

BA-PHALABORWA LOCAL MUNICIPALITY

February 26

**ADJUSTMENT BUDGET
2025/26 MTREF**

2026

‘THE HOME OF MARULA AND WILDLIFE TOURISM’



TABLE OF CONTENT

Part 1: Adjustment budget

Mayor's report.....	Page 4-8
Adjustment budget resolution.....	Page 9-12
Executive summary.....	Page 13-21
Adjustment budget tables.....	Page 22-41

Part 2: Supporting documentation.

Adjustment to Financial Performance, Financial Position and Performance Indicators.....	Page 43-49
Adjustment to budget funding.....	Page 50
Adjustment to allocations and Grants Received	Page 51
Adjustment to expenditure on allocations and Grant programmes.....	Page 52 -54
Adjustment to Councillor Allowances and employees' benefits.....	Page 55-56
Adjustment to Revenue and Expenditure.....	Page 57-61
Adjustment to Monthly Cash Flow.....	Page 62-63
Adjustment to Capital Expenditure.....	Page 64-65
Other supporting documents.....	Page 66-71
Adjustment to Service Delivery and Budget Implementation Plan.....	Page 72-76
Municipal Manager's quality certification.....	Page 77

Abbreviations and Acronyms

CPIX	Consumer Price Index
DORA	Division of Revenue Act
CoGTA	Department of Cooperative Governance and Traditional Affairs
EXCO	Executive Committee
DLGH	Department of Local Government and Housing
GRAP	General Recognised Accounting Practice
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
INEG	Integrated National Electrification Grant
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NT	National Treasury
PPP	Public-Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
EEDSMG	Electricity Efficiency Demand System Management Grant

PART ONE

Mayor's speech for tabling of the 2025/26 Adjustment Budget

INTENTIONALLY LEFT BLANK

Total Operating revenue budget to decrease from R750,3 million to R742,8 million

The following line items were affected:

- Service charges – Electricity will decrease from **R193,9 million to R180,8 million** noting the mid-year performance and prior year performance.
- Service charges – Waste Management will change from **R19,9 million to R21,2 million** noting the mid-year performance.
- Sale of Goods and Rendering of Services will change from **R5,9 million to R6,2 million** noting the mid-year performance.
- Agency services remains unchanged at **R11,9 million**
- Interest earned from Receivables remains unchanged at **R16,8 million**
- Interest earned from Current and Non-Current Assets will decrease from **R5,4 million to R4,4 million** noting the mid-year performance and bank balance.
- Rental of facilities and equipment will change from **R349 thousand to R1,7 million** noting the mid-year performance.
- Operational Revenue to decrease from **R7,4 million to R1,7 million** noting the mid-year performance and prior year performance.
- Property rates remains unchanged at **R214,1 million**
- Fines, penalties and forfeits to decrease from **R1,3 million to R1,1 million** noting the mid-year performance and prior year performance.
- Licence and permits will change from **R5,9 million to R15,4 million** noting the mid-year performance.
- Transfer and subsidies – Operational will change from **R224 million to R224,3 million**. Additional of LG Seta grant of **R233 thousand**.
- Interest from Non-Exchange Revenue remains unchanged at **R43,2 million**
- Transfer and subsidies – Capital will increase from **R47,1 million to R62,1 million** due addition funds of **R15 million** for Disaster Grant).

Total Operating expenditure budget to decrease from R795,1 million to R787,2 million

The following line items were affected:

- Employee related cost will decrease from **R223,9 million to R219,2 million**. This is to cater Ward Committee stipend (R4,7 million) which falls under operational cost.
- Remuneration of councillors remains unchanged at **R19,2 million**.
- Bulk purchases –Electricity remains unchanged at **R150,8 million**
- Inventory consumed will increase from **R26,3 million to R33,4 million** due to adjustment to cater materials and suppliers for Fleet management, Traffic – road making, Electricity and Roads and Storm water services.
- Debt impairment remains unchanged **R110,1 million**
- Depreciation and Amortisation remains unchanged **R87,2 million**
- Interest (Finance charges) reduced from **R20,7 million to R5 million** due to payment to Lepelle is fully paid up.
- Contracted services will decrease from **R68,6 million to R61,9 million** due to some of the projects not to be implemented.
- Transfers and subsidies remain unchanged at **R522 thousand**
- And Operational costs will increase from **R87,7 million to R99,8 million** due to allocation of Ward Committee stipend (**R4,7 million**), Hire charges to various sections, Insurance (**R1,3 million from security services**), Commission for travel agency (to address AG COMAF) and noting the mid-year performance.

MUNICIPAL INFRASTRUCTURE GRANTS (MIG) PROJECTS WILL REMAIN UNCHANGED AS FOLLOWS:

Project Name	Project Description and Location	Original Budget	Adjusted Budget	Final Budget
Installation of high mast lights	Installation of highmast lights Phalaborwa area	R4 202 350.00	R4 797 650.00	R9 000 000.00
Upgrading of Honeyville to Dinoko Sebera from gravel to tar	Upgrading of road from gravel to block paving	R9 000 000.00	R6 179 259.00	R15 179 259.00
Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana	Upgrading of road from gravel to block paving Kanana	R7 304 325.00	R2 849 665.00	R10 153 990.00
Upgrading of gravel to asphalt street from clinic via ZCC	Upgrading of road from gravel to block paving Makhushane	R6 400 000.00	(R5 500 000.00)	R900 000.00
Upgrading of gravel to asphalt street from Nkateko to Pondo	Upgrading of road from gravel to block paving Lulekani	R6 000 000.00	(R5 150 000.00)	R850 000.00
Installation of stormwater culvert at Shitshitwe culvert	Construction of culvert bridge Makhushane	R4 000 000.00	(R3 000 000.00)	R1 000 000.00
Upgrading of Benfarm phase 2	Upgrading of road from gravel to asphalt Majeje	R176 574.00	(R176 574.00)	R0.00
Total		R37 083 250.00	-	R37 083 250.00

- Total MIG projects to remains the same at **R37,1 million** which is VAT inclusive. However, there have been adjustments between the individual projects.

INTEGRATED ELECTRIFICATION PROGRAMME (INEP) REMAIN UNCHANGED AS FOLLOWS:

Project Name	Original Budget 2025/26	Adjustment Amount 2025/26	Final Budget 2025/26
Electrification of 150 household in Majeje phase 03	3 850 000.00	-	3 850 000.00
Construction of New Substation	2 000 000.00	-	2 000 000.00
Totals	5 850 000.00	-	5 850 000.00

- The budget for Integrated National Electrification Project (INEP) will remain the same at **R5,9 million** which is VAT inclusive.

MUNICIPAL DISASTER RELIEF GRANT (MDRG) AS FOLLOWS:

Project Name	Adjustment Budget	Adjusted Budget	Final Budget
Ward 14 Derrick Nyathi bridge (Rehabilitation)	R 4 000 000.00	R 690 000	R 4 690 000.00
Ward 18 Graveyard Selwane	R 6 000 000.00	(R 690 000)	R 5 310 000.00
Ward 19 road via Gaza Primary (Upgrading from gravel to blocked paving)	-	R 2 000 000	R 2 000 000
Ward 05 2400 Zone B (Upgrading from gravel to blocked paving)	-	R 2 000 000	R 2 000 000
Ward 19 Presbyterian church street and Lutheran church street (Rehabilitation)	-	R 6 000 000	R 6 000 000
Ward 04 Sebala Makgolo High school street (Rehabilitation)	-	R3 000 000	R3 000 000
Ward 16 Matikoxi-kaya road (Upgrading from gravel to blocked paving)	-	R2 000 000	R2 000 000
Total	R 10 000 000.00	R15 000 000	R 25 000 000.00

- The initial MDRG allocation was R10 million. There have been adjustments between the individual projects The Municipality received a gazette indicating an additional allocation of R15 million.

PROJECTS FUNDED INTERNALLY REMAINS UNCHANGED AS FOLLOWS:

Project Name	Original Budget	Adjustment	Final Budget
Refurbishment of Namakgale Stadium	R10 400 000.00	(R6 557 679.00)	R3 842 321.00
Office Furniture and Equipment - Admin	R1 700 000.00	R0.00	R1 700 000.00
Tambo Upgrading Of Streets From Gravel To Tar 2.3	R6 720 000.00	R0.00	R6 720 000.00
Development of Phalaborwa new landfill site Phase	R4 000 000.00	R0.00	R4 000 000.00
Upgrading of Honeyville to Dinoko Sebera from gravel to tar	R3 761 500.00	(R1 594 387.00)	R2 167 113.00
Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana	R3 052 000.00	(R3 052 000.00)	R0.00
Construction of a Trapezoidal concrete lined stormwater channel, in ward 5 Namakgale	R1 500 000.00	R0.00	R1 500 000.00
Totals	R31 133 500.00	(R11 204 066.00)	R19 929 434.00

Internally funded projects will reduce from **R31,1 million** which is VAT inclusive to **R19,9 million** this is to reduce the burden on the cashflow and funded budget.

Honourable Speaker, the municipality must continue to implement the **cost containment regulation 2019** as previously approved by Council and also continue to implement the revenue enhancement strategy and financial recovery plan in order to improve our financial status and maintain healthy cash flows.

Adjustment Budget Resolutions

1.1 ADJUSTMENT BUDGET for 2025/26

Council resolved that the adjustment and MTREF and its supporting tables of the Ba-Phalaborwa Municipality (LIM334) for the financial year 2025/26; be approved as set out on the following tables:

Table B1	Adjustment Budget summary
Table B2	Adjustment Budget financial performance – Standard Classification
Table B3	Adjustment Budget financial performance – Revenue and Expenditure by Municipal Vote
Table B4	Adjustment Budget financial performance – Revenue and Expenditure
Table B5	Adjustment Budget Capital Expenditure- Vote
Table B6	Adjustment Budget Financial Position
Table B7	Adjustment Budget Cash Flows
Table B8	Cash backed reserves/accumulated surplus reconciliation.
Table B9	Asset Management

1.2 Adjustment permitted in terms of Section 28 (2) of MFMA

- Council resolved that the total budgeted annual Revenue changed from **R750,3 million to R742,8 million** excludes capital grant be approved.
- Council resolved that the total budgeted annual Operating Expenditure changed from **R795,2 million to R787,2 million** be approved.
- Council resolved that the total budgeted Capital expenditure increased from **R68 million to R71,5 million** be approved.

1.3 Adjustment budget supporting tables for 2025/26 MTREF

Council resolved that the Adjustment budget of the Ba-Phalaborwa Municipality for the financial year **2025/26**, and indicative figures for two outer years **2026/27** and **2027/28** are approved as set out in the following tables.

Table SB1	Budgeted financial position.
Table SB2	Supporting details to financial position.
Table SB3	Adjustment - SDBIP- Performance objectives
Table SB4	Adjustment budget - performance indicators and benchmarks
Table SB5	Adjustment budget – Social, Economic, Demographic statistics and Assumptions
Table SB6	Adjustment budget – Funding Measurement
Table SB7	Adjustment budget – Transfers and Grant Receipts
Table SB8	Adjustment budget – Expenditure on Transfers and Grant Programme
Table SB9	Adjustment budget – Reconciliation of transfers, Grant Receipts and Unspent Funds
Table SB10	Adjustment budget – Transfers and Grant by the Municipality
Table SB11	Adjustment budget – Councillor and Staff benefits
Table SB12	Adjustment budget – Monthly Revenue and Expenditure (Municipal Votes)
Table SB13	Adjustment budget - Monthly Revenue and Expenditure (Functional Classification)
Table SB14	Adjustment budget – Monthly Revenue and Expenditure
Table SB15	Adjustment budget – Monthly Cash flows
Table SB16	Adjustment budget – Monthly Expenditure (Municipal Votes)
Table SB17	Adjustment budget – Monthly Capital expenditure (Functional Classification)
Table SB18a	Adjustment budget – Capital Expenditure on New Assets (Assets

	Class)
Table SB18b	Adjustment budget – Capital Assets on renewal of existing assets (Assets Class)
Table SB18c	Adjustment budget – Expenditure on Repairs and Maintenance (Assets Class)
Table SB19	Adjustment budget –List of Capital programme or projects affected. by Special Adjustment

1.4 Revised Service Delivery and Budget Implementation Plan (SDBIP)

Council note that the revised SDBIP be tabled with the Adjustment Budget in line with MFMA section 54(1) (c).

1.5 Budget Related Polices

1. Property Rates Policy
2. Tariff Policy
3. Credit Control Policy
4. Debt Collection Policy
5. Indigent Household Consumer Subsidy policy
6. Virement policy
7. Budget policy
8. Petty Cash policy
9. Asset Management Policy
10. Bad Debts Write Off
11. Deposit Policy
12. Cash management and Investment Policy

13. Fleet management Policy
14. Electricity by-laws
15. Land use by-law
16. Electricity supply by-laws
17. Subsistence and travelling policy
18. Customer care Policy and Service Standards
19. Inventory Management Policy
20. Model SCM Policy for Infrastructure Procurement and Delivery Management
21. Sale and Disposal of Municipal Land/Property Policy
22. Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy
23. Supply Chain Management Policy

EXECUTIVE SUMMARY

In accordance with Section 28 of the Municipal Finance Management Act, 56 of 2003, a municipality may revise an approved annual budget through an adjustment budget. In terms of Section 72 (3) of the MFMA, the Accounting Officer must as part of review, make recommendations as to whether an Adjustment Budget is necessary and recommends revised projections for revenue and expenditure to the extent that this may be necessary.

The section further provides that Adjustment Budget may authorise the following:

- a) Provide for any other expenditure within a prescribed framework.
- b) Correct any errors in the annual budget (Budget overstated and under-stated)
- c) Spending of funds that were unspent at the end of the past financial year where under-spending could not reasonably have been foreseen at the time to include correctly projected roll-over amounts when the annual budget for the current year was approved by Council.
- d) Appropriation of projected savings in one vote towards spending under another vote

The following table reflects the approved and revised budget revenue 2025/26

LIM334 Ba-Phalaborwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	193 957	193 957	-	-	-	-	(13 130)	(13 130)	180 827	204 237	216 879
Service charges - Waste Management	2	19 894	19 894	-	-	-	-	1 300	1 300	21 194	20 789	21 309
Sale of Goods and Rendering of Services		5 993	5 993					174	174	6 167	7 899	8 237
Agency services		11 932	11 932					-	-	11 932	12 469	12 780
Interest		-	-					-	-	-	-	-
Interest earned from Receivables		16 768	16 768					-	-	16 768	17 522	17 961
Interest earned from Current and Non Current Assets		5 351	5 351					(1 000)	(1 000)	4 351	11 183	11 462
Rental from Fixed Assets		349	349					1 305	1 305	1 654	365	374
Operational Revenue		7 432	7 432					(5 700)	(5 700)	1 732	7 766	7 960
Non-Exchange Revenue												
Property rates	2	214 177	214 177	-	-	-	-	-	-	214 177	223 815	229 410
Fines, penalties and forfeits		1 306	1 306					(250)	(250)	1 056	1 365	1 399
Licences or permits		5 851	5 851					9 550	9 550	15 401	6 115	6 267
Transfer and subsidies - Operational		224 034	224 034					233	233	224 267	227 248	232 247
Interest		43 242	43 242					-	-	43 242	45 188	46 318
Total Revenue (excluding capital transfers and contributions)		750 286	750 286	-	-	-	-	(7 518)	(7 518)	742 768	785 961	812 604

The above table reflects a decrease in total revenue from R750,3 million to R742,8 million in the Adjustment Budget 2025/26. This reduction is based on performance noted at the mid-year review (January 2026)

The breakdown of Municipal Revenue per service which was affected by the Adjustment Budget for 2025/26 is illustrated below as follows:

- Service charges – Electricity will decrease from **R193,9 million to R180,8 million** noting the mid-year performance and prior year performance.
- Service charges – Waste Management will change from **R19,9 million to R21,2 million** noting the mid-year performance.
- Sale of Goods and Rendering of Services will change from **R5,9 million to R6,2 million** noting the mid-year performance.
- Agency services remains unchanged at **R11,9 million**
- Interest earned from Receivables remains unchanged at **R16,8 million**
- Interest earned from Current and Non-Current Assets will decrease from **R5,4 million to R4,4 million** noting the mid-year performance and bank balance.
- Rental of facilities and equipment will change from **R349 thousand to R1,7 million** noting the mid-year performance.
- Operational Revenue to decrease from **R7,4 million to R1,7 million** noting the mid-year performance and prior year performance.
- Property rates remains unchanged at **R214,1 million**
- Fines, penalties and forfeits to decrease from **R1,3 million to R1,1 million** noting the mid-year performance and prior year performance.
- Licence and permits will change from **R5,9 million to R15,4 million** noting the mid-year performance.
- Transfer and subsidies – Operational will change from **R224 million to R224,3 million**. Additional of LG Seta grant of **R233 thousand**.
- Interest from Non-Exchange Revenue remains unchanged at **R43,2 million**
- Transfer and subsidies – Capital will increase from **R47,1 million to R62,1 million** due addition funds **of R15 million** for Disaster Grant).

The municipality continues to implement the approved revenue enhancement strategy and its credit control policy by issuing a cut-off list monthly. The municipality has also employed a debt collector to focus in the township in order to collect the long outstanding debt from those that are owing the municipality.

The following table reflects the approved operating expenditure budget 2025/26, and the proposed revised budget.

LIM334 Ba-Phalaborwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Expenditure By Type	-											
Employee related costs		223 845	223 845	-	-	-	-	(4 676)	(4 676)	219 169	239 485	256 159
Remuneration of councillors		19 196	19 196	-	-	-	-	-	-	19 196	20 539	21 977
Bulk purchases - electricity		150 812	150 812	-	-	-	-	-	-	150 812	158 805	168 651
Inventory consumed		26 313	26 313	-	-	-	-	7 122	7 122	33 435	27 497	28 184
Debt impairment		110 142	110 142	-	-	-	-	-	-	110 142	115 098	117 976
Depreciation and amortisation		87 220	87 220	-	-	-	-	-	-	87 220	91 145	93 423
Interest		20 722	20 722	-	-	-	-	(15 722)	(15 722)	5 000	6 100	6 210
Contracted services		68 642	68 642	-	-	-	-	(6 758)	(6 758)	61 884	76 165	68 589
Transfers and subsidies		522	522	-	-	-	-	-	-	522	454	473
Operational costs		87 732	87 732	-	-	-	-	12 093	12 093	99 825	91 191	92 133
Total Expenditure		795 146	795 146	-	-	-	-	(7 940)	(7 940)	787 205	826 480	853 776

Total expenditure decreased from **R795,1 million to R787,2 million** in the Adjustment Budget 2025/26. The reduction in expenditure is also informed by performance as assessed during the mid-year review (January 2026).

Total Operating expenditure budget to decrease from R795,1 million to R787,2 million

The following line items were affected:

- Employee related cost will decrease from **R223,9 million to R219,2 million**. This is to cater Ward Committee stipend (R4,7 million) which falls under operational cost.
- Remuneration of councillors remains unchanged at **R19,2 million**.
- Bulk purchases –Electricity remains unchanged at **R150,8 million**
- Inventory consumed will increase from **R26,3 million to R33,4 million** due to adjustment to cater materials and suppliers for Fleet management, Traffic – road making, Electricity and Roads and Storm water services.
- Debt impairment remains unchanged **R110,1 million**
- Depreciation and Amortisation remains unchanged **R87,2 million**
- Interest (Finance charges) reduced from **R20,7 million to R5 million** due to payment to Lepelle is fully paid up.
- Contracted services will decrease from **R68,6 million to R61,9 million** due to some of the projects not to be implemented.
- Transfers and subsidies remain unchanged at **R522 thousand**
- And Operational costs will increase from **R87,7 million to R99,8 million** due to allocation of Ward Committee stipend (**R4,7 million**), Hire charges to various sections, Insurance (**R1,3 million from security services**), Commission for travel agency (to address AG COMAF) and noting the mid-year performance.

GRANTS AND SUBSIDIES 2025/26

Operational transfers and grants to increase from R224 million to R224,3 million

Capital transfers and grants to increase from R47,1 million to R62,1 million.

LIM334 Ba-Phalaborwa - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2025/26							Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:	1, 2									
-										
<u>Operating Transfers and Grants</u>										
National Government:		224 034	224 034	-	-	-	-	224 034	227 248	232 247
Energy Efficiency and Demand Management	-	-	-	-	-	-	-	-	5 000	-
EPWP Incentive	-	1 806	1 806	-	-	-	-	1 806	-	-
Finance Management	-	3 000	3 000	-	-	-	-	3 000	3 000	3 100
Local Government Equitable Share	-	217 276	217 276	-	-	-	-	217 276	217 139	226 946
Municipal Infrastructure Grant	-	1 952	1 952	-	-	-	-	1 952	2 109	2 201
Other grant providers:		-	-	-	233	-	233	233	-	-
National Departmental Agencies_Education, Training and Development Practices SETA	-	-	-	-	233	-	233	233	-	-
Total Operating Transfers and Grants	6	224 034	224 034	-	233	-	233	224 267	227 248	232 247
<u>Capital Transfers and Grants</u>										
National Government:		37 083	47 083	-	15 000	-	15 000	62 083	40 075	41 810
Municipal Infrastructure Grant (MIG)	-	37 083	37 083	-	-	-	-	37 083	40 075	41 810
Municipal Disaster Relief Grant	-	-	10 000	-	15 000	-	15 000	25 000	-	-
Total Capital Transfers and Grants	6	37 083	47 083	-	15 000	-	15 000	62 083	40 075	41 810
TOTAL RECEIPTS OF TRANSFERS & GRANTS		261 117	271 117	-	15 233	-	15 233	286 350	267 323	274 056

MUNICIPAL INFRASTRUCTURE GRANTS (MIG) PROJECTS WILL REMAIN UNCHANGED AS FOLLOWS:

Project Name	Project Description and Location	Original Budget	Adjusted Budget	Final Budget
Installation of high mast lights	Installation of highmast lights Phalaborwa area	R4 202 350.00	R4 797 650.00	R9 000 000.00
Upgrading of Honeyville to Dinoko Sebera from gravel to tar	Upgrading of road from gravel to block paving	R9 000 000.00	R6 179 259.00	R15 179 259.00
Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana	Upgrading of road from gravel to block paving Kanana	R7 304 325.00	R2 849 665.00	R10 153 990.00
Upgrading of gravel to asphalt street from clinic via ZCC	Upgrading of road from gravel to block paving Makhushane	R6 400 000.00	(R5 500 000.00)	R900 000.00
Upgrading of gravel to asphalt street from Nkateko to Pondo	Upgrading of road from gravel to block paving Lulekani	R6 000 000.00	(R5 150 000.00)	R850 000.00
Installation of stormwater culvert at Shitshitwe culvert	Construction of culvert bridge Makhushane	R4 000 000.00	(R3 000 000.00)	R1 000 000.00
Upgrading of Benfarm phase 2	Upgrading of road from gravel to asphalt Majeje	R176 574.00	(R176 574.00)	R0.00
Total		R37 083 250.00	-	R37 083 250.00

MIG funded projects remained unchanged at **R37,1 million**. However, there have been adjustments between the individual projects.

INTEGRATED ELECTRIFICATION PROGRAMME (INEP) REMAIN UNCHANGED AS FOLLOWS:

Project Name	Original Budget 2025/26	Adjustment Amount 2025/26	Final Budget 2025/26
Electrification of 150 household in Majeje phase 03	3 850 000.00	-	3 850 000.00
Construction of New Substation	2 000 000.00	-	2 000 000.00
Totals	5 850 000.00	-	5 850 000.00

PROJECTS FUNDED INTERNALLY TO CHANGE AS FOLLOWS:

Project Name	Original Budget	Adjustment	Final Budget
Refurbishment of Namakgale Stadium	R10 400 000.00	(R6 557 679.00)	R3 842 321.00
Office Furniture and Equipment - Admin	R1 700 000.00	R0.00	R1 700 000.00
Tambo Upgrading Of Streets From Gravel To Tar 2.3	R6 720 000.00	R0.00	R6 720 000.00
Development of Phalaborwa new landfill site Phase	R4 000 000.00	R0.00	R4 000 000.00
Upgrading of Honeyville to Dinoko Sebera from gravel to tar	R3 761 500.00	(R1 594 387.00)	R2 167 113.00

Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana	R3 052 000.00	(R3 052 000.00)	R0.00
Construction of a Trapezoidal concrete lined stormwater channel, in ward 5 Namakgale	R1 500 000.00	R0.00	R1 500 000.00
Totals	R31 133 500.00	(R11 204 066.00)	R19 929 434.00

Internally funded projects to change from R31,3 million to R19,9 million. The reduction is due to due cashflow constraints and the budget being unfunded status.

MUNICIPAL DISASTER RELIEF GRANT (MDRG) AS FOLLOWS:

Project Name	Adjustment Budget	Adjusted Budget	Final Budget
Ward 14 Derrick Nyathi bridge (Rehabilitation)	R 4 000 000.00	R 690 000	R 4 690 000.00
Ward 18 Graveyard Selwane	R 6 000 000.00	(R 690 000)	R 5 310 000.00
Ward 19 road via Gaza Primary (Upgrading from gravel to blocked paving)	-	R 2 000 000	R 2 000 000
Ward 05 2400 Zone B (Upgrading from gravel to blocked paving)	-	R 2 000 000	R 2 000 000
Ward 19 Presbyterian church street and Lutheran church street (Rehabilitation)	-	R 6 000 000	R 6 000 000
Ward 04 Sebala Makgolo High school street (Rehabilitation)	-	R3 000 000	R3 000 000
Ward 16 Matikoxi-kaya road (Upgrading from gravel to blocked paving)	-	R2 000 000	R2 000 000
Total	R 10 000 000.00	R15 000 000	R 25 000 000.00

- The initial MDRG allocation was R10 million. There have been adjustments between the individual projects The Municipality received a gazette indicating an additional allocation of R15 million.

ADJUSTMENT BUDGET TABLES

2025/26

1. ADJUSTMENT BUDGET TABLES

1.1. ADJUSTMENT BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table B1 Adjustments Budget Summary -

Description	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	214 177	214 177	-	-	-	-	-	214 177	223 815	229 410	
Service charges	213 851	213 851	-	-	-	-	(11 830)	202 021	225 026	238 188	
Investment revenue	5 351	5 351	-	-	-	-	(1 000)	4 351	11 183	11 462	
Transfers recognised - operational	224 034	224 034	-	-	-	-	233	224 267	227 248	232 247	
Other own revenue	92 873	92 873	-	-	-	-	5 079	97 952	98 688	101 296	
Total Revenue (excluding capital transfers and contributions)	750 286	750 286	-	-	-	-	(7 518)	742 768	785 961	812 604	
Employee costs	223 845	223 845	-	-	-	-	(4 676)	219 169	239 485	256 159	
Remuneration of councillors	19 196	19 196	-	-	-	-	-	19 196	20 539	21 977	
Depreciation & asset impairment	197 362	197 362	-	-	-	-	-	197 362	206 243	211 399	
Finance charges	20 722	20 722	-	-	-	-	(15 722)	5 000	6 100	6 210	
Inventory consumed and bulk purchases	177 125	177 125	-	-	-	-	7 122	184 248	186 302	196 836	
Transfers and subsidies	522	522	-	-	-	-	-	522	454	473	
Other expenditure	156 374	156 374	-	-	-	-	5 335	161 709	167 356	160 722	
Total Expenditure	795 146	795 146	-	-	-	-	(7 940)	787 205	826 480	853 776	
Surplus/(Deficit)	(44 860)	(44 860)	-	-	-	-	422	(44 438)	(40 520)	(41 172)	
Transfers and subsidies - capital (monetary allocations)	37 083	47 083	-	-	-	-	15 000	62 083	40 075	41 810	
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	(7 777)	2 223	-	-	-	-	15 422	17 646	(445)	637	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	(7 777)	2 223	-	-	-	-	15 422	17 646	(445)	637	
Capital expenditure & funds sources											
Capital expenditure	59 319	68 015	-	-	-	-	3 456	71 471	49 858	48 269	
Transfers recognised - capital	32 246	40 942	-	-	-	-	13 199	54 141	34 848	36 356	

Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	27 073	27 073	-	-	-	-	(9 743)	(9 743)	17 330	15 010	11 913	
Total sources of capital funds	59 319	68 015	-	-	-	-	3 456	3 456	71 471	49 858	48 269	
<u>Financial position</u>												
Total current assets	279 629	242 266	-	-	-	-	(25 155)	(25 155)	217 111	525 699	423 073	
Total non current assets	1 251 539	1 260 235	-	-	-	-	23 745	23 745	1 283 979	1 578 183	1 581 394	
Total current liabilities	486 142	486 142	-	-	-	-	(16 251)	(16 251)	469 891	555 856	378 500	
Total non current liabilities	189 796	189 796	-	-	-	-	-	-	189 796	218 005	218 005	
Community wealth/Equity	854 098	864 098	-	-	-	-	14 840	14 840	878 938	1 334 305	1 413 467	
<u>Cash flows</u>												
Net cash from (used) operating	59 431	69 431	-	-	-	-	6 825	6 825	76 256	197 926	22 364	
Net cash from (used) investing	(68 217)	(78 217)	-	-	-	-	(3 975)	(3 975)	(82 191)	(54 336)	(53 009)	
Net cash from (used) financing	-	-	-	-	-	-	7 800	7 800	7 800	-	-	
Cash/cash equivalents at the year end	45 652	45 652	-	-	-	-	(8 836)	(8 836)	36 816	168 842	48 998	
<u>Cash backing/surplus reconciliation</u>												
Cash and investments available	25 252	25 252	-	-	-	-	(8 836)	(8 836)	16 416	94 105	(24 411)	
Application of cash and investments	250 504	281 968	-	-	-	-	(49 371)	(49 371)	232 598	98 332	(97 173)	
Balance - surplus (shortfall)	(225 252)	(256 716)	-	-	-	-	40 535	40 535	(216 182)	(4 227)	72 762	
<u>Asset Management</u>												
Asset register summary (WDV)	1 196 406	1 205 101	-	-	-	-	23 745	23 745	1 228 846	1 482 314	1 485 526	
Depreciation	87 220	87 220	-	-	-	-	-	-	87 220	91 145	93 423	
Renewal and Upgrading of Existing Assets	21 565	30 261	-	-	-	-	(8 876)	(8 876)	21 385	-	-	
Repairs and Maintenance	10 093	10 093	-	-	-	-	230	230	10 322	13 729	13 789	
<u>Free services</u>												
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-	
Revenue cost of free services provided	1 587	18 761	-	-	-	-	10 051	10 051	28 812	19 616	20 162	
<u>Households below minimum service level</u>												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	

Total Operating revenue budget to decrease from R750,3 million to R742,8 million

The following line items were affected:

- Service charges – Electricity will decrease from **R193,9 million to R180,8 million** noting the mid-year performance and prior year performance.
- Service charges – Waste Management will change from **R19,9 million to R21,2 million** noting the mid-year performance.
- Sale of Goods and Rendering of Services will change from **R5,9 million to R6,2 million** noting the mid-year performance.
- Agency services remains unchanged at **R11,9 million**
- Interest earned from Receivables remains unchanged at **R16,8 million**
- Interest earned from Current and Non-Current Assets will decrease from **R5,4 million to R4,4 million** noting the mid-year performance and bank balance.
- Rental of facilities and equipment will change from **R349 thousand to R1,7 million** noting the mid-year performance.
- Operational Revenue to decrease from **R7,4 million to R1,7 million** noting the mid-year performance and prior year performance.
- Property rates remains unchanged at **R214,1 million**
- Fines, penalties and forfeits to decrease from **R1,3 million to R1,1 million** noting the mid-year performance and prior year performance.
- Licence and permits will change from **R5,9 million to R15,4 million** noting the mid-year performance.
- Transfer and subsidies – Operational will change from **R224 million to R224,3 million**. Additional of LG Seta grant of **R233 thousand**.
- Interest from Non-Exchange Revenue remains unchanged at **R43,2 million**
- Transfer and subsidies – Capital will increase from **R47,1 million to R62,1 million** due addition funds of **R15 million** for Disaster Grant).

Total Operating expenditure budget to decrease from R795,1 million to R787,2 million

The following line items were affected:

- Employee related cost will decrease from **R223,9 million to R219,2 million**. This is to cater Ward Committee stipend (R4,7 million) which falls under operational cost.
- Remuneration of councillors remains unchanged at **R19,2 million**.
- Bulk purchases –Electricity remains unchanged at **R150,8 million**
- Inventory consumed will increase from **R26,3 million to R33,4 million** due to adjustment to cater materials and suppliers for Fleet management, Traffic – road making, Electricity and Roads and Storm water services.
- Debt impairment remains unchanged **R110,1 million**
- Depreciation and Amortisation remains unchanged **R87,2 million**
- Interest (Finance charges) reduced from **R20,7 million to R5 million** due to payment to Lepelle is fully paid up.
- Contracted services will decrease from **R68,6 million to R61,9 million** due to some of the projects not to be implemented.
- Transfers and subsidies remain unchanged at **R522 thousand**
- And Operational costs will increase from **R87,7 million to R99,8 million** due to allocation of Ward Committee stipend (**R4,7 million**), Hire charges to various sections, Insurance (**R1,3 million from security services**), Commission for travel agency (to address AG COMAF) and noting the mid-year performance.

1.2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE (FUNCTIONAL CLASSIFICATION)

LIM334 Ba-Phalaborwa - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
Governance and administration		493 250	493 250	-	-	-	-	(6 227)	(6 227)	487 023	510 977	528 100
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		493 250	493 250	-	-	-	-	(6 227)	(6 227)	487 023	510 977	528 100
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		14 440	14 440	-	-	-	-	9 625	9 625	24 065	15 090	15 467
Community and social services		328	328	-	-	-	-	75	75	403	343	351
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		14 112	14 112	-	-	-	-	9 550	9 550	23 662	14 747	15 116
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		42 577	52 577	-	-	-	-	15 414	15 414	67 991	43 998	45 870
Planning and development		301	301	-	-	-	-	50	50	351	315	323
Road transport		42 276	52 276	-	-	-	-	15 364	15 364	67 640	43 683	45 547
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		237 102	237 102	-	-	-	-	(11 330)	(11 330)	225 772	255 970	264 977
Energy sources		205 673	205 673	-	-	-	-	(12 630)	(12 630)	193 043	223 127	231 313
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		31 429	31 429	-	-	-	-	1 300	1 300	32 729	32 843	33 664
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	787 369	797 369	-	-	-	-	7 482	7 482	804 851	826 035	854 413
Expenditure - Functional												
Governance and administration		349 363	349 363	-	-	-	-	(2 583)	(2 583)	346 780	354 430	367 866
Executive and council		47 561	47 561	-	-	-	-	4 492	4 492	52 053	51 521	54 687
Finance and administration		271 970	271 970	-	-	-	-	(5 911)	(5 911)	266 059	271 020	281 408
Internal audit		29 832	29 832	-	-	-	-	(1 163)	(1 163)	28 669	31 889	31 771
Community and public safety		71 647	71 647	-	-	-	-	(1 867)	(1 867)	69 780	76 903	81 903

Community and social services		22 029	22 029	-	-	-	-	1 240	1 240	23 269	23 859	24 459
Sport and recreation		4 579	4 579	-	-	-	-	(145)	(145)	4 434	4 773	4 948
Public safety		24 387	24 387	-	-	-	-	(528)	(528)	23 860	26 096	27 895
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		20 652	20 652	-	-	-	-	(2 434)	(2 434)	18 217	22 175	24 601
Economic and environmental services		138 752	138 752	-	-	-	-	(4 784)	(4 784)	133 968	141 077	143 891
Planning and development		32 415	32 415	-	-	-	-	(2 414)	(2 414)	30 001	28 240	26 611
Road transport		106 337	106 337	-	-	-	-	(2 370)	(2 370)	103 967	112 837	117 280
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		235 384	235 384	-	-	-	-	1 294	1 294	236 677	254 070	260 116
Energy sources		225 791	225 791	-	-	-	-	(1 149)	(1 149)	224 642	244 061	249 856
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		9 593	9 593	-	-	-	-	2 442	2 442	12 035	10 009	10 260
Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	795 146	795 146	-	-	-	-	(7 940)	(7 940)	787 205	826 480	853 776
Surplus/ (Deficit) for the year		(7 777)	2 223	-	-	-	-	15 422	15 422	17 646	(445)	637

- The above table illustrates expenditure Adjustment budget by municipal classification.

1.3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

LIM334 Ba-Phalaborwa - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - Executive and Councillors		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		492 900	492 900	-	-	-	-	(7 765)	(7 765)	485 135	510 612	527 725
Vote 3 - Corporate Services		349	349	-	-	-	-	1 538	1 538	1 887	365	374
Vote 4 - Community and Social Services		15 727	15 727	-	-	-	-	9 975	9 975	25 702	16 435	16 845
Vote 5 - Planning and Development Services		301	301	-	-	-	-	50	50	351	315	323
Vote 6 - Technical Services		278 091	288 091	-	-	-	-	3 684	3 684	291 775	298 309	309 145
Total Revenue by Vote	2	787 369	797 369	-	-	-	-	7 482	7 482	804 851	826 035	854 413
Expenditure by Vote	1											
Vote 1 - Executive and Councillors		80 295	80 295	-	-	-	-	4 352	4 352	84 647	86 765	90 016
Vote 2 - Budget and Treasury Office		192 104	192 104	-	-	-	-	(6 157)	(6 157)	185 947	185 762	192 060
Vote 3 - Corporate Services		79 823	79 823	-	-	-	-	245	245	80 068	84 997	89 088
Vote 4 - Community and Social Services		88 781	88 781	-	-	-	-	(1 150)	(1 150)	87 631	95 040	101 062
Vote 5 - Planning and Development Services		29 887	29 887	-	-	-	-	(2 375)	(2 375)	27 512	25 611	23 859
Vote 6 - Technical Services		324 255	324 255	-	-	-	-	(2 856)	(2 856)	321 399	348 305	357 693
Total Expenditure by Vote	2	795 146	795 146	-	-	-	-	(7 940)	(7 940)	787 205	826 480	853 776
Surplus/ (Deficit) for the year	2	(7 777)	2 223	-	-	-	-	15 422	15 422	17 646	(445)	637

The above table illustrates expenditure Adjustment budget per municipal vote.

- The executive and Councillors have no revenue and R84,6 million expenditure to be funded from other votes.
- Budget and treasury have R485,1 million revenue and R185,9 million expenditure.
- Corporate services have R1,8 million revenue with R80,1 million expenditure.
- Community services has R25,7 million revenue with R87,6 million expenditure.
- Planning and development has R351 thousand revenue with R27,5 million expenditure.
- Technical Services has R291,7 million revenue and R321,4 million expenditure.

1.4 BUDGETED FINANCIAL PERFORMANCE

LIM334 Ba-Phalaborwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	193 957	193 957	-	-	-	-	(13 130)	(13 130)	180 827	204 237	216 879
Service charges - Waste Management	2	19 894	19 894	-	-	-	-	1 300	1 300	21 194	20 789	21 309
Sale of Goods and Rendering of Services		5 993	5 993					174	174	6 167	7 899	8 237
Agency services		11 932	11 932					-	-	11 932	12 469	12 780
Interest earned from Receivables		16 768	16 768					-	-	16 768	17 522	17 961
Interest earned from Current and Non Current Assets		5 351	5 351					(1 000)	(1 000)	4 351	11 183	11 462
Rental from Fixed Assets		349	349					1 305	1 305	1 654	365	374
Operational Revenue		7 432	7 432					(5 700)	(5 700)	1 732	7 766	7 960
Non-Exchange Revenue												
Property rates	2	214 177	214 177	-	-	-	-	-	-	214 177	223 815	229 410
Fines, penalties and forfeits		1 306	1 306					(250)	(250)	1 056	1 365	1 399
Licences or permits		5 851	5 851					9 550	9 550	15 401	6 115	6 267
Transfer and subsidies - Operational		224 034	224 034					233	233	224 267	227 248	232 247
Interest		43 242	43 242					-	-	43 242	45 188	46 318
Total Revenue (excluding capital transfers and contributions)		750 286	750 286	-	-	-	-	(7 518)	(7 518)	742 768	785 961	812 604
Expenditure By Type	-											
Employee related costs		223 845	223 845	-	-	-	-	(4 676)	(4 676)	219 169	239 485	256 159
Remuneration of councillors		19 196	19 196					-	-	19 196	20 539	21 977
Bulk purchases - electricity		150 812	150 812	-	-	-	-	-	-	150 812	158 805	168 651
Inventory consumed		26 313	26 313	-	-	-	-	7 122	7 122	33 435	27 497	28 184
Debt impairment		110 142	110 142					-	-	110 142	115 098	117 976
Depreciation and amortisation		87 220	87 220					-	-	87 220	91 145	93 423
Interest		20 722	20 722					(15 722)	(15 722)	5 000	6 100	6 210
Contracted services		68 642	68 642	-	-	-	-	(6 758)	(6 758)	61 884	76 165	68 589
Transfers and subsidies		522	522					-	-	522	454	473

Operational costs		87 732	87 732					12 093	12 093	99 825	91 191	92 133
Total Expenditure		795 146	795 146	-	-	-	-	(7 940)	(7 940)	787 205	826 480	853 776
Surplus/(Deficit)		(44 860)	(44 860)	-	-	-	-	422	422	(44 438)	(40 520)	(41 172)
Transfers and subsidies - capital (monetary allocations)		37 083	47 083					15 000	15 000	62 083	40 075	41 810
Surplus/ (Deficit) for the year	1	(7 777)	2 223	-	-	-	-	15 422	15 422	17 646	(445)	637

Total Operating revenue budget to decrease from R750,3 million to R742,8 million

The following line items were affected:

- Service charges – Electricity will decrease from **R193,9 million to R180,8 million** noting the mid-year performance and prior year performance.
- Service charges – Waste Management will change from **R19,9 million to R21,2 million** noting the mid-year performance.
- Sale of Goods and Rendering of Services will change from **R5,9 million to R6,2 million** noting the mid-year performance.
- Agency services remains unchanged at **R11,9 million**
- Interest earned from Receivables remains unchanged at **R16,8 million**
- Interest earned from Current and Non-Current Assets will decrease from **R5,4 million to R4,4 million** noting the mid-year performance and bank balance.
- Rental of facilities and equipment will change from **R349 thousand to R1,7 million** noting the mid-year performance.
- Operational Revenue to decrease from **R7,4 million to R1,7 million** noting the mid-year performance and prior year performance.
- Property rates remains unchanged at **R214,1 million**
- Fines, penalties and forfeits to decrease from **R1,3 million to R1,1 million** noting the mid-year performance and prior year performance.
- Licence and permits will change from **R5,9 million to R15,4 million** noting the mid-year performance.
- Transfer and subsidies – Operational will change from **R224 million to R224,3 million**. Additional of LG Seta grant of **R233 thousand**.
- Interest from Non-Exchange Revenue remains unchanged at **R43,2 million**

- Transfer and subsidies – Capital will increase from **R47,1 million to R62,1 million** due addition funds **of R15 million** for Disaster Grant).

Total Operating expenditure budget to decrease from R795,1 million to R787,2 million

The following line items were affected:

- Employee related cost will decrease from **R223,9 million to R219,2 million**. This is to cater Ward Committee stipend (R4,7 million) which falls under operational cost.
- Remuneration of councillors remains unchanged at **R19,2 million**.
- Bulk purchases –Electricity remains unchanged at **R150,8 million**
- Inventory consumed will increase from **R26,3 million to R33,4 million** due to adjustment to cater materials and suppliers for Fleet management, Traffic – road making, Electricity and Roads and Storm water services.
- Debt impairment remains unchanged **R110,1 million**
- Depreciation and Amortisation remains unchanged **R87,2 million**
- Interest (Finance charges) reduced from **R20,7 million to R5 million** due to payment to Lepelle is fully paid up.
- Contracted services will decrease from **R68,6 million to R61,9 million** due to some of the projects not to be implemented.
- Transfers and subsidies remain unchanged at **R522 thousand**
- And Operational costs will increase from **R87,7 million to R99,8 million** due to allocation of Ward Committee stipend (**R4,7 million**), Hire charges to various sections, Insurance (**R1,3 million from security services**), Commission for travel agency (to address AG COMAF) and noting the mid-year performance.

1.5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

LIM334 Ba-Phalaborwa - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Single-year expenditure to be adjusted	2											
Vote 3 - Corporate Services		1 478	1 478	-	-	-	-	-	-	1 478	1 739	1 913
Vote 4 - Community and Social Services		3 478	3 478	-	-	-	-	-	-	3 478	8 696	8 696
Vote 6 - Technical Services		54 362	63 058	-	-	-	-	3 456	3 456	66 514	39 423	37 660
Capital single-year expenditure sub-total		59 319	68 015	-	-	-	-	3 456	3 456	71 471	49 858	48 269
Total Capital Expenditure - Vote		59 319	68 015	-	-	-	-	3 456	3 456	71 471	49 858	48 269
Capital Expenditure - Functional												
Governance and administration		1 478	1 478	-	-	-	-	-	-	1 478	1 739	1 913
Finance and administration		1 478	1 478	-	-	-	-	-	-	1 478	1 739	1 913
Community and public safety		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
Sport and recreation		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
Economic and environmental services		43 404	52 099	-	-	-	-	3 248	3 248	55 347	30 903	37 660
Road transport		43 404	52 099	-	-	-	-	3 248	3 248	55 347	30 903	37 660
Trading services		5 393	5 393	-	-	-	-	5 911	5 911	11 304	17 215	8 696
Energy sources		1 915	1 915	-	-	-	-	5 911	5 911	7 826	8 520	-
Waste management		3 478	3 478	-	-	-	-	-	-	3 478	8 696	8 696
Total Capital Expenditure - Functional	3	59 319	68 015	-	-	-	-	3 456	3 456	71 471	49 858	48 269
Funded by:												
National Government		32 246	40 942	-	-	-	-	13 199	13 199	54 141	34 848	36 356

Transfers recognised - capital	4	32 246	40 942	-	-	-	-	13 199	13 199	54 141	34 848	36 356
Internally generated funds		27 073	27 073					(9 743)	(9 743)	17 330	15 010	11 913
Total Capital Funding		59 319	68 015	-	-	-	-	3 456	3 456	71 471	49 858	48 269

- Total capital expenditure increased from **R68 million to R71 million** due to additional grant received from Disaster Relief and a reduction of internally funded projects due to cashflow constraints and the budget being unfunded status.

1.6 ADJUSTMENT BUDGET FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash and cash equivalents		25 252	25 252					(8 836)	(8 836)	16 416	94 105	(24 411)
Trade and other receivables from exchange transactions	1	131 496	131 496	-	-	-	-	(17 162)	(17 162)	114 334	276 110	277 906
Receivables from non-exchange transactions	1	38 667	-	-	-	-	-	(7 081)	(7 081)	31 586	74 969	88 775
Current portion of non-current receivables	2	-	-					-	-	-	30	30
Inventory		17 030	17 030	-	-	-	-	(809)	(809)	16 222	16 215	16 215
VAT		55 805	57 110					8 733	8 733	65 842	54 763	55 030
Other current assets		11 378	11 378					-	-	11 378	9 504	9 527
Total current assets		279 629	242 266	-	-	-	-	(25 155)	(25 155)	255 778	525 699	423 073
Non current assets												
Investments		-	-					-	-	-	-	-
Investment property		472 392	472 392					20 288	20 288	492 680	485 027	485 027
Property, plant and equipment	3	778 830	787 526	-	-	-	-	3 456	3 456	790 982	1 092 708	1 095 919
Biological assets		-	-					-	-	-	-	-
Living and non-living resources		-	-					-	-	-	-	-
Heritage assets		317	317					-	-	317	348	348
Intangible assets		0	0					-	-	0	100	100
Trade and other receivables from exchange transactions		-	-					-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-					-	-	-	-	-
Other non-current assets		-	-					-	-	-	-	-
Total non current assets		1 251 539	1 260 235	-	-	-	-	23 745	23 745	1 283 979	1 578 183	1 581 394
TOTAL ASSETS		1 531 168	1 502 501	-	-	-	-	(1 411)	(1 411)	1 539 757	2 103 882	2 004 467
LIABILITIES												
Current liabilities												
Bank overdraft		-	-					-	-	-	-	-
Financial liabilities		7 951	7 951	-	-	-	-	7 800	7 800	15 751	1 014	1 014
Consumer deposits		5 267	5 267					414	414	5 680	5 291	5 291
Trade and other payables from exchange transactions		383 902	383 902	-	-	-	-	11 987	11 987	395 889	446 308	266 869
Trade and other payables from non-exchange transactions		-	-	-	-	-	-	(253)	(253)	(253)	-	-

Provisions		6 025	6 025					-	-	6 025	6 569	6 569
VAT		82 998	82 998					(36 199)	(36 199)	46 799	96 674	98 758
Other current liabilities		-	-					-	-	-	-	-
Total current liabilities		486 142	486 142	-	-	-	-	(16 251)	(16 251)	469 891	555 856	378 500
Non current liabilities												
Borrowing	1	24 752	24 752	-	-	-	-	-	-	24 752	46 700	46 700
Provisions	1	113 637	113 637	-	-	-	-	-	-	113 637	125 197	125 197
Long term portion of trade payables		-	-					-	-	-	-	-
Other non-current liabilities		51 407	51 407					-	-	51 407	46 108	46 108
Total non current liabilities		189 796	189 796	-	-	-	-	-	-	189 796	218 005	218 005
TOTAL LIABILITIES		675 938	675 938	-	-	-	-	(16 251)	(16 251)	659 687	773 862	596 505
NET ASSETS	2	855 229	826 562	-	-	-	-	14 840	14 840	880 070	1 330 020	1 407 961
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		841 905	851 905	-	-	-	-	20 391	20 391	872 296	1 320 927	1 400 088
Funds and Reserves		12 193	12 193	-	-	-	-	(5 550)	(5 550)	6 642	13 379	13 379
Other		-	-					-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		854 098	864 098	-	-	-	-	14 840	14 840	878 938	1 334 305	1 413 467

1.7 ADJUSTMENT BUDGET CASH FLOWS

LIM334 Ba-Phalaborwa - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		185 080	185 080					7 081	7 081	192 161	241 761	247 805
Service charges		172 351	172 351					(22 008)	(22 008)	150 343	226 696	239 955
Other revenue		32 863	32 863					(4 194)	(4 194)	28 669	31 978	33 018
Transfers and Subsidies - Operational	1	224 034	224 034					233	233	224 267	227 248	232 247
Transfers and Subsidies - Capital	1	37 083	47 083					15 000	15 000	62 083	40 075	41 810
Interest		5 351	5 351					(1 000)	(1 000)	4 351	11 183	11 462
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(594 434)	(594 434)					9 337	9 337	(585 097)	(580 561)	(783 459)
Finance charges		(2 376)	(2 376)					2 376	2 376	-	-	-
Transfers and Subsidies	1	(522)	(522)					-	-	(522)	(454)	(473)
NET CASH FROM/(USED) OPERATING ACTIVITIES		59 431	69 431	-	-	-	-	6 825	6 825	76 256	197 926	22 364
CASH FLOWS FROM INVESTING ACTIVITIES												
Payments												
Capital assets		(68 217)	(78 217)					(3 975)	(3 975)	(82 191)	(54 336)	(53 009)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(68 217)	(78 217)	-	-	-	-	(3 975)	(3 975)	(82 191)	(54 336)	(53 009)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Payments												
Repayment of borrowing		(20 400)	(20 400)					7 800	7 800	(12 600)	(20 400)	(20 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(20 400)	(20 400)	-	-	-	-	7 800	7 800	(12 600)	(20 400)	(20 400)
NET INCREASE/ (DECREASE) IN CASH HELD		(29 186)	(29 186)	-	-	-	-	10 651	10 651	(18 535)	123 190	(51 045)
Cash/cash equivalents at the year begin:	2	54 438	54 438					(19 486)	(19 486)	34 951	25 252	79 643
Cash/cash equivalents at the year end:	2	25 252	25 252					(8 836)	(8 836)	16 416	148 442	28 598

1.8 CASH BACKED RESERVES /ACCUMULATED SURPLUS RECONCILIATION

LIM334 Ba-Phalaborwa - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	25 252	25 252	-	-	-	-	(8 836)	(8 836)	16 416	148 442	28 598
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	(54 336)	(53 009)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		25 252	25 252	-	-	-	-	(8 836)	(8 836)	16 416	94 105	(24 411)
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	(253)	(253)	(253)	-	-
Unspent borrowing												
Statutory requirements		4 784	3 480					(43 511)	(43 511)	(40 032)	17 934	17 934
Other working capital requirements	2	239 695	272 464					(5 606)	(5 606)	266 858	73 829	(121 677)
Other provisions		6 025	6 025					-	-	6 025	6 569	6 569
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		-	-					-	-	-	-	-
Total Application of cash and investments:		250 504	281 968	-	-	-	-	(49 371)	(49 371)	232 598	98 332	(97 173)
Surplus(shortfall)		(225 252)	(256 716)	-	-	-	-	40 535	40 535	(216 182)	(4 227)	72 762

The above table represent the deficit of the cash back reserved. There was a reduction of R35 million from -R264,4 million.

1.9 ASSET MANAGEMENT

LIM334 Ba-Phalaborwa - Table B9 Asset Management -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
CAPITAL EXPENDITURE												
<u>Total New Assets to be adjusted</u>	1	37 754	37 754	-	-	-	-	12 333	12 333	50 086	49 858	48 269
<i>Roads Infrastructure</i>		29 578	29 578	-	-	-	-	6 422	6 422	35 999	29 599	28 095
<i>Storm water Infrastructure</i>		1 304	1 304	-	-	-	-	-	-	1 304	1 304	1 304
<i>Electrical Infrastructure</i>		1 915	1 915	-	-	-	-	5 911	5 911	7 826	8 520	-
Infrastructure		32 797	32 797	-	-	-	-	12 333	12 333	45 130	39 423	29 400
Furniture and Office Equipment		1 478	1 478	-	-	-	-	-	-	1 478	1 739	1 913
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	8 261
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		3 478	3 478	-	-	-	-	-	-	3 478	8 696	8 696
<u>Total Renewal of Existing Assets to be adjusted</u>	2	-	-	-	-	-	-	-	-	-	-	-
<u>Total Upgrading of Existing Assets to be adjusted</u>	2a	21 565	30 261	-	-	-	-	(8 876)	(8 876)	21 385	-	-
<i>Roads Infrastructure</i>		12 522	21 217	-	-	-	-	(3 174)	(3 174)	18 043	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		12 522	21 217	-	-	-	-	(3 174)	(3 174)	18 043	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
Community Assets		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
<u>Total Capital Expenditure to be adjusted</u>	4	59 319	68 015	-	-	-	-	3 456	3 456	71 471	49 858	48 269
<i>Roads Infrastructure</i>		42 099	50 795	-	-	-	-	3 248	3 248	54 043	29 599	28 095
<i>Storm water Infrastructure</i>		1 304	1 304	-	-	-	-	-	-	1 304	1 304	1 304
<i>Electrical Infrastructure</i>		1 915	1 915	-	-	-	-	5 911	5 911	7 826	8 520	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-

Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		45 319	54 015	-	-	-	-	9 159	9 159	63 173	39 423	29 400
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
Community Assets		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1 478	1 478	-	-	-	-	-	-	1 478	1 739	1 913
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	8 261
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		3 478	3 478	-	-	-	-	-	-	3 478	8 696	8 696
TOTAL CAPITAL EXPENDITURE to be adjusted	4	59 319	68 015	-	-	-	-	3 456	3 456	71 471	49 858	48 269
ASSET REGISTER SUMMARY - PPE (WDV)	5	1 196 406	1 205 101	-	-	-	-	23 745	23 745	1 228 846	1 482 314	1 485 526
Roads Infrastructure		227 535	236 230	-	-	-	-	4 298	4 298	240 528	436 273	433 808
Storm water Infrastructure		19 177	19 177	-	-	-	-	56	56	19 233	19 918	20 755
Electrical Infrastructure		102 671	102 671	-	-	-	-	6 801	6 801	109 472	82 436	76 051
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		349 382	358 078	-	-	-	-	11 154	11 154	369 232	538 627	530 614
Community Assets		214 471	214 471	-	-	-	-	(5 973)	(5 973)	208 498	277 530	277 155
Heritage Assets		317	317	-	-	-	-	-	-	317	348	348
Investment properties		472 392	472 392	-	-	-	-	20 288	20 288	492 680	485 027	485 027
Other Assets		63 114	63 114	-	-	-	-	(2 500)	(2 500)	60 614	65 877	69 061
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		0	0	-	-	-	-	-	-	0	100	100
Computer Equipment		1 816	1 816	-	-	-	-	(500)	(500)	1 316	1 882	2 020
Furniture and Office Equipment		1 898	1 898	-	-	-	-	-	-	1 898	1 865	2 018
Machinery and Equipment		9 901	9 901	-	-	-	-	500	500	10 401	10 358	18 565

Transport Assets		4 926	4 926					775	775	5 701	10 028	9 945
Land		78 189	78 189					-	-	78 189	90 672	90 672
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 196 406	1 205 101	-	-	-	-	23 745	23 745	1 228 846	1 482 314	1 485 526
EXPENDITURE OTHER ITEMS		97 313	97 313	-	-	-	-	230	230	97 542	104 874	107 212
<u>Depreciation & asset impairment</u>		87 220	87 220	-	-	-	-	-	-	87 220	91 145	93 423
<u>Repairs and Maintenance by asset class</u>	3	10 093	10 093	-	-	-	-	230	230	10 322	13 729	13 789
<i>Roads Infrastructure</i>		1 739	1 739	-	-	-	-	(1 739)	(1 739)	0	4 348	4 348
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		2 261	2 261	-	-	-	-	(169)	(169)	2 091	3 136	3 149
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		2 917	2 917	-	-	-	-	1 765	1 765	4 682	3 048	3 124
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	500	500	500	-	-
Infrastructure		6 917	6 917	-	-	-	-	357	357	7 274	10 532	10 621
Community Facilities		1 870	1 870	-	-	-	-	(140)	(140)	1 729	1 802	1 815
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		1 870	1 870	-	-	-	-	(140)	(140)	1 729	1 802	1 815
Furniture and Office Equipment		130	130	-	-	-	-	-	-	130	217	174
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		1 176	1 176	-	-	-	-	13	13	1 189	1 178	1 179
Land		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		97 313	97 313	-	-	-	-	230	230	97 542	104 874	107 212
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		36.4%	44.5%							29.9%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>		24.7%	34.7%							24.5%	0.0%	0.0%
<i>R&M as a % of PPE</i>		0.8%	0.8%							0.8%	0.9%	0.9%
<i>Renewal and upgrading and R&M as a % of PPE</i>		2.6%	3.3%							2.6%	0.9%	0.9%

PART TWO

ADJUSTMENT BUDGET

SUPPORTING TABLES

2.1. SUPPORTING DETAILS TO BUDGETED FINANCIAL PERFORMANCE

LIM334 Ba-Phalaborwa - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
REVENUE ITEMS												
Non-exchange revenue by source												
Property rates												
Total Property Rates		231 351	231 351					8 851	8 851	240 202	241 761	247 805
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		17 173	17 173					8 851	8 851	26 025	17 946	18 395
Net Property Rates		214 177	214 177	-	-	-	-	-	-	214 177	223 815	229 410
Exchange revenue service charges												
Service charges - Electricity												
Total Service charges - Electricity		195 370	195 370					(12 630)	(12 630)	182 740	205 725	218 459
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		1 413	1 413					500	500	1 913	1 488	1 580
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - Electricity		193 957	193 957	-	-	-	-	(13 130)	(13 130)	180 827	204 237	216 879
Service charges - Waste Management												
Total refuse removal revenue		20 069	20 069					2 000	2 000	22 069	20 972	21 496
Total landfill revenue		-	-					-	-	-	-	-
<i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i>		175	175					700	700	875	183	187
<i>Less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		19 894	19 894	-	-	-	-	1 300	1 300	21 194	20 789	21 309

EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		122 413	122 413					(1 243)	(1 243)	121 170	130 969	140 047
Pension and UIF Contributions		25 476	25 476					(240)	(240)	25 236	27 244	29 151
Medical Aid Contributions		12 973	12 973					2 924	2 924	15 897	13 881	14 853
Overtime		4 656	4 656					(110)	(110)	4 546	4 982	5 331
Performance Bonus		9 808	9 808					(148)	(148)	9 661	10 495	11 230
Motor Vehicle Allowance		22 408	22 408					(1 420)	(1 420)	20 988	23 977	25 655
Cellphone Allowance		2 182	2 182					195	195	2 377	2 335	2 499
Housing Allowances		1 056	1 056					(5)	(5)	1 051	1 130	1 209
Other benefits and allowances		7 034	7 034					(2 800)	(2 800)	4 234	7 526	8 053
Payments in lieu of leave		11 060	11 060					(2 260)	(2 260)	8 800	11 835	12 663
Long service awards		-	-					1 566	1 566	1 566	-	-
Acting and post related allowance		4 777	4 777					(1 135)	(1 135)	3 642	5 111	5 469
In kind benefits		-	-					-	-	-	-	-
<i>sub-total</i>		223 845	223 845	-	-	-	-	(4 676)	(4 676)	219 169	239 485	256 159
<i>Less: Employees costs capitalised to PPE</i>		-	-					-	-	-	-	-
Total Employee related costs	1	223 845	223 845	-	-	-	-	(4 676)	(4 676)	219 169	239 485	256 159
Depreciation and amortisation												
Depreciation of Property, Plant & Equipment		87 220	87 220					-	-	87 220	91 145	93 423
Lease amortisation		-	-					-	-	-	-	-
Capital asset impairment		-	-					-	-	-	-	-
Total Depreciation and amortisation	1	87 220	87 220	-	-	-	-	-	-	87 220	91 145	93 423
Bulk purchases												
Electricity Bulk Purchases		150 812	150 812					-	-	150 812	158 805	168 651
Total bulk purchases	1	150 812	150 812	-	-	-	-	-	-	150 812	158 805	168 651
Transfers and grants												
Cash transfers and grants		522	522					-	-	522	454	473
Non-cash transfers and grants		-	-					-	-	-	-	-
Total transfers and grants		522	522	-	-	-	-	-	-	522	454	473
Contracted services												
<i>Outsourced Services</i>		27 601	27 601					(1 251)	(1 251)	26 350	31 440	33 223
<i>Consultants and Professional Services</i>		18 565	18 565					(1 527)	(1 527)	17 039	13 058	10 332

<i>Contractors</i>		22 475	22 475					(3 980)	(3 980)	18 495	31 667	25 034
Total contracted services		68 642	68 642	-	-	-	-	(6 758)	(6 758)	61 884	76 165	68 589
Operational Costs	-											
Collection costs		1 217	1 217					-	-	1 217	1 304	1 304
Contributions to 'other' provisions		261	261					(261)	(261)	-	261	261
Audit fees		7 391	7 391					-	-	7 391	7 724	8 048
<i>Other Operational Costs</i>		78 863	78 863					12 354	12 354	91 216	81 902	82 519
Total Other Operational Costs	1	87 732	87 732	-	-	-	-	12 093	12 093	99 825	91 191	92 133
Repairs and Maintenance by Expenditure Item	14											
Employee related costs		-	-					-	-	-	-	-
Inventory Consumed (Project Maintenance)		10 093	10 093					-	-	10 093	13 729	13 789
Contracted Services		-	-					-	-	-	-	-
Other Expenditure		-	-					-	-	-	-	-
Total Repairs and Maintenance Expenditure	15	10 093	10 093	-	-	-	-	-	-	10 093	13 729	13 789
Inventory Consumed	-											
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		26 313	26 313	-	-	-	-	7 122	7 122	33 435	27 497	28 184
Total Inventory Consumed & Other Material		26 313	26 313	-	-	-	-	7 122	7 122	33 435	27 497	28 184

2.2. SUPPORTING DETAILS TO FINANCIAL POSITION BUDGET

LIM334 Ba-Phalaborwa - Supporting Table SB2 Supporting detail to 'Financial Position Budget' -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	4 A1	5 B	6 C	7 D	8 E	9 F	10 G	11 H		
ASSETS												
<u>Trade and other receivables from exchange transactions</u>												
Electricity		143 042	143 042					(18 800)	(18 800)	124 242	247 095	249 049
Water		-	-					-	-	-	-	-
Waste		211 311	211 311					(1 710)	(1 710)	209 600	216 780	217 378
Waste Water		11 534	11 534					-	-	11 534	12 054	12 355
Other trade receivables from exchange transactions		22 177	22 177					3 348	3 348	25 525	(4 008)	(4 465)
Gross: Trade and other receivables from exchange transactions		388 064	388 064	-	-	-	-	(17 162)	(17 162)	370 902	471 921	474 318
Less: Impairment for debt	1	(256 568)	(256 568)	-	-	-	-	-	-	(256 568)	(195 811)	(196 412)
Impairment for Electricity		(88 008)	(88 008)					-	-	(88 008)	(73 153)	(73 612)
Impairment for Water		-	-					-	-	-	-	-
Impairment for Waste		(157 115)	(157 115)					-	-	(157 115)	(116 732)	(116 875)
Impairment for Waste Water		-	-					-	-	-	-	-
Impairment for other trade receivables from exchange transactions		(11 446)	(11 446)					-	-	(11 446)	(5 925)	(5 925)
Total net Trade and other receivables from Exchange Transactions		131 496	131 496	-	-	-	-	(17 162)	(17 162)	114 334	276 110	277 906
<u>Receivables from non-exchange transactions</u>												
Property rates		624 788	624 788					(7 081)	(7 081)	617 707	678 386	695 463
Less: Impairment of Property rates		(586 317)	(586 317)					-	-	(586 317)	(603 651)	(606 927)
Net Property rates		38 471	38 471	-	-	-	-	(7 081)	(7 081)	31 390	74 735	88 536
Other receivables from non-exchange transactions		196	196					-	-	196	34 575	34 580
Impairment for other receivables from non-exchange transactions		-	-					-	-	-	(34 341)	(34 341)
Net other receivables from non-exchange transactions		196	196	-	-	-	-	-	-	196	234	239
Total net Receivables from non-exchange transactions		38 667	38 667	-	-	-	-	(7 081)	(7 081)	31 586	74 969	88 775
<u>Inventory</u>												
Consumables												

Standard Rated												
Opening Balance											(1 748)	(3 362)
Acquisitions											-	-
Issues	13	(1 545)	(1 545)					(203)	(203)	(1 748)	(1 614)	(1 654)
Adjustments	14	-	-					-	-	-	-	-
Write-offs	15	-	-					-	-	-	-	-
Correction of Prior period errors		-	-					-	-	-	-	-
Closing balance - Consumables Standard Rated		(1 545)	(1 545)					(203)	(203)	(1 748)	(3 362)	(5 016)
Materials and Supplies												
Opening Balance		15 481	15 481					740	740	16 222	17 969	19 577
Acquisitions		26 313	26 313					7 122	7 122	33 435	27 491	28 184
Issues	13	(24 768)	(24 768)					(6 919)	(6 919)	(31 687)	(25 883)	(26 530)
Adjustments	14	-	-					-	-	-	-	-
Write-offs	15	-	-					-	-	-	-	-
Correction of Prior period errors		-	-					-	-	-	-	-
Closing balance - Materials and Supplies		17 026	17 026					943	943	17 969	19 577	21 232
Land												
Opening Balance		1 549	1 549					(1 549)	(1 549)	-	-	-
Acquisitions		-	-					-	-	-	-	-
Sales		-	-					-	-	-	-	-
Adjustments		-	-					-	-	-	-	-
Correction of Prior period errors		-	-					-	-	-	-	-
Transfers		-	-					-	-	-	-	-
Closing Balance - Land		1 549	1 549					(1 549)	(1 549)	-	-	-
Closing Balance - Inventory & Consumables		17 030	17 030					(809)	(809)	16 222	16 215	16 215
Property, plant & equipment												
PPE at cost/valuation (excl. finance leases)		2 053 844	2 062 540					3 456	3 456	2 065 996	2 557 766	2 577 121
Leases recognised as PPE	2	-	-					-	-	-	-	-
Less: Accumulated depreciation		(1 275 014)	(1 275 014)					-	-	(1 275 014)	(1 465 059)	(1 481 202)
Total Property, plant & equipment	1	778 830	787 526					3 456	3 456	790 982	1 092 708	1 095 919
LIABILITIES												
Current liabilities - Financial liabilities												
Short term loans (other than bank overdraft)		5 638	5 638					7 800	7 800	13 438	2 277	2 277
Current portion of long-term liabilities		2 313	2 313					-	-	2 313	(1 264)	(1 264)

Total Current liabilities - Financial liabilities		7 951	7 951	-	-	-	-	7 800	7 800	15 751	1 014	1 014
<u>Trade and other payables</u>												
Trade and other payables from exchange transactions		383 902	383 902					11 987	11 987	395 889	446 308	266 869
Other trade payables from exchange transactions		-	-					-	-	-	-	-
Trade payables from Non-exchange transactions: Unspent conditional Grants		-	-					(253)	(253)	(253)	-	-
Trade payables from Non-exchange transactions: Other		-	-					-	-	-	-	-
VAT		82 998	82 998					(36 199)	(36 199)	46 799	96 674	98 758
Total Trade and other payables	1	466 900	466 900	-	-	-	-	(24 465)	(24 465)	442 435	542 983	365 626
<u>Non current liabilities - Financial liabilities</u>												
Borrowing	3	24 752	24 752					-	-	24 752	46 700	46 700
Other financial liabilities		1 132	1 132					-	-	1 132	3 597	3 597
Total Non current liabilities - Financial liabilities		25 884	25 884	-	-	-	-	-	-	25 884	50 297	50 297
<u>Provisions - non current</u>												
Retirement benefits		51 407	51 407					-	-	51 407	46 108	46 108
Refuse landfill site rehabilitation		106 867	106 867					-	-	106 867	117 457	117 457
Other		6 770	6 770					-	-	6 770	7 740	7 740
Total Provisions - non current		165 045	165 045	-	-	-	-	-	-	165 045	171 305	171 305
CHANGES IN NET ASSETS												
<u>Accumulated surplus/(Deficit)</u>												
Accumulated surplus/(Deficit) - opening balance		849 681	849 681					4 969	4 969	854 650	1 321 372	1 399 451
GRAP adjustments		-	-					-	-	-	-	-
Restated balance		849 681	849 681	-	-	-	-	4 969	4 969	854 650	1 321 372	1 399 451
Surplus/(Deficit)		(7 777)	2 223	-	-	-	-	15 422	15 422	17 646	(445)	637
Transfers to/from Reserves		-	-					-	-	-	-	-
Depreciation offsets		-	-					-	-	-	-	-
Other adjustments		-	-					-	-	-	-	-
Accumulated Surplus/(Deficit)	1	841 905	851 905	-	-	-	-	20 391	20 391	872 296	1 320 927	1 400 088
<u>Reserves</u>												
Other reserves		-	-					-	-	-	-	-
Revaluation		12 193	12 193					(5 550)	(5 550)	6 642	13 379	13 379
Total Reserves	2	12 193	12 193	-	-	-	-	(5 550)	(5 550)	6 642	13 379	13 379
TOTAL COMMUNITY WEALTH/EQUITY	2	854 098	864 098	-	-	-	-	14 840	14 840	878 938	1 334 305	1 413 467

2.3 SUPPORTING INFORMATION TO BUDGETED PERFORMANCE INDICATORS AND BENCHMARKS

LIM334 Ba-Phalaborwa - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks -

Description of financial indicator	Basis of calculation	2022/23	2023/24	2024/25	Budget Year 2025/26			Budget Year +1 2026/27	Budget Year +2 2027/28
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<u>Borrowing Management</u>									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure				16.4%	16.4%	15.6%	16.4%	16.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue				0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants				0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>									
Gearing	Long Term Borrowing/ Funds & Reserves				203.0%	203.0%	372.6%	349.1%	349.1%
<u>Liquidity</u>									
Current Ratio	Current assets/current liabilities				55.1%	47.5%	52.0%	92.4%	108.5%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				55.1%	47.5%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				0.1	0.1	0.1	0.3	0.2
<u>Revenue Management</u>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)									
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue				89.7%	84.9%	89.6%	108.9%	107.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash and Investments					1849.0%	1849.0%	3382.4%	365.8%	1278.5%
<u>Other Indicators</u>									
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Volume Losses (kW) non technical Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Water Volumes :System input	Bulk Purchase Water treatment works								

	Natural sources								
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated								
Employee costs	Employee costs/(Total Revenue - capital revenue)				28.5%	28.5%	27.6%	29.1%	30.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)								
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				1.3%	1.3%	1.3%	1.7%	1.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				17.4%	17.4%	18.1%	17.4%	17.2%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)				579.1%	579.1%	586.6%	593.9%	613.8%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				15.3%	15.3%	12.9%	32.1%	31.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	0.0	0.0	0.0

2.4 ADJUSTMENT BUDGET - FUNDING MEASUREMENT

LIM334 Ba-Phalaborwa - Supporting Table SB6 Adjustments Budget - funding measurement -

Description	Ref	MFMA section	2022/23	2023/24	2024/25	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Funding measures	-	-								
Cash/cash equivalents at the year end - R'000	1	18(1)b				25 252	25 252	16 416	148 442	28 598
Cash + investments at the yr end less applications - R'000	2	18(1)b				(225 252)	(256 716)	(216 182)	(4 227)	72 762
Cash year end/monthly employee/supplier payments	3	18(1)b				-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				(7 777)	2 223	-	-	-
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)				0.0%	0.0%	0.0%	4.3%	-2.0%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	84.7%	84.7%	82.0%	103.3%	103.3%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				31.6%	31.6%	32.8%	31.3%	32.0%
Capital payments % of capital expenditure	8	18(1)c;19				115.0%	115.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							140.6%	3.8%
Long term receivables % change - incr(decr)	12	18(1)a							12.7%	-40.2%
R&M % of Property Plant & Equipment	13	20(1)(vi)				0.8%	0.8%	0.8%	0.9%	0.9%
Asset renewal % of capital budget	14	20(1)(vi)				0.0%	0.0%	0.0%	0.0%	0.0%

2.5 TRANSFERS AND GRANTS RECEIVED

LIM334 Ba-Phalaborwa - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2025/26							Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:	1, 2									
-										
<u>Operating Transfers and Grants</u>										
National Government:		224 034	224 034	-	-	-	-	224 034	227 248	232 247
Energy Efficiency and Demand Management	-	-	-	-	-	-	-	-	5 000	-
EPWP Incentive	-	1 806	1 806	-	-	-	-	1 806	-	-
Finance Management	-	3 000	3 000	-	-	-	-	3 000	3 000	3 100
Local Government Equitable Share	-	217 276	217 276	-	-	-	-	217 276	217 139	226 946
Municipal Infrastructure Grant	-	1 952	1 952	-	-	-	-	1 952	2 109	2 201
Other grant providers:		-	-	-	233	-	233	233	-	-
<i>National Departmental Agencies_Education, Training and Development Practices SETA</i>	-	-	-	-	233	-	233	233	-	-
Total Operating Transfers and Grants	6	224 034	224 034	-	233	-	233	224 267	227 248	232 247
<u>Capital Transfers and Grants</u>										
National Government:		37 083	47 083	-	15 000	-	15 000	62 083	40 075	41 810
Municipal Infrastructure Grant (MIG)	-	37 083	37 083	-	-	-	-	37 083	40 075	41 810
Municipal Disaster Relief Grant	-	-	10 000	-	15 000	-	15 000	25 000	-	-
Total Capital Transfers and Grants	6	37 083	47 083	-	15 000	-	15 000	62 083	40 075	41 810
TOTAL RECEIPTS OF TRANSFERS & GRANTS		261 117	271 117	-	15 233	-	15 233	286 350	267 323	274 056

There is additional grant from Disaster Grant and LG Seta

2.6 EXPENDITURE ON TRANSFERS AND GRANTS PROGRAMME

LIM334 Ba-Phalaborwa - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Budget Year 2025/26							Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		6 758	6 758	-	-	-	-	6 758	10 109	5 301
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	5 000	-
Expanded Public Works Programme Integrated Grant	-	1 806	1 806	-	-	-	-	1 806	-	-
Local Government Financial Management Grant	-	3 000	3 000	-	-	-	-	3 000	3 000	3 100
Municipal Infrastructure Grant	-	1 952	1 952	-	-	-	-	1 952	2 109	2 201
Other grant providers:										
National Departmental Agencies-Education, Training and Development Practices SETA-Transferred to Revenue/Capital Expenditure	-	-	-	-	233	-	-	233	-	-
	-	-	-	-	233	-	-	233	-	-
Total operating expenditure of Transfers and Grants:		6 758	6 758	-	233	-	-	6 991	10 109	5 301
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		37 083	47 083	-	15 000	-	15 000	62 083	40 075	41 810
Municipal Disaster Relief Grant	-	-	10 000	-	15 000	-	15 000	25 000	40 075	41 810
Municipal Infrastructure Grant	-	37 083	37 083	-	-	-	-	37 083	40 075	41 810
Total capital expenditure of Transfers and Grants		37 083	47 083	-	15 000	-	15 000	62 083	40 075	41 810
Total capital expenditure of Transfers and Grants		43 841	53 841	-	15 233	-	15 000	69 074	50 184	47 110

2.7 RECONCILIATIONS OF TRANSFERS, GRANTS RECEIPTS AND UNSPENT FUNDS

LIM334 Ba-Phalaborwa - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds -

Description	Ref	Budget Year 2025/26							Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F		
Operating transfers and grants:										
National Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts		224 034	224 034	-	-	-	-	224 034	227 248	232 247
Repayment of grants										
Conditions met - transferred to revenue		217 276	217 276	-	-	-	-	217 276	217 139	226 946
Conditions still to be met - transferred to liabilities		6 758	6 758	-	-	-	-	6 758	10 109	5 301
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts		-	-	-	233	-	233	233	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	233	-	233	233	-	-
Total operating transfers and grants revenue		217 276	217 276	-	-	-	-	217 276	217 139	226 946
Total operating transfers and grants - CTBM	2	6 758	6 758	-	233	-	233	6 991	10 109	5 301
Capital transfers and grants:										
National Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts		37 083	47 083	-	15 000	-	15 000	62 083	40 075	41 810
Conditions met - transferred to revenue		-	47 083	-	-	-	-	10 000	-	-
Conditions still to be met - transferred to liabilities		37 083		-	15 000	-	15 000	52 083	40 075	41 810
Total capital transfers and grants revenue		-	47 083	-	-	-	-	10 000	-	-
Total capital transfers and grants - CTBM		37 083	-	-	15 000	-	15 000	52 083	40 075	41 810
TOTAL TRANSFERS AND GRANTS REVENUE		217 276	264 359	-	-	-	-	227 276	217 139	226 946
TOTAL TRANSFERS AND GRANTS - CTBM		43 841	6 758	-	15 233	-	15 233	59 074	50 184	47 110

2.8 TRANSFERS AND GRANTS MADE BY THE MUNICIPALITY

LIM334 Ba-Phalaborwa - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
Groups of Individuals												
External Bursaries		522	522					-	-	522	454	473
[insert description]												
[insert description]												
Total Non-Cash Grants To Groups Of Individuals:		522	522	-	-	-	-	-	-	522	454	473
TOTAL CASH TRANSFERS	5	522	522	-	-	-	-	-	-	522	454	473
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-
TOTAL ALLOCATIONS TO ENTITIES/EMs'		-	-	-	-	-	-	-	-	-	-	-
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS		522	522	-	-	-	-	-	-	522	454	473

2.9 COUNCILLORS AND STAFF BENEFITS

LIM334 Ba-Phalaborwa - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	Budget Year 2025/26									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	
R thousands											
<u>Councillors (Political Office Bearers plus Other)</u>											
Basic Salaries and Wages		12 843	12 843					-	-	12 843	0.0%
Cellphone Allowance		1 897	1 897					-	-	1 897	0.0%
Other benefits and allowances		4 456	4 456					-	-	4 456	0.0%
Sub Total - Councillors		19 196	19 196	-	-	-	-	-	-	19 196	0.0%
% increase			-							-	
<u>Senior Managers of the Municipality</u>											
Basic Salaries and Wages		4 869	4 869					-	-	4 869	0.0%
Pension and UIF Contributions		14	14					-	-	14	0.0%
Motor Vehicle Allowance		1 623	1 623					180	180	1 803	11.1%
Cellphone Allowance		161	161					70	70	231	43.4%
Other benefits and allowances		137	137					15	15	152	11.0%
Acting and post related allowance		64	64					-	-	64	0.0%
In kind benefits		-	-					-	-	-	
Sub Total - Senior Managers of Municipality		6 868	6 868	-	-	-	-	265	265	7 133	3.9%
% increase			-							0	#DIV/0!
<u>Other Municipal Staff</u>											
Basic Salaries and Wages		117 544	117 544					(1 243)	(1 243)	116 301	-1.1%
Pension and UIF Contributions		25 462	25 462					(240)	(240)	25 222	-0.9%
Medical Aid Contributions		12 973	12 973					2 924	2 924	15 897	22.5%

Overtime	4 656	4 656					(110)	(110)	4 546	-2.4%
Performance Bonus	9 808	9 808					(148)	(148)	9 661	-1.5%
Motor Vehicle Allowance	20 785	20 785					(1 600)	(1 600)	19 185	-7.7%
Cellphone Allowance	2 021	2 021					125	125	2 146	6.2%
Housing Allowances	1 056	1 056					(5)	(5)	1 051	-0.5%
Other benefits and allowances	6 897	6 897					(2 815)	(2 815)	4 082	-40.8%
Payments in lieu of leave	11 060	11 060					(2 260)	(2 260)	8 800	-20.4%
Long service awards	-	-					1 566	1 566	1 566	#DIV/0!
Acting and post related allowance	4 713	4 713					(1 135)	(1 135)	3 578	-24.1%
In kind benefits	-	-					-	-	-	
Sub Total - Other Municipal Staff	216 977	216 977	-	-	-	-	(4 941)	(4 941)	212 037	-2.3%
% increase										
Total Parent Municipality	243 041	243 041	-	-	-	-	(4 676)	(4 676)	238 365	-1.9%
TOTAL SALARY, ALLOWANCES & BENEFITS	243 041	243 041	-	-	-	-	(4 676)	(4 676)	238 365	-1.9%
% increase										
TOTAL MANAGERS AND STAFF	223 845	223 845	-	-	-	-	(4 676)	(4 676)	219 169	-2.1%

2.10 Monthly revenues and Expenditure per Municipal vote - SB12

LIM334 Ba-Phalaborwa - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) -

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework			
		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	
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget							
R thousands																	
Revenue by Vote																	
Vote 1 - Executive and Councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - Budget and Treasury Office		111 821	20 835	22 047	21 658	20 418	93 874	40 428	40 428	40 428	40 428	40 428	40 428	(7 658)	485 135	510 612	527 725
Vote 3 - Corporate Services		243	109	312	84	175	44	157	157	157	157	157	157	134	1 887	365	374
Vote 4 - Community and Social Services		1 728	2 763	2 044	601	1 995	1 295	2 142	2 142	2 142	2 142	2 142	2 142	4 567	25 702	16 435	16 845
Vote 5 - Planning and Development Services		15	22	18	21	24	23	29	29	29	29	29	29	-	351	315	323
Vote 6 - Technical Services		22 053	11 222	13 156	16 503	15 499	28 539	24 315	24 315	24 315	24 315	24 315	24 315	63 230	291 775	298 309	309 145
Total Revenue by Vote		135 859	34 952	37 577	38 867	38 111	123 775	67 071	60 273	804 851	826 035	854 413					
Expenditure by Vote																	
Vote 1 - Executive and Councillors		4 677	5 925	4 533	6 476	5 565	6 135	7 054	7 054	7 054	7 054	7 054	7 054	16 066	84 647	86 765	90 016
Vote 2 - Budget and Treasury Office		6 154	6 350	8 064	7 917	3 835	9 845	15 496	15 496	15 496	15 496	15 496	15 496	66 304	185 947	185 762	192 060
Vote 3 - Corporate Services		3 669	6 936	5 777	8 988	6 017	4 961	6 672	6 672	6 672	6 672	6 672	6 672	10 359	80 068	84 997	89 088
Vote 4 - Community and Social Services		5 320	5 969	5 349	6 119	5 608	7 447	7 303	7 303	7 303	7 303	7 303	7 303	15 306	87 631	95 040	101 062
Vote 5 - Planning and Development Services		1 110	1 061	1 260	1 462	1 276	2 663	2 293	2 293	2 293	2 293	2 293	2 293	-	27 512	25 611	23 859
Vote 6 - Technical Services		21 658	26 589	24 628	21 736	22 728	22 544	26 783	26 783	26 783	26 783	26 783	26 783	47 599	321 399	348 305	357 693
Total Expenditure by Vote		42 587	52 830	49 611	52 698	45 029	53 595	65 600	155 635	787 205	826 480	853 776					
Surplus/ (Deficit)		93 272	(17 878)	(12 034)	(13 831)	(6 918)	70 180	1 470	(95 361)	17 646	(445)	637					

2.11 Monthly revenue and expenditure by standard classifications

LIM334 Ba-Phalaborwa - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) -

Description - Standard classification	Ref	Budget Year 2025/26											Medium Term Revenue and Expenditure Framework			
		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
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget					
R thousands																
Revenue - Functional																
Governance and administration		112 064	20 945	22 359	21 743	20 593	93 918	32 567	32 567	32 567	32 567	32 567	32 567	487 023	510 977	528 100
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		112 064	20 945	22 359	21 743	20 593	93 918	32 567	32 567	32 567	32 567	32 567	32 567	487 023	510 977	528 100
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		1 438	2 742	2 019	585	1 974	1 276	2 339	2 339	2 339	2 339	2 339	2 339	24 065	15 090	15 467
Community and social services		35	27	35	23	25	26	39	39	39	39	39	39	403	343	351
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		1 403	2 715	1 983	562	1 949	1 249	2 300	2 300	2 300	2 300	2 300	2 300	23 662	14 747	15 116
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		5 570	325	307	2 737	691	11 463	7 816	7 816	7 816	7 816	7 816	7 816	67 991	43 998	45 870
Planning and development		15	22	18	21	24	23	38	38	38	38	38	38	351	315	323
Road transport		5 556	303	289	2 716	667	11 440	7 778	7 778	7 778	7 778	7 778	7 778	67 640	43 683	45 547
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		16 787	10 940	12 893	13 803	14 852	17 118	23 230	23 230	23 230	23 230	23 230	23 230	225 772	255 970	264 977
Energy sources		14 039	8 235	10 185	11 092	12 144	14 399	20 491	20 491	20 491	20 491	20 491	20 491	193 043	223 127	231 313
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Waste management	2 748	2 705	2 707	2 711	2 708	2 719	2 738	2 738	2 738	2 738	2 738	2 738	2 738	32 729	32 843	33 664
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	135 859	34 952	37 577	38 867	38 111	123 775	65 952	804 851	826 035	854 413						
Expenditure - Functional																
Governance and administration	14 254	19 006	18 167	23 176	15 198	20 745	39 373	346 780	354 430	367 866						
Executive and council	2 791	3 490	3 754	3 199	3 676	4 098	5 174	5 174	5 174	5 174	5 174	5 174	5 174	52 053	51 521	54 687
Finance and administration	9 822	13 286	13 842	16 905	9 852	14 806	31 258	31 258	31 258	31 258	31 258	31 258	31 258	266 059	271 020	281 408
Internal audit	1 640	2 230	571	3 073	1 670	1 841	2 941	2 941	2 941	2 941	2 941	2 941	2 941	28 669	31 889	31 771
Community and public safety	4 228	4 519	4 384	4 640	4 651	6 160	6 866	69 780	76 903	81 903						
Community and social services	1 537	1 740	1 441	1 485	1 468	1 618	2 330	2 330	2 330	2 330	2 330	2 330	2 330	23 269	23 859	24 459
Sport and recreation	47	62	105	256	370	801	465	465	465	465	465	465	465	4 434	4 773	4 948
Public safety	1 591	1 623	1 702	1 855	1 622	1 898	2 262	2 262	2 262	2 262	2 262	2 262	2 262	23 860	26 096	27 895
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	1 053	1 095	1 135	1 044	1 191	1 844	1 809	1 809	1 809	1 809	1 809	1 809	1 809	18 217	22 175	24 601
Economic and environmental services	7 953	9 917	8 446	9 184	9 183	10 711	13 096	133 968	141 077	143 891						
Planning and development	1 439	1 336	1 520	1 708	1 542	2 956	3 250	3 250	3 250	3 250	3 250	3 250	3 250	30 001	28 240	26 611
Road transport	6 514	8 582	6 927	7 475	7 641	7 756	9 845	9 845	9 845	9 845	9 845	9 845	9 845	103 967	112 837	117 280
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	16 153	19 388	18 614	15 699	15 998	15 978	22 474	236 677	254 070	260 116						
Energy sources	15 855	19 079	18 068	15 310	15 992	15 924	20 736	20 736	20 736	20 736	20 736	20 736	20 736	224 642	244 061	249 856
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	298	309	546	389	6	54	1 739	1 739	1 739	1 739	1 739	1 739	1 739	12 035	10 009	10 260
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	42 587	52 830	49 611	52 698	45 029	53 595	81 809	787 205	826 480	853 776						
Surplus/ (Deficit) 1.	93 272	(17 878)	(12 034)	(13 831)	(6 918)	70 180	(15 857)	17 646	(445)	637						

2.12 MONTHLY REVENUE AND EXPENDITURE

LIM334 Ba-Phalaborwa - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure -

Description	Ref	Budget Year 2025/26											Medium Term Revenue and Expenditure Framework			
		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
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget					
R thousands																
Revenue By Source																
Exchange Revenue																
Service charges - Electricity		11 327	8 155	10 108	10 734	11 752	14 288	19 077	19 077	19 077	19 077	19 077	19 077	180 827	204 237	216 879
Service charges - Waste Management		1 806	1 775	1 768	1 765	1 758	1 761	1 760	1 760	1 760	1 760	1 760	1 760	21 194	20 789	21 309
Sale of Goods and Rendering of Services		2 704	89	85	68	68	67	514	514	514	514	514	514	6 167	7 899	8 237
Agency services		80	112	94	31	91	81	1 907	1 907	1 907	1 907	1 907	1 907	11 932	12 469	12 780
Interest earned from Receivables		943	930	939	946	965	992	1 842	1 842	1 842	1 842	1 842	1 842	16 768	17 522	17 961
Interest earned from Current and Non Current Assets		306	363	721	270	363	358	328	328	328	328	328	328	4 351	11 183	11 462
Rental from Fixed Assets		179	109	312	84	91	44	139	139	139	139	139	139	1 654	365	374
Operational Revenue		286	12	9	7	16	21	230	230	230	230	230	230	1 732	7 766	7 960
Non-Exchange Revenue																
Property rates		17 584	17 442	17 930	17 383	17 344	17 309	18 198	18 198	18 198	18 198	18 198	18 198	214 177	223 815	229 410
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		20	20	24	16	19	18	156	156	156	156	156	156	1 056	1 365	1 399
Licences or permits		1 403	2 715	1 983	562	1 949	1 249	923	923	923	923	923	923	15 401	6 115	6 267
Transfer and subsidies - Operational		90 931	361	370	1 786	904	73 334	9 430	9 430	9 430	9 430	9 430	9 430	224 267	227 248	232 247
Interest		3 370	3 233	3 234	3 155	3 154	3 341	3 959	3 959	3 959	3 959	3 959	3 959	43 242	45 188	46 318

Total Revenue	130 937	35 315	37 577	36 807	38 473	112 862	58 466	742 768	785 961	812 604					
Expenditure By Type															
Employee related costs	14 823	16 128	16 256	15 568	15 093	16 350	18 264	18 264	18 264	18 264	18 264	33 629	219 169	239 485	256 159
Remuneration of councillors	1 390	1 402	1 402	1 402	1 402	1 402	1 600	1 600	1 600	1 600	1 600	2 798	19 196	20 539	21 977
Bulk purchases - electricity	13 815	15 181	13 881	11 396	12 316	11 928	12 568	12 568	12 568	12 568	12 568	9 455	150 812	158 805	168 651
Inventory consumed	857	3 842	1 820	2 558	1 812	2 220	2 786	2 786	2 786	2 786	2 786	6 395	33 435	27 497	28 184
Debt impairment	9 179	9 179	9 179	9 179	9 179	9 179	9 179	9 179	9 179	9 179	9 179	9 179	110 142	115 098	117 976
Depreciation and amortisation	6 994	6 992	6 766	6 990	6 760	6 914	7 268	7 268	7 268	7 268	7 268	9 461	87 220	91 145	93 423
Interest	417	417	417	417	417	417	417	417	417	417	417	417	5 000	6 100	6 210
Contracted services	1 860	3 115	2 747	6 147	2 175	5 053	5 157	5 157	5 157	5 157	5 157	15 001	61 884	76 165	68 589
Transfers and subsidies	43	43	43	43	43	43	43	43	43	43	43	43	522	454	473
Operational costs	2 847	6 169	6 739	8 636	5 471	9 727	8 319	8 319	8 319	8 319	8 319	18 642	99 825	91 191	92 133
Total Expenditure	52 226	62 469	59 250	62 337	54 668	63 234	65 600	105 020	787 205	826 480	853 776				
Surplus/(Deficit)	78 711	(27 154)	(21 673)	(25 530)	(16 194)	49 628	(7 134)	(46 554)	(44 438)	(40 520)	(41 172)				
Transfers and subsidies - capital (monetary allocations)	4 922	5 174	5 174	2 060	3 340	3 484	6 322	6 322	6 322	6 322	6 322	6 322	62 083	40 075	41 810
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	83 633	(21 981)	(16 499)	(23 470)	(12 855)	53 113	(813)	(813)	(813)	(813)	(813)	(40 232)	17 646	(445)	637

2.13 MONTHLY CASH FLOWS

LIM334 Ba-Phalaborwa - Supporting Table SB15 Adjustments Budget - monthly cash flow -

Monthly cash flows	Ref	Budget Year 2025/26											Medium Term Revenue and Expenditure Framework			
		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
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget					
R thousands																
Cash Receipts By Source	1															
Property rates		6 084	6 011	7 332	6 277	6 390	6 975	16 013	16 013	16 013	16 013	16 013	73 026	192 161	241 761	247 805
Service charges - electricity revenue		8 095	5 535	4 727	6 270	5 765	5 066	11 091	11 091	11 091	11 091	11 091	42 182	133 096	205 725	218 459
Service charges - refuse		516	506	416	541	510	716	1 437	1 437	1 437	1 437	1 437	6 856	17 247	20 972	21 496
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		133	133	133	133	133	133	133	133	133	133	133	133	1 602	365	374
Interest earned - external investments		363	363	363	363	363	363	363	363	363	363	363	363	4 351	11 183	11 462
Fines, penalties and forfeits		138	138	138	138	138	138	138	138	138	138	138	138	1 656	1 365	1 399
Licences and permits		1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	14 518	6 115	6 267
Agency services		845	845	845	845	845	845	845	845	845	845	845	845	10 142	12 469	12 780
Transfers and Subsidies - Operational		90 902	3 452	721	354	813	72 708	18 689	18 689	18 689	18 689	18 689	(38 127)	224 267	227 248	232 247
Other revenue		29 807	1 436	1 111	982	1 029	15 429	63	63	63	63	63	(49 355)	751	11 665	12 197
Cash Receipts by Source		138 093	19 628	16 997	17 111	17 196	103 582	49 983	37 271	599 791	738 867	764 488				
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		7 446	5 174	21 785	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	(13 710)	62 083	40 075	41 810
Total Cash Receipts by Source		145 539	24 802	38 782	22 285	22 369	108 756	55 156	23 561	661 874	778 941	806 297				
Cash Payments by Type																
Employee related costs		12 767	18 716	21 934	16 120	17 764	11 132	16 686	16 686	16 686	16 686	16 686	18 366	200 227	240 167	256 376
Remuneration of councillors		1 600	960	973	1 010	979	1 008	1 600	1 600	1 600	1 600	1 600	4 670	19 196	20 539	21 977
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	2	28 799	5 000	12 458	19 069	10 000	19 164	14 036	14 036	14 036	14 036	14 036	3 764	168 434	171 626	182 949

Acquisitions - water & other inventory	3	2 704	2 704	2 704	2 704	2 704	2 704	2 704	2 704	2 704	2 704	2 704	2 704	32 450	22 491	202 184
		-	-	-	-	-	-	-	-	-	-	-	-			
Contracted services		5 569	5 569	5 569	5 569	5 569	5 569	5 569	5 569	5 569	5 569	5 569	5 569	66 822	33 240	25 855
Transfers and grants - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other		43	43	43	43	43	43	43	43	43	43	43	43	522	454	473
Other expenditure		26 771	21 181	18 008	24 581	14 140	31 471	8 164	8 164	8 164	8 164	8 164	(79 005)	97 966	92 497	94 118
Cash Payments by Type		78 252	54 173	61 689	69 097	51 200	71 091	48 802	(43 890)	585 618	581 015	783 933				
Other Cash Flows/Payments by Type																
Capital assets		6 849	6 849	6 849	6 849	6 849	4 528	6 849	6 849	6 849	6 849	6 849	9 171	82 191	54 336	53 009
Repayment of borrowing		1 700	1 700	700	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	100	12 600	20 400	20 400
Other Cash Flows/Payments		-	-	-	-	231	89	-	-	-	-	-	(320)	-	-	-
Total Cash Payments by Type		86 801	62 722	69 238	76 996	59 330	76 758	56 701	(34 939)	680 410	655 752	857 342				
NET INCREASE/(DECREASE) IN CASH HELD		58 737	(37 920)	(30 456)	(54 711)	(36 961)	31 998	(1 545)	58 500	(18 535)	123 190	(51 045)				
Cash/cash equivalents at the month/year beginning:		34 951	93 689	55 769	25 313	(29 398)	(66 359)	(34 361)	(35 906)	(37 450)	(38 995)	(40 539)	(42 084)	34 951	16 416	139 606
Cash/cash equivalents at the month/year end:		93 689	55 769	25 313	(29 398)	(66 359)	(34 361)	(35 906)	(37 450)	(38 995)	(40 539)	(42 084)	16 416	16 416	139 606	88 560

2.14 Monthly Capital Expenditure by Municipal Vote

LIM334 Ba-Phalaborwa - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) -

Description - Municipal Vote	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		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
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget						
R thousands																
Single-year expenditure appropriation																
Vote 1 - Executive and Councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		123	303	43	123	123	123	123	123	123	123	123	24	1 478	1 739	1 913
Vote 4 - Community and Social Services		290	290	290	290	290	290	290	290	290	290	290	290	3 478	8 696	8 696
Vote 5 - Planning and Development Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		9 699	5 543	469	4 191	5 543	12 315	5 543	5 543	5 543	5 543	5 543	1 040	66 514	39 423	37 660
Capital single-year expenditure sub-total	3	10 112	6 135	802	4 604	5 956	12 728	5 956	5 956	5 956	5 956	5 956	1 354	71 471	49 858	48 269
Total Capital Expenditure	2	10 112	6 135	802	4 604	5 956	12 728	5 956	5 956	5 956	5 956	5 956	1 354	71 471	49 858	48 269

2.15 Monthly Capital Expenditure by Standard Classification

LIM334 Ba-Phalaborwa - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) -

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		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
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget						
R thousands																
Capital Expenditure - Functional																
Governance and administration		-	16	43	-	-	-	237	237	237	237	237	237	1 478	1 739	1 913
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	16	43	-	-	-	237	237	237	237	237	237	1 478	1 739	1 913
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	2 399	-	942	-	-	-	-	-	(0)	3 341	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	2 399	-	942	-	-	-	-	-	-	3 341	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		9 699	4 757	469	1 791	4 757	8 315	4 260	4 260	4 260	4 260	4 260	4 260	55 347	30 903	37 660
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		9 699	4 757	469	1 791	4 757	8 315	4 260	4 260	4 260	4 260	4 260	4 260	55 347	30 903	37 660
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	0	0	0	3 059	1 374	1 374	1 374	1 374	1 374	1 374	11 304	17 215	8 696
Energy sources		-	-	0	0	0	3 059	795	795	795	795	795	795	7 826	8 520	-
Waste management		-	-	0	0	0	-	580	580	580	580	580	580	3 478	8 696	8 696
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total Capital Expenditure - Functional	9 699	4 773	512	4 191	4 757	12 315	5 871	5 871	5 871	5 871	5 871	5 871	71 471	49 858	48 269
--	-------	-------	-----	-------	-------	--------	-------	-------	-------	-------	-------	-------	--------	--------	--------

2.16 ADJUSTMENTS ON CAPITAL EXPENDITURE (NEW ASSETS)

LIM334 Ba-Phalaborwa - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure on new assets by Asset Class/Sub-class												
-												
Infrastructure		32 797	32 797	-	-	-	-	12 333	12 333	45 130	39 423	29 400
Roads Infrastructure		29 578	29 578	-	-	-	-	6 422	6 422	35 999	29 599	28 095
<i>Roads</i>		26 099	26 099					9 030	9 030	35 130	22 468	28 095
<i>Road Structures</i>		3 478	3 478					(2 609)	(2 609)	870	7 130	-
<i>Road Furniture</i>		-	-					-	-	-	-	-
<i>Capital Spares</i>		-	-					-	-	-	-	-
Storm water Infrastructure		1 304	1 304	-	-	-	-	-	-	1 304	1 304	1 304
<i>Drainage Collection</i>		1 304	1 304					-	-	1 304	1 304	1 304
<i>Storm water Conveyance</i>		-	-					-	-	-	-	-
<i>Attenuation</i>		-	-					-	-	-	-	-
Electrical Infrastructure		1 915	1 915	-	-	-	-	5 911	5 911	7 826	8 520	-
<i>Capital Spares</i>		1 915	1 915					5 911	5 911	7 826	8 520	-
Furniture and Office Equipment		1 478	1 478	-	-	-	-	-	-	1 478	1 739	1 913
Furniture and Office Equipment		1 478	1 478					-	-	1 478	1 739	1 913
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	8 261
Machinery and Equipment		-	-					-	-	-	-	8 261
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-					-	-	-	-	-
Land		3 478	3 478	-	-	-	-	-	-	3 478	8 696	8 696
Land		3 478	3 478					-	-	3 478	8 696	8 696

Total Capital Expenditure on new assets to be adjusted	1	37 754	37 754	-	-	-	-	12 333	12 333	50 086	49 858	48 269
--	---	--------	--------	---	---	---	---	--------	--------	--------	--------	--------

2.17 EXPENDITURE ON REPAIRS AND MAINTENANCE BY ASSET CLASS

LIM334 Ba-Phalaborwa - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Repairs and maintenance expenditure by Asset Class/Sub-class												
-												
Infrastructure		6 917	6 917	-	-	-	-	357	357	7 274	10 532	10 621
Roads Infrastructure		1 739	1 739	-	-	-	-	(1 739)	(1 739)	0	4 348	4 348
Roads		1 739	1 739	-	-	-	-	(1 739)	(1 739)	0	4 348	4 348
Road Structures		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 261	2 261	-	-	-	-	(169)	(169)	2 091	3 136	3 149
MV Substations		522	522	-	-	-	-	-	-	522	527	540
LV Networks		1 739	1 739	-	-	-	-	(169)	(169)	1 570	2 609	2 609
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		2 917	2 917	-	-	-	-	1 765	1 765	4 682	3 048	3 124
Landfill Sites		2 917	2 917	-	-	-	-	1 765	1 765	4 682	3 048	3 124
Information and Communication Infrastructure		-	-	-	-	-	-	500	500	500	-	-
Core Layers		-	-	-	-	-	-	500	500	500	-	-
Community Assets		1 870	1 870	-	-	-	-	(140)	(140)	1 729	1 802	1 815
Community Facilities		1 870	1 870	-	-	-	-	(140)	(140)	1 729	1 802	1 815
Halls		565	565	-	-	-	-	-	-	565	498	511
Cemeteries/Crematoria		1 304	1 304	-	-	-	-	(140)	(140)	1 164	1 304	1 304
Furniture and Office Equipment		130	130	-	-	-	-	-	-	130	217	174
Furniture and Office Equipment		130	130	-	-	-	-	-	-	130	217	174
Transport Assets		1 176	1 176	-	-	-	-	13	13	1 189	1 178	1 179
Transport Assets		1 176	1 176	-	-	-	-	13	13	1 189	1 178	1 179

Total Repairs and Maintenance Expenditure to be adjusted	1	10 093	10 093	-	-	-	-	230	230	10 322	13 729	13 789
--	---	--------	--------	---	---	---	---	-----	-----	--------	--------	--------

2.18 ADJUSTMENT ON BUDGET- DEPRECIATION BY ASSET CLASS

LIM334 Ba-Phalaborwa - Supporting Table SB18d Adjustments Budget - depreciation by asset class -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands		A	A1	B	C	D	E	F	G	H		
Depreciation by Asset Class/Sub-class												
-												
Infrastructure		50 765	50 765	-	-	-	-	(1 996)	(1 996)	48 769	53 050	54 376
Roads Infrastructure		36 814	36 814	-	-	-	-	(1 050)	(1 050)	35 764	38 470	39 432
<i>Roads</i>		9 421	9 421	-	-	-	-	(3 800)	(3 800)	5 621	9 845	10 091
<i>Road Structures</i>		408	408	-	-	-	-	(150)	(150)	258	426	437
<i>Road Furniture</i>		26 985	26 985	-	-	-	-	2 900	2 900	29 885	28 200	28 905
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		3 129	3 129	-	-	-	-	(56)	(56)	3 073	3 270	3 352
<i>Drainage Collection</i>		22	22	-	-	-	-	244	244	266	23	24
<i>Storm water Conveyance</i>		3 107	3 107	-	-	-	-	(300)	(300)	2 807	3 247	3 328
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		10 822	10 822	-	-	-	-	(890)	(890)	9 932	11 309	11 592
<i>MV Substations</i>		5 179	5 179	-	-	-	-	-	-	5 179	5 412	5 547
<i>MV Switching Stations</i>		293	293	-	-	-	-	(90)	(90)	203	306	314
<i>MV Networks</i>		4 652	4 652	-	-	-	-	(500)	(500)	4 152	4 861	4 983
<i>LV Networks</i>		699	699	-	-	-	-	(300)	(300)	399	730	748
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-
Community Assets		14 364	14 364	-	-	-	-	271	271	14 635	15 010	15 386
Community Facilities		11 500	11 500	-	-	-	-	1 671	1 671	13 171	12 018	12 318
<i>Halls</i>		329	329	-	-	-	-	(329)	(329)	-	344	353
<i>Cemeteries/Crematoria</i>		66	66	-	-	-	-	-	-	66	69	71
<i>Public Ablution Facilities</i>		11 105	11 105	-	-	-	-	2 000	2 000	13 105	11 605	11 895
<i>Markets</i>		-	-	-	-	-	-	-	-	-	-	-

<i>Capital Spares</i>		-	-					-	-	-	-	-
Sport and Recreation Facilities		2 864	2 864	-	-	-	-	(1 400)	(1 400)	1 464	2 993	3 067
<i>Indoor Facilities</i>		-	-					-	-	-	-	-
<i>Outdoor Facilities</i>		2 864	2 864					(1 400)	(1 400)	1 464	2 993	3 067
<i>Capital Spares</i>		-	-					-	-	-	-	-
Other assets		14 384	14 384	-	-	-	-	2 500	2 500	16 884	15 031	15 407
Operational Buildings		14 384	14 384	-	-	-	-	2 500	2 500	16 884	15 031	15 407
<i>Municipal Offices</i>		14 384	14 384					2 500	2 500	16 884	15 031	15 407
Computer Equipment		1 668	1 668	-	-	-	-	500	500	2 168	1 743	1 787
Computer Equipment		1 668	1 668					500	500	2 168	1 743	1 787
Furniture and Office Equipment		812	812	-	-	-	-	-	-	812	849	870
Furniture and Office Equipment		812	812					-	-	812	849	870
Machinery and Equipment		2 063	2 063	-	-	-	-	(500)	(500)	1 563	2 156	2 210
Machinery and Equipment		2 063	2 063					(500)	(500)	1 563	2 156	2 210
Transport Assets		3 163	3 163	-	-	-	-	(775)	(775)	2 388	3 306	3 388
Transport Assets		3 163	3 163					(775)	(775)	2 388	3 306	3 388
Total Depreciation to be adjusted	1	87 220	87 220	-	-	-	-	-	-	87 220	91 145	93 423

2.19 ADJUSTMENTS BUDGET – CAPITAL EXPENDITURE ON UPGRADING OF EXISTING ASSETS BY ASSET CLASS

LIM334 Ba-Phalaborwa - Supporting Table SB18e Adjustments Budget - capital expenditure on upgrading of existing assets by asset class -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class												
-												
Infrastructure		12 522	21 217	-	-	-	-	(3 174)	(3 174)	18 043	-	-
Roads Infrastructure		12 522	21 217	-	-	-	-	(3 174)	(3 174)	18 043	-	-
<i>Roads</i>		12 522	12 522	-	-	-	-	(3 174)	(3 174)	9 348	-	-
<i>Road Structures</i>		-	8 696	-	-	-	-	-	-	8 696	-	-
<i>Road Furniture</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-
Community Assets		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		9 043	9 043	-	-	-	-	(5 702)	(5 702)	3 341	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets to be adjusted	1	21 565	30 261	-	-	-	-	(8 876)	(8 876)	21 385	-	-

OVERVIEW OF ADJUSTMENT BUDGET ASSUMPTIONS

The Adjustment Budget always focuses on service delivery programmes in line with current challenges faced by the municipality such as electricity infrastructure and dilapidated roads infrastructure.

The following decisions remains unchanged considering service delivery issues:

- Collection of electricity revenue must be prioritised in Phalaborwa town.
- Continuous implementation of policies such as credit control and debt collection policy to reach the acceptable collection norm.
- Continuous Implementation of approved funding plan, financial recovery plan and cost containment regulations as approved by Council.

4. OVERVIEW OF ADJUSTMENT BUDGET FUNDING

4.1.1 Tariff schedule

The tariff schedule for 2025/26 on all services remains unchanged.

4.1.2 Government Grant and Subsidies allocation

Government grants increased from **R271,1 million to R286,4 million** (Which is top up of **R15 million** for Disaster Relief and **R233 thousand** from LG SETA).

5. REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

- The revised SDBIP is hereby submitted and noted to Council for approval

6. LEGISLATION COMPLIANCE STATUS

6.1 Compliance to Municipal Finance Management Act (MFMA, 56 of 2003)

The MFMA came into effect on 01 July 2004. This legislation provides for significant changes in the way municipalities in South Africa manage their financial affairs. The legislation not only deals with Financial Management issues but also with general management issues.

7. MUNICIPAL MANAGER'S QUALITY

QUALITY CERTIFICATE

I **Ms ST Mokobi** Municipal Manager of **BA-PHALABORWA LOCAL MUNICIPALITY (LIM334)** hereby certify that the adjustment budget and its supporting documentation have been prepared in accordance with the Municipal Finance Management Act 53 OF 2003 and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Print Name

MOKOBI ST

Municipal Manager of

Ba-phalaborwa Local Municipality LIM334

Signature



Date

03/03/2026