



DITSOBOTLA LOCAL MUNICIPALITY

DRAFT MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK REPORT

2024/25-2027/28

[Municipal Finance Management Act 56 of 2003]

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PART 1- ANNUAL BUDGET

1.1. Mayor's Report

The municipality is currently facing significant challenges, with deteriorating infrastructure, inadequate service delivery, and a declining economic base. The socio-economic conditions are equally concerning, with high levels of unemployment, poverty, and inequality. However, despite these challenges, the municipality remains committed to turning the tide and creating a better future for its residents. With a renewed focus on sound governance, fiscal discipline, and community engagement, there is a growing sense of optimism that the municipality can be revitalized and become a thriving hub of economic growth and social development.

Council should note that section 2 of the Municipal Property Rates Act (MPRA), Act No.6 of 2004 gives municipalities the powers to levy property rates, which must be based on the market related values of the properties. Section 32(b)(i) of the MPRA limits the validity period of the valuation roll utilised for the basis of levying property rates to a period of five (5) financial years.

With the implementation of the new General Valuation Roll on 1 July 2024, the municipality has successfully complied with the requirements of the Municipal Property Rates Act (MPRA). Following the completion of all necessary legal processes, the municipality has recorded a notable increase in property rates revenue. This development is a significant step towards enhancing the municipality's financial resources, enabling it to better deliver services to the community and achieve its development objectives.

Notwithstanding the positive trend in property rates revenue, a concerning decline of 64% in water revenue has been observed. This significant drop necessitates rigorous and immediate action to address the underlying causes and develop strategies to improve water revenue collection and provision. To mitigate this decline, the municipality will embark on a comprehensive review of its water management systems, infrastructure, and billing processes. Additionally, measures will be taken to enhance water conservation efforts, reduce losses, and improve customer engagement to ensure timely payments. By taking proactive steps, the municipality aims to stabilize and increase water revenue, ultimately ensuring a sustainable and reliable water supply for the community.

The budget takes into account potential tariff increases for various services, including electricity, water, refuse, sanitation, and property rates. Notably, electricity tariff increases are depending upon the outcome of tariff application to NERSA. In contrast, proposed tariff increases for water, sanitation, and refuse are tied to projected Consumer Price Index (CPI) increases.

It is noteworthy that the Salary and Wage Bill is a significant cost driver. The Collective Agreement, dated 15 September 2021, regarding salary increases for municipal employees, took effect from the 2021/22 financial year, covering the period from 1 July 2021 to 30 June 2024. This agreement substantially contributes to the expenditure component of the budget.

I'd like to extend my heartfelt gratitude to everyone involved in ensuring the draft budget was submitted to Council for tabling, paving the way for final approval by the end of May 2025. The draft budget for 2025/26 to 2027/28, along with supporting documents, is now tabled before Council for notation.

Honourable Cllr MW MORUTSE
MAYOR DITSOBOTLA LOCAL MUNICIPALITY

1.2. Recommendations to Council

- a) That the draft annual budget and its supporting documents (proposed tariffs, reviewed /draft policies and financial plan) for the MTREF 2025/2026 to 2027/2028 be considered.
- b) That the total revenue budget of **R544 184 000** be considered of which **R496 424 000** is operational and **R47 760 000** is capital.
- c) That the total expenditure budget of **R635 600 000** be considered.
- d) That Council note the deficits over the MTREF and rigours 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 2025/2026 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.

1.3. Executive Summary

The aim of this report is to present a coherent plan to achieve the vision of the municipality. The intention of this report is to link, integrate and co-ordinate development plans for DLM which is aligned with national, provincial and district development plans and planning requirements binding on the municipality in terms of legislation.

The key service delivery priorities, as reflected in the Integrated Development Plan (IDP), informed the development of the Budget, including the need to maintain the Municipality's financial sustainability.

This budget is prepared during a time in which the Collection Rate has been reported to be at its lowest, as illustrated in other structures of Council. The table below present that the municipality's Medium-Term Revenue and Expenditure Framework (MTREF) budget reveals a challenging financial landscape. Despite a steady increase in total revenue from R544.1 million in 2025/26 to R601.6 million by 2027/28, operational expenditure is projected to outpace revenue growth, resulting in significant budget deficits. The municipality's financial position is further strained by a substantial decline in surplus, from a deficit of R171.8 million in 2024/25 to R50.1 million in 2027/28.

Reasons for decline

The decline in surplus is largely attributed to the escalating operational expenditure, which is driven by rising personnel costs, and bulk purchases expenses. To address this challenge, the municipality must implement stringent cost-containment measures, such as optimizing staff structures and less spending in non-core expenditures. Furthermore, the municipality should explore innovative revenue enhancement strategies, including improving billing efficiency, expanding its revenue base through economic development initiatives.

Description	Original Budget 24/25	Budget Year 25/26	Budget Year 26/27	Budget Year 26/27
Operating revenue	497 221 000	496 424 000	517 206 200	548 410 912
Capital transfers(grants)	46 499 000	47 760 000	51 092 000	53 288 956
Total operating revenue for the year	543 720 000	544 184 000	568 298 200	601 699 868
Operating revenue	543 720 000	544 184 000	568 298 200	601 699 868
Less Operating expenditure	- 715 488 000	- 635 600 000	- 649 658 002	- 651 844 210
Total Capital Grants (deficit)	-R 171 768 000.00	- 91 416 000	- 81 359 802	- 50 144 342

Key amendments to the policies.

As part of the 2025/2026-2027/2028 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 HR policies, Virement, Asset Management, and Supply Chain Management, while introducing new policies, including the Smart Meter Policy and Cell Phone Policy, aimed at enhancing revenue generation, efficiency, and responsible resource utilization.

1.4. 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates	73 137	77 442	83 202	84 453	-	-	59 301	92 749	97 000	101 268
Service charges	153 584	160 655	86 139	221 228	-	-	118 927	193 118	209 272	226 777
Investment revenue	548	622	891	509	-	-	209	200	209	218
Transfer and subsidies - Operational	97 694	34 427	180 537	172 176	-	-	141 036	199 750	199 630	208 128
Other own revenue	(26 643)	3 339	(7 666)	22 781	-	-	82 085	10 607	11 095	12 020
Total Revenue (excluding capital transfers and contributions)	298 320	276 485	343 103	501 148	-	-	401 558	496 424	517 206	548 411
Employee costs	222 807	285 071	252 799	295 680	-	-	259 807	300 000	313 800	327 607
Remuneration of councillors	15 695	14 657	16 511	20 187	-	-	11 126	18 000	18 828	19 656
Depreciation and amortisation	591 188	(551 082)	39 289	32 000	-	-	-	32 000	32 000	30 000
Interest	38 461	63 987	53 108	-	-	-	12 419	-	-	106
Inventory consumed and bulk purchases	192 824	161 927	176 691	212 754	-	-	110 064	200 000	209 200	218 405
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	352 157	43 391	71 367	154 866	-	-	22 067	85 600	75 830	56 070
Total Expenditure	1 413 132	17 951	649 794	715 486	-	-	365 462	635 600	649 658	651 844
Surplus/(Deficit)	(1 114 812)	258 533	(306 691)	(214 342)	-	-	36 076	(139 176)	(132 452)	(103 433)
Transfers and subsidies - capital (monetary allocations)	(2 399)	-	35 813	42 499	-	-	15 120	42 460	46 111	48 180
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 117 211)	258 533	(270 848)	(171 841)	-	-	51 196	(96 716)	(86 341)	(56 254)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 117 211)	258 533	(270 848)	(171 841)	-	-	51 196	(96 716)	(86 341)	(56 254)
Capital expenditure & funds sources										
Capital expenditure	1488	15 670	26 658	42 450	-	-	145 241	-	-	212
Transfers recognised - capital	33 100	15 670	26 658	42 450	-	-	132 880	-	-	212
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	4	-	-	-
Total sources of capital funds	33 100	15 670	26 658	42 450	-	-	132 884	-	-	212
Financial position										
Total current assets	1 163 652	1 151 752	1 245 787	(147 814)	-	-	1 048 034	(64 716)	(54 341)	(25 360)
Total non current assets	2 109 673	2 087 167	2 074 536	10 490	-	-	2 086 152	(32 000)	(32 000)	(28 887)
Total current liabilities	2 078 517	2 397 246	2 752 559	34 476	-	-	2 517 284	-	-	(106)
Total non current liabilities	12 416	12 416	12 416	-	-	-	12 416	-	-	(53)
Community wealth/Equity	1 182 392	830 806	555 348	(171 841)	-	-	604 486	(96 716)	(86 341)	(54 088)
Cash flows										
Net cash from (used) operating	1 547 686	2 146 399	3 145 500	(150 014)	-	-	3 570 613	(108 465)	(52 360)	(45 174)
Net cash from (used) investing	-	-	555	(48 817)	-	-	(550)	-	-	(244)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	1 526 982	2 125 694	3 125 351	(198 831)	-	-	3 549 358	(108 465)	(160 825)	(206 243)
Cash backing/surplus reconciliation										
Cash and investments available	(36 999)	(208 324)	(215 864)	(150 014)	-	-	(220 411)	(115 015)	(58 894)	(51 938)
Application of cash and investments	1 361 216	1 711 418	2 067 033	(1 054)	-	-	1 854 531	(49 974)	(5 455)	(27 572)
Balance - surplus (shortfall)	(1 398 215)	(1 919 741)	(2 282 897)	(148 960)	-	-	(2 074 941)	(65 041)	(53 439)	(24 364)
Asset management										
Asset register summary (MOV)	2 035 950	2 013 444	2 000 814	10 490	-	-	(32 000)	(32 000)	(32 000)	(29 048)
Depreciation	591 188	(551 082)	39 289	32 000	-	-	32 000	32 000	32 000	30 000
Renewal and Upgrading of Existing Assets	564	563	555	-	-	-	-	-	-	-
Repairs and Maintenance	9 254	1 345	8 000	11 100	-	-	7 100	7 100	5 300	5 600
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	(18 145)	(18 804)	(20 183)	29 500	-	-	27 825	29 100	30 380	-
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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		143 026	79 608	235 496	253 580	-	-	287 930	292 413	305 523
Executive and council		-	-	-	1 213	-	-	1 213	-	-
Finance and administration		143 026	79 608	235 496	252 367	-	-	286 717	292 413	305 523
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		757	604	594	1 340	-	-	1 576	1 649	1 721
Community and social services		152	193	173	1 140	-	-	1 576	1 649	1 721
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		(16)	410	422	200	-	-	-	-	-
Health		621	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		(17 770)	1 098	35 918	67 499	-	-	52 560	56 113	58 530
Planning and development		9 994	134	35 839	55 499	-	-	48 010	51 354	53 562
Road transport		4 478	964	79	12 000	-	-	4 550	4 759	4 968
Environmental protection		(32 241)	-	-	-	-	-	-	-	-
<i>Trading services</i>		169 736	193 109	104 831	221 228	-	-	194 318	210 527	228 087
Energy sources		132 036	92 361	50 098	135 914	-	-	135 690	149 205	164 067
Water management		49 745	58 036	24 125	39 684	-	-	14 043	14 689	15 335
Waste water management		27 734	24 629	22 047	30 897	-	-	24 049	25 156	26 262
Waste management		(39 780)	18 084	8 561	14 733	-	-	20 536	21 478	22 423
<i>Other</i>	4	172	2 065	2 078	-	-	-	2 500	2 615	2 730
Total Revenue - Functional	2	295 921	276 485	378 916	543 647	-	-	538 884	563 317	596 591
Expenditure - Functional										
<i>Governance and administration</i>		1 087 423	(312 810)	335 437	398 077	-	-	193 758	188 740	170 809
Executive and council		45 001	36 725	97 422	43 988	-	-	26 485	28 726	29 900
Finance and administration		1 042 423	(349 534)	238 015	354 089	-	-	167 273	160 015	140 910
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 644	(80)	48	1 546	-	-	68 923	72 330	75 764
Community and social services		726	(70)	48	46	-	-	61 578	64 560	67 549
Sport and recreation		516	(10)	-	1 500	-	-	7 325	7 750	8 195
Public safety		402	-	0	-	-	-	10	10	10
Housing		-	-	-	-	-	-	10	10	10
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 321	12 676	3 513	6 945	-	-	38 933	40 777	42 604
Planning and development		4 917	3 635	3 120	4 445	-	-	3 592	3 705	3 753
Road transport		1 346	9 021	393	2 500	-	-	28 416	29 724	31 065
Environmental protection		58	21	-	-	-	-	6 925	7 348	7 785
<i>Trading services</i>		317 745	319 714	310 783	308 920	-	-	333 986	347 810	362 668
Energy sources		234 751	220 913	213 451	211 754	-	-	258 286	268 073	280 023
Water management		82 778	98 801	96 715	93 565	-	-	27 000	29 001	29 850
Waste water management		186	-	617	600	-	-	28 600	29 635	30 693
Waste management		30	-	-	3 000	-	-	20 100	21 101	22 102
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 413 132	19 500	649 781	715 488	-	-	635 600	649 658	651 844
Surplus/(Deficit) for the year		(1 117 211)	256 984	(270 865)	(171 841)	-	-	(96 716)	(86 341)	(55 254)

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	1 213	-	-	1 213	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Finance		122 935	77 797	235 496	252 367	-	-	286 717	292 413	305 523
Vote 4 - Corporate Support Services		20 091	1 811	-	-	-	-	-	-	-
Vote 5 - Planning and LED		(2)	36	-	9 000	-	-	100	105	109
Vote 6 - Community Services		4 426	887	-	6 140	-	-	5 669	5 930	6 190
Vote 7 - Technical and Infrastructure Services		142 032	92 537	86 015	189 413	-	-	183 650	200 506	217 574
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
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	289 482	173 067	321 511	458 132	-	-	477 349	498 954	529 396
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		38 719	28 882	89 527	35 988	-	-	24 565	26 730	27 829
Vote 2 - Municipal Manager		93 153	107 671	111 282	106 818	-	-	1 930	2 006	2 080
Vote 3 - Finance		882 212	(508 505)	86 312	199 535	-	-	130 478	122 294	102 292
Vote 4 - Corporate Support Services		73 339	59 141	48 317	55 736	-	-	36 785	37 711	38 608
Vote 5 - Planning and LED		3 509	2 529	2 157	3 029	-	-	9 457	9 946	10 384
Vote 6 - Community Services		1 001	(86)	275	1 500	-	-	14 695	15 552	16 502
Vote 7 - Technical and Infrastructure Services		237 028	231 055	214 579	213 916	-	-	327 560	340 403	355 343
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
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	1 328 961	(79 311)	552 449	616 522	-	-	545 470	554 642	553 039
Surplus/(Deficit) for the year	2	(1 039 479)	252 378	(230 938)	(158 390)	-	-	(68 121)	(55 688)	(23 644)

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	132 036	92 342	50 102	135 914	-	-	82 380	134 690	148 159	162 975
Service charges - Water	2	33 593	25 601	5 429	39 684	-	-	8 369	13 943	14 584	15 226
Service charges - Waste Water Management	2	27 734	24 629	22 047	30 897	-	-	15 025	23 949	25 051	26 153
Service charges - Waste Management	2	(39 780)	18 084	8 561	14 733	-	-	13 153	20 536	21 478	22 423
Sale of Goods and Rendering of Services		(31 861)	429	299	-	-	-	560	1 107	1 158	1 209
Agency services		2 647	-	8	5 000	-	-	-	2 500	2 615	2 730
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		16	-	(10 472)	500	-	-	79 921	1 000	1 046	1 529
Interest earned from Current and Non Current As		548	622	891	509	-	-	209	200	209	218
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		160	411	422	281	-	-	4	-	-	-
Licence and permits		(43)	36	-	10 000	-	-	2	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		436	(508)	-	-	-	-	-	500	523	546
Non-Exchange Revenue											
Property rates	2	73 137	77 442	83 202	84 453	-	-	59 301	92 749	97 000	101 268
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 831	906	-	7 000	-	-	51	3 000	3 138	3 276
Licences or permits		172	2 065	2 078	-	-	-	1 546	2 500	2 615	2 730
Transfer and subsidies - Operational		97 694	34 427	180 537	172 176	-	-	141 036	199 750	199 630	208 128
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		298 320	276 485	343 103	501 148	-	-	401 558	496 424	517 206	548 411
Expenditure											
Employee related costs	2	222 807	285 071	292 799	295 680	-	-	209 807	300 000	313 800	327 607
Remuneration of councillors		15 695	14 657	16 511	20 187	-	-	11 126	18 000	18 828	19 656
Bulk purchases - electricity	2	188 318	156 867	172 363	203 754	-	-	106 936	200 000	209 200	218 405
Inventory consumed	8	4 506	5 060	4 328	9 000	-	-	3 128	-	-	-
Debt impairment	3	642 206	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		591 188	(551 082)	39 289	32 000	-	-	-	32 000	32 000	30 000
Interest		38 461	63 987	53 108	-	-	-	12 419	-	-	106
Contracted services		68 931	19 879	67 258	27 600	-	-	12 597	27 600	27 600	27 600
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	1 349	-	122 266	-	-	-	53 000	43 000	23 000
Operational costs		11 278	19 793	4 108	5 000	-	-	9 470	5 000	5 230	5 470
Losses on disposal of Assets		(370 311)	-	-	-	-	-	-	-	-	-
Other Losses		53	2 370	-	-	-	-	-	-	-	-
Total Expenditure		1 413 132	17 951	649 764	715 488	-	-	365 482	635 600	649 658	651 844
Surplus/(Deficit)		(1 114 812)	258 533	(306 661)	(214 340)	-	-	36 076	(139 176)	(132 452)	(103 433)
Transfers and subsidies - capital (monetary	6	(2 399)	-	35 813	42 499	-	-	15 120	42 460	46 111	48 180
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1 117 211)	258 533	(270 848)	(171 841)	-	-	51 196	(96 716)	(86 341)	(55 254)
Income Tax		-	-	17	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(1 117 211)	258 533	(270 865)	(171 841)	-	-	51 196	(96 716)	(86 341)	(55 254)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(1 117 211)	258 533	(270 865)	(171 841)	-	-	51 196	(96 716)	(86 341)	(55 254)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(1 117 211)	258 533	(270 865)	(171 841)	-	-	51 196	(96 716)	(86 341)	(55 254)

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.

NW384 Ditsobotla - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	1 213	-	-	1 213	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Finance		122 935	77 797	235 496	252 367	-	-	286 717	292 413	305 523
Vote 4 - Corporate Support Services		20 091	1 811	-	-	-	-	-	-	-
Vote 5 - Planning and LED		(2)	36	-	9 000	-	-	100	105	109
Vote 6 - Community Services		4 426	887	-	6 140	-	-	5 669	5 930	6 190
Vote 7 - Technical and Infrastructure Services		142 032	92 537	86 015	189 413	-	-	183 650	200 506	217 574
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
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	289 482	173 067	321 511	458 132	-	-	477 349	498 954	529 396
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		38 719	28 882	89 527	35 988	-	-	24 565	26 730	27 829
Vote 2 - Municipal Manager		93 153	107 671	111 282	106 818	-	-	1 930	2 006	2 080
Vote 3 - Finance		882 212	(508 505)	86 312	199 535	-	-	130 478	122 294	102 292
Vote 4 - Corporate Support Services		73 339	59 141	48 317	55 736	-	-	36 785	37 711	38 608
Vote 5 - Planning and LED		3 509	2 529	2 157	3 029	-	-	9 457	9 946	10 384
Vote 6 - Community Services		1 001	(86)	275	1 500	-	-	14 695	15 552	16 502
Vote 7 - Technical and Infrastructure Services		237 028	231 055	214 579	213 916	-	-	327 560	340 403	355 343
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
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	1 328 961	(79 311)	552 449	616 522	-	-	545 470	554 642	553 039
Surplus/(Deficit) for the year	2	(1 039 479)	252 378	(230 938)	(158 390)	-	-	(68 121)	(55 688)	(23 644)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
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 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
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		(33 588)	-	-	-	-	-	12 357	-	-	-
Vote 4 - Corporate Support Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and LED		0	-	-	-	-	-	0	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	4	-	-	-
Vote 7 - Technical and Infrastructure Services		33 100	15 670	26 661	42 450	-	-	121 267	-	-	212
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
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		(488)	15 670	26 661	42 450	-	-	133 629	-	-	212
Total Capital Expenditure - Vote		(488)	15 670	26 661	42 450	-	-	133 629	-	-	212
Capital Expenditure - Functional											
Governance and administration		(33 588)	-	-	-	-	-	12 357	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		(33 588)	-	-	-	-	-	12 357	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	(3)	2 018	-	-	(3)	-	-	-
Community and social services		-	-	-	2 018	-	-	-	-	-	-
Sport and recreation		-	-	(3)	-	-	-	(3)	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		31 006	13 061	26 661	34 386	-	-	125 127	-	-	212
Planning and development		31 006	12 603	26 046	31 781	-	-	124 141	-	-	212
Road transport		-	458	616	2 605	-	-	986	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		2 094	2 609	-	6 046	-	-	7 760	-	-	-
Energy sources		2 094	2 609	-	6 046	-	-	7 760	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	(488)	15 670	26 658	42 450	-	-	145 241	-	-	212
Funded by:											
National Government		23 417	15 670	26 658	42 450	-	-	123 197	-	-	106
Provincial Government		9 683	-	-	-	-	-	9 683	-	-	106
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	33 100	15 670	26 658	42 450	-	-	132 880	-	-	212
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	4	-	-	-
Total Capital Funding	7	33 100	15 670	26 658	42 450	-	-	132 884	-	-	212

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	2021/22	2022/23	2023/24	Budget Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		(36 999)	(208 324)	(215 864)	(150 014)	-	-	(220 411)	(115 015)	(58 894)	(51 936)
Trade and other receivables from exchange transactions	1	169 651	247 663	254 829	51 383	-	-	13 718	39 524	941	1 420
Receivables from non-exchange transactions	1	289 077	367 290	448 206	(81 775)	-	-	507 242	(42 300)	(49 345)	(26 341)
Current portion of non-current receivables		(26)	(26)	(26)	-	-	-	(26)	-	-	53
Inventory	2	3 089	719	719	(9 000)	-	-	719	9 000	9 000	9 000
VAT		738 776	744 346	757 838	41 593	-	-	746 707	44 076	43 957	42 391
Other current assets		84	84	84	-	-	-	84	-	-	53
Total current assets		1 163 652	1 151 752	1 245 787	(147 814)	-	-	1 048 034	(64 716)	(54 341)	(25 360)
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		124 782	122 004	117 323 626.00	-	-	-	117 324	-	-	106
Property, plant and equipment	3	1 984 384	1 964 656	1 956 706	10 450	-	-	1 968 321	(32 000)	(32 000)	(29 152)
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		507	507	507	-	-	-	507	-	-	-
Intangible assets		-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	159
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		2 109 673	2 087 167	2 074 536	10 450	-	-	2 086 152	(32 000)	(32 000)	(28 887)
TOTAL ASSETS		3 273 325	3 238 919	3 320 323	(137 364)	-	-	3 134 186	(96 716)	(86 341)	(54 247)
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		(4 317)	(5 074)	(8 082)	-	-	-	(8 794)	-	-	-
Trade and other payables from exchange transactions	4	1 297 755	1 610 680	1 967 224	140	-	-	1 730 315	-	-	-
Trade and other payables from non-exchange transactions	5	61 737	62 008	62 008	(1 140)	-	-	62 008	-	-	-
Provision		43 493	43 493	43 493	-	-	-	43 493	-	-	(106)
VAT		679 849	686 140	687 917	35 476	-	-	690 262	-	-	-
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		2 078 517	2 397 246	2 752 559	34 476	-	-	2 517 284	-	-	(106)
Non current liabilities											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	12 416	12 416	12 416	-	-	-	12 416	-	-	(53)
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		12 416	12 416	12 416	-	-	-	12 416	-	-	(53)
TOTAL LIABILITIES		2 090 933	2 409 662	2 764 975	34 476	-	-	2 529 700	-	-	(159)
NET ASSETS		1 182 392	829 257	555 348	(171 841)	-	-	604 486	(96 716)	(86 341)	(54 088)
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	1 154 124	802 538	527 079	(171 841)	-	-	576 218	(96 716)	(86 341)	(54 088)
Reserves and funds	9	28 268	28 268	28 268	-	-	-	28 268	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	1 182 392	830 806	555 348	(171 841)	-	-	604 486	(96 716)	(86 341)	(54 088)

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	43 963	-	-	-	74 199	97 000	101 268
Service charges		-	-	-	203 530	-	-	-	154 494	209 272	226 777
Other revenue		16 897	16 951	34 807	24 573	-	-	34 831	9 457	9 892	10 327
Transfers and Subsidies - Operational	1	1 544 179	2 175 965	3 157 211	171 545	-	-	3 608 044	199 750	199 630	208 128
Transfers and Subsidies - Capital	1	(26 715)	(59 390)	(59 390)	42 499	-	-	(59 390)	42 460	46 111	48 180
Interest		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		13 325	12 872	12 872	(636 124)	-	-	(12 872)	(588 826)	(614 265)	(639 748)
Interest		-	-	-	-	-	-	-	-	-	(106)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 547 686	2 146 399	3 145 500	(150 014)	-	-	3 570 613	(108 465)	(52 360)	(45 174)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	555	(48 817)	-	-	(550)	-	-	(244)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	555	(48 817)	-	-	(550)	-	-	(244)
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		1 547 686	2 146 399	3 146 055	(198 831)	-	-	3 570 063	(108 465)	(52 360)	(45 418)
Cash/cash equivalents at the year begin:	2	(20 705)	(20 705)	(20 705)	-	-	-	(20 705)	-	(108 465)	(160 825)
Cash/cash equivalents at the year end:	2	1 526 982	2 125 694	3 125 351	(198 831)	-	-	3 549 358	(108 465)	(160 825)	(206 243)

NW384 Ditsobotla - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	1 526 982	2 125 694	3 125 351	(198 831)	-	-	3 549 358	(108 465)	(160 825)	(206 243)
Other current investments > 90 days		(1 563 981)	(2 334 018)	(3 341 215)	48 817	-	-	(3 769 769)	(6 550)	101 932	154 307
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(36 999)	(208 324)	(215 864)	(150 014)	-	-	(220 411)	(115 015)	(58 894)	(51 936)
Application of cash and investments											
Unspent conditional transfers		61 737	62 008	62 008	(1 140)	-	-	62 008	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(24 564)	14 593	41 890	(13 854)	-	-	64 616	(44 958)	(44 839)	(43 273)
Other working capital requirements	3	1 280 552	1 591 324	1 919 643	13 940	-	-	1 684 415	(5 016)	39 384	15 807
Other provisions		43 493	43 493	43 493	-	-	-	43 493	-	-	(106)
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		1 361 216	1 711 418	2 067 033	(1 054)	-	-	1 854 531	(49 974)	(5 455)	(27 572)
Surplus(shortfall) - Excluding Non-Current Creditors		(1 398 215)	(1 919 741)	(2 282 897)	(148 960)	-	-	(2 074 941)	(65 041)	(53 439)	(24 364)
Creditors transferred to Debt Relief - Non-Current		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors		(1 398 215)	(1 919 741)	(2 282 897)	(148 960)	-	-	(2 074 941)	(65 041)	(53 439)	(24 364)

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		Ref	2021/22	2022/23	2023/24	Budget Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE											
Total New Assets	1		78 419	94 090	120 757	42 450	-	-	-	-	212
Roads Infrastructure			33 437	39 830	52 695	20 342	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			3 199	5 807	5 807	6 046	-	-	-	-	-
Water Supply Infrastructure			1 921	1 921	1 921	-	-	-	-	-	53
Sanitation Infrastructure			7 761	7 761	7 761	-	-	-	-	-	53
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			46 318	55 320	68 185	26 388	-	-	-	-	106
Community Facilities			29 811	34 968	43 952	11 021	-	-	-	-	106
Sport and Recreation Facilities			2 309	3 875	8 696	2 930	-	-	-	-	-
Community Assets			32 120	38 843	52 648	13 951	-	-	-	-	106
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			(23)	(77)	(81)	2 111	-	-	-	-	-
Furniture and Office Equipment			0	0	0	-	-	-	-	-	-
Machinery and Equipment			4	4	4	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	53
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Mature			-	-	-	-	-	-	-	-	-
Immature			-	-	-	-	-	-	-	-	-
Living Resources			-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6		564	563	555	-	-	-	-	-	-
Roads Infrastructure			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			42	42	42	-	-	-	-	-	-
Infrastructure			42	42	42	-	-	-	-	-	-
Community Facilities			522	520	512	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			522	520	512	-	-	-	-	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Mature			-	-	-	-	-	-	-	-	-
Immature			-	-	-	-	-	-	-	-	-
Living Resources			-	-	-	-	-	-	-	-	-

NW384 Ditsobotla - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Budget Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Total Capital Expenditure	4	78 984	94 653	121 311	42 450	-	-	-	-	212
<i>Roads Infrastructure</i>		33 437	39 830	52 695	20 342	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		3 199	5 807	5 807	6 046	-	-	-	-	-
<i>Water Supply Infrastructure</i>		1 921	1 921	1 921	-	-	-	-	-	53
<i>Sanitation Infrastructure</i>		7 761	7 761	7 761	-	-	-	-	-	53
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		42	42	42	-	-	-	-	-	-
Infrastructure		46 360	55 362	68 228	26 388	-	-	-	-	106
Community Facilities		30 333	35 488	44 465	11 021	-	-	-	-	106
Sport and Recreation Facilities		2 309	3 875	8 696	2 930	-	-	-	-	-
Community Assets		32 642	39 363	53 161	13 951	-	-	-	-	106
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		(23)	(77)	(81)	2 111	-	-	-	-	-
Furniture and Office Equipment		0	0	0	-	-	-	-	-	-
Machinery and Equipment		4	4	4	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		78 984	94 653	121 311	42 450	-	-	-	-	212

NW384 Ditsobotla - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Budget Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 035 950	2 013 444	2 000 814	10 450	–	–	(32 000)	(32 000)	(29 046)
Roads Infrastructure		461 754	460 328	465 454	10 342	–	–	(10 000)	(10 000)	(9 894)
Storm water Infrastructure		17 485	17 485	17 485	(3 500)	–	–	(2 000)	(2 000)	106
Electrical Infrastructure		84 586	87 195	87 542	4 046	–	–	(3 500)	(3 500)	(3 394)
Water Supply Infrastructure		0	0	0	–	–	–	–	–	53
Sanitation Infrastructure		7 761	7 761	7 761	(200)	–	–	(2 000)	(2 000)	(1 947)
Solid Waste Infrastructure		5 722	5 722	5 722	(250)	–	–	(500)	(500)	(394)
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		577 309	578 491	583 964	10 438	–	–	(18 000)	(18 000)	(15 470)
Community Assets		70 276	76 998	90 448	8 101	–	–	(350)	(350)	(244)
Heritage Assets		507	507	507	–	–	–	–	–	–
Investment properties		124 782	122 004	117 324	–	–	–	–	–	106
Other Assets		16 476	16 476	16 476	–	–	–	(5 500)	(5 500)	(5 394)
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		788	735	730	611	–	–	–	–	–
Furniture and Office Equipment		898	898	898	(1 000)	–	–	(450)	(450)	(450)
Machinery and Equipment		278	(27 299)	(54 168)	(7 500)	–	–	(7 500)	(7 500)	(7 394)
Transport Assets		1 085 102	1 085 102	1 085 102	(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 (WDV)	5	2 035 950	2 013 444	2 000 814	10 450	–	–	(32 000)	(32 000)	(29 046)
EXPENDITURE OTHER ITEMS		600 442	(549 737)	47 288	43 100	–	–	39 100	37 300	35 600
Depreciation	7	591 188	(551 082)	39 289	32 000	–	–	32 000	32 000	30 000
Repairs and Maintenance by Asset Class	3	9 254	1 345	8 000	11 100	–	–	7 100	5 300	5 600
Roads Infrastructure		–	1 297	–	1 000	–	–	1 000	1 000	1 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		7 972	59	7 382	8 000	–	–	5 000	3 200	3 500
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		7 972	1 356	7 382	9 000	–	–	6 000	4 200	4 500
Community Facilities		89	(0)	–	–	–	–	150	150	150
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		89	(0)	–	–	–	–	150	150	150
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		438	(10)	–	1 500	–	–	250	250	250
Housing		–	–	–	–	–	–	–	–	–
Other Assets		438	(10)	–	1 500	–	–	250	250	250
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		186	–	617	600	–	–	600	600	600
Transport Assets		570	–	–	–	–	–	100	100	100
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		600 442	(549 737)	47 288	43 100	–	–	39 100	37 300	35 600
Renewal and upgrading of Existing Assets as % of total capex		0.7%	0.6%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprecn		0.1%	-0.1%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE & Investment Property		0.5%	0.1%	0.4%	106.2%	0.0%	0.0%	-22.2%	-16.6%	-19.3%
Renewal and upgrading and R&M as a % of PPE and Investme		0.5%	0.1%	0.4%	106.2%	0.0%	0.0%	-22.2%	-16.6%	-19.3%

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. We do not have a lot of information because the municipality is unable to budget effectively for service delivery because of the low collection rate. We handle situations as they appear, we have actually doing crisis management.

NW384 Ditsobotla - Table A10 Basic service delivery measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		(18 145)	(18 804)	(20 183)	29 500	-	-	27 825	29 100	30 380
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	(18 145)	(18 804)	(20 183)	29 500	-	-	27 825	29 100	30 380

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.

2.1.1. Overview of the 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:

2.1.2. 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 2024 Amended: 20/10/24	Quarter 1
		• Public notification of the IDP/PMS and Budget Process Plan	Municipal Manager (IDP Manager)	28 August 2024 Amended: 23/10/24	
		• Submit adopted Process Plan to the Department of Local Government & Human Settlements	Municipal Manger	30 August 2024 Amended: 23/10/24	
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 2024 Amended: To be completed by 5/11/24	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 2024 Amended: 6 – 21/11/24	Quarter 2
		Consolidation of Public Inputs & compilation of the Public Participation Outcome Report	Municipal Manager	22 November 2024	
		Consolidation and submission of the Socio-economic Analysis / Status Quo Report (Chapter) to the Steering Committee and Executive Committee	Municipal Manager	30 November 2024	
Section 28 of the MFMA	Adjustment Budget Guidelines	Issue Adjustment Budget guidelines to management	Chief Finance Officer	November 2024	
	Budget Adjustment	Capturing and submission of the Adjustment Budget	Chief Finance Officer All Managers	November – December 2024	
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 2024	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 2024	
s74 & 75 of the MSA & Budget Circular	Tariffs setting and Policies	Finalize tariffs (rates and service charges) setting and policies	Chief Finance Officer	December 2024	

Project Phase					
Internal process	Indicative capital expenditure allocations	Issuing of indicative capital expenditure allocations	Chief Finance Officer	November 2024	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 2024 – January 2025	
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 2025	
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 2025	
Section 54(1)(c)	Adjustment to the 2024/25 Service Delivery and Budget Implementation Plan	Consideration by council of the proposed adjustments to the 2024/25 SDBIP	Manager: PMS	February 2025	

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 2025	Quarter 3 - 4 Quarter 4
		Councillors Workshop: Draft Integrated Development Plan, Budget and SDBIP	Municipal Manager Mayor	15 March 2025	
Section 16 & 17 of the MFMA	Tabling of the 2025/26 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 2025	
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 2025	
Sections 31 & 32 of the MSA	Provincial monitoring	Submission of the draft IDP and Budget <i>to the Department of Local Government & Human Settlements as well as National and Provincial Treasuries for assessment</i>	IDP Manager Accounts Officer: Budget	04 April 2025	
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 2025	

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 2025	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 2025	
Section 69(3(a) of the MFMA	Approval of the final 2025/2026 Service Delivery and Budget Implementation Plan	Mayor approves the 2025/2026 Service Delivery and Budget Implementation Plan	Municipal Manager	28 June 2025	

2.2. Overview of alignment of annual budget with Integrated Development Plan

NW384 Ditsobotla - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand												
Information Technology	A comprehensive, responsive and sustainable social protection system	13	–	(18 145)	(18 804)	(20 183)	(29 500)	–	–	(27 825)	(29 100)	(30 380)
Information Technology	Responsive, accountable, effective and efficient local government	9	–	316 466	295 288	363 286	(471 648)	–	–	(468 599)	(488 106)	(518 031)
Comply with financial reporting requirements as outlined in the MFMA	Responsive, accountable, effective and efficient local government	9	–	2 684	7 603	9 910	6 032	–	–	6 032	6 309	6 593
Ensure collection of funds due to the municipality and specify optimal procedures in respect of non-collection	A comprehensive, responsive and sustainable social protection system	13	–	(0)	(0)	(0)	(7)	–	–	(7)	(8)	(8)
Ensure collection of funds due to the municipality and specify optimal procedures in respect of non-collection	Responsive, accountable, effective and efficient local government	9	–	32 027	28 749	58 569	34 740	–	–	34 740	36 336	37 974
Solid waste removal	Responsive, accountable, effective and efficient local government	9	–	–	4	–	–	–	–	–	–	–
To provide access and facilitate vehicular movement in Umhlabuyaliningana	Responsive, accountable, effective and efficient local government	9	–	8 958	5 476	20 033	–	–	–	–	–	–
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	341 990	318 316	431 615	(460 384)	–	–	(455 659)	(474 569)	(503 852)

2.3. Measurable performance objectives and indicators

NW384 Ditsobotla - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

The table will be containing information by end May 2025 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 2025/2026–2027/2028 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 **HR policies, Virement, Rates, Tariff, Credit Control and Debt Collection, Asset Management, Supply Chain Management, Indigent, and Overtime & Standby**. Furthermore, two new policies will be introduced: The **Smart Meter Policy** and the **Cell Phone Policy**. The Smart Meter Policy aims to enhance revenue generation, reduce illegal connections and high volumes of losses, and promote efficient electricity management. The Cell Phone Policy will provide guidelines for municipal officials' cell phone usage, ensuring responsible and cost-effective communication. 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.

2.4. Overview of the budget assumptions

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets. *MFMA Circular No. 129 & 130*

Table 1: Macroeconomic performance and projections, 2024 – 2028

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Estimate		Forecast	
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

Source: National Treasury Budget Review 2025

The municipality's budget for the 2025/26 financial year is anticipated to be R538.8 million. Capital transfers from the National Treasury are expected to amount to R47.7 million, comprising R44.46 million for the Municipal Infrastructure Grant (MIG) and R3.3 million for the Integrated National Electrification Programme (INEP).

The municipality is currently operating under a Financial Recovery Plan (rescue phase), which has been in place for two and a half years. Despite the slow implementation of the plan, notable progress has been made in reducing the deficit over the Medium-Term Revenue and Expenditure Framework (MTREF) period. 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 2024/25 Operating Budget, the following increase in service charges were proposed with effect from 1 July 2025:

Water 4.3%
Sanitation 4.3%
Refuse 4.3%

Electricity (Average) 10% (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 primarily through government grants and subsidies. This is because the municipality is currently unable to generate sufficient income to supplement its capital budget.

Budget Principle Guidelines and Challenges

- a) 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;
- b) The main persisting challenges experienced during the compilation of the 2025/2026 budget can be summarised as follows:
- Credibility of data due to financial system which lead to a decline in revenue;
 - Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term;
 - The increased of bulk electricity above the CPIx;
 - Aging infrastructure for water, roads and electricity;
 - Implementation of the Financial Recovery Plan (FRP) and funding plan is proceeding at a slower pace than anticipated.

2.4.1. Operating Revenue Framework

NW384 Ditsobotla - Budgeted Financial Performance (revenue)										
Description	2021/22	2022/23	2023/24	Budget Year 2024/25				2025/26 Medium Term		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Revenue Budget Year 2025/26	Expenditure Budget Year +1 2026/27	Expenditure Budget Year +2 2027/28
Revenue										
Exchange Revenue										
Service charges - Electricity	132 036	92 342	50 102	135 914	135 914	135 914	82 380	134 690	148 159	162 975
Service charges - Water	33 593	25 601	5 429	39 684	39 684	39 684	8 369	13 943	14 584	15 226
Service charges - Waste Water Manag	27 734	24 629	22 047	30 897	30 897	30 897	15 025	23 949	25 051	26 153
Service charges - Waste Management	(39 780)	18 084	8 561	14 733	14 733	14 733	13 153	20 536	21 478	22 423
Sale of Goods and Rendering of Service	(31 861)	429	299	-	-	-	560	1 107	1 158	1 209
Agency services	2 647	-	8	5 000	5 000	5 000	-	2 500	2 615	2 730
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	16	-	(10 472)	500	500	500	79 921	1 000	1 046	1 529
Interest earned from Current and Non	548	622	891	509	509	509	209	200	209	218
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	160	411	422	281	281	281	4	-	-	-
Licence and permits	(43)	36	-	10 000	10 000	10 000	2	-	-	-
Special rating levies	-	-	-	-	-	-	-	-	-	-
Operational Revenue	436	(508)	-	-	-	-	-	500	523	546
Non-Exchange Revenue										
Property rates	73 137	77 442	83 202	84 453	84 453	84 453	59 301	92 749	97 000	101 268
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 831	906	-	7 000	7 000	7 000	51	3 000	3 138	3 276
Licences or permits	172	2 065	2 078	-	-	-	1 546	2 500	2 615	2 730
Transfer and subsidies - Operational	97 694	34 427	180 537	172 176	172 176	172 176	141 036	199 750	199 630	208 128
Interest	-	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital trans	298 320	276 485	343 103	501 148	-	-	401 558	496 424	517 206	548 411

Exchange Revenue: Service Charges

- **Electricity (27.1%):** The electricity service charge accounts for the largest portion of the budget, totalling 27.1% of the overall revenue. Despite a minimal decline of 0.90% from R135 914 000(24/25 FY) to R134,690,217.20(25/26 FY), the municipality is positive that through various interventions from Eskom and other means such as installation of smart meters, the revenue will improve.
- **Water (2.8%):** The water service charge constitutes a relatively small percentage of the budget, at 2.8%. The significant reduction of 64.85% in the water budget is largely attributed to losses, illegal connections, and low payment morale among clients, highlighting the need for improved revenue collection and management strategies.
- **Waste Water Management (4.8%):** Waste water management services account for 4.8% of the budget, indicating a notable investment in maintaining and upgrading these essential services. There is 22.49% decrease in the waste water management emphasizing the need for enhanced revenue protection and collection measures.
- **Waste Management (4.1%):** The waste management service charge represents 4.1% of the budget, demonstrating the municipality's commitment to maintaining clean and hygienic environments. The significant increase of 39.37% in the waste management budget may be attributed to efforts to enhance waste collection and disposal services

Non-Exchange Revenue: Property Rates

- **Property Rates (18.7%):** Property rates contribute a significant 18.7% to the municipality's total budget, totalling R92 748 654. This is attributed to the approval and implementation of the new generation of the general valuation roll(GVR).
- **Transfers and Subsidies - Operational (38.7%):** Transfers and subsidies for operational purposes contribute a substantial 38.7% to the municipality's total budget, totalling R192,068,000. This significant allocation is entirely funded by the National Treasury (NT) and Provincial government, enabling the municipality to deliver essential services and support its operational expenditures.
- **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 R11 407 404. These revenue streams provide a supplementary source of income supporting the municipality's operational expenditures.

Summary: Average collection rate of 60%			
	Proposed	Collection %	Amount
Exchange Revenue			
Service charges - Electricity	134 690 217	0.8	107 752 174
Service charges - Water	13 946 130	0.6	8 367 678
Service charges - Waste Water Management	23 948 527	0.6	14 369 116
Service charges - Waste management	20 533 301	0.9	18 479 971
	193 118 176		148 968 939
Non-Exchange Revenue			
Property rates	92 748 654.01	0.9	83 473 788.61
Total budget	285 866 830.06		232 442 728.01

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 R232 442 728 on service charges. Notably, each service charge has been assessed individually as their collection rates vary, ensuring a tailored approach to optimizing revenue collection.

2.4.2. Operating Expenditure Framework

NW384 Ditsobotla - Budgeted Financial Performance (expenditure)										
Description	2021/22	2022/23	2023/24	Budget Year 2024/25				2025/26 Medium Term Revenue & Expenditure		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure										
Employee related costs	222 807	285 071	292 799	295 680	295 680	295 680	209 807	300 000	313 800	327 607
Remuneration of councillors	15 695	14 657	16 511	20 187	20 187	20 187	11 126	18 000	18 828	19 656
Bulk purchases - electricity	188 318	156 867	172 363	203 754	203 754	203 754	106 936	200 000	209 200	218 405
Inventory consumed	4 506	5 060	4 328	9 000	9 000	9 000	3 128	-	-	-
Debt impairment	642 206	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	591 188	(551 082)	39 289	32 000	32 000	32 000	-	32 000	32 000	30 000
Interest	38 461	63 987	53 108	-	-	-	12 419	-	-	106
Contracted services	68 931	19 879	67 258	27 600	27 600	27 600	12 597	27 600	27 600	27 600
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	-	1 349	-	122 266	122 266	122 266	-	53 000	43 000	23 000
Operational costs	11 278	19 793	4 108	5 000	5 000	5 000	9 470	5 000	5 230	5 470
Losses on disposal of Assets	(370 311)	-	-	-	-	-	-	-	-	-
Other Losses	53	2 370	-	-	-	-	-	-	-	-
Total Expenditure	1 413 132	17 951	649 764	715 488	715 488	715 488	365 482	635 600	649 658	651 844
Surplus/(Deficit)	(1 114 812)	258 533	(306 661)	(214 340)	(214 340)	(214 340)	36 076	(139 176)	(132 452)	(103 433)

- **Employee Related Costs (47.2%):** Employee related costs make up the largest portion of the budget, totalling R300 000 000.
- **Remuneration of Councillors (2.7%):** The remuneration of councillors accounts for a relatively small percentage of the budget, at R18 000 000.
- **Bulk Purchases - Electricity (31.4%):** Bulk purchases of electricity constitute a substantial portion of the budget, totalling R200 000 000.
- **Depreciation and Amortisation (5.0%):** Depreciation and amortization expenses account for 5% of the budget, totalling R32 000 000.
- **Contracted Services (4.3%):** Contracted services account for 4.3% of the budget, totalling R27 600 000. This allocation highlights the municipality's reliance on external services to support its operations.
- **Irrecoverable Debts Written Off (8.3%):** Irrecoverable debts written off account for 8.3% of the budget, totalling R53 000 000.
- **Operational Costs (0.8%):** Operational costs account for a small percentage of the budget, at R5 000 000. This allocation ensures that the municipality has sufficient resources to maintain its day-to-day operations.
- Inventory Consumed will be disclosed in the final budget. There is a technical omission on the schedules. The budgeted amount for inventory will not change for 25/26 FY.

2.5. Overview of budget funding

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.

2.6. Expenditure on allocations and grant programmes

NW384 Ditsobotla - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(6 690)	(6 419)	(6 419)	3 000	–	–	5 000	5 000	5 129
Current year receipts										
Repayment of grants										
Conditions met - transferred to revenue		46 983	2 204	163 312	(162 823)	–	–	(189 068)	(190 426)	(198 614)
Conditions still to be met - transferred to liabilities		(53 673)	(8 623)	(169 731)	165 823	–	–	194 068	195 426	203 743
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		260	260	260	–	–	–	1 169	1 223	1 276
Conditions met - transferred to revenue		260	260	260	–	–	–	2 338	2 446	2 551
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	(1 169)	(1 223)	(1 276)
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		834	834	834	4 000	–	–	3 300	2 981	3 109
Conditions still to be met - transferred to liabilities		(834)	(834)	(834)	(4 000)	–	–	(3 300)	(2 981)	(3 109)
Total operating transfers and grants revenue		48 077	3 298	164 406	(158 823)	–	–	(183 430)	(184 999)	(192 954)
Total operating transfers and grants - CTBM	2	(54 507)	(9 457)	(170 565)	161 823	–	–	189 599	191 222	199 359
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	43 712	–	–	43 673	46 111	48 180
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		(13 078)	(11 078)	(4 621)	(39 130)	–	–	(39 130)	(40 930)	(44 388)
Conditions still to be met - transferred to liabilities		13 078	11 078	4 621	82 842	–	–	82 803	87 041	92 568
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		(271)	(3 247)	(5 814)	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		271	3 247	5 814	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		3 907	5 407	5 407	43 712	–	–	43 673	46 111	48 180
Conditions met - transferred to revenue		3 907	5 407	5 407	43 712	–	–	43 673	46 111	48 180
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		(9 441)	(8 918)	(5 028)	4 582	–	–	4 543	5 181	3 791
Total capital transfers and grants - CTBM	2	13 348	14 325	10 435	82 842	–	–	82 803	87 041	92 568
TOTAL TRANSFERS AND GRANTS REVENUE		38 636	(5 619)	159 379	(154 241)	–	–	(178 887)	(179 818)	(189 163)
TOTAL TRANSFERS AND GRANTS - CTBM		(41 159)	4 868	(160 130)	244 665	–	–	272 402	278 263	291 927

Description	Budget Year 24/25 (Current)	MTREF		
		Budget Year 25/26	Budget Year 26/27	Budget Year 26/27
Equitable Share	184 896 000	189 068 000	190 426 000	198 614 318
FMG	3 000 000	3 000 000	3 000 000	3 129 000
EPWP	1 213 000	1 213 000	–	–
Library Grant	1 140 000	1 169 000	1 223 000	1 275 589
Total Operating Grants	189 109 000	192 068 000	193 426 000	203 018 907
MIG	42 499 000	44 460 000	48 111 000	50 179 773
INEP	4 000 000	3 300 000	2 981 000	3 109 183
Total Capital Grants	46 499 000	47 760 000	51 092 000	53 288 956
Total Grants	235 608 000	239 828 000	244 518 000	256 307 863

The municipality's reliance on grants is evident, as transfers and subsidies comprise 44% of its revenue budget. The table below outlines the capital and operational grants allocated to the municipality for the 2025/26 to 2027/28 financial years, as derived from the 2024 Division of Revenue Act (DORA). It must be further noted that the reconciliation sheet for grants attached does not include the FMG grant and the INEP amount is also understated. These system errors have been lodged with the system provider and will be corrected with the final budget. As result, a supplementary table is provided.

2.7. Allocations and grants made by the municipality

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

2.8. Councillor and board member allowances and employee benefits

NW384 Ditsobotla - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Budget Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		—	—	12 117	16 682	16 682	16 682	13 254	13 863	14 473
Pension and UIF Contributions		—	—	49	161	161	161	4 712	4 928	5 145
Medical Aid Contributions		—	—	32	14	14	14	—	—	—
Motor Vehicle Allowance		—	—	2 726	2 123	2 123	2 123	—	—	—
Cellphone Allowance		—	—	1 588	1 207	1 207	1 207	35	36	38
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		—	—	16 511	20 187	20 187	20 187	18 000	18 828	19 656
% increase	4	—	—	—	22.3%	—	—	(10.8%)	4.6%	4.4%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	5 927	5 723	5 956	5 723	5 723	5 723	8 600	8 996	9 069
Pension and UIF Contributions		648	1 074	931	1 074	1 074	1 074	6 985	7 408	7 845
Medical Aid Contributions		(57)	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		219	351	431	351	351	351	—	—	—
Motor Vehicle Allowance	3	474	442	446	442	442	442	126	126	126
Cellphone Allowance	3	46	6	4	6	6	6	—	—	—
Housing Allowances	3	9	12	12	12	12	12	12	13	13
Other benefits and allowances	3	42	47	49	47	47	47	—	—	—
Payments in lieu of leave		229	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		24	—	17	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		7 561	7 654	7 845	7 654	7 654	7 654	15 723	16 543	17 053
Other Municipal Staff										
Basic Salaries and Wages		187 696	210 348	214 532	215 348	215 348	215 348	230 000	240 425	251 080
Pension and UIF Contributions		27 702	31 871	33 406	36 871	36 871	36 871	41 740	44 281	46 900
Medical Aid Contributions		9 918	11 041	11 885	11 041	11 041	11 041	795	804	809
Overtime		2 440	2 038	1 408	2 647	2 647	2 647	—	—	—
Performance Bonus		32 621	13 246	14 450	13 246	13 246	13 246	10 250	10 250	10 250
Motor Vehicle Allowance	3	6 444	7 296	7 401	7 296	7 296	7 296	756	756	756
Cellphone Allowance	3	6	6	—	6	6	6	—	—	—
Housing Allowances	3	485	804	509	804	804	804	36	38	39
Other benefits and allowances	3	(53 623)	49	50	49	49	49	150	152	160
Payments in lieu of leave		900	289	844	289	289	289	—	—	—
Long service awards		214	84	72	84	84	84	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		442	345	486	345	345	345	550	552	560
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		215 246	277 417	285 044	288 026	288 026	288 026	284 277	297 257	310 554
% increase	4	—	28.9%	2.7%	1.0%	—	—	(1.3%)	4.6%	4.5%
Total Parent Municipality		222 807	285 071	309 400	315 867	315 867	315 867	318 000	332 628	347 264
			27.9%	8.5%	2.1%	—	—	0.7%	4.6%	4.4%
TOTAL SALARY, ALLOWANCES & BENEFITS										
		222 807	285 071	309 400	315 867	315 867	315 867	318 000	332 628	347 264
% increase	4	—	27.9%	8.5%	2.1%	—	—	0.7%	4.6%	4.4%
TOTAL MANAGERS AND STAFF	5,7	222 807	285 071	292 889	295 680	295 680	295 680	300 000	313 800	327 607

2.9. Monthly targets for revenue, expenditure and cash flow

NW384 Ditsobotla - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue																
Exchange Revenue																
Service charges - Electricity		11 224	11 224	11 224	11 224	11 224	11 224	11 224	11 224	11 224	11 224	11 224	11 224	134 690	148 159	162 975
Service charges - Water		1 162	1 162	1 162	1 162	1 162	1 162	1 162	1 162	1 162	1 162	1 162	1 162	13 943	14 584	15 226
Service charges - Waste Water Management		1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	23 949	25 051	26 153
Service charges - Waste Management		1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	20 536	21 478	22 423
Sale of Goods and Rendering of Services		92	92	92	92	92	92	92	92	92	92	92	92	1 107	1 158	1 209
Agency services		208	208	208	208	208	208	208	208	208	208	208	208	2 600	2 616	2 730
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 046	1 529
Interest earned from Current and Non Current Assets		17	17	17	17	17	17	17	17	17	17	17	17	200	209	218
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		42	42	42	42	42	42	42	42	42	42	42	42	500	523	546
Non-Exchange Revenue																
Property rates		7 729	7 729	7 729	7 729	7 729	7 729	7 729	7 729	7 729	7 729	7 729	7 729	92 749	97 000	101 268
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 138	3 276
Licences or permits		208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 615	2 730
Transfer and subsidies - Operational		16 646	16 646	16 646	16 646	16 646	16 646	16 646	16 646	16 646	16 646	16 646	16 646	199 750	199 630	208 128
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and Expenditure)		41 369	41 369	41 369	41 369	41 369	41 369	41 369	41 369	41 369	41 369	41 369	41 369	496 424	517 206	548 411
Expenditure																
Employee related costs		25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	300 000	313 800	327 607
Remuneration of councillors		1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	18 000	18 828	19 656
Bulk purchases - electricity		16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	200 000	209 200	216 405
Inventory consumed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		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	30 000
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	106
Contracted services		2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	27 600	27 600	27 600
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	53 000	43 000	23 000
Operational costs		417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 230	5 470
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		52 967	52 967	52 967	52 967	52 967	52 967	52 967	52 967	52 967	52 967	52 967	52 967	635 600	649 658	651 844
Surplus/(Deficit)		(11 598)	(11 598)	(11 598)	(11 598)	(11 598)	(11 598)	(11 598)	(11 598)	(11 598)	(11 598)	(11 598)	(11 598)	(139 176)	(132 452)	(103 433)
Transfers and subsidies - capital (monetary allocations)		3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	42 460	46 111	48 180
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(96 716)	(86 341)	(55 254)
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(96 716)	(86 341)	(55 254)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(96 716)	(86 341)	(55 254)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(8 060)	(96 716)	(86 341)	(55 254)

2.10. 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 2025/26 financial year will be approved by the Mayor, following the approval of the budget, on or before end May 2024.

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

Not applicable to Ditsobotla Local Municipality

2.12. Contracts having future budgetary implications

The municipality has budgeted for contractual services, including security, financial systems, and credit control 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.

2.13. Capital expenditure details

Project Name	MIG Registered Amount	Total Expenditure to Date	Contractors Appointment Amount
Blydeville Roads Network	R23278513.44	R3 812 638.31	R18 798 089.75
Construction of Springbokpan Hall	R7 645 623.00	R7 540 037.41	R7 645 623.00
Construction of Putfontein Community Hall	R8 846 375.00	R5 219 119.23	R8 846 375.00
Construction of Community Hall in Tlhabologang Phase 2	R3 220 000.00	R2 270 262.33	R3 143 756.44

Bodibe High Mast Lights	R9 970 500.00	R3 508 644.83	R7 949 696.43
Putfontein High Mast Light	R3 000 000.00	R3 000 000.00	R4 483 210.60
Upgrading of Roads Network & Stormwater in Itsoseng (Phase 2)	R18899000.00	R14780 807.16	R18 125 533.09
Tlhabologang Short Streets	R4 252 286.91	R4 153 956.49	R6 576 128.67
Sports Stadium in Itekeng	R18522791.35	R18226 804.61	R18 522 791.35
Construction of Community Hall in Itekeng	R8 534 150.00	R926 495.37	R0.00
Upgrading of Boikhutso Stormwater Network	R15999662.49	R1 446 992	R0.00
Boikhutso Roads Network Phase 2 (Ward 3)	R23278513.44	R 2 558 329.83	R23 905 155.23
Ga-Motlatla High Mast Lights	R4 000 000.00	R 0.00	R0.00
Shiela High Mast Lights	R4 000 000.00	R395 674.11	R0.00

2.14. Legislation compliance status

This budget has been compiled based on various MFMA Circulars such as the recent, Circular 129 and 130 issued by National treasury in December 2024 and March 2025 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 2025/26 to 2027/28 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 2024 Division of Revenue Bill.

Budget Principle and Guidelines

The following budget principles and guidelines directly informed the compilation of the 2025/26MTREF:

- 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.

Supply Chain Management Policy (SCM)

In terms of section 168(1) of MFMA, amendments were being made to the Regulations published under General Notice No. 868 of 30 May 2005, as amended by a Government Notice No. 31 of 20 January 2017 regarding Supply Chain Management as set out in the Schedule.

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.

2.15. Other supporting documents

There are no supporting documents to be included.

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

Not applicable to Ditsobotla Local Municipality

Municipal Managers Quality Certificate

I..... Municipal Manager of Ditsobotla Local Municipality, hereby certify that the draft Medium Term Revenue and Expenditure Framework (MTREF 2025/26 to 2027/28) has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, No. 56 Of 2003.

Signature:

Date:

Mr. OT BOJOSINYANA
MUNICIPAL MANAGER