



DITSOBOTLA LOCAL MUNICIPALITY

DRAFT MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK REPORT

2026/27-2028/29

[Municipal Finance Management Act 56 of 2003]

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PART 1- ANNUAL BUDGET

1.1. Mayor's Report

Despite facing deteriorating infrastructure, inadequate services, and a weakening economy, along with high unemployment, poverty, and inequality, the municipality refuses to give up on its residents. With a fresh commitment to transparent governance, responsible spending, and closer ties with the community, belief is building that it can turn things around and become a vibrant engine of economic growth and social upliftment.

In terms of section 2 of the Municipal Property Rates Act 6 of 2004, municipalities are empowered to impose property rates based on market-related property values, while section 32(b)(i) restricts the validity of a valuation roll used for rating purposes to five financial years. The municipality met these legislative requirements by implementing its new General Valuation Roll on 1 July 2024 after completing all required legal procedures. This has led to a marked increase in property rates revenue, strengthening the municipality's financial position and improving its capacity to deliver services and meet development goals.

This year's budget also introduces an incentive scheme designed to provide relief to customers. The scheme aims to encourage timely payment of municipal accounts, assist struggling households, and reduce outstanding debt by offering rebates or discounts to qualifying ratepayers. Through this intervention, Council seeks to balance revenue collection with social responsibility, ensuring that residents benefit from improved affordability while the municipality maintains a sustainable income base for service delivery.

The budget makes provision for possible tariff adjustments across key services such as electricity, water, refuse removal, sanitation, and property rates. Electricity tariff changes remain subject to the outcome of the application submitted to NERSA for approval. Meanwhile, proposed increases for water, sanitation, and refuse services are linked to projected Consumer Price Index (CPI) movements. It should also be noted that the Salary and Wage Bill remain one of the major cost drivers impacting the budget.

I want to sincerely thank everyone who contributed to ensuring the draft budget was submitted to Council for tabling, which keeps us on track for final approval by the end of May 2026. The draft budget for the 2026/27 to 2028/29 period, together with all supporting documents, is hereby tabled before Council for noting.

Honourable Cllr MW MORUTSE

MAYOR DITSOBOTLA LOCAL MUNICIPALITY

1.1. Resolutions A12

- 1.1.1. That the draft reviewed 2026/2027 Integrated Development Plan (IDP) as tabled to council be approved to allow for public comments.
- 1.1.2. That the MTREF Budget be adopted as follows:
- a) That the draft annual budget and its supporting documents (proposed tariffs, reviewed/draft policies and financial plan) for the MTREF 2026/2027 to 2028/2029 be considered.
 - b) That the total revenue budget of R753 974 870 and R963 794 493 operational budget be considered.
 - c) That the R60 799 000 capital budget constituted of R15 537 000 own-revenue and R42 242 000 grant funding (MIG) be considered.
 - d) That Council note the deficits over the MTREF and the implementation of both FRP and Funding Plan be monitored by the mayor and report to Council.
 - e) That the draft A Schedules (1-10) and supporting schedules should be submitted to provincial and national Treasuries as part of supporting documents.
 - f) That Council approve the capital expenditure by vote and associated category as well as funding reflected in the budget tables.
 - g) That Council approve the indicative estimates for the two outer years stipulated in the Schedules.
 - h) That the draft budget for the financial year 2026/2027 and the multi –year and single year capital appropriations as set out in accordance with Municipal Budget and Reporting Regulations (MBRR) be approved.
 - i) That the tariffs proposed in the tariff list be approved.
- 1.1.3. That council allow for the draft 2026/2027 IDP and MTREF Budget to be submitted to both the MEC responsible for local government, national and provincial treasuries as required in terms of the Municipal Systems Act and the Municipal Finance Management Act.

- 1.1.4. That the public comments be open for a period of 21 days from time of publication of the draft documents on the municipal website (www.ditsobotla.gov.za) .

1.2. Executive Summary

The municipality faces a challenging fiscal outlook as detailed in the Medium-Term Revenue and Expenditure Framework (MTREF). While total operating revenue is projected to grow by a modest 4.53% (from R764.57 million in the adjusted 2025/26 budget to R799.22 million in 2026/27), operational expenditure is increasing at a far more rapid pace, by 36.62%. This imbalance is driving significant budget deficits. Specifically, the adjusted budget for 2025/26 shows a modest surplus of R14.39 million, but this swiftly declines into a substantial projected **deficit of R209.82** million for 2026/27.

This shift represents a negative change in the municipality's financial performance, highlighting an urgent need for strategic fiscal interventions to ensure long-term sustainability amidst rising operational costs and persistent challenges in revenue collection. Through the FRP it is possible to change this position. Capital transfers/grants, crucial for infrastructure development, are projected to increase slightly by 1.19%, from R44.71 million in 2025/26 to R45.24 million in 2026/27.

Reasons for decline

The decline in surplus is largely attributed to the escalating operational expenditure, which is driven by rising contracted services, bulk purchases expenses and non cash items. Furthermore, the municipality should explore innovative revenue enhancement strategies, including improving billing efficiency, expanding its revenue base through Financial Recovery Plan activities.

Item	Budget Year 2025/26 R	YTA Mid-term R	Adjusted Amounts R	MTREF		
				Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
Total Revenue	888,110	388,998	719 861	753 975	701 510	802 031
Total Expenditure	(635,600)	(288,552)	(811 076)	(963 794)	(901 712)	(930 566)
Surplus/(Deficit)	252,510	100,446	(91 615)	(209 819)	(200 201)	(128 535)
Total Capital	44 709	32 650	50 209	45 242	50 009	51 523

Key amendments to the policies.

As part of the 2026/2027-2028/2029 Medium Term Revenue and Expenditure Framework, the municipality is reviewing and refining its budget-related policies to ensure alignment with strategic objectives. This review encompasses existing policies, such as Credit Control, Tariff , UIF&W and Indigent.

1.3. ANNUAL BUDGET TABLES

The annual budget tables will be included as a separate annexure to this document for easy reference, as the tables included in the budget narrative may not be sufficiently readable.

Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash, and funding compliance.

NW384 Ditsobotla - Table A1 Budget Summary										
Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	77 442	83 202	88 630	92 750	161 300	161 300	166 784	172 288	177 801	
Service charges	160 655	126 142	163 844	193 118	334 580	334 580	169 223	355 411	285 337	372 540
Investment revenue	622	891	370	200	500	500	266	—	—	—
Transfer and subsidies - Operational	34 427	183 637	187 589	194 595	185 726	185 726	138 482	193 426	204 264	210 801
Other own revenue	3 339	11 808	11 671	407 446	40 848	40 848	67 165	38 332	39 598	40 865
Total Revenue (excluding capital transfers and contributions)	276 485	405 680	452 104	888 110	722 954	722 954	465 313	753 953	701 487	802 008
Employee costs	285 071	300 537	288 338	300 000	300 000	300 000	163 587	305 000	315 065	325 147
Remuneration of councillors	14 657	17 443	17 053	18 000	18 500	18 500	14 050	18 500	19 111	19 723
Depreciation, amortisation and impairment	(551 082)	74 164	33 818	32 000	32 000	32 000	—	32 000	32 000	33 024
Interest, Dividends and Rent on Land	63 987	54 239	26 087	—	35 100	35 100	35 942	31 163	31 163	32 160
Inventory consumed and bulk purchases	161 927	220 282	215 731	203 000	213 000	213 000	160 388	269 194	277 812	286 702
Transfers and subsidies	—	—	—	—	—	—	—	—	—	—
Other expenditure	43 391	18 392	75 423	82 600	212 476	212 476	28 722	307 938	226 565	233 631
Total Expenditure	17 951	685 057	656 450	635 600	811 076	811 076	402 689	963 795	901 716	930 387
Surplus/(Deficit)	258 533	(279 377)	(204 346)	252 510	(88 122)	(88 122)	62 624	(209 842)	(200 229)	(128 379)
Transfers and subsidies - capital (monetary allocations)	—	35 813	24 949	42 709	42 709	42 709	32 650	45 242	50 090	51 523
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	258 533	(243 564)	(179 397)	295 219	(45 413)	(45 413)	95 274	(164 600)	(150 139)	(76 856)
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	258 533	(243 564)	(179 397)	295 219	(45 413)	(45 413)	95 274	(164 600)	(150 139)	(76 856)
Capital expenditure & funds sources										
Capital expenditure	15 670	23 888	140 528	42 460	5 500	5 500	165 413	58 516	49 796	51 823
Transfers recognised - capital	15 670	28 185	—	42 460	—	—	165 811	42 907	43 020	45 924
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	—	—	—	—	—	—	4	15 609	6 775	5 899
Total sources of capital funds	15 670	28 185	—	42 460	—	—	165 815	58 516	49 796	51 823
Financial position										
Total current assets	1 518 998	1 209 768	1 301 995	(114 089)	(18 913)	(18 913)	1 509 475	(189 270)	(165 289)	(92 460)
Total non current assets	2 113 556	1 139 801	1 126 769	10 460	(26 500)	(26 500)	1 151 653	26 516	17 796	18 799
Total current liabilities	2 409 940	2 823 004	2 771 900	(398 848)	—	—	2 923 458	1 847	2 646	3 195
Total non current liabilities	40 736	50 582	52 421	—	—	—	52 421	—	—	—
Community wealth/Equity	(2 963 170)	(3 899 861)	(1 764 335)	295 219	(45 413)	(45 413)	(1 869 778)	(164 600)	(150 139)	(76 856)
Cash flows										
Net cash from (used) operating	2 124 963	3 127 165	3 815 539	(174 942)	(109 853)	(109 853)	4 678 803	(69 954)	(110 231)	(51 469)
Net cash from (used) investing	—	555	550	(48 829)	(6 325)	(6 325)	550	(59 856)	(50 246)	(51 823)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	2 104 258	3 107 016	3 795 384	(223 771)	(116 178)	(116 178)	4 658 648	(129 809)	(290 286)	(393 578)
Cash backing/surplus reconciliation										
Cash and investments available	2 104 258	3 107 016	3 795 384	(223 771)	(116 178)	(116 178)	4 658 648	(129 809)	(290 286)	(393 578)
Application of cash and investments	1 933 068	2 366 913	2 341 577	(446 633)	(74 426)	(74 426)	2 494 426	27 726	(15 950)	(28 898)
Balance - surplus (shortfall)	171 189	740 103	1 453 808	222 862	(41 752)	(41 752)	2 164 223	(157 535)	(274 336)	(364 679)
Asset management										
Asset register summary (WDV)	2 039 834	1 070 176	1 063 257	10 460	(26 500)	(26 500)	26 516	32 000	32 000	13 175
Depreciation	(551 082)	74 164	33 818	32 000	32 000	32 000	32 000	32 000	32 000	33 024
Renewal and Upgrading of Existing Assets	563	555	555	—	—	—	—	—	—	—
Repairs and Maintenance	1 345	8 000	12 582	7 100	8 600	8 600	19 611	10 466	10 812	—
Free services										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	—	—	—	—	—	—	—	—	—	—
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

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

The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities.

NW384 Ditsobotla - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
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										
<i>Governance and administration</i>		79 608	249 069	275 634	288 080	346 816	346 816	371 372	388 290	400 715
Executive and council		–	–	1 213	1 467	1 467	1 467	1 301	–	–
Finance and administration		79 608	249 069	274 421	286 613	345 349	345 349	370 071	388 290	400 715
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		604	594	588	1 576	32	32	6	334	345
Community and social services		193	173	179	1 576	–	–	(27)	300	310
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		410	422	409	–	32	32	33	34	35
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		1 098	44 919	34 807	47 515	53 368	53 368	53 923	59 057	60 777
Planning and development		134	35 839	26 309	42 965	45 052	45 052	45 416	50 270	51 709
Road transport		964	9 080	8 498	4 550	8 316	8 316	8 506	8 787	9 068
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		193 109	144 833	163 844	591 148	362 947	362 947	371 601	301 527	389 248
Energy sources		92 361	93 166	116 523	532 520	204 899	204 899	208 178	132 712	215 031
Water management		58 036	21 117	7 755	14 043	70 574	70 574	72 974	75 382	77 794
Waste water management		24 629	22 047	20 863	24 049	53 604	53 604	55 427	57 256	59 088
Waste management		18 084	8 504	18 703	20 536	33 870	33 870	35 022	36 177	37 335
<i>Other</i>	4	2 065	2 078	2 181	2 500	2 500	2 500	2 293	2 369	2 445
Total Revenue - Functional	2	276 485	441 493	477 053	930 819	765 663	765 663	799 195	751 577	853 531
Expenditure - Functional										
<i>Governance and administration</i>		(312 810)	337 281	419 456	193 855	350 715	350 715	464 841	396 097	408 573
Executive and council		36 725	35 924	31 790	24 198	40 862	40 862	53 062	54 811	56 566
Finance and administration		(349 534)	301 357	387 666	169 658	309 854	309 854	411 778	341 286	352 008
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		(80)	50	(22 164)	68 923	(649)	(649)	65 197	57 518	59 359
Community and social services		(70)	50	(22 249)	61 578	(1 835)	(1 835)	43 329	44 759	46 191
Sport and recreation		(10)	–	85	7 325	(547)	(547)	19 284	10 091	10 414
Public safety		–	0	–	10	386	386	582	601	620
Housing		–	–	–	10	1 348	1 348	2 002	2 068	2 134
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		12 676	9 894	5 426	38 835	41 231	41 231	69 612	73 183	75 526
Planning and development		3 635	3 250	1 162	3 585	5 663	5 663	10 079	10 412	10 745
Road transport		9 021	393	22	28 325	35 568	35 568	57 482	60 652	62 594
Environmental protection		21	6 251	4 242	6 925	1	1	2 051	2 118	2 186
<i>Trading services</i>		319 714	337 832	253 732	333 986	419 778	419 778	364 145	374 919	386 928
Energy sources		220 913	257 041	219 896	258 286	253 727	253 727	308 886	317 814	327 990
Water management		98 801	80 174	33 758	27 000	18 446	18 446	46 411	47 958	49 497
Waste water management		–	617	67	28 600	166 373	166 373	6 911	7 145	7 375
Waste management		–	–	11	20 100	(18 767)	(18 767)	1 938	2 002	2 066
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	19 500	685 057	656 450	635 600	811 076	811 076	963 795	901 716	930 387
Surplus/(Deficit) for the year		256 984	(243 564)	(179 397)	295 219	(45 413)	(45 413)	(164 600)	(150 139)	(76 856)

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

The purpose of the format in which the budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, to assign responsibility for the revenue and expenditure recorded against these votes to the Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined in terms of section 1 of the

MFMA as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

NW384 Ditsobotla - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		–	–	1 213	1 467	1 467	1 467	1 301	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Finance		77 797	249 069	274 421	286 613	345 349	345 349	370 071	388 290	400 715
Vote 4 - Corporate Support Services		1 811	–	–	–	–	–	–	–	–
Vote 5 - Planning and LED		446	422	411	106	348	348	193	200	206
Vote 6 - Community Services		20 343	10 754	21 063	24 612	36 370	36 370	37 288	38 846	40 090
Vote 7 - Technical and Infrastructure Services		176 088	181 249	179 945	618 021	382 129	382 129	390 341	324 242	412 520
Vote 8 - Technical and Infrastructure Services		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	276 485	441 493	477 053	930 819	765 663	765 663	799 195	751 577	853 531
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		28 882	28 406	30 063	22 341	33 003	33 003	41 389	42 752	44 122
Vote 2 - Municipal Manager		107 671	101 008	39 914	1 867	56 067	56 067	49 415	51 045	52 678
Vote 3 - Finance		(508 505)	151 615	122 033	133 422	194 228	194 228	300 063	227 530	235 407
Vote 4 - Corporate Support Services		59 141	56 252	227 447	36 226	65 020	65 020	71 154	71 857	73 360
Vote 5 - Planning and LED		2 529	2 293	508	9 467	7 447	7 447	11 435	11 813	12 191
Vote 6 - Community Services		(59)	50	(22 153)	89 013	(21 407)	(21 407)	66 041	58 390	60 259
Vote 7 - Technical and Infrastructure Services		329 840	339 183	254 398	343 264	474 321	474 321	421 478	435 416	449 363
Vote 8 - Technical and Infrastructure Services		–	–	–	–	2 398	2 398	2 820	2 913	3 006
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	19 500	678 806	652 208	635 600	811 075	811 075	963 794	901 716	930 386
Surplus/(Deficit) for the year	2	256 984	(237 313)	(175 156)	295 219	(45 413)	(45 413)	(164 600)	(150 139)	(76 856)
References										

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

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, to assess performance.

NW384 Ditsobotla - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	92 342	93 170	116 523	134 690	176 524	176 524	102 347	191 988	116 522	198 323
Service charges - Water	2	25 601	2 421	7 755	13 943	70 574	70 574	28 324	72 974	75 382	77 794
Service charges - Waste Water Management	2	24 629	22 047	20 863	23 949	53 612	53 612	22 554	55 427	57 256	59 088
Service charges - Waste Management	2	18 084	8 504	18 703	20 536	33 870	33 870	15 998	35 022	36 177	37 335
Sale of Goods and Rendering of Services	2	429	299	774	1 107	836	836	425	864	893	922
Agency services	2	-	7 968	7 496	2 500	8 099	8 099	-	8 375	8 651	8 928
Interest	-	-	-	-	-	-	-	136	-	-	-
Interest earned from Receivables	2	-	1	73	1 000	25 875	25 875	54 523	26 755	27 638	28 522
Interest earned from Current and Non Current Assets	2	622	891	370	200	500	500	266	-	-	-
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	411	422	409	4	32	32	222	33	34	35
Licence and permits	2	36	-	2	6	6	6	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	(508)	-	-	500	500	500	-	-	-	-
Non-Exchange Revenue											
Property rates	2	77 442	83 202	88 630	92 750	161 300	161 300	90 178	166 784	172 288	177 801
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	906	1 041	714	3 000	3 000	3 000	14	12	13	13
Licences or permits	2	2 065	2 078	2 181	2 500	2 500	2 500	1 400	2 293	2 369	2 445
Transfer and subsidies - Operational	2	34 427	183 637	187 589	194 595	185 726	185 726	138 482	193 426	204 264	210 801
Interest	2	-	-	-	-	-	-	10 445	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	22	-	-	-	-	-	-	-
Other Gains	2	-	-	-	396 630	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		276 485	405 680	452 104	888 110	722 954	722 954	465 313	753 953	701 487	802 008
Expenditure											
Employee related costs	2	285 071	300 537	288 338	300 000	300 000	300 000	163 587	305 000	315 065	325 147
Remuneration of councillors	2	14 657	17 443	17 053	18 000	18 500	18 500	14 050	18 500	19 111	19 723
Bulk purchases - electricity	2	156 867	215 953	209 894	200 000	210 000	210 000	160 388	261 900	270 281	278 930
Inventory consumed	2,8	5 060	4 328	5 837	3 000	3 000	3 000	-	7 294	7 531	7 773
Debt impairment	2,3	-	-	-	53 000	53 000	53 000	-	130 000	162 000	167 000
Depreciation, amortisation and impairment	2	(551 082)	74 164	33 818	32 000	32 000	32 000	-	32 000	32 000	33 024
Interest, Dividends and Rent on Land	2	63 987	54 239	26 087	-	35 100	35 100	35 942	31 163	31 163	32 160
Contracted services	2	19 879	5 698	49 395	27 600	44 476	44 476	19 704	57 791	43 753	45 153
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	1 349	-	-	-	100 000	100 000	-	100 000	-	-
Operational costs	2	19 793	12 694	26 028	2 000	15 000	15 000	9 018	20 147	20 812	21 478
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Losses	2	2 370	-	-	-	-	-	-	-	-	-
Total Expenditure		17 951	685 057	656 450	635 600	811 076	811 076	402 689	963 795	901 716	930 387
Surplus/(Deficit)		258 533	(279 377)	(204 346)	252 510	(88 122)	(88 122)	62 624	(209 842)	(200 229)	(128 379)
Transfers and subsidies - capital (monetary allocations)	6	-	35 813	24 949	42 709	42 709	42 709	32 650	45 242	50 090	51 523
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		258 533	(243 564)	(179 397)	295 219	(45 413)	(45 413)	95 274	(164 600)	(150 139)	(76 856)
Income Tax	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		258 533	(243 564)	(179 397)	295 219	(45 413)	(45 413)	95 274	(164 600)	(150 139)	(76 856)
Share of Surplus/(Deficit) attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		258 533	(243 564)	(179 397)	295 219	(45 413)	(45 413)	95 274	(164 600)	(150 139)	(76 856)
Share of Surplus/(Deficit) attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	258 533	(243 564)	(179 397)	295 219	(45 413)	(45 413)	95 274	(164 600)	(150 139)	(76 856)

Explanatory notes to Table 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; 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.

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Support Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and LED		-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Technical and Infrastructure Services		-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Services		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	(4 297)	(402)	-	-	-	(402)	-	-	-
Vote 4 - Corporate Support Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and LED		-	-	0	-	-	-	0	1 686	-	-
Vote 6 - Community Services		-	-	-	2 018	-	-	-	-	-	-
Vote 7 - Technical and Infrastructure Services		13 061	28 078	131 180	34 396	5 500	5 500	151 586	56 830	49 796	51 823
Vote 8 - Technical and Infrastructure Services		2 609	109	9 754	6 046	-	-	14 232	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		15 670	23 891	140 531	42 460	5 500	5 500	165 415	58 516	49 796	51 823
Total Capital Expenditure - Vote		15 670	23 891	140 531	42 460	5 500	5 500	165 415	58 516	49 796	51 823
Capital Expenditure - Functional											
Governance and administration		-	(4 297)	(402)	-	-	-	(402)	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	(4 297)	(402)	-	-	-	(402)	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	(3)	(3)	2 018	-	-	(3)	-	-	-
Community and social services		-	-	-	2 018	-	-	-	-	-	-
Sport and recreation		-	(3)	(3)	-	-	-	(3)	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		13 061	28 078	131 180	34 396	-	-	151 586	58 516	49 796	51 823
Planning and development		12 603	27 463	130 542	31 791	-	-	145 540	42 907	43 020	45 924
Road transport		458	616	638	2 605	-	-	6 046	15 609	6 775	5 899
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		2 609	109	9 754	6 046	5 500	5 500	14 232	-	-	-
Energy sources		2 609	109	9 754	6 046	-	-	14 232	-	-	-
Water management		-	-	-	-	5 500	5 500	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	15 670	23 888	140 528	42 460	5 500	5 500	165 413	58 516	49 796	51 823
Funded by:											
National Government		15 670	27 558	-	42 460	-	-	155 467	42 907	43 020	45 924
Provincial Government		-	627	-	-	-	-	10 344	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	15 670	28 185	-	42 460	-	-	165 811	42 907	43 020	45 924
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	4	15 609	6 775	5 899
Total Capital Funding	7	15 670	28 185	-	42 460	-	-	165 815	58 516	49 796	51 823

Explanatory notes to Table A6 - Budgeted Financial Position

The table presents Assets Less Liabilities as Community Wealth. The order of items within each group is also aligned to show items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

Any movement on the Budgeted Financial Performance or the Capital Budget will impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts.

NW384 Ditsobotla - Table A6 Budgeted Financial Position											
Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents	1	(208 324)	8 470	867	(174 592)	(113 276)	(113 276)	33 220	(129 795)	(160 462)	(103 277)
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	746 056	290 426	371 647	(19 003)	(42 311)	(42 311)	427 188	(93 515)	(78 188)	(64 892)
Receivables from non-exchange transactions	3	481 274	401 337	389 455	40 911	95 511	95 511	497 926	(8 888)	31 636	32 648
Current portion of non-current receivables	4	(26)	(26)	(26)	–	–	–	(26)	–	–	–
Inventory	5	719	719	719	(3 000)	–	–	719	(7 294)	(7 531)	(7 773)
VAT Receivable	6	499 214	508 758	514 177	41 595	41 163	41 163	525 291	50 222	49 257	50 834
Other current assets	7	84	84	25 157	–	–	–	25 157	–	–	–
Total current assets		1 518 998	1 209 768	1 301 995	(114 089)	(18 913)	(18 913)	1 509 475	(189 270)	(165 289)	(92 460)
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	120 073	251 785	251 785	–	–	–	251 785	–	–	–
Property, plant and equipment	10	1 992 976	887 310	874 477	10 460	(26 500)	(26 500)	899 361	26 516	17 796	18 799
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	507	507	507	–	–	–	507	–	–	–
Intangible assets	14	–	–	–	–	–	–	–	–	–	–
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		2 113 556	1 139 601	1 126 769	10 460	(26 500)	(26 500)	1 151 653	26 516	17 796	18 799
TOTAL ASSETS		3 632 554	2 349 369	2 428 764	(103 629)	(45 413)	(45 413)	2 661 127	(162 753)	(147 493)	(73 661)
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	–	–	–	–	–	–	–	–	–	–
Consumer deposits	19	(5 074)	(5 074)	(6 424)	–	–	–	(6 349)	–	–	–
Trade and other payables from exchange transactions	20	1 623 374	1 972 527	1 992 245	(403 647)	–	–	2 139 019	1 847	2 646	3 195
Trade and other payables from non-exchange transactions	21	62 008	62 008	4 521	4 183	–	–	4 521	–	–	–
Provision	22	44 925	97 658	79 444	–	–	–	79 444	–	–	–
VAT Payable	23	686 140	693 072	699 596	616	–	–	704 305	–	–	–
Other current liabilities	24	(1 432)	2 813	2 518	–	–	–	2 518	–	–	–
Total current liabilities		2 409 940	2 823 004	2 771 900	(398 848)	–	–	2 923 458	1 847	2 646	3 195
Non current liabilities											
Financial liabilities	25	–	–	–	–	–	–	–	–	–	–
Provision	26	40 736	50 582	52 421	–	–	–	52 421	–	–	–
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	–	–	–	–	–	–	–	–	–	–
Total non current liabilities		40 736	50 582	52 421	–	–	–	52 421	–	–	–
TOTAL LIABILITIES		2 450 676	2 873 587	2 824 321	(398 848)	–	–	2 975 879	1 847	2 646	3 195
NET ASSETS		1 181 878	(524 218)	(395 557)	295 219	(45 413)	(45 413)	(314 751)	(164 600)	(150 139)	(76 856)
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	(2 991 438)	(3 928 129)	(1 792 603)	295 219	(45 413)	(45 413)	(1 898 046)	(164 600)	(150 139)	(76 856)
Reserves and funds	30	28 268	28 268	28 268	–	–	–	28 268	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	(2 963 170)	(3 899 861)	(1 764 335)	295 219	(45 413)	(45 413)	(1 869 778)	(164 600)	(150 139)	(76 856)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement represents the first measurement in determining whether the budget is funded. It reflects the expected cash in-flows versus cash outflows that is likely to result from the implementation of the budget.

NW384 Ditsobotla - Table A7 Budgeted Cash Flows

NY384 Disobound - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	51 939	47 889	47 889	–	137 024	141 546	146 075
Service charges		–	–	–	154 494	267 658	267 658	–	284 328	228 270	298 032
Other revenue		16 951	34 807	35 242	14 178	14 954	14 954	37 642	11 563	11 946	12 328
Transfers and Subsidies - Operational	1	2 175 965	3 160 311	3 848 367	199 641	186 226	186 226	4 611 035	193 426	204 264	210 801
Transfers and Subsidies - Capital	1	(59 390)	(59 390)	(59 390)	42 460	42 709	42 709	(59 390)	45 242	50 090	51 523
Interest		(74)	(74)	(74)	–	–	–	(74)	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(8 490)	(8 489)	(8 606)	(637 655)	(634 189)	(634 189)	89 590	(710 374)	(715 183)	(738 069)
Finance charges		–	–	–	–	(35 100)	(35 100)	–	(31 163)	(31 163)	(32 160)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 124 963	3 127 165	3 815 539	(174 942)	(109 853)	(109 853)	4 678 803	(69 954)	(110 231)	(51 469)
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 than 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	555	550	(48 829)	(6 325)	(6 325)	550	(59 856)	(50 246)	(51 823)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	555	550	(48 829)	(6 325)	(6 325)	550	(59 856)	(50 246)	(51 823)
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		2 124 963	3 127 720	3 816 089	(223 771)	(116 178)	(116 178)	4 679 353	(129 809)	(160 476)	(103 292)
Cash/cash equivalents at the year begin:	2	(20 705)	(20 705)	(20 705)	–	–	–	(20 705)	–	(129 809)	(290 286)
Cash/cash equivalents at the year end:	2	2 104 258	3 107 016	3 795 384	(223 771)	(116 178)	(116 178)	4 658 648	(129 809)	(290 286)	(393 578)

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

3. The MTREF is populated directly from SA30.

Total receipts	2 133 452	3 135 655	3 824 145	462 713	559 435	559 435	4 589 213	671 583	636 115	718 759
Total payments	(8 490)	(7 934)	(8 056)	(686 484)	(675 614)	(675 614)	90 140	(801 393)	(796 591)	(822 051)
	2 124 963	3 127 720	3 816 089	(223 771)	(116 178)	(116 178)	4 679 353	(129 809)	(160 476)	(103 292)
Borrowings & investments & c.deposits	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–
	2 124 963	3 127 720	3 816 089	(223 771)	(116 178)	(116 178)	4 679 353	(129 809)	(160 476)	(103 292)

Explanatory notes to Table A9 - Asset Management

The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and reflects the relevant asset categories. The associated repairs and maintenance and depreciation is also reflected. It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE.

NW384 Ditsobotla - Table A9 Asset Management

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	2 039 834	1 070 176	1 063 257	10 460	(26 500)	(26 500)	26 516	17 796	13 175
Roads Infrastructure	460 328	411 997	406 611	10 342	(2 000)	(2 000)	20 480	20 520	17 400
Storm water Infrastructure	17 485	16 303	15 462	(2 000)	–	–	–	–	–
Electrical Infrastructure	87 195	81 876	80 197	2 546	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)
Water Supply Infrastructure	0	0	0	–	5 500	5 500	–	–	–
Sanitation Infrastructure	7 761	8 388	8 388	(2 000)	–	–	–	–	–
Solid Waste Infrastructure	34 042	37 472	37 585	(500)	(500)	(500)	500	6 000	4 500
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	606 811	556 036	548 243	8 388	(4 500)	(4 500)	13 480	19 020	14 400
Community Assets	76 998	96 683	99 898	13 611	(3 850)	(3 850)	12 650	10 150	10 150
Heritage Assets	507	507	507	–	–	–	–	–	–
Investment properties	120 073	251 785	251 785	–	–	–	–	–	–
Other Assets	16 476	(1 064)	(2 271)	(5 500)	(2 000)	(2 000)	(2 000)	(2 000)	(2 000)
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	735	643	568	2 111	(450)	(450)	791	(450)	(450)
Furniture and Office Equipment	898	893	707	(450)	(5 500)	(5 500)	(3 814)	(5 500)	(5 500)
Machinery and Equipment	(27 299)	278	233	(7 500)	(10 000)	(10 000)	5 609	(3 225)	(3 225)
Transport Assets	1 085 102	4 884	4 054	(200)	(200)	(200)	(200)	(200)	(200)
Land	159 533	159 533	159 533	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living Resources	–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (W)	2 039 834	1 070 176	1 063 257	10 460	(26 500)	(26 500)	26 516	17 796	13 175
EXPENDITURE OTHER ITEMS	(549 737)	82 163	46 399	39 100	40 600	40 600	51 611	42 466	43 836
Depreciation	(551 082)	74 164	33 818	32 000	32 000	32 000	32 000	32 000	33 024
Repairs and Maintenance by Asset Class	1 345	8 000	12 582	7 100	8 600	8 600	19 611	10 466	10 812
Roads Infrastructure	1 297	–	–	1 000	–	–	1 800	1 867	1 928
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	59	7 382	12 408	5 000	8 000	8 000	6 300	6 533	6 749
Water Supply Infrastructure	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	1 356	7 382	12 408	6 000	8 000	8 000	8 100	8 400	8 677
Community Facilities	(0)	–	85	150	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	(0)	–	85	150	–	–	–	–	–
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	(10)	–	–	250	–	–	10 000	500	517
Housing	–	–	–	–	–	–	–	–	–
Other Assets	(10)	–	–	250	–	–	10 000	500	517
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	617	67	600	600	600	1 511	1 567	1 618
Transport Assets	–	–	22	100	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	–	–	–	–	–	–	–	–
Immature	–	–	–	–	–	–	–	–	–
Living Resources	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS	(549 737)	82 163	46 399	39 100	40 600	40 600	51 611	42 466	43 836

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

PART 2 – SUPPORTING DOCUMENTATION

2.1. Overview of annual budget process

Section 53 of the MFMA requires the mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act. The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor. The primary aims of the Budget Steering Committee are to ensure:

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

In terms of section 21 of the MFMA, the Mayor is required to table the time schedule in Council ten months before the start of the financial year, which outlines how the process of IDP and budget will unfold and the preparation thereof.

2.2. Overview of the annual budget with IDP Review Process

The Integrated Development Plan (IDP) review process aims to align the municipality's development agenda with key council priorities, informing municipal budgeting and achieving strategic objectives outlined in the Municipal Finance Recovery Plan. This process involves reviewing and updating sector plans, such as the Spatial Development Framework, Housing Sector Plan, and Integrated Waste Management Plan, to address the developmental needs of Ditsobotla Local Municipality.

The IDP review process also entails updating the status quo analysis report with new statistical data, reviewing objectives and strategies to align with national performance targets, and developing a priority list of capital and operational projects. Additionally, stakeholder engagements will be facilitated to incorporate community needs and concerns, ensuring the municipality's development agenda aligns with the District Development Model (DDM) – One Plan.

Below is the budget time table or schedule of key deadlines that was approved by Council:

2.2.1. The schedule of key deadlines

IDP/BUDGET PROCESS TIME-LINES					
Legislative Requirements	Deliverables/Outputs	Activities	Responsibility	Time-frames	Quarter
Preparatory Phase					
Section 28, 29 & 34 of the MSA ¹ Section 21(b) of the MFMA	IDP/PMS/Budget Process Plan	• Tabling of the Process Plan to Executive Committee & Council	Mayor	27 August 2025 Amended: 20/10/25	Quarter 1
		• Public notification of the IDP/PMS and Budget Process Plan	Municipal Manager (IDP Manager)	28 August 2025 Amended: 23/10/25	
		• Submit adopted Process Plan to the Department of Local Government & Human Settlements	Municipal Manger	30 August 2025 Amended: 23/10/25	
Analysis Phase					
Section 26(b) and (c) of the MSA	Situational Analysis	Technical Working Session of the IDP Steering Committee: • <u>Socio-economic assessment undertaken per municipal function or KPA</u> to determine existing levels of development, priority issues, root-causes of issues, and available resource frames	Municipal Manager Senior Managers Unit Managers	01 – 30 September 2025 Amended: To be completed by 5/11/25	Quarter 2

¹ Local Government: Municipal Systems Act 32 of 2000

Legislative Requirements	Deliverables/Outputs	Activities	Responsibility	Time-frames	
Analysis Phase					
Section 16(1)(a) of the MSA Section 29(1)(b) Section 26 of the MSA	Situational Analysis ...	Public Consultations and Engagements (Performance Feedback & Priority Needs Identification)	Offices of the Mayor & Speaker Management	10 October – 10 November 2025 Amended: 6 – 21/11/25	Quarter 2
		Consolidation of Public Inputs & compilation of the Public Participation Outcome Report	Municipal Manager	22 November 2025	
		Consolidation and submission of the Socio-economic Analysis / Status Quo Report (Chapter) to the Steering Committee and Executive Committee	Municipal Manager	30 November 2025	
Section 28 of the MFMA	Adjustment Budget Guidelines	Issue Adjustment Budget guidelines to management	Chief Finance Officer	November 2025	
	Budget Adjustment	Capturing and submission of the Adjustment Budget	Chief Finance Officer All Managers	November – December 2025	
Strategies Phase					
Section 26 of the MSA	Strategic Planning	Management Strategic Planning <i>Formulating short to medium interventions for inclusion in the 2025/26 IDP review and Budget proposals – Discussion of strategic focus areas</i>	Municipal Manager	September – December 2025	Quarter 2
		Council Strategic Planning Session <i>Priority and Agenda Setting for the MTREF 2025 – 2028/2029</i>	Municipal Manager Mayor Executive Committee	September – December 2025	
s74 & 75 of the MSA & Budget Circular	Tariffs setting and Policies	Finalize tariffs (rates and service charges) setting and policies	Chief Finance Officer	December 2025	

Project Phase					
Internal process	Indicative capital expenditure allocations	Issuing of indicative capital expenditure allocations	Chief Finance Officer	November 2025	Quarter 3
Sections 16 & 19 of the MFMA	Draft capital projects and expenditure projections	Submission of capital budget to the Budget and Treasury Office	Project Management Unit	December 2025 – January 2026	
Regulation 2(b), (c) & (d) Planning & Performance Management 2001	Capital and Operational Programmes	Incorporate capital projects implemented by other spheres of government into the IDP	Municipal Manager	January 2026	
Section 72(1) of the MFMA	Midterm Performance Assessment Report	Submission of the Mid-year Performance Assessment Report to the executive committee and council for consideration and approval – will inform a need for adjustment budget and SDBIP adjustment	Chief Finance Officer Mayor	25 January 2026	
Section 54(1)(c)	Adjustment to the 2025/26 Service Delivery and Budget Implementation Plan	Consideration by council of the proposed adjustments to the 2024/25 SDBIP	Manager: PMS	February 2026	

Legislative Requirements	Deliverables/Outputs	Activities	Responsibility	Time-frames	Quarter
Integration/Alignment Phase					
Section 52(c) of the MFMA	IDP and Budget Planning Sessions	Executive Committee Workshop: Confirmation of capital expenditure priorities and alignment to the IDP	Municipal Manager	10 February 2026	Quarter 3 - 4 Quarter 4
		Councillors Workshop: Draft Integrated Development Plan, Budget and SDBIP	Municipal Manager Mayor	15 March 2026	
Section 16 & 17 of the MFMA	Tabling of the 2026/27 draft IDP, Budget and SDBIP	Council Meeting: Tabling of the draft Integrated Development Plan and Budget for noting by council	Mayor Executive Committee	28 March 2026	
Section 22 & 23 of the MFMA Section 21A of the Systems Act	Public Participation	Publicise the draft IDP and Budget for public comments and participation on the newspapers and municipal website	IDP Manager, CFO, Communications Manager	04 – 30 April 2026	
Sections 31 & 32 of the MSA	Provincial monitoring	Submission of the draft IDP and Budget to the Department of Local Government & Human Settlements as well as National and Provincial Treasuries for assessment	IDP Manager Accounts Officer: Budget	04 April 2026	
Section 23 of the MFMA read together with Regulation 15 of the Municipal Budget and Reporting Regulations	Provincial monitoring and support	Provincial Treasury Engagement on the 2025/2026 draft integrated development plan and MTREF Budget	Provincial Treasury Executive Committee Senior Management	April – May 2026	

Legislative Requirements	Deliverables/Outputs	Activities	Responsibility	Time-frames	Quarter
Section 29(b) of the MSA	Incorporation of inputs of the local community	Consideration and incorporation of the community inputs into the draft IDP and Budget (final document)	IDP Manager	02 – 20 May 2026	Quarter 4
Sections 16, 19, 24 and 53 of the MFMA	Adoption of final IDP and Budget	Council Meeting: Final IDP and Budget adopted by Council	Mayor Executive Committee	30 May 2026	
Section 69(3(a) of the MFMA	Approval of the final 2026/2027 Service Delivery and Budget Implementation Plan	Mayor approves the 2026/2027 Service Delivery and Budget Implementation Plan	Municipal Manager	28 June 2026	

2.3. Measurable performance objectives and indicators

The table will be containing information by end May 2026 when the final budget is submitted to Council.

2.4. Overview of budget related policies

As part of the Medium-Term Revenue and Expenditure Framework (MTREF) for the 2026/2027–2028/2029 period, the municipality is undertaking a comprehensive review of its budget-related policies. This review is a requirement of the Municipal Budget and Reporting regulations and will ensure that the municipality's financial management framework is aligned with its strategic objectives.

The review will encompass existing policies such as Tariff, Credit Control and Debt Collection, UIF&W and Indigent. A policy workshop will be convened with stakeholders to discuss amendments and new policies, ensuring transparency and collaboration in the decision-making process. Thereafter, the policies will be placed in the municipal website.

2.5. Overview of the budget assumptions

The following macro-economic forecasts must be considered when preparing the 2026/27 MTREF municipal budgets. **MFMA Circular No. 134**

Table 1: Macroeconomic performance and projections, 2024 – 2028

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

The municipality's budget for the 2026/27 financial year is anticipated to be R753.9million. Capital transfers from the National Treasury are expected to amount to R45.2 million, comprising Municipal Infrastructure Grant (MIG).

The municipality is currently operating under a Financial Recovery Plan (rescue phase), which has been in place for two years. There is a slow implementation of the plan. Furthermore, the municipality has supplemented the Financial Recovery Plan with a funding plan, which is expected to yield positive results and ultimately lead to a more stable financial position.

To support the 2026/27 Operating Budget, the following increase in service charges were proposed with effect from 1 July 2026:

Water 3.4. %

Sanitation 3.3%

Refuse 3.2%

Electricity (Average) 8.7% (On average depending on various customer categories, subject to NERSA approval and cost of supply).

The Capital Budget for the Medium-Term Revenue and Expenditure Framework (MTREF) period will be funded through government grants and subsidies as well as own revenue.

Budget Principle Guidelines and Challenges

The following budget principles and guidelines were considered

- Headline inflation predictions in some of the revenue
- National Electricity Regulator of South Africa (NERSA) guidelines;
- The priorities and targets in relation to the key strategic focus areas as determined in the IDP;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The main persisting challenges experienced during the compilation of the 2026/2027 budget can be summarised as follows:

- Weak credit control and debt collection which lead to a decline in revenue;
- The increased of bulk electricity above the CPIx;
- Aging infrastructure for water, roads and electricity;
- High % of electricity and water losses due to illegal connections.
- Implementation of the Financial Recovery Plan (FRP) and funding plan is proceeding at a slower pace than anticipated

2.6. Overview of budget funding

2.6.1. Operating Revenue Framework

Description		2025/26 MTREF				2026/27 Medium Term Revenue & Expenditure Framework DRAFT PROPOSAL				
	R thousand	Pre-audit outcome	Budget Year 2025/26	YTA as per Mid term	Adjusted Amounts	FRP TARGETS : 2025/26 MTREF BUDGET R'000	FRP TARGETS Budget Year + 2026/27 4,2% plus 0.5%	Budget Year 2026/27 3.4% increase	Budget Year +1 2027/28 3.3% increase	Budget Year +2 2028/29 3.2% increase
Revenue										
Exchange Revenue										
Service charges -Electricity	116 523	134 690	88 262	176 524	133 995	158 121	191 988	116 522	198 323	
Service charges - Water	10 680	13 943	35 287	70 574	92 702	104 807	72 974	75 382	77 794	
Service charges - Waste Water Management	20 863	23 949	26 802	53 604	22 133	25 023	55 427	57 256	59 088	
Service charges - Waste Management	18 703	20 536	16 935	33 870	19 745	21 294	35 022	36 177	37 335	
Sale of Goods and Rendering of Services		1 107	418	836	-	-	864	893	922	
Agency services	7 496	2 500		8 099	7 500	7 500	8 375	8 651	8 928	
Interest	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables	73	1 000	1 461	25 875	25 875	26 962	26 755	27 638	28 522	
Interest earned from Current and Non- Current Assets	401	200	11	22	500	600	23	23	24	
Rent on Land		-	-	-	-	-	-	-	-	
Rental from Fixed Assets	409	4	16	32	964	1 928	33	34	35	
Licence and permits	2	6	-	-	-	4 000	-	-	-	
Special rating levies	-	-	-	-	-	-	-	-	-	
Operational Revenue	774	500	-	-	22 770	26 174	-	-	-	
Non-Exchange Revenue			—			-	-	-	-	
Property rates	88 630	92 750	80 650	161 300	92 750	98 363	166 784	172 288	177 801	
Surcharges and Taxes		-	-		-	-	-	-	-	
Fines, penalties and forfeits		3 000	6	12	200	400	12	13	13	
Licences or permits		2 500	1 109	2 218	3 000		2 293	2 369	2 445	
Transfer and subsidies - Operational	213 209	194 595	138 042	186 895	194 595	193 426	193 426	204 264	210 801	
Interest		-	-	-	-	-	-	-	-	
Operational Revenue	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	
Other Gains	22	396 830	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)	477 786	888 110	388 998	719 861	616 729	668 598	753 975	701 510	802 031	

Exchange Revenue: Service Charges

Service charges - Electricity: R191,988 million

- **Contribution: 25.46%**

Electricity charges are a crucial self-generated revenue stream, reflecting significant income from residents and businesses. This source of revenue will be reviewed pending the finalisation of the DAA.

Service charges - Water: R72,973 million

- **Contribution: 9.68%**

Water charges contribute a substantial portion, reflecting the cost recovery and revenue generation from providing essential water services.

Service charges - Waste Water Management: R55,427 million

- **Contribution: 7.35%**

This service charge is also a notable contributor.

Service charges - Waste Management: R35,022 million

- **Contribution: 4.65%**

Waste management services provide a steady revenue stream to the municipality.

Non-Exchange Revenue: Property Rates

Property rates: R166,784million

- **Contribution: 22.12%**

Property rates form the third largest pillar of revenue, providing a stable and significant income source derived from the municipal tax base. The implementation of the valuation roll and supplementary roll contributes to the positive performance in this regard.

Transfer and subsidies - Operational: R193,426million

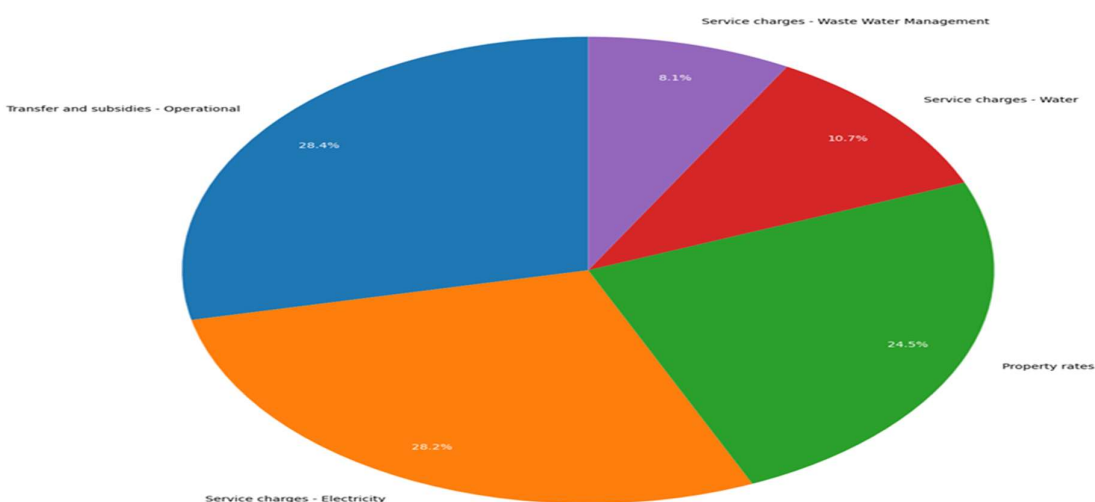
- **Contribution: 25.65%**

This line item is the largest single contributor, indicating the municipality's strong reliance on grants and subsidies from government to fund its operations.

Other Revenue (2.3%):

Other revenue sources, including sales of goods and services, agency services, interest earned, fines, and licenses, contribute a modest 2.3% to the municipality's total budget, totalling. These revenue streams provide a supplementary source of income supporting the municipality's operational expenditures.

Top 5 Revenue Contributors for 2026/27 Financial Year



Summary average collection rate 60%			
	Proposed	Collection %	Cashflow Amounts
Exchange Revenue			
Service charges - Electricity	191 987 502	0.7	115 192 501.44
Service charges - Water	73 185 238	0.6	43 911 142.80
Service charges - Waste Water Management	55 587 348	0.6	33 352 408.80
Service charges - Waste management	35 123 190	0.6	21 073 914.00
	355 883 278		213 529 967.04
Non-Exchange Revenue			
Property rates	167 268 100.00	0.7	117 087 670.00
Total budget	523 151 378.40		364 071 257.04

Through targeted interventions outlined in the funding plan, the municipality aims to enhance its revenue collection to an average rate of 60%. This projected improvement is expected to yield an anticipated revenue of R364 071 257 on service charges. Notably, each service charge has been assessed individually as their collection rates vary, ensuring a tailored approach to optimizing revenue collection.

2.6.2. Operating Expenditure Framework

NW384 Ditsobotla - Table A4 Budgeted Financial Performance (expenditure)

Description		2025/26 MTREF				2026/27 Medium Term Revenue & Expenditure Framework DRAFT PROPOSAL			
		Budget Year 2025/26	YTA as per Mid term	Adjusted Amounts	FRP TARGET S: 2025/26 MTREF BUDGET R'000	FRP TARGET S Budget Year + 2026/27 4,2% plus 0.5%	Budget Year 2026/27 3.4% increase	Budget Year +1 2027/28 3.3% increase	Budget Year +2 2028/29 3.2% increase
R thousand	Pre-audit outcome								
Expenditure									
Employee related costs	328 662	300 000	135 077	300 000	303 191	282 422	305 000	315 065	325 147
Remuneration of councillors	17 053	18 000	6 184	18 000	17 650	18 391	18 500	19 111	19 723
Bulk purchases - electricity	212 808	200 000	105 146	210 800	215 928	223 101	261 900	270 281	278 930
Inventory consumed	-	3 000	4	3 000	-	-	7 294	7 527	7 768
Debt impairment	-	53 000	-	53 000	145 009	122 282	130 000	162 000	167 184
Depreciation and amortisation	33 818	32 000	-	32 000	35 000	32 000	32 000	32 000	33 024
Interest	29 907	-	17 521	35 100	29 907	31 163	31 163	31 163	32 160
Contracted services	46 355	27 600	17 174	38 576	24 288	24 045	57 791	43 753	45 153
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	-	-	-	-	-	-	100 000	-	-
Operational costs	20 406	2 000	7 445	15 000	19 900	18 152	20 147	20 812	21 478
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	689 009	635 600	288 552	705 476	790 873	751 556	963 794	901 712	930 566

Employee related costs: 31.65%

This is the largest single expenditure, indicating that a significant portion of the municipal budget is allocated to salaries, wages, and other employee benefits.

Bulk purchases - electricity: 27.17%

As the second-largest expenditure, the cost of purchasing electricity in bulk highlights the substantial operational expense associated with providing electricity services to the community.

Debt impairment: 13.49%

This represents a considerable portion of the budget set aside for potential losses from uncollectible debts, reflecting challenges in revenue collection or proactive provisioning for bad debt.

Irrecoverable debts written off: 10.38%

This significant expenditure indicates actual losses from debts that have been deemed impossible to recover, directly impacting the municipality's financial health and highlighting collection issues.

Contracted services: 6.00%

This expenditure covers the costs of outsourcing various services, from maintenance (includes roads, refurbishment of halls, traffic and municipal offices) security services, which is a notable part of the operational budget.

Depreciation and amortisation: 3.32%

This accounts for the wear and tear or obsolescence of municipal assets over time, representing the non-cash expense of utilizing infrastructure and equipment.

Interest: 3.23%

This indicates the cost of servicing interest accrued due to non-payment to creditors.

Operational costs: 2.09%

This category covers various day-to-day running costs, essential for the general functioning and administration of the municipality.

Remuneration of councillors: 1.92%

This represents the costs associated with compensating councillors, a relatively small but necessary part of governance expenses.

Inventory consumed: 0.76%

This modest expense covers the cost of goods and materials used up in the daily operations of the municipality.

2.6.3.Key Considerations

The municipality generates its operational revenue through the provision of essential services, including water, electricity, sanitation, and solid waste removal. Additional revenue streams come from property rates, operating and capital grants from government institutions, and minor charges such as building plan fees, licenses, and permits.

However, it's worth noting that the municipality has been under a Financial Recovery Plan (rescue phase) for two and a half years, facing challenges in improving revenue collection.

Consequently, the Council has been approving unfunded budgets, and the municipality lacks reserves. This budget aims to reduce the deficit.

On a positive note, the municipality anticipates a 60% collection rate, which will help alleviate some financial pressures. To further address funding challenges, the municipality is participating in a debt relief scheme introduced by National Treasury, specifically designed for Eskom. To move forward, the municipality could focus on:

- **Improving Revenue Collection:** Enhancing revenue collection systems and implementing effective credit control and debt collection policies.
- **Budget Reprioritization:** Re-evaluating budget allocations to ensure alignment with critical service delivery needs and financial sustainability.
- **Reserve Building:** Reserve building is a key priority, with strategies to be implemented to build reserves, providing a vital financial safety net for future challenges. This initiative is anticipated to kick-start in the second quarter of the new financial year, following a review of revenue performance in the first quarter. By initiating reserve building, the municipality aims to gradually move away from approving unfunded budgets and towards achieving financial sustainability.

2.7. Expenditure on allocations and grant programmes

Description	Budget Year 25/26 (current) R	Adjustment Budget 25/26 R	MTREF		
			Budget Year 26/27 R	Budget Year 27/28 R	Budget Year 28/29 R
Equitable Share	184 896 000	177 196 000	189 842 000	192 153 000	201 702 000
FMG	3 000 000	3 000 000	2 600 000	2 600 000	2 700 000
EPWP	1 213 000	1 301 000	1 301 000	-	
Library	1 140 000	-			
Total Operating Grants	4 213 000	181 497 000	193 743 000	194 753 000	204 402 000
MIG	44 709 000	44 709 000	45 242 000	50 090 000	51 523 000
Total Capital Grants	44 709 000	44 709 000	45 242 000	50 090 000	51 523 000
Total Grants	48 922 000	226 206 000	238 985 000	244 843 000	255 925 000

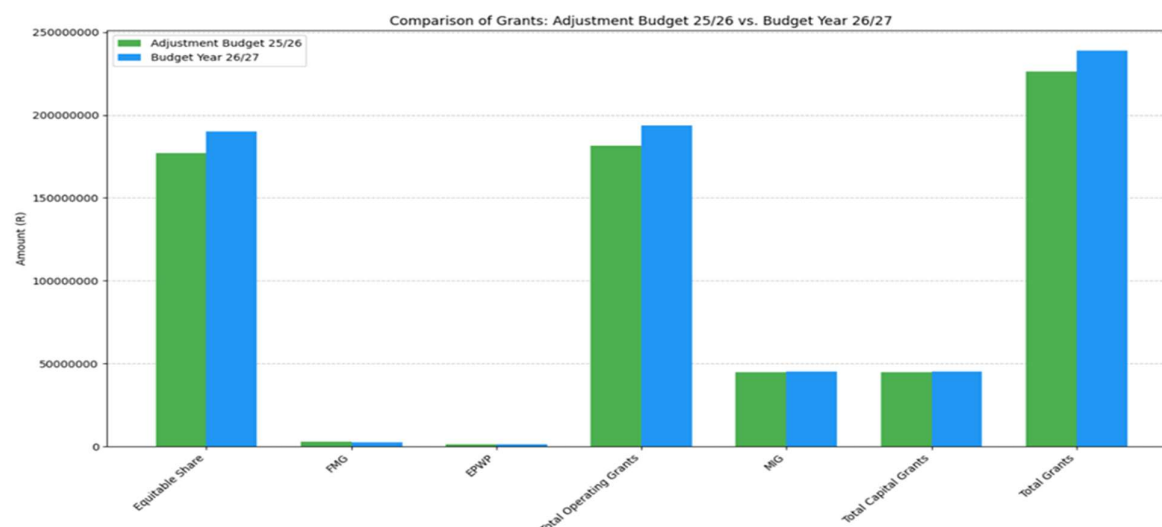
The municipality's reliance on grants is evident, as transfers and subsidies comprise 25% of its revenue budget. The table below outlines the capital and operational grants allocated to the municipality for the 2026/27 to 2028/29 financial years, as derived from the 2025 Division of Revenue Act (DORA). Total Grants are projected to increase by 5.65%, from R226.21 million to R238.99 million.

Operating Grants receipts

Total Operating Grants are set to increase by 6.75%, from R181.50 million to R193.74 million. The Equitable Share, a significant component, increase of 7.14%, moving from R177.20 million to R189.84 million. However, FMG funding is projected to decrease by 13.33%, from R3 million to R2.6 million. EPWP funding remains constant at R1.30 million.

Capital Grants:

- **Total Capital Grants** show a slight increase of **1.19%**, going from R44.71 million to R45.24 million. This is attributed entirely to the **MIG**.



Operating grant expenditure

The municipality's operating grant expenditure includes EPWP, which targets unemployment reduction by deploying contract workers across Ditsobotla wards to support service delivery. The FMG will help build capacity in the BTO by placing young graduates and supporting unit activities, in line with National Treasury's standard plan. The Equitable Share allocation will subsidise services for indigent households to ensure access to basic services despite affordability constraints.

NW384 Ditsobotla - Supporting Table SA19 Expenditure on transfers and grant programme									
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
EXPENDITURE									
National Government									
Monetary Allocations									
EPWP Incentive	1 102	1 102	1 102	-	-	-	-	-	-
Finance Management	-	-	-	3 000	3 000	3 000	2 600	2 600	2 700
Local Government Equitable Share	-	161 108	181 796	188 959	179 259	179 259	189 842	201 664	208 101
Municipal Infrastructure Grant	7 521	7 521	7 521	2 000	2 000	2 000	-	-	-
Total Monetary Allocations	8 623	169 731	190 419	193 959	184 259	184 259	192 442	204 264	210 801
Total Operating/National Government	8 623	169 731	190 419	193 959	184 259	184 259	192 442	204 264	210 801
National Departmental Agencies-Local Government, Water and Related Service SETA-									
Transferred to Revenue/Capital Expenditure	834 300	834 300	834 300	-	-	-	-	-	-
Other transfers/grants [insert description]									
Total Allocations In-kind	-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants	8 623	169 731	190 419	193 959	184 259	184 259	192 442	204 264	210 801
Total Monetary Allocations	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	1 467	1 467	1 467	1 301	-	-
Municipal Infrastructure Grant	49 832	49 832	(7 655)	42 709	42 709	42 709	45 242	50 090	51 523
Total Allocations In-kind	-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	8 623	169 731	190 419	193 959	184 259	184 259	192 442	204 264	210 801

2.8. Allocations and grants made by the municipality

The municipality does not make any allocations nor transfer grants to any organ of state.

2.9. Councillor and board member allowances and employee benefits

The employee related costs and remuneration for councillors will be increase by 3.7% and a 4% rise in employee benefits. This reflects anticipated inflationary pressures and standard annual reviews. Despite these planned increases, a key financial recovery plan objective is to significantly reduce overall employee costs to a target of R200 million.

Achieving this target is critical for enhancing the municipality's fiscal stability, particularly by addressing and mitigating current high expenditures associated with overtime and standby costs. This strategic reduction in employee-related outlays is expected to improve cost control and contribute positively to the municipality's long-term financial sustainability. Below is the table disclosing the allowances and benefits of councillors and employees;

NW384 Ditsobotla - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	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
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Allowances and Service Related Benefits									
Basic Salary	11 073	11 542	8 909	13 254	12 838	12 838	12 838	13 249	13 673
Cell phone Allowance	1 207	2 987	6 027	35	1 727	1 727	1 727	1 782	1 840
Housing Allowance	—	—	—	—	—	—	—	—	—
In-kind Benefits	—	—	—	—	—	—	—	—	—
Market Related Non-pensionable Allowance	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	2 123	2 726	1 977	—	3 186	3 186	3 186	3 288	3 394
Office-bearer Allowance	79	143	104	—	139	139	139	144	148
Out of pocket Expenses	—	—	—	—	—	—	—	—	—
Travelling Allowance	—	—	—	—	536	536	536	553	571
Use of Personal Facilities	—	—	—	—	—	—	—	—	—
Total Allowances and Service Related Benefits	14 482	17 397	17 017	13 288	18 427	18 427	18 427	19 017	19 625
Social Contributions									
Medial Aid Benefits	14	(3)	14	—	18	18	18	37	39
Pension Fund Contributions	161	49	22	4 712	55	55	55	57	58
Total Social Contributions	174	46	36	4 712	73	73	73	94	97
Total Councillors	14 657	17 443	17 053	18 000	18 500	18 500	18 500	19 111	19 723
% increase		19.0%	(2.2%)	5.6%	2.8%	—	—	3.3%	3.2%
Senior Managers of the Municipality									
Salaries and Allowances									
Basic Salary	5 723	5 573	1 331	8 600	4 719	4 719	4 417	4 562	4 708
Bonuses	351	431	—	—	—	—	—	—	—
Allowance									
Accommodation, Travel and Incidental	—	—	—	—	—	—	—	—	—
Cellular and Telephone	6	4	—	—	—	—	—	—	—
Housing Benefits	12	12	—	12	—	—	—	—	—
Non-pensionable	—	—	—	—	—	—	—	—	—
Travel or Motor Vehicle	442	446	18	126	—	—	—	—	—
Voluntary Work	—	—	—	—	—	—	—	—	—
Total Allowance	460	461	18	138	-	-	-	-	-
Service Related Benefits									
Acting	—	17	36	—	—	—	—	—	—
Total Service Related Benefits	-	17	36	-	-	-	-	-	-
Total Salaries and Allowances	6 533	6 483	1 386	8 738	4 719	4 719	4 417	4 562	4 708
Social Contributions									
Bargaining Council	47	51	84	—	23	23	18	19	19
Group Life Insurance	—	—	—	—	—	—	—	—	—
Medical	—	—	—	—	—	—	—	—	—
Pension	1 053	896	48	6 925	61	61	47	49	51
Unemployment Insurance	21	21	3	60	338	338	276	285	294
Total Social Contributions	1 121	968	136	6 985	422	422	341	352	364
Sub Total - Senior Managers of Municipality	7 654	7 451	1 522	15 723	5 141	5 141	4 758	4 915	5 072
% increase		(2.7%)	(79.6%)	933.3%	(67.3%)	-	(7.5%)	3.3%	3.2%
Other Municipal Staff									
Salaries and Allowances									
Basic Salary	210 348	181 190	178 078	230 000	224 190	224 190	188 520	194 741	200 973
Bonuses	6 386	6 748	10 991	—	11 076	11 076	12 704	13 123	13 543
Allowance									
Accommodation, Travel and Incidental	—	—	166	—	—	—	—	—	—
Cellular and Telephone	6	—	—	—	82	82	86	89	92
Housing Benefits	804	509	658	36	407	407	540	558	576
Non-pensionable	—	—	—	—	—	—	—	—	—
Travel or Motor Vehicle	7 296	7 546	7 623	756	5 214	5 214	6 958	7 187	7 417
Voluntary Work	—	—	—	—	—	—	—	—	—
Total Allowance	8 106	8 055	8 447	792	5 702	5 702	7 584	7 834	8 085
Service Related Benefits									
Acting	345	1 435	2 237	550	852	852	2 026	2 093	2 160
Bonus	6 860	7 724	3 909	10 250	7 275	7 275	5 675	5 862	6 050
Danger Allowance	—	—	—	—	—	—	—	—	—
Entertainment	—	—	(3)	—	113	113	(121)	(125)	(129)
Fire Brigade	—	—	—	—	—	—	—	—	—
In-kind Benefits	—	—	—	—	—	—	—	—	—
Leave Pay	289	2 963	(17 239)	—	17 350	17 350	13 690	14 142	14 594
Lifeguard/Duty Squads	—	—	—	—	—	—	—	—	—
Long Service Award	84	395	1 123	—	—	—	3 580	3 698	3 816
Overtime	2 038	22 771	43 608	—	8 214	8 214	11 794	12 183	12 573
Scarcity	—	—	—	—	—	—	—	—	—
Standby Allowance	—	8 211	8 178	150	2 187	2 187	3 645	3 765	3 886
Tools Allowance	—	—	—	—	—	—	—	—	—
Uniform/Special/Protective Clothing	—	—	—	—	—	—	—	—	—
Leave gratuity	—	—	—	—	—	—	—	—	—
Long Term Service Award	—	—	—	—	—	—	—	—	—
Total Service Related Benefits	9 616	43 500	41 814	10 950	35 992	35 992	40 288	41 618	42 950
Total Salaries and Allowances	234 456	239 493	239 330	241 742	276 961	276 961	249 097	257 317	265 551
Social Contributions									
Bargaining Council	49	50	17	—	71	71	84	87	90
Group Life Insurance	139	397	485	—	281	281	393	406	419
Medical	11 041	11 875	192	795	9 571	9 571	11 744	12 132	12 520
Pension	30 192	31 722	33 007	41 550	7 022	7 022	37 679	38 922	40 168
Unemployment Insurance	1 539	1 535	1 459	190	953	953	1 245	1 286	1 327
Total Social Contributions	42 961	45 579	35 159	42 535	17 898	17 898	51 145	52 833	54 524
Post-retirement Benefit									
Medical	—	8 014	12 327	—	—	—	—	—	—
Other Benefits	—	—	—	—	—	—	—	—	—
Pension	—	—	—	—	—	—	—	—	—
Total Post-retirement Benefit	-	8 014	12 327	-	-	-	-	-	-
Costs Capitalised to PPE	—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff	277 417	293 086	286 816	284 277	294 859	294 859	300 242	310 150	320 074
% increase		5.6%	(2.1%)	(0.9%)	3.7%	—	1.8%	3.3%	3.2%
Total Parent Municipality	299 728	317 981	305 391	318 000	318 500	318 500	323 500	334 176	344 870

2.10. Monthly targets for revenue, expenditure and cashflow

NW384 Ditsobotla - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue															
Exchange Revenue															
Service charges - Electricity	15 999	15 999	15 999	15 999	15 999	15 999	15 999	15 999	15 999	15 999	15 999	15 999	191 988	116 522	198 323
Service charges - Water	6 081	6 081	6 081	6 081	6 081	6 081	6 081	6 081	6 081	6 081	6 081	6 081	72 974	75 382	77 794
Service charges - Waste Water Management	4 619	4 619	4 619	4 619	4 619	4 619	4 619	4 619	4 619	4 619	4 619	4 619	55 427	57 256	59 088
Service charges - Waste Management	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	35 022	36 177	37 335
Sale of Goods and Rendering of Services	72	72	72	72	72	72	72	72	72	72	72	72	864	893	922
Agency services	698	698	698	698	698	698	698	698	698	698	698	698	8 375	8 651	8 928
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	26 755	27 638	28 522
Interest earned from Current and Non Current Assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rent on Land	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets	3	3	3	3	3	3	3	3	3	3	3	3	33	34	35
Licence and permits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Special rating levies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Construction Contract Revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Development Charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-Exchange Revenue															
Property rates	13 899	13 899	13 899	13 899	13 899	13 899	13 899	13 899	13 899	13 899	13 899	13 899	166 784	172 288	177 801
Surcharges and Taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	1	1	1	1	1	1	1	1	1	1	1	1	12	13	13
Licences or permits	191	191	191	191	191	191	191	191	191	191	191	191	2 293	2 369	2 445
Transfer and subsidies - Operational	16 119	16 119	16 119	16 119	16 119	16 119	16 119	16 119	16 119	16 119	16 119	16 119	193 426	204 264	210 801
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fuel Levy	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Fixed and Intangible Assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Gains	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contri	62 829	62 829	62 829	62 829	62 829	62 829	62 829	62 829	62 829	62 829	62 829	62 829	753 953	701 487	802 008
Expenditure															
Employee related costs	25 417	25 417	25 417	25 417	25 417	25 417	25 417	25 417	25 417	25 417	25 417	25 417	305 000	315 065	325 147
Remuneration of councillors	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	18 500	19 111	19 723
Bulk purchases - electricity	21 825	21 825	21 825	21 825	21 825	21 825	21 825	21 825	21 825	21 825	21 825	21 825	261 900	270 281	278 930
Inventory consumed	608	608	608	608	608	608	608	608	608	608	608	608	7 294	7 531	7 773
Debt impairment	10 833	10 833	10 833	10 833	10 833	10 833	10 833	10 833	10 833	10 833	10 833	10 833	130 000	162 000	167 000
Depreciation, amortisation and impairment	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	32 000	32 000	33 024
Interest, Dividends and Rent on Land	2 597	2 597	2 597	2 597	2 597	2 597	2 597	2 597	2 597	2 597	2 597	2 597	31 163	31 163	32 160
Contracted services	4 816	4 816	4 816	4 816	4 816	4 816	4 816	4 816	4 816	4 816	4 816	4 816	57 791	43 753	45 153
Transfers and subsidies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Irrecoverable debts written off	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	100 000	—	—
Operational costs	1 679	1 679	1 679	1 679	1 679	1 679	1 679	1 679	1 679	1 679	1 679	1 679	20 147	20 812	21 478
Disposal of Fixed and Intangible Assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Losses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure	80 316	80 316	80 316	80 316	80 316	80 316	80 316	80 316	80 316	80 316	80 316	80 316	963 795	901 716	930 387
Surplus/(Deficit)	(17 487)	(17 487)	(17 487)	(17 487)	(17 487)	(17 487)	(17 487)	(17 487)	(17 487)	(17 487)	(17 487)	(17 487)	(209 842)	(200 229)	(128 379)
Transfers and subsidies - capital (monetary)	3 770	3 770	3 770	3 770	3 770	3 770	3 770	3 770	3 770	3 770	3 770	3 770	45 242	50 090	51 523
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers &	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(164 600)	(150 139)	(76 856)
Income Tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(164 600)	(150 139)	(76 856)
Share of Surplus/Deficit attributable to Joint Venture	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(164 600)	(150 139)	(76 856)
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(13 717)	(164 600)	(150 139)	(76 856)

For the 2026/27 budget year, Ditsobotla Municipality total operating revenue of R753.95 million against total expenditure of R963.80 million, resulting in an operating deficit of R209.84 million. Key revenue drivers are electricity service charges R191.99m, property rates R166.78m, and operational transfers and subsidies R193.43m. Major expenditure items include employee related costs R305.00m, bulk electricity purchases R261.90m, debt impairment R130.00m, and irrecoverable debts written off R100.00m. After accounting for capital transfers of R45.24m, the deficit reduces to R164.60m for 2026/27. The MTREF shows deficits improving to R150.14m in 2027/28 and R76.86m in 2028/29, as revenue grows to R802.01m while expenditure reaches R930.39m. Monthly revenue and expenditure are budgeted evenly at R62.83m and R80.32m respectively.

2.11. Annual budgets and service delivery and implementation internal departments

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

- a) Monthly projections of
 - Revenue to be collected, and
 - Operational and capital expenditure.
- b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Mayor is required to approve the SDBIP within 28 days after the final approval of the budget. Furthermore, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, the Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2026/27 financial year will be approved by the Mayor, following the approval of the budget, on or before end May 2026.

2.12. Annual budgets and service agreements -municipal entities and other external mechanism

Not applicable to Ditsobotla Local Municipality

2.13. Contracts having future budgetary implications

The municipality has budgeted for contractual services, including security, financial systems, and electricity vendors. However, it is noteworthy that none of these services have contracts exceeding three years in duration, and some have yet to be formalized with the municipality. As a result, these contracts do not meet the criteria for having significant budgetary implications for future years.

2.14. Capital expenditure details (MIG FUNDED)

The municipality has approved a capital budget totalling R60,799,000. This budget is primarily funded through a combination of R15,537,000 from its own revenue sources and a substantial R42,242,000 derived from grant funding.

The allocation from own-revenue, specifically the R15 million portion, is earmarked for critical investments in infrastructure and operational capacity. These funds are designated for the procurement of essential machinery, equipment, vehicles, and various tools of trade, which are vital for enhancing service delivery and maintaining municipal operations. The table below outlines the MIG funded projects:

NO	PROJECT DESCRIPTION	APPOINTED AMT.	2026/2027	2027/2028	2028/2029
1	Upgrading of Boikhutso Stormwater Network	19 780 163.65	10 000 000.00	5 000 000.00	
2	Boikhutso Roads Network Phase 2 (Ward 3)	40 343 397.55	5 479 900.00	14 520 100.00	10 000 000.00
	Blydeville Roads and Stormwater	18 798 089.75	7 000 000.00	3 000 000.00	
3	Construction of Community Hall in Itsekeng	18 274 246.00	9 000 000.00		
6	Sheila Community Hall			3 000 000.00	5 500 000.00
7	Rehabilitation & Upgrade of Lichtenburg Landfill Site		1 000 000.00	6 500 000.00	5 000 000.00
9	Construction of Internal Roads: Verdwaal			3 000 000.00	10 000 000.00
10	Construction of Matile Community Hall			3 000 000.00	10 000 000.00
11	Fencing of Verdwaal 2 Cemetery			3 000 000.00	
12	Construction of Internal Roads: Tlhabologang Ext 8				3 000 000.00
13	Construction of Blydeville Hall		1 500 000.00	5 000 000.00	5 000 000.00
14	Waste Management Fleet		3 000 000.00	3 988 900.00	3 023 000.00
15	Fencing of Syferfontein Cemetery		3 000 000.00		
16	Fencing of Bodibe Cemetery		3 000 000.00		
15	Admin (5%)		2 262 100.00	2 500 450.00	2 576 150.00
	MIG ALLOCATION		45 242 000.00	50 009 000.00	51 523 000.00
	Remaining				
	DORA ALLOCATION		45 242 000.00	50 009 000.00	51 523 000.00
	New projects				
	Current Projects				

2.15. Legislation compliance status

This budget has been compiled based on various MFMA Circulars such as the recent, Circular 132 and 133 issued by National treasury in December 2025 and March 2026 respectively.

The Annual Budget will also take into consideration the inputs made by Provincial Treasury through Municipal Budget and benchmarking engagements. The key objective is to assist the municipalities to table a funded budget as the directive from National Treasury over a certain period.

The MTREF for 2026/27 to 2028/29 was compiled in accordance with the requirements of the relevant legislation, of which the following are the most important

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- The Municipal Structures Act, Act 117 of 1998;
- The Municipal Systems Act, Act 32 of 2000;

- The Municipal Finance Management Act, Act 56 of 2003;
- The Municipal Budget and Reporting Regulations promulgated on 17 April 2009; and
- The 2025 Division of Revenue Bill.

Budget Principle and Guidelines

The following budget principles and guidelines directly informed the compilation of the 2026/27MTREF:

- The declining Collection Rate, as previously alluded to.
- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to improve the municipality's revenue base.
- Implementation of Financial Recovery Plan and Municipal Funding Plan.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- It is also a requirement that new projects in the budgeting process, must be accompanied by a Business Plan, Cash Flows, and a Procurement Plan.

In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 MFMA reporting to the Treasuries (within 10 working days) has progressively improved.

National Intervention: Section 139(7)

The municipality was placed under national intervention effective 1 September 2025 for a two-year period due to persistent financial and service delivery failures. A Financial Recovery Plan is being implemented to restore fiscal stability, with the core objective of achieving a funded budget that aligns expenditure with realistically collectable revenue. Key measures include enforcing cost containment, improving revenue collection, reducing the deficit, and ensuring compliance with the MFMA to rebuild financial credibility and sustainable service delivery.

Audit Committee

Audit Committee period has lapsed. New members must be elected.

Internal Audit Function

The Municipality has an Internal Audit unit reporting to the Acting Municipal Manager.

2.16. Other supporting documents

The following documents are supporting this budget document;

- ✓ Financial Recovery Plan
- ✓ Draft Funding Plan
- ✓ Draft Procurement Plan
- ✓ Draft Tariff listing
- ✓ Draft IDP
- ✓ A-Schedule

2.17. Annual budgets of municipal entities attached to the municipalities annual budget

Not applicable to Ditsobotla Local Municipality



Ditsobotla

Plaaslike Munisipaliteit Local Municipality

☎ 018-633 3800 – 633 3999
Faks/Fax: 018-632 5247

✉ 7
Burgersentrum/Civic Centre
Dr Nelson Mandela Rylaan/Drive
Lichtenburg 2740

Quality Certificate

I..... Municipal Manager of **Ditsobotla Local Municipality**, hereby certify that the draft Medium-Term Revenue and Expenditure Framework (MTREF 2026/27 to 2028/29) and supporting documentation has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, No. 56 Of 2003, and the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Signature: **Mr. Olatse Bojosinyane**

Municipal Manager of **Ditsobotla Local Municipality NW384**

Signature:

Date: