all forty-one wards.

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

- On-going difficulties in the National and Local economy.
- Low revenue collection
- The need to reprioritize projects and expenditure within the existing limited resources considering the current cash flow limitations and circular 126 which prohibits municipalities to approve a deficit budget.
- Non-payment of municipal services accounts.
- Poverty, which is the highest challenge in our municipality, the municipality will enhance measures to reduce poverty within Thulamela Municipality through the budget of community services and technical services.
- Wage increases for municipal staff continue to exceed the accepted norm.
- The municipality is grant dependent.

The following budget principles and guidelines informed the compilation of the 2025/2026 Budget and Medium-Term Revenue and Expenditure Framework:

- Section 18 (1) of Municipal Finance Management Act
- The adjustment Budget for 2024/25 Budget year.
- Budget allocated by national and provincial funding through the Division of Revenue Act (DORA).
- Zero rated budgeting was used on capital budget.
- Tariff and property rate increases are affordable and do 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.
- Tariffs remain or move towards being cost reflective and considering the need to address infrastructure backlogs.
- Mscoa Alignment (Schedule A1 format downloaded from Treasury website)

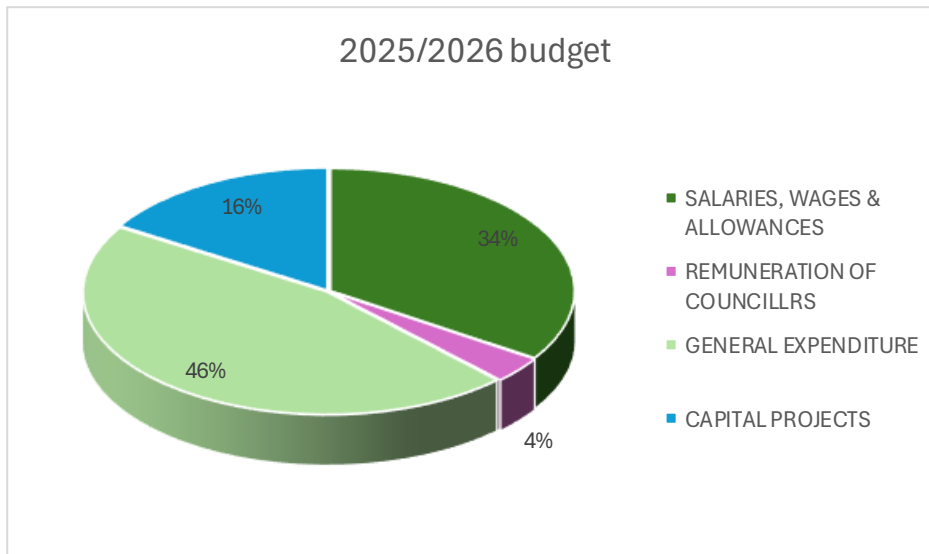
- MBRR and treasury circulars 129 and 130 (*amongst others*) indicated that municipalities are no longer supposed to pass a deficit budget.

The service delivery priorities of the municipality were reviewed as part of this year's planning and budget process, where appropriate, funds were transferred from low to high-priority programs to maintain sound financial management in line with vision 2030.

Despite the limited resources, Thulamela municipality is still and will always stay committed to a better life for all. We will continue to prioritize community needs as people come first in whatever we do.

The following is a summary of the Annual budget for 2025/2026 financial year.

BUDGET SUMMARY				
	2024/2025 Adjustment	2025/2026 new budget proposals	2026/2027 new budget proposals	2027/2028 new budget
SALARIES, WAGES & ALLOWANCES	379 611 507	391 144 311	402 910 244	412 915 191
REMUNERATION OF COUNCILLRS	37 961 129	39 916 129	41 512 772	42 550 593
GENERAL EXPENDITURE	282 182 948	267 123 096	272 503 337	288 755 409
REPAIRS AND MAINTANCE	52 292 403	82 913 023	88 819 022	92 727 059
PROVISION	85 897 422	90 198 641	91 024 428	95 029 503
DEPRECIATION AND IMPAIRMENT	83 406 329	85 933 153	88 729 874	92 633 988
CAPITAL PROJECTS	190 044 568	184 337 128	174 487 536	186 723 004
TOTAL EXPENDITURE	1 111 396 306	1 141 565 481	1 159 987 213	1 211 334 747
REVENUE	- 1 111 396 306	- 1 141 565 481	- 1 159 987 213	- 1 211 334 747
SURPLUS/DEFICIT	-	-	-	-

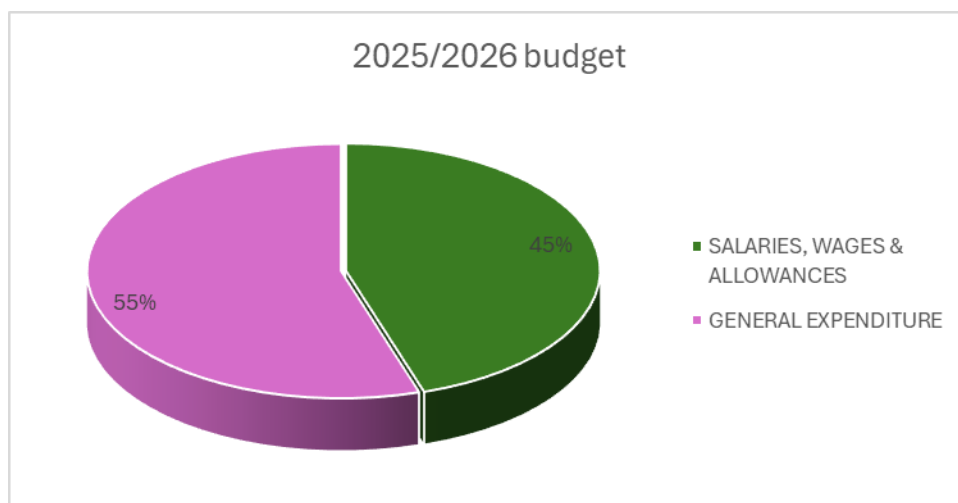


Municipal Tariffs have generally increased by 4.3%.

General expenses consume a large piece of (46%) the total budget. It consists of operational expenditure, provisions, debt impairment and depreciation. The second highest percentage goes to the employee-related costs budget (34%), while capital expenditure is 16% of the total budget.

General expenditure includes R6,8 million of electrification projects and R4 million for energy efficiency from Division of Revenue allocation. The municipality is determined to continue to give hope to the hopeless and light to those in darkness.

The salaries and wages (including remuneration of Councilors) for 2024/2025 financial year was R417,5 million and it has increased to R 431,0 million for 2025/2026 financial year. Salaries and Wages increased by 5,15% as per the signed collective agreement with the Bargaining Council. The remuneration for councilors has increased by 5,15% while we are waiting for the release of the upper limit Gazette.



From the diagram above, a large 55% operational expenditure will be spent on general expenditure while 45% will be spent on salaries (including remuneration of

Councilors). The salary norm is 45%, which is above the accepted norm of 25-40% as per Treasury circular.

The revenue budget increased from R1.111 billion to R1. 141 billion **(of which 68% is grants and 32% own revenue)**. Variance is 3% which is less than 5%(insignificant) and thus no further explanation warranted.

Total expenditure budget increased from R921 million to R957 million. Variance is 4% which is less than 4.3% required by circular 130.

Capital budget for 2025/2026 financial year is 15% of total budget.

The capital budget was R190,0 million in 2024/2025 financial year adjustment budget and has now decreased to R 184,3 million in 2025/2026. Variance is R6 million (3%)

- The decrease in capital in the coming 2025/26 MTREF is caused by a decrease of R14,3 million in Neighborhood Development Grant and re-prioritization of own funded projects that have been removed to ensure compliance with circular 126 which prohibit municipalities to adopt and approve deficit budget. As a result, cash reserves cannot be utilized to fund capital.
- Nevertheless, poverty is still the highest challenge in our municipality.

The marginal increase in our own revenue and expenditure, as well as the introduction of circular 126 has encouraged us to re-prioritize expenditure. The municipality has reviewed a cost containment strategy in line with MFMA circular 82, so that delivery of service is well provided with the little resources available. The municipality has a Revenue enhancement implementation plan, which will also be an annexure to the budget.

Past financial performance for the past two years is indicated below:

Thulamela Local Municipality

(Registration number LIM343)

Audited Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods	17	9 172 414	5 309 554
Service charges	18	28 022 435	27 517 489
Rendering of services	19	2 943 590	2 825 909
Rental of facilities and equipment	20	2 854 645	2 592 664
Interest on receivables from exchange transactions	21	11 156 055	10 300 653
Agency services	22	10 783 704	10 464 321
Licences and permits	23	726 645	784 773
Commissions received	24	12 821	14 919
Other income	25	3 848 649	5 665 640
Interest received - investment	26	83 815 978	61 239 715
Actuarial gains		-	1 784 174
Total revenue from exchange transactions		153 336 936	128 499 811
Revenue from non-exchange transactions			
Property rates	27	96 773 042	94 454 843
Skills development levy fund	28	1 247 757	661 223
Interest on receivables from non-exchange receivables	29	18 523 795	16 497 571
Government grants & subsidies	30	788 745 076	716 844 571
Public contributions and donations	31	-	26 800
Fines, Penalties and Forfeits	32	2 054 230	7 113 905
Total revenue from non-exchange transactions		907 343 900	835 598 913
Total revenue		1 060 680 836	964 098 724
Expenditure			
Employee related costs	33	(344 854 705)	(325 609 318)
Remuneration of councillors	34	(33 514 658)	(31 787 005)
Depreciation and amortisation	35	(82 249 858)	(76 268 614)
Impairment loss/Reversal of impairments	36	(671 231)	(3 881 535)
Finance costs	37	(3 065 262)	(3 140 804)
Lease rentals on operating lease	38	(4 596 531)	(4 447 659)
Debt Impairment	39	(81 300 341)	(91 188 890)
Attributable Construction contract costs - INEP	40	(24 491 398)	(19 292 711)
Contracted services	41	(205 934 522)	(210 374 965)
Transfers and Subsidies	42	(1 696 803)	(2 766 278)
Loss on disposal of assets and liabilities	4	(3 083 299)	(7 788 528)
Actuarial losses	11	(230 018)	-
Inventories losses/write-downs		(636 908)	-
General Expenses	43	(113 086 465)	(93 440 195)
Total expenditure		(899 411 999)	(869 986 502)
Surplus for the year		161 268 837	94 112 222

The priorities as outlined in the Integrated Development Plan are in line with the National, Provincial and District priorities cover (amongst others)

1. Local Economic Development
2. Municipal Financial Viability and management
3. Good Governance and Public Participation
4. Basic delivery service (access to water, sanitation, electricity, refuse removal and municipal roads)

The Budgetary constraint that the municipality is facing is the extent of the operational budget which exceeds the capital budget. The contributing factor is the salary budget which consumes a bigger percentage of the whole budget. Furthermore, the National Treasury through circular 126 prohibits municipalities from approving a deficit budget. As a result, we are not able to utilize the cash reserves to increase our capital. They also gave a minimal allocation of R2,1million in respect of Neighborhood Partnership Development Grant which is solely utilized to implement capital projects. The Grant has decreased from R16,4 million to R2,1 million resulting in a net decrease of R14,3 million.

In the year 2025/2026, the following multi-year projects will be continued: UIF shell garage (MIG), Maniini K to L street (own and MIG), De Paradise to old KFC access road (Neighborhood and own), Makhuvha ring road (MIG), Mapate access road (MIG), Lwamondo to Thavhani road (MIG), Thohoyandou K&K, Tshilamba arts centre (own fund) *etc. amongst others* coupled with other projects like purchase of 4 Graders and vehicles will be done. *See supporting table SA36 for a* (Summary of detailed Capital budget) for the years.

Tariff Policies

Municipality tariff policy provides a board framework within which the council can determine fair, cost benefit, transparent and affordable charges that also promote sustainable service delivery.

1.4 Annual Budget Tables

See attached copy of Medium-Term Revenue and Expenditure (MTREF) which represents the ten main budget tables (Table A1 to Table A10) as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/2026 Budget.

Table A1 –Budget Summary

LIM343 Thulamela - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates	90,948	94,455	96,773	108,499	113,249	113,249	113,249	121,872	127,478	133,087
Service charges	26,980	28,461	28,998	36,699	28,452	28,452	28,452	32,697	35,022	36,565
Investment revenue	27,666	60,538	83,816	90,000	83,404	83,404	83,404	93,500	97,801	102,104
Transfer and subsidies - Operational	520,083	577,528	628,644	659,557	658,057	658,057	658,057	646,148	643,629	667,665
Other own revenue	70,330	62,836	60,251	114,180	100,462	100,462	100,462	112,497	122,321	126,906
Total Revenue (excluding capital transfers and contributions)	736,007	823,818	898,482	1,008,934	983,624	983,624	983,624	1,006,714	1,026,251	1,066,328
Employee costs	296,658	317,649	339,001	374,256	379,612	379,612	379,612	391,144	402,910	412,915
Remuneration of councillors	30,253	31,787	33,808	37,961	37,961	37,961	37,961	39,916	41,513	42,551
Depreciation and amortisation	52,202	66,122	69,811	78,972	87,324	87,324	87,324	85,933	88,730	92,634
Interest	—	—	0	2,316	3,008	3,008	3,008	3,208	3,356	3,504
Inventory consumed and bulk purchases	12,071	14,644	17,859	21,490	21,684	21,684	21,684	24,266	23,290	24,315
Transfers and subsidies	5,647	2,766	1,697	2,205	2,205	2,205	2,205	2,299	2,405	2,511
Other expenditure	441,994	285,809	408,032	400,184	389,558	389,558	389,558	410,461	423,295	446,182
Total Expenditure	838,825	718,777	870,209	917,384	921,352	921,352	921,352	957,228	985,500	1,024,612
Surplus/(Deficit)	(102,818)	105,041	28,273	91,550	62,273	62,273	62,273	49,486	40,752	41,716
Transfers and subsidies - capital (monetary allocations)	80,805	107,179	139,145	127,772	127,772	127,772	104,636	134,851	133,736	145,007
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(22,013)	212,220	167,418	219,322	190,045	190,045	166,909	184,337	174,488	186,723
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	(22,013)	212,220	167,418	219,322	190,045	190,045	166,909	184,337	174,488	186,723
Capital expenditure & funds sources										
Capital expenditure	167,622	195,010	281,766	219,322	190,045	190,045	112,380	184,337	174,488	186,723
Transfers recognised - capital	101,433	109,462	136,605	128,172	128,052	128,052	72,266	134,976	128,606	137,885
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	66,189	85,548	145,161	91,150	61,993	61,993	40,114	49,361	45,882	48,838
Total sources of capital funds	167,622	195,010	281,766	219,322	190,045	190,045	112,380	184,337	174,488	186,723
Financial position										
Total current assets	887,765	1,175,234	1,003,903	1,148,093	1,127,283	1,127,283	1,244,119	1,402,793	1,564,631	1,734,536
Total non current assets	1,748,542	1,852,466	2,275,619	1,858,226	2,370,500	2,370,500	2,247,198	2,343,539	2,427,139	2,518,975
Total current liabilities	185,500	167,291	146,016	165,009	184,082	184,082	149,295	178,456	189,406	204,425
Total non current liabilities	45,663	47,188	40,463	47,188	43,915	43,915	43,915	43,915	43,915	43,915
Community wealth/Equity	2,405,126	2,813,221	3,093,043	2,794,122	3,269,336	3,269,336	3,297,779	3,523,961	3,758,449	4,005,172
Cash flows										
Net cash from (used) operating	388,900	496,764	268,203	264,166	237,314	237,314	237,314	262,801	247,545	263,500
Net cash from (used) investing	(153,456)	(284,632)	(307,071)	(219,322)	(190,045)	(190,045)	(190,045)	(184,337)	(174,488)	(186,723)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	1,126,736	1,200,535	987,652	1,033,247	968,543	968,543	968,543	1,264,399	1,337,457	1,414,234
Cash backing/surplus reconciliation										
Non current Investments	55,689	60,281	25,014	4,013	4,057	4,057	41,577	(0)	(0)	(0)
Statutory requirements	205,527	316,002	42,408	116,201	57,940	57,940	892,897	887,270	985,436	1,085,191
Balance - surplus (shortfall)	(149,838)	(255,721)	(17,394)	(112,188)	(53,883)	(53,883)	(851,321)	(887,270)	(985,436)	(1,085,191)
Asset management										
Asset register summary (WDV)	1,182,052	1,378,957	1,765,868	1,373,530	1,990,313	1,990,313	1,990,313	1,681,858	1,598,699	1,527,037
Depreciation	52,202	66,122	69,811	70,786	83,406	83,406	83,406	81,847	84,456	88,172
Renewal and Upgrading of Existing Assets	11,482	21,138	27,700	33,495	16,940	16,940	16,940	4,600	32,444	55,469
Repairs and Maintenance	29,369	125,911	124,803	62,197	56,592	56,592	56,592	86,913	93,819	92,727
Free services										
Cost of Free Basic Services provided	—	—	—	1	1	1	1	1	1	1
Revenue cost of free services provided	1,200	1,175	2,598	4,077	12,799	12,799	12,799	13,349	13,963	14,578
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	142	142	142	70	70	70	70	70	70	70

Table A1 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).

1. 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.
2. 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 fact that municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
3. The Cash backing/surplus reconciliation shows the cash backing surplus 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.
4. Cash backed reserved shows a positive movement, which proves that the municipality will be able to pay their expenses.
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.
6. Property rates increased to R121, 8 million. The increase is caused by the new valuation roll which will be implemented as from first of July 2025.

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

LIM343 Thulamela - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		654,551	748,910	822,590	861,689	862,947	862,947	871,488	882,293	921,856
Executive and council		516,364	570,946	617,787	637,274	637,274	637,274	624,846	624,329	652,565
Finance and administration		138,187	177,964	204,803	224,415	225,673	225,673	246,642	257,964	269,291
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		2,184	2,604	2,271	6,946	7,076	7,076	12,887	18,945	14,571
Community and social services		432	329	350	420	350	350	365	382	399
Sport and recreation		1,367	1,594	1,146	1,469	2,000	2,000	2,086	2,182	2,278
Public safety		376	678	775	1,058	726	726	757	792	827
Housing		9	2	—	4,000	4,000	4,000	9,679	15,589	11,068
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		113,716	140,857	172,734	218,266	200,913	200,913	211,968	210,627	224,666
Planning and development		23,393	17,535	18,710	79,956	64,223	64,223	51,618	57,275	64,123
Road transport		90,322	123,322	154,024	138,310	136,690	136,690	160,350	153,352	160,542
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		46,361	38,827	40,032	49,805	40,460	40,460	45,222	48,122	50,242
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		46,361	38,827	40,032	49,805	40,460	40,460	45,222	48,122	50,242
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	816,811	930,997	1,037,627	1,136,706	1,111,396	1,111,396	1,141,565	1,159,987	1,211,335
Expenditure - Functional										
<i>Governance and administration</i>		439,834	245,098	317,205	386,102	395,791	395,791	398,269	409,634	432,103
Executive and council		305,841	80,090	122,070	150,866	140,918	140,918	148,485	153,823	159,134
Finance and administration		133,640	164,622	194,292	231,669	253,682	253,682	245,403	251,228	268,184
Internal audit		353	386	843	3,567	1,191	1,191	4,381	4,583	4,785
<i>Community and public safety</i>		77,288	96,501	106,051	109,896	99,899	99,899	101,885	112,307	111,370
Community and social services		1,517	1,856	2,570	3,385	3,385	3,385	3,537	3,699	3,862
Sport and recreation		19,077	22,887	26,310	27,667	26,958	26,958	28,315	29,545	30,445
Public safety		639	1,018	714	1,705	1,480	1,480	1,511	1,581	1,650
Housing		56,055	70,740	76,458	77,139	68,076	68,076	68,522	77,482	75,413
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		219,468	330,116	348,777	304,423	305,330	305,330	335,642	349,949	363,555
Planning and development		46,185	47,408	58,606	65,488	64,228	64,228	73,184	74,053	76,686
Road transport		173,283	282,708	290,171	238,934	241,102	241,102	262,458	275,896	286,869
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		102,235	47,062	98,176	116,963	120,332	120,332	121,432	113,610	117,583
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		102,235	47,062	98,176	116,963	120,332	120,332	121,432	113,610	117,583
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	838,825	718,777	870,209	917,384	921,352	921,352	957,228	985,500	1,024,612
Surplus/(Deficit) for the year		(22,013)	212,220	167,418	219,322	190,045	190,045	184,337	174,488	186,723

- Table A2 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)
- The municipality has been continuing to render waste management services at a deficit for the past outer years. This is caused by the fact that refuse removal is a right which should be enjoyed by any resident in terms of the Bill of Rights and Chapter 2 of the Constitution. As such the municipality is continuing to collect refuse all over the municipality even in areas where billing cannot be implemented.
- Table 2 shows the surplus of R184 million, R174 million and R186 million which will be used to fund Capital projects for 2025/26 MTERF respectively.

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

LIM343 Thulamela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE and COUNCIL		516,364	570,946	617,787	637,274	637,274	637,274	624,846	624,329	652,565
Vote 2 - FINANCE and ADMIN		138,187	177,964	204,803	224,415	225,673	225,673	246,642	257,964	269,291
Vote 3 - TECHNICAL SERVICES		90,103	123,158	153,909	138,130	136,630	136,630	160,288	153,287	160,474
Vote 4 - COMMUNITY and PUBLIC SAFETY		21,198	12,114	12,721	15,370	14,430	14,430	15,050	15,743	16,435
Vote 5 - PLANNING AND DEVELOPMENT		18,317	10,618	15,476	72,071	60,593	60,593	47,832	53,315	59,989
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	784,169	894,800	1,004,696	1,087,260	1,074,600	1,074,600	1,094,659	1,104,637	1,158,754
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE and COUNCIL		274,588	102,405	85,506	104,979	100,393	100,393	109,526	114,213	117,782
Vote 2 - FINANCE and ADMIN		70,244	89,322	97,073	130,360	132,634	132,634	137,336	144,694	154,980
Vote 3 - TECHNICAL SERVICES		137,584	155,083	171,961	179,934	185,762	185,762	188,377	196,818	203,092
Vote 4 - COMMUNITY and PUBLIC SAFETY		66,127	77,098	82,851	91,822	94,260	94,260	100,817	106,504	109,766
Vote 5 - PLANNING AND DEVELOPMENT		40,198	42,738	53,065	56,136	55,992	55,992	63,424	66,002	67,998
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	588,742	466,646	490,455	563,231	569,041	569,041	599,480	628,230	653,619
Surplus/(Deficit) for the year	2	195,427	428,155	514,241	524,029	505,559	505,559	495,179	476,406	505,135

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

Table A4 – Budgeted Financial Performance (revenue and Expenditure)

LIM343 Thulamela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	–	–	–	–	–	–	–	–	–	–
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	26,980	28,461	28,998	36,699	28,452	28,452	23,946	32,697	35,022	36,565
Sale of Goods and Rendering of Services		6,833	6,085	10,118	48,371	37,960	37,960	16,176	45,271	52,003	53,494
Agency services		–	–	10,527	13,000	11,500	11,500	8,562	13,250	13,860	14,469
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		19,465	10,301	11,156	13,250	12,150	12,150	10,111	12,672	13,255	13,839
Interest earned from Current and Non Current Assets		27,666	60,538	83,816	90,000	83,404	83,404	66,356	93,500	97,801	102,104
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		1,710	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		3,385	2,585	2,859	3,169	3,600	3,600	3,096	3,755	3,928	4,100
Licence and permits	2	–	–	727	857	1,023	1,023	1,110	1,067	1,116	1,165
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		5,889	7,318	6,277	6,681	5,570	5,570	4,246	6,412	6,707	7,002
Non-Exchange Revenue											
Property rates	2	90,948	94,455	96,773	108,499	113,249	113,249	87,990	121,872	127,478	133,087
Surcharges and Taxes		1,686	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		5,758	6,455	63	8,852	4,359	4,359	71	4,546	4,756	4,965
Licences or permits		10,777	13,594	(0)	–	–	–	–	–	–	–
Transfer and subsidies - Operational		520,083	577,528	628,644	659,557	658,057	658,057	640,063	646,148	643,629	667,665
Interest		14,826	16,498	18,524	20,000	24,300	24,300	16,381	25,524	26,698	27,872
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	0	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		736,007	823,818	898,482	1,008,934	983,624	983,624	878,107	1,006,714	1,026,251	1,066,328

Total operating revenue increased from R983,6 million in 2024/2025 to R1 006 billion in 2025/2026. This is caused by an increase Services charges, R4 million, Interest R10 million and Rates charges R8 million (*amongst others*).

The municipality is anticipating collecting 45% of all billed services.

Revenue is outlined as:

- **Service charges** have increased to R32,6 million due to the data cleansing exercise which is currently underway and as such more properties will be billed, and a new valuation roll to be implemented.
- **Property rates have increased to R121 million** due to the data cleansing exercise which is currently underway and as such more properties will be billed, and new valuation roll to be implemented.
- **Sales of goods and rendering services** have increased to R45,2 million. This is mainly caused by classification of INEP grant that is now have to be classified under sale of goods as per Mscoa circular number 16- INEP (R5.6million). Sales of goods and rendering services items are outlined as follows:

Segment Desc	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
CLEARANCE CERTIFICATE	73 010	76 368	79 729
TENDER DOCUMENTS New	57 365	60 004	62 644
BURIAL FEES	365 050	381 842	398 643

ESCORT (FUNERALS FUNWALK MARATHON WEDDING PASTORS & ROADSHOW	62 580	65 459	68 339
BREAKDOWN FEE NEW	3 129	3 273	3 417
TRADING OF ANIMALS	8 344	8 728	9 112
CONSTRUCTION CONTRACT REVENUE INEP	5 678 850	10 589 300	11 067 850
APPLICATION FEE FOR WAY LEAVE BY - LAW	62 580	65 459	68 339
BUILDING PLANS APPROVAL	625 800	654 587	683 389
SPECIAL / WRITTEN CONSENTS	260 750	272 745	284 745
APPLICATION OF DEED GRANT	208 600	218 196	227 796
PROPERTY SITE IDENTIFICATION	375 480	392 752	410 033
PROPERTY TRANSFER FEES	730 100	763 685	797 287
ADVERTISING New	62 580	65 459	68 339
APPLICATION OF SUBDIVISION	87 529	91 555	95 583
PROPERTY REZONING	104 300	109 098	113 898
SELLING OF SITES	36 505 000	38 184 230	39 054 645
MISCELLANEOUS FEES	31	33	34
	45 271 078	52 002 770	53 493 822

- **Agency services** have increased by R2 million is composed of receipts for licensing and registration of vehicles, the budget has been increase by 15% to accommodate demand from awareness campaigns for boosting local revenue i.e. promoting local registrations.
- **Interest received from receivables** increased by 4.3% as per circular 130
- **Interest earned from Current and Non-Current Assets** is derived from the primary bank and call accounts. It has increased by R10 million (12%). The increase is based on the surplus amount on the municipal accounts.
- **Rental from Fixed Assets** has increased from R3.6 million and is comprised of:

Segment Desc	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
RENTAL COUNCIL PROPERTY	2 086 000	2 181 956	2 277 962
BUSINESS OFFICE AND MARKET STALLS	521 500	545 489	569 491
BILLBOARDS ADVERTISEMENT	1 147 300	1 200 076	1 252 879
	3 754 800	3 927 521	4 100 332

- **Licenses and permits** comprise business applications, registrations, license fees and renewal fees. This is increasing because hawkers are always encouraged to register/renew their licenses.
- **Transfers recognized (Grants)** – operating Grants includes the local government equitable share and other operating grants from national

Government. The grants receipts from national government have decreased by R12 million. Variance is caused by INEP which decreased and reclassified as sales of goods as per Mscoa circular 16.

- **Operational Revenue** increased by R842 thousand (15%) and is caused by rural land sales which was budgeted based on current actuals. The breakdown is illustrated below:

Segment Desc	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
INSURANCE RECOVERIES FROM EMPLOYEES	1 564 500	1 636 467	1 708 472
REFUND FOR INSURANCE	104 300	109 098	113 898
SKILLS DEVELOPMENT FUND SETA REFUND NEW	1 044 000	1 092 024	1 140 073
TELEPHONE RECOVERIES FROM EMPLOYEES	20 860	21 820	22 780
COMMISSION: TRANSACTION HANDLING FEES	10 430	10 910	11 390
SUNDRY / OTHER REVENUE	156 450	163 647	170 847
STAFF AND COUNCILLORS' RECOVERIES	15 645	16 365	17 085
CONSOLIDATION FEE	5 215	5 455	5 695
RURAL LAND SALES	3 000 000	3 138 000	3 276 072
OTHER TARRIFFS SPATIAL PLANNING	187 740	196 376	205 017
REQUEST FOR INFO: PRINTING AND DUPLICATES	302 470	316 384	330 304
RENTAL OF FIBRE CONNECTION	104	109	114
	6 411 714	6 706 653	7 001 746

LIM343 Thulamela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	296,658	317,649	339,001	374,256	379,612	379,612	302,346	391,144	402,910	412,915
Remuneration of councillors		30,253	31,787	33,808	37,961	37,961	37,961	29,303	39,916	41,513	42,551
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	12,071	14,644	17,859	21,490	21,476	21,476	19,658	24,266	23,290	24,315
Debt impairment	3	75,213	(41,182)	64,831	91,670	78,000	78,000	68,616	81,354	81,773	85,371
Depreciation and amortisation		52,202	66,122	69,811	78,972	87,324	87,324	142,947	85,933	88,730	92,634
Interest		-	-	0	2,316	3,008	3,008	-	3,208	3,366	3,504
Contracted services		95,862	205,158	230,354	161,077	177,947	177,947	115,452	181,181	189,433	199,318
Transfers and subsidies		5,647	2,766	1,697	2,205	2,205	2,205	1,202	2,299	2,405	2,511
Irrecoverable debts written off		203,066	29,144	7,031	6,490	4,500	4,500	5,438	4,694	4,909	5,125
Operational costs		67,763	92,688	105,826	134,270	125,340	125,340	86,488	139,082	142,838	151,835
Losses on disposal of Assets		-	-	-	4,700	1,978	1,978	-	2,063	2,158	2,253
Other Losses		89	-	(9)	1,977	2,002	2,002	25	2,088	2,184	2,280
Total Expenditure		838,825	718,777	870,209	917,384	921,352	921,352	771,474	957,228	985,500	1,024,612
Surplus/(Deficit)		(102,818)	105,041	28,273	91,550	62,273	62,273	106,633	49,486	40,752	41,716
Transfers and subsidies - capital (monetary)	6	80,805	107,179	139,145	127,772	127,772	127,772	104,636	134,851	133,736	145,007
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
		(22,013)	212,220	167,418	219,322	190,045	190,045	211,269	184,337	174,488	186,723
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	-	-	-
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(22,013)	212,220	167,418	219,322	190,045	190,045	211,269	184,337	174,488	186,723
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(22,013)	212,220	167,418	219,322	190,045	190,045	211,269	184,337	174,488	186,723
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(22,013)	212,220	167,418	219,322	190,045	190,045	211,269	184,337	174,488	186,723

Total operational expenditure has increased from R921,3 million in 2024/2025 to R957,2 million in 2025/2026 financial year.

- **Employee related costs** for 2024/2025 financial year were R379 million and it increased to R 391 million for 2025/2026 and has increased by 5,15% as per the signed collective agreement negotiations with the Bargaining Council.
- **Remuneration of councilors** for 2024/2025 financial year was R38 million, and it increased to R 40 million for 2025/2026 (5.15%) while waiting for Upper Limits Gazette.
- **Debt Impairment** has increased from R78 million to R81,4 million as per circular 130.
- **Depreciation and Amortization** is the requirement of GRAP presentation in respect of assets. It has been provided for R86 million in 2025/2026 financial year, minor increase for additions/unbundled assets.
- **Inventory consumed and other expenditure.**
 - Inventory has increased from R21 million to R24 million. It consists of stationery, cleaning materials, materials to be used for repairs and maintenance of facilities, vehicles, plants and equipment, road surface as well as materials to build disaster houses. The increase of R3 million is caused by a review of the Spatial Development Framework (SDF) which is to be reviewed in the coming year. Repairs and maintenance which was also increased (in some cases) above the 4,3% rate stipulated in circular 130.
 - The breakdown of Inventory is illustrated below:

Segment Desc	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
TRAFFIC MISCELLANEOUS0110200349	5 200	5 439	5 679
Spatial development framework Review (SDF)	1 999 984	-	-
SECURITY EQUIPMENT	31 280	32 719	34 159
ENVIRONMENTAL CAMPAING PROMOTIONAL MATERIAL	190 000	198 740	207 485
Maintenance of Cemtries	15 660	16 380	17 101
Maintenance of Road Surface STORES	6 321 912	6 612 720	6 903 680
Maintenance of Vehicles STORES	2 000 000	2 092 000	2 184 048
Maintenance of Trucks & Trustors STORES	1 500 000	1 569 000	1 638 036
Maintenance Swimming Pools Chemicals	50 000	52 300	54 601
Maintenance of Parks & Gardens 053400410	156 600	163 804	171 011
MAINTENANCE OF BUILDING 055 STORES	2 391 097	2 501 087	2 611 135
Building Tools	49 950	52 248	54 547
Maintenance Machinery-Survey Instruments	100 000	104 600	109 202
	24 266 177	23 290 437	24 15 219

- **Contracted services have increased by 2.4%. The slight increase is caused by decrease in INEP grant. 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. R35,6 million, security services R22,7 million, property registration conveyancer R3 million, Valuer R1,5 million, street bins R1 million and the rest is covering OHS pro-active programme, catering for imbizo etc.

Consultancy and professional service fees of legal advice and litigation R23,9 million, business and advisory R2,2 million, research and advisory R4 million, etc., and

Contractors. Main cost drivers of contractors are Repairs and maintenance R67,9 million, Energy efficiency grant expense R4 million, technical assistance R1 million, Audio visual services R1 million and employee's wellness programme R2 million. The rest are for catering, event promoters, pest control and fumigation, Event promoters, etc. **and are outlined as follows:**

Segment description	2025/26 Budget	2026/27 Budget	2027/28 Budget
Consultants and Professional Services	31 118 030	28 271 822	32 643 558
Outsourced Services	72 037 499	76 638 689	83 653 044
Contractors	78 025 131	84 522 287	83 021 265
	181 180 660	189 432 798	199 317 867

- **Repairs and maintenance** is representing only 5.2% of the total PPE which is below the required rate as per MFMA circular 86, however the amount provided as per SA34C will be able to deal with all items that need to be repaired or maintained in 2025/2026 financial year. The reason is that currently we have rehabilitated our infrastructure which is roads storm water. And our mechanical staff has also been trained to attend the major repairs in-house. The Municipality has new assets that are on service plan and will not need to be repaired and maintained at a cost.
- **Transfers and subsidies** consist of poverty relief, disaster relief and LED poverty alleviation.

Segment Desc	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
LED Poverty Alleviation Fund	365 000	381 790	398 589
Governance Disaster Relief	1 934 300	2 023 278	2 112 303

Poverty relief is utilized for indigent relief for rates and services; Disaster relief is for food parcels to communities during disaster while LED poverty alleviation is utilized to assist our communities in small scale farming and

backyard garden. These include the following (*amongst others*): brickyard, chicken farming, feedlot, ago processing and borehole.

- **Operational costs** have increased by 10%. It has increased due to the following major items (*amongst others*): Development of land use(*new*), rental of machinery, cost relating to sale of sites and dumping fees. It is illustrated as follows:

Segment Desc	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
Rental of Equipment	6 017 335	6 294 132	7 000 000
Advertising Publicity and Marketing	1 044 675	1 092 729	1 140 809
Signage for information Center (Tshilamba Arts center and Thembi Ngwendamutsu)	156 440	163 636	170 836
Capital Expenses (Assets less than realization model	10 430	10 909	11 389
Bank charges	260 700	272 692	284 691
Bursaries NON -EMPLOYEE	164 109	171 658	179 211
Cellular Contract (Subscription and Calls)	10 489 500	10 972 017	12 000 000
Postage/Stamps/Franking Machines	651 350	681 312	711 290
Anti-Fraud & Corruption	99 900	104 495	109 093
Telephone Fax Telegraph and Telex	2 197 800	2 298 899	2 400 050
Cost relating to the Sale of sites new	4 995 000	5 224 770	5 454 660
Expenditure: Operational Cost: Deeds	94 000	98 324	102 650
Renewal Of Public Driving Permit	99 900	104 495	109 093
Dumping Fees Cost District Council N	5 494 500	5 747 247	6 000 126
Entertainment: Senior Management and Executive	66 000	66 000	66 000
External Audit Fees	6 500 000	6 799 000	7 098 156
Hire Charges	2 945 200	3 080 680	3 216 232
Domestic low: domestic indigent	1 500 000	1 569 000	1 638 036
Insurance Underwriting: Excess Payments	260 740	272 734	284 734
Insurance Underwriting: Premiums	13 100 000	13 200 000	15 000 000
Licenses: License Agency Fees	1 797 370	1 880 049	1 962 771
Motor Vehicle Licensing & Registration	1 140 000	1 192 440	1 244 907
Water Expenditure	2 735 100	2 860 915	2 986 795
Electricity	10 561 500	11 047 329	11 533 411
Printing, Publications and Books	2 151 120	2 249 984	2 351 891
Membership and Subscription	5 347 460	5 596 376	5 850 413
Registration Fees	1 255 000	1 312 730	1 370 490
Training	2 199 579	2 265 937	2 353 566
Seminars Conferences Workshops	5 260 219	5 830 250	6 380 122

Seating allowances Cllr Mahosi MPAC	218 800	228 865	238 935
Servitudes and Land Surveys	49 950	52 248	54 547
Development of land use	2 000 000	-	-
Signage	99 900	104 495	109 093
Skills Development Fund Levy	3 171 802	3 313 828	3 455 926
Accommodation	5 899 048	6 121 166	6 580 573
Domestic: Food and Beverage (Served)	1 000	1 046	1 092
Public Transport: Air Transport	1 121 663	1 170 211	1 223 778
Car Rental	524 590	545 961	582 347
Transport without Operator: Own Transport	6 542 883	6 884 081	7 215 660
Promotional Material s	620 480	649 022	677 579
Protective clothing	9 142 490	9 242 032	9 648 681
Security uniform	500 000	523 000	546 012
Stall uniform exhibition	19 980	20 899	21 819
Remuneration to Ward Committees	8 074 169	8 445 581	8 817 186
Fuel and oil	10 000 000	10 460 000	0 920 240
Workmen's Compensation Fund	2 500 000	2 615 000	2 730 060
	139 081 682	142 838 174	151 834 950

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

LIM343 Thulamela - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	R thousand	##	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year #1 2026/27	Budget Year #2 2027/28
Capital Expenditure - Functional		1										
<i>Governance and administration</i>			4,587	10,932	3,041	5,250	5,420	5,420	337	8,000	6,040	3,950
Executive and council			–	–	–	–	–	–	–	–	–	–
Finance and administration			4,587	10,932	3,041	5,250	5,420	5,420	337	8,000	6,040	3,950
Internal audit			–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>			9,451	33,183	52,045	15,480	11,970	11,970	1,178	19,201	1,100	1,250
Community and social services			–	–	–	–	–	–	–	–	100	250
Sport and recreation			597	3,498	1,707	100	100	100	77	15,000	–	–
Public safety			841	2,721	154	–	–	–	–	–	–	–
Housing			8,013	26,964	50,184	15,380	11,870	11,870	1,101	4,201	1,000	1,000
Health			–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>			138,049	138,021	207,323	186,821	170,162	170,162	108,973	131,637	159,348	178,123
Planning and development			14,087	9,275	169	200	30	30	30	125	8,370	10,278
Road transport			123,962	128,746	207,154	186,621	170,132	170,132	108,943	131,512	150,978	167,845
Environmental protection			–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>			15,536	12,873	19,357	11,771	2,493	2,493	1,893	25,499	8,000	3,400
Energy sources			–	–	–	–	–	–	–	–	–	–
Water management			–	–	–	–	–	–	–	–	–	–
Waste water management			–	–	–	–	–	–	–	–	–	–
Waste management			15,536	12,873	19,357	11,771	2,493	2,493	1,893	25,499	8,000	3,400
<i>Other</i>			–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional		3	167,622	195,010	281,766	219,322	190,045	190,045	112,380	184,337	174,488	186,723
Funded by:												
National Government			101,433	109,462	136,605	128,172	128,052	128,052	72,266	134,976	128,606	137,885
Provincial Government			–	–	–	–	–	–	–	–	–	–
District Municipality			–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)			–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		4	101,433	109,462	136,605	128,172	128,052	128,052	72,266	134,976	128,606	137,885
Borrowing		6	–	–	–	–	–	–	–	–	–	–
Internally generated funds			66,189	85,548	145,161	91,150	61,993	61,993	40,114	49,361	45,882	48,838
Total Capital Funding		7	167,622	195,010	281,766	219,322	190,045	190,045	112,380	184,337	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 for 2025/2026 financial year has decreased by R6 million to R184 million compared to R190 that was budgeted for in 2024/2025 financial year. The budget provides that a municipality may approve multi-year or single year capital budget appropriations. Capital will be funded by MIG grant, Neighborhood Development Grant, ISD Grant and own funds (R49 million) in 2025/2026 financial year.
- Road's transport comprises 70% of the budget. This is caused by the backlog of roads infrastructure within the municipality, and the high-cost rate of tar per km which ranges between R9-10 million.
- The grant (MIG) for Sports and Recreation is for 2025/2026 and there is prioritization for other multi-year projects that have been undertaken by the municipality.

- The budget for waste management is decreasing in the outer years because the municipality is waiting for conformation of a new site for the establishment of the new landfill.

Table A6 – Budgeted Financial Position

LIM343 Thulamela - Table A6 Budgeted Financial Position

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		988,403	1,026,519	921,273	1,033,247	968,543	968,543	1,185,980	1,264,399	1,337,457	1,414,234
Trade and other receivables from exchange transactions	1	(171,240)	50,946	6,022	55,822	35,244	35,244	5,815	14,516	27,753	41,662
Receivables from non-exchange transactions	1	45,508	67,537	27,156	5,837	47,034	47,034	14,388	50,860	90,150	131,168
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	30,731	28,492	26,816	51,262	47,215	47,215	29,443	29,417	29,389	29,361
VAT		(4,949)	(500)	19,976	1,395	26,850	26,850	6,396	41,314	77,371	115,368
Other current assets		(688)	2,239	2,660	530	2,606	2,606	2,074	2,287	2,510	2,743
Total current assets		887,765	1,175,234	1,003,903	1,148,093	1,127,491	1,127,491	1,244,096	1,402,793	1,564,631	1,734,536
Non current assets											
Investments		0	(0)	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	1,748,027	1,851,635	2,274,896	1,854,252	2,366,307	2,366,307	2,246,872	2,339,557	2,421,217	2,511,129
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		514	832	723	3,974	4,193	4,193	326	3,982	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		1,748,542	1,852,466	2,275,619	1,858,226	2,370,500	2,370,500	2,247,198	2,343,539	2,427,139	2,518,975
TOTAL ASSETS		2,636,307	3,027,700	3,279,522	3,006,319	3,497,991	3,497,991	3,491,293	3,746,332	3,991,770	4,253,512
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	545	–	–	–	–	–	–	–
Consumer deposits		364	393	425	363	425	425	451	451	451	451
Trade and other payables from exchange transactions	4	97,085	79,028	69,664	117,189	120,820	120,820	55,982	116,399	116,416	120,022
Trade and other payables from non-exchange transactions	5	55,689	60,281	25,014	4,013	4,057	4,057	41,577	(0)	(0)	(0)
Provision		32,105	32,943	29,498	37,228	33,077	33,077	28,100	33,362	38,866	44,612
VAT		257	(5,354)	20,870	6,216	25,912	25,912	23,183	28,245	33,673	39,341
Other current liabilities		–	–	–	–	–	–	–	–	–	–
Total current liabilities		185,500	167,291	146,016	165,009	184,291	184,291	149,292	178,456	189,406	204,425
Non current liabilities											
Financial liabilities	6	–	–	–	–	–	–	–	–	–	–
Provision	7	45,663	47,188	40,463	47,188	43,915	43,915	43,915	43,915	43,915	43,915
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–	–
Total non current liabilities		45,663	47,188	40,463	47,188	43,915	43,915	43,915	43,915	43,915	43,915
TOTAL LIABILITIES		231,163	214,479	186,479	212,197	228,206	228,206	193,207	222,371	233,321	248,340
NET ASSETS		2,405,144	2,813,221	3,093,043	2,794,122	3,269,786	3,269,786	3,298,087	3,523,961	3,758,449	4,005,172
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	2,405,126	2,813,221	3,093,043	2,794,122	3,269,336	3,269,336	3,297,779	3,523,961	3,758,449	4,005,172
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	2,405,126	2,813,221	3,093,043	2,794,122	3,269,336	3,269,336	3,297,779	3,523,961	3,758,449	4,005,172

1. Table A6 is consistent with international standards of good financial management practice and improves understand ability for councillors and management of the impact of the budget on the statement of financial position.
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 A6 is supported by an extensive table of notes SA3 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 noncurrent.
 - (f) Changes in net assets; and
 - (g) Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.
 6. For the 2025/2026 financial year the municipality budget will be funded by grants and own revenue as cash reserves cannot be utilized due to circular 126.
 7. We assume to spend all our grant allocations; hence we do not budget for unspent conditional grants.

Table A7 Budgeted Cash Flow Statement

LIM343 Thulamela - Table A7 Budgeted Cash Flows

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		43,421	61,790	59,774	58,661	63,156	63,156	63,156	54,843	57,365	59,889
Service charges		11,249	17,434	12,241	23,547	7,398	7,398	7,398	14,714	15,760	16,454
Other revenue		68,686	118,618	140,164	35,896	29,884	29,884	29,884	79,454	83,674	87,064
Transfers and Subsidies - Operational	1	613,403	703,942	628,812	659,557	658,057	658,057	658,057	646,148	643,629	667,665
Transfers and Subsidies - Capital	1	124,174	158,912	136,145	127,772	127,772	127,772	127,772	134,851	133,736	145,007
Interest		26,133	58,884	84,518	90,000	90,739	90,739	90,739	110,688	115,780	120,874
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(498,166)	(622,816)	(793,451)	(729,055)	(737,480)	(737,480)	(737,480)	(775,589)	(799,984)	(830,934)
Interest		-	-	-	(8)	(8)	(8)	(8)	(8)	(9)	(9)
Transfers and Subsidies	1	-	-	-	(2,205)	(2,205)	(2,205)	(2,205)	(2,299)	(2,405)	(2,511)
NET CASH FROM/(USED) OPERATING ACTIVITIES		388,900	496,764	268,203	264,166	237,314	237,314	237,314	262,801	247,545	263,500
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		0	0	-	-	-	-	-	-	-	-
Payments											
Capital assets		(153,456)	(284,632)	(307,071)	(219,322)	(190,045)	(190,045)	(190,045)	(184,337)	(174,488)	(186,723)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(153,456)	(284,632)	(307,071)	(219,322)	(190,045)	(190,045)	(190,045)	(184,337)	(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		235,444	212,132	(38,868)	44,844	47,270	47,270	47,270	78,464	73,058	76,777
Cash/cash equivalents at the year begin:	2	891,292	988,403	1,026,519	988,403	921,273	921,273	921,273	1,185,935	1,264,399	1,337,457
Cash/cash equivalents at the year end:	2	1,126,736	1,200,535	987,652	1,033,247	968,543	968,543	968,543	1,264,399	1,337,457	1,414,234

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- Supplies and employees' payments are decreasing compared to audited figures, which is caused by implementation of circular number 126.
- The Budgeted cash flow shows a favorable closing balance which clearly indicate that the municipality will be able to finance the budget over the medium-term.

Table A8 Cash Backed Reserves/Accumulated Surplus

LIM343 Thulamela - Table A8 Cash backed reserves/accumulated surplus reconciliation

CHS Financials - Table A0 Cash Based Reserves Accumulated Surplus Reconciliation											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	1,126,736	1,200,535	987,652	1,033,247	968,543	968,543	968,543	1,264,399	1,337,457	1,414,234
Other current investments > 90 days		(138,333)	(174,016)	(66,378)	-	-	-	217,437	0	0	0
Non current Investments	1	0	(0)	-	-	-	-	-	-	-	-
Cash and investments available:		988,403	1,026,519	921,273	1,033,247	968,543	968,543	1,185,980	1,264,399	1,337,457	1,414,234
Application of cash and investments											
Unspent conditional transfers		55,689	60,281	25,014	4,013	4,057	4,057	41,577	(0)	(0)	(0)
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	5,206	(4,854)	894	4,821	(938)	(938)	(16,787)	(13,069)	(43,698)	(76,027)
Other working capital requirements	3	97,085	79,028	69,664	117,189	120,820	120,820	55,982	116,399	116,416	120,022
Other provisions		32,105	32,943	29,498	37,228	33,077	33,077	(28,100)	33,362	38,866	44,612
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		190,085	167,398	125,076	163,250	157,016	157,016	52,672	136,692	111,584	88,606
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		798,319	859,122	796,203	869,997	811,527	811,527	1,133,308	1,127,707	1,225,873	1,325,628
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		798,319	859,122	796,203	869,997	811,527	811,527	1,133,308	1,127,707	1,225,873	1,325,628

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

and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". The municipality shows the positive movement for all the years.

4. Non-compliance with section 18 of the MFMA is assumed that a shortfall would indirectly indicate that the budget is not appropriately funded.
5. From the table for the period 2021/2022 up to date, 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.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table A9 – Asset Management

LIM343 Thulamela - Table A9 Asset Management

Description	####	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Total Capital Expenditure	4	167,622	195,010	281,766	219,322	190,045	190,045	184,337	174,488	186,723
Roads Infrastructure		111,768	113,544	181,193	186,601	170,112	170,112	118,712	149,978	153,026
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3,087	6,902	20,828	9,020	20	20	1	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1,949	1,025	2,678	8,271	600	600	24,001	8,000	200
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		116,804	121,471	204,700	203,892	170,732	170,732	142,714	157,978	153,226
Community Facilities		23,287	24,676	20,483	1,520	10,020	10,020	4,002	7,000	5,500
Sport and Recreation Facilities		158	3,353	9,143	800	800	800	15,000	2,000	5,000
Community Assets		23,445	28,029	29,626	2,320	10,820	10,820	19,002	9,000	10,500
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		3,319	17,801	17,633	7,510	2,193	2,193	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		3,319	17,801	17,633	7,510	2,193	2,193	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	1,501	-	-	-	-	-	300	300
Intangible Assets		-	1,501	-	-	-	-	-	300	300
Computer Equipment		3,780	5,528	1,312	900	1,600	1,600	1,800	2,700	950
Furniture and Office Equipment		1,108	2,114	1,097	700	900	900	2,225	1,540	1,928
Machinery and Equipment		5,431	547	1,405	4,000	3,800	3,800	5,496	2,270	2,200
Transport Assets		13,735	18,019	25,993	-	-	-	13,100	700	17,619
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		167,622	195,010	281,766	219,322	190,045	190,045	184,337	174,488	186,723

LIM343 Thulamela - Table A9 Asset Management

Description	####	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										

ASSET REGISTER SUMMARY - PPE (WDV)	5	1,182,052	1,378,957	1,765,868	1,373,530	1,990,313	1,990,313	1,681,858	1,598,699	1,527,037
Roads Infrastructure		727,980	844,214	1,161,938	866,137	1,376,387	1,376,387	1,232,851	1,180,431	1,125,915
Storm water Infrastructure						3,572	3,572	0	0	0
Electrical Infrastructure		33,647	45,074	69,666	48,344	98,387	98,387	76,918	76,494	76,030
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure		15,401	9,792	8,164	9,704	4,293	4,293	4,246	3,060	1,823
Rail Infrastructure										
Coastal Infrastructure			(0)			(0)	(0)			
Information and Communication Infrastructure		0	1,092	0		0	0	0	0	0
Infrastructure		777,028	900,172	1,239,768	924,185	1,482,649	1,482,649	1,313,815	1,259,976	1,203,767
Community Assets		190,751	249,401	278,128	250,823	277,871	277,871	121,154	108,505	95,299
Heritage Assets										
Investment properties										
Other Assets					(187)	45	45			
Biological or Cultivated Assets										
Intangible Assets		514	832	723	3,974	4,193	4,193	3,982	5,922	7,846
Computer Equipment		5,054	11,929	12,174	5,258	8,284	8,284	8,977	7,312	3,704
Furniture and Office Equipment		6,010	5,753	6,833	3,693	5,594	5,594	6,992	6,756	6,569
Machinery and Equipment		14,330	12,991	13,169	12,058	11,612	11,612	13,077	10,504	7,996
Transport Assets		66,292	75,809	93,020	52,006	78,381	78,381	92,195	78,464	81,017
Land		122,072	122,072	122,054	121,720	121,682	121,682	121,666	121,261	120,838
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,182,052	1,378,957	1,765,868	1,373,530	1,990,313	1,990,313	1,681,858	1,598,699	1,527,037
EXPENDITURE OTHER ITEMS		81,570	192,032	194,614	132,982	139,999	139,999	168,760	178,275	180,899
Depreciation	7	52,202	66,122	69,811	70,786	83,406	83,406	81,847	84,456	88,172
Repairs and Maintenance by Asset Class	3	29,369	125,911	124,803	62,197	56,592	56,592	86,913	93,819	92,727
Roads Infrastructure		14,839	100,551	93,736	25,100	23,906	23,906	42,748	46,807	48,866
Storm water Infrastructure										
Electrical Infrastructure		4,571	12,346	11,789	13,710	9,286	9,286	13,357	14,788	10,219
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure		14			100	100	100	104	109	114
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		19	71		300	100	100	104	109	114
Infrastructure		19,443	112,968	105,525	39,210	33,393	33,393	56,314	61,813	59,313
Community Facilities				37	45	45	45	66	69	72
Sport and Recreation Facilities		28	146	418	250	250	250	261	273	285
Community Assets		28	146	455	295	295	295	327	342	357
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings		2,264	3,980	7,598	9,706	7,548	7,548	12,555	13,133	13,711
Housing										
Other Assets		2,264	3,980	7,598	9,706	7,548	7,548	12,555	13,133	13,711
Biological or Cultivated Assets										
Services										
Licences and Rights										
Intangible Assets										
Computer Equipment				83	1,000	2,500	2,500	2,610	2,730	2,851
Furniture and Office Equipment			15		774	174	174	808	845	883
Machinery and Equipment		3,305	3,934	5,273	5,012	4,883	4,883	4,798	5,019	5,240
Transport Assets		4,328	4,867	5,868	6,200	7,800	7,800	9,500	9,937	10,374
Land										
Zoo's, Marine and Non-biological Animals										
Mature										
Immature										
Living Resources										
TOTAL EXPENDITURE OTHER ITEMS		81,570	192,032	194,614	132,982	139,999	139,999	168,760	178,275	180,899
Renewal and upgrading of Existing Assets as % of total capex		6.8%	10.8%	9.8%	15.3%	8.9%	8.9%	2.5%	18.6%	29.7%
Renewal and upgrading of Existing Assets as % of deprecn		22.0%	32.0%	39.7%	47.3%	20.3%	20.3%	5.6%	38.4%	62.9%
R&M as a % of PPE		2.5%	9.1%	7.1%	4.5%	2.8%	2.8%	5.2%	5.9%	6.1%
Renewal and upgrading and R&M as a % of PPE		3.5%	10.7%	8.6%	7.0%	3.7%	3.7%	5.5%	7.9%	9.8%

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 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 is 5.2% and is below 8% rate norm. The municipality will be able to deal with all items that need to be repaired or maintained in 2025/2026 financial year.
3. There renewal assets will only be done on the last two years of the MTERF for R3 million and R10.6 million.
4. Upgrading of assets will be done on Roads Infrastructure for all the years of the MTERF for R4.6 million, R29.4 million and R44.8 million.

Table A10 Basic Service Delivery Measurement

LIM343 Thulamela - Table A10 Basic service delivery measurement

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Refuse:										
Removed at least once a week		118,194	118,194	120,068	60,034	60,034	60,034	60,034	60,034	60,034
<i>Minimum Service Level and Above sub-total</i>		118,194	118,194	120,068	60,034	60,034	60,034	60,034	60,034	60,034
Removed less frequently than once a week		1,250	1,250	1,250	625	625	625	625	625	625
Using communal refuse dump		2,430	2,430	2,430	1,215	1,215	1,215	1,215	1,215	1,215
Using own refuse dump		40,660	40,660	40,660	20,330	20,330	20,330	20,330	20,330	20,330
Other rubbish disposal		96,108	96,108	96,108	48,117	48,117	48,117	48,117	48,117	48,117
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		142,448	142,448	142,448	70,287	70,287	70,287	70,287	70,287	70,287
Total number of households	5	260,642	260,642	262,516	130,321	130,321	130,321	130,321	130,321	130,321
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)		-	-	-	1,570	1,570	1,570	1,639	1,713	1,756
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)		-	-	-	1	1	1	1	1	1
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	-	-	-	1	1	1	1	1	1
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) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		1,200	1,175	1,261	1,550	8,800	8,800	9,178	9,601	10,023
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)		-	-	-	(1)	(1)	(1)	(1)	(1)	(1)
Refuse (in excess of one removal a week for indigent households)		-	-	1,337	2,529	4,000	4,000	4,172	4,364	4,556
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	1,200	1,175	2,598	4,077	12,799	12,799	13,349	13,963	14,578

This table provides 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 Overview of the Annual Budget Process

The budget plan was prepared and tabled to the council on the 27 August 2024 as required. The budget instructions were issued to the head of departments in November 2024 for submission of the budget proposals to the Chief Financial Officer for consolidation. The IDP and budget public participation were held during April 2025 in all wards.

BUDGET PROCESS PLAN 2024-2025

PLANNING ACTIVITY	RESPONSIBLE PERSON	TIME SCHEDULE
Budget steering committee	Members	06 August 2024

Submission of monthly budget statements and mscoa data strings	CFO	15 August 2024
Approval of budget time schedule	Council	30 August 2024
Submission of monthly budget statements and mscoa data strings	CFO	13 September 2024
Income Budget submission	Head of departments	23 September 2024
Submission of monthly budget statements and mscoa data strings	CFO	14 October 2024
Mscoa steering Committee meeting	Members	22 October 2024
Department Budget submission (operational budget and business plans)	Head of departments	28 October 2024
Budget steering committee	Members	14 November 2024
Submission of monthly budget statements and mscoa data strings	CFO	14 November 2024
Adjustment budget submissions	Head of departments	11 December 2024
Submission of monthly budget statements and mscoa data strings	CFO	14 December 2024
Downloading Mscoa chart, capturing the IDP in the Mscoa classification on the financial system	Budget and IDP manager	December 2024 – January 2025
Compilation of detailed budgets, Mscoa classification across segments	Budget unit	December 2024 – January 2025
Strategic sessions to review IDP, policies and set service delivery objectives. Annual review of the budget related policies, consultation on tariffs, indigents, credit control, free basic services and to consider local, provincial, and national issues, performance, and current economic and demographic trends	Members	January – February 2025
Submission of monthly budget statements and mscoa data strings	CFO	15 January 2025
Budget steering committee meeting	Members	20 January 2025
Mscoa steering committee meeting	Members	24 January 2025
Mid-year budget and performance assessment visits	Provincial Treasury & Management	January – February 2025
Budget steering committee meeting	Members	03 February 2025
Submission of monthly budget statements and mscoa data strings	CFO	14 February 2025
Approval of budget adjustment, compliant B1 schedule format and upload Mscoa data string for the adjustment budget on portal	Council	28 February 2025
Submission of Adjustment budget (including data strings) to national and provincial Treasury and other stakeholders	CFO	28 February – 14 March 2025
Budget steering committee meeting	Members	07 March 2025
Submission of monthly budget statements and mscoa data strings	CFO	14 March 2025

Mscosa steering committee meeting	Members	25 March 2025
Tabling of first Draft budget and budget related policies, Mscosa compliant A1 schedule format and upload Mscosa data string on portal	Council	31 March 2025
Submission of Draft budget (including data strings) to the national and provincial Treasury and other stakeholders	CFO	01- 12 th April 2025
Budget and IDP public participation period in all wards	Communities	April 2025
Submission of monthly budget statements and Mscosa data strings	CFO	14 April 2025
Mscosa steering committee meeting	Members	24 April 2025
Budget and Benchmark Assessments	Provincial Treasury & Management	April – May 2025
Budget steering committee meeting	Members	07 May 2025
Submission of monthly budget statements and mscosa data strings	CFO	15 May 2025
Approval final Draft Budget together with the budget related policies, draft SDBIP and upload Mscosa data strings of the final budget	Council	30 May 2025
Submission of approved budget (including data strings) to the National and Provincial Treasury and other stakeholders	CFO	01 – 13 th June 2025
Budget speech SDBIP	Mayor	June 2025
Submission of monthly budget statements and mscosa data strings	CFO	13 June 2025
Mscosa steering committee meeting	Members	20 June 2025
Preparation, approval, and publication of SDBIP and signing of performance agreements	Senior managers	June – July 2025
Submission of monthly budget statement and mscosa data strings	CFO	14 July 2025

Political oversight of the budget process

The link between priorities and spending plans lies in enhancing political oversight of the budget process. Section 53(1) (a) of the MFMA states that the mayor of a municipality must provide political guidance over the budget process and priorities that must guide the preparation of the budget. This is essential to ensure that:

- The political Executive is responsible for policy prioritization.
- Policy priorities are linked to department spending plans and the delivery of quality services.

Political oversight of the budget process allows municipality to manage the tension between competing policy priorities and fiscal realities. The key to strengthening the linkage between priorities and departmental plans lies in enhancing political oversight of the IDP and budget processes.

The Executive committee and extensive community consultation process play a leading role in guiding the alignment of resource allocation with national, provincial, and local priorities.

The municipality sets out measurable performance objectives to link the financial inputs of the budget to service delivery on the ground. This is done in the form of quarterly service targets and monthly financial targets that are contained in the Service Delivery and Budget Implementation Plan (SDBIP). The plan must be agreed by the mayor within 28 days of approval of the final budget and forms the basis for the Municipality's in year monitoring.

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 Heads of departments of the municipality meeting under the chairpersonship of the Councillor responsible for Finance matters **Cllr Radamba NC**

The primary aims of the Budget Steering Committee are 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, considering 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 prioritized in the allocation of resources.

Schedule of Key deadlines relating to the budget process MFMA s 21(1)(b)

The budget time schedule for the compilation of the draft 2025/2026 MTREF was approved by the Council prior to 27 August 2024

Process of tabling and approval of the draft

Tabling to Council of draft 2025/2026 MTREF for community consultation process was done on 28 March 2025.

Consultation with stakeholders and outcomes.

The draft 2025/2026 MTREF had been tabled before the council on 28 March 2025 for community consultation and was made available on municipality's website and hard copies were made available at various Tribal Council offices.

All documents in the appropriate format (Electronic & Printed) were provided to the Provincial Treasury in accordance with the MFMA, to give an opportunity for their inputs.

Community consultation process took place during April 2025

After consideration of all budget submission the mayor was given the opportunity to respond, if necessary, to revise the budget and table amendments for consideration.

Stakeholders involved in consultations.

The stakeholders involved are organized businesses, churches, non-governmental institutions, community-based organizations, and individual members of the public.

The budget was submitted to the Provincial treasury, National treasury on 28th of March 2025 for their consideration, in line with section 23 of the MFMA. Budget inputs

from the Provincial Treasury have been considered prior to approval by the Council in May 2025.

2.2 Overview of alignment of annual budget with IDP

Municipalities are required to develop five-year Integrated Development Plans which must be reviewed annually. It is also required that such plans must find expression in the Budget. The IDP and the budget are interrelated documents. The programs and Projects that have been reflected in the Integrated Development Plan have been budgeted for. The positions reflected in the Organizational structure will all be filled in the budget year 2025/2026. The IDP is the budget in words, just as the budget is the IDP in figures. The Draft budget has been aligned with IDP. The budget has been aligned to the IDP as detailed on table SA4 to SA6

1. 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.

2. 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.

3. Core Values and Operating Principles

- Deliver on the mandate of the people of Thulamela.
- Achieving state-led development through an effective Intergovernmental Relations System (IGR).
- Drive integrated development.
 - Ensure transparency and accountability.
 - Provide quality service delivery and implement Batho Pele.
- Build institutional capacity and achieve transformation.
- Develop strategic partnerships.

- Achieve people-centered development.
- Use e-governance to make government accessible to the people.

4. Aligning budget priorities

To ensure integrated and focused service delivery between all spheres of government it was important for the Mutale Municipality to align its budget priorities with that of the National and provincial government.

It is evident that all spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery and poverty alleviation and building institutional arrangements.

NATIONAL PRIORITIES

- Efficient and effective public services
- Job creation
- Procurement reforms and fighting corruption.

LIM343 Thulamela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

LIM343 /mlatema - Supporting Table SA4 Reconciliation of IDP Strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year 2027/28	
Promote public participation and accountability to the community	To assist management in improving the effectiveness of risk management, corporate governance and internal control all the times in order for municipality to achieve clean Audit. To ensure 100% participation of communities in all municipal programmes. To have clean audit.			521	570	618	637	637	637	625	624	653	
Ensure compliance with policies, Act and regulations	100% compliance with the MFMA and the Municipal Budget and Reporting Regulation (MBRR) annually. To collection 40% of own revenue to ensure financial viability			155	142	201	221	223	223	247	258	269	
Promote healthy and clean environment	To protect the environment and to clean our streets and public places continuously. To clean our area to have licensed landfill site. To provide access to all sporting and cultural activities to all citizens			28	65	41	48	44	44	58	67	65	
Economic growth and development that lead to job creation	To halve unemployment and poverty a year before 2030			24	42	50	80	64	64	52	57	64	
Promote basic quality services and infrastructure	Building of new access roads and timeously maintaining of existing roads			141	140	158	175	165	165	160	153	161	
Promote basic quality services and infrastructure	To ensure everyone has access to electricity and eradicate informal settlement			--	--	--	--	--	--	--	--	--	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	869	959	1,068	1,161	1,134	1,134	1,142	1,160	1,211

LIM343 Thulamela - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

LIM343 Thulamela - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand													
Promote public participation and accountability to the community	To assist management in improving the effectiveness of risk management, corporate governance and internal control all the times in order for municipality to achieve clean Audit. To ensure 100% participation of communities in all municipal			243	171	158	182	178	178	153	158	164	
Ensure compliance with policies, Act and regulations	100% compliance with the MFMA and the Municipal Budget and Reporting Regulation (MBRR) annually. To collection 40% of own revenue to ensure financial viability			146	155	213	224	230	230	245	251	268	
Promote healthy and clean environment	To protect the environment and to clean our streets and public places continuously. To clean our area to have licenced landfill site. To provide access to all sporting and cultural activities to all citizens			62	147	157	48	44	44	155	148	154	
Economic growth and development that lead to job creation	To halve unemployment and poverty a year before 2030			46	55	68	155	154	154	73	74	77	
Promote basic quality services and infrastructure	Building of new access roads and timeously maintaining of existing roads			188	286	330	308	315	315	331	353	362	
Promote basic quality services and infrastructure	To ensure everyone has access to electricity and eradicate informal settlement			68	-	90	-	-	-	-	-	-	
Allocations to other priorities													
Total Expenditure				1	753	815	1 014	917	921	921	957	985	1 025

Public Participation

One of the main features about the integrated development planning process is the involvement of community and stakeholder organizations in the process.

Public participation meetings are held in terms of Municipal Systems Act, Act 32 of 2000 section 16 and Municipal Finance Management Act, Act 56 of 2003 sections 22 and 23.

Both the draft IDP and budget were made public and presented to IDP Representative Forum as scheduled.

Participation of the affected and interested parties ensured that the IDP addresses the real issues that are experienced by the citizens of the municipality

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 is constantly refined as the integrated planning process unfolds. The Municipal targets, monitors, assesses, and reviews organizational performance which in turn is directly linked to individual employee's performance.

At any given time within the government, information from multiple years is being considered; plans and budget 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, budget, implementation, and reporting stages. The planning, budgeting, and reporting cycle can be graphically illustrated as follows:

Planning, budgeting, and reporting cycle

The performance of Thulamela municipality relates directly to the extent to which it has achieved success in realizing 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 and 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:

2.3.1. Performance indicators and benchmarks

2.3.1.1. Borrowing Management

Capital expenditure in local government can be funded by capital grants, own- source revenue and long-term borrowing. The ability of a municipality to raise long-term borrowing is largely dependent on its credit worthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2025/2026 MTREF:

- Borrowing to asset ratio is a measure of long-term borrowing as a percentage of total asset base of municipal.
- Borrowing funding of own expenditure measures the degree to which own capital expenditure (excluding grants and contribution) has been founded by way of borrowing.

2.3.1.2 Safety of Capital

- The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipal's assets.
- The gearing ratio is a measure of total long-term borrowing over funds and reserves.

2.3.1.3 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities.
- The liquidity ratio is a measure of the ability of the municipality to utilized cash and cash equivalent to extinguish or retire its current liabilities immediately.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash flow.

2.3.2 Free Basic Services: basic social services package for indigent household

The social package assists households that have difficulty paying for service and registered as indigent households in terms of the Indigent Policy of Thulamela municipality.

The key financial indicators and ratios are disclosed in Supporting Table SA8: Performance indicators and benchmarks.

LIM343 Thulamela - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
To ensure compliance with MFMA, policies, regulations and circulars	Monthly, quarterly, mid year and annual reports	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Corporate										
To improve organizational performance by fostering accountability	SDBIP quarterly reports	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 3 - (name)										
Insert measure's description		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Executive and Council	Number of EXCO and Council meetings attended									
Public participation										
To ensure maximum participation by locals	Number of Imbizos, IDP/budget meetings and Attendance register	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special programmes										
To ensure focus and empowerment of the disadvantaged groups	Number of meetings and workshops	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Risk and internal audit										
To provide effective risk and audit management services support to the municipality	Quarterly risk management reports and internal audit progress reports	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
COMMUNITY AND PUBLIC SAFETY										
Waste Management										
Refuse removal										
Provision of clean and healthy environment	No. of households having access to waste removal	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Landfill										
Provision of clean and healthy environment	Approval of designs	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 3 - (name)										
Insert measure's description		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Public safety										
Law enforcement										
To ensure traffic safety and law enforcement	Summons reports	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Licensing										
To render registration and licensing services	Licensing report	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 3 - (name)										
Insert measure's description		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ECONOMIC AND ENVIRONMENTAL SERVICES										
Planning and development										
Spatial planning										
To ensure intergration in rural, urban development and land use control in order to promote sustainable intergrated spatial development	Number of sites demarcated	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Local economic development										
To market the potential in Agric, tourism and SMME within the municipal area	EPWP job opportunities created Show,Indaba and workshops attended	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
IDP										
To provide appropriate environment to become a city by 2030, by promoting urban regeneration and comprehensive rural development	Number of exhibition & flea markets facilitated Approved credible IDP	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Roads										
Roads storm water										
To provide infrastructure and sustainable basic services	No of streets and km regravelled No of km tarred	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 2 - (name)										
Insert measure's description										
Sub-function 3 - (name)										
Insert measure's description										
And so on for the rest of the Votes										

LIM343 Thulamela - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating		100%	100%	100%	100%	100%	100%	100%			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%	0.0%	0.3%	0.3%	0.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing	0.0%	0.0%	0.0%	0.2%	0.3%	0.3%	0.0%	0.3%	0.3%	0.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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	4.8	7.0	6.9	7.0	6.1	6.1	8.3	7.9	8.3	8.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current	4.8	7.0	6.9	7.0	6.1	6.1	8.3	7.9	8.3	8.5
Liquidity Ratio	Monetary Assets/Current Liabilities	4.4	6.4	6.4	6.6	5.5	5.5	8.0	7.2	7.2	7.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	161.7%	229.3%	184.1%	96.6%	106.2%	106.2%	175.8%	89.2%	84.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		161.7%	229.3%	184.1%	96.6%	106.2%	106.2%	175.8%	89.2%	84.0%	84.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	9.7%	11.6%	8.2%	5.8%	12.3%	12.3%	5.7%	12.1%	19.2%	25.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		4.9%	5.0%	2.5%	0.4%	0.4%	0.4%	4.3%	0.0%	0.0%	0.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Water Volumes :System input	Bulk Purchase	0	0	0	0	0	0	0	0	0	0
	Water treatment works	0	0	0	0	0	0	0	0	0	0
	Natural sources	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kℓ)	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Employee costs	Employee costs/(Total Revenue - capital	40.3%	38.6%	37.7%	37.1%	38.6%	38.6%	34.4%	38.9%	39.3%	38.7%
Remuneration	Total remuneration/(Total Revenue - capital	44.4%	42.4%	41.5%	40.9%	42.5%	42.5%	49.1%	42.8%	43.3%	42.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital	4.0%	15.3%	13.9%	6.2%	5.8%	5.8%	9.9%	8.6%	9.1%	8.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.1%	8.0%	7.8%	8.1%	9.2%	9.2%	16.3%	8.9%	9.0%	9.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating	12.5	9.7	10.0	11.1	10.8	10.8	7.9	8.7	8.5	8.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual	210.8%	276.5%	149.0%	59.6%	155.2%	155.2%	103.1%	133.3%	195.2%	263.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed	25.5	25.8	16.5	17.0	15.8	15.8	20.8	19.9	20.4	20.8

2.4 Overview of the budget-related policies

The following are the budget related policy detailed in *Annexure C*

2.4.1 Property Rates policy

2.4.2 Budget policy

2.4.3 Virement policy

2.4.4 Tariff policy

2.4.5 Indigent policy

2.4.6 Credit control and debt collection policy

2.4.7 Banking and investment policy

2.4.8 Fixed assets policy

2.4.9 Inventory policy

2.4.10 Supply chain management Policy

2.4.11 Cost containment policy

2.4.12 Revenue enhancement strategy and implementation plan,

- 2.4.13 Funding and Reserve policy
- 2.4.14 Policy on Unauthorized, Fruitless, and Irregular expenditure
- 2.4.15 Service standards policy
- 2.4.16 Borrowing policy
- 2.4.17 Consultants' reduction policy

Treasury Regulations and circulars were also utilized to compile the budget.

2.5 Overview of budget Assumptions

- The budget for 2025/2026 was done in terms of MFMA and municipal budget reporting regulation and treasury circulars e.g., circular 129 and 130.
- Budget was prepared in an environment of uncertainty and assumptions that need to be made about internal and external factors like loadshedding that could impact on the budget during the financial year.
- We have also looked at the following factors.
 - (a) Economic climate
 - (b) Poverty levels
 - (c) Inflation
 - (d) Service delivery cost increases
 - (e) Increase in staff costs and demands.

The inflation rate forecasts as per MFMA circular no.118 issued by National Treasury have been used on the MTERF. The maximum 4,3 growth rate was used on the tariffs and 5.15 % on salaries. However, some tariffs are based on cost recovery. The method used on Capital Budget is zero-based budgeting.

Revenue

- The municipality is anticipating collecting 45 % of on all billed Revenue. This means the 55% has been budgeted as provision for bad debts.
- 2025/2026 Property rate tariff did not increase, and service charges are also subjected to a 4,3% tariff increase rate.

Expenditure

- Annual increase of 4,3% has been used in line with Circular 130. The overall salary expenses have increased by 5.15%.
- An amount of R 81 million is provided as doubtful debts due to non-payment of our debtors on billed services and traffic fines. The expected collection rate for 2025/2026 financial year is 45% and 55% of billed revenue will be provided for bad debts.
- Depreciation has been provided based on the 2025/2026 asset register and also in line with GRAP.
- The amount also includes an estimated amount of Impairment loss, which has been based on the prior year's trend.

2.6 Overview of budget funding and funding reserve policy

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected.
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

The budget is funded by the following sources:

- Rates, Service charges, and other charges
- Grant allocations

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows. Refer Table A8: Cash backed reserves/accumulated surplus reconciliation' and Supporting Table SA10: Funding measurement.

2.7 Expenditure on allocations and grant programmes

Expenditure for each grant for the MTREF period is in Table SA18, Table SA19 and Table SA20

2.8 Allocation and grants made by municipality and entities.

- The municipality does not have any entities, and no grant allocated to any as such.

2.9 Councilor allowances and employees' benefits

- The councilor allowances have been increased by 5.15% pending upper limits gazette, while Salaries and Wages increased by 5.15% as per the Bargaining Council agreement and as illustrated in circular 130.

LIM343 Thulamela - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	20,186	20,859	22,358	23,978	23,923	23,923	25,155	26,161	26,815
Pension and UIF Contributions		2,950	3,126	3,172	3,484	3,484	3,484	3,664	3,810	3,905
Medical Aid Contributions		97	194	192	295	350	350	368	382	392
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		3,292	3,606	3,664	4,247	4,247	4,247	4,466	4,645	4,761
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		3,727	4,003	4,423	5,957	5,957	5,957	6,264	6,514	6,677
Sub Total - Councillors		30,253	31,787	33,808	37,961	37,961	37,961	39,916	41,513	42,551
% increase	4		5.1%	6.4%	12.3%	—	—	5.2%	4.0%	2.5%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	5,594	4,485	4,351	6,904	5,510	5,510	7,466	7,765	7,959
Pension and UIF Contributions		210	10	9	120	122	122	128	133	136
Medical Aid Contributions		143	176	130	257	235	235	270	281	288
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		70	22	135	589	565	565	649	675	692
Motor Vehicle Allowance	3	1,165	1,042	849	1,664	1,691	1,691	1,760	1,831	1,876
Cellphone Allowance	3	—	—	—	—	—	—	—	—	—
Housing Allowances	3	144	—	—	13	13	13	14	15	15
Other benefits and allowances	3	1	1	1	1	1	1	1	1	1
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		7,326	5,734	5,474	9,548	8,136	8,136	10,288	10,700	10,967
% increase	4		(21.7%)	(4.5%)	74.4%	(14.8%)	—	26.4%	4.0%	2.5%
Other Municipal Staff										
Basic Salaries and Wages		195,281	207,183	218,273	235,472	239,934	239,934	245,230	242,654	248,656
Pension and UIF Contributions		38,064	40,542	42,390	45,835	46,203	46,203	48,639	50,530	51,791
Medical Aid Contributions		10,040	11,285	12,558	14,663	15,033	15,033	15,808	16,440	16,851
Overtime		8,054	10,418	12,451	10,240	13,239	13,239	10,189	14,477	14,839
Performance Bonus		14,906	16,027	17,345	20,391	19,815	19,815	21,862	27,416	28,102
Motor Vehicle Allowance	3	18,962	20,871	23,287	25,129	25,771	25,771	27,098	28,182	28,886
Cellphone Allowance	3	52	48	105	88	108	108	103	107	109
Housing Allowances	3	345	325	359	434	420	420	441	459	471
Other benefits and allowances	3	70	75	77	93	95	95	100	104	106
Payments in lieu of leave		1,335	1,608	1,424	5,179	5,485	5,485	5,768	5,999	6,148
Long service awards		2,074	3,123	5,180	6,664	4,879	4,879	5,131	5,336	5,469
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		149	410	78	521	493	493	487	506	519
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		289,332	311,915	333,527	364,708	371,475	371,475	380,856	392,211	401,948
% increase	4		7.8%	6.9%	9.3%	1.9%	—	2.5%	3.0%	2.5%
Total Parent Municipality		326,911	349,436	372,809	412,218	417,573	417,573	431,060	444,423	455,466
			6.9%	6.7%	10.6%	1.3%	—	3.2%	3.1%	2.5%

2.10 Monthly targets for revenue, expenditure, and cash flows

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

(A) TABLE SA25 - Budgeted monthly revenue and expenditure

(B) TABLE SA26 - Budgeted monthly revenue and expenditure (municipal vote)

(C) TABLE SA27 - Budgeted monthly revenue and expenditure (standard classification)

(D) TABLE SA28 - Budgeted monthly capital expenditure (municipal vote)

(E) TABLE SA29 - Budgeted monthly capital expenditure (standard classification)

(F) TABLE SA30 - Budgeted monthly cash flow

2.11 Annual budgets and services delivery and budget implementation plans – internal departments

- In terms of section 53(1)(c)(ii) of the MFMA the Service Delivery and Budget Implementation Plan must be approved by the mayor within 28 days after the final approval of the budget. The monthly and quarterly service delivery targets and performance indicators will be revised to correspond with the 2025/2026 budget. The draft SDBIP is attached as an Annexure to the budget.

2.12 Annual budget and Service Delivery Agreements-Municipal entities and other external mechanisms

- The list of external mechanisms is detailed on Supporting MTREF Table SA32

2.13 Contracts having future budgetary implications.

- In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.14 Capital Expenditure Details

Capital Details are shown in the following MTREF Tables:

- TABLE SA 34a – Capital expenditure on new assets by assets class
- TABLE SA 34b and 34e – Capital Expenditure on the renewal of existing assets by assets class
- For this three-year budget renewal of any existing assets budgeted will be done on the first year only.

- TABLE SA 34c – Repairs and maintenance expenditure by assets class
- TABLE SA 34d - Depreciation by assets classification
- TABLE SA 35 – Future financial implications of the capital budget
- TABLE SA 36 – Detailed capital budget per municipal vote
- TABLE SA 37– Projects delayed from previous financial year.

2.15 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.

The budget preparation process

The mayor is leading the budget preparation process through a coordinated cycle of events that commences at least ten months prior to the start of each financial year.

Overview

- The MFMA requires a Council to adopt three-year capital and operating budgets that consider, and are linked to, the municipality’s current and future development priorities and other finance-related policies (such as those relating to free basic service provision).
- These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and any on borrowings, investments, municipal entities, service delivery agreements, grant allocations and details of employment costs.
- The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year.

Budget preparation timetable

A schedule of key deadlines was prepared for tabling in Council by the Mayor prior to the end of August as required.

Budget preparation and review of IDP and policy

- The mayor has co-ordinate the budget preparation process and the review of Council's IDP and budget-related policy, with the assistance of the municipal manager.
- The mayor has also ensured that the IDP review forms an integral part of the budget process and that any changes to strategic priorities as contained in the IDP document have realistic projections of revenue and expenditure. In developing the budget, the management has considered national and provincial budgets, the national fiscal and macro-economic policy and other relevant agreements or Acts of Parliament.

Tabling of the Annual budget

The initial Annual budget was tabled by the Mayor before Council on the 28 March 2025.

Publication of the Annual budget

Once Annual budget was approved, the municipality will submit both hardcopy and electronic copy of budget document to the National and provincial treasury.

Opportunity to comment on Annual budget.

The various stakeholders were given the opportunity to comment on the draft budget as required by the legislation.

2.16 Municipal manager's quality certificate