



# **Mid-year Adjustment Budget 2025/2026**

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## **1. PURPOSE**

The purpose of the report is to obtain council approval on the Mid-Year adjustment budget for Amahlathi Local Municipality for 2025/2026 financial year.

## **2. LEGAL/STATUTORY REQUIREMENTS**

Municipal Finance Management Act

Municipal Budget and Reporting Regulations

## **3. BACKGROUND**

In terms of section 28(2) (b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) read together with sub-regulation 23 of the Municipal Budget and Reporting Regulations, municipalities must adjust their MTREF budgets to account for the additional revenues that become available over and above those anticipated in the annual budget. An adjustment budget:-

- Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year.
- 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.
- May authorise the utilisation of projected savings in one vote towards spending under another vote.
- May correct any errors in the annual budget; and
- May provide for any other expenditure within a prescribed framework

When an adjustments budget is tabled, it must be accompanied by:-

- An explanation how the adjustments budget affects the annual budget;
- A motivation of any material changes to the annual budget;
- An explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
- Any other supporting documentation that may be prescribed.

#### **4. MAYORS REPORT**

The Adjustment Budget tabled herewith is prepared in accordance with Section 28 of the Municipal Finance Management Act (MFMA), which requires municipalities to revise their approved annual budgets when additional funding becomes available beyond the original projections. In terms of the Act, such adjustments may only provide for the appropriation of additional funds to accelerate or revise spending on programmes already approved within the annual budget framework.

This Mid-Year Adjustment Budget is informed by the Section 72 Mid-Year Budget and Performance Assessment Report. It further takes into account the overestimation of certain revenue line items, namely Refuse Removal, Agency Services, and Licences, as well as the need to reprioritise both capital and operational expenditure in response to the revised revenue outlook.

**The following is the table depicting the high-level overview of the Mid-year adjustments budget for the 2025/26 Financial Year**

SUMMARY OF INCOME AND EXPENDITURE				
Description	2024/2025 Final Budget	2025/26 Original Budget	2025/26 Special Adjustment Budget	2025/26 Mid-year Adjustment Budget
Total Operating Revenue (Excl. capital transfers)	279 200 697	322 007 776	328 951 480	325 101 033
Total Operating Expenditure	298 302 792	290 496 561	291 714 004	291 552 212
<b>Surplus or (Deficit) before capital transfers</b>	<b>- 19 102 095</b>	<b>31 511 215</b>	<b>37 237 476</b>	<b>33 548 821</b>
Total Capital Transfers	135 091 851	89 321 850	89 321 850	90 298 707
<b>Surplus or (Deficit) after capital transfers</b>	<b>115 989 756</b>	<b>120 833 065</b>	<b>126 559 326</b>	<b>123 847 528</b>
Total Capital Expenditure	140 846 351	92 121 850	94 333 990	93 733 990
<b>Total Surplus / (Deficit)</b>	<b>- 24 856 595</b>	<b>28 711 215</b>	<b>32 225 336</b>	<b>30 113 538</b>

Total operating revenue, excluding capital transfers and contributions, has been adjusted downward from R328.9 million to R325.1 million, primarily due to a decline in revenue generated from refuse removal services.

Operating expenditure has been marginally reduced from R291.7 million to R291.5 million, in line with the revised revenue projections and the municipality's ongoing efforts to maintain financial sustainability.

The Mid-Year Adjustment Budget tabled before Council reflects an unfunded budget, as operating expenditure exceeds operating revenue, and the projected year end cash flow is insufficient to fully cover creditor commitments. Notwithstanding the above, the Municipality has made notable progress in improving its financial position. The current financial year reflects a reduced deficit and an improved position towards surplus when compared to the final approved budget of the previous financial year.

## **5. ADJUSTMENT BUDGET RELATED RESOLUTIONS**

Below are the resolutions that must be approved by council with 2025/26 Mid-year adjustments budget.

- a. That the Mid-year Adjustments Budget for 2025/2026 and the indicative 2 outer financial years 2026/2027 and 2027/2028 **BE APPROVED** as set out in the following budget tables:-

- 1.1 Table A1 Budget Summary
- 1.2 Table A2 Budgeted Financial Performance by Standard Classification
- 1.3 Table A3 Budgeted Financial Performance by Vote
- 1.4 Table A4 Budgeted Financial Performance – Revenue by Source and Expenditure by type
- 1.5 Table A5 Budgeted Capital
- 1.6 Table A6 Budgeted Financial Position
- 1.7 Table A7 Budgeted Cash Flows
- 1.8 Table A8 Budgeted Backed Reserves and Accumulated Surplus Reconciliation
- 1.9 Table A9 Asset management
- 1.10 Table A10 Basic Service Delivery Measurement

- b. That the list of revised capital projects **BE APPROVED.**
- c. That the funding plan **BE NOTED.**
- d. That the Mid-year Adjustments Budget **BE APPROVED.**

## **6. EXECUTIVE SUMMARY**

The Municipality's revenue base continues to experience significant pressure due to several contributing factors. These include a persistent culture of non-payment by debtors, slow economic growth, high levels of unemployment, further exacerbated by the impact of the pandemic and a relatively high employee related cost structure.

In response to these challenges, the Municipality has reviewed its revenue raising strategies, which have since been approved by Council. Progress on the implementation of the Revenue Enhancement Strategy is monitored and reported to Council on a quarterly basis.

Presented below is a high-level summary of the Mid-Year Adjustment Budget. Operating revenue, excluding capital transfers and contributions, has been adjusted downward from R328.9 million to R325.1 million. This reduction is primarily attributable to a decline in revenue from refuse removal services and traffic related revenue streams, including agency services, licences, and permits.

Operating expenditure has been marginally adjusted downward from R291.7 million to R291.5 million to address identified over-expenditure and to align spending with the revised revenue projections.

EC124 Amahlathi - Table B1 Adjustments Budget Summary -

Description	Budget Year 2025/26									Budget Year	Budget Year
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	28 350	28 350	-	-	-	-	(271)	(271)	28 079	35 795	38 278
Service charges	86 861	95 361	-	-	-	-	(4 982)	(4 982)	90 379	89 882	94 759
Investment revenue	4 063	4 063	-	-	-	-	-	-	4 063	4 246	4 352
Transfers recognised - operational	145 328	145 328	-	-	-	-	-	-	145 328	140 816	147 158
Other own revenue	57 405	55 849	-	-	-	-	1 403	1 403	57 252	54 518	28 658
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>322 008</b>	<b>328 951</b>	-	-	-	-	<b>(3 850)</b>	<b>(3 850)</b>	<b>325 101</b>	<b>325 257</b>	<b>313 205</b>
Employee costs	126 195	126 195	-	-	-	-	1 080	1 080	127 275	128 871	132 677
Remuneration of councillors	15 692	15 692	-	-	-	-	-	-	15 692	16 398	16 808
Depreciation & asset impairment	23 217	43 602	-	-	-	-	-	-	43 602	44 581	46 914
Finance charges	2 000	2 000	-	-	-	-	(500)	(500)	1 500	1 800	1 600
Inventory consumed and bulk purchases	65 673	65 880	-	-	-	-	(513)	(513)	65 366	69 191	73 461
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	57 719	38 345	-	-	-	-	(228)	(228)	38 117	29 072	28 731
<b>Total Expenditure</b>	<b>290 497</b>	<b>291 714</b>	-	-	-	-	<b>(162)</b>	<b>(162)</b>	<b>291 552</b>	<b>289 912</b>	<b>300 191</b>
<b>Surplus/(Deficit)</b>	<b>31 511</b>	<b>37 237</b>	-	-	-	-	<b>(3 689)</b>	<b>(3 689)</b>	<b>33 549</b>	<b>35 345</b>	<b>13 014</b>
Transfers and subsidies - capital (monetary allocations)	89 322	89 322	-	-	-	-	977	977	90 299	46 429	48 250
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>120 833</b>	<b>126 559</b>	-	-	-	-	<b>(2 712)</b>	<b>(2 712)</b>	<b>123 848</b>	<b>81 774</b>	<b>61 264</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>120 833</b>	<b>126 559</b>	-	-	-	-	<b>(2 712)</b>	<b>(2 712)</b>	<b>123 848</b>	<b>81 774</b>	<b>61 264</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>92 122</b>	<b>94 334</b>	-	-	-	-	<b>(600)</b>	<b>(600)</b>	<b>93 734</b>	<b>46 429</b>	<b>48 250</b>
Transfers recognised - capital	89 322	89 839	-	-	-	-	400	400	90 239	46 429	48 250
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2 800	4 495	-	-	-	-	(1 000)	(1 000)	3 495	-	-
<b>Total sources of capital funds</b>	<b>92 122</b>	<b>94 334</b>	-	-	-	-	<b>(600)</b>	<b>(600)</b>	<b>93 734</b>	<b>46 429</b>	<b>48 250</b>
<b>Financial position</b>											
Total current assets	104 178	101 819	-	-	-	-	130 736	130 736	232 555	135 810	169 260
Total non current assets	600 889	603 101	-	-	-	-	(600)	(600)	602 501	647 642	670 304
Total current liabilities	143 434	146 749	-	-	-	-	100 871	100 871	247 619	118 080	143 109
Total non current liabilities	7 862	7 862	-	-	-	-	-	-	7 862	7 862	7 862
Community wealth/Equity	553 771	559 498	-	-	-	-	(2 735)	(2 735)	556 763	657 545	688 631
<b>Cash flows</b>											
Net cash from (used) operating	108 806	120 497	-	-	-	-	3 740	3 740	124 236	74 672	82 398
Net cash from (used) investing	(91 874)	(92 918)	-	-	-	-	(8 454)	(8 454)	(101 372)	(51 676)	(53 719)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>47 757</b>	<b>58 404</b>	-	-	-	-	<b>(4 714)</b>	<b>(4 714)</b>	<b>53 690</b>	<b>43 746</b>	<b>49 345</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	39 757	50 404	-	-	-	-	129 078	129 078	179 482	44 359	47 707
Application of cash and investments	82 603	100 075	-	-	-	-	99 517	99 517	199 591	53 993	69 911
<b>Balance - surplus (shortfall)</b>	<b>(42 846)</b>	<b>(49 671)</b>	-	-	-	-	<b>29 561</b>	<b>29 561</b>	<b>(20 110)</b>	<b>(9 633)</b>	<b>(22 204)</b>
<b>Asset Management</b>											
Asset register summary (WDV)	600 889	603 101	-	-	-	-	(600)	(600)	602 501	647 642	670 304
Depreciation	23 217	23 217	-	-	-	-	-	-	23 217	23 715	25 656
Renewal and Upgrading of Existing Assets	25 840	26 358	-	-	-	-	(7 952)	(7 952)	18 406	11 453	11 790
Repairs and Maintenance	2 975	2 730	-	-	-	-	(5)	(5)	2 725	1 788	1 743
<b>Free services</b>											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	3 418	-	-	-	-	216	216	3 634	3 820	4 041
<b>Households below minimum service level</b>											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

## 7. OPERATING REVENUE FRAMEWORK

The municipality is implementing various revenue strategies which include, revenue enhancement strategy; financial recovery plan and debt incentive scheme with an objective to improve financial viability. In order, to meet the objective of the strategy a revenue enhancement committee monitors and evaluates the implementation of the strategy. The committee ensure that there is monitoring of the implementation of the revenue enhancement strategy and full implementation of the credit control policy and debt collection policy.

Below is the table reflecting the summary of revenue by source.

EC124 Amahlathi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

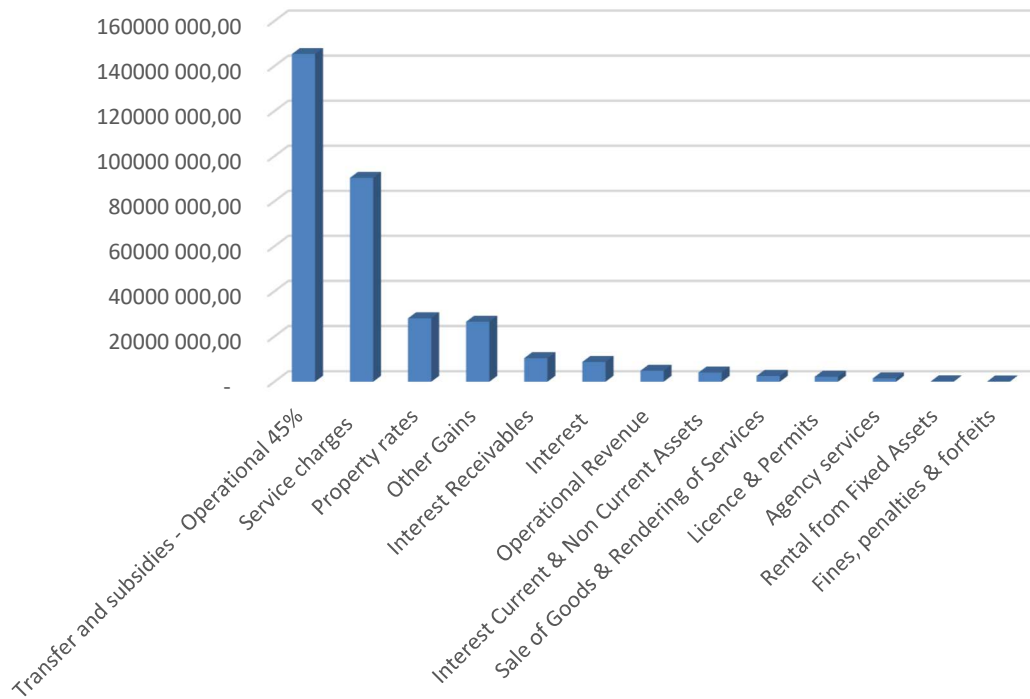
Description	Ref	Budget Year 2025/26									Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	Adjus.	Budget	Budget	Budget	
R thousands	1	A	A1	B	C	D	E	F	G	H	+1 2026/27	+2 2027/28	
<b>Revenue By Source</b>													
<b>Exchange Revenue</b>													
Service charges - Electricity	2	72 499	80 999	-	-	-	-	47	47	81 045	75 187	79 697	
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-	
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-	
Service charges - Waste Management	2	14 362	14 362	-	-	-	-	(5 028)	(5 028)	9 334	14 695	15 062	
Sale of Goods and Rendering of Services		7 363	1 828					746	746	2 575	1 941	1 988	
Agency services		2 005	2 005					(511)	(511)	1 493	1 895	2 147	
Interest		-	-					-	-	-	-	-	
Interest earned from Receivables		8 566	8 566					1 879	1 879	10 444	10 751	10 875	
Interest earned from Current and Non Current Assets		4 063	4 063					-	-	4 063	4 246	4 352	
Dividends		-	-					-	-	-	-	-	
Rent on Land		-	-					-	-	-	-	-	
Rental from Fixed Assets		209	209					12	12	221	231	237	
Special Rating Levies		-	-					-	-	-	-	-	
Licence and permits		3 845	3 845					(1 627)	(1 627)	2 217	3 154	3 205	
Operational Revenue		891	4 869					-	-	4 869	931	954	
<b>Non-Exchange Revenue</b>													
Property rates	2	28 350	28 350	-	-	-	-	(271)	(271)	28 079	35 795	38 278	
Surcharges and Taxes		-	-					-	-	-	-	-	
Fines, penalties and forfeits		18	18					102	102	120	129	130	
Licences or permits		-	-					-	-	-	-	-	
Transfer and subsidies - Operational		145 328	145 328					-	-	145 328	140 816	147 158	
Interest		7 955	7 955					802	802	8 757	8 931	9 121	
Fuel Levy		-	-					-	-	-	-	-	
Operational Revenue		-	-					-	-	-	-	-	
Gains on disposal of Assets		-	-					-	-	-	-	-	
Other Gains		26 554	26 554					-	-	26 554	26 554	-	
Discontinued Operations		-	-					-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>322 008</b>	<b>328 951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 850)</b>	<b>(3 850)</b>	<b>325 101</b>	<b>325 257</b>	<b>313 205</b>	

- Sale of Goods and Rendering of Services: Revenue has been adjusted upward from R1.8 million to R2.5 million. This increase relates to fire levy revenue that had been billed prior to the discontinuation of the levy but was not reversed. The upward adjustment provides for the revenue already billed before the levy was stopped, noting that the budget provision had previously been removed during the Special Adjustment Budget process.
- Service Charges – Refuse Removal: Revenue has been adjusted downward from R14.3 million to R9.3 million. The implementation of the new valuation roll resulted in certain property values drop below R80 000, resulting in these properties being classified as indigents and are now receiving rebates.
- Interest on Receivables: Revenue has been adjusted upward from R8.5 million to R10.7 million. This increase is attributable to a lower-than-anticipated collection rate, resulting in higher outstanding debtor balances and, consequently, increased interest charged on overdue accounts.
- Agency Services: Revenue has been adjusted downward from R2.0 million to R1.4 million due to a decline in traffic-related revenue.
- Licences and Permits: Revenue has similarly been reduced from R3.8 million to R2.2 million, attributable to lower-than-anticipated income from traffic services.

Below is the graph depicting the split of total operating revenue with an indication that the municipality is still heavily dependent on grants, as operational grants constitute 45%, Service charges 28%, property rates 9% and other revenue 18% of the total revenue.

Operational Revenue		
Revenue Item	Budget	%
Transfer and subsidies - Operational	145 328 150,00	45%
Service charges	90 378 798,00	28%
Property rates	28 078 983,00	9%
Other Gains	26 554 271,00	8%
Interest Receivables	10 444 433,00	3%
Interest	8 756 726,00	3%
Operational Revenue	4 869 102,00	1%
Interest Current & Non Current Assets	4 063 354,00	1%
Sale of Goods & Rendering of Services	2 574 626,00	1%
Licence & Permits	2 217 487,00	1%
Agency services	1 493 475,00	0%
Rental from Fixed Assets	221 414,00	0%
Fines, penalties & forfeits	120 214,00	0%
	<b>325 101 033,00</b>	<b>100%</b>

### Operational Revenue



## 7.1 OPERATING REVENUE BY FUNCTION

Below is the operating revenue by function.

EC124 Amahlathi - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjsts.	Adjsts.	Budget	Budget	Budget
R thousands	1,4	A	A1	B	C	D	E	F	G	H		
<b>Revenue - Functional</b>												
<i>Governance and administration</i>		208 058	209 558	-	-	-	-	530	530	210 088	215 980	198 506
Executive and council		26 554	26 554	-	-	-	-	56	56	26 610	26 554	-
Finance and administration		181 504	183 004	-	-	-	-	475	475	183 478	189 426	198 506
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		7 987	2 453	-	-	-	-	761	761	8 748	701	719
Community and social services		2 073	2 073	-	-	-	-	41	41	2 115	305	312
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		5 534	-	-	-	-	-	719	719	6 254	-	-
Housing		379	379	-	-	-	-	-	-	379	397	406
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		82 477	79 421	-	-	-	-	(2 038)	(2 038)	77 383	42 980	44 871
Planning and development		74 667	77 145	-	-	-	-	-	-	77 145	37 652	39 235
Road transport		7 666	2 131	-	-	-	-	(2 038)	(2 038)	93	5 177	5 481
Environmental protection		144	144	-	-	-	-	-	-	144	151	155
<i>Trading services</i>		112 807	121 307	-	-	-	-	(2 126)	(2 126)	119 181	112 025	117 360
Energy sources		91 369	99 869	-	-	-	-	1 523	1 523	101 393	89 735	94 619
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		21 438	21 438	-	-	-	-	(3 650)	(3 650)	17 788	22 289	22 742
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	411 330	412 739	-	-	-	-	(2 874)	(2 874)	415 400	371 686	361 455
<b>Expenditure - Functional</b>												
<i>Governance and administration</i>		112 280	112 488	-	-	-	-	1 627	1 627	114 115	108 880	111 156
Executive and council		38 443	38 543	-	-	-	-	844	844	39 387	38 565	39 449
Finance and administration		71 055	71 115	-	-	-	-	(603)	(603)	70 511	66 188	67 480
Internal audit		2 782	2 830	-	-	-	-	1 387	1 387	4 217	4 127	4 228
<i>Community and public safety</i>		12 947	12 652	-	-	-	-	(448)	(448)	12 204	12 999	13 253
Community and social services		8 202	7 908	-	-	-	-	(194)	(194)	7 714	8 246	8 343
Sport and recreation		2 103	2 103	-	-	-	-	(85)	(85)	2 018	2 112	2 176
Public safety		2 566	2 566	-	-	-	-	(169)	(169)	2 397	2 581	2 673
Housing		75	75	-	-	-	-	-	-	75	60	62
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		65 649	66 978	-	-	-	-	(717)	(717)	66 261	65 997	69 196
Planning and development		9 041	9 136	-	-	-	-	175	175	9 311	9 240	9 471
Road transport		56 608	57 842	-	-	-	-	(892)	(892)	56 950	56 757	59 725
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		99 621	99 596	-	-	-	-	(624)	(624)	98 972	102 037	106 585
Energy sources		80 466	80 466	-	-	-	-	(214)	(214)	80 252	82 791	86 976
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		19 155	19 130	-	-	-	-	(410)	(410)	18 720	19 246	19 609
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	290 497	291 714	-	-	-	-	(162)	(162)	291 552	289 912	300 191
<b>Surplus/ (Deficit) for the year</b>		120 833	121 025	-	-	-	-	(2 712)	(2 712)	123 848	81 774	61 264

## 7.2 Grants and subsidies

EC124 Amahlathi - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2025/26						Budget Year	Budget Year	
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands		A	A1	8	9	10	11	12		
<b>RECEIPTS:</b>	1, 2									
<u>Operating Transfers and Grants</u>										
<b>National Government:</b>		143 505	-	-	-	-	-	143 505	140 816	147 158
EPWP Incentive	-	1 799	-	-	-	-	-	1 799	-	-
Finance Management	-	2 200	-	-	-	-	-	2 200	2 400	2 500
Local Government Equitable Share	-	137 520	-	-	-	-	-	137 520	136 575	142 739
Municipal Infrastructure Grant	-	1 986	-	-	-	-	-	1 986	1 841	1 919
<b>Provincial Government:</b>		1 823	-	-	-	-	-	1 823	-	-
Eastern Cape_Capacity Building and Other_Specify (Add gra	-	1 823	-	-	-	-	-	1 823	-	-
	4									
	5									
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	6	145 328	-	-	-	-	-	145 328	140 816	147 158
<u>Capital Transfers and Grants</u>										
<b>National Government:</b>		74 322	-	-	-	-	-	74 322	46 429	48 250
Municipal Infrastructure Grant (MIG)	-	37 737	-	-	-	-	-	37 737	34 976	36 460
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	4 000	4 000
Integrated National Electrification Programme Grant	-	17 440	-	-	-	-	-	17 440	7 453	7 790
Municipal Disaster Relief Grant	-	19 145	-	-	-	-	-	19 145	-	-
		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		15 000	-	-	977	-	977	15 977	-	-
Eastern Cape_Capacity Building and Other_Capacity Building	-	-	-	-	977	-	977	977	-	-
Eastern Cape_Infrastructure_Infrastructure_RECEIPTS	-	15 000	-	-	-	-	-	15 000	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	6	89 322	-	-	977	-	977	90 299	46 429	48 250
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		234 650	-	-	977	-	977	235 627	187 245	195 408

The table above reflects the total grant funding amounting to R235.6 million allocated to the Municipality for the 2025/26 financial year.

## 8. OPERATING EXPENDITURE FRAMEWORK

The table below depicts the high-level summary of the Mid-year adjustments budget classified per main type.

EC124 Amahlathi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

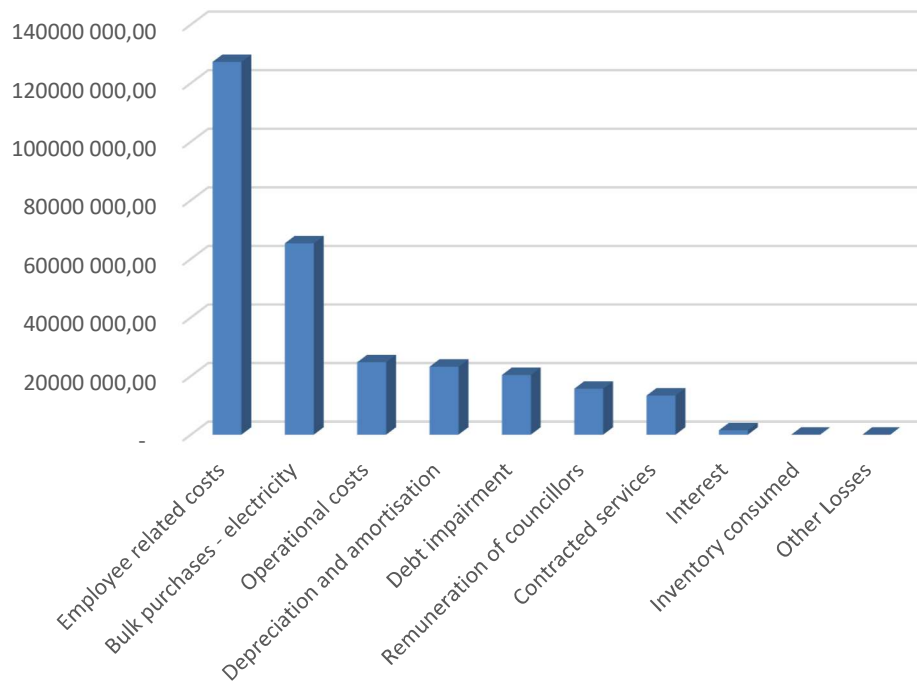
Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2026/27	+2 2027/28
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Expenditure By Type</b>												
Employee related costs		126 195	126 195	-	-	-	-	1 080	1 080	127 275	128 871	132 677
Remuneration of councillors		15 692	15 692	-	-	-	-	-	-	15 692	16 398	16 808
Bulk purchases - electricity		65 349	65 349	-	-	-	-	-	-	65 349	68 852	73 114
Inventory consumed		324	530	-	-	-	-	(513)	(513)	17	338	347
Debt impairment		20 385	20 385	-	-	-	-	-	-	20 385	20 866	21 258
Depreciation and amortisation		23 217	23 217	-	-	-	-	-	-	23 217	23 715	25 656
Interest		2 000	2 000	-	-	-	-	(500)	(500)	1 500	1 800	1 600
Contracted services		13 003	13 391	-	-	-	-	(16)	(16)	13 375	10 484	9 618
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-
Operational costs		24 330	24 953	-	-	-	-	(213)	(213)	24 741	18 587	19 113
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		1	1	-	-	-	-	-	-	1	-	-
<b>Total Expenditure</b>		<b>290 497</b>	<b>291 714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(162)</b>	<b>(162)</b>	<b>291 552</b>	<b>289 912</b>	<b>300 191</b>

- **Employee-Related Costs:** The budget has been increased from R126.1 million to R127.2 million to provide for overspending relating to the Expanded Public Works Programme (EPWP).
- **Materials and Supplies:** The allocation has been reduced from R530 000 to R17 000 to make provision for increases in other expenditure items.
- **Finance Charges:** Finance charges were previously overestimated and have accordingly been reduced by R500 000.
- **Operational Costs:** Operational expenditure has been adjusted downward from R24.9 million to R24.7 million in order to reprioritise funding towards other budget pressures.

The graph below illustrates the composition of total operating expenditure. Employee-related costs represent 44% of total operating expenditure, non-cash items account for 16%, and bulk purchases constitute 22%. These categories collectively represent the largest components of the Municipality's operating expenditure.

Operational Expenditure		
Expenditure Item	Budget	%
Employee related costs	127 275 206,00	44%
Bulk purchases - electricity	65 349 470,00	22%
Operational costs	24 740 742,00	8%
Depreciation and amortisation	23 216 764,00	8%
Debt impairment	20 385 000,00	7%
Remuneration of councillors	15 692 031,00	5%
Contracted services	13 374 999,00	5%
Interest	1 500 000,00	1%
Inventory consumed	17 000,00	0%
Other Losses	1 000,00	0%
	<b>291 552 212,00</b>	<b>100%</b>

Operational Expenditure



## 9. CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote

EC124 Amahlathi - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	+1 2026/27
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		2 800	4 495	-	-	-	-	(1 000)	(1 000)	3 495	-	-
Vote 4 - Community Services		-	-	-	-	-	-	400	400	400	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		89 322	89 839	-	-	-	-	-	-	89 839	46 429	48 250
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		92 122	94 334	-	-	-	-	(600)	(600)	93 734	46 429	48 250
<b>Total Capital Expenditure - Vote</b>		92 122	94 334	-	-	-	-	(600)	(600)	93 734	46 429	48 250
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		2 800	4 495	-	-	-	-	(1 000)	(1 000)	3 495	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		2 800	4 495	-	-	-	-	(1 000)	(1 000)	3 495	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		66 382	66 382	-	-	-	-	-	-	66 382	34 976	36 460
Planning and development		37 737	37 737	-	-	-	-	-	-	37 737	34 976	36 460
Road transport		28 645	28 645	-	-	-	-	-	-	28 645	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		22 940	23 458	-	-	-	-	400	400	23 858	11 453	11 790
Energy sources		22 940	23 458	-	-	-	-	-	-	23 458	11 453	11 790
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	400	400	400	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	92 122	94 334	-	-	-	-	(600)	(600)	93 734	46 429	48 250
<b>Funded by:</b>												
National Government		74 322	74 839	-	-	-	-	-	-	74 839	46 429	48 250
Provincial Government		15 000	15 000	-	-	-	-	400	400	15 400	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	89 322	89 839	-	-	-	-	400	400	90 239	46 429	48 250
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		2 800	4 495	-	-	-	-	(1 000)	(1 000)	3 495	-	-
<b>Total Capital Funding</b>		92 122	94 334	-	-	-	-	(600)	(600)	93 734	46 429	48 250

## 9.1 ADJUSTED CAPITAL PROJECTS

Description	Funding	Final Budget 2025/26	Special Adjustments Budget 2025/26	Mid-year Adjustments Budget 2025/26	Movement
Vehicles (Engineering Services)	Own	1 000 000,00	-	-	-
Computer Equipment	Own	200 000,00	400 000,00	800 000,00	400 000,00
Furniture & Office Equipment	Own	500 000,00	794 640,00	794 640,00	-
Vehicles	Own	1 100 000,00	3 300 000,00	1 900 000,00	- 1 400 000,00
<b>Total</b>		<b>2 800 000,00</b>	<b>4 494 640,00</b>	<b>3 494 640,00</b>	<b>- 1 000 000,00</b>
Izidenge Internal Roads	MIG	3 326 149,00	3 326 149,00	3 276 419,00	- 49 730,00
Langdraai Community Hall	MIG	4 501 288,00	4 501 288,00	4 501 288,00	-
Mlungisi Sportfield	MIG	5 600 000,00	5 600 000,00	5 600 000,00	-
Nqenqe Internal Roads	MIG	3 462 969,00	3 462 969,00	3 462 969,00	-
Paving of Xholorha Internal Roads	MIG	1 000 000,00	1 000 000,00	2 374 363,00	1 374 363,00
Phumlani Community Hall	MIG	4 651 162,00	4 651 162,00	4 651 162,00	-
Municipal Offices	MIG	8 000 000,00	8 000 000,00	48 443,00	- 7 951 557,00
Waste Collection Compactor Truck	MIG	3 283 196,00	3 283 196,00	3 283 196,00	-
Stutterheim Streets Paving	MIG	400 000,00	400 000,00	400 000,00	-
Keiskammahoek Town Paving	MIG	400 000,00	400 000,00	400 000,00	-
Amabele Paving	MIG	315 036,00	315 036,00	7 294 702,00	6 979 666,00
Keilands Roads	MIG	700 000,00	700 000,00	347 258,00	- 352 742,00
Cathcart Town Hall Upgrade	MIG	400 000,00	400 000,00	400 000,00	-
Infrastructure plans	MIG	1 697 050,00	1 697 050,00	1 697 050,00	-
<b>Total MIG Projects</b>		<b>37 736 850,00</b>	<b>37 736 850,00</b>	<b>37 736 850,00</b>	<b>-</b>
Upgrading Stutterheim Main Intake Substation Switchgear	INEP	5 000 000,00	5 000 000,00	5 000 000,00	-
Cathcart 22/11kv 2x2,5 MVA Substation	INEP	12 440 000,00	12 440 000,00	12 440 000,00	-
<b>Total INEP Projects</b>	<b>INEP</b>	<b>17 440 000,00</b>	<b>17 440 000,00</b>	<b>17 440 000,00</b>	<b>-</b>
MV Substations	EEDSM	-	517 500,00	517 500,00	-
<b>Total EEDSM Projects</b>		<b>-</b>	<b>517 500,00</b>	<b>517 500,00</b>	<b>-</b>
Xholorha Paving Phase 2	MDRG	15 000 000,00	15 000 000,00	15 000 000,00	-
Ngcamngeni Roads and Storm Water	MDRG	4 145 000,00	4 145 000,00	4 145 000,00	-
Upper Zingcuka Road Paving	MDRG	-	-	-	-
Cenyu Village Road Paving	MDRG	-	-	-	-
Cenyu Village Culvert Crossing and Paving	MDRG	-	-	-	-
<b>Total MDRG Projects</b>		<b>19 145 000,00</b>	<b>19 145 000,00</b>	<b>19 145 000,00</b>	<b>-</b>
STR KKH Roads	STR	5 500 000,00	5 500 000,00	5 500 000,00	-
STR Stutterheim Roads	STR	4 000 000,00	4 000 000,00	4 000 000,00	-
STR KKH	STR	1 500 000,00	1 500 000,00	1 500 000,00	-
STR Stutterheim	STR	4 000 000,00	4 000 000,00	4 000 000,00	-
<b>Total STR Projects</b>		<b>15 000 000,00</b>	<b>15 000 000,00</b>	<b>15 000 000,00</b>	<b>-</b>
Construction of Waste Site				400 000,00	
<b>Total Waste Grant</b>		<b>-</b>	<b>-</b>	<b>400 000,00</b>	
<b>TOTAL CAPITAL PROJECTS</b>	<b>ALL</b>	<b>92 121 850,00</b>	<b>94 333 990,00</b>	<b>93 733 990,00</b>	<b>- 1 000 000,00</b>

## 9.2 REPAIRS AND MAINTENANCE

EC124 Amahlathi - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		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	8	9	10	11	12	13	14	+1 2026/27	+2 2027/28
<b>R thousands</b>												
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		1 880	1 880	-	-	-	-	50	50	1 930	761	780
Roads Infrastructure		1 150	1 150	-	-	-	-	-	-	1 150	575	589
Roads		1 150	1 150	-	-	-	-	-	-	1 150	575	589
Road Structures		-	-	-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		30	30	-	-	-	-	-	-	30	31	32
Drainage Collection		30	30	-	-	-	-	-	-	30	31	32
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		700	700	-	-	-	-	50	50	750	155	158
Power Plants		100	100	-	-	-	-	(50)	(50)	50	105	107
HV Substations		-	-	-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-	-	-
HV Transmission Conductors		600	600	-	-	-	-	100	100	700	50	51
MV Substations		-	-	-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		100	100	-	-	-	-	(70)	(70)	30	105	107
Community Facilities		100	100	-	-	-	-	(70)	(70)	30	105	107
Halls		-	-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		100	100	-	-	-	-	(70)	(70)	30	105	107
Police		-	-	-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>		400	105	-	-	-	-	(105)	(105)	1	340	288
Operational Buildings		400	105	-	-	-	-	(105)	(105)	1	340	288
Municipal Offices		300	5	-	-	-	-	(5)	(5)	-	280	224
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		100	100	-	-	-	-	(99)	(99)	1	60	64
Housing		-	-	-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	50	-	-	-	-	(50)	(50)	-	-	-
Computer Equipment		-	50	-	-	-	-	(50)	(50)	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		50	50	-	-	-	-	-	-	50	52	54
Machinery and Equipment		50	50	-	-	-	-	-	-	50	52	54
<b>Transport Assets</b>		545	545	-	-	-	-	169	169	714	530	515
Transport Assets		545	545	-	-	-	-	169	169	714	530	515
<b>Land</b>		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure to be</b>	1	2 975	2 730	-	-	-	-	(5)	(5)	2 725	1 788	1 743

## 1.6 Table A6 Budgeted Financial Position

EC124 Amahlathi - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
<b>R thousands</b>												
<b>ASSETS</b>												
<b>Current assets</b>												
Cash and cash equivalents		39 757	50 404					135 361	135 361	185 765	43 746	49 345
Trade and other receivables from exchange transactions	1	22 570	15 186	-	-	-	-	-	-	15 186	34 990	45 064
Receivables from non-exchange transactions	1	9 188	-	-	-	-	-	(6 283)	(6 283)	2 905	613	(1 638)
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		24	(182)	-	-	-	-	171	171	(11)	(12)	(12)
VAT		32 639	36 412	-	-	-	-	1 486	1 486	37 899	56 473	76 501
Other current assets		-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>		<b>104 178</b>	<b>101 819</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130 736</b>	<b>130 736</b>	<b>241 743</b>	<b>135 810</b>	<b>169 260</b>
<b>Non current assets</b>												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		11 686	11 686	-	-	-	-	-	-	11 686	11 655	11 655
Property, plant and equipment	3	582 387	584 600	-	-	-	-	(600)	(600)	584 000	629 171	651 835
Biological assets		6 214	6 214	-	-	-	-	-	-	6 214	6 214	6 214
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		610	610	-	-	-	-	-	-	610	610	610
Intangible assets		(9)	(9)	-	-	-	-	-	-	(9)	(9)	(9)
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>600 889</b>	<b>603 101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(600)</b>	<b>(600)</b>	<b>602 501</b>	<b>647 642</b>	<b>670 304</b>
<b>TOTAL ASSETS</b>		<b>705 067</b>	<b>704 920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130 136</b>	<b>130 136</b>	<b>844 244</b>	<b>783 451</b>	<b>839 565</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		1 844	1 844	-	-	-	-	-	-	1 844	1 844	1 844
Trade and other payables from exchange transactions		64 065	67 380	-	-	-	-	1 871	1 871	69 250	84 607	107 479
Trade and other payables from non-exchange transactions		47 000	47 000	-	-	-	-	100 000	100 000	147 000	-	-
Provisions		20 407	20 407	-	-	-	-	(1 000)	(1 000)	19 407	21 511	23 668
VAT		10 118	10 118	-	-	-	-	-	-	10 118	10 118	10 118
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>143 434</b>	<b>146 749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100 871</b>	<b>100 871</b>	<b>247 619</b>	<b>118 080</b>	<b>143 109</b>
<b>Non current liabilities</b>												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	7 862	7 862	-	-	-	-	-	-	7 862	7 862	7 862
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>7 862</b>	<b>7 862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 862</b>	<b>7 862</b>	<b>7 862</b>
<b>TOTAL LIABILITIES</b>		<b>151 296</b>	<b>154 611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100 871</b>	<b>100 871</b>	<b>255 482</b>	<b>125 943</b>	<b>150 971</b>
<b>NET ASSETS</b>	2	<b>553 771</b>	<b>550 309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29 265</b>	<b>29 265</b>	<b>588 763</b>	<b>657 509</b>	<b>688 594</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		553 771	559 498	-	-	-	-	29 265	29 265	588 763	657 545	688 631
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>553 771</b>	<b>559 498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29 265</b>	<b>29 265</b>	<b>588 763</b>	<b>657 545</b>	<b>688 631</b>

## 1.7 Table A7 Budgeted Cash Flows

EC124 Amahlathi - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		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		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		31 710	31 710					(1)	(1)	31 708	39 615	42 319
Service charges		76 998	95 361					(4 982)	(4 982)	90 379	76 807	81 434
Other revenue		14 330	8 796					(3 351)	(3 351)	5 445	6 250	6 518
Transfers and Subsidies - Operational	1	145 328	145 328					-	-	145 328	140 816	147 158
Transfers and Subsidies - Capital	1	89 322	89 322					977	977	90 299	46 429	48 250
Interest		12 629	12 629					10 635	10 635	23 265	23 929	24 348
Dividends		-	-					-	-	-	-	-
<b>Payments</b>												
Suppliers and employees		(259 511)	(260 648)					(39)	(39)	(260 687)	(257 373)	(266 028)
Finance charges		(2 000)	(2 000)					500	500	(1 500)	(1 800)	(1 600)
Transfers and Subsidies	1	-	-					-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>108 806</b>	<b>120 497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 740</b>	<b>3 740</b>	<b>124 236</b>	<b>74 672</b>	<b>82 398</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		-	1 500					-	-	1 500	-	-
Decrease (increase) in non-current receivables		-	-					-	-	-	-	-
Decrease (increase) in non-current investments		-	-					-	-	-	-	-
<b>Payments</b>												
Capital assets		(91 874)	(94 418)					(8 454)	(8 454)	(102 872)	(51 676)	(53 719)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(91 874)</b>	<b>(92 918)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8 454)</b>	<b>(8 454)</b>	<b>(101 372)</b>	<b>(51 676)</b>	<b>(53 719)</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>16 932</b>	<b>27 579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 714)</b>	<b>(4 714)</b>	<b>22 864</b>	<b>22 997</b>	<b>28 679</b>
Cash/cash equivalents at the year begin:	2	30 825	30 825					-	-	30 825	20 749	20 666
Cash/cash equivalents at the year end:	2	47 757	58 404					(4 714)	(4 714)	53 690	43 746	49 345

## 1.8 Table A8 Budgeted Backed Reserves and Accumulated Surplus Reconciliation

EC124 Amahlathi - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2025/26									Budget Year	Budget Year
		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		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	47 757	58 404	-	-	-	-	127 286	127 286	185 690	43 746	49 345
Other current investments > 90 days		(8 000)	(8 000)	-	-	-	-	1 792	1 792	(6 208)	613	(1 638)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>39 757</b>	<b>50 404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129 078</b>	<b>129 078</b>	<b>179 482</b>	<b>44 359</b>	<b>47 707</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		47 000	47 000	-	-	-	-	100 000	100 000	147 000	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	35 603	53 075	-	-	-	-	(483)	(483)	52 591	53 993	69 911
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>82 603</b>	<b>100 075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99 517</b>	<b>99 517</b>	<b>199 591</b>	<b>53 993</b>	<b>69 911</b>
<b>Surplus(shortfall)</b>		<b>(42 846)</b>	<b>(49 671)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29 561</b>	<b>29 561</b>	<b>(20 110)</b>	<b>(9 633)</b>	<b>(22 204)</b>

## **10. QUALITY CERTIFICATE**

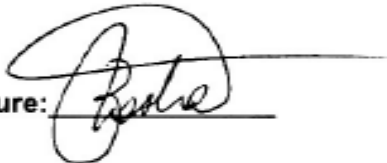
I Dr. Z Shasha, Municipal Manager of Amahlathi Local Municipality hereby certify that the Mid-year adjustments budget and supporting documentation have been prepared in accordance with Municipal Finance Management Act and regulations made under that Act, and that the Mid-year adjustment budget and supporting documentation are consistent with the integrated development plan of the municipality.

**Print Name: Dr. Z Shasha**

**Municipal Manager of: Amahlathi Municipality**

**Demarcation Code: EC124**

**Signature:**

A handwritten signature in black ink, appearing to be 'Z Shasha', written over a horizontal line.

**Date: 14 FEBRUARY 2026**