THABAZIMBI LOCAL MUNICIPALITY BUDGET: MTREF 2027/2028/2029

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET STATEMENT

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27 May 2026

THABAZIMBI LOCAL MUNICIPALITY

VISION

A MUNICIPALITY WITH A DIVERSIFIED ECONOMY IN THE PROVISION OF EXCELLENT SUSTAINABLE SERVICES

MISSION

TO BE A LEADING MUNICIPALITY IN THE PROVISION OF EXCELLENT SUSTAINABLE SERVICES IN COLLABORATION WITH STAKEHOLDERS

VALUES STATEMENT

HONESTY AND INTEGRITY, ACCOUNTABILITY, TEAMWORK AND PROFESSIONALISM, INNOVATION AND TRANSFORMATION, SAFE ENVIRONMENT, COLLABORATION & RESPONSIVENESS, TRANSPARENCY AND FAIRNESS, COMMUNITY CENTEREDNESS

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GLOSSARY OF TERMS AND ABBREVIATIONS

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt policy.

Budget Steering committee (BSC) – Committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the MFMA.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash that will be received and spent by the municipality, and the month end cash and short-term investment balances.

CGD – Capital Grants and Donations.

CPI – Headline Consumer Price Index.

CRR – Capital Replacement Reserve.

DMTN – Domestic Medium-Term Note.

DORA – Division of Revenue Act. Annual legislation, which shows the allocations from National to Local Government.

DORB – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from National to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted at assisting municipalities with the costs of free basic services.

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI – Key Performance Indicators. Measures of service output and/or outcome.

MBRR – Municipal Budget Reporting Regulations.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to Municipal Financial Management.

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

Portfolio Committee – In line with Section 79 of the Structures Act, the Council Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.

Rates – Local Government tax based on assessed valuation of a property.

1. Executive Summary

1.1 Introduction

In terms of Section 24(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the council of the municipality must for each year approve an annual budget for the municipality before the start of the financial year. The deadlines set out in the MFMA for tabling and approving budgets are minimum compliance requirements; municipalities may table and approve their budgets earlier. The budget must be tabled for consultation at least 90 days (31 March) before the start of the financial year (1 July). It must be considered for approval at least 30 days (1 June) before the start of that year, and it must be approved before the start of the financial year (1 July).

In Section 17 it is further said that the budget must be a schedule in this prescribed format:

a) Setting out realistically anticipated revenue for the budget year from each revenue source;

b) Appropriating expenditure for the budget year under the different votes of the municipality.

c) Setting out indicative revenue per revenue source and projected Expenditure by vote for the two financial years following the budget year.

d) Setting out estimated revenue and expenditure by vote for the current year; and

e) Actual revenue and expenditure by vote for the financial year preceding the current year.

Thabazimbi Municipality's 2027/2028/2029 Medium-Term Revenue and Expenditure Framework (MTREF) reflect a critical transition point in the institution's financial governance. Central to this budget is the move toward long-term financial sustainability, as mandated by National Treasury's stringent requirements regarding funded budgets.

As outlined in MFMA Circulars 74 ,89,98,99,107,108,126,128,129, 132 and 134 the adoption of a funded budget is a non-negotiable statutory requirement under Section 18 of the MFMA. For Thabazimbi, this represents more than mere compliance; it is a mechanism to ensure the municipality can meet its immediate financial obligations without compromising future service delivery.

The municipality has faced a persistent challenge over the past five years on expanding debtors' book. This accumulated debt has historically resulted in unfunded budgets, as the projected revenue was not sufficiently backed by actual cash inflows.

For the upcoming MTREF, the municipality has shifted its fiscal strategy to produce an operating surplus and its currently in the process of implementing aggressive revenue enhancement (settlement Discount), smart meters backed by National Treasury through debt relief initiative and own internal methods. The targeted collection is aimed at a 90% collection rate for services and property rates.

The Municipality have put measures in place to reduce expenditure items and apply zero based budgeting which in turn will result in positive cash flow for the budget year.

Surplus is attributable to the following main factors:

- Increase in the total revenue base because of prospective revenue enhancement activities and roll-out of smart meters
- Increase in government grants and subsidies.

Debt Management and Revenue Collection Challenges:

The Municipality continues to navigate a complex fiscal landscape characterized by persistent challenges in recovering outstanding debt from residential, commercial, and governmental consumers. This trajectory has resulted in the sustained growth of the debtors' book, necessitating heightened provisions for debt impairment and the strategic write-off of irrecoverable balances, particularly to support indigent households within marginalized communities.

The internalized customer care centre, situated within the Technical Services Department, now serves as the primary hub for proactive revenue engagement. The Municipality intends to leverage digital communication channels, including WhatsApp-based meter reading submissions and SMS notifications—the Municipality will then significantly improve billing integrity and customer interaction data.

System Integration and Compliance

In strict adherence to National Treasury directives, all revenue management and customer engagement workflows are fully operational within the Munsoft Integrated Financial Management and Internal Control System ecosystem. By utilizing the full suite of its enterprise resource modular components, the Municipality would want to aim to ensure that debt recovery actions are synchronized with the core financial system in real-time, eliminating data silos and enhancing auditability.

Strategic Debt Recovery Interventions

To optimize the revenue value chain, the Municipality is implementing the following targeted strategies:

Policy and Procedural Reform: Continuous refinement of the Debt Collection Policy to ensure legal robustness, supported by standardized, time-bound escalation procedures.

Data-Driven Segmentation: Utilizing data analytics to identify trends and categorize debtors by risk profile, allowing for tailored collection campaigns across residential, commercial, and state sectors.

Flexible Settlement Options: Implementation of structured payment arrangements and instalment plans with clear eligibility criteria to assist struggling consumers.

Intergovernmental Debt Intervention: Proactive, high-level engagement with Provincial and National departments to settle long-standing state-sector arrears.

Indigent Program Integrity: A comprehensive review of the Indigent Support Program to ensure benefits are accurately targeted to the most vulnerable while maintaining program fiscal sustainability.

Legal Enforcement: Efficiently pursuing legal action against persistent defaulters as a measure of last resort, in accordance with established municipal bylaws.

Revenue Collection Performance

The Municipality has maintained a stabilized cash collection rate of 70% for property rates and core service charges, consistent with the previous fiscal period however with the implementation of various efforts most importantly smart meters, the Municipality is aiming for 90% collection rate as this will also allow the recovery of old outstanding debt. While non-core service items continue to be managed on a cash-only basis.

Enhanced Collection Tactics

To complement macro-level strategies, the following operational measures are going to be deployed to improve the collection rate:

Strategic Institutional Engagement

Facilitating direct, high-level consultations between the Municipality's executive leadership and the Chief Financial Officers (CFOs) of various state organs and commercial entities. These ongoing engagements are focused on the reconciliation of overdue accounts and the resolution of complex billing disputes, effectively bridging the communication gap between the Municipality and its institutional consumers. Such engagements have been ongoing with the mines and Magalies water.

Advanced Data Cleansing & Segmentation

Revenue leakage is often driven by "dirty data" including duplicate accounts, incorrect property categorizations, and deceased debtors. Implementing a Master Data review is essential to reconcile the billing system with the General Valuation Roll (GVR) and external databases. By segmenting debtors based on payment behaviour, the municipality will deploy targeted interventions: providing indigency relief to the vulnerable while enforcing aggressive credit control against high-value commercial defaulters.

Digitalization of the Revenue Value Chain

With inflation projected to average 3.7% in 2026/27, operational efficiency is a strategic imperative. By deploying Electronic Bill Presentment and Payment (EBPP) systems—transitioning from postal statements to Email, WhatsApp, and SMS notifications—the municipality can provide real-time account access. This digital shift compresses the billing-to-collection lag, accelerating cash flow while significantly reducing the administrative costs of manual queries and physical printing.

Metering and Non-Technical Loss Mitigation

Unbilled consumption, primarily driven by illegal connections and faulty equipment, is a fundamental cause of financial distress. To mitigate this, the municipality will prioritize a transition to Smart Metering systems to enable remote reading and automated disconnections, effectively eliminating the "estimated billing" disputes that hinder collections. These systems provide the real-time data necessary to detect tampering and leaks immediately. While central to long-term sustainability, the full-scale rollout remains a future consideration pending budget viability.

Strategic Intervention for State-Owned Debt

Significant arrears from Provincial and National departments continue to undermine municipal liquidity. To address this, the municipality will formalize Section 216 Constitutional Intervention Strategy to resolve persistent non-payment by state organs. This approach involves documenting systemic defaults and petitioning the National Treasury to withhold provincial or national allocations for the direct settlement of municipal debts. By utilizing this fiscal mechanism, the municipality can bypass protracted litigation and recover high-value government debt through direct fiscal

Draft Budget, the Integrated Development Plan and the Service Delivery and Budget Implementation Plan

The Municipality finalized 2026-2027 MTREF budget, the Integrated Development Plan and the Service Delivery and Budget Implementation Plan, initiated the public participation process which is undertaken through scheduling public meetings in all the wards.

The Municipality remains committed in the long term to provide sound strategic financial management to efficiently and effectively achieve its core Municipal mandate of sound service delivery to the community.

1.2 Purpose

The purpose of this report is to submit the MTREF for 2027/2028/2029 and other finance related documents for approval by Council.

The core mandate of the Budget and Treasury Office (BTO) is to provide robust financial management services to Thabazimbi Municipality. This ensures that the municipality's financial objectives are seamlessly aligned with all directorates to fulfil the local government mandate of effective service delivery.

Municipal budgeting is a critical instrument for achieving the goals set out in the 2022-27 Integrated Development Plan (IDP). Consequently, this budget serves as the primary tool for ensuring that Key Performance Indicators (KPIs) and service delivery targets are met efficiently and effectively.

The municipality will utilize the 2025/2026 Adjustment Budget and audited financial statements for 2024/25 as the baseline for the 2027/2028/2029 Final Budget.

Key strategic focus areas include:

- Revenue Projections: Setting realistic and attainable collection rates for the MTREF period. The municipality's revenue strategy remains focused on improving collection rates and diversifying income streams. While we rely on the Equitable Share and conditional grants, we are intensifying our debt collection efforts to ensure that the budget remains sustainable, moving towards fully funded and more credibility.
- Expenditure Control: Limiting operational expenditure in strict alignment with actual revenue collected.
- Cost Drivers: Factoring in employee-related increases (collective agreement), bulk water and electricity tariff hikes, and grant allocations.
- Interim Funding: As the National Budget Speech was held on 25 February 2026, the municipality used current Division of Revenue Act (DORA)

This framework is the accounting officer's commitment under Section 61(1)(a) of the MFMA. We have prioritized the effective, efficient and economical use of municipal resources. This budget is not merely a list of figures but commitment to disciplined spending and elimination of non-priority expenditure.

2. Consolidated Overview of the 2027/2028/2029 MTREF

Macro-economic performance and projections, 2025-2030

Table 1: Macroeconomic performance and projections, 2025 - 2029

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

Source: National Treasury Budget Review 2026.

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

Figure 1 Macro-economic performance and projects, 2023-2029

In terms of Circular 134 of the MFMA, the table shows a cooling and stabilising inflation environment, which supports more predictable and sustainable budgeting for municipalities over the medium term.

Implication for municipalities:

- Lower inflation suggests reduced pressure on cost escalations (e.g., bulk purchases, salaries, contracts).
- It informs tariff setting and budget assumptions, as revenue increases should align with realistic inflation levels.
- Stability allows for more predictable medium-term financial planning (MTREF).

MTREF OVERVIEW			
Description	**2026 - 2027**	**2027 - 2028**	**2028 -2029**
Operating Revenue	- 817 874 412.00	- 907 482 768.00	- 979 261 848.00
Operating Expenditure	617 258 172.00	672 830 076.00	735 287 700.00
Capital Expenditure	187 349 004.00	128 634 588.00	128 116 404.00

Figure 2 Consolidated Overview of the 2027/2028/2029 MTREF

The Municipality's 2026/27 to 2028/29 Medium-Term Revenue and Expenditure Framework (MTREF) reflect a growth trajectory in both operating revenue and expenditure over the three-year planning period. The MTREF further demonstrates the Municipality's continued commitment towards sustaining service delivery, maintaining operational functionality and implementing capital infrastructure programmes aimed at improving community services and economic development.

Operating Revenue is projected at approximately R817.9 million in 2026/27, increasing to R907.5 million in 2027/28 and further to R979.3 million in 2028/29. The steady upward trend indicates the

Municipality's intention to strengthen revenue sustainability and improve cash flow management over the medium term. The projected growth further supports the funding of operational commitments and future infrastructure investment requirements.

Operating Expenditure is budgeted at R617.3 million in 2026/27 and is projected to increase to R672.8 million in 2027/28 and R735.3 million in 2028/29. The increase in expenditure over the MTREF is mainly driven by:

- inflationary pressures,
- employee-related costs,
- bulk purchases,
- contracted services,
- repairs and maintenance,
- and general operational cost escalations.

Capital Expenditure is projected at R187.3 million in 2026/27 before decreasing to R128.6 million in 2027/28 and R128.1 million in 2028/29.

Overall, the MTREF presents a financially positive outlook with operating revenue growth exceeding operating expenditure growth over the three-year period. This positions the Municipality to improve its financial sustainability and support continued service delivery obligations.

Prepaid Vending (Water & Electricity)

Water and Electricity remain a primary revenue driver for the Municipality. The MTREF assumes:

- Annual tariff increases aligned to NERSA-approved bulk tariffs
- Implementation of prepaid meters

Cost-Reflective Tariffs (Water, Wastewater, Waste)

The MTREF incorporates a shift over time towards cost-reflective tariffs across key services which have been increased by CPI+1% to cover maintenance costs. The municipality have incorporated the bulk water tariff increase from Magalies which is now factored into this final budget.

Water Management

- Alignment of tariffs to bulk water costs (Magalies Water) and operational costs
- Reduction of under-recovery on water services

Waste Water Management

- Tariffs adjusted to reflect treatment, maintenance, and infrastructure costs

Waste Management

Gradual tariff increases to reflect:

- Collection costs
- Landfill management
- Environmental compliance

Magalies Water Billing Reform (Mines)

A key strategic intervention in the MTREF is the negotiation with Magalies Water to:

- Bill mines directly, based on a Memorandum of Understanding (MoU). Current challenge is Municipality carries bulk water cost risk while large consumers (mines) drive demand.

NERSA has approved an electricity tariff increase for the 2026/27 financial year for Municipal customers at an increase of 10.5% from 1 July 2026.

The municipality's budget strategy is built around the following key concepts:

a) National Treasury's guidelines in this regard in terms of the relevant circulars, particularly circular 134.
b) Division of Revenue Bill 2026
c) Tariff Policies and Tariff Book
d) Efficient revenue management, which aim to ensure better annual collection rates for property rates and other service charges;

2.1 Operating Budget Framework

2.1.1 Operating Revenue

Summary of revenue classified by main revenue source

Operational Revenue			
Revenue By Type	**FY1 2026/2027**	**FY2 - 2027/2028**	**FY3 - 2028/2029**
Interest - Current and Non-current Assets	- 3 950 004.00	- 4 520 004.00	- 4 200 000.00
Interest - Receivables Exchange	- 72 496 344.00	- 77 652 660.00	- 75 758 688.00
Operational Revenue	- 6 069 000.00	- 3 340 632.00	- 3 214 080.00
Rental from Fixed Assets	- 839 100.00	- 880 704.00	- 857 988.00
Sales of Goods and Rendering of Services	- 2 187 912.00	- 2 439 600.00	- 2 229 000.00
Fines Penalties and Forfeits	- 1 337 004.00	- 1 616 004.00	- 1 486 008.00
Interest - Receivebles Non-Exchange	- 14 874 084.00	- 15 932 004.00	- 15 543 420.00
Licences or Permits	- 6 500 004.00	- 7 800 000.00	- 6 999 996.00
Property Rates by Usage	- 136 188 888.00	- 147 398 856.00	- 140 335 812.00
Electricity	- 169 459 404.00	- 229 955 352.00	- 199 959 000.00
Waste Management	- 21 882 492.00	- 26 431 788.00	- 24 028 392.00
Waste Water Management	- 36 699 996.00	- 48 980 796.00	- 43 839 996.00
Water	- 174 279 828.00	- 225 687 048.00	- 209 925 780.00
Transfers and Subsidies - Operational	- 171 110 352.00	- 186 626 400.00	- 179 104 608.00
Grand Total	**- 817 874 412.00**	**- 979 261 848.00**	**- 907 482 768.00**

Table 1 Summary of revenue classified by main revenue source

Financing the Operations of the Municipality

The municipality's financial stability is founded on a balanced revenue model incorporating both external sources, such as national government transfers and subsidies, and internal own-revenue streams, led by property rates and water services. A primary strategic goal is the reduction of reliance on external funding through the rigorous implementation of sustainable revenue enhancement measures. This focus on internal revenue growth is intended to bolster financial autonomy and support the continuous provision of essential services. The diagram below illustrates the specific contribution of each revenue source to the total revenue envelope.

Revenue Break Down High Level

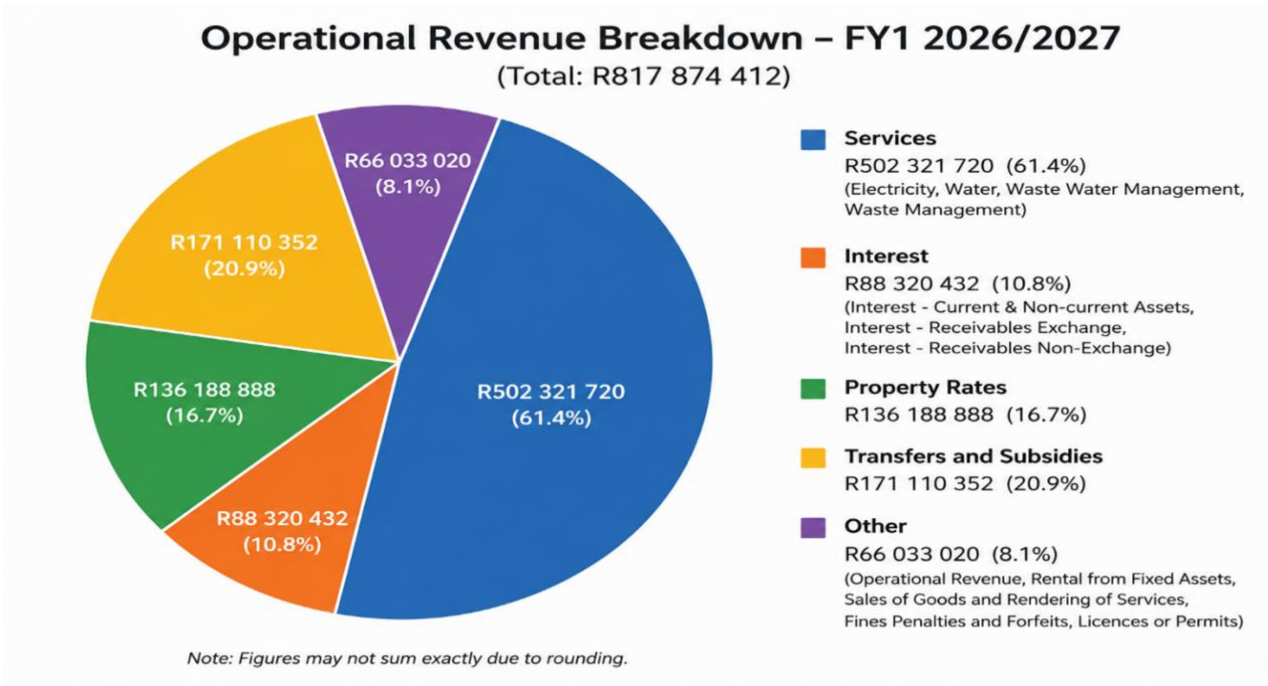

Figure 3: High Level Revenue Breakdown

Operating grants and transfers are going to total to R171.1 million in the 2026/27 financial years, the allocations per DoRa are as follows:

Grants - Operational Transfers and Subsidies			
Description	**FY1 2026/2027**	**FY2 - 2027/2028**	**FY3 - 2028/2029**
Expanded Public Works Programme Integrated Grant	- 1 308 996.00	-	-
Equitable Share	- 164 793 000.00	- 173 888 004.00	- 176 778 000.00
Local Government Financial Management Grant	- 3 000 000.00	- 3 000 000.00	- 3 000 000.00
Municipal Infrastructure Grant	- 2 008 356.00	- 2 216 604.00	- 6 848 400.00
Total	**- 171 110 352.00**	**- 179 104 608.00**	**- 186 626 400.00**

Figure 3 Operating grants and transfers per DORA

Total Operating Revenue

The Municipality's operational revenue framework for the 2026/27 to 2028/29 MTREF reflects a strong dependence on core service charges, property rates and operational grants as the primary sources of funding for municipal operations and service delivery.

Total operational revenue is projected at approximately R817.9 million in 2026/27, increasing to R979.3 million in 2027/28 before moderating to R907.5 million in 2028/29.

Interest Revenue

Interest earned on Current and Non-current Assets is projected at R4.0 million in 2026/27, increasing to R4.5 million in 2027/28 before slightly declining to R4.2 million in 2028/29.

Interest on Receivables – Exchange Transactions remains a significant contributor to operational revenue due to an ever-increasing debtor's book, increasing from R72.5 million in 2026/27 to R77.7 million in 2027/28 before decreasing slightly to R75.8 million in 2028/29. The high interest revenue indicates continued pressure on debtor collections and outstanding consumer accounts, particularly within trading services. Due to implementation of the smart meters for both water and electricity, the Municipality is expecting to significantly decrease the debtor's book hence the outer year of the MTREF interest charged is lower than the first two years of the MTREF.

Interest on Receivables – Non-Exchange Transactions is projected at R14.9 million in 2026/27, increasing to R15.9 million in 2027/28 and slightly declining to R15.5 million in 2028/29. This revenue is mainly associated with outstanding property rates and other non-exchange related debtor balances (fines).

Other Operational Revenue

Other Operational Revenue is projected at R6.1 million in 2026/27 before decreasing to R3.3 million in 2027/28 and R3.2 million in 2028/29.

The breakdown that makes other operating income/revenue are:

- Administrative Handling Fees
- Collection Charges
- Commission
- Discounts and Early Settlements
- Incidental Cash Surpluses
- Request for Information
- Sale of Property

- Staff and Councillors Recoveries

Administrative handling Fees are small transactions in Budget and Treasury office as well as Planning and Development Department.

Planning Department is planning to make some sale of Municipal Properties in the 1st year of the MTREF.

Corporate Department normally recovers monies from staff and councillors; projections are also provided for especially considering that there is a possibility of new council. All these factors were considered and incorporated.

Income Department is planning to do several revenue enhancements initiatives. These are incorporated under Discounts and Early Settlements.

Rental from Fixed Assets and Equipment

Rental from Fixed Assets remains relatively stable throughout the MTREF, increasing marginally from R839 thousand in 2026/27 to R881 thousand in 2027/28 before decreasing slightly to R858 thousand in 2028/29.

Sale of Goods and Rendering Services

Revenue from Sales of Goods and Rendering of Services is projected at R2.2 million in 2026/27, increasing to R2.4 million in 2027/28 before declining slightly to R2.2 million in 2028/29. This category includes various administrative and service-related revenue streams generated by the Municipality. The listing of these revenue streams is as follows:

- Advertisements
- Amendment Fees
- Application Fees for Land Usage
- Building Plan Approval
- Building Plan Clause Levy
- Cemetery and Burial
- Cleaning and Removal
- Clearance Certificates
- Encroachment Fees

- Membership Fees
- Occupation Certificates
- Photo copies Faxes and Telephone charges
- Removal of Restrictions
- Sale of Goods
- Streets/Street Markets (Informal Traders)
- Town Planning and Servitudes

It can be noted that most of these streams are from Planning and Economic Development Department. In previous budgets, this item was not correctly budgeted for and the municipality has been missing out on recognizing the revenue income.

Fines, Penalties and Forfeits

Revenue from Fines, Penalties and Forfeits is projected at R1.3 million in 2026/27, increasing to R1.6 million in 2027/28 before reducing to R1.5 million in 2028/29. The growth reflects anticipated improvements in law enforcement and revenue collection initiatives.

Licences and Permits

Licences and Permits revenue is projected at R6.5 million in 2026/27, increasing significantly to R7.8 million in 2027/28 before normalising to R7.0 million in 2028/29. The increase is indicative of expected end to the debt the department is taking on all licence receipts and expected growth in regulatory and licensing activities within the Municipality.

Property Rates

Property Rates by Usage remains one of the Municipality's major own revenue sources and is projected at R136.2 million in 2026/27, increasing to R147.4 million in 2027/28 before declining moderately to R140.3 million in 2028/29. The revenue growth is linked to tariff adjustments, valuation roll updates and strengthened revenue enhancement strategies.

Trading Services Revenue

Electricity

Electricity revenue remains a major contributor to operational revenue and is projected at R169.5 million in 2026/27, increasing substantially to R230.0 million in 2027/28 before declining to R200.0 million in 2028/29. The fluctuations may be attributed to tariff adjustments, consumption trends and anticipated electricity distribution activities. High users are going to be charged a tariff consummate with the usage and correct classification especially in urban areas. This is after a comprehensive meter audit that is planned in the first quarter of the new financial year.

Water Management

Water revenue is projected at R174.3 million in 2026/27, increasing significantly to R225.7 million in 2027/28 before reducing to R209.9 million in 2028/29. The increase reflects anticipated tariff increases, finalisation of negotiations with Magalies Water, Mining Houses and other revenue enhancement interventions such as smart metering, tightened credit control initiatives all of these aimed at improving cost recovery within water services as well as a water surcharge as depicted in the tariff book.

Waste Water Management

Waste Water Management revenue is projected at R36.7 million in 2026/27, increasing to R49.0 million in 2027/28 before decreasing to R43.8 million in 2028/29.

Waste Management

Waste Management revenue is projected at R21.9 million in 2026/27, increasing to R26.4 million in 2027/28 before declining to R24.0 million in 2028/29.

The increases in sanitation and waste management revenue demonstrate efforts by the Municipality to improve cost recovery and strengthen the sustainability of environmental and sanitation services.

Transfers and Subsidies

Transfers and Subsidies – Operational remain a critical funding source for the Municipality and are projected at R171.1 million in 2026/27, increasing to R186.6 million in 2027/28 before declining to R179.1 million in 2028/29. The revenue mainly comprises Equitable Share allocations and other operational grants from National and Provincial Government.

Indigent Support

Local government's developmental mandate directly addresses poverty through the provision of essential services. The allocation of water, sanitation, electricity, waste management, and environmental health falls under municipal jurisdiction, and these services are vital for the poor. While water and waste management are crucial for municipal fiscal health, they must remain accessible to those unable to pay. Consequently, the Council is committed to assisting destitute communities through Free Basic Services (FBS) and social contributions.

To ensure efficient FBS delivery, the Municipality intends to implement data-driven verification of indigent status. This proactive approach facilitates a verifiable indigent register, reducing audit risks through credible, third-party evidence.

The Municipality will continue providing Free Basic Services—including water (limited to 6 kL), electricity (limited to 50 kWh), refuse, and sanitation—to eligible indigent households. Refuse and waste water services are provided without charge.

The following table depicts the cost of Free Basic Services (FBS). The municipality will be providing free basic services as indicated in the table below:

Service	*Free Basic Package per indigent household*
Water	6kl
Electricity	50kwh
Sanitation	100% free
Refuse	100% free
Property Rates	100% free

Figure 5 Free Basic Services: Basic Social Services Package

The free basic services will be implemented as per the municipality's indigent policy.

2.1.2 Operating Expenditure

Operational Expenditure			
Expenditure By Type	**FY1 2026/2027**	**FY2 - 2027/2028**	**FY3 - 2028/2029**
Bulk Purchases	61 927 728.00	63 606 348.00	62 391 336.00
Contracted Services	64 689 996.00	78 603 864.00	66 809 532.00
Depreciation and Amortisation	49 812 156.00	58 542 888.00	54 019 404.00
Employee Related Cost	162 692 640.00	180 946 368.00	171 641 484.00
Interest Dividends and Rent on Land	17 700 000.00	19 899 996.00	18 800 004.00
Inventory Consumed	141 604 212.00	191 080 236.00	167 959 224.00
Irrecoverable Debts Written Off	1 709 280.00	3 799 116.00	2 526 336.00
Operating Leases	1 449 996.00	1 599 996.00	1 560 000.00
Operational Cost	48 297 024.00	54 083 100.00	51 121 584.00
Remuneration of Councillors	13 524 084.00	15 280 404.00	14 192 280.00
Impairment Loss	53 851 056.00	67 845 384.00	61 808 892.00
Grand Total	**617 258 172.00**	**735 287 700.00**	**672 830 076.00**

Figure 6: Operating Expenditure

Operating Expenditure Break Down per type

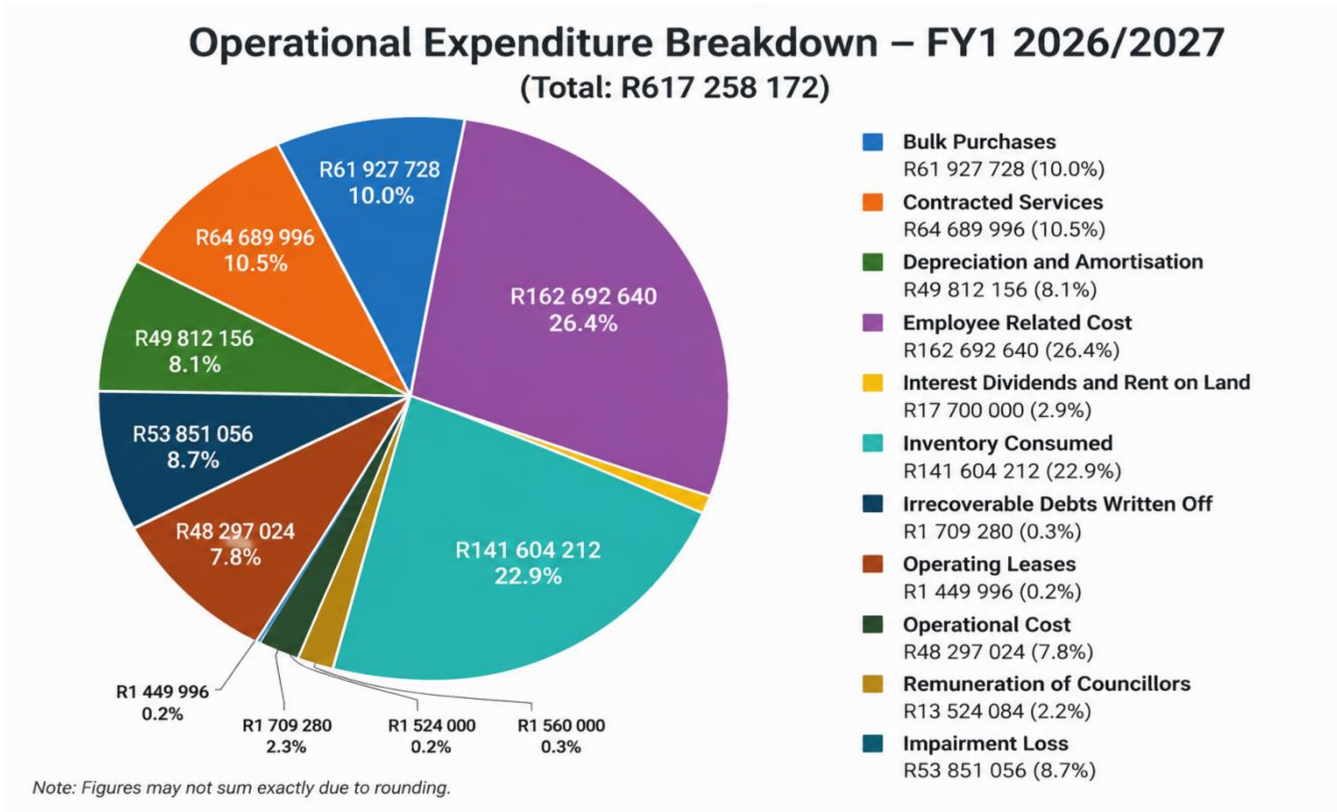

Figure 7: Operating Expenditure Break Down per Type

Operational Expenditure Overview

Municipality's operational expenditure budget for the 2026/27 to 2028/29 MTREF reflects the continued commitment towards maintaining service delivery, sustaining operational functionality and supporting municipal infrastructure and governance responsibilities. Total operational expenditure is projected at approximately R617.3 million in 2026/27, increasing to R735.3 million in 2027/28 before moderating to R672.8 million in 2028/29.

The expenditure framework is mainly driven by employee-related costs, inventory consumed, contracted services, bulk purchases, impairment provisions and depreciation costs.

Bulk Purchases

Bulk Purchases are projected at R61.9 million in 2026/27, increasing marginally to R63.6 million in 2027/28 before slightly declining to R62.4 million in 2028/29. The expenditure mainly relates to the procurement of bulk resources required for municipal operations and service delivery functions for the current year. It should be noted that the legacy amounts/debt the Municipality owes Eskom does not form part of the current year budgeting, reason there is a drastic decrease in budgeted bulk purchases electricity in the MTREF. Debt from previous period is catered through trade creditors.

According to the arrangements done by the Municipality and Eskom, the Municipality will be paying R4.5 million every month on current consumption, R8 million quarterly when equitable share is received.

Contracted Services

Contracted Services are budgeted at R64.7 million in 2026/27, increasing significantly to R78.6 million in 2027/28 before decreasing to R66.8 million in 2028/29. The increase in the second year of the MTREF may be attributed to:

- Outsourced specialised services,
- Infrastructure support programmes,
- Maintenance-related contracts,
- and Operational service delivery interventions.

Further Breakdown of contracted Services are in the following Categories:

- Business and Advisory
- Infrastructure and Planning
- Legal Cost
- Employee Wellness
- Maintenance of Buildings and Facilities
- Maintenance of Equipment
- Maintenance of Unspecified Assets
- Medical Services
- Safeguard and Security
- Business and Advisory
- Meter Management

- Professional Staff
- Transport Services

The Municipality will ensure that contracted services expenditure remains aligned to SCM requirements, approved service level agreements and cost containment measures.

Depreciation and Amortisation

Depreciation and Amortisation expenditure is projected at R49.8 million in 2026/27, increasing to R58.5 million in 2027/28 before declining to R54.0 million in 2028/29. The increase is largely linked to:

- Planned capital investment,
- Expansion of municipal infrastructure,
- And asset capitalisation over the MTREF period.

The expenditure reflects the Municipality's ageing infrastructure asset base and ongoing compliance with GRAP asset accounting requirements.

Employee Related Costs

Employee Related Costs remain the largest operational expenditure component and are projected at R162.7 million in 2026/27, increasing to R180.9 million in 2027/28 before decreasing to R171.6 million in 2028/29.

The increase is mainly attributable to:

- annual salary and wage adjustments,
- notch increases,
- provision for vacancies,
- employee benefits,

The Municipality undertook and data cleansing exercise for the purpose of Final Budget compilation. All current employees on the payroll were verified through departmental heads during budget consultations. Allocations to various cost centres and detailed salary break down were undertaken. The budget depicted in this MTREF for employee cost is zero based and small provision was made for items like overtime, leave pay acting and post-retirement benefits.

The Municipality will need to continuously monitor employee cost growth to ensure long-term affordability and financial sustainability in line with National Treasury expenditure norms.

Interest, Dividends and Rent on Land

Interest, Dividends and Rent on Land expenditure is projected at R17.7 million in 2026/27, increasing to R19.9 million in 2027/28 before declining slightly to R18.8 million in 2028/29.

The expenditure is mainly associated with:

- Finance charges.
- Interest on overdue obligations, (particularly bulk purchases).

The upward trend indicates continued pressure on cash flow management and creditor obligations.

Inventory Consumed

Inventory Consumed represents one of the major operational expenditure drivers and is projected at R141.6 million in 2026/27, increasing significantly to R191.1 million in 2027/28 before decreasing to R168.0 million in 2028/29.

The expenditure mainly relates to:

- Water and electricity operational materials,
- Maintenance consumables,
- Stores inventory,
- And service delivery inputs.

The significant increase in 2027/28 is linked to anticipated massive renewal of ageing infrastructure of the Municipality. For the new smart meters' to be effective align to the new projected revenue figures, infrastructure to deliver those services should be functional without interruptions, hence major allocation of the Budget to maintenance of service delivery infrastructure.

Irrecoverable Debts Written Off

Irrecoverable Debts Written Off are projected at R1.7 million in 2026/27, increasing to R3.8 million in 2027/28 before decreasing to R2.5 million in 2028/29.

The increase indicates continued pressure on debtor recoverability and highlights the need for strengthened credit control, debt collection and revenue management processes.

Operating Leases

Operating Lease expenditure is projected at R1.4 million in 2026/27, increasing slightly to R1.6 million in 2027/28 before remaining relatively stable at R1.6 million in 2028/29.

The expenditure relates to leased municipal facilities/assets required to support municipal activities. The building being leased is the one Corporate Department is currently using.

Operational Cost

Operational Costs are projected at R48.3 million in 2026/27, increasing to R54.1 million in 2027/28 before declining slightly to R51.1 million in 2028/29.

This category includes general operational expenditure required for the day-to-day functioning of the Municipality, including:

- Advertising Publicity and Marketing
- Assets less than the Capitalisation Threshold
- Bank Charges Facility and Card Fees
- Commission
- Contribution to Provisions
- Deeds
- External Audit Fees
- External Computer Service
- Hire Charges
- Indigent Relief
- Insurance Underwriting
- Land Alienation Costs
- Learnerships and Internships
- Licences
- Management Fee
- Municipal Services

- Printing Publications and Books
- Professional Bodies Membership and Subscription
- Registration Fees
- Remuneration to Section 79 Committee Members
- Signage
- Skills Development Fund Levy
- Transport Provided as Part of Departmental Activities
- Travel and Subsistence
- Uniform and Protective Clothing
- Ward Committees
- Workmen's Compensation Fund

Remuneration of Councillors

Remuneration of Councillors is projected at R13.5 million in 2026/27, increasing to R15.3 million in 2027/28 before declining slightly to R14.2 million in 2028/29.

The expenditure reflects councillor salaries, allowances and related benefits in line with applicable legislative frameworks and remuneration guidelines.

Impairment Loss

Impairment Loss expenditure is projected at R53.9 million in 2026/27, increasing significantly to R67.8 million in 2027/28 before declining to R61.8 million in 2028/29.

The high impairment provision indicates ongoing challenges relating to debtor recoverability, aged consumer debt, and financial sustainability pressures.

2.1.3 Capital Expenditure.

Capital Grants

Grants - Capital Transfers and Subsidies			
Description	**FY1 2026/2027**	**FY2 - 2027/2028**	**FY3 - 2028/2029**
Integrated National Electrification Programme Grant	- 26 139 996.00	- 16 722 996.00	- 17 478 996.00
Municipal Disaster Response Grant	- 36 000 000.00	-	-
Water Services Infrastructure Grant	- 65 064 996.00	- 68 817 996.00	- 71 907 996.00
Municipal Infrastructure Grant	- 38 158 656.00	- 42 115 404.00	- 38 807 604.00
Total	**- 165 363 648.00**	**- 127 656 396.00**	**- 128 194 596.00**

Table 8 Capital Grants as per DoRa

The Municipality's capital funding framework for the 2026/27 to 2028/29 MTREF is primarily funded through conditional infrastructure grants received from National Government. Total capital transfers and subsidies are projected at approximately R165.4 million in 2026/27, decreasing to R127.7 million in 2027/28 before marginally increasing to R128.2 million in 2028/29.

The capital grant allocations are intended to support the Municipality's infrastructure development priorities, including:

- Electricity infrastructure expansion,
- Water infrastructure development,
- Municipal infrastructure upgrades,
- And disaster response interventions.

Grants Funded Capital Projects

Grant Funded Capital Projects Thabazimbi				
Project	**Funding Source**	**FY1 2026/2027**	**FY2 - 2027/2028**	**FY3 - 2028/2029**
Upgrade of the Rooiberg bulk water supply and associated infrastructure.	Municipal Infrastructure Grant	-	4 639 356.00	16 500 000.00
Upgrading of bulk water pipeline between Thabazimbi Pumpstation and Thabazimbi Y-piece	Water Services Infrastructure Grant	9 999 996.00	11 817 996.00	5 284 776.00
Upgrading of Thabazimbi Pump station	Water Services Infrastructure Grant	12 000 000.00	13 500 000.00	7 883 244.00
Upgrading of Raphuthi bulk water pipeline	Water Services Infrastructure Grant	10 065 000.00	13 500 000.00	20 100 156.00
Upgrading of Leeupoort Bridges	Municipal Disaster Response Grant	36 000 000.00	-	-
Rooiberg Paving of Internal Streets	Municipal Infrastructure Grant	13 770 012.00	-	-
Regorogile Ext 8 Paving of Internal Streets	Municipal Infrastructure Grant	6 839 640.00	28 447 776.00	-
Construction of VIP toilets in Rooiberg Skierlik and Meriting Phase 1	Water Services Infrastructure Grant	3 000 000.00	-	-
upgrading of Thabazimbi waste water treatment plant	Water Services Infrastructure Grant	15 000 000.00	15 000 000.00	19 808 520.00
Upgrading of Rooiberg waste Water Treatment Works	Water Services Infrastructure Grant	15 000 000.00	15 000 000.00	18 831 300.00
Upgrading of Thabazimbi Sewer Network	Municipal Infrastructure Grant	-	-	12 800 220.00
Regorogile 5 Ext 5 & 6 Sewer Line Phase 2	Municipal Infrastructure Grant	17 549 004.00	9 028 272.00	9 507 384.00
Electrification of households at Regorogile Ext 8	Integrated National Electrification Programme Grant	5 139 996.00	16 722 996.00	-
Electrification of Raphuthi	Integrated National Electrification Programme Grant	-	-	17 478 996.00
Construction of Smashblock Substation	Integrated National Electrification Programme Grant	21 000 000.00	-	-
Grand Total		165 363 648.00	127 656 396.00	128 194 596.00

Repairs and Maintenance of Infrastructure Assets

Project Description	Function Responsible	FY1 2026/2027	FY2 - 2027/2028	FY3 - 2028/2029
Buildings:Buildings	Asset Management:Building Maintenance - Dep 703	2 400 000.00	249 996.00	2 600 004.00
Buildings:Materials for Municipal Buildings	Asset Management:Building Maintenance - Dep 703	1 800 000.00	1 899 996.00	2 100 000.00
Service Connections on Site:Boreholes	Water Distribution:Water Dep 709	249 996.00	300 000.00	399 996.00
Municipal Service Connections:Water Network	Water Distribution:Water Dep 709	1 200 000.00	1 299 996.00	1 400 004.00
Civil Structures:test	Water Distribution:Water Dep 709	150 000.00	200 004.00	219 996.00
Pipe Work:Materials for Water Infrastructure	Water Distribution:Water Dep 709	5 499 996.00	5 802 504.00	6 324 720.00
Pipe Work:Network Reticulation Maintenance - Thabazimbi and Regorogile	Water Distribution:Water Dep 709	3 500 004.00	3 999 996.00	4 500 000.00
Pipe Work:Network Reticulation Maintenance - Rooiberg	Water Distribution:Water Dep 709	2 499 996.00	3 000 000.00	3 500 004.00
Pipe Work: Network Reticulation Maintenance - Northam	Water Distribution:Water Dep 709	5 499 996.00	6 000 000.00	6 500 004.00
Pipe Work: Network Reticulation Maintenance- Leeupoort	Water Distribution:Water Dep 709	2 499 996.00	3 000 000.00	3 500 004.00
Pipe Work: Network Reticulation Maintenance - Skierlik	Water Distribution:Water Dep 709	1 500 000.00	2 000 004.00	2 499 996.00
Pipe Work:Water Equipment	Water Distribution:Water Dep 709	500 004.00	549 996.00	600 000.00
Mechanical Equipment: Replacement Of Faulty Meters	Water Distribution:Water Dep 709	1 500 000.00	2 000 004.00	2 499 996.00
Buildings:Dams and Weirs Maintenance	Water Distribution:Water Dep 709	800 004.00	849 996.00	900 000.00
External Facilities: Maintenance Of Reservoirs	Water Distribution:Water Dep 709	999 996.00	1 500 000.00	2 000 004.00
Electrical Equipment: Repair And Maintenance - Thabazimbi Water Pumpstation	Water Distribution:Water Dep 709	3 000 000.00	3 500 004.00	3 999 996.00
Buildings:Repairs and Maintenance of Community Halls	Community Halls and Facilities:Community Services Administration - Dep 600	3 200 004.00	3 249 996.00	3 500 004.00
Buildings:Materials for Municipal Buildings	Community Halls and Facilities:Community Services Administration - Dep 600	-	-	-
Machinery and Equipment:Tools and Equipment	Police Forces Traffic and Street Parking Control:Traffic - Dep 608	90 000.00	90 996.00	92 004.00
Computer Equipment:Hardware	Police Forces Traffic and Street Parking Control:Traffic - Dep 608	24 996.00	25 596.00	30 000.00
Machinery and Equipment:Tools and Equipment	Road and Traffic Regulation:Licensing - Dep 609	24 996.00	32 004.00	36 504.00
Earthworks:Material for Landfill Sites	Solid Waste Disposal (Landfill Sites):Landfill Sites - Dep 604	699 996.00	849 996.00	900 000.00
Land:Maintenance of grave sites	Cemeteries Funeral Parlours and Crematoriums:Cemeteries - Dep 603	50 004.00	60 000.00	69 996.00

Pavements:Repair/Installation of Paving at Sidewalks	Roads:Roads - Dep 701	2 499 996.00	3 000 000.00	4 500 000.00
Pavements:Resealing of Roads	Roads:Roads - Dep 701	4 500 000.00	5 900 004.00	6 000 000.00
Earthworks:Grading of Gravel Roads - Ward 2 3 4 6	Roads:Roads - Dep 701	2 000 004.00	2 499 996.00	3 000 000.00
Earthworks:Cleaning of Sidewalks and Roads	Roads:Roads - Dep 701	1 500 000.00	2 000 004.00	2 499 996.00
Pavements:Materials for Roads Infrastructure	Roads:Roads - Dep 701	5 000 004.00	5 330 004.00	5 899 704.00
Pavements:Repair of Potholes - Ward 2 7 8 9 10 12	Roads:Roads - Dep 701	7 500 000.00	8 000 004.00	9 000 000.00
Communal Sanitation:Maintenance of Public Toilets	Sewerage:Waste Water Management - Dep 704	1 500 000.00	2 499 996.00	3 000 000.00
Pipe Work:Repair And Maintenance - Thabazimbi WWTW	Sewerage:Waste Water Management - Dep 704	2 499 996.00	3 000 000.00	3 500 004.00
Pipe Work:Repair And Maintenance - Northam WWTW	Sewerage:Waste Water Management - Dep 704	900 000.00	1 200 000.00	1 500 000.00
Pipe Work:Repair And Maintenance - Rooiberg WWTW	Sewerage:Waste Water Management - Dep 704	500 004.00	750 000.00	999 996.00
Pipe Work:Repair And Maintenance - Leeupoort Mini WWTW	Sewerage:Waste Water Management - Dep 704	500 004.00	1 500 000.00	2 000 004.00
Pipe Work:Network Maintenance - Thabazimbi and Regorogile	Sewerage:Waste Water Management - Dep 704	2 000 004.00	3 000 000.00	3 999 996.00
Pipe Work:Network Maintenance - Rooiberg	Sewerage:Waste Water Management - Dep 704	1 500 000.00	2 000 004.00	2 499 996.00
Pipe Work: Network Maintenance - Northam	Sewerage:Waste Water Management - Dep 704	2 499 996.00	3 500 004.00	3 999 996.00
Pipe Work: Network Maintenance- Leeupoort	Sewerage:Waste Water Management - Dep 704	999 996.00	2 499 996.00	3 000 000.00
Pipe Work:Materials for Sanitation Infrastructure	Sewerage:Waste Water Management - Dep 704	2 199 996.00	2 321 004.00	2 529 888.00
Machinery and Equipment:Spare Parts	Fleet Management:Fleet Management - Dep 706	1 500 000.00	1 550 004.00	1 599 996.00
Machinery and Equipment:Tyres	Fleet Management:Fleet Management - Dep 706	999 996.00	1 200 000.00	1 299 996.00
Transport Assets:Vehicles	Fleet Management:Fleet Management - Dep 706	1 299 996.00	1 350 000.00	1 400 004.00
Transport Assets:Spare Parts	Fleet Management:Fleet Management - Dep 706	1 500 000.00	1 550 004.00	1 599 996.00
Transport Assets:Tyres	Fleet Management:Fleet Management - Dep 706	999 996.00	1 200 000.00	1 299 996.00
Machinery and Equipment:Tools and Equipment	Community Parks (including Nurseries):Parks Sports and Recreation - Dep 606	15 000.00	20 004.00	24 000.00
External Facilities:Fencing	Community Parks (including Nurseries):Parks Sports and Recreation - Dep 606	50 004.00	60 000.00	69 996.00
Earthworks:Materials for Parks	Community Parks (including Nurseries):Parks Sports and Recreation - Dep 606	230 004.00	297 660.00	414 444.00
Buildings:Buildings	Electricity:Electrical - Dep 705	399 996.00	500 004.00	600 000.00
Machinery and Equipment:Tools and Equipment	Electricity:Electrical - Dep 705	2 000 004.00	2 499 996.00	3 000 000.00
Electricity Meters:Prepaid meters	Electricity:Electrical - Dep 705	1 200 000.00	1 250 004.00	1 280 004.00
LV Conductors:Replacing Of Faulty Circuit Breakers	Electricity:Electrical - Dep 705	249 996.00	260 004.00	270 000.00
Public Lighting: Installation And Maintenance of Streetlights and High Mast Lights	Electricity:Electrical - Dep 705	999 996.00	1 200 000.00	1 299 996.00
Municipal Service Connections:Repair And Maintenance of Pumps and Motors (Boreholes)	Electricity:Electrical - Dep 705	1 610 004.00	1 700 004.00	1 800 000.00
Public Lighting: Installation And Maintenance of Streetlights and High Mast Lights	Electricity:Electrical - Dep 705	5 000 004.00	6 500 004.00	6 999 996.00
MV Transformers:Electrical Equipment	Electricity:Electrical - Dep 705	800 004.00	849 996.00	900 000.00
Buildings:Power Plants Maintenance	Electricity:Electrical - Dep 705	3 500 004.00	3 999 996.00	5 000 004.00
Infrastructure	Electricity:Electrical - Dep 705	4 249 992.00	5 593 752.00	6 187 188.00
Keypads	Electricity:Electrical - Dep 705	399 996.00	410 004.00	420 000.00
MV Network Equipment:Maintenance Of Electrical Infrastructure (Networks)	Electricity:Electrical - Dep 705	5 000 004.00	6 000 000.00	6 999 996.00
Municipal Service Connections: Electrical Networks	Electricity:Electrical - Dep 705	1 200 000.00	1 299 996.00	1 400 004.00
MV Mini-substations:Repair And Maintenance of Transformers and Mini-Substations	Electricity:Electrical - Dep 705	3 000 000.00	3 500 004.00	3 999 996.00
MV Substation Equipment:Maintenance Of Substations	Electricity:Electrical - Dep 705	3 999 996.00	4 500 000.00	5 000 004.00
Capital Spares: Maintenance Of Switch Gear	Electricity:Electrical - Dep 705	2 499 996.00	2 600 004.00	2 700 000.00
Boxes	Electricity:Electrical - Dep 705	750 000.00	800 004.00	849 996.00
Pipe Work:Cleaning of Stormwater Channels	Storm Water Management:Storm Water - Dep 702	900 000.00	1 500 000.00	2 000 004.00
Drainage:Building Manholes and Replacing of Manhole Covers	Storm Water Management:Storm Water - Dep 702	999 996.00	1 500 000.00	2 000 004.00
Computer Equipment:Hardware	Information Technology:Information Technology - Dep 405	180 000.00	192 000.00	195 000.00
Computer Equipment:Hardware	Information Technology:Information Technology - Dep 405	650 004.00	663 756.00	687 492.00
Grand Total		**121 974 972.00**	**144 009 300.00**	**167 400 924.00**

3.1 Annual Budget Tables

The following pages present the budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulation

Explanatory notes to MBRR Table A1 - Budget Summary

LIM361 Thabazimbi - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Financial Performance										
Property rates	100,130	79,612	152,426	134,125	134,125	134,125	121,645	136,189	140,336	147,399
Service charges	152,314	176,708	218,767	258,918	349,302	349,302	168,454	402,322	477,753	531,055
Investment revenue	429	596	975	–	2,800	2,800	1,624	3,950	4,200	4,520
Transfer and subsidies - Operational	130,850	129,841	149,096	160,105	162,090	162,090	146,347	171,110	179,105	186,626
Other own revenue	49,050	75,717	72,817	64,909	85,709	85,709	72,175	104,303	106,089	109,662
Total Revenue (excluding capital transfers and contributions)	432,772	462,473	594,081	618,057	734,026	734,026	510,245	817,874	907,483	979,262
Employee costs	162,238	166,232	160,315	182,640	175,977	175,977	136,483	162,693	171,641	180,946
Remuneration of councillors	9,959	10,095	10,236	12,658	13,658	13,658	8,955	13,524	14,192	15,280
Depreciation, amortisation and impairment	19,369	33,214	40,288	44,420	44,420	44,420	–	49,812	54,019	58,543
Interest, Dividends and Rent on Land	25,203	34,442	45,996	21,529	38,858	38,858	1,846	17,700	18,800	19,900
Inventory consumed and bulk purchases	100,696	134,856	149,455	193,136	233,321	233,321	142,287	203,532	230,351	254,687
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other expenditure	137,121	283,036	305,538	147,021	184,729	184,729	121,198	169,997	183,826	205,931
Total Expenditure	454,587	661,874	711,828	601,405	690,963	690,963	410,770	617,258	672,830	735,288
Surplus/(Deficit)	(21,814)	(199,400)	(117,747)	16,652	43,063	43,063	99,475	200,616	234,653	243,974
Transfers and subsidies - capital (monetary allocations)	66,879	92,368	28,778	111,465	123,716	123,716	(39,721)	165,364	127,656	128,195
Transfers and subsidies - capital (in-kind)	–	–	38,077	47,000	47,000	47,000	–	–	–	–
Surplus/(Deficit) after capital transfers &	45,065	(107,033)	(50,891)	175,117	213,779	213,779	59,754	365,980	362,309	372,169
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	45,065	(107,033)	(50,891)	175,117	213,779	213,779	59,754	365,980	362,309	372,169
Capital expenditure & funds sources										
Capital expenditure	465	821	40,193	109,480	127,716	127,716	45,647	187,349	128,096	128,655
Transfers recognised - capital	(628)	821	40,193	109,480	127,716	127,716	45,647	165,364	127,656	128,195
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	21,985	440	460
Total sources of capital funds	(628)	821	40,193	109,480	127,716	127,716	45,647	187,349	128,096	128,655
Financial position										
Total current assets	333,297	164,524	246,637	636,883	730,590	730,590	495,842	1,605,126	1,907,392	2,224,189
Total non current assets	811,748	832,355	821,725	971,134	989,370	989,370	867,373	1,105,803	1,179,880	1,249,992
Total current liabilities	649,682	488,609	629,103	970,534	1,043,814	1,043,814	569,495	413,864	427,897	442,637
Total non current liabilities	101,981	313,967	295,896	61,547	61,547	61,547	503,597	535,991	535,991	535,991
Community wealth/Equity	393,382	194,302	225,489	575,937	614,599	614,599	268,483	1,761,075	2,123,384	2,495,553
Cash flows										
Net cash from (used) operating	101,556	(189,668)	(249,644)	71,935	72,438	72,438	72,438	427,190	430,133	447,402
Net cash from (used) investing	(57,627)	(47,540)	(14,664)	(109,480)	(115,716)	(115,716)	(115,716)	(187,349)	(128,096)	(128,655)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end:	46,059	(244,635)	(252,978)	156,415	150,682	150,682	150,682	311,231	613,268	932,015
Cash backing/surplus reconciliation										
Cash and investments available	46,059	(244,635)	(252,978)	156,415	150,682	150,682	150,682	311,231	613,268	932,015
Application of cash and investments	414,282	439,107	591,016	675,728	725,744	725,744	539,210	(717,768)	(703,405)	(687,589)
Balance - surplus (shortfall)	(368,222)	(683,742)	(843,995)	(519,313)	(575,062)	(575,062)	(388,528)	1,028,999	1,316,673	1,619,604
Asset management										
Asset register summary (WDV)	727,762	685,756	730,816	870,158	861,654	861,654		780,630	727,051	668,968
Depreciation	19,369	33,214	40,282	44,420	44,420	44,420		49,812	54,019	58,543
Renewal and Upgrading of Existing Assets	(759)	821	24,601	45,764	66,000	66,000		98,065	73,457	101,208
Repairs and Maintenance	29,159	41,137	6,037	18,580	32,405	32,405		121,975	144,009	171,967
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	(539)	(4,157)	–	(5,726)	(5,726)	(5,726)		(5,523)	(10,765)	(12,531)
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Table 2 A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the municipality 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 approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard.

Capital expenditure is balanced by capital funding sources, of which transfers recognized is reflected on the Financial Performance Budget.

MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).

LIM361 Thabazimbi - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**326,255**	**362,416**	**375,494**	**401,969**	**352,879**	**352,879**	**326,449**	**340,756**	**351,549**
Executive and council		129,610	190,324	148,144	159,871	155,651	155,651	–	–	–
Finance and administration		196,645	172,092	227,350	242,098	197,228	197,228	326,449	340,756	351,549
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**922**	**543**	**429**	**5,906**	**21,071**	**21,071**	**37,676**	**1,806**	**1,933**
Community and social services		358	330	429	361	15,381	15,381	36,576	606	633
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		564	213	–	5,545	5,690	5,690	1,100	1,200	1,300
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**20,162**	**15,233**	**28,285**	**41,276**	**43,915**	**43,915**	**53,090**	**53,524**	**55,879**
Planning and development		618	798	526	1,575	2,760	2,760	45,281	46,524	48,079
Road transport		19,544	14,435	27,759	39,701	41,155	41,155	7,809	7,000	7,800
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**152,313**	**176,650**	**256,729**	**327,371**	**486,877**	**486,877**	**566,023**	**639,053**	**698,095**
Energy sources		77,288	94,500	124,840	165,635	170,648	170,648	219,982	242,162	273,552
Water management		29,443	34,736	46,643	59,888	208,772	208,772	267,395	308,056	327,640
Waste water management		27,442	28,351	31,220	33,278	39,316	39,316	45,738	53,284	58,661
Waste management		18,140	19,062	54,025	68,570	68,141	68,141	32,908	35,550	38,241
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**499,651**	**554,841**	**660,937**	**776,522**	**904,742**	**904,742**	**983,238**	**1,035,139**	**1,107,456**
Expenditure - Functional										
Governance and administration		**157,681**	**309,968**	**389,689**	**235,794**	**291,031**	**291,031**	**212,308**	**222,962**	**238,021**
Executive and council		19,657	33,850	30,259	26,508	49,095	49,095	25,959	27,332	29,148
Finance and administration		132,085	272,696	356,445	204,881	238,518	238,518	183,399	192,517	205,585
Internal audit		5,938	3,421	2,986	4,405	3,418	3,418	2,950	3,112	3,289
Community and public safety		**15,045**	**13,683**	**19,264**	**20,181**	**21,940**	**21,940**	**36,182**	**38,023**	**40,994**
Community and social services		7,892	4,138	13,242	14,011	14,156	14,156	20,988	22,113	24,290
Sport and recreation		6,511	8,055	6,592	5,164	7,279	7,279	2,998	3,214	3,483
Public safety		643	1,490	(569)	1,006	506	506	11,627	12,102	12,601
Housing		–	–	–	–	–	–	568	594	620
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**45,322**	**43,788**	**53,610**	**49,844**	**57,716**	**57,716**	**70,755**	**75,999**	**87,380**
Planning and development		8,271	9,914	8,340	16,519	12,269	12,269	20,758	22,077	23,462
Road transport		37,051	33,875	45,270	33,326	45,447	45,447	48,076	51,915	61,821
Environmental protection		–	–	–	–	–	–	1,921	2,007	2,097
Trading services		**236,374**	**294,355**	**249,208**	**295,425**	**320,250**	**320,250**	**298,013**	**335,847**	**368,892**
Energy sources		133,292	152,807	162,503	170,010	161,222	161,222	140,324	152,560	164,450
Water management		58,771	79,684	45,740	87,040	120,342	120,342	99,713	112,536	124,502
Waste water management		26,434	23,325	32,302	26,751	24,612	24,612	44,336	56,034	64,080
Waste management		17,876	38,540	8,663	11,624	14,073	14,073	13,639	14,716	15,859
Other	4	**165**	**79**	**56**	**160**	**25**	**25**	–	–	–
Total Expenditure - Functional	3	**454,587**	**661,874**	**711,828**	**601,405**	**690,963**	**690,963**	**617,258**	**672,830**	**735,288**
Surplus/(Deficit) for the year		**45,065**	**(107,033)**	**(50,891)**	**175,117**	**213,779**	**213,779**	**365,980**	**362,309**	**372,169**

Table 3 A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).

Explanatory notes:

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

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

LIM361 Thabazimbi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Revenue by Vote	1									
Vote 1 - Executive & Council		129,600	174,417	148,144	158,651	155,651	155,651	–	–	–
Vote 2 - Municipal Manager		10	15,907	–	1,220	(0)	(0)	–	–	–
Vote 3 - Budget and Treasury		191,351	177,321	227,593	240,293	191,203	191,203	175,706	185,267	188,680
Vote 4 - Corporate Services		682	(7,119)	(4,354)	854	854	854	230	240	249
Vote 5 - Planning and Development		618	798	526	1,575	2,760	2,760	3,514	568	649
Vote 6 - Community Services		23,674	21,496	58,564	75,427	90,143	90,143	77,067	44,338	47,952
Vote 7 - Technical Services		153,717	172,022	230,463	298,502	459,891	459,891	534,424	603,503	659,853
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**499,651**	**554,841**	**660,937**	**776,522**	**900,502**	**900,502**	**790,941**	**833,916**	**897,383**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive & Council		13,112	15,654	15,706	14,079	16,320	16,320	12,107	12,689	13,287
Vote 2 - Municipal Manager		7,633	19,458	16,170	13,647	34,399	34,399	11,539	12,217	12,929
Vote 3 - Budget and Treasury		110,503	218,252	269,050	134,543	124,849	124,849	85,660	86,913	93,538
Vote 4 - Corporate Services		10,768	33,507	73,674	65,613	86,861	86,861	43,110	45,987	48,353
Vote 5 - Planning and Development		6,632	7,898	6,836	13,428	8,640	8,640	9,044	9,774	10,611
Vote 6 - Community Services		50,390	78,817	44,619	44,968	52,985	52,985	54,620	57,904	62,278
Vote 7 - Technical Services		255,548	288,288	285,774	315,127	350,624	350,624	323,138	362,102	402,831
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**454,587**	**661,874**	**711,828**	**601,405**	**674,678**	**674,678**	**539,218**	**587,587**	**643,828**
Surplus/(Deficit) for the year	2	**45,065**	**(107,033)**	**(50,891)**	**175,117**	**225,824**	**225,824**	**251,723**	**246,329**	**253,555**

Table 4 A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Explanatory notes:

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

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

LIM361 Thabazimbi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	63,804	94,500	124,840	145,635	146,185	146,185	89,879	169,459	199,959	229,955
Service charges - Water	2	42,927	34,795	46,758	59,889	149,723	149,723	31,999	174,280	209,926	225,687
Service charges - Waste Water Management	2	27,442	28,351	31,220	33,278	33,278	33,278	28,299	36,700	43,840	48,981
Service charges - Waste Management	2	18,140	19,062	15,948	20,116	20,116	20,116	18,276	21,882	24,028	26,432
Sale of Goods and Rendering of Services	2	934	1,099	703	1,861	2,276	2,276	960	2,188	2,229	2,440
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	22,138	44,126	47,309	54,370	59,496	59,496	70,677	72,496	75,759	77,653
Interest earned from Current and Non Current Assets	2	429	596	975	-	2,800	2,800	1,624	3,950	4,200	4,520
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	552	534	527	675	675	675	499	839	858	881
Licence and permits	2	4,470	3,434	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	250	17,270	1,772	1,507	1,747	1,747	326	6,069	3,214	3,341
Non-Exchange Revenue											
Property rates	2	100,130	79,612	152,426	134,125	134,125	134,125	121,645	136,189	140,336	147,399
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	681	371	758	914	914	914	(374)	1,337	1,486	1,616
Licences or permits	2	25	1,733	3,352	5,583	5,728	5,728	86	6,500	7,000	7,800
Transfer and subsidies - Operational	2	130,850	129,841	149,096	160,105	162,090	162,090	146,347	171,110	179,105	186,626
Interest	2	10,164	14,356	22,799	-	14,874	14,874	-	14,874	15,543	15,932
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	(131)	(8,894)	(6,368)	-	-	-	-	-	-	-
Other Gains	2	9,968	1,686	1,966	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**432,772**	**462,473**	**594,081**	**618,057**	**734,026**	**734,026**	**510,245**	**817,874**	**907,483**	**979,262**
Expenditure											
Employee related costs	2	162,238	166,232	160,315	182,640	175,977	175,977	136,483	162,693	171,641	180,946
Remuneration of councillors	2	9,959	10,095	10,236	12,658	13,658	13,658	8,955	13,524	14,192	15,280
Bulk purchases - electricity	2	83,121	109,415	116,749	132,203	126,203	126,203	101,057	61,928	62,391	63,606
Inventory consumed	2,8	17,575	25,441	32,705	60,933	107,118	107,118	41,230	141,604	167,959	191,080
Debt impairment	2,3	48,559	117,873	185,290	31,271	31,271	31,271	-	53,851	61,809	67,845
Depreciation, amortisation and impairment	2	19,369	33,214	40,288	44,420	44,420	44,420	-	49,812	54,019	58,543
Interest, Dividends and Rent on Land	2	25,203	34,442	45,996	21,529	38,858	38,858	1,846	17,700	18,800	19,900
Contracted services	2	43,038	92,698	66,309	68,330	105,075	105,075	98,810	64,690	66,810	78,604
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	-	-	-	5,000	2,300	2,300	-	1,709	2,526	3,799
Operational costs	2	20,323	36,497	22,823	42,420	46,083	46,083	22,388	49,747	52,682	55,683
Disposal of Fixed and Intangible Assets	2	567	-	-	-	-	-	-	-	-	-
Other Losses	2	24,634	35,968	31,116	-	-	-	-	-	-	-
Total Expenditure		**454,587**	**661,874**	**711,828**	**601,405**	**690,963**	**690,963**	**410,770**	**617,258**	**672,830**	**735,288**
Surplus/(Deficit)		**(21,814)**	**(199,400)**	**(117,747)**	**16,652**	**43,063**	**43,063**	**99,475**	**200,616**	**234,653**	**243,974**
Transfers and subsidies - capital (monetary allocations)	6	66,879	92,368	28,778	111,465	123,716	123,716	(39,721)	165,364	127,656	128,195
Transfers and subsidies - capital (in-kind)	6	-	-	38,077	47,000	47,000	47,000	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**45,065**	**(107,033)**	**(50,891)**	**175,117**	**213,779**	**213,779**	**59,754**	**365,980**	**362,309**	**372,169**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**45,065**	**(107,033)**	**(50,891)**	**175,117**	**213,779**	**213,779**	**59,754**	**365,980**	**362,309**	**372,169**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**45,065**	**(107,033)**	**(50,891)**	**175,117**	**213,779**	**213,779**	**59,754**	**365,980**	**362,309**	**372,169**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**45,065**	**(107,033)**	**(50,891)**	**175,117**	**213,779**	**213,779**	**59,754**	**365,980**	**362,309**	**372,169**

Table 5 A4 - Budgeted Financial Performance (revenue and expenditure)

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

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget and Treasury		–	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 6 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Technical Services		–	–	3,062	16,000	–	–	–	10,000	11,818	5,285
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**3,062**	**16,000**	**–**	**–**	**–**	**10,000**	**11,818**	**5,285**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	400	440	460
Vote 3 - Budget and Treasury		63	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		1,030	–	–	–	–	–	–	7,500	–	–
Vote 5 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 6 - Community Services		–	–	20,387	–	–	–	–	–	–	–
Vote 7 - Technical Services		(628)	821	16,743	93,480	127,716	127,716	–	169,449	115,838	122,910
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**465**	**821**	**37,130**	**93,480**	**127,716**	**127,716**	**–**	**177,349**	**116,278**	**123,370**
Total Capital Expenditure - Vote		**465**	**821**	**40,193**	**109,480**	**127,716**	**127,716**	**–**	**187,349**	**128,096**	**128,655**
Capital Expenditure - Functional											
Governance and administration		**1,093**	**–**	**–**	**–**	**–**	**–**	**–**	**7,900**	**440**	**460**
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		1,093	–	–	–	–	–	–	7,900	440	460
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community and social services		–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**–**	**(0)**	**11,836**	**41,716**	**42,795**	**42,795**	**20,460**	**62,695**	**28,448**	**–**
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		–	(0)	11,836	41,716	42,795	42,795	20,460	62,695	28,448	–
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**(628)**	**821**	**7,970**	**67,764**	**84,921**	**84,921**	**25,188**	**116,754**	**99,209**	**128,195**
Energy sources		(0)	(0)	–	20,000	20,000	20,000	19,206	34,140	16,723	17,479
Water management		(628)	821	3,062	47,764	31,000	31,000	3,439	32,065	43,457	49,768
Waste water management		–	–	4,907	–	33,921	33,921	2,542	50,549	39,028	60,947
Waste management		–	–	–	–	–	–	–	–	–	–
Other		–	–	20,387	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**465**	**821**	**40,193**	**109,480**	**127,716**	**127,716**	**45,647**	**187,349**	**128,096**	**128,655**
Funded by:											
National Government		(628)	821	40,193	109,480	127,716	127,716	45,647	165,364	127,656	128,195
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**(628)**	**821**	**40,193**	**109,480**	**127,716**	**127,716**	**45,647**	**165,364**	**127,656**	**128,195**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	21,985	440	460
Total Capital Funding	7	**(628)**	**821**	**40,193**	**109,480**	**127,716**	**127,716**	**45,647**	**187,349**	**128,096**	**128,655**

Table 6 A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

MBRR Table A6 - Budgeted Financial Position

LIM361 Thabazimbi - Table A6 Budgeted Financial Position

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	(6,597)	8,702	35,586	156,415	150,682	150,682	131,522	311,231	613,268	932,015
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	107,450	104,861	139,910	406,486	510,500	510,500	229,364	822,612	812,812	800,877
Receivables from non-exchange transactions	3	62,923	26,583	49,289	60,818	75,837	75,837	103,764	307,648	317,677	327,662
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	10,612	5,915	4,004	11,047	(8,545)	(8,545)	5,322	6,879	6,879	6,879
VAT Receivable	6	156,608	18,463	17,847	2,117	2,117	2,117	25,869	156,757	156,757	156,757
Other current assets	7	2,300	0	0	–	–	–	0	–	–	–
Total current assets		**333,297**	**164,524**	**246,637**	**636,883**	**730,590**	**730,590**	**495,842**	**1,605,126**	**1,907,392**	**2,224,189**
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	0	0	0	–	–	–	0	–	–	–
Property, plant and equipment	10	810,912	831,528	820,898	970,299	988,535	988,535	866,546	1,097,476	1,171,553	1,241,665
Biological assets	11	836	827	827	836	836	836	827	827	827	827
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	–	–	–	–	–	–	–	–	–	–
Intangible assets	14	0	0	0	–	–	–	0	7,500	7,500	7,500
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**811,748**	**832,355**	**821,725**	**971,134**	**989,370**	**989,370**	**867,373**	**1,105,803**	**1,179,880**	**1,249,992**
TOTAL ASSETS		**1,145,045**	**996,878**	**1,068,362**	**1,608,017**	**1,719,960**	**1,719,960**	**1,363,215**	**2,710,930**	**3,087,272**	**3,474,181**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	0	0	0	–	–	–	0	–	–	–
Consumer deposits	19	4,796	5,069	5,237	4,796	4,796	4,796	5,410	5,395	5,395	5,395
Trade and other payables from exchange transactions	20	523,496	472,205	649,324	920,210	993,490	993,490	545,390	369,185	383,218	397,958
Trade and other payables from non-exchange transactions	21	3,129	27,664	(0)	2,851	2,851	2,851	67,205	–	–	–
Provision	22	19,514	19,820	41,438	–	–	–	41,438	17,842	17,842	17,842
VAT Payable	23	98,668	(38,507)	(69,504)	40,132	40,132	40,132	(92,555)	–	–	–
Other current liabilities	24	79	2,358	2,607	2,545	2,545	2,545	2,607	21,442	21,442	21,442
Total current liabilities		**649,682**	**488,609**	**629,103**	**970,534**	**1,043,814**	**1,043,814**	**569,495**	**413,864**	**427,897**	**442,637**
Non current liabilities											
Financial liabilities	25	1,401	1,390	594	–	–	–	497	–	–	–
Provision	26	54,980	61,547	37,987	–	–	–	37,987	–	–	–
Long term portion of trade payables	27	–	201,900	201,900	–	–	–	409,698	252,880	252,880	252,880
Other non-current liabilities	28	45,600	49,129	55,415	61,547	61,547	61,547	55,415	283,111	283,111	283,111
Total non current liabilities		**101,981**	**313,967**	**295,896**	**61,547**	**61,547**	**61,547**	**503,597**	**535,991**	**535,991**	**535,991**
TOTAL LIABILITIES		**751,663**	**802,576**	**924,999**	**1,032,081**	**1,105,362**	**1,105,362**	**1,073,092**	**949,854**	**963,888**	**978,628**
NET ASSETS		**393,382**	**194,302**	**143,363**	**575,937**	**614,599**	**614,599**	**290,123**	**1,761,075**	**2,123,384**	**2,495,553**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	393,382	194,302	225,489	575,937	614,599	614,599	260,978	1,761,075	2,123,384	2,495,553
Reserves and funds	30	–	–	–	–	–	–	7,505	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**393,382**	**194,302**	**225,489**	**575,937**	**614,599**	**614,599**	**268,483**	**1,761,075**	**2,123,384**	**2,495,553**

Table 7 A6 - Budgeted Financial Position

Explanatory notes:

Table A6 is consistent with international standards of good financial management practice, and improves the ability to understand, for councillors and management, on the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP 1.

MBRR Table A7 - Budgeted Cash Flow Statement

LIM361 Thabazimbi - Table A7 Budgeted Cash Flows

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		66,058	–	–	120,694	120,694	120,694	120,694	125,720	129,722	136,448
Service charges		115,382	–	–	206,666	204,317	204,317	204,317	368,628	437,836	487,051
Other revenue		21,620	–	–	40,957	40,957	40,957	40,957	16,933	14,787	16,077
Transfers and Subsidies - Operational	1	61,531	–	–	160,108	110,329	110,329	110,329	171,110	179,105	186,626
Transfers and Subsidies - Capital	1	15,153	–	–	111,465	175,480	175,480	175,480	165,364	127,656	128,195
Interest		–	–	–	–	–	–	–	87,370	91,302	93,585
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(178,188)	(163,893)	(249,644)	(546,425)	(557,810)	(557,810)	(557,810)	(490,236)	(531,475)	(580,680)
Finance charges		–	(25,775)	–	(21,529)	(21,529)	(21,529)	(21,529)	(17,700)	(18,800)	(19,900)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**101,556**	**(189,668)**	**(249,644)**	**71,935**	**72,438**	**72,438**	**72,438**	**427,190**	**430,133**	**447,402**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(57,627)	(47,540)	(14,664)	(109,480)	(115,716)	(115,716)	(115,716)	(187,349)	(128,096)	(128,655)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(57,627)**	**(47,540)**	**(14,664)**	**(109,480)**	**(115,716)**	**(115,716)**	**(115,716)**	**(187,349)**	**(128,096)**	**(128,655)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		**43,928**	**(237,208)**	**(264,308)**	**(37,545)**	**(43,278)**	**(43,278)**	**(43,278)**	**239,841**	**302,036**	**318,747**
Cash/cash equivalents at the year begin:	2	**2,131**	**(7,428)**	**11,329**	**193,960**	**193,960**	**193,960**	**193,960**	**71,391**	**311,231**	**613,268**
Cash/cash equivalents at the year end:	2	**46,059**	**(244,635)**	**(252,978)**	**156,415**	**150,682**	**150,682**	**150,682**	**311,231**	**613,268**	**932,015**

Table 8 A7 - Budgeted Cash Flow Statement

Explanatory notes:

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

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

LIM361 Thabazimbi - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
Cash and investments available											
Cash/cash equivalents at the year end	1	46 059	(244 635)	(252 978)	156 415	150 682	150 682	150 682	311 231	613 268	932 015
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**46 059**	**(244 635)**	**(252 978)**	**156 415**	**150 682**	**150 682**	**150 682**	**311 231**	**613 268**	**932 015**
Application of cash and investments											
Unspent conditional transfers		3 129	24 535	(3 129)	2 851	2 851	2 851	64 076	–	–	–
Unspent borrowing											
Statutory requirements	2	(87 954)	(79 811)	(99 225)	(95 312)	(95 312)	(95 312)	116 827	(62 826)	(62 826)	(62 826)
Other working capital requirements	3	479 513	472 205	649 324	765 645	815 660	815 660	409 857	(672 783)	(658 421)	(642 605)
Other provisions		19 593	22 178	44 046	2 545	2 545	2 545	(44 046)	17 842	17 842	17 842
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	(7 505)	–	–	–
Total Application of cash and investments:		**414 282**	**439 107**	**591 016**	**675 728**	**725 744**	**725 744**	**539 210**	**(717 768)**	**(703 405)**	**(687 589)**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(368 222)**	**(683 742)**	**(843 995)**	**(519 313)**	**(575 062)**	**(575 062)**	**(388 528)**	**1 028 999**	**1 316 673**	**1 619 604**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(368 222)**	**(683 742)**	**(843 995)**	**(519 313)**	**(575 062)**	**(575 062)**	**(388 528)**	**1 028 999**	**1 316 673**	**1 619 604**

Table 9 A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

MBRR Table A9 – Asset Management

LIM361 Thabazimbi - Table A9 Asset Management

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	**1,223**	**(0)**	**15,592**	**63,716**	**61,716**	**61,716**	**89,284**	**54,639**	**27,446**
Roads Infrastructure		–	–	15,592	19,291	27,795	27,795	26,695	28,448	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		(0)	(0)	–	20,000	20,000	20,000	34,140	16,723	17,479
Water Supply Infrastructure		193	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	9,921	13,921	13,921	20,549	9,028	9,507
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***193***	***(0)***	***15,592***	***49,212***	***61,716***	***61,716***	***81,384***	***54,199***	***26,986***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	6,000	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	***6,000***	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	7,500	–	–
Intangible Assets		–	–	–	–	–	–	***7,500***	–	–
Computer Equipment		**1,030**	–	–	–	–	–	**400**	**440**	**460**
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	**8,504**	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**63**	–	–	–	**15,000**	**15,000**	–	–	–
Roads Infrastructure		–	–	–	–	15,000	15,000	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	***15,000***	***15,000***	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		**63**	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	**(821)**	**821**	**24,601**	**45,764**	**51,000**	**51,000**	**98,065**	**73,457**	**101,208**
Roads Infrastructure		–	(0)	21,538	–	–	–	36,000	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		(821)	821	3,062	32,000	27,000	27,000	32,065	43,457	49,768
Sanitation Infrastructure		–	–	–	13,764	24,000	24,000	30,000	30,000	51,440
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***(821)***	***821***	***24,601***	***45,764***	***51,000***	***51,000***	***98,065***	***73,457***	***101,208***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**465**	**821**	**40,193**	**109,480**	**127,716**	**127,716**	**187,349**	**128,096**	**128,655**
Roads Infrastructure		–	(0)	37,130	19,291	42,795	42,795	62,695	28,448	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		(0)	(0)	–	20,000	20,000	20,000	34,140	16,723	17,479
Water Supply Infrastructure		(628)	821	3,062	32,000	27,000	27,000	32,065	43,457	49,768
Sanitation Infrastructure		–	–	–	23,685	37,921	37,921	50,549	39,028	60,947
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***(628)***	***821***	***40,193***	***94,976***	***127,716***	***127,716***	***179,449***	***127,656***	***128,195***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	6,000	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	***6,000***	–	–	–	–	–
Biological or Cultivated Assets		**63**	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	7,500	–	–
Intangible Assets		–	–	–	–	–	–	***7,500***	–	–
Computer Equipment		**1,030**	–	–	–	–	–	**400**	**440**	**460**
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	**8,504**	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**465**	**821**	**40,193**	**109,480**	**127,716**	**127,716**	**187,349**	**128,096**	**128,655**

ASSET REGISTER SUMMARY - PPE (WDV)	5	727,762	685,756	730,816	870,158	861,654	861,654	780,630	727,051	668,968
Roads Infrastructure		367,462	358,747	371,376	(15,215)	(15,215)	(15,215)	20,820	8,126	(5,153)
Storm water Infrastructure		21,938	20,630	20,080	–	–	–	39,526	39,526	39,526
Electrical Infrastructure		38,762	39,032	37,929	43,337	43,337	43,337	90,233	78,715	66,457
Water Supply Infrastructure		156,315	151,456	156,922	–	–	–	328,057	318,226	307,327
Sanitation Infrastructure		48,114	35,676	32,539	(13,420)	(13,420)	(13,420)	200,215	188,585	176,337
Solid Waste Infrastructure		46	18	15	(2,647)	(2,647)	(2,647)	331	331	331
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***632,637***	***605,559***	***618,862***	***12,054***	***12,054***	***12,054***	***679,182***	***633,508***	***584,825***
Community Assets		76,081	56,280	51,088	849,762	849,762	849,762	41,002	34,250	26,123
Heritage Assets		–	–	–	–	–	–	–	–	–
Investment properties		0	0	0	–	–	–	–	–	–
Other Assets		–	329	24,210	–	–	–	22,748	22,748	22,748
Biological or Cultivated Assets		836	827	827	836	836	836	827	827	827
Intangible Assets		0	0	0	–	–	–	7,500	7,500	7,500
Computer Equipment		2,517	2,005	1,379	(149)	(149)	(149)	964	1,240	1,531
Furniture and Office Equipment		470	456	356	(482)	(482)	(482)	(235)	(763)	(1,310)
Machinery and Equipment		833	1,300	1,080	(41)	(41)	(41)	329	(216)	(863)
Transport Assets		5,578	10,189	24,205	8,179	(325)	(325)	19,503	19,146	18,777
Land		8,810	8,810	8,810	–	–	–	8,810	8,810	8,810
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**727,762**	**685,756**	**730,816**	**870,158**	**861,654**	**861,654**	**780,630**	**727,051**	**668,968**
EXPENDITURE OTHER ITEMS		**48,528**	**74,350**	**46,319**	**63,000**	**76,825**	**76,825**	**171,787**	**198,029**	**230,509**
Depreciation	7	19,369	33,214	40,282	44,420	44,420	44,420	49,812	54,019	58,543
Repairs and Maintenance by Asset Class	3	**29,159**	**41,137**	**6,037**	**18,580**	**32,405**	**32,405**	**121,975**	**144,009**	**171,967**
Roads Infrastructure		14,018	–	–	–	5,000	5,000	23,000	26,730	35,465
Storm water Infrastructure		–	–	–	–	–	–	1,900	3,000	4,000
Electrical Infrastructure		–	1,855	1,033	8,000	5,000	5,000	34,460	40,464	45,107
Water Supply Infrastructure		2,386	343	–	–	5,000	5,000	29,400	34,003	38,845
Sanitation Infrastructure		321	–	–	–	2,000	2,000	15,100	22,271	27,030
Solid Waste Infrastructure		7,254	387	–	2,230	5,000	5,000	700	850	900
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***23,979***	***2,585***	***1,033***	***10,230***	***22,000***	***22,000***	***104,560***	***127,317***	***151,347***
Community Facilities		–	–	–	350	1,050	1,050	3,530	3,668	4,054
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	***350***	***1,050***	***1,050***	***3,530***	***3,668***	***4,054***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		1,502	25,582	–	3,000	8,350	8,350	4,600	2,650	5,300
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***1,502***	***25,582***	–	***3,000***	***8,350***	***8,350***	***4,600***	***2,650***	***5,300***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**3,576**	**12,970**	**5,004**	**5,000**	**1,005**	**1,005**	**855**	**881**	**912**
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		**101**	–	–	–	–	–	**4,630**	**5,393**	**6,053**
Transport Assets		–	–	–	–	–	–	**3,800**	**4,100**	**4,300**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**48,528**	**74,350**	**46,319**	**63,000**	**76,825**	**76,825**	**171,787**	**198,029**	**230,509**
Renewal and upgrading of Existing Assets as % of total capex		*-163.3%*	*100.0%*	*61.2%*	*41.8%*	*51.7%*	*51.7%*	*52.3%*	*57.3%*	*78.7%*
Renewal and upgrading of Existing Assets as % of deprecn		*-3.9%*	*2.5%*	*61.1%*	*103.0%*	*148.6%*	*148.6%*	*196.9%*	*136.0%*	*172.9%*
R&M as a % of PPE & Investment Property		*4.0%*	*6.0%*	*0.8%*	*2.1%*	*3.8%*	*3.8%*	*15.8%*	*20.0%*	*26.0%*
Renewal and upgrading and R&M as a % of PPE and Investment Property		*3.9%*	*6.1%*	*4.2%*	*7.4%*	*11.4%*	*11.4%*	*28.5%*	*30.3%*	*41.3%*

Table 10 A9 – Asset Management

Table A10 - Basic Service Delivery Measurement

LIM361 Thabazimbi - Table A10 Basic service delivery measurement

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	(4,157)	–	–	–	–	(5,318)	(3,500)	(3,800)
Water **(in excess of 6 kilolitres per indigent household per month)**		(431)	–	–	(2,418)	(2,418)	(2,418)	(205)	(3,781)	(4,032)
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	(1,575)	(1,575)	(1,575)	–	(1,100)	(1,520)
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		(108)	–	–	(413)	(413)	(413)	–	(479)	(565)
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	(1,320)	(1,320)	(1,320)	–	(1,905)	(2,614)
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**(539)**	**(4,157)**	–	**(5,726)**	**(5,726)**	**(5,726)**	**(5,523)**	**(10,765)**	**(12,531)**

Table 11 A10 - Basic Service Delivery Measurement

4. Overview Budget Assumptions

To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Thabazimbi Local Municipality anticipates the following collection rates:

Tariffs	Anticipated Collect Rate
Rates	90%
Water	90%
Electricity	90%
Sewerage	90%
Refuse	90%

Figure 4 Collection Rates Estimates

Rates, tariffs and charges

The following table shows the assumed average domestic percentage increases built into the MTREF for rates, tariffs and charges:

Service	% Increase (2027-2029)MTREF
Electricity	10.5%
Water	0%
Waste Water	4.7%
Waste	4.7%
Property Rates	4.7%

Figure 5 Percentage change rates, tariffs and charges

The base assumption is that tariff and rating increases will increase at varying rates at or above the CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecast term.

5. Legislation Compliance Status

Thabazimbi Local Municipality has followed the MFMA implementation requirements and has been substantially adhered to through the following activities:

In year reporting - Reporting to National Treasury in electronic format has seen marginal improvement since the turn of the year. Section 71 reporting to the mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

Internship Programme - The municipality is participating in the Municipal Financial Management Internship programme and has appointed five (5) interns who are undergoing training in various divisions in the Budget and Treasury Office.

Budget and Treasury Office - The Budget and Treasury Office have been established in accordance with the MFMA.

Audit Committee – the contract for the Audit Committee members has come to an end in June 2024. Municipality is in the process of appointing a new Audit Committee.

6. Overview of the Budget Funding

Section 18(1) of the MFMA requires the budget of a municipality to be funded from –

I. Realistically anticipated revenues to be collected.
II. Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
III. Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

The 2026/27 budget has been prepared taking into cognizance the requirements of the abovementioned section.

Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents.

Local Government Financial Management Grant (FMG) - This grant is a conditional grant and can only be used for capacity building and Internship Programme.

Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure

Water Services Infrastructure Grant (WISG)- To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritized district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritized communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.

Funding capital expenditure - The budget for capital expenditure is funded from capital transfers received from National Government and a small portion argumentation from internal resources.

Financial recovery plan - A financial recovery plan is updated, monitored and implemented monthly. It is sent to Provincial Treasury for review and recommendations monthly. The implementation of the plan will improve the financial sustainability of the municipality.

8. Supporting Tables

- Supporting tables can be found on the A-schedule Budget tables (Annexure B – PDF)

END