Modimolle-Mookgophong Local Municipality

2025/26 - 2027/28 Final Medium Term Revenue and Expenditure Framework (MTREF)

Part 1 – INTRODUCTION

The Vision statement of Modimolle-Mookgophong Local Municipality:

Limpopo's leading local municipality in reliable service delivery and sustainable economic growth"

The Mission statement:

- Promotion of accountable, transparent and people-centred governance;
- Promotion of social and economic development;
- Provision of sustainable and affordable basic services
- Promotion of a sustainable environment for economic growth;
- Promotion of sound customer care relations.

Municipal core values:

Modimolle-Mookgophong Local Municipality is committed to the following core values:

VALUES	DESCRIPTION
Accountability	The obligation to take responsibility for one's actions.
Collaboration	The need to promote teamwork and involvement of other stakeholders including the community.
Innovation	Living this value means that MMLM representatives should translate ideas or invention into a goods or services that creates value for the municipality and the community it serves
Integrity	Living this value means that MMLM representatives will display behaviour, attitudes and actions informed by honesty, commitment to the municipality, its policies, procedures and processes.
Transparency	The obligation to act in an open and transparent manner.
Value for money	Ensuring that the community derives value out of the services provided by the municipality and that the municipality has obtained the maximum benefit from the goods and services it acquires, within the limited resources.

Municipal Budgeting

Financial plans have separate budgets for operations and capital investments. This ensures that municipalities do not finance their operational expenses by obtaining loans, but rather helps them to be financially viable.

Operating Budget

This part of the budget shows how much money is spent on running the administration and delivering the day-to-day services including the maintenance of existing assets and infrastructure. It shows where this money comes from (sources of revenue). This income may be from rates and taxes, service charges and inter – governmental transfers.

Capital Budget

This part of the budget shows how much money local government is planning to invest in infrastructure or other capital assets. Municipalities have to know how much will be spent on this item each year, and where the money for this spending will come from. This part of the budget is called the ***capital budget*** because it is used for new physical development, or infrastructure investment.
The MFMA requires municipalities to prepare balanced budgets. This means that they have to make reasonable estimates of income and match it to anticipated expenditure.

Part 2 - ANNUAL BUDGET

1. MAYORS' REPORT

2. COUNCIL RESOLUTIONS

1. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of section 16 and 24 of the Municipal Finance Management Act, (Act 56 of 2003) proposed:

   1.1. The budget of the municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the following tables:

      1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification).
      1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote).
      1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) and
      1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.

2. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose:

   2.1. The tariffs for electricity – as set out in Annexure A
   2.2. The tariffs for the supply of water – as set out in Annexure A
   2.3. The tariffs for the refuse removal – as set out in Annexure A
   2.4. The tariffs for the sanitation – as set out in Annexure A
   2.5. The tariffs for the property rates – as set out in Annexure A

3. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose to approve and adopts with effect from 1st July 2025 the tariffs for other services.

4. The Council of Modimolle-Mookgophong Local Municipality propose to approves and adopts with effect from 1st July 2025 the following:

   4.1. Interest at the rate of 12, 65% per annum on all accounts in arrears.
   4.2. Defaulters will be liable to legal proceedings for the recovery of arrear amounts.

5. The Council of Modimolle-Mookgophong Local Municipality propose to approve and adopts with effect from 1st July 20254 the following free basic services for Indigent consumers per 30-day period:

   5.1. 50 kwh of electricity
   5.2. 6kl water
   5.3. free refuse removal
   5.4. sewerage
   5.5. Property rates.

   Indigent consumers will be liable to pay for municipal services where they exceed the free basic services provided for by Council.

6. The Council of Modimolle-Mookgophong Local Municipality approves and adopts the following budget related policies:
   6.1. Tariff Policy
   6.2. Rates Policy
   6.3. Indigent Management Policy
   6.4. Budget Management Policy
   6.5. Debt Provision and write off Policy
   6.6. Budget Principles Policy
   6.7. Virement Policy
   6.8. Inventory Policy
   6.9. Credit Control and Debt Collection Policy
   6.10. Banking and Investment Policy
   6.11. Immovable Asset Management Policy
   6.12. Supply Chain Management Policy
   6.13. External Loans Poli

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The following macro-economic forecasts has been taken into consideration when preparing the 2025/26 MTREF municipal budgets:

Macroeconomic performance and projections, 2023 - 2028					
Fiscal year	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	Actual	**Estimate**	Forecast		
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

Headline inflation declined to 2.9 per cent in the fourth quarter of 2024, resulting in average inflation of 4.4 per cent for the year.
Consumer inflation is projected to average 4.3 per cent in 2025 and 4.6 per cent in 2026, picking up slightly as the value-added tax (VAT) increase pushes up prices. The VAT effect is seen mainly in core inflation, which, after averaging 4.3 per cent in 2024, is projected to rise to 4.6 per cent in 2026. Lower global crude oil prices are expected to support muted fuel price inflation.

The following table is a consolidated overview of the 2025/26 Medium-term Revenue and Expenditure Framework:

Table 1: Consolidated Overview of the 2025/26 MTREF

Description	Approved Budget	Final Adjusted Budget	Budget 2025/26	Budget 2026/27	Budget 2027/28
Total Operational Revenue	- 948 803 721.00	- 948 803 721.00	- 1 000 923 684.00	- 1 049 064 732.00	- 1 079 032 896.00
Total Operating Expenditure	930 560 713.00	933 868 242.00	979 048 560.00	1 023 105 768.00	1 048 683 468.00
Operational -Surplus/Deficit	- 18 243 008.00	- 14 935 479.00	- 21 875 124.00	- 25 958 964.00	- 30 349 428.00
Total capital grants	- 165 007 500.00	- 200 741 555.00	- 183 426 550.00	- 171 820 850.00	- 177 323 650.00
Overall Budget -Surplus/Deficit	**- 1 243 008.00**	**- 435 480.00**	**- 205 301 674.00**	**- 197 779 814.00**	**- 207 673 078.00**

Total operating revenue has increased from R948.8 million at adjustment budget in the current financial year to R1 .000 billion in the coming 2025/26 financial year. Operating revenue will increase to R1.049 billion and R1.079 billion over the MTREF period.

The increase of in operating revenue is projected at 5% which is mainly due to increased operational grants and the proposed increase of 9% in the electricity tariff pending approval by NERSA. All other tariffs are projected to increase by 4.3% in the 2025/26 financial year except property rates which is projected by 2%.

Total operating expenditure for the 2025/26 financial year has been appropriated at R979.million and translates into a budgeted operating surplus of R25.5million. The operating expenditure has increased overall by 5% due to an increase of 11.32% on the electricity bulk purchases. The municipality has implemented cost containment measures and all other operating expenditures are limited to 70% of projected revenue excluding non-cash items.

The ninety two percent (93% - R183 million) of the capital budget for the financial year 2025/26 will be funded through the National government grants (MIG, INEP, WSIG and MDRG) and only 7% (R 19.5million) from internally generated revenue.

4. OPERATING REVENUE FRAMEWORK

The following table is a summary of the 2025/26 MTREF (classified by main revenue source):

Vote Number	Description	Approved Budget	Final Adjusted Budget	Budget 2025/26	Budget 2026/27	Budget 2027/28
Own	Property rates	- 157 207 415.00	- 157 207 415.00	- 163 967 333.85	- 171 345 864.00	- 175 629 528.00
Own	Service Charges	- 520 167 377.00	- 520 167 377.00	- 557 004 862.25	- 582 070 080.00	- 596 621 820.00
Own	Investment income	- 1 153 900.00	- 1 153 900.00	- 1 203 517.70	- 1 257 672.00	- 1 289 112.00
Own	Other own revenue	- 107 979 759.00	- 107 979 759.00	- 112 622 888.64	- 117 655 284.00	- 120 596 664.00
Own	Grants (Transfers and subsidies)	- 162 295 270.00	- 162 295 270.00	- 169 774 913.88	- 176 735 832.00	- 184 895 772.00
Subtotal - Operational Revenue		**- 948 803 721.00**	**- 948 803 721.00**	**-1 004 573 516.32**	**-1 049 064 732.00**	**-1 079 032 896.00**

Table 2: Budgeted Financial Performance (revenue and expenditure).

LIM368 Modimolle-Mookgopong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	212,558	200,607	356,519	307,878	307,878	307,878	221,575	335,588	350,689	359,456
Service charges - Water	2	55,604	85,896	107,507	125,896	125,896	125,896	87,777	131,310	137,219	140,649
Service charges - Waste Water Management	2	28,152	30,059	48,439	54,532	54,532	54,532	45,369	56,877	59,436	60,922
Service charges - Waste Management	2	20,816	22,238	28,851	31,861	31,861	31,861	27,908	33,231	34,727	35,595
Sale of Goods and Rendering of Services		2,366	3,231	2,753	3,861	3,861	3,861	2,636	4,027	4,208	4,313
Agency services		–	–	–	–	–	–	–	3,574	3,735	3,828
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		41,742	48,882	85,901	82,767	82,767	82,767	62,189	86,326	90,210	92,465
Interest earned from Current and Non Current Assets		364	1,305	1,419	1,154	1,154	1,154	1,716	1,204	1,258	1,289
Dividends		72	91	64	–	–	–	12	–	–	–
Rent on Land		–	368	–	–	–	–	2	–	–	–
Rental from Fixed Assets		208	269	234	557	557	557	261	581	607	623
Licence and permits		–	–	–	–	–	–	–	–	–	–
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		1,977	2,308	3,648	5,311	5,311	5,311	2,799	5,539	5,788	5,933
Non-Exchange Revenue											
Property rates	2	117,570	143,159	160,886	157,207	157,207	157,207	111,942	160,352	171,346	175,630
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		61,074	153,173	71,393	11,168	11,168	11,168	6,826	11,649	12,173	12,477
Licences or permits		7,752	8,177	8,236	4,316	4,316	4,316	2,078	893	934	957
Transfer and subsidies - Operational		128,255	141,590	153,212	162,295	162,295	162,295	161,899	169,775	176,736	184,896
Interest		20,163	26,650	14,480	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	(1,125)	–	–	–	–	–	–	–	–
Other Gains		–	–	481,719	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		**698,674**	**866,877**	**1,525,260**	**948,804**	**948,804**	**948,804**	**734,989**	**1,000,924**	**1,049,065**	**1,079,033**

In line with the format prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

For all these service charges; current and historical trends, anticipated higher electricity tariffs, macro and economic factors were considered to ensure a balanced revenue budget projections.

Due to weaker economic growth and other economic factors such as the current VAT increase which puts added pressure on households, households will likely struggle to pay municipal accounts which will impact negatively on municipal own revenues

The municipality still need to ensure effective implementation of revenue raising measures to ensure projected collection rates are achieved to ensure sustainable service delivery. The municipality has projected a revenue collection rate of 70% in the 2025/26 financial year which is in line with current collection rate

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 72 percent of the total revenue mix. In the 2025/26 financial year, revenue from rates and services charges totaled **R717.3 million**.

The total operational revenue budget has been projected at **R1.000 billion** for the coming 2025/26 financial year. Breakdown of the line items is as follows:

Revenue by Source

1. <u>Property rates.</u>

- The revenue budget for property tax has been projected at **R160.3 million** for the 2025/26 financial year which represent 2% increase from the adjusted budget. The increase is mainly due to an increase of 2% in a rand rate (Tariff) for property rates rand value of properties.
- The municipality has started implementing a new valuation roll from the 1st of July 2024 which reduced a lot of discrepancies on property values and categorizations. This has had an impact in the collection rate for the property rates.
- The municipality is in the process of finalizing the property rates reconciliation on the new valuation roll and this may impact the property rates revenue projections in the final budget.
- Tariff increase has been done in line with the guidance of MFMA circulars to keep increases within projected inflation target for 2025/26.

2. Service charge-Electricity.

- The revenue has been budgeted at an amount of **R335.5million** which equates to 8% increase compared to the adjusted budget amount.
- The increase is mainly due to anticipated increase in electricity tariff of 9%. The tariff increase and electricity revenue will still depend on the final NERSA tariff determination based on the cost of supply study to be submitted to NERSA by end of April 2025.
- The municipality is participating in the debt relief programme and is the process of converting all electricity meters into prepaid in the 2025/26 financial year. The impact of electricity revenue due to the conversion of meters as well as the anticipated debt write off has not been included in the projected budget amounts due to strict uncertainty as a result of strict debt relief conditions set out by National Treasury

3. Service charges-Water.

- The municipality has budgeted an amount of **R131.3 million** increasing to **R 140 million** over the MTREF period.
- The increase is due to budgeted tariff increase of 4.3% in the year 2025/26. The municipality acknowledges that currently most of the water billing is based on estimated consumption due to meters not functioning.
- The municipality has started the programme of converting and replacing water meters in 2024/25 through the MIG funds but the impact on revenue has not been included in the projections.

4. Service charge-Sanitation.

- The revenue budget for this line item has been projected at **R56.8million** in the 2025/26 financial year increasing to **R61.0million** over the MTREF period
- This is also a 4% increase compared to the 2024/25 adjusted budget figures as a result of a projected tariff increase of 4.3% which is linked to CPI.

5. Service charge-Refuse

- Revenue from refuse removal has been estimated at **R33.2 million** for the coming financial year. The revenue projection has increased by 4% as compared to the current adjusted budget.
- The proposed tariff increase for the service is also proposed to increase by 4.3%

6. Rental of Facilities

- The revenue on this item has been projected at **R831 thousand**, a bit higher than the adjustment budget. Some of the municipal facilities are no longer in good conditions for rentals, it is therefore very important to revive them to ensure a sustainable revenue stream is kept running.
- The municipality is in the process of finalizing the audit of properties owned in an endeavor to update the property lease register and start renegotiating on all existing lease contracts.

7. Interest earned on external investments

- The municipality has experienced a positive return on investment made in the current financial year due to a large amount of grant funds invested.
- With an increased allocation in the DORA provision for a higher interest is expected with a budget projected at **R1, 2 million**.

8. Interest earned- outstanding debtors

- The budget for this item has been appropriated at **R86.3million** which is an increase of 4% from the budget adjustment estimate. The interest rate on outstanding debtors has been kept at 12.5% from the previous financial year.
- The increase is mainly due to poor collection rates and the impact of the ongoing debt write off project has not been considered in the projection.

9. Fines, penalties and forfeits

- The municipality has projected to receive revenue from traffic fines to an amount of **R11.6million** in the 2025/26 financial year.
- Even though the performance on the revenue from fines at mid-year was not satisfactorily, the municipality decided to increase the revenue projection by 4% due to the appointment of a service provider that was finalized in February 2025 to assist with management of traffic fines.
- This revenue also includes new spot fines that will be introduced on illegal trading on hawkers and businesses due to the fact that the municipality has recently appointed By-law officers.

10. Licenses and Permits

- This is an agency function that the municipality performs on behalf of the Limpopo Department of Transport whereby the municipality retains 20 percent commission on vehicle licenses and other services.
- The budget has been set at **R893 million** which is also an increase of 4% from the previous year budget.

11. Transfer and Subsidies (Grants)

- These are operational transfers from National government which have been allocate through the 2025 Division of Revenue Act (DORA) totaling an amount of **R169.7 million**. There has been an increase of 4% from the adjusted budget of 2024/25 financial year.
- The revenue from grants is expected to grow at 4% over the MTREF budget

12. Other Revenue

- This is the revenue to be realized from items such as sale of tender documents, advertising, clearance certificates, new and reconnections of services, valuation services and other sundries.
- The budget has been projected at **R5.5 million** in the coming financial year.

5. OPERATING EXPENDITURE FRAMEWORK

The following table is a summary of the 2025/26 MTREF (classified by vote):

LIM368 Modimolle-Mookgopong - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Public Office Bearers		21,228	18,284	25,568	15,661	20,876	20,876	31,740	33,168	33,998
Vote 2 - Municipal Manager		19,156	24,101	29,456	30,864	33,334	33,334	31,607	33,134	33,962
Vote 3 - Budget and Treasury		100,565	239,147	406,070	180,551	164,504	164,504	163,258	170,500	174,762
Vote 4 - Planning and Economic Development		20,441	19,951	19,445	25,847	24,036	24,036	24,675	25,785	26,430
Vote 5 - Technical Services		429,146	525,317	500,910	483,942	498,793	498,793	558,311	583,435	598,021
Vote 6 - Corporate Services		68,159	75,292	111,431	111,609	115,010	115,010	91,232	95,338	97,721
Vote 7 - Community and Social Services		76,646	83,409	93,863	82,134	77,371	77,371	78,225	81,746	83,789
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**735,340**	**985,502**	**1,186,743**	**930,608**	**933,924**	**933,924**	**979,049**	**1,023,106**	**1,048,683**
Surplus/(Deficit) for the year	2	**10,966**	**(23,448)**	**509,699**	**183,203**	**215,621**	**215,621**	**205,302**	**197,780**	**205,183**

- The total budget for operational expenditure has been projected at R979.04million in the 2025/26 financial year. This resulted in a proposed increase of 5% when compared to the adjusted budget
- The department of Technical Services has been appropriated the amount of budget with an amount of **R542.0m** (55% of the budget) followed by BTO and Corporate Services at **R163.3m** and **R107.5m** respectively. (16% and 10% allocation)
- The amount allocated to the Public Office Bearers vote is proposed at **R31m** (12 % increase) from adjusted budget due to additional allocation made for Mayor Special Programmes, MPAC Support and anticipated increase in councilor allowances.
- The Municipal Manager vote has been allocated an amount of **R31m** in the 2025/26 financial
- The reduced allocation of 3% in Budget and Treasury office from adjusted budget is due to a reduction in outsourced services such as AFS preparations and fixed asset register consultants costs. The contributions to impairment provision was also reduced by **R5m** due to the anticipated impact of the debt write off project currently being implemented.
- The Technical Services allocation has been increased by 7% mainly due to increase in bulk services costs. Electricity costs is anticipated to be increased by 11.32% as per NERSA publicized costs for 2025/26 financial year
- The PED department has been allocated a budget of **R24.6million** in the 2025/26 budget year which is an increase of 7% from the previous adjusted budget. This is mainly due increase allocation of budget for LED initiatives and CPI linked increase of 4.3% for other expenditure.
- The allocation to the Community and Social Services was increased to **R78.2million** in the 2025/26 budget year due to increased allocations for parks maintenance and landfill site maintenance costs.

Expenditure by Type

The following table is a summary of the 2025/26 MTREF (classified by type):

LIM368 Modimolle-Mookgopong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	226,502	245,750	254,834	272,991	251,709	251,709	232,643	262,625	274,443	281,304
Remuneration of councillors		11,628	12,913	14,661	13,466	12,849	12,849	12,708	18,895	19,746	20,239
Bulk purchases - electricity	2	201,673	191,646	237,092	272,290	272,290	272,290	203,158	303,113	316,753	324,672
Inventory consumed	8	24,181	21,591	31,753	30,659	30,860	30,860	20,333	32,187	33,636	34,476
Debt impairment	3	68,777	127,049	64,732	–	–	–	–	98,000	102,410	104,970
Depreciation and amortisation		40,553	48,849	85,329	49,602	50,026	50,026	43,039	52,200	54,549	55,913
Interest		12,419	86,073	50,256	8,504	6,004	6,004	38,234	6,262	6,544	6,708
Contracted services		42,493	51,479	94,003	92,068	131,872	131,872	102,440	139,340	145,611	149,251
Transfers and subsidies		1,204	–	–	105	105	105	–	–	–	–
Irrecoverable debts written off		20,036	133,357	284,735	115,000	100,000	100,000	–	–	–	–
Operational costs		85,452	66,795	72,722	75,922	78,209	78,209	66,855	66,425	69,415	71,150
Losses on disposal of Assets		–	–	(3,406)	–	–	–	–	–	–	–
Other Losses		421	–	30	–	–	–	–	–	–	–
Total Expenditure		735,340	985,502	1,186,743	930,608	933,924	933,924	719,410	979,049	1,023,106	1,048,683

1. Employee Related costs

The following is a detailed summary of employee related costs including councilor's allowances per vote:

Vote Number	Department Name	Approved Budget	Final Adjusted Budget	Budget 2025/26	Budget 2026/27	Budget 2027/28
Vote 1	Public Office Bearers	13 465 921.00	17 825 694.00	18 895 235.64	19 745 520.00	20 239 152.00
Vote 2	Municipal Manager Office	15 397 039.00	20 183 414.00	22 494 418.84	23 506 667.69	23 976 801.04
Vote 3	Budget and Treasury	39 968 834.00	29 233 214.00	32 987 206.84	34 471 631.15	35 333 421.93
Vote 4	Planning and Economic Development	20 665 977.00	15 464 492.00	16 392 361.52	17 130 017.79	17 558 268.23
Vote 5	Technical Services	95 650 716.00	85 648 146.00	88 802 626.36	92 798 670.01	95 236 145.80
Vote 6	Corporate Services	36 274 809.00	33 182 954.00	35 173 931.24	36 756 758.15	37 675 677.10
Vote 7	Community and Social Services	65 033 681.00	62 994 626.00	66 774 303.56	69 779 147.22	71 523 625.90
		286 456 977.00	**264 532 540.00**	**281 520 084.00**	**294 188 412.00**	**301 543 092.00**

- This line item has been budgeted at **R281.5million** in the 2025/26 financial year which translates to 28 percent of the total operational expenditure. It is one of the main cost drivers of the municipality's operational expenditure.
- The 2025/26 budget for employee related costs has been increased by 7% from the budget adjustment figure.
- The above increase is mainly to anticipated cost of living increase for both employees and councilors plus the provision for new positions to be filled in the 2025/26 financial year
- The Salary and Wage Collective Agreement were signed by the parties represented in the South African Local Government Bargaining Council (SALGBC) on the 06th of September 2024 and municipalities are expected to implement the agreement with effect from 01 July 2024.
- In terms of the above agreement, all employees covered by the above agreement shall receive with effect from 01 July 2025, an increase based on the average CPI percentage plus 0.75%. The municipality has therefore proposed to increase the employee costs by 5.1% for cost living adjustment and any linked benefits linked to the conditions of service shall also increase by the same margin with effect from the 1st July 2025

- Councilor's allowances has been estimated to increase by 6% and will await determination by the Minister.
- The municipality has also budgeted an amount of **R5.9million** to resolve salary disparity as a result of the 2016 merger of the two previous municipalities
- An amount of **R7million** has also been budgeted for filling of new positions as per the approved new organizational structure
- We have also reduced the allocation of budget for overtime costs by half as the above filling of posts will reduce the need for overtime work.

2. Councillor Remunerations

- The cost to remunerate councilors is determined in accordance with the Government Gazette on Remuneration of Public Office Bearers Act: Determination of Upper limits of salaries, allowances and benefits. The budget for this item is projected at R18.8 million in the coming financial year.
- The municipality has budgeted an increase of 6% on the councilor remuneration costs due to anticipated increase on the upper limits.

3. Contributions to debt impairment (debt written off)

- The budget for this item is based on the council's debt impairment policy and write offs. The budget is projected at **R98million** which is a reduction of R2m from budget adjustment figure
- The impact of the current debt write off project has been taken into account as the municipality is anticipating to write off debt to an amount of R630million.
- The contribution to debt impairment also takes into account the projected collection levels of 70% and also taking into account revenue collection strategies that have been adopted by the municipality.

4. Depreciation and asset impairment

- This is another non-cash item that often inflate operational expenditure thereby affecting the net surplus or deficit.
- The municipality is faced with a lot of aging infrastructure whereby rising depreciation value is inevitable. The budget is projected at **R52.2million.**

5. Finance charges

- The municipality has reviewed its payment plan with Eskom and Magalies in the 2024/25 financial year and it is also participating in the debt relief programme.
- In terms of the above the municipality will not be charged interest on the ring fenced capital amount when monthly commitments are met.
- The finance costs on Eskom and Magalies debt has not been linked to current trends as the municipality is participating in the debt relief programme and has also entered into payment arrangements with the bulk service providers.

- It is therefore a positive outcome on the municipal budget whereby the charges related to interest costs now relates to finance leases and interest cost on long service costs. The budget is projected at **R6.2million** in the 2025/26 financial year.

6. Bulk purchases

- In projecting the bulk purchase, the municipality has taken into account the Multi Year Pricing Schedule as determined by NERSA.
- The municipality has projected an increase of 11.32% for electricity purchases.
- This line item is the second largest cost driver contributing about 30 percent or R303 million of the total expenditure.
- Take note that Water purchases is no longer budgeted under bulk purchases as per GRAP 12 on Inventory, rather it is budgeted under item "Inventory consumed".

7. Inventory consumed

These are Inventory items such as Water purchases and other items related to repairs and maintenance on an everyday basis. The budget is projected at **R32.1million** which is linked to 4.3% CPI rate

8. Contracted services

- From time to time the municipality make use of external service providers to assist on other operational matters.
- These services are either utilized on an "as and when basis" the services is needed or on a fixed term basis. These are services such as security services, legal services, consulting and professional services and other services relating to maintenance of municipal infrastructure as needed.
- The budget is projected at **R123.4million** which is a 6% reduction due to reduction in outsourced services. The municipality in an endeavor to curb the contracted services cost, has developed a Use of Consultant policy to manage the costs.
- The municipality has also increased spending on operation and maintenance for infrastructure assets which will outsourced through the appointed panel of contractors.

9. Other expenditure

- Other general expenditure contribute about 7 percent of the total operational expenditure and is budgeted at **R65, 3million** for the 2025/26 financial year.
- These are expenses relating to the day to day running of the institution such as vehicle costs, protective clothing expenditure, insurance, cost of ward committees and others.

6. SURPLUS OR DEFICIT

Description	Approved Budget	Final Adjusted Budget	Budget 2025/26	Budget 2026/27	Budget 2027/28
Total Operational Revenue	- 948 803 721.00	- 948 803 721.00	- 1 000 923 684.00	- 1 049 064 732.00	- 1 079 032 896.00
Total Operating Expenditure	930 560 713.00	933 868 242.00	979 048 560.00	1 023 105 768.00	1 048 683 468.00
Operational -Surplus/Deficit	- 18 243 008.00	- 14 935 479.00	- 21 875 124.00	- 25 958 964.00	- 30 349 428.00
Total capital grants	- 165 007 500.00	- 200 741 555.00	- 183 426 550.00	- 171 820 850.00	- 177 323 650.00
Overall Budget -Surplus/Deficit	**- 1 243 008.00**	**- 435 480.00**	**- 205 301 674.00**	**- 197 779 814.00**	**- 207 673 078.00**

- The above table illustrate the surplus or deficit position of the operational budget. Though the budget remain unfunded, positive surpluses are experienced in the 2025/26 MTREF.
- Effective cost cutting measures were applied to that effect and projecting revenue budget on actuals to ensure credible budgeting. The municipality achieved a surplus even before inclusion of capital transfers of R21.8million in the 2025/26 and increasing to R25.9million over the MTREF period.
- The surplus is as result of prudent spending anticipated in the future financial years and restricting operation expenditure to collectible levels of revenue
- The above surplus is meant to fund future expansion and improvement in capital assets of the municipality and to refurbish existing aged infrastructure

7. MUNICIPAL TARIFFS

The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal System Act,2000 which is meant to ensure that municipality set tariffs that enable them to recover the full cost of rendering the service. Municipalities are encouraged to utilize the tariff setting tool as outlined in MFMA circular 126 which will assist in setting tariffs that are cost-reflective and would enable the municipality to recover cost and fulfil its mandate. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the upper boundary of the South African Reserve Bank's inflation target.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

7.1 Property Rates

Property Rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The property rates tariffs was increased by 2%

The implementation of Property Rates is regulated in terms of the Municipal Property Rates Act, and the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly.

Table A: Property Rates tariffs

PROPERTY RATES

Notice is hereby given that, in terms of Part 2, section 14 (1) and (2), of the Local Government : Municipal Proprty Rates Act, 2004 (Act 6 of
Amendment of section 1 of Act 6 of 2004, as amended by section 24 of Act 19 of 2008
8. (1) Subject to section 19, a municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of
(2) A municipality must determine the following categories of rateable property in terms of subsection (1): Provided such property category exists within the municipal jurisdiction:

PROPERTY RATES		Modimolle-Mookgophong 2024/25	Modimolle-Mookgophong 2025/26
(1)	Assessment rates :		1.02
(a)	Residential properties	0.0137	0.0140
(b)	Industrial properties	0.0131	0.0134
(c)	Business and Commercial properties	0.0261	0.0266
(d)	Agricultural properties	0.0034	0.0035
(e)	Mining properties	0.0265	0.0270
(f)	Properties owned by an organ of state and used for public service purpose	0.0265	0.0270
(g)	Public service infrastructure properties	0.0034	0.0035
(h)	Properties owned by public benefit organisations and used for specified public benefit activities;	0.0131	0.0134
(i)	Properties used for multiple purposes	Per use	Per use
(j)	Game Farming	0.0024	0.0025
(k)	Vacant Land	0.0168	0.0172
(l)	Religious use	0.0131	0.0134
(m)	Small Holdings (not connected to any municipal service)	0.0034	0.0035
(2)	Exemptions (in terms of section 15 of the MPRA and the Property Rates Policy), other than in terms of Impermissible Rates (section 17 of the MPRA) :		
(a)	Municipal Property	100%	
(b)	Residential 1 Properties, additional amount to the value of the property, not being taxed	R 15 000.00	R 15 000.00
(c)	Public Service Infrastructure	100%	100%
(d)	Rights registered against properties	100%	100%
(e)	Public Benefit Organizations (on application)	100%	100%
(3)	Reductions (in terms section 15 of the MPRA and the Property Rates Policy) :		
(a)	Destruction of property as a cause of disaster (on application)	80%	80%
(4)	**Rebates (in terms section 15 of the MPRA and the Property Rates Policy) :**		
(a)	**Residential properties(serviced by owner) on;**		100%
(i)	Privately Owned Town	20%	20%
(ii)	Small Holdings	20%	20%
(iii)	Agricultural Properties	30%	30%
(b)	Developed Properties (not transferred by a developer yet)	10%	10%
(c)	Registered Indigents : The owner must be the registered owner and occupant of the applicable property, whose monthly aggregated monthly income is proved to the satisfaction of the Municipal Manager, not to exceed **R5 500.00**	100%	100%
(d)	Retired owners & medical unfit applicants : Property owners over 60 years of age, permanent occupants and the sole owner of the property concerned, whose monthly aggregated income is proved to the satisfaction of the Municipal Manager, to be :		
	equal or less than R 5 500.00	100%	100%
	between R5 501.00 and R6 500.00	50%	50%
	between R6 501.00 and R 9 000.00	20%	20%
(e)	Commercial: Incentive on upgrade (on application)	20%	20%

1.2 Sale of water and impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it does with electricity, since demand growth outstrips supply. Consequently, it is necessary to review the level and structure of the water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the registered indigent consumers; and
- Water tariffs are designed to encourage efficient and sustainable consumption and discourage unnecessary usage of water.

A summary of the tariffs for all consumers are attached below. This structure will allow a consumer to control its own water account to limit the amount billed onto the water account. The tariff structure is designed to charge higher levels of consumption at a higher rate. The tariff for water was increased by 4.3%. That is CPI plus inflation

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table B: Water Tariffs

* All tariffs relating to services are excluding 15% VAT.

TABLE 5: WATER SUPPLY 1. BASIC CHARGE:		Modimolle-Mookgophong 2024/25	Modimolle-Mookgophong 2025/26
(1)	Where an erf, stand, lot or other area excluding municipal property is, or in the opinion of Council, can be connected to the main supply, a basic charge per month or part thereof shall be payable by the owner or occupant, as well as where any erf; stand, lot or other area zoned as residential 1 or 2 in terms of the Modimolle-Mookgophong Town Planning Scheme is occupied by more than one (1) consumer to whom water is supplied by the Council, the said basic charge shall be payable in respect of every such consumer or occupant or owner :		1.043
	(a) Undeveloped property	173.24	180.69
	(b) Bulk, Trade, Industry and other non-domestic consumers		
	- Measuring up to 500m²		
	- Measuring up to 1000m²		
	- Measuring up to 2000m²		
	- Measuring above 2000m²		
	(c) Residential consumers	124.55	129.90
	(c) Trade; Bulk, Industry and non-domestic	174.36	181.86
(2)	(a) Schools. Tennis and Bowling clubs and public benefits organization will be levied On Municipal	24.68	25.74
	Basic charges	166.80	173.97

2. CHARGES FOR WATER SUPPLY, PER MONTH:

(1)	Purified water to all domestic consumers :		
	(a) 0 - 6 kl to all indigent households :	Free	Free
	(b) Per connection per kl(1000 litres which is equivalent to 5 drums of 200 liters per drum :		
	0 - 10 kl	24.14	25.18
	11 - 20 kl	27.86	29.05
	21 - 30 kl	37.20	38.80
	31 and above	48.76	50.86
(2)	Purified water to all Bulk, Trade, Industry and other non-domestic consumers :	-	-
	0 - 30 kl	-	-
	31 kl and above	53.41	55.71
	Modimolle / Phagameng	61.32	63.95
	Privately owned towns	-	-
		44.48	46.40
(3)	Water delivered by truck outside urban areas :	-	-
	(a) Per kiloliter	-	-
	(b) Per kilometer, travelled from collection to delivery point	187.39	195.45
		102.50	106.91
(4)	Flat rate for unbilled consumers (Without meters) -Domestic	-	-
		241.37	251.75

The detailed water tariffs are attached as an Annexure

1.3 Sale of Electricity and Impact of Tariff Increases

The bulk increase of electricity from Eskom is estimated to be 11.21 percent and the municipality has submitted an application to NERSA proposing to increase electricity tariffs by 9% to cushion the customers from the high electricity increases proposed by ESKOM

The municipality is finalizing the cost of supply study to be submitted to NERSA as part of the tariff determination process.

The attached **Table C** indicates the impact of the proposed increases in electricity tariffs on the electricity charges for all categories of consumers.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the reticulation network was designed or strengthened in the early 1970's with an expected 20-25 year life-expectancy. The upgrading of the electricity network has therefore become a strategic priority, especially the substations and transmission lines. The aim of the high tariff increase is to make provision for higher maintenance cost to address back locks in the delivering of sustainable electricity services to the consumers.

Funding most needed upgrades and important maintenance can only be achieved through higher revenue sources, resulting from higher tariff increases.

Registered indigents will continue to receive 50 kWh per 30-day period free of charge.

Table C: Comparison between current electricity charges and increases

TABLE 6: ELECTRICITY SUPPLY	Modimolle-Mookgophong 2024/25	Modimolle-Mookgophong 2025/26
1. BASIC CHARGES		
Note : 1 A basic charge per month or part thereof, shall be payable in respect of any erf.		1.09
2. DOMESTIC CHARGES:		
(1) The tariff shall be applicable to the following consumers:		
(a) Private dwellings		
(b) Flats		
(c) Provincial aided institutions and hospitals as defined in the Hospital Ordinance of		
(d) Institutions conducted by charitable organizations		
(e) Churches and church halls used exclusively for public worship		
(f) Pumping installations where the water is pumped exclusively used for domestic.		
(g) A building or separate part of a building exclusively used for residential purposes		
(2) Domestic Conventional : Single phase, Flat Rate Tariff :	c/kWh	c/kWh
(a) Basic charges and connectable vacant stands¹:	245.80	267.93
(b) Indigent Consumers Units 0 to 50 kWh:	Free	Free
(c) Unit charges per kWh consumed:		
0 - 50 kWh	1.79	1.96
51 - 350 kWh	2.30	2.51
351 - 600 kWh	3.25	3.54
601 kWh and above	3.81	4.16
(3) Domestic Conventional: Single Phase, Time of Use Tariff - new :		
(a) Basic charges and connectable vacant stands¹:	189.27	206.30
(c) Unit charges per kWh consumed:	-	-
Summer: Peak	3.12	3.40
Standard	2.59	2.82
Off peak	2.00	2.18
Winter : Peak	6.99	7.62
Standard	3.29	3.58
Off peak	2.17	2.37
(4) Domestic Conventional: Three Phase, Time of Use Tariff - new :		
(a) Basic charges and connectable vacant stands¹:	507.86	553.57
(c) Unit charges per kWh consumed:	-	-
Summer: Peak	2.78	3.03
Standard	2.32	2.52
Off peak	1.79	1.95
Winter : Peak	6.25	6.82
Standard	2.94	3.20
Off peak	1.94	2.12
(5) Bulk/ Estate Domestic Conventional: Three Phase, Time of Use Tariff - new :		
(a) Basic charges and connectable vacant stands¹:	946.44	1 031.62
(b) Unit charges per kWh consumed:	-	-
Summer: Peak	3.11	3.39
Standard	2.59	2.82
Off peak	2.00	2.19
Winter : Peak	6.99	7.62
Standard	3.29	3.58
Off peak	2.17	2.37
The tariff shall be applicable to the following consumers:		
(a) Household Consumers Pre Paid meter installations		
(6) Domestic Prepaid: Single phase, Flat Rate Tariff :	c/kWh	
(a) Basic charges and connectable vacant stands¹:	203.88	222.23
(b) Indigent Consumers Units 0 to 50 kWh:	Free	Free
(c) Unit charges per kWh consumed:	-	-
0 - 50 kWh	1.79	1.96
51 - 350 kWh	2.30	2.51
351 - 600 kWh	3.23	3.52
601 kWh and above	3.81	4.15
(7) Domestic Prepaid: Three phase, Flat Rate Tariff:	c/kWh	
(a) Basic charges and connectable vacant stands¹:	353.11	384.89
(c) Unit charges per kWh consumed:	-	-
0 - 50 kWh	2.25	2.45
>100 kWh - To be discontinued	-	-
51 - 350 kWh - New	2.65	2.88
351 - 600 kWh - New	3.34	3.64
601 kWh and above - New	3.99	4.34
(8) Domestic Prepaid: Single Phase, Time of Use Tariff - new :		
(a) Basic charges and connectable vacant stands¹:	203.88	222.23
(c) Unit charges per kWh consumed:	-	-
Summer: Peak	3.30	3.60
Standard	2.72	2.97
Off peak	2.39	2.60
Winter : Peak	7.03	7.66
Standard	3.48	3.80
Off peak	2.52	2.75
(9) Domestic Prepaid: Three Phase, Time of Use Tariff - new :	c/kWh	
(a) Basic charges and connectable vacant stands¹:	353.11	384.89
(c) Unit charges per kWh consumed:	-	-
Summer: Peak	3.30	3.60
Standard	2.72	2.97
Off peak	2.39	2.60
Winter : Peak	7.03	7.66
Standard	3.48	3.80
Off peak	2.52	2.75

3. COMMERCIAL CHARGES :

(1) This tariff shall be applicable to the following consumers:

- (a) Commercial shops
- (b) Enlightened street advertising signs
- (c) Offices and office buildings
- (d) Boarding / Guest Houses
- (e) Educational institutions and school hostels
- (f) Hotels and Bars
- (g) Cafes, tearooms and restaurants
- (h) Public Halls
- (i) Heavy Industrial undertakings
- (j) Service lights for flat buildings
- (j) Buildings or part of buildings containing a number of the classification under (1) and (10) inclusive and where the consumption in terms of this tariff metered separately by Council.
- (k) Sport Clubs
- (l) Show Grounds
- (m) Agricultural Holdings and Farms
- (m) Temporary Consumers
- (n) All other consumers, excluding consumers being classified under other items
- (o) Old age Homes to be charge Old age home Tariffs

(2) Commercial: Prepaid, Single Phase, Time of Use, 60 A Tariff:		
(a) Unit tariff KWH consumed:	3.36	3.67
(b) Basic charges and connectable vacant stands¹:	-	-
(3) Business & General: Prepaid, Three Phase, Time of Use, 60 A Tariff - n ew	-	-
(a) Basic charges and connectable vacant stands¹:	-	-
Summer: Peak	4.54	4.95
Standard	3.87	4.22
Off peak	3.15	3.43
Winter : Peak	7.98	8.70
Standard	3.04	3.32
Off peak	3.53	3.85
(4) Agriculture, Time of Use Tariff : - restructured	-	-
(a) Basic charges and connectable vacant stands¹:	-	-
(b) Unit charges per kWh consumed:	341.04	371.73
Summer: Peak	-	-
Standard	4.54	4.95
Off peak	3.87	4.22
Winter : Peak	3.15	3.43
Standard	7.98	8.70
Off peak	3.04	3.32
	3.53	3.85
(5) (a) Schools, Tennis and Bowling clubs and Old Age Homes to be levied on Municipal	-	-
Municipal charge	-	-
	2.68	2.92
(6) Commercial Conventional: Single Phase, Time of Use, < 80 A Tariff: - restructured	-	-
(a) Basic charges and connectable vacant stands¹:	-	-
(b) Unit charges per kWh consumed:	576.75	628.66
Summer: Peak	-	-
Standard	3.15	3.43
Off peak	2.68	2.92
Winter : Peak	2.18	2.38
Standard	5.96	6.50
Off peak	3.07	3.35
	2.27	2.48
(7) Commercial Conventional: Three Phase, Time of Use, < 80 A Tariff: - restructured	-	-
(a) Basic charges and connectable vacant stands¹:	-	-
(b) Unit charges per kWh consumed:	871.50	949.93
Summer: Peak	-	-
Standard	3.58	3.90
Off peak	3.05	3.32
Winter : Peak	2.48	2.70
Standard	6.77	7.38
Off peak	3.49	3.81
	2.58	2.81
(a) Conventional 60 Aperes (Modimolle) (see restructured tariff)	-	-
Basic charge	-	-
Energy charge	-	-
	-	-
(b) Conventional 60 Amperes (Mookgophong)	-	-
Basic charge	-	-
Energy charge	-	-
	-	-

Detailed tariff structure is attached as Annexure

1.4 Sanitation and Impact of Tariff Increases

The tariffs for sanitation has been proposed to increase by 4.3 percent. National Treasury advices municipalities to increase tariffs in line with CPI plus inflation rate or justify increase that is above CPI.

Table D: Comparison between current sanitation charges and increases

TABLE 7: SEWERAGE		Modimolle-Mookgophong 2024/25	Modimolle-Mookgophong 2025/26
1. BASIC CHARGES			1.043
(1)	A basic charge per month or part thereof shall be payable in respect of each erf, land, lot or other area within the municipality which have not been connected to Council's sewerage system but which can in the opinion of the Council be connected thereto:	139.20	145.19
		-	-
(2)	A basic charge per month or part thereof shall be payable in respect of each erf, land, lot or other area within the municipality which have been connected to Council's sewerage system :		
	(a) Measuring up to 500m² in extent	-	-
	(b) Measuring up to 1000m² in extent	90.76	94.67
	(c) Measuring up to 2000m² in extent	121.01	126.22
	(d) Plus: For every additional 1000m² or part thereof	152.22	158.77
		63.96	66.71
		-	-
		R -	-

2. CHARGES PAYABLE BY ALL PREMISES CONNECTED TO THE SEWER SYSTEMS:

(1)	Domestic Dwellings	201.29	209.95
(2)	Trade, Industry and other non-domestic consumers :Discontinued		
(3)	Flats / town house complexes/estates - Per unit -New		
(4)	2nd dwelling (single property)-New	221.42	230.95
(5)	Church erven -New	211.36	220.45
(6)	Schools & school hostels (including nursery and day schools) - For each - Twenty five (25) persons or portion thereof -New	301.94	314.93
(7)	Clinics/Nursing & maternity homes & welfare organisations - For each - Ten (10) persons or portion thereof -New	120.78	125.97
(8)	Hospital - for each - Three (3) beds or portion continuously available -New	201.29	209.95
(9)	Correctional Service/Prison - For each - Three (3) beds or portion continuously available - New	301.94	314.93
(10)	Other Sector department -New	301.94	314.93
(11)	Abattoirs/Meat processing-New	6 709.75	6 998.27
(12)	Mortuaries and Crematorium -New	10 490.00	10 941.07
(13)	Restaurant and Eateries -New	1 586.09	1 654.29
	Other Businesses -New	1 212.64	1 264.79
	up to 60m2	-	-
	61 to 80m2	301.94	314.93
	81 to 120m2	332.14	346.42
	121 to 200m2	498.20	519.63
	201 to 500m2	896.77	935.33
	501 to 1000m2	1 793.53	1 870.65
	1001 to 3000m2	3 587.07	3 741.31
	3000m2 and more	7 174.13	7 482.62
		14 348.26	14 965.24
		-	-
(4)	Rendering of domestic sewer services to all registered indigents:	-	-
		FREE	FREE
(5)	Temporary services to builders and other, per month or part thereof on each site:	-	-
		1 965.02	2 049.51

1.5 Waste management and Impact of Tariff Increases

The tariffs for sanitation have been kept at a 4.3 percent increase. National Treasury advices municipalities to increase tariffs in line with CPI plus inflation rate or justify increase above CPI.

Table E: Comparison between current Waste removal fees and increases

TABLE 8: REFUSE REMOVAL	Modimolle-Mookgophong 2024/25	Modimolle-Mookgophong 2025/26
1. DOMESTIC, COMMERCIAL AND OTHERS:		
(1) Domestic Dwellings		1.043
(2) Flats / town house complexes/estates - Per unit -New	182.10	189.93
(4) 2nd dwelling (single property) -New	200.31	208.92
(5) Church erven -New	191.20	199.42
(6) Restaurant and Eateries/Abattoirs/Meat processing/ Other Sector department/ Mortuaries and Crematorium/ Correctional Service/Prison/ Businesses/Hospital/Clinics/Nursing & maternity homes & welfare organisations/Schools & school hostels (including nursery and day schools) - 240l bin of waste per month or portion thereof per mass container (No bin provided) -New	273.14	284.89
One collection per week - per bin	525.04	547.61
Two collections per week per bin	787.56	821.42
Three collections per week per bin	1 181.34	1 232.13
(7) Restaurant and Eateries/Abattoirs/Meat processing/ Other Sector department/ Mortuaries and Crematorium/ Correctional Service/Prison/ Businesses/Hospital/Clinics/Nursing & maternity homes & welfare organisations/Schools & school hostels (including nursery and day schools) - Mass container of 1,75m³ of waste per month or portion thereof per mass container (No bin provided) -New		
One collection per month - per bin	5 376.13	5 607.30
Two collections per month per bin	8 064.19	8 410.95
Three collections per month per bin	12 096.28	12 616.42
Four collections per month per bin	18 144.42	18 924.63
(8) Removal of domestic refuse once per week per dwelling for all registered indigents: (When collection is increased by more than once a week, indigent support will be removed on all services) -New	-	
(9) Removal of illegal dumping, rubbles, garden waste etc - Once off -New	182.10 Illegal dumping Penalty fee + tariff for refuse and building rubble per load of 3,5m³ or portion	189.93 Illegal dumping Penalty fee + tariff for refuse and building rubble per load of 3,5m³ or portion
(10) Rentals - Mass container of 1,75m³ of waste per month or part of -New	2 637.19	2 750.58
(11) Game / Guest Farms Lodges and Resorts, dumping at the dumping site, per truck :	570.28	594.80

Detailed tariff structure is attached as Annexure

8. CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure per programmme.

2025/26 Medium-term capital budget per vote

No	Project Name	Term / Ye	Type	Funding Source	2025/26	2026/27	2027/28
	MUNICIPAL INFRASTRUCTURE GRANT						
1	Modimolle Establishment of Landfill Site	Single	New	MIG	12 358 319.57	-	-
2	Upgrading of Mookgophong Sports stadium Phase 2	Multi year	New	MIG	6 500 000.00	-	-
3	Construction of Internal Streets and Stormwater Control for Phagameng Ext 8 Phomolong	Multi year	New	MIG	17 062 697.87	12 098 009.48	-
4	Construction of Internal Streets and Stormwater Control for Phagameng Ext 9 Phomolong	Multi year	New	MIG	8 205 532.56	-	-
5	Construction of Internal Streets and Stormwater Control for Mookgophong Ext 3 & 8	Single year	New	MIG	-	27 229 960.94	8 000 000.00
6	Specialised Vehicles for Waste Management	Multi	Upgradin	MIG	-	3 561 606.63	16 624 362.44
7	Rehabilitation and Development of Park for Old Modimolle Landfill Site (Ward 13)	Multi year	New	MIG	-	4 879 272.95	3 610 278.12
8	Construction of Internal Streets and Stormwater Control in Vaalwater	Multi year	New	MIG	-	-	13 769 683.93
9	Construction of Internal Streets and Stormwater Control in Phagameng Ext 7 Marapong				-	-	7 877 325.51
	Total MIG				**44 126 550.00**	**47 768 850.00**	**49 881 650.00**
	WATER AND SANITATION INFTRASTRUCTURE GRANT						
1	Upgrading of the Main Sewer Outfall Phagameng-Jay Naidoo	Multi	Upgradin	WSIG	363 925.73	-	-
2	Refurbishment of the Nyl Sewer Pump Station	Multi	Upgradin	WSIG	483 291.43	-	-
3	(Phase 1)Upgrading of the Industrial Sewer Outfall in Modimolle	Multi	Upgradin	WSIG	332 106.22	-	-
4	Upgrading of the Industrial Sewer Outfall in Modimolle (Phase 2)	Multi	Upgradin	WSIG	176 937.14	-	-
5	Replacement /Instillation of water meters in Modimolle,	Multi	Upgradin	WSIG	4 632 582.49	-	-
6	Upgrading of the Main Sewer Pipes in Modimolle (Lillian Ngoyi,	Multi	New	WSIG	124 046.33	-	-
7	Upgrading of the Nyl Water Pump Station and Reservoir -	Multi	Upgradin	WSIG	422 611.45	-	-
8	Refurbishment of the R101 Sewer Pump Station- Mookgophong	Multi	Upgradin	WSIG	665 024.15	-	-
9	Instillation of stand-by Generators	Multi	Upgradin	WSIG	3 305 827.95	-	-
10	Upgrading Ext 5 & 6 Main Sewer Pipeline- Mookgophong	Multi	New	WSIG	1 771 152.60	-	-
11	Refurbishment of the Donkerpoort WTW	Multi	Upgradin	WSIG	17 344 037.64	-	-
12	Augmentation of Water Supply In Modimolle	Multi	Upgradin	WSIG	5 074 779.31	-	-
13	Augmentation of Water Supply In Mookgophong	Multi	New	WSIG	8 392 616.80	-	-
14	Source Develepment in Vaalwater	Multi	New	WSIG	20 000 000.00	40 000 000.00	40 000 000.00
15	Replacement of Asbestos Pipes in Modimolle Town Secondary	Multi	Upgradin	WSIG	30 000 000.00	45 000 000.00	45 000 000.00
16	Sewer Upgrade and Refurbishment at Modimolle and townships	Multi	Upgradin	WSIG	30 211 060.76	23 052 000.00	28 455 000.00
	Total WSIG				**123 300 000.00**	**108 052 000.00**	**113 455 000.00**
	INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME						
1	High Transmission line 132 KV	Multi	New	INEP	6 000 000.00		
2	Modimolle New Substation phase 04	Multi	New	INEP	6 000 000.00	11 000 000.00	11 497 000.00
	Total INEP				**12 000 000.00**	**11 000 000.00**	**11 497 000.00**
1	**Energy Efficieancy and Demand side Management (EEDM)**	**Single**	**New**	**EEDM**	**4 000 000.00**	**5 000 000.00**	**-**
	OWN FUNDING CAPITAL/OPERATION PROJECTS						
1	Upgrading of Mookgophong Sports stadium Phase 2	Single	Upgradin	Own	520 733.60	-	-
2	Maintenance of the R101 Sewer Pump Station- Mookgophong	Single	Upgradin	Own	1 100 000.00	-	-
3	Equipment - Communication and Public	Single	New	Own	350 000.00	100 000.00	1 000 000.00
4	Furniture and equipment	Single	New	Own	1 000 000.00	300 000.00	400 000.00
5	Parks and recreation cleaning equipment	Single	New	Own	1 500 000.00	500 000.00	500 000.00
6	Computer equipment (Desktops and laptops)	Single	New	Own	2 500 000.00	500 000.00	500 000.00
7	Water and Waste Water Plant cleaning equipments	Single	New	Own	1 100 000.00	1 100 000.00	-
8	Roads Maintenance Equipment	Single	New	Own	2 400 000.00	1 100 000.00	500 000.00
9	Office containers X 3	Single	New	Own	1 600 000.00	-	-
10	Motor vehicles - Pool cars (Mayor, revenue, planning)	Single	New	Own	5 000 000.00	1 000 000.00	1 000 000.00
11	Airconditioners	Single	New	Own	1 000 000.00		
12	Biometric System	Single	New	Own	1 500 000.00		
	Total own funded peojects				**19 570 733.60**	**4 600 000.00**	**3 900 000.00**
	TOTAL				**202 997 283.60**	**176 420 850.00**	**178 733 650.00**

- For 2025/26 an amount of **R202 million** has been appropriated for the purchase of capital assets
- An amount of **18.5million** was funded from own revenue and the balance funded from conditional capital grants allocated by DORA
- Grant funding is still a high dependency for the municipality as a total of 93 percent allocation of the capital budget is funded from National grants (MIG, INEP, EEDG, MDRG and WSIG) and only 7 percent from own funding.
- The municipality need to ensure proper planning and adherence to the project business plans to ensure completion of projects well in time to avoid applying to roll over funds to the following financial years.

9. ANNUAL BUDGET TABLES

The information in the following Tables A1 to A9 constitutes the Municipalities final budget for the 2025/26 financial year and indicative allocations for the 2025/26 and 2026/27 financial years in terms of section 8 of the Municipal Budget and Reporting Regulations.

The Municipality does not have any entities through which it provides municipal services. Instead, services are provided internally through departments. The key departments are Technical and Social Services. In instances where internal capability is limited, services are provided through external services providers. In such instances, Service Level Agreements are entered into with the service providers. Therefore, the budget tables that follow relate to the budget of the municipality only.

Table 1 MBRR Table A1 - Budget Summary

LIM368 Modimolle-Mookgopong - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	117,570	143,159	160,886	157,207	157,207	157,207	157,207	160,352	171,346	175,630
Service charges	317,130	338,801	541,317	520,167	520,167	520,167	520,167	557,005	582,070	596,622
Investment revenue	364	1,305	1,419	1,154	1,154	1,154	1,154	1,204	1,258	1,289
Transfer and subsidies - Operational	128,255	141,590	153,212	162,295	162,295	162,295	162,295	169,775	176,736	184,896
Other own revenue	135,356	242,022	668,427	107,980	107,980	107,980	107,980	112,589	117,655	120,597
Total Revenue (excluding capital transfers and contributions)	698,674	866,877	1,525,260	948,804	948,804	948,804	948,804	1,000,924	1,049,065	1,079,033
Employee costs	226,502	245,750	254,834	272,991	251,709	251,709	251,709	262,625	274,443	281,304
Remuneration of councillors	11,628	12,913	14,661	13,466	12,849	12,849	12,849	18,895	19,746	20,239
Depreciation and amortisation	40,553	48,849	85,329	49,602	50,026	50,026	50,026	52,200	54,549	55,913
Interest	12,419	86,073	50,256	8,504	6,004	6,004	6,004	6,262	6,544	6,708
Inventory consumed and bulk purchases	225,854	213,236	268,845	302,949	303,150	303,150	303,150	335,300	350,389	359,149
Transfers and subsidies	1,204	–	–	105	105	105	105	–	–	–
Other expenditure	217,179	378,680	512,816	282,990	310,081	310,081	310,081	303,766	317,435	325,371
Total Expenditure	735,340	985,502	1,186,743	930,608	933,924	933,924	933,924	979,049	1,023,106	1,048,683
Surplus/(Deficit)	(36,665)	(118,625)	338,518	18,196	14,880	14,880	14,880	21,875	25,959	30,349
Transfers and subsidies - capital (monetary allocations)	47,631	95,177	171,182	165,008	200,742	200,742	94,899	183,427	171,821	174,834
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	10,966	(23,448)	509,699	183,203	215,621	215,621	109,779	205,302	197,780	205,183
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	10,966	(23,448)	509,699	183,203	215,621	215,621	109,779	205,302	197,780	205,183
Capital expenditure & funds sources										
Capital expenditure	65,039	133,554	204,428	182,008	215,742	215,742	80,454	202,997	176,421	178,734
Transfers recognised - capital	34,106	52,233	165,003	165,008	200,742	200,742	76,745	183,427	171,821	174,834
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	962	8,477	19,157	17,000	15,000	15,000	3,709	19,571	4,600	3,900
Total sources of capital funds	35,068	60,709	184,160	182,008	215,742	215,742	80,454	202,997	176,421	178,734
Financial position										
Total current assets	654,141	762,353	878,699	1,690,398	1,694,040	1,694,040	1,186,358	1,922,111	1,999,543	2,672,397
Total non current assets	1,393,822	1,970,323	2,744,394	1,627,932	1,661,545	1,661,545	2,781,809	2,895,647	3,011,518	3,134,339
Total current liabilities	1,283,667	1,451,598	1,724,361	1,350,154	1,362,179	1,362,179	1,957,503	753,829	960,178	1,487,297
Total non current liabilities	121,131	131,422	139,553	5,793	119,348	119,348	139,553	890,328	469,935	170,766
Community wealth/Equity	640,279	619,717	1,659,356	1,962,383	1,874,058	1,874,058	1,840,392	3,173,601	3,580,949	4,148,673
Cash flows										
Net cash from (used) operating	605,597	497,410	887,174	196,838	254,333	254,333	254,333	206,422	189,443	196,711
Net cash from (used) investing	(58,415)	(79,022)	(194,948)	(182,008)	(215,952)	(215,952)	(215,952)	(202,997)	(176,421)	(178,734)
Net cash from (used) financing	–	–	(30,300)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	560,288	440,670	1,420,173	58,834	42,942	42,942	42,942	25,616	38,638	56,616
Cash backing/surplus reconciliation										
Cash and investments available:	23,156	(50,336)	22,320	58,834	42,942	42,942	94,915	25,616	73,557	387,217
Total Application of cash and investments:	869,422	997,700	1,119,115	639,428	593,516	593,516	1,234,860	(848,928)	(660,793)	(444,501)
Balance - surplus (shortfall)	(846,266)	(1,048,037)	(1,096,796)	(580,594)	(550,574)	(550,574)	(1,139,945)	874,544	734,351	831,718
Asset management										
Asset register summary (WDV)	1,201,067	1,759,500	2,440,571	1,627,932	1,661,404	1,661,404	1,661,404	2,895,647	3,011,518	3,134,339
Depreciation	40,553	46,910	54,173	49,602	50,026	50,026	50,026	52,200	54,549	55,913
Renewal and Upgrading of Existing Assets	20,767	19,023	56,973	26,616	19,142	19,142	19,142	58,492	23,052	28,455
Repairs and Maintenance	3,631	9,411	33,143	35,397	52,597	52,597	52,597	55,602	58,105	59,557
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	30,889	32,278	33,085
Revenue cost of free services provided	18,585	39,367	32,326	305,225	305,225	305,225	305,225	282,167	301,513	309,051
Households below minimum service level										
Water:	1	1	–	0	0	0	0	1	1	1
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

   a. The operating surplus/deficit (after Total Expenditure) is a positive over the MTREF.
   b. Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget.

Table 2 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

LIM368 Modimolle-Mookgopong - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Governance and administration		**212,487**	**193,326**	**751,716**	**247,047**	**247,047**	**247,047**	**253,856**	**268,941**	**275,700**
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		212,487	193,326	751,716	247,047	247,047	247,047	253,856	268,941	275,700
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**14,206**	**161,773**	**73,382**	**12,071**	**12,071**	**12,071**	**14,675**	**15,335**	**15,718**
Community and social services		508	417	417	825	825	825	948	991	1,016
Sport and recreation		2	9	1	70	70	70	73	76	78
Public safety		13,696	161,348	72,964	11,176	11,176	11,176	13,653	14,268	14,624
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**169,021**	**190,368**	**313,397**	**325,729**	**361,463**	**361,463**	**345,640**	**339,952**	**356,000**
Planning and development		168,488	190,361	308,844	324,932	324,722	324,722	344,808	339,083	355,109
Road transport		533	7	4,553	798	36,742	36,742	832	869	891
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**349,025**	**416,587**	**551,787**	**524,680**	**524,680**	**524,680**	**565,712**	**591,989**	**601,664**
Energy sources		224,697	251,905	365,400	312,270	312,270	312,270	344,168	360,476	364,362
Water management		75,360	112,384	107,554	126,018	126,018	126,018	131,436	137,351	140,785
Waste water management		28,152	30,059	49,983	54,532	54,532	54,532	56,877	59,436	60,922
Waste management		20,816	22,238	28,851	31,861	31,861	31,861	33,231	34,727	35,595
Other	4	**1,567**	**–**	**6,159**	**4,283**	**4,283**	**4,283**	**4,467**	**4,669**	**4,785**
Total Revenue - Functional	2	**746,306**	**962,054**	**1,696,442**	**1,113,811**	**1,149,545**	**1,149,545**	**1,184,350**	**1,220,886**	**1,253,867**
Expenditure - Functional										
Governance and administration		**209,108**	**356,824**	**572,525**	**338,685**	**333,724**	**333,724**	**317,837**	**332,140**	**340,444**
Executive and council		26,912	27,419	41,043	28,213	37,549	37,549	45,464	47,510	48,698
Finance and administration		177,389	324,029	525,505	303,142	289,912	289,912	265,998	277,968	284,917
Internal audit		4,807	5,376	5,978	7,329	6,263	6,263	6,375	6,662	6,829
Community and public safety		**34,941**	**42,526**	**61,877**	**46,538**	**42,515**	**42,515**	**42,898**	**44,828**	**45,949**
Community and social services		11,274	11,438	33,859	10,418	10,272	10,272	10,427	10,897	11,169
Sport and recreation		13,717	17,166	12,710	16,082	13,586	13,586	12,425	12,984	13,308
Public safety		9,950	13,922	15,308	20,038	18,657	18,657	20,046	20,948	21,472
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**61,957**	**61,658**	**54,690**	**64,329**	**73,412**	**73,412**	**91,385**	**95,497**	**97,885**
Planning and development		23,535	23,733	23,020	28,619	29,106	29,106	30,305	31,668	32,460
Road transport		38,422	37,925	31,670	35,709	44,306	44,306	61,080	63,829	65,425
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**423,497**	**519,175**	**493,136**	**475,667**	**479,321**	**479,321**	**521,981**	**545,470**	**559,107**
Energy sources		272,374	327,847	344,549	344,737	340,776	340,776	374,777	391,641	401,433
Water management		78,303	119,731	95,803	75,088	74,583	74,583	83,779	87,549	89,738
Waste water management		37,023	36,086	25,313	25,636	34,059	34,059	34,897	36,468	37,379
Waste management		35,798	35,511	27,471	30,207	29,903	29,903	28,528	29,812	30,558
Other	4	**5,837**	**5,318**	**4,514**	**5,389**	**4,953**	**4,953**	**4,947**	**5,169**	**5,299**
Total Expenditure - Functional	3	**735,340**	**985,502**	**1,186,743**	**930,608**	**933,924**	**933,924**	**979,049**	**1,023,106**	**1,048,683**
Surplus/(Deficit) for the year		**10,966**	**(23,448)**	**509,699**	**183,203**	**215,621**	**215,621**	**205,302**	**197,780**	**205,183**

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

LIM368 Modimolle-Mookgopong - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Public Office Bearers		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		17	19	20	66	66	66	69	72	74
Vote 3 - Budget and Treasury		211,386	191,779	748,934	245,974	245,974	245,974	252,823	267,862	274,593
Vote 4 - Planning and Economic Development		124,651	137,097	147,507	167,428	167,428	167,428	163,059	169,975	177,649
Vote 5 - Technical Services		372,578	447,619	688,826	651,121	686,855	686,855	715,062	727,240	744,420
Vote 6 - Corporate Services		1,083	1,528	2,763	1,007	1,007	1,007	964	1,007	1,033
Vote 7 - Community and Social Services		36,590	184,011	108,392	48,216	48,216	48,216	52,373	54,730	56,098
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**746,306**	**962,054**	**1,696,442**	**1,113,811**	**1,149,545**	**1,149,545**	**1,184,350**	**1,220,886**	**1,253,867**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Public Office Bearers		21,228	18,284	25,568	15,661	20,876	20,876	31,740	33,168	33,998
Vote 2 - Municipal Manager		19,156	24,101	29,456	30,864	33,334	33,334	31,607	33,134	33,962
Vote 3 - Budget and Treasury		100,565	239,147	406,070	180,551	164,504	164,504	163,258	170,500	174,762
Vote 4 - Planning and Economic Development		20,441	19,951	19,445	25,847	24,036	24,036	24,675	25,785	26,430
Vote 5 - Technical Services		429,146	525,317	500,910	483,942	498,793	498,793	558,311	583,435	598,021
Vote 6 - Corporate Services		68,159	75,292	111,431	111,609	115,010	115,010	91,232	95,338	97,721
Vote 7 - Community and Social Services		76,646	83,409	93,863	82,134	77,371	77,371	78,225	81,746	83,789
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**735,340**	**985,502**	**1,186,743**	**930,608**	**933,924**	**933,924**	**979,049**	**1,023,106**	**1,048,683**
Surplus/(Deficit) for the year	2	**10,966**	**(23,448)**	**509,699**	**183,203**	**215,621**	**215,621**	**205,302**	**197,780**	**205,183**

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 4 MBRR Table A4 - Budgeted Financial Performance

LIM368 Modimolle-Mookgopong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	212,558	200,607	356,519	307,878	307,878	307,878	221,575	335,588	350,689	359,456
Service charges - Water	2	55,604	85,896	107,507	125,896	125,896	125,896	87,777	131,310	137,219	140,649
Service charges - Waste Water Management	2	28,152	30,059	48,439	54,532	54,532	54,532	45,369	56,877	59,436	60,922
Service charges - Waste Management	2	20,816	22,238	28,851	31,861	31,861	31,861	27,908	33,231	34,727	35,595
Sale of Goods and Rendering of Services		2,366	3,231	2,753	3,861	3,861	3,861	2,636	4,027	4,208	4,313
Agency services		–	–	–	–	–	–	–	3,574	3,735	3,828
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		41,742	48,882	85,901	82,767	82,767	82,767	62,189	86,326	90,210	92,465
Interest earned from Current and Non Current Assets		364	1,305	1,419	1,154	1,154	1,154	1,716	1,204	1,258	1,289
Dividends		72	91	64	–	–	–	12	–	–	–
Rent on Land		–	368	–	–	–	–	2	–	–	–
Rental from Fixed Assets		208	269	234	557	557	557	261	581	607	623
Licence and permits		–	–	–	–	–	–	–	–	–	–
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		1,977	2,308	3,648	5,311	5,311	5,311	2,799	5,539	5,788	5,933
Non-Exchange Revenue											
Property rates	2	117,570	143,159	160,886	157,207	157,207	157,207	111,942	160,352	171,346	175,630
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		61,074	153,173	71,393	11,168	11,168	11,168	6,826	11,649	12,173	12,477
Licences or permits		7,752	8,177	8,236	4,316	4,316	4,316	2,078	893	934	957
Transfer and subsidies - Operational		128,255	141,590	153,212	162,295	162,295	162,295	161,899	169,775	176,736	184,896
Interest		20,163	26,650	14,480	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	(1,125)	–	–	–	–	–	–	–	–
Other Gains		–	–	481,719	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		698,674	866,877	1,525,260	948,804	948,804	948,804	734,989	1,000,924	1,049,065	1,079,033
Expenditure											
Employee related costs	2	226,502	245,750	254,834	272,991	251,709	251,709	232,643	262,625	274,443	281,304
Remuneration of councillors		11,628	12,913	14,661	13,466	12,849	12,849	12,708	18,895	19,746	20,239
Bulk purchases - electricity	2	201,673	191,646	237,092	272,290	272,290	272,290	203,158	303,113	316,753	324,672
Inventory consumed	8	24,181	21,591	31,753	30,659	30,860	30,860	20,333	32,187	33,636	34,476
Debt impairment	3	68,777	127,049	64,732	–	–	–	–	98,000	102,410	104,970
Depreciation and amortisation		40,553	48,849	85,329	49,602	50,026	50,026	43,039	52,200	54,549	55,913
Interest		12,419	86,073	50,256	8,504	6,004	6,004	38,234	6,262	6,544	6,708
Contracted services		42,493	51,479	94,003	92,068	131,872	131,872	102,440	139,340	145,611	149,251
Transfers and subsidies		1,204	–	–	105	105	105	–	–	–	–
Irrecoverable debts written off		20,036	133,357	284,735	115,000	100,000	100,000	–	–	–	–
Operational costs		85,452	66,795	72,722	75,922	78,209	78,209	66,855	66,425	69,415	71,150
Losses on disposal of Assets		–	–	(3,406)	–	–	–	–	–	–	–
Other Losses		421	–	30	–	–	–	–	–	–	–
Total Expenditure		735,340	985,502	1,186,743	930,608	933,924	933,924	719,410	979,049	1,023,106	1,048,683
Surplus/(Deficit)		(36,665)	(118,625)	338,518	18,196	14,880	14,880	15,580	21,875	25,959	30,349
Transfers and subsidies - capital (monetary	6	47,631	95,177	171,182	165,008	200,742	200,742	94,899	183,427	171,821	174,834
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		10,966	(23,448)	509,699	183,203	215,621	215,621	110,479	205,302	197,780	205,183
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		10,966	(23,448)	509,699	183,203	215,621	215,621	110,479	205,302	197,780	205,183
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		10,966	(23,448)	509,699	183,203	215,621	215,621	110,479	205,302	197,780	205,183
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	10,966	(23,448)	509,699	183,203	215,621	215,621	110,479	205,302	197,780	205,183

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

1. Total operating revenue has budgeted at R1 000 billion in 2025/26 and increases to R1 049 billion by 2026/27 and R1 079 billion in 2027/28. Revenue to be generated from property rates is R160 million in the 2025/26 financial year and increases to R171 million by 2026/27 which remains a significant funding source for the municipality.
2. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R557 million for the 2025/26 financial year and increasing to R582 million by 2026/27.
3. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government

Table 5 MBRR Table A6 - Budgeted Financial Position

LIM368 Modimolle-Mookgopong - Table A6 Budgeted Financial Position

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		23,027	(50,465)	22,191	58,834	42,942	42,942	94,787	25,616	73,557	387,217
Trade and other receivables from exchange transactions	1	228,377	319,151	368,008	837,410	852,410	852,410	500,237	496,091	575,924	604,852
Receivables from non-exchange transactions	1	145,424	179,334	114,265	660,672	660,672	660,672	158,503	1,347,959	1,213,007	1,459,364
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	2,883	1,547	2,299	19,603	19,603	19,603	2,223	2,299	2,299	2,299
VAT		252,934	311,445	370,289	113,878	113,878	113,878	428,961	50,146	134,756	218,665
Other current assets		1,496	1,342	1,647	–	4,535	4,535	1,647	–	–	–
Total current assets		654,141	762,353	878,699	1,690,398	1,694,040	1,694,040	1,186,358	1,922,111	1,999,543	2,672,397
Non current assets											
Investments		128	128	128	–	–	–	128	–	–	–
Investment property		26,035	831,307	1,284,972	27,233	26,809	26,809	1,284,972	1,284,972	1,284,510	1,284,036
Property, plant and equipment	3	1,362,897	1,138,148	1,459,132	1,597,325	1,631,059	1,631,059	1,496,548	1,610,372	1,726,706	1,850,000
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		1,287	161	161	–	161	161	161	161	161	161
Intangible assets		3,476	578	0	3,375	3,375	3,375	0	142	142	142
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	142	142	–	–	–	–
Total non current assets		1,393,822	1,970,323	2,744,394	1,627,932	1,661,545	1,661,545	2,781,809	2,895,647	3,011,518	3,134,339
TOTAL ASSETS		2,047,963	2,732,677	3,623,093	3,318,330	3,355,585	3,355,585	3,968,167	4,817,758	5,011,061	5,806,736
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	779	6,823	–	867	867	(3,277)	5,956	5,956	5,956
Consumer deposits		13,204	13,414	13,607	–	13,607	13,607	13,778	13,607	13,607	13,607
Trade and other payables from exchange transactions	4	1,064,598	1,186,355	1,374,237	1,328,146	1,333,746	1,333,746	1,533,204	636,435	752,527	1,187,149
Trade and other payables from non-exchange transactions	5	4,195	2,813	7,228	2,449	–	–	44,081	799	835	856
Provision		45,200	41,159	46,826	3,784	3,784	3,784	50,894	3,960	3,960	3,960
VAT		154,004	203,467	271,572	15,774	10,174	10,174	318,823	86,336	176,557	269,033
Other current liabilities		2,466	3,611	4,068	–	–	–	–	6,736	6,736	6,736
Total current liabilities		1,283,667	1,451,598	1,724,361	1,350,154	1,362,179	1,362,179	1,957,503	753,829	960,178	1,487,297
Non current liabilities											
Financial liabilities		(0)	1,501	634	–	634	634	634	634	634	634
Provision	6	63,356	59,645	63,469	5,793	43,264	43,264	63,469	–	–	–
Long term portion of trade payables	7	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		57,775	70,276	75,451	–	75,451	75,451	75,451	889,695	469,301	170,132
Total non current liabilities		121,131	131,422	139,553	5,793	119,348	119,348	139,553	890,328	469,935	170,766
TOTAL LIABILITIES		1,404,798	1,583,020	1,863,914	1,355,947	1,481,527	1,481,527	2,097,056	1,644,157	1,430,113	1,658,063
NET ASSETS		643,165	1,149,657	1,759,178	1,962,383	1,874,058	1,874,058	1,871,111	3,173,601	3,580,949	4,148,673
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	639,796	619,234	1,658,873	1,962,383	1,874,058	1,874,058	1,839,909	3,173,601	3,580,949	4,148,673
Reserves and funds	9	483	483	483	–	–	–	483	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	640,279	619,717	1,659,356	1,962,383	1,874,058	1,874,058	1,840,392	3,173,601	3,580,949	4,148,673

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

Table 7 MBRR Table A7 - Budgeted Cash Flows

LIM368 Modimolle-Mookgopong - Table A7 Budgeted Cash Flows

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		49,676	97,766	616,263	110,045	117,906	117,906	117,906	120,264	119,942	122,941
Service charges		201,697	65,518	228,959	441,087	451,701	451,701	451,701	473,800	495,121	507,499
Other revenue		462,156	482,717	63,690	83,150	104,119	104,119	104,119	26,374	27,565	28,327
Transfers and Subsidies - Operational	1	125,958	143,938	160,975	162,295	162,295	162,295	162,295	169,775	176,736	184,896
Transfers and Subsidies - Capital	1	10,000	78,539	159,724	165,007	200,742	200,742	200,742	183,427	171,821	174,834
Interest		(0)	1,355	(0)	1,154	1,154	1,154	1,154	61,631	64,405	66,015
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(243,889)	(372,422)	(346,215)	(757,397)	(777,579)	(777,579)	(777,579)	(822,586)	(859,603)	(881,093)
Interest		–	–	3,777	(8,504)	(6,004)	(6,004)	(6,004)	(6,262)	(6,544)	(6,708)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		605,597	497,410	887,174	196,838	254,333	254,333	254,333	206,422	189,443	196,711
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(58,415)	(79,022)	(194,948)	(182,008)	(215,952)	(215,952)	(215,952)	(202,997)	(176,421)	(178,734)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(58,415)	(79,022)	(194,948)	(182,008)	(215,952)	(215,952)	(215,952)	(202,997)	(176,421)	(178,734)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	(30,300)	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	(30,300)	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		547,183	418,388	661,925	14,830	38,382	38,382	38,382	3,425	13,022	17,977
Cash/cash equivalents at the year begin:	2	13,105	22,282	758,247	44,004	4,560	4,560	4,560	22,191	25,616	38,638
Cash/cash equivalents at the year end:	2	560,288	440,670	1,420,173	58,834	42,942	42,942	42,942	25,616	38,638	56,616

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded or not.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2025/26 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Although the cash and cash equivalents increases over the medium term the municipality are faced with the concern that not all creditors can be paid because of the low collection rate.

Table 8 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

LIM368 Modimolle-Mookgopong - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	560,288	440,670	1,420,173	58,834	42,942	42,942	42,942	25,616	38,638	56,616
Other current investments > 90 days		(537,260)	(491,134)	(1,397,981)	–	–	–	51,845	–	34,919	330,601
Non current Investments	1	128	128	128	–	–	–	128	–	–	–
Cash and investments available:		**23,156**	**(50,336)**	**22,320**	**58,834**	**42,942**	**42,942**	**94,915**	**25,616**	**73,557**	**387,217**
Application of cash and investments											
Unspent conditional transfers		4,195	2,813	7,228	2,449	–	–	44,081	799	835	856
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(63,544)	(89,203)	(95,541)	(98,104)	(103,704)	(103,704)	102,705	42,926	48,537	57,104
Other working capital requirements	3	880,622	1,038,837	1,156,051	731,299	693,436	693,436	1,139,452	(896,613)	(714,126)	(506,422)
Other provisions		47,666	44,770	50,894	3,784	3,784	3,784	(50,894)	3,960	3,960	3,960
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	483	483	483	–	–	–	(483)	–	–	–
Total Application of cash and investments:		**869,422**	**997,700**	**1,119,115**	**639,428**	**593,516**	**593,516**	**1,234,860**	**(848,928)**	**(660,793)**	**(444,501)**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(846,266)**	**(1,048,037)**	**(1,096,796)**	**(580,594)**	**(550,574)**	**(550,574)**	**(1,139,945)**	**874,544**	**734,351**	**831,718**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(846,266)**	**(1,048,037)**	**(1,096,796)**	**(580,594)**	**(550,574)**	**(550,574)**	**(1,139,945)**	**874,544**	**734,351**	**831,718**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The municipality will need to increase its revenue collection in this budget year to ensure sustainable service delivery.

Table 9 MBRR Table A9 - Asset Management

LIM368 Modimolle-Mookgopong - Table A9 Asset Management

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE										
Total New Assets	1	**44,272**	**114,531**	**147,455**	**155,391**	**196,600**	**196,600**	**144,505**	**153,369**	**150,279**
Roads Infrastructure		25,213	35,510	54,248	34,243	76,716	76,716	25,268	39,328	29,647
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		11,745	47,524	7,759	10,444	10,444	10,444	16,000	16,000	11,497
Water Supply Infrastructure		302	5,228	52,127	74,226	96,312	96,312	71,828	85,000	85,000
Sanitation Infrastructure		1,034	437	6,999	17,114	-	-	-	-	-
Solid Waste Infrastructure		960	56	-	4,300	628	628	12,358	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		***39,254***	***88,755***	***121,133***	***140,325***	***184,100***	***184,100***	***125,455***	***140,328***	***126,144***
Community Facilities		-	0	-	-	-	-	-	-	-
Sport and Recreation Facilities		0	10,769	-	3,066	-	-	-	4,879	3,610
Community Assets		***0***	***10,770***	-	***3,066***	-	-	-	***4,879***	***3,610***
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	4,000	4,000	4,000	-	-	-
Investment properties		-	-	-	***4,000***	***4,000***	***4,000***	-	-	-
Operational Buildings		-	-	-	-	-	-	1,000	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	***1,000***	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		**463**	**2,887**	**1,583**	**2,000**	**2,000**	**2,000**	**2,500**	**500**	**500**
Furniture and Office Equipment		-	-	**43**	-	-	-	-	-	-
Machinery and Equipment		**498**	**9,426**	**778**	**1,000**	**1,500**	**1,500**	**4,000**	**4,362**	**17,524**
Transport Assets		**2,856**	**2,694**	**23,918**	**5,000**	**5,000**	**5,000**	**11,550**	**3,300**	**2,500**
Land		**1,200**	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	.	.	.	.	.	.	.	-
Immature		-	.	.	.	.	.	.	.	.
Living Resources		.	.	.	.	.	.	.	.	.
Total Renewal of Existing Assets	2	**(32)**	**7,106**	**580**	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		(32)	7,106	580	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		***(32)***	***7,106***	***580***	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	.	.	.	.	.	.	.	-
Living Resources		.	.	.	.	.	.	.	.	.

Total Upgrading of Existing Assets	6	20,799	11,918	56,393	26,616	19,142	19,142	58,492	23,052	28,455
Roads Infrastructure		954	–	649	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		12,176	–	–	–	–	–	–	–	–
Water Supply Infrastructure		5,316	6,396	13,487	–	–	–	–	–	–
Sanitation Infrastructure		2,354	5,522	35,301	16,615	9,142	9,142	51,472	23,052	28,455
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		20,799	11,918	49,438	16,615	9,142	9,142	51,472	23,052	28,455
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	6,955	10,002	10,000	10,000	7,021	–	–
Community Assets		–	–	6,955	10,002	10,000	10,000	7,021	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	65,039	133,554	204,428	182,008	215,742	215,742	202,997	176,421	178,734
Roads Infrastructure		26,166	35,510	54,897	34,243	76,716	76,716	25,268	39,328	29,647
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		23,920	47,524	7,759	10,444	10,444	10,444	16,000	16,000	11,497
Water Supply Infrastructure		5,618	11,623	65,614	74,226	96,312	96,312	71,828	85,000	85,000
Sanitation Infrastructure		3,357	13,065	42,881	33,728	9,142	9,142	51,472	23,052	28,455
Solid Waste Infrastructure		960	56	–	4,300	628	628	12,358	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		60,022	107,778	171,151	156,940	193,242	193,242	176,927	163,380	154,599
Community Facilities		–	0	–	–	–	–	–	–	–
Sport and Recreation Facilities		0	10,769	6,955	13,067	10,000	10,000	7,021	4,879	3,610
Community Assets		0	10,770	6,955	13,067	10,000	10,000	7,021	4,879	3,610
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	4,000	4,000	4,000	–	–	–
Investment properties		–	–	–	4,000	4,000	4,000	–	–	–
Operational Buildings		–	–	–	–	–	–	1,000	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	1,000	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		463	2,887	1,583	2,000	2,000	2,000	2,500	500	500
Furniture and Office Equipment		–	–	43	–	–	–	–	–	–
Machinery and Equipment		498	9,426	778	1,000	1,500	1,500	4,000	4,362	17,524
Transport Assets		2,856	2,694	23,918	5,000	5,000	5,000	11,550	3,300	2,500
Land		1,200	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		65,039	133,554	204,428	182,008	215,742	215,742	202,997	176,421	178,734

ASSET REGISTER SUMMARY - PPE (WDV)	5	*1,201,067*	*1,759,500*	*2,440,571*	*1,627,932*	*1,661,404*	*1,661,404*	*2,895,647*	*3,011,518*	*3,134,339*
Roads Infrastructure		192,116	196,007	269,973	24,889	67,362	67,362	15,512	20,106	53,673
Storm water Infrastructure		24,406	30,042	36,291	(51)	(51)	(51)	–	27,230	15,877
Electrical Infrastructure		117,253	117,750	147,299	6,541	6,541	6,541	11,929	23,675	30,812
Water Supply Infrastructure		130,511	131,496	167,776	52,871	85,495	85,495	62,731	168,814	173,548
Sanitation Infrastructure		147,247	151,477	201,656	35,651	3,027	3,027	46,617	32,855	125,453
Solid Waste Infrastructure		39,134	25,425	26,306	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*650,667*	*652,197*	*849,300*	*119,901*	*162,374*	*162,374*	*136,789*	*272,680*	*399,362*
Community Assets		34,543	59,375	49,317	1,482,287	1,475,548	1,475,548	1,478,511	1,484,261	1,501,479
Heritage Assets		1,287	161	161	–	161	161	161	161	161
Investment properties		26,035	831,307	1,284,972	27,233	26,809	26,809	1,284,972	1,284,510	1,284,036
Other Assets		18,057	30,739	24,078	–	–	–	1,000	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		3,476	578	0	3,375	3,375	3,375	142	142	142
Computer Equipment		929	3,145	3,187	–	–	–	–	–	–
Furniture and Office Equipment		26	323	110	(2,140)	(2,140)	(2,140)	(2,232)	(4,564)	(6,954)
Machinery and Equipment		568	7,560	8,180	(19,723)	(19,223)	(19,223)	(12,197)	(32,472)	(52,587)
Transport Assets		6,193	7,171	26,374	17,000	14,500	14,500	8,500	6,800	8,700
Land		459,288	166,943	194,891	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,201,067	1,759,500	2,440,571	1,627,932	1,661,404	1,661,404	2,895,647	3,011,518	3,134,339
EXPENDITURE OTHER ITEMS		**44,184**	**56,321**	**87,316**	**84,999**	**102,623**	**102,623**	**107,803**	**112,654**	**115,470**
Depreciation	7	40,553	46,910	54,173	49,602	50,026	50,026	52,200	54,549	55,913
Repairs and Maintenance by Asset Class	3	**3,631**	**9,411**	**33,143**	**35,397**	**52,597**	**52,597**	**55,602**	**58,105**	**59,557**
Roads Infrastructure		750	3,197	4,712	5,523	8,164	8,164	8,515	8,899	9,121
Storm water Infrastructure		0	–	–	–	–	–	–	–	–
Electrical Infrastructure		2,028	2,269	18,969	10,635	16,532	16,532	17,096	17,866	18,312
Water Supply Infrastructure		294	2,837	4,773	13,958	24,032	24,032	25,065	26,193	26,848
Sanitation Infrastructure		271	389	2,943	–	187	187	195	204	209
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*3,344*	*8,692*	*31,397*	*30,116*	*48,915*	*48,915*	*50,872*	*53,161*	*54,490*
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	115	60	60	150	157	161
Community Assets		–	–	–	*115*	*60*	*60*	*150*	*157*	*161*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		148	123	1,479	3,226	2,426	2,426	2,776	2,901	2,974
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*148*	*123*	*1,479*	*3,226*	*2,426*	*2,426*	*2,776*	*2,901*	*2,974*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		62	8	–	105	105	105	109	114	117
Furniture and Office Equipment		1	1	194	221	121	121	250	261	268
Machinery and Equipment		76	586	73	1,614	970	970	1,445	1,510	1,547
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		44,184	56,321	87,316	84,999	102,623	102,623	107,803	112,654	115,470
Renewal and upgrading of Existing Assets as % of total capex		31.9%	14.2%	27.9%	14.6%	8.9%	8.9%	28.8%	13.1%	15.9%
Renewal and upgrading of Existing Assets as % of deprecn		51.2%	40.6%	105.2%	53.7%	38.3%	38.3%	112.1%	42.3%	50.9%
R&M as a % of PPE		0.3%	0.5%	1.4%	2.2%	3.2%	3.2%	1.9%	1.9%	1.9%
Renewal and upgrading and R&M as a % of PPE		2.0%	1.6%	3.7%	3.8%	4.3%	4.3%	3.9%	2.7%	2.8%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The municipality takes note of the National Treasury Circular No. 55 that Repair and Maintenance must be at least 8% of the PPE value but this cannot be done. The repair and maintenance for 2025/26 is 2% of PPE and to 2% in both 2026/27 and 2027/28.

10. ACTING MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, SHIKA . M.P, the Acting Municipal Manager of Modimolle-Mookgophong Local Municipality, hereby certify that:

- The 2025/26 – 2027/28 Final MTREF and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.
- That the final annual budget has been captured on the municipality's financial system.
- The final annual budget on the municipality's financial system is locked and will not be changed as it serves as a baseline against which to monitor and measure performance.
- That the final annual budget can only be amended through a virement authorized by the municipal manager or duly delegated official in terms of a council approved virement policy or through an adjustment budget process approved by the municipal council.

Name: SHIKA . Madimetja Patrick

Signature: ____________________

Date: 11/06/25