

KGATELOPELE MUNICIPALITY

Second Adjustment budget

**MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK
2024/25 TO 2026/27**

ADJUSTMENT BUDGET OF
KGATELOPELE
MUNICIPALITY

2024/25 TO 2026/27

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Full Tariff List

Detail Capital Budget

A-Schedule

Abbreviations and Acronyms

BPC	Budget Planning Committee	MSCOA	Municipal Standard Chart of Account
CFO	Chief Financial Officer		
MM	Municipal Manager	MFMA	Municipal Financial Management Act Programme
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MMC	Member of Mayoral Committee
DBSA	Development Bank of South Africa	MPRA	Municipal Properties Rates Act
DoRA	Division of Revenue Act	MSA	Municipal Systems Act
DWA	Department of Water Affairs	MTEF	Medium-term Expenditure Framework
EE	Employment Equity	MTREF	Medium-term Revenue and Expenditure Framework
EEDSM	Energy Efficiency Demand Side Management	NERSA	National Electricity Regulator South Africa
EM	Executive Mayor	NGO	Non-Governmental organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GDP	Gross domestic product	OHS	Occupational Health and Safety
GDS	Gauteng Growth and Development Strategy	OP	Operational Plan
GFS	Government Financial Statistics	PBO	Public Benefit Organisations
GRAP	General Recognised Accounting Practice	PHC	Provincial Health Care
HR	Human Resources	PMS	Performance Management System
IDP	Integrated Development Strategy	PPE	Property Plant and Equipment
IT	Information Technology	PPP	Public Private Partnership
kl	kilolitre	PTIS	Public Transport Infrastructure System
km	kilometre	RG	Restructuring Grant
KPA	Key Performance Area	RSC	Regional Services Council
KPI	Key Performance Indicator	SALGA	South African Local Government Association
kWh	kilowatt	SDBIP	Service Delivery Budget Implementation Plan
l	litre	SMME	Small Micro and Medium Enterprises
LED	Local Economic Development	ADJB	Adjustment Budget
MEC	Member of the Executive Committee	DORA	Division of Revenue Act
ORGB	Annual Original Budget	RBIG	Regional Bulk Infrastructure Grant
INEP	Integrated National Electrification Program	ADJB	Adjustment Budget
FMG	Financial Management Grant		
WSIG	Water Services Infrastructure Grant		
A4	Financial Performance Statement		
A5	Capital Expenditure		
A6	Financial Position Statement		

Part 1 – Adjustment Budget

1.1 Mayor's Report

Good morning,

Greetings Honourable Speaker, Council Whip, Members of the Executive and Portfolio Committees, Fellow Councillors, Stakeholders from various governmental and none governmental organizations, Senior Management, and officials led by the Municipal Manager Advocate Willie Blundin, and members of the Public.

In accordance with the Municipal Finance Management Act 53 of 2003 section 24. The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

This final budget is a reflection of our collective aspirations, economic realities, and commitment to service delivery. Over the past year, our local government has faced challenges and achieved milestones that have shaped our community.

Economic overview

Honourable Speaker, as we prepare for the year ahead, we recognize the economic challenges and opportunities before us. Global and national economic trends, coupled with local fiscal realities, require a budget that is both responsible and ambitious. Despite the challenges we remain committed to fostering sustainable development, creating opportunities, and improving the quality of life for all residents. South Africa's Finance Minister, Honourable Enoch Godongwana presented the re-tabled 2025 national budget to parliament on the 21st May 2025. The revised budget reflects a shift away from the initial proposed VAT increase, VAT will remain at 15%. Economic growth forecasts for 2025 were revised downward from 1,9% to 1,4%. South Africa is experiencing modest growth amongst fiscal pressures, low inflation and structural challenges. Even though VAT remained the same food prices, electricity and transport costs are still climbing due to inflation and supply issues. With economic growth revised down to 1,4% job creation remains weak.

Honourable Speaker I attended the Northern Cape Provincial Budget Speech on the 25th March 2025, here are a few highlights from the Honorable MEC for Finance in the Province Budget Speech, she mentioned that basic education remains a key focus in our province. Our investment in education is an investment in our nation's future. Our goal is to give young people high-quality education that will equip them for both present and future opportunities and difficulties. In pursuit of this goal an amount of R 250 million has been added to the Department of Education for Grade 12 intervention. One of the government's most extensive attempts to combat youth unemployment is the Presidential Youth Employment Intervention. It aims to make it possible for more youth to transition from education to employment as such R30.543 million is allocated to the Department of Education in the 2025/26 fiscal year. With these additions, the total budget of the Department

of Education will amount to R8. 888 billion in the 2025/26 year. Important to note is that this amount represents 37 per cent of the provincial budget. The Northern Cape is strategically positioning itself as a hub for clean energy and resource-based development, while maintaining a focus on social upliftment and fiscal responsibility.

Petra Fincsh Diamond Mine issued Section 189 retrenchment notices in 2024 and early 2025, this had a significant impact on the Kgatelopele Local Municipality, particularly the town of Lime Acres where the Mine is a major employer. The layoffs led to immediate financial hardship for many families in Lime Acres and surrounding areas. The National Union of Mineworkers (NUM) highlighted that each retrenched worker often supports multiple dependents, amplifying the economic strain on households and local businesses. The loss of income not only affects the workers, but also local services that rely on the support of Mine employees.

Honourable Members, a reflection on the past year.

As per the report by Auditor General the municipality has obtained a Qualified Audit opinion for the year ending 30 June 2024. This is similar to the opinion of the prior year.

An overview on our achievements for the past year,

Infrastructure and Service Delivery – Regardless of the challenges we have faced I'm proud to mention the completion of the following projects.

- Kuilsville Replacement of Existing Asbestos cement rising main.
- Rhodes- pumpstation replacement of existing asbestos cement rising.
- Tlhakatlou replacement of existing asbestos cement rising.
- Replacement of asbestos water pipes.
- Construction of Concrete Palisade Perimeter Fencing.
- Eradication of Conservancy Tanks of sewer network.
- Kuilsville upgrading of storm water.
- Refurbishment of Municipal Buildings Construction of paving.

Improvement in waste management and sanitation.

Expansion of water supply and sewer network.

Education and Health

Honourable Speaker, For the coming financial year we are looking into implementing more skills development programmes for our youth which will be aimed at empowering young people, entrepreneurship and workforce readiness. The annual career exhibition will be hosted in July this year. This serves as a vital outreach programme to prospective students to bridge between

the education sector and the workforce, furthermore equipping young people with the necessary resources to advance their careers. We recently had a recruitment drive hosted by the South African National Defense Force in collaboration with the Mayor's Office during the past week on the 26th and 27th March 2025. Through this initiative we were able to reach +/- 183 candidates who successfully completed their applications with the recruitment team from SANDF.

Honourable Members, as to our local Health Care our goal remains persistent into developing our local health facility to be a 24-hour operational Clinic. This goal will be achieved through partnerships and collaborations of our Stakeholders as well as the Provincial Department of Health to secure funding and resources.

Council recently hosted the Kgatelopele Community Outreach Programme from the 12th – 14th May 2025. The outreach programme was aimed at enhancing public awareness of essential services available within our community. Also to allow the community a platform to voice concerns, share ideas, and actively participate in shaping local development.

The key objectives of this outreach were to strengthen community relationships and trust, address specific local needs identified through community feedback, promote inclusive participation and awareness most importantly to continuously improve service delivery.

Approval of the Second Adjustment Budget for the **2024/2025** financial year, made possible by the strong performance of the Municipality in delivering on key infrastructure and service delivery projects. Due to successful implementation of projects, it reflects the excellent work of our teams, the trust of our communities and our shared commitment.

Thank You.

Hon. Mayor Councilor Irene Williams

1.2 Council Resolutions

On **29 March 2025**, the Council of Kgatelopele Local Municipality met in the Council Chambers to consider the draft annual budget of the municipality for the financial year 2025/26.

The Council of Kgatelopele Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) **note the second adjustment budget:**

- 1.1. The Draft annual budget of the municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by source and type classification, **B4** table 1 & 2, respectively.
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote, **B3** table 13.
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by function, **B2** table 12; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and function and associated funding by source, **B5** table 10;
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus/revisit, asset management and basic service delivery targets are approved as set out in the following tables attached in the budget documentation:
 - 1.2.1. Budgeted Financial Position **B6** in table 16.
 - 1.2.2. Budgeted Cash Flows; **B7** in table 17;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation; **B8** in table 18.
 - 1.2.4. Asset management in **B9** table 18; and
 - 1.2.5. Basic service delivery measurement in **B10**; and
2. The Council of Kgatelopele Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **resolved to approve and adopt** the following **draft tariffs** as attached in **List of Attachments**, with effect from 1 July 2025:
 - 2.1. The tariffs for property rates
 - 2.2. The tariffs for electricity
 - 2.3. The tariffs for the supply of water
 - 2.4. The tariffs for sanitation services
 - 2.5. The tariffs for solid waste services
3. The Council of Kgatelopele Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **resolved to approve and notes** with effect from 1 July 2025 the draft tariffs for other services, which are increasing on average by the same tariff increase related to key service charge (**List of Attachments**).
 - Full Tariff List
 - Detailed Capital Budget
 - B-Schedule

4. To give proper effect to the municipality's annual budget, the Council of Kgatelopele Municipality **resolved**:

4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates and gains on disposal of land to ensure that all capital reserves and provisions, and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.3 Executive Summary

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

The Municipal Budget and Reporting Regulations, as well as various circulars issued by National Treasury, provides the guidance for budget preparation by local government.

The main items identified can be summarised as follows:

- Improved service delivery;
- Underdeveloped areas;
- Impoverished communities;
- Co-operative governance;
- Unfunded mandates, core functions service delivery agents;
- Land availability for e.g. economic development;
- Land availability for establishing tip-sites;
- Alternative service delivery options;
- Obtaining a "clean audit" inclusive of performance management;
- Delegation- and procedure manuals;
- Risk management;
- Improved planning and beyond 5 years;
- High crime rate;
- Service delivery backlogs;
- Improved maintenance programs;
- Local economic development facilitation;
- Adequacy of municipal reserves and financial sustainability;
- Curtail electricity losses;
- Tourism initiatives; and
- Improved public participation.

National Treasury's MFMA Circulars No. 122, 123, 126, 128 & 19 were mainly used to guide the compilation of the 2025/26 MTREF. Some of the key challenges faced by the municipality when compiling the budget were:

- The on-going difficulties in the national and local economy leading to high unemployment rate within our communities.
- Aging roads, asbestos pipes, the capacity of the sewer work and electricity infrastructure.
- The need to prioritise projects and expenditure within the existing resource envelope.
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents.
- Proposed wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.
- Affordability of capital projects and the resultant operational costs associated with new infrastructure projects; and

The municipality is in an unhealthy financial position; however, with an improved cash management and containing municipal running costs, this position can change. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality, and to this end the municipality is not achieving this objective. The main obstacle is huge creditors book balance mainly being Eskom who debt is hovering at **> 90days outstanding**. The debtors' book is equally big but with inability to collect old debts, this in turn creates huge amount of possible bad debts which we create a provision for each year when compiling annual financial statements. The **Capital Replacement Reserve** needs to be at a level where all capital spending should be funded from but currently there are **no funds** in the CRR (Capital Replacement Reserve) to fund any capital projects.

The following budget principles and guidelines directly informed the compilation of the 2024/25 MTREF:

- Tariff and property rates increase should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity bought from Eskom. In addition, tariffs need to remain or move towards being cost reflective and should consider the need to address infrastructure backlogs.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.
- The budget must be spent in full, and all grants should be utilised in full.

In view of the above, the following tables are an overview of the adjustment to the 2024/25 Medium-term Revenue and Expenditure Framework:

OPERATING REVENUE

Table 1

NC086 Kgatelopele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	29,628	33,828	-	-	-	-	-	-	33,828	30,072	30,524
Service charges - Water	2	12,036	12,036	-	-	-	-	-	-	12,036	12,590	5,666
Service charges - Waste Water Management	2	6,890	6,890	-	-	-	-	-	-	6,890	7,207	7,532
Service charges - Waste Management	2	14,715	14,715	-	-	-	-	-	-	14,715	15,392	16,085
Sale of Goods and Rendering of Services		126	126	-	-	-	-	-	-	126	132	138
Agency services		50	50	-	-	-	-	-	-	50	52	55
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1,701	1,701	-	-	-	-	-	-	1,701	1,785	1,872
Interest earned from Current and Non Current Assets		3,888	3,888	-	-	-	-	-	-	3,888	4,067	4,250
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		214	214	-	-	-	-	-	-	214	214	214
Licence and permits		1,049	1,049	-	-	-	-	-	-	1,049	1,097	1,147
Operational Revenue		20	20	-	-	-	-	66	66	86	86	86
Non-Exchange Revenue												
Property rates	2	21,910	22,772	-	-	-	-	-	-	22,772	22,895	23,926
Surcharges and Taxes		9,000	9,000	-	-	-	-	-	-	9,000	9,414	9,838
Fines, penalties and forfeits		66	66	-	-	-	-	-	-	66	69	72
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		40,635	40,635	-	-	-	-	-	-	40,635	40,927	42,215
Interest		670	670	-	-	-	-	-	-	670	700	732
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		142,600	147,662	-	-	-	-	66	66	147,727	146,701	144,349

The operating income for **2025 MTREF** is **R147,727 million**

This is primarily attributed to the revenue generating sources where:

- **Electricity, water and Sanitation** These service charges are based on 2023/24 audited actuals, current year to date and inflationary projections as per **circular 130** indicate increases. The entire service charge revenue contributes around **45.6%** of the total municipal operating revenue.
- **Property Rates** contributes around **15%** of the total operating revenue.
- **Government Grants** (Transfers and Subsidies) Government Grants that are operational in nature amount to **R40,635 million** (**27%** of total operating revenue) in total with unconditional equitable share sitting at **R36,756 million** allocated.

OPERATING EXPENDITURE

Table 2

NC086 Kgatelopele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Budget Year 2024/25													Budget Year +1 2025/26	Budget Year +2 2026/27
Description	Ref	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget		
R thousands	1	A	A1	B	C	D	E	F	G	H				

Expenditure By Type												
Employee related costs		49,994	48,465	-	-	-	-	-	-	48,465	51,821	54,156
Remuneration of councillors		4,811	5,027	-	-	-	-	-	-	5,027	4,811	4,811
Bulk purchases - electricity		28,886	33,086	-	-	-	-	-	-	33,086	30,215	32,000
Inventory consumed		1,353	1,353	-	-	-	-	-	-	1,353	1,416	1,485
Debt impairment		4,350	4,350	-	-	-	-	-	-	4,350	4,350	4,350
Depreciation and amortisation		14,991	14,191	-	-	-	-	-	-	14,191	15,681	16,386
Interest		1,209	1,509	-	-	-	-	-	-	1,509	1,265	1,322
Contracted services		17,910	18,825	-	-	-	-	-	-	18,825	17,456	18,016
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-
Operational costs		13,411	16,783	-	-	-	-	-	-	16,783	13,651	14,205
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		136,916	143,590	-	-	-	-	-	-	143,590	140,665	114,763

With the municipality operating expenditure, there has been a moderate increase of operating expenditure compared to **R143,590 million** of last adjustment budget, the current total operating expenditure is at **R146,541 million** translating into a R 2,951 million increase.

Employee Related cost appears to have decreased **from R49,994 million in the adjustments budget in 2024/25 budget year to R48,465 million**. This is because of the 2024/25 budget actuals are lower than anticipated, with cost cutting into historical vacant budgeted positions anticipated.

Depreciation + Debt Impairment are R14,191 million and 1,509 million respectively.

These two items, apart from being non-cash items, contribute **10%** of the total operating expenditure adds more pressure on already constraint budget.

Given the infrastructural assets the municipality owns, these assets are annually losing value and as a result, maintenance plan needs to keep up with the depreciating assets. Historically, the municipality repairs and maintenance budget average around R 15.100 million. The current maintenance management strategy 2024, estimated and models total needs for scenario 3 immovable assets which would be priority assets with a criticality 3 to 5 would be R35.34 million, therefore annually having budget short-fall off 20 million.

Secondly is for the municipality to also come to terms with the reality that Kgatelopele community cannot fully keep up with the accounts hence so much of debt receivable is provided for impairment.

Bulk purchases + Inventory consumed an increase of bulk electricity from **R33,806 millions** of original budgets to **R28,886 million** and a decrease of Inventory consumed from R 1.736 and downwards adjustment budget of R 1.353 million to half million for the 2024/25 adjustment budget for the medium term.

CAPITAL BUDGET

Table 3

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<div>Transfers and subsidies - capital (monetary allocations)</div> <div>Transfers and subsidies - capital (in-kind - all)</div> <div>Surplus/(Deficit) before taxation</div> <div>Income Tax</div> <div>Surplus/(Deficit) after taxation</div> <div>Share of Surplus/Deficit attributable to Joint Venture</div> <div>Share of Surplus/Deficit attributable to Minorities</div> <div>Surplus/(Deficit) attributable to municipality</div> <div>Share of Surplus/Deficit attributable to Associate</div> <div>Intercompany/Parent subsidiary transactions</div> <div>Surplus/ (Deficit) for the year</div>											
		1	38,610	47,510			30,313	30,313	77,823	8,799	9,150
			–	–			–	–	–	–	–
			44,294	51,581	–	–	30,379	30,379	81,960	14,835	38,736
			–	–			–	–	–	–	–
			44,294	51,581	–	–	30,379	30,379	81,960	14,835	38,736
			–	–			–	–	–	–	–
			–	–			–	–	–	–	–
			44,294	51,581	–	–	30,379	30,379	81,960	14,835	38,736
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The capital projects budget has been adjusted with the Dora -reallocation in WSIG additional funding of R 30,000 million bring the total grand funding to R 60.313 this have fully been committed to allocation as per DoRA,

1.4 Operating Revenue Framework

For Kgatelopele 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 and cashflow management is fundamental to the financial sustainability of Kgatelopele municipality. The reality is that we are faced with development backlogs and poverty, the expenditure required to address these challenges inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- A financially sustainable municipality;
- National Treasury's guidelines and macroeconomic policy;
- Limited growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a **95** per cent annual collection rate and **85 percent** for property rates and other key service charges. With the immediate roll out of water smart meters for the whole of Kgatelopele the annual percentage of 95 percent could be achieved if it is also paired with the Credit and debt collection measures;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);

- Achievement of full cost recovery of specific user charges especially in relation to trading 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) (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.

The **inflation forecasts** for the MTREF 2025/26 period are on an average **4.3%** per annum. The municipality's aim is not to exceed inflation in its annual tariff adjustments but external factors such as the Eskom increases, and which are beyond the control of the municipality, hampers this goal.

In order to ensure all revenues are raised and recovered and further that all ratepayers are being treated equitably, the municipality identified certain areas of concern and is busy implementing measures to address these problem areas.

Strategy
Maintain and improve on debt collection
Secure new sources of income
Counter the potential loss in electricity/water income as well as line-losses
Ensure an accurate and well-maintained income database
Secure more external funding and government grants for soft services including long term funding for operating expenses
Monitor the financial health of the Municipality and cash-back all reserves
Installation of smart prepaid meters for the entire Kgatelopele area

The following table is a summary of the 2024/25 Adjusted MTREF (classified by main revenue source):

Table 4

Revenue generated from rates and service charges form a significant percentage of the revenue basket for the Municipality. **Rates and service charges revenues** are sitting at **60.6** per cent of the total revenue over the 2025 MTREF period

Employee related costs, Depreciation and amortisation and inventory and bulk purchases remain high even when other operating expenditure were cut. This puts pressure on the realistic revenue

generated of the municipality and as a results creates a deficit when capital income is not considered.

NC086 Kgatelopele - Table B1 Adjustments Budget Summary -

Description	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	21,910	22,772	-	-	-	-	-	-	22,772	22,895	23,926
Service charges	63,270	67,470	-	-	-	-	-	-	67,470	65,262	59,805
Investment revenue	3,888	3,888	-	-	-	-	-	-	3,888	4,067	4,250
Transfers recognised - operational	40,635	40,635	-	-	-	-	-	-	40,635	40,927	42,215
Other own revenue	12,896	12,896	-	-	-	-	66	66	12,962	13,550	14,153
Total Revenue (excluding capital transfers and contributions)	142,600	147,662	-	-	-	-	66	66	147,727	146,701	144,349
Employee costs	49,994	48,465	-	-	-	-	-	-	48,465	51,821	54,156
Remuneration of councillors	4,811	5,027	-	-	-	-	-	-	5,027	4,811	4,811
Depreciation & asset impairment	19,341	18,541	-	-	-	-	-	-	18,541	20,031	20,736
Finance charges	1,209	1,509	-	-	-	-	-	-	1,509	1,265	1,322
Inventory consumed and bulk purchases	30,240	34,440	-	-	-	-	-	-	34,440	31,631	1,516
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	31,321	35,608	-	-	-	-	-	-	35,608	31,107	32,221
Total Expenditure	136,916	143,590	-	-	-	-	-	-	143,590	140,665	114,763
Surplus/(Deficit)	5,684	4,071	-	-	-	-	66	66	4,137	6,036	29,586
Transfers and subsidies - capital (monetary allocations)	38,610	47,510	-	-	-	-	30,313	30,313	77,823	8,799	9,150
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	44,294	51,581	-	-	-	-	30,379	30,379	81,960	14,835	38,736
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	44,294	51,581	-	-	-	-	30,379	30,379	81,960	14,835	38,736
Capital expenditure & funds sources											
Capital expenditure	39,750	48,650	-	-	-	-	-	-	48,650	8,799	9,150
Transfers recognised - capital	38,250	47,150	-	-	-	-	-	-	47,150	8,799	9,150
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,500	1,500	-	-	-	-	-	-	1,500	-	-
Total sources of capital funds	39,750	48,650	-	-	-	-	-	-	48,650	8,799	9,150
Financial position											
Total current assets	253,125	229,440	-	-	-	-	30,379	30,379	259,819	35,529	57,367
Total non current assets	1,097,320	1,107,020	-	-	-	-	-	-	1,107,020	(6,882)	(7,236)
Total current liabilities	169,894	170,525	-	-	-	-	-	-	170,525	11,635	10,633
Total non current liabilities	6,311	6,311	-	-	-	-	-	-	6,311	-	-
Community wealth/Equity	1,174,239	1,181,527	-	-	-	-	30,379	30,379	1,211,906	13,747	37,649
Cash flows											
Net cash from (used) operating	47,864	49,890	-	-	-	-	30,379	30,379	80,269	18,625	46,615
Net cash from (used) investing	(45,713)	(55,948)	-	-	-	-	-	-	(55,948)	(10,119)	(10,523)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	81,908	73,699	-	-	-	-	30,379	30,379	104,077	8,506	36,093

Tariffs for indigent households are set out below:

1	Rates are free of charge based on the market value of the property to the maximum of R30 000
2	50 kWh free electricity per month
3	6 kilolitres of water free per month
4	Free refuse x 4 removal per month
5	Free sewerage per month

GRANTS AND SUBSIDIES

Total grants and transfers totals to R 83,222 million in the 2024/25 adjustment budget year.

NC086 Kgatelopele - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2024/25							Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget A	Prior Adjusted 7 A1	Multi-year capital 8 B	Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F	Adjusted Budget	Adjusted Budget
R thousands										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		4,200	-	-	-	-	-	4,200	3,000	3,000
EPWP Incentive	-	-	-	-	-	-	-	-	-	-
Finance Management	-	1,200	-	-	-	-	-	1,200	-	-
	-	3,000	-	-	-	-	-	3,000	3,000	3,000
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Provincial Government:		1,199	-	-	-	-	-	1,199	1,199	1,199
Northern Cape_Capacity Building and Other_Specify (Add gr	-	1,199	-	-	-	-	-	1,199	1,199	1,199
	4									
	5									
District Municipality:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	5,399	-	-	-	-	-	5,399	4,199	4,199
<u>Capital Transfers and Grants</u>										
National Government:		38,610	-	-	30,313	-	30,313	77,823	8,799	9,150
Municipal Infrastructure Grant (MIG)	-	8,610	-	-	(5)	-	(5)	17,505	8,799	9,150
Water Services Infrastructure Grant	-	30,000	-	-	30,318	-	30,318	60,318	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	38,610	-	-	30,313	-	30,313	77,823	8,799	9,150
TOTAL RECEIPTS OF TRANSFERS & GRANTS		44,009	-	-	30,313	-	30,313	83,222	12,998	13,349

Tariffs

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 on all increases in excess of the 4.3 per cent upper boundary as issued in MFMA circular 130. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs at 12.74% are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external regulatory body, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability

The municipality budgets for the non-payment of accounts based on experience of recovery rates. The municipality applies its Credit Control Policy but there are always situations where there are defaults on payment. Experience indicates that contribution for bad debt over the revenue for rates, service charges and rent of facilities on credit percentage should not be more than 10 per cent, however, a cautionary approach is taken in this budget due to the signs of economic stress being experienced by the community.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. 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;

1.4.1 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.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was not adequately done in the previous budget processes and the Property Rates Policy and Tariffs 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 all properties used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). Kgatelopele Municipality increased this value to R30 000 for all residential properties.
- Households registered for indigent subsidies will be granted an additional R10 000 (Total of R40 000) exclusion on all ratable market values;
- In addition to indigents households, pensioners will be subsidised based on a sliding scale. Rates rebate will be granted on the following qualifying categories of total household income for pensioners:

(i) Group A: (R5 500 – R7 500) = 80%;

(ii) Group B: (R7 501 – R 9 700) = 60%;

(iii) Group C: (R9 701 – R11 900) = 40%;

(iv) Group D: (R11 901 – R13 180) = 20%

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2025/26 financial year will be increase by with differential rates to align our tariffs with MFMA circular 51.

KGATELOPELE LOCAL MUNICIPALITY TARIFFS 2024/2025										
			Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent
			Tariff 2023/2024 (Excl VAT) R c	Tariff 2023/2024 (Inc VAT) R c	Tariff 2024/2025 (Excl VAT) R c	Tariff 2024/2025 (Inc VAT) R c	Tariff 2025/2026 (Excl VAT) R c	Tariff 2025/2026 (Inc VAT) R c		
PROPERTY RATES	Ratio									
Residential properties	1:1	Stand	0.009254	0.009254	0.009254	0.009254	0.008127	0.008127		
Industrial Properties	N/a	Stand	0.018509	0.018509	0.018509	0.018509	0.017572	0.017572		
Business & Commercial Properties	N/a	Stand	0.013882	0.013882	0.013882	0.013882	0.012966	0.012966		
Farm Properties used for:			-	-	-	-	-	-		
Agricultural purpose	1:0.25	Farm	0.000350	0.000350	0.000350	0.000350	0.000366	0.000366		
Business & commercial purpose	1:2	Farm	0.029589	0.029589	0.029589	0.029589	0.012966	0.012966		
Residential purpose	1:1	Farm	0.009254	0.009254	0.009254	0.009254	0.008127	0.008127		
Other purpose	1:2.0	Farm	0.029589	0.029589	0.029589	0.029589	0.012966	0.012966		
Farm Properties not used for any purpose	1:2.0	Farm	0.029589	0.029589	0.029589	0.029589	0.012966	0.012966		
State owned properties	1:0.25	Stand	0.007404	0.007404	0.007404	0.007404	0.002313	0.002313		
Public Service Purpose	1:0.25	Stand	0.007404	0.007404	0.007404	0.007404	0.002313	0.002313		
Municipal properties - Exempted		Stand	-	-	-	-	-	-		
Public Service Infrastructure - Exempted	1:0.25	Stand	-	-	-	-	-	-		
Privately owned towns serviced by the owner	1:1	Stand	0.009325	0.009325	0.009325	0.009325	0.008127	0.008127		
Formal & Informal Settlements		Stand	-	-	-	-	-	-		
Communal Land (S1 Communal Land Right Act 2004)		Stand	-	-	-	-	-	-		
State Trust Land		Stand	-	-	-	-	-	-		
Properties acquired through Provision of Land Assistance Act 126 of 1993, or Restitution of Land Rights Act 22 of 1994 which is subject to the communal Property Associations Act 28 of 1996			-	-	-	-	-	-		
Listed Protected Areas - Exempted		Stand	-	-	-	-	-	-		
Properties on which National Monuments are Proclaimed - Exempted on approval of application		Stand	-	-	-	-	-	-		
Properties owned by Public Benefit Organisations used for benefit of listed in the 9th schedule to income tax act		Stand	-	-	-	-	-	-		
Blocks of Flats		Block	0.009254	0.009254	0.009254	0.009254	0.008127	0.008127		
Mining			0.018509	0.018509	0.018509	0.018509	0.019360	0.019360		
Multipurpose		Stand	0.011568	0.011568	0.011568	0.011568	0.012100	0.012100		
Churches - Exempted		Stand	-	-	-	-	-	-		

1.4.2 Sale of Water and Sanitation and the Impact of Tariff Increases

South Africa faces similar challenges about water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The municipality obtains its water inventory from internal resources, with three boreholes supplying two reservoirs with a capacity of 3,5 megalitres and 4,0 megalitres respectively. A tariff increase for 2025/26 effective 1 July 2025 is 4.4%. The municipality does not make use of bulk water suppliers.

The proposed tariffs for the 2024/25 financial year are as follows:

			Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent
			Tariff 2023/2024 (Excl VAT) R c	Tariff 2023/2024 (Inc VAT) R c	Tariff 2024/2025 (Excl VAT) R c	Tariff 2024/2025 (Inc VAT) R c	Tariff 2025/2026 (Excl VAT) R c	Tariff 2025/2026 (Inc VAT) R c
WATER								
Domestic households			-	-	-	-	-	4.40%
Tariffs Applied for:			8.59	9.88	9.01	10.36	9.41	10.82
Block 1 (0-6 kL)	1+	kL	9.63	11.07	10.10	11.61	10.54	12.13
Block 2 (7-25 kL)	1+	kL	11.05	12.71	11.60	13.33	12.11	13.92
Block 3 (26 - 50 kL)	1+	kL	13.14	15.11	13.79	15.85	14.39	16.55
Block 4 (> 51 kL)	1+	kL	107.40	123.50	112.66	129.56	117.61	135.26
Basic Charge (inclusive of basic charge per borehole)		Stand	-	-	-	-	-	-
Basic Charge (Indigents) (0-6 kL)	0 - 6 kL Free	Stand	322.20	370.53	337.99	388.69	352.86	405.79
Basic Charge (Vacant)		Stand	-	-	-	-	-	-
Installation of prepaid meters	Indigents	Stand	COST + 15%	COST + 15%	COST + 15%	COST + 15%	COST + 15%	COST + 15%
Installation of prepaid meters	Residential	Stand	-	-	-	-	-	-
Business			-	-	-	-	-	-
Tariffs Applied for:			10.75	12.36	11.27	12.97	11.77	13.54
Block 1 (0-6 kL)	1+	kL	12.04	13.84	12.63	14.52	13.18	15.16
Block 2 (7-25 kL)	1+	kL	13.80	15.88	14.48	16.65	15.12	17.39
Block 3 (26 - 50 kL)	1+	kL	16.42	18.88	17.22	19.81	17.98	20.68
Block 4 (> 51 kL)	1+	kL	322.20	370.53	337.99	388.69	352.86	405.79
Basic Charge (inclusive of basic charge per borehole)		Stand	966.59	1,111.58	1,013.96	1,166.05	1,058.57	1,217.36
Basic Charge (Vacant)		Stand	-	-	-	-	-	-
Industrial			-	-	-	-	-	-
Tariffs Applied for:			12.90	14.84	13.54	15.57	14.13	16.25
Block 1 (0-6 kL)		kL	14.43	16.60	15.14	17.41	15.81	18.18
Block 2 (7-25 kL)		kL	16.57	19.06	17.38	19.99	18.15	20.87
Block 3 (26 - 50 kL)		kL	19.71	22.67	20.68	23.78	21.59	24.83
Block 4 (> 51 kL)		kL	322.20	370.53	337.99	388.69	352.86	405.79
Basic Charge (inclusive of basic charge per borehole)		Stand	966.59	1,111.58	1,013.96	1,166.05	1,058.57	1,217.36
Basic Charge (Vacant)		Stand	-	-	-	-	-	-
Tanker:			As per AA Tariffs	As per AA Tariffs	As per AA Tariffs	As per AA Tariffs	As per AA Tariffs	As per AA Tariffs
12 000 lt water tanker		km	109.35	125.75	114.71	131.91	119.75	137.72
Plus per 12kl		kL	As per AA Tariffs	As per AA Tariffs	As per AA Tariffs	As per AA Tariffs	As per AA Tariffs	As per AA Tariffs
6 000 lt water tanker		km	51.58	59.32	54.11	62.23	56.49	64.97
Plus per 6kl		kL	-	-	-	-	-	-


The municipality needs to accurate cost the total cost of water supply and determines what the actual cost per kl should is in water to determine a cost reflective water tariff

The municipality further needs continuously to explore ways to limit the water losses to an acceptable level. There will always be water line losses due to burst pipes and as repairs thereof requires flushing of systems before being distributed again. However, any losses above 13% is considered excessive by the Auditor-General's office and regarded as fruitless expenditure. The municipality will continue to monitor reasons for the excessive losses and to improve systems to limit the water losses to below 13%.

Sanitation fees

Most households in Kgatelopele Local Municipality use waterborne sewer systems connected to a reticulation network. However, some areas still rely on conservancy tanks with waterborne toilets, mainly where the sewer network has not yet been extended or connected to the main reticulation network. Wastewater is treated using oxidation ponds, which serve as the municipality's main treatment method. These ponds are not fully developed treatment works but provide a basic level of wastewater processing.

The tariffs for sanitation have proposed increased by 4.4% for residential and commercial respectively. The proposed tariffs are listed below:

								
KGATELOPELE LOCAL MUNICIPALITY TARIFFS 2024/2025								
			Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent
			Tariff 2023/2024 (Excl VAT) R c	Tariff 2023/2024 (Inc VAT) R c	Tariff 2024/2025 (Excl VAT) R c	Tariff 2024/2025 (Inc VAT) R c	Tariff 2025/2026 (Excl VAT) R c	Tariff 2025/2026 (Inc VAT) R c
PROPERTY RATES	Ratio							
SEWERAGE			170.98	196.63	179.36	206.27	187.25	215.34
Residential / Government / Churches / PBO		Point	170.98	196.63	179.36	206.27	187.25	215.34
Flats		Unit	292.61	336.50	306.94	352.99	320.45	368.52
Business / Guesthouses / Hotels / Industrial	The Greater of Per 100m ²	100m ²	292.61	336.50	306.94	352.99	320.45	368.52
	or	Point	292.61	336.50	306.94	352.99	320.45	368.52
	or	Unit	170.98	196.63	179.36	206.27	187.25	215.34
Septic Tank		per month	539.95	620.94	566.41	651.37	591.33	680.03
		ad-hoc	COST + 15 %	COST + 15 %	COST + 15 %	COST + 15 %	COST + 15 %	COST + 15 %
Sewerage Connection New		Connection	-	-	-	-	-	-
Sewerage - Dumping	per 1000 litre	New Tariff					45.00	51.75

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced that it expected the revised bulk electricity pricing structure to be a **12.7%** increase in the Eskom bulk electricity tariff to municipalities effectively from 1 July 2025.

Considering the Eskom increase, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

ELECTRICITY TARIFFS & CHARGES

The tariffs will be included in the budget after NERSA approved the tariffs.

Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to an estimate of 6%. The municipality does make a profit on electricity for the past years.

Electricity line losses are not continuously monitored. It can represent a significant financial loss for the municipality. In general electricity line losses of 12% is being regarded as "acceptable" in the industry and Kgatelopele is well above that norm with an average loss of 26 - 29% over the


Comparison between current electricity charges and increases.

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

2025/26 MTREF tariff increase proposal has been submitted to Nesa on 30 April 2025 and the Municipality is awaiting approval from Nesa. The municipality applied for a 9.74% increase, which is 3 basis points less than the Eskom increase. The 3% less increase will significantly cushion consumers from the 12.7% Eskom increase.

1.4.4 Waste Removal and Impact of Tariff Increases

Solid waste removal tariffs have been proposed to increase for both residential and increase commercial consumers by 4.4%.

 KGATELOPELE LOCAL MUNICIPALITY TARIFFS 2024/2025							
			Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent	Rounded off to nearest cent
			Tariff 2023/2024 (Excl VAT) R c	Tariff 2023/2024 (Inc VAT) R c	Tariff 2024/2025 (Excl VAT) R c	Tariff 2024/2025 (Inc VAT) R c	Tariff 2025/2026 (Inc VAT) R c
REFUSE REMOVAL			146.01	167.91	153.16	176.14	183.89
Basic Charge Residential		Stand/unit	73.00	83.95	76.58	88.07	91.94
Basic Charge for additional units on stands		Unit	-	-	-	-	-
Basic Charge Residential (Indigent)		Stand	308.25	354.48	323.35	371.85	388.21
Basic Charge Business - unit - low capacity		Stand	1,232.99	1,417.93	1,293.40	1,487.41	1,552.86
Basic Charge Business - unit - high capacity		Stand	308.25	354.48	323.35	371.85	388.21
Basic Charge Industrial		Stand	308.25	354.48	323.35	371.85	388.21
Basic Charge Government		Stand	180.49	207.56	189.33	217.73	227.31
Garden Refuse Removal		load	537.40	618.01	563.73	648.29	676.82
Building Rubble / construction material		per ton	424.49	488.16	445.29	512.08	534.61
Illegal Dumping			438.04	503.74	459.50	528.43	551.68
Basic Charge Residential (Vacant)		Stand	924.72	1,063.43	970.03	1,115.54	1,164.62
Basic Charge Business and Other (Vacant)		Stand	2,194.51	2,523.69	2,302.04	2,647.35	2,763.83
Clearing of vacant stands		Stand	-	-	-	-	-
Churches - exempt			-	-	-	-	-

It is widely accepted that the rendering of this service should at least break even, which is not currently the case for the 2025/26 MTREF period.

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to the expenditure are the general expenditure (rehabilitation cost) and the maintenance of the landfill site, diesel of vehicles, increases in the cost of remuneration of officials. In addition, the cost of new landfill sites, the effect of depreciation and rehabilitation on these landfill sites all plays an important role in the projected losses or surpluses.

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2025/26 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in Circular 66, 67, 70, 72, 74, 75, 78, 79, 85, 86 and 93,99,122,123,129 & 130.
- 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 plan.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Limitation on tariff increases.

The following table is a high-level summary of the 2024/25 adjustment budget and MTREF (classified per main type of operating expenditure):

Table 8

NC086 Kgatelopele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		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		
Expenditure By Type												
Employee related costs		49,994	48,465	-	-	-	-	-	-	48,465	51,821	54,156
Remuneration of councillors		4,811	5,027	-	-	-	-	-	-	5,027	4,811	4,811
Bulk purchases - electricity		28,886	33,086	-	-	-	-	-	-	33,086	30,215	32
Inventory consumed		1,353	1,353	-	-	-	-	-	-	1,353	1,416	1,485
Debt impairment		4,350	4,350	-	-	-	-	-	-	4,350	4,350	4,350
Depreciation and amortisation		14,991	14,191	-	-	-	-	-	-	14,191	15,681	16,386
Interest		1,209	1,509	-	-	-	-	-	-	1,509	1,265	1,322
Contracted services		17,910	18,825	-	-	-	-	-	-	18,825	17,456	18,016
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-
Operational costs		13,411	16,783	-	-	-	-	-	-	16,783	13,651	14,205
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		136,916	143,590	-	-	-	-	-	-	143,590	140,665	114,763
Surplus/(Deficit)		5,684	4,071	-	-	-	-	66	66	4,137	6,036	29,586

Operationally, there is adjusted budgeted **surplus of R4.137 million** in 2024/25 MTREF Budget. The budget allocation for employee related costs for the 2024/25 financial year totals R48,465 million, which equals 33.75 per cent of the total operating expenditure.

COUNCILLORS REMUNERATION

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).

DEBT IMPAIRMENT

The provision of debt impairment was determined based on the Debt Write-off Policy of the Municipality. For the 2024/25 budget year debt impairment amounts to R4,50 million and escalates to R13,943 million by (2025/26). The reason for the significant increase is because actuals as per audited financial statements was used as a benchmark, with a slit downwards adjustment based on expected decrease in our debtors' books, resulting from a newly introduced debt write of incentive policy. While this expenditure is a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

DEPRECIATION AND ASSET INPAIMENT

Provision for depreciation and asset impairment, standing at R17,699 million has been informed by the Municipality's Asset Management Policy. Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. As much as this is also a non-cash item, it remains a significant indicator of the reduction in the value, useful life and performance of our assets and the need for future capital replacements. Depreciation is expected to increase significantly in the MTREF, as the newly constructed landfill site is brought into use and other WIP projects are completed

FINANCE CHARGES

Finance charges, at R1,2 million consist primarily of the repayment of interest levied on overdue accounts, mainly Eskom and AGSA, presenting more than 90% of our creditors book. The large outstanding balances on these two accounts put significant pressure on the municipality's finance cost expenses as it accounts for almost 100% of our finance charges

Main operational expenditure categories for the 2025/26 financial year

1.5.1 Priority given to repairs and maintenance.

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2025/26 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset management policy. **Council needs to adopt a repairs and maintenance plan for the Municipality.** In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

Considering these cost drivers, National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance. The municipality financial systems, as yet, cannot provide for this request and it will be implemented with mSCOA.

During the compilation of the 2025/26 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality identified this, together with other strategic items, as priority to be investigated and changes to be incorporated into the next budget.

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 all indigent households during the 2025/26 financial year, a process reviewed annually.

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act.

1.6 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Turnaround Strategy

Kgatelopele Municipality has to implement projects that can help to improve the current cash strapped financial position. The Council, Management and Officials need to work together to improve the cash flow situation of Kgatelopele Municipality.

Goals

- Kgatelopele Municipality must provide free basic services to all indigent persons.
- All services that the Municipality renders must be of a high quality.
- The Council and Management must restore the trust of all the residents in Kgatelopele Municipality.
- Council and Management must be transparent with all transactions.
- Council and Management must communicate on a regular basis to all communities.
- Council should have strong partnership with churches, sport bodies, culture groups and the mining houses.
- Council must create an environment that encourages or enhances investment. We need investment to create jobs for the community.
- Council must collect all outstanding debt to maintain all the assets of the Municipality.
- Good governance is essential in Kgatelopele Municipality.

Incentive to residence:

Council approved a debt-write off incentive scheme which is intended to incentivise debtors to settle their long overdue accounts.

The objectives of this policy are to:

- Reduce the outstanding municipal debt by providing structured repayment options.

- Promote a culture of payment among municipal consumers.
- Provide incentives to consumers who commit to settling their municipal debts.
- Support financially distressed consumers within the legal framework.

The scheme provides for various incentive packages, the detail of which is contained in the policy.

Prepaid and Smart metering

The municipality has concluded the first phase of its smart metering project in 2024/25 financial year with all electricity meters being converted to KRN 2. The smart metering aims to reduce non-technical electricity losses and has already shown results as can be witnessed from the mid-term performance assessment with an increase prepaid electricity sale.

The municipality has embarked on a project to Implement a smart water metering and a supplier has already been appointed, through RT29. We are currently in process of sourcing funds, with the assistance of the service provider to implement this project.

Revenue enhancement and Credit control

The municipality has embarked on various measures to improve its revenue base and debt collection. To this effect, the municipality has developed a revenue enhancement strategy, which has been approved by council. Various new revenue sources have been explored, including the introduction of new tariffs for services not billed in the pass, and setting of cost reflective tariffs.

The municipality has also embarked on a process to radically improve credit control, and to that effect, a revenue enhancement and credit control steering committee has been established in the 2024/25 financial year.

Indigent Households

A significant portion of the debt of indigent households is written off as annually. The cost to write off outstanding debt is calculated and presented to Council.

TABLE 11

Table B1 - Budgeted Summary

NC086 Kgatelopele - Table B1 Adjustments Budget Summary -

Description	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	21,910	22,772	-	-	-	-	-	-	22,772	22,895	23,926
Service charges	63,270	67,470	-	-	-	-	-	-	67,470	65,262	59,805
Investment revenue	3,888	3,888	-	-	-	-	-	-	3,888	4,067	4,250
Transfers recognised - operational	40,635	40,635	-	-	-	-	-	-	40,635	40,927	42,215
Other own revenue	12,896	12,896	-	-	-	-	66	66	12,962	13,550	14,153
Total Revenue (excluding capital transfers and contributions)	142,600	147,662	-	-	-	-	66	66	147,727	146,701	144,349
Employee costs	49,994	48,465	-	-	-	-	-	-	48,465	51,821	54,156
Remuneration of councillors	4,811	5,027	-	-	-	-	-	-	5,027	4,811	4,811
Depreciation & asset impairment	19,341	18,541	-	-	-	-	-	-	18,541	20,031	20,736
Finance charges	1,209	1,509	-	-	-	-	-	-	1,509	1,265	1,322
Inventory consumed and bulk purchases	30,240	34,440	-	-	-	-	-	-	34,440	31,631	1,516
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	31,321	35,608	-	-	-	-	-	-	35,608	31,107	32,221
Total Expenditure	136,916	143,590	-	-	-	-	-	-	143,590	140,665	114,763
Surplus/(Deficit)	5,684	4,071	-	-	-	-	66	66	4,137	6,036	29,586
Transfers and subsidies - capital (monetary allocations)	38,610	47,510	-	-	-	-	30,313	30,313	77,823	8,799	9,150
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	44,294	51,581	-	-	-	-	30,379	30,379	81,960	14,835	38,736
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	44,294	51,581	-	-	-	-	30,379	30,379	81,960	14,835	38,736
Capital expenditure & funds sources											
Capital expenditure	39,750	48,650	-	-	-	-	-	-	48,650	8,799	9,150
Transfers recognised - capital	38,250	47,150	-	-	-	-	-	-	47,150	8,799	9,150
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,500	1,500	-	-	-	-	-	-	1,500	-	-
Total sources of capital funds	39,750	48,650	-	-	-	-	-	-	48,650	8,799	9,150
Financial position											
Total current assets	253,125	229,440	-	-	-	-	30,379	30,379	259,819	35,529	57,367
Total non current assets	1,097,320	1,107,020	-	-	-	-	-	-	1,107,020	(6,882)	(7,236)
Total current liabilities	169,894	170,525	-	-	-	-	-	-	170,525	11,635	10,633
Total non current liabilities	6,311	6,311	-	-	-	-	-	-	6,311	-	-
Community wealth/Equity	1,174,239	1,181,527	-	-	-	-	30,379	30,379	1,211,906	13,747	37,649
Cash flows											
Net cash from (used) operating	47,864	49,890	-	-	-	-	30,379	30,379	80,269	18,625	46,615
Net cash from (used) investing	(45,713)	(55,948)	-	-	-	-	-	-	(55,948)	(10,119)	(10,523)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	81,908	73,699	-	-	-	-	30,379	30,379	104,077	8,506	36,093

Explanatory notes to Table B1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts subject to approval 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 emphasise the importance of the municipal budget being funded. The current budget (MTREF 2025/26) is not funded as required by

National Treasury due to huge creditors book which the municipality is not able to finance as a result of cash flow problems emanating from cash collection rate from debtors. The assessment of 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.

3. The cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently none of its obligations are cash-backed.

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TABLE 12

MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

NC086 Kgatelopele - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
<i>Governance and administration</i>		75,750	76,612	-	-	-	-	66	66	76,678	79,005	82,054
Executive and council		32	32	-	-	-	-	-	-	32	32	32
Finance and administration		75,718	76,580	-	-	-	-	66	66	76,646	78,974	82,023
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2,423	2,423	-	-	-	-	-	-	2,423	1,225	1,226
Community and social services		2,399	2,399	-	-	-	-	-	-	2,399	1,199	1,199
Sport and recreation		24	24	-	-	-	-	-	-	24	26	27
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1,106	1,106	-	-	-	-	-	-	1,106	1,157	1,209
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		1,106	1,106	-	-	-	-	-	-	1,106	1,157	1,209
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		101,930	115,030	-	-	-	-	30,313	30,313	145,343	74,113	69,010
Energy sources		29,678	33,878	-	-	-	-	-	-	33,878	30,125	30,578
Water management		42,036	42,036	-	-	-	-	30,318	30,318	72,354	12,590	5,666
Waste water management		15,500	24,400	-	-	-	-	(5)	(5)	24,395	16,006	16,682
Waste management		14,715	14,715	-	-	-	-	-	-	14,715	15,392	16,085
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	181,210	195,172	-	-	-	-	30,379	30,379	225,550	155,500	153,499
Expenditure - Functional												
<i>Governance and administration</i>		56,773	59,888	-	-	-	-	-	-	59,888	58,625	60,835
Executive and council		13,994	14,446	-	-	-	-	-	-	14,446	14,339	14,748
Finance and administration		40,533	43,310	-	-	-	-	-	-	43,310	41,948	43,655
Internal audit		2,246	2,131	-	-	-	-	-	-	2,131	2,338	2,432
<i>Community and public safety</i>		8,884	8,896	-	-	-	-	-	-	8,896	7,930	8,233
Community and social services		6,818	6,955	-	-	-	-	-	-	6,955	5,769	5,974
Sport and recreation		2,066	1,941	-	-	-	-	-	-	1,941	2,162	2,259
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9,534	8,778	-	-	-	-	-	-	8,778	9,972	10,426
Planning and development		1,253	1,172	-	-	-	-	-	-	1,172	1,311	1,370
Road transport		8,280	7,606	-	-	-	-	-	-	7,606	8,661	9,056
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		61,724	66,028	-	-	-	-	-	-	66,028	64,138	35,269
Energy sources		37,570	41,446	-	-	-	-	-	-	41,446	39,269	9,463
Water management		7,087	7,753	-	-	-	-	-	-	7,753	7,326	7,570
Waste water management		4,977	5,011	-	-	-	-	-	-	5,011	5,206	5,440
Waste management		12,091	11,818	-	-	-	-	-	-	11,818	12,338	12,795
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	136,916	143,590	-	-	-	-	-	-	143,590	140,665	114,763
Surplus/ (Deficit) for the year		44,294	51,582	-	-	-	-	30,379	30,379	81,960	14,835	38,737

Explanatory notes to MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

- Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per functional classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports. This simply means "against which function the transaction should be recorded".

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenue for the Trading Services should exceed their expenditures. The table highlights that this is not the case for any of the trading services. As already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating these functions' tariff structures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

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TABLE 14

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC086 Kgatelopele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	25,430	24,453	14,174	29,628	33,828	33,828	32,683	35,765	37,374	38,309
Service charges - Water	2	7,017	10,902	8,344	12,036	12,036	12,036	8,469	12,569	13,122	13,700
Service charges - Waste Water Management	2	2,273	4,261	4,460	6,890	6,890	6,890	4,417	10,736	11,219	11,500
Service charges - Waste Management	2	5,940	7,444	7,873	14,715	14,715	14,715	6,905	12,061	12,603	12,919
Sale of Goods and Rendering of Services		61	158	106	126	126	126	90	132	138	141
Agency services		40	-	-	50	50	50	(8)	450	452	454
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2,683	3,169	1,507	1,701	1,701	1,701	1,151	1,776	1,856	1,902
Interest earned from Current and Non Current Assets		1,381	5,605	3,444	3,888	3,888	3,888	817	4,575	4,781	4,900
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		181	149	135	214	214	214	421	386	403	413
Licence and permits		294	428	383	1,049	1,049	1,049	613	1,100	1,150	1,178
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		104	41	-	20	20	20	99	22	23	24
Non-Exchange Revenue											
Property rates	2	16,080	14,513	15,742	21,910	22,772	22,772	16,152	18,437	19,265	20,150
Surcharges and Taxes		(0)	-	-	9,000	9,000	9,000	-	9,396	9,819	10,064
Fines, penalties and forfeits		22	5	-	66	66	66	-	143	149	153
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		32,251	35,663	38,448	40,635	40,635	40,635	40,037	41,006	43,018	44,120
Interest		706	1,050	559	670	670	670	436	883	922	946
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(981)	(1,711)	(760)	-	-	-	(291)	21,000	-	-
Other Gains		(27)	574	211	-	-	-	581	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrit		93,453	106,704	94,626	142,600	147,662	147,662	112,574	170,436	156,296	160,872
Expenditure											
Employee related costs	2	40,146	42,530	43,543	49,994	48,465	48,465	41,136	40,775	44,207	46,160
Remuneration of councillors		3,687	4,685	5,030	4,811	5,027	5,027	4,406	5,298	5,531	5,780
Bulk purchases - electricity	2	24,637	24,352	28,874	28,886	33,086	33,086	29,558	30,115	34,768	35,637
Inventory consumed	8	5,086	4,638	1,736	1,353	1,353	1,353	2,989	538	562	576
Debt impairment	3	-	-	-	4,350	4,350	4,350	-	13,943	14,557	15,212
Depreciation and amortisation		39,758	16,198	24,611	14,991	14,191	14,191	-	17,669	18,979	20,005
Interest		1,883	3,054	3,388	1,209	1,509	1,509	4,081	1,200	1,255	1,313
Contracted services		16,102	18,476	16,056	17,910	18,825	18,825	15,824	17,608	19,467	20,028
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		4,199	1,110	17,523	-	-	-	(331)	3,533	3,689	3,855
Operational costs		9,328	9,014	14,021	13,411	16,783	16,783	12,633	15,860	16,616	17,062
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		144,826	124,058	154,781	136,916	143,590	143,590	110,094	146,541	159,632	165,628
Surplus/(Deficit)		(51,373)	(17,354)	(60,155)	5,684	4,071	4,071	2,480	23,895	(3,336)	(4,756)
Transfers and subsidies - capital (monetary	6	58,357	57,773	125,473	38,610	47,510	47,510	55,902	28,812	43,110	44,782
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6,984	40,419	65,318	44,294	51,581	51,581	58,381	52,707	39,773	40,026
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		6,984	40,419	65,318	44,294	51,581	51,581	58,381	52,707	39,773	40,026
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		6,984	40,419	65,318	44,294	51,581	51,581	58,381	52,707	39,773	40,026
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	6,984	40,419	65,318	44,294	51,581	51,581	58,381	52,707	39,773	40,026

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

1. The A4 Table seeks to reflect the operating revenue by source and expenditure in order to indicate the municipality's financial performance.

Part 2 – Supporting Documentation

1.7 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.7.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor must have tabled in Council the required IDP and budget time schedule during August 2024. Key dates applicable to the process were:

- **30 August 2024** – The IDP process plan was tabled and approved in Council (CR 87/8/2024)
- **October 2024** – IDP community participation meeting was held in all wards
- **March 2025** – Budget inputs and engagements was held with various departments and units in the Municipality
- **31 March 2025** – Tabling in Council of the draft 2025/26 IDP and 2025/26 MTREF for public consultation. (CR 13/03/2025)

- **25 May 2025** – Workshop was held with management and councillor to review policies and by-laws
- **May 2025** – Second round of community participation meetings was held where the draft budget and was presented to the community
- **13 to 23 May 2025** – finalisation of the 2025/26 IDP and 2025/26 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework.
- **29 May** - Tabling in Council of the final 2025/26 IDP and 2025/26 MTREF for consideration and approval.

1.7.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2025/26 MTREF, based on the approved 2024/25 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2025/26 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2024/25 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

1.7.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2025/26 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/26 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2024/25 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70 and 72 has been taken into consideration in the planning and prioritisation process.

1.8 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent

plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2015 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;

- Provide municipal planning services; and
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
- Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour-intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective Municipality cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS, to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Kgatelopele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
 - Implementing Kgatelopele in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five strategic objectives mentioned above.

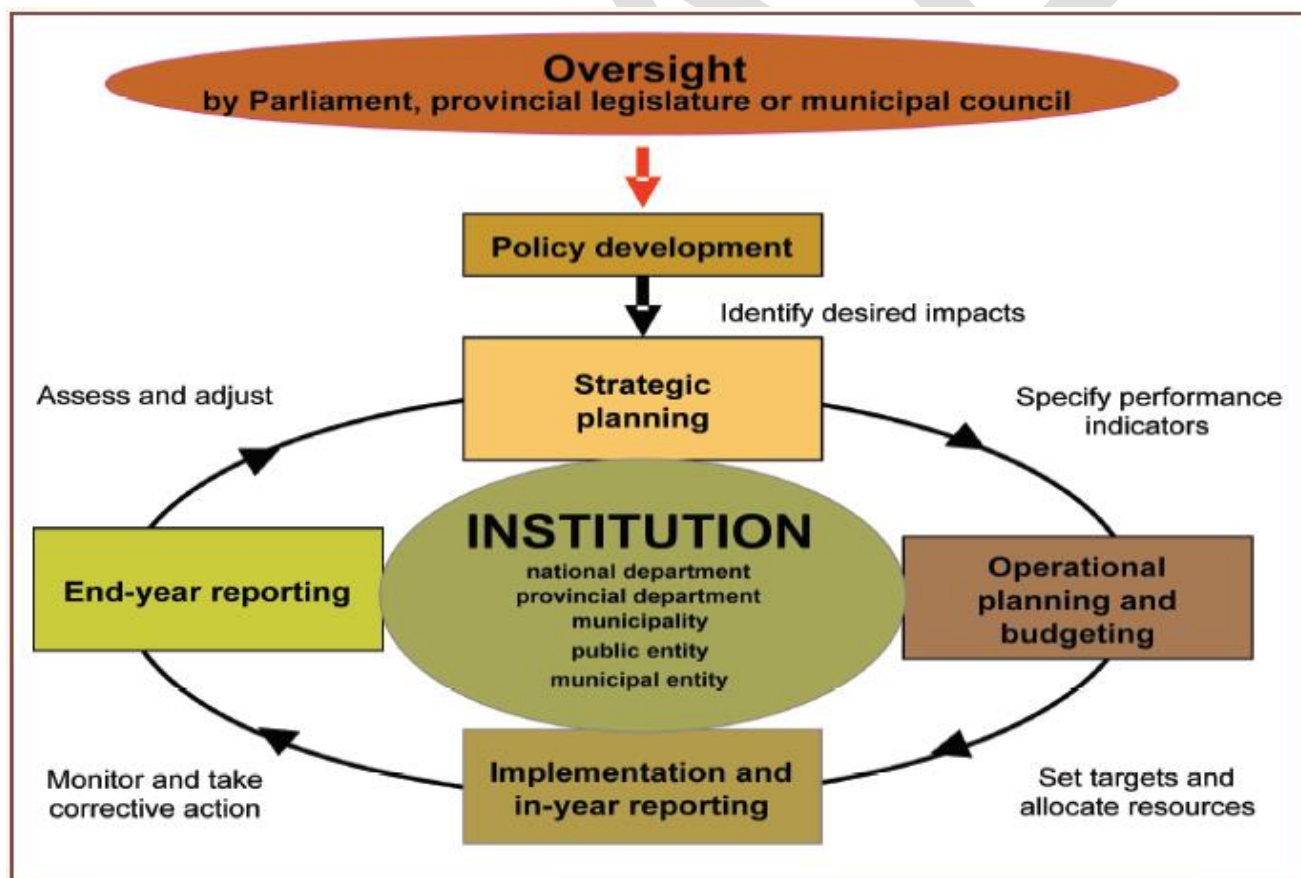
In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to

resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

1.9 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality with the help of the Municipal Manager, Adv. W Blundin and the ZFM District Municipality, helped with the development and implemented a performance management system. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

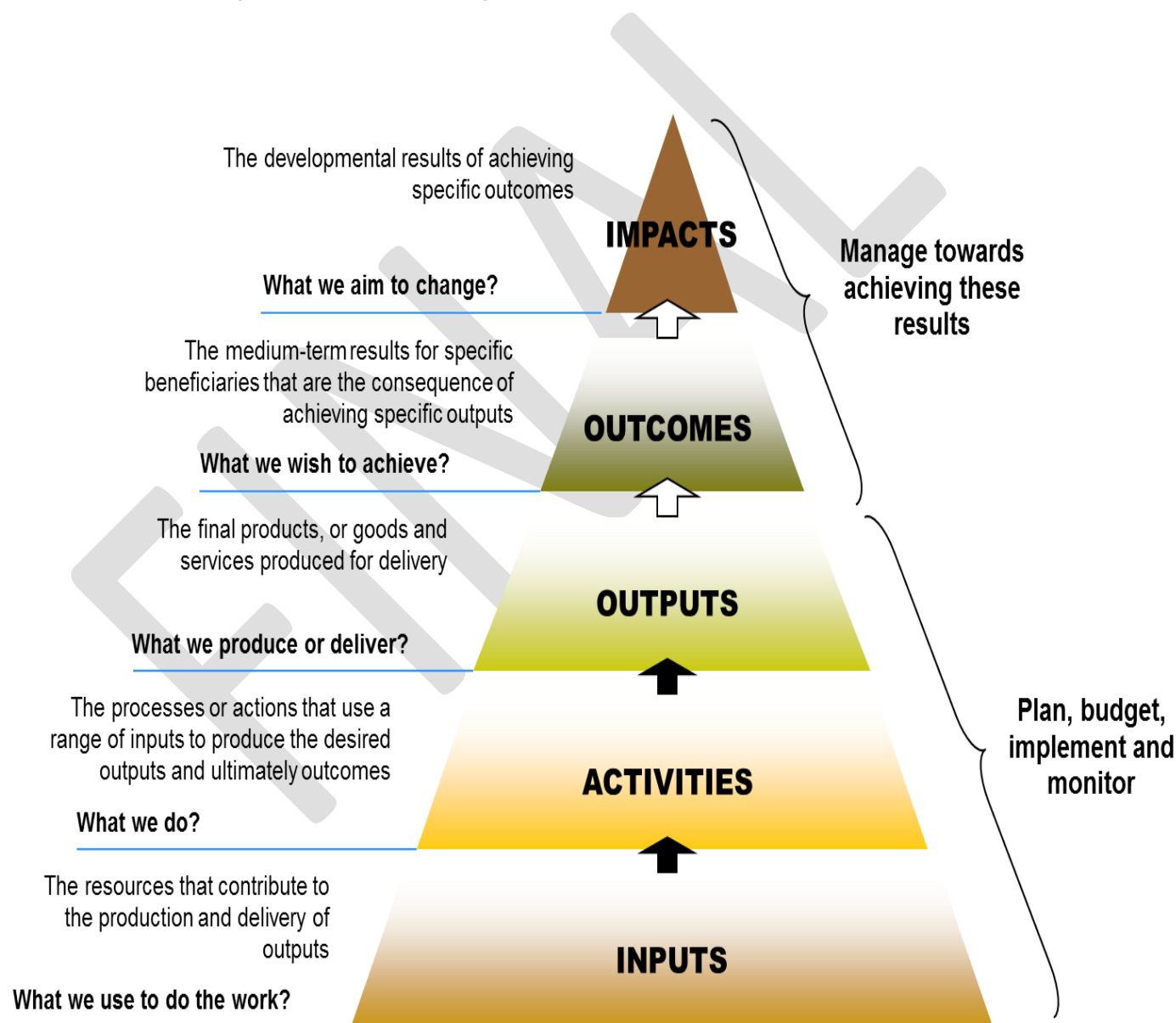
The planning, budgeting and reporting cycle can be graphically illustrated as follows:



The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

1.9.1 Performance indicators and benchmarks

1.9.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Kgatelopele Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2025/236 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ratio is by far below the borrowing capacity of the municipality, but it needs to be noted that capital grants and transfers has contributed significantly to the municipality's capital expenditure programs, thus limiting the need for borrowing.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is less than 1% throughout the MTREF period. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality should limit external interest charges to the minimum.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality intend to borrow money from DBSA during the MTREF period.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2025/26 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.9.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. At 4.2 : at this ratio is well below the norm, indicating a strong financial position.
- *The gearing ratio* is a measure of the total long-term borrowings over funds and reserves. A ratio in the region of 50% is a general benchmark and the Kgatelopele Local Municipality currently does not have any long-term debt

1.9.1.3 Liquidity

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

1.9.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. The collection rates in this indicator are based on all cash receipts, also for direct income. The collection rate used for the calculation of debtors' payments was 85 per cent.

1.9.1.5 Creditors Management

- The Municipality did not manage to ensure that creditors are settled within the legislated 30 days of invoice. The liquidity ratio is of concern. This had an impact on suppliers' perceptions of risk of doing business with the Municipality.

1.9.1.6 Other Indicators

- The electricity/water losses have been measured. The Municipality needs to measure all water and electricity losses and is annually reported in the financial statements and monthly in the Section 71 reports.
- Employee costs as a percentage of operating revenue is fairly constant over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also fairly constant owing directly to cost drivers such as bulk purchases increasing above inflation. The expenditure on repairs and maintenance is well below acceptable levels, but the actual cost will only be determined when a costing system is implemented.

1.9.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the MTREF an estimate of 1599 registered indigent have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, free sanitation and free waste removal equivalent once a week, as well as a discount on their property rates. All residential properties will receive exemption for the first R30

000. Households registered for indigent subsidies will be granted an additional R10 000 (R40 000) on all ratable market values

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained elsewhere in this report.

1.10 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.10.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council and will be reviewed annually. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition, emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services.

The Municipality needs to change all water meters to smart water meters. The municipality will not be sustainable if we do not collect all the outstanding debt through the pre-paid water system.

1.10.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

1.10.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the

financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified, and funds redirected to performing functions.

1.10.4 Supply Chain Management Policy

The Supply Chain Management Policy was workshop by Council for approval during Feb 2025. An amended policy was considered by Council which the following amendments was made:

1. Amending the tender threshold from R 200 000 to R 300 000 to align with the revised Municipal Supply Chain Regulations
2. The preferential procurement policy was also updated to align with the new preferential procurement regulations of

1.10.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget and Virement Policy will be workshop for council for approval.

1.10.6 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy was approved by Council. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

1.10.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Asset Management Policy
- Banking and Investment Policy
- Bad Debt Write Off Policy

- Budget Policy
- Borrowing Policy
- Contract Management Policy
- Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy
- Debt Incentive Scheme Policy
- Expenditure Management Policy
- Funding and Reserves Policy
- Inventory Management Policy
- Investment Policy
- Impairment Policy
- Petty Cash Policy
- Preferential Procurement Policy
- Property Rates Policy
- Subsistence and travelling policy
- Supply Chain Management Policy
- Tariff Policy
- Unauthorized, Irregular and Fruitless and Wasteful Expenditure Policy
- Virement Policy

1.11 Overview of budget assumptions

1.11.1 External factors

Domestically, after five years of strong growth, during which lot of jobs were created, our economy shrank fast, and thousands of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2023 will be minimal with a slightly better growth in the outer years.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. 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.

1.11.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2025/26 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;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

1.11.3 Credit rating outlook

There is no credit rating for Kgatelopele Municipality.

1.11.4 Interest rates for borrowing and investment of funds.

The municipality did not budget for any loan funding during the 2025/26 financial year.

1.11.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 80 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash inflow once the performance has been carefully monitored.

1.11.6 Growth or decline in tax base of the municipality.

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

1.11.7 Salary increases.

The Salary and Wage Collective Agreement for the period 01 July 2025 to 31 June 2026 has a new agreement stipulated increase as 4.7%. South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

1.11.8 Impact of national, provincial and local policies

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.

1.11.9 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 100 per cent on the capital programme for the 2025/26 MTREF of which performance has been factored into the cash flow budget on grant funding.

1.12 Overview of budget funding

1.12.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

NC086 Kgatelopele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	25,430	24,453	14,174	29,628	33,828	33,828	32,683	35,765	37,374	38,309
Service charges - Water	2	7,017	10,902	8,344	12,036	12,036	12,036	8,469	12,569	13,122	13,700
Service charges - Waste Water Management	2	2,273	4,261	4,460	6,890	6,890	6,890	4,417	10,736	11,219	11,500
Service charges - Waste Management	2	5,940	7,444	7,873	14,715	14,715	14,715	6,905	12,061	12,603	12,919
Sale of Goods and Rendering of Services		61	158	106	126	126	126	90	132	138	141
Agency services		40	-	-	50	50	50	(8)	450	452	454
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2,683	3,169	1,507	1,701	1,701	1,701	1,151	1,776	1,856	1,902
Interest earned from Current and Non Current Assets		1,381	5,605	3,444	3,888	3,888	3,888	817	4,575	4,781	4,900
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		181	149	135	214	214	214	421	386	403	413
Licence and permits		294	428	383	1,049	1,049	1,049	613	1,100	1,150	1,178
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		104	41	-	20	20	20	99	22	23	24
Non-Exchange Revenue											
Property rates	2	16,080	14,513	15,742	21,910	22,772	22,772	16,152	18,437	19,265	20,150
Surcharges and Taxes		(0)	-	-	9,000	9,000	9,000	-	9,396	9,819	10,064
Fines, penalties and forfeits		22	5	-	66	66	66	-	143	149	153
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		32,251	35,663	38,448	40,635	40,635	40,635	40,037	41,006	43,018	44,120
Interest		706	1,050	559	670	670	670	436	883	922	946
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(981)	(1,711)	(760)	-	-	-	(291)	21,000	-	-
Other Gains		(27)	574	211	-	-	-	581	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contri		93,453	106,704	94,626	142,600	147,662	147,662	112,574	170,436	156,296	160,872

Breakdown of operating revenue over the 2025/26 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of an 85 per cent annual collection rate for consumer revenue
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

1.12.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words, the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

1.12.3 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality.

1.12.3.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short-term debt at the end of the financial year.

1.12.3.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.12.3.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the

municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

1.12.3.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective.

1.12.3.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

1.12.3.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

1.12.3.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 8 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

1.12.3.8 Capital payments percentage of capital expenditure.

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 90 per cent payments has been factored into the cash position forecasted over the entire financial year.

1.12.3.9 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

1.12.3.10 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

1.12.3.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained elsewhere in this report.

1.12.3.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained elsewhere in this report.

1.13 Councillor and employee benefits

MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages			-	-	4,531	4,336	4,336	4,336	4,775	4,761	4,911
Pension and UIF Contributions			-	-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance			-	-	-	-	-	-	-	-	-
Cellphone Allowance			-	-	500	475	691	691	523	771	869
Housing Allowances			-	-	-	-	-	-	-	-	-
Other benefits and allowances			-	-	-	-	-	-	-	-	-
Sub Total - Councillors			-	-	5,030	4,811	5,027	5,027	5,298	5,531	5,780
% increase		4			-	(4.4%)	4.5%	-	5.4%	4.4%	4.5%
Senior Managers of the Municipality		2									
Basic Salaries and Wages			960	1,417	2,236	3,607	3,607	3,607	3,904	4,177	4,470
Pension and UIF Contributions			5	4	5	23	23	23	36	39	41
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3	296	176	182	-	-	-	-	-	-
Cellphone Allowance		3	-	-	-	5	5	5	5	5	5
Housing Allowances		3	-	95	29	-	-	-	-	-	-
Other benefits and allowances		3	-	-	-	-	-	-	0	0	0
Payments in lieu of leave			32	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		6	-	-	-	-	-	-	-	-	-
Entertainment			-	-	-	-	-	-	-	-	-
Scarcity			110	114	153	232	232	232	6	7	7
Acting and post related allowance			2,348	-	-	50	50	50	7	8	8
In kind benefits			-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality			3,751	1,805	2,606	3,916	3,916	3,916	3,959	4,236	4,532
% increase		4		(51.9%)	44.4%	50.3%	-	-	1.1%	7.0%	7.0%

All other supporting schedules are available on request and will also be placed on the website

1.14 Other supporting documents

All other supporting schedules are available on request and will also be placed on the website

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MBRR SB12 - Adjusted Budgeted monthly revenue and expenditure (municipal vote)

NC086 Kgatelopele - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) -

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Framework	
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Revenue by Vote															
Vote 1 - Executive and Council		14,682	–	–	–	–	11,745	–	–	–	–	–	(26,427)	–	–
Vote 2 - Office of the Municipal Manager		99	15	16	18	22	19	–	–	–	–	–	(158)	32	32
Vote 3 - Finance Services		2,255	2,215	1,893	3,007	1,978	2,981	–	–	–	–	–	62,231	76,560	78,888
Vote 4 - Corporate Services		12,413	12,413	12,413	12,413	12,413	12,413	–	–	–	–	–	74,479	148,957	76,580
Vote 5 - Technical and Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Technical and Community Services2		9,900	4,258	13,976	11,841	10,237	15,856	–	–	–	–	–	(66,067)	1	1
Vote 7 - [NAME OF VOTE 7]		9,900	4,258	13,976	11,841	10,237	15,856	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		0	–	0	–	0	0	–	–	–	–	–	(1)	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		49,249	23,159	42,274	39,121	34,887	58,870	–	–	–	–	–	44,057	225,550	155,500
Expenditure by Vote															
Vote 1 - Executive and Council		1,439	895	1,179	1,061	998	1,182	888	888	888	888	888	(541)	10,650	10,391
Vote 2 - Office of the Municipal Manager		450	442	379	400	676	426	578	578	578	578	578	1,276	6,942	7,366
Vote 3 - Finance Services		3,026	2,564	3,468	3,548	1,889	3,317	2,261	2,261	2,261	2,261	2,261	(1,987)	27,130	24,467
Vote 4 - Corporate Services		2,138	563	838	762	994	850	7,745	7,745	7,745	7,745	7,745	48,072	92,943	91,607
Vote 5 - Technical and Community Services		2,138	563	838	762	994	850	–	–	–	–	–	–	–	–
Vote 6 - Technical and Community Services2		6,916	8,898	4,871	5,029	4,879	4,620	494	494	494	494	494	(31,755)	5,925	6,834
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		170	178	177	168	194	172	–	–	–	–	–	(1,060)	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		16,277	14,103	11,751	11,730	10,623	11,418	11,966	11,966	11,966	11,966	11,966	14,005	143,590	140,665
Surplus/ (Deficit)		32,972	9,056	30,524	27,391	24,264	47,452	(11,966)	(11,966)	(11,966)	(11,966)	(11,966)	30,053	81,960	14,835

All other supporting schedules are available on request and will also be placed on the website:

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MBRR SB13 - Adjustments Budget monthly revenue and expenditure (functional classification)

NC086 Kgatelopele - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) -

Description - Standard classification	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue - Functional																
Governance and administration		17,037	2,230	1,908	3,025	2,000	14,745	6,390	6,390	6,390	6,390	6,390	3,783	76,678	79,005	82,054
Executive and council		14,781	15	16	18	22	11,764	3	3	3	3	3	(26,598)	32	32	32
Finance and administration		2,255	2,215	1,893	3,007	1,978	2,981	6,387	6,387	6,387	6,387	6,387	30,381	76,646	78,974	82,023
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		201	66	143	265	202	653	202	202	202	202	202	(115)	2,423	1,225	1,226
Community and social services		200	64	142	263	200	652	200	200	200	200	200	(121)	2,399	1,199	1,199
Sport and recreation		1	2	1	1	2	1	2	2	2	2	2	6	24	26	27
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		102	66	42	61	45	34	92	92	92	92	92	296	1,106	1,157	1,209
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		102	66	42	61	45	34	92	92	92	92	92	296	1,106	1,157	1,209
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		9,797	4,126	13,791	11,516	10,190	15,170	12,112	12,112	12,112	12,112	12,112	20,193	145,343	74,113	69,010
Energy sources		3,096	2,786	2,907	3,035	2,650	2,840	2,823	2,823	2,823	2,823	2,823	2,449	33,878	30,125	30,578
Water management		5,124	425	7,292	5,500	4,012	7,138	6,030	6,030	6,030	6,030	6,030	12,715	72,354	12,590	5,666
Waste water management		572	407	2,910	2,300	2,850	4,515	2,033	2,033	2,033	2,033	2,033	676	24,395	16,006	16,682
Waste management		1,005	508	682	681	677	677	1,226	1,226	1,226	1,226	1,226	4,354	14,715	15,392	16,085
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		27,136	6,488	15,885	14,867	12,437	30,601	18,796	18,796	18,796	18,796	18,796	24,157	225,550	155,500	153,499
Expenditure - Functional																
Governance and administration		7,016	4,432	5,824	5,736	4,500	5,718	4,991	4,991	4,991	4,991	4,991	1,708	59,888	58,625	60,835
Executive and council		1,706	1,142	1,418	1,345	1,510	1,429	1,204	1,204	1,204	1,204	1,204	(123)	14,446	14,339	14,748
Finance and administration		5,192	3,160	4,341	4,339	2,911	4,198	3,609	3,609	3,609	3,609	3,609	1,124	43,310	41,948	43,655
Internal audit		119	131	65	53	79	91	178	178	178	178	178	706	2,131	2,338	2,432
Community and public safety		343	556	567	511	579	603	741	741	741	741	741	2,031	8,896	7,930	8,233
Community and social services		152	386	225	348	428	408	580	580	580	580	580	2,111	6,955	5,769	5,974
Sport and recreation		191	170	342	163	151	195	162	162	162	162	162	(80)	1,941	2,162	2,259
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		319	315	340	363	411	382	731	731	731	731	731	2,991	8,778	9,972	10,426
Planning and development		96	72	95	85	109	108	98	98	98	98	98	118	1,172	1,311	1,370
Road transport		223	242	245	278	301	274	634	634	634	634	634	2,873	7,606	8,661	9,056
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		6,460	8,237	4,182	4,357	4,140	3,864	5,502	5,502	5,502	5,502	5,502	7,275	66,028	64,138	35,269
Energy sources		5,004	6,708	2,536	2,637	2,585	2,532	3,454	3,454	3,454	3,454	3,454	2,175	41,446	39,269	9,463
Water management		249	374	384	365	618	327	646	646	646	646	646	2,205	7,753	7,326	7,570
Waste water management		658	1,071	625	765	325	485	418	418	418	418	418	(1,006)	5,011	5,206	5,440
Waste management		548	85	637	590	612	521	985	985	985	985	985	3,901	11,818	12,338	12,795
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		14,139	13,540	10,913	10,968	9,629	10,568	11,966	11,966	11,966	11,966	11,966	14,005	143,590	140,665	114,763
Surplus/ (Deficit) 1.		12,998	(7,052)	4,972	3,899	2,808	20,033	6,830	6,830	6,830	6,830	6,830	10,152	81,960	14,835	38,737

All other supporting schedules are available on request and will also be placed on the website

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1.15 Contracts having future budgetary implications.

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

1.16 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 was not fully complied with on a monthly basis. Section 71 reporting to the mayor (within 10 working days) has improved. The CFO needs to take Actions to comply with above. The Municipalities website is active as and needs to publish the information on the Municipality's website.
 2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five (5) 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. Additional staff needs to be appointed to help with the compilation of the budget, Treasury reports and the AFS.
 4. Audit Committee
Kgatelopele Municipality has established audit committee.
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1.17 Municipal Manager's Quality Certificate

I, Adv. W Blundin, Municipal Manager of Kgatelopele Municipality, hereby certify that the annual 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.

Print Name Adv. W Blundin

Municipal Manager of Kgatelopele Municipality

Signature : 

Date : **29 May 2025**
