



Nama Khoi **LOCAL** **Municipality**

MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK

2026/2027 – 2028/2029

FINAL BUDGET

NAMA KHOI MUNICIPALITY: NC062

28 MAY 2026

STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability, and optimal institutional transformation with the capacity to execute its mandate.

LEGISLATIVE REQUIREMENT

Budget Circular Applicable and other legislative requirements from National Treasury

16. Annual budgets. —(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

(3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

18. Funding of expenditure. — (1) An annual budget may only be funded from—

(a) realistically anticipated revenues to be collected.

(b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and

(c) borrowed funds, but only for the capital budget referred to in section 17 (2).

(2) Revenue projections in the budget must be realistic, considering—

(a) projected revenue for the current year based on collection levels to date; and

(b) actual revenue collected in previous financial years.

22. Publication of annual budgets. —Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must—

(a) in accordance with Chapter 4 of the Municipal Systems Act—

(i) make public the annual budget and the documents referred to in section 17 (3); and

(ii) invite the local community to submit representations in connection with the budget; and

(b) submit the annual budget—

(i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and

(ii) in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

Consultations on tabled budgets

23. (1) When the annual budget has been tabled, the municipal council must consider

any views of

(a) the local community; and

(b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

(2) After considering all budget submissions, the council must give the mayor an opportunity—

(a) to respond to the submissions; and

(b) if necessary, to revise the budget and table amendments for consideration by the council.

(3) The National Treasury may issue guidelines on the manner in which municipal councils should process their annual budgets, including guidelines on the formation of a committee of the council to consider the budget and to hold public hearings.

(4) No guidelines issued in terms of subsection (3) are binding on a municipal council unless adopted by the council.

Approval of annual budgets

24. (1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual budget—

(a) must be approved before the start of the budget year;

(b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and

(c) must be approved together with the adoption of resolutions as may be

necessary—(i) imposing any municipal tax for the budget year;(ii) setting any municipal tariffs for the budget year;

(iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;

(iv) approving any changes to the municipality's integrated development plan; and

(v) approving any changes to the municipality's budget-related policies.

(3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

Key Principles and Objectives that is link to the Municipal Budget

- **Municipal Structures Act (Act No. 117 of 1998):**

This act forms the basis for the structure and operations of municipalities, emphasizing cooperation between district and local municipalities.

- **Cooperative Governance:**

Municipalities are expected to cooperate with each other, and with other levels of government, to achieve shared goals.

- **Integrated Development Planning (IDP):**

Municipalities must develop and implement IDPs to guide their development and service delivery.

- **Performance Management:**

Municipalities are required to have performance management systems to monitor and evaluate their performance.

- **Community Engagement:**

Municipalities must enable community participation in municipal processes, including IDP, performance management, and budget processes.

- **Local Economic Development (LED):**

Municipalities play a crucial role in promoting local economic development, supporting local businesses, and creating jobs.

- **Financial Management:**

Municipalities must manage their finances responsibly, ensuring that expenditure is developmental, effective, and efficient.

- **Risk Management:**

Municipalities must have a risk management framework to identify, assess, and manage risks

Summary of FINAL BUDGET

We budget for total revenue of R662,396,723 and expenditure of R 672,943,891 which leaves us with a **DEFICIT** of R10,547,168 This is the reflection of the Statement of Financial Performance, which includes non-financial expenditure items such as depreciation and debt impairment; furthermore, Capital Expenditure amounts to R39,171,000 from Grant Funding and R 84,122,647 from own funds, equalling R123,293,647

The municipality budget assessment is found to be funded for the 2026-27 financial year.

The tariff increases are as follows:

Property Rates	3,4%
Water	9%
Electricity	8.49 %
Sewerage	3,4%
Refuse	3,4 %
General	3,4%

Narrative to the FINAL Budget and Processes the municipality intends to embark on

The municipality appointed Rural Maintenance as a Revenue Enhancement partner, and they conducted a Cost of Supply Study of electricity; the results have shown that the municipality must consider a new structure of tariffs in the previous financial year, for the current year the municipality will increase service as per the applicable Budget circular and the approved bulk increase letters received for Water and Electricity.

The municipality intends to comply with the requirements of the Water Incentive Scheme, which will see the municipality's debt be written off over a three-year period, and is anticipating reaching the 3rd year of the ESKOM Debt Relief Programme in July 2026, which will see the municipality's historical debt written off entirely.

Property Rates, Refuse Removal, and Sanitation will only be increased with the proposed increase as per the Budget Circular.

Expenditure – The municipality, through the Rural Maintenance Revenue Enhancement Programme, installed check meters and replaced faulty meters; this resulted in the municipality being able to question invoices received from the Vaal Central Water.

The municipality made provisions for the repair and maintenance of the different departments to attend to the needs as identified in the public participation meetings.

Consultancy fees and system-related fees are budgeted as the municipality is trying to resolve its issues with incorrect billing and incorrect data.

Capital Expenditure – The municipality intends to fund several smaller ward-based projects through interest generated from grants and other municipal sources.

Debtors – The municipality wants to assist the Community with write-offs and wants to ensure that they can maintain their accounts; this will be done with the installation of pre-paid meters.

Creditors – The municipality intends to comply with the requirements of the Water Incentive Scheme, which will see the municipality's debt be written off over a three-year period, and is anticipating reaching the 3rd year of the Eskom Debt Relief Programme in July 2026, which will see the municipality's historical debt written off entirely.

Indigents and credit control - The municipality will continue to encourage the community to register as indigents and to follow the municipality's credit control initiatives, whereby agreements can be entered into to make payments of arrears debt more affordable.

Final detailed Capital Budget

				Own Funding Capital Projects	84,122,647.00	40,000,000.00	40,000,000.00
No.	Name	Type	Ward	2026/27	2027/28	2028/29	
1	Computer Equipment - Whole of the Municipality	Computer Equipment	Whole of the Municipality	2,500,000.00	-	-	
2	Computer equipment - Housing dep	Computer Equipment	Whole of the Municipality	500,000.00	-	-	
3	High mass lights - Whole of municipality area	Electrical Infrastructure	Whole of the Municipality	4,517,000.00	-	-	
4	Electrical infrastructure - Capital own funding	Electrical Infrastructure	Whole of the Municipality	1,000,000.00	-	-	
5	Construction of New Electrical substation - Kleinzee	Electrical Infrastructure	Ward 7	5,000,000.00	5,000,000.00	5,000,000.00	
6	Street Lights Upgrades - Nama Khoi	Electrical Infrastructure	Whole of the Municipality	5,000,000.00	5,000,000.00	5,000,000.00	
7	MV Solar Plant - Nama Khoi	Electrical Infrastructure	Whole of the Municipality	5,000,000.00	5,000,000.00	5,000,000.00	
8	Bulk Electrical Infrastructure - Nama Khoi	Electrical Infrastructure	Whole of the Municipality	5,000,000.00	5,000,000.00	5,000,000.00	
9	Furniture and Office Equipment	Furniture and Office Equipment	Whole of the Municipality	2,186,000.00	-	-	
10	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	3,700,000.00	-	-	
11	Carolusberg Road	Roads Infrastructure	Ward 4	1,000,000.00	-	-	
12	Matjieskloof main road (Opgradering van straat)	Roads Infrastructure	Ward 7	1,000,000.00	-	-	
13	Okiep - Vaalhoek No.1 Paving Road	Roads Infrastructure	Ward 6	1,500,000.00	-	-	
14	Okiep Langstraat	Roads Infrastructure	Ward 6	1,500,000.00	-	-	
15	Kleinzee roads	Roads Infrastructure	Ward 7	1,500,000.00	-	-	
16	Nababeep sewerage pipeline	Sanitation Infrastructure	Ward 9	3,600,000.00	-	-	
17	Sewer Network: Okiep Rocky Ridge (Own funding)	Sanitation Infrastructure	Ward 6	1,219,647.00	-	-	
18	Steinkopf Oxidation ponds fencing	Sanitation Infrastructure	Ward 2/3	3,600,000.00	-	-	
19	Sanitation infrastructure - Capital own funding	Sanitation Infrastructure	Whole of the Municipality	1,000,000.00	-	-	
20	OKIEP UPGRADING OF VAALHOEK SEWER RETICULATION NETWORK	Sanitation Infrastructure	Ward 6	1,000,000.00	-	-	
21	Catch pits springbok (Stormwater)	Storm water Infrastructure	Ward 4	3,500,000.00	-	-	
22	Trucks	Transport Assets	Whole of the Municipality	3,500,000.00	-	-	
23	Boreholes Concordia	Water Supply Infrastructure	Ward 1	750,000.00	-	-	
24	Boreholes Matjieskloof	Water Supply Infrastructure	Ward 7	750,000.00	-	-	
25	Komaggas reservoir existing project Own funding	Water Supply Infrastructure	Ward 8	2,800,000.00	-	-	
26	Water infrastructure - Capital own funding	Water Supply Infrastructure	Whole of the Municipality	1,500,000.00	-	-	
27	Construction of new and rehabilitation of existing reservoirs - Nama Khoi	Water Supply Infrastructure	Whole of the Municipality	5,000,000.00	5,000,000.00	5,000,000.00	
28	Community Boreholes - Nama Khoi	Water Supply Infrastructure	Whole of the Municipality	5,000,000.00	5,000,000.00	5,000,000.00	
29	Water metering - Nama Khoi	Water Supply Infrastructure	Whole of the Municipality	5,000,000.00	5,000,000.00	5,000,000.00	
30	Geohydrological Investigation	Water Supply Infrastructure	Whole of the Municipality	5,000,000.00	5,000,000.00	5,000,000.00	

				Total National Grant amount	39,171,000.00	50,127,000.00	47,822,000.00
				National Grant Capital projects (INEP)	3,000,000.00	5,371,000.00	1,433,000.00
1	Nama Khoi street lights (INEP DORA)	Electrical Infrastructure	Whole of the Municipality	3,000,000.00	5,371,000.00	1,433,000.00	
				National Grant Capital projects (MIG)	16,171,000.00	18,506,000.00	18,960,000.00
1	Upgrading of Matjieskloof Sport facility (MIG-ring-fenced)	Sport facilities	Ward 7	9,318,000.00	-	-	
2	OKIEP UPGRADING OF VAALHOEK SEWER RETICULATION NETWORK	Sanitation Infrastructure	Ward 6	5,853,000.00	18,506,000.00	18,960,000.00	
3	SPRINGBOK: REFURBISHMENT OF TOLWEG PUMPSTATION	Sanitation Infrastructure	Ward 4	1,000,000.00	-	-	
				National Grant Capital projects (WSIG)	20,000,000.00	26,250,000.00	27,429,000.00
1	Upgrading of Waste Water Treatment Works Nababeep_9/104-70-	Sanitation Infrastructure	Ward 9	15,557,669.00	26,250,000.00	27,429,000.00	
2	Carolusberg Oxidation ponds	Sanitation Infrastructure	Ward 4	4,442,331.00	-	-	

Notes on the Capital Expenditure

The municipality has projects to be funded through grant funding as per the DORA, and will implement smaller projects funded from the municipality's own funds.

Operating Revenue Framework

In municipalities, the operating revenue framework involves generating income from sources such as property rates, service charges, and intergovernmental transfers to fund day-to-day operations and essential services.

Here's a more detailed breakdown:

1. Key Revenue Sources:

Property Rates: Taxes levied on property values are a significant source of revenue.

Service Charges: Fees for services like electricity, water, sanitation, and waste management contribute significantly.

Intergovernmental Transfers: Funding from national and provincial governments is crucial for supporting municipal operations.

Licenses and Fees: Revenue generated from various licenses and fees, such as business licenses and parking fees, also contributes.

Other Revenue: This includes income from advertising, fines, and interest on investments.

Description	2023/24	2024/25	Current Year 2025/26				026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue									
Exchange Revenue									
Service charges - Electricity	119,203,239	179,509,250	159,926,757	179,779,332	179,779,332	179,779,332	196,139,251	202,611,846	209,095,424
Service charges - Water	44,150,822	47,193,286	61,257,394	63,469,735	63,469,735	63,469,735	65,627,706	67,793,421	69,962,811
Service charges - Waste Water Management	14,869,120	15,923,590	22,600,169	16,359,431	16,359,431	16,359,431	16,915,652	17,473,868	18,033,032
Service charges - Waste Management	17,168,608	18,900,360	26,984,303	18,972,397	18,972,397	18,972,397	19,617,458	20,264,835	20,913,310
Sale of Goods and Rendering of Services	2,240,179	460,468	4,389,195	4,186,191	4,186,191	4,186,191	4,328,520	4,471,360	4,614,445
Agency services	100,021	-	97,913	97,913	97,913	97,913	101,242	104,583	107,930
Interest earned from Receivables	21,773,415	32,042,148	23,280,602	55,780,000	55,780,000	55,780,000	57,676,520	59,579,846	61,486,400
Interest earned from Current and Non Current Assets	3,029,965	10,551,074	16,932,576	23,576,109	23,576,109	23,576,109	24,377,698	25,182,162	25,987,991
Rent on Land	1,128,620	693,446	1,308,109	1,308,109	1,308,109	1,308,109	1,352,584	1,397,219	1,441,930
Rental from Fixed Assets	2,008,270	1,232,760	3,548,593	2,513,043	2,513,043	2,513,043	2,598,486	2,684,236	2,770,131
Licence and permits	1,970,022	3,015,130	4,023,621	3,726,133	3,726,133	3,726,133	3,852,821	3,979,966	4,107,326
Operational Revenue	1,962,690	640,349	577,243	651,043	651,043	651,043	673,178	695,393	717,646
Property rates	50,991,845	55,906,675	59,953,295	61,275,855	61,275,855	61,275,855	63,359,234	65,450,087	67,544,491
Fines, penalties and forfeits	586,821	330,296	634,553	599,233	599,233	599,233	619,607	640,054	660,536
Transfer and subsidies - Operational	97,475,179	23,292,809	77,232,000	77,227,000	77,227,000	77,227,000	80,245,000	81,804,000	84,065,000
Interest	5,677,968	6,828,998	4,585,170	17,574,000	17,574,000	17,574,000	18,171,516	18,771,176	19,371,853
Operational Revenue	528,901	1,742,035	-	2,125,000	2,125,000	2,125,000	2,197,250	2,269,759	2,342,391
Other Gains	-	1,773	339,144,240	60,588,000	60,588,000	60,588,000	104,543,000	104,543,000	-
Total Revenue (excluding capital transfers and contributions)	384,863,914	737,406,915	527,919,493	589,808,524	589,808,524	589,808,524	662,396,723	679,716,811	593,222,647

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

Table 2: Summary of Revenue Classified by Main Revenue Source

Year 1 (2627) Service charges - Electricity was increased by 9.1% According to Eskom increases. The outer 2 years was increased according to budget circular 134 of 20 March 2026. (26-27 3.3% and 28-29 3.2%)
Service charges - Water was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Service charges - Waste water management was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Service charges - Waste management was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Sale of goods and Rendering of Services was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Agency Services was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Interest earned from Receivables was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Interest earned from Current and Non-current Assets was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Rent on Land was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Rental from Fixed Assets was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
License and permits was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Operational Revenue - exchange was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Property rates was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Fines, penalties and forfeits was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
R73,887,000 is budgeted for Equitable Share. R1,708,000 is allocated for EPWP and budgeted. R1,650,000 is allocated for Library grant programs per Provincial legislation allocations. FMG is allocated R3,000,000
Interest non-exchange was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
Operational revenue non-exchange was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%
om debt Relief was included in the budget as per National Treasury budget Tool - 2026/2027 MTREF in the provincial treasury analysis report.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Supporting Table SA18 Transfers and grant receipts			
Equitable Share	73,887,000	77,000,000	79,208,000
Expanded Public Works Programme Integrated Grant	1,708,000	-	-
Local Government Financial Management Grant	3,000,000	3,100,000	3,100,000
Library Grant	1,650,000	1,704,000	1,757,000
Total Operating	80,245,000	81,804,000	84,065,000
Integrated National Electrification Programme Grant	3,000,000	5,371,000	1,433,000
Municipal Infrastructure Grant	16,171,000	18,506,000	18,960,000
Water Services Infrastructure Grant	20,000,000	26,250,000	27,429,000
Total Capital	39,171,000	50,127,000	47,822,000

Notes on Grant Funding'

The municipality will receive a grant for Equitable Share that will be used as an extension to deliver services to the community, while also subsidizing the municipal accounts of indigents and the rest as per the requirements of the grant, and is used in Council-related costs.

Financial Management Grant is mostly used to ensure that the financial and other related systems stay operational, it is also further used for the employee-related cost of interns, while a portion is budgeted for training compliance of municipal staff

Library grants are used for library operations and are linked to the requirements and conditions of the grant.

Capital grants are project-related, and they align with the Capital Budget and Procurement Plan

Operating Expenditure Framework

Expenditure Priorities:

Employee-Related Costs:

A significant portion of municipal budgets is allocated to salaries and wages of municipal employees; this is a result of the municipality being service delivery driven, and much of the services to be delivered are human-capital driven.

Bulk Purchases:

Costs associated with procuring essential goods and services, such as water, electricity, and refuse removal, are also significant.

Repairs and Maintenance:

Maintaining infrastructure and municipal assets requires substantial funding.

Other Expenditure:

This includes costs for general administration, social services, and other operational needs.

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

Description	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure									
Employee related costs	94,160,225	102,367,913	119,327,557	118,574,605	118,574,605	118,574,605	124,206,856	128,305,675	132,411,450
Remuneration of councillors	7,340,041	7,307,218	8,044,502	8,285,837	8,285,837	8,285,837	8,846,679	8,846,679	8,846,679
Bulk purchases - electricity	109,867,151	140,719,370	152,145,000	165,000,000	165,000,000	165,000,000	180,015,000	185,955,495	191,906,071
Inventory consumed	36,240,574	42,298,034	54,490,724	74,573,460	74,573,460	74,573,460	79,755,870	82,387,817	85,024,227
Debt impairment	-	-	42,900,000	63,500,000	63,500,000	63,500,000	52,545,000	54,278,985	56,015,913
Depreciation, amortisation and impairment	37,219,581	57,828,537	72,391,567	57,828,539	57,828,539	57,828,539	59,794,710	61,767,937	63,744,512
Interest, Dividends and Rent on Land	43,000,767	59,238,770	20,653,218	5,670,141	5,670,141	5,670,141	5,862,926	6,056,402	6,250,207
Contracted services	20,684,515	30,173,676	45,075,084	82,788,272	82,788,272	82,788,272	109,947,529	111,812,433	115,291,227
Irrecoverable debts written off	-	52,068,126	1,100,000	2,500,000	2,500,000	2,500,000	2,585,000	2,670,304	2,755,752
Operational costs	24,820,197	27,046,050	36,230,253	41,933,957	41,933,957	41,933,957	46,799,321	47,514,543	49,186,439
Other Losses	9,724,196	2,016,304	10,152,061	2,500,000	2,500,000	2,500,000	2,585,000	2,670,305	2,755,755
Total Expenditure	383,057,248	521,063,999	562,509,966	623,154,811	623,154,811	623,154,811	672,943,891	692,266,575	714,188,232

Employee related cost increased by 4.75% as per Circular 4 of 2026 salary wage increase.

The remuneration of councillors was calculated based on the Government Notice No. 7159 of 20 February 2026 which clearly states the upper limits of public office bearers. (Grade 3 was used)

Bulk purchases electricity increased by 9.1% as per Eskom approved rate.

Adjustments (additional programs) by some departments caused the increases to be above the macroeconomic performance and projections as per budget circular 134 of 20 March 2026 of 3.4% 26-27.

Debt impairment was included in the budget as per National Treasury budget Tool - 2026/2027 MTREF in the provincial treasury analysis report.

Depreciation was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%

Interest was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%

Contracted services was mostly impacted by the repairs and maintenance adjustments which the municipality is slowly increased to achieve a 5% ratio this year which means we are still 3% off the norm.

Irrecoverable debts written off was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%

Operational cost increased above the 3.4% mark as there was additional programs added to the operational expenditure side by departments

Other losses was increased according to the macroeconomic performance and projections as per budget circular 134 of 20 March 2026. 26-27 3.4%, 27-28 3.3%, 28-29 3.2%

The DORA allocation shows that the municipality will receive the following capital grants. MIG R16,171,000, INEP R3,000,000, WSIG R20,000,000

1. Annual Budget Tables

Annual Budget Tables - Parent Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipalities budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by the Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position, and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget.
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget

Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing in the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget

Choose name from list - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	-	50,992	55,907	59,953	61,276	61,276	61,276	63,359	65,450	67,544
Service charges	-	195,392	261,526	270,769	278,581	278,581	278,581	298,300	308,144	318,005
Investment revenue	-	3,030	10,551	16,933	23,576	23,576	23,576	24,378	25,182	25,988
Transfer and subsidies - Operational	-	97,475	23,293	77,232	77,227	77,227	77,227	80,245	81,804	84,065
Other own revenue	-	37,975	386,130	103,033	149,149	149,149	149,149	196,115	199,137	97,621
Total Revenue (excluding capital transfers and contributions)	-	384,864	737,407	527,919	589,809	589,809	589,809	662,397	679,717	593,223
Employee costs	-	94,160	102,368	119,328	118,575	118,575	118,575	124,207	128,306	132,411
Remuneration of councillors	-	7,340	7,307	8,045	8,286	8,286	8,286	8,847	8,847	8,847
Depreciation, amortisation and impairment	-	37,220	57,829	72,392	57,829	57,829	57,829	59,795	61,768	63,745
Interest, Dividends and Rent on Land	-	43,001	59,239	20,653	5,670	5,670	5,670	5,863	6,056	6,250
Inventory consumed and bulk purchases	-	146,108	183,017	206,636	239,573	239,573	239,573	259,771	268,343	276,930
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	55,229	111,304	135,457	193,222	193,222	193,222	214,462	218,947	226,005
Total Expenditure	-	383,057	521,064	562,510	623,155	623,155	623,155	672,944	692,267	714,188
Surplus/(Deficit)	-	1,807	216,343	(34,590)	(33,346)	(33,346)	(33,346)	(10,547)	(12,550)	(120,966)
Transfers and subsidies - capital (monetary allocations)	-	12,543	16,094	22,696	22,696	22,696	22,696	39,171	50,127	47,822
Transfers and subsidies - capital (in-kind)	-	-	212,206	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	14,350	444,642	(11,894)	(10,650)	(10,650)	(10,650)	28,624	37,577	(73,144)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	14,350	444,642	(11,894)	(10,650)	(10,650)	(10,650)	28,624	37,577	(73,144)
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital	-	10,682	148,245	77,642	92,694	92,694	92,694	123,294	90,127	87,822
Borrowing	-	10,617	100,060	47,139	47,139	47,139	47,139	39,171	50,127	47,822
Internally generated funds	-	7	-	-	-	-	-	-	-	-
Internally generated funds	-	(13)	48,185	30,503	45,555	45,555	45,555	84,123	40,000	40,000
Total sources of capital funds	-	10,682	148,245	77,642	92,694	92,694	92,694	123,294	90,127	87,822
Financial position										
Total current assets	-	127,745	481,326	196,181	354,376	354,376	354,376	341,760	415,627	445,355
Total non current assets	-	729,135	872,741	769,780	1,023,253	1,023,253	1,023,253	1,051,886	1,076,050	1,134,629
Total current liabilities	-	368,121	130,034	284,334	124,962	124,962	124,962	199,436	211,927	225,206
Total non current liabilities	-	256,112	101,321	453,102	233,667	233,667	233,667	265,584	281,519	298,410
Community wealth/Equity	-	260,810	268,193	287,087	1,019,287	1,019,287	1,019,287	1,023,432	1,084,707	1,149,650
Cash flows										
Net cash from (used) operating	-	42,369	326,379	(52,272)	(21,346)	(21,346)	(21,346)	(68,930)	(66,434)	(73,343)
Net cash from (used) investing	-	(1,180)	(1,191)	(89,289)	(106,598)	(106,598)	(106,598)	(141,788)	(103,646)	(100,995)
Net cash from (used) financing	-	(2,005)	(254)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	86,030	369,155	112,316	195,973	195,973	195,973	113,199	173,272	189,615
Cash backing/surplus reconciliation										
Cash and investments available	-	86,030	369,155	112,316	195,973	195,973	195,973	113,199	173,272	189,615
Application of cash and investments	-	311,355	(47,288)	243,335	32,147	32,147	32,147	7,920	9,991	10,992
Balance - surplus (shortfall)	-	(225,325)	416,443	(131,019)	163,826	163,826	163,826	105,280	163,281	178,623
Asset management										
Asset register summary (WDV)	-	737,482	881,209	768,070	1,021,543	1,021,543		1,050,177	1,074,237	1,132,708
Depreciation	-	37,220	57,829	72,392	57,829	57,829		59,795	61,768	63,745
Renewal and Upgrading of Existing Assets	-	(262)	33,061	17,750	19,950	19,950		49,329	50,127	47,822
Repairs and Maintenance	-	13,476	17,273	29,606	28,385	28,385		49,276	50,902	52,531
Free services										
Cost of Free Basic Services provided	-	-	-	1	1	1		1	1	1
Revenue cost of free services provided	-	-	-	1	1	1		1	1	20

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

- Table A2 is a view of the budgeted financial performance of revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure, and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

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

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional	1									
Governance and administration		-	150,761	360,313	159,579	209,308	209,308	178,780	182,916	188,670
Executive and council		-	1,762	214,506	2,492	2,239	2,239	2,368	682	703
Finance and administration		-	148,998	145,806	157,087	207,069	207,069	176,412	182,234	187,967
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	2,893	2,416	3,695	4,442	4,442	4,537	4,686	4,835
Community and social services		-	2,822	2,322	3,551	4,367	4,367	4,460	4,606	4,752
Sport and recreation		-	71	94	144	75	75	78	80	83
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	3,805	3,309	3,862	3,746	3,746	3,873	4,001	4,129
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	3,805	3,309	3,862	3,746	3,746	3,873	4,001	4,129
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	239,844	599,589	383,145	394,708	394,708	514,067	537,920	443,080
Energy sources		-	159,838	515,528	226,672	253,879	253,879	318,175	327,665	226,088
Water management		-	44,151	47,348	78,173	82,099	82,099	85,547	88,539	91,308
Waste water management		-	27,413	32,111	62,812	57,314	57,314	72,256	82,201	84,968
Waste management		-	8,443	4,602	15,488	1,416	1,416	38,089	39,515	40,715
Other	4	-	105	79	334	300	300	310	321	331
Total Revenue - Functional	2	-	397,407	965,706	550,615	612,505	612,505	701,568	729,844	641,045
Expenditure - Functional										
Governance and administration		-	128,572	206,210	136,081	168,423	168,423	206,776	210,715	217,229
Executive and council		-	22,216	22,276	27,078	27,121	27,121	28,519	27,403	27,997
Finance and administration		-	105,300	182,190	107,307	139,372	139,372	176,237	181,225	187,078
Internal audit		-	1,056	1,745	1,696	1,929	1,929	2,020	2,087	2,154
Community and public safety		-	15,751	32,451	36,973	39,122	39,122	41,485	42,853	44,223
Community and social services		-	5,275	7,959	11,303	10,766	10,766	11,785	12,173	12,561
Sport and recreation		-	6,907	18,863	16,880	21,316	21,316	22,347	23,085	23,823
Public safety		-	3,570	5,629	8,790	7,041	7,041	7,353	7,595	7,838
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	15,279	19,082	25,798	29,080	29,080	31,120	32,147	33,176
Planning and development		-	3,081	7,619	7,860	11,032	11,032	11,554	11,936	12,318
Road transport		-	12,198	11,463	17,938	18,048	18,048	19,566	20,211	20,858
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	224,021	263,787	365,255	388,128	388,128	393,563	406,551	419,561
Energy sources		-	139,872	176,746	207,768	269,475	269,475	258,162	266,681	275,215
Water management		-	50,206	60,178	88,539	84,028	84,028	95,611	98,766	101,927
Waste water management		-	15,898	16,099	20,743	19,189	19,189	22,042	22,769	23,498
Waste management		-	18,045	10,764	48,205	15,436	15,436	17,748	18,334	18,921
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	383,623	521,530	564,107	624,752	624,752	672,944	692,267	714,188
Surplus/(Deficit) for the year		-	13,784	444,176	(13,492)	(12,248)	(12,248)	28,624	37,577	(73,144)

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

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

The A3 is not properly linked to the financial system and shows 0 amounts

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue by Vote	1									
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	-	-	-	-	-
Expenditure by Vote to be appropriated	1									
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2	-	-	-	-	-	-	-	-	-

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

1. Revenue to be generated from property rates was budgeted to remain relatively constant over the medium-term
2. Services charges relating to electricity, water, sanitation, and refuse removal constitute the biggest component of the revenue basket of the municipality. This growth can mainly be attributed to the increase in the bulk prices of electricity.
3. Transfers recognized – operating includes the local government's equitable share and other grants from national and provincial governments. It needs to be noted that in real terms the grant receipts from the national government are decreasing rapidly over the MTREF. The municipality is grant-dependent and is it important to increase the equitable share every year.

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	119,203	179,509	159,927	179,779	179,779	179,779	196,139	202,612	209,095
Service charges - Water	2	-	44,151	47,193	61,257	63,470	63,470	63,470	65,628	67,793	69,963
Service charges - Waste Water Management	2	-	14,869	15,924	22,600	16,359	16,359	16,359	16,916	17,474	18,033
Service charges - Waste Management	2	-	17,169	18,900	26,984	18,972	18,972	18,972	19,617	20,265	20,913
Sale of Goods and Rendering of Services	2	-	2,240	460	4,389	4,186	4,186	4,186	4,329	4,471	4,614
Agency services	2	-	100	-	98	98	98	98	101	105	108
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	-	21,773	32,042	23,281	55,780	55,780	55,780	57,677	59,580	61,486
Interest earned from Current and Non Current Assets	2	-	3,030	10,551	16,933	23,576	23,576	23,576	24,378	25,182	25,988
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	1,129	693	1,308	1,308	1,308	1,308	1,353	1,397	1,442
Rental from Fixed Assets	2	-	2,008	1,233	3,549	2,513	2,513	2,513	2,598	2,684	2,770
Licence and permits	2	-	1,970	3,015	4,024	3,726	3,726	3,726	3,853	3,980	4,107
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	1,963	640	577	651	651	651	673	695	718
Non-Exchange Revenue											
Property rates	2	-	50,992	55,907	59,953	61,276	61,276	61,276	63,359	65,450	67,544
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	587	330	635	599	599	599	620	640	661
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	-	97,475	23,293	77,232	77,227	77,227	77,227	80,245	81,804	84,065
Interest	2	-	5,678	6,829	4,585	17,574	17,574	17,574	18,172	18,771	19,372
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	529	1,742	-	2,125	2,125	2,125	2,197	2,270	2,342
Gains on disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Gains	2	-	(2)	339,144	60,588	60,588	60,588	60,588	104,543	104,543	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	384,864	737,407	527,919	589,809	589,809	589,809	662,397	679,717	593,223
Expenditure											
Employee related costs	2	-	94,160	102,368	119,328	118,575	118,575	118,575	124,207	128,306	132,411
Remuneration of councillors	2	-	7,340	7,307	8,045	8,286	8,286	8,286	8,847	8,847	8,847
Bulk purchases - electricity	2	-	109,867	140,719	152,145	165,000	165,000	165,000	180,015	185,955	191,906
Inventory consumed	2,8	-	36,241	42,298	54,491	74,573	74,573	74,573	79,756	82,388	85,024
Debt impairment	2,3	-	-	-	42,900	63,500	63,500	63,500	52,545	54,279	56,016
Depreciation, amortisation and impairment	2	-	37,220	57,829	72,392	57,829	57,829	57,829	59,795	61,768	63,745
Interest, Dividends and Rent on Land	2	-	43,001	59,239	20,653	5,670	5,670	5,670	5,863	6,056	6,250
Contracted services	2	-	20,685	30,174	45,075	82,788	82,788	82,788	109,948	111,812	115,291
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	-	-	52,068	1,100	2,500	2,500	2,500	2,585	2,670	2,756
Operational costs	2	-	24,820	27,046	36,230	41,934	41,934	41,934	46,799	47,515	49,186
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Losses	2	-	9,724	2,016	10,152	2,500	2,500	2,500	2,585	2,670	2,756
Total Expenditure		-	383,057	521,064	562,510	623,155	623,155	623,155	672,944	692,267	714,188
Surplus/(Deficit)		-	1,807	216,343	(34,590)	(33,346)	(33,346)	(33,346)	(10,547)	(12,550)	(120,966)
Transfers and subsidies - capital (monetary allocations)	6	-	12,543	16,094	22,696	22,696	22,696	22,696	39,171	50,127	47,822
Transfers and subsidies - capital (in-kind)	6	-	-	212,206	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	14,350	444,642	(11,894)	(10,650)	(10,650)	(10,650)	28,624	37,577	(73,144)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		-	-	-	-	-	-	-	-	-	-
Capital Expenditure - Functional											
Governance and administration		-	(264)	3,914	1,050	2,902	2,902	2,902	5,186	-	-
Executive and council		-	(264)	-	-	-	-	-	-	-	-
Finance and administration		-	-	3,914	1,050	2,902	2,902	2,902	5,186	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	9,318	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	9,318	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	329	259	9,063	9,063	9,063	9,063	13,700	-	-
Planning and development		-	329	259	-	-	-	-	-	-	-
Road transport		-	-	-	9,063	9,063	9,063	9,063	13,700	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	10,617	144,072	67,529	80,729	80,729	80,729	95,090	90,127	87,822
Energy sources		-	-	39,713	4,517	4,517	4,517	4,517	28,517	25,371	21,433
Water management		-	1,294	-	9,695	19,200	19,200	19,200	29,300	20,000	20,000
Waste water management		-	9,323	104,359	53,317	57,012	57,012	57,012	37,273	44,756	46,389
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	10,682	148,245	77,642	92,694	92,694	92,694	123,294	90,127	87,822
Funded by:											
National Government		-	10,617	100,060	47,139	47,139	47,139	47,139	39,171	50,127	47,822
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	10,617	100,060	47,139	47,139	47,139	47,139	39,171	50,127	47,822
Borrowing	6	-	78	-	-	-	-	-	-	-	-
Internally generated funds		-	(13)	48,185	30,503	45,555	45,555	45,555	84,123	40,000	40,000
Total Capital Funding	7	-	10,682	148,245	77,642	92,694	92,694	92,694	123,294	90,127	87,822

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity, i.e. assets readily converted to cash, or liabilities immediately required to be met by cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of several items, including:
 - Call investments deposits.
 - Consumer debtors.
 - Property, plant, and equipment.
 - Trade and other payables.
 - Provisions non-current.
 - Changes in net assets; and
 - 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. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact the Budgeted Financial Position. As an example, the collection rate assumption will impact 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 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.

The outer years for A6 is not correctly aligned to the financial system

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	-	44,219	325,233	129,249	217,451	217,451	217,451	153,972	216,492	234,186
Short term investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	-	64,495	123,910	28,866	82,774	82,774	82,774	78,994	83,814	88,928
Receivables from non-exchange transactions	3	-	7,665	23,862	13,509	36,667	36,667	36,667	28,807	30,535	32,367
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	-	3,748	3,909	15,803	5,387	5,387	5,387	7,887	8,360	8,862
VAT Receivable	6	-	-	-	-	-	-	-	60,003	63,604	67,420
Other current assets	7	-	7,618	4,413	8,753	12,097	12,097	12,097	12,097	12,823	13,592
Total current assets		-	127,745	481,326	196,181	354,376	354,376	354,376	341,760	415,627	445,355
Non current assets											
Investments	8	-	-	-	-	-	-	-	-	-	-
Investment property	9	-	124,022	124,024	124,022	124,024	124,024	124,024	124,024	131,465	139,353
Property, plant and equipment	10	-	611,864	755,624	642,452	895,958	895,958	895,958	924,592	941,117	991,601
Biological assets	11	-	-	-	-	-	-	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	-	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,573	1,668
Intangible assets	14	-	111	77	111	77	77	77	77	81	86
Trade and other receivables from exchange transactions	15	-	(10,056)	(10,177)	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	15	-	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,812	1,921
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
Total non current assets		-	729,135	872,741	769,780	1,023,253	1,023,253	1,023,253	1,051,886	1,076,050	1,134,629
TOTAL ASSETS		-	856,881	1,354,067	965,961	1,377,629	1,377,629	1,377,629	1,393,646	1,491,676	1,579,985
LIABILITIES											
Current liabilities											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	-	4,808	5,086	4,782	5,086	5,086	5,086	5,086	5,392	5,715
Consumer deposits	19	-	4,022	4,410	4,509	4,594	4,594	4,594	4,594	4,869	5,161
Trade and other payables from exchange transactions	20	-	331,710	78,236	231,624	84,855	84,855	84,855	151,625	160,556	170,010
Trade and other payables from non-exchange transactions	21	-	18,411	34,845	36,217	22,312	22,312	22,312	15,486	16,593	17,779
Provision	22	-	9,170	7,456	7,202	8,114	8,114	8,114	8,114	8,601	9,117
VAT Payable	23	-	-	-	-	-	-	-	13,803	15,146	16,606
Other current liabilities	24	-	-	-	-	-	-	-	727	771	817
Total current liabilities		-	368,121	130,034	284,334	124,962	124,962	124,962	199,436	211,927	225,206
Non current liabilities											
Financial liabilities	25	-	15,926	10,866	127,952	10,892	10,892	10,892	10,866	11,518	12,209
Provision	26	-	107,867	121,300	107,867	121,300	121,300	121,300	121,300	128,578	136,293
Long term portion of trade payables	27	-	132,319	-	145,551	-	-	-	-	-	-
Other non-current liabilities	28	-	-	(30,845)	71,731	101,475	101,475	101,475	133,418	141,423	149,908
Total non current liabilities		-	256,112	101,321	453,102	233,667	233,667	233,667	265,584	281,519	298,410
TOTAL LIABILITIES		-	624,233	231,355	737,436	358,629	358,629	358,629	465,019	493,446	523,616
NET ASSETS		-	232,648	1,122,712	228,525	1,018,999	1,018,999	1,018,999	928,627	998,230	1,056,369
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	-	260,580	267,963	286,857	1,019,057	1,019,057	1,019,057	1,023,202	1,084,464	1,149,391
Reserves and funds	30	-	230	230	230	230	230	230	230	244	259
Other	31	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	32	-	260,810	268,193	287,087	1,019,287	1,019,287	1,019,287	1,023,432	1,084,707	1,149,650

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget.
3. The Cash Flow Budget is funded

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	32,051	10,800	47,117	69,615	69,615	69,615	55,232	57,054	58,880
Service charges		-	109,524	-	236,208	275,944	275,944	275,944	294,874	304,605	314,353
Other revenue		-	190,014	712,667	70,374	82,533	82,533	82,533	93,031	90,125	92,236
Transfers and Subsidies - Operational	1	-	113,949	452,313	77,232	77,227	77,227	77,227	80,245	81,804	84,065
Transfers and Subsidies - Capital	1	-	2,285	-	22,696	22,696	22,696	22,696	39,171	50,127	47,822
Interest		-	541	824	23,281	56,880	56,880	56,880	85,030	87,836	90,647
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(402,612)	(850,224)	(508,527)	(600,572)	(600,572)	(600,572)	(710,651)	(731,930)	(755,095)
Finance charges		-	(3,384)	-	(20,653)	(5,670)	(5,670)	(5,670)	(5,863)	(6,056)	(6,250)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	42,369	326,379	(52,272)	(21,346)	(21,346)	(21,346)	(68,930)	(66,434)	(73,343)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	(433)	(1,191)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(747)	-	(89,289)	(106,598)	(106,598)	(106,598)	(141,788)	(103,646)	(100,995)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(1,180)	(1,191)	(89,289)	(106,598)	(106,598)	(106,598)	(141,788)	(103,646)	(100,995)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	(1,274)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	(731)	(254)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(2,005)	(254)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	39,184	324,934	(141,561)	(127,944)	(127,944)	(127,944)	(210,718)	(170,080)	(174,338)
Cash/cash equivalents at the year begin:	2	-	46,846	44,220	253,877	323,917	323,917	323,917	323,917	343,352	363,953
Cash/cash equivalents at the year end:	2	-	86,030	369,155	112,316	195,973	195,973	195,973	113,199	173,272	189,615

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	-	86,030	369,155	112,316	195,973	195,973	195,973	113,199	173,272	189,615
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	86,030	369,155	112,316	195,973	195,973	195,973	113,199	173,272	189,615
Application of cash and investments											
Unspent conditional transfers		-	18,411	34,845	36,217	22,312	22,312	22,312	22,056	23,379	24,782
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	(8,539)	(8,539)	(8,539)	(8,539)	(8,539)	(8,539)	(55,127)	(57,909)	(60,821)
Other working capital requirements	3	-	292,083	(81,281)	208,225	10,029	10,029	10,029	32,646	35,676	37,655
Other provisions		-	9,170	7,456	7,202	8,114	8,114	8,114	8,114	8,601	9,117
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	230	230	230	230	230	230	230	244	259
Total Application of cash and investments:		-	311,355	(47,288)	243,335	32,147	32,147	32,147	7,920	9,991	10,992
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		-	(225,325)	416,443	(131,019)	163,826	163,826	163,826	105,280	163,281	178,623
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		-	(225,325)	416,443	(131,019)	163,826	163,826	163,826	105,280	163,281	178,623
References											
1. Must reconcile with Budgeted Cash Flows											
2. For example: VAT, taxation											
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)											
4. For example: sinking fund requirements for borrowing											
5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve											
Other working capital requirements											
Debtors		-	39,627	159,517	23,399	74,826	74,826	74,826	118,979	124,880	132,355
Creditors due		-	331,710	78,236	231,624	84,855	84,855	84,855	151,625	160,556	170,010
Total		-	(292,083)	81,281	(208,225)	(10,029)	(10,029)	(10,029)	(32,646)	(35,676)	(37,655)
Debtors collection assumptions											
Balance outstanding - debtors		-	63,813	139,304	44,085	121,151	121,151	121,151	109,510	116,161	123,217
Estimate of debtors collection rate		0.0%	62.1%	114.5%	53.1%	61.8%	61.8%	61.8%	108.6%	107.5%	107.4%

Explanatory notes to Table A8 – Cash-backed reserves/accumulated surplus reconciliation

The municipality will be assessed to check the funding of the budget, municipality are encouraged to table Funded Budget and if it is not possible the municipality are required to adopt a Funded Budget Plan or Financial Recovery Plan, in Nama Khoi Municipality case the FINAL Budget was found to be funded and our assessment shows that the FINAL Budget is also funded, the municipality will however, going to submit the Funded Budget Plan as well as the Cost Containment Report as part of the monthly Section 71 submission,

It must be noted that the municipality is currently in the ESKOM Debt Relief Programme and has already received 1/3 write-off of the debt; the municipality awaits the second write-off and will reach the full cycle end of July 2026.

The municipality also entered the Water Incentive Scheme and is reporting on the scheme on a monthly basis.

The above explanation will finally put the municipality in a position to entirely focus on service delivery issues while maintaining only a monthly account for bulk purchases.

This table is significant to make sure that we have a funded Budget. Nama Khoi Showed a surplus of R105 million, which indicates we have a **FUNDED BUDGET**. **It must however be noted that the collection rate shows 109 as per the calculation on A8 and should be closer to 90%, the municipality has indicated that the service provider should use 88%.**

Public Participation

OVERALL RECURRING THEMES ACROSS MOST COMMUNITIES

The following issues were repeatedly raised across multiple towns:

1. Water Supply and Water Infrastructure
2. Housing Shortages and Residential Stands
3. Poor Road Maintenance and Upgrading
4. Street Lighting and Public Safety
5. Lack of Service Delivery
6. Poor Communication and Community Feedback
7. Failure to Implement IDP Priorities
8. Sanitation and Sewer Infrastructure Challenges
9. Job Creation and Economic Development
10. Maintenance of Community Facilities
11. Waste Management and Illegal Dumping
12. **Land Administration and Property-Related Challenges**

These issues represent the highest-priority concerns consistently raised by communities throughout the Nama-Khoi Municipal area.

INTEGRATED DEVELOPMENT PLAN

The IDP will be submitted to Council as a separate document

A1 Schedule, Policies, Tariffs, and all other required documents will be submitted as attachments to the budget

Quality Certificate

I, Don Malan, acting Municipal Manager of Nama Khoi Municipality, at this moment, certify that the FINAL BUDGET and supporting documentation have been prepared by the Municipal Finance Management Act and the regulations made under the Act and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Municipal Manager of Nama Khoi Municipality (NC062)

Signature

Date 28 May 2026