

BA-PHALABORWA LOCAL MUNICIPALITY

May 27

SPECIAL ADJUSTMENT

BUDGET 2025/26

MTREF

2026

‘THE HOME OF MARULA, WILDLIFE TOURISM AND MINING’

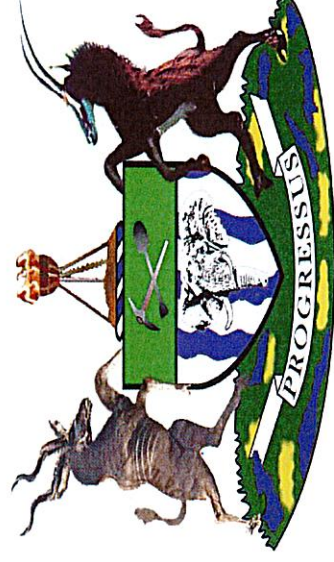


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Abbreviations and Acronyms

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 Special Adjustment Budget

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Total Operating revenue budget remains unchanged at R742,8 million

The following line items were affected:

- Service charges – Electricity remains unchanged at **R180,8 million**.
- Service charges – Waste Management remains unchanged at **R21,2 million**.
- Sale of Goods and Rendering of Services remains unchanged at **R6,2 million**.
- 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 remain unchanged **R4,4 million**.
- Rental of facilities and equipment remain unchanged at **R1,7 million** noting the mid-year performance.
- Operational Revenue remain unchanged **R1,7 million**.
- Property rates remains unchanged at **R214,1 million**.
- Fines, penalties and forfeits remain unchanged at **R1,1 million**.
- Licence and permits will remain unchanged at **R15,4 million**.
- Transfer and subsidies – Operational will remain unchanged at **R224,3 million**.
- Interest from Non-Exchange Revenue remains unchanged at **R43,2 million**
- Transfer and subsidies – Capital will increase from **R62,1 million to R68,1 million** due addition funds of **R6 million** for Disaster Grant).

Total Operating expenditure budget remains unchanged at R787,2 million

The following line items were affected:

- Employee related cost will remain unchanged **R219,2 million**.
- Remuneration of councillors remains unchanged at **R19,2 million**.
- Bulk purchases –Electricity remains unchanged at **R150,8 million**
- Inventory consumed will remain unchanged at **R33,4 million**
- Debt impairment remains unchanged **R110,1 million**
- Depreciation and Amortisation remains unchanged **R87,2 million**
- Interest (Finance charges) remains unchanged at **R5 million**
- Contracted services will remain unchanged at **R61,9 million**
- Transfers and subsidies remain unchanged at **R522 thousand**
- And Operational cost will remain unchanged at **R99,8 million**

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

Project Name	Project Description and Location	Original Budget	Adjusted Budget	Special Adjusted Budget	Final Budget
Installation of high mast lights	Installation of highmast lights Phalaborwa area	R4 202 350.00	R4 797 650.00	R2 111 356.01	R11 111 356.01
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	R0.00	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	(R2 111 356.01)	R8 042 633.99
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)	R0.00	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)	R0.00	R850 000.00
Installation of stormwater culvert at Shitshitwe culvert	Construction of culvert bridge Makhushane	R4 000 000.00	(R3 000 000.00)	R0.00	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	R0.00
Total		R37 083 250.00	R0.00	R0.00	R37 083 250.00

- MIG funded projects remained unchanged at R37,1 million. However, there was movement of funds from **Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana** to **Installation of high mast lights** 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	Adjusted Budget	Adjusted Budget	Final Budget
Ward 14 Derrick Nyathi bridge (Rehabilitation)	R 4 690 000.00	R0	R 4 690 000.00
Ward 18 Graveyard Selwane	R 5 310 000.00	R0	R 5 310 000.00
Ward 19 road via Gaza Primary (Upgrading from gravel to blocked paving)	R 2 000 000	R0	R 2 000 000
Ward 05 2400 Zone B (Upgrading from gravel to blocked paving)	R 2 000 000	R0	R 2 000 000
Ward 19 Presbyterian church street and Lutheran church street (Rehabilitation)	R 6 000 000	R0	R 6 000 000
Ward 04 Sebala Makgolo High school street (Rehabilitation)	R3 000 000	R0	R3 000 000
Ward 16 Matikoxi-kaya road (Upgrading from gravel to blocked paving)	R2 000 000	R0	R2 000 000
Ward 01 Upgrading of roads from Namakgale industrial via Langa Tavern to Makhushane Drive	R0	R6 000 000	R6 000 000
Total	R25 000 000	R 6 000 000	R31 000 000

- The municipality received additional R6 million for Disaster grant, which now makes the amount received by the municipality be R31 million.

PROJECTS FUNDED INTERNALLY REMAINS UNCHANGED AS FOLLOWS:

Project Name	Adjustment budget	Adjustment	Final Budget
Refurbishment of Namakgale Stadium	R3 842 321.00	R3 842 321.00	R3 842 321.00
Office Furniture and Equipment – Admin	R1 700 000.00	R1 700 000.00	R1 700 000.00
Tambo Upgrading Of Streets From Gravel To Tar 2.3	R6 720 000.00	R6 720 000.00	R6 720 000.00
Development of Phalaborwa new landfill site Phase	R4 000 000.00	R4 000 000.00	R4 000 000.00
Upgrading of Honeyville to Dinoko Sebera from gravel to tar	R2 167 113.00	R2 167 113.00	R2 167 113.00
Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana	R0.00	R0.00	R0.00
Construction of a Trapezoidal concrete lined stormwater channel, in ward 5 Namakgale	R1 500 000.00	R1 500 000.00	R1 500 000.00
Totals	R19 929 434.00	R19 929 434.00	R19 929 434.00

Internally funded projects will remain unchanged **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 remain unchanged **R742,8 million** excludes capital grant be approved.
- Council resolved that the total budgeted annual Operating Expenditure remain unchanged from **at R787,2 million** be approved.
- Council resolved that the total budgeted Capital expenditure excluding VAT increased from **R71,5 million to R76,7 million** be approved.

1.3 Special Adjustment budget supporting tables for 2025/26 MTREF

Council resolved that the Special 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 A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	
R thousands		1										
<u>Revenue By Source</u>												
Exchange Revenue												
Service charges - Electricity		2	193,957	180,827	-	-	-	-	-	180,827	204,237	216,879
Service charges - Waste Management		2	19,894	21,194	-	-	-	-	-	21,194	20,789	21,309
Sale of Goods and Rendering of Services			5,993	6,167				-	-	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	4,351				-	-	4,351	11,183	11,462
Rental from Fixed Assets			349	1,654				-	-	1,654	365	374
Operational Revenue			7,432	1,732				-	-	1,732	7,766	7,960
<u>Non-Exchange Revenue</u>												
Property rates		2	214,177	214,177	-	-	-	-	-	214,177	223,815	229,410
Fines, penalties and forfeits			1,306	1,056				-	-	1,056	1,365	1,399
Licences or permits			5,851	15,401				-	-	15,401	6,115	6,267
Transfer and subsidies - Operational			224,034	224,267				-	-	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	742,768	-	-	-	-	-	742,768	785,961	812,604

The above table reflects total revenue will remain unchanged from R742,8 million in the Adjustment Budget 2025/26.

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

- Service charges – Electricity will remain unchanged at **R180,8 million**.
- Service charges – Waste Management will remain unchanged at **R21,2 million**
- Sale of Goods and Rendering of Services remain unchanged at **R6,2 million**
- Agency services remain unchanged at **R11,9 million**
- Interest earned from Receivables remains unchanged at **R16,8 million**
- Interest earned from Current and Non-Current Assets remain unchanged at **R4,4 million**.
- Rental of facilities and equipment will remain unchanged **R1,7 million**
- Operational Revenue remain unchanged at **R1,7 million**
- Property rates remain unchanged at **R214,1 million**
- Fines, penalties and forfeits remain unchanged at **R1,1 million**
- Licence and permits will unchanged **R15,4 million**
- Transfer and subsidies – Operational remain unchanged **R224,3 million**.
- Interest from Non-Exchange Revenue remains unchanged at **R43,2 million**
- Transfer and subsidies – Capital will increase from **R62,1 million to R68,1 million** due addition funds of **R6 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 on 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) -

		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		
Description	Ref	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
R thousands	1												
Expenditure By Type	-												
Employee related costs		223,845	219,169	-	-	-	-	-	-	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	33,435	-	-	-	-	-	-	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	5,000	-	-	-	-	-	-	5,000	6,100	6,210	
Contracted services		68,642	61,884	-	-	-	-	-	-	61,884	76,165	68,589	
Transfers and subsidies		522	522	-	-	-	-	-	-	522	454	473	
Operational costs		87,732	99,825	-	-	-	-	-	-	99,825	91,191	92,133	
Total Expenditure		795,146	787,205	-	-	-	-	-	-	787,205	826,480	853,776	

Total expenditure remains unchanged at R787,2 million in the Special Adjustment Budget 2025/26.

Total Operating expenditure budget to remain unchanged R787,2 million

The following line items were affected:

- Employee related cost will remain unchanged at R219,2 million.
- Remuneration of councillors remains unchanged at R19,2 million.
- Bulk purchases –Electricity remains unchanged at R150,8 million
- Inventory consumed remain unchanged at R33,4 million.
- Debt impairment remains unchanged R110,1 million
- Depreciation and Amortisation remain unchanged R87,2 million
- Interest (Finance charges) remain unchanged at R5 million
- Contracted services will remain unchanged at R61,9 million.
- Transfers and subsidies remain unchanged at R522 thousand
- And Operational costs will remain unchanged at R99,8 million.

GRANTS AND SUBSIDIES 2025/26

Operational transfers and grants to remain unchanged at R224,3 million
Capital transfers and grants to increase from R62,1 million to R68,1 million.

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

Description	Ref	Budget Year 2025/26							Budget Year +1 2026/27 Adjusted Budget	Budget Year +2 2027/28 Adjusted Budget
		Original Budget A	Prior Adjusted 7 A1	Multi-year capital 8 B	Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F		
R thousands										
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:										
National Departmental Agencies, Education, Training and Development Practices SETA, Receipts	-	-	233	-	-	-	-	233	-	-
Total Operating Transfers and Grants	6	224,034	224,267	-	-	-	-	224,267	227,248	232,247
<u>Capital Transfers and Grants</u>										
National Government:		37,083	62,083	-	6,000	-	6,000	68,083	40,075	41,810
Municipal Infrastructure Grant (MIG)	-	37,083	37,083	-	-	-	-	37,083	40,075	41,810
Municipal Disaster Relief Grant	-	-	25,000	-	6,000	-	6,000	31,000	-	-
Total Capital Transfers and Grants	6	37,083	62,083	-	6,000	-	6,000	68,083	40,075	41,810
TOTAL RECEIPTS OF TRANSFERS & GRANTS		261,117	286,350	-	6,000	-	6,000	292,350	267,323	274,056

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

Project Name	Project Description and Location	Original Budget	Adjusted Budget	Special Adjusted Budget	Final Budget
Installation of high mast lights	Installation of highmast lights Phalaborwa area	R4 202 350.00	R4 797 650.00	R2 111 356.01	R11 111 356.01
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	R0.00	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	(R2 111 356.01)	R8 042 633.99
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)	R0.00	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)	R0.00	R850 000.00
Installation of stormwater culvert at Shitshitwe culvert	Construction of culvert bridge Makhushane	R4 000 000.00	(R3 000 000.00)	R0.00	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	R0.00
Total		R37 083 250.00	R0.00	R0.00	R37 083 250.00

- MIG funded projects remained unchanged at R37,1 million. However, there was movement of funds from **Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana** to **Installation of high mast lights** projects.

INTEGRATED ELECTRIFICATION PROGRAMME (INEP) REMAIN UNCHANGED AS FOLLOWS:

Project Name	Original Budget 2025/26	Adjustment Amount 2025/26	Final Budget 2025/26
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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	Adjusted Budget	Adjusted Budget	Final Budget
Ward 14 Derrick Nyathi bridge (Rehabilitation)	R 4 690 000.00	R0	R 4 690 000.00
Ward 18 Graveyard Selwane	R 5 310 000.00	R0	R 5 310 000.00
Ward 19 road via Gaza Primary (Upgrading from gravel to blocked paving)	R 2 000 000	R0	R 2 000 000
Ward 05 2400 Zone B (Upgrading from gravel to blocked paving)	R 2 000 000	R0	R 2 000 000
Ward 19 Presbyterian church street and Lutheran church street (Rehabilitation)	R 6 000 000	R0	R 6 000 000
Ward 04 Sebala Makgolo High school street (Rehabilitation)	R3 000 000	R0	R3 000 000
Ward 16 Matikoxi-kaya road (Upgrading from gravel to blocked paving)	R2 000 000	R0	R2 000 000
Ward 01 Upgrading of roads from Namakgale industrial via Langa Tavern to Makhushane Drive	R0	R6 000 000	R6 000 000
Total	R25 000 000	R 6 000 000	R31 000 000

- The municipality received additional R6 million for Disaster grant, which now makes the amount received by the municipality be R31 million.

PROJECTS FUNDED INTERNALLY REMAINS UNCHANGED AS FOLLOWS:

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Office Furniture and Equipment – Admin	R1 700 000.00	R1 700 000.00	R1 700 000.00
Tambo Upgrading Of Streets From Gravel To Tar 2.3	R6 720 000.00	R6 720 000.00	R6 720 000.00
Development of Phalaborwa new landfill site Phase	R4 000 000.00	R4 000 000.00	R4 000 000.00
Upgrading of Honeyville to Dinoko Sebera from gravel to tar	R2 167 113.00	R2 167 113.00	R2 167 113.00
Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana	R0.00	R0.00	R0.00
Construction of a Trapezoidal concrete lined stormwater channel, in ward 5 Namakgale	R1 500 000.00	R1 500 000.00	R1 500 000.00
Totals	R19 929 434.00	R19 929 434.00	R19 929 434.00

SPECIAL ADJUSTMENT BUDGET

TABLES

2025/26

1. ADJUSTMENT BUDGET TABLES

1.1. ADJUSTMENT BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table B1
Adjustments Budget Summary -

Budget Year 2025/26												
Description	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year +1 2026/27	Budget Year +2 2027/28	
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H	Adjusted Budget	Adjusted Budget	
R thousands												
Financial Performance												
Property rates	214 177	214 177	-	-	-	-	-	-	214 177	223 815	229 410	
Service charges	213 851	202 021	-	-	-	-	-	-	202 021	225 026	238 188	
Investment revenue	5 351	4 351	-	-	-	-	-	-	4 351	11 183	11 462	
Transfers recognised - operational	224 034	224 267	-	-	-	-	-	-	224 267	227 248	232 247	
Other own revenue	92 873	97 952	-	-	-	-	-	-	97 952	98 688	101 296	
Total Revenue (excluding capital transfers and contributions)	750 286	742 768	-	-	-	-	-	-	742 768	785 961	812 604	
Employee costs	223 845	219 169	-	-	-	-	-	-	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	5 000	-	-	-	-	-	-	5 000	6 100	6 210	
Inventory consumed and bulk purchases	177 125	184 248	-	-	-	-	-	-	184 248	186 302	196 836	
Transfers and subsidies	522	522	-	-	-	-	-	-	522	454	473	
Other expenditure	156 374	161 709	-	-	-	-	-	-	161 709	167 356	160 722	
Total Expenditure	795 146	787 205	-	-	-	-	-	-	787 205	826 480	853 776	
Surplus/(Deficit)	(44 860)	(44 438)	-	-	-	-	-	-	(44 438)	(40 520)	(41 172)	
Transfers and subsidies - capital (monetary allocations)	37 083	62 083	-	-	-	-	6 000	6 000	68 083	40 075	41 810	
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	(7 777)	17 646	-	-	-	-	6 000	6 000	23 646	(445)	637	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	(7 777)	17 646	-	-	-	-	6 000	6 000	23 646	(445)	637	
Capital expenditure & funds sources												
Capital expenditure	59 319	71 471	-	-	-	-	5 217	5 217	76 688	49 858	48 269	
Transfers recognised - capital	32 246	54 141	-	-	-	-	5 217	5 217	59 358	34 848	36 356	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	

Internally generated funds	27 073	17 330	-	-	-	-	-	-	-	17 330	15 010	11 913
Total sources of capital funds	59 319	71 471	-	-	-	-	-	-	-	76 688	49 858	48 269
Financial position												
Total current assets	279 629	224 192	-	-	-	-	-	-	-	228 514	527 748	424 622
Total non current assets	1 251 539	1 283 979	-	-	-	-	-	-	-	1 289 197	1 578 183	1 581 394
Total current liabilities	486 142	469 891	-	-	-	-	-	-	-	473 430	556 356	378 500
Total non current liabilities	189 796	189 796	-	-	-	-	-	-	-	189 796	218 005	218 005
Community wealth/Equity	854 098	878 938	-	-	-	-	-	-	-	884 938	1 334 305	1 413 467
Cash flows												
Net cash from (used) operating	59 431	76 256	-	-	-	-	-	-	-	86 137	144 090	(30 645)
Net cash from (used) investing	(68 217)	(82 191)	-	-	-	-	-	-	-	(88 191)	(54 336)	(53 009)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	45 652	29 016	-	-	-	-	-	-	-	32 897	115 005	(4 011)
Cash backing/surplus reconciliation												
Cash and investments available	25 252	16 416	-	-	-	-	-	-	-	20 297	94 605	(24 411)
Application of cash and investments	250 504	267 841	-	-	-	-	-	-	-	229 854	98 832	(97 173)
Balance - surplus (shortfall)	(225 252)	(251 425)	-	-	-	-	-	-	-	(209 557)	(4 227)	72 762
Asset Management												
Asset register summary (WDV)	1 196 406	1 228 846	-	-	-	-	-	-	-	1 234 063	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	21 385	-	-	-	-	-	-	-	26 602	-	-
Repairs and Maintenance	10 093	10 322	-	-	-	-	-	-	-	10 322	13 729	13 789
Free services												
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	1 587	28 812	-	-	-	-	-	-	-	28 812	19 616	20 162

Total Operating revenue budget remains unchanged at R742,8 million

The following line items were affected:

- Service charges – Electricity remains unchanged at **R180,8 million**
- Service charges – Waste Management remains unchanged at **R21,2 million**.
- Sale of Goods and Rendering of Services remains unchanged at **R6,2 million**
- Agency services remain unchanged at **R11,9 million**
- Interest earned from Receivables remains unchanged at **R16,8 million**
- Interest earned from Current and Non-Current Assets will remain unchanged **R4,4 million**
- Rental of facilities and equipment remain unchanged at **R1,7 million**
- Operational Revenue remain unchanged **R1,7 million**
- Property rates remain unchanged at **R214,1 million**
- Fines, penalties and forfeits remain unchanged at **R1,1 million**
- Licence and permits will remain unchanged at **R15,4 million**
- Transfer and subsidies – Operational will remain unchanged at **R224,3 million**.
- Interest from Non-Exchange Revenue remains unchanged at **R43,2 million**
- Transfer and subsidies – Capital will increase from **R62,1 million to R68,1 million** due addition funds of **R6 million** for Disaster Grant).

Total Operating expenditure budget remains unchanged at R787,2 million

The following line items were affected:

- Employee related cost will remain unchanged **R219,2 million**.
- Remuneration of councillors remains unchanged at **R19,2 million**.
- Bulk purchases –Electricity remains unchanged at **R150,8 million**
- Inventory consumed will remain unchanged at **R33,4 million**

- Debt impairment remains unchanged **R110,1** million
- Depreciation and Amortisation remain unchanged **R87,2** million
- Interest (Finance charges) remains unchanged at **R5** million
- Contracted services will remain unchanged at **R61,9** million
- Transfers and subsidies remain unchanged at **R522** thousand
- And Operational cost will remain unchanged at **R99,8** million

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 A	Prior Adjusted A1	Accum. Funds B	Multi-year capital C	Unfore. Unavoid. D	Nat. or Prov. Govt E	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1. 4												
Revenue - Functional													
Governance and administration		493,250	487,023	-	-	-	-	-	-	487,023	510,977	528,100	528,100
Finance and administration		493,250	487,023	-	-	-	-	-	-	487,023	510,977	528,100	528,100
Community and public safety		14,440	24,065	-	-	-	-	-	-	24,065	15,090	15,467	15,467
Community and social services		328	403	-	-	-	-	-	-	403	343	351	351
Public safety		14,112	23,662	-	-	-	-	-	-	23,662	14,747	15,116	15,116

Vote 5 - Planning and Development Services		301	351	-	-	-	-	-	315	323
Vote 6 - Technical Services		278,091	291,775	-	-	6,000	-	-	298,309	309,145
Total Revenue by Vote	2	787,369	804,851	-	-	6,000	6,000	6,000	826,035	854,413
Expenditure by Vote	1									
Vote 1 - Executive and Councillors		80,295	84,647	-	-	-	-	-	86,765	90,016
Vote 2 - Budget and Treasury Office		192,104	185,947	-	-	-	-	-	185,762	192,060
Vote 3 - Corporate Services		79,823	80,068	-	-	-	-	-	84,997	89,088
Vote 4 - Community and Social Services		88,781	87,631	-	-	-	-	-	95,040	101,062
Vote 5 - Planning and Development Services		29,887	27,512	-	-	-	-	-	25,611	23,859
Vote 6 - Technical Services		324,255	321,399	-	-	-	-	-	348,305	357,693
Total Expenditure by Vote	2	795,146	787,205	-	-	-	-	-	826,480	853,776
Surplus/ (Deficit) for the year	2	(7,777)	17,646	-	-	6,000	6,000	6,000	(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 have R25,7 million revenue with R87,6 million expenditure.
- Planning and development have 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	Adjusted Budget
R thousands													
Revenue By Source	1	A	A1	B	C	D	E	F	G	H			
Exchange Revenue													
Service charges - Electricity	2	193,957	180,827	-	-	-	-	-	-	180,827	204,237	216,879	
Service charges - Waste Management	2	19,894	21,194	-	-	-	-	-	-	21,194	20,789	21,309	

- Service charges – Electricity remains unchanged at **R180,8 million**
- Service charges – Waste Management remains unchanged at **R21,2 million**
- Sale of Goods and Rendering of Services remains unchanged at **R6,2 million**
- Agency services remain unchanged at **R11,9 million**
- Interest earned from Receivables remains unchanged at **R16,8 million**
- Interest earned from Current and Non-Current Assets will remain unchanged **R4,4 million**
- Rental of facilities and equipment remain unchanged at **R1,7 million**
- Operational Revenue remain unchanged **R1,7 million**
- Property rates remain unchanged at **R214,1 million**
- Fines, penalties and forfeits remain unchanged at **R1,1 million**
- Licence and permits will remain unchanged at **R15,4 million**
- Transfer and subsidies – Operational will remain unchanged at **R224,3 million**.
- Interest from Non-Exchange Revenue remains unchanged at **R43,2 million**
- Transfer and subsidies – Capital will increase from **R62,1 million to R68,1 million** due addition funds of **R6 million** for Disaster Grant).

Total Operating expenditure budget remains unchanged at R787,2 million

The following line items were affected:

- Employee related cost will remain unchanged **R219,2 million**.
- Remuneration of councillors remains unchanged at **R19,2 million**.
- Bulk purchases –Electricity remains unchanged at **R150,8 million**
- Inventory consumed will remain unchanged at **R33,4 million**
- Debt impairment remains unchanged **R110,1 million**

- Depreciation and Amortisation remain unchanged R87,2 million
- Interest (Finance charges) remains unchanged at R5 million
- Contracted services will remain unchanged at R61,9 million
- Transfers and subsidies remain unchanged at R522 thousand
- And Operational cost will remain unchanged at R99,8 million

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
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
Capital Expenditure - Functional										

COMMUNITY WEALTH/EQUITY Accumulated Surplus/(Deficit) Funds and Reserves Other		841 905 12 193 -	872 296 6 642 -	-	-	-	-	6 000 -	6 000 -	878 296 6 642	1 320 927 13 379	1 400 088 13 379
		854 098	878 938	-	-	-	-	6 000	6 000	884 938	1 334 305	1 413 467
	TOTAL COMMUNITY WEALTH/EQUITY											

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	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
R thousands													
CASH FLOW FROM OPERATING ACTIVITIES													

Cash and investments available												
Cash/cash equivalents at the year end	1	45 652 (20 400)	29 016 (12 600)	-	-	-	-	3 881	3 881	32 897 (12 600)	169 342 (74 736)	48 998 (73 409)
Other current investments > 90 days				-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		25 252	16 416	-	-	-	-	3 881	3 881	20 297	94 605	(24 411)
Applications of cash and investments												
Unspent conditional transfers		-	(253)	-	-	-	-	-	-	(253)	-	-
Unspent borrowing										-		
Statutory requirements		4 784	(40 032)					(812)	(812)	(40 844)	17 934	17 934
Other working capital requirements	2	239 695	302 101					(37 175)	(37 175)	264 926	74 329	(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	267 841	-	-	-	-	(37 987)	(37 987)	229 854	98 832	(97 173)
Surplus(shortfall)		(225 252)	(251 425)	-	-	-	-	41 868	41 868	(209 557)	(4 227)	72 762

The above table represent the deficit of the cash back reserved. There was a reduction of R41.8 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 A	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjusts. 12 F	Total Adjusts. 13 G	Adjusted Budget 14 H	Adjusted Budget		
R thousands														

CAPITAL EXPENDITURE

Total New Assets to be adjusted

Roads Infrastructure
Storm water Infrastructure
Electrical Infrastructure

Infrastructure
Furniture and Office Equipment
Machinery and Equipment
Transport Assets
Land

Total Renewal of Existing Assets to be adjusted

Total Upgrading of Existing Assets to be adjusted

Roads Infrastructure
Infrastructure
Community Facilities
Sport and Recreation Facilities
Community Assets

Total Capital Expenditure to be adjusted

Roads Infrastructure
Storm water Infrastructure
Electrical Infrastructure

Infrastructure
Community Facilities
Sport and Recreation Facilities
Community Assets
Furniture and Office Equipment
Machinery and Equipment
Transport Assets
Land

Zoo's, Marine and Non-biological Animals
Mature
Immature
Living Resources

TOTAL CAPITAL EXPENDITURE to be adjusted

ASSET REGISTER SUMMARY - PPE (WDV)
Roads Infrastructure

1	37 754	50 086	-	-	-	0	0	50 086	49 858	48 269
	29 578	35 999	-	-	-	(1 836)	(1 836)	34 163	29 599	28 095
	1 304	1 304	-	-	-	-	-	1 304	1 304	1 304
	1 915	7 826	-	-	-	1 836	1 836	9 662	8 520	-
	32 797	45 130	-	-	-	0	0	45 130	39 423	29 400
	1 478	1 478	-	-	-	-	-	1 478	1 739	1 913
	-	-	-	-	-	-	-	-	-	8 261
	-	-	-	-	-	-	-	-	-	-
	3 478	3 478	-	-	-	-	-	3 478	8 696	8 696
2	-	-	-	-	-	-	-	-	-	-
2a	21 565	21 385	-	-	-	5 217	5 217	26 602	-	-
	12 522	18 043	-	-	-	5 217	5 217	23 261	-	-
	12 522	18 043	-	-	-	5 217	5 217	23 261	-	-
	-	-	-	-	-	-	-	-	-	-
	9 043	3 341	-	-	-	-	-	3 341	-	-
	9 043	3 341	-	-	-	-	-	3 341	-	-
4	59 319	71 471	-	-	-	5 217	5 217	76 688	49 858	48 269
	42 099	54 043	-	-	-	3 381	3 381	57 424	29 599	28 095
	1 304	1 304	-	-	-	-	-	1 304	1 304	1 304
	1 915	7 826	-	-	-	1 836	1 836	9 662	8 520	-
	45 319	63 173	-	-	-	5 217	5 217	68 391	39 423	29 400
	-	-	-	-	-	-	-	-	-	-
	9 043	3 341	-	-	-	-	-	3 341	-	-
	9 043	3 341	-	-	-	-	-	3 341	-	-
	1 478	1 478	-	-	-	-	-	1 478	1 739	1 913
	-	-	-	-	-	-	-	-	-	8 261
	-	-	-	-	-	-	-	-	-	-
	3 478	3 478	-	-	-	-	-	3 478	8 696	8 696
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
4	59 319	71 471	-	-	-	5 217	5 217	76 688	49 858	48 269
5	1 196 406	1 228 846	-	-	-	5 217	5 217	1 234 063	1 482 314	1 485 526
	227 535	240 528	-	-	-	3 381	3 381	243 909	436 273	433 808

PART TWO

SPECIAL 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	Budget Year +2
		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
										Adjusted Budget

R thousands	A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H	
REVENUE ITEMS										
<u>Non-exchange revenue by source</u>										
<u>Property rates</u>										
Total Property Rates	231,351	240,202					-	-	240,202	241,761
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	17,173	26,025					-	-	26,025	17,946
Net Property Rates	214,177	214,177	-	-	-	-	-	-	214,177	223,815
<u>Exchange revenue service charges</u>										
<u>Service charges - Electricity</u>										
Total Service charges - Electricity	195,370	182,740					-	-	182,740	205,725
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)	1,413	1,913					-	-	1,913	1,488
Net Service charges - Electricity	193,957	180,827	-	-	-	-	-	-	180,827	204,237
<u>Service charges - Waste Management</u>										
Total refuse removal revenue	20,069	22,069					-	-	22,069	20,972
Less Revenue Foregone (in excess of one removal a week to indigent households)	175	875					-	-	875	183
Service charges - Waste Management	19,894	21,194	-	-	-	-	-	-	21,194	20,789
EXPENDITURE ITEMS										
<u>Employee related costs</u>										
Basic Salaries and Wages	122,413	121,170					-	-	121,170	130,969
Pension and UIF Contributions	25,476	25,236					-	-	25,236	27,244
Medical Aid Contributions	12,973	15,897					-	-	15,897	13,881
Overtime	4,656	4,546					-	-	4,546	4,982
Performance Bonus	9,808	9,661					-	-	9,661	10,495
Motor Vehicle Allowance	22,408	20,988					-	-	20,988	23,977
Cellphone Allowance	2,182	2,377					-	-	2,377	2,335
Housing Allowances	1,056	1,051					-	-	1,051	1,130
Other benefits and allowances	7,034	4,234					-	-	4,234	7,526
Payments in lieu of leave	11,060	8,800					-	-	8,800	11,835
Long service awards	-	1,566					-	-	1,566	-
Acting and post related allowance	4,777	3,642					-	-	3,642	5,111

sub-total	223,845	219,169	-	-	-	-	-	-	-	219,169	239,485	256,159
1	-	-	-	-	-	-	-	-	-	-	-	-
Total Employee related costs	223,845	219,169	-	-	-	-	-	-	-	219,169	239,485	256,159
Depreciation and amortisation	87,220	87,220	-	-	-	-	-	-	-	87,220	91,145	93,423
1	87,220	87,220	-	-	-	-	-	-	-	87,220	91,145	93,423
Bulk purchases	150,812	150,812	-	-	-	-	-	-	-	150,812	158,805	168,651
1	150,812	150,812	-	-	-	-	-	-	-	150,812	158,805	168,651
Total bulk purchases	522	522	-	-	-	-	-	-	-	522	454	473
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	27,601	26,350	-	-	-	-	-	-	-	26,350	31,440	33,223
Outsourced Services	18,565	17,039	-	-	-	-	-	-	-	17,039	13,058	10,332
Consultants and Professional Services	22,475	18,495	-	-	-	-	-	-	-	18,495	31,667	25,034
Contractors	68,642	61,884	-	-	-	-	-	-	-	61,884	76,165	68,589
Total contracted services	1,217	1,217	-	-	-	-	-	-	-	1,217	1,304	1,304
Operational Costs	261	-	-	-	-	-	-	-	-	261	261	261
Collection costs	7,391	7,391	-	-	-	-	-	-	-	7,391	7,724	8,048
Contributions to 'other' provisions	78,863	91,216	-	-	-	-	-	-	-	91,216	81,902	82,519
Audit fees	87,732	99,825	-	-	-	-	-	-	-	100,086	91,191	92,133
Other Operational Costs	10,093	10,322	-	-	-	-	-	-	-	10,322	13,729	13,789
Total Other Operational Costs	10,093	10,322	-	-	-	-	-	-	-	10,322	13,729	13,789
Repairs and Maintenance by Expenditure Item	26,313	33,435	-	-	-	-	-	-	-	33,435	27,497	28,184
Inventory Consumed (Project Maintenance)	26,313	33,435	-	-	-	-	-	-	-	33,435	27,497	28,184
Total Repairs and Maintenance Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Inventory Consumed & Other Material	-	-	-	-	-	-	-	-	-	-	-	-

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		Budget Year +2	
		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	Adjusted Budget
			4	5	6	7	8	9	10	11			

R thousands			A	A1	B	C	D	E	F	G	H	
ASSETS												
<u>Trade and other receivables from exchange transactions</u>												
Electricity			143,042	124,242					-	-	124,242	247,095
Waste			211,311	209,600					-	-	209,600	216,378
Waste Water			11,534	11,534					-	-	11,534	12,355
Other trade receivables from exchange transactions			22,177	25,525					-	-	25,525	(4,465)
Gross: Trade and other receivables from exchange transactions			388,064	370,902	-	-	-	-	-	-	370,902	474,318
Less: Impairment for debt	1		(256,568)	(256,568)	-	-	-	-	-	-	(256,568)	(196,412)
Impairment for Electricity			(88,008)	(88,008)					-	-	(88,008)	(73,612)
Impairment for Waste			(157,115)	(157,115)					-	-	(157,115)	(116,875)
Impairment for other trade receivables from exchange transactions			(11,446)	(11,446)					-	-	(11,446)	(5,925)
Total net Trade and other receivables from Exchange Transactions			131,496	114,334	-	-	-	-	-	-	114,334	277,906
<u>Receivables from non-exchange transactions</u>												
Property rates			624,788	617,707					-	-	617,707	695,463
Less: Impairment of Property rates			(586,317)	(586,317)					-	-	(586,317)	(606,927)
Net Property rates			38,471	31,390	-	-	-	-	-	-	31,390	88,536
Other receivables from non-exchange transactions			196	196					-	-	196	34,580
Impairment for other receivables from non-exchange transactions			-	-	-	-	-	-	-	-	-	(34,341)
Net other receivables from non-exchange transactions			196	196	-	-	-	-	-	-	196	239
Total net Receivables from non-exchange transactions			38,667	31,586	-	-	-	-	-	-	31,586	88,775
Opening Balance			-	-					-	-	-	(3,362)
Issues	13		(1,545)	(1,748)					-	-	(1,748)	(1,654)
Closing balance - Consumables Standard Rated			(1,545)	(1,748)	-	-	-	-	-	-	(1,748)	(5,016)
Zero Rated												
Opening Balance			15,481	16,222					-	-	16,222	19,577
Acquisitions			26,313	33,435					-	-	33,435	28,184
Issues	13		(24,768)	(31,687)					-	-	(31,687)	(26,530)
Closing balance - Materials and Supplies			17,026	17,969	-	-	-	-	-	-	17,969	21,232
Opening Balance			1,549	-					-	-	1,549	1,549
Closing Balance - Land			1,549	-	-	-	-	-	-	-	1,549	1,549
Closing Balance - Inventory & Consumables			17,030	16,222	-	-	-	-	-	-	17,771	17,765
PPE at cost/valuation (excl. finance leases)			2,053,844	2,065,996					5,217	5,217	2,071,213	2,577,121
Less: Accumulated depreciation			(1,275,014)	(1,275,014)					-	-	(1,275,014)	(1,481,202)
Total Property, plant & equipment	1		778,830	790,982	-	-	-	-	5,217	5,217	796,199	1,095,919
LIABILITIES												

Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	16.4%	15.6%	15.6%	13.9%	13.8%
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%
Safety of Capital Gearing	Long Term Borrowing/ Funds & Reserves	203.0%	372.6%	372.6%	349.1%	349.1%
Liquidity Current Ratio	Current assets/current liabilities	57.5%	47.7%	56.1%	94.9%	112.2%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities	57.5%	47.7%	0.0%	0.0%	0.0%
Revenue Management Annual Debtors Collection Rate (Payment Level %)	Monetary Assets/Current Liabilities	0.1	0.0	0.1	0.3	0.2
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	95.3%	92.8%	98.1%	115.6%	113.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	1849.0%	2695.1%	2695.1%	321.6%	746.2%
Creditors to Cash and Investments						
Other Indicators	Total Volume Losses (kW)					
	Total Volume Losses (kW) non technical					
	Total Cost of Losses (Rand '000)					
Electricity Distribution Losses (2)						
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.8%	29.5%	29.5%	30.5%	31.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	1.3%	1.4%	1.4%	1.7%	1.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	18.2%	19.3%	19.3%	18.1%	18.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)					
IDP regulation financial viability indicators						

i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)				651.9%	645.3%	645.3%	666.2%	688.8%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				17.5%	15.4%	15.4%	35.1%	34.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	0.0	0.0	0.0

References

1. Consumer debtors > 12 months old are excluded from current assets
 2. Only include if services provided by the municipality
- Calculation data
- Debtors > 90 days
- Debtors > 12 months recovered
- Monthly fixed operational expenditure
- Fixed operational expenditure % assumption
- Own capex
- Borrowing

40.0%

40.0%

40.0%

40.0%

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	Prior Adjusted	Adjusted Budget	Budget Year +1 2026/27	Budget Year +2 2027/28
			Audited Outcome	Audited Outcome	Audited Outcome					
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b				25,252	16,416	16,416	168,842	48,998

Cash + investments at the yr end less applications - R'000	2	18(1)b				(225,252)	(251,425)	(209,590)	(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)	17,646	-	-	-
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%			84.7%	82.0%	82.0%	103.3%	103.3%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)		0.0%		31.6%	32.8%	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							129.5%	3.7%
Long term receivables % change - incr(decr)	12	18(1)a				0.8%	0.8%	0.8%	12.7%	-40.2%
R&M % of Property Plant & Equipment	13	20(1)(vi)				0.0%	0.0%	0.0%	0.9%	0.9%
Asset renewal % of capital budget	14	20(1)(vi)							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		

Operating Transfers and Grants												
National Government:												
Energy Efficiency and Demand Management												
EPWP Incentive												
Finance Management												
Local Government Equitable Share												
Municipal Infrastructure Grant												
Other grant providers:												
<i>National Departmental Agencies_Education, Training and Development Practices SETA_Receipts</i>												
Total Operating Transfers and Grants	6	224,034	224,034	-	-	-	-	-	-	224,034	227,248	232,247
Capital Transfers and Grants												
National Government:												
Municipal Infrastructure Grant (MIG)												
Municipal Disaster Relief Grant												
Total Capital Transfers and Grants	6	37,083	62,083	-	6,000	-	-	-	-	68,083	40,075	41,810
TOTAL RECEIPTS OF TRANSFERS & GRANTS		261,117	286,350	-	6,000	-	-	-	-	292,350	267,323	274,056

There is additional grant from Disaster Grant

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	Adjusted Budget
R thousands	A	2	A1	3	4	5	6	7			
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1			B	C	D	E	F			

Operating expenditure of Transfers and Grants										
National Government:										
Energy Efficiency and Demand Side Management Grant	-	6,758	-	-	-	-	-	6,758	10,109	5,301
Expanded Public Works Programme Integrated Grant	-	-	-	-	-	-	-	-	5,000	-
Local Government Financial Management Grant	-	1,806	-	-	-	-	-	1,806	-	-
Municipal Infrastructure Grant	-	3,000	-	-	-	-	-	3,000	3,000	3,100
	-	1,952	-	-	-	-	-	1,952	2,109	2,201
Other grant providers:										
SEITA-Transferred to Revenue/Capital Expenditure	-	-	-	-	-	-	-	233	-	-
	-	233	-	-	-	-	-	233	-	-
Total operating expenditure of Transfers and Grants:	-	6,758	-	-	-	-	-	6,991	10,109	5,301
Capital expenditure of Transfers and Grants										
National Government:										
Municipal Disaster Relief Grant	-	37,083	-	-	-	-	-	68,083	40,075	41,810
Municipal Infrastructure Grant	-	-	-	-	-	-	-	31,000	-	-
	-	37,083	-	-	-	-	-	37,083	40,075	41,810
Total capital expenditure of Transfers and Grants		37,083	-	-	-	-	-	68,083	40,075	41,810
Total capital expenditure of Transfers and Grants		43,841	-	-	-	-	-	75,074	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:										

TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS:												
Groups of Individuals												
[insert description]												
[insert description]												
[insert description]												
Total Non-Cash Grants To Groups Of Individuals:												
TOTAL CASH TRANSFERS												
5	522	-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS												
	522	-	-	-	-	-	-	-	-	-	-	-

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		
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Councillors (Political Office Bearers plus Other)												
Basic Salaries and Wages		12,843	12,843							12,843		0.0%
Cellphone Allowance		1,897	1,897							1,897		

Other benefits and allowances	4,456	4,456	-	-	-	-	4,456	0.0%
Sub Total - Councilors	19,196	19,196	-	-	-	-	19,196	0.0%
Senior Managers of the Municipality								
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	1,803	-	-	-	-	1,803	11.1%
Cellphone Allowance	161	231	-	-	-	-	231	43.4%
Housing Allowances	-	-	-	-	-	-	-	-
Other benefits and allowances	137	152	-	-	-	-	152	-
Acting and post related allowance	64	64	-	-	-	-	64	-
In kind benefits	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,868	7,133	-	-	-	-	7,133	3.9%
Other Municipal Staff								
Basic Salaries and Wages	117,544	116,301	-	-	-	-	116,301	-1.1%
Pension and UIF Contributions	25,462	25,222	-	-	-	-	25,222	-0.9%
Medical Aid Contributions	12,973	15,897	-	-	-	-	15,897	22.5%
Overtime	4,656	4,546	-	-	-	-	4,546	-2.4%
Performance Bonus	9,808	9,661	-	-	-	-	9,661	-
Motor Vehicle Allowance	20,785	19,185	-	-	-	-	19,185	-7.7%
Cellphone Allowance	2,021	2,146	-	-	-	-	2,146	6.2%
Housing Allowances	1,056	1,051	-	-	-	-	1,051	-
Other benefits and allowances	6,897	4,082	-	-	-	-	4,082	-
Payments in lieu of leave	11,060	8,800	-	-	-	-	8,800	-20.4%
Long service awards	-	1,566	-	-	-	-	1,566	#DIV/0!
Acting and post related allowance	4,713	3,578	-	-	-	-	3,578	-
Sub Total - Other Municipal Staff	216,977	212,037	-	-	-	-	212,037	-2.3%
Total Parent Municipality	243,041	238,365	-	-	-	-	238,365	-1.9%
TOTAL SALARY, ALLOWANCES & BENEFITS	243,041	238,365	-	-	-	-	238,365	-1.9%
% increase								
TOTAL MANAGERS AND STAFF	223,845	219,169	-	-	-	-	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

R thousands	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26 Adjusted Budget	Budget Year +1 Adjusted Budget	Budget Year +2 Adjusted Budget
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
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	(7,658)	485,135	510,612	527,725
Vote 3 - Corporate Services	243	109	312	84	175	44	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	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	-	351	315	323
Vote 6 - Technical Services	22,053	11,222	13,156	16,503	15,499	28,539	24,815	24,815	24,815	24,815	24,815	66,730	297,775	298,309	309,145
Total Revenue by Vote	135,859	34,952	37,577	38,867	38,111	123,775	67,571	67,571	67,571	67,571	67,571	63,773	810,851	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	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	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	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	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	-	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	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	65,600	65,600	65,600	65,600	155,635	787,205	826,480	853,776
Surplus/ (Deficit)	93,272	(17,878)	(12,034)	(13,831)	(6,918)	70,180	1,970	1,970	1,970	1,970	1,970	(91,861)	23,646	(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	Budget Year +1	Budget Year +2
		July	August	Sept.	October	November	December	January	February	March	April	May	June		Budget Year 2026/27	Budget Year +2 2027/28

R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Functional												
Governance and administration												
Finance and administration	112,064	20,945	22,359	21,743	20,593	93,918	40,585	40,585	40,585	40,585	487,023	510,977
Internal audit	112,064	20,945	22,359	21,743	20,593	93,918	40,585	40,585	40,585	40,585	487,023	510,977
Community and public safety												
Community and social services	1,438	2,742	2,019	585	1,974	1,276	2,005	2,005	2,005	2,005	24,065	15,467
Sport and recreation	35	27	35	23	25	26	34	34	34	34	403	351
Public safety	1,403	2,715	1,983	562	1,949	1,249	1,972	1,972	1,972	1,972	23,662	15,116
Economic and environmental services												
Planning and development	5,570	325	307	2,737	691	11,463	6,166	6,166	6,166	6,166	73,991	43,998
Other	15	22	18	21	24	23	29	29	29	29	351	323
Road transport	5,556	303	289	2,716	667	11,440	6,137	6,137	6,137	6,137	73,640	45,547
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services												
Energy sources	16,787	10,940	12,893	13,803	14,852	17,118	18,814	18,814	18,814	18,814	225,772	264,977
Waste management	14,039	8,235	10,185	11,092	12,144	14,399	16,087	16,087	16,087	16,087	193,043	231,313
Other	2,748	2,705	2,707	2,711	2,708	2,719	2,727	2,727	2,727	2,727	32,729	33,664
Total Revenue - Functional	135,859	34,952	37,577	38,867	38,111	123,775	67,571	67,571	67,571	67,571	810,851	854,413
Expenditure - Functional												
Governance and administration												
Executive and council	14,254	19,006	18,167	23,176	15,198	20,745	28,898	28,898	28,898	28,898	346,780	367,866
Finance and administration	2,791	3,490	3,754	3,199	3,676	4,098	4,338	4,338	4,338	4,338	52,053	54,687
Internal audit	9,822	13,286	13,842	16,905	9,852	14,806	22,172	22,172	22,172	22,172	266,059	281,408
Community and public safety												
Community and social services	1,640	2,230	571	3,073	1,670	1,841	2,389	2,389	2,389	2,389	28,669	31,771
Sport and recreation	4,228	4,519	4,384	4,640	4,651	6,160	5,815	5,815	5,815	5,815	69,780	81,903
Public safety	1,537	1,740	1,441	1,485	1,468	1,618	1,939	1,939	1,939	1,939	23,269	24,459
Housing	47	62	105	256	370	801	369	369	369	369	4,434	4,948
Health	1,591	1,623	1,702	1,855	1,622	1,898	1,988	1,988	1,988	1,988	23,860	27,895
Economic and environmental services												
Planning and development	1,053	1,095	1,135	1,044	1,191	1,844	1,518	1,518	1,518	1,518	18,217	22,175
Trading services												
Energy sources	7,953	9,917	8,446	9,184	9,183	10,711	11,164	11,164	11,164	11,164	133,968	143,891
Waste management	1,439	1,336	1,520	1,708	1,542	2,956	2,500	2,500	2,500	2,500	30,001	26,611
Other	6,514	8,582	6,927	7,475	7,641	7,756	8,664	8,664	8,664	8,664	103,967	117,280
Total Expenditure - Functional	42,587	52,830	49,611	52,698	45,029	53,595	65,600	65,600	65,600	65,600	787,205	853,776
Surplus/ (Deficit) 1.	93,272	(17,878)	(12,034)	(13,831)	(6,918)	70,180	1,970	1,970	1,970	1,970	23,646	637

2.12 MONTHLY REVENUE AND EXPENDITURE

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

Description	Re f	Budget Year 2025/26	Medium Term Revenue and Expenditur e Framework

R thousands	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	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source															
Exchange Revenue															
Service charges - Electricity	11,327	8,155	10,108	10,734	11,752	14,288	15,069	15,069	15,069	15,069	15,069	39,119	180,827	204,237	216,879
Service charges - Waste Management	1,806	1,775	1,768	1,765	1,758	1,761	1,766	1,766	1,766	1,766	1,766	1,731	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		6,167	7,899	8,237
Agency services	80	112	94	31	91	81	994	994	994	994	994	6,472	11,932	12,469	12,780
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	943	930	939	946	965	992	1,397	1,397	1,397	1,397	1,397	4,066	16,768	17,522	17,961
Interest earned from Current and Non Current Assets	306	363	721	270	363	358	363	363	363	363	363	158	4,351	11,183	11,462
Rental from Fixed Assets	179	109	312	84	91	44	138	138	138	138	138	146	1,654	365	374
Operational Revenue	286	12	9	7	16	21	144	144	144	144	144	661	1,732	7,766	7,960
Non-Exchange Revenue															
Property rates	17,584	17,442	17,930	17,383	17,344	17,309	17,848	17,848	17,848	17,848	17,848	19,945	214,177	223,815	229,410
Fines, penalties and forfeits	20	20	24	16	19	18	88	88	88	88	88	498	1,056	1,365	1,399
Licences or permits	1,403	2,715	1,983	562	1,949	1,249	1,283	1,283	1,283	1,283	1,283	(878)	15,401	6,115	6,267
Transfer and subsidies - Operational	90,931	361	370	1,786	904	73,334	18,689	18,689	18,689	18,689	18,689	(36,864)	224,267	227,248	232,247
Interest	3,370	3,233	3,234	3,155	3,154	3,341	3,603	3,603	3,603	3,603	3,603	5,739	43,242	45,188	46,318
Total Revenue	130,937	35,315	37,577	36,807	38,473	112,862	61,897	61,897	61,897	61,897	61,897	40,793	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	65,600	65,600	65,600	65,600	105,020	787,205	826,480	853,776

Surplus/(Deficit)		78,711	(27,154)	(21,673)	(25,530)	(16,194)	49,628	(3,703)	(3,703)	(3,703)	(3,703)	(3,703)	(64,227)	(44,438)	(40,520)	(41,172)
Transfers and subsidies - capital (monetary allocations)		4,922	5,674	5,674	2,060	3,340	3,484	5,674	5,674	5,674	5,674	5,674	14,562	68,083	40,075	41,810
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		83,633	(21,481)	(15,999)	(23,470)	(12,855)	53,113	1,970	1,970	1,970	1,970	1,970	(49,665)	23,646	(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	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																

1	Cash Receipts By Source															
	Property rates	6 084	6 011	7 332	6 277	6 390	6 975	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	11 057	11 057	11 057	11 057	41 944	132 688	205 725	218 459	
	Service charges - refuse	516	506	416	541	510	716	1 471	1 471	1 471	1 471	7 095	17 655	20 972	21 496	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Rental of facilities and equipment	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	4 351	11 183	11 462	
	Fines, penalties and forfeits	106	106	106	106	106	106	106	106	106	106	106	1 278	1 365	1 399	
	Licences and permits	795	795	795	795	795	795	795	795	795	795	795	9 540	6 115	6 267	
	Agency services	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	(38 127)	224 267	227 248	232 247	
	Other revenue	29 807	1 436	1 111	982	1 029	15 429	509	509	509	509	(46 231)	6 107	11 665	12 197	
	Cash Receipts by Source	137 646	19 182	16 551	16 665	16 749	103 136	49 983	49 983	49 983	49 983	39 949	599 791	738 867	764 488	
	Other Cash Flows by Source															
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(7 446)	5 674	21 785	5 674	5 674	5 674	5 674	5 674	5 674	5 674	2 682	68 083	40 075	41 810	
	Total Cash Receipts by Source	130 200	24 856	38 336	22 339	22 423	108 809	55 656	55 656	55 656	55 656	42 631	667 874	778 941	806 297	
2	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	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	4 670	19 196	20 539	21 977	
	Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Bulk purchases - Electricity	28 799	5 000	12 458	19 069	10 000	19 164	13 203	13 203	13 203	13 203	(2 070)	158 434	171 626	182 949	
	Acquisitions - water & other inventory	3 204	3 204	3 204	3 204	3 204	3 204	3 204	3 204	3 204	3 204	3 204	38 450	22 491	202 184	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Contracted services	5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	67 266	87 576	78 864	
	Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Transfers and grants - other	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	8 137	8 137	8 137	8 137	(79 195)	97 641	91 997	94 118	
	Cash Payments by Type	78 789	54 710	62 226	69 634	51 737	71 628	48 478	48 478	48 478	48 478	(49 376)	581 737	634 852	836 942	
	Other Cash Flows/Payments by Type															
	Capital assets	7 349	7 349	7 349	7 349	7 349	4 528	7 349	7 349	7 349	7 349	10 171	88 191	54 336	53 009	
	Repayment of borrowing	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	12 600	20 400	20 400	
	Other Cash Flows/Payments	-	-	-	-	231	89	-	-	-	-	(320)	-	-	-	
	Total Cash Payments by Type	87 188	63 109	70 625	78 033	60 367	77 295	56 877	56 877	56 877	56 877	(38 475)	682 529	709 588	910 352	
3	NET INCREASE/(DECREASE) IN CASH HELD															
		43 012	(38 253)	(32 290)	(55 694)	(37 944)	31 515	(1 221)	(1 221)	(1 221)	(1 221)	81 106	(14 654)	69 353	(104 055)	

Cash/cash equivalents at the month/year beginning:	34 951	77 963	39 710	7 421	(48 273)	(86 218)	(54 703)	(55 924)	(57 145)	(58 367)	(59 588)	(60 809)	34 951	20 297	89 650
Cash/cash equivalents at the month/year end:	77 963	39 710	7 421	(48 273)	(86 218)	(54 703)	(55 924)	(57 145)	(58 367)	(59 588)	(60 809)	20 297	20 297	89 650	(14 404)

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 Expenditur		

R thousands	July	August	Sept.	October	November	December	January	February	March	April	May	June	e Framework		Budget Year +2
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Budget Year 2025/26	Adjusted Budget	Adjusted Budget
<u>Single-year expenditure appropriation</u>															
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	5 978	469	4 191	5 978	12 315	5 978	5 978	5 978	5 978	5 978	3 213	71 732	39 423	37 660
Capital single-year expenditure sub-total	10 112	6 570	802	4 604	6 391	12 728	6 391	6 391	6 391	6 391	6 391	3 528	76 688	49 858	48 269
Total Capital Expenditure	2	10 112	802	4 604	6 391	12 728	6 391	6 391	6 391	6 391	6 391	3 528	76 688	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

R thousands	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26 Adjusted Budget	Budget Year +1 2026/27 Adjusted Budget	Budget Year +2 2027/28 Adjusted Budget
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital Expenditure - Functional															
Governance and administration	(55)	16	43	123	123	123	123	123	123	123	123	489	1 478	1 739	1 913
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration	(55)	16	43	123	123	123	123	123	123	123	123	489	1 478	1 739	1 913
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	278	278	278	2 399	278	942	278	278	278	278	278	(2 506)	3 341	-	-
Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation	278	278	278	2 399	278	942	278	278	278	278	278	(2 506)	3 341	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	9 699	4 894	469	1 791	4 894	8 315	4 894	4 894	4 894	4 894	4 894	4 195	58 729	30 903	37 660
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	9 699	4 894	469	1 791	4 894	8 315	4 894	4 894	4 894	4 894	4 894	4 195	58 729	30 903	37 660
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	1 095	1 095	1 095	1 095	1 095	3 348	1 095	1 095	1 095	1 095	1 095	(1 158)	13 140	17 215	8 696
Energy sources	805	805	805	805	805	3 059	805	805	805	805	805	(1 448)	9 662	8 520	-
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	290	290	290	290	290	290	290	290	290	290	290	290	3 478	8 696	8 696
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	11 018	6 283	1 885	5 409	6 391	12 728	6 391	6 391	6 391	6 391	6 391	1 020	76 688	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	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			

Capital expenditure on new assets by Asset Class/Sub-class

Infrastructure	32 797	45 130	-	-	-	-	-	0	0	45 130	39 423	29 400
Roads Infrastructure	29 578	35 999	-	-	-	-	-	(1 836)	(1 836)	34 163	29 599	28 095
Roads	26 099	35 130	-	-	-	-	-	(1 836)	(1 836)	33 294	22 468	28 095
Road Structures	3 478	870	-	-	-	-	-	-	-	870	7 130	-
Road Furniture	-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	1 304	1 304	-	-	-	-	-	-	-	1 304	1 304	1 304
Drainage Collection	1 304	1 304	-	-	-	-	-	-	-	1 304	1 304	1 304
Electrical Infrastructure	1 915	7 826	-	-	-	-	-	1 836	1 836	9 662	8 520	-
Capital Spares	1 915	7 826	-	-	-	-	-	1 836	1 836	9 662	8 520	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-
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	50 086	-	-	-	-	0	0	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 Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7	A1	B	C	D	E	F	G	H		

Repairs and maintenance expenditure by Asset Class/Sub-class

Infrastructure	6,917	7,274	-	-	-	-	-	-	-	7,274	10,532	10,621
Roads Infrastructure	1,739	0	-	-	-	-	-	-	-	0	4,348	4,348
Roads	1,739	0	-	-	-	-	-	-	-	0	4,348	4,348
Electrical Infrastructure	2,261	2,091	-	-	-	-	-	-	-	2,091	3,136	3,149
MV Substations	522	522	-	-	-	-	-	-	-	522	527	540
LV Networks	1,739	1,570	-	-	-	-	-	-	-	1,570	2,609	2,609
Capital Spares	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	2,917	4,682	-	-	-	-	-	-	-	4,682	3,048	3,124
Landfill Sites	2,917	4,682	-	-	-	-	-	-	-	4,682	3,048	3,124
Information and Communication Infrastructure	-	500	-	-	-	-	-	-	-	500	-	-
Data Centres	-	-	-	-	-	-	-	-	-	-	-	-
Core Layers	-	500	-	-	-	-	-	-	-	500	-	-
Community Assets	1,870	1,729	-	-	-	-	-	-	-	1,729	1,802	1,815
Community Facilities	1,870	1,729	-	-	-	-	-	-	-	1,729	1,802	1,815
Halls	565	565	-	-	-	-	-	-	-	565	498	511
Cemeteries/Crematoria	1,304	1,164	-	-	-	-	-	-	-	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	1,189	-	-	-	-	-	-	-	1,189	1,178	1,179
Transport Assets	1,176	1,189	-	-	-	-	-	-	-	1,189	1,178	1,179
Total Repairs and Maintenance Expenditure to be adjusted	1	10,093	-	-	-	-	-	-	-	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
R thousands	A	7	A1	8	9	10	11	12	13	14	H	

Depreciation by Asset Class/Sub-class

Infrastructure	50,765	48,769	-	-	-	-	-	-	-	48,769	53,050	54,376
Roads Infrastructure	36,814	35,764	-	-	-	-	-	-	-	35,764	38,470	39,432
Roads	9,421	5,621	-	-	-	-	-	-	-	5,621	9,845	10,091
Road Structures	408	258	-	-	-	-	-	-	-	258	426	437
Road Furniture	26,985	29,885	-	-	-	-	-	-	-	29,885	28,200	28,905
Capital Spares	-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	3,129	3,073	-	-	-	-	-	-	-	3,073	3,270	3,352
Drainage Collection	22	266	-	-	-	-	-	-	-	266	23	24
Storm water Conveyance	3,107	2,807	-	-	-	-	-	-	-	2,807	3,247	3,328
Attenuation	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	10,822	9,932	-	-	-	-	-	-	-	9,932	11,309	11,592
MV Substations	5,179	5,179	-	-	-	-	-	-	-	5,179	5,412	5,547
MV Switching Stations	293	203	-	-	-	-	-	-	-	203	306	314
MV Networks	4,652	4,152	-	-	-	-	-	-	-	4,152	4,861	4,983
LV Networks	699	399	-	-	-	-	-	-	-	399	730	748
Community Assets	14,364	14,635	-	-	-	-	-	-	-	14,635	15,010	15,386
Community Facilities	11,500	13,171	-	-	-	-	-	-	-	13,171	12,018	12,318
Halls	329	-	-	-	-	-	-	-	-	329	344	353
Cemeteries/Crematoria	66	66	-	-	-	-	-	-	-	66	69	71
Public Ablution Facilities	11,105	13,105	-	-	-	-	-	-	-	13,105	11,605	11,895
Sport and Recreation Facilities	2,864	1,464	-	-	-	-	-	-	-	1,464	2,993	3,067
Indoor Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	2,864	1,464	-	-	-	-	-	-	-	1,464	2,993	3,067
Other assets	14,384	16,884	-	-	-	-	-	-	-	16,884	15,031	15,407
Operational Buildings	14,384	16,884	-	-	-	-	-	-	-	16,884	15,031	15,407
Municipal Offices	14,384	16,884	-	-	-	-	-	-	-	16,884	15,031	15,407
Computer Equipment	1,668	2,168	-	-	-	-	-	-	-	2,168	1,743	1,787
Computer Equipment	1,668	2,168	-	-	-	-	-	-	-	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	1,563	-	-	-	-	-	-	-	1,563	2,156	2,210
Machinery and Equipment	2,063	1,563	-	-	-	-	-	-	-	1,563	2,156	2,210

<u>Transport Assets</u> Transport Assets		3,163	2,388	-	-	-	-	-	-	2,388	3,306	3,388
		3,163	2,388							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	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	18 043	-	-	-	-	-	5 217	5 217	23 261	-	-
Roads Infrastructure	12 522	18 043	-	-	-	-	-	5 217	5 217	23 261	-	-
Roads	12 522	9 348	-	-	-	-	-	-	-	9 348	-	-
Road Structures	-	8 696	-	-	-	-	-	5 217	5 217	13 913	-	-
Road Furniture	-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	9 043	3 341	-	-	-	-	-	-	-	3 341	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	9 043	3 341	-	-	-	-	-	-	-	3 341	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	9 043	3 341	-	-	-	-	-	-	-	3 341	-	-
Total Capital Expenditure on upgrading of existing assets to be adjusted	1	21 565	-	-	-	-	-	5 217	5 217	26 602	-	-

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 **R286.4 million to R291.9 million** (Which is top up of **R6 million** for Disaster Relief).

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 SJ

Municipal Manager of

Ba-phalaborwa Municipality LIM334

Signature



Date

27 May 2025.