

# DANNHAUSER LOCAL MUNICIPALITY

FINAL ANNUAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2026/2027  
FINANCIAL YEAR:



**2026/27 TO 2027/29**

**Medium term Revenue and Expenditure framework.**

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## Glossary

**Annual Budget** — Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

**Adjustment Budget** — Prescribed in section 28 of the MFMA — the formal means by which a Municipality may revise its annual budget during the year.

**Allocations (Transfers — see DORA)** Money received from Provincial or National Government

**Budget Related Policies** of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

**Capital Expenditure** Spending on assets such as land, buildings, and machinery. Any capital expenditure must reflect as an asset on the Municipality's statement of financial position and must be included in the asset register.

**DORA** — Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

**Equitable Share** — A general grant paid to municipalities. It is targeted to help with free basic services.

**Fruitless and Wasteful Expenditure** — Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

**GRAP** — Generally Recognized Accounting Practice. The standards for municipal accounting

**IDP** — Integrated Development Plan. The main strategic planning document of the Municipality

**MBRR** —Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations of April 2009.

**MFMA** — The Municipal Finance Management Act — Act No. 56 of 2003. The principal piece of legislation relating to municipal financial management.

**MIG** — Municipal Infrastructure Grant. Funds allocated by National Treasury to be applied toward addressing infrastructure backlogs in the municipal area.

**MSCOA** — Municipal Standard Chart of Accounts

**MTREF** - Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

**Operating Expenditure** — The day-to-day expenses of the Municipality such as salaries and wages.

**Rates** — Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rate-able value is multiplied by the rate in the Rand.

**Statement of cash flows** — A statement showing sources and application of actual cash.

**SDBIP** — Service Delivery and Budget Implementation Plan. A detailed quarterly performance targets and monthly budgeted estimates.

**Strategic Objectives** — The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorized Expenditure** — Generally, spending without, or in excess of, an Approved Budget.

**Virement Policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** — One of the main segments into which a budget is divided. This means the different CFS classification the budget is divided.

### **Legislative Framework**

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act — Act No. 56 of 2003

- Section 52: Quarterly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

## MAYORS' REPORT

To the Honourable Speaker, EXCO members, Councillors, Amakhosi, the Municipal Manager, Heads of Departments, municipal officials, and members of the community.

It is my pleasure, in my capacity as Mayor of the Dannhauser Local Municipality, to present the Final medium-term revenue and expenditure framework (MTREF) for the 2026/2027 financial year and two outer years. In terms of section 24 of the MFMA – the municipal council must least 30 days before the start of the budget year consider approval of the annual budget.

The process of preparing the budget started in August 2025 with the adoption of the budget process plan by Council. The final budget is presented to Council after various consultations with the communities during the IDP forum Imbizos and with the respective officials of the municipality. I would like to take this opportunity to thank each and every one of you for your contribution to the processes that have ensured that Dannhauser once again was able to meet all the requirements pertaining to the finalization of the final budget and IDP for the 2026/2027 financial year.

The tabling and adoption of the final budget today will make it possible for the municipality to once again submit its budget to the respective Treasuries timeously. Again, your contribution is duly acknowledged.

In arriving at this milestone, the municipality has complied with the requirements of the Municipal Finance Management Act, particularly in terms of the timeframes and format. There has been extensive public consultation with all relevant stakeholders which culminated in a joint IDP/Budget Imbizo.

I am confident that the final budget is credible and is aligned to the IDP. We must all be mindful of the fact that it is not possible for the municipality to implement all the projects that have been requested by the communities in one year.

The budgetary constraints compel the municipality to prioritize projects and implement projects within the limits of the available financial resources. This is what we must all make the communities understand. On administration side, all councilors and officials will have to be mindful of the recommended cost containment measures to be implemented by all government departments at all levels.

Ladies and gentlemen, I present to you the 2026-2027 Final Annual Budget and IDP for Dannhauser Local Municipality.

## The 2026/2027 Final budget highlights several critical financial hurdles:

**Liquidity issues** – The municipality is experiencing liquidity constraints, resulting in ongoing cash flow pressures and challenges in meeting short-term financial obligations.

**Revenue Collection Gap** – Outstanding debt from residents/ business exceeds R100 million, stalling service delivery.

**Grant Dependency** – A lack of diverse funding sources leaves the municipality reliant on external grants.

**Budget impact** – these factors make it challenging to comply with standard budgeting framework while accurately representing the municipality' financial health.

## Financial summary reference

For the 2026/27 financial year, the projected commitments are:

Total operating expenditure : R 170 025 000.00

Capital expenditure : R 34 746 689.31

**Total : R 204 771 689.31**

## Revenue Projections

Council is hereby informed that the total Revenue Estimates for the 2026/27 financial year amount to R218 915 367.00

The main income source is attributable to the Rates income and Operational grants (Incl. equitable share) as shown below:

REVENUE SOURCES	AMOUNT
Property rates	52,378,272.00
Service charges - Waste Management	4,786,992.00
Rental from fixed assets	133,608.00
Agency services	1,000,000.00
Interest earned from Current and Non Current Assets	2,000,004.00
Sale of Goods and Rendering of Services	600,444.00
Operational Revenue	999,996.00
Transfer and subsidies - Operational	124,044,000.00
Interest	2,917,603.00
Fines, penalties and forfeits	770,440.00
Licences and permits	1,406,004.00
Gains on disposal of Fixed and Intangible Assets	1,500,000.00
<b>sub-total</b>	<b>192,537,363.00</b>
Transfers and subsidies - capital (monetary allocations)	26,378,004.00
<b>Total</b>	<b>218,915,367.00</b>

The projected revenue will be utilized to cover the standard operational costs of the municipality. The primary expenditure categories are outlined below:

**Councillors Allowances : R 13 711 803**

An increase of 4.75% has been budgeted for salaries.

**Staff Allowances and Salaries : R 63 879 468**

**General Expenditure : R 18 700 776**

**Contracted Services : R 13 569 988**

**Debt impairment : R 22 022 000**

<b>Depreciation and impairment Assets</b>	<b>: R 34 970 000</b>
<b>Interest, Dividends and Rent on Land</b>	<b>: R 2 500 000</b>
<b>Inventory consumed</b>	<b>: R 420 000</b>
<b>Irrecoverable debts written off</b>	<b>: R 250 000</b>

The repairs and maintenance budget have been tailored to meet the technical department's specific needs.

### Capital Expenditure

The total capital budget is estimated at **R 34 746 689.31**, and it is divided as follows:

<b>PROJECTS</b>	<b>AMOUNTS</b>
	<b>R</b>
COMPUTER EQUIPMENT	415,827.86
MACHINERY AND EQUIPMENT	10,000.00
MUNICIPAL VEHICLES-DOUBLE CAB	500,000.00
FURNITURE AND EQUIPMENT -NEW OFFICES	763,135.93
CONSTRUCTION OF BUILDINGS( HALL)	6,500,000.00
CONSTRUCTION OF NGUQUNGUQU CULVERT ROAD MIG	3,789,797.00
CONSTRUCTION OF INFRASTRUCTURE( ROADS) MIG	15,063,538.00
CONSTRUCTION OF NEW OFFICES	486,772.61
CHILD CARE FACILITY	1,736,665.00
ELECTRIFICATION	2,198,004.36
MAST LIGHT	600,000.00
WATER HARVESTING	456,798.55
CEMETRY FENCING	1,629,150.00
ANIMAL POUND HOUSE	400,000.00
SKIP BINS	197,000.00
<b>TOTAL</b>	<b>34,746,689.31</b>

### 1.2 Council Resolution

In 30 May 2026, the Dannhauser Municipal Council met to consider the Final Annual budget of the municipality for the 2026/27 financial year. The Council approved and adopted the following resolutions:

- (a) That the operating and capital budgets for the 2026/27 financial year and the two outer years be approved by the Council in terms of section 24(1),(2(a,b,c)) and 3 of the Municipal Finance Management Act 56/2003,

- 1.1. That in terms of section 2 of the Local Government Municipal Property Rates Act 6/2004, as amended, the general rate to be levied on the market value of all ratable property for the 2026/27 financial year be adjusted and set as follows; This estimate was informed by the valuation roll in place with the existing tariffs. The overall effective increase in rates is **3.4%-5%**. This is in accordance with the latest inflation rate.

### Exemptions, Reductions and Rebates

- **Residential property:** for all residential properties, the municipality will not levy a rate on the first R15,000.00 of the property's market value. The R15,000.00 is inclusive of the R50,000.00 statutory impermissible rate as per section 17(1)(h) of the Municipal Property Rates Act.

### Indigents in respect of category of owners of property are as follows

- Indigent owners as per the indigent policy
- Child headed households as per the indigent policy
- Owners who are grant dependents as per the indigent policy
- The Proposed rebates to different categories of properties are depicted below:

Category of Property	Rate Tariff 2026/27
Agriculture	30%
Commercial	10%
Industrial	10%
Municipal	0%
Place of Worship	0%
Public Benefit Organisation	0%
Public Service Infrastructure	0%
Public Service Purposes	0%
Residential	15%
Public Services Purposes	10%
Vacant Property	10%
Place of Workshop	0%

Proposed changes to rates are shown below:

Category of Property	Rate Tariff 2025/26	Estimated Rate Tariff 2026/27
Residential property	1.74	1.80
Business and commercial property	6.10	6.40
Industrial property	6.12	6.42
Agricultural property	0.44	0.46
Public service infrastructure property	0.44	0.45
Public Service Purposes	6.91	7.15
Public benefit organisation property	NIL	NIL
• Vacant Property	• 13.13	• 13.58
• Municipal	• NIL	• NIL
• Place of Worship	• NIL	• NIL

- That in terms of section 26 (1) (a) of the Municipal Property Rates Act 6/2004 the general rates for the 2026/2027 financial year be recovered in 12 monthly installments and that the final date and time for payment of each monthly installment be 15:00 hours on the last working day of each month,
- That the budgeted salary increases as negotiated and finalized by the Bargaining Council for staff be implemented from 1 July 2026.
- That the attached amended Tariff of Charges be approved.
- That the budget, once adopted, be submitted to the National and Provincial Treasuries.

That the following policies and by-laws be reviewed and approved.

- Value Added Tax Policy
- Unauthorized, Irregular, or Fruitless and Wasteful Expenditure Policy
- Cash, Banking and Investment Policy
- Subsequent Policy
- Subsistence and Travelling Policy
- Petty Cash Policy
- Overtime and Standby Policy
- Property Rates Policy
- Property Rates bylaw
- Tariffs Policy
- Indigent Policy
- Customer Care, Debt and Credit Control Policy
- Credit control bylaw
- Provisional for doubtful Debtor and Debt Write-Off Policy
- SCM Procedure Manual
- UIFW Reduction Plan or Strategy Policy
- Cost containment policy
- Payroll policy
- Retention Policy
- Contract Management Policy
- Commitments Policy
- Consultant Policy
- Gift and Donation Policy
- Fixed Asset and Accounting Policy
- SCM Policy
- Budget Policy
- Loss Control Policy
- Virement Policy
- Expenditure management Policy

- (a) That the budgeted salary increases as negotiated and finalized by the Bargaining Council for staff be implemented.
- (b) That the attached amended Tariff of Charges be approved.
- (c) That the budget, once adopted, be submitted to the National and Provincial Treasuries.
- (d) That the following policies and by-laws be reviewed and approved

## Executive Summary

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

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were given to historical debts, as part of the strategy the municipality wants to eradicate or minimize all debts in 2026/27. The plan to ensure that the municipality reduces significantly all debts in 2026/27. This has been prioritised in the 2026/27 Final Budget to support and maintain a healthy cash flow position. In addition, the municipality has considered guidance from Provincial Treasury aimed at reducing expenditure and ensuring that the municipal budget remains funded.

To enhance financial sustainability, the municipality has launched various debt -recovery initiative, including discount incentive for rates payers.

## MFMA Circular No. 134 Municipal Finance Management Act No. 56 of 2003

### The highlight of the circular

GDP growth is expected to average 1.8 per cent from 2026 to 2028. Medium-term growth will be underpinned by household consumption supported by further gains in real purchasing power, moderately stronger wage growth, easing inflation, wealth gains from rising asset prices, improved consumer sentiment and better credit conditions. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment

The following macro-economic forecasts must be considered when preparing the 2026/27 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2025 - 2029**

Fiscal year	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Forecast		
CPI Inflation	4.4%	3.2%	3.4%	3.3%	3.2%

Source: National Treasury Budget Review 2026.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

Inflation is expected to increase from 3.2 per cent in 2025 to 3.4 per cent in 2026, driven by higher food prices (particularly meat due to supply disruptions linked to foot-and mouth disease). Inflation is forecast to ease to 3.3 per cent in 2027 and 3.2 per cent in 2028, but risks from geopolitical tensions, exchange rate volatility, administered prices and animal disease outbreaks remain elevated. The reduction of the inflation target to 3 per cent with a 1 percentage point tolerance band will structurally reduce inflation, helping to protect real income levels.

In April 2024, the National Treasury initiated a comprehensive review of the budget process, with the goal of identifying and implementing reforms that would enhance the efficiency, transparency, and effectiveness of public resource allocation. It has resulted in a set of accountable reform proposals outlined below.

### Budgeting for a Funded Budget

National Treasury has observed over the years that many municipalities that adopt unfunded budgets are adopting budget funding plans as a mere compliance exercise. There is very little progress made to turn around from an unfunded budget position, to a funded one. As communicated before the release of MFMA Circular No. 129 (issued during December 2024), this will be the last year that ending funding plan as an instrument to facilitate measurable progress will be allowed. The enforce of compliance with Section 18 of the MFMA will now start taking precedence.

**Table 1 Consolidated Overview of the 2026/27 MTREF**

	Final Budget 2026/27	Budget year +1 2027/28	Budget year +2 2028/29
<b>Total Revenue</b>	- 218,915,367.00	- 216,000,277.61	- 228,864,990.10
<b>Total Expenditure</b>	204,771,689.31	211,529,155.06	218,298,088.02
<b>Deficit/ surplus</b>	- 14,143,677.69	- 4,471,122.55	- 10,566,902.08

For the 2026/ 27 financial year, total revenue is projected to grow by 3.4%, primarily driven by inflation. However, a 2.5% decrease in the Equitable share poses a significant challenge to service delivery. Total expenditure is appropriate at R 204 771 689, representing a 2.2% decrease from the previously adjusted budget. Notably the capital budget of R 34 746 689.31 has been reduced by 39% compared to the 2025/26 adjusted figures.

For Dannhauser Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times, strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with developmental backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariffs increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy.
- Growth in the municipal area and continued economic development.
- Efficient revenue management, which aims to ensure at least 90 per cent annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific charges especially in relation to services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) as amended (MPRA);
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

It must be noted that the municipality's only sources of own income are rates and refuse collection thus being highly dependent on grants. The municipality is always on the lookout for other sources of income to enhance its revenue base.

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

**Table 2 Summary of revenue classified by main revenue function**

Revenue by Vote	DRAFT BUDGET 2026/27	BUDGET YEAR + 1 2027/28	BUDGET YEAR +2 2028/29
Finance	-60,355,319	- 62,347,044.53	- 64,342,149.95
Corporate Services	-633,610	- 654,519.50	- 675,464.12
Technical Services	-350,000	- 361,550.00	- 373,119.60
Community Services	-7,409,432	- 7,653,943.26	- 7,898,869.44
Planning Services	-595,000	- 614,635.00	- 634,303.32
Municipal Manager			
<b>Total</b>	<b>-69,343,361</b>	<b>- 71,631,692.28</b>	<b>- 73,923,906.44</b>

The department or Functions of the municipality are not generating enough revenue. The only function that brings revenue is finance. The municipality needs revenue enhancement strategies, think and deliberate on building various sources of revenue. This could boost the overall revenue for the institution and accelerate service delivery.

**Table 3 Operating Transfer and Grants Receipts**

	<b>2026/27 Medium Term Revenue and Expenditure framework</b>		
	<b>DRAFT BUDGET 2026/27</b>	<b>BUDGET YEAR + 1 2027/28</b>	<b>BUDGET YEAR +2 2028/29</b>
<b>Operating Transfers and Grants</b>			
<b>National Government</b>			
Local Government Equitable share	116,776,000.00	115,446,000.00	124,309,000.00
Finance Management Grant	2,200,000.00	2,300,000.00	2,400,000.00
EPWP Program	1,709,000.00		
Municipal infrastructure Grant Operational	1,024,666.00	1,058,479.98	1,092,351.34
	<b>121,709,666.00</b>	<b>118,804,479.98</b>	<b>127,801,351.34</b>
<b>Provincial Government</b>			
Art and Culture Library Services	1,118,000.00	2,210,620.00	2,281,360.00
Art and Culture :Cyber Cadet	1,491,000.00	572,282.00	590,595.00
	<b>2,609,000.00</b>	<b>2,782,902.00</b>	<b>2,871,955.00</b>
<b>Total</b>	<b>124,318,666.00</b>	<b>121,587,381.98</b>	<b>130,673,306.34</b>

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

### Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The general rates rand-age to be applied for the 2026/27 financial year is unchanged and is 2.1% for residential, commercial, industrial and vacant properties. The rate range applicable to agricultural and public service infrastructure will be 51%.

National Treasury's MFMA Circulars deals, inter alia, with the implementation of the Municipal Property Rates Act and the amended regulations issued by the Department of Co-operative Governance. The amended regulations came into effect on 1 July 2016 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties. The Property Rates Policy of the Municipality has been amended accordingly.

### The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 15 per cent rebate will be granted on all residential properties;
- 30 per cent rebate will be granted on all agricultural properties;
- 100 per cent rebate will be granted to registered Public Benefit organizations;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 100/25 per cent calculated on a sliding scale in terms of the municipality's Rates Policy. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;

- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential

### **Waste Removal and Impact of Tariff Increases**

Currently solid waste removal is only provided in ward 2 in the municipality. There is a potential of extending services to businesses in rural areas and collect more revenue, the council shall look at that potential and value that potential. The municipality has not been changing the rand-ages over 10 years, for refuse collection. Therefore, the proposed rand-age change from R 68.10 to R 181 (Residential Property), & R 159.87 to R 375 (Business).

### **Sale of Goods and Rendering of services**

The municipality anticipates an increase in revenue from the sale of goods and rendering of services, particularly from billboard advertising tariffs. This projected growth is attributed to increased demand for advertising space during the local government election year, as political parties and candidates are expected to intensify their advertising and public awareness campaigns.

### **Agency Services**

The municipality has budgeted **R1 million** for Agency Services. This allocation is driven by tariff increases within the Protection Services Department and growing demand for services across the district area.

### **Interest earned**

The municipality is introducing designated payment run days each month for service providers. This will enable more effective cash flow management, as funds will remain invested in call accounts for longer periods before being withdrawn for payments. As a result, the municipality is expected to earn additional interest on its call account investments, thereby enhancing investment income while maintaining timely payments to service providers.

### **Rental from Fixed Assets**

The municipality will renew lease agreements with occupiers of municipal buildings and land to strengthen the enforcement of rental payments. Occupiers who are in arrears or no longer complying with the terms of their agreements will be subject to appropriate action, including termination of occupancy where necessary. This initiative is expected to improve revenue collection and enhance the management of municipal fixed assets.

### **Fines, penalties and Forties**

The municipality has not yet linked the renewal of driving licences to the AARTO system, which would enhance the collection of traffic fines by requiring motorists to settle outstanding fines before renewing their licences. As this system has not yet been implemented, the municipality has recognised the limitations in its ability to collect traffic fines. Consequently, a reduction in the traffic fines revenue budget has been provided for, reflecting the anticipated lower collection levels.

### **Licences or Permits**

The service delivery of the Licensing Department was adversely affected by load shedding during the previous financial year. To ensure uninterrupted operations during future power outages, the municipality has resolved to procure a generator. This will enable the department to remain fully operational during periods of electricity disruption, resulting in an increase in the projected budget allocation for the upcoming financial year.

## Gains on Disposal of Fixed and intangible Assets

The Council has approved the disposal of fixed assets that are no longer providing full-capacity service. The disposal is expected to generate a gain of approximately R1.5 million.

## Operating Expenditure Framework

The municipality's expenditure framework for the 2026/27 budget and MTREF are informed by the following:

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

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

### Summary of operating expenditure by standard classification item

Expenditure by type	2026/27 Medium Term Revenue and Expenditure framework		
	Final BUDGET 2026/27	BUDGET YEAR + 1 2027/28	BUDGET YEAR +2 2028/29
Employee related costs	63,879,468.00	69,589,807.89	74,006,138.70
Remuneration of Councillors	13,711,812.00	11,414,547.21	12,145,078.23
Interest expense	2,500,000.00	2,582,500.000	2,665,140.000
Depreciation and impairment	34,970,160.00	11,414,547.21	11,779,812.723
Debt impairment	22,022,424.00	22,749,163.992	23,477,137.240
inventory -consumed	420,000.00	433,860.00	447,743.52
Contracted services	13,569,988.00	14,017,797.60	14,466,367.13
Irrecoverable debts written off	250,000.00	258,250.00	266,514.00
Operational costs	18,700,776.00	19,317,901.61	19,936,074.46
Totals	170,024,628.00	151,778,375.51	159,190,006.00

## Employees related costs

The budgeted allocation for employee related costs for the 2026/27 financial year total **R 63 879 468**, which equals 37 percent of the total operating expenditure. Salary increases as negotiated SALGBC and Labor for the 2026/27 year is 4.75%. An annual increase of 3.3% & 3.2% respectively in the two outer years of the MTREF. As part of the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. In addition, expenditure against overtime was

significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

Employee-related costs have increased due to the municipality's decision to reduce expenditure on contracted services. Functions and services previously performed by external consultants and service providers are now being undertaken internally by municipal employees. As a result, employee-related costs have increased and are now approaching the 40% norm/cap. This shift reflects the insourcing of services rather than growth in staffing levels alone, while contributing to reduced spending on contracted services

### **Remuneration of Councillors**

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). An increase of **3.0** on the upper limits in line with the latest Government Gazette has been budgeted for. In the 2025/26 financial year, councillors' remuneration increased mainly because municipalities implemented the new upper limits determined by the Minister of Cooperative Governance and Traditional Affairs, and in some cases, councillors also received back pay linked to the delayed gazetting and implementation of the increases.

The expenditure on Remuneration of Councillors/Councillors' Allowances in 2025/26 was mainly attributable to councillors' pension backpay and salary increment backpay. For the 2026/27 financial year, the municipality does not anticipate significant backpay obligations, and expenditure is therefore expected to return to normal levels.

### **Inventory Consumed**

The municipality has introduced a stores management system, which was not in place in previous years. This system will help mitigate the impact of price increases and ensure that materials are readily available whenever they are needed.

### **Interest, dividends and rent on land**

The municipality has an agreement with the Development Bank of Southern Africa (DBSA), and an amount of R2.5 million is budgeted for payment in the 2026/27 financial year in respect of interest and/or related financing charges.

### **Contracted Services**

Contracted services decreased from R42 million in the adjusted budget to R18 million in the 2026/27 financial year, primarily due to reduced use of consultants and the implementation of cost containment measures.

### **Irrecoverable debts written off**

The municipality is currently offering discounts on property rates and refuse removal charges. This initiative is expected to result in the write-off of outstanding debtor balances, with an estimated amount of R250 000.00 for the 2026/27 financial year.

### **Operation Cost**

Operation costs have decreased compared to the previous year's budget as the municipality has prioritised infrastructure projects aimed at improving service delivery. This reduction is mainly due to the implementation of cost-containment measures.

## Repairs and Maintenance

The municipality has budgeted R8 million for repairs and maintenance, which is significantly below the 8% norm. The municipality plans to adjust the budget to align with the norm in the 2027/28 and 2028/29 financial years.

## Depreciation and impairment

Provision for depreciation and asset impairment has been made by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. There is a **R 34 970 000.00** provision for debt impairment and depreciation in the budget which is in line with the annual financial statements for 2024/25 financial year. It should be noted that's this are non-cash items however they play a significant role in unauthorized expenditure if not budgeted accurately.

## Contracted Services

Contracted services have been identified as a cost-saving area for the municipality. As part of the compilation of the 2026/27 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2026/27 financial year, this group of expenditure total **R 13 569 988.00 following the advice from Provincial Treasury**. Further details relating to contracted services can be seen in MBRR SA1.

Other expenditure comprises various line items relating to the daily operations of the municipality. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The municipality acknowledges that it has not achieved the 8% target and intends to improve in the coming years. Once the municipality's cash flow challenges improve, it will begin budgeting appropriately for repairs and maintenance.

## Priority given to repairs and maintenance

The municipality should prioritize the maintenance of built infrastructure through an asset renewal strategy and a comprehensive maintenance plan that is aligned to the Medium-Term Revenue and Expenditure Framework (MTREF) budget. In terms of the Municipal Budget and Reporting Regulations (MBRR), repairs and maintenance are not classified as direct expenditure drivers. Instead, they are regarded as outcomes of other expenditure items, including employee-related costs, the procurement of materials and supplies, and contracted services. During the compilation of the 2026/27 MTREF, operational repairs and maintenance were identified as a strategic imperative due to the ageing municipal infrastructure and the historical underinvestment in maintenance, which has resulted in significant deferred maintenance backlogs.

## Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register 250 or more indigent households during the 2026/27 financial year, a process that is being reviewed annually. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government (FBE electricity) through the local government's equitable share received in terms of the annual Division of Revenue Act.

**Cash Flow**

The budgeted receipt of 80% of interest earned on outstanding debtors is considered acceptable because the municipality has embarked on a stringent debt collection drive towards the latter part of the current year. Furthermore, the amount of +/- 31 million owed by the Organs of state is expected to be received in the current financial year upon implementation of Debt Collection and Credit Control Policy as well as engaging through IGR processes. If need be the budgeted cash flow will be adjusted during the adjustment budget process.

**mSCOA Implementation**

The Budget is broken down in the mSCOA format for uploading onto the National Treasury Portal.

**Capital Budget****New assets and renewal of assets**

Dannhauser Local Municipality's infrastructure consists exclusively of roads, community halls, municipal buildings and sport fields. Funding for the preservation of these assets is allocated within the repairs and maintenance budget.

**GPS Co-ordinates**

The municipality reviews its Fixed Assets Register in compliance with GRAP and there were no material issues raised during the 2024/2025 audit. Part of the review process is to allocate and update GPS co-ordinates for all infrastructure.

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

Vote 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
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - MAYOR & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - HUMAN RESOURCES: CORPORATE SERVICES OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE: DEFAULT OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - PROJECT MANAGEMENT UNIT: TECHNICAL SERVICES OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 5 - SOLID WASTE REMOVAL: COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - MUNICIPAL MANAGER OFFICES		-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - MAYOR & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - HUMAN RESOURCES: CORPORATE SERVICES OFFICE		-	3,602	18,388	3,430	4,210	4,210	1,689	1,745	1,801	
Vote 3 - FINANCE: DEFAULT OFFICE		-	14,003	14,709	1,005	1,565	1,565	-	-	-	
Vote 4 - PROJECT MANAGEMENT UNIT: TECHNICAL SERVICES OFFICE		42,577	8,230	12,692	78,650	55,418	55,418	30,832	31,677	32,616	
Vote 5 - SOLID WASTE REMOVAL: COMMUNITY SERVICES		(1,011)	200	275	3,815	1,833	1,833	2,226	2,096	2,373	
Vote 6 - MUNICIPAL MANAGER OFFICES		1	-	-	-	-	-	-	-	-	
Vote 7 -		-	-	-	-	-	-	-	-	-	
Vote 8 -		-	-	-	-	-	-	-	-	-	
Vote 9 -		-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		41,566	26,035	46,064	86,901	63,025	63,025	34,747	35,518	36,790	
<b>Total Capital Expenditure - Vote</b>		41,566	26,035	46,064	86,901	63,025	63,025	34,747	35,518	36,790	
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		4	17,605	33,096	4,435	5,775	5,775	1,008	1,689	1,801	
Executive and council		4	-	-	-	-	-	-	-	-	
Finance and administration		-	17,605	33,096	4,435	5,775	5,775	1,008	1,689	1,801	
Internal audit		-	-	-	-	-	-	-	-	-	
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	
Community and social services		-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
<b>Economic and environmental services</b>		42,579	8,230	12,692	78,650	55,418	55,418	28,727	30,832	31,677	
Planning and development		42,579	8,230	12,692	78,650	55,418	55,418	28,727	30,832	31,677	
Road transport		-	-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	
<b>Trading services</b>		(1,011)	200	275	3,815	1,833	1,833	1,261	2,226	2,373	
Energy sources		-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	
Waste management		(1,011)	200	275	3,815	1,833	1,833	1,261	2,226	2,373	
Other		-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional</b>	3	41,572	26,035	46,064	86,901	63,025	63,025	30,997	34,747	35,518	
<b>Funded by:</b>											
National Government		-	(0)	7,179	13,500	26,095	26,095	10,236	25,353	27,028	
Provincial Government		-	-	-	11,250	10,523	10,523	332	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (Net / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	
Transfers recognised - capital	4	-	(0)	7,179	24,750	36,618	36,618	10,568	26,190	27,028	

For 2026/27 financial year amount to R 25 353 000 has been allocated to MIG projects as follows:

DANNHAUSER MUNICIPALITY (KZ254)			
FINAL BUDGET & MTREF FOR 2026- 2029			
CAPITAL BUDGET 2024/2025- 2026/2027			
DEPARTMENT & VOTE NO.	DRAFT BUDGET 2026/27	PROJECTED BUDGET 2027/28	PROJECTED BUDGET 2028/29
CONSTRUCTION OF EMPUNGWINI COMMUNITY HALL	6,500,000.00	6,714,500.00	6,929,364.00
CONSTRUCTION OF INFRASTRUCTURE (ROAD)MIG	18,853,335.00	18,233,334.80	18,233,334.80
<b>Total</b>	<b>25,353,335.00</b>	<b>24,947,834.80</b>	<b>25,162,698.80</b>

Capital Projects that are finance from own source remains a challenge due to availability of funds, lack of proper planning, lack of proper costing to the projects. Other capital expenditure will be funded internally to the amount of R 9 393 000.

**Explanatory notes to MBRR Table A1- Budgets summary**

Choose name from list - TABLE A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	30,853	44,591	42,201	46,713	48,738	48,738	42,373	52,378	54,107	55,838
Service charges	1,345	1,349	5,174	2,154	2,154	2,154	1,838	4,787	4,945	5,103
Investment revenue	1,150	2,080	2,827	1,500	1,500	1,500	1,520	2,000	2,066	2,132
Transfer and subsidies - Operational	114,744	119,816	125,895	128,259	126,388	126,388	124,385	124,044	118,521	127,509
Other own revenue	6,358	4,460	8,033	3,675	5,332	5,332	3,080	9,328	7,467	7,764
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>154,451</b>	<b>172,295</b>	<b>184,131</b>	<b>182,301</b>	<b>184,112</b>	<b>184,112</b>	<b>173,196</b>	<b>192,537</b>	<b>187,105</b>	<b>198,346</b>
Employee costs	40,141	40,860	67,917	33,625	53,353	53,353	60,285	63,879	67,817	72,248
Remuneration of councillors	10,806	12,921	12,629	12,707	23,954	23,954	13,546	13,712	20,847	22,265
Depreciation, amortisation and impairment	88,091	39,978	34,970	35,000	35,000	35,000	42,206	34,970	22,291	23,005
Interest, Dividends and Rent on Land	4,961	4,565	4,254	5,300	4,300	4,300	1,036	2,500	2,583	2,665
Inventory consumed and bulk purchases	7,544	3,180	1,037	250	250	250	41	420	434	448
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	84,436	90,345	109,779	68,803	78,394	78,394	41,738	54,543	33,332	34,402
<b>Total Expenditure</b>	<b>235,977</b>	<b>191,848</b>	<b>230,586</b>	<b>155,685</b>	<b>195,252</b>	<b>195,252</b>	<b>158,852</b>	<b>170,025</b>	<b>147,305</b>	<b>155,033</b>
<b>Surplus/(Deficit)</b>	<b>(81,527)</b>	<b>(19,552)</b>	<b>(46,455)</b>	<b>26,616</b>	<b>(11,140)</b>	<b>(11,140)</b>	<b>14,344</b>	<b>22,513</b>	<b>39,801</b>	<b>43,313</b>
Transfers and subsidies - capital (monetary allocations)	28,441	28,629	28,022	37,345	36,618	36,618	(28,401)	26,378	28,910	29,715
Transfers and subsidies - capital (in-kind)	102	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(52,984)</b>	<b>9,076</b>	<b>(18,433)</b>	<b>63,961</b>	<b>25,478</b>	<b>25,478</b>	<b>(14,057)</b>	<b>48,891</b>	<b>68,711</b>	<b>73,028</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(52,984)</b>	<b>9,076</b>	<b>(18,433)</b>	<b>63,961</b>	<b>25,478</b>	<b>25,478</b>	<b>(14,057)</b>	<b>48,891</b>	<b>68,711</b>	<b>73,028</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	41,572	26,035	46,064	86,901	63,025	63,025	30,997	34,747	35,518	36,790
Transfers recognised - capital	-	(0)	7,179	24,750	36,618	36,618	10,568	25,353	26,190	27,028
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	(1,005)	-	122	52,645	26,408	26,408	3,316	9,393	9,328	9,762
<b>Total sources of capital funds</b>	<b>(1,005)</b>	<b>(0)</b>	<b>7,300</b>	<b>77,395</b>	<b>63,025</b>	<b>63,025</b>	<b>13,884</b>	<b>34,747</b>	<b>35,518</b>	<b>36,790</b>
<b>Financial position</b>										
Total current assets	37,084	43,142	46,578	102,409	(42,923)	(42,923)	79,721	90,273	(129,916)	(128,577)
Total non current assets	533,633	528,937	541,993	615,838	605,018	605,018	533,392	555,160	13,227	13,785
Total current liabilities	53,548	45,716	80,673	128,957	(7,763)	(7,763)	59,774	88,645	(185,400)	(187,820)
Total non current liabilities	35,843	35,961	35,928	35,961	35,928	35,928	36,964	35,928	-	-
Community wealth/Equity	481,326	490,402	539,519	553,329	436,484	436,484	516,375	520,860	68,711	73,028
<b>Cash flows</b>										
Net cash from (used) operating	194,484	(24,146)	(46,151)	225,563	26,949	26,949	26,949	118,255	(113,886)	(112,750)
Net cash from (used) investing	(47,082)	(31,384)	(27,628)	(86,901)	(113,071)	(113,071)	(113,071)	(34,747)	(74,890)	(76,757)
Net cash from (used) financing	(5,196)	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end:</b>	<b>162,369</b>	<b>(52,938)</b>	<b>(54,185)</b>	<b>158,256</b>	<b>(65,483)</b>	<b>(65,483)</b>	<b>(65,483)</b>	<b>104,148</b>	<b>(84,628)</b>	<b>(274,135)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	162,369	(52,938)	(54,185)	158,256	(65,483)	(65,483)	(65,483)	104,148	(84,628)	(274,135)
Application of cash and investments	42,179	38,899	72,053	183,542	(11,238)	(11,238)	59,615	86,842	(204,790)	(207,997)
<b>Balance - surplus (shortfall)</b>	<b>120,190</b>	<b>(91,837)</b>	<b>(126,238)</b>	<b>(25,285)</b>	<b>(54,244)</b>	<b>(54,244)</b>	<b>(125,098)</b>	<b>17,306</b>	<b>120,162</b>	<b>(66,138)</b>
<b>Asset management</b>										
Asset register summary (WDV)	336,698	192,487	453,626	397,197	516,651	516,651	-	466,793	13,227	13,785
Depreciation	44,520	28,161	21,579	20,000	20,000	20,000	-	21,579	22,291	23,005
Renewal and Upgrading of Existing Assets	10,082	1,837	1,587	6,750	4,340	4,340	-	1,760	1,818	1,876
Repairs and Maintenance	29,906	26,706	30,546	20,075	19,693	19,693	-	8,150	8,416	8,688
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	(0)	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

- Table A1** – serves as a high -level budgetary synopsis, consolidating key financial perspective including operations, capital spending, financial standing, cash flow and adherence to MFMA funding requirements.
- This table outlines Council- approved allocations for operational and capital needs, while highlighting the municipality’s financial health and its dedication to addressing service delivery gaps.
- 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. 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:
  - 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 recognized is reflected on the Financial Performance Budget;
  - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
  - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

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

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

Functional Classification Description	###	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
<b>Revenue - Functional</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		146,850	164,550	172,140	171,573	172,697	172,697	179,581	178,285	189,186
Executive and council		7	12	38	-	-	-	-	-	-
Finance and administration		146,843	164,539	172,103	171,573	172,697	172,697	179,581	178,285	189,186
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		28,461	24,187	24,254	26,430	28,540	28,540	27,607	30,076	31,023
Planning and development		28,461	24,187	24,254	26,430	28,540	28,540	27,607	30,076	31,023
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		7,683	12,186	15,758	21,643	19,492	19,492	11,727	7,654	7,853
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,683	12,186	15,758	21,643	19,492	19,492	11,727	7,654	7,853
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	182,994	200,924	212,153	219,646	220,730	220,730	218,915	216,015	228,061
<b>Expenditure - Functional</b>										
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		117,658	130,025	128,987	90,737	123,463	123,463	128,764	103,758	108,943
Executive and council		28,568	28,083	36,241	29,513	49,817	49,817	31,170	39,196	41,589
Finance and administration		89,090	101,942	92,746	61,223	73,646	73,646	97,594	64,562	67,354
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		97,016	39,944	62,956	39,768	45,903	45,903	21,513	22,605	23,807
Planning and development		97,016	39,944	62,956	39,768	45,903	45,903	21,513	22,605	23,807
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		21,303	21,878	38,642	25,180	25,885	25,885	19,748	20,942	22,283
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		21,303	21,878	38,642	25,180	25,885	25,885	19,748	20,942	22,283
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	235,977	191,848	230,586	155,685	195,252	195,252	170,025	147,305	155,033
<b>Surplus/(Deficit) for the year</b>		(52,984)	9,076	(18,433)	63,961	25,478	25,478	48,891	68,711	73,028
<b>References</b>										

1. Table A2 outlines the projected financial performance by categorizing revenue and expenditure according to standard classifications. Following the modified GFS standard. This structure allows revenue, operating costs and capital spending to be organized by function, assisting National Treasury in generating “whole of government reports”.
2. It should be noted that the total revenue in this table includes capital transfers (recognized capital). Consequently, it will not align with the operating figures found in Table A4.
3. Generally, the municipality aims for a financial model where the income generated by Trading Services surpasses their respective operational costs.

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

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

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - MAYOR & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - HUMAN RESOURCES: CORPORATE SERVICES OFFICE		62	1,341	1,402	1,500	100	100	250	258	267
Vote 3 - FINANCE: DEFAULT OFFICE		146,780	163,197	170,700	170,073	172,597	172,597	179,331	178,027	188,919
Vote 4 - PROJECT MANAGEMENT UNIT: TECHNICAL SERVICES		28,461	24,185	24,237	26,430	28,040	28,040	26,962	29,513	30,337
Vote 5 - SOLID WASTE REMOVAL: COMMUNITY SERVICES		7,683	12,186	15,758	21,643	19,492	19,492	11,727	7,654	7,853
Vote 6 - MUNICIPAL MANAGER OFFICES		7	12	38	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	182,994	200,921	212,135	219,646	220,230	220,230	218,270	215,452	227,375
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - MAYOR & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - HUMAN RESOURCES: CORPORATE SERVICES OFFICE		18,238	29,390	34,094	20,945	34,231	34,231	20,500	21,447	22,468
Vote 3 - FINANCE: DEFAULT OFFICE		70,853	72,552	58,652	40,278	39,416	39,416	77,094	43,114	44,885
Vote 4 - PROJECT MANAGEMENT UNIT: TECHNICAL SERVICES		97,016	39,898	61,834	33,526	37,790	37,790	16,792	17,604	18,492
Vote 5 - SOLID WASTE REMOVAL: COMMUNITY SERVICES		21,303	21,878	38,642	25,180	25,885	25,885	19,748	20,942	22,283
Vote 6 - MUNICIPAL MANAGER OFFICES		9,586	7,535	11,563	6,035	11,299	11,299	10,727	11,401	12,161
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	216,995	171,253	204,786	125,964	148,620	148,620	144,862	114,509	120,290
<b>Surplus/(Deficit) for the year</b>	2	(34,001)	29,668	7,349	93,681	71,610	71,610	73,409	100,943	107,085

**References**

1. Insert 'Vote'; e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

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

**MBRR Table A4: Budgeted Financial Performance (revenue and expenditure)**

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

Description	###	2023/23	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
<b>Revenue</b>											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	1,345	1,349	5,174	2,154	2,154	2,154	1,838	4,787	4,945	5,103
Sale of Goods and Rendering of Services	2	314	498	536	374	374	374	237	600	620	640
Agency services	2	1,397	1,195	876	200	918	918	798	1,000	1,033	1,032
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	105	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	2	1,150	2,080	2,827	1,500	1,500	1,500	1,520	2,000	2,066	2,132
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	19	48	21	23	1,633	1,633	46	134	138	142
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	36	1,108	865	100	200	200	49	1,000	1,033	1,066
<b>Non-Exchange Revenue</b>											
Property rates	2	30,853	44,591	42,201	46,713	48,738	48,738	42,373	52,378	54,107	55,838
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	1,376	889	2,106	301	1,054	1,054	696	770	176	287
Licences or permits	2	469	448	606	2,677	653	653	470	1,406	1,452	1,487
Transfer and subsidies - Operational	2	114,744	119,816	125,895	129,259	126,388	126,388	124,385	124,044	118,521	127,509
Interest	2	745	-	-	-	1,978	-	784	2,918	3,014	3,110
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	(159)	4	-	500	500	-	1,500	-	-
Other Gains	2	1,898	433	941	-	-	-	-	-	-	-
Discontinued Operations	2	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>154,451</b>	<b>172,295</b>	<b>184,131</b>	<b>182,301</b>	<b>184,112</b>	<b>184,112</b>	<b>173,196</b>	<b>192,537</b>	<b>187,105</b>	<b>198,346</b>
<b>Expenditure</b>											
Employee related costs	2	40,141	40,860	67,917	33,625	53,353	53,353	60,285	63,879	67,817	72,248
Remuneration of councillors	2	10,806	12,921	12,629	12,707	23,954	23,954	13,546	13,712	20,847	22,265
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	7,544	3,180	1,037	250	250	250	41	420	434	448
Debt impairment	2,3	8,317	14,959	22,022	-	-	-	-	22,022	-	-
Depreciation, amortisation and impairment	2	88,091	39,978	34,970	35,000	35,000	35,000	42,206	34,970	22,291	23,005
Interest, Dividends and Rent on Land	2	4,961	4,565	4,254	5,300	4,300	4,300	1,036	2,500	2,583	2,665
Contracted services	2	51,392	45,706	49,424	39,072	42,386	42,386	16,181	13,570	14,015	14,466
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	-	-	28	-	164	-	164	250	-	-
Operational costs	2	24,200	28,530	37,412	29,731	35,844	35,844	24,490	18,701	19,318	19,936
Disposal of Fixed and Intangible Assets	2	526	1,149	892	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>235,977</b>	<b>191,848</b>	<b>230,586</b>	<b>155,685</b>	<b>195,252</b>	<b>195,252</b>	<b>158,852</b>	<b>170,025</b>	<b>147,305</b>	<b>155,033</b>
<b>Surplus/(Deficit)</b>		<b>(81,527)</b>	<b>(19,553)</b>	<b>(46,455)</b>	<b>26,616</b>	<b>(11,140)</b>	<b>(11,140)</b>	<b>14,344</b>	<b>22,513</b>	<b>39,801</b>	<b>43,313</b>
Transfers and subsidies - capital (monetary allocations)	6	28,441	28,629	28,022	37,345	36,618	36,618	(28,401)	26,378	28,910	29,715
Transfers and subsidies - capital (in-kind)	6	102	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(52,984)</b>	<b>9,076</b>	<b>(18,433)</b>	<b>63,961</b>	<b>25,478</b>	<b>25,478</b>	<b>(14,057)</b>	<b>48,891</b>	<b>68,711</b>	<b>73,028</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(52,984)</b>	<b>9,076</b>	<b>(18,433)</b>	<b>63,961</b>	<b>25,478</b>	<b>25,478</b>	<b>(14,057)</b>	<b>48,891</b>	<b>68,711</b>	<b>73,028</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(52,984)</b>	<b>9,076</b>	<b>(18,433)</b>	<b>63,961</b>	<b>25,478</b>	<b>25,478</b>	<b>(14,057)</b>	<b>48,891</b>	<b>68,711</b>	<b>73,028</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>(52,984)</b>	<b>9,076</b>	<b>(18,433)</b>	<b>63,961</b>	<b>25,478</b>	<b>25,478</b>	<b>(14,057)</b>	<b>48,891</b>	<b>68,711</b>	<b>73,028</b>

References

**Explanatory notes to Table A4 – Budgeted financial performance (revenue and expenditure)**

1. Total revenue is R 218 915 367.
2. Revenue to be generated from property rates net of rebates is R 52 378 000 in the 2026/27 financial year.
3. Transfer recognized – operating includes the local government equitable share and other operating grants from national and provincial government.
4. Employee related costs remain the significant driver of municipal expenditure. Consequently, the municipality must prioritize the realization of operational gains and efficiencies to cushion the budgetary impact of anticipated growth in the wage bill and tariffs.

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

1. 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.
2. The Capital Programme is funded from capital and provincial grants and transfers and internally generated funds from current year’s surplus.

Vote 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
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - MAYOR & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - HUMAN RESOURCES: CORPORATE SERVICES OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE: DEFAULT OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - PROJECT MANAGEMENT UNIT: TECHNICAL SERVICES OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 5 - SOLID WASTE REMOVAL: COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - MUNICIPAL MANAGER OFFICES		-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	<b>7</b>	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - MAYOR & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - HUMAN RESOURCES: CORPORATE SERVICES OFFICE		-	3,602	18,388	3,430	4,210	4,210	-	1,689	1,745	1,801
Vote 3 - FINANCE: DEFAULT OFFICE		-	14,003	14,709	1,005	1,565	1,565	-	-	-	-
Vote 4 - PROJECT MANAGEMENT UNIT: TECHNICAL SERVICES OFFICE		42,577	8,230	12,692	78,650	55,418	55,418	30,832	31,677	32,616	
Vote 5 - SOLID WASTE REMOVAL: COMMUNITY SERVICES		(1,011)	200	275	3,815	1,833	1,833	2,226	2,096	2,373	
Vote 6 - MUNICIPAL MANAGER OFFICES		1	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		41,568	26,035	46,064	86,901	63,025	63,025	-	34,747	35,518	36,790
<b>Total Capital Expenditure - Vote</b>		<b>41,568</b>	<b>26,035</b>	<b>46,064</b>	<b>86,901</b>	<b>63,025</b>	<b>63,025</b>	<b>-</b>	<b>34,747</b>	<b>35,518</b>	<b>36,790</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>	<b>4</b>	4	17,605	33,096	4,435	5,775	5,775	1,008	1,689	1,745	1,801
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	17,605	33,096	4,435	5,775	5,775	1,008	1,689	1,745	1,801
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		42,579	8,230	12,692	78,650	55,418	55,418	28,727	30,832	31,677	32,616
Planning and development		42,579	8,230	12,692	78,650	55,418	55,418	28,727	30,832	31,677	32,616
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		(1,011)	200	275	3,815	1,833	1,833	1,261	2,226	2,096	2,373
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		(1,011)	200	275	3,815	1,833	1,833	1,261	2,226	2,096	2,373
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>41,572</b>	<b>26,035</b>	<b>46,064</b>	<b>86,901</b>	<b>63,025</b>	<b>63,025</b>	<b>30,997</b>	<b>34,747</b>	<b>35,518</b>	<b>36,790</b>
<b>Funded by:</b>											
National Government		-	(0)	7,179	13,500	26,095	26,095	10,236	25,353	26,190	27,028
Provincial Government		-	-	-	11,250	10,523	10,523	332	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departrn Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>-</b>	<b>(0)</b>	<b>7,179</b>	<b>24,750</b>	<b>36,618</b>	<b>36,618</b>	<b>10,568</b>	<b>25,353</b>	<b>26,190</b>	<b>27,028</b>

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

1. Table A6 consists of international standards of good financial management practice and improves understandability for councillors 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. 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.

Choose name from list - Table A6 Budgeted Financial Position

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
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	1	7,788	19,594	20,039	146,335	(52,898)	(52,898)	36,718	92,257	(150,241)	(149,738)
Short term investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	3,067	3,700	981	(1,484)	(8,410)	(8,410)	2,158	(23,581)	(6,574)	(6,704)
Receivables from non-exchange transactions	4	19,052	18,749	20,451	18,448	18,000	18,000	36,893	31,511	10,804	11,255
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	3,884	970	970	970	970	970	1,025	1,550	599	619
VAT Receivable	6	2,672	130	3,537	(68,000)	(3,861)	(3,861)	917	(11,463)	15,495	15,991
Other current assets	7	(0)	(0)	(0)	6,200	2,675	2,675	39	(0)	-	-
<b>Total current assets</b>		<b>37,064</b>	<b>43,142</b>	<b>44,878</b>	<b>102,469</b>	<b>(42,823)</b>	<b>(42,823)</b>	<b>79,721</b>	<b>90,279</b>	<b>(129,818)</b>	<b>(128,677)</b>
<b>Non current assets</b>											
Investments	8	-	-	-	-	-	-	-	-	-	-
Investment property	9	6,519	8,794	9,301	8,794	9,301	9,301	9,620	9,301	-	-
Property, plant and equipment	10	524,669	519,718	532,067	608,019	595,292	595,292	523,698	545,434	13,227	13,765
Biological assets	11	-	-	-	-	-	-	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	106	106	106	106	106	106	106	106	-	-
Intangible assets	14	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Other non-current assets	16	319	319	319	319	319	319	-	319	-	-
<b>Total non current assets</b>		<b>638,888</b>	<b>628,987</b>	<b>641,988</b>	<b>616,888</b>	<b>606,018</b>	<b>606,018</b>	<b>638,892</b>	<b>666,180</b>	<b>13,227</b>	<b>13,786</b>
<b>TOTAL ASSETS</b>		<b>675,952</b>	<b>672,129</b>	<b>686,866</b>	<b>719,357</b>	<b>563,185</b>	<b>563,185</b>	<b>718,613</b>	<b>756,459</b>	<b>(61,689)</b>	<b>(114,891)</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	5,165	5,198	5,198	5,198	5,198	5,198	3,697	5,198	-	-
Consumer deposits	19	-	-	-	-	-	-	-	-	-	-
Trade and other payables from exchange transactions	20	45,445	38,545	62,537	121,786	(25,399)	(25,399)	45,928	71,009	(187,560)	(190,159)
Trade and other payables from non-exchange transactions	21	1,421	1,636	12,060	1,636	11,760	11,760	9,654	11,700	2,166	2,339
Provision	22	0	(0)	(0)	-	-	-	(0)	-	-	-
VAT Payable	23	948	(208)	(273)	(208)	(273)	(273)	(658)	(273)	-	-
Other current liabilities	24	551	547	954	547	954	954	954	954	-	-
<b>Total current liabilities</b>		<b>63,049</b>	<b>46,718</b>	<b>80,879</b>	<b>128,967</b>	<b>(7,768)</b>	<b>(7,768)</b>	<b>69,774</b>	<b>88,646</b>	<b>(186,400)</b>	<b>(187,820)</b>
<b>Non current liabilities</b>											
Financial liabilities	25	18,195	15,342	11,899	15,342	11,899	11,899	12,935	11,899	-	-
Provision	26	10,703	13,006	15,377	13,006	15,377	15,377	15,377	15,377	-	-
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	6,945	7,613	8,051	7,613	8,051	8,051	8,051	8,051	-	-
<b>Total non current liabilities</b>		<b>36,843</b>	<b>36,961</b>	<b>35,928</b>	<b>36,961</b>	<b>35,928</b>	<b>35,928</b>	<b>36,984</b>	<b>36,928</b>	-	-
<b>TOTAL LIABILITIES</b>		<b>99,892</b>	<b>83,679</b>	<b>116,807</b>	<b>165,928</b>	<b>28,166</b>	<b>28,166</b>	<b>106,758</b>	<b>125,574</b>	<b>(186,400)</b>	<b>(187,820)</b>
<b>NET ASSETS</b>		<b>576,060</b>	<b>588,450</b>	<b>570,059</b>	<b>553,429</b>	<b>535,017</b>	<b>535,017</b>	<b>611,855</b>	<b>630,885</b>	<b>(124,711)</b>	<b>(73,005)</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	29	481,328	490,402	539,519	553,329	436,484	436,484	516,375	520,880	66,711	73,028
Reserves and funds	30	-	-	-	-	-	-	-	-	-	-
Other	31	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>32</b>	<b>481,328</b>	<b>490,402</b>	<b>539,519</b>	<b>553,329</b>	<b>436,484</b>	<b>436,484</b>	<b>516,375</b>	<b>520,880</b>	<b>66,711</b>	<b>73,028</b>

1. Detail breakdown in Table SA3

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

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

Choose name from list - Table A7 Budgeted Cash Flows

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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		21,436	-	-	46,713	48,738	48,738	48,738	44,237	45,696	47,159
Service charges		908	-	-	2,154	2,154	2,154	2,154	4,787	4,945	5,103
Other revenue		3,372	-	-	71,765	17,060	17,060	17,060	7,450	7,696	7,942
Transfers and Subsidies - Operational	1	159,284	-	-	126,859	126,488	126,488	126,488	123,294	124,379	133,531
Transfers and Subsidies - Capital	1	19,357	12	-	37,345	36,618	36,618	36,618	26,378	28,910	29,715
Interest		0	-	-	-	1,500	1,500	1,500	2,000	2,066	2,132
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(7,027)	(19,452)	(42,645)	(59,273)	(205,609)	(205,609)	(205,609)	(87,390)	(324,996)	(335,667)
Finance charges		(2,846)	(4,706)	(3,506)	-	-	-	-	(2,500)	(2,583)	(2,665)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>194,484</b>	<b>(24,146)</b>	<b>(46,151)</b>	<b>225,563</b>	<b>26,949</b>	<b>26,949</b>	<b>26,949</b>	<b>118,255</b>	<b>(113,886)</b>	<b>(112,750)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(47,082)	(31,384)	(27,628)	(86,901)	(113,071)	(113,071)	(113,071)	(34,747)	(74,890)	(76,757)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(47,082)</b>	<b>(31,384)</b>	<b>(27,628)</b>	<b>(86,901)</b>	<b>(113,071)</b>	<b>(113,071)</b>	<b>(113,071)</b>	<b>(34,747)</b>	<b>(74,890)</b>	<b>(76,757)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	(5,196)	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(5,196)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>147,402</b>	<b>(60,725)</b>	<b>(73,779)</b>	<b>138,662</b>	<b>(86,122)</b>	<b>(86,122)</b>	<b>(86,122)</b>	<b>83,509</b>	<b>(188,776)</b>	<b>(189,507)</b>
Cash/cash equivalents at the year begin:	2	14,967	7,788	19,584	19,584	20,639	20,639	20,639	20,639	104,148	(84,628)
Cash/cash equivalents at the year end:	2	162,369	(52,938)	(54,185)	158,256	(65,483)	(65,483)	(65,483)	104,148	(84,628)	(274,135)

**Explanatory notes to Table A8 – Cash backed Reserves/Accumulated Surplus Reconciliation**

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	162,369	(52,938)	(54,185)	158,256	(65,483)	(65,483)	(65,483)	104,148	(84,628)	(274,135)
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non-current investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>162,369</b>	<b>(52,938)</b>	<b>(54,185)</b>	<b>158,256</b>	<b>(65,483)</b>	<b>(65,483)</b>	<b>(65,483)</b>	<b>104,148</b>	<b>(84,628)</b>	<b>(274,135)</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		1,421	1,636	12,260	1,636	11,760	11,760	9,654	11,760	2,166	2,339
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(2,307)	(1,829)	(3,698)	66,361	3,700	3,700	15,531	11,302	(15,495)	(15,991)
Other working capital requirements	3	42,513	38,545	62,537	114,998	(27,652)	(27,652)	35,385	63,780	(191,461)	(194,345)
Other provisions		951	547	954	547	954	954	(954)	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>42,179</b>	<b>38,899</b>	<b>72,053</b>	<b>183,542</b>	<b>(11,238)</b>	<b>(11,238)</b>	<b>59,615</b>	<b>86,842</b>	<b>(204,790)</b>	<b>(207,997)</b>
<b>Surplus/(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>120,190</b>	<b>(91,837)</b>	<b>(126,238)</b>	<b>(25,285)</b>	<b>(54,244)</b>	<b>(54,244)</b>	<b>(125,098)</b>	<b>17,306</b>	<b>120,162</b>	<b>(66,138)</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>120,190</b>	<b>(91,837)</b>	<b>(126,238)</b>	<b>(25,285)</b>	<b>(54,244)</b>	<b>(54,244)</b>	<b>(125,098)</b>	<b>17,306</b>	<b>120,162</b>	<b>(66,138)</b>

References

1. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
2. 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”.
3. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded correctly.

### Explanatory notes to Table A9 – Asset Management

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 assets class.

Choose name from list - Table A9 Asset Management

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	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	31,490	24,199	44,477	80,151	58,685	58,685	32,987	33,700	34,913
Roads Infrastructure		-	14,003	15,341	20,750	19,218	19,218	18,853	19,476	20,099
Storm water Infrastructure		-	-	-	300	300	300	-	-	-
Electrical Infrastructure		-	-	2,500	25,100	12,500	12,500	2,798	2,963	2,983
Water Supply Infrastructure		1,221	-	-	-	-	-	457	472	487
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	300	300	1,629	1,683	1,737
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		1,221	14,003	17,841	48,150	32,318	32,318	23,737	24,583	25,305
Community Facilities		10,493	2,735	6,546	30,556	23,656	23,656	8,637	8,677	8,955
Sport and Recreation Facilities		4,505	-	-	-	-	-	-	-	-
<b>Community Assets</b>		14,998	2,735	6,546	30,556	23,656	23,656	8,637	8,677	8,955
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		16,278	5,495	15,834	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		16,278	5,495	15,834	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	1,260	1,510	1,510	416	430	443
Furniture and Office Equipment		(0)	1,965	1,242	145	305	305	-	-	-
Machinery and Equipment		-	-	-	1,040	897	897	197	-	210
Transport Assets		4	-	3,014	1,000	0	0	-	-	-
Land		(1,011)	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	3,500	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-

<b>Total Renewal of Existing Assets</b>	2	-	-	-	3,500	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	3,500	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	10,082	1,837	1,587	3,250	4,340	4,340	1,760	1,818	1,876
Roads Infrastructure		10,080	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-

Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		10,080	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	487	503	519	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	487	503	519	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	1,331	1,003	-	-	-	-	-	-
Furniture and Office Equipment		1	1	275	1,070	1,300	1,300	763	788	814
Machinery and Equipment		-	505	309	280	440	440	10	10	11
Transport Assets		-	-	-	1,900	2,600	2,600	500	517	533
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	41,572	26,035	46,064	86,901	63,025	63,025	34,747	35,518	36,790
Roads Infrastructure		10,080	14,003	15,341	20,750	19,218	19,218	18,853	19,476	20,099
Storm water Infrastructure		-	-	-	300	300	300	-	-	-
Electrical Infrastructure		-	-	2,500	25,100	12,500	12,500	2,798	2,963	2,983
Water Supply Infrastructure		1,221	-	-	-	-	-	457	472	487
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	300	300	1,629	1,683	1,737
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		11,302	14,003	17,841	46,150	32,318	32,318	23,737	24,593	25,305
Community Facilities		10,493	2,735	6,546	30,556	23,656	23,656	8,637	8,677	8,955
Sport and Recreation Facilities		4,505	-	-	-	-	-	-	-	-
Community Assets		14,998	2,735	6,546	30,556	23,656	23,656	8,637	8,677	8,955
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		15,278	5,495	15,834	-	-	-	487	503	519
Housing		-	-	-	-	-	-	-	-	-
Other Assets		16,278	5,495	15,834	-	-	-	487	503	519
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	1,331	1,003	1,260	1,510	1,510	416	430	443
Furniture and Office Equipment		1	1,966	1,517	1,215	1,605	1,605	763	788	814
Machinery and Equipment		-	505	309	1,320	1,337	1,337	207	10	221
Transport Assets		4	-	3,014	6,400	2,600	2,600	500	517	533
Land		(1,011)	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		41,572	26,035	46,064	86,901	63,025	63,025	34,747	35,518	36,790

TOTAL CAPITAL EXPENDITURE - Asset class		41,572	26,035	46,064	86,901	63,025	63,025	34,747	35,518	36,790
ASSET REGISTER SUMMARY - PPE (WDV)	5	336,698	192,487	453,626	397,197	516,651	516,651	466,793	13,227	13,785
Roads Infrastructure		144,815	136,083	132,264	156,833	149,482	149,482	151,118	19,476	20,099
Storm water Infrastructure		(22)	(22)	(22)	278	278	278	(22)	-	-
Electrical Infrastructure		(15,615)	(15,615)	(15,615)	9,485	(3,115)	(3,115)	(12,817)	2,963	2,983
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		7,444	7,929	7,615	7,929	9,915	9,915	9,244	1,683	1,737
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		136,622	128,375	124,242	174,525	156,560	156,560	147,533	24,121	24,818
Community Assets		2,551	(6,399)	141,560	24,486	161,853	161,853	151,437	9,652	10,171
Heritage Assets		106	106	106	106	106	106	106	-	-
Investment properties		8,519	8,794	9,301	8,794	9,301	9,301	9,301	-	-
Other Assets		133,948	6,753	119,374	124,562	119,374	119,374	119,374	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		1,153	2,030	2,277	3,290	5,787	5,787	2,693	430	443
Furniture and Office Equipment		719	2,379	4,623	3,594	6,228	6,228	(16,193)	(21,503)	(22,191)
Machinery and Equipment		1,122	1,296	1,140	2,286	1,940	1,940	1,150	10	11
Transport Assets		7,901	5,504	7,253	11,904	11,853	11,853	7,753	517	533

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Land		44,057	43,649	43,649	43,649	43,649	43,649	43,649	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	336,698	192,487	453,626	397,197	516,651	516,651	466,793	13,227	13,785
EXPENDITURE OTHER ITEMS		74,426	54,867	52,125	40,075	39,693	39,693	29,729	30,707	31,693
Depreciation	7	44,500	28,161	21,579	20,000	20,000	20,000	21,579	22,291	23,005
Repairs and Maintenance by Asset Class	3	29,906	26,706	30,546	20,075	19,693	19,693	8,150	8,416	8,688
Roads Infrastructure		28,140	24,404	26,860	14,500	16,500	16,500	4,500	4,648	4,797
Storm water Infrastructure		66	192	326	2,000	900	900	-	-	-
Electrical Infrastructure		-	146	616	600	308	308	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		28,206	34,742	27,802	17,100	17,308	17,308	4,500	4,648	4,797
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		285	145	233	150	515	515	1,000	1,033	1,066
Housing		-	-	-	-	-	-	-	-	-
Other Assets		285	145	233	150	515	515	1,000	1,033	1,066
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-

Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		285	145	233	150	515	515	1,000	1,033	1,066
Housing		-	-	-	-	-	-	-	-	-
Other Assets		285	145	233	150	515	515	1,000	1,033	1,066
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		0	11	14	75	75	75	-	-	-
Machinery and Equipment		920	759	1,618	2,150	725	725	1,900	1,960	2,026
Transport Assets		495	1,048	879	600	1,070	1,070	750	775	800
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		74,426	54,867	52,125	40,075	39,693	39,693	29,729	30,707	31,693
Renewal and upgrading of Existing Assets as % of total capex		24.3%	7.1%	3.4%	7.8%	6.9%	6.9%	5.1%	5.1%	5.1%
Renewal and upgrading of Existing Assets as % of deprec		22.6%	6.5%	7.4%	33.7%	21.7%	21.7%	8.2%	8.2%	8.2%
R&M as a % of PPE & Investment Property		8.9%	13.9%	6.7%	5.1%	3.8%	3.8%	1.7%	63.6%	63.0%
Renewal and upgrading and R&M as a % of PPE and Investment Property		11.9%	14.8%	7.1%	6.8%	4.7%	4.7%	2.1%	77.4%	76.6%

Detail of new assets provided in Table SA34a

### Explanatory notes to Table A10 – Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels including backlogs (below minimum service level) for each of the main services.

KZN254 Dannhauser - Table A10 Basic service delivery measurement

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
Total cost of FBS provided	8	-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
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)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	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		-	-	-	-	-	-	(79)	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	(0)	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		-	-	(0)	-	-	-	(79)	-	-

Refer to page 24

## PART 2

### 2.1 Overview of budget assumptions

#### External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. The municipality is owed over R 100 million, this has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

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

Four key factors have been taken into consideration in the compilation of the 2026/27 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses.
- The impact of municipal cost drivers; and
- The increase in the cost of remuneration. Employee related costs comprise 40 per cent of total operating expenditure in the 2026/27 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

#### Collection rate for revenue services

The rate of collection revenue is currently expressed as a percentage (60 per cent) of annual billings. Cash flow is assumed to be 60 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

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

The 2026 priorities outlined by Cyril Ramaphosa in the national State of the Nation Address and by Thami Ntuli in the State of the Province Address are closely aligned around economic growth, infrastructure, governance, and safety.

#### National Priorities: 2026 State of the Nation Address (SONA)

According to President Ramaphosa, the main national priorities for 2026 are:

##### 1. Economic Growth and Job Creation

- Accelerating inclusive economic growth.
- Expanding investment and industrialisation.
- Supporting tourism, manufacturing, and small businesses.
- Growing employment opportunities, especially for youth.

##### 2. Energy Reform and Infrastructure

- Continuing electricity reforms and Eskom restructuring.
- Expanding transmission infrastructure.
- Encouraging private-sector energy investment.
- Improving logistics, ports, roads, and rail systems.

### 3. **Crime and Public Safety**

- Intensifying the fight against organised crime and criminal syndicates.
- Deploying additional security resources, including military support in high-crime areas.
- Combating illegal mining and gang violence.

### 4. **Water and Service Delivery**

- Addressing municipal failures in water provision.
- Investing in water infrastructure and sanitation.
- Improving local government accountability and service delivery.

### 5. **Capable and Ethical Government**

- Rebuilding public institutions.
- Strengthening governance and anti-corruption measures.
- Improving efficiency across government departments.

### 6. **Government of National Unity (GNU) Cooperation**

- Promoting collaboration among coalition partners.
- Building political stability and investor confidence.

## **KwaZulu-Natal Priorities: 2026 State of the Province Address (SOPA)**

Premier Ntuli's 2026 provincial priorities focus strongly on rebuilding KwaZulu-Natal's economy and governance systems.

### **Main Provincial Priorities**

#### 1. **Inclusive Economic Growth**

- Stimulating investment and business development.
- Supporting agriculture, tourism, manufacturing, and township economies.
- Expanding employment and entrepreneurship opportunities.

#### 2. **Infrastructure Development**

- Upgrading roads, water systems, public facilities, and logistics infrastructure.
- Fast-tracking infrastructure projects to support economic recovery.
- Improving maintenance and service delivery systems.
- Job Creation
- Creating sustainable jobs through infrastructure and investment programmes.
- Focusing on youth employment and skills development.

#### 3. **A Capable, Ethical, and Responsive State**

- Strengthening governance and accountability.
- Improving coordination across departments and municipalities.
- Fighting corruption and improving public confidence in government.

#### 4. **Improved Service Delivery**

- Enhancing municipal performance.
- Improving water, sanitation, healthcare, and housing delivery.
- Ensuring government programmes produce measurable outcomes.

## 5. Social Stability and Safety

- Addressing crime and social challenges affecting communities.
- Promoting social cohesion and community partnerships.

## MUNICIPALITY'S PRIORITIES

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

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

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

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

It is estimated that a spending rate of at least 75 per cent is achieved on operating expenditure and 60 per cent on the capital programme for the 2026/27 MTREF of which performance has been factored into the cash flow budget.

## 2.2. Budget funding

MFMA section 18 states that the expenditure of the budget may only be funded from:

- Realistically anticipated revenue to be collected
- Cash-backed accumulated funds from Previous years' surpluses not committed for other purpose
- Borrowed funds, but only for capital budget referred to in section 17(2) Dannhauser Local Municipality operating budget is funded from
- Grants
- Service Charges
- Other Revenue

### 2.2.1 Annual budget to expenditure on allocations and Grant Programme

The Municipality budgeted for the following operating grants:

- Financial Management Grant
- Expanded Public Works Programme
- Equitable Shares
- Provincialisation and community library service
- Municipal employment initiative grant

### 2.2.2 Annual budget to Allocations made by the Municipality

Dannhauser Local Municipality uses equitable shares to subsidise indigent households

### 2.2.3 Councillors Allowances and employees' benefits

Municipal Systems Act requires the Municipal Manager to develop a Staff establishment for the municipality within a policy framework determined by the municipal council and subject to any applicable legislation. The Municipal Manager Must Submit the staff establishment to council for consideration and approval. The Municipal Systems act further requires the Municipal Manager to provide a job description for each post on the staff establishment and to attach to those posts remuneration and other conditions of service as may be determined in accordance with any applicable Labour legislation. There is an adjustment made on Employee benefits and Councillors remuneration.

The collective agreement regarding salaries/wages allows for an increase of 4.75%.

### 2.2.4 Service delivery and budget implementation plan

SDBIP will be tabled to Council within 14 days after the draft budget has been tabled.

### 2.2.5 Capital Expenditure

Capital projects R 25 353 000 million has been funded by MIG and R 9 393 000 has been funded internally.

### 2.2.6 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format is fully complied with on a monthly basis. Section 71 and 52(d) reporting to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme  
The municipality is participating in the Municipal Financial Management Internship programme and has employed six interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail SDBIP document is at a final stage and will be finalised after approval of the 2026/27 MTREF in May 2025 and is directly aligned and informed by the 2026/27 IDP.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. Minimum Competency Levels  
All Heads of Departments have achieved their minimum competency levels. All employees within the BTO have either completed their MFMP/CPMD training.
8. **Policies**  
Subsequent to the amendment of the Municipal Property Rates Regulations ratios as prescribed are complied with.

# DANNHAUSER LOCAL MUNICIPALITY ( KZ - 254 )

8 Church Street/01  
West Street

Private bag X1011

Dannhauser

3080



Telephone : (034) 621 2666

Facsimile : (034) 621 3114

municipalmanager@dannhauser.gov.za

## QUALITY CERTIFICATE

I, **Mandlenkosi Sidwell Sithole** Municipal Manager of Dannhauser local municipality, hereby certify that the 2026/27 financial year Final Annual budget and Supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act, and that, the Final budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Print Name: **Mr. Mandlenkosi Sidwell Sithole**

Signature: \_\_\_\_\_