

MAGARENG



MUNICIPALITY

MAGARENG LOCAL MUNICIPALITY

**2025/2026 ADJUSTMENT
MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS**

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Abbreviations and Acronyms

CFO	Chief Financial Officer
CM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Energy Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
PMS	Performance Management System
PPE	Property Plant and Equipment
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enter

Part 1 – ADJUSTMENT BUDGET

1.1 Mayors Speech

TABLING OF THE 2025/2026 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET AT MAGARENG COUNCIL CHAMBER

19th February 2026

Honourable Speaker, it is my honor to present to you the adjustment budget for the 2025/26 financial year. This is our fifth adjustment budget for the current council.

Honourable Speaker, this Council has been striving for the past 5 years is to improve the living conditions of Magareng's residents.

Honorable Speaker, Economists indicate that the GDP growth is expected to average 1.8% from 2025 to 2027, this marginal growth in the economy clearly demonstrates our South African economy is struggling and under severe constrains. For Magareng municipality this tough economic outlook directly threatens our **REVENUE**. A weaker economic growth means that households will likely struggle to pay municipal accounts which will impact negatively on our revenue.

Honorable Speaker, this compels us to make tough and difficult choices in the adjustment budget process. We are forced to tighten the belt to the bone.

Honorable Speaker, perhaps it is important to state that through **Greening and Cleaning Programme** of the **Department of Forestry, Fisheries and the Environment**, for the 2025/26, there was **250** work opportunities created.

Honorable Speaker, it is important to note that we inherited many problems of the past. From uncompleted projects, to poor planning and in some instances no planning at all. We are in better position now as we know our problems, we have quantified them, we know who will fund them and when they will be completed.

Honourable Speaker, now we turn to the business of the day, as I ask your permission to allow me to take you through the budget. This is a revenue driven budget process. The major revenue streams of this 2025/26 budget remain the DORA grants, FBDM grants, and revenue from trading services. The total budget for the 2025/26 financial year is broken down as follows:

- The total operational revenue is **R 170 937 062**
- The total operational expenditure is **R 188 847 416**
- The total capital budget is **R41 601 000.00**

There is a decrease of 48.4% to the capital budget of 2025/26 as compared to the budget of 2024/25 financial year (R82 482 009). This is because our conditional grants have significantly been reduced for the 2025/26 by National Treasury, there is no reasons provided for this reduction.

Honourable Speaker, it should be noted that our budget is unfunded by **R 17 910 354**. The municipality has developed a budget funding plan to support the municipal 2025/26 budget.

- The purpose of the budget funding plan is to supplement the municipal 2025/26 budget and to ensure that the current budget

deficit is reduced to enable the municipality to have a cash funded budget through effective revenue enhancement and cost containment initiatives.

- The revenue enhancement and cost containment initiatives have been formulated based on current practices performed by other municipalities in South Africa that have yielded remarkable positive results. Conservative estimates have been made throughout the budget funding plan to ensure that the estimated figures are not misleading. In essence, the initiatives have been aligned to the municipal financial recovery plans, revenue enhancements strategy and the 2025/26 MTREF budget.
- The initiatives are operationally extensive in nature and require all departments to work as a team to fulfil the mandate of the municipality.
- Careful consideration has been made on the planned initiatives to ensure objectivity and fairness to the community and the municipality. Socio-economic and administrative factors have, thus, been factored into the budget funding plan.
- In consideration of the above, the accounting officer has ensured that the budget funding plan is reviewed monthly to ensure the main objectives of the plan are achieved.
- Some of the proposed revenue enhancement and cost containment initiative are: reduction of overtime, reduction of travelling (encouraging virtual meetings), installing traffic cameras, amongst others.

Honourable Speaker, as indicated, the DORA and FBDM grants remain our main sources of revenue at R119 277 786, which is 70% of the total revenue. This grants significantly influences our expenditure.

Honourable Speaker, the adjustments are as follows:

Operational grants

- FBDM EPWP – there's was an upward budget adjustment with **R562 700**
- FBDM In Kind – This is adjusted according to the annual financial statements – The Internal Audit shared service is adjusted to **R252 086**.
- Which is a total adjustment of **R814 785 thousand** on our operational grants. This is not a monetary grant.

Capital grants

- Regional bulk Infrastructure Grant – there's is an adjustment of **R9 million**
- Which is the only adjustment to the municipal capital budget.

Honourable Speaker, I wish to emphasize that this budget has been formulated with the utmost care and consideration for the needs of our community that we serve, and I want to assure you that we are committed to ensuring that this budget is utilised effectively and efficiently.

Honourable Speaker, the financial Policies which has been reviewed and to be adopted by Council today are as follows:

- Tariff Policy;
- Unallocated deposits Policy;
- Subsistence & Travelling
- Budget Policy;
- Funding & Reserves Policy
- Consumer deposits;
- Credit Control and Debt Collection Policy;
- Revised SCM Policy

- Revised PPPFA Policy
- Property Rates Policy
- Cost Containment Policy
- UIF & WE Policy
- UIF & WE Reduction Strategy
- Indigent Policy;
- UIF & WE Action Plan
- Virement Policy;

Honourable Speaker, I want to conclude by quoting the words of our first democratic president, Nelson Mandela that *“As long as poverty, injustice, and gross inequality persist in our world, none of us can truly rest.”*

Let us all join hands and continue in our journey to build a better and developed Magareng.

We have started and we are focused on the goal.

We are building Magareng!!!

Yours in Development!!!!



**CLLR NEO MASE
MAYOR OF MAGARENG LOCAL MUNICIPALITY**

1.2 Resolutions

A brief outline of the 2025/2026 Adjustment Budget

This Budget has been prepared as a Medium-Term Expenditure Framework in strict compliance with the National Treasury framework through the lengthy budget schedule. The budget is compliant with the latest budget regulations prescribed by National Treasury MFMA Circular 130.

South Africa, although not as harshly as other parts of the world, was also negatively influenced by the global economic meltdown. The municipality as the third tier of government therefore has a responsibility to manage its public resources as efficient and effective as possible in order to ensure service delivery is done in the most cost-effective manner.

This will be done by making sure that the financial position of the municipality remains sustainable over medium term facing the current economic crisis. Therefore, special attention has been given to eliminating of all unnecessary spending on nice-to have items and non-essential activities.

It also means that we will not be deaf to the voices of our community when they call for help. Our response to the present crisis is to face the challenges before us boldly, and as a municipality united.

This municipality can only be built through a solid partnership between our social, businesses, spiritual ,political and other relevant stakeholders. We have to put self-interest aside; we have to face each other honestly and openly. Our task is to see through the challenges of economic vulnerability today to construction of a better community that is our passion and our pride. We can do entire better as a united people.

National, and (to a lesser extent) provincial government spheres set the overall strategic agenda (public policy) for local government administration and management in the country. However, the fact that the national government sets the overall mandate for municipalities does not imply that all councils will share a common vision. The circumstances pertaining in each of the 257 municipalities in the country will undoubtedly differ, and variations will therefore exist.

The following priority focus areas have been adopted by the national government as service delivery target areas (SALGA, 2004:29).

- Eradication of the bucket system;
- Provision of basic water;
- Provision of basic sanitation;
- Provision of housing;
- Provision of basic electrification; and
- Provision of roads and infrastructure

The successful attainment of the foregoing delivery priorities is highly dependent on the ability of each individual municipality to strategically plan, budget and co-operate with other municipalities, district councils, provinces and national government departments, institutions and organs of the state, whose activities have a bearing on the municipality. Therefore, the principles of co-operative government as well as intergovernmental relations are critical determinants for measuring the ability of a municipality to discharge its mandate.

Summary of infrastructure development

The adjusted capital budget for **2025/2026** addresses improvements in the following services:

The following capital grant was adjusted:

Regional Bulk Infrastructure Grant (RBIG) original allocation was **R9 960 000 million**, an upward adjustment of **R9 000 000 million** has been affected.

The following grants were not adjusted:

Warrenton: Bulk Water Supply in Ikhutseng (MIG) = **R12 641 000 million**.

Water Service Infrastructure Grant (WSIG) = **R10 000 000 million**.

This capital program is funded mainly from external grant funding namely the MIG (Municipal Infrastructure Grant), Water Service Infrastructure Grant (WSIG), and Regional Bulk Infrastructure Grant.

When the capital and operational budget was compiled, the main focus areas were the improvement of service delivery to the community and alleviation of poverty. For these reasons it was necessary to increase delivery service in Magareng for some of our departments especially

Technical Services and Community Services by filling of critical positions to fast track service delivery to our people.

Material amendments made to the Annual Adjustment Budget

Tariff Increases

It should be noted that the increases are not happening in a vacuum, but are part and parcel of a long-term economic development plan that will deliver a Municipality which is effectively and efficiently run, with well-maintained services and facilities. The Municipality, however, is affected by all sorts of external factors like inflation, to an extent by some national government policy decisions, the current state of non-payment as well as the unemployment and affordability demographics of the Municipality's residents.

For the purpose of adjustment budget, the municipality still uses the Final Annual Budgets approved tariff list (The municipality used the 4.3% CPI in line with Budget Circular 130 and the 12.72% tariff approved by NERSA for bulk purchases electricity.)

Percentage increase

SERVICE	2025/2026
Water	4,3%
Electricity	12.72%
Refuse	4,3%
Sewerage	4,3%
Property rates	4,3%

Indigent Relief

This budget is targeted towards enhanced service delivery. As a Municipality we are continuously ensuring improved access to free basic services and dealing with backlogs in basic infrastructure. Several measures have also been taken to make the municipal account more affordable to poorer households.

Let's look at some of the measures we already have in place: These include:

For prepaid: the first 6kl of water is free to all registered indigent households;

For prepaid: The first 50kwh of electricity is free to all registered indigent households;

For conventional: The basic charge and the first 6kl of water is free to all registered indigent households;

For conventional: The basic charge and first 50kwh of electricity is free to all registered indigent households;

Basic charges for sewage 100% subsidy;

Basic charges for refuse 100% subsidy;

Adjusted Integrated Development Planning 2025/2026.

The Integrated Development Plan plays a pivotal role in informing all planning processes of the other spheres of government (District, National and Provincial) as well as all state-owned enterprises, which implies a dire need for joint and coordinated effort by these parties in the IDP development processes. The IDP was drawn up in consultation with community members, sector departments and Frances Baard District Municipality.

Our municipality still remains the coalface of service delivery of government, therefore it is our fiduciary responsibility to ensure continuous interaction with our communities, as mandated by South African Constitution, Act 108 of 1996 in order to create a better life for all and enhance the living conditions of the community and its members. We can proudly say that Magareng Local Municipality continues to work together with our communities in order to find sustainable and progressive way to fulfill their social, economic and developmental needs.

In terms of system Act 32 of 2000(chapter 5) the municipality is obliged to prepare a comprehensive document, which is the most important tool that we use to guide our planning; development and decision-making process in a municipality.

We hope and trust that the administration will implement the IDP/Budget accordingly and effectively. The council must do the oversight and hold the administration accountable for targets not met. We will continue to update our community about IDP progress and our intentions as a municipality through ward councilors; ward committees and Imbizos. We urge our community to be patient with the council as some of the IDP projects will take some time before they complete especially the Upgrading of water treatment plant, Refurbishment of the Waste Water Treatment

Plant Water supply in Warrenton and Upgrading of Low Voltage and Medium Voltage electrical lines.

1.3 Executive Summary

Section 28 (1) of the Municipal Finance Management Act (MFMA) stipulates that the Council of a Municipality may revise an approved annual budget through an Adjustment Budget. In terms of Section 28(4) only the Mayor may table an Adjustment Budget in the municipal council. But an Adjustment Budget in terms of subsection (2) (b) to (g) may only be tabled within any prescribed as to timing of frequency.

The adjustment budget takes into account the input received from various stakeholders including guidelines from National Treasury. National Treasury issued MFMA Budget Circular No 129 on 10th December 2024 and MFMA Budget Circular No. 130 on 20th March 2025 to guide the compilation of the 2025/2026 Adjusted MTREF.

Overall overview:

	Original Budget	Adjustments Increase/Decrease	Final Adjustment Budget	%Increase/Decrease	Comment
Total operating revenue (Excl Capital Transfers and contributions)	170 489 356.00	447 706.00	170 937 062.00	0%	New upward adjustment of R447 706
Total operating Expenditure	197 038 599.00	- 8 191 183.00	188 847 416.00	-4%	Decrease in Operating expenditure of R8 191 183
Operating Surplus/Deficit	- 26 549 243.00	8 638 889.00	- 17 910 354.00	-48%	Increase in surplus of R8 682 889
Capital Transfers and Contributions	32 601 000.00	9 000 000.00	41 601 000.00	22%	New upward adjustment on Capital Transfers of R9 000 000
Total operating revenue (Incl Capital Transfers and contributions)	203 090 356.00	9 447 706.00	212 538 062.00	4%	New upward adjustment of R9 447 706
Surplus/Deficit for the year	6 051 757.00	17 638 889.00	23 690 646.00	74%	Increase in surplus of R17 638 889
Total capital Expenditure	36 361 000.00	9 000 000.00	45 361 000.00	20%	New upward adjustment of R9 000 000
Transfers Recognised capital	32 601 000.00	9 000 000.00	41 601 000.00	22%	New upward adjustment of R9 000 000
Borrowings	-	-	-	0%	No Adjustments
Internally generated funds	3 760 000.00	-	3 760 000.00	0%	No Adjustments
Total Exp (Opex and Capex)	233 399 599.00	808 817.00	234 208 416.00	0%	New upward adjustment of R808 817

Table indicating Operating expense per type

NC093 Magareng - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 25/

Description	Ref	Budget Year 2025/26			Budget Year	Budget Year
		Original Budget	Total Adjusts.	Adjusted Budget	+1 2026/27	+2 2027/28
R thousands	1	A	9 G	10 H		
Expenditure By Type						
Employee related costs		59 997	(2 205)	57 792	61 586	64 274
Remuneration of councillors		5 270	155	5 426	5 513	5 755
Bulk purchases - electricity		25 000	–	25 000	26 150	27 301
Inventory consumed		14 050	445	14 495	11 880	12 400
Debt impairment		31 883	(7 296)	24 587	33 350	34 817
Depreciation and amortisation		23 541	(8 046)	15 494	24 623	25 700
Interest		600	2 233	2 833	628	655
Contracted services		16 283	3 353	19 636	14 115	14 736
Transfers and subsidies		–	–	–	–	–
Irrecoverable debts written off		–	569	569	–	–
Operational costs		19 810	1 240	21 051	19 351	20 203
Losses on disposal of Assets		–	–	–	–	–
Other Losses		604	1 360	1 964	632	660
Total Expenditure		197 039	(8 191)	188 847	197 826	206 500

Indicated in the table above are the adjustments to Expenditure by Type that were affected for 2025/26 adjustments budget after the Mid-year budget assessment. The net downward adjustment amounts to **R8 191 183 million**, decreasing the total expenditure to **R188 847 416 million**.

Considering the municipality's dire cash flow position, it is imperative that the operational expenditure should ideally be adjusted downwards, to ensure that the municipality is sustainable, however, the municipality must at same time make sure that critical service delivery issues are adequately addressed and funded. And the municipality was forced to make adjustments to avoid incurring unauthorized expenditure. The areas of adjustments that will be proposed are as follow:

Employee related costs – a downward adjustment of **R2,205 million**. The adjustment was necessitated due to vacant positions which were budgeted for and not filled. More stringent internal controls must be put in place to curb the over-expenditure.

Remuneration of Councilors-an upward adjustment of R155 thousand. The adjustment was due to insufficient provision for councilor's pension fund.

Depreciation – a downward adjustment of **R8, 040 million** this line item was adjusted according to the 2024/2025 annual financial statements.

Debt impairment – downward adjustment of **R7, 296 439 million** please note this line item was adjusted according to the 2024/2025 audited annual financial statements.

Contracted services – the net upward adjustment amounted to **R3, 334 million**, this expenditure relates to Safeguard and security and accountants & auditors.

Finance charges - is adjusted upwards by **R2, 233 million** which relates to the interest of ESKOM for overdue accounts and other trade and payables.

Other materials (Repairs and maintenance) – net downward adjustment of **R194 thousand** which relates to inventory consumed.

Operational costs – upward adjustment of **R1,240 million** which relates to software licenses for the financial system, insurance claims, commission- third party vendors and municipal activities (Eskom sub accounts).

Water losses - is adjusted upwards by **R1,360 million**. This in line with the audited 2024/2025 Annual Financial Statements.

Debt Written Off – is adjusted upwards with **R569 thousand** interest on property rates for as settlement discount account to the National Department of Public Works.

Table indicating Operational revenue per type:

NC093 Magareng - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 25/

Description	Ref	Budget Year 2025/26			Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	G	H		
Revenue By Source						
Exchange Revenue						
Service charges - Electricity	2	19 592	-	19 592	20 494	21 395
Service charges - Water	2	5 424	-	5 424	5 674	5 924
Service charges - Waste Water Management	2	9 775	-	9 775	10 225	10 675
Service charges - Waste Management	2	7 355	-	7 355	7 693	8 032
Sale of Goods and Rendering of Services		1 232	-	1 232	1 288	1 345
Agency services		-	-	-	-	-
Interest		-	-	-	-	-
Interest earned from Receivables		25 462	-	25 462	26 633	27 805
Interest earned from Current and Non Current Assets		46	-	46	48	50
Dividends		-	-	-	-	-
Rent on Land		38	-	38	39	41
Rental from Fixed Assets		327	-	327	342	357
Special rating levies		-	-	-	-	-
Licence and permits		-	-	-	-	-
Operational Revenue		732	(66)	666	766	800
Non-Exchange Revenue						
Property rates	2	15 251	-	15 251	15 952	16 654
Surcharges and Taxes		-	-	-	-	-
Fines, penalties and forfeits		612	-	612	640	668
Licences or permits		-	-	-	-	-
Transfer and subsidies - Operational		76 862	815	77 677	70 668	73 820
Interest		7 781	-	7 781	8 139	8 498
Fuel Levy		-	-	-	-	-
Operational Revenue		-	-	-	-	-
Gains on disposal of Assets		-	(301)	(301)	-	-
Other Gains		-	-	-	-	-
Discontinued Operations		-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		170 489	448	170 937	168 602	176 063

The municipality relies heavily on successful collection of billed revenue to finance its operations. It very important that monthly cash expenditure is measured against monthly billed revenue and collected revenue at the same time. The collection rate is one of the critical key performance indicators that are reported on, on a monthly basis.

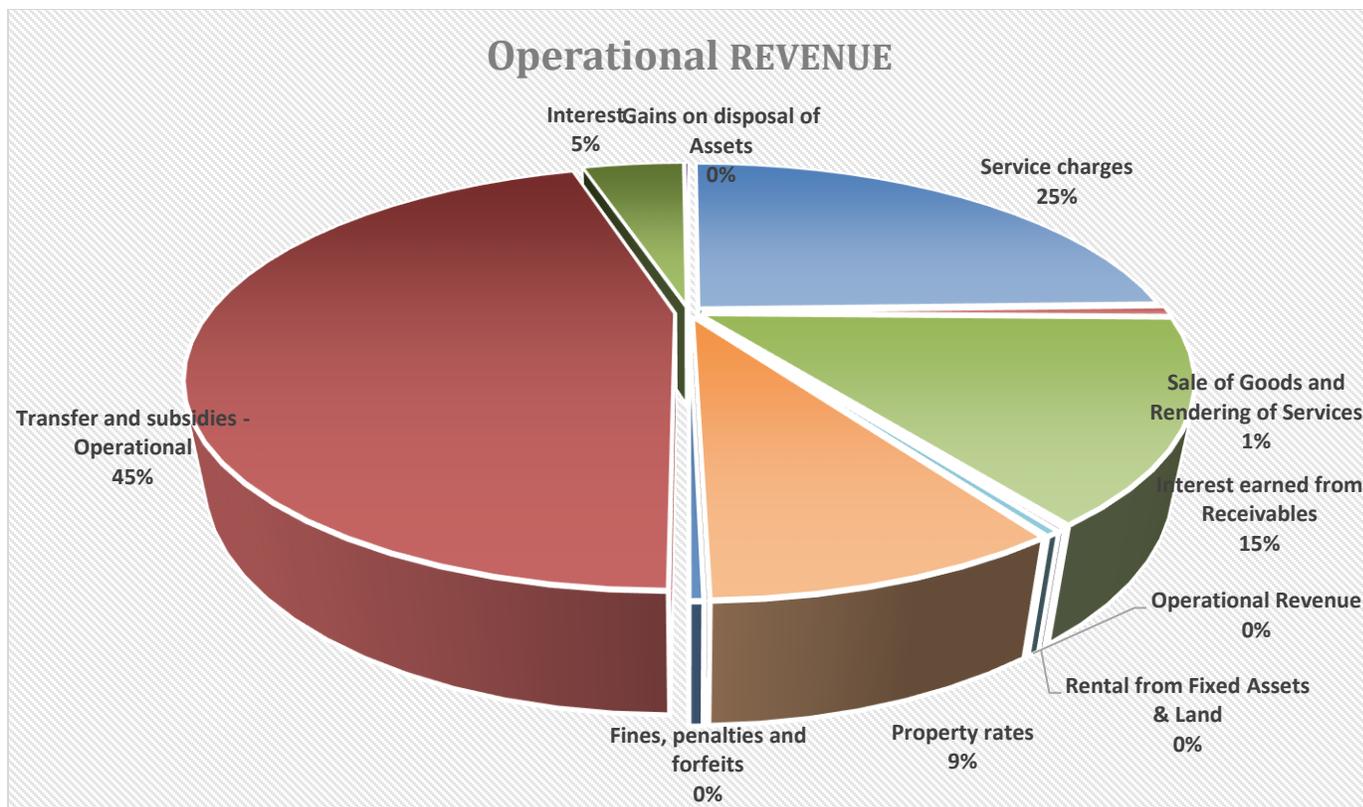
It is becoming more and more challenging to collect revenue and recover debt as a result of economic conditions that are not favourable for both businesses and residential customers. The indigent register is growing, and the situation is exacerbated by demand for land for informal settlement purposes which put more pressure on demand for services. The municipality should

place more emphasis on the pursuance to expedite the sale of land for possible revenue generation enhancements. Electricity remains the main revenue source for the municipality and more stringent revenue protection measures must be implemented to minimize theft, illegal connections and bypassed meters. The municipality applied for the funding for Smart meter project RT29 but was not approved.

The net upward adjustment amounts to **R447 706 million**, increasing the total operating revenue to **R170 937 062 million**.

Non-exchange revenue

- Transfers and subsidies operational– a net upward adjustment of **R814 785 thousand** as a result of the following adjustments:
 - An upward adjustment of **R562 700 thousand** on Transfers and subsidies for funds received from FBDM for contract workers.
 - **R252 086 thousand** there is a upward adjustment for the FBDM internal audit shared service in line with actuals, this line item was budgeted according to the annual financial statement
 - **Gains and Disposal of Assets** there is an upward adjustment of **R300 719 thousand** this adjustment is due to the annual financial statement's actuals.



Overall Service charges contribute **25%** of total revenue of the municipality, whilst Property rates and taxes contribute **9%**, Other own revenue sources make up **0%**, Rental from fixed assets and land make up of **0%**, Fines make up of **0%** Interest earned from receivable and non- receivables **15%** and Transfers recognized – operational **45%**.

NC093 Magareng - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 23/02/2026

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 01 - Executive & Council		67 612	-	-	-	-	-	563	563	68 175	67 668	70 720
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	252	252	252	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	(301)	(301)	(301)	-	-
Vote 04 - Financial Services		30 167	-	-	-	-	-	-	-	30 167	28 802	30 037
Vote 05 - Municipal Infrastructure		89 961	-	-	-	-	-	9 000	9 000	98 961	90 818	95 600
Vote 06 - Community Services		15 350	-	-	-	-	-	(66)	(66)	15 283	14 748	15 397
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	203 090	-	-	-	-	-	9 448	9 448	212 538	202 036	211 754

Senior Managers are charged with the responsibilities of sound financial management and as such, the assets and resources assigned to the votes generates revenue for the municipality. The Financial Services vote accounts for billing and collecting on all services rendered by the municipality. The Municipal and General vote deals with council revenue generation including the conditional and unconditional grants, interest received from investments etc.

Executive and Council vote and the Municipal Manager's vote generates R0 revenue, however it is with noting that upward adjustment of **R562 700 thousand** from **FBDM EPWP**, **R252 thousand** it's an in-kind shared service from FBDM Internal Audit which is an upward adjustment respectively.

Corporate services no adjustments.

Municipal infrastructure has been adjusted upwards by **R9,000 million** as a result of the increase of **R9,000 million** in capital budget.

Financial Services there is a upward adjustments of **R300 thousand** from gains on disposal of assets

Community services – had a downward adjustment of **R66 thousand**.

Table indicating Transfers and subsidies

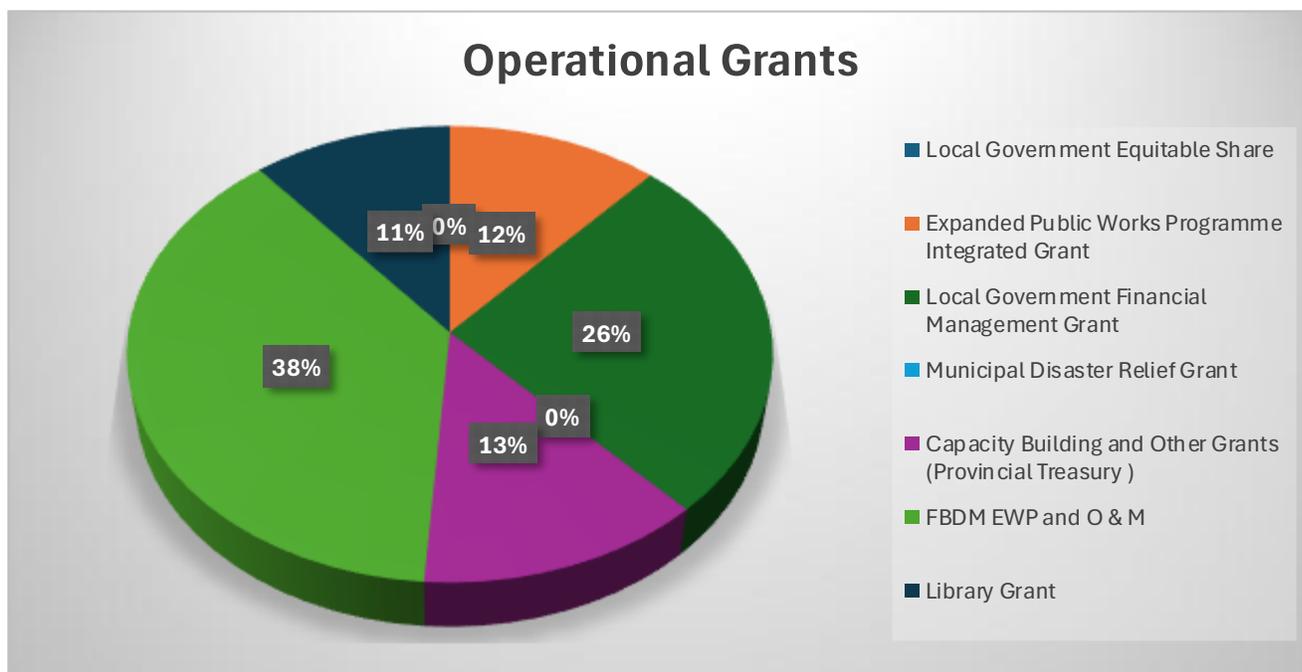
Transfers and subsidies: operational Grants

Total transfers and subsidies operational grants amount to **R77 676 786 million** for 2025/2026, there was an upwards adjustment of **R814 786 thousand**.

- An upward adjustment of **R562 700 thousand** on Transfers and subsidies for funds received from FBDM contract workers.
- **R252 086 thousand** there is a upward adjustment this from FBDM internal audit shared services actuals, this line item was budgeted according to the annual financial statement

The allocations of the municipal operational grants are allocated as per Dora and FBDM.

NC093 Magareng - Supporting Table SB7 Adjustments Budget - transfers and			
Description	Budget Year 2025/26		
	Original Budget	Total Adjusts.	Adjusted Budget
<u>Operating Transfers and Grants</u>			
National Government:	70 612 000.00	-	70 612 000.00
Local Government Equitable Share	66 283 000.00	-	66 283 000.00
Expanded Public Works Programme Integrated Grant	1 329 000.00	-	1 329 000.00
Local Government Financial Management Grant	3 000 000.00	-	3 000 000.00
Municipal Disaster Relief Grant	-	-	-
		-	-
Provincial Government:	1 500 000.00	-	1 500 000.00
Capacity Building and Other Grants	1 500 000.00	-	1 500 000.00
		-	-
District Municipality:	3 500 000.00	814 786.00	4 314 786.00
<i>Specify (Add grant description)</i>	3 500 000.00	814 786.00	4 314 786.00
Other grant providers:	1 250 000.00	-	1 250 000.00
<i>Education Training and Development Practices SETA</i>	-	-	-
<i>National Library South Africa</i>	-	-	-
<i>Northern Cape Arts and Cultural</i>	1 250 000.00	-	1 250 000.00
<i>Post Retirement Benefit</i>	-	-	-
Total Operating Transfers and Grants	76 862 000.00	814 786.00	77 676 786.00



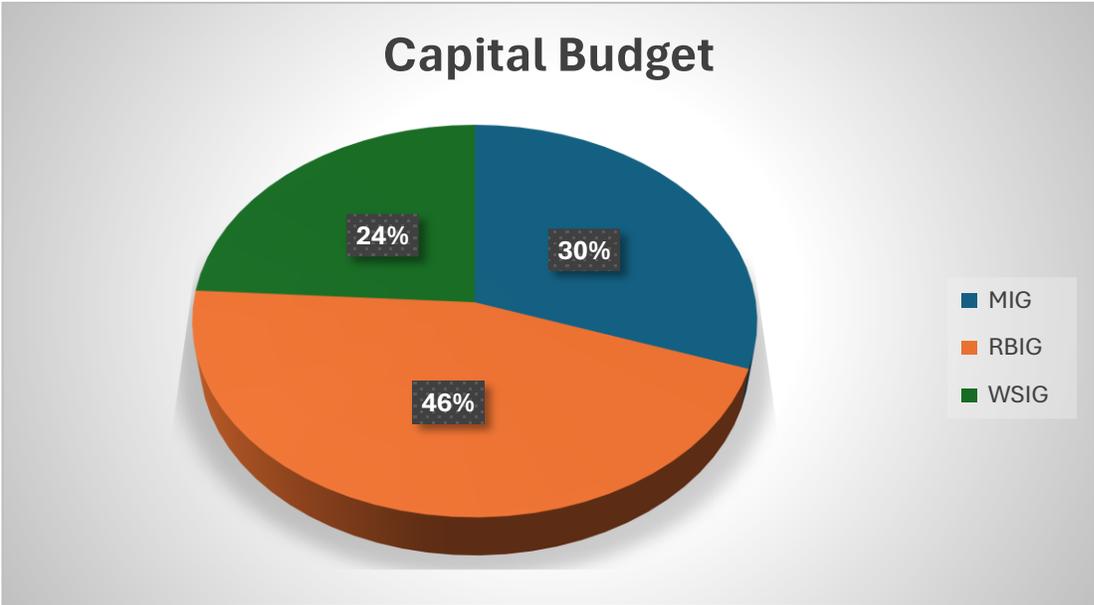
Transfers and subsidies: Capital Grants

Total transfers and subsidies capital grants amount to **R41 601 000 million** for 2025/2026 financial year. The following table gives a breakdown on capital transfers and subsidies allocated to the municipality as per the Dora.

- There is an upward adjustment for Regional Bulk Infrastructure grant amounting to **R9 million**.

NC093 Magareng - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 23/02/2026

Description	Budget Year 2025/26		
	Original Budget	Total Adjusts.	Adjusted Budget
Capital Transfers and Grants			
Integrated National Electrification Programme Grant	-	-	-
Municipal Disaster Relief Grant	-	-	-
Municipal Infrastructure Grant	12 641 000.00	-	12 641 000.00
Regional Bulk Infrastructure Grant	9 960 000.00	9 000 000.00	18 960 000.00
Water Services Infrastructure Grant	10 000 000.00	-	10 000 000.00
		-	-
Total Capital Transfers and Grants	32 601 000.00	9 000 000.00	41 601 000.00



Adjustment Budget Tables

Part 2: List of Tables

1.1 Table B1- Adjustment Budget Summary

NC093 Magareng - Table B1 Adjustments Budget Summary - 25/02/2026

Description	Budget Year 2025/26										Budget Year +1 2026/27	Budget Year +2 2027/28
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjus. 6	Total Adjus. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget	
R thousands	A	A1	B	C	D	E	F	G	H			
Financial Performance												
Property rates	15 251	-	-	-	-	-	-	15 251	15 251	15 952	16 654	
Service charges	42 146	-	-	-	-	-	-	42 146	42 146	44 085	46 025	
Investment revenue	46	-	-	-	-	-	-	46	46	48	50	
Transfers recognised - operational	76 862	-	-	-	-	-	815	815	77 677	70 668	73 820	
Other own revenue	36 184	-	-	-	-	-	(367)	(367)	35 817	37 849	39 514	
Total Revenue (excluding capital transfers and contributions)	170 489	-	-	-	-	-	448	448	170 937	168 602	176 063	
Employee costs	59 997	-	-	-	-	-	(2 205)	(2 205)	57 792	61 586	64 274	
Remuneration of councillors	5 270	-	-	-	-	-	155	155	5 426	5 513	5 755	
Depreciation & asset impairment	55 424	-	-	-	-	-	(15 343)	(15 343)	40 081	57 973	60 517	
Finance charges	600	-	-	-	-	-	2 233	2 233	2 833	628	655	
Inventory consumed and bulk purchases	39 050	-	-	-	-	-	445	445	39 495	38 030	39 701	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	36 698	-	-	-	-	-	6 522	6 522	43 220	34 098	35 598	
Total Expenditure	197 039	-	-	-	-	-	(8 191)	(8 191)	188 847	197 826	206 500	
Surplus/(Deficit)	(26 549)	-	-	-	-	-	8 639	8 639	(17 910)	(29 224)	(30 436)	
Transfers and subsidies - capital (monetary allocations)	32 601	-	-	-	-	-	9 000	9 000	41 601	33 434	35 691	
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	6 052	-	-	-	-	-	17 639	17 639	23 691	4 210	5 255	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	6 052	-	-	-	-	-	17 639	17 639	23 691	4 210	5 255	
Capital expenditure & funds sources												
Capital expenditure	36 361	-	-	-	-	-	9 000	9 000	45 361	37 229	39 580	
Transfers recognised - capital	32 601	-	-	-	-	-	9 000	9 000	41 601	33 296	35 474	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	3 760	-	-	-	-	-	-	-	3 760	3 933	4 106	
Total sources of capital funds	36 361	-	-	-	-	-	9 000	9 000	45 361	37 229	39 580	
Financial position												
Total current assets	23 633	-	-	-	-	-	41 451	41 451	65 083	(29 144)	(30 427)	
Total non current assets	515 142	-	-	-	-	-	35 815	35 815	550 957	538 965	568 667	
Total current liabilities	306 432	-	-	-	-	-	67 418	67 418	373 850	297 467	315 684	
Total non current liabilities	7 940	-	-	-	-	-	(1 138)	(1 138)	6 802	6 176	6 448	
Community wealth/Equity	223 054	-	-	-	-	-	12 335	12 335	235 389	232 606	243 700	
Cash flows												
Net cash from (used) operating	23 452	-	-	-	-	-	74 529	74 529	97 981	19 511	20 339	
Net cash from (used) investing	(36 076)	-	-	-	-	-	(9 301)	(9 301)	(45 377)	(36 931)	(39 269)	
Net cash from (used) financing	25	-	-	-	-	-	-	-	25	26	27	
Cash/cash equivalents at the year end	(11 494)	-	-	-	-	-	12 908	12 908	1 414	(15 979)	(34 881)	
Cash backing/surplus reconciliation												
Cash and investments available	(46 043)	-	-	-	-	-	72 348	72 348	26 305	(49 137)	(51 299)	
Application of cash and investments	245 806	-	-	-	-	-	59 305	59 305	305 111	284 285	302 114	
Balance - surplus (shortfall)	(291 849)	-	-	-	-	-	13 043	13 043	(278 806)	(333 423)	(353 413)	
Asset Management												
Asset register summary (WDV)	537 107	-	-	-	-	-	51 455	51 455	588 561	561 940	592 653	
Depreciation	23 541	-	-	-	-	-	(8 046)	(8 046)	15 494	24 623	25 700	
Renewal and Upgrading of Existing Assets	34 616	-	-	-	-	-	8 910	8 910	43 526	34 510	36 741	
Repairs and Maintenance	7 650	-	-	-	-	-	(194)	(194)	7 456	5 177	5 405	
Free services												
Cost of Free Basic Services provided	12 614	-	-	-	-	-	-	-	12 614	13 194	13 774	
Revenue cost of free services provided	1 480	-	-	-	-	-	-	-	1 480	1 548	1 616	
Households below minimum service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	

1.2 Table B2- Adjustments Budget Financial Performance (Function classification)

NC093 Magareng - Table B2 Adjustments Budget Financial Performance (functional classification) - 25/02/2026

Standard 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 Adjus.	Total Adjus.	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												
<i>Governance and administration</i>		97 779	-	-	-	-	-	514	514	98 293	96 470	100 757
Executive and council		67 612	-	-	-	-	-	815	815	68 427	67 668	70 720
Finance and administration		30 167	-	-	-	-	-	(301)	(301)	29 866	28 802	30 037
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		3 023	-	-	-	-	-	(66)	(66)	2 957	1 855	1 936
Community and social services		1 354	-	-	-	-	-	-	-	1 354	109	114
Sport and recreation		324	-	-	-	-	-	-	-	324	339	354
Public safety		1 345	-	-	-	-	-	(66)	(66)	1 278	1 406	1 468
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		450	-	-	-	-	-	-	-	450	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		450	-	-	-	-	-	-	-	450	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		101 838	-	-	-	-	-	9 000	9 000	110 838	103 712	109 061
Energy sources		22 750	-	-	-	-	-	-	-	22 750	24 220	25 287
Water management		38 293	-	-	-	-	-	9 000	9 000	47 293	33 559	29 638
Waste water management		28 468	-	-	-	-	-	-	-	28 468	33 038	40 676
Waste management		12 327	-	-	-	-	-	-	-	12 327	12 894	13 461
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	203 090	-	-	-	-	-	9 448	9 448	212 538	202 036	211 754
Expenditure - Functional												
<i>Governance and administration</i>		77 433	-	-	-	-	-	(452)	(452)	76 981	76 852	80 209
Executive and council		15 074	-	-	-	-	-	782	782	15 857	14 377	15 010
Finance and administration		62 359	-	-	-	-	-	(1 234)	(1 234)	61 124	62 474	65 199
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		16 757	-	-	-	-	-	(1 573)	(1 573)	15 184	16 220	16 934
Community and social services		2 467	-	-	-	-	-	19	19	2 485	1 273	1 329
Sport and recreation		6 712	-	-	-	-	-	(1 258)	(1 258)	5 454	7 021	7 330
Public safety		4 146	-	-	-	-	-	81	81	4 227	4 337	4 527
Housing		3 432	-	-	-	-	-	(415)	(415)	3 018	3 590	3 748
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 782	-	-	-	-	-	216	216	9 999	9 762	10 191
Planning and development		6 883	-	-	-	-	-	(772)	(772)	6 111	7 200	7 517
Road transport		2 899	-	-	-	-	-	988	988	3 887	2 562	2 674
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		93 067	-	-	-	-	-	(6 382)	(6 382)	86 684	95 328	99 517
Energy sources		42 018	-	-	-	-	-	(6 714)	(6 714)	35 304	43 816	45 744
Water management		24 925	-	-	-	-	-	2 546	2 546	27 471	24 868	25 963
Waste water management		19 993	-	-	-	-	-	(384)	(384)	19 609	20 231	21 116
Waste management		6 130	-	-	-	-	-	(1 830)	(1 830)	4 300	6 412	6 694
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	197 039	-	-	-	-	-	(8 191)	(8 191)	188 847	198 162	206 850
Surplus/ (Deficit) for the year		6 052	-	-	-	-	-	17 639	17 639	23 691	3 874	4 904

1.3 Table B3-Adjustment Budgeted Financial Performance (revenue and expenditure by Municipal Vote)

NC093 Magareng - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 25/02/2026

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2025/26									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	+1 2026/27	+2 2027/28
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjus.	Budget	Adjusted	Adjusted
R thousands	A	A1	B	C	D	E	F	G	H			
Revenue by Vote	1											
Vote 01 - Executive & Council		67 612	-	-	-	-	-	563	563	68 175	67 668	70 720
Vote 02 - Office OfThe Municipal Manager		-	-	-	-	-	-	252	252	252	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	(301)	(301)	(301)	-	-
Vote 04 - Financial Services		30 167	-	-	-	-	-	-	-	30 167	28 802	30 037
Vote 05 - Municipal Infrastructure		89 961	-	-	-	-	-	9 000	9 000	98 961	90 818	95 600
Vote 06 - Community Services		15 350	-	-	-	-	-	(66)	(66)	15 283	14 748	15 397
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	203 090	-	-	-	-	-	9 448	9 448	212 538	202 036	211 754
Expenditure by Vote	1											
Vote 01 - Executive & Council		12 407	-	-	-	-	-	762	762	13 169	11 587	12 097
Vote 02 - Office OfThe Municipal Manager		2 478	-	-	-	-	-	20	20	2 498	2 592	2 706
Vote 03 - Corporate Services		19 293	-	-	-	-	-	(25)	(25)	19 268	20 180	21 068
Vote 04 - Financial Services		43 144	-	-	-	-	-	(1 209)	(1 209)	41 935	42 376	44 216
Vote 05 - Municipal Infrastructure		93 982	-	-	-	-	-	(4 543)	(4 543)	89 439	95 480	99 675
Vote 06 - Community Services		18 878	-	-	-	-	-	(2 643)	(2 643)	16 235	18 439	19 250
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		6 857	-	-	-	-	-	(553)	(553)	6 304	7 173	7 488
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	197 039	-	-	-	-	-	(8 191)	(8 191)	188 847	197 826	206 500
Surplus/ (Deficit) for the year	2	6 052	-	-	-	-	-	17 639	17 639	23 691	4 210	5 255

1.4 Table B4- Adjustment Budgeted Financial Performance (Revenue and Expenditure)

NC093 Magareng - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 25/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	19 592	-	-	-	-	-	-	-	19 592	20 494	21 395
Service charges - Water	2	5 424	-	-	-	-	-	-	-	5 424	5 674	5 924
Service charges - Waste Water Management	2	9 775	-	-	-	-	-	-	-	9 775	10 225	10 675
Service charges - Waste Management	2	7 355	-	-	-	-	-	-	-	7 355	7 693	8 032
Sale of Goods and Rendering of Services		1 232	-	-	-	-	-	-	-	1 232	1 288	1 345
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		25 462	-	-	-	-	-	-	-	25 462	26 633	27 805
Interest earned from Current and Non Current Assets		46	-	-	-	-	-	-	-	46	48	50
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		38	-	-	-	-	-	-	-	38	39	41
Rental from Fixed Assets		327	-	-	-	-	-	-	-	327	342	357
Special rating levies		-	-	-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		732	-	-	-	-	-	(66)	(66)	666	766	800
Non-Exchange Revenue												
Property rates	2	15 251	-	-	-	-	-	-	-	15 251	15 952	16 654
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		612	-	-	-	-	-	-	-	612	640	668
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		76 862	-	-	-	-	-	815	815	77 677	70 668	73 820
Interest		7 781	-	-	-	-	-	-	-	7 781	8 139	8 498
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	(301)	(301)	(301)	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		170 489	-	-	-	-	-	448	448	170 937	168 602	176 063
Expenditure By Type												
Employee related costs		59 997	-	-	-	-	-	(2 205)	(2 205)	57 792	61 586	64 274
Remuneration of councillors		5 270	-	-	-	-	-	155	155	5 426	5 513	5 755
Bulk purchases - electricity		25 000	-	-	-	-	-	-	-	25 000	26 150	27 301
Inventory consumed		14 050	-	-	-	-	-	445	445	14 495	11 880	12 400
Debt impairment		31 883	-	-	-	-	-	(7 296)	(7 296)	24 587	33 350	34 817
Depreciation and amortisation		23 541	-	-	-	-	-	(8 046)	(8 046)	15 494	24 623	25 700
Interest		600	-	-	-	-	-	2 233	2 233	2 833	628	655
Contracted services		16 283	-	-	-	-	-	3 353	3 353	19 636	14 115	14 736
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	569	569	569	-	-
Operational costs		19 810	-	-	-	-	-	1 240	1 240	21 051	19 351	20 203
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		604	-	-	-	-	-	1 360	1 360	1 964	632	660
Total Expenditure		197 039	-	-	-	-	-	(8 191)	(8 191)	188 847	197 826	206 500
Surplus/(Deficit)		(26 549)	-	-	-	-	-	8 639	8 639	(17 910)	(29 224)	(30 436)
Transfers and subsidies - capital (monetary allocations)		32 601	-	-	-	-	-	9 000	9 000	41 601	33 434	35 691
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		6 052	-	-	-	-	-	17 639	17 639	23 691	4 210	5 255
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		6 052	-	-	-	-	-	17 639	17 639	23 691	4 210	5 255
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		6 052	-	-	-	-	-	17 639	17 639	23 691	4 210	5 255
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	6 052	-	-	-	-	-	17 639	17 639	23 691	4 210	5 255

1.5 Table B5-Adjustment Capital Expenditure Budget by vote and funding

NC093 Magareng - Table B5 Adjustments Capital Expenditure Budget by vote and funding - B - 25/02/2026

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Capital expenditure - Municipal Vote												
Multi-year expenditure appropriation	2											
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		1 210	-	-	-	-	-	90	90	1 300	1 266	1 321
03.2 - Corporate Admin		1 210	-	-	-	-	-	90	90	1 300	1 266	1 321
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		100	-	-	-	-	-	-	-	100	105	109
05.6 - Electricity		100	-	-	-	-	-	-	-	100	105	109
Vote 06 - Community Services		450	-	-	-	-	-	(90)	(90)	360	471	491
06.2 - Cemetary		300	-	-	-	-	-	(90)	(90)	210	314	328
06.5 - Parks And Recreation		150	-	-	-	-	-	-	-	150	157	164
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditiona		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total		1 760	-	-	-	-	-	-	-	1 760	1 841	1 922
Capital expenditure - Municipal Vote												
Single-year expenditure appropriation	2											
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		600	-	-	-	-	-	-	-	600	628	655
03.2 - Corporate Admin		600	-	-	-	-	-	-	-	600	628	655
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		33 001	-	-	-	-	-	9 000	9 000	42 001	33 714	35 911
05.4 - Sanitation		10 000	-	-	-	-	-	-	-	10 000	14 192	21 000
05.5 - Water		22 601	-	-	-	-	-	9 000	9 000	31 601	18 210	13 540
05.6 - Electricity		400	-	-	-	-	-	-	-	400	1 312	1 371
Vote 06 - Community Services		1 000	-	-	-	-	-	-	-	1 000	1 046	1 092
06.5 - Parks And Recreation		1 000	-	-	-	-	-	-	-	1 000	1 046	1 092
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditiona		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		34 601	-	-	-	-	-	9 000	9 000	43 601	35 388	37 658
Total Capital Expenditure		36 361	-	-	-	-	-	9 000	9 000	45 361	37 229	39 580

1.6 Table B6-Adjustment Budget Financial Position

NC093 Magareng - Table B6 Adjustments Budget Financial Position - 25/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash and cash equivalents		(60 742)	-	-	-	-	-	62 155	62 155	1 414	(64 512)	(67 351)
Trade and other receivables from exchange transactions	1	20 262	-	-	-	-	-	(50 992)	(50 992)	(30 730)	21 194	22 127
Receivables from non-exchange transactions	1	14 699	-	-	-	-	-	10 192	10 192	24 891	15 375	16 052
Current portion of non-current receivables	2											
Inventory		121	-	-	-	-	-	(115)	(115)	6	127	132
VAT		50 562	-	-	-	-	-	20 735	20 735	71 297	-	-
Other current assets		(1 270)	-	-	-	-	-	(526)	(526)	(1 795)	(1 328)	(1 386)
Total current assets		23 633	-	-	-	-	-	41 451	41 451	65 083	(29 144)	(30 427)
Non current assets												
Investments												
Investment property		24 868	-	-	-	-	-	(3 788)	(3 788)	21 079	26 011	27 156
Property, plant and equipment	3	489 691	-	-	-	-	-	37 695	37 695	527 386	512 343	540 874
Biological assets												
Living and non-living resources												
Heritage assets		371	-	-	-	-	-	(0)	(0)	371	388	405
Intangible assets		213	-	-	-	-	-	1 908	1 908	2 121	223	232
Trade and other receivables from exchange transactions												
Non-current receivables from non-exchange transactions		0	-	-	-	-	-	(0)	(0)	-	0	0
Other non-current assets												
Total non current assets		515 142	-	-	-	-	-	35 815	35 815	550 957	538 965	568 667
TOTAL ASSETS		538 775	-	-	-	-	-	77 266	77 266	616 041	509 821	538 240
LIABILITIES												
Current liabilities												
Bank overdraft												
Financial liabilities												
Consumer deposits		1 334	-	-	-	-	-	62	62	1 396	1 395	1 457
Trade and other payables from exchange transactions		266 511	-	-	-	-	-	65 625	65 625	332 136	280 040	297 490
Trade and other payables from non-exchange transactions		9 019	-	-	-	-	-	(7 569)	(7 569)	1 451	9 434	9 849
Provisions		8 837	-	-	-	-	-	1 278	1 278	10 115	6 597	6 887
VAT		20 731	-	-	-	-	-	8 021	8 021	28 753	-	-
Other current liabilities												
Total current liabilities		306 432	-	-	-	-	-	67 418	67 418	373 850	297 467	315 684
Non current liabilities												
Borrowing	1	1 085	-	-	-	-	-	(416)	(416)	669	1 135	1 185
Provisions	1	6 855	-	-	-	-	-	(722)	(722)	6 133	5 041	5 263
Long term portion of trade payables												
Other non-current liabilities												
Total non current liabilities		7 940	-	-	-	-	-	(1 138)	(1 138)	6 802	6 176	6 448
TOTAL LIABILITIES		314 372	-	-	-	-	-	66 280	66 280	380 652	303 643	322 132
NET ASSETS	2	224 403	-	-	-	-	-	10 986	10 986	235 389	206 178	216 109
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		223 054	-	-	-	-	-	12 335	12 335	235 389	232 606	243 700
Funds and Reserves												
Other												
TOTAL COMMUNITY WEALTH/EQUITY		223 054	-	-	-	-	-	12 335	12 335	235 389	232 606	243 700

It is anticipated that the net community wealth will increase to **R12, 335 million**. This is due to a projected increase in the surplus on B4 with **R17,639 million**. The budgeted cash and cash equivalents for the Final budget was negative **R60, 742 million** and an upward of **R62,155 million** was made which leads to total adjustment of **R1,4 million** this due to the audited opening balances as per the 2024/2025 financial statements. The budgeted trade and other payables are still high which is exacerbated by the municipality's current cash flow issues. It is envisaged that non-current assets will increase by **R77,266 million**, Accumulated surplus will increase by **R12,335 million** due to the surplus increase.

It is noted that the following line items are adjustment due to mapping issues and not actual adjustment on **B6**.

The municipality corrected cash and cash equivalents – according to the original budget the municipality had an original budget of negative **R60 million**, according to the 2024/2025 annual financial statements the municipality had a closing balance of **R1,4 million**. Which the municipality used as base for the adjustment budget.

The municipality also managed to balance the Net Asset and Accumulated deficit/ surplus in **B6** with an adjustment of **R12, 335 million**.

1.7 Table A7-Adjustments Budgeted Cash Flow

NC093 Magareng - Table B7 Adjustments Budget Cash Flows - 25/02/2026

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		A	A1	B	C	D	E	F	G	H	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		9 150	-	-	-	-	-	-	-	9 150	9 571	9 992
Service charges		25 207	-	-	-	-	-	-	-	25 207	26 367	27 527
Other revenue		2 865	-	-	-	-	-	77 327	77 327	80 192	12 417	12 135
Transfers and Subsidies - Operational	1	76 862	-	-	-	-	-	563	563	77 425	70 668	73 820
Transfers and Subsidies - Capital	1	32 601	-	-	-	-	-	9 000	9 000	41 601	33 434	35 691
Interest		20 319	-	-	-	-	-	(5 036)	(5 036)	15 283	21 254	22 189
Dividends										-		
Payments												
Suppliers and employees		(142 952)	-	-	-	-	-	(5 091)	(5 091)	(148 043)	(153 572)	(160 359)
Finance charges		(600)	-	-	-	-	-	(2 233)	(2 233)	(2 833)	(628)	(655)
Transfers and Subsidies	1									-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		23 452	-	-	-	-	-	74 529	74 529	97 981	19 511	20 339
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	(301)	(301)	(301)	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments										-		
Payments												
Capital assets		(36 076)	-	-	-	-	-	(9 000)	(9 000)	(45 076)	(36 931)	(39 269)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(36 076)	-	-	-	-	-	(9 301)	(9 301)	(45 377)	(36 931)	(39 269)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-		
Borrowing long term/refinancing										-		
Increase (decrease) in consumer deposits		25	-	-	-	-	-	-	-	25	26	27
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		25	-	-	-	-	-	-	-	25	26	27
NET INCREASE/ (DECREASE) IN CASH HELD		(12 598)	-	-	-	-	-	65 228	65 228	52 629	(17 393)	(18 902)
Cash/cash equivalents at the year begin:	2	1 104	-	-	-	-	-	(52 320)	(52 320)	(51 216)	1 414	(15 979)
Cash/cash equivalents at the year end:	2	(11 494)	-	-	-	-	-	12 908	12 908	1 414	(15 979)	(34 881)

It is anticipated from the adjustments on B4 that there will be no adjustment on all the services and property rates for all other cash collections will remain the same with an anticipated target collection rate of **60%**. The upward adjustment on operational grants of **R563 700 thousand** is due to Francis Baard District EPWP grant.

The municipality has mapping issues on the financial system, according to MBRR the cash and cash equivalents in B6 and B7 should be aligned. The municipality corrected the cash and cash equivalent line item in B6 which according to the financial system mapping affects the other revenue line item in B7, the adjustment on the other revenue line item is not an actual based

adjustment but an upward corrective adjustment for both B6 and B7 on made cash and cash equivalent. An additional **R2,233 million** upward adjustment was made to finance costs in line with the audited Annual Financial Statements. There has been a further provision made of **R9,000 million** for capital expenditure on critical projects, which is an additional allocation to the RBIG grant. The cash and cash equivalents at year end is adjusted by **R12, 908 million**, which makes our cash and cash equivalent at the end to be **R1,4 million**, which is according to the audited annual financial statement.

1.8 Table A8- Cash Backed Reserves/ accumulated surplus reconciliation

NC093 Magareng - Table B8 Cash backed reserves/accumulated surplus reconciliation - 25/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	(11 494)	-	-	-	-	-	12 908	12 908	1 414	(15 979)	(34 881)
Other current investments > 90 days		(34 548)	-	-	-	-	-	59 440	59 440	24 891	(33 158)	(16 418)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(46 043)	-	-	-	-	-	72 348	72 348	26 305	(49 137)	(51 299)
Applications of cash and investments												
Unspent conditional transfers		9 019	-	-	-	-	-	(7 569)	(7 569)	1 451	9 434	9 849
Unspent borrowing												
Statutory requirements		(30 563)	-	-	-	-	-	(12 127)	(12 127)	(42 690)	(766)	(800)
Other working capital requirements	2	258 513	-	-	-	-	-	77 723	77 723	336 235	269 020	286 177
Other provisions		8 837	-	-	-	-	-	1 278	1 278	10 115	6 597	6 887
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		245 806	-	-	-	-	-	59 305	59 305	305 111	284 285	302 114
Surplus(shortfall)		(291 849)	-	-	-	-	-	13 043	13 043	(278 806)	(333 423)	(353 413)

Part 3 – Supporting Tables

3.1 Table SB1-Supporting detail to Budgeted Financial Performance.

NC093 Magareng - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 17/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget A	Prior Adjusted 6 A1	Accum. Funds 7 B	Multi-year capital 8 C	Unfore. Unavoid. 9 D	Nat. or Prov. Govt 10 E	Other Adjusts. 11 F	Total Adjusts. 12 G	Adjusted Budget 13 H	Adjusted Budget	Adjusted Budget
R thousands												
REVENUE ITEMS												
<u>Non-exchange revenue by source</u>												
<u>Property rates</u>												
Total Property Rates		16 730	–	–	–	–	–	–	–	16 730	17 500	18 270
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		1 480	–	–	–	–	–	–	–	1 480	1 548	1 616
Net Property Rates		15 251	–	–	–	–	–	–	–	15 251	15 952	16 654
<u>Exchange revenue service charges</u>												
<u>Service charges - Electricity</u>												
Total Service charges - Electricity		23 863	–	–	–	–	–	–	–	23 863	24 961	26 059
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (50 kwh per indigent household per month)		4 271	–	–	–	–	–	–	–	4 271	4 467	4 664
Net Service charges - Electricity		19 592	–	–	–	–	–	–	–	19 592	20 494	21 395
<u>Service charges - Water</u>												
Total Service charges - water		8 098	–	–	–	–	–	–	–	8 098	8 471	8 844
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		2 674	–	–	–	–	–	–	–	2 674	2 797	2 920
Net Service charges - Water		5 424	–	–	–	–	–	–	–	5 424	5 674	5 924
<u>Service charges - Waste Water Management</u>												
Total Service charges - Waste Water Management		13 318	–	–	–	–	–	–	–	13 318	13 931	14 544
Less Revenue Foregone (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (free sanitation service to indigent households)		3 543	–	–	–	–	–	–	–	3 543	3 706	3 869
Net Service charges - Waste Water Management		9 775	–	–	–	–	–	–	–	9 775	10 225	10 675
<u>Service charges - Waste Management</u>												
Total refuse removal revenue		9 481	–	–	–	–	–	–	–	9 481	9 917	10 353
Total landfill revenue		–	–	–	–	–	–	–	–	–	–	–
Less Revenue Foregone (in excess of one removal a week to indigent households)		–	–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (removed once a week to indigent households)		2 126	–	–	–	–	–	–	–	2 126	2 224	2 321
Service charges - Waste Management		7 355	–	–	–	–	–	–	–	7 355	7 693	8 032
EXPENDITURE ITEMS												
<u>Employee related costs</u>												
Basic Salaries and Wages		42 578	–	–	–	–	–	(1 897)	(1 897)	40 682	43 615	45 512
Pension and UIF Contributions		7 502	–	–	–	–	–	(157)	(157)	7 445	7 779	8 121
Medical Aid Contributions		2 951	–	–	–	–	–	38	38	2 989	3 087	3 222
Overtime		612	–	–	–	–	–	647	647	1 259	640	669
Performance Bonus		3 951	–	–	–	–	–	(696)	(696)	3 255	4 058	4 237
Motor Vehicle Allowance		1 026	–	–	–	–	–	(108)	(108)	917	1 073	1 120
Cellphone Allowance		192	–	–	–	–	–	21	21	213	201	210
Housing Allowances		235	–	–	–	–	–	25	25	260	246	257
Other benefits and allowances		428	–	–	–	–	–	23	23	451	447	467
Payments in lieu of leave		–	–	–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–	–	–
Scarcity		165	–	–	–	–	–	(40)	(40)	125	172	180
Acting and post related allowance		156	–	–	–	–	–	(60)	(60)	96	163	170
In kind benefits		100	–	–	–	–	–	–	–	100	105	109
sub-total		59 997	–	–	–	–	–	(2 205)	(2 205)	57 792	61 586	64 274
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–	–
Total Employee related costs		59 997	–	–	–	–	–	(2 205)	(2 205)	57 792	61 586	64 274
<u>Depreciation and amortisation</u>												
Depreciation of Property, Plant & Equipment		23 541	–	–	–	–	–	(8 538)	(8 538)	15 003	24 623	25 700
Lease amortisation		–	–	–	–	–	–	–	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	491	491	491	–	–
Total Depreciation and amortisation		23 541	–	–	–	–	–	(8 046)	(8 046)	15 494	24 623	25 700
<u>Bulk purchases</u>												
Electricity Bulk Purchases		25 000	–	–	–	–	–	–	–	25 000	26 150	27 301
Water Bulk Purchases		–	–	–	–	–	–	–	–	–	–	–
Total bulk purchases		25 000	–	–	–	–	–	–	–	25 000	26 150	27 301
<u>Transfers and grants</u>												
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–	–
Total transfers and grants		–	–	–	–	–	–	–	–	–	–	–
<u>Contracted services</u>												
Outsourced Services		7 416	–	–	–	–	–	1 621	1 621	9 037	6 170	6 441
Consultants and Professional Services		947	–	–	–	–	–	62	62	1 009	962	1 005
Contractors		7 921	–	–	–	–	–	1 651	1 651	9 572	6 983	7 290
Total contracted services		16 283	–	–	–	–	–	3 334	3 334	19 617	14 115	14 736
<u>Operational Costs</u>												
Collection costs		–	–	–	–	–	–	3 038	3 038	3 038	–	–
Contributions to 'other' provisions		–	–	–	–	–	–	–	–	–	–	–
Audit fees		2 000	–	–	–	–	–	–	–	2 000	2 092	2 184
Other Operational Costs		17 810	–	–	–	–	–	(1 822)	(1 822)	15 988	17 259	18 019
Total Other Operational Costs		19 810	–	–	–	–	–	1 215	1 215	21 026	19 351	20 203
<u>Repairs and Maintenance by Expenditure Item</u>												
Employee related costs		–	–	–	–	–	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)		4 500	–	–	–	–	–	(994)	(994)	3 506	2 092	2 184
Contracted Services		3 150	–	–	–	–	–	800	800	3 950	3 085	3 221
Other Expenditure		–	–	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure		7 650	–	–	–	–	–	(194)	(194)	7 456	5 177	5 405
<u>Inventory Consumed</u>												
Inventory Consumed - Water		2 500	–	–	–	–	–	3 123	3 123	5 623	2 615	2 730
Inventory Consumed - Other		11 550	–	–	–	–	–	(2 678)	(2 678)	8 872	9 369	9 812
Total Inventory Consumed & Other Material		14 050	–	–	–	–	–	445	445	14 495	11 984	12 542

3.2 Table SAB2-Matrix Financial Performance Budget (revenue source/expenditure type and dept);

NC093 Magareng - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 17/02/2026													
Description	Ref	Budget Year 2025/26										Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unvold.	Nat. or Prov. Govt.	Other Adjusts.	Total Adjusts.	Adjusted Budget	2025/26 Adjusted Budget	2025/26 Adjusted Budget	
		A	A1	B	C	D	E	F	G	H	I	J	
R thousands													
ASSETS													
Trade and other receivables from exchange transactions													
Electricity		63 843						1 306	1 306	65 148	66 775	65 718	
Water		104 342						20 282	20 282	124 624	100 142	113 944	
Waste		66 094						25 929	25 929	92 023	69 134	72 176	
Waste Water		86 276						32 314	32 314	120 592	92 336	96 401	
Other trade receivables from exchange transactions		1 556						(166)	(166)	1 390	1 628	1 700	
Gross: Trade and other receivables from exchange transactions		324 113						79 685	79 685	403 778	339 022	353 939	
Less: Impairment for debt		(303 851)						(130 657)	(130 657)	(434 508)	(317 628)	(331 812)	
Impairment for Electricity		(31 610)						(48 326)	(48 326)	(80 136)	(34 734)	(34 734)	
Impairment for Water		(102 705)						(22 177)	(22 177)	(124 881)	(107 429)	(112 166)	
Impairment for Waste		(64 064)						(22 080)	(22 080)	(86 144)	(67 011)	(69 952)	
Impairment for Waste Water		(92 843)						(32 109)	(32 109)	(124 951)	(97 174)	(101 387)	
Impairment for other trade receivables from exchange transactions		(12 429)						(5 966)	(5 966)	(18 396)	(13 001)	(13 673)	
Total net Trade and other receivables from Exchange Transactions		20 262						(50 972)	(50 972)	(30 730)	21 194	22 127	
Receivables from non-exchange transactions													
Property rates		78 015								26 137	104 153	81 604	
Less: Impairment of Property rates		(67 931)								(20 981)	(88 913)	(74 074)	
Net Property rates		10 184								5 156	15 340	10 652	
Other receivables from non-exchange transactions		4 515								5 036	9 551	4 723	
Impairment for other receivables from non-exchange transactions													
Net other receivables from non-exchange transactions		4 515								5 036	9 551	4 723	
Total net Receivables from non-exchange transactions		14 699								10 192	24 891	15 375	
Inventory													
Water													
Opening Balance		121								(115)	6	127	
System Input Volume		2 500								3 123	5 623	2 615	
Water Treatment Works													
Bulk Purchases		2 500								3 123	5 623	2 615	
Natural Sources													
Authorised Consumption		(2 500)								(3 123)	(5 623)	(2 730)	
Billed Authorised Consumption		(2 500)								(3 123)	(5 623)	(2 730)	
Billed Metered Consumption		(2 500)								(3 123)	(5 623)	(2 730)	
Free Basic Water													
Subsidised Water													
Revenue Water		(2 500)								(3 123)	(5 623)	(2 730)	
Billed Unmetered Consumption													
Unbilled Authorised Consumption													
Water Losses		604								1 360	1 964	660	
Apparent losses		604								1 360	1 964	660	
Unauthorised Consumption		604								1 360	1 964	660	
Customer Meter Inaccuracies													
Real losses		(604)								(1 360)	(1 964)	(660)	
Unavoidable Annual Real Losses		(604)								(1 360)	(1 964)	(660)	
Non-revenue Water		—								—	—	—	
Correction of Prior period errors													
Closing Balance Water		121								(115)	6	127	
Consumables		—								—	—	—	
Standard Rated													
Opening Balance													
Acquisitions		11 550								(4 248)	7 302	9 812	
Issues		(11 550)								4 248	(7 302)	(9 812)	
Adjustments													
Write-offs													
Correction of Prior period errors													
Closing balance - Consumables Standard Rated													
Finished Goods		—								—	—	—	
Materials and Supplies		—								—	—	—	
Work-in-progress													
Housing Stock													
Land													
Closing Balance - Land													
Closing Balance - Inventory & Consumables		121								(115)	6	127	
Property, plant & equipment		—								—	—	—	
PIPE at cost/valuation (excl. finance leases)		825 955								51 085	877 039	863 144	
Leases recognised as PPE		285								12 389	285	298	
Less: Accumulated depreciation		(330 549)								(12 389)	(348 938)	(361 273)	
Total Property, plant & equipment		495 691								38 695	528 386	502 169	
LIABILITIES													
Current liabilities - Financial liabilities													
Trade and other payables													
Trade and other payables from exchange transactions		266 511								65 625	332 136	280 040	
Other trade payables from exchange transactions													
Trade payables from Non-exchange transactions: Unspent conditional Grants		9 070								(7 560)	1 451	9 849	
Trade payables from Non-exchange transactions: Other													
VAT		20 731								8 021	28 753	28 753	
Total Trade and other payables		296 281								8 021	362 339	307 340	
Non-current liabilities - Financial liabilities		1 085								(416)	669	1 185	
Borrowing													
Other financial liabilities		1 085								(416)	669	1 185	
Total Non-current liabilities - Financial liabilities		1 085								(416)	669	1 185	
Non-current liabilities - Long Term portion of trade payables		—								—	—	—	
Provisions - non-current		6 855								(722)	6 133	5 263	
Retirement benefits		2 035								197	2 232	—	
Refuse landfill site rehabilitation		4 820								(919)	3 901	5 263	
Other													
Total Provisions - non-current		6 855								(722)	6 133	5 263	
CHANGES IN NET ASSETS													
Accumulated surplus/(Deficit)													
Accumulated surplus/(Deficit) - opening balance		217 002								48 896	265 898	226 984	
GRAP adjustments													
Revised balance		217 002								48 896	265 898	226 984	
Surplus/(Deficit)		6 052								18 683	24 735	5 112	
Transfers to/from Reserves													
Depreciation offsets													
Other adjustments													
Accumulated Surplus/(Deficit)		223 054								67 578	290 632	242 084	
Reserves		—								—	—	—	
Total Reserves		—								—	—	—	
TOTAL COMMUNITY WEALTH/EQUITY		223 054								67 578	290 632	242 084	

3.3 Table SA3- Supporting Adjustment – transfers and grants receipts;

NC093 Magareng - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 25/02/2026

Description	Ref	Budget Year 2025/26							Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget A	Prior Adjusted 7 A1	Multi-year capital 8 B	Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F	Adjusted Budget	Adjusted Budget
R thousands										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		70 612	-	-	-	-	-	70 612	70 668	73 820
Local Government Equitable Share		66 283	-	-	-	-	-	66 283	67 668	70 720
Expanded Public Works Programme Integrated Grant		1 329	-	-	-	-	-	1 329	-	-
Local Government Financial Management Grant		3 000	-	-	-	-	-	3 000	3 000	3 100
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		1 500	-	-	-	-	-	1 500	-	-
Capacity Building and Other Grants	5	1 500	-	-	-	-	-	1 500	-	-
District Municipality:		3 500	-	-	-	815	815	4 315	-	-
<i>Specify (Add grant description)</i>		3 500	-	-	-	815	815	4 315	-	-
Other grant providers:		1 250	-	-	-	-	-	1 250	-	-
<i>Education Training and Development Practices SETA</i>		-	-	-	-	-	-	-	-	-
<i>National Library South Africa</i>		-	-	-	-	-	-	-	-	-
<i>Northern Cape Arts and Cultural</i>		1 250	-	-	-	-	-	1 250	-	-
<i>Post Retirement Benefit</i>		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	76 862	-	-	-	815	815	77 677	70 668	73 820
Capital Transfers and Grants										
National Government:		32 601	-	-	-	9 000	9 000	41 601	33 434	35 691
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	894	934
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		12 641	-	-	-	-	-	12 641	13 348	13 757
Regional Bulk Infrastructure Grant		9 960	-	-	-	9 000	9 000	18 960	5 000	-
Water Services Infrastructure Grant		10 000	-	-	-	-	-	10 000	14 192	21 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>Specify (Add grant description)</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	32 601	-	-	-	9 000	9 000	41 601	33 434	35 691
TOTAL RECEIPTS OF TRANSFERS & GRANTS		109 463	-	-	-	9 815	9 815	119 278	104 102	109 511

3.4 Table SB8- Adjustment Budget – expenditure and grant programmes (revenue);

NC093 Magareng - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 25/02/2026

Description	Ref	Budget Year 2025/26						Budget Year +1 2026/27	Budget Year +2 2027/28	
		Original Budget A	Prior Adjusted 2 A1	Multi-year capital 3 B	Nat. or Prov. Govt 4 C	Other Adjusts. 5 D	Total Adjusts. 6 E	Adjusted Budget 7 F	Adjusted Budget	Adjusted Budget
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		50 956	-	-	-	1 727	1 727	52 683	51 771	54 025
Equitable Share		46 627	-	-	-	1 727	1 727	48 354	48 771	50 917
Expanded Public Works Programme Integrated Grant		1 329	-	-	-	-	-	1 329	-	-
Local Government Financial Management Grant		3 000	-	-	-	-	-	3 000	3 000	3 108
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		1 500	-	-	-	-	-	1 500	-	-
Capacity Building and Other Grants		1 500	-	-	-	-	-	1 500	-	-
District Municipality:		3 500	-	-	-	815	815	4 315	-	-
Specify (Add grant description)		3 500	-	-	-	815	815	4 315	-	-
Other grant providers:		1 250	-	-	-	-	-	1 250	-	-
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		-	-	-	-	-	-	-	-	-
Northern Cape Arts and Cultural		1 250	-	-	-	-	-	1 250	-	-
Total operating expenditure of Transfers and Grants:		57 206	-	-	-	2 542	2 542	59 748	51 771	54 025
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		32 601	-	-	-	9 000	9 000	41 601	33 296	35 474
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	894	934
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		12 641	-	-	-	-	-	12 641	13 210	13 540
Regional Bulk Infrastructure Grant		9 960	-	-	-	9 000	9 000	18 960	5 000	-
Water Services Infrastructure Grant		10 000	-	-	-	-	-	10 000	14 192	21 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Pocket Money Households (Cash)		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		32 601	-	-	-	9 000	9 000	41 601	33 296	35 474
Total capital expenditure of Transfers and Grants		89 807	-	-	-	11 542	11 542	101 349	85 067	89 499

3.5 Table SB13 - Adjustment budget – monthly revenue and expenditure (function classification);

NC093 Magareng - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) - 25/02/2026

Description - Standard classification	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget				
R thousands																
Revenue - Functional																
Governance and administration		29 902	1 843	1 990	2 403	1 873	22 832	1 869	-	8 251	8 251	8 251	10 827	98 293	96 470	100 757
Executive and council		27 618	-	-	-	-	20 969	-	-	5 797	5 797	5 797	2 448	68 427	67 668	70 720
Finance and administration		2 284	1 843	1 990	2 403	1 873	1 863	1 869	-	2 454	2 454	2 454	8 379	29 866	28 802	30 037
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		42	34	28	660	20	32	20	-	239	239	239	1 405	2 957	1 855	1 936
Community and social services		-	-	2	634	5	8	6	-	113	113	113	361	1 354	109	114
Sport and recreation		-	-	-	-	-	-	-	-	27	27	27	243	324	339	354
Public safety		42	34	26	26	15	24	14	-	99	99	99	800	1 278	1 406	1 468
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	38	38	38	338	450	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	38	38	38	338	450	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		5 037	5 781	5 255	5 356	5 142	5 419	5 400	-	10 286	10 286	10 286	42 588	110 838	103 712	109 061
Energy sources		1 577	2 424	1 757	1 810	1 659	1 701	1 771	-	1 896	1 896	1 896	4 365	22 750	24 220	25 287
Water management		976	860	1 015	1 033	990	1 213	1 262	-	4 991	4 991	4 991	24 970	47 293	33 559	29 638
Waste water management		1 452	1 461	1 443	1 466	1 463	1 463	1 382	-	2 372	2 372	2 372	11 221	28 468	33 038	40 676
Waste management		1 033	1 037	1 040	1 047	1 030	1 042	985	-	1 027	1 027	1 027	2 032	12 327	12 894	13 461
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		34 982	7 659	7 273	8 419	7 035	28 282	7 289	-	18 814	18 814	18 814	55 158	212 538	202 036	211 754
Expenditure - Functional																
Governance and administration		5 316	5 498	6 360	5 960	6 519	5 335	4 729	646	6 362	6 362	6 362	17 531	76 981	76 852	80 209
Executive and council		1 289	1 112	1 496	1 152	1 475	1 072	1 064	3	1 413	1 413	1 413	2 955	15 857	14 377	15 010
Finance and administration		4 027	4 386	4 864	4 808	5 044	4 263	3 665	643	4 950	4 950	4 950	14 576	61 124	62 474	65 199
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		1 033	957	1 039	1 001	1 666	1 972	1 078	19	1 082	1 082	1 082	3 172	15 184	16 220	16 934
Community and social services		191	182	211	182	360	187	196	17	209	209	209	332	2 485	1 273	1 329
Sport and recreation		244	257	229	227	406	1 103	231	-	308	308	308	1 834	5 454	7 021	7 330
Public safety		321	246	324	313	543	407	379	-	362	362	362	607	4 227	4 337	4 527
Housing		278	272	275	280	357	275	272	2	203	203	203	398	3 018	3 590	3 748
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		650	634	630	504	819	465	482	(4)	858	858	858	3 243	9 999	9 762	10 191
Planning and development		500	469	480	354	557	315	329	(4)	419	419	419	1 852	6 111	7 200	7 517
Road transport		150	165	150	150	262	150	153	-	439	439	439	1 391	3 887	2 562	2 674
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		6 279	5 254	5 175	5 207	5 711	8 338	4 510	696	6 479	6 479	6 479	26 078	86 684	95 328	99 517
Energy sources		1 907	1 267	1 213	1 117	1 579	4 559	1 069	-	2 159	2 159	2 159	16 116	35 304	43 816	45 744
Water management		2 248	2 000	1 976	2 025	1 835	1 795	1 447	255	2 586	2 586	2 586	6 131	27 471	24 868	25 963
Waste water management		1 662	1 525	1 525	1 601	1 784	1 525	1 530	441	1 589	1 589	1 589	3 249	19 609	20 231	21 116
Waste management		462	462	462	464	513	459	462	-	145	145	145	582	4 300	6 412	6 694
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		13 278	12 342	13 204	12 673	14 715	16 110	10 799	1 358	14 782	14 782	14 782	50 023	188 847	198 162	206 850
Surplus/ (Deficit) 1.		21 703	(4 684)	(5 931)	(4 254)	(7 680)	12 172	(3 510)	(1 358)	4 032	4 032	4 032	5 135	23 691	3 874	4 904

3.6 Table SB15- Adjustment budget -Monthly Cash flow;

NC093 Magareng - Supporting Table SB15 Adjustments Budget - monthly cash flow - 25/02/2026

Monthly cash flows	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Cash Receipts By Source																
Property rates	1	2 236	1 697	364	1 035	250	481	760	-	763	763	763	39	9 150	9 571	9 992
Service charges - electricity revenue		1 151	2 135	1 185	1 859	1 202	1 657	1 364	-	973	973	973	(1 799)	11 675	12 212	12 749
Service charges - water revenue		101	126	119	112	107	102	116	-	271	271	271	1 658	3 255	3 404	3 554
Service charges - sanitation revenue		20	33	39	40	57	22	15	-	489	489	489	4 173	5 865	6 135	6 405
Service charges - refuse		100	102	94	91	71	63	64	-	368	368	368	2 725	4 413	4 616	4 819
Rental of facilities and equipment		-	-	-	-	-	-	-	-	27	27	27	241	321	336	351
Interest earned - external investments		-	-	-	-	-	-	-	-	31	31	31	280	373	390	407
Interest earned - outstanding debtors		14	388	67	101	39	77	303	-	1 242	1 242	1 242	10 194	14 910	20 864	21 782
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		27 763	4 332	1 577	(1 577)	598	21 199	-	-	6 452	6 452	6 452	4 176	77 425	70 668	73 820
Other revenue		(712)	6 485	(1 460)	3 057	3 195	(2 505)	1 310	-	6 656	6 656	6 656	50 533	79 871	12 081	11 784
Cash Receipts by Source		30 673	15 299	1 985	4 718	5 518	21 096	3 934	-	17 271	17 271	17 271	72 219	207 257	140 277	145 663
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		7 328	4 239	3 590	3 000	3 127	2 341	-	-	3 467	3 467	3 467	7 576	41 601	33 434	35 691
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	(25)	(25)	(25)	(226)	(301)	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		6	4	6	2	1	2	1	-	2	2	2	(3)	25	26	27
VAT Control (receipts)		-	-	-	-	-	-	1 210	-	958	958	958	7 415	11 500	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		38 007	19 542	5 582	7 721	8 646	23 439	5 144	-	21 674	21 674	21 674	86 982	260 082	173 737	181 381
Cash Payments by Type																
Employee related costs		975	765	39	1 698	59	202	(35)	-	4 814	4 814	4 814	39 627	57 772	62 757	65 518
Remuneration of councillors		(438)	(438)	(438)	(437)	(437)	(437)	(437)	-	452	452	452	7 132	5 426	5 513	5 755
Finance charges		-	-	-	-	-	-	-	-	236	236	236	2 125	2 833	628	655
Bulk purchases - Electricity	2	5 758	-	487	-	423	2 458	-	-	2 083	2 083	2 083	9 623	25 000	26 150	27 301
Acquisitions - water & other inventory	3	586	-	749	716	-	2 527	-	-	599	599	599	8 119	14 495	11 984	12 542
Contracted services		-	-	-	-	-	-	-	-	1 482	1 482	1 482	13 342	17 789	14 115	14 736
Transfers and grants - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		26 258	4 660	3 352	7 453	588	14 033	1 510	-	1 882	1 882	1 882	(40 915)	22 585	20 210	21 099
Cash Payments by Type		33 140	4 986	4 190	9 430	633	18 782	1 038	-	11 550	11 550	11 550	39 053	145 900	141 355	147 606
Other Cash Flows/Payments by Type																
Capital assets		4 113	1 921	1 094	4 064	392	7 678	557	-	3 756	3 756	3 756	13 986	45 076	36 931	39 269
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	1 023	1 023	1 023	9 209	12 279	12 844	13 409
Total Cash Payments by Type		37 253	6 907	5 284	13 494	1 025	26 460	1 595	-	16 329	16 329	16 329	62 248	203 255	191 130	200 283
NET INCREASE/(DECREASE) IN CASH HELD																
Cash/cash equivalents at the month/year beginning:		1 414	2 168	14 802	15 100	9 326	16 947	13 926	17 474	17 474	22 819	28 163	33 507	1 414	58 241	40 848
Cash/cash equivalents at the month/year end:		2 168	14 802	15 100	9 326	16 947	13 926	17 474	17 474	22 819	28 163	33 507	58 241	58 241	40 848	21 946

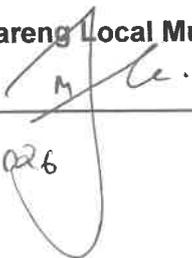
Part 4 - Municipal Manager's quality certificate.



I **Tumelo Thage** Municipal Manager of Magareng Local Municipality, hereby certify that the Adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name TUMELO THAGE

Municipal Manager of Magareng Local Municipality

Signature 

Date 19 FEB 2026