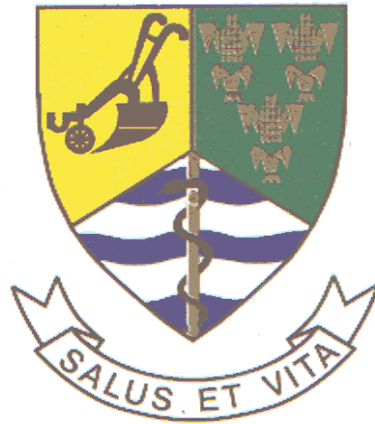


# **BELA-BELA LOCAL MUNICIPALITY**



## **ADJUSTMENT BUDGET FOR THE FINANCIAL YEAR 2025/2026**

**Compiled in terms of Section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Schedule B (In-Year Reports of Municipalities) of the Municipal Budget and Reporting Regulations**

## Acronyms and abbreviations

BSC	Budget Steering Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
FBS	Free basic services
GVA	Gross Value Added
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
IBT	Inclining Block Tariff
IDP	Integrated Development Plan
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act (56 of 2003)
MIG	Municipal Infrastructure Grant
EXCO	Executive Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

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# Part 1 – Special Adjustments Budget

## 1.1 Mayor’s Report

The mayor’s report on the adjustment budget will be tabled separately by the Mayor at the Municipal Council meeting.

## 1.2 Council Resolutions

In terms of sections 160(2) (b) of the Constitution ((Act 108 of 1996, as amended) and 28(4) of the Municipal Finance Management Act (56 of 2003), read with paragraph 23 of the Municipal Budget and Reporting Regulations (issued in terms of notice 393 of 2009), Council of Bela-Bela Local Municipality was required to meet during the month of June 2026 where the Mayor would table the 2025/2026 Second Special Adjustment Budget for approval by the Council. At the meeting, the Council made the following resolutions:

The Council of Bela-Bela Local Municipality, acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003) Resolved: -

1. **THAT** the proposed Second Special Adjustment budget for 2025/2026 financial year is noted.
2. **THAT** the special adjustment budget on the operational and capital expenditures for the 2025/2026 Financial Year is approved.
3. That the adjustment of Revenue and Expenditure projections is approved to achieve a realistically achievable budget.
4. **THAT** the Accounting Officer adheres to section 22 of the Municipal Finance Management Act, read with paragraph 24(1) of the Municipal Budget and Reporting Regulations. The regulations require the municipal manager to submit the special adjustment budget and supporting documentation to National Treasury and Provincial Treasury within ten (10) working days after tabling to Council, in both printed and electronic copies.

### 1.3 Introduction

According to section 28 (1) of the Municipal Finance Management Act, the municipality has the power to revise its approved annual budget through an adjustments budget.

MFMA section 28(2) stipulates that an adjustment budget-

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(d) may authorise the utilisation of projected savings in one vote towards spending under another vote;

(f) may correct any errors in the annual budget;

Furthermore, in accordance with the Municipal Budget and Reporting Regulation (MBRR) 23(3) “if a national or provincial budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

### 1.4 Executive Summary

Section 28(2)(b) of the MFMA makes provision for the Special Adjustments Budget when additional revenues become available to accelerate spending programmes already budgeted for.

The municipality received the following additional grant funding allocations in March 2026-

- a) Expanded Public Works Programme (EPWP) Integrated Grant
- b) Integrated National Electrification Programme Grant (INEP)
- c) Water Services Infrastructure Grant (WSIG).

The above-mentioned additional allocations were duly incorporated into the municipality’s annual budget through a special adjustment budget which was approved by the Municipal Council in April 2026. Subsequently, National Treasury informed the municipality that the grants were in essence erroneously transferred as the Minister of Finance disapproved of the related Division of Revenue Act adjustments which would have given effect to the additional allocations. The municipality is therefore obligated to return the additional funds to the National Treasury before the end of the financial year (30 June 2026). The affected projects will also not be implemented as initially envisaged.

The Municipality was selected to benefit from the Smart Meter Grant (in-kind grant) from the National Treasury in the current financial year. Phase 2 of the smart meter project (RT29) was implemented and overseen by National Treasury itself, and no funds were transferred to the Municipality in this regard.

The Municipality was earlier unable to incorporate the Smart meter grant and related expenditure into the annual budget due to unavailability of information. The required information was obtained recently; hence the Smart Meter Grant and related expenditure must be incorporated into the annual budget of the municipality through this Second Special Adjustments budget.

This Second Special Adjustment Budget provides for the derecognition and repayment of the following additional grant allocations from the 2025/2026 annual budget-

- a) R1.5 million for Integrated National Electrification Programme (INEP)
- b) R2 million for Water Services Infrastructure Grant (WSIG)
- c) R482 000 for Expanded Public Works Programme (EPWP) Integrated Grant.

Other adjustments are necessary to align the budget with current year’s revenue collection levels, actual expenditure trends, to effect corrections to errors and reclassifications between the operational budget and capital budget as needed.

## 1.5 High Level Operating Adjustments Budget

### 1.5.1 Summary of adjustments to the Operational Budget

**Table 1: Summative Adjustment Budget Movements – 2025/2026 Financial Year**

<b>Description</b>	<b>Original Budget 2025/26</b>	<b>Adjusted Budget 2025/26</b>	<b>Proposed Budget - 2025/26</b>	<b>Proposed Adjustment</b>
Total Operational Revenue	R656 606 032	R719 592 929	R734 708 431	R15 115 502
Total Operational Expenditure	R627 799 036	R687 034 154	R699 679 408	R12 645 254
Operating Surplus/(Deficit)	R28 806 996	R32 558 775	R35 029 023	R2 470 248
Own Source Capital Expenditure	R20 662 000	R20 798 780	R21 110 250	R311 470

**Table 1** depicts the adjustments to the previously adjusted budget for the 2025/2026 financial year. Total operational revenue is projected to increase by R15.115 million, while operational expenditure will increase by R12.645 million. The operating surplus is anticipated to increase by R2.470 million from R32.559 million to R35.029 million as a result.

Additionally, own source capital spending is set to increase by R311 470.

**Table 2: Operational Revenue Adjustment Budget Movements – 2025/202 Financial Year.**

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted 3	Accum . Funds 4	Multi-year capital 5	Unfore. Unavoi d. 6	Nat. or Prov. Govt 7	Other Adjusts . 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	189 484	189 966	—	—	—	—	—	—	189 966	218 382	262 342
Service charges - Water	2	50 250	46 104	—	—	—	—	—	—	46 104	49 562	51 197
Service charges - Waste Water Management	2	26 128	24 520	—	—	—	—	—	—	24 520	25 353	26 947
Service charges - Waste Management	2	11 267	11 433	—	—	—	—	—	—	11 433	11 821	12 211
Sale of Goods and Rendering of Services		1 400	1 400	—	—	—	—	—	—	1 400	1 448	1 548
Agency services		6 000	6 000	—	—	—	—	(1 000)	(1 000)	5 000	6 204	6 508
Interest earned from Receivables		15 389	14 029	—	—	—	—	—	—	14 029	14 506	14 985
Interest earned from Current and Non Current Assets		5 000	8 000	—	—	—	—	(1 000)	(1 000)	7 000	9 244	9 549
Rental from Fixed Assets		1 223	1 336	—	—	—	—	—	—	1 336	1 381	1 427
Operational Revenue		2 470	3 487	—	—	—	—	—	—	3 487	3 606	3 725
<b>Non-Exchange Revenue</b>												
Property rates	2	115 924	115 924	—	—	—	—	—	—	115 924	119 386	123 325
Fines, penalties and forfeits		43 548	103 544	—	—	—	—	19 698	19 698	123 241	109 064	112 663
Licences or permits		3 447	3 447	—	—	—	—	(1 000)	(1 000)	2 447	3 564	3 681
Transfer and subsidies - Operational		151 036	151 908	—	—	—	—	(1 582)	(1 582)	150 326	155 577	158 614
Interest		17 045	15 675	—	—	—	—	—	—	15 675	16 223	16 758
Operational Revenue		3 595	2 424	—	—	—	—	—	—	2 424	2 507	2 589
Other Gains		13 398	20 398	—	—	—	—	—	—	20 398	23 675	13 780
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>656 606</b>	<b>719 593</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 116</b>	<b>15 116</b>	<b>734 708</b>	<b>771 502</b>	<b>821 851</b>

The total operational revenue is increased from R719.593 million to R734.708 million. The increase emanates from the following adjustments:

- a) **Agency services:** reduced by R1 million to align the budget with the actual revenue.
- b) **Interest earned from Current and Non-current Assets:** reduced by R1 million as the municipality is likely to fall slightly short of its initial target of R8 million based on the latest available information. The budget was adjusted to reflect the realistically achievable revenue.
- c) **Fines, penalties and forfeits:** increased by R19.698 million increase. The actual revenue as of 31 May 2026 was R108 million, which is higher than the full-year budget of R103 million. This is an indication that the budget provision was too conservative and must be adjusted to align with actual revenue.
- d) **Licences or permits** reduced by R1 million to align the budget with actual revenue earned during the year as the municipality received less revenue than previously anticipated.
- e) The reduction in **Transfers and subsidies-Operational** is attributable to the recall of the EPWP grant amounting to R482 000 and a reduction of R1.1 million in respect of the LGSETA Discretionary which the municipality anticipated to receive but did not.

**Table 3: Operational Expenditure Adjustment Budget Movements**

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted 3 A1	Accum . Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid . 6 D	Nat. or Prov. Govt 7 E	Other Adjusts . 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Expenditure By Type</b>												
Employee related costs		181 826	194 333	-	-	-	-	(652)	(652)	193 680	214 585	220 809
Remuneration of councillors		9 715	10 297	-	-	-	-	0	0	10 298	10 648	10 999
Bulk purchases - electricity		178 230	178 230	-	-	-	-	-	-	178 230	194 288	211 968
Inventory consumed		36 309	38 495	-	-	-	-	1 413	1 413	39 909	39 467	41 183
Debt impairment		24 996	61 318	-	-	-	-	14 000	14 000	75 318	53 521	55 287
Depreciation and amortisation		44 944	49 090	-	-	-	-	-	-	49 090	52 577	54 312
Interest		18 612	10 345	-	-	-	-	-	-	10 345	11 000	11 363
Contracted services		84 683	80 403	-	-	-	-	1 592	1 592	81 995	83 803	83 000
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-
Operational costs		48 485	64 522	-	-	-	-	(3 708)	(3 708)	60 814	68 802	70 234
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>627 799</b>	<b>687 034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 645</b>	<b>12 645</b>	<b>699 679</b>	<b>728 692</b>	<b>759 155</b>

Table 3 above depicts the Expenditure by Type. Total operational expenditure budget increases by R12.645 million from R687.034 million to R699.679 million. The following adjustments were processed in this special adjustments budget:

- a) **Employee-related costs:** reduced by R652 000 due to the reduced grant funding attributable to the recalled EPWP grant which was previously provisioned for EPWP wages; and revisions to the FMG grant support plan to facilitate spending thereof.
- b) **Debt Impairment:** increased by R14 million due to the increase in traffic fines revenue which will result in a higher debt impairment.
- c) **Inventory consumed:** increased by R1.413 million mainly to augment the remaining budget for water bulk purchases.
- d) **Contracted Services and Operational costs:** adjustments are attributable to reclassifications between capital and operational budgets, transfer of projected budget savings to segments that may fall short at financial year-end.

**Table 4: Capital Expenditure Adjustment Budget Movements**

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		3 580	3 883	-	-	-	-	13 985	13 985	17 868	7 831	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		3 280	3 883	-	-	-	-	13 985	13 985	17 868	7 831	-
Internal audit		300	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1 561	1 233	-	-	-	-	-	-	1 233	2 032	4 348
Community and social services		411	58	-	-	-	-	-	-	58	1 441	4 348
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		1 150	1 175	-	-	-	-	-	-	1 175	591	-
<b>Economic and environmental services</b>		28 950	32 495	-	-	-	-	876	876	33 371	42 042	23 971
Planning and development		500	250	-	-	-	-	-	-	250	222	-
Road transport		28 450	32 245	-	-	-	-	876	876	33 121	41 820	23 971
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		117 920	121 820	-	-	-	-	(3 340)	(3 340)	118 479	92 229	91 674
Energy sources		25 752	26 885	-	-	-	-	1 504	1 504	28 390	14 124	11 697
Water management		57 338	57 374	-	-	-	-	579	579	57 953	43 501	42 509
Waste water management		28 213	29 721	-	-	-	-	(2 330)	(2 330)	27 391	31 155	37 468
Waste management		6 616	7 839	-	-	-	-	(3 093)	(3 093)	4 746	3 449	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	152 011	159 431	-	-	-	-	11 520	11 520	170 951	144 135	119 993
<b>Funded by:</b>												
National Government		131 349	138 632	-	-	-	-	(2 452)	(2 452)	136 180	121 813	119 993
Transfers recognised - capital	4	131 349	138 632	-	-	-	-	(2 452)	(2 452)	136 180	121 813	119 993
<b>Borrowing</b>		-	-	-	-	-	-	13 661	13 661	13 661	-	-
Internally generated funds		20 662	20 799	-	-	-	-	311	311	21 110	22 322	-
<b>Total Capital Funding</b>		152 011	159 431	-	-	-	-	11 520	11 520	170 951	144 135	119 993

Table 4 outlines the projected capital expenditure by functional classification and specifies the source of funding.

It is worth noting that the capital expenditure adjustment includes the following:

- Capitalisation of smart electricity meters installed by National Treasury through the RT29 project in the municipal area amounting to R2.8 million
- Budget correction for fleet acquisition through a finance lease amounting to R13.985 million
- Adjustments to projects funded previously funded from the recalled grants amounting to R3 million
- Downward adjustment of R2.217 million to the Moloto-Masemola street project as the funds cannot be fully spent in the current financial year. The project will be completed in the 2026/27 financial year.
- Reclassification to and from the capital operational budget.

## 1.4 Special Adjustment Budget Tables

The discussion below presents the ten (10) main special adjustments budget tables as required in terms of section Schedule B of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/2026 special adjustments budget as approved by the Council. Each table is accompanied by *explanatory notes* on the following page.

**Table 5: MBRR - LIM366 Bela-Bela - Table B1 Adjustments Budget Summary –**

Description	2025/26									Budget Year 2026/27	Budget Year 2027/28
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	115 924	115 924	–	–	–	–	–	–	115 924	119 386	123 325
Service charges	277 130	272 023	–	–	–	–	(0)	(0)	272 023	268 637	314 612
Investment revenue	5 000	8 000	–	–	–	–	(1 000)	(1 000)	7 000	9 244	9 549
Transfers recognised - operational	151 036	151 908	–	–	–	–	(1 582)	(1 582)	150 326	155 577	158 614
Other own revenue	107 516	171 739	–	–	–	–	17 698	17 698	189 436	182 177	177 664
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>656 606</b>	<b>719 593</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15 116</b>	<b>15 116</b>	<b>734 708</b>	<b>735 020</b>	<b>783 764</b>
Employee costs	181 826	194 333	–	–	–	–	(652)	(652)	193 680	214 585	220 809
Remuneration of councillors	9 715	10 297	–	–	–	–	0	0	10 298	10 648	10 999
Depreciation & asset impairment	69 940	110 408	–	–	–	–	14 000	14 000	124 408	106 098	109 599
Finance charges	18 612	10 345	–	–	–	–	–	–	10 345	11 000	11 363
Inventory consumed and bulk purchases	214 539	216 725	–	–	–	–	1 413	1 413	218 138	233 756	253 152
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	133 168	144 925	–	–	–	–	(2 116)	(2 116)	142 809	152 605	153 234
<b>Total Expenditure</b>	<b>627 799</b>	<b>687 034</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>12 645</b>	<b>12 645</b>	<b>699 679</b>	<b>728 692</b>	<b>759 155</b>
<b>Surplus/(Deficit)</b>	<b>28 807</b>	<b>32 559</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 470</b>	<b>2 470</b>	<b>35 029</b>	<b>6 328</b>	<b>24 609</b>
Transfers and subsidies - capital (monetary allocations)	151 051	159 427	–	–	–	–	(6 050)	(6 050)	153 377	140 085	137 992
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	3 397	3 397	3 397	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>179 858</b>	<b>191 985</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(183)</b>	<b>(183)</b>	<b>191 803</b>	<b>146 413</b>	<b>162 600</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>179 858</b>	<b>191 985</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(183)</b>	<b>(183)</b>	<b>191 803</b>	<b>146 413</b>	<b>162 600</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>152 011</b>	<b>159 431</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11 520</b>	<b>11 520</b>	<b>170 951</b>	<b>144 135</b>	<b>119 993</b>
Transfers recognised - capital	131 349	138 632	–	–	–	–	(2 452)	(2 452)	136 180	121 813	119 993
Borrowing	–	–	–	–	–	–	13 661	13 661	13 661	–	–
Internally generated funds	20 662	20 799	–	–	–	–	311	311	21 110	22 322	–
<b>Total sources of capital funds</b>	<b>152 011</b>	<b>159 431</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11 520</b>	<b>11 520</b>	<b>170 951</b>	<b>144 135</b>	<b>119 993</b>
<b>Financial position</b>											
Total current assets	482 780	589 606	–	–	–	–	3 343	3 343	592 949	325 087	447 417
Total non current assets	1 101 446	1 250 472	–	–	–	–	11 520	11 520	1 261 992	1 235 069	1 209 633
Total current liabilities	380 844	437 782	–	–	–	–	6 051	6 051	443 833	182 563	207 659
Total non current liabilities	173 982	141 717	–	–	–	–	8 995	8 995	150 712	76 807	76 807
Community wealth/Equity	<b>1 029 400</b>	<b>1 260 580</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(183)</b>	<b>(183)</b>	<b>1 260 397</b>	<b>1 189 622</b>	<b>1 259 030</b>
<b>Cash flows</b>											
Net cash from (used) operating	197 033	206 786	–	–	–	–	(8 506)	(8 506)	198 280	139 579	178 375
Net cash from (used) investing	(152 011)	(181 432)	–	–	–	–	4 949	4 949	(176 482)	(144 135)	(119 993)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>70 293</b>	<b>78 226</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 556)</b>	<b>(3 556)</b>	<b>74 669</b>	<b>48 315</b>	<b>143 354</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	70 293	78 226	–	–	–	–	(3 556)	(3 556)	74 669	48 315	143 354
Application of cash and investments	(26 465)	(43 561)	–	–	–	–	(1 051)	(1 051)	(44 613)	(40 378)	(35 540)
<b>Balance - surplus (shortfall)</b>	<b>96 758</b>	<b>121 787</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2 505)</b>	<b>(2 505)</b>	<b>119 282</b>	<b>88 694</b>	<b>178 894</b>
<b>Asset Management</b>											
Asset register summary (WDV)	1 101 305	1 250 332	–	–	–	–	11 520	11 520	1 261 852	938 250	1 209 492
Depreciation	44 944	49 090	–	–	–	–	–	–	49 090	52 577	54 312
Renewal and Upgrading of Existing Assets	90 015	97 762	–	–	–	–	(7 050)	(7 050)	90 712	93 729	79 542
Repairs and Maintenance	25 040	26 965	–	–	–	–	(140)	(140)	26 825	57 576	59 476
<b>Free services</b>											
Cost of Free Basic Services provided	39 671	39 671	–	–	–	–	–	–	39 671	41 694	43 529
Revenue cost of free services provided	48 369	48 369	–	–	–	–	–	–	48 369	49 169	50 792
<b>Households below minimum service level</b>											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

## Explanatory notes to MBRR Table B1 - Budget Summary

Table B1 is the Second Special Adjustments budget summary and provides a concise overview of the municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

Second Special Adjustments budget depicts a surplus of R35.029 million from previously adjusted budget surplus of R32.559 million.

Financial management reforms emphasize the importance of the municipal budget being funded. This requires 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.

**Table 6: MBRR - LIM366 Bela-Bela - Table B2 Adjustments Budget Financial Performance (functional classification)**

Standard Description	R ef	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Revenue - Functional</b>												
<b>Governance and administration</b>		343 477	406 303	-	-	-	-	18 216	18 216	424 518	344 055	347 655
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		343 477	406 303	-	-	-	-	18 216	18 216	424 518	344 055	347 655
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		9 965	9 990	-	-	-	-	(2 000)	(2 000)	7 990	11 997	10 807
Community and social services		538	562	-	-	-	-	-	-	562	2 242	630
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		9 428	9 428	-	-	-	-	(2 000)	(2 000)	7 428	9 755	10 176
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		45 483	57 731	-	-	-	-	(2 550)	(2 550)	55 181	66 600	49 105
Planning and development		5 432	12 415	-	-	-	-	-	-	12 415	15 859	16 538
Road transport		40 051	45 317	-	-	-	-	(2 550)	(2 550)	42 767	50 741	32 567
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		408 732	404 996	-	-	-	-	(1 203)	(1 203)	403 793	488 935	552 276
Energy sources		208 891	211 181	-	-	-	-	1 897	1 897	213 078	249 165	297 636
Water management		151 677	148 396	-	-	-	-	(2 000)	(2 000)	146 396	160 475	173 266
Waste water management		34 022	31 883	-	-	-	-	(1 100)	(1 100)	30 783	46 806	48 439
Waste management		14 142	13 536	-	-	-	-	-	-	13 536	32 489	32 934
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>807 657</b>	<b>879 020</b>	-	-	-	-	<b>12 462</b>	<b>12 462</b>	<b>891 482</b>	<b>911 587</b>	<b>959 843</b>
<b>Expenditure - Functional</b>												
<b>Governance and administration</b>		170 620	204 921	-	-	-	-	(2 900)	(2 900)	202 021	203 020	209 720
Executive and council		25 374	26 298	-	-	-	-	0	0	26 298	27 667	28 580
Finance and administration		140 385	173 063	-	-	-	-	(2 900)	(2 900)	170 163	161 116	166 433
Internal audit		4 861	5 560	-	-	-	-	-	-	5 560	14 238	14 707
<b>Community and public safety</b>		79 141	102 733	-	-	-	-	13 479	13 479	116 212	111 252	113 570
Community and social services		39 620	38 511	-	-	-	-	(482)	(482)	38 029	39 372	39 318
Sport and recreation		2 510	2 309	-	-	-	-	-	-	2 309	2 142	2 212
Public safety		37 011	61 912	-	-	-	-	13 961	13 961	75 874	69 739	72 040
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		49 533	47 612	-	-	-	-	(100)	(100)	47 512	61 557	59 957
Planning and development		17 647	16 451	-	-	-	-	-	-	16 451	21 763	18 850
Road transport		31 886	31 161	-	-	-	-	(100)	(100)	31 061	39 794	41 107
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		328 505	331 769	-	-	-	-	2 166	2 166	333 934	352 863	375 908
Energy sources		215 606	221 051	-	-	-	-	588	588	221 639	237 927	257 048
Water management		66 785	67 095	-	-	-	-	1 318	1 318	68 413	71 771	74 553
Waste water management		15 497	15 905	-	-	-	-	-	-	15 905	12 633	13 050
Waste management		30 617	27 718	-	-	-	-	259	259	27 978	30 531	31 258
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>627 799</b>	<b>687 034</b>	-	-	-	-	<b>12 645</b>	<b>12 645</b>	<b>699 679</b>	<b>728 692</b>	<b>759 155</b>
<b>Surplus/ (Deficit) for the year</b>		<b>179 858</b>	<b>191 985</b>	-	-	-	-	<b>(183)</b>	<b>(183)</b>	<b>191 803</b>	<b>182 895</b>	<b>200 687</b>

## Explanatory notes to MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table B2 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 of each of these functional areas which enable the National Treasury to compile 'whole of government' reports; and
2. Table B2 is a reproduction of Table B1 in GFA format so the aggregate figures of these tables are the same.

## Table 7: MBRR Table B3 - LIM366 Bela-Bela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

Vote Description <i>[Insert departmental structure etc]</i>	R ef	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3	4	5	6	7	8	9	10		
<b>Revenue by Vote</b>	1											
Vote 1 - Budget and Treasury		341 972	404 606	—	—	—	—	18 216	18 216	422 821	342 389	346 193
Vote 2 - Corporate Services		1 505	1 697	—	—	—	—	—	—	1 697	1 666	1 462
Vote 3 - Mayor		—	—	—	—	—	—	—	—	—	—	—
Vote 4 - Municipal Manager		—	—	—	—	—	—	—	—	—	—	—
Vote 5 - Internal Audit		—	—	—	—	—	—	—	—	—	—	—
Vote 6 - Planning and Economic Development		3 890	10 873	—	—	—	—	—	—	10 873	14 300	14 824
Vote 7 - Social and Community Services		24 108	23 526	—	—	—	—	(2 000)	(2 000)	21 526	44 486	43 741
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		434 641	436 777	—	—	—	—	(3 753)	(3 753)	433 024	507 187	551 909
Vote 10 - Technical Services		1 542	1 542	—	—	—	—	—	—	1 542	1 559	1 714
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue by Vote</b>	2	<b>807 657</b>	<b>879 020</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12 462</b>	<b>12 462</b>	<b>891 482</b>	<b>911 587</b>	<b>959 843</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - Budget and Treasury		84 604	98 542	—	—	—	—	947	947	99 490	92 195	95 238
Vote 2 - Corporate Services		48 575	68 526	—	—	—	—	(3 848)	(3 848)	64 679	64 167	66 285
Vote 3 - Mayor		3 422	2 998	—	—	—	—	—	—	2 998	3 125	3 228
Vote 4 - Municipal Manager		18 249	17 828	—	—	—	—	—	—	17 828	16 868	17 424
Vote 5 - Internal Audit		4 861	5 560	—	—	—	—	—	—	5 560	14 238	14 707
Vote 6 - Planning and Economic Development		15 228	12 659	—	—	—	—	—	—	12 659	18 421	15 398
Vote 7 - Social and Community Services		109 758	130 451	—	—	—	—	13 739	13 739	144 190	141 783	144 828
Vote 8 - Speaker		10 909	11 467	—	—	—	—	0	0	11 467	12 127	12 527
Vote 9 - Technical Services		328 427	334 884	—	—	—	—	1 806	1 806	336 690	360 520	384 099
Vote 10 - Technical Services		3 766	4 119	—	—	—	—	—	—	4 119	4 947	5 110
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure by Vote</b>	2	<b>627 799</b>	<b>687 034</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12 645</b>	<b>12 645</b>	<b>699 679</b>	<b>728 392</b>	<b>758 845</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>179 858</b>	<b>191 985</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(183)</b>	<b>(183)</b>	<b>191 803</b>	<b>183 195</b>	<b>200 997</b>

## Explanatory notes to MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table B3 is an overview 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 8: MBRR - LIM366 Bela-Bela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure)**

Description	R ef	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	189 484	189 966	—	—	—	—	—	—	189 966	218 382	262 342
Service charges - Water	2	50 250	46 104	—	—	—	—	(0)	(0)	46 104	49 562	51 197
Service charges - Waste Water Management	2	26 128	24 520	—	—	—	—	—	—	24 520	25 353	26 947
Service charges - Waste Management	2	11 267	11 433	—	—	—	—	—	—	11 433	11 821	12 211
Sale of Goods and Rendering of Services		1 400	1 400	—	—	—	—	—	—	1 400	1 448	1 548
Agency services		6 000	6 000	—	—	—	—	(1 000)	(1 000)	5 000	6 204	6 508
Interest		—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		15 389	14 029	—	—	—	—	—	—	14 029	14 506	14 985
Interest earned from Current and Non Current Assets		5 000	8 000	—	—	—	—	(1 000)	(1 000)	7 000	9 244	9 549
Dividends		—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		1 223	1 336	—	—	—	—	—	—	1 336	1 381	1 427
Special Rating Levies		—	—	—	—	—	—	—	—	—	—	—
Licence and permits		—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		2 470	3 487	—	—	—	—	—	—	3 487	3 606	3 725
<b>Non-Exchange Revenue</b>												
Property rates	2	115 924	115 924	—	—	—	—	—	—	115 924	119 386	123 325
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		43 548	103 544	—	—	—	—	19 698	19 698	123 241	109 064	112 663
Licences or permits		3 447	3 447	—	—	—	—	(1 000)	(1 000)	2 447	3 564	3 681
Transfer and subsidies - Operational		151 036	151 908	—	—	—	—	(1 582)	(1 582)	150 326	155 577	158 614
Interest		17 045	15 675	—	—	—	—	—	—	15 675	16 223	16 758
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		3 595	2 424	—	—	—	—	—	—	2 424	2 507	2 589
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—
Other Gains		13 398	20 398	—	—	—	—	—	—	20 398	23 675	13 780
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>656 606</b>	<b>719 593</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15 116</b>	<b>15 116</b>	<b>734 708</b>	<b>771 502</b>	<b>821 851</b>
<b>Expenditure By Type</b>												
Employee related costs		181 826	194 333	—	—	—	—	(652)	(652)	193 680	214 585	220 809
Remuneration of councillors		9 715	10 297	—	—	—	—	0	0	10 298	10 648	10 999
Bulk purchases - electricity		178 230	178 230	—	—	—	—	—	—	178 230	194 288	211 968
Inventory consumed		36 309	38 495	—	—	—	—	1 413	1 413	39 909	39 467	41 183
Debt impairment		24 996	61 318	—	—	—	—	14 000	14 000	75 318	53 521	55 287
Depreciation and amortisation		44 944	49 090	—	—	—	—	—	—	49 090	52 577	54 312
Interest		18 612	10 345	—	—	—	—	—	—	10 345	11 000	11 363
Contracted services		84 683	80 403	—	—	—	—	1 592	1 592	81 995	83 803	83 000
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—	—	—
Operational costs		48 485	64 522	—	—	—	—	(3 708)	(3 708)	60 814	68 802	70 234
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>627 799</b>	<b>687 034</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12 645</b>	<b>12 645</b>	<b>699 679</b>	<b>728 692</b>	<b>759 155</b>
<b>Surplus/(Deficit)</b>		<b>28 807</b>	<b>32 559</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2 470</b>	<b>2 470</b>	<b>35 029</b>	<b>42 810</b>	<b>62 696</b>
Transfers and subsidies - capital (monetary allocations)		151 051	159 427	—	—	—	—	(6 050)	(6 050)	153 377	140 085	137 992
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	3 397	3 397	3 397	—	—
<b>Surplus/(Deficit) before taxation</b>		<b>179 858</b>	<b>191 985</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(183)</b>	<b>(183)</b>	<b>191 803</b>	<b>182 895</b>	<b>200 687</b>
Income Tax		—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after taxation</b>		<b>179 858</b>	<b>191 985</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(183)</b>	<b>(183)</b>	<b>191 803</b>	<b>182 895</b>	<b>200 687</b>
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>179 858</b>	<b>191 985</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(183)</b>	<b>(183)</b>	<b>191 803</b>	<b>182 895</b>	<b>200 687</b>
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>1</b>	<b>179 858</b>	<b>191 985</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(183)</b>	<b>(183)</b>	<b>191 803</b>	<b>182 895</b>	<b>200 687</b>

**Explanatory notes to Table B4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue was adjusted from previously adjusted budget of R719.593 million to R734.708 million. The factors affecting the adjustment were discussed in the explanatory notes under Table 2 above.

2. Total expenditure was also adjusted from R687.034 million to R699.679 million. The factors contributing to this situation were outlined in the explanatory notes under Table 3.

**Table 9: MBRR - LIM366 Bela-Bela - Table B5 Adjustments Capital Expenditure Budget by vote and funding**

Description	R ef	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus. 10	Total Adjus. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>	2											
Vote 1 - Budget and Treasury		—	—	—	—	—	—	—	—	—	—	—
Vote 2 - Corporate Services		—	—	—	—	—	—	—	—	—	—	—
Vote 3 - Mayor		—	—	—	—	—	—	—	—	—	—	—
Vote 4 - Municipal Manager		—	—	—	—	—	—	—	—	—	—	—
Vote 5 - Internal Audit		—	—	—	—	—	—	—	—	—	—	—
Vote 6 - Planning and Economic Development		—	—	—	—	—	—	—	—	—	—	—
Vote 7 - Social and Community Services		261	0	—	—	—	—	—	—	0	870	4 348
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		29 661	29 920	—	—	—	—	4 684	4 684	34 604	87 243	111 267
Vote 10 - Technical Services		—	—	—	—	—	—	—	—	—	—	—
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—	—	—
<b>Capital multi-year expenditure sub-total</b>	3	<b>29 922</b>	<b>29 920</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4 684</b>	<b>4 684</b>	<b>34 604</b>	<b>88 112</b>	<b>115 615</b>
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - Budget and Treasury		80	527	—	—	—	—	13 661	13 661	14 188	5 800	—
Vote 2 - Corporate Services		3 200	3 356	—	—	—	—	324	324	3 680	1 968	—
Vote 3 - Mayor		—	—	—	—	—	—	—	—	—	—	—
Vote 4 - Municipal Manager		—	—	—	—	—	—	—	—	—	63	—
Vote 5 - Internal Audit		300	—	—	—	—	—	—	—	—	—	—
Vote 6 - Planning and Economic Development		500	250	—	—	—	—	—	—	250	222	—
Vote 7 - Social and Community Services		7 916	9 072	—	—	—	—	(3 093)	(3 093)	5 979	4 611	—
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		110 093	116 306	—	—	—	—	(4 056)	(4 056)	112 250	43 358	4 378
Vote 10 - Technical Services		—	—	—	—	—	—	—	—	—	—	—
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—	—	—
<b>Capital single-year expenditure sub-total</b>		<b>122 089</b>	<b>129 511</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6 836</b>	<b>6 836</b>	<b>136 347</b>	<b>56 022</b>	<b>4 378</b>
<b>Total Capital Expenditure - Vote</b>		<b>152 011</b>	<b>159 431</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>11 520</b>	<b>11 520</b>	<b>170 951</b>	<b>144 135</b>	<b>119 993</b>
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		<b>3 580</b>	<b>3 883</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13 985</b>	<b>13 985</b>	<b>17 868</b>	<b>7 831</b>	<b>—</b>
Executive and council		—	—	—	—	—	—	—	—	—	—	—
Finance and administration		3 280	3 883	—	—	—	—	13 985	13 985	17 868	7 831	—
Internal audit		300	—	—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		<b>1 561</b>	<b>1 233</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1 233</b>	<b>2 032</b>	<b>4 348</b>
Community and social services		411	58	—	—	—	—	—	—	58	1 441	4 348
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—
Public safety		1 150	1 175	—	—	—	—	—	—	1 175	591	—
Housing		—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>28 950</b>	<b>32 495</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>876</b>	<b>876</b>	<b>33 371</b>	<b>42 042</b>	<b>23 971</b>
Planning and development		500	250	—	—	—	—	—	—	250	222	—
Road transport		28 450	32 245	—	—	—	—	876	876	33 121	41 820	23 971
Environmental protection		—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>		<b>117 920</b>	<b>121 820</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(3 340)</b>	<b>(3 340)</b>	<b>118 479</b>	<b>92 229</b>	<b>91 674</b>
Energy sources		25 752	26 885	—	—	—	—	1 504	1 504	28 390	14 124	11 697
Water management		57 338	57 374	—	—	—	—	579	579	57 953	43 501	42 509
Waste water management		28 213	29 721	—	—	—	—	(2 330)	(2 330)	27 391	31 155	37 468
Waste management		6 616	7 839	—	—	—	—	(3 093)	(3 093)	4 746	3 449	—
<b>Other</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

<b>Total Capital Expenditure - Functional</b>	3	152 011	159 431	-	-	-	-	11 520	11 520	170 951	144 135	119 993
<b>Funded by:</b>												
National Government		131 349	138 632	-	-	-	-	(2 452)	(2 452)	136 180	121 813	119 993
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	131 349	138 632	-	-	-	-	(2 452)	(2 452)	136 180	121 813	119 993
<b>Borrowing</b>		-	-	-	-	-	-	13 661	13 661	13 661	-	-
<b>Internally generated funds</b>		20 662	20 799	-	-	-	-	311	311	21 110	22 322	-
<b>Total Capital Funding</b>		152 011	159 431	-	-	-	-	11 520	11 520	170 951	144 135	119 993

## Explanatory notes to Table B5 - Budgeted Capital Expenditure by vote, standard classification, and funding source

Table 4 above depicts capital expenditure per functional classification and the source of funding. The capital budget is funded largely through capital grants allocations in terms of the Division of Revenue Act. The capital budget was adjusted from previously adjusted budget of R159.431 million to R170.951 million. The factors affecting the adjustment are discussed under table 4 above.

**Table 10: MBRR - LIM366 Bela-Bela - Table B6 Adjustments Budget Financial Position**

Description	R ef	2025/26								Budget Year 2026/27	Budget Year 2027/28	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>R thousands</b>												
<b>ASSETS</b>												
<b>Current assets</b>												
Cash and cash equivalents		70 293	78 226	-	-	-	-	(3 556)	(3 556)	74 669	84 972	173 138
Trade and other receivables from exchange transactions	1	131 602	136 766	-	-	-	-	-	-	136 766	138 387	171 725
Receivables from non-exchange transactions	1	88 078	114 581	-	-	-	-	5 698	5 698	120 278	100 418	101 228
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		989	795	-	-	-	-	1	1	796	475	491
VAT		190 863	258 404	-	-	-	-	1 201	1 201	259 605	-	-
Other current assets		955	835	-	-	-	-	-	-	835	835	835
<b>Total current assets</b>		<b>482 780</b>	<b>589 606</b>	-	-	-	-	<b>3 343</b>	<b>3 343</b>	<b>592 949</b>	<b>325 087</b>	<b>447 417</b>
<b>Non current assets</b>												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		70 458	92 503	-	-	-	-	-	-	92 503	95 843	96 283
Property, plant and equipment	3	1 027 851	1 155 377	-	-	-	-	11 520	11 520	1 166 898	1 136 145	1 111 267
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		539	539	-	-	-	-	-	-	539	539	539
Intangible assets		2 458	1 912	-	-	-	-	-	-	1 912	2 402	1 383
Trade and other receivables from exchange transactions		141	141	-	-	-	-	-	-	141	141	141
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>1 101 446</b>	<b>1 250 472</b>	-	-	-	-	<b>11 520</b>	<b>11 520</b>	<b>1 261 992</b>	<b>1 235 069</b>	<b>1 209 633</b>
<b>TOTAL ASSETS</b>		<b>1 584 226</b>	<b>1 840 079</b>	-	-	-	-	<b>14 863</b>	<b>14 863</b>	<b>1 854 942</b>	<b>1 560 156</b>	<b>1 657 050</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	3 365	-	-	-	-	9 370	9 370	12 734	3 365	3 365
Consumer deposits		7 239	7 445	-	-	-	-	-	-	7 445	7 445	7 445
Trade and other payables from exchange transactions		177 290	124 342	-	-	-	-	(5 869)	(5 869)	118 473	142 518	167 252
Trade and other payables from non-exchange transactions		0	18 570	-	-	-	-	2 550	2 550	21 120	0	-
Provisions		5 933	32 638	-	-	-	-	-	-	32 638	29 235	29 598
VAT		190 383	251 422	-	-	-	-	-	-	251 422	-	-
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>380 844</b>	<b>437 782</b>	-	-	-	-	<b>6 051</b>	<b>6 051</b>	<b>443 833</b>	<b>182 563</b>	<b>207 659</b>
<b>Non current liabilities</b>												
Borrowing	1	4 015	1 692	-	-	-	-	8 995	8 995	10 687	1 692	1 692
Provisions	1	107 419	74 359	-	-	-	-	-	-	74 359	68 133	68 133

Long term portion of trade payables		10 335	6 982	—	—	—	—	—	—	6 982	6 982	6 982
Other non-current liabilities		52 213	58 684	—	—	—	—	—	—	58 684	—	—
<b>Total non current liabilities</b>		<b>173 982</b>	<b>141 717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 995</b>	<b>8 995</b>	<b>150 712</b>	<b>76 807</b>	<b>76 807</b>
<b>TOTAL LIABILITIES</b>		<b>554 826</b>	<b>579 498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 046</b>	<b>15 046</b>	<b>594 545</b>	<b>259 369</b>	<b>284 466</b>
<b>NET ASSETS</b>	2	<b>1 029 400</b>	<b>1 260 580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(183)</b>	<b>(183)</b>	<b>1 260 397</b>	<b>1 300 786</b>	<b>1 372 584</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		1 029 400	1 260 580	—	—	—	—	(183)	(183)	1 260 397	1 226 104	1 297 117
Funds and Reserves		—	—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>1 029 400</b>	<b>1 260 580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(183)</b>	<b>(183)</b>	<b>1 260 397</b>	<b>1 226 104</b>	<b>1 297 117</b>

## Explanatory notes to Table B6 - Budgeted Financial Position

- Table B6 consists of 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).
- 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 convertible to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of several items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current liabilities;
  - Changes in net assets; and
  - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.
- The adjustments on the Statement of Financial Position were done to improve alignment with the actuals in the Audited Annual Financial Statements.

**Table 11: MBRR - LIM366 Bela-Bela - Table B7 Adjustments Budget Cash Flows**

Description	R ef	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	9	H		
<b>R thousands</b>												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		104 332	93 898	—	—	—	—	—	—	93 898	102 672	106 060
Service charges		249 416	239 360	—	—	—	—	—	—	239 360	284 212	305 548
Other revenue		78 146	95 688	—	—	—	—	(2 000)	(2 000)	93 688	70 073	72 537
Transfers and Subsidies - Operational Transfers	1	151 036	151 518	—	—	—	—	(1 100)	(1 100)	150 418	155 577	158 614
and Subsidies - Capital Interest	1	140 291	167 461	—	—	—	—	—	—	167 461	118 965	137 992
Dividends		32 960	33 638	—	—	—	—	(1 000)	(1 000)	32 638	35 671	36 848
<b>Payments</b>												
Suppliers and employees		—	—	—	—	—	—	—	—	—	—	—
Finance charges Transfers and Subsidies	1	(559 147)	(574 778)	—	—	—	—	(4 406)	(4 406)	(579 184)	(627 591)	(639 223)
		—	—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—	—
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>197 033</b>	<b>206 786</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(8 506)</b>	<b>(8 506)</b>	<b>198 280</b>	<b>139 579</b>	<b>178 375</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—	—
<b>Payments</b>												
Capital assets		(152 011)	(181 432)	—	—	—	—	4 949	4 949	(176 482)	(144 135)	(119 993)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(152 011)</b>	<b>(181 432)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4</b>	<b>4 949</b>	<b>(176 482)</b>	<b>(144 135)</b>	<b>(119 993)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—	—
<b>Payments</b>												
Repayment of borrowing		—	—	—	—	—	—	—	—	—	—	—
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>45 022</b>	<b>25 354</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(3 556)</b>	<b>(3 556)</b>	<b>21 798</b>	<b>(4 556)</b>	<b>58 382</b>
Cash/cash equivalents at the year begin:	2	25 270	52 871	—	—	—	—	—	—	52 871	52 871	84 972
Cash/cash equivalents at the year end:	2	70 293	78 226	—	—	—	—	(3 556)	(3 556)	74 669	48 315	143 354

**Explanatory notes to Table B7 - Budgeted Cash Flow Statement**

- a) The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- b) It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- c) The net increase in cash held is reduced by R3.556 million which was affected by:
  - i. Adjustments to the capital expenditure in 2025/2026.
  - ii. Repayment of additional grant allocations received
- d) Cash/cash equivalents at the year-end are adjusted from R78.226 million up to R74.669 million.

**Table 12: MBRR - LIM366 Bela-Bela - Table B8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end Other	1	70 293	78 226	—	—	—	—	(3 556)	(3 556)	74 669	48 315	143 354
current investments > 90 days		(0)	(0)	—	—	—	—	0	0	(0)	36 657	29 784
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—	—
<b>Cash and investments available:</b>		<b>70 293</b>	<b>78 226</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(3 556)</b>	<b>(3 556)</b>	<b>74 669</b>	<b>84 972</b>	<b>173 138</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		0	18 570	—	—	—	—	2 550	2 550	21 120	0	—
Unspent borrowing		—	—	—	—	—	—	—	—	—	—	—
Statutory requirements		(480)	(6 982)	—	—	—	—	(1 201)	(1 201)	(8 183)	—	—
Other working capital requirements	2	(31 918)	(87 788)	—	—	—	—	(2 400)	(2 400)	(90 188)	(55 565)	(50 550)
Other provisions		5 933	32 638	—	—	—	—	—	—	32 638	29 235	29 598
Long term investments committed		—	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments		—	—	—	—	—	—	—	—	—	—	—
<b>Total Application of cash and investments:</b>		<b>(26 465)</b>	<b>(43 561)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1 051)</b>	<b>(1 051)</b>	<b>(44 613)</b>	<b>(26 330)</b>	<b>(20 952)</b>
<b>Surplus(shortfall)</b>		<b>96 758</b>	<b>121 787</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2 505)</b>	<b>(2 505)</b>	<b>119 282</b>	<b>111 303</b>	<b>194 091</b>

**Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

- a) The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- b) 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.
- c) The outcome of this exercise would be either 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”.
- d) In the case of this Second Special Adjustment budget, the municipality is assumed to have adopted a funded Second Special adjustments budget as the reconciliation results in a R119.282 million surplus.

**Table 13: MBRR – LIM366 Bela-Bela - Table B9 Asset Management**

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>R thousands</b>												
<b>CAPITAL EXPENDITURE</b>												
<b>Total New Assets to be adjusted</b>	1	61 996	61 669	--	--	--	--	18 570	18 570	80 239	50 406	40 451
Roads Infrastructure		18 894	18 196	--	--	--	--	3 093	3 093	21 289	21 558	23 971
Storm water Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Electrical Infrastructure		13 043	16 490	--	--	--	--	1 504	1 504	17 994	9 709	11 697
Water Supply Infrastructure		13 636	13 082	--	--	--	--	--	--	13 082	400	435
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--	410	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Infrastructure		45 573	47 767	--	--	--	--	4 598	4 598	52 365	32 077	36 104
Community Facilities		761	500	--	--	--	--	--	--	500	870	4 348
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--	--	--
Community Assets		761	500	--	--	--	--	--	--	500	870	4 348
Heritage Assets		--	--	--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--	--	--
Operational Buildings		800	550	--	--	--	--	--	--	550	222	--
Housing		--	--	--	--	--	--	--	--	--	--	--
Other Assets	6	800	550	--	--	--	--	--	--	550	222	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--	--	--
Servitudes		--	--	--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--	--	--
Intangible Assets		--	--	--	--	--	--	--	--	--	--	--
Computer Equipment		3 200	2 795	--	--	--	--	--	--	2 795	2 634	--
Furniture and Office Equipment		380	380	--	--	--	--	324	324	704	476	--
Machinery and Equipment		11 282	9 677	--	--	--	--	(13)	(13)	9 664	7 127	--
Transport Assets		--	--	--	--	--	--	13 661	13 661	13 661	5 800	--
Land		--	--	--	--	--	--	--	--	--	1 200	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--	--	--
<b>Living Resources</b>		--	--	--	--	--	--	--	--	--	--	--
<b>Total Renewal of Existing Assets to be adjusted</b>	2	13 704	16 639	--	--	--	--	(747)	(747)	15 892	36 403	36 906
Roads Infrastructure		9 357	13 935	--	--	--	--	(2 217)	(2 217)	11 718	18 365	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Electrical Infrastructure		2 609	2 270	--	--	--	--	--	--	2 270	--	--
Water Supply Infrastructure		1 739	435	--	--	--	--	1 470	1 470	1 905	18 038	36 906
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Infrastructure		13 704	16 639	--	--	--	--	(747)	(747)	15 892	36 403	36 906
Community Facilities		--	--	--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--	--	--
Community Assets		--	--	--	--	--	--	--	--	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--	--	--
Other Assets	6	--	--	--	--	--	--	--	--	--	--	--
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		--	--	--	--	--	--	--	--	--	--	--



<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	4	<b>152 011</b>	<b>159 431</b>	—	—	—	—	<b>11 520</b>	<b>11 520</b>	<b>170 951</b>	<b>144 135</b>	<b>119 993</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	1 101 305	1 250 332	—	—	—	—	11 520	11 520	1 261 852	938 250	1 209 492
<i>Roads Infrastructure</i>		127 716	163 946	—	—	—	—	—	—	163 946	163 747	163 229
<i>Storm water Infrastructure</i>		69 006	66 783	—	—	—	—	—	—	66 783	66 783	66 700
<i>Electrical Infrastructure</i>		50 647	92 326	—	—	—	—	2 809	2 809	95 135	88 162	86 049
<i>Water Supply Infrastructure</i>		140 150	141 969	—	—	—	—	—	—	141 969	142 019	141 340
<i>Sanitation Infrastructure</i>		168 546	188 810	—	—	—	—	—	—	188 810	188 120	187 505
<i>Solid Waste Infrastructure</i>		(1 209)	(454)	—	—	—	—	—	—	(454)	(1 254)	(1 294)
<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—	—	—
<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—	—	—
<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—	—	—
<i>Infrastructure</i>		—	—	—	—	—	—	—	—	—	—	—
		554 855	653 381	—	—	—	—	2 809	2 809	656 190	647 578	643 531

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget A	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjusts. 12 F	Total Adjusts. 13	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget
<b>R thousands</b>												
Community Assets		64 466	67 483	—	—	—	—	—	—	67 483	66 953	66 390
Heritage Assets		539	539	—	—	—	—	—	—	539	539	539
Investment properties Other		70 458	92 503	—	—	—	—	—	—	92 503	95 843	96 283
Assets		230 645	328 387	—	—	—	—	(5 261)	(5 261)	323 126	15 592	305 819
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—	—	—
Intangible Assets		2 458	1 912	—	—	—	—	—	—	1 912	2 402	1 383
Computer Equipment		2 191	4 523	—	—	—	—	—	—	4 523	3 930	2 368
Furniture and Office Equipment Machinery and Equipment Transport Assets		4 348	4 063	—	—	—	—	324	324	4 387	2 479	920
Land		72 387	3 435	—	—	—	—	(13)	(13)	3 422	4 165	776
Zoo's, Marine and Non-biological Animals Living Resources		17 658	6 055	—	—	—	—	13 661	13 661	19 716	9 518	3 433
		81 301	88 051	—	—	—	—	—	—	88 051	89 251	88 051
		—	—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—	—
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>1 101 305</b>	<b>1 250 332</b>	—	—	—	—	<b>11 520</b>	<b>11 520</b>	<b>1 261 852</b>	<b>938 250</b>	<b>1 209 492</b>
<b>EXPENDITURE OTHER ITEMS</b>												
<b>Depreciation &amp; asset impairment</b>		44 944	49 090	—	—	—	—	—	—	49 090	52 577	54 312
<b>Repairs and Maintenance by asset class</b>	3	<b>25</b>	<b>26</b>	—	—	—	—	<b>(14)</b>	<b>(14)</b>	<b>26</b>	<b>57</b>	<b>59</b>
<i>Roads Infrastructure</i>		2 600	2 445	—	—	—	—	—	—	2 445	14 060	14 524
<i>Storm water Infrastructure</i>		600	900	—	—	—	—	—	—	900	1 100	1 136
<i>Electrical Infrastructure</i>		10 000	11 000	—	—	—	—	—	—	11 000	31 196	32 226
<i>Water Supply Infrastructure</i>		5 320	4 820	—	—	—	—	(44)	(44)	4 776	5 120	5 289
<i>Sanitation Infrastructure</i>		4 600	3 950	—	—	—	—	—	—	3 950	750	775
<i>Solid Waste Infrastructure</i>		—	—	—	—	—	—	—	—	—	—	—
<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—	—	—
<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—	—	—
<i>Information and Communication Infrastructure</i>		50	50	—	—	—	—	—	—	50	—	—
<b>Infrastructure</b>		23 170	23 165	—	—	—	—	(44)	(44)	23 122	52 226	53 949
Community Facilities		150	150	—	—	—	—	—	—	150	150	155
Sport and Recreation Facilities		1 150	1 200	—	—	—	—	(96)	(96)	1 104	1 650	1 704
<b>Community Assets</b>		1 300	1 350	—	—	—	—	(96)	(96)	1 254	1 800	1 859
<b>Heritage Assets</b>		—	—	—	—	—	—	—	—	—	—	—
Revenue Generating Non-revenue Generating		—	—	—	—	—	—	—	—	—	—	—
<b>Investment properties</b>		—	—	—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—
<b>Other Assets</b>		—	—	—	—	—	—	—	—	—	—	—
<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—	—	—
<b>Intangible Assets</b>		—	—	—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		70	70	—	—	—	—	—	—	70	100	103
Machinery and Equipment		500	430	—	—	—	—	—	—	430	550	568
Transport Assets		—	1 950	—	—	—	—	—	—	1 950	2 900	2 996
Land		—	—	—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—	—	—
Mature Immature		—	—	—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—	—
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>		<b>69 984</b>	<b>76 055</b>	—	—	—	—	<b>(140)</b>	<b>(140)</b>	<b>75 916</b>	<b>110 153</b>	<b>113 788</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		59.2%	61.3%							53.1%	65.0%	66.3%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>		200.3%	199.1%							184.8%	178.3%	146.5%

<b>R&amp;M as a % of PPE</b>	2.3%	2.2%						2.1%	6.1%	4.9%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>	10.4%	10.0%						9.3%	16.1%	11.5%

### Explanatory notes to Table B9 - Asset Management

1. Table B9 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 table shows that all the capital allocations are for new assets.
3. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

**Table 14: MBRR Table B10 - Basic Service Delivery Measurement**

Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Household service targets</b>	1											
<b>Water:</b>												
Piped water inside dwelling		14973	14973							15	14973	14973
Piped water inside yard (but not in dwelling)		855	855							1	855	855
Using public tap (at least min.service level)	2	3136	3136							3	3136	3136
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>		19	19							19	19	19
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Servic Level sub-total</i>												
<b>Total number of households</b>	5	19	19							19	19	19
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		15828	15828							15 828	15828	15828
Flush toilet (with septic tank)		875	875							875	875	875
Chemical toilet		0	0								0	0
Pit toilet (ventilated)		987	987							987	987	987
Other toilet provisions (> min.service level)		1274	1274							1 274	1274	1274
<i>Minimum Service Level and Above sub-total</i>		18 964	18 964							18 964	18 964	18 964
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Servic Level sub-total</i>												
<b>Total number of households</b>	5	18 964	18 964							18 964	18 964	18 964
<b>Energy:</b>												
Electricity (at least min. service level)		577	577							577	577	577
Electricity - prepaid (> min.service level)		16326	16326							16 326	16326	16326
<i>Minimum Service Level and Above sub-total</i>		16 903	16 903							16 903	16 903	16 903
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Servic Level sub-total</i>												
<b>Total number of households</b>	5	16 903	16 903							16 903	16 903	16 903
<b>Refuse:</b>												
Removed at least once a week (min.service)		11310	11310							11 310	11310	11310
<i>Minimum Service Level and Above sub-total</i>		11 310	11 310							11 310	11 310	11 310
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Servic Level sub-total</i>												
<b>Total number of households</b>	5	11 310	11 310							11 310	11 310	11 310
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)		5	5							5	5	5
Sanitation (free minimum level service)		5	5							5	5	5
Electricity/other energy (50kwh per household per month)		5	5							5	5	5
Refuse (removed at least once a week)		5	5							5	5	5
<b>Informal Settlements</b>												
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per indigent household per month)		12 757	12 757							12 757	13 344	13 931
Sanitation (free sanitation service to indigent households)		15 543	15 543							15 543	16 258	16 974
Electricity/other energy (50kwh per indigent household per month)		6 388	6 388							6 388	6 880	7 182
Refuse (removed once a week for indigent households)		4 983	4 983							4 983	5 212	5 442
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>												
<b>Total cost of FBS provided</b>		39 671	39 671							39 671	41 694	43 529

<b>Highest level of free service provided</b>													
Property rates (R'000 value threshold)		6	6							-	-	6	6
Water (kilolitres per household per month)										-	6	-	-
Sanitation (kilolitres per household per month)		272	272							-	-	285	296
Sanitation (Rand per household per month)		50	50							-	272	50	50
Electricity (kw per household per month)		165	165							-	50	165	165
Refuse (average litres per week)										-	165	-	-
<b>Revenue cost of free services provided (R'000)</b>													
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	17									-	-		
excess of section 17 of MPRA)		48 369	48 369	-	-	-	-	-	-	-	48 369	49 169	50 792
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										-	-		
Housing - top structure subsidies	6									-	-		
Other										-	-		
<b>Total revenue cost of subsidised services provided</b>		<b>48 369</b>	<b>48 369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48 369</b>	<b>49 169</b>	<b>50 792</b>

## Explanatory notes to Table B10 - Basic Service Delivery Measurement

Table B10 provides an overview of service delivery levels, including free basic services provided to qualifying indigent consumers.

## Part 2 – Supporting Documentation

**Table 15: Municipal Infrastructure Grant - Projects**

<b>MIG FUNDING</b>			
<b>PROJECT DESCRIPTION</b>	<b>Prior Adjusted budget</b>	<b>Proposed adjustment</b>	<b>Proposed Adjusted budget</b>
Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)	R8 659 343.10	R5 102 067.47	-R3 557 275.63
Construction of Road Paving and Bulk stormwater in Bela Bela X8 - Phase 4	R13 619 124.55	R12 338 747.17	-R1 280 377.38
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 1	R6 372 801.52	R6 372 801.52	R0.00
Construction of Road Paving and Stormwater in Rapotokwane -Phase 1	R640 080.84	R5 477 733.84	R4 837 653.01
PMU Operational Costs	R 1 541 650.00	R 1 541 650.00	
<b>DORA ALLOCATION</b>	<b>R30 833 000.00</b>	<b>R30 833 000.00</b>	
<b>TOTAL BUDGET</b>	<b>R 30 833 000.00</b>	<b>R 30 833 000.00</b>	

**Table 16: Water Services Infrastructure Grant (WSIG) – Projects**

<b>WSIG FUNDING</b>			
<b>PROJECT DESCRIPTION</b>	<b>Prior Adjusted budget</b>	<b>Proposed adjustment</b>	<b>Proposed Adjusted budget</b>
Upgrading of the Settlers Sewer Pump Station (Ward 2)	R9 657 481.55	R9 657 481.55	R0.00
Upgrading of the Industrial outfall sewer line (Ward 2)	R20 892 801.47	R17 081 338.42	-R3 811 463.05
Water Supply Source Augmentation and the construction of the water reticulation network in Tsakane (Ward 7)	R15 043 828.63	R15 043 828.63	R0.00
Construction of Water Booster Pump Station and Upgrading of a Steel Elevated Tank in Ext 8 (Ward 4)	R5 957 423.48	R6 181 673.48	R224 250.00
Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-Bela Water Treatment Works (Ward 1 & 9)	R41 448 464.87	R39 705 892.95	-R1 742 571.92
Water Supply Source Augmentation using SASSA Borehole and construction of Water Treatment Plant (Ward 1)	R500 000.00	R993 600.00	R493 600.00
Replacement of AC Water Pipes in Bela-Bela Town - Gilfillan, Botha, Van Der Merwe, Pretoria, Voortrekker, Sutter, Marx, Crockery and Potgieter Street (Ward 1)	R500 000.00	R2 190 384.97	R1 690 384.97
Upgrading of the Pienaarsrivier Sewer Pump Station (Ward 8)	R500 000.00	R1 084 100.00	R584 100.00
Upgrading of the Masakhane Wastewater Treatment Works (Ward 9)	R500 000.00	R1 061 700.00	R561 700.00
<b>TOTAL BUDGET</b>	<b>R 95 000 000.00</b>	<b>R 93 000 000.00</b>	<b>-R 2 000 000.00</b>

**Table 17: Integrated National Electrification Programme (INEP)**

<b>ELECTRICAL PROJECTS - INEP FUNDING</b>			
<b>PROJECT DESCRIPTION</b>	<b>Prior Adjusted budget</b>	<b>Proposed adjustment</b>	<b>Proposed Adjusted budget</b>
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station	R0.00		
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 1	R15 000 000.00	R15 000 000.00	R0.00
<b>DORA ALLOCATION</b>	<b>R15 000 000.00</b>	<b>R15 000 000.00</b>	<b>R0.00</b>
<b>TOTAL BUDGET</b>	<b>R 15 000 000.00</b>	<b>R 15 000 000.00</b>	<b>R 0.00</b>

**Table 18: Municipal Disaster Response Grant**

<b>MDRG FUNDING (Response Grant)</b>			
<b>PROJECT DESCRIPTION</b>	<b>Prior Adjusted budget</b>	<b>Proposed adjustment</b>	<b>Proposed Adjusted budget</b>
Refurbishment of roads and stormwater in Limpopo Road and Mabunda Street (Ward 7&5)	R 10 925 336.82	R 10 925 336.82	R 0.00
Repair of Moloto-Masemola (Ward 2)	R 3 000 000.00	R 450 000.00	-R 2 550 000.00
<b>TOTAL BUDGET</b>	<b>R 13 925 336.82</b>	<b>R 11 375 336.82</b>	<b>-R 2 550 000.00</b>

**Table 19: Municipal Disaster Recovery Grant**

<b>MDRG FUNDING (Recovery Grant)</b>			
<b>PROJECT DESCRIPTION</b>	<b>Prior Adjusted budget</b>	<b>Proposed adjustment</b>	<b>Proposed Adjusted budget</b>
Rehabilitation of Meininger Street (Ward 1)	R 3 500 000.00	R 450 000.00	-R 3 050 000.00
Rehabilitation of Industrial Road (Ward 6)	R 8 600 000.00	R 800 000.00	-R 7 800 000.00
Rehabilitation of Paul Sauer Street (Ward 6)	R 8 570 000.00	R 850 000.00	-R 7 720 000.00
<b>TOTAL BUDGET</b>	<b>R 20 670 000.00</b>	<b>R 2 100 000.00</b>	<b>-R 18 570 000.00</b>

**Table 21: Energy Efficiency and Demand Side Management (EEDSM)**

<b>EEDSM FUNDING</b>			
<b>PROJECT DESCRIPTION</b>	<b>Prior Adjusted budget</b>	<b>Proposed adjustment</b>	<b>Proposed Adjusted budget</b>
Retro fitting of Street Lights	R 2 610 000.00	R 2 610 000.00	
<b>TOTAL BUDGET</b>	<b>R 2 610 000.00</b>	<b>R 2 610 000.00</b>	

**Table 22: Capital Expenditure funded by Internally Generated Funds (Own Source)**

<b>Internally Generated Funds (Own Source)</b>			
<b>Description</b>	<b>Prior Adjusted budget</b>	<b>Proposed adjustment</b>	<b>Proposed Adjusted budget</b>
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 1	R 563 708	R -	R 563 708
Switch gear refurbishment	R 3 326 086	R -	R 3 326 086
SCADA for BB WWTW WTW and PS (MI)	R 600 000	R -	R 600 000
DLTC fence repairs	R 500 000	R -	R 500 000
Construction of Informal Training Stalls	R 250 000	R -	R 250 000
DLTC Client waiting area	R 300 000	R -	R 300 000
Procurement of Computer equipment	R 1 315 400	R -	R 1 315 400
Meter Reading Gadgets	R 174 288	R -	R 174 288
Printers	R 126 000	R -	R 126 000
Acquisition of electricity meters	R 708 696	R -	R 708 696
Procurement of Streetlight Retrofits	R 869 566	R -	R 869 566
Procurement of Transformers and Maniatures	R 4 500 000	R -	R 4 500 000
Procurement of Office Furniture	R 300 000	R 324 000	R 624 000
Acquisition of office equipment (Ring Binder and Shredder)	R 80 000	R -	R 80 000
240litres Refuse Bins	R 259 500	R -	R 259 500
Cleaning Equipment( Carpet & Upholtry Cleaners and others)	R 100 000	R -	R 100 000
Drinking Water Quality Testing Kits and Instruments	R 100 000	R -	R 100 000
Grass cutting and Trees pruning equipment	R 57 828	R -	R 57 828
Computer Equipment	R 579 600	R -	R 579 600
Procurement of Council Chamber Audio	R 935 000	R -	R 935 000
Water meters	R 750 000	R -	R 750 000
Bela-Bela WTW and Lapa PS: Procurement of Pumps and motors	R 600 000	R -	R 600 000
Vingerkraal: Procurement of Pumps and motors	R 150 000	R -	R 150 000
Tools and kits	R 300 000	R -	R 300 000
Guns and Ammunition for Traffic Officers	R -	R -	R -
Machinery and Equipment: Acquisition	R 272 750	R -	R 272 750
Breatherlyzers	R 30 000	R -	R 30 000
Masakhane/ Radium Sewer Ponds and Pump Station: Procurement of Pumps motors and	R 100 000	R -	R 100 000
Pienaarsrivier Sewer Ponds and Pump Station: Procurement of Pumps motors and va	R 100 000	R -	R 100 000
Grass cutter with steel blades (X3).	R 162 000	R -	R 162 000
Chainsaw compatible Stihl (45CC)	R 10 000	R -	R 10 000
Pienaarsrivier: Procurement of Pumps and motors	R 50 000	R -	R 50 000
Procurement of New Aircons	R 369 250	R -	R 369 250
Procurement of Sewer Gas Monitor and Confined space Tripod w	R 50 000	R -	R 50 000
Bullet Proof Vests	R 90 000	R -	R 90 000
Wastewater Quality Testing Kits and Instruments (6 Sludge cones 3 Ph meter 3	R 164 172	-R 12 530	R 151 642
Firearms storage safes	R 50 000	R -	R 50 000
Radium: Procurement of Pumps and motors	R 150 000	R -	R 150 000
Traffic Signs and Direction Boards (Assets)	R 204 936	R -	R 204 936
Illegal Dumping Prohibition Boards (Assets)	R 50 000	R -	R 50 000
Warmbad WWTW and Pump Stations: Procurement of Pumps and mot	R 1 100 000	R -	R 1 100 000
Rapotokwane: Procurement of Pumps and motors (New)	R 200 000	R -	R 200 000

Tsakane: Procurement of Pumps and motors (New)	R 200 000	R -	R 200 000
<b>Total</b>	<b>R 20 798 780</b>	<b>R 311 470</b>	<b>R 21 110 250</b>

## 2.1. Adjustments to service delivery and budget implementation plan

The 2025/2026 SDBIP Adjustment will be prepared in the context of the 2025/2026 Special Adjustments Budget. In a sense, the report must also highlight areas where targets have been adjusted due to the influence of the decisions on the budget adjustment side. Most importantly, the special budget adjustment as well as any adjustment to the SDBIP is done in total alignment to the goals of the municipality as set out in the IDP. Any unavoidable deviation from the adjusted SDBIP will be dealt with during the revision of the IDP, taking into consideration all necessary legislative requirements. In addition, the report will also capture changes that have occurred during the past 3 Quarters of the year, such as structural changes that have brought about relocation of certain KPIs/targets among and/or within department/divisions.

The following generic principles will be followed with the drafting of the SDBIP adjustment. Department will be requested to review their targets:

- to ensure where obvious errors in judgement in target setting occurred could be corrected
- to deal decisively with indicators that departments are required to report on, on a monthly basis that are not reflective of their core business, or which cannot be accurately measured
- to reflect the amendments to resource allocation as captured in the Adjusted MTREF submission prepared by the Budget & Treasury Department
- to appropriately accommodate and plan for the amendments that are necessitated by external funding increases and/or decreases
- with a view to evaluate the amount of target capability that will not be realised due to the reduced funds
- to evaluate if funds can be diverted from another source internally within agreed financial transfer mechanisms.

## **Municipality manager's quality certificate**

I, Tsatsi George Ramagaga, the Municipal Manager of Bela-Bela Local Municipality, hereby certify that: -

❖ 2025/2026 Second Special Adjustment budget

Has been prepared in accordance with the Municipal Finance Management Act; and Municipal Budget reporting Regulations (MBBR) made under the Act.

**Mr T.G. Ramagaga**  
**Municipal Manager**

Signature:  \_\_\_\_\_

Date: 24 June 2026