

TSWELOPELE LOCAL MUNICIPALITY [FS 183]

CIVIC CENTRE, BOSMAN STREET

BULTFONTEIN, 9670

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ADJUSTMENT BUDGET

2025/2026

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1. PART 1: BUDGET FORMAT

2. Adjustment Budget Report (Mayoral Speech)

- *To be presented in the meeting*

3. Budget resolution by Council.

8 / 02 SUBMISSION OF THE ADJUSTMENT BUDGET AND REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN FOR 2025 / 2026 FINANCIAL YEAR

MINUTES: COUNCIL MEETING DATE: 26 FEBRUARY 2026

1. PURPOSE

The purpose of this report is to table the Municipality's Adjustment Budget and Revised Service Delivery and Budget Implementation Plan for 2025 / 2026 financial year before Council.

2. BACKGROUND

In terms of section 72 of Municipal Finance Management Act No. 56 of 2003 the Accounting Officer of the Municipality must assess the performance of the Municipality for the first half of the financial year, the Accounting Officer is further requested to recommend to Council whether to adjust the budget or not.

The Accounting Officer performed the assessment, and the recommendations was that the Council of the Municipality must adjust its budget and revise the service delivery and budget implementation plan, the detailed section 72 report was tabled to Council in January 2026. The Municipal Finance Management Act, 2003 [Act 56 of 2003], section 28 states the following:

"28 [1] A municipality may revise an approved annual budget through an adjustment budget.

[2] An adjustment budget –

[a] must adjust the revenue and expenditure estimates downwards if there is material under collection of revenue during the current year;

[b] may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

[c] may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

[d] may authorise the utilisation of projected savings in one vote towards spending under another vote;

[e] may authorise the spending of funds that were unspent at the end of the past financial where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;

[f] may correct any errors in the annual budget; and

[g] may provide for any other expenditure within a prescribed framework.

[3] An adjustment budget must be in the prescribed form.

Section 54 **[budgetary control and early identification of financial problems]** —

(1) of Municipal Finance Management Act, 2003 [Act 56 of 2003]. Provides that on receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

- a) consider the statement or report;
- b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

(2) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

On 23 January 2026 the Council of the municipality took a resolution that the service delivery and budget implementation plan of the municipality be revised in line with mid-year budget and performance assessment and the adjustment budget.

3. STAKEHOLDERS CONSULTED

- ♦ None.

4. LEGAL IMPLICATIONS

- ♦ Compliance with the Municipal Finance Management Act, 2003 [Act 56 of 2003].
- ♦ Compliance with the Municipal Budget and Reporting Regulations.
- ♦ Local Government: Municipal Systems Act, 2000 [Act 32 of 2000].

5. STAFF IMPLICATIONS

- ♦ None.

6. FINANCIAL IMPLICATIONS

- ♦ Failure to approve the adjustment budget may result in the Municipality incurring unauthorised expenditure.

7. RISKS

- ♦ If the adjustment budget of the Municipality is not approved and the SDBIP is not revised, the Municipality may incur unauthorised expenditure and not implement service delivery targets.
- ♦ Non-compliance with Municipal Finance Management Act

8. ANNEXURE – [SEE MEMORY STICK]

- ♦ Detailed Adjustment Budget for 2025 / 2026 financial year.
- ♦ Revised Service Delivery and Budget Implementation Plan for 2025/26 financial year.
- ♦ Amended Tariff List 2025 / 2026.

9. RECOMMENDATION

1. That Council approves the Adjustment Budget and Revised Service Delivery, Budget Implementation Plan and Tariff List for 2025 / 2026 financial year.

[FOR RESOLUTION]

Minutes: Council Meeting 26 February 2026

The Mayor proposed that the matter be resolved as follows and was seconded by Cllr Gaebee.

RESOLVED:

1. That Council approved the Adjustment Budget and Revised Service Delivery, Budget Implementation Plan and Tariff List for 2025 / 2026 financial year.

4. Executive summary

Tswelopele Municipality's 2025/2026 Budget was tabled to council and was approved on the 29th of May 2025.

The adopted Budget was submitted to National and Provincial Treasury as required by the MFMA and MBRR.

The approved budget of the municipality was assessed by the National Treasury to determine its credibility and funding. For the 2025/2026 MTREF, the budget of the municipality was found to be credible and funded. However, the budget is not sustainable, due to issues such as, amongst others the ESKOM long outstanding debt.

The municipality has voluntarily developed and implemented a financial recovery plan for the municipality in an attempt to aid the sustainability of the budget and enhance revenue. However, majority of the initiatives contained in the financial recovery plan are long term initiatives and can only yield results in the long future.

Additionally, the municipality appointed a debt collector through the National Treasury RT 27 Transversal contract in March 2025. The services of the debt collector should aid the municipality in collection of the long outstanding debt from the debtors.

The main tasks of the debt collector are to assist the municipality with the following:

- Data cleansing,
- Debt collection on agricultural consumers (property rates), and also
- Transfer the skill to the officials of the municipality.

Eskom's Debt Relief:

The municipality is still participating in the Eskom's Debt Relief Program as was introduced through the MFMA Circular 124.

The Free State Provincial Treasury monitored and assessed the municipality's compliance with all the debt relief conditions monthly since approval. From the Provincial Treasury's assessment, the municipality's performance is low.

The municipality has a challenge in meeting the major condition of the programme that is to maintain the Eskom's bulk current account and the long outstanding arrears that will not be

written-off. The municipality is faced with financial constraints and is only able to pay the current account to Eskom, no payments have been made towards the arrear debt as per the conditions of the programme.

Subsequent to the approval of the annual budget by the municipal council in May 2025, the National Treasury assessed the municipality's budget implementation and provided feedback on the accuracy of the data submitted (budget) and proposed improvements to the quality of the data strings. Therefore, this suggests that the mid-year assessment must be undertaken with the view to address issues already highlighted by National Treasury on the approved budget and its implementation as well as assessment of the municipal financial performance in the first half of the financial year.

As required by section 72 of the MFMA, the Accounting Officer performed the mid-year assessment for the 2025/2026 financial year to assess the municipal performance during the first half of the financial year.

The mid-year assessment gives an indication to municipal financial performance and status as at mid-way through the year and if there is a need to adjust the budget or not.

As per the assessment performed, the recommendation is that the council of the municipality must adjust its budget and its service delivery budget implementation plan.

The Municipal Finance Management Act 56 of 2003 (MFMA) makes provision for municipalities in section 28 (1) to; revise an approved annual budget through an adjustments budget.

In terms of section 28(2)(b) of the MFMA and Section 23(3) of the Municipal Budget and Reporting Requirements (MBRR), municipalities may adjust their budgets through the adjustment budget.

Section 29 further gives provision for the mayor to authorise the unforeseen and unavoidable expenditure which no provision was made in an approved budget.

In line with the above, the municipality performed adjustments on its 2025/2026 budget as presented below:

The adjustment budget summary below gives overview of the adjustments that are made by the municipality on the 2025/2026 budget in the following sections.

Summary of Adjustment Budget

| 2025/2026 ADJUSTMENT BUDGET SUMMARY DESCRIPTION | ORIGINAL BUDGET | ADJUSTMENT BUDGET |
|--|------------------------|------------------------------|
| Total Operating Revenue | R 332 860 000 | R 311 475 000 |
| Total Operating Expenditure (incl. non-cash items) | R 280 734 000 | R 310 720 000 |
| Total Capital Budget | R 41 209 000 | R 45 915 000 |

The budgeted revenue decreased with R 21.3 million during the adjustment budget process.

The significant contribution to this decrease resulted from revenue derived from the interest on the receivables. In the 2025-2026 financial year, it is highly expected that the services of the debt collector will aid the municipality's revenue collection and reduce the municipality's debt book which will reduce the interest levied on the outstanding debtors.

Other adjustments on the budgeted revenue are as a result of technical corrections on the data-stings that were required to ensure that the municipal budget is in compliance the mSCOA regulations.

The expenditure increased by a total increase of R 30 million, the increase can be attributed to different factors such as expenditure on the audit fees and other operational expenditure that were under budgeted.

The capital budget increase by a total increase of R 4.7 million, the increase can be attributed to the internally funded project to repair the community hall in Tikwana that was burned down during community protests in 2020 and the procurement of a compactor truck that will assist the municipality with refuse collection.

4.1 Operating revenue overview

Tswelopele Municipal Budget vastly depends on grants from National Government. The operating government grant allocation for 2025/2026 amounts to R 109.8 million which constitutes almost half of the total budgeted revenue. It is also worth noting that, revenue from other sources such as

property rates and services charges, is dependent on the municipal's ability to collect and are not monies guaranteed to be received as budgeted.

The table on the next page shows the adjustments on revenue and the explanation of each adjustment.

4.2 Revenue by source

4.2.1 The table below indicates the revenue by source after all adjustments.

| FS183 Tswelopele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2025/02/28 | | | | | | | | | | | | |
|---|-----|-----------------|----------------|--------------|--------------------|------------------|--------------------|-----------------|-----------------|-----------------|---------------------|---------------------|
| Description | Ref | 2025/26 | | | | | | | | | Budget Year 2026/27 | Budget Year 2027/28 |
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | 1 | A | A1 | B | C | D | E | F | G | H | | |
| Revenue By Source | | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | | |
| Service charges - Electricity | 2 | 64 740 | - | - | - | - | - | 1 835 | 1 835 | 66 575 | 68 067 | 72 258 |
| Service charges - Water | 2 | 9 828 | - | - | - | - | - | - | - | 9 828 | 10 414 | 11 152 |
| Service charges - Waste Water Management | 2 | 8 715 | - | - | - | - | - | - | - | 8 715 | 9 240 | 9 902 |
| Service charges - Waste Management | 2 | 7 116 | - | - | - | - | - | (1 784) | (1 784) | 5 332 | 7 472 | 7 920 |
| Sale of Goods and Rendering of Services | | 1 458 | - | - | - | - | - | 74 | 74 | 1 533 | 1 531 | 1 623 |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | - | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Current and Non Current Assets | | 3 219 | - | - | - | - | - | (240) | (240) | 2 979 | 3 380 | 3 583 |
| Dividends | | 241 | - | - | - | - | - | - | - | 241 | 254 | 269 |
| Rent on Land | | 600 | - | - | - | - | - | 390 | 390 | 990 | 630 | 668 |
| Rental from Fixed Assets | | 520 | - | - | - | - | - | 50 | 50 | 570 | 546 | 579 |
| Special Rating Levies | | 545 | - | - | - | - | - | - | - | - | - | - |
| Licence and permits | | 545 | - | - | - | - | - | 40 | 40 | 585 | 572 | 607 |
| Operational Revenue | | 6 000 | - | - | - | - | - | 50 | 50 | 6 050 | 6 025 | 6 056 |
| Non-Exchange Revenue | | | | | | | | | | | | |
| Property rates | 2 | 42 771 | - | - | - | - | - | 6 000 | 6 000 | 48 771 | 44 910 | 47 604 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 1 012 | - | - | - | - | - | 200 | 200 | 1 212 | 1 063 | 1 126 |
| Licences or permits | | - | - | - | - | - | - | - | - | - | - | - |
| Transfer and subsidies - Operational | | 109 873 | - | - | - | - | - | - | - | 109 873 | 111 395 | 111 738 |
| Interest | | 46 000 | - | - | - | - | - | (28 000) | (28 000) | 18 000 | 55 000 | 58 300 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Other Gains | | 30 220 | - | - | - | - | - | - | - | 30 220 | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - | - | - |
| Revenue (excluding capital transfers and contributions) | | 332 860 | - | - | - | - | - | (21 385) | (21 385) | 311 475 | 320 499 | 333 385 |

The decrease on the line-item interest relates to all the interest that is expected to reduce as the municipality is collecting from its long outstanding debtors as result of the services of the debt collector.

The increase on the electricity line item and the decrease on the waste management line item is as a result of technical corrections on the data-stings that were required to ensure that the municipal budget is in compliance the mSCOA regulations.

The decrease of R 240 000 on the interest from current and non-current assets line item is as a result of the assessment of the municipality's investment and anticipated returns.

The budget on the line-item licences and permits, fines, penalties and forfeits increased. This increase is due to traffic fines and other law enforcement infringements that the municipality anticipates to issue and collect revenue from.

4.2.2 Grants and Subsidies

FS183 Tswelopele - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 2025/02/28

| Description | Ref | 2025/26 | | | | | | | Budget Year | Budget Year |
|---|------|-----------------|----------------|--------------------|--------------------|----------------|----------------|-----------------|-----------------|-----------------|
| | | Original Budget | Prior Adjusted | Multi-year capital | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 7 A1 | 8 B | 9 C | 10 D | 11 E | 12 F | | |
| R thousands | | A | 7 A1 | 8 B | 9 C | 10 D | 11 E | 12 F | | |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 109 723 | - | - | - | - | - | 109 723 | 111 338 | 111 571 |
| Expanded Public Works Programme Integrated Grant | | 1 659 | - | - | - | - | - | 1 659 | - | - |
| Local Government Financial Management Grant | | 2 100 | - | - | - | - | - | 2 100 | 2 400 | 2 400 |
| Equitable Share | | 105 964 | - | - | - | - | - | 105 964 | 108 938 | 109 171 |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | 150 | - | - | - | - | - | 150 | 158 | 167 |
| Education, Training and Development Practices SETA | | 150 | - | - | - | - | - | 150 | 158 | 167 |
| Total Operating Transfers and Grants | 5 | 109 873 | - | - | - | - | - | 109 873 | 111 495 | 111 738 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 37 721 | - | - | - | - | - | 37 721 | 44 212 | 51 152 |
| Energy Efficiency and Demand Side Management Grant | | - | - | - | - | - | - | - | - | 5 000 |
| Municipal Infrastructure Grant | | 19 281 | - | - | - | - | - | 19 281 | 20 602 | 21 368 |
| Integrated National Electrification Programme Grant | | - | - | - | - | - | - | - | 1 500 | 1 568 |
| Water Services Infrastructure Grant | | 18 440 | - | - | - | - | - | 18 440 | 22 110 | 23 216 |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total Capital Transfers and Grants | 5 | 37 721 | - | - | - | - | - | 37 721 | 44 212 | 51 152 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 147 594 | - | - | - | - | - | 147 594 | 155 708 | 162 890 |

The were no adjustments on the budget for grants.

4.3 Operating Expenditure Framework

FS183 Tswelopele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2025/02/28

| Description | Ref | 2025/26 | | | | | | | | | Budget Year | Budget Year |
|---------------------------------|-----|----------------|----------|----------|------------|----------|---------------|---------------|---------------|----------------|----------------|----------------|
| | | Original | Prior | Accum. | Multi-year | Unfore. | Nat. or Prov. | Other | Total | Adjusted | Adjusted | Adjusted |
| | | Budget | Adjusted | Funds | capital | Unavoid. | Govt | Adjus. | Adjus. | Budget | Budget | Budget |
| R thousands | 1 | A | A1 | B | C | D | E | F | G | H | | |
| Employee related costs | | 104 071 | - | - | - | - | - | 1 967 | 1 967 | 106 038 | 107 838 | 114 226 |
| Remuneration of councillors | | 6 988 | - | - | - | - | - | 376 | 376 | 7 364 | 7 337 | 7 747 |
| Bulk purchases - electricity | | 47 425 | - | - | - | - | - | - | - | 47 425 | 49 796 | 52 784 |
| Inventory consumed | | 13 553 | - | - | - | - | - | 95 | 95 | 13 648 | 14 231 | 15 085 |
| Debt impairment | | 10 000 | - | - | - | - | - | 3 000 | 3 000 | 13 000 | 10 000 | 10 000 |
| Depreciation and amortisation | | 20 000 | - | - | - | - | - | - | - | 20 000 | 20 000 | 20 000 |
| Interest | | 3 000 | - | - | - | - | - | 7 500 | 7 500 | 10 500 | 3 150 | 3 339 |
| Contracted services | | 41 808 | - | - | - | - | - | 6 365 | 6 365 | 48 173 | 42 133 | 44 611 |
| Transfers and subsidies | | 10 | - | - | - | - | - | - | - | 10 | 11 | 11 |
| Irrecoverable debts written off | | 10 000 | - | - | - | - | - | 2 550 | 2 550 | 12 550 | 10 000 | 10 000 |
| Operational costs | | 23 879 | - | - | - | - | - | 7 484 | 7 484 | 31 362 | 25 044 | 26 441 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | 650 | 650 | 650 | - | - |
| Total Expenditure | | 280 734 | - | - | - | - | - | 29 987 | 29 987 | 310 720 | 289 540 | 304 245 |

As evident on the table above, the operating expenditure of the Municipality increased from R 280.7 million to R 310 million.

The increase of R 30 million is exposed below:

- The increase on the employees related costs and remuneration of councillors due to new employees that have been appointed post approval of the 2025-2026 MTREF and upper limits of councillors that has been gazetted in 2026 by the minister of Cogta.
- The budget for cleaning detergents had to be increased this resulted in the increase of R 95 000 on the inventory consumed line item;
- The line item for interest is mainly relating to the interest incurred on the Eskom and Sandvet arrear debt, this line item had to be increased by R 7.5 million due to the interest that has already incurred at midyear;
- An increase in the operational cost and contracted services line-item is informed by increase in expenditure such as, licence fees; advertisement costs, delegation costs; training; membership fees; audit fees; other main hiring of machinery and equipment and travelling costs;

- The municipality increased the budget for impairment and irrecoverable debt after the assessment of the debt impairment in the 2024-2025 audited financial statements. This will assist the municipality to avoid unauthorised expenditure.

4.3.1 Adjusted capital expenditure

| 'swelopele - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 2025/02/28 | | | | | | | | | | | | |
|---|-----|-----------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|---------------------|---------------------|
| Description | Ref | 2025/26 | | | | | | | | | Budget Year 2026/27 | Budget Year 2027/28 |
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | |
| R thousands | | A | A1 | B | C | D | E | F | G | H | | |
| Capital expenditure - Vote | | | | | | | | | | | | |
| <i>expenditure to be adjusted</i> | 2 | | | | | | | | | | | |
| Vote 1 - Executive | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Budget and Treasury Office | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Community and Social Services | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Public Safety | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Sport and Recreation | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Waste Management | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Waste Water Management | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Road Transport | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Water | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - Electricity | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - Corporate Services | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 3 | - | - | - | - | - | - | - | - | - | - | - |
| <i>expenditure to be adjusted</i> | 2 | | | | | | | | | | | |
| Vote 1 - Executive | | 580 | - | - | - | - | - | 250 | 250 | 830 | 609 | 646 |
| Vote 2 - Budget and Treasury Office | | 620 | - | - | - | - | - | (60) | (60) | 560 | 625 | 631 |
| Vote 3 - Community and Social Services | | 160 | - | - | - | - | - | - | - | 160 | 168 | 178 |
| Vote 4 - Public Safety | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Sport and Recreation | | 7 881 | - | - | - | - | - | - | - | 7 881 | 20 602 | 21 368 |
| Vote 6 - Waste Management | | 30 | - | - | - | - | - | - | - | 30 | 32 | 33 |
| Vote 7 - Waste Water Management | | 19 100 | - | - | - | - | - | - | - | 19 100 | 22 803 | 23 951 |
| Vote 8 - Road Transport | | 11 100 | - | - | - | - | - | 4 514 | 4 514 | 15 614 | 2 730 | 2 894 |
| Vote 9 - Water | | 70 | - | - | - | - | - | - | - | 70 | 74 | 78 |
| Vote 10 - Electricity | | 1 500 | - | - | - | - | - | - | - | 1 500 | 1 500 | 6 568 |
| Vote 11 - Corporate Services | | 160 | - | - | - | - | - | 10 | 10 | 170 | 168 | 178 |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 41 201 | - | - | - | - | - | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |
| Total Capital Expenditure - Vote | | 41 201 | - | - | - | - | - | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |
| Capital Expenditure - Functional | | | | | | | | | | | | |
| Governance and administration | | 1 260 | - | - | - | - | - | 60 | 60 | 1 320 | 1 297 | 1 344 |
| Executive and council | | 480 | - | - | - | - | - | 110 | 110 | 590 | 504 | 534 |
| Finance and administration | | 780 | - | - | - | - | - | (50) | (50) | 730 | 793 | 809 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 8 041 | - | - | - | - | - | - | - | 8 041 | 20 770 | 21 546 |
| Community and social services | | - | - | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | 8 041 | - | - | - | - | - | - | - | 8 041 | 20 770 | 21 546 |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 11 200 | - | - | - | - | - | 4 654 | 4 654 | 15 854 | 2 835 | 3 005 |
| Planning and development | | 100 | - | - | - | - | - | 140 | 140 | 240 | 105 | 111 |
| Road transport | | 11 100 | - | - | - | - | - | 4 514 | 4 514 | 15 614 | 2 730 | 2 894 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 20 700 | - | - | - | - | - | - | - | 20 700 | 24 408 | 30 630 |
| Energy sources | | 1 500 | - | - | - | - | - | - | - | 1 500 | 1 500 | 6 568 |
| Water management | | 70 | - | - | - | - | - | - | - | 70 | 74 | 78 |
| Waste water management | | 19 100 | - | - | - | - | - | - | - | 19 100 | 22 803 | 23 951 |
| Waste management | | 30 | - | - | - | - | - | - | - | 30 | 32 | 33 |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 41 201 | - | - | - | - | - | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |
| Funded by: | | | | | | | | | | | | |
| National Government | | 36 381 | - | - | - | - | - | (60) | (60) | 36 321 | 44 272 | 51 212 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - |
| ind subsidies - capital (in-kind) | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 36 381 | - | - | - | - | - | (60) | (60) | 36 321 | 44 272 | 51 212 |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 4 820 | - | - | - | - | - | 4 774 | 4 774 | 9 594 | 5 038 | 5 313 |
| Total Capital Funding | | 41 201 | - | - | - | - | - | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |

From the above table, it can be seen that the capital budget has increased by R 4.7 million. The increase of R 4.7 on the capital budget is as a result of internally funded project to repair the community hall in Tikwana that was burned down during community protests in 2020 and the procurement of a compactor truck that will assist the municipality with refuse collection.

5. Adjustment budget tables:

FS183 Tswelopele - Table B1 Adjustments Budget Summary - 2025/02/28

| Description | 2025/26 | | | | | | | | | Budget Year 2026/27 | Budget Year 2027/28 |
|--|-----------------|----------------|--------------|--------------------|------------------|--------------------|-----------------|-----------------|-----------------|---------------------|---------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | A | 1 A1 | 2 B | 3 C | 4 D | 5 E | 6 F | 7 G | 8 H | | |
| Financial Performance | | | | | | | | | | | |
| Property rates | 42 771 | - | - | - | - | - | 6 000 | 6 000 | 48 771 | 44 910 | 47 604 |
| Service charges | 90 399 | - | - | - | - | - | 51 | 51 | 90 450 | 95 192 | 101 232 |
| Investment revenue | 3 219 | - | - | - | - | - | (240) | (240) | 2 979 | 3 380 | 3 583 |
| Transfers recognised - operational | 109 873 | - | - | - | - | - | - | - | 109 873 | 111 395 | 111 738 |
| Other own revenue | 86 597 | - | - | - | - | - | (27 196) | (27 196) | 59 402 | 65 621 | 69 228 |
| Total Revenue (excluding capital transfers and contributions) | 332 860 | | | | | | (21 385) | (21 385) | 311 475 | 320 499 | 333 385 |
| Employee costs | 104 071 | - | - | - | - | - | 1 967 | 1 967 | 106 038 | 107 838 | 114 226 |
| Remuneration of councillors | 6 988 | - | - | - | - | - | 376 | 376 | 7 364 | 7 337 | 7 747 |
| Depreciation & asset impairment | 30 000 | - | - | - | - | - | 3 000 | 3 000 | 33 000 | 30 000 | 30 000 |
| Finance charges | 3 000 | - | - | - | - | - | 7 500 | 7 500 | 10 500 | 3 150 | 3 339 |
| Inventory consumed and bulk purchases | 60 978 | - | - | - | - | - | 95 | 95 | 61 073 | 64 027 | 67 869 |
| Transfers and subsidies | 10 | - | - | - | - | - | - | - | 10 | 11 | 11 |
| Other expenditure | 75 687 | - | - | - | - | - | 17 049 | 17 049 | 92 736 | 77 177 | 81 053 |
| Total Expenditure | 280 734 | | | | | | 29 987 | 29 987 | 310 720 | 289 540 | 304 245 |
| Surplus/(Deficit) | 52 126 | | | | | | (51 371) | (51 371) | 755 | 30 958 | 29 140 |
| Transfers and subsidies - capital (monetary allocations) | 37 721 | - | - | - | - | - | - | - | 37 721 | 44 212 | 51 152 |
| Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 89 847 | | | | | | (51 371) | (51 371) | 38 476 | 75 170 | 80 292 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 89 847 | | | | | | (51 371) | (51 371) | 38 476 | 75 170 | 80 292 |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | 41 201 | | | | | | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |
| Transfers recognised - capital | 36 381 | - | - | - | - | - | (60) | (60) | 36 321 | 44 272 | 51 212 |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 4 820 | - | - | - | - | - | 4 774 | 4 774 | 9 594 | 5 038 | 5 313 |
| Total sources of capital funds | 41 201 | | | | | | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |
| Financial position | | | | | | | | | | | |
| Total current assets | 255 773 | - | - | - | - | - | (27 680) | (27 680) | 228 094 | 322 309 | 411 026 |
| Total non current assets | 160 212 | - | - | - | - | - | 4 714 | 4 714 | 164 926 | 189 522 | 226 046 |
| Total current liabilities | 109 213 | - | - | - | - | - | 28 406 | 28 406 | 137 618 | 129 888 | 174 838 |
| Total non current liabilities | 185 124 | - | - | - | - | - | - | - | 185 124 | 185 124 | 185 124 |
| Community wealth/Equity | 121 649 | - | - | - | - | - | (51 371) | (51 371) | 70 278 | 196 819 | 277 111 |
| Cash flows | | | | | | | | | | | |
| Net cash from (used) operating | 122 254 | - | - | - | - | - | 124 | 124 | 122 378 | 131 991 | 140 572 |
| Net cash from (used) investing | (36 201) | - | - | - | - | - | 5 000 | 5 000 | (31 201) | (44 618) | (44 618) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the year end | 161 322 | | | | | | 5 124 | 5 124 | 166 446 | 250 845 | 343 855 |
| Cash backing/surplus reconciliation | | | | | | | | | | | |
| Cash and investments available | 164 898 | - | - | - | - | - | (116) | (116) | 164 783 | 249 327 | 342 555 |
| Application of cash and investments | (7 918) | - | - | - | - | - | 71 286 | 71 286 | 63 368 | 54 733 | 120 296 |
| Balance - surplus (shortfall) | 172 816 | | | | | | (71 402) | (71 402) | 101 414 | 194 594 | 222 259 |
| Asset Management | | | | | | | | | | | |
| Asset register summary (WDV) | 93 170 | - | - | - | - | - | (6 986) | (6 986) | 86 184 | 98 870 | 110 611 |
| Depreciation | 20 000 | - | - | - | - | - | - | - | 20 000 | 20 000 | 20 000 |
| Renewal and Upgrading of Existing Assets | 8 331 | - | - | - | - | - | 6 000 | 6 000 | 14 331 | 22 574 | 23 437 |
| Repairs and Maintenance | 20 786 | - | - | - | - | - | (1 736) | (1 736) | 19 050 | 21 825 | 23 113 |
| Free services | | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided | - | - | - | - | - | - | 5 460 | 5 460 | 5 460 | - | - |
| Households below minimum service level | | | | | | | | | | | |
| Water: | - | - | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | - | - | - | - | - | - | - | - | - | - | - |
| Energy: | - | - | - | - | - | - | - | - | - | - | - |
| Refuse: | - | - | - | - | - | - | - | - | - | - | - |

FS183 Tswelopele - Table B2 Adjustments Budget Financial Performance (functional classification) - 2025/02/28

| Standard Description | Ref | 2025/26 | | | | | | | | | Budget Year | Budget Year | |
|--|------|-----------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|-----------------|-----------------|--|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget | |
| | | | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | | |
| R thousands | 1, 4 | A | A1 | B | C | D | E | F | G | H | | | |
| Revenue - Functional | | | | | | | | | | | | | |
| Governance and administration | | 200 226 | - | - | - | - | - | (72 309) | (72 309) | 127 917 | 213 128 | 219 769 | |
| Executive and council | | 104 299 | - | - | - | - | - | (68 560) | (68 560) | 35 739 | 105 635 | 105 894 | |
| Finance and administration | | 95 927 | - | - | - | - | - | (3 749) | (3 749) | 92 178 | 107 494 | 113 875 | |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - | |
| Community and public safety | | 1 865 | - | - | - | - | - | 4 709 | 4 709 | 6 574 | 1 959 | 2 076 | |
| Community and social services | | 700 | - | - | - | - | - | 200 | 200 | 900 | 735 | 779 | |
| Sport and recreation | | 1 150 | - | - | - | - | - | 2 937 | 2 937 | 4 087 | 1 208 | 1 280 | |
| Public safety | | 15 | - | - | - | - | - | 1 572 | 1 572 | 1 587 | 16 | 17 | |
| Housing | | - | - | - | - | - | - | - | - | - | - | - | |
| Health | | - | - | - | - | - | - | - | - | - | - | - | |
| Economic and environmental services | | 20 271 | - | - | - | - | - | 10 030 | 10 030 | 30 301 | 21 641 | 22 470 | |
| Planning and development | | 900 | - | - | - | - | - | 4 930 | 4 930 | 5 830 | 945 | 1 002 | |
| Road transport | | 19 371 | - | - | - | - | - | 5 100 | 5 100 | 24 471 | 20 696 | 21 468 | |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - | |
| Trading services | | 148 218 | - | - | - | - | - | 36 186 | 36 186 | 184 404 | 127 982 | 140 222 | |
| Energy sources | | 98 649 | - | - | - | - | - | 11 835 | 11 835 | 110 484 | 73 275 | 82 560 | |
| Water management | | 30 169 | - | - | - | - | - | 8 135 | 8 135 | 38 304 | 34 425 | 36 270 | |
| Waste water management | | 10 500 | - | - | - | - | - | 9 000 | 9 000 | 19 500 | 11 025 | 11 687 | |
| Waste management | | 8 901 | - | - | - | - | - | 7 216 | 7 216 | 16 117 | 9 257 | 9 705 | |
| Other | | - | - | - | - | - | - | - | - | - | - | - | |
| Total Revenue - Functional | 2 | 370 581 | - | - | - | - | - | (21 385) | (21 385) | 349 196 | 364 711 | 384 537 | |
| Expenditure - Functional | | | | | | | | | | | | | |
| Governance and administration | | 105 515 | - | - | - | - | - | 16 890 | 16 890 | 122 405 | 108 296 | 113 644 | |
| Executive and council | | 31 022 | - | - | - | - | - | 10 196 | 10 196 | 41 219 | 30 482 | 31 797 | |
| Finance and administration | | 74 493 | - | - | - | - | - | 6 694 | 6 694 | 81 187 | 77 815 | 81 848 | |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - | |
| Community and public safety | | 12 346 | - | - | - | - | - | (59) | (59) | 12 287 | 12 962 | 13 739 | |
| Community and social services | | 4 183 | - | - | - | - | - | 51 | 51 | 4 234 | 4 391 | 4 653 | |
| Sport and recreation | | 6 686 | - | - | - | - | - | 20 | 20 | 6 706 | 7 020 | 7 441 | |
| Public safety | | 1 477 | - | - | - | - | - | (130) | (130) | 1 347 | 1 551 | 1 644 | |
| Housing | | - | - | - | - | - | - | - | - | - | - | - | |
| Health | | - | - | - | - | - | - | - | - | - | - | - | |
| Economic and environmental services | | 37 332 | - | - | - | - | - | (3 497) | (3 497) | 33 835 | 38 878 | 40 911 | |
| Planning and development | | 9 354 | - | - | - | - | - | 18 | 18 | 9 372 | 9 821 | 10 411 | |
| Road transport | | 27 978 | - | - | - | - | - | (3 515) | (3 515) | 24 463 | 29 056 | 30 500 | |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - | |
| Trading services | | 125 540 | - | - | - | - | - | 16 652 | 16 652 | 142 193 | 129 404 | 135 951 | |
| Energy sources | | 62 799 | - | - | - | - | - | 3 759 | 3 759 | 66 558 | 64 194 | 67 632 | |
| Water management | | 28 897 | - | - | - | - | - | 3 718 | 3 718 | 32 615 | 30 117 | 31 654 | |
| Waste water management | | 19 740 | - | - | - | - | - | 5 027 | 5 027 | 24 767 | 20 484 | 21 420 | |
| Waste management | | 14 104 | - | - | - | - | - | 4 149 | 4 149 | 18 252 | 14 609 | 15 245 | |
| Other | | - | - | - | - | - | - | - | - | - | - | - | |
| Total Expenditure - Functional | 3 | 280 734 | - | - | - | - | - | 29 987 | 29 987 | 310 720 | 289 540 | 304 245 | |
| Surplus/ (Deficit) for the year | | 89 847 | - | - | - | - | - | (51 371) | (51 371) | 38 476 | 75 170 | 80 292 | |

| Vote Description <i>[Insert departmental structure etc]</i> | Ref | 2025/26 | | | | | | | | | Budget Year 2026/27 | Budget Year 2027/28 |
|--|-----|--------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|-----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| Revenue by Vote | 1 | | | | | | | | | | | |
| Vote 1 - Executive | | 104 669 | - | - | - | - | - | (63 600) | (63 600) | 41 069 | 106 023 | 106 305 |
| Vote 2 - Budget and Treasury Office | | 19 362 | - | - | - | - | - | 13 251 | 13 251 | 32 613 | 20 400 | 21 556 |
| Vote 3 - Community and Social Services | | 2 345 | - | - | - | - | - | 2 129 | 2 129 | 4 474 | 2 463 | 2 610 |
| Vote 4 - Public Safety | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Sport and Recreation | | 50 | - | - | - | - | - | 2 550 | 2 550 | 2 600 | 53 | 56 |
| Vote 6 - Waste Management | | 8 901 | - | - | - | - | - | 7 216 | 7 216 | 16 117 | 9 257 | 9 705 |
| Vote 7 - Waste Water Management | | 10 500 | - | - | - | - | - | 9 000 | 9 000 | 19 500 | 11 025 | 11 687 |
| Vote 8 - Road Transport | | 19 371 | - | - | - | - | - | 5 100 | 5 100 | 24 471 | 20 696 | 21 468 |
| Vote 9 - Water | | 30 169 | - | - | - | - | - | 8 135 | 8 135 | 38 304 | 34 425 | 36 270 |
| Vote 10 - Electricity | | 98 649 | - | - | - | - | - | 11 835 | 11 835 | 110 484 | 73 275 | 82 560 |
| Vote 11 - Corporate Services | | 76 565 | - | - | - | - | - | (17 000) | (17 000) | 59 565 | 87 093 | 92 319 |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 370 581 | - | - | - | - | - | (21 385) | (21 385) | 349 196 | 364 711 | 384 537 |
| Expenditure by Vote | 1 | | | | | | | | | | | |
| Vote 1 - Executive | | 40 376 | - | - | - | - | - | 10 215 | 10 215 | 50 591 | 40 303 | 42 207 |
| Vote 2 - Budget and Treasury Office | | 48 666 | - | - | - | - | - | 4 598 | 4 598 | 53 264 | 50 696 | 53 102 |
| Vote 3 - Community and Social Services | | 11 227 | - | - | - | - | - | (59) | (59) | 11 168 | 11 788 | 12 496 |
| Vote 4 - Public Safety | | 979 | - | - | - | - | - | 0 | 0 | 979 | 1 026 | 1 087 |
| Vote 5 - Sport and Recreation | | 140 | - | - | - | - | - | - | - | 140 | 148 | 156 |
| Vote 6 - Waste Management | | 14 104 | - | - | - | - | - | 4 149 | 4 149 | 18 252 | 14 609 | 15 245 |
| Vote 7 - Waste Water Management | | 19 740 | - | - | - | - | - | 5 027 | 5 027 | 24 767 | 20 484 | 21 420 |
| Vote 8 - Road Transport | | 27 978 | - | - | - | - | - | (3 515) | (3 515) | 24 463 | 29 056 | 30 500 |
| Vote 9 - Water | | 28 897 | - | - | - | - | - | 3 718 | 3 718 | 32 615 | 28 617 | 30 154 |
| Vote 10 - Electricity | | 62 799 | - | - | - | - | - | 3 759 | 3 759 | 66 558 | 64 194 | 67 632 |
| Vote 11 - Corporate Services | | 25 827 | - | - | - | - | - | 2 095 | 2 095 | 27 923 | 27 119 | 28 746 |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 279 234 | - | - | - | - | - | 29 987 | 29 987 | 310 720 | 288 040 | 302 745 |
| Surplus/ (Deficit) for the year | 2 | 91 347 | - | - | - | - | - | (51 371) | (51 371) | 38 476 | 76 670 | 81 792 |

Project name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2025/02/28

| Description | Ref | 2025/26 | | | | | | | | | Budget Year | Budget Year |
|--|----------|-----------------|----------------|--------------|--------------------|------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | |
| R thousands | 1 | A | A1 | B | C | D | E | F | G | H | | |
| Revenue By Source | | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | | |
| Service charges - Electricity | 2 | 64 740 | - | - | - | - | - | 1 835 | 1 835 | 66 575 | 68 067 | 72 258 |
| Service charges - Water | 2 | 9 828 | - | - | - | - | - | - | - | 9 828 | 10 414 | 11 152 |
| Service charges - Waste Water Management | 2 | 8 715 | - | - | - | - | - | - | - | 8 715 | 9 240 | 9 902 |
| Service charges - Waste Management | 2 | 7 116 | - | - | - | - | - | (1 784) | (1 784) | 5 332 | 7 472 | 7 920 |
| Sale of Goods and Rendering of Services | | 1 458 | - | - | - | - | - | 74 | 74 | 1 533 | 1 531 | 1 623 |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | - | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Current and Non Current Assets | | 3 219 | - | - | - | - | - | (240) | (240) | 2 979 | 3 380 | 3 583 |
| Dividends | | 241 | - | - | - | - | - | - | - | 241 | 254 | 269 |
| Rent on Land | | 600 | - | - | - | - | - | 390 | 390 | 990 | 630 | 668 |
| Rental from Fixed Assets | | 520 | - | - | - | - | - | 50 | 50 | 570 | 546 | 579 |
| Special Rating Levies | | - | - | - | - | - | - | - | - | - | - | - |
| Licence and permits | | 545 | - | - | - | - | - | 40 | 40 | 585 | 572 | 607 |
| Operational Revenue | | 6 000 | - | - | - | - | - | 50 | 50 | 6 050 | 6 025 | 6 056 |
| Non-Exchange Revenue | | | | | | | | | | | | |
| Property rates | 2 | 42 771 | - | - | - | - | - | 6 000 | 6 000 | 48 771 | 44 910 | 47 604 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 1 012 | - | - | - | - | - | 200 | 200 | 1 212 | 1 063 | 1 126 |
| Licences or permits | | - | - | - | - | - | - | - | - | - | - | - |
| Transfer and subsidies - Operational | | 109 873 | - | - | - | - | - | - | - | 109 873 | 111 395 | 111 738 |
| Interest | | 46 000 | - | - | - | - | - | (28 000) | (28 000) | 18 000 | 55 000 | 58 300 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Other Gains | | 30 220 | - | - | - | - | - | - | - | 30 220 | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - | - | - |
| I Revenue (excluding capital transfers and contributions) | | 332 860 | - | - | - | - | - | (21 385) | (21 385) | 311 475 | 320 499 | 333 385 |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | | 104 071 | - | - | - | - | - | 1 967 | 1 967 | 106 038 | 107 838 | 114 226 |
| Remuneration of councillors | | 6 988 | - | - | - | - | - | 376 | 376 | 7 364 | 7 337 | 7 747 |
| Bulk purchases - electricity | | 47 425 | - | - | - | - | - | - | - | 47 425 | 49 796 | 52 784 |
| Inventory consumed | | 13 553 | - | - | - | - | - | 95 | 95 | 13 648 | 14 231 | 15 085 |
| Debt impairment | | 10 000 | - | - | - | - | - | 3 000 | 3 000 | 13 000 | 10 000 | 10 000 |
| Depreciation and amortisation | | 20 000 | - | - | - | - | - | - | - | 20 000 | 20 000 | 20 000 |
| Interest | | 3 000 | - | - | - | - | - | 7 500 | 7 500 | 10 500 | 3 150 | 3 339 |
| Contracted services | | 41 808 | - | - | - | - | - | 6 365 | 6 365 | 48 173 | 42 133 | 44 611 |
| Transfers and subsidies | | 10 | - | - | - | - | - | - | - | 10 | 11 | 11 |
| Irrecoverable debts written off | | 10 000 | - | - | - | - | - | 2 550 | 2 550 | 12 550 | 10 000 | 10 000 |
| Operational costs | | 23 879 | - | - | - | - | - | 7 484 | 7 484 | 31 362 | 25 044 | 26 441 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 280 734 | - | - | - | - | - | 29 336 | 29 336 | 310 070 | 289 540 | 304 245 |
| Surplus/(Deficit) | | 52 126 | - | - | - | - | - | (50 721) | (50 721) | 1 406 | 30 958 | 29 140 |
| Transfers and subsidies - capital (monetary allocations) | | 37 721 | - | - | - | - | - | - | - | 37 721 | 44 212 | 51 152 |
| Transfers and subsidies - capital (in-kind - all) | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) before taxation | | 89 847 | - | - | - | - | - | (50 721) | (50 721) | 39 127 | 75 170 | 80 292 |
| Income Tax | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | 89 847 | - | - | - | - | - | (50 721) | (50 721) | 39 127 | 75 170 | 80 292 |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 89 847 | - | - | - | - | - | (50 721) | (50 721) | 39 127 | 75 170 | 80 292 |
| Share of Surplus/Deficit attributable to Associate | | - | - | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 1 | 89 847 | - | - | - | - | - | (50 721) | (50 721) | 39 127 | 75 170 | 80 292 |

***swelopele - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 2025/02/28**

| Description | Ref | 2025/26 | | | | | | | | | Budget Year 2026/27 | Budget Year 2027/28 |
|--|-----|-----------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|---------------------|---------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | | |
| R thousands | | A | A1 | B | C | D | E | F | G | H | | |
| Capital expenditure - Vote | | | | | | | | | | | | |
| <i>expenditure to be adjusted</i> | 2 | | | | | | | | | | | |
| Vote 1 - Executive | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Budget and Treasury Office | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Community and Social Services | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Public Safety | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Sport and Recreation | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Waste Management | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Waste Water Management | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Road Transport | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Water | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - Electricity | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - Corporate Services | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 3 | - | - | - | - | - | - | - | - | - | - | - |
| <i>expenditure to be adjusted</i> | 2 | | | | | | | | | | | |
| Vote 1 - Executive | | 580 | - | - | - | - | - | 250 | 250 | 830 | 609 | 646 |
| Vote 2 - Budget and Treasury Office | | 620 | - | - | - | - | - | (60) | (60) | 560 | 625 | 631 |
| Vote 3 - Community and Social Services | | 160 | - | - | - | - | - | - | - | 160 | 168 | 178 |
| Vote 4 - Public Safety | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Sport and Recreation | | 7 881 | - | - | - | - | - | - | - | 7 881 | 20 602 | 21 368 |
| Vote 6 - Waste Management | | 30 | - | - | - | - | - | - | - | 30 | 32 | 33 |
| Vote 7 - Waste Water Management | | 19 100 | - | - | - | - | - | - | - | 19 100 | 22 803 | 23 951 |
| Vote 8 - Road Transport | | 11 100 | - | - | - | - | - | 4 514 | 4 514 | 15 614 | 2 730 | 2 894 |
| Vote 9 - Water | | 70 | - | - | - | - | - | - | - | 70 | 74 | 78 |
| Vote 10 - Electricity | | 1 500 | - | - | - | - | - | - | - | 1 500 | 1 500 | 6 568 |
| Vote 11 - Corporate Services | | 160 | - | - | - | - | - | 10 | 10 | 170 | 168 | 178 |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 41 201 | - | - | - | - | - | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |
| Total Capital Expenditure - Vote | | 41 201 | - | - | - | - | - | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |
| Capital Expenditure - Functional | | | | | | | | | | | | |
| Governance and administration | | 1 260 | - | - | - | - | - | 60 | 60 | 1 320 | 1 297 | 1 344 |
| Executive and council | | 480 | - | - | - | - | - | 110 | 110 | 590 | 504 | 534 |
| Finance and administration | | 780 | - | - | - | - | - | (50) | (50) | 730 | 793 | 809 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 8 041 | - | - | - | - | - | - | - | 8 041 | 20 770 | 21 546 |
| Community and social services | | - | - | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | 8 041 | - | - | - | - | - | - | - | 8 041 | 20 770 | 21 546 |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 11 200 | - | - | - | - | - | 4 654 | 4 654 | 15 854 | 2 835 | 3 005 |
| Planning and development | | 100 | - | - | - | - | - | 140 | 140 | 240 | 105 | 111 |
| Road transport | | 11 100 | - | - | - | - | - | 4 514 | 4 514 | 15 614 | 2 730 | 2 894 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 20 700 | - | - | - | - | - | - | - | 20 700 | 24 408 | 30 630 |
| Energy sources | | 1 500 | - | - | - | - | - | - | - | 1 500 | 1 500 | 6 568 |
| Water management | | 70 | - | - | - | - | - | - | - | 70 | 74 | 78 |
| Waste water management | | 19 100 | - | - | - | - | - | - | - | 19 100 | 22 803 | 23 951 |
| Waste management | | 30 | - | - | - | - | - | - | - | 30 | 32 | 33 |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 41 201 | - | - | - | - | - | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |
| Funded by: | | | | | | | | | | | | |
| National Government | | 36 381 | - | - | - | - | - | (60) | (60) | 36 321 | 44 272 | 51 212 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - |
| ind subsidies - capital (in-kind) | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 36 381 | - | - | - | - | - | (60) | (60) | 36 321 | 44 272 | 51 212 |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 4 820 | - | - | - | - | - | 4 774 | 4 774 | 9 594 | 5 038 | 5 313 |
| Total Capital Funding | | 41 201 | - | - | - | - | - | 4 714 | 4 714 | 45 915 | 49 310 | 56 525 |

183 Tswelopele - Table B6 Adjustments Budget Financial Position - 2025/02/28

| Description | Ref | 2025/26 | | | | | | | | | Budget Year 2026/27 | Budget Year 2027/28 |
|---|-----|-----------------|----------------|--------------|--------------------|------------------|--------------------|-----------------|-----------------|-----------------|---------------------|---------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| R thousands | | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash and cash equivalents | | 163 472 | - | - | - | - | - | (116) | (116) | 163 357 | 247 901 | 341 129 |
| Trade and other receivables from exchange transactions | 1 | 1 630 | - | - | - | - | - | (9 561) | (9 561) | (7 931) | (66 316) | (127 659) |
| Receivables from non-exchange transactions | 1 | 42 428 | - | - | - | - | - | (17 258) | (17 258) | 25 170 | 66 991 | 98 092 |
| Current portion of non-current receivables | 2 | - | - | - | - | - | - | - | - | - | - | - |
| Inventory | | 2 543 | - | - | - | - | - | (745) | (745) | 1 798 | 2 543 | 2 543 |
| VAT | | 44 088 | - | - | - | - | - | - | - | 44 088 | 69 578 | 95 310 |
| Other current assets | | 1 612 | - | - | - | - | - | - | - | 1 612 | 1 612 | 1 612 |
| Total current assets | | 255 773 | - | - | - | - | - | (27 680) | (27 680) | 228 094 | 322 309 | 411 026 |
| Non current assets | | | | | | | | | | | | |
| Investments | | 1 426 | - | - | - | - | - | - | - | 1 426 | 1 426 | 1 426 |
| Investment property | | 102 571 | - | - | - | - | - | - | - | 102 571 | 102 571 | 102 571 |
| Property, plant and equipment | 3 | 53 949 | - | - | - | - | - | 4 714 | 4 714 | 58 663 | 83 259 | 119 784 |
| Biological assets | | 705 | - | - | - | - | - | - | - | 705 | 705 | 705 |
| Living and non-living resources | | - | - | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | | - | - | - | - | - | - | - | - | - | - | - |
| Trade and other receivables from exchange transactions | | - | - | - | - | - | - | - | - | - | - | - |
| Non-current receivables from non-exchange transactions | | - | - | - | - | - | - | - | - | - | - | - |
| Other non-current assets | | 1 561 | - | - | - | - | - | - | - | 1 561 | 1 561 | 1 561 |
| Total non current assets | | 160 212 | - | - | - | - | - | 4 714 | 4 714 | 164 926 | 189 522 | 226 046 |
| TOTAL ASSETS | | 415 985 | - | - | - | - | - | (22 966) | (22 966) | 393 019 | 511 830 | 637 072 |
| LIABILITIES | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | |
| Bank overdraft | | - | - | - | - | - | - | - | - | - | - | - |
| Financial liabilities | | 2 769 | - | - | - | - | - | - | - | 2 769 | 2 769 | 2 769 |
| Consumer deposits | | 1 700 | - | - | - | - | - | - | - | 1 700 | 1 700 | 1 700 |
| Trade and other payables from exchange transactions | | 75 781 | - | - | - | - | - | 28 406 | 28 406 | 104 186 | 81 748 | 111 163 |
| Trade and other payables from non-exchange transactions | | 9 | - | - | - | - | - | (0) | (0) | 9 | (38) | (194) |
| Provisions | | 863 | - | - | - | - | - | - | - | 863 | 863 | 863 |
| VAT | | 28 091 | - | - | - | - | - | - | - | 28 091 | 42 846 | 58 537 |
| Other current liabilities | | - | - | - | - | - | - | - | - | - | - | - |
| Total current liabilities | | 109 213 | - | - | - | - | - | 28 406 | 28 406 | 137 618 | 129 888 | 174 838 |
| Non current liabilities | | | | | | | | | | | | |
| Borrowing | 1 | 6 146 | - | - | - | - | - | - | - | 6 146 | 6 146 | 6 146 |
| Provisions | 1 | 141 077 | - | - | - | - | - | - | - | 141 077 | 141 077 | 141 077 |
| Long term portion of trade payables | | 30 000 | - | - | - | - | - | - | - | 30 000 | 30 000 | 30 000 |
| Other non-current liabilities | | 7 901 | - | - | - | - | - | - | - | 7 901 | 7 901 | 7 901 |
| Total non current liabilities | | 185 124 | - | - | - | - | - | - | - | 185 124 | 185 124 | 185 124 |
| TOTAL LIABILITIES | | 294 336 | - | - | - | - | - | 28 406 | 28 406 | 322 742 | 315 011 | 359 962 |
| NET ASSETS | 2 | 121 649 | - | - | - | - | - | (51 371) | (51 371) | 70 278 | 196 819 | 277 111 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 121 649 | - | - | - | - | - | (51 371) | (51 371) | 70 278 | 196 819 | 277 111 |
| Funds and Reserves | | - | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | | 121 649 | - | - | - | - | - | (51 371) | (51 371) | 70 278 | 196 819 | 277 111 |

183 Tswelopele - Table B7 Adjustments Budget Cash Flows - 2025/02/28

| Description | Ref | 2025/26 | | | | | | | | | Budget Year | Budget Year |
|--|-----|-----------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|-----------------|-----------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| R thousands | A | A1 | B | C | D | E | F | G | H | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Property rates | | 64 467 | - | - | - | - | - | - | - | 64 467 | 71 752 | 71 752 |
| Service charges | | 145 669 | - | - | - | - | - | - | - | 145 669 | 161 707 | 161 707 |
| Other revenue | | 11 141 | - | - | - | - | - | 125 | 125 | 11 266 | 7 406 | 8 813 |
| Transfers and Subsidies - Operational | 1 | 109 723 | - | - | - | - | - | (0) | (0) | 109 723 | 111 338 | 111 571 |
| Transfers and Subsidies - Capital | 1 | 37 721 | - | - | - | - | - | - | - | 37 721 | 44 212 | 51 152 |
| Interest | | - | - | - | - | - | - | - | - | - | - | - |
| Dividends | | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | |
| Suppliers and employees | | (243 467) | - | - | - | - | - | - | - | (243 467) | (267 762) | (267 762) |
| Finance charges | | (3 000) | - | - | - | - | - | - | - | (3 000) | 3 339 | 3 339 |
| Transfers and Subsidies | 1 | - | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 122 254 | - | - | - | - | - | 124 | 124 | 122 378 | 131 991 | 140 572 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | 5 000 | - | - | - | - | - | - | - | 5 000 | 5 000 | 5 000 |
| Decrease (increase) in non-current receivables | | - | - | - | - | - | - | 5 000 | 5 000 | 5 000 | - | - |
| Decrease (increase) in non-current investments | | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | |
| Capital assets | | (41 201) | - | - | - | - | - | - | - | (41 201) | (49 618) | (49 618) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (36 201) | - | - | - | - | - | 5 000 | 5 000 | (31 201) | (44 618) | (44 618) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 86 053 | - | - | - | - | - | 5 124 | 5 124 | 91 177 | 87 373 | 95 954 |
| Cash/cash equivalents at the year begin: | 2 | 75 269 | - | - | - | - | - | - | - | 75 269 | 163 472 | 247 901 |
| Cash/cash equivalents at the year end: | 2 | 161 322 | - | - | - | - | - | 5 124 | 5 124 | 166 446 | 250 845 | 343 855 |

3 Tswelopele - Table B8 Cash backed reserves/accumulated surplus reconciliation - 2025/02/28

| Description | Ref | 2025/26 | | | | | | | | | Budget Year | Budget Year |
|---|-----|-----------------|----------------|--------------|--------------------|------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| R thousands | | A | A1 | B | C | D | E | F | G | H | | |
| Cash and investments available | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 161 322 | - | - | - | - | - | 5 124 | 5 124 | 166 446 | 250 845 | 343 855 |
| Other current investments > 90 days | | 2 151 | - | - | - | - | - | (5 240) | (5 240) | (3 089) | (2 944) | (2 726) |
| Non current assets - Investments | 1 | 1 426 | - | - | - | - | - | - | - | 1 426 | 1 426 | 1 426 |
| Cash and investments available: | | 164 898 | - | - | - | - | - | (116) | (116) | 164 783 | 249 327 | 342 555 |
| Applications of cash and investments | | | | | | | | | | | | |
| Unspent conditional transfers | | 0 | - | - | - | - | - | (0) | (0) | - | (57) | (224) |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | | (15 997) | - | - | - | - | - | - | - | (15 997) | (26 732) | (36 773) |
| Other working capital requirements | 2 | 7 216 | - | - | - | - | - | 71 286 | 71 286 | 78 502 | 80 659 | 156 430 |
| Other provisions | | 863 | - | - | - | - | - | - | - | 863 | 863 | 863 |
| Long term investments committed | | - | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | | - | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | (7 918) | - | - | - | - | - | 71 286 | 71 286 | 63 368 | 54 733 | 120 296 |
| Surplus(shortfall) | | 172 816 | - | - | - | - | - | (71 402) | (71 402) | 101 414 | 194 594 | 222 259 |

FS183 Tswelopele - Table B9 Asset Management - 2025/02/28

| Description | Ref | 2025/26 | | | | | | | | | Budget Year | Budget Year |
|--|-----|----------|----------|--------|------------|----------|---------------|---------|--------|----------|-------------|-------------|
| | | Original | Prior | Accum. | Multi-year | Unfore. | Nat. or Prov. | Other | Total | Adjusted | Adjusted | Adjusted |
| | | Budget | Adjusted | Funds | capital | Unavoid. | Govt | Adjus. | Adjus. | Budget | Budget | Budget |
| | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | | | | |
| | A | A1 | B | C | D | E | F | G | H | | | |
| R thousands | | | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | | | |
| Total New Assets to be adjusted | 1 | 32 870 | - | - | - | - | (1 286) | (1 286) | 31 584 | 26 735 | 33 088 | |
| Roads Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Storm water Infrastructure | | 8 500 | - | - | - | - | (8 500) | (8 500) | (0) | - | - | |
| Electrical Infrastructure | | 1 500 | - | - | - | - | - | - | 1 500 | - | 5 000 | |
| Water Supply Infrastructure | | 70 | - | - | - | - | - | - | 70 | 74 | 78 | |
| Sanitation Infrastructure | | 18 440 | - | - | - | - | - | - | 18 440 | 22 110 | 23 216 | |
| Solid Waste Infrastructure | | - | - | - | - | - | 2 500 | 2 500 | 2 500 | - | - | |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Infrastructure | | 28 510 | - | - | - | - | (6 000) | (6 000) | 22 510 | 22 184 | 28 294 | |
| Community Facilities | | - | - | - | - | - | - | - | - | - | - | |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - | - | |
| Community Assets | | - | - | - | - | - | - | - | - | - | - | |
| Heritage Assets | | - | - | - | - | - | - | - | - | - | - | |
| Revenue Generating | | - | - | - | - | - | - | - | - | - | - | |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - | - | |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | |
| Operational Buildings | | 250 | - | - | - | - | 1 600 | 1 600 | 1 850 | 263 | 278 | |
| Housing | | - | - | - | - | - | - | - | - | - | - | |
| Other Assets | 6 | 250 | - | - | - | - | 1 600 | 1 600 | 1 850 | 263 | 278 | |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - | - | |
| Servitudes | | - | - | - | - | - | - | - | - | - | - | |
| Licences and Rights | | - | - | - | - | - | - | - | - | - | - | |
| Intangible Assets | | - | - | - | - | - | - | - | - | - | - | |
| Computer Equipment | | - | - | - | - | - | - | - | - | - | - | |
| Furniture and Office Equipment | | 1 180 | - | - | - | - | 300 | 300 | 1 480 | 1 213 | 1 255 | |
| Machinery and Equipment | | 430 | - | - | - | - | 1 214 | 1 214 | 1 644 | 452 | 479 | |
| Transport Assets | | 2 500 | - | - | - | - | 1 600 | 1 600 | 4 100 | 2 625 | 2 783 | |
| Land | | - | - | - | - | - | - | - | - | - | - | |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - | - | |
| Mature | | - | - | - | - | - | - | - | - | - | - | |
| Immature | | - | - | - | - | - | - | - | - | - | - | |
| Living Resources | | - | - | - | - | - | - | - | - | - | - | |
| Total Renewal of Existing Assets to be adjusted | 2 | - | - | - | - | - | - | - | - | 1 500 | 1 568 | |
| Roads Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Electrical Infrastructure | | - | - | - | - | - | - | - | - | 1 500 | 1 568 | |
| Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Sanitation Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - | - | |
| Infrastructure | | - | - | - | - | - | - | - | - | 1 500 | 1 568 | |
| Community Facilities | | - | - | - | - | - | - | - | - | - | - | |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - | - | |
| Community Assets | | - | - | - | - | - | - | - | - | - | - | |
| Heritage Assets | | - | - | - | - | - | - | - | - | - | - | |
| Revenue Generating | | - | - | - | - | - | - | - | - | - | - | |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - | - | |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | |
| Operational Buildings | | - | - | - | - | - | - | - | - | - | - | |
| Housing | | - | - | - | - | - | - | - | - | - | - | |
| Other Assets | 6 | - | - | - | - | - | - | - | - | - | - | |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - | - | |
| Servitudes | | - | - | - | - | - | - | - | - | - | - | |
| Licences and Rights | | - | - | - | - | - | - | - | - | - | - | |
| Intangible Assets | | - | - | - | - | - | - | - | - | - | - | |
| Computer Equipment | | - | - | - | - | - | - | - | - | - | - | |
| Furniture and Office Equipment | | - | - | - | - | - | - | - | - | - | - | |
| Machinery and Equipment | | - | - | - | - | - | - | - | - | - | - | |
| Transport Assets | | - | - | - | - | - | - | - | - | - | - | |
| Land | | - | - | - | - | - | - | - | - | - | - | |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - | - | |
| Mature | | - | - | - | - | - | - | - | - | - | - | |
| Immature | | - | - | - | - | - | - | - | - | - | - | |
| Living Resources | | - | - | - | - | - | - | - | - | - | - | |

| | | | | | | | | | | | | |
|---|---|----------|------|---|---|---|---|---------|---------|----------|----------|----------|
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 93 170 | - | - | - | - | - | (6 986) | (6 986) | 86 184 | 98 870 | 110 611 |
| <i>Roads Infrastructure</i> | | (10 000) | - | - | - | - | - | 2 000 | 2 000 | (8 000) | (15 000) | (20 000) |
| <i>Storm water Infrastructure</i> | | 8 500 | - | - | - | - | - | (8 500) | (8 500) | (0) | 8 500 | 8 500 |
| <i>Electrical Infrastructure</i> | | 94 | - | - | - | - | - | (1 500) | (1 500) | (1 406) | (906) | 3 094 |
| <i>Water Supply Infrastructure</i> | | (6 860) | - | - | - | - | - | - | - | (6 860) | (6 787) | (6 709) |
| <i>Sanitation Infrastructure</i> | | 900 | - | - | - | - | - | - | - | 900 | 1 373 | 1 873 |
| <i>Solid Waste Infrastructure</i> | | (21 000) | - | - | - | - | - | 1 500 | 1 500 | (19 500) | (35 000) | (49 000) |
| <i>Rail Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Coastal Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Information and Communication Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | (28 366) | - | - | - | - | - | (6 500) | (6 500) | (34 866) | (47 820) | (62 242) |
| Community Assets | | 6 633 | - | - | - | - | - | (100) | (100) | 6 533 | 27 497 | 49 143 |
| Heritage Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | 102 571 | - | - | - | - | - | - | - | 102 571 | 102 571 | 102 571 |
| Other Assets | | - | - | - | - | - | - | (2 000) | (2 000) | (2 000) | - | - |
| Biological or Cultivated Assets | | 705 | - | - | - | - | - | - | - | 705 | 705 | 705 |
| Intangible Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | - | - | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | | 2 410 | - | - | - | - | - | (200) | (200) | 2 210 | 3 623 | 4 878 |
| Machinery and Equipment | | 810 | - | - | - | - | - | 1 214 | 1 214 | 2 024 | 1 261 | 1 740 |
| Transport Assets | | 8 408 | - | - | - | - | - | 600 | 600 | 9 008 | 11 033 | 13 815 |
| Land | | - | - | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 93 170 | - | - | - | - | - | (6 986) | (6 986) | 86 184 | 98 870 | 110 611 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | | | |
| Depreciation & asset impairment | | 20 000 | - | - | - | - | - | - | - | 20 000 | 20 000 | 20 000 |
| Repairs and Maintenance by asset class | 3 | 20 786 | - | - | - | - | - | (1 736) | (1 736) | 19 050 | 21 825 | 23 113 |
| <i>Roads Infrastructure</i> | | 6 951 | - | - | - | - | - | (2 190) | (2 190) | 4 761 | 7 299 | 7 736 |
| <i>Storm water Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Electrical Infrastructure</i> | | 4 030 | - | - | - | - | - | - | - | 4 030 | 4 232 | 4 485 |
| <i>Water Supply Infrastructure</i> | | 2 260 | - | - | - | - | - | 150 | 150 | 2 410 | 2 373 | 2 515 |
| <i>Sanitation Infrastructure</i> | | 2 110 | - | - | - | - | - | - | - | 2 110 | 2 216 | 2 348 |
| <i>Solid Waste Infrastructure</i> | | 700 | - | - | - | - | - | 200 | 200 | 900 | 735 | 779 |
| <i>Rail Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Coastal Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Information and Communication Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 16 051 | - | - | - | - | - | (1 840) | (1 840) | 14 211 | 16 854 | 17 865 |
| Community Facilities | | 167 | - | - | - | - | - | 10 | 10 | 177 | 175 | 186 |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets | | 167 | - | - | - | - | - | 10 | 10 | 177 | 175 | 186 |
| Heritage Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | - | - | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | 2 151 | - | - | - | - | - | - | - | 2 151 | 2 259 | 2 395 |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Other Assets | | 2 151 | - | - | - | - | - | - | - | 2 151 | 2 259 | 2 395 |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Servitudes | | - | - | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | 11 | - | - | - | - | - | - | - | 11 | 11 | 12 |
| Furniture and Office Equipment | | 1 254 | - | - | - | - | - | 94 | 94 | 1 348 | 1 317 | 1 374 |
| Machinery and Equipment | | 1 151 | - | - | - | - | - | - | - | 1 151 | 1 209 | 1 282 |
| Transport Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Mature | | - | - | - | - | - | - | - | - | - | - | - |
| Immature | | - | - | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURE OTHER ITEMS to be adjusted | | 40 786 | - | - | - | - | - | (1 736) | (1 736) | 39 050 | 41 825 | 43 113 |
| Renewal and upgrading of Existing Assets as % of total capex | | 20.2% | 0.0% | | | | | | | 31.2% | 45.8% | 41.5% |
| Renewal and upgrading of Existing Assets as % of deprecn | | 41.7% | 0.0% | | | | | | | 71.7% | 112.9% | 117.2% |
| R&M as a % of PPE | | 22.3% | 0.0% | | | | | | | 22.1% | 22.1% | 20.9% |
| Renewal and upgrading and R&M as a % of PPE | | 31.3% | 0.0% | | | | | | | 38.7% | 44.9% | 42.1% |

| | | | | | | | | | | | | |
|---|---|----------|------|---|---|---|---|---------|---------|----------|----------|----------|
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 93 170 | - | - | - | - | - | (6 986) | (6 986) | 86 184 | 98 870 | 110 611 |
| <i>Roads Infrastructure</i> | | (10 000) | - | - | - | - | - | 2 000 | 2 000 | (8 000) | (15 000) | (20 000) |
| <i>Storm water Infrastructure</i> | | 8 500 | - | - | - | - | - | (8 500) | (8 500) | (0) | 8 500 | 8 500 |
| <i>Electrical Infrastructure</i> | | 94 | - | - | - | - | - | (1 500) | (1 500) | (1 406) | (906) | 3 094 |
| <i>Water Supply Infrastructure</i> | | (6 860) | - | - | - | - | - | - | - | (6 860) | (6 787) | (6 709) |
| <i>Sanitation Infrastructure</i> | | 900 | - | - | - | - | - | - | - | 900 | 1 373 | 1 873 |
| <i>Solid Waste Infrastructure</i> | | (21 000) | - | - | - | - | - | 1 500 | 1 500 | (19 500) | (35 000) | (49 000) |
| <i>Rail Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Coastal Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Information and Communication Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | (28 366) | - | - | - | - | - | (6 500) | (6 500) | (34 866) | (47 820) | (62 242) |
| Community Assets | | 6 633 | - | - | - | - | - | (100) | (100) | 6 533 | 27 497 | 49 143 |
| Heritage Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | 102 571 | - | - | - | - | - | - | - | 102 571 | 102 571 | 102 571 |
| Other Assets | | - | - | - | - | - | - | (2 000) | (2 000) | (2 000) | - | - |
| Biological or Cultivated Assets | | 705 | - | - | - | - | - | - | - | 705 | 705 | 705 |
| Intangible Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | - | - | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | | 2 410 | - | - | - | - | - | (200) | (200) | 2 210 | 3 623 | 4 878 |
| Machinery and Equipment | | 810 | - | - | - | - | - | 1 214 | 1 214 | 2 024 | 1 261 | 1 740 |
| Transport Assets | | 8 408 | - | - | - | - | - | 600 | 600 | 9 008 | 11 033 | 13 815 |
| Land | | - | - | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 93 170 | - | - | - | - | - | (6 986) | (6 986) | 86 184 | 98 870 | 110 611 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | | | |
| Depreciation & asset impairment | | 20 000 | - | - | - | - | - | - | - | 20 000 | 20 000 | 20 000 |
| Repairs and Maintenance by asset class | 3 | 20 786 | - | - | - | - | - | (1 736) | (1 736) | 19 050 | 21 825 | 23 113 |
| <i>Roads Infrastructure</i> | | 6 951 | - | - | - | - | - | (2 190) | (2 190) | 4 761 | 7 299 | 7 736 |
| <i>Storm water Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Electrical Infrastructure</i> | | 4 030 | - | - | - | - | - | - | - | 4 030 | 4 232 | 4 485 |
| <i>Water Supply Infrastructure</i> | | 2 260 | - | - | - | - | - | 150 | 150 | 2 410 | 2 373 | 2 515 |
| <i>Sanitation Infrastructure</i> | | 2 110 | - | - | - | - | - | - | - | 2 110 | 2 216 | 2 348 |
| <i>Solid Waste Infrastructure</i> | | 700 | - | - | - | - | - | 200 | 200 | 900 | 735 | 779 |
| <i>Rail Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Coastal Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Information and Communication Infrastructure</i> | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 16 051 | - | - | - | - | - | (1 840) | (1 840) | 14 211 | 16 854 | 17 865 |
| Community Facilities | | 167 | - | - | - | - | - | 10 | 10 | 177 | 175 | 186 |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets | | 167 | - | - | - | - | - | 10 | 10 | 177 | 175 | 186 |
| Heritage Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | - | - | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | 2 151 | - | - | - | - | - | - | - | 2 151 | 2 259 | 2 395 |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Other Assets | | 2 151 | - | - | - | - | - | - | - | 2 151 | 2 259 | 2 395 |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Servitudes | | - | - | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | 11 | - | - | - | - | - | - | - | 11 | 11 | 12 |
| Furniture and Office Equipment | | 1 254 | - | - | - | - | - | 94 | 94 | 1 348 | 1 317 | 1 374 |
| Machinery and Equipment | | 1 151 | - | - | - | - | - | - | - | 1 151 | 1 209 | 1 282 |
| Transport Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Mature | | - | - | - | - | - | - | - | - | - | - | - |
| Immature | | - | - | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURE OTHER ITEMS to be adjusted | | 40 786 | - | - | - | - | - | (1 736) | (1 736) | 39 050 | 41 825 | 43 113 |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | | 20.2% | 0.0% | | | | | | | 31.2% | 45.8% | 41.5% |
| <i>Renewal and upgrading of Existing Assets as % of deprecn"</i> | | 41.7% | 0.0% | | | | | | | 71.7% | 112.9% | 117.2% |
| <i>R&M as a % of PPE</i> | | 22.3% | 0.0% | | | | | | | 22.1% | 22.1% | 20.9% |
| <i>Renewal and upgrading and R&M as a % of PPE</i> | | 31.3% | 0.0% | | | | | | | 38.7% | 44.9% | 42.1% |

6. Explanatory Notes to Adjustment Budget Tables

Explanatory Notes to Table B1: Table B1 is a summary of the budget of Tswelopele Local Municipality that gives an overview of the budget. This is the most important as it gives users of the budget a “snapshot” of what is going to follow in the next nine (9) main table. It includes, the following key aspects –

- **Financial Performance:** This is a summary of income statement of the Municipality.
- **Capital Expenditure and funding sources:** This gives a brief overview of the capital expenditure and its funding sources.
- **Financial Position:** This is the balance sheet of Tswelopele Local Municipality.
- **Cash Flow:** This gives a brief overview of the Cash flow of the Municipality.
- **Asset Management:** This is the overview of the total assets of the Municipality.
- **Free Services:** This section gives the total amount of free basic services as provided by the municipality.

Explanatory Notes to Table B2: Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table B4 as Table B4 exclude capital transfers

Explanatory Note to Table B3: Table B3 is an overview of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. Profits made on these services are used to subsidise non-trading services.

Explanatory note on table B4: Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the budgeted revenue of Tswelopele Local Municipality. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Major component of expenditure relates to employee costs.

Currently the municipality is providing and billing Property rates and service charges as follows:

- Property rates:

The municipality is charging property rates in line with the policy. As of the first of July 2022, the municipality implemented the new valuation roll as per the requirements of the Municipal Property Rates Act.

- Electricity:

The municipality is only licenced to provide electricity in Bultfontein and Hoopstad. Phahameng and Tikwana purchase their electricity direct from Eskom.

- Water:

Municipality bills Phahameng and Tikwana on flat rate, Bultfontein and Hoopstad are billed on consumption basis.

The first 6kl of water is only granted free to indigent consumers. However, the indigent households in Phahameng and Tikwana receive hundred percent relief benefit on water billing as the billing in the townships is a flat rate.

- Sewerage and refuse:

Sewerage and refuse are provided on flat rate around the whole municipality.

Explanatory note on Table B5: Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Explanatory Notes to Table B6: Table B6 is consistent with 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). 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 from cash, appear first. 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.

Explanatory note to Table B7: The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Tswelopele municipal's budget is currently funded but not sustainable to the long outstanding debt with services such as Eskom and Sandvet.

A financial Recovery Plan will be used a bridge to ensure that the budget is sustainable.

Explanatory note to table B8: The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

7. PART 2: BUDGET FORMAT

8. Adjustment budget assumptions

Municipal Financial Management Act (MFMA) mentions six (6) steps (i.e. Planning, Strategizing, Preparing, Tabling, Consulting and Finalising/ Adopting) that the municipality must follow in order to prepare the adjustment budget that is credible. The planning and strategizing processes started with the preparation of budget timelines as required by MFMA and IDP review process plan. Section 53 of the MFMA requires the mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the annual budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

The adjustment budget was prepared on the incremental budgeting process with the assumption that goods and services as previously budgeted will increase by a certain percentage which is more than the current CPI. National Circular 132

was used for other assumptions of the budget and the following are some of the assumptions made:

- Economic climate and poverty levels within the Municipality will remain the same /constant for major part of the financial year given the limited economic activities within the Municipality.
- Cash flow projections will strictly be maintained to ensure that the municipality will meet its financial obligations.
- Operating costs will be maintained at current levels or reduced as cost containment measures and where there is material decrease in revenue collection-rate, expenditure will have to be reduced at the same proportion.

9. FUNDING OF THE BUDGET ADJUSTMENT

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)

Tswelopele Local Municipality's adjusted operating budget is funded from: grants; service charges and other revenue. The capital budget of the municipality is funded from the MIG and WSIG grants and own internally generated funds.



TSWELOPELE
LOCAL MUNICIPALITY
A MUNICIPALITY IN PROGRESS

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e-mail: logov@tswelopele.org

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, **T Manele**, the Acting Municipal Manager of **TSWELOPELE LOCAL MUNICIPALITY (FS 183)**, hereby certify that the Adjustment Budget and Supporting Documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Signature: _____

Date: _____