



THE MBELI HLE

**LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
U-MASIPALA WASEKUHLENI**

ADJUSTMENT BUDGET 2025/2026



Contents

GLOSSARY	3
PURPOSE OF REPORT	5
EXECUTIVE SUMMARY	6
MAYOR’S BUDGET SPEECH	8
RESOLUTION(S)	12
OVERVEIW OF BUDGET AND BUDGET ASSUMPTIONS	103
QUALITY CERTIFICATE	114
RECOMMENDATIONS	Error! Bookmark not defined. 5
ANNUAL BUDGET TABLES	126
<i>Budget Summary (Table B1)</i>	<i>126</i>
<i>Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table B2) ..</i>	<i>137</i>
<i>Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table B3)</i>	<i>18</i>
<i>Table B4 Adjustments Budget Financial Performance (revenue and expenditure)</i>	<i>19</i>
<i>Budgeted Capital Expenditure by vote, standard classification and funding (Table B5)</i>	<i>160</i>
<i>Budgeted Financial Position (Table B6)</i>	<i>21</i>
<i>Budgeted Cash Flows (Table B7)</i>	<i>22</i>
<i>Cash backed reserves/accumulated surplus reconciliation (Table B8)</i>	<i>23</i>
<i>Asset Management (Table B9)</i>	<i>24</i>
<i>Basic service delivery measurement (Table B10)</i>	<i>27</i>

GLOSSARY

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

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 traffic policy, rated policy and credit control and debt policy.

Budget Steering Committee – 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 will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CPI – Headline Consumer Price Index

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 to assist municipalities with the costs of free basic services.

MIG – Municipal Infrastructure Grant

INEP – Integrated National Electrification Programme (Municipal) Grant

EPWP – Extended Public Works Programme Grant

FMG – Local Government Finance Management Grant

CDFI – Gross Domestic Fixed Investment

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.

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 sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level thereof. It effectively represents a municipality's medium term financial plan.

MYPD – Multi Year Price Determination

NT – National Treasury

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Portfolio Committee – Section 79 of the Structures Act dictates that a municipal council may (a) establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and (b) appoint the members of such a committee from among its members. 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. This oversight function is further enhanced by the Portfolio Committee's responsibility of assessing and monitoring the performance of service delivery which inter alia includes ensuring that the annual budgets of the municipality's departments are spent wisely and that there is no wastage or corruption.

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

TMA – Total Municipal Account

SCM – Supply Chain Management

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.

Vote – One of the main segments into which a budget is divided, usually at directorate level

PURPOSE OF REPORT

To seek approval from the Council on the adjustments proposed to the 2025/2026 Original Operational and Capital Budget.

To set out the options available to Thembelihle Local Municipality to fund the adjusted operational budget and to improve the municipality's cash flow position.

LEGISLATIVE BACKGROUND

Section 28 of the Municipal Finance Management Act, 2003 (MFMA) allows a municipality to revise its approved annual budget through an adjustments budget.

An adjustments budget –

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the current year.
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programme's already budgeted for.
- May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- May authorize the utilization of projected savings in one vote towards spending under another vote.
- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs where the annual budget for the current year was approved by the council.
- May correct any errors in the annual budget; and
- May provide for any other expenditure within a prescribed framework.

Only the Mayor may table an adjustments budget in the municipal council. When an adjustments budget is so tabled it must be accompanied by –

- An explanation of how the adjustments budget affects the annual budget;
- A motivation of any material changes to the annual budget;
- An explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years;
- Any other supporting documentation that may be prescribed.

EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the municipal budget and adjustment budget remains an essential and critical element to ensure that the municipality continues to be financially viable and that municipal services are provided sustainably, economically and equitably to all communities within the municipality.

Full budgetary compliance in all aspects of the regulations and GRAP will take time, as systems, and especially obtaining statistical information needs to be adapted, but this budget to a large degree complies with all necessary requirements. A key consideration for the compilation of the adjustments budget was long term financial sustainability and ensuring continued service delivery and improved service delivery.

Below is a synopsis of the main challenges that were experienced during the compilation of the 2025/2026 Adjustment Budget:

- The on-going growing of debt book of the municipality;
- Aging, inadequate and limited resources for maintenance of water, sanitation, roads and electricity infrastructure;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable; and
- The cash flow constraints currently faced by the municipality.

Based on the outcomes of the mid-term budget assessment, it has become evident that the approved operational budget for the 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF) requires revision.

The adjustment is necessitated by several factors, including:

- Increases and decreases in operational funding.
- Increases and decreases in operational expenditure.
- Correction of identified budget errors.

These revisions are essential to ensure that the budget remains aligned with current financial realities and operational requirements.

The 2025/2026 proposed adjustment reflects a downward revision due to a decrease in anticipated revenue. The mid-year budgeted revenue to date has declined from **R58 550 million to R54 087 million**.

As a result, total revenue for the year has been adjusted downwards from **R117,099,750.00 to R108,778,554**.

Expenditure has slightly increase from R133,279,703.00 to R 136,528,791.00, primarily due to certain line items having been adjusted upwards.

The 2025/2026 budget has been assessed as unfunded, as the Municipality's planned commitments exceeded the projected revenue for the financial year.

The Municipality is experiencing cash flow constraints, resulting in creditors and third parties being paid later than the required 30-day period. This has led to the incurrence of significant interest charges.

The geographical demarcation of the Municipality presents additional challenges in revenue collection, as many consumers struggle to afford payment for services. Furthermore, the Municipality's ageing infrastructure contributes to operational inefficiencies, including difficulties in accurate meter reading and high distribution losses.

The Municipality has been approved by National treasury for grant in -kind for the implementation of electricity and water smart meters; this initiative is expected to enhance revenue management and significantly improve revenue collection going forward. The grant in kind total proposed allocation of R54 679 696.43 and will be implemented in two phases.

The adjustment budget highlighted the following adjustments:

Revenue Items

- Decrease Service charges – Electricity revenue from R 25 million to R21 million.
- Increase Service charges – Water revenue from R 6.3 million to R6.5 million.
- Increase Service charges – Wastewater revenue from R 4.2 million to R4.4 million.
- Decrease Interest earned – Outstanding debtors from R12.7 million to R10 million.
- Decrease Interest – from R 2.3 million to R2.2 million.

Expenditure items

- Increase remuneration of councilors from R4.3 million to R6.5 million.
- Increase Operational revenue from R3.4 million to R4 million
- Increase contracted services from 11.6million to R11.7million

The Capital budget remained the same of R16 mil and will be spend in total before the end of June 2026.

Section 18 of the MFMA requires that the budget must be funded from realistically anticipated revenues to be collected; cash-backed accumulated funds from previous years' surplus not committed and borrowed funds but only for capital projects.

For the municipality to continue improving the quality of services provided to its communities, the municipality needs to generate the required revenue. Strong revenue management and stringent cost-cutting measures are fundamental to the financial sustainability of every municipality. The reality is that the municipality is faced with development backlogs, growing debt book, over commitments in terms of expenditure and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices had to be made in reducing some line items and balancing expenditures against realistically anticipated revenues.

MAYOR'S BUDGET SPEECH

Councillors,
Compatriots and friends,
Municipal Manager, CFO, the management team and all officials of the municipality
Ladies and Gentlemen,

As the Mayor of Thembelihle Local Municipality, it gives me great pleasure to present to you the Adjustment budget that will be our municipality's financial Plan and guiding document for the second half of the financial year of 2025/26. In terms of Section 72(1), (2) and (3) of the Municipal Finance Management Act No.56, 2003 Chapter 8, the mid-year budget and performance assessment report for the period ended 31 December 2025 was submitted to Council and an Adjustment Budget is hereby tabled before Council for consideration and adoption.

We have now reached the mid-point of the 2025/2026 Financial Year and it is time to reflect on the first six months of the financial year. The municipality commenced the 2025/2026 financial year with a with a positive bank balance of R0,219 mil and a very demanding task ahead. As daunting as it is, it is the responsibility of council and administration that we remain motivated to turn-around the cash-flow of the municipality. In order to do so, council and the executive management must ensure strict budget control but at the same time continue improving the quality and quantity of services we deliver towards the people of Thembelihle.

The first semester of the financial year is very critical as its outcomes are indicative of how the budget will materialize at year end. Whilst this is the case, budget implementation plans, procurement plans and execution also take place in the first to second quarter of the financial year. It is also during the same period when seasonal fluctuations in supply and demand takes place, thus in a way distorting the full year forecasting using the results of this period.

There are various economic factors that impact on the budget which are mainly external. These range from impact of inflation and rising interest rates on household's income, level of indigency of households, demand and affordability of municipal services, costs of providing the service and labor market related matters.

With all these economic factors, the expectations of our communities remain high and unchanged;

- A higher level of service
- Increased access to municipal basic services
- Higher demand for housing and a need to create integrated and productive living environments

The municipality is mainly dependent on farming activities in and around the municipal area and the ever increasing number of unemployment remains a daunting challenge.

The municipality, led by council, will strive to implement a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, we will implement various customer care initiatives and develop incentives to encourage debtors owing more than 90 days to ensure collection of the revenue due to the municipality.

Thembelihle Local Municipality, as with the rest of South Africa, is concerned by the request from Eskom for an increase in electricity tariffs which will directly result higher municipal bills from Eskom. Electricity remains the most accessible, cheaper and safer form of energy for both commercial and residential customers.

At mid-term, after assessing the budget performance, it became apparent that the full year revenue forecast varies from the original estimate, and based on the average collection rate, the operational expenditure and cash flow position needed to be reviewed. It is always a debatable matter, adjusting operational expenditure to the projected cash flows. We must then strive to ensure that what we spend is matched with the ability to collect from billed and other revenue sources, to remain liquid and a going concern.

Ladies and gentlemen, councilors and officials, allow me to emphasize the collection rate separately to ensure that the implications thereof are thoroughly understood. Without money, we cannot pay. Billing is merely an indication of demand for services and services consumed and is not translated into cash immediately. The declining economic conditions, rising interest rates, rising inflation all have direct impact on customers' ability to pay for their services. More and more customers are unable to pay their accounts by the due date, thus impacting on the number of debtors' days taken.

In terms of section 28 of MFMA and all other relevant sections and National Treasury Circulars and guidelines, the Adjustment Budget for 2025/2026 is hereby tabled for consideration and approval.

I would like to express my sincere gratitude to the Council, the Municipal Manager and her team for their continued support and hard work.

Cllr M. VISSER
Mayor
Thembelihle Local Municipality

OVERVIEW OF BUDGET AND BUDGET ASSUMPTIONS

Adjustment budget overview

Due to various indicators as per the special adjustment assessment results, it became clear that the approved operational budget for the 2025/26 needs revision. Some of the reasons included the following;

- Lower than projected revenue from service charges
- Increase in interest from outstanding debtors as a result of lower than estimated collection rate, as well as increase in prime rate
- Increase in Remuneration of Council
- Increase in Operational expenses

Increasing or reducing budgets as a result of demand management process which revealed change in estimated costs or as a result of final project designs

Although a tremendous and significant portion of our communities are impoverished and are thus unable to pay, there are still those who are in a position to, at least, pay the bare minimum but decides to not do so. Increases in price of electricity and somehow water, did not lead to reduction in the quantity demanded of electricity and water, meaning that the demand of electricity and water is relatively inelastic, the risk posed by this position is that considering that the price of these commodities grew at a rate higher than inflation (CPI) which is a benchmark for salary demands, eventually more and more consumers may start experiencing difficulty in making payment for these services leading to increase in both value and number of debtors.

Impact of adjustment budget and service delivery

In terms of the indigent policy, the municipality provides 50kWh of free electricity units per month to registered and approved indigent households, as well as 6kl of water per month, and a full subsidization of costs of sanitation and refuse removal as per the approved household tariffs for the services. However, it has been identified that a lack of system to manage indigent customers limits the monitoring of thereof.

Financial Sustainability

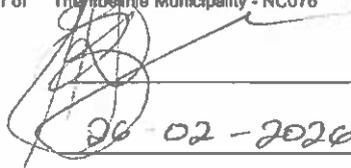
The most critical financial sustainability measurement is the consideration of the effective use of operating revenue, monitoring expenditure growth against ability to raise and collect revenue and cash availability to settle creditors, with a minimum cash available to cover a three months' projections, which also includes capital expenditure.

Quality certificate

I Kealeboga Gaborone, Municipal manager of Thembelihle Municipality - NC076, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print Name Kealeboga Gaborone

Municipal manager of Thembelihle Municipality - NC076

Signature 

Date 26-02-2026

Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table B2)

NC076 Thembehlhe - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1,4	A	5	6	7	8	9	10	11	12		
		A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		68,608	68,608	-	-	-	-	(2,804)	(2,804)	65,804	69,752	72,542
Executive and council		37,640	37,640	-	-	-	-	(3,784)	(3,784)	33,855	35,887	37,322
Finance and administration		30,968	30,968	-	-	-	-	980	980	31,949	33,866	35,220
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,230	1,230	-	-	-	-	-	-	1,230	1,304	1,356
Community and social services		1,230	1,230	-	-	-	-	-	-	1,230	1,304	1,356
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	0
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		15,484	15,484	-	-	-	-	-	-	15,484	16,413	17,070
Planning and development		15,472	15,472	-	-	-	-	-	-	15,472	16,400	17,056
Road transport		12	12	-	-	-	-	-	-	12	13	13
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		47,636	47,636	-	-	-	-	49,686	49,686	97,322	45,201	47,009
Energy sources		32,273	32,273	-	-	-	-	52,432	52,432	84,705	31,826	33,059
Water management		4,221	4,221	-	-	-	-	(1,688)	(1,688)	2,533	2,685	2,792
Waste water management		5,640	5,640	-	-	-	-	(790)	(790)	4,849	5,140	5,346
Waste management		5,502	5,502	-	-	-	-	(267)	(267)	5,235	5,549	5,771
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	132,958	132,958	-	-	-	-	46,882	46,882	179,840	132,670	137,977
Expenditure - Functional												
<i>Governance and administration</i>		61,014	61,014	-	-	-	-	3,513	3,513	64,527	67,765	70,088
Executive and council		9,007	9,007	-	-	-	-	2,576	2,576	11,583	12,278	12,769
Finance and administration		52,008	52,008	-	-	-	-	937	937	52,944	55,508	57,319
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2,637	2,637	-	-	-	-	-	-	2,637	2,795	2,907
Community and social services		2,637	2,637	-	-	-	-	-	-	2,637	2,795	2,907
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	0
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		16,724	16,724	-	-	-	-	(2,863)	(2,863)	13,860	14,692	15,280
Planning and development		12,915	12,915	-	-	-	-	(2,914)	(2,914)	10,001	10,601	11,026
Road transport		3,809	3,809	-	-	-	-	51	51	3,859	4,091	4,254
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		52,905	52,905	-	-	-	-	2,600	2,600	55,504	58,835	61,188
Energy sources		34,848	34,848	-	-	-	-	(6,286)	(6,286)	28,562	30,276	31,487
Water management		11,980	11,980	-	-	-	-	4,811	4,811	16,792	17,799	18,511
Waste water management		2,359	2,359	-	-	-	-	3,290	3,290	5,648	5,987	6,227
Waste management		3,718	3,718	-	-	-	-	785	785	4,502	4,773	4,963
Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	133,280	133,280	-	-	-	-	3,249	3,249	136,529	144,107	149,463
Surplus (Deficit) for the year		(322)	(322)	-	-	-	-	43,633	43,633	43,311	(11,437)	(11,486)

Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table B3)

NC076 Thembehlhe - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description (Insert departmental structure etc)	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - Chief Financial Officer		-	22,021	-	-	-	-	(322)	(322)	21,698	23,000	23,920
Vote 2 - Community Services		-	8,337	-	-	-	-	(544)	(544)	7,792	8,260	8,580
Vote 3 - Corporate Services		-	571	-	-	-	-	(8)	(8)	563	596	620
Vote 4 - Corporate Services and administration		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Executive Council		37,640	38,960	-	-	-	-	(41,424)	(41,424)	(2,464)	37,286	38,778
Vote 6 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	0
Vote 7 - Office of Financial Management		4,781	-	-	-	-	-	(4,781)	(4,781)	-	-	0
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-	0
Vote 9 - Technical Services		-	63,071	-	-	-	-	51,541	51,541	114,612	63,528	66,069
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	42,421	132,958	-	-	-	-	4,461	4,461	142,200	132,670	137,977
Expenditure by Vote	1											
Vote 1 - Chief Financial Officer		-	38,712	-	-	-	-	(302)	(302)	38,411	40,102	41,297
Vote 2 - Community Services		-	12,202	-	-	-	-	1,964	1,964	14,166	15,016	15,617
Vote 3 - Corporate Services		-	11,828	-	-	-	-	638	638	12,466	13,214	13,743
Vote 4 - Corporate Services and administration		-	-	-	-	-	-	-	-	-	-	0
Vote 5 - Executive Council		9,007	6,135	-	-	-	-	2,191	2,191	8,326	8,826	9,179
Vote 6 - Municipal Manager		-	2,802	-	-	-	-	420	420	3,221	3,415	3,561
Vote 7 - Office of Financial Management		26,383	-	-	-	-	-	(26,383)	(26,383)	-	-	0
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-	0
Vote 9 - Technical Services		-	61,601	-	-	-	-	(1,663)	(1,663)	59,938	63,534	66,076
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	35,390	133,280	-	-	-	-	(23,134)	(23,134)	136,529	144,107	149,463
Surplus/(Deficit) for the year	2	7,031	(322)	-	-	-	-	27,595	27,595	5,672	(11,437)	(11,486)

Table B4 Adjustments Budget Financial Performance (revenue and expenditure)

NC076 Thembehlhe - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	25,343	25,343	-	-	-	-	(4,000)	(4,000)	21,343	22,623	23,528
Service charges - Water	2	6,311	6,311	-	-	-	-	189	189	6,500	6,890	7,186
Service charges - Waste Water Management	2	4,208	4,208	-	-	-	-	249	249	4,457	4,725	4,914
Service charges - Waste Management	2	3,302	3,302	-	-	-	-	(802)	(802)	2,500	2,650	2,756
Sale of Goods and Rendering of Services		274	274	-	-	-	-	(137)	(137)	137	145	151
Agency services		-	-	-	-	-	-	-	-	-	-	0
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		12,727	12,727	-	-	-	-	(2,727)	(2,727)	10,000	10,600	11,024
Interest earned from Current and Non-Current Assets		392	392	-	-	-	-	(292)	(292)	100	106	110
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		312	312	-	-	-	-	(312)	(312)	-	-	0
Rental from Fixed Assets		699	699	-	-	-	-	-	-	699	741	771
Special rate levies		-	-	-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		2,281	2,281	-	-	-	-	(0)	(0)	2,281	2,418	2,515
Non-Exchange Revenue												
Property rates	2	10,021	10,021	-	-	-	-	-	-	10,021	10,622	11,047
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		65	65	-	-	-	-	35	35	100	106	110
Licences or permits		456	456	-	-	-	-	-	-	456	483	503
Transfer and subsidies - Operational		43,772	43,772	-	-	-	-	(524)	(524)	43,248	45,843	47,677
Interest		1,936	1,936	-	-	-	-	-	-	1,936	2,052	2,134
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	0
Gains on disposal of Assets		5,000	5,000	-	-	-	-	-	-	5,000	5,300	5,512
Other Gains		-	-	-	-	-	-	-	-	-	-	0
Discontinued Operations												
Total Revenue (excluding capital transfers and contributions)		117,100	117,100	-	-	-	-	(8,321)	(8,321)	108,779	115,305	119,918
Expenditure By Type												
Employee related costs		45,983	45,983	-	-	-	-	-	-	45,983	49,742	50,692
Remuneration of councillors		4,326	4,326	-	-	-	-	2,246	2,246	6,571	6,966	7,244
Bulk purchases - electricity		21,151	21,151	-	-	-	-	-	-	21,151	22,420	23,317
Inventory consumed		4,535	4,535	-	-	-	-	58	58	4,593	4,869	5,064
Debt impairment		-	-	-	-	-	-	7,624	7,624	7,624	7,624	7,624
Depreciation and amortisation		11,220	11,220	-	-	-	-	-	-	11,220	11,893	12,369
Interest		10,660	10,660	-	-	-	-	-	-	10,660	11,299	11,751
Contracted services		11,603	11,603	-	-	-	-	121	121	11,724	12,427	12,925
Transfers and subsidies		-	-	-	-	-	-	100	100	100	106	110
Irrecoverable debts written off		10,224	10,224	-	-	-	-	(7,624)	(7,624)	2,600	2,600	2,600
Operational costs		13,579	13,579	-	-	-	-	724	724	14,303	15,161	15,768
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		133,280	133,280	-	-	-	-	3,249	3,249	136,529	144,107	149,463
Surplus/(Deficit)												
Surplus/(Deficit)		(16,180)	(16,180)	-	-	-	-	(11,070)	(11,570)	(27,750)	(28,802)	(29,545)
Transfers and subsidies - capital (monetary allocations)		15,858	15,858	-	-	-	-	524	524	16,382	17,365	18,000
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	54,680	54,680	54,680	-	0
Surplus/(Deficit) before taxation		(322)	(322)	-	-	-	-	43,833	43,833	43,311	(11,437)	(11,486)
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(322)	(322)	-	-	-	-	43,833	43,833	43,311	(11,437)	(11,486)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(322)	(322)	-	-	-	-	43,833	43,833	43,311	(11,437)	(11,486)
Share of Surplus/Deficit attributable to Associates		-	-	-	-	-	-	-	-	-	-	-
Inter-company/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	(322)	(322)	-	-	-	-	43,833	43,833	43,311	(11,437)	(11,486)

Budgeted Capital Expenditure by vote, standard classification and funding (Table B5)

NC076 Thembelihle - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unform. Unevold.	Net. or Prev. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H	I	J
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 1 - Chief Financial Officer	2	-	2,487	-	-	-	-	2,487	2,487	4,974	4,974	4,974
Vote 2 - Community Services		-	-	-	-	-	-	-	-	-	-	0
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services and administration		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Executive Council		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Office of Financial Management		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-	0
Vote 9 - Technical Services		-	8,884	-	-	-	-	57,203	57,203	66,087	11,528	11,613
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	3	-	11,371	-	-	-	-	59,690	59,690	71,062	16,502	16,587
Single-year expenditure to be adjusted												
Vote 1 - Chief Financial Officer	2	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services and administration		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Executive Council		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Office of Financial Management		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		-	2,000	-	-	-	-	(2,000)	(2,000)	-	-	-
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		-	2,000	-	-	-	-	(2,000)	(2,000)	-	-	-
Total Capital Expenditure - Vote		-	13,371	-	-	-	-	57,690	57,690	71,062	16,502	16,587
Capital Expenditure - Functional												
Governance and administration		-	2,487	-	-	-	-	-	-	2,487	2,487	2,487
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	2,487	-	-	-	-	-	-	2,487	2,487	2,487
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	0
Community and social services		-	-	-	-	-	-	-	-	-	-	0
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	0
Economic and environmental services		9,948	2,487	-	-	-	-	2,487	2,487	4,974	4,974	4,974
Planning and development		9,948	2,487	-	-	-	-	2,487	2,487	4,974	4,974	4,974
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		5,910	8,397	-	-	-	-	55,203	55,203	63,600	9,041	9,126
Energy sources		5,910	5,910	-	-	-	-	54,680	54,680	60,590	6,038	6,115
Water management		-	-	-	-	-	-	-	-	-	-	0
Waste water management		-	2,487	-	-	-	-	524	524	3,011	3,011	3,011
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	15,858	13,371	-	-	-	-	57,690	57,690	71,062	16,502	16,587
Funded by:												
National Government		15,858	13,371	-	-	-	-	524	524	13,895	14,615	14,100
Provincial Government		-	-	-	-	-	-	54,680	54,680	54,680	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (NA / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	15,858	13,371	-	-	-	-	55,203	55,203	68,575	14,015	14,100
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	0
Total Capital Funding		15,858	13,371	-	-	-	-	55,203	55,203	68,575	14,015	14,100

Budgeted Financial Position (Table B6)

NC076 Thembelihle - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2026/27 Adjusted Budget	+2 2027/28 Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash and cash equivalents		(15,318)	(15,318)	-	-	-	-	15,370	15,370	52	55	57
Trade and other receivables from exchange transactions	1	3,754	3,754	-	-	-	-	16,029	16,029	19,782	20,969	21,808
Receivables from non-exchange transactions	1	-	-	-	-	-	-	3,445	3,445	3,445	3,651	3,797
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory	2	2	2	-	-	-	-	77	77	79	84	87
VAT		-	-	-	-	-	-	30,028	30,028	30,028	31,830	33,103
Other current assets		-	-	-	-	-	-	-	-	-	-	0
Total current assets		(11,562)	(11,562)	-	-	-	-	64,948	64,948	53,386	56,589	58,853
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	0
Investment property		23,148	23,148	-	-	-	-	(178)	(178)	22,970	24,348	25,322
Property, plant and equipment	3	278,346	275,859	-	-	-	-	(16,857)	(16,857)	259,002	215,719	223,772
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	0
Intangible assets		36	36	-	-	-	-	47	47	83	88	92
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	0
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		301,529	299,042	-	-	-	-	(16,987)	(16,987)	282,055	240,155	249,186
TOTAL ASSETS		289,967	287,480	-	-	-	-	47,961	47,961	335,441	296,744	308,039
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	0
Financial liabilities		-	-	-	-	-	-	-	-	-	-	0
Consumer deposits		783	783	-	-	-	-	-	-	783	829	863
Trade and other payables from exchange transactions		147,229	147,229	-	-	-	-	-	-	147,229	156,063	162,305
Trade and other payables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	0
Provisions		13,567	13,567	-	-	-	-	-	-	13,567	14,381	14,956
VAT		3,497	3,497	-	-	-	-	-	-	3,497	3,707	3,855
Other current liabilities		-	-	-	-	-	-	-	-	-	-	0
Total current liabilities		165,075	165,075	-	-	-	-	-	-	165,075	174,980	181,919
Non current liabilities												
Borrowing	1	2,476	2,476	-	-	-	-	-	-	2,476	2,625	2,730
Provisions	1	-	-	-	-	-	-	-	-	-	-	0
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-	0
Total non current liabilities		2,476	2,476	-	-	-	-	-	-	2,476	2,625	2,730
TOTAL LIABILITIES		167,551	167,551	-	-	-	-	-	-	167,551	177,604	184,708
NET ASSETS	2	122,416	119,929	-	-	-	-	47,961	47,961	167,890	119,140	123,330
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		122,416	121,941	-	-	-	-	45,949	45,949	167,890	119,140	123,330
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		122,416	121,941	-	-	-	-	45,949	45,949	167,890	119,140	123,330

Budgeted Cash Flows (Table B7)

NC076 Thembelihle - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.		Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H	+1 2026/27	+2 2027/28	
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Properly rates		6,953	6,953	-	-	-	-	-	-	6,953	7,370	7,665
Service charges		29,885	29,885	-	-	-	-	-	-	29,885	31,678	32,945
Other revenue		2,281	2,281	-	-	-	-	-	-	2,281	2,418	2,515
Transfers and Subsidies - Operational	1	43,190	43,190	-	-	-	-	-	-	43,190	45,781	47,613
Transfers and Subsidies - Capital	1	15,858	15,858	-	-	-	-	-	-	15,858	16,810	17,482
Interest		13,431	13,431	-	-	-	-	-	-	13,431	14,237	14,807
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(100,618)	(100,618)	-	-	-	-	-	-	(100,618)	(106,655)	(110,921)
Finance charges		(10,660)	(10,660)	-	-	-	-	-	-	(10,660)	(11,299)	(11,751)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		321	321	-	-	-	-	-	-	321	340	354
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	0
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(15,858)	(15,858)	-	-	-	-	-	-	(15,858)	(16,810)	(17,482)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(15,858)	(15,858)	-	-	-	-	-	-	(15,858)	(16,810)	(17,482)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	(0)
Borrowing long term financing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	(0)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	(0)
NET INCREASE/(DECREASE) IN CASH HELD		(15,537)	(15,537)	-	-	-	-	-	-	(15,537)	(16,469)	(17,128)
Cash/cash equivalents at the year begin:	2	219	219	-	-	-	-	(167)	(167)	52	(15,485)	(31,955)
Cash/cash equivalents at the year end:	2	(15,318)	(15,318)	-	-	-	-	(167)	(167)	(15,485)	(31,955)	(49,083)

Cash backed reserves/accumulated surplus reconciliation (Table B8)

NC076 Thembelihle - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2026/27	+2 2027/28
Cash and investments available												
Cash/cash equivalents at the year end	1	(15,318)	(15,318)	-	-	-	-	(167)	(167)	(15,485)	(31,955)	(49,083)
Other current investments > 90 days		-	-	-	-	-	-	18,982	18,982	18,982	35,661	52,938
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	0
Cash and investments available:		(15,318)	(15,318)	-	-	-	-	18,815	18,815	3,496	3,706	3,855
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	0
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		3,497	3,497	-	-	-	-	(30,028)	(30,028)	(26,531)	(28,123)	(29,248)
Other working capital requirements	2	145,949	145,949	-	-	-	-	(7,261)	(7,261)	138,688	147,010	152,890
Other provisions		13,567	13,567	-	-	-	-	-	-	13,567	14,381	14,956
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		163,012	163,012	-	-	-	-	(37,289)	(37,289)	125,724	133,267	138,598
Surplus(shortfall)		(178,331)	(178,331)	-	-	-	-	56,103	56,103	(122,227)	(129,561)	(134,743)

