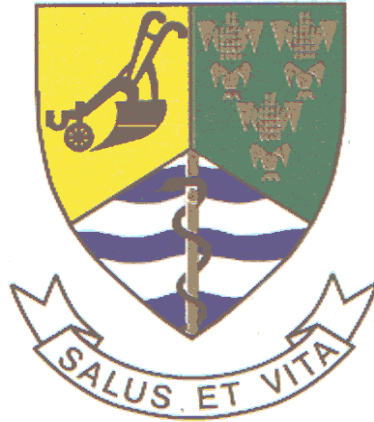


BELA-BELA LOCAL MUNICIPALITY



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 – Adjustment 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 month of February 2026 where the Mayor would table the 2025/2026 adjustment budget for adoption by Council. At the meeting, the Council took 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 adjustment budget for 2025/2026 financial year is noted.
2. That the proposed 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 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

Section 72(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a mid-year budget assessment report to the Mayor before the 25th of January each year on the state of the municipality's budget based on the section 71 reports submitted; the municipality's service delivery performance during the first half of the financial year taking the service delivery targets and performance indicators as set in the Service Delivery and Budget Implementation Plan (SDBIP) into account; and, the previous year's (2024/2025) annual report.

The recommendations in the mid-year assessment report were that an adjustments budget must be tabled to adjust revenue and expenditure targets.

Section 28 of the MFMA determines that:

- 1) *"A municipality may revise an approved annual budget through an adjustments budget.*
- 2) *An adjustments budget –*
 - a) *Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*
 - 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;*
 - c) *May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;*
 - d) *May authorise the utilisation of projected savings in one vote towards spending under another vote;*
 - e) *May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;*
 - f) *May correct any errors in the annual budget; and*
 - g) *May provide for any other expenditure within a prescribed framework.*
- 3) *An adjustments budget must be in a prescribed format.*
- 4) *Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing and frequency.*
- 5) *When an adjustments budget is tabled, it must be accompanied with –*
 - a) *An explanation how the adjustments budget affects the annual budget;*
 - b) *A motivation of any material changes to the annual budget;*
 - c) *An explanation of the impact of any increased spending on the annual budget and the annual budget for the next two financial years; and*
 - d) *Any other supporting documentation that may be prescribed.*
 - e) *An adjustments budget must be in a prescribed format.*
- 6) *Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan".*

Section 54 of the MFMA requires the mayor to consider the Section 71 and 72 reports and to take appropriate action, if needed, to ensure that the approved budget is implemented in accordance with the SDBIP.

Section 23(1) of the Municipal Budget and Reporting Regulations determines that –

“An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.”

The capital and operating budgets have been evaluated and adjusted in accordance with the above-mentioned legislative requirements.

The rates and tariffs for various municipal services are not changed in this adjustments budget in line with section 28(6) of the MFMA.

The 2024/2025 adjustments budget will be published on the municipality’s website and hard copies made available at municipal offices and municipal library.

Encompassed below are tables depicting proposed adjustments against the approved 2024/2025 original budget.

Section 72(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a mid-year budget assessment report to the Mayor before the 25th of January each year on the state of the municipality’s budget based on the section 71 reports submitted; the municipality’s service delivery performance during the first half of the financial year taking the service delivery targets and performance indicators as set in the Service Delivery and Budget Implementation Plan (SDBIP) into account; and, the previous year’s (2024/2025) annual report.

The recommendations in the mid-year assessment report were that an adjustments budget must be tabled to adjust revenue and expenditure targets.

Section 28 of the MFMA determines that:

- 7) *“A municipality may revise an approved annual budget through an adjustments budget.*
- 8) *An adjustments budget –*
 - h) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*
 - i) 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;*
 - j) May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;*
 - k) May authorise the utilisation of projected savings in one vote towards spending under another vote;*
 - l) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been*

- foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;*
- m) May correct any errors in the annual budget; and*
 - n) May provide for any other expenditure within a prescribed framework.*
- 9) An adjustments budget must be in a prescribed format.*
- 10) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing and frequency.*
- 11) When an adjustments budget is tabled, it must be accompanied with –*
- f) An explanation how the adjustments budget affects the annual budget;*
 - g) A motivation of any material changes to the annual budget;*
 - h) An explanation of the impact of any increased spending on the annual budget and the annual budget for the next two financial years; and*
 - i) Any other supporting documentation that may be prescribed.*
 - j) An adjustments budget must be in a prescribed format.*
- 12) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan”.*

Section 54 of the MFMA requires the mayor to consider the Section 71 and 72 reports and to take appropriate action, if needed, to ensure that the approved budget is implemented in accordance with the SDBIP.

Section 23(1) of the Municipal Budget and Reporting Regulations determines that –

“An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.”

The capital and operating budgets have been evaluated and adjusted in accordance with the above-mentioned legislative requirements.

The rates and tariffs for various municipal services are not changed in this adjustments budget in line with section 28(6) of the MFMA.

1.4 Executive Summary

As alluded to in the Mid-year Budget Assessment Report that served before Council in January 2026, the operating and capital budget need to be adjusted accordingly due to various factors.

The municipality received an additional allocation from the Municipal Disaster Recovery Grant (MDRG) amounting to R20.670 million to fund the recovery and rehabilitation of infrastructure damaged by disasters that were classified in March 2025. This was communicated through Government Gazette No. 54100 published on 6 February 2026.

The actual water and sanitation billing during the first half of the year was significantly lower than the projected budget for the period. This indicates that the budget amount may be unattainable in the current fiscal year and needs to be adjusted downward to maintain a realistic and achievable budget.

Traffic fines revenue must be adjusted upwards to align the budget with current actual revenue levels and prior year audit outcomes. At the end of the mid-term, the actual revenue was higher than the annual budget amount.

Classification corrections are required to achieve better alignment between the budget and mSCOA chart.

Expenditure adjustments are required to ensure that there is sufficient budget provision for service delivery and operational needs for the remaining period of the financial year.

1.5 High Level Operating Adjustments Budget

1.5.1 Summary of adjustments to the Operational Budget

Table 1 below summarises adjustments to the operational budget for the 2025/2026 financial year. Operational revenue is projected to increase by R62.505 million, while operational expenditure will increase by R56.953 million.

The budgeted operational surplus is anticipated to increase by R5.552 million due adjustments of operational revenue and expenditure

These adjustments to the original budget were necessary to address material variances between the budget and actuals in the Mid-Year Budget and Performance Assessment Report, changes in allocations as per the revised Division of Revenue Act (DORA), and changes in spending priorities to address service delivery challenges and financial commitments.

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

Description	Original Budget	Proposed Budget	Proposed Adjustment
Total Operational Revenue	R656 606 032	R719 110 928	R62 504 896
Total Operational Expenditure	R627 799 036	R684 751 784	R56 952 748
Operating Surplus/(Deficit)	R28 806 996	R34 359 144	R5 552 148

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

Description	2025/26								
	Original Budget	Prior Adjuste	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts	Total Adjusts.	Adjusted Budget
R thousands									
Revenue By Source									
Exchange Revenue									
Service charges - Electricity	189 484	—	—	—	—	—	482	482	189 966
Service charges - Water	50 250	—	—	—	—	—	(4 146)	(4 146)	46 104
Service charges - Waste Water Management	26 128	—	—	—	—	—	(1 609)	(1 609)	24 520
Service charges - Waste Management	11 267	—	—	—	—	—	165	165	11 433
Sale of Goods and Rendering of Services	1 400	—	—	—	—	—	(0)	(0)	1 400
Agency services	6 000	—	—	—	—	—	—	—	6 000
Interest earned from Receivables	15 389	—	—	—	—	—	(1 360)	(1 360)	14 029
Interest earned from Current and Non Current Assets	5 000	—	—	—	—	—	3 000	3 000	8 000
Rental from Fixed Assets	1 223	—	—	—	—	—	113	113	1 336
Operational Revenue	2 470	—	—	—	—	—	1 017	1 017	3 487
Non-Exchange Revenue									
Property rates	115 924	—	—	—	—	—	—	—	115 924
Surcharges and Taxes	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	43 548	—	—	—	—	—	59 995	59 995	103 544
Licences or permits	3 447	—	—	—	—	—	—	—	3 447
Transfer and subsidies - Operational	151 036	—	—	—	—	—	390	390	151 426
Interest	17 045	—	—	—	—	—	(1 370)	(1 370)	15 675
Operational Revenue	3 595	—	—	—	—	—	(1 171)	(1 171)	2 424
Other Gains	13 398	—	—	—	—	—	7 000	7 000	20 398
Total Revenue (excluding capital transfers and contributions)	656 606	-	-	-	-	-	62 505	62 505	719 111

The total operational revenue will increase from R656.606 million to R719.111 million. The adjustment budget per line-item and the factors considered are explained as follows:

- a) **Service charges – Electricity:** To increase by R0.482 million due to higher electricity consumption (and revenue) than anticipated in the original budget. As of the end of the mid-term, the year-to-date actual revenue was higher than the year-to-date budget. This is attributable to the replacement of normal meters with prepaid smart meters.
- b) **Service charges – Water:** The R4.146 million adjustment is needed as faulty water meters led to higher budget provisions, and a program to replace those meters is now underway. This will align the budget with actual billing data.
- c) **Service charges - Waste Water Management:** To decrease by R1.609 million due to lower actual billing during the first half of the year. This is to align the budget projections with actual billing trends.
- d) **Interest from Receivables:** To decrease by R1.360 million due to lower actual billing during the first half of the year to align budget projections with actual billing data. Furthermore, the recent introduction of the 50% Incentive Scheme and approval of the indigent write-off are expected to result in a reduction of the debt book.
- e) **Interest earned from Current and Non-Current Assets:** The municipality implemented the best financial practice of transferring surplus non immediately needed funds into short-

term investments accounts, thereby generating substantial interest revenue. This has significantly enhanced the municipality's liquidity position beyond initial projections. Hence the proposed increase of R3 million.

- f) **Operational Revenue:** Comprises mainly collection charges and administrative fees such as warning cards and reconnection fees. The Increase of R1.017 million is necessary to align the budget with actual trends as actual revenue is currently outstripping the budget projections.
- g) **Transfers and subsidies-Operational:** The increase of R0.390 million emanates from the reclassification of the amount from capital grants to operational grants.
- h) **Fines, penalties and forfeits:** The increase of R59.995 million emanates from the projected increase in traffic fines as result of camera mailers in key strategic areas. This is also to align the budget with the audited amount of R95 million; and the current year actual of R61.339 million which outstripped the current total budget of R43.548 million as at the end of January 2026.
- i) **Non-Exchange Revenue – Operational:** The decrease of R 1.171 million is as a result of application of standard rates implemented on availability charges on vacant land, the municipality is generating significantly less revenue than anticipated on this item, hence it is necessary to adjust the budget to a more realistic amount.
- j) **Interest (on property rates):** The decrease of R1.370 million is due to the anticipated adjustments in terms of MPRA Section 78 regarding the Supplementary Valuation Roll.
- k) **Other Gains:** The R7 million increase relates to fair value adjustment on investment property, this is to align the budget with the 2025/2026 audited amount of R8.1 million. The amount in the original budget was only R3 million, which is significantly lower than prior year audited actuals.

Table 3: Operational Expenditure Adjustment Budget Movements

Description	2025/26								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts	Total Adjusts.	Adjusted Budget
R thousands									
Expenditure By Type									
Employee related costs	181 826	—	—	—	—	—	12 225	12 225	194 051
Remuneration of councillors	9 715	—	—	—	—	—	583	583	10 297
Bulk purchases - electricity	178 230	—	—	—	—	—	—	—	178 230
Inventory consumed	36 309	—	—	—	—	—	186	186	36 495
Debt impairment	24 996	—	—	—	—	—	36 322	36 322	61 318
Depreciation and amortisation	44 944	—	—	—	—	—	4 147	4 147	49 090
Interest	18 612	—	—	—	—	—	(8 267)	(8 267)	10 345
Contracted services	84 683	—	—	—	—	—	(4 179)	(4 179)	80 503
Operational costs	48 485	—	—	—	—	—	15 937	15 937	64 422
Total Expenditure	627 799	—	—	—	—	—	56 953	56 953	684 752

The total operational expenditure will increase from R627.779 million to R684.752 million. The adjustments to the line items are as follows:

- a) **Employee-related costs:** The increase of R12.224 million is mainly attributable to mSCOA reclassification and filling of vacant posts.
- b) **Remuneration of Councillors:** Will increase by R0,583 million due to anticipated increase in upper limits and back payments in the current year.
- c) **Debt Impairment:** The proposed increase of R36.322 million emanates from the increase in traffic fines and debtors' book.
- d) **Depreciation and amortisation:** The proposed increase of R4.147 million is due to assets acquired through the finance lease and electricity infrastructure.
- e) **Interest expense:** The proposed decrease of R8.267 million is because of mSCOA reclassification.
- f) **Contracted services:** The decrease of R4.179 million is attributable to commission expense in respect of traffic fines management contract. The landfill maintenance budget is also adjusted downwards to a realistic amount based on current expenditure and projected price escalation as per the Service Level Agreement.
- g) **Operational costs:** The increase of R8.484 million is attributable to Workmen's Compensation fees, Prepaid vending commission and fuel and oil costs. The balance of R7.453 million is attributable to virements predating the adjustment budget.

Table 4: Capital Expenditure Adjustment Budget Movements

Description	2025/26								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
R thousands									
Capital Expenditure - Functional									
Governance and administration	3 580	-	-	-	-	-	104	104	3 684
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	3 280	-	-	-	-	-	404	404	3 684
Internal audit	300	-	-	-	-	-	(300)	(300)	-
Community and public safety	1 561	-	-	-	-	-	(56)	(56)	1 505
Community and social services	411	-	-	-	-	-	(231)	(231)	180
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	1 150	-	-	-	-	-	175	175	1 325
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	28 950	-	-	-	-	-	17 115	17 115	46 065
Planning and development	500	-	-	-	-	-	(250)	(250)	250
Road transport	28 450	-	-	-	-	-	17 365	17 365	45 815
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	117 920	-	-	-	-	-	2 701	2 701	120 621
Energy sources	25 752	-	-	-	-	-	1 778	1 778	27 530
Water management	57 338	-	-	-	-	-	121	121	57 459
Waste water management	28 213	-	-	-	-	-	(421)	(421)	27 792
Waste management	6 616	-	-	-	-	-	1 223	1 223	7 839
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	152 011	-	-	-	-	-	19 864	19 864	171 875
Funded by:									
National Government	131 349	-	-	-	-	-	17 728	17 728	149 077
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	131 349	-	-	-	-	-	17 728	17 728	149 077
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	20 662	-	-	-	-	-	2 137	2 137	22 799
Total Capital Funding	152 011	-	-	-	-	-	19 864	19 864	171 875

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 line with the Division of Revenue Act. The capital expenditure is reflected exclusive of VAT as the municipality is a registered vendor in terms of the VAT Act.

Capital expenditure will increase by R19.864 million (excluding VAT).

The municipality received additional Municipal Disaster Recovery Grant (MDRG) allocation of R20.670 million in February 2026. The grant will be utilised on the following projects: Rehabilitation of Meiningen Street, Rehabilitation of Industrial Road and Rehabilitation of Paul Sauer Street

Internally funded (own source) capital expenditure will increase by R2.137 million. This is mainly attributable to additional costs on the construction of the substation; these are not covered by the INEP grant and must be funded from internally generated funds. Budget has been redirected from operational budget for this purpose.

Other capital adjustments are due to the shifting of funds within funding sources to accelerate grant spending.

1.4 Adjustment Budget Tables

The discussion below presents the ten (10) main 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 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 –

LIM366 Bela Bela - Table B1 Adjustments Budget Summary - 2025/02/28

Description	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	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates Service charges	115 924	—	—	—	—	—	—	—	115 924	121 256	126 592
Investment revenue	277 130	—	—	—	—	—	(5 108)	(5 108)	272 023	289 878	302 633
Transfers recognised - operational Other own revenue	5 000	—	—	—	—	—	3 000	3 000	8 000	5 230	5 460
	151 036	—	—	—	—	—	390	390	151 426	153 792	160 735
Total Revenue (excluding capital transfers and contributions)	107 516	—	—	—	—	—	64 222	64 222	171 739	111 987	106 124
656 606	—	—	—	—	—	—	62 505	62 505	719 111	682 143	701 544
Employee costs Remuneration of councillors	181 826	—	—	—	—	—	12 225	12 225	194 051	189 876	198 231
Depreciation & asset impairment Finance charges	9 715	—	—	—	—	—	583	583	10 297	10 161	10 609
	69 940	—	—	—	—	—	40 469	40 469	110 408	73 157	76 376
Inventory consumed and bulk purchases Transfers and subsidies	18 612	—	—	—	—	—	(8 267)	(8 267)	10 345	19 468	20 325
	214 539	—	—	—	—	—	186	186	214 725	224 408	234 282
Other expenditure Total	—	—	—	—	—	—	—	—	—	—	—
Expenditure	133 168	—	—	—	—	—	11 758	11 758	144 925	139 607	145 750
Surplus/(Deficit)	627 799	—	—	—	—	—	56 953	56 953	684 752	656 678	685 572
Transfers and subsidies - capital (monetary allocations)	28 807	—	—	—	—	—	5 552	5 552	34 359	25 466	15 973
Transfers and subsidies - capital (in-kind - all) Surplus/(Deficit) after capital transfers & contributions	151 051	—	—	—	—	—	20 445	20 445	171 497	137 606	135 303
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—	—
179 858	—	—	—	—	—	—	25 997	25 997	205 855	163 071	151 275
Surplus/ (Deficit) for the year	—	—	—	—	—	—	—	—	—	—	—
179 858	—	—	—	—	—	—	25 997	25 997	205 855	163 071	151 275
Capital expenditure & funds sources											
Capital expenditure	152 011	—	—	—	—	—	19 864	19 864	171 875	138 130	136 940
Transfers recognised - capital Borrowing	131 349	—	—	—	—	—	17 728	17 728	149 077	119 657	117 654
Internally generated funds	—	—	—	—	—	—	—	—	—	—	—
Total sources of capital funds	20 662	—	—	—	—	—	2 137	2 137	22 799	18 472	19 285
152 011	—	—	—	—	—	—	19 864	19 864	171 875	138 130	136 940
Financial position											
Total	482 780	—	—	—	—	—	90 948	90 948	573 728	540 749	572 470
current assets Total current liabilities	1 101 446	—	—	—	—	—	161 471	161 471	1 262 917	1 085 631	1 082 506
Total non current liabilities Community wealth/Equity	380 844	—	—	—	—	—	39 634	39 634	420 478	384 003	400 313
	173 982	—	—	—	—	—	(32 266)	(32 266)	141 717	163 647	163 647
1 029 400	—	—	—	—	—	—	245 050	245 050	1 274 450	1 078 730	1 091 016
Cash flows											
Net cash from (used) operating Net cash from (used) investing Net cash from (used) financing	197 033	—	—	—	—	—	6 319	6 319	203 353	162 211	218 994
	(152 011)	—	—	—	—	—	(41 865)	(41 865)	(193 876)	(138 130)	(136 940)
	—	—	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	70 293	—	—	—	—	—	(7 945)	(7 945)	62 348	94 374	176 429
Cash backing/surplus reconciliation											
Cash and investments available Application of cash and investments Balance - surplus (shortfall)	70 293	—	—	—	—	—	(7 945)	(7 945)	62 348	94 374	176 429
	(26 465)	—	—	—	—	—	(35 026)	(35 026)	(61 491)	(38 758)	(249)
96 758	—	—	—	—	—	—	27 081	27 081	123 839	133 132	176 678
Asset Management											
Asset register summary (WDV) Depreciation	869 465	—	—	—	—	—	66 593	66 593	936 058	865 089	863 714
Renewal and Upgrading of Existing Assets Repairs and Maintenance	44 944	—	—	—	—	—	4 147	4 147	49 090	47 011	49 079
	90 015	—	—	—	—	—	18 035	18 035	108 050	81 702	80 543
	25 040	—	—	—	—	—	(75)	(75)	24 965	26 192	27 344
Free services											
Cost of Free Basic Services provided Revenue cost of free services provided Households below minimum service level Water:	—	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage: Energy: Refuse:	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—

Explanatory notes to MBRR Table B1 - Budget Summary

Table B1 is the 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).

Adjusted budget depicts a surplus of R20.308 million from original budget surplus of R23.011 million. The surplus decrease is attributable to a higher increase in expenditure than revenue.

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
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
Governance and administration		343 477	-	-	-	-	-	62 344	62 344	405 821	356 130	361 190
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		343 477	-	-	-	-	-	62 344	62 344	405 821	356 130	361 190
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		9 965	-	-	-	-	-	24	24	9 990	10 424	10 883
Community and social services		538	-	-	-	-	-	24	24	562	563	587
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		9 428	-	-	-	-	-	(0)	(0)	9 428	9 861	10 295
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		45 483	-	-	-	-	-	27 818	27 818	73 301	37 292	38 856
Planning and development		5 432	-	-	-	-	-	6 983	6 983	12 415	5 730	5 979
Road transport		40 051	-	-	-	-	-	20 835	20 835	60 887	31 562	32 878
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		408 732	-	-	-	-	-	(7 236)	(7 236)	401 496	415 903	425 917
Energy sources		208 891	-	-	-	-	-	791	791	209 681	214 672	218 909
Water management		151 677	-	-	-	-	-	(5 282)	(5 282)	146 396	152 420	156 050
Waste water management		34 022	-	-	-	-	-	(2 139)	(2 139)	31 883	34 018	35 515
Waste management		14 142	-	-	-	-	-	(606)	(606)	13 536	14 793	15 444
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	807 657	-	-	-	-	-	82 950	82 950	890 608	819 749	836 847
Expenditure - Functional												
Governance and administration		170 620	-	-	-	-	-	34 301	34 301	204 921	178 468	186 321
Executive and council		25 374	-	-	-	-	-	924	924	26 298	26 541	27 709
Finance and administration		140 385	-	-	-	-	-	32 679	32 679	173 063	146 842	153 303
Internal audit		4 861	-	-	-	-	-	699	699	5 560	5 084	5 308
Community and public safety		79 141	-	-	-	-	-	23 309	23 309	102 451	82 782	86 424
Community and social services		39 620	-	-	-	-	-	(1 391)	(1 391)	38 229	41 443	43 266
Sport and recreation		2 510	-	-	-	-	-	(201)	(201)	2 309	2 625	2 741
Public safety		37 011	-	-	-	-	-	24 901	24 901	61 912	38 714	40 417
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		49 533	-	-	-	-	-	(1 921)	(1 921)	47 612	51 812	54 092
Planning and development		17 647	-	-	-	-	-	(1 197)	(1 197)	16 451	18 459	19 271
Road transport		31 886	-	-	-	-	-	(725)	(725)	31 161	33 353	34 820
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		328 505	-	-	-	-	-	1 264	1 264	329 769	343 616	358 735
Energy sources		215 606	-	-	-	-	-	3 445	3 445	219 051	225 524	235 447
Water management		66 785	-	-	-	-	-	310	310	67 095	69 857	72 931
Waste water management		15 497	-	-	-	-	-	408	408	15 905	16 210	16 923
Waste management		30 617	-	-	-	-	-	(2 899)	(2 899)	27 718	32 025	33 434
Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	627 799	-	-	-	-	-	56 953	56 953	684 752	656 678	685 572
Surplus/ (Deficit) for the year		179 858	-	-	-	-	-	25 997	25 997	205 855	163 071	151 275

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 A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
Revenue by Vote	1											
Vote 1 - Budget and Treasury		341 972	—	—	—	—	—	62 152	62 152	404 124	354 818	359 820
Vote 2 - Corporate Services		1 505	—	—	—	—	—	192	192	1 697	1 313	1 370
Vote 3 - Mayor		—	—	—	—	—	—	—	—	—	—	—
Vote 4 - Municipal Manager		—	—	—	—	—	—	—	—	—	—	—
Vote 5 - Internal Audit		—	—	—	—	—	—	—	—	—	—	—
Vote 6 - Planning and Economic Development		3 890	—	—	—	—	—	6 983	6 983	10 873	4 069	4 248
Vote 7 - Social and Community Services		24 108	—	—	—	—	—	(582)	(582)	23 526	25 217	26 326
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		434 641	—	—	—	—	—	14 206	14 206	448 847	432 672	443 351
Vote 10 - Technical Services		1 542	—	—	—	—	—	—	—	1 542	1 661	1 730
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	807 657	—	—	—	—	—	82 950	82 950	890 608	819 749	836 847
Expenditure by Vote	1											
Vote 1 - Budget and Treasury		84 604	—	—	—	—	—	13 939	13 939	98 542	88 496	92 389
Vote 2 - Corporate Services		48 575	—	—	—	—	—	19 951	19 951	68 526	50 810	53 045
Vote 3 - Mayor		3 422	—	—	—	—	—	(423)	(423)	2 998	3 579	3 737
Vote 4 - Municipal Manager		18 249	—	—	—	—	—	(422)	(422)	17 828	19 089	19 929
Vote 5 - Internal Audit		4 861	—	—	—	—	—	699	699	5 560	5 084	5 308
Vote 6 - Planning and Economic Development		15 228	—	—	—	—	—	(2 568)	(2 568)	12 659	15 928	16 629
Vote 7 - Social and Community Services		109 758	—	—	—	—	—	20 411	20 411	130 169	114 807	119 858
Vote 8 - Speaker		10 909	—	—	—	—	—	558	558	11 467	11 411	11 913
Vote 9 - Technical Services		329 774	—	—	—	—	—	3 438	3 438	333 212	344 944	360 121
Vote 10 - Technical Services		2 420	—	—	—	—	—	1 372	1 372	3 791	2 531	2 642
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	627 799	—	—	—	—	—	56 953	56 953	684 752	656 678	685 572
Surplus/ (Deficit) for the year	2	179 858	—	—	—	—	—	25 997	25 997	205 855	163 071	151 275

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	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
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	189 484	—	—	—	—	—	482	482	189 966	198 200	206 921
Service charges - Water	2	50 250	—	—	—	—	—	(4 146)	(4 146)	46 104	52 562	54 875
Service charges - Waste Water Management	2	26 128	—	—	—	—	—	(1 609)	(1 609)	24 520	27 330	28 533
Service charges - Waste Management	2	11 267	—	—	—	—	—	165	165	11 433	11 786	12 304
Sale of Goods and Rendering of Services		1 400	—	—	—	—	—	(0)	(0)	1 400	1 464	1 529
Agency services		6 000	—	—	—	—	—	—	—	6 000	6 276	6 562
Interest		—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		15 389	—	—	—	—	—	(1 360)	(1 360)	14 029	16 097	16 806
Interest earned from Current and Non Current Assets		5 000	—	—	—	—	—	3 000	3 000	8 000	5 230	5 460
Dividends		—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		1 223	—	—	—	—	—	113	113	1 336	1 279	1 336
Special Rating Levies		—	—	—	—	—	—	—	—	—	—	—
Licence and permits		—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		2 470	—	—	—	—	—	1 017	1 017	3 487	2 584	2 688
Non-Exchange Revenue												
Property rates	2	115 924	—	—	—	—	—	—	—	115 924	121 256	126 592
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		43 548	—	—	—	—	—	59 995	59 995	103 544	45 551	47 556
Licences or permits		3 447	—	—	—	—	—	—	—	3 447	3 605	3 764
Transfer and subsidies - Operational		151 036	—	—	—	—	—	390	390	151 426	153 792	160 735
Interest		17 045	—	—	—	—	—	(1 370)	(1 370)	15 675	17 829	18 614
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		3 595	—	—	—	—	—	(1 171)	(1 171)	2 424	3 760	3 926
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—
Other Gains		13 398	—	—	—	—	—	7 000	7 000	20 398	13 539	3 345
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		656 606	—	—	—	—	—	62 505	62 505	719 111	682 143	701 544
Expenditure By Type												
Employee related costs		181 826	—	—	—	—	—	12 225	12 225	194 051	189 876	198 231
Remuneration of councillors		9 715	—	—	—	—	—	583	583	10 297	10 161	10 609
Bulk purchases - electricity		178 230	—	—	—	—	—	—	—	178 230	186 428	194 631
Inventory consumed		36 309	—	—	—	—	—	186	186	36 495	37 979	39 650
Debt impairment		24 996	—	—	—	—	—	36 322	36 322	61 318	26 146	27 296
Depreciation and amortisation		44 944	—	—	—	—	—	4 147	4 147	49 090	47 011	49 079
Interest		18 612	—	—	—	—	—	(8 267)	(8 267)	10 345	19 468	20 325
Contracted services		84 683	—	—	—	—	—	(4 179)	(4 179)	80 503	88 578	92 476
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—	—	—
Operational costs		48 485	—	—	—	—	—	15 937	15 937	64 422	51 029	53 274
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		627 799	—	—	—	—	—	56 953	56 953	684 752	656 678	685 572
Surplus/(Deficit)		28 807	—	—	—	—	—	5 552	5 552	34 359	25 466	15 973
Transfers and subsidies - capital (monetary allocations)		151 051	—	—	—	—	—	20 445	20 445	171 497	137 606	135 303
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) before taxation		179 858	—	—	—	—	—	25 997	25 997	205 855	163 071	151 275
Income Tax		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		179 858	—	—	—	—	—	25 997	25 997	205 855	163 071	151 275
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		179 858	—	—	—	—	—	25 997	25 997	205 855	163 071	151 275
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	1	179 858	—	—	—	—	—	25 997	25 997	205 855	163 071	151 275

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

1. Total revenue was adjusted from original budget of 656.606 million to R719.111 million. The factors affecting the adjustment were discussed in the explanatory notes under Table 2 above.

2. Total expenditure was also adjusted from R627.799 million to R684.752 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	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	A1	B	C	D	E	F	G	H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	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		—	—	—	—	—	—	—	—	—	—	—
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		—	—	—	—	—	—	—	—	—	—	—
Vote 10 - Technical Services		—	—	—	—	—	—	—	—	—	—	—
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	3	—	—	—	—	—	—	—	—	—	—	—
Single-year expenditure to be adjusted	2											
Vote 1 - Budget and Treasury		80	—	—	—	—	—	174	174	254	—	—
Vote 2 - Corporate Services		3 200	—	—	—	—	—	230	230	3 430	2 197	2 293
Vote 3 - Mayor		—	—	—	—	—	—	—	—	—	—	—
Vote 4 - Municipal Manager		—	—	—	—	—	—	—	—	—	—	—
Vote 5 - Internal Audit		300	—	—	—	—	—	(300)	(300)	—	314	328
Vote 6 - Planning and Economic Development		500	—	—	—	—	—	(250)	(250)	250	—	—
Vote 7 - Social and Community Services		8 177	—	—	—	—	—	1 167	1 167	9 344	1 513	9 623
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		139 754	—	—	—	—	—	18 843	18 843	158 597	134 106	124 696
Vote 10 - Technical Services		—	—	—	—	—	—	—	—	—	—	—
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—	—	—
Capital single-year expenditure sub-total		152 011	—	—	—	—	—	19 864	19 864	171 875	138 130	136 940
Total Capital Expenditure - Vote		152 011	—	—	—	—	—	19 864	19 864	171 875	138 130	136 940
Capital Expenditure - Functional												
Governance and administration		3 580	—	—	—	—	—	104	104	3 684	2 510	2 621
Executive and council		—	—	—	—	—	—	—	—	—	—	—
Finance and administration		3 280	—	—	—	—	—	404	404	3 684	2 197	2 293
Internal audit		300	—	—	—	—	—	(300)	(300)	—	314	328
Community and public safety		1 561	—	—	—	—	—	(56)	(56)	1 505	1 199	9 296
Community and social services		411	—	—	—	—	—	(231)	(231)	180	1 199	9 296
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—
Public safety		1 150	—	—	—	—	—	175	175	1 325	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		28 950	—	—	—	—	—	17 115	17 115	46 065	26 612	19 676
Planning and development		500	—	—	—	—	—	(250)	(250)	250	—	—
Road transport		28 450	—	—	—	—	—	17 365	17 365	45 815	26 612	19 676
Environmental protection		—	—	—	—	—	—	—	—	—	—	—
Trading services		117 920	—	—	—	—	—	2 701	2 701	120 621	107 808	105 347
Energy sources		25 752	—	—	—	—	—	1 778	1 778	27 530	23 608	20 118
Water management		57 338	—	—	—	—	—	121	121	57 459	69 455	56 635
Waste water management		28 213	—	—	—	—	—	(421)	(421)	27 792	14 432	28 266
Waste management		6 616	—	—	—	—	—	1 223	1 223	7 839	314	328
Other		—	—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	152 011	—	—	—	—	—	19 864	19 864	171 875	138 130	136 940
Funded by:												

National Government		131 349	—	—	—	—	—	17 728	17 728	149 077	119 657	117 654
Provincial Government		—	—	—	—	—	—	—	—	—	—	—
District Municipality		—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—
Transfers recognised - capital	4	131 349	—	—	—	—	—	17 728	17 728	149 077	119 657	117 654
Borrowing		—	—	—	—	—	—	—	—	—	—	—
Internally generated funds		20 662	—	—	—	—	—	2 137	2 137	22 799	18 472	19 285
Total Capital Funding		152 011	—	—	—	—	—	19 864	19 864	171 875	138 130	136 940

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 line with the Division of Revenue Act. The capital budget was adjusted from original budget of R152.011 million to R171.875 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	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		70 293	—	—	—	—	—	(7 945)	(7 945)	62 348	94 374	176 429
Trade and other receivables from exchange transactions	1	131 602	—	—	—	—	—	5 164	5 164	136 766	145 545	126 409
Receivables from non-exchange transactions	1	88 078	—	—	—	—	—	26 502	26 502	114 581	107 952	70 764
Current portion of non-current receivables	2	—	—	—	—	—	—	—	—	—	—	—
Inventory		989	—	—	—	—	—	(194)	(194)	795	993	1 953
VAT		190 863	—	—	—	—	—	67 540	67 540	258 404	190 930	195 961
Other current assets		955	—	—	—	—	—	(120)	(120)	835	955	955
Total current assets		482 780	—	—	—	—	—	90 948	90 948	573 728	540 749	572 470
Non current assets												
Investments		—	—	—	—	—	—	—	—	—	—	—
Investment property		70 458	—	—	—	—	—	22 045	22 045	92 503	70 596	70 734
Property, plant and equipment	3	1 027 851	—	—	—	—	—	139 971	139 971	1 167 822	1 011 870	1 008 580
Biological assets		—	—	—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—	—	—
Heritage assets		539	—	—	—	—	—	—	—	539	539	539
Intangible assets		2 458	—	—	—	—	—	(546)	(546)	1 912	2 485	2 513
Trade and other receivables from exchange transactions		141	—	—	—	—	—	—	—	141	141	141
Non-current receivables from non-exchange transactions		—	—	—	—	—	—	—	—	—	—	—
Other non-current assets		—	—	—	—	—	—	—	—	—	—	—
Total non current assets		1 101 446	—	—	—	—	—	161 471	161 471	1 262 917	1 085 631	1 082 506
TOTAL ASSETS		1 584 226	—	—	—	—	—	252 419	252 419	1 836 645	1 626 380	1 654 976
LIABILITIES												
Current liabilities												
Bank overdraft		—	—	—	—	—	—	—	—	—	—	—
Financial liabilities		—	—	—	—	—	—	3 365	3 365	3 365	—	—
Consumer deposits		7 239	—	—	—	—	—	206	206	7 445	7 239	7 239
Trade and other payables from exchange transactions		177 290	—	—	—	—	—	(51 681)	(51 681)	125 609	178 511	192 884
Trade and other payables from non-exchange transactions		0	—	—	—	—	—	0	0	0	0	0
Provisions		5 933	—	—	—	—	—	26 705	26 705	32 638	5 933	5 933
VAT		190 383	—	—	—	—	—	61 039	61 039	251 422	192 320	194 258
Other current liabilities		—	—	—	—	—	—	—	—	—	—	—
Total current liabilities		380 844	—	—	—	—	—	39 634	39 634	420 478	384 003	400 313
Non current liabilities												
Borrowing	1	4 015	—	—	—	—	—	(2 323)	(2 323)	1 692	4 015	4 015
Provisions	1	107 419	—	—	—	—	—	(33 061)	(33 061)	74 359	107 419	107 419
Long term portion of trade payables		10 335	—	—	—	—	—	(3 353)	(3 353)	6 982	—	—
Other non-current liabilities		52 213	—	—	—	—	—	6 471	6 471	58 684	52 213	52 213
Total non current liabilities		173 982	—	—	—	—	—	(32 266)	(32 266)	141 717	163 647	163 647

TOTAL LIABILITIES		554 826	-	-	-	-	-	7 369	7 369	562 195	547 650	563 960
NET ASSETS	2	1 029 400	-	-	-	-	-	245 050	245 050	1 274 450	1 078 730	1 091 016
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1 029 400	-	-	-	-	-	245 050	245 050	1 274 450	1 078 730	1 091 016
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		1 029 400	-	-	-	-	-	245 050	245 050	1 274 450	1 078 730	1 091 016

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	3 A1	4 B	5 C	6 D	7 E	8 F	9	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		104 332	—	—	—	—	—	(10 433)	(10 433)	93 898	109 131	113 933
Service charges		249 416	—	—	—	—	—	(10 056)	(10 056)	239 360	249 861	283 397
Other revenue		78 146	—	—	—	—	—	18 809	18 809	96 955	61 294	98 395
Transfers and Subsidies - Operational Transfers	1	151 036	—	—	—	—	—	—	—	151 036	153 792	160 736
and Subsidies - Capital Interest	1	140 291	—	—	—	—	—	20 670	20 670	160 961	137 606	135 303
Dividends		32 960	—	—	—	—	—	679	679	33 638	34 476	35 993
Payments												
Suppliers and employees		—	—	—	—	—	—	—	—	—	—	—
Finance charges Transfers and Subsidies		(559 147)	—	—	—	—	—	(13 349)	(13 349)	(572 496)	(583 948)	(608 762)
	1	—	—	—	—	—	—	—	—	—	—	—
	1	—	—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		197 033	—	—	—	—	—	6 319	6 319	203 353	162 211	218 994
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		(152 011)	—	—	—	—	—	(41 865)	(41 865)	(193 876)	(138 130)	(136 940)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(152 011)	—	—	—	—	—	(41 865)	(41 865)	(193 876)	(138 130)	(136 940)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/financing		—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—	—
Payments												
Repayment of borrowing		—	—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—	—	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD		45 022	—	—	—	—	—	(35 546)	(35 546)	9 476	24 081	82 055
Cash/cash equivalents at the year begin:	2	25 270	—	—	—	—	—	27 601	27 601	52 871	70 293	94 374
Cash/cash equivalents at the year end:	2	70 293	—	—	—	—	—	(7 945)	(7 945)	62 348	94 374	176 429

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 R35.546 million which was affected by:
 - i. Reduction of the collection rate for property rates and service charges to align the budget with current year’s collection levels.
 - ii. The increase in the amount paid to supplies and employees as a result of adjustments to the operational expenditure.
 - iii. The addition of current year’s retention payments anticipated on completed capital projects.
- d) Cash/cash equivalents at the year-end are adjusted from R70.293 million down to R62.348 million. The opening balance was understated by R27.601 million in the original budget; however, this is correctly adjusted to the audited balance of R52.871 million.

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

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
		A	A1	B	C	D	E	F	G	H		
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	70 293	—	—	—	—	—	(7 945)	(7 945)	62 348	94 374	176 429
Other current investments > 90 days		(0)	—	—	—	—	—	(0)	(0)	(0)	0	(0)
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		70 293	—	—	—	—	—	(7 945)	(7 945)	62 348	94 374	176 429
Applications of cash and investments												
Unspent conditional transfers		0	—	—	—	—	—	0	0	0	0	0
Unspent borrowing		—	—	—	—	—	—	—	—	—	—	—
Statutory requirements		(480)	—	—	—	—	—	(6 501)	(6 501)	(6 982)	1 380	(1 703)
Other working capital requirements	2	(31 918)	—	—	—	—	—	(55 230)	(55 230)	(87 148)	(46 081)	(4 479)
Other provisions		5 933	—	—	—	—	—	26 705	26 705	32 638	5 933	5 933
Long term investments committed		—	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments		—	—	—	—	—	—	—	—	—	—	—
Total Application of cash and investments:		(26 465)	—	—	—	—	—	(35 026)	(35 026)	(61 491)	(38 758)	(249)
Surplus(shortfall)		96 758	—	—	—	—	—	27 081	27 081	123 839	133 132	176 678

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 budget, the municipality is assumed to have adopted a funded adjustments budget as the reconciliation results in a R123.839 million surplus.

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

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	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	61 996	-	-	-	-	-	1 830	1 830	63 825	56 428	56 397
Roads Infrastructure		18 894	-	-	-	-	-	(698)	(698)	18 196	26 403	19 457
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		13 043	-	-	-	-	-	1 868	1 868	14 912	8 696	9 089
Water Supply Infrastructure		13 636	-	-	-	-	-	907	907	14 542	6 522	3 478
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	870
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		45 573	-	-	-	-	-	2 077	2 077	47 650	41 620	32 894
Community Facilities		761	-	-	-	-	-	(261)	(261)	500	1 042	9 132
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		761	-	-	-	-	-	(261)	(261)	500	1 042	9 132
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		800	-	-	-	-	-	(250)	(250)	550	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	800	-	-	-	-	-	(250)	(250)	550	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		3 200	-	-	-	-	-	(331)	(331)	2 869	2 824	2 948
Furniture and Office Equipment		380	-	-	-	-	-	-	-	380	314	328
Machinery and Equipment		11 282	-	-	-	-	-	595	595	11 876	10 627	11 095
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	13 704	-	-	-	-	-	16 081	16 081	29 785	27 290	50 536
Roads Infrastructure		9 357	-	-	-	-	-	18 118	18 118	27 474	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 609	-	-	-	-	-	(390)	(390)	2 219	4 348	-
Water Supply Infrastructure		1 739	-	-	-	-	-	(1 647)	(1 647)	92	22 942	50 536
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		13 704	-	-	-	-	-	16 081	16 081	29 785	27 290	50 536
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		-	-	-	-	-	-	-	-	-	-	-

Total Capital Expenditure to be adjusted	4	152 011	—	—	—	—	—	19 864	19 864	171 875	138 130	136 940
Roads Infrastructure		28 250	—	—	—	—	—	17 420	17 420	45 670	26 403	19 457
Storm water Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Electrical Infrastructure		20 152	—	—	—	—	—	1 478	1 478	21 630	17 750	14 003
Water Supply Infrastructure		54 938	—	—	—	—	—	321	321	55 259	66 944	54 014
Sanitation Infrastructure		25 931	—	—	—	—	—	(321)	(321)	25 610	12 225	25 962
Solid Waste Infrastructure		6 316	—	—	—	—	—	1 214	1 214	7 530	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Infrastructure Community Facilities		135 588	—	—	—	—	—	20 112	20 112	155 700	123 322	113 437
Sport and Recreation Facilities Community Assets		761	—	—	—	—	—	(261)	(261)	500	1 042	9 132
Heritage Assets Revenue		761	—	—	—	—	—	(261)	(261)	500	1 042	9 132
Generating Non-revenue		—	—	—	—	—	—	—	—	—	—	—
Generating Investment properties Operational Buildings Housing		—	—	—	—	—	—	—	—	—	—	—
Other Assets		800	—	—	—	—	—	(250)	(250)	550	—	—
Biological or Cultivated Assets Servitutes		—	—	—	—	—	—	—	—	—	—	—
Licences and Rights		800	—	—	—	—	—	(250)	(250)	550	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—	—	—
Furniture and Office Equipment Machinery and Equipment Transport Assets		—	—	—	—	—	—	—	—	—	—	—
Land		3 200	—	—	—	—	—	(331)	(331)	2 869	2 824	2 948
Zoo's, Marine and Non-biological Animals Mature		380	—	—	—	—	—	—	—	380	314	328
Immature		11 282	—	—	—	—	—	595	595	11 876	10 627	11 095
Living Resources		—	—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE to be adjusted	4	152 011	—	—	—	—	—	19 864	19 864	171 875	138 130	136 940
ASSET REGISTER SUMMARY - PPE (WDV)	5	869 465	—	—	—	—	—	66 593	66 593	936 058	865 089	863 714
Roads Infrastructure		127 716	—	—	—	—	—	36 231	36 231	163 946	127 071	126 427
Storm water Infrastructure		69 006	—	—	—	—	—	(2 223)	(2 223)	66 783	68 891	68 775
Electrical Infrastructure		50 647	—	—	—	—	—	40 101	40 101	90 748	50 709	50 771
Water Supply Infrastructure		140 150	—	—	—	—	—	1 419	1 419	141 569	139 831	139 511
Sanitation Infrastructure		168 546	—	—	—	—	—	19 164	19 164	187 710	168 289	168 033
Solid Waste Infrastructure		(1 209)	—	—	—	—	—	756	756	(454)	(1 266)	(1 322)
Rail Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Infrastructure		554 855	—	—	—	—	—	95 448	95 448	650 303	553 525	552 194

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.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7	8	9	10	11	12	13	14		
R thousands			A1	B	C	D	E	F		H		
Community Assets		64 466	—	—	—	—	—	3 017	3 017	67 483	62 990	62 814
Heritage Assets		539	—	—	—	—	—	—	—	539	539	539
Investment properties Other		70 458	—	—	—	—	—	22 045	22 045	92 503	70 596	70 734
Assets		(1 195)	—	—	—	—	—	16 787	16 787	15 592	(1 250)	(1 305)
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—	—	—
Intangible Assets		2 458	—	—	—	—	—	(546)	(546)	1 912	2 485	2 513
Computer Equipment		2 191	—	—	—	—	—	1 090	1 090	3 281	1 682	1 674
Furniture and Office Equipment Machinery and Equipment Transport Assets		4 348	—	—	—	—	—	1 402	1 402	5 751	3 622	3 726
Land		72 387	—	—	—	—	—	(67 798)	(67 798)	4 589	72 167	72 319
Zoo's, Marine and Non-biological Animals Living Resources		17 658	—	—	—	—	—	(11 603)	(11 603)	6 055	17 432	17 206
		81 301	—	—	—	—	—	6 750	6 750	88 051	81 301	81 301
		—	—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—	—
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	869 465	—	—	—	—	—	66 593	66 593	936 058	865 089	863 714
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		44 944	—	—	—	—	—	4 147	4 147	49 090	47 011	49 079
	3	25	—	—	—	—	—	(75)	(75)	24	26	27

Repairs and Maintenance by asset class		2 600	—	—	—	—	—	(155)	(155)	2 445	2 720	2 839
Roads Infrastructure		600	—	—	—	—	—	300	300	900	628	655
Storm water Infrastructure		10 000	—	—	—	—	—	(1 000)	(1 000)	9 000	10 460	10 920
Electrical Infrastructure		5 320	—	—	—	—	—	(500)	(500)	4 820	5 565	5 810
Water Supply Infrastructure		4 600	—	—	—	—	—	(650)	(650)	3 950	4 812	5 023
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—	—	—
Coastal Infrastructure		50	—	—	—	—	—	—	—	50	52	55
Information and Communication Infrastructure		23 170	—	—	—	—	—	(2 005)	(2 005)	21 165	24 236	25 302
Infrastructure		150	—	—	—	—	—	—	—	150	157	164
Community Facilities		1 150	—	—	—	—	—	50	50	1 200	1 203	1 256
Sport and Recreation Facilities		1 300	—	—	—	—	—	50	50	1 350	1 360	1 420
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		70	—	—	—	—	—	—	—	70	73	76
Furniture and Office Equipment		500	—	—	—	—	—	(70)	(70)	430	523	546
Machinery and Equipment		—	—	—	—	—	—	1 950	1 950	1 950	—	—
Transport Assets		—	—	—	—	—	—	—	—	—	—	—
Land	6	—	—	—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—	—	—
Mature Immature		—	—	—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		69 984	—	—	—	—	—	4 072	4 072	74 055	73 203	76 424
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		59.2%	0.0%							62.9%	59.1%	58.8%
<i>Renewal and upgrading of Existing Assets as % of deprecn*</i>		200.3%	0.0%							220.1%	173.8%	164.1%
<i>R&M as a % of PPE</i>		2.9%	0.0%							2.7%	3.0%	3.2%
<i>Renewal and upgrading and R&M as a % of PPE</i>		13.2%	0.0%							14.2%	12.5%	12.5%

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 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		
Household service targets	1											
Water:												
Piped water inside dwelling		14973							—	15	14973	14973
Piped water inside yard (but not in dwelling)		855							1	855	855	
Using public tap (at least min.service level)	2	3136							3	3136	3136	
Other water supply (at least min.service level)									—			
<i>Minimum Service Level and Above sub-total</i>									1	19	19	
Using public tap (< min.service level)	3								—			
Other water supply (< min.service level)	3, 4								—			
No water supply	4								—			
<i>Below Minimum Service Level sub-total</i>									—			
Total number of households		1							1	19	19	
Sanitation/sewerage:	5											
Flush toilet (connected to sewerage)		15828							15 828	15828	15828	
Flush toilet (with septic tank)		875							875	875	875	
Chemical toilet		0							—			
Pit toilet (ventilated)		987							987	987	987	
Other toilet provisions (> min.service level)		1274							1 274	1274	1274	
<i>Minimum Service Level and Above sub-total</i>		18 964							18 964	18 964	18 964	
Bucket toilet									—			
Other toilet provisions (< min.service level)									—			
No toilet provisions									—			
<i>Below Minimum Service Level sub-total</i>									—			
Total number of households		18 964							18 964	18 964	18 964	
Energy:	5											
Electricity (at least min. service level)		577							577	577	577	
Electricity - prepaid (> min.service level)		16326							16 326	16326	16326	
<i>Minimum Service Level and Above sub-total</i>		16 903							16 903	16 903	16 903	
Electricity (< min.service level)									—			
Electricity - prepaid (< min. service level)									—			
Other energy sources									—			
<i>Below Minimum Service Level sub-total</i>									—			
Total number of households		16 903							16 903	16 903	16 903	
Refuse:	5											
Removed at least once a week (min.service)		11310							11 310	11460	11710	
<i>Minimum Service Level and Above sub-total</i>		11 310							11 310	11 460	11 710	
Removed less frequently than once a week									—			
Using communal refuse dump									—			
Using own refuse dump									—			
Other rubbish disposal									—			
No rubbish disposal									—			
<i>Below Minimum Service Level sub-total</i>									—			
Total number of households		11 310							11 310	11 460	11 710	
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		5							5	5	5	
Sanitation (free minimum level service)		5							5	5	5	
Electricity/other energy (50kwh per household per month)		5							5	5	5	
Refuse (removed at least once a week)		5							5	5	5	
Informal Settlements												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		12 757							12 757	13 344	13 931	
Sanitation (free sanitation service to indigent households)		15 543							15 543	16 258	16 974	
Electricity/other energy (50kwh per indigent household per month)		6 577							6 577	6 880	7 182	
Refuse (removed once a week for indigent households)		4 983							4 983	5 212	5 442	
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)												
Total cost of FBS provided		39 860							39 860	41 694	43 529	
Highest level of free service provided												
Property rates (R'000 value threshold) Water (kilolitres per household per month)		6							6	6	6	
Sanitation (kilolitres per household per month) Sanitation (Rand per household per month) Electricity (kw per household per month)		272							27	285	296	
Refuse (average litres per week)		50							2	50	50	
		165							5	165	165	
									0			
									16			
									5			
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) excess of section 17 of MPRA												
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										-	-		
Total revenue cost of subsidised services provided		0	-	-	-	-	-	-	-	-	-	-	-

Explanatory notes to Table B10 - Basic Service Delivery Measurement

Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The municipality continues to make good progress with the eradication of backlogs.

Part 2 – Supporting Documentation

2.1. Adjustments to budget assumptions

Except for the factors outlined below, the assumptions that underlined the approved 2025/2026 MTREF still hold. The following factors were taken into consideration when compiling this adjustments budget.

- The Mid-Year Performance Assessment depicted revenue achievement of 101% (variance of 1%) of the year-to-date revenue budget.
- Depicted in the expenditure as per year-to-date actuals versus the original budget was low spending which resulted in -9% variance.

Table 15: Monthly Budget Statement Summary

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	107 614	115 924	–	9 342	55 141	57 962	(2 821)	-5%	115 924
Service charges	239 932	277 130	–	29 359	134 777	138 565	(3 788)	-3%	277 130
Investment revenue	4 789	5 000	–	161	2 437	2 500	(63)	-3%	5 000
Transfers and subsidies - Operational	144 522	151 036	–	48 644	111 723	112 636	(913)	-1%	151 036
Other own revenue	161 755	107 516	–	29 142	70 694	58 926	11 769	20%	107 516
Total Revenue (excluding capital transfers and contributions)	658 611	656 606	–	116 649	374 772	370 589	4 183	1%	656 606
Employee costs	169 460	181 826	–	14 449	83 978	90 913	(6 935)	-8%	181 826
Remuneration of Councillors	9 034	9 715	–	723	4 177	4 857	(681)	-14%	9 715
Depreciation and amortisation	44 080	44 944	–	20 961	20 961	22 472	(1 511)	-7%	44 944
Interest	7 517	18 612	–	–	–	9 306	(9 306)	-100%	18 612
Inventory consumed and bulk purchases	184 281	214 539	–	16 480	109 608	107 269	2 338	2%	214 539
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	262 528	158 164	–	23 032	66 290	79 082	(12 792)	-16%	158 164
Total Expenditure	676 900	627 799	–	75 645	285 013	313 900	(28 886)	-9%	627 799
Surplus/(Deficit)	(18 289)	28 807	–	41 004	89 759	56 690	33 069	58%	28 807
Transfers and subsidies - capital (monetary allocations)	131 124	151 051	–	17 997	97 547	75 526	22 021	29%	151 051
Transfers and subsidies - capital (in-kind)	52 437	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers &	165 273	179 858	–	59 001	187 306	132 215	55 090	42%	179 858
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	165 273	179 858	–	59 001	187 306	132 215	55 090	42%	179 858

2.2. Monthly Budget Statement-Revenue

Table 15 below presents the operational revenue year-to-date budget and actual as at the end of the mid-term (31 December 2025). A positive variance of 1% was realised during the first half of the financial year depicting a satisfactory revenue performance on an aggregate level. There are, however, negative variances on individual line items.

Table 15: Adjustments to operating revenue

Description	R ef	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		167 898	189 484	-	24 101	95 821	94 742	1 079	1%	189 484
Service charges - Water		39 836	50 250	-	2 515	21 504	25 125	(3 622)	-14%	50 250
Service charges - Waste Water Management		21 661	26 128	-	1 832	11 743	13 064	(1 321)	-10%	26 128
Service charges - Waste management		10 537	11 267	-	913	5 709	5 634	76	1%	11 267
Sale of Goods and Rendering of Services		1 482	1 400	-	73	606	700	(94)	-13%	1 400
Agency services		4 193	6 000	-	244	2 598	3 000	(402)	-13%	6 000
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		13 904	15 389	-	1 100	6 365	7 695	(1 330)	-17%	15 389
Interest from Current and Non Current Assets		4 789	5 000	-	161	2 437	2 500	(63)	-3%	5 000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 172	1 223	-	113	674	612	62	10%	1 223
Licence and permits		-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		1 981	2 470	-	595	1 323	1 235	88	7%	2 470
Non-Exchange Revenue										
Property rates		107 614	115 924	-	9 342	55 141	57 962	(2 821)	-5%	115 924
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		95 316	43 548	-	25 473	49 480	21 774	27 706	127%	43 548
Licence and permits		2 193	3 447	-	142	1 679	1 723	(44)	-3%	3 447
Transfers and subsidies - Operational		144 522	151 036	-	48 644	111 723	112 636	(913)	-1%	151 036
Interest		15 501	17 045	-	1 267	7 215	8 523	(1 308)	-15%	17 045
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		3 848	3 595	-	134	755	1 798	(1 043)	-58%	3 595
Gains on disposal of Assets		2 530	-	-	-	-	-	-	-	-
Other Gains		19 636	13 398	-	-	-	11 867	(11 867)	-100%	13 398
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		658 611	656 606	-	116 649	374 772	370 589	4 183	1%	656 606

Table 16 below presents the operational expenditure year-to-date budget and actual as at the end of the mid-term (31 December 2025).

Table 16: Adjustments to operating expenditure

Description	R ef	2024/25	Budget Year 2025/26							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Expenditure By Type										
Employee related costs		169 460	181 826	-	14 449	83 978	90 913	(6 935)	-8%	181 826
Remuneration of councillors		9 034	9 715	-	723	4 177	4 857	(681)	-14%	9 715
Bulk purchases - electricity		156 736	178 230	-	13 607	93 028	89 115	3 914	4%	178 230
Inventory consumed		27 545	36 309	-	2 874	16 579	18 155	(1 575)	-9%	36 309
Debt impairment		135 102	24 996	-	8 816	8 816	12 498	(3 682)	-29%	24 996
Depreciation and amortisation		44 080	44 944	-	20 961	20 961	22 472	(1 511)	-7%	44 944
Interest		7 517	18 612	-	-	-	9 306	(9 306)	-100%	18 612
Contracted services		74 152	84 683	-	8 589	29 013	42 341	(13 329)	-31%	84 683
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		45 319	48 485	-	5 627	28 461	24 243	4 219	17%	48 485
Losses on Disposal of Assets		7 955	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		676 900	627 799	-	75 645	285 013	313 900	(28 886)	-9%	627 799

2.3. Adjustments to expenditure on allocations and grant programs

Table 17 below shows the total allocations gazetted for the 2025/2026 financial year.

Table 17: Grant allocations to the municipality

Description	R ef	2025/26							Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		149 286	-	-	-	390	390	149 676	153 792	160 735
Expanded Public Works Programme Integrated Grant		1 560	-	-	-	-	-	1 560	-	-
Local Government Financial Management Grant		1 900	-	-	-	-	-	1 900	2 000	2 100
Municipal Infrastructure Grant		1 542	-	-	-	-	-	1 542	1 661	1 730
Energy Efficiency and Demand Side Management Grant		-	-	-	-	390	390	390	-	-
Equitable Share		144 284	-	-	-	-	-	144 284	150 131	156 905
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		1 750	-	-	-	-	-	1 750	-	-
Education, Training and Development Practices SETA		250	-	-	-	-	-	250	-	-
Local Government, Water and Related Service SETA		1 500	-	-	-	-	-	1 500	-	-

Total Operating Transfers and Grants	5	151 036	-	-	-	390	390	151 426	153 792	160 735
Capital Transfers and Grants										
National Government:		140 291	-	-	-	20 280	20 280	160 571	137 606	135 303
Energy Efficiency and Demand Side Management Grant		3 000	-	-	-	(390)	(390)	2 610	5 000	-
Municipal Infrastructure Grant		29 291	-	-	-	-	-	29 291	31 562	32 878
Integrated National Electrification Programme Grant		15 000	-	-	-	-	-	15 000	10 000	10 452
Water Services Infrastructure Grant		93 000	-	-	-	-	-	93 000	91 044	91 973
Municipal Disaster Recovery Grant		-	-	-	-	20 670	20 670	20 670	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	140 291	-	-	-	20 280	20 280	160 571	137 606	135 303
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	291 327	-	-	-	20 670	20 670	311 997	291 398	296 038

Table 18: Municipal Infrastructure Grant - Projects

MIG FUNDING						
PROJECT DESCRIPTION	Expenditure in previous years (30 June 2025)	Balance on project	Original Budget	Adjusted Budget	Proposed Adjustment	
Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)	R 31 482 773	R 8 659 343	R 7 263 645	R 8 659 343	R	1 395 698
Construction of Road Paving and Bulk stormwater in Bela Bela X8 - Phase 4	R 1 054 908	R 14 715 359	R 13 619 125	R 13 619 125	R	-
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 1	R 12 234 068	R 6 372 802	R 6 967 672	R 6 372 802	-R	594 870
Construction of Road Paving and Stormwater in Rapotokwane -Phase 1	R 2 393 997	R 36 618 240	R 690 909	R 640 081	-R	50 828
Develop New Cemetery - Pienaarsrivier	R -	R 12 000 000	R 300 000	R -	-R	300 000
Construction of Road Paving and Bulk stormwater in Masakhane - Phase 1	R -	R 7 500 000	R 150 000	R -	-R	150 000
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 2	R -	R 8 000 000	R 150 000	R -	-R	150 000
Construction of Road Paving and Stormwater in Bela Bela X6B - Phase 4	R -	R 7 500 000	R 150 000	R -	-R	150 000
Upgrading of the Bela Bela Municipal landfill site Phase 2 (Ward 2)	R -	-	R -	R -	R	-
Construction of Solar Highmast Lights in various areas in Bela-Bela - Phase 1	R -	R 7 200 000	R -	R -	-	-
Construction of Road Paving and Stormwater in Bela Bela X9 - Phase 1	R -	R 14 820 600	R -	R -	-	-
Construction of Road Paving and Stormwater in Bela Bela X8 - Phase 5	R -	R 11 600 000	R -	R -	-	-
Construction of Road Paving and Stormwater in Bela Bela X9 - Phase 2	R -	R 23 200 000	R -	R -	-	-
PMU Operational Costs	R -	R -	R 1 541 650	R 1 541 650	-	-
DORA ALLOCATION			R 30 833 000	R 30 833 000		
TOTAL BUDGET			R 30 833 000	R 30 833 000		

Depicted in the above table is the original budget amount per registered project allocation and the proposed shifting of funds within the approved projects funds.

Table 19: Water Services Infrastructure Grant (WSIG) – Projects

PROJECT DESCRIPTION	WSIG FUNDING				
	Expenditure in previous years (30 June 2025)	Balance on project	Original Budget	Adjusted Budget	Proposed Adjustment
Upgrading of the Settlers Sewer Pump Station (Ward 2)	R 21 647 415	R 9 657 482	R 10 690 676	R 9 657 482	-R 1 033 195
Upgrading of the Industrial outfall sewer line (Ward 2)	R 9 528 827	R 19 694 570	R 17 630 068	R 19 694 570	R 2 064 502
Water Supply Source Augmentation and the construction of the water reticulation network in Tsakane (Ward 7)	R 7 127 927	R 16 723 675	R 15 181 113	R 16 723 675	R 1 542 563
Construction of Water Booster Pump Station and Upgrading of a Steel Elevated Tank in Ext 8 (Ward 4)	R 8 404 499	R 5 169 848	R 4 591 660	R 5 169 848	R 578 188
Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-Bela Water Treatment Works (Ward 1 & 9)	R 4 690 917	R 41 448 465	R 39 406 483	R 41 448 465	R 2 041 982
Refurbishment of the water reticulation network at the Old Location (Ward 2&5)	R -	R 25 000 000	R 500 000	R -	-R 500 000
Refurbishment of the Platrivier Dam (Ward 9)	R -	R 10 000 000	R 500 000	R -	-R 500 000
Water Supply Source Augmentation using SASSA Borehole and construction of Water Treatment Plant (Ward 1)	R -	R 15 000 000	R 500 000	R 50 000	-R 450 000
Replacement of AC Water Pipes in Bela-Bela Town - Gilfillan, Botha, Van Der Merwe, Pretoria, Voortrekker, Sutter, Marx, Crockerly and Potgieter Street (Ward 1)	R -	R 28 000 000	R 500 000	R 105 960	-R 394 040
Upgrading of the Pienaarsrivier Sewer Pump Station and Waste Water Treatment Works (Ward 8)	R -	R 16 000 000	R 500 000	R 50 000	-R 450 000
Upgrading of the Masakhane sewer pumpstation and Waste Water Treatment Works (Ward 9)	R -	R 25 000 000	R 500 000	R 50 000	-R 450 000
Construction of the Rapotokwane Water Package Plant Desludge Pipeline (Ward 8)	R -	R 12 000 000	R 500 000	R -	-R 500 000
Construction of Additional Aventura Sewer Pump Station (Ward 1)	R -	R 30 000 000	R 500 000	R -	-R 500 000
Upgrading of the Steel Elevated Water Tank in Masakhane (Ward 9)	R -	R 10 000 000	R 500 000	R -	-R 500 000
Refurbishment of the Bela-Bela Water Treatment Works (Ward 1)	R -	R 35 000 000	R 500 000	R -	-R 500 000
Water Supply Source Augmentation using Showground Borehole and construction of Water Treatment Plant (Ward 2)	R -	R 15 000 000	R 500 000	R 50 000	-R 450 000
DORA ALLOCATION			R 93 000 000	R 93 000 000	R 93 000 000
TOTAL BUDGET			R 93 000 000	R 93 000 000	R 0

The overall WSIG capital allocation in the original budget depicted in the above table is R93 million. The adjustments relate to shifting of funds between projects to facilitate completion of projects and grant spending.

Table 20: Integrated National Electrification Programme (INEP)

ELECTRICAL PROJECTS - INEP FUNDING					
PROJECT DESCRIPTION	Expenditure in previous years (30 June 2025)	Balance on project	Original Budget	Adjusted Budget	Proposed Adjustment
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station	R 20 315 000	R -	R -		
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 2	R -	R 27 000 000	R 15 000 000		
Electrification X 25 (Koppewaai)(250 HH)	R -	R -			
Electrification Bela Bela X9 (135HH) - Phase 3	R -	R -			
Bela-Bela Ext 5 (Sun Valley) (86HH)	R -	R -			
DORA ALLOCATION			R 15 000 000		
TOTAL BUDGET			R 15 000 000		

Current year INEP allocation in terms of DORA is R15 million. There are no adjustments to the allocated amount.

Table 21: Municipal Disaster Response Grant (MDRG)

MDRG FUNDING					
PROJECT DESCRIPTION	Expenditure in previous years (30 June 2025)	Balance on project	Original Budget	Adjusted Budget	Proposed Adjustment
Refurbishment of roads and stormwater in Limpopo road and Mabunda Street (Ward 7&5)	R 634 663	R 10 925 337	R 10 925 337	R 10 925 337	R -
Rehabilitation of Meiningen Street				R 3 500 000	R 3 500 000
Rehabilitation of Industrial Road				R 8 600 000	R 8 600 000
Rehabilitation of Paul Sauer Street				R 8 570 000	R 8 570 000
DORA ALLOCATION			R 10 925 337	R 31 595 337	R 20 670 000
TOTAL BUDGET			R 10 925 337	R 31 595 337	R 20 670 000

The Municipal Disaster Response Grant of R10.925 million was rollover from the 2024/2025 financial year. Additional Municipal Disaster Recovery Grant allocation of R20.670 million was received in February 2026, this will fund three road infrastructure rehabilitation projects in the current year.

Table 22: Energy Efficiency and Demand Side Management (EEDSM)

EEDSM FUNDING					
PROJECT DESCRIPTION	Expenditure in previous years (30 June 2025)	Balance on project	Original Budget	Adjusted Budget	Proposed Adjustment
Retro fitting of Street Lights	R -	R 8 000 000	R 3 000 000	R 2 610 000	-R 390 000
DORA ALLOCATION			R 3 000 000	R 2 610 000	-R 390 000
TOTAL BUDGET			R 3 000 000	R 2 610 000	-R 390 000

The Energy Efficiency and Demand Side Management grant of R3 million was allocated to the municipality the current year. The entire allocation was initially provisioned to the capital project in

the original budget. A transfer of R0.390 million (R390 000) from the capital to the operational budget was made in the adjustments budget.

Table 23: Projects funded from internally generated funds

Internally Generated Funds (Own Source)			
Segment Description	Original	Adjustment	Adjusted Budget
Illegal Dumping Prohibition Boards (Assets)_	R -	R 50 000	R 50 000
240litres Refuse Bins	R 300 000	-R 40 500	R 259 500
Procurement of Office Furniture	R 300 000	R -	R 300 000
Cleaning Equipment (Carpet & Upholstery Cleaners and others)	R 100 000	R -	R 100 000
Internal and Risk Management system	R 300 000	-R 300 000	R -
Replacement of Water Meters	R 400 000	R 350 000	R 750 000
Pienaar Rivier: Procurement of Pumps and motors	R 50 000	R -	R 50 000
Radium: Procurement of Pumps and motors	R 150 000	R -	R 150 000
Rapotokwane: Procurement of Pumps and motors	R 200 000	R -	R 200 000
Tsakane: Procurement of Pumps and motors	R 200 000	R -	R 200 000
Vingerkraal: Procurement of Pumps and motors (2025)	R 200 000	-R 50 000	R 150 000
Traffic Signs and Direction Boards (Assets)_	R -	R 204 936	R 204 936
Firearms storage safes	R 50 000	R -	R 50 000
Bullet Proof Vests	R 150 000	-R 60 000	R 90 000
SCADA for BB WWTW	R 600 000	R -	R 600 000
Warmbad WWTW and Pump Stations: Procurement of Pumps and mot	R 1 100 000	R -	R 1 100 000
Procurement of Sewer Gas Monitor and Confined space Tripod w	R 150 000	-R 100 000	R 50 000
Wastewater Quality Testing Kits and Instruments (6 Sludge co	R 60 000	R -	R 60 000
Masakhane/ Radium Sewer Ponds and Pump Station: Procurement	R 200 000	-R 100 000	R 100 000
Pienaarsrivier Sewer Ponds and Pump Station: Procurement of	R 150 000	-R 50 000	R 100 000
Grass cutter with steel blades (X3).	R 12 000	R 150 000	R 162 000
Chainsaw compatible Stihl (45CC)	R 10 000	R -	R 10 000
Meter Reading Gadgets	R -	R 174 288	R 174 288
Grass cutting and Trees pruning equipment	R 150 000	R 30 000	R 180 000
DLTC Client waiting area	R 300 000	R -	R 300 000
DLTC fence repairs	R 500 000	R -	R 500 000
Road Marking Machine	R 150 000	R -	R 150 000
Acquisition of office equipment (Ring Binder and Shredder)	R 80 000	R -	R 80 000

Drinking Water Quality Testing Kits and Instruments	R 100 000	R -	R 100 000
Bela-Bela WTW and Lapa PS: Procurement of Pumps and motors (R 1 100 000	-R 500 000	R 600 000
Procurement of New Aircons	R 200 000	R 200 000	R 400 000
Procurement of Pre-paid electricity meters	R 100 000	R -	R 100 000
Switch gear refurbishment	R 5 500 000	R -	R 5 500 000
Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 1 (Own sou	R -	R 1 868 056	R 1 868 056
Tools and kits	R -	R 300 000	R 300 000
Procurement of Transformers and Maniatures	R 4 500 000	R -	R 4 500 000
Construction of Informal Training Stalls	R 500 000	-R 250 000	R 250 000
Breatherlyzers	R -	R 30 000	R 30 000
Printers	R 300 000	-R 100 000	R 200 000
CCTV installation	R 500 000	-R 500 000	R -
Computer Equipment	R 1 500 000	R 395 000	R 1 895 000
Procurement of Council Chamber Audio	R 500 000	R 435 000	R 935 000
Total	R 20 662 000	R 2 136 780	R 22 798 780

Budget for capital projects funded from internally generated funds were adjusted down from R20.662 million to R22.799 million.

2.4. Adjustments to allocations and grants made by the municipality

The municipality does not allocate any grants to external parties.

2.5. Adjustments to councilors and board member's allowances

Upper limit on councillor salaries and back-pay were implemented in accordance with Government Gazette 53168 in August 2025, remuneration of councillors was increased accordingly.

2.6. Adjustments to service delivery and budget implementation plan

The 2025/2026 SDBIP Adjustment will be prepared in the context of the 2025/2026 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 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 2 Quarters of the year, such as structural changes that have brought about relocation of certain KPIs/targets among and/or within department/divisions.

Municipality Manager's quality certificate

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

❖ 2025/2026 Adjustment budget

Has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Mr T.G. Ramagaga
Municipal Manager

Signature: _____



Date: 1 March 2026