



The home of harmony, prosperity and growth

**MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK FOR THE  
2026/2027 TO 2028/2029**

## Table of Contents

Part 1: Annual Budget.....	2
1.1 Executive Mayor’s Report.....	2
1.2 Resolutions .....	4
1.3 Executive Summary .....	4
1.4 Annual Budget Tables.....	30
Part 2: Supporting Documentation.....	51
2.1 Overview of the Budget Process.....	51
2.2 Overview of Alignment of the Budget with the IDP .....	52
2.3 Measurable Performance Objectives and Indicators .....	53
2.4 Overview of Budget Related-Policies.....	54
2.5 Overview of Budget Assumptions .....	55
2.6 Overview of Budget Funding.....	67
2.7 Expenditure on Allocations and Grant Programmes.....	68
2.8 Allocations and grants made by the municipality .....	69
2.9 Councillors and board member allowances and employee benefits.....	69
2.10 Monthly Target For revenue, expenditure and cash flow.....	72
2.11 Annual budgets and service delivery and budget implementation plans-internal departments .....	73
2.12 Annual budgets and service delivery agreements-municipal entities and other external mechanism .....	73
2.13 Contracts having future budgetary implications .....	73
2.14 Capital expenditure details.....	74
2.15 Legislation compliance status .....	76
2.16 Other supporting documents.....	77
Annexure A-A1 - Supporting Table .....	77
2.17 Annual budget of municipal entities attached to the municipalities annual budget.....	77
2.18 Municipal manager’s Quality Certificate.....	78

## Part 1: Annual Budget

### 1.1 Executive Mayor's Report

I am pleased to present the Annual Budget for Ngwathe Local Municipality for the 2026/27 MTREF period. This budget outlines our municipality's financial plans and priorities for the next year and is aligned with our Integrated Development Plan (IDP).

The proposed revenue budget for the 2026/2027 financial year is R1.281 billion with the operational expenditure budget of R 1.683 billion and a capital budget of R 183.1 million, which R156 million grant is based DORA Bill and R26.8 million Internal Funding. The 2026/27 Medium Term Revenue & Expenditure Framework represent the deficit of R 402million. The operating revenue budget excludes about R43 million which is expected in the course of 2026/27 financial year as the first one-third debt write-off under the Department of Water and Sanitation (DWS) Debt Relief Scheme. Once confirmation of the DWS debt write-off received, there will be a need for a special budget adjustment to recognise the debt write-off as other income.

The Municipality has entered into the DAA agreement; the municipality will receive an immediate one-third debt of the Eskom debt, which is now around R2.9 billion. Should this happen, there will be a need for a special adjustment budget to recognise the debt write-off as income.

Our budget priorities for the upcoming financial year include:

- a) **Improving Service Delivery:** We will focus on improving service delivery, including water, sanitation, electricity, waste management, and maintenance and upgrading of internal roads.
- b) **Supporting Economic Growth:** We will support economic growth by investing in infrastructure development and providing support to small businesses and entrepreneurs.
- c) **Promoting Social Development:** We will promote social development by investing in community facilities and programs that support vulnerable communities.

Although we have made a significant progress in the previous financial year, we still face several challenges that are impacting on our annual budget and the speed at which we wish to develop our area and provide sustainable services, and these include, amongst others the following:

- a) **Limited Resources;**
- b) **Infrastructure Backlogs;**

c) Economic Uncertainty.

In conclusion, I believe that our Annual Budget for the upcoming financial year is a critical step towards achieving our vision for Ngwathe Local Municipality as a vibrant, prosperous, and sustainable municipality. I wish to encourage all stakeholders to work together with the municipality to contribute to this budget and build a better future for all our residents..

As this is our last year of term in office, I want this to be a community centred budget. It is quite unfortunate that our term as this Council ends at the time when there is stability brought about by the MM and his senior managers. Council should pride itself on appointing capable senior managers.

I thank you

Cllr Victoria De Beer – Mthombeni  
Executive Mayor Ngwathe Local Municipality

## 1.2 Resolutions

In line with regulation 2 of Schedule A of Municipal Budget and Reporting Regulations 2009, resolutions are hereby presented that Council approve:

- the 2026/27 Medium Term Revenue and Expenditure Framework (Annual Budget) of the municipality, specifically appropriating the amounts for the different votes, and for single-year and multi-year capital expenditure;
- all rates, taxes and tariffs for services provided by the municipality;
- measurable performance objectives for the annual budget for each year of the Medium Term Revenue and Expenditure Framework (MTREF); and
- Budget-related policies or amendments to such policies.

## 1.3 Executive Summary

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

To this effect, section 21 of Municipal Finance Management Act 56 of 2003, supported by Municipal Budget and Reporting Regulations, 2009, gives a contextual framework to budget preparation process by a municipality, in a manner that seek to guarantee the said sustainable provision of services to the community and fulfilment of other prescribed constitutional mandates.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. Furthermore, in order to improve our revenue collection benchmarks and take a cost leadership approach in management of our expenditure, we have conducted a detailed analysis of our source of revenue from a completeness point of view, whilst at the same time we have also undertaken a review of expenditures on noncore items.

In Preparation of the 2026/27 MTREF, Management has also considered the guidelines of the National Treasury's MFMA Circular No. 132 of 05 December 2025 and National Energy Regulator of South Africa (NERSA) hikes for 2026/27.

Management has also considered the Division of Revenue Bill Gazette issued by the Cabinet, which provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2026/2027 Medium Term Revenue and Expenditure Framework.

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The preparation of the 2026/27 MTREF was not without challenges, and some of the dominant challenges experienced during the process of compiling the 2026/2027 MTREF are summarized as follows:

- The need to reprioritize projects and expenditure within the existing resource given the cash flow realities and declining cash position of the municipality;
- Sharp increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable;
- The ongoing difficulties in the national and local economy, leaving many more people without jobs and eroding revenue base for municipalities;
- Wage increases for municipal staff as per bargaining council, resulting in pressure on the budget; and
- Affordability of capital projects that are not funded by National Grants.

In order to navigate through the above stated challenges, we had to consider the following key factors and planning strategies in order to compile a workable, yet realistic and realistic budget:

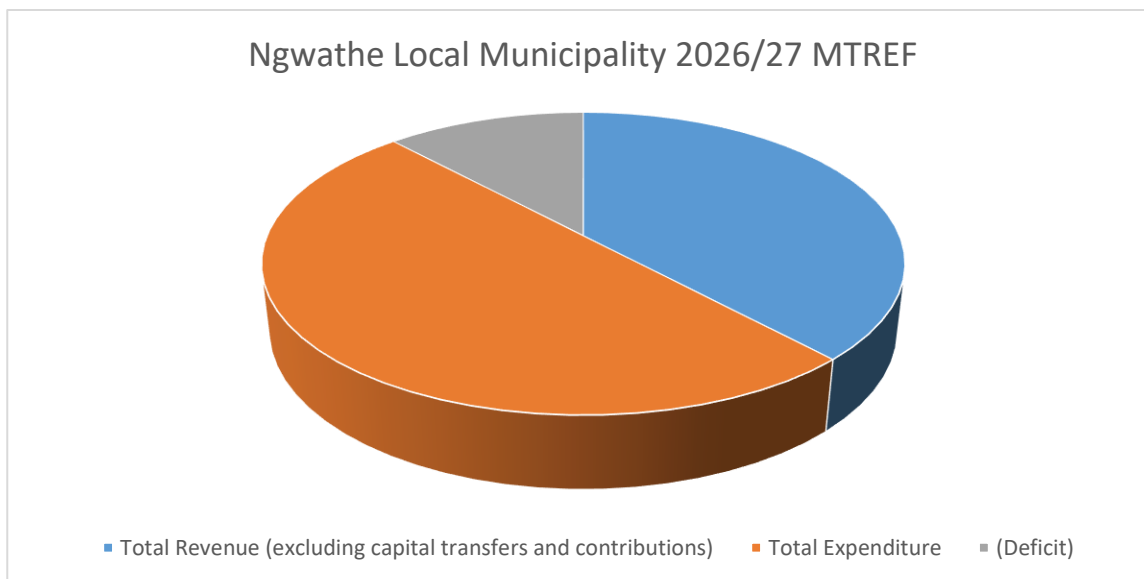
- The need for tariff increases and cost reflectiveness thereof in order to ensure sustainability of the municipality versus the ability of the community to pay for services;
- Identification of revenue gaps and practical measures to address these in order to ensure improve financial sustainability going forward;
- New policy proposals in order to aid and support robust collection of revenue, whilst at the same time providing cover for indigent households within the prescribe limits;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act; Municipal growth
- Policy priorities and strategic objectives
- Considerations to ensure preventive and regular maintenance of assets, renewal and upgrading in order to prolong their lifespan instead of buying new ones;
- General National Provincial and Regional economic climate and trends in order to reasonably forecast and plan for any possible future scenarios; and
- Assessment of our own performance trends and identification of areas where efficiencies and economies of scale can be improved.

The proposed revenue budget for the 2026/2027 financial year is **R1.281 billion** with the operational expenditure budget of **R 1.683 billion** and a capital budget of **R183.1 million**, which **R156.3 million** grant is based DORA Bill and **R26.8**

**million** Internal Funding. There is an increase of **R164.7 million** on operational revenue and decrease of **R50.3 million** on operational expenditure compared to 2025/26 adjustments budget.

Vote Description R thousand	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Revenue	1 975 711	1 116 226	1 116 226	1 280 964	1 235 024	1 305 659
Total Operating Expenditure	1 386 503	1 733 033	1 733 033	1 682 748	1 928 304	2 021 589
Surplus/(Deficit) for the year	589 267	(616 807)	(616 807)	(401 784)	(693 280)	(715 929)
National Government Grants	122 907	122 907	122 907	156 308	267 737	249 052
Internal Funding	48 300	79100	79 100	26 795	48 751	54 145
Total Capital Funding	171 207	202 007	202 007	183 103	316 488	303 197

**Chart 1: 2025/26 Total Budget**



With regard to tariffs, the following summary of increases in tariffs will apply with effect from 1 July 2026 in line with the 2026/2027 budget.

**Table 1: % Increase on Tariffs for 2026/27**

<b>Item</b>	<b>% Increase for 2025/26</b>
Water	3.7% (10% Rand water and DWS proposed tariff 2.1%)
Electricity	11%
Sanitation	3.7%
Refuse Removal	3.7%
Rates and Taxes	3.7% (With rebates of 10% residential, 5% on business, 5% on industrial and 40% on PBO)
Cemeteries	3.7%
Hiring of Halls	3.7%
All other Sundries	3.7%

Full details of proposed tariffs and other charges for the 2026/27 attached hereto as annexures referenced as below and forms part of the budget.

Annexure A: Electricity

Annexure B: Water

Annexure C: Sewerage / Sanitation

Annexure D: Refuse Removal

Annexure E: Rates and Taxes

Annexure F: Land

Annexure G: Cemeteries

Annexure H: Rent

Annexure I: Resorts

Annexure J: Swimming Pools

Annexure K: Stadiums

Annexure L: Planning and Housing

Annexure M: Way Leaves

Annexure N: Traffic

The following tariffs relate to the provision of basic services, the details of which will be found in the detailed in the annexures as outlined above, and are provided where for ease of reference

**Annexure A: Proposed Electricity Tariffs**

<b>PART 1 : SUPPLY OF ELECTRICITY</b>									
		Increase							1,11
<b>Parys/Heilbron/Vredefort/Koppies/Edenville</b>									
<b>Schedule (a) Electricity Consumption</b>									
Tariffs excluding VAT	Tariff Codes	2025/2026			2026/2027				
		Tariff	VAT %	TOTAL	Tariff	VAT %	TOTAL		
Vacant stands Residential	BE000	256.41	39.74	296.16	284.62	42.69	327.31		
Residential - Pre Paid - Non Indigent	EL001	3.54	0.55	4.09	3.93	0.59	4.52		
Residential - Conventional - Non Indigent EHKPV	EL001	3.54	0.55	4.09	3.93	0.59	4.52		
Residential - Pre Paid - Indigent	EL011	2.33	0.36	2.69	2.59	0.39	2.97		
Residential - Conventional - Indigent EHKPV	EL011	2.33	0.36	2.69	2.59	0.39	2.97		
Business (Pre-paid incl)	BE002	1 351.92	209.55	1 561.47	1 500.63	225.09	1 725.72		
EHKPV	EL002	3.38	0.52	3.91	3.75	0.56	4.32		
Small Holdings	BE003	815.81	126.45	942.26	905.55	135.83	1 041.38		
EHKPV	EL003	3.38	0.52	3.91	3.75	0.56	4.32		
Bulk Consumers	Basic	BE004	1 608.32	249.29	1 857.61	1 785.24	267.79	2 053.02	
Consumption	Consumption	EL004	2.41	0.37	2.78	2.67	0.40	3.07	
Demand	Demand	EL004	344.97	53.47	398.44	382.92	57.44	440.36	
EHKPV									
Municipal	BE005	1 365.30	211.62	1 576.92	1 515.49	227.32	1 742.81		
EHKPV	EL005	3.34	0.52	3.85	3.70	0.56	4.26		
Sundry Consumers	BE006	1 365.30	211.62	1 576.92	1 515.49	227.32	1 742.81		
EHKPV	EL006	3.34	0.52	3.85	3.70	0.56	4.26		
Sports Organisations	BE007	1 394.09	216.08	1 610.17	1 547.44	232.12	1 779.55		
EHKPV	EL007	3.23	0.50	3.73	3.58	0.54	4.12		
Schools/Hostels	BE008	1 604.59	248.71	1 853.30	1 781.10	267.16	2 048.26		
EHKPV	EL008	3.23	0.50	3.73	3.58	0.54	4.12		
Industrial	<10kW	BE009	1 550.01	240.25	1 790.26	1 720.51	258.08	1 978.59	
EHKPV	EL009	3.25	0.50	3.75	3.61	0.54	4.15		
	10kW-29kW	BE010	1 550.01	240.25	1 790.26	1 720.51	258.08	1 978.59	
EHKPV	EL010	3.25	0.50	3.75	3.61	0.54	4.15		
	30kW plus	BE011	1 553.61	240.81	1 794.42	1 724.50	258.68	1 983.18	
EHKPV	EL011	3.27	0.51	3.78	3.63	0.54	4.17		
Telkom exchange/Auto Exchange	Basic	BE012	1 608.32	249.29	1 857.61	1 785.24	267.79	2 053.02	
EHKPV.	Consumption	EL012	2.41	0.37	2.78	2.67	0.40	3.07	
	Demand	EL012	344.97	53.47	398.44	382.92	57.44	440.36	
Flood Lights/ Streetlights	BE013	699.27	108.39	807.66	776.19	116.43	892.62		
	EL013	2.59	0.40	2.99	2.87	0.43	3.30		
			-						
Government	BE014	1 604.59	248.71	1 853.30	1 781.10	267.16	2 048.26		
EHKPV	EL014	3.23	0.50	3.73	3.58	0.54	4.12		
Churches	BE015	594.98	92.22	687.20	660.43	99.06	759.49		
EHKPV	EL015	3.70	0.57	4.27	4.10	0.62	4.72		
Small Business	BE016	815.81	126.45	942.26	905.55	135.83	1 041.38		
EHKPV	EL016	3.38	0.52	3.91	3.75	0.56	4.32		
Vacant stands Business and Other	BE017	256.41	39.74	296.16	284.62	42.69	327.31		

<b>PART 1 : SUPPLY OF ELECTRICITY</b>								
		Increase					1,11	
<b>Parys/Heilbron/Vredefort/Koppies/Edenville</b>								
<b>Schedule (a) Electricity Consumption</b>								
Tariffs excluding VAT		Tariff Codes	<b>2025/2026</b>			<b>2026/2027</b>		
			<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
All Businesses should pay the basic charge irrespective of the fact that they have Pre-Paid electricity								
A separate Business is to be identified by a different name and/or different room/hall/premises and/or different type of business.								
Indigents Free subsidy will be provided at 50kWh from 2025/2026								
No Free electricity will be provided to Non-Indigents								
Interest at the rate of Prime plus 2% (four) percent the same as Eskom will be levied on all 60 days outstanding accounts.								
<b>PART 2 : ELECTRICITY GENERAL CHARGES</b>								
that as from 1 July 2026, the tariffs for the supply of electricity be determined as follows and are subjected to VAT:								
<b>A. Switching on of electricity:</b>								
			<b>2025/2026</b>			<b>2026/2027</b>		
			<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
Opening of account of a consumer who wants the electricity to a stand, which will be occupied by him, to be switched on,								
pay an amount of -			311.44	46.72	358.16	345.69	51.85	397.55
+ VAT for such service: Provided that if a consumer wishes that it be after hours,			-			-		
an amount of -			481.65	72.25	553.90	534.63	80.19	614.83
+ VAT is payable for such services.								
<b>B. Test of single and three phase meters:</b>								
i. A consumer who wants his single phase electricity meter to + VAT for such service.			796.72	119.51	916.23	884.36	132.65	1 017.01
i. A consumer who wants three phase electricity meter to be tested.								
ii. Single phase meters actual cost								
ii.i Split meters								
ii. Three phase (3ph) meters actual cost								
<b>C. Test of installations:</b>								
+ VAT			3 020.26	453.04	3 473.30	3 352.49	502.87	3 855.36

<b>PART 1 : SUPPLY OF ELECTRICITY</b>							
							1,11
<b>Parys/Heilbron/Vredefort/Koppies/Edenville</b>							
<b>Schedule (a) Electricity Consumption</b>							
Tariffs excluding VAT	Tariff Codes	<b>2025/2026</b>			<b>2026/2027</b>		
		<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
<b>Service Connections:</b>							
		<b>2025/2026</b>			<b>2026/2027</b>		
		<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
i. Single phase low voltage connection: + VAT, provided the request is accompanied with a NER application form;		1 209.55	181.43	1 390.98	1 342.60	201.39	1 543.99
ii. New Three phase low voltage connection: The owner of the premise concerned shall make applications for the installation of a service connection in a form approved by the municipality							
<b>Normal application</b> plus VAT Re-positioning of meter actual cost		17 965.36					
ii. The amount payable for a three phase low voltage connection is actual cost of the connection from the nearest existing or suitable power supply up to the connection point on the consumer's stand. The consumer pays a deposit equal to the estimated cost of the connection. If the estimated cost is higher than the actual cost, a refund of the difference will be made to the consumer.							
iii. The amount payable for a connection of 3.3kV or higher is the actual cost of the connection from the nearest existing or suitable power supply up to the connection point on the consumer's stand plus 5%. The consumer pays a deposit equal to the estimated cost of the connection plus 5% and must undertake in writing, to pay the difference on the actual cost. If the estimated cost is higher than the actual cost, a refund of the difference will be made to the consumer;							
iv. Re-position of meters: <b>Actual cost</b>							
<b>E. Meter reading and reconnection fees:</b>							
i. If a consumer requires a meter reading over and above the monthly reading, the following fees will be payable:							
		<b>2025/2026</b>			<b>2026/2027</b>		
		<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
a. Closing/finalisation of account on suspension of service by consumer + VAT		311.93	46.79	358.72	346.24	51.94	398.17
b. Special reading on request of consumer: + VAT which amount is refundable in the event of the meter being faulty.		242.64	36.40	279.04	269.33	40.40	309.72
c. i. Reconnection fee where the the consumer did not pay electricity account and power was cut-off: + VAT subject to credit control measures:		555.70	83.36	639.06	616.83	92.52	709.35
ii. Reconnection fee after hours - where the consumer did not pay his electricity account and power was cut-off: + VAT		877.17	131.58	1 008.75	973.66	146.05	1 119.71
ii. Connection of prepaid meters + VAT							

<b>PART 1 : SUPPLY OF ELECTRICITY</b>								
		Increase						1,11
<b>Parys/Heilbron/Vredefort/Koppies/Edenville</b>								
<b>Schedule (a) Electricity Consumption</b>								
Tariffs excluding VAT		Tariff Codes	<b>2025/2026</b>			<b>2026/2027</b>		
			<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
<b>F. that as from 1 July 2026, the following under Vote 41: Electricians Account, for the rendering of</b>								
Departmental work be determined as follows:								
i. Electricians account:								
Electricians			<b>2025/2026</b>			<b>2026/2027</b>		
			<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
Electricians			467.16	70.07	537.23	518.55	77.78	596.33
Vehicle with crane(Operator's cost included)			535.97	80.40	616.37	594.93	89.24	684.16
Team - per hour			535.48	80.32	615.80	594.38	89.16	683.54
ii. *Rendering of services to Mimosa gardens Holiday Resort:								
			<b>2026/2027</b>					
			<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>			
Electricians - Departmental tariff + 50%			518.55	77.78	596.33			
After hours - Departmental tariff + 50%			518.55	77.78	596.33			
iii. * Rendering of services to Schools and supporting Associations								
Electricians - Normal tariff			518.55	77.78	596.33			
After hours - Normal tariff			518.55	77.78	596.33			
iv. * Rendering of services to churches and registered Welfare Organisations								
Electricians - Normal tariff			518.55	77.78	596.33			
After hours - Normal tariff			518.55	77.78	596.33			
Penalty for the tampering of meters plus consumption not registered.								
<b>- Residential</b>								
			<b>2025/2026</b>			<b>2026/2027</b>		
			<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
1 st offence			12 960.06	1 944.01	14 904.07	14 385.67	2 157.85	16 543.52
2nd offence			18 514.38	2 777.16	21 291.54	20 550.96	3 082.64	23 633.61
<b>After Offence 1 to 2, then is removal of cable</b>			37 028.75	5 554.31	42 583.06	41 101.91	6 165.29	47 267.20
<b>- Business</b>								
1st offence			37 028.75	5 554.31	42 583.06	41 101.91	6 165.29	47 267.20
<b>2nd offence - then is removal of cable</b>			74 057.50	11 108.62	85 166.12	82 203.82	12 330.57	94 534.40
6. <u>Temporary connection (Builders connection)</u>								
- for connection only, otherwise, cost plus 15%			498.80	74.82	573.62	553.67	83.05	636.72
- admin fee plus normal consumer tariffs								
7. <u>Deposits</u>								
<b>PART 1 : SUPPLY OF ELECTRICITY</b>								
		Increase						1,11
<b>Parys/Heilbron/Vredefort/Koppies/Edenville</b>								
<b>Schedule (a) Electricity Consumption</b>								
<b>8. Reconnection fees</b>								
During emergencies			<b>2025/2026</b>			<b>2026/2027</b>		
			<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>	<b>Tariff</b>	<b>VAT %</b>	<b>TOTAL</b>
			908.76	136.31	1 045.07	1 008.72	151.31	1 160.03
- First incident			633.50	95.02	728.52	703.18	105.48	808.66
- Second incident at reconnection X2			1 267.00	190.05	1 457.05	1 406.37	210.96	1 617.32
9. Connection fees								
Conventional and pre-paid			354.76	53.21	407.97	393.79	59.07	452.85
From conventional meter to prepaid meter			838.00	125.70	963.70	930.18	139.53	1 069.70
10. <u>Installation fees</u>								
Pre-paid meter (Does not include meter cost)			673.04	100.96	774.00	747.07	112.06	859.13

**Annexure B: Proposed Water Tariffs**

<b>PART 1 : SUPPLY OF WATER</b>								
		Increase		4.40			1.037	
<b>Parys/Heilbron/Vredefort/Koppies/Edenville</b>								
<b>Schedule (b) Water Consumption</b>								
Tariffs excluding VAT		Tariff Codes Services		2025/2026		2026/2027		
				VAT	TOTAL	Tariff	VAT	TOTAL
Vacant stands	Basic	BW000		22.98	176.21	158.90	23.83	182.73
EHKV								
Indigents	Basic	BW001		10.82	82.95	74.80	11.22	86.02
	Consumption	WA01i	0 - 6 FBS	-	-	-	-	-
			7 - 20 Indigent Only	2.18	16.74	15.09	2.26	17.36
			21 - >	2.22	16.99	15.32	2.30	17.62
Residential	Basic	BW001		10.82	82.95	74.80	11.22	86.02
	Consumption	WA001	0 - 20	2.18	16.74	15.09	2.26	17.36
		WA001	21 - 30	2.22	16.99	15.32	2.30	17.62
			31 - >	2.22	16.99	15.32	2.30	17.62
EHKPV								
Business (per Business)	Basic	BW002		34.74	266.37	240.19	36.03	276.22
	Consumption	WA002	Cons	2.53	19.43	17.52	2.63	20.14
		New-2019/20	0 - 20	2.53	19.43	17.52	2.63	20.14
			21 - 30	2.53	19.43	17.52	2.63	20.14
			31 - >	2.53	19.43	17.52	2.63	20.14
EHKPV								
Bulk/Government/Schools	Basic	BW004		34.74	266.38	240.20	36.03	276.23
EHKPV	Consumption	WA004	Cons	2.18	16.74	15.09	2.26	17.36
Sch		New-2019/20	0 - 20	2.18	16.74	15.09	2.26	17.36
EHKPV			21 - 30	2.22	16.99	15.32	2.30	17.62
Gov			31 - >	2.22	16.99	15.32	2.30	17.62
Municipal	Basic	BW010		34.74	266.35	240.18	36.03	276.21
EHKPV	Consumption	WA005		2.18	16.74	15.09	2.26	17.36
Sports Organisations	Consumption	WA007		2.18	16.74	15.09	2.26	17.36
Industrial	Basic	BW009		22.65	173.63	156.57	23.49	180.06
EHKPV	Consumption	WA009	Cons	2.18	16.74	15.09	2.26	17.36
		New-2019/20	0 - 20	2.18	16.74	15.09	2.26	17.36
			21 - 30	2.22	16.99	15.32	2.30	17.62
			31 - >	2.22	16.99	15.32	2.30	17.62
Small Business (Business fr	Basic	BW010		17.24	132.15	119.16	17.87	137.04
EHKPV	Consumption	WA015	Cons					
		New-2019/20	0 - 20	2.18	16.74	15.09	2.26	17.36
			21 - 30	2.22	16.99	15.32	2.30	17.62
			31 - >	2.22	16.99	15.32	2.30	17.62
Sewerage	Consumption	WA013		1.29	9.90	8.93	1.34	10.27
Unpurified	Consumption	WA014		1.29	9.90	8.93	1.34	10.27

**Annexure C: Proposed Sanitation Tariffs**

<b>PART 1 : SUPPLY OF SANITATION</b>									
		Increase		4.4				1.037	
<b>Parys/Heibron/Vredefort/Koppies/Edenville</b>									
<b>Schedule 6(c) Sewerage</b>									
Tariffs excluding VAT	Tariff Codes		2025/2026			2026/2027			
			Tariff	VAT	Total	Tariff	VAT	Total	
Residential:	SE001	Waterborne (per household)	141.57	21.24	162.81	146.81	22.02	168.83	
	SEBS	Bucket System	71.73	10.76	82.49	74.38	11.16	85.54	
	SEST	Suction Tank	139.56	20.93	160.49	144.72	21.71	166.43	
			-	-	-	-	-	-	
Crèche	SECR8		394.86	59.23	454.09	409.47	61.42	470.89	
Primary School	SEPS8		8 775.94	1 316.39	10 092.33	9 100.65	1 365.10	10 465.75	
Secondary School	SESS8		13 163.92	1 974.59	15 138.51	13 650.99	2 047.65	15 698.63	
			-	-	-	-	-	-	
Business	SE002		394.86	59.23	454.09	409.47	61.42	470.89	
Café, Guest H. Restaur.			513.32	77.00	590.32	532.31	79.85	612.16	
Clover 1	SEH011	Clover 1	116 467.00	17 470.05	133 937.05	120 776.28	18 116.44	138 892.72	
Simba	SEH012	Simba	2 912.12	436.82	3 348.94	3 019.87	452.98	3 472.85	
			-	-	-	-	-	-	
Hotels, Supermarkets, Hospitals, Country Club,	SE015		1 776.88	266.53	2 043.41	1 842.62	276.39	2 119.02	
			-	-	-	-	-	-	
Khaya Ebubhesi	Sundry	Khaya Ebubhesi Per Dumping As Per Council Resolution	709.26	106.39	815.65	735.50	110.33	845.83	
			-	-	-	-	-	-	
Small Business (Business From Home)	SE016	Waterborne per shop	187.54	28.13	215.67	194.48	29.17	223.65	
			-	-	-	-	-	-	
Government	SE014	Fixed basic charge	13 703.65	2 055.55	15 759.20	14 210.69	2 131.60	16 342.29	
			-	-	-	-	-	-	
Sport Organisations	SE007	Fixed basic charge	200.98	30.15	231.13	208.42	31.26	239.68	
			-	-	-	-	-	-	
Departmental (Municipal)	SE005	Fixed basic charge	176.37	26.46	202.83	182.90	27.43	210.33	
			-	-	-	-	-	-	
Vacant Stands	SE000	Fixed basic charge	187.23	28.08	215.31	194.16	29.12	223.28	
			-	-	-	-	-	-	
Abattoir	SE003	Fixed basic charge	5 017.40	752.61	5 770.01	5 203.04	780.46	5 983.50	
			-	-	-	-	-	-	
Churches Welfare Organisations	SE013	Fixed basic charge	176.37	26.46	202.83	182.90	27.43	210.33	
			-	-	-	-	-	-	
Bulk	SE004	Fixed basic charge	160.42	24.06	184.48	166.36	24.95	191.31	
			-	-	-	-	-	-	
Holiday Resorts	SE006	Fixed basic charge	177.22	26.58	203.80	183.78	27.57	211.34	
			-	-	-	-	-	-	
Old Aged Homes:	SE009	Clinic/Rooms Per Point	110.24	16.54	126.78	114.32	17.15	131.47	
	SE010	Flats/Houses Per Unit	178.92	26.84	205.76	185.54	27.83	213.37	

**Annexure D: Proposed Refuse Removal Tariffs**

<b>PART 1 : SUPPLY OF REFUSE</b>								
		Increase	4.4			1.037		
<b>Parys/Heibron/Vredfort/Koppies/Edenville</b>								
<b>Schedule 6(d) Refuse Removal</b>								
Tariffs excluding VAT	Tariff Codes Services	2025/2026			2026/207			
		Tariff	VAT	Total	Tariff	VAT	Total	
Residential	RF001	134.87	20.23	155.10	139.86	20.98	160.84	
Business	RF002	249.46	37.42	286.88	258.69	38.80	297.49	
Restaurants, Café, Guest House	RF	324.30	48.65	372.95	336.30	50.44	386.74	
Holiday Resorts	/Cottage RF016	52.83	7.92	60.75	54.78	8.22	63.00	
Office considered as	/Caravan Stand RF017	26.57	3.99	30.56	27.55	4.13	31.69	
Churches and Welfare	RF018	134.28	20.14	154.42	139.25	20.89	160.14	
Small Business(Business From Home)	RF020	202.01	30.30	232.31	209.48	31.42	240.91	
Municipal	RF005	103.18	15.48	118.66	107.00	16.05	123.05	
Sports Clubs	RE007	44.42	6.66	51.08	46.06	6.91	52.97	
Industrial	Large RE009	610.53	91.58	702.11	633.12	94.97	728.09	
Hotels, Supermarkets, Hospitals, Country Club	Fixed RF015	1 122.59	168.39	1 290.98	1 164.13	174.62	1 338.74	
Old Aged Homes Hostels	Fixed RF019	62.59	9.39	71.98	64.91	9.74	74.64	
Bulk Government	Fixed RF004 RF014	4 476.33	671.45	5 147.78	4 641.95	696.29	5 338.25	
Creche	Fixed RFCR8	249.46	37.42	286.88	258.69	38.80	297.49	
Primary School	RFPS8	4 476.34	671.45	5 147.79	4 641.96	696.29	5 338.26	
Secondary School	RFHS8	4 476.34	671.45	5 147.79	4 641.96	696.29	5 338.26	

**Annexure E: Proposed Rates and Taxes Tariffs**

<b>PART 1 : RATES AND TAXES</b>				
	Increase		1.037	
<b>Parys/HeibrPn/VredefPrt/KPppies/Edenville</b>				
<b>Schedule 6(e) Rates and Taxes</b>				
Tariffs excluding VAT	ValuatiPn in Rands	2025/26	2026/2027	Tariff CPdes
Vacant Stands Residential	0 - 30 000 30 001 - 999999999.99	0.0200	0.0207	VA000
Residential	0 - 30 000 Market Value - 30 000 (10% reduction) 30 001 - 999999999.99	0.0137	0.0142	VA001
Business/Industrial/ Commercial	0 - 999999999.99 (10% reduction)	0.0251	0.0260	VA002
Agriculture	First 25% Of the Residential Tariff 100% Phased in terms of the MFMA	0.0034	0.0035	VA003
Municipal	0 - 999999999.99 (Rebate 100%)	0.0001	0.0001	VA005
PBO	0 - 999999999.99	0.0150	0.0156	VA006
Organs of State	0 - 999999999.99	0.0238	0.0247	VA008
Mining	0 - 999999999.99	0.0238	0.0247	VA009
Public Service Infrastructure	First 25% Of the Residential Tariff 100% Phased in terms of the MFMA	0.0034	0.0035	VA010
Industrial	0 - 999999999.99 (5% reduction)	0.0152	0.0158	VA011
POW	0 - 999999999.99 (Rebate 100%)	0.0001	0.0001	VA015
Vacant Stands Business From 2020/21	0 - 999999999.99	0.0152	0.0158	VA000
Private own town	0 - 30 000 Market Value - 30 000 (10% reduction) 30 001 - 999999999.99	0.0152	0.0158	VA001
Gholf Island	0 - 30 000 Market Value - 30 000 (10% reduction) 30 001 - 999999999.99	0.0137	0.0142	VA001

**Annexure F: Proposed Land Tariffs**

<b>LAND AND COMMONAGES</b>							
	Increase	4.4			1.037		
<b>TOWN PLANNING AND BUILDING INSPECTIONS</b>							
1. that as from 1 July 2026 the following tariff with regard to rendering of services: Town Planning and Building inspections, be determined (Ex VAT):							
		2025/2026			2026/2027		
		Tariff	VAT	Total	Tariff	VAT	Total
<b>Map copies</b>							
A4		6.45	0.97	7.42	6.69	1.00	7.69
A3		12.91	1.94	14.85	13.39	2.01	15.40
A2		53.81	8.07	61.88	55.80	8.37	64.17
A1		64.58	9.69	74.27	66.97	10.05	77.02
A0		128.17	19.23	147.40	132.91	19.94	152.85
<b>Printers and Plotter</b>							
A4		40.92	6.14	47.06	42.43	6.37	48.80
A3		81.89	12.28	94.17	84.92	12.74	97.66
A2		163.75	24.56	188.31	169.81	25.47	195.28
A1		317.27	47.59	364.86	329.01	49.35	378.36
A0		629.44	94.42	723.86	652.73	97.91	750.64
Departmental tariff = 50% of abovementioned							

<b>Approval of Building plans</b>							
2. Tariff payable for the approval							
		2025/2026			2026/2027		
		Tariff	VAT	Total	Tariff	VAT	Total
A basic tariff of building plans/extension plus part thereof of existing building							
		214.44	32.17	246.61	222.37	33.36	255.73
		6.42	0.96	7.38	6.66	1.00	7.66
3. Fees for amendment to building- makes new proposal for the complete or partial amendment of building plans after such plans have been submitted							
		2025/2026			2026/2027		
		Tariff	VAT	Total	Tariff	VAT	Total
		267.64	40.15	307.79	277.54	41.63	319.17

4. Town Planning scheme amendments- which consent given in terms of		2025/2026			2026/2027		
		Tariff	VAT	Total	Tariff	VAT	Total
Town or Township Ordinance and/or Act 4 of 1984(Annexure F & Land Use Regulations)		860.10	129.02	989.12	891.92	133.79	1 025.71
5. Issue of permits for minor- amendments		192.74	28.91	221.65	199.87	29.98	229.85
6. Issue of Zoning certificates(per certificate)		386.00	57.90	443.90	400.28	60.04	460.32
7. Rezoning and title abolition		876.97	131.55	1 008.52	909.42	136.41	1 045.83
8. Issue of Occupation certificates(per certificate)		214.44	32.17	246.61	222.37	33.36	255.73
9. Change of Ownership		214.44	32.17	246.61	222.37	33.36	255.73
10. Consolidations and subdivisions (admin fee)		608.65	91.30	699.95	631.17	94.68	725.85
11. Removal, amendment or suspension of restrictive title conditions		1 387.86	208.18	1 596.04	1 439.21	215.88	1 655.09
12. Special Consent Use		1 980.46	297.07	2 277.53	2 053.74	308.06	2 361.80
13. The withdrawal of an approved application for subdivision/consolidation		831.79	124.77	956.56	862.57	129.38	991.95
14. The amendment of the conditions on which the subdivision/consolidation		901.87	135.28	1 037.15	935.24	140.29	1 075.53
15. The amendment of an approved consolidation or subdivision plan		901.87	135.28	1 037.15	935.24	140.29	1 075.53
16. Section 53 certificates (per certificate) for lodging of title deed with the Re		485.98	72.90	558.88	503.96	75.59	579.55
17. Request for extension of time for township application		1 110.58	166.59	1 277.17	1 151.67	172.75	1 324.42
18. Appeal of decision		4 165.06	624.76	4 789.82	4 319.17	647.88	4 967.05
19. Building Line Relaxation		485.98	72.90	558.88	503.96	75.59	579.55
20. Consent application (Tuckshop)		415.89	62.38	478.27	431.28	64.69	495.97
21. Spatial Development Framework (SDF							
Hard Copy		207.19	31.08	238.27	214.86	32.23	247.09
Electronic Format		103.59	15.54	119.13	107.42	16.11	123.53
22. Land Use Management Scheme/Town planning Scheme							
Hard Copy		415.89	62.38	478.27	431.28	64.69	495.97
Electronic Format		207.19	31.08	238.27	214.86	32.23	247.09
23. Removal of builders waste		744.30	111.65	855.95	771.84	115.78	887.62
24. Fine for building without approved plan		2 041.73	306.26	2 347.99	2 117.27	317.59	2 434.86

<b>Aerodrome</b>						
that as from 1 July 2026, the tariff for Aerodrome, be determined as follows:						
35. Landing fee excepts SA Clover:						
	2025/2026			2026/2027		
	Tariff	VAT	Total	Tariff	VAT	Total
Aeroplane stored at aerodrome, Heilbron per month	191.17	28.68	219.85	198.24	29.74	227.98
<b>SA Clover</b>						
As per agreement with SA Clover, Heilbron						
<b>Pumping of water from properties etc.</b>						
36. <u>Portable pump</u> (new tariff)						
	2025/2026			2026/2027		
	Tariff	VAT	Total	Tariff	VAT	Total
For the first hour or part thereafter	244.70	36.71	281.41	253.75	38.06	291.81
For every 15 minutes thereafter	56.07	8.41	64.48	58.14	8.72	66.86
37. <u>Light pump</u>						
	2025/2026			2026/2027		
	Tariff	VAT	Total	Tariff	VAT	Total
a. For the first hour or part thereof	326.26	48.94	375.20	338.33	50.75	389.08
b. For every 15 minutes thereafter	81.57	12.24	93.81	84.59	12.69	97.28
38. <u>Medium pump</u>						
	2025/2026			2026/2027		
	Tariff	VAT	Total	Tariff	VAT	Total
a. For the first hour or part thereof	410.39	61.56	471.95	425.57	63.84	489.41
b. For every 15 minutes thereafter	81.57	12.24	93.81	84.59	12.69	97.28
39. <u>Heavy pump</u>						
	2025/2026			2026/2027		
	Tariff	VAT	Total	Tariff	VAT	Total
a. For the first hour or part thereof	489.40	73.41	562.81	507.51	76.13	583.64
b. For every 15 minutes thereafter	124.89	18.73	143.62	129.51	19.43	148.94
40. <u>No cost in certain circumstances</u>						
Notwithstanding the above, no cost is payable in the following cases:						
a. With a false alarm with good intentions						
b. During civil unrest or disasters						
<b>TRADERS /HAWKERS</b>						
	2025/2026			2026/2027		
	Tariff	VAT	Total	Tariff	VAT	Total
Trade Licence Renewal Yearly	686.93	103.04	789.97	712.35	106.85	819.20
Business Premises Once Off	485.85	72.88	558.73	503.83	75.57	579.40
Health Facilities	970.06	145.51	1 115.57	1 005.95	150.89	1 156.84
Accommodation	278.32	41.75	320.07	288.62	43.29	331.91
Informal Business	167.30	25.10	192.40	173.49	26.02	199.51
Hawkers at CBD	156.05	23.41	179.46	161.82	24.27	186.09
Hawkers outside CBD	123.87	18.58	142.45	128.45	19.27	147.72
Skerm	145.77	21.87	167.64	151.16	22.67	173.83
Car Wash	145.77	21.87	167.64	151.16	22.67	173.83
Authorizes Bill boards	422.77	63.42	486.19	438.41	65.76	504.17
Fine unauthorized bill board	728.91	109.34	838.25	755.88	113.38	869.26
Grass digging	3 644.56	546.68	4 191.24	3 779.41	566.91	4 346.32
Diging of Sand	3 644.56	546.68	4 191.24	3 779.41	566.91	4 346.32
illegal Dumping	437.35	65.60	502.95	453.53	68.03	521.56
illegal Cattle at home	728.91	109.34	838.25	755.88	113.38	869.26
Temporary signs land Rentals per square meter	422.77	63.42	486.19	438.41	65.76	504.17
Cattle pounding per animal	437.35	65.60	502.95	453.53	68.03	521.56

**Annexure G: Cemeteries Tariffs**

<b>GENERAL SERVICES CEMETRIES</b>						
<b>PARYS, HEILBRON, VREDEFORT,</b>	4.4			1.037		
1. that the following tariff in respect of the cemetery be determined as from 1 July 2024:						
<b>Grave Site fees:</b>	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
<b><i>Residents</i></b>						
Adults (6 feet)	1877	282	2159	1947	292	2239
Children	1304	196	1499	1352	203	1555
Double graves (on top of each other) 8 feet	2377	357	2734	2465	370	2835
Conversion 1850 to 2430	0					
	659	99	758	684	103	786
<b><i>Non-residents</i></b>	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
Adults (6 Feet)	3416	512	3929	3543	531	4074
Children	1821	273	2094	1888	283	2172
Double graves (on top of each other) 8 feet	3416	512	3929	3543	531	4074
Conversion 1850 to 2430	909	136	1046	943	141	1084

Urns in Wall of Remembrance: ( including installation of commemorative table)						
	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
Residents	2010	301	2311	2084	313	2397
Non-residents	2449	367	2816	2540	367	2816
Placing of urn in existing grave	956	143	1099	991	149	1140
<b><u>FUNERAL OVER WEEKENDS</u></b>						
a. that the tariff for a funeral, at the cemeteries on a Saturday or Sunday where the grave is covered up by relatives, be the normal tariff plus						
	980	147	1127	1017	153	1169
b. that the tariff for a funeral, at the cemeteries on a Saturday or Sunday where the grave is not covered up by relatives, be the normal tariff plus						
<b><u>EXCAVATIONS:</u></b>						
	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>
Excavation/Exhumation	2171	326	2497	2252	338	2590

**TUMAHOLE, PHIRITONA, SANDERSVILLE, SCHONKENVILLE, MOKWALLO, VREDESHOOP, KWAKWATSI AND NG**

1. that the following tariff in respect of the cemetery be determined as from 1 July 2026:

<b>Grave Site fees:</b>	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
<b>Residents</b>						
Adults (6 feet)	1218	183	1401	1264	190	1453
Children	822	123	945	852	128	980
Double graves (on top of each other) 8 feet	1455	218	1673	1509	226	1735
Conversion 1850 to 2430	743	111	854	770	116	886

	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
<b>Re-opening graves</b>	1006	150.92	1157.07	1043	156.51	1199.88

Urns in Wall of Remembrance: ( including installation of commemorative table)

	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
Residents	1511	227	1738	1567	235	1802
Non-residents	2449	367	2816	2540	367	2816
Placing of urn in existing grave	773	116	889	801	120	921

**FUNERAL OVER WEEKENDS**

a. that the tariff for a funeral, at the cemeteries on a Saturday or Sunday where the grave is

covered up by relatives, be the normal	980	147	1127	1017	153	1169
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b. that the tariff for a funeral, at the cemeteries on a Saturday or Sunday where the grave is not covered up by relatives, be the normal tariff plus

**EXCAVATIONS:**

	<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
Excavation/Exhumation	2171	326	2497	2252	338	2590

**Annexure H: Proposed Rent Tariffs**

<b>RENTALS</b>							
<b>Town Hall - PARYS</b>							
That the following tariffs in respect of Town Hall determined as from:							
Purpose of renting			2025/2026		2026/2027		
Meetings, political and union meetings, dances, receptions, banquet, dramas, variety concerts, commercial exhibitions (Furniture etc) exams							
Refundable Deposit			VAT	Total	Tariff	VAT	Total
	Town Hall	Whole day	142.91	1 095.61	987.95	148.19	1 136.14
		Part	242.92	1 862.40	1 679.40	251.91	1 931.31
	Side Hall	Whole day	66.16	507.20	457.36	68.60	525.96
		Part	95.33	730.85	659.03	98.86	757.89
	Forum Building	Whole day	80.74	619.03	558.21	83.73	641.94
		Part	97.24	745.49	672.24	100.84	773.07
	Schonkenville Hall	Whole day	80.74	619.03	558.21	83.73	641.94
		Part	97.24	745.49	672.24	100.84	773.07

**Annexure I: Proposed Resort Tariffs**

<b>GENERAL SERVICES : RESORTS</b>							
<b>HOLIDAY RESORTS-HEILBRON</b>							
1. Entrance fees: Day visitors vehicles		<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
vehicle		43.41	6.51	49.92	45.02	6.75	51.77
person		16.08	2.41	18.49	16.67	2.50	19.18
Family season tickets							
annum		126.44	18.97	145.41	131.12	19.67	150.79
rental		1 034.69	155.20	1 189.89	1 072.97	160.95	1 233.92
2. Lapa- deposit		508.31	76.25	584.56	527.12	79.07	606.19
3. Caravans and tent camping - with electricity:							
weekdays ( caravan / tent per day)		100.63	15.09	115.72	104.35	15.65	120.01
weekends/Schools and long weekends (caravan / tent per day)		144.49	21.67	166.16	149.84	22.48	172.31
Caravans and Tent camping-without electricity (per day)		49.02	7.35	56.37	50.83	7.63	58.46
Power boats (per boat)		28.39	4.26	32.65	29.44	4.42	33.86
Power boats:Season tickets ( family included)		242.54	36.38	278.92	251.51	37.73	289.24
<b>HOLIDAY RESORTS-MIMOSA GARDENS, PARYS</b>							
		<b>2025/2026</b>	<b>VAT%</b>	<b>TOTAL</b>	<b>2026/2027</b>	<b>VAT%</b>	<b>TOTAL</b>
Challets	In Session 1 Sep-31 May	802.49	120.37	922.86	832.18	124.83	957.01
Challets	In Session 1 Sep-31 May	136.60	20.49	157.09	141.65	21.25	162.90
Challets	Out of Season 1 June - 31 August	685.41	102.81	788.22	710.77	106.62	817.39
Challets	Out of Season 1 June - 31 August	136.60	20.49	157.09	141.65	21.25	162.90
Challets	Peak Season Dec /long weekends	1 095.19	164.28	1 259.47	1 135.71	170.36	1 306.07
Challets	Peak Season Dec /long weekends	136.60	20.49	157.09	141.65	21.25	162.90
Caravans / T	In Session 1 Sep-31 May	409.78	61.47	471.25	424.94	63.74	488.68
Caravans / T	In Session 1 Sep-31 May	68.30	10.25	78.55	70.83	10.62	81.45
Caravans / T	Out of Season 1 June - 31 August	326.86	49.03	375.89	338.95	50.84	389.80
Caravans / T	Out of Season 1 June - 31 August	68.30	10.25	78.55	70.83	10.62	81.45
Caravans	Peak Season Dec /long weekends	492.72	73.91	566.63	510.95	76.64	587.59
	Peak Season Dec /long weekends	68.30	10.25	78.55	70.83	10.62	81.45
<b><u>SPECIAL OFFER (DECEMBER EXCLUDED)</u></b>							
Challets	Monday-Friday (4 Nights)	2 585.53	387.83	2 973.36	2 681.19	402.18	3 083.37
Caravans	Monday-Friday (4 Nights)	1 292.75	193.91	1 486.66	1 340.58	201.09	1 541.67
		2 585.53	387.83	2 973.36	2 681.19	402.18	3 083.37
		1 463.51	219.53	1 683.04	1 517.66	227.65	1 745.31



**Annexure L: Proposed Planning and Housing Tariffs**

Town Planning & housing Unit	Increase 4.4			1.037		
	2025/2026			2026/2027		
	Tariff	VAT%	TOTAL	Tariff	VAT%	TOTAL
Township Establishment						
0-500	5 511.83	826.77	6 338.60	5 715.77	857.37	6 573.13
501-1000	7 562.75	1 134.41	8 697.16	7 842.57	1 176.39	9 018.96
1000 and more	8 844.57	1 326.69	10 171.26	9 171.82	1 375.77	10 547.59
Amendment of General Plan	2 179.10	326.87	2 505.97	2 259.73	338.96	2 598.69
Permanent closure of public open spaces( street,road reserve, open space,park)	7 819.11	1 172.87	8 991.98	8 108.42	1 216.26	9 324.68
Amendment of Parys Town Planning Scheme	7 819.11	1 172.87	8 991.98	8 108.42	1 216.26	9 324.68
Vaal River Guide Plan Applications	3 460.91	519.14	3 980.05	3 588.96	538.34	4 127.31
Application for extention of boundries of an approved township	5 255.46	788.32	6 043.78	5 449.91	817.49	6 267.40
Preparation of a Town-Planning Scheme on a township establishment application if prepared by council	4 870.92	730.64	5 601.56	5 051.14	757.67	5 808.82
Removal,amendment or suspension of restrictive title conditions	1 538.19	230.73	1 768.92	1 595.10	239.27	1 834.37
Rezoning	4 230.01	634.50	4 864.51	4 386.52	657.98	5 044.50
Special Consent Use	2 179.10	326.87	2 505.97	2 259.73	338.96	2 598.69
Subdivion	1 538.19	230.73	1 768.92	1 595.10	239.27	1 834.37
Consolidation	1 538.19	230.73	1 768.92	1 595.10	239.27	1 834.37
Zoning Certificates - per application	339.69	50.95	390.64	352.26	52.84	405.10
Issue of permits	192.27	28.84	221.11	199.38	29.91	229.29
Issue of Occupational Certificate	192.27	28.84	221.11	199.38	29.91	229.29
Change of Ownership	192.27	28.84	221.11	199.38	29.91	229.29
The withdrawal of an approved application for Subdivision/consolidation	961.37	144.21	1 105.58	996.94	149.54	1 146.48
The amendment of the conditions on which the subdivision/consolidation was approved	1 025.46	153.82	1 179.28	1 063.40	159.51	1 222.91
The amendment of an approved consolidation or subdivision plan	1 025.46	153.82	1 179.28	1 063.40	159.51	1 222.91
Application for amendment of the conditions on which consent was& given in terms of the townships ordi	961.37	144.21	1 105.58	996.94	149.54	1 146.48
Section 53 certificates (per certificate) for lodging of title deed with the registrar of deeds	640.91	96.14	737.05	664.62	99.69	764.32
Request for extention of time for township application	1 281.82	192.27	1 474.09	1 329.25	199.39	1 528.63
Appeal of decision	4 230.01	634.50	4 864.51	4 386.52	657.98	5 044.50
Building Line Relaxation	640.91	96.14	737.05	664.62	99.69	764.32
Consent Application (Tuckshop)	512.73	76.91	589.64	531.70	79.76	611.46
Spatial Development Framework (SDF) Hard copy	320.46	48.07	368.53	332.32	49.85	382.16
Spatial Development Framework (SDF) Electronic Format	-	-	-	-	-	-
Land Use Management Scheme/Town Planning Scheme Hard Copy	256.36	38.45	294.81	265.85	39.88	305.72
Land Use Management Scheme/Town Planning Scheme Electronic Format						

**Annexure M: Proposed Way Leaves Tariffs**

WAYLEAVES FOR WORK DONE ON NGWATHE PUBLIC SPACES, ROADS & STREETS	Increase 4.4			1.037			
	2025/2026			2026/2027			
	Tariff	VAT%	Total	Tariff	VAT%	Total	
Wayleave fees							
Processing of Wayleave Application	Per wayleave application	2 447.12	367.07	2 814.19	2 537.66	380.65	2 918.31
Processing application to close road/street for wayleave installation purposes	Per Road Closure Application	2 654.54	398.18	3 052.72	2 682.07	402.31	3 084.38
Fees for laying electronic communication network (ECN) in the public road reser	Per kilometer per annum	245.87	36.88	282.75	248.42	37.26	285.68
Fees for utilizing Municipal sewer and storm water networks for ECN	Per kilometer per annum	1 229.38	184.41	1 413.79	1 242.13	186.32	1 428.45

**Annexure N: Proposed Traffic Tariffs**

<b><u>GENERAL SERVICES : TRAFFIC</u></b>				
that as from 1 July 2026 the following tariffs be determined as follows:				
	<b>2025/2026</b>	<b>2026/2027</b>	<b>VAT</b>	<b>TOTAL</b>
1. Attendance of Traffic Officer(s) per occasion for an hour or part thereof	300	311	46.67	358
+ vehicle	450	467	70	537
2. For an hour or part thereof after hours at a time	400	415	62.22	477
+ vehicle	550	570	85.55	656
3. Attendance of Traffic Officer(s) per occasion during public holidays /sundays. (Double time)	500	519	77.78	596
+ vehicle	650	674	101.1	775
4. Attendance of patrol for an hour or part thereof ( multiplied by number of hours)	300	311	46.67	358
<b>5. <u>Trade Licence Renewal yearly</u></b>				
5.1 Business Premises	1000	1037	155.6	1193
5.2 Health Facilites ( including pharmacies )	1000	1037	155.6	1193
5.3 Night Clubs or entertainment	1000	1037	155.6	1193
5.4 Accommodation	500	519	77.78	596
5.5 Informal Business	100	104	15.56	119
5.6 Hawkers at CBD	100	104	15.56	119
5.7 Hawkers at outside arears	100	104	15.56	119
5.8 Impounding Fee per day or part thereof ( per ani	300	311	46.67	358
5.9 Impounding Fee per day or part thereof ( per veh	500	519	77.78	596
6. Temporary Road Closure prior written request and approval thereof	350	363	54.44	417

<b><u>a. Dog Licences</u></b>				
	<b>2025/2026</b>	<b>2026/2027</b>	<b>VAT</b>	<b>TOTAL</b>
<b>STERILISED</b>				
i. First dog	50	52	8	60
ii. Second dog	60	62	9	72
iii. Third dog and more dog per stand	80	83	12	95
<b>NOT STERILISED</b>				
IV. First dog	60	62	9	72
v. Second dog	70	73	11	83
vi. Third dog	95	99	15	113
vii. Breeders / Security				
Five dogs	450	467	70	537
More than five dogs	565	586	88	674

<b>c. <u>Permit fees for Taxi Rank:</u></b>					
i. With regard to taxis who may transport more than five (5) passengers ( per taxi per year)		350	363	54	417
ii. With regard to taxis who may transport more than five (5) passengers ( per taxi per year) taking into consideration that if a taxi rank licence is obtained after 30 June, only 50% of the licence fee is payable;		175	181	27	209
iii. That when a duplicate permit is issued, it be done at an administration cost of -		<b><u>2025/2026</u></b>	<b><u>2026/2027</u></b>	<b><u>VAT</u></b>	<b><u>TOTAL</u></b>
		80	83	12	95
iv. That if change of ownership takes place with regard to a licenced taxi, a transfer fee - be charged for the issuing of a new taxi rank licence to the new owner with regard to the remaining term of the taxi rank licence .		100	104	16	119
<b>d. <u>Escort of heavy vehivles:(per vehicle escorted)</u></b>					
Abnormal vehicle/s + km travelling @ 8.85 p/km (per traffic vef		30000	31110	4667	35777
All other escorts + km travelling @ 8.85 p/km (per traffic vehicl		800	830	124	954
Usage of <b><u>Electrical Dept vehicles</u></b> @ 8.85 p/km ( per vehicle		800	830	124	954

<b>FUNERALS - Free of Charge</b>					
<b>e. <u>Serving of summonses from other Local Authorities:</u></b>					
i. Serving of Summonses ( per summons )		60	62	9	72
ii. Execution of Warrant/s ( per warrant )		100	104	16	119
<b>f. Hire of Road Traffic signs:</b>					
per road traffic sign per day + VAT		100	104	16	119
<b>g. <u>Copies of Originals Handwritten Accident Report (OAR)</u></b>					
i. Handwritten ( duplicate copy)		160	166	25	191
ii. Photostat copy		145	150	23	173
iii. System generated (computer format) copy		130	135	20	155
The abovementioned fees must be paid and a copy of the receipt must be produced before a copy of the required OAR form will be supplied.					
Proper prior notice must be given, if applied for duplicate handwritten copy or a photostat copy of such original handwritten accident report form.					
Copies of Accident Report will only be supplied during office hours.					
<b><u>POSTERS</u></b>					
		<b>2025/2026</b>	<b>2026/2027</b>	<b>VAT</b>	<b>TOTAL</b>
1. Vote Posters : Refundable deposit ( forfeited if not timeous)		120	124	19	143
for 1 - 50 posters		160	176	26	202
for 51 - 100 posters		220	228	34	262
Posters for National , Provincial and Local Government Election activities		500	519	78	596
New Application fee Estate Agencies Advertising Boards/Signs - Maximum of 15 boards/signs per sign, per agency per annum on Council Property		<b>2025/2026</b>	<b>2026/2027</b>	<b>VAT</b>	<b>TOTAL</b>
		500	519	78	596
Application for amendments - Maximum of 15 boards / signs		150	156	23	179
Application for extension of time - Maximum of 15 boards / signs		200	207	31	239
Pavement Posters and Notices per event - maximum of 15		100	104	16	119
Advertisement on Towers, Bridges, Gantries and Pylons per meter		1000	1037	156	1193
Inspection fee		100	104	16	119

<b>All these levies are payable in advance and are subject to VAT</b>				
1.	Has to be paid prior to the mounting of posters, which deposit will be refunded to the applicant when all the posters have been removed, namely:			
2.	Posters have to removed within 90 hours after the date of the function/gathering/election that was advertised, failing which Council will remove the posters and the applicant will forfeit the deposit.			
3.	The size of posters have to be a maximum of 1m x 1,3m			
4.	Posters have to be fixed on hard cardboard or other material and attached to the council's property with strong rope. Wires or nails shall under no circumstances be used.			
5.	Posters have to be fixed to electrical poles only and have to be erected in such a manner that the lowest point of the poster is not be less than 2,3m above the groundlevel.			
6.	All posters have to be erected in conjunction with the Chief traffic Officer or his authorised official and the Chief Traffic or his authorised official has the right to prohibit the erection of a poster on a position on or in a certain area if he is of the opinion that it can endanger traffic or any other activity.			
7.	Posters shall not be glued to council's property.			
8.	Prior to obtaining permission the applicant has to indemnify Council against any claims that may occur from the erection of posters.			
9.	At most 200 posters can be erected at one time.			

Trailer Advertisements ( first square meter or part thereof )	2025/2026	2026/2027	VAT	TOTAL
	Single sided trailer advertisement	500	519	77.78
Double sided trailer advertisement on which identical advertisements appear	800	830	124.4	954
Advertisement trailers on which advertisements of different organisations appear	1200	1244	186.7	1431

## 1.4 Annual Budget Tables

The budget tables provide a perspective and detailed breakdown of the municipality's revenue and expenditure plans for the upcoming financial year. They serve as key documents in the budget process, detailing how the municipality plans to allocate its resources to meet service delivery obligations and other needs. These schedules must be read together with the foregoing executive summary as well as other supporting documents and details contained herein.

The order of the tables and summarised explanation of what each table entails is provided herewith as follows:

Table A1 – Budget Statement Summary (*Attached hereto as Annexure A-A1*)

Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A4 – Budgeted Financial Performance (revenue and expenditure)

Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table A6 – Budgeted Financial Position

Table A7 – Budgeted Cash Flows

Table A8 – Cash Backed Reserves / Accumulated Surplus Reconciliation

Table A9 – Asset Management

Table A10 – Basic Service Delivery Measurement

**Table A1** – The proposed revenue budget for the 2026/2027 financial year is **R1.281 billion** with the operational expenditure budget of **R1.683 billion** and a capital budget of **R 183.1 million**, which **R156.3 million** grant is based DORA Bill and **R26.8 million** Internal Funding. There is an increase of R164.7 million on operational revenue and decrease of R50.3 million on operational expenditure compared to 2025/26 adjustments budget.

**S203 Ngwathe - Table A1 Budget Summary**

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year	Budget Year +1	Budget Year +2
<b>Financial Performance</b>										
Property rates	96 969	103 832	108 441	887 483	125 215	125 215	108 249	141 089	134 133	138 425
Service charges	372 370	510 179	422 953	577 845	594 825	594 825	387 916	737 232	688 782	737 998
Investment revenue	2 836	6 637	6 203	7 159	3 339	3 339	1 135	3 462	3 677	3 691
Transfer and subsidies - Operational	247 197	286 938	254 095	296 280	296 833	296 833	293 843	303 850	312 055	323 915
Other own revenue	80 129	186 345	108 549	207 004	96 214	96 214	64 745	95 331	98 477	101 630
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>799 500</b>	<b>1 073 832</b>	<b>900 241</b>	<b>1 975 771</b>	<b>1 116 226</b>	<b>1 116 226</b>	<b>855 887</b>	<b>1 280 964</b>	<b>1 235 024</b>	<b>1 305 659</b>
Employee costs	259 780	282 497	325 974	342 212	368 155	368 155	300 864	388 189	398 600	411 355
Remuneration of councillors	16 679	17 782	16 347	20 295	20 295	20 295	15 485	21 046	21 625	22 632
Depreciation, amortisation and impairment	72 427	59 212	77 157	53 774	88 190	88 190	49 607	63 061	94 471	97 495
Interest, Dividends and Rent on Land	78 303	105 714	117 198	89 648	126 762	126 762	78 967	131 452	135 790	140 135
Inventory consumed and bulk purchases	379 480	420 634	455 193	618 746	625 867	625 867	533 565	620 682	719 671	770 014
Transfer and subsidies	178	176	180	180	180	180	148	180	180	180
Other expenditure	273 174	344 455	402 415	281 650	503 584	503 584	166 965	480 139	557 568	579 778
<b>Total Expenditure</b>	<b>1 080 001</b>	<b>1 230 470</b>	<b>1 396 485</b>	<b>1 386 503</b>	<b>1 733 033</b>	<b>1 733 033</b>	<b>1 145 601</b>	<b>1 682 748</b>	<b>1 928 304</b>	<b>2 021 589</b>
<b>Surplus/(Deficit)</b>	<b>(280 501)</b>	<b>(156 638)</b>	<b>(496 224)</b>	<b>(589 267)</b>	<b>(616 807)</b>	<b>(616 807)</b>	<b>(289 714)</b>	<b>(401 784)</b>	<b>(693 280)</b>	<b>(715 929)</b>
Transfers and subsidies - capital (monetary)	54 737	81 639	139 992	122 907	122 907	122 907	88 983	156 308	287 737	249 052
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; Share of Surplus/Deficit attributable to</b>	<b>(225 764)</b>	<b>(75 100)</b>	<b>(356 232)</b>	<b>712 175</b>	<b>(493 900)</b>	<b>(493 900)</b>	<b>(202 732)</b>	<b>(245 478)</b>	<b>(425 544)</b>	<b>(466 877)</b>
<b>Surplus/(Deficit) for the year</b>	<b>(225 764)</b>	<b>(75 100)</b>	<b>(356 232)</b>	<b>712 175</b>	<b>(493 900)</b>	<b>(493 900)</b>	<b>(202 732)</b>	<b>(245 478)</b>	<b>(425 544)</b>	<b>(466 877)</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	8 421	107 629	143 539	171 207	202 007	202 007	105 337	183 103	316 488	303 197
Transfers recognised - capital	3 205	95 693	121 721	122 907	122 907	122 907	83 783	156 308	287 737	249 052
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	5 215	11 836	21 818	48 300	79 100	79 100	21 554	26 795	48 751	54 145
<b>Total sources of capital funds</b>	<b>8 421</b>	<b>107 629</b>	<b>143 539</b>	<b>171 207</b>	<b>202 007</b>	<b>202 007</b>	<b>105 337</b>	<b>183 103</b>	<b>316 488</b>	<b>303 197</b>
<b>Financial position</b>										
Total current assets	803 720	563 997	607 507	2 053 017	2 271 415	2 271 415	229 051	1 205 822	1 281 910	1 276 957
Total non current assets	1 795 186	1 929 182	1 992 896	1 930 989	1 961 789	1 961 789	55 877	1 989 631	2 171 836	2 207 449
Total current liabilities	2 790 683	2 797 837	3 231 296	2 466 217	2 523 396	2 523 396	486 962	3 654 536	3 839 841	3 969 835
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	(191 841)	(134 841)	(560 980)	805 614	2 203 708	2 203 708	(198 761)	(213 808)	19 449	(38 552)
<b>Cash flows</b>										
Net cash from (used) operating	(144 260)	(257 071)	(291 989)	717 694	(484 036)	(484 036)	(91 390)	213 850	354 510	368 959
Net cash from (used) investing	(2 934)	(10 196)	(143 800)	(196 889)	(216 510)	(216 510)	(102 106)	(198 976)	(351 986)	(336 319)
Net cash from (used) financing	18	(261)	-	229	229	229	(54)	(72)	(74)	(77)
<b>Cash/cash equivalents at the year end</b>	<b>(141 281)</b>	<b>(220 814)</b>	<b>(372 588)</b>	<b>526 775</b>	<b>(694 577)</b>	<b>(694 577)</b>	<b>(193 544)</b>	<b>19 802</b>	<b>22 252</b>	<b>54 816</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(141 281)	(220 814)	(372 588)	526 775	(694 577)	(694 577)	(193 544)	19 802	22 252	54 816
Application of cash and investments	2 400 738	2 646 108	2 984 570	2 059 867	1 692 263	1 692 263	547 003	2 853 356	2 973 481	3 115 854
<b>Balance - surplus (shortfall)</b>	<b>(2 542 019)</b>	<b>(2 866 922)</b>	<b>(3 357 156)</b>	<b>(1 533 092)</b>	<b>(2 388 840)</b>	<b>(2 388 840)</b>	<b>(740 547)</b>	<b>(2 833 554)</b>	<b>(2 951 229)</b>	<b>(3 061 038)</b>
<b>Asset management</b>										
Asset register summary (WDV)	1 610 941	1 777 542	1 773 714	2 051 269	2 082 069	2 082 069	-	2 109 911	2 296 085	2 335 674
Depreciation	72 427	59 212	77 157	53 774	88 190	88 190	-	83 061	94 471	97 495
Renewal and Upgrading of Existing Assets	(0)	84 241	82 089	109 051	100 933	100 933	-	129 236	200 800	188 599
Repairs and Maintenance	83 953	58 058	15 864	16 391	41 782	41 782	-	55 224	44 590	46 004
<b>Free services</b>										
Cost of Free Basic Services provided	36 190	46 543	42 145	62 371	57 921	57 921	-	89 006	62 112	64 038
Revenue cost of free services provided	14 660	19 662	22 495	96 400	20 333	20 333	-	21 085	21 780	22 457
<b>Households below minimum service level</b>										
Water:	-	1	1	1	1	1	-	1	1	-
Sanitation/sewerage:	-	2	2	1	1	1	-	1	1	-
Energy:	-	-	2	2	2	2	-	2	2	-
Refuse:	-	3	3	3	3	3	-	3	3	-

**NB: Detailed Budget Summary, is attached hereto as Annexure A-A1**

**Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification):** Table A2 focuses solely on operating revenue and expenditure based on the functions carried out by the municipality, but also provides a more detailed breakdown of how revenue and expenditure as summarised on table A are driven by / from various functions within the municipality.

**FS203 Ngwathe - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue - Functional</b>	<b>1</b>									
<b>Governance and administration</b>		375 456	397 298	346 220	1 279 072	383 943	383 943	379 623	478 407	495 714
Executive and council		-	-	-	-	-	-	89 796	-	-
Finance and administration		375 456	397 298	346 220	1 279 072	383 943	383 943	289 827	478 407	495 714
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		540	98 413	1 058	1 370	1 615	1 615	1 675	1 730	1 786
Community and social services		493	98 283	910	1 150	1 428	1 428	1 481	1 530	1 579
Sport and recreation		46	129	148	220	187	187	194	201	207
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		15 052	32 091	43 114	38 622	50 117	50 117	53 206	69 797	69 594
Planning and development		1 846	431	714	370	11 865	11 865	21 034	12 710	13 117
Road transport		13 206	31 660	42 400	38 252	38 252	38 252	32 172	57 087	56 477
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		463 188	627 569	649 840	779 614	803 458	803 458	1 002 769	952 825	987 617
Energy sources		217 644	305 892	315 108	464 532	464 773	464 773	578 641	533 194	572 922
Water management		110 636	185 434	166 586	161 714	163 694	163 694	243 939	274 636	264 898
Waste water management		85 431	82 879	103 573	97 749	104 524	104 524	106 611	90 182	93 230
Waste management		49 477	53 365	64 573	55 620	70 468	70 468	73 578	54 813	56 567
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>854 236</b>	<b>1 155 371</b>	<b>1 040 233</b>	<b>2 098 678</b>	<b>1 239 134</b>	<b>1 239 134</b>	<b>1 437 273</b>	<b>1 502 760</b>	<b>1 554 712</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		482 858	552 393	437 879	344 314	497 260	497 260	505 477	536 499	553 145
Executive and council		68 808	76 157	88 709	91 746	109 977	109 977	104 211	109 593	112 731
Finance and administration		414 050	476 236	349 169	252 568	387 284	387 284	401 267	426 906	440 414
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		73 311	81 686	85 366	114 488	158 103	158 103	146 241	168 592	172 106
Community and social services		67 680	62 417	63 466	94 475	134 698	134 698	123 037	140 760	143 587
Sport and recreation		2 126	9 145	10 755	9 227	12 576	12 576	13 532	17 844	18 213
Public safety		2 990	7 780	8 927	8 422	9 459	9 459	8 770	9 057	9 344
Housing		516	2 345	2 218	2 364	1 370	1 370	902	932	962
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		161 472	144 031	94 891	130 612	134 566	134 566	126 046	155 829	160 816
Planning and development		281	3 015	723	20 368	30 532	30 532	29 559	39 523	40 788
Road transport		161 192	141 016	94 168	110 245	104 033	104 033	96 487	116 306	120 028
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		362 359	452 360	778 329	797 089	943 104	943 104	904 983	1 067 383	1 135 522
Energy sources		257 349	339 694	429 316	552 349	573 788	573 788	590 171	664 832	715 040
Water management		69 432	63 929	216 999	144 095	187 353	187 353	159 486	181 800	187 618
Waste water management		31 498	33 251	75 579	50 255	98 708	98 708	82 205	105 738	109 122
Waste management		4 079	15 486	56 435	50 390	83 255	83 255	73 121	115 013	123 743
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1 080 001</b>	<b>1 230 470</b>	<b>1 396 465</b>	<b>1 386 503</b>	<b>1 733 033</b>	<b>1 733 033</b>	<b>1 682 748</b>	<b>1 928 304</b>	<b>2 021 589</b>
<b>Surplus/(Deficit) for the year</b>		<b>(225 764)</b>	<b>(75 100)</b>	<b>(356 232)</b>	<b>712 175</b>	<b>(493 900)</b>	<b>(493 900)</b>	<b>(245 476)</b>	<b>(425 544)</b>	<b>(466 877)</b>

**Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote):** Table A3 is almost similar to table A 3 in that it also provides details a more detailed breakdown of how revenue and expenditure as summarised on table A are driven by / from various votes (departments) within the municipality.

Looking at the below table, it is evident that the Technical Services Department will be responsible for most of the revenue of the municipality (R 961 million) which makes up 67% of the total revenue for 2026/27.

**FS203 Ngwathe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

**FS203 Ngwathe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue by Vote</b>	1									
Vote 01 - Corporate Services		1 969	290	4 661	-	353	353	3 843	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	89 796	-	-
Vote 03 - Financial Services		373 488	397 007	341 560	1 279 072	383 590	383 590	285 984	478 407	495 714
Vote 04 - Technical Services		426 917	605 864	627 667	762 247	771 243	771 243	961 363	955 099	987 527
Vote 05 - Community Services		51 863	152 209	66 345	57 360	83 948	83 948	87 557	69 254	71 470
Vote 06 - Local Economic Development		-	-	-	-	-	-	8 730	-	-
Vote 07 -		-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>854 236</b>	<b>1 155 371</b>	<b>1 040 233</b>	<b>2 098 678</b>	<b>1 239 134</b>	<b>1 239 134</b>	<b>1 437 273</b>	<b>1 502 760</b>	<b>1 554 712</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 01 - Corporate Services		68 673	51 424	101 225	73 323	117 781	117 781	78 113	127 941	131 981
Vote 02 - Municipal Manager		68 808	76 157	88 709	91 746	109 977	109 977	104 211	109 593	112 731
Vote 03 - Financial Services		345 297	424 737	247 929	179 245	269 503	269 503	323 153	298 965	308 433
Vote 04 - Technical Services		519 599	578 027	816 211	856 944	963 883	963 883	928 349	1 068 676	1 131 807
Vote 05 - Community Services		77 535	100 125	142 254	168 110	245 837	245 837	222 406	288 404	300 801
Vote 06 - Local Economic Development		90	-	137	17 135	26 053	26 053	26 516	34 725	35 836
Vote 07 -		-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1 080 001</b>	<b>1 230 470</b>	<b>1 396 465</b>	<b>1 386 503</b>	<b>1 733 033</b>	<b>1 733 033</b>	<b>1 682 748</b>	<b>1 928 304</b>	<b>2 021 589</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(225 764)</b>	<b>(75 100)</b>	<b>(356 232)</b>	<b>712 175</b>	<b>(493 900)</b>	<b>(493 900)</b>	<b>(245 476)</b>	<b>(425 544)</b>	<b>(466 877)</b>

**Table A4 – Budgeted Financial Performance (revenue and expenditure):** Similar to table A2 and A3, table A4 also provides a detailed presentation of the Summary Budget as outlined in table A1. This table however provides details of revenue and expenditure by revenue source and expenditure type. From the revenue point of view, the biggest revenue contributor is Electricity service charges at R533.7 million which makes up to 42%, followed by Property Rates at R 141 million, which makes up 11%.

On the expenditure side, electricity bulk purchases of R 449.5 million and employee related costs of R 386 million are the two highest operating expenditure items, taking up 27% and 23% of the operating budget respectively.

Bulk water purchases of R 67 million is included in the Inventory Consumed total of R 171.2 million.

**FS203 Ngwathe - Table A4 Budgeted Financial Performance (revenue and expenditure)**

**FS203 Ngwathe - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	209 148	294 869	269 974	424 305	424 305	424 305	242 931	533 682	504 117	549 488
Service charges - Water	2	66 897	117 753	57 363	68 991	68 991	68 991	55 740	98 264	73 904	76 269
Service charges - Waste Water Management	2	56 316	56 931	60 314	56 038	59 894	59 894	50 962	62 110	64 160	66 213
Service charges - Waste Management	2	40 009	40 627	35 303	28 511	41 635	41 635	38 282	43 176	44 601	46 028
Sale of Goods and Rendering of Services	2	1 459	1 607	1 886	2 127	3 360	3 360	2 214	3 484	3 599	3 714
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	69 357	92 644	101 053	55 807	74 577	74 577	59 667	77 336	79 889	82 445
Interest earned from Current and Non Current Assets	2	2 836	6 537	6 203	7 159	3 339	3 339	1 135	3 462	3 577	3 691
Dividends	2	(7)	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	272	343	353	382	444	444	343	461	476	491
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1 739	302	385	98	11 276	11 276	455	11 694	12 079	12 466
<b>Non-Exchange Revenue</b>											
Property rates	2	96 969	103 832	108 441	887 483	125 215	125 215	108 249	141 089	134 133	138 425
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	42	148	378	148 590	6 557	6 557	2 065	2 356	2 434	2 514
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	247 197	266 938	254 095	296 280	296 633	296 633	293 843	303 850	312 055	323 915
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	(429)	97 333	(62)	-	-	-	-	-	-	-
Other Gains	2	7 697	(6 032)	4 555	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>799 500</b>	<b>1 073 832</b>	<b>900 241</b>	<b>1 975 771</b>	<b>1 116 226</b>	<b>1 116 226</b>	<b>855 887</b>	<b>1 280 964</b>	<b>1 235 024</b>	<b>1 305 659</b>
<b>Expenditure</b>											
Employee related costs	2	259 780	282 497	325 974	342 212	368 155	368 155	300 864	386 189	398 600	411 355
Remuneration of councillors	2	16 679	17 782	18 347	20 295	20 295	20 295	15 485	21 046	21 825	22 632
Bulk purchases - electricity	2	247 198	305 475	359 105	465 959	412 000	412 000	404 316	449 492	490 396	535 022
Inventory consumed	2,8	132 262	115 159	96 089	152 787	213 867	213 867	129 249	171 190	229 475	234 993
Debt impairment	2,3	-	-	216 123	103 707	211 768	211 768	-	219 603	226 850	234 110
Depreciation, amortisation and impairment	2	72 427	59 212	77 157	53 774	88 190	88 190	49 607	63 061	94 471	97 495
Interest, Dividends and Rent on Land	2	78 303	105 714	117 198	69 648	126 762	126 762	78 967	131 452	135 790	140 135
Contracted services	2	33 141	52 153	60 329	60 854	133 647	133 647	79 956	87 947	144 882	148 604
Transfers and subsidies	2	178	176	180	180	180	180	148	180	180	180
Irrecoverable debts written off	2	202 116	243 218	-	-	-	-	-	36 101	-	-
Operational costs	2	37 914	48 860	97 260	117 089	158 168	158 168	87 009	116 487	185 835	197 064
Disposal of Fixed and Intangible Assets	2	-	205	28 703	-	-	-	-	-	-	-
Other Losses	2	3	18	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 080 001</b>	<b>1 230 470</b>	<b>1 396 465</b>	<b>1 386 503</b>	<b>1 733 033</b>	<b>1 733 033</b>	<b>1 145 601</b>	<b>1 682 748</b>	<b>1 928 304</b>	<b>2 021 589</b>
<b>Surplus/(Deficit)</b>		<b>(280 501)</b>	<b>(156 638)</b>	<b>(496 224)</b>	<b>589 267</b>	<b>(616 807)</b>	<b>(616 807)</b>	<b>(289 714)</b>	<b>(401 784)</b>	<b>(693 280)</b>	<b>(715 929)</b>
Transfers and subsidies - capital (monetary allocations)	6	54 737	81 539	139 992	122 907	122 907	122 907	86 983	156 308	267 737	249 052
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(225 764)</b>	<b>(75 100)</b>	<b>(356 232)</b>	<b>712 175</b>	<b>(493 900)</b>	<b>(493 900)</b>	<b>(202 732)</b>	<b>(245 476)</b>	<b>(425 544)</b>	<b>(466 877)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(225 764)</b>	<b>(75 100)</b>	<b>(356 232)</b>	<b>712 175</b>	<b>(493 900)</b>	<b>(493 900)</b>	<b>(202 732)</b>	<b>(245 476)</b>	<b>(425 544)</b>	<b>(466 877)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(225 764)</b>	<b>(75 100)</b>	<b>(356 232)</b>	<b>712 175</b>	<b>(493 900)</b>	<b>(493 900)</b>	<b>(202 732)</b>	<b>(245 476)</b>	<b>(425 544)</b>	<b>(466 877)</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>(225 764)</b>	<b>(75 100)</b>	<b>(356 232)</b>	<b>712 175</b>	<b>(493 900)</b>	<b>(493 900)</b>	<b>(202 732)</b>	<b>(245 476)</b>	<b>(425 544)</b>	<b>(466 877)</b>

**Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding:** This schedule presents a three dimensional information about planned expenditure on capital projects by vote (department), function and funding.

The 2026/27 total capital budget amounts to R 183 million. The breakdown of National government grants are as follows:

INEP: R7.6 million

MIG R32 million

RBIG: R106. Million

WSIG: R12 million

**FS203 Ngwathe - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 01 - Corporate Services		-	-	-	4 000	6 746	6 746	3 228	3 000	7 084	7 247
Vote 02 - Municipal Manager		-	-	-	2 000	7 095	7 095	95	2 095	-	-
Vote 03 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 04 - Technical Services		-	12 750	42 052	54 375	74 438	74 438	40 521	56 017	202 231	194 695
Vote 05 - Community Services		-	83	192	1 000	16 936	16 936	-	5 100	12 936	12 936
Vote 06 - Local Economic Development		-	-	-	24 400	9 190	9 190	4 008	-	-	-
Vote 07 -		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	12 833	42 244	85 775	114 405	114 405	47 852	66 212	222 251	214 878
<b>Single-year expenditure to be appropriated</b>	2										
Vote 01 - Corporate Services		5 215	1 977	4 711	-	3 100	3 100	2 078	1 000	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 03 - Financial Services		3 205	-	4 853	-	-	-	-	-	-	-
Vote 04 - Technical Services		(0)	101 019	85 195	73 371	60 784	60 784	46 019	111 791	87 737	81 819
Vote 05 - Community Services		-	-	6 537	12 061	23 719	23 719	6 541	4 100	6 500	6 500
Vote 06 - Local Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 07 -		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		8 421	102 995	101 295	85 433	87 603	87 603	54 638	116 891	94 237	88 319
<b>Total Capital Expenditure - Vote</b>		8 421	115 828	143 539	171 207	202 007	202 007	102 490	183 103	316 488	303 197
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		8 421	1 977	9 564	6 000	16 941	16 941	5 401	6 095	7 084	7 247
Executive and council		-	-	-	2 000	7 095	7 095	95	2 095	-	-
Finance and administration		8 421	1 977	9 564	4 000	9 846	9 846	5 306	4 000	7 084	7 247
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	6 537	13 061	23 955	23 955	6 541	4 500	6 736	6 736
Community and social services		-	-	6 537	13 061	23 955	23 955	6 541	4 500	6 736	6 736
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	11 431	16 596	37 893	13 341	13 341	4 675	15 007	-	-
Planning and development		-	83	192	24 400	9 190	9 190	4 008	-	-	-
Road transport		-	11 347	16 404	13 493	4 151	4 151	667	15 007	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		(0)	102 421	110 842	114 253	147 770	147 770	85 874	157 501	302 668	289 215
Energy sources		-	4 719	22 926	17 635	32 748	32 748	17 474	15 072	28 135	22 462
Water management		(0)	80 778	68 659	78 742	83 108	83 108	59 212	131 953	249 233	240 886
Waste water management		-	16 924	19 257	17 876	15 214	15 214	9 187	5 776	12 600	13 166
Waste management		-	-	-	-	16 700	16 700	-	4 700	12 700	12 700
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	8 421	115 828	143 539	171 207	202 007	202 007	102 490	183 103	316 488	303 197
<b>Funded by:</b>											
National Government		3 205	92 720	119 959	122 907	122 907	122 907	82 722	156 308	267 737	249 052
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	2 974	1 762	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	3 205	95 693	121 721	122 907	122 907	122 907	82 722	156 308	267 737	249 052
<b>Borrowing</b>	6										
<b>Internally generated funds</b>		5 215	11 836	21 818	48 300	79 100	79 100	19 768	26 795	48 751	54 145
<b>Total Capital Funding</b>	7	8 421	107 529	143 539	171 207	202 007	202 007	102 490	183 103	316 488	303 197

**Table A6 – Budgeted Financial Position:** Table 6 takes lead from table 5 in that once capital assets are budgeted for and acquired as outlined in table 5, they eventually become assets that are eventually under the ownership and / or control of the municipality and are then reflected as this table (i.e Table 5). In traditional accounting terms, table 5 provides details about the Balance Sheet of the municipality, and from the information presented on the table below, the following can be deduced:

- **Current Assets:** Cash and cash equivalents for 2026/27 is derived primarily from projected surplus for the year and this increases marginally for each of the two outer years based on projected consistent revenue collection drive.
- **Current Liabilities:** The municipality does not have any financial liabilities in a form of overdrafts and loans and there are no intentions of acquiring these financial liabilities over the 2026/27 MTREF period and in the foreseeable future.
- **Trade and other payables from exchange transactions:** Included in traded and other payables from exchange transactions under current liabilities are outstanding accounts for Eskom, Rand Water and Department of Water and Sanitation accounts. A provision has already been made in the budget to start repaying the capital amounts of these balances in order to prevent further accumulation of interest. Once other issues such as billing reconciliation and final arrangements being made on the final reconciled balances, the any portion of the liability that will be payable beyond twelve months will be transferred into long-term portion of the debt under non-current liabilities.

**FS203 Ngwathe - Table A6 Budgeted Financial Position**

**FS203 Ngwathe - Table A6 Budgeted Financial Position**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	1	46 713	62 989	6 068	583 976	(68 554)	(68 554)	(14 396)	237 123	144 860	124 161
Short term Investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	355 057	470 344	552 888	425 523	537 886	537 886	152 941	54 219	227 084	234 351
Receivables from non-exchange transactions	3	28 755	31 766	37 582	95 210	917 793	917 793	49 818	591 522	639 378	659 838
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	1 062	828	2 541	556 346	492 329	492 329	1 237	133 959	55 352	57 123
VAT Receivable	6	372 134	(1 930)	8 428	391 961	391 961	391 961	39 452	188 999	195 236	201 484
Other current assets	7	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>		<b>803 720</b>	<b>563 997</b>	<b>607 507</b>	<b>2 053 017</b>	<b>2 271 415</b>	<b>2 271 415</b>	<b>229 051</b>	<b>1 205 822</b>	<b>1 261 910</b>	<b>1 276 957</b>
<b>Non current assets</b>											
Investments	8	-	-	-	-	-	-	-	-	-	-
Investment property	9	172 881	285 809	293 909	172 881	172 881	172 881	-	293 909	293 909	293 909
Property, plant and equipment	10	1 622 306	1 643 374	1 698 987	1 624 906	1 655 706	1 655 706	55 877	1 662 520	1 844 725	1 880 338
Biological assets	11	-	-	-	-	-	-	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	-	-	-	-	-	-	-	-	-	-
Intangible assets	14	(0)	(0)	(0)	133 202	133 202	133 202	-	33 202	33 202	33 202
Trade and other receivables from exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>1 795 186</b>	<b>1 929 182</b>	<b>1 992 896</b>	<b>1 930 989</b>	<b>1 961 789</b>	<b>1 961 789</b>	<b>55 877</b>	<b>1 989 631</b>	<b>2 171 836</b>	<b>2 207 449</b>
<b>TOTAL ASSETS</b>		<b>2 598 907</b>	<b>2 493 180</b>	<b>2 600 402</b>	<b>3 984 006</b>	<b>4 233 204</b>	<b>4 233 204</b>	<b>284 928</b>	<b>3 195 453</b>	<b>3 433 746</b>	<b>3 484 406</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	-	-	-	-	-	-	-	-	-	-
Consumer deposits	19	5 081	5 342	5 161	5 311	5 311	5 311	(44)	7 669	7 922	8 176
Trade and other payables from exchange transactions	20	2 295 267	2 585 089	3 021 696	1 857 365	1 914 544	1 914 544	445 627	3 235 280	3 406 749	3 542 885
Trade and other payables from non-exchange transactions	21	79 119	28 527	5 250	179 197	179 197	179 197	13 745	-	-	-
Provision	22	151 098	157 796	180 953	151 098	151 098	151 098	-	159 056	164 305	169 563
VAT Payable	23	239 401	(6 540)	(4 977)	252 531	252 531	252 531	27 636	252 531	260 864	269 212
Other current liabilities	24	20 716	27 623	23 213	20 716	20 716	20 716	-	-	-	-
<b>Total current liabilities</b>		<b>2 790 683</b>	<b>2 797 837</b>	<b>3 231 296</b>	<b>2 466 217</b>	<b>2 523 396</b>	<b>2 523 396</b>	<b>486 962</b>	<b>3 654 536</b>	<b>3 839 841</b>	<b>3 989 835</b>
<b>Non current liabilities</b>											
Financial liabilities	25	-	-	-	-	-	-	-	-	-	-
Provision	26	-	-	-	-	-	-	-	-	-	-
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	-	-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2 790 683</b>	<b>2 797 837</b>	<b>3 231 296</b>	<b>2 466 217</b>	<b>2 523 396</b>	<b>2 523 396</b>	<b>486 962</b>	<b>3 654 536</b>	<b>3 839 841</b>	<b>3 989 835</b>
<b>NET ASSETS</b>		<b>(191 777)</b>	<b>(304 657)</b>	<b>(630 894)</b>	<b>1 517 789</b>	<b>1 709 808</b>	<b>1 709 808</b>	<b>(202 035)</b>	<b>(459 083)</b>	<b>(406 094)</b>	<b>(505 429)</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	29	(191 841)	(134 841)	(560 980)	805 614	2 203 708	2 203 708	(198 761)	(212 105)	21 002	(36 950)
Reserves and funds	30	-	-	-	-	-	-	-	(1 503)	(1 552)	(1 602)
Other	31	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	32	<b>(191 841)</b>	<b>(134 841)</b>	<b>(560 980)</b>	<b>805 614</b>	<b>2 203 708</b>	<b>2 203 708</b>	<b>(198 761)</b>	<b>(213 608)</b>	<b>19 449</b>	<b>(38 552)</b>

**Table A7 – Budgeted Cash Flows:** Table 7 provides a detailed view of the projected inflows and outflows of cash, helping to understand the municipality's anticipated liquidity position and ability to meet its obligations.

From this table, the following can be deduced:

- Operating activities: The operating activities of the generate positive cash flows over the MTREF period;
- Most of the revenue will derived from Electricity Service Charges. There are electricity meters that are potentially breached, thus creating a massive revenue leak for the municipality. Therefore, the municipality are in the process of procuring smart meters for both Electricity and Water in order to address transgressions such as these and ensuring sustainable revenue generation for the municipality for the services provided.
- Form the investing activities, there no revenue anticipated for 2025/26 financial year, however, the anticipated revenue for 2026/27 of R 11 million relates to anticipated sale of land for development.
- The anticipated outflow of R 156.3 million relates directly to the capital expenditure on capital projects relating to infrastructure.

FS203 Ngwathe - Table A7 Budgeted Cash Flows

FS203 Ngwathe - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		70 716	70 663	63 590	887 483	64 900	64 900	56 359	119 926	98 287	101 432
Service charges		385 101	1 026 070	187 966	577 845	465 468	465 468	178 836	621 647	476 290	491 576
Other revenue		(180 842)	(850 012)	123 180	-	6 971	6 971	154 222	8 945	4 075	4 206
Transfers and Subsidies - Operational	1	246 791	266 648	252 574	296 280	296 280	296 280	294 367	303 850	312 055	323 915
Transfers and Subsidies - Capital	1	124 038	30 947	135 891	122 907	122 907	122 907	100 203	156 308	267 737	249 052
Interest		2 836	696	5 372	64 772	64 772	64 772	6 483	18 867	11 585	11 956
Dividends		(7)	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(792 488)	(802 083)	(1 060 563)	(1 161 945)	(1 435 686)	(1 435 686)	(881 858)	(1 015 693)	(815 519)	(813 178)
Finance charges		-	-	-	(69 648)	(69 648)	(69 648)	-	-	-	-
Transfers and Subsidies	1	(406)	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(144 260)</b>	<b>(257 071)</b>	<b>(291 989)</b>	<b>717 694</b>	<b>(484 036)</b>	<b>(484 036)</b>	<b>(91 390)</b>	<b>213 850</b>	<b>354 510</b>	<b>368 959</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	97 333	(62)	-	11 179	11 179	384	11 592	11 975	12 358
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(2 934)	(107 529)	(143 539)	(196 889)	(227 689)	(227 689)	(102 490)	(210 569)	(363 961)	(348 677)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(2 934)</b>	<b>(10 196)</b>	<b>(143 600)</b>	<b>(196 889)</b>	<b>(216 510)</b>	<b>(216 510)</b>	<b>(102 106)</b>	<b>(198 976)</b>	<b>(351 986)</b>	<b>(336 319)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		18	(261)	-	229	229	229	(54)	(72)	(74)	(77)
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>18</b>	<b>(261)</b>	<b>-</b>	<b>229</b>	<b>229</b>	<b>229</b>	<b>(54)</b>	<b>(72)</b>	<b>(74)</b>	<b>(77)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(147 176)</b>	<b>(267 527)</b>	<b>(435 589)</b>	<b>521 035</b>	<b>(700 317)</b>	<b>(700 317)</b>	<b>(193 549)</b>	<b>14 802</b>	<b>2 450</b>	<b>32 564</b>
Cash/cash equivalents at the year begin:	2	5 895	46 713	63 001	5 740	5 740	5 740	5	5 000	19 802	22 252
Cash/cash equivalents at the year end:	2	(141 281)	(220 814)	(372 588)	526 775	(694 577)	(694 577)	(193 544)	19 802	22 252	54 816

**Table A8 – Cash Backed Reserves / Accumulated Surplus Reconciliation:** This schedule is essentially detailing any deficit or surplus that will arise from the budget.

From the details available, the municipality is anticipating to generate deficit over the MTREF period, consistent with the budget objectives set to ramp up and sustain revenue collection from those who have the ability to pay for services.

The unspent conditional grants amount represents the balance of commitments that would still need to be settled as at the end of each reporting period.

Other working capital requirements represents cash that is required and planned for operations as outlined in detail in the statement of financial performance.

FS203 Ngwathe - Table A8 Cash backed reserves/accumulated surplus reconciliation

FS203 Ngwathe - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(141 281)	(220 814)	(374 730)	526 775	(694 577)	(694 577)	(195 264)	19 802	22 252	54 816
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>(141 281)</b>	<b>(220 814)</b>	<b>(374 730)</b>	<b>526 775</b>	<b>(694 577)</b>	<b>(694 577)</b>	<b>(195 264)</b>	<b>19 802</b>	<b>22 252</b>	<b>54 816</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		79 119	28 527	5 250	179 197	179 197	179 197	13 745	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	2 246 809	2 538 107	2 932 874	1 795 639	1 463 981	1 463 981	353 514	2 694 300	2 809 176	2 946 291
Other provisions		135 568	141 400	162 491	135 568	135 568	135 568	162 491	159 056	164 305	169 563
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>2 461 496</b>	<b>2 708 035</b>	<b>3 100 616</b>	<b>2 110 403</b>	<b>1 778 745</b>	<b>1 778 745</b>	<b>529 749</b>	<b>2 853 356</b>	<b>2 973 481</b>	<b>3 115 854</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(2 602 777)</b>	<b>(2 928 849)</b>	<b>(3 475 345)</b>	<b>(1 583 628)</b>	<b>(2 473 322)</b>	<b>(2 473 322)</b>	<b>(725 013)</b>	<b>(2 833 554)</b>	<b>(2 951 229)</b>	<b>(3 061 038)</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(2 602 777)</b>	<b>(2 928 849)</b>	<b>(3 475 345)</b>	<b>(1 583 628)</b>	<b>(2 473 322)</b>	<b>(2 473 322)</b>	<b>(725 013)</b>	<b>(2 833 554)</b>	<b>(2 951 229)</b>	<b>(3 061 038)</b>
<b>References</b>											
1. Must reconcile with Budgeted Cash Flows											
2. For example: VAT, taxation											
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)											
4. For example: sinking fund requirements for borrowing											
5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve											
<b>Other working capital requirements</b>											
Debtors		48 458	46 982	88 822	61 726	450 563	450 563	52 926	540 980	597 573	596 594
Creditors due		2 295 267	2 585 089	3 021 696	1 857 365	1 914 544	1 914 544	406 440	3 235 280	3 406 749	3 542 885
<b>Total</b>		<b>(2 246 809)</b>	<b>(2 538 107)</b>	<b>(2 932 874)</b>	<b>(1 795 639)</b>	<b>(1 463 981)</b>	<b>(1 463 981)</b>	<b>(353 514)</b>	<b>(2 694 300)</b>	<b>(2 809 176)</b>	<b>(2 946 291)</b>
<b>Debtors collection assumptions</b>											
Balance outstanding - debtors		170 292	216 606	257 474	286 320	1 221 266	1 221 266	131 890	645 740	866 462	894 189
Estimate of debtors collection rate		28.5%	21.7%	34.5%	21.6%	36.9%	36.9%	40.1%	83.8%	69.0%	66.7%
<b>Long term investments committed</b>											
<b>Balance (Insert description; eg sinking fund)</b>		-	-	-	-	-	-	-	-	-	-
<b>Reserves to be backed by cash/investments</b>											
Housing Development Fund		-	-	-	-	-	-	-	(1 503)	(1 552)	(1 602)
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Compensation for Occupational Injuries and Diseases		-	-	-	-	-	-	-	-	-	-
Employee Benefit reserve		-	-	-	-	-	-	-	-	-	-
Non-current Provisions reserve		-	-	-	-	-	-	-	-	-	-
Valuation reserve		-	-	-	-	-	-	-	-	-	-
Investment in associate account		-	-	-	-	-	-	-	-	-	-
Capitalisation		-	-	-	-	-	-	-	-	-	-
<b>6</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 503)</b>	<b>(1 552)</b>	<b>(1 602)</b>

**Table A9 – Asset Management:** table A9 provides a detailed analysis of budgeted capital expenditure, for various categories of capital expenditure such as acquisition of new assets, renewal and upgrading of existing assets, etc. It also provides a summarised overview of the capital assets of the municipality.

FS203 Ngwathe - Table A9 Asset Management

FS203 Ngwathe - Table A9 Asset Management									
Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	8 421	31 587	61 450	62 156	101 074	101 074	53 867	115 688	114 598
<i>Roads Infrastructure</i>	-	-	-	2 841	-	-	7 575	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	4 719	22 926	13 135	17 821	17 821	14 633	28 135	22 462
<i>Water Supply Infrastructure</i>	-	10 459	8 644	12 737	25 599	25 599	19 517	69 233	73 653
<i>Sanitation Infrastructure</i>	-	8 479	14 430	9 443	7 789	7 789	3 648	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	8 500	8 500	2 400	6 500	6 500
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	23 657	45 999	38 156	59 709	59 709	47 773	103 868	102 616
<i>Community Facilities</i>	-	-	-	-	6 736	6 736	2 000	6 736	6 736
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	-	6 736	6 736	2 000	6 736	6 736
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>	-	-	-	11 400	11 995	11 995	2 095	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	11 400	11 995	11 995	2 095	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	885	421	1 795	2 000	4 746	4 746	1 000	5 084	5 247
<b>Furniture and Office Equipment</b>	326	30	1 567	-	3 100	3 100	1 000	-	-
<b>Machinery and Equipment</b>	4 005	7 479	2 102	1 000	-	-	-	-	-
<b>Transport Assets</b>	3 205	-	9 986	9 600	14 789	14 789	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
<i>Mature</i>	-	-	-	-	-	-	-	-	-
<i>Immature</i>	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	(0)	72 894	59 415	79 293	78 042	78 042	122 290	198 800	186 599
<i>Roads Infrastructure</i>	-	-	-	2 628	1 170	1 170	7 288	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	8 000	8 000	439	-	-
<i>Water Supply Infrastructure</i>	(0)	72 810	59 224	66 232	59 681	59 681	112 042	180 000	167 233
<i>Sanitation Infrastructure</i>	-	-	-	8 433	992	992	1 122	12 600	13 166
<i>Solid Waste Infrastructure</i>	-	-	-	-	6 200	6 200	1 400	6 200	6 200
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	(0)	72 810	59 224	77 293	76 042	76 042	122 290	198 800	186 599
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>	-	83	192	-	-	-	-	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	83	192	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	2 000	2 000	2 000	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
<i>Mature</i>	-	-	-	-	-	-	-	-	-
<i>Immature</i>	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	-	-	-	-	-	-	-	-	-

R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>CAPITAL EXPENDITURE</b>										
<b>Total Renewal of Existing Assets</b>	2	(0)	72 894	59 415	79 293	78 042	78 042	122 290	198 800	186 599
<i>Roads Infrastructure</i>		-	-	-	2 628	1 170	1 170	7 288	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	8 000	8 000	439	-	-
<i>Water Supply Infrastructure</i>		(0)	72 810	59 224	66 232	59 681	59 681	112 042	180 000	167 233
<i>Sanitation Infrastructure</i>		-	-	-	8 433	992	992	1 122	12 600	13 166
<i>Solid Waste Infrastructure</i>		-	-	-	-	6 200	6 200	1 400	6 200	6 200
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		(0)	72 810	59 224	77 293	76 042	76 042	122 290	198 800	186 599
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	83	192	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	83	192	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	2 000	2 000	2 000	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-

**FS203 Ngwathe - Table A9 Asset Management**

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Full Year Forecast</b>	<b>Budget Year 2026/27</b>	<b>Budget Year +1 2027/28</b>	<b>Budget Year +2 2028/29</b>
<b>CAPITAL EXPENDITURE</b>									
<b>Total Upgrading of Existing Assets</b>	-	11 347	22 674	29 758	22 891	22 891	7 000	2 000	2 000
<i>Roads Infrastructure</i>	-	11 347	16 404	7 024	2 982	2 982	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	-	-	4 867	2 272	2 756	2 756	-	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	6 433	6 433	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	2 000	2 000	2 000	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	11 347	21 271	9 296	14 171	14 171	2 000	-	-
Community Facilities	-	-	1 403	18 461	6 720	6 720	3 000	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	1 403	18 461	6 720	6 720	3 000	-	-
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	2 000	2 000	2 000	2 000	2 000	2 000
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	8 421	115 828	143 539	171 207	202 007	202 007	251 781	316 488	303 197
<i>Roads Infrastructure</i>	-	11 347	16 404	12 493	4 151	4 151	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	4 719	22 926	13 135	25 821	25 821	14 633	28 135	22 462
<i>Water Supply Infrastructure</i>	(0)	83 269	72 734	81 242	88 036	88 036	146 675	249 233	240 886
<i>Sanitation Infrastructure</i>	-	8 479	14 430	17 876	15 214	15 214	13 000	12 600	13 166
<i>Solid Waste Infrastructure</i>	-	-	-	-	16 700	16 700	16 700	12 700	12 700
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	(0)	107 815	126 494	124 746	149 922	149 922	191 008	302 668	289 215
Community Facilities	-	-	1 403	18 461	13 456	13 456	9 736	6 736	6 736
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	1 403	18 461	13 456	13 456	9 736	6 736	6 736
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	83	192	11 400	11 995	11 995	29 095	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	83	192	11 400	11 995	11 995	29 095	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	885	421	1 795	4 000	6 746	6 746	6 922	7 084	7 247
Furniture and Office Equipment	326	30	1 567	-	3 100	3 100	3 100	-	-
Machinery and Equipment	4 005	7 479	2 102	3 000	2 000	2 000	-	-	-
Transport Assets	3 205	-	9 986	9 600	14 789	14 789	11 920	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Resources</b>	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - A</b>	<b>8 421</b>	<b>115 828</b>	<b>143 539</b>	<b>171 207</b>	<b>202 007</b>	<b>202 007</b>	<b>251 781</b>	<b>316 488</b>	<b>303 197</b>

R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>CAPITAL EXPENDITURE</b>										
	<b>Total Upgrading of Existing Assets</b>	6	11 347	22 674	29 758	22 891	22 891	6 946	2 000	2 000
	<i>Roads Infrastructure</i>		11 347	16 404	7 024	2 982	2 982	144	-	-
	<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-
	<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-
	<i>Water Supply Infrastructure</i>		-	4 867	2 272	2 756	2 756	395	-	-
	<i>Sanitation Infrastructure</i>		-	-	-	6 433	6 433	1 007	-	-
	<i>Solid Waste Infrastructure</i>		-	-	-	2 000	2 000	900	-	-
	<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-
	<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-
	<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-
	<b>Infrastructure</b>		11 347	21 271	9 296	14 171	14 171	2 446	-	-
	<i>Community Facilities</i>		-	1 403	18 461	6 720	6 720	2 500	-	-
	<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-
	<b>Community Assets</b>		-	1 403	18 461	6 720	6 720	2 500	-	-
	<b>Heritage Assets</b>		-	-	-	-	-	-	-	-
	<i>Revenue Generating</i>		-	-	-	-	-	-	-	-
	<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-
	<b>Investment properties</b>		-	-	-	-	-	-	-	-
	<i>Operational Buildings</i>		-	-	-	-	-	-	-	-
	<i>Housing</i>		-	-	-	-	-	-	-	-
	<b>Other Assets</b>		-	-	-	-	-	-	-	-
	<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-
	<i>Servitudes</i>		-	-	-	-	-	-	-	-
	<i>Licences and Rights</i>		-	-	-	-	-	-	-	-
	<b>Intangible Assets</b>		-	-	-	-	-	-	-	-
	<i>Computer Equipment</i>		-	-	2 000	2 000	2 000	2 000	2 000	2 000
	<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	-	-
	<i>Machinery and Equipment</i>		-	-	-	-	-	-	-	-
	<i>Transport Assets</i>		-	-	-	-	-	-	-	-
	<b>Land</b>		-	-	-	-	-	-	-	-
	<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-
	<i>Mature</i>		-	-	-	-	-	-	-	-
	<i>Immature</i>		-	-	-	-	-	-	-	-
	<b>Living Resources</b>		-	-	-	-	-	-	-	-
	<b>Total Capital Expenditure</b>	4	8 421	115 828	171 207	202 007	202 007	183 103	316 488	303 197
	<i>Roads Infrastructure</i>		-	11 347	16 404	12 493	4 151	15 007	-	-
	<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-
	<i>Electrical Infrastructure</i>		-	4 719	22 926	13 135	25 821	15 072	28 135	22 462
	<i>Water Supply Infrastructure</i>		(0)	83 269	72 734	81 242	88 036	131 953	249 233	240 886
	<i>Sanitation Infrastructure</i>		-	8 479	14 430	17 876	15 214	5 776	12 600	13 166
	<i>Solid Waste Infrastructure</i>		-	-	-	16 700	16 700	4 700	12 700	12 700
	<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-
	<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-
	<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-
	<b>Infrastructure</b>		(0)	107 815	126 494	124 746	149 922	172 508	302 668	289 215
	<i>Community Facilities</i>		-	-	1 403	18 461	13 456	4 500	6 736	6 736
	<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-
	<b>Community Assets</b>		-	-	1 403	18 461	13 456	4 500	6 736	6 736
	<b>Heritage Assets</b>		-	-	-	-	-	-	-	-
	<i>Revenue Generating</i>		-	-	-	-	-	-	-	-
	<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-
	<b>Investment properties</b>		-	-	-	-	-	-	-	-
	<i>Operational Buildings</i>		-	83	192	11 400	11 995	2 095	-	-
	<i>Housing</i>		-	-	-	-	-	-	-	-
	<b>Other Assets</b>		-	83	192	11 400	11 995	2 095	-	-
	<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-
	<i>Servitudes</i>		-	-	-	-	-	-	-	-
	<i>Licences and Rights</i>		-	-	-	-	-	-	-	-
	<b>Intangible Assets</b>		-	-	-	-	-	-	-	-
	<i>Computer Equipment</i>		885	421	1 795	4 000	6 746	3 000	7 084	7 247
	<i>Furniture and Office Equipment</i>		326	30	1 567	-	3 100	1 000	-	-
	<i>Machinery and Equipment</i>		4 005	7 479	2 102	3 000	2 000	-	-	-
	<i>Transport Assets</i>		3 205	-	9 986	9 600	14 789	-	-	-
	<b>Land</b>		-	-	-	-	-	-	-	-
	<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-
	<i>Mature</i>		-	-	-	-	-	-	-	-
	<i>Immature</i>		-	-	-	-	-	-	-	-
	<b>Living Resources</b>		-	-	-	-	-	-	-	-
	<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		8 421	115 828	143 539	171 207	202 007	202 007	183 103	316 488

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>EXPENDITURE OTHER ITEMS</b>		136 380	117 270	93 021	70 164	129 973	129 973	118 285	139 062	143 499
<u>Depreciation</u>	7	72 427	59 212	77 157	53 774	88 190	88 190	63 061	94 471	97 495
<u>Repairs and Maintenance by Asset Class</u>	3	63 953	58 058	15 864	16 391	41 782	41 782	55 224	44 590	46 004
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	420	-	-
<i>Electrical Infrastructure</i>		6 046	6 448	4 394	5 383	17 233	17 233	19 250	18 461	19 051
<i>Water Supply Infrastructure</i>		(390)	3 194	5 087	6 400	8 749	8 749	16 900	9 372	9 672
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	4 619	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>5 655</b>	<b>9 642</b>	<b>9 482</b>	<b>11 783</b>	<b>25 982</b>	<b>25 982</b>	<b>41 189</b>	<b>27 833</b>	<b>28 724</b>
Community Facilities		336	205	418	200	351	351	6 700	400	400
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>336</b>	<b>205</b>	<b>418</b>	<b>200</b>	<b>351</b>	<b>351</b>	<b>6 700</b>	<b>400</b>	<b>400</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	974	2 500	10 500	10 500	3 889	11 248	11 608
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>974</b>	<b>2 500</b>	<b>10 500</b>	<b>10 500</b>	<b>3 889</b>	<b>11 248</b>	<b>11 608</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		3 082	1 000	1 730	1 144	1 917	1 917	1 382	1 944	2 007
Machinery and Equipment		53 851	45 711	1 537	-	2 000	2 000	1 074	2 142	2 211
Transport Assets		1 030	1 500	1 723	763	1 032	1 032	990	1 023	1 055
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>136 380</b>	<b>117 270</b>	<b>93 021</b>	<b>70 164</b>	<b>129 973</b>	<b>129 973</b>	<b>118 285</b>	<b>139 062</b>	<b>143 499</b>

**Table A10 – Basic Service Delivery Measurement:** table A10 focus on providing quantitative data about the number of households that are provided with basic services within the municipality, and the level of such services. It must be noted however that the numerical data relating to is based on census data of 2022 from Statistics South Africa as municipalities and the whole of government are required to use on data from Statistics South Africa as an authoritative source for planning purposes. This therefore means that there will always be a timing gap between the Census data and the actual data that is presently available. To this effect, the number of households, and consequently consumers of municipal services as per the municipality's latest valuation roll indicates a proportionally higher number than that presented from 2022 Census data.

Nevertheless, from this table, it is evident that the majority of households within the municipality are provided with service that is above minimum service level across all categories of services and we anticipate more and more households having access to improve level of services as we work towards completing most of the currently work-in-progress that are aimed at improving and widening provision of basic services.

Moreover, the data also shows that more and more households are receiving free basic services as compared to prior years. Although this is a much-needed intervention to cushion vulnerable communities against the hardship of unemployment, it is also for us an indicator for a need to do more to improve the local conditions to enable inflow of investments from the private sector, which will unlock employment opportunities for most of our residents, particularly young people.

## FS203 Ngwathe - Table A10 Basic service delivery measurement

**FS203 Ngwathe - Table A10 Basic service delivery measurement**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	19 719	19 719	19 719	19 719	19 719	19 719	19 719	-
Piped water inside yard (but not in dwelling)		-	15 089	15 089	15 089	15 089	15 089	15 089	15 089	-
Using public tap (at least min.service level)	2	-	942	942	942	942	942	942	942	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	35 750	35 750	35 750	35 750	35 750	35 750	35 750	-
Using public tap (< min.service level)	3	-	468	468	468	468	468	468	468	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	576	576	576	576	576	576	576	-
<i>Below Minimum Service Level sub-total</i>		-	1 044	1 044	1 044	1 044	1 044	1 044	1 044	-
<b>Total number of households</b>	5	-	36 794	36 794	36 794	36 794	36 794	36 794	36 794	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	32 328	32 328	32 328	32 328	32 328	32 328	32 328	-
Flush toilet (with septic tank)		-	474	474	474	474	474	474	474	-
Chemical toilet		-	67	67	67	67	67	67	67	-
Pit toilet (ventilated)		-	1 018	1 018	1 018	1 018	1 018	1 018	1 018	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	33 887	33 887	33 887	33 887	33 887	33 887	33 887	-
Bucket toilet		-	1 546	1 546	1 092	1 092	1 092	1 092	1 092	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	270	270	270	270	270	270	270	-
<i>Below Minimum Service Level sub-total</i>		-	1 816	1 816	1 362	1 362	1 362	1 362	1 362	-
<b>Total number of households</b>	5	-	35 703	35 703	35 249	35 249	35 249	35 249	35 249	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	35 126	35 126	35 126	35 126	35 126	35 126	35 126	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	35 126	35 126	35 126	35 126	35 126	35 126	35 126	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	1 637	1 637	1 637	1 637	1 637	1 637	-
<i>Below Minimum Service Level sub-total</i>		-	-	1 637	1 637	1 637	1 637	1 637	1 637	-
<b>Total number of households</b>	5	-	35 126	36 763	36 763	36 763	36 763	36 763	36 763	-
<b>Refuse:</b>										
Removed at least once a week		-	33 613	33 613	33 613	33 613	33 613	33 613	33 613	-
<i>Minimum Service Level and Above sub-total</i>		-	33 613	33 613	33 613	33 613	33 613	33 613	33 613	-
Removed less frequently than once a week		-	394	394	394	394	394	394	394	-
Using communal refuse dump		-	99	99	99	99	99	99	99	-
Using own refuse dump		-	1 553	1 553	1 553	1 553	1 553	1 553	1 553	-
Other rubbish disposal		-	1 134	1 134	1 134	1 134	1 134	1 134	1 134	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	3 180	3 180	3 180	3 180	3 180	3 180	3 180	-
<b>Total number of households</b>	5	-	36 793	36 793	36 793	36 793	36 793	36 793	36 793	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	13 171	15 665	15 665	15 665	15 665	15 665	15 665	-
Sanitation (free minimum level service)		-	-	13	13	13	13	13	13	-
Electricity/other energy (50kwh per household per month)		-	50	13	13	13	13	13	13	-
Refuse (removed at least once a week)		-	-	13	13	13	13	13	13	-
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		12 360	14 933	15 735	18 798	18 798	18 798	19 494	20 137	20 781
Sanitation (free sanitation service to indigent households)		10 900	14 494	15 509	21 686	18 811	18 811	19 507	20 151	20 796
Electricity/other energy (50kwh per indigent household per month)		269	342	(6 426)	456	456	456	29 414	542	590
Refuse (removed once a week for indigent households)		12 662	16 773	17 257	21 359	19 784	19 784	20 516	21 193	21 871
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	71	72	72	72	75	90	-
<b>Total cost of FBS provided</b>	8	36 190	46 543	42 145	62 371	57 921	57 921	89 006	62 112	64 038
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	6	6	6	6	6	6	6	-
Water (kilolitres per household per month)		-	6	6	6	6	6	6	6	-
Sanitation (kilolitres per household per month)		-	6	6	6	6	6	6	6	-
Sanitation (Rand per household per month)		-	6	6	6	6	6	6	6	-
Electricity (kwh per household per month)		-	50	50	50	50	50	50	50	-
Refuse (average litres per week)		-	13	13	13	13	13	13	13	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		-	-	19	19	19	19	20	20	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		14 560	19 662	22 477	96 381	20 314	20 314	21 065	21 761	22 457
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	14 560	19 662	22 495	96 400	20 333	20 333	21 085	21 780	22 457

## Part 2: Supporting Documentation

### 2.1 Overview of the Budget Process

Section 21 of Municipal Finance Management Act 56 of 2003 (MFMA), read together with regulation 9 of Municipal Budget and Reporting Regulations, 2009 (MBRR) gives a contextual framework for budget preparation process and format of annual budget respectively for municipalities.

To this effect, section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. by end of August) a time schedule that sets out the process to revise the IDP and prepare the budget. In light of the above, Council approved an Integrated Process Plan as required by Section 21 of the Municipal Finance Management Act and section 34 of the Municipal Systems Act (MSA). The plan outlined key deadlines for the review of the Integrated Development Plan (IDP), Budget and other processes required by municipal legislation.

In line with the legislative framework as outlined above, the annual budget preparation process for the 2026/27 MTREF must therefore involve budget preparation, council approval, public consultation, and budget execution, all guided by the municipality's Integrated Development Plan (IDP) and Medium Term Revenue and Expenditure Framework (MTREF). The process culminates in the approval of the budget before the start of the financial year, which runs from July 1st to June 30th.

Below is a more comprehensive overview of the process:

#### **(i) Budget Preparation:**

The preparation process involves the development of our Draft annual budget based on the IDP and MTREF, ensuring alignment with the national government's priorities and the municipality's vision and mission. This involves detailed planning, including revenue forecasting, expenditure projections, and identifying capital projects. The budget is divided into operating and capital components.

#### **(ii) Tabling of Draft Budget:**

Mayor tables the draft budget and draft IDP review in council for public comments. Must be tabled at least 90 days before the start of the financial year.

### **(iii) Public Consultation and Engagement:**

The draft budget is subjected to public consultation, allowing for community input and feedback. This ensures that the budget reflects the needs and priorities of the community.

### **(iv) Council Approval:**

The municipality's council reviews the draft budget, considers public input, and makes necessary adjustments. The budget must be approved by the council at least 30 days before the start of the financial year (i.e by the end of May).

### **(v) Budget Implementation:**

Once approved, the budget is implemented by the municipality, with the Chief Financial Officer (CFO) playing a key role in ensuring its effective implementation. This includes managing revenue collection, allocating funds to various departments, and monitoring spending.

The table hereunder presents an activity plan / programme specifying timeframes for different phases followed during the Development of the IDP and Budget.

The process plan, which incorporated this activity plan, was tabled by the Executive Mayor to Council for adoption on the 31<sup>st</sup> of August 2026. The process plan further outlined the planning process and indicates the timeframes and community participation process. This was done in line with the guidelines set out in the Municipal Systems Act, 32 of 2000.

## **2.2 Overview of Alignment of the Budget with the IDP**

The Municipal IDP is the principal strategic planning document, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan (SDBIP), which is effectively an interface between the IDP and the Budget.

The IDP therefore serves as a strategic framework for development, while the budget provides the financial resources to implement the IDP's objectives. Alignment between the two ensures that municipal resources are effectively allocated to support the municipality's development priorities.

During the preparation of the 2026/27 MTREF, the following key aspects of alignment of the Budget and IDP were considered and taken into account:

- a) The IDP outlines the municipality's vision, mission, goals, and objectives for development and therefore informed the strategic intent and focus of the budget.
- b) The budget took lead from the vision, mission, goals and strategic objectives of the municipality so as to ensure appropriate allocation of financial resources to programs and projects that support the IDP's objectives.
- c) Ultimately, the budget used to implement the IDP by providing the necessary funding for projects and activities.
- d) The budget also supports performance management, as it enables formulation, implementation, monitoring and evaluation of Key Performance Indicators (KPIs) and by Targets formulated through the SDBIP.

## 2.2.1 Proposed Amendments to the IDP

There are no revisions to the strategic objectives and outcome oriented goals of Council that will have material financial impact on the MTREF. The reviewed IDP is a continuation and updated version of the prior years' IDP.

## 2.3 Measurable Performance Objectives and Indicators

Through alignment with the IDP and guided by the municipality's Performance Management and Development System, this budget is informed by and seeks to deliver on the outcome based Development Objectives, Programmes and Projects as outlined in Section H of the reviewed 2026/27 IDP as well as the Performance Objectives and Indicators as outlined in the 2026/27 SDBIP and are aligned with national priorities and local needs. These objectives and targets are then monitored and evaluated regularly, with the results reported in annual reports.

The following key aspects of Performance Objectives and Indicators were considered in formulating the 2026/27 MTREF:

**Alignment with IDP and SDBIP:** The budget must be informed by the IDP that outline the strategic direction and objectives of Council, which are then translated into quantifiable budget and specific service delivery targets within the SDBIP.

**Service Delivery Focus:** Performance objectives and indicators should focus on improving service delivery, such as infrastructure development, water and sanitation, and social programs, and so will the budget.

**Financial Sustainability:** Performance objectives, indicators and targets should also ensure that the municipality maintains long-term financial stability and avoid unsustainable debt.

**Measurable Indicators:** Objectives must be defined using quantifiable indicators that can be tracked and assessed, such as the number of households with access to water, waste collection rates, or the percentage of budget expenditure aligned with IDP objectives in order to ensure appropriately quantifiable and justifiable allocations in the budget.

## 2.2.2 Key Financial Indicators

In line with Schedule A, sub regulation 2 of MBRR, the following financial indicators forms part of the measurable financial performance objective and indicators for the 2026/27 MTREF period.

## 2.4 Overview of Budget Related-Policies

In terms of regulation 7 of the Municipal Budget and Reporting Regulations (MBRR), the Municipal Manager must take all reasonable steps to ensure the preparation and / or amendment of budget related policies for tabling in council together with the annual budget.

In line with regulation 7 of MBRR, the following policies have been reviewed as part of budget preparation process:

- a) Credit Control and Debt Collection Policy;
- b) Municipal Property Rates Policy;
- c) Tariff Policy,
- d) Supply Chain Management
- e) Borrowing Policy;
- f) Indigent subsidy Policy
- g) Subsistence and Traveling Policy
- h) Budget Policy
- i) Transfer and Virement Policy
- j) Funding and Reserves Policy
- k) Asset Management Policy
- l) Banking and investment Policy
- m) Unauthorised, Irregular, Fruitless and Wasteful Policy
- n) Cellphone Allowance
- o) Customer Care Policy
- p) Disconnection and Connection of Services Policy

- q) Estimation of Consumption Policy
- r) Long Term Debtors Policy
- s) Prepaid Electricity Vending Policy
- t) Revenue Policy
- u) Sundry Income Policy
- v) Value Added Tax (VAT) Policy and
- w) Cost Containment Policy
- x) Petty Cash

All the reviewed and new budgeted related policies can be accessed at the municipality's website, [www.ngwathe.fs.gov.za](http://www.ngwathe.fs.gov.za) or at the Office of the Chief Financial Officer, Liebenberg Street, Parys.

### **2.5 Overview of Budget Assumptions**

The budget assumptions involved projections for revenue and expenditure, heavily influenced by national macroeconomic policies, specific local circumstances as well as an analysis of our internal operations and systems. These assumptions were used to create a financial plan that outlines how a municipality will collect and spend money to deliver services.

In preparing the 2026/27 MTREF, our budget assumptions focused in areas such as tariff increases, revenue collection rates, investment interest rates, and the impact of various external factors. These factors serve as fundamental pillars in budget formulation and are outlined in detail below:

#### **2.5.1 Demographics Projections:**

According to Stats SA census data of 2022, it is estimated that the number of properties receiving services Within the municipality are 36 795. However, in compiling this budget, we have relied on our won General Valuation Roll data as at 31 March 2025, which indicates that the following number of properties that must invariably be billed for municipal services. This data excludes any informal settlements within the municipality.

### Analysis of Consumer Groups

Consumer Group	Number of properties	% of Total Number of properties
Business & Commercial Properties	837	3%
Agricultural Purposes <i>(Including those classified as Small Holdings)</i>	5 266	16%
Industrial Properties	99	0.3%
Public Service Infrastructure	224	1%
Residential Properties: Developed <i>(Including Indigents)</i>	23 282	72%
Residential Properties: Vacant Land	2 458	8%
State-Owned Properties <i>(Excluding Municipal Properties)</i>	565	2%
Total	32 507	100%

From the above table, it is evident that the biggest proportion of our consumer groups is the residential consumers, which makes up 72% of the total consumer groups within the municipality.

This therefore means that this is the group that needs to be given priority in terms of both service delivery and revenue collection.

Properties that are classified as agricultural properties, which also include small holdings, is the second largest consumer groups at 16%. However, do not necessarily receive a complete complement of services from the municipality, and our focus in with regard to this consumer group in respect of revenue collection will primarily be on assessment rates.

Lastly, industrial consumers make up less than 1% of our consumer groups. This presents an opportunity for us to start to think of innovative ways on how we can initiate programs and initiatives that can attract industries to invest in our area. However, our starting point will be to ensure stable and sustainable supply of basic services such as water, electricity and proper internal roads.

### 2.5.2 Revenue Projections:

**Tariff Increases:** Tariffs are an important element in budget preparation process as they provide the basis for revenue estimation for various services provided by the municipality. In projection of our tariff increases, we were guided by national Treasury Circular 132 which provide budget parameters for the 2026/27 MTREF period.

Except electricity tariffs, which in line with the cost reflective tool approved by the NERSA respectively, all other tariffs were increased as follows in line with National Treasury macro-economic forecasts:

Fiscal Year	2024/25	2025/26	2026/27	207/28	2028/29
	Actual	Estimate	Forecast		
CPI Inflation	4.4%	3.3%	3.7%	3.3%	3.2%

**Grants and Subsidies:** In this case our assumptions were dual dimensional in the following manner:

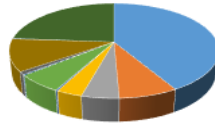
- (i) that the allocations in term of DoRA B5 2026 will be received in full as allocated, and
- (ii) that in relation to conditional grants which are mainly for capital projects, the municipality will fully comply with the conditions for each respective grant and all allocated funds will be spent in full at the end of the financial year.

The total operating revenue for 2026/27 amounts to R1.281 billion, with the following revenue items contributing a significant proportion: Electricity Service Charges at 42% (R 533.7 million), followed by Operating Government Grants and Subsidies at 24% (R312.1million) and Property Rates at 11%( R141.1 million) .

FS203 Ngwathe - Table A4 Budgeted Financial Performance (revenue)

FS203 Ngwathe - Table A4 Budgeted Financial Performance (revenue)			
R thousand	Adjusted Budget	Budget Year 2026/27	Budget Year +2 2028/29
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Service charges - Electricity	424 305	533 682	26%
Service charges - Water	68 991	98 264	42%
Service charges - Waste Water Management	59 894	62 110	3.70%
Service charges - Waste Management	41 635	43 176	3.70%
Sale of Goods and Rendering of Services	3 360	3 484	3.70%
Interest earned from Receivables	74 577	77 336	3.70%
Interest earned from Current and Non Current Assets	3 339	3 462	3.70%
Rental from Fixed Assets	444	461	3.70%
Operational Revenue	11 276	11 694	3.70%
<b>Non-Exchange Revenue</b>			
Property rates	125 215	141 089	12.68%
Fines, penalties and forfeits	6 557	2 356	-64.07%
Transfer and subsidies - Operational	296 633	303 850	2.43%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 116 226</b>	<b>1 280 964</b>	<b>15%</b>

FS203 Ngwathe - Table A4 Budgeted Financial Performance  
(revenue) Budget Year 2026/27



- Service charges - Electricity
- Service charges - Water
- Service charges - Waste Water Management
- Service charges - Waste Management
- Sale of Goods and Rendering of Services

## Operating Revenue

### Service Charges- Electricity and Water:

The increase is primarily attributable to estimated water revenue adjustments and implementation of planned interventions, including the installation of pre-paid electricity meters following the completion of meter audits and installation of pre-paid meters.

Installation Plan: Meters to be installed per quarter: 4,638 and total annual installations: 18,552 meters

Revenue Assumption: Estimated monthly purchase per household: R1,500

Revenue Impact: The rollout targets 19,685 prepaid meters (domestic customers) currently not purchasing electricity.

Estimated revenue increase: R83,488,500 annually (2026/27)

### Service Charges: Waste Water Management and Waste Management:

The projections based on the 2025/26 adjustment\*CPI of 3.7%.

### Property Rates:

The increase of 12.8% is resulting from the correction of properties that were previously undervalued and incorrectly categorised.

- 226 farm properties were undervalued and incorrectly categorised
- Alignment of valuations in accordance with the Supplementary Valuation Roll (SVR)

### Fines:

The proposed budget is based on the current performance (2025/26) \* CPI of 3.7%.

### Transfers and Subsidies - Operational:

The proposed budget based on DORA\_2026

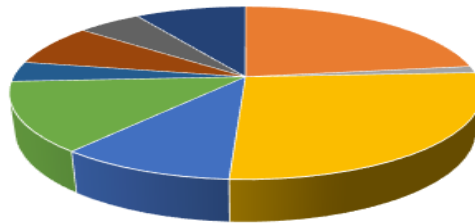
### 2.5.3 Expenditure Projections:

Forecasts for operating expenditure were based on various assumptions, which include the following key assumptions amongst others:

#### FS203 Ngwathe - Table A4 Budgeted Financial Performance (Expenditure)

<b>FS203 Ngwathe - Table A4 Budgeted Financial Performance (expenditure)</b>			
<b>R thousand</b>	<b>Adjusted Budget</b>	<b>Budget Year 2026/27</b>	<b>%</b>
<b>Expenditure</b>			
Employee related costs	368 155	386 189	4.9%
Remuneration of councillors	20 295	21 046	3.7%
Bulk purchases - electricity	412 000	449 492	9.1%
Inventory consumed	213 867	171 190	-20.0%
Debt impairment	211 768	219 603	3.7%
Depreciation, amortisation and impairment	88 190	63 061	-28.5%
Interest, Dividends and Rent on Land	126 762	131 452	3.7%
Contracted services	133 647	87 947	-34.2%
Transfers and subsidies	180	180	0.0%
Irrecoverable debts written off	-	-	
Operational costs	158 168	152 588	-3.5%
Disposal of Fixed and Intangible Assets	-	-	
Other Losses	-	-	
<b>Total Expenditure</b>	<b>1 733 033</b>	<b>1 682 748</b>	<b>-3%</b>

FS203 Ngwathe - Table A4 Budgeted Financial Performance (expenditure) 2026/27



- Expenditure
- Remuneration of councillors
- Inventory consumed
- Depreciation, amortisation and impairment
- Contracted services
- Operational costs
- Employee related costs
- Bulk purchases - electricity
- Debt impairment
- Interest, Dividends and Rent on Land
- Transfers and subsidies

**Operating Expenditure:**

**Employee Related Costs:** The budget allocation for employee related costs for the 2026/2027 financial year is R385.7 million, which represents 20 per cent of the total operating expenditure. The budget for employee related costs is based on annual increase of CPIX (4.75%) as per Circular 4/2026 of South African Local Government Bargaining Council. The Employee related cost has increased by R17 million compared to 2025/26 adjustment budget.

**Remuneration of Councillors:** The Remuneration of Councillors for 2026/27 increased by 3.7% of the 2025/26 adjustment budget.

**Bulk purchases** are directly informed by the purchase of electricity from Eskom. The 2026/2027 budget for bulk purchases is R449.5 million which is more by R37.5 million as compared with 2025/2026 budget amount of R412 million. The annual purchase cost takes into account 9.01% increase on bulk consumers by Eskom effective from 1 July 2026.

**Inventory Consumed:** The biggest increase on the Expenditure is Inventory with the increase of R55 million.

**The provision of debt impairment** for the 2026/2027 financial year is R219.6 million that leads to an increase of 7.3 million based on the 2025/2026 adjustment budget.

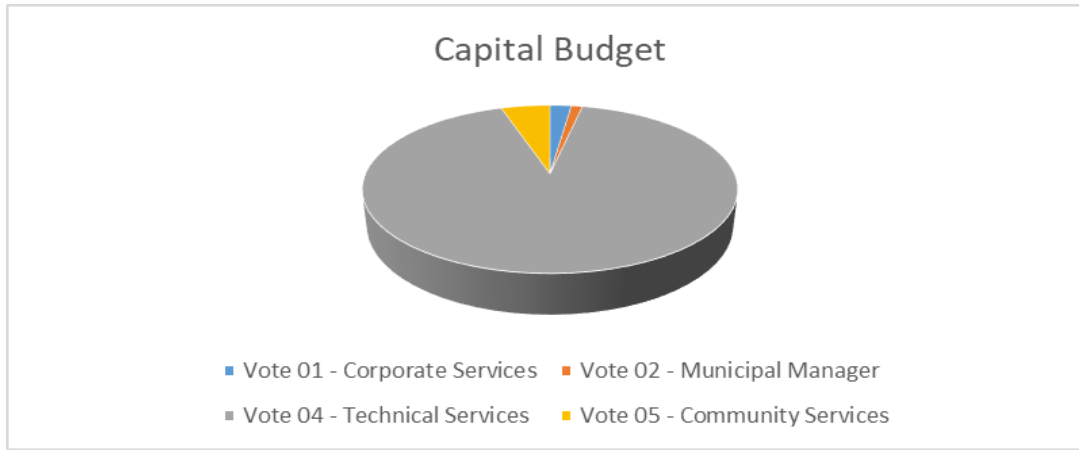
**Provision for depreciation and asset impairment** budgeted amount of R63 million for the 2026/2027 financial year.

**Finance charges** consist primarily of the repayment of interest portion on overdue creditors. Finance charges is budgeted at R131 million for 2026/2027, due to interest on Eskom Bulk account.

Other expenditure comprises of various line items relating to the daily operations of the municipality.

## Capital Expenditure

R thousand	Budget Year 2026/27	%
<b>Capital expenditure - Vote</b>		
<b>Multi-year expenditure to be appropriated</b>		
Vote 01 - Corporate Services	3 000	2%
Vote 02 - Municipal Manager	2 095	1%
Vote 03 - Financial Services	–	0%
Vote 04 - Technical Services	56 017	31%
Vote 05 - Community Services	5 100	3%
Vote 06 - Local Economic Development	–	0%
<b>Capital multi-year expenditure sub-total</b>	<b>66 212</b>	<b>36%</b>
<b>Single-year expenditure to be appropriated</b>		
Vote 01 - Corporate Services	1 000	1%
Vote 02 - Municipal Manager	–	0%
Vote 03 - Financial Services	–	0%
Vote 04 - Technical Services	111 791	61%
Vote 05 - Community Services	4 100	2%
Vote 06 - Local Economic Development	–	0%
<b>Capital single-year expenditure sub-total</b>	<b>116 891</b>	<b>64%</b>
<b>Total Capital Expenditure - Vote</b>	<b>183 103</b>	<b>100%</b>



**Capital Expenditure:** The highest Capital expenditure allocated for Technical Department.

The Municipality has budget the capital projects as per DORA-2026. The 5% of MIG is budgeted under operational Transfer and subsidies. The budget of R26.8 million funded internally.

Overall, these assumptions were assessed and applied in the context of the following considerations throughout the budgeting process:

- a) **Sustainability:** the municipality's budget needs to be sustainable, meaning we should be able to cover our expenses without accumulating excessive debt.
- b) **Community Needs:** we have considered that the focus of the budget should be prioritizing the basic needs of the community and ensure that resources are allocated efficiently to deliver essential services.
- c) **Financial Stewardship:** we also had to consider the overall impact of the budgeting decisions and ensure that they are informed, all while aligning financial practices with organisational objectives and goals.

## ASSESSMENT OF THE 2026/27 TABLED BUDGET

The Municipality was invited to PT on the 14<sup>th</sup> of May 2026 for 2026/27 Budget bilateral presentation and Provincial Treasury sent feedback with an assessment to correct the Tabled Budget. Most of the findings corrected. The remaining will be corrected in the current financial year (2026/27). These corrections will not affect the total budget approved by Council; correction will be on mappings the data strings.

**Below if the Feedback Annexures from Treasury**

ANNEXURE 2: (CAPITAL BUDGET & SOURCES OF FUNDING)

FS203 - Ngwathe	Description	CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
		2024/25 Audited Outcome	2025/26 Original Budget	2025/26 Adjusted Budget	2025/26 Treasury Calculation	2026/27 Budget Year +0	2026/27 Treasury Calculation	2027/28 Budget Year +1	2027/28 Treasury Calculation	2028/29 Budget Year +2	2028/29 Treasury Calculation
R thousand											
<b>Capital Expenditure - Functional</b>											
<b>Municipal governance and administration</b>											
		9 564	6 000	16 941	16 941	17 116	17 116	7 084	7 084	7 247	7 247
	Executive and council	-	2 000	7 095	7 095	7 095	7 095	-	-	-	-
	Finance and administration	9 564	4 000	9 846	9 846	10 022	10 022	7 084	7 084	7 247	7 247
	Internal audit	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>											
		6 537	13 061	23 955	23 955	18 656	18 656	6 736	6 736	6 736	6 736
	Community and social services	6 537	13 061	23 955	23 955	18 656	18 656	6 736	6 736	6 736	6 736
	Sport and recreation	-	-	-	-	-	-	-	-	-	-
	Public safety	-	-	-	-	-	-	-	-	-	-
	Housing	-	-	-	-	-	-	-	-	-	-
	Health	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>											
		16 596	37 693	13 341	13 341	25 000	25 000	-	-	-	-
	Planning and development	192	24 400	9 190	9 190	25 000	25 000	-	-	-	-
	Road transport	16 404	13 493	4 151	4 151	-	-	-	-	-	-
	Environmental protection	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>											
		110 842	114 253	147 770	147 770	191 008	191 008	302 668	302 668	289 215	289 215
	Energy sources	22 926	17 635	32 748	32 748	14 633	14 633	28 135	28 135	22 462	22 462
	Water management	68 659	78 742	83 108	83 108	146 675	146 675	249 233	249 233	240 886	240 886
	Waste water management	19 257	17 876	15 214	15 214	13 000	13 000	12 600	12 600	13 166	13 166
	Waste management	-	-	16 700	16 700	16 700	16 700	12 700	12 700	12 700	12 700
	Other	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>											
		143 539	171 207	202 007	202 007	251 781	251 781	316 488	316 488	303 197	303 197
<b>Funded by</b>											
	National Government	119 959	122 907	122 907	122 907	156 308	156 308	267 737	267 737	249 052	249 052
	Provincial Government	-	-	-	-	-	-	-	-	-	-
	District Municipality	-	-	-	-	-	-	-	-	-	-
	Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	1 762	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>											
		121 721	122 907	122 907	122 907	156 308	156 308	267 737	267 737	249 052	249 052
<b>Borrowing</b>											
	Internally generated funds	21 818	48 300	79 100	79 100	95 472	95 472	48 751	48 751	54 145	54 145
<b>Total Capital Funding</b>											
		143 539	171 207	202 007	202 007	251 781	251 781	316 488	316 488	303 197	303 197

- The Treasury regarded the R95 million of own revenue as unrealistic and may not be achieved based on the municipality negative funding status, therefore the own revenue for final budget was reduced to R27 million.

7

ASSESSMENT OF THE 2026/27 ANNUAL TABLED BUDGET

ANNEXURE 3: (CASH FLOW BUDGET)

Description	CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
	2024/25	2025/26	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29
	Audited Outcome	Original Budget	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
R thousand										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates	63 590	887 483	64 900	87 651	77 909	90 894	80 480	93 893	83 055	96 898
Service charges	187 966	577 845	465 468	446 281	461 036	479 668	476 290	515 278	491 576	553 707
Other revenue	121 039	-	6 971	482 580	3 547	196 314	7 187	215 593	8 752	225 396
Transfers and Subsidies - Operational	252 574	296 280	296 280	296 633	303 850	303 850	312 055	312 055	323 915	323 915
Transfers and Subsidies - Capital	135 891	122 907	122 907	122 907	156 308	156 308	267 737	267 737	249 052	249 052
Interest	5 372	64 772	64 772	3 339	11 215	3 462	11 585	3 577	11 956	3 691
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(1 037 285)	(1 161 945)	(1 435 686)	(1 371 016)	(1 433 088)	(1 541 675)	(1 022 519)	(1 633 666)	(1 055 178)	(1 731 971)
Finance charges	-	(69 648)	(69 648)	(126 762)	-	(131 452)	-	(135 790)	-	(140 135)
Transfers and Grants	-	-	-	(180)	-	(180)	-	(180)	-	(180)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(270 852)</b>	<b>717 684</b>	<b>(484 036)</b>	<b>(58 567)</b>	<b>(419 222)</b>	<b>(442 811)</b>	<b>132 816</b>	<b>(361 502)</b>	<b>113 128</b>	<b>(419 628)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Receipts										
Proceeds on disposal of PPE	(62)	-	11 179	11 179	11 592	11 592	11 975	11 975	12 358	12 358
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital	-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(143 539)	(196 889)	(227 689)	(202 007)	(289 548)	(251 781)	(363 961)	(316 468)	(348 677)	(303 197)
Retention (Capital) - Retired for 2026/27	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(143 600)</b>	<b>(196 889)</b>	<b>(216 510)</b>	<b>(190 829)</b>	<b>(277 956)</b>	<b>(240 189)</b>	<b>(351 986)</b>	<b>(304 513)</b>	<b>(336 319)</b>	<b>(290 839)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	229	229	229	(72)	(72)	(74)	(74)	(77)	(77)
Payments										
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>229</b>	<b>229</b>	<b>229</b>	<b>(72)</b>	<b>(72)</b>	<b>(74)</b>	<b>(74)</b>	<b>(77)</b>	<b>(77)</b>
Short term loans										
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(414 453)</b>	<b>521 035</b>	<b>(700 317)</b>	<b>(249 167)</b>	<b>(697 250)</b>	<b>(683 071)</b>	<b>(219 245)</b>	<b>(666 069)</b>	<b>(223 267)</b>	<b>(710 542)</b>
Cash/cash equivalents at the year begin:	63 001	5 740	5 740	5 145	5 000	(244 022)	5 165	(927 093)	5 330	(1 593 182)
Cash/cash equivalents at the year end:	(351 452)	526 775	(694 577)	(244 022)	(692 250)	(927 093)	(214 080)	(1 593 182)	(217 937)	(2 303 724)

- As per the assessment, the cash flow reflects negative cash position of R927 million, Capital assets in the cash flow budget not aligned to the capital budget and 12 divide SA 30.
  - The negative R927 been corrected on the final document To R 19.8 million. The Capital assets on the cash flow include the VAT (15%).

ASSESSMENT OF THE 2026/27 ANNUAL TABLED BUDGET

ANNEXURE 4: (CASH BACKED RESERVES)

Description	CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
	2024/25	2025/26	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29
	Audited Outcome	Original Budget	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	(351 452)	526 775	(694 577)	(244 022)	(602 250)	(927 093)	(214 000)	(1 593 182)	(217 937)	(2 303 724)
Other current investments > 90 days	357 520	57 201	628 023	(0)	713 695	-	344 245	-	328 267	-
Non-current assets - investments	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>6 068</b>	<b>583 976</b>	<b>(68 554)</b>	<b>(244 022)</b>	<b>21 445</b>	<b>(927 093)</b>	<b>130 165</b>	<b>(1 593 182)</b>	<b>110 330</b>	<b>(2 303 724)</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers	5 250	179 197	179 197	5 250	-	5 250	-	5 250	-	5 250
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	(319 995)	(405 113)	(405 113)	17 222	(57 738)	40 218	(59 643)	65 690	(61 562)	92 853
Other working capital requirements	2 609 004	1 365 225	859 266	1 152 960	1 765 969	1 143 991	2 165 114	1 130 193	2 277 543	1 116 691
Other provisions	204 165	171 814	171 814	4 520	159 056	4 520	164 305	4 520	169 563	4 520
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	(1 583)	-	(1 552)	-	(1 602)	-
<b>Total Application of cash and investments:</b>	<b>2 499 424</b>	<b>1 241 122</b>	<b>715 184</b>	<b>1 179 951</b>	<b>1 608 765</b>	<b>1 193 979</b>	<b>2 209 224</b>	<b>1 205 654</b>	<b>2 293 052</b>	<b>1 219 315</b>
<b>Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief Benefits</b>	<b>(2 492 357)</b>	<b>(657 147)</b>	<b>(783 737)</b>	<b>(1 423 973)</b>	<b>(1 844 340)</b>	<b>(2 121 072)</b>	<b>(2 139 059)</b>	<b>(2 798 835)</b>	<b>(2 273 622)</b>	<b>(3 523 038)</b>
Creditors transferred to Debt Relief - Non-Current portion not written off to date	-	-	-	570 877	-	-	-	-	-	-
<b>Surplus(shortfall) - Incl Non-Current Creditors Trf to Debt Relief Benefits</b>	<b>(2 492 357)</b>	<b>(657 147)</b>	<b>(783 737)</b>	<b>(1 994 050)</b>	<b>(1 844 340)</b>	<b>(2 121 072)</b>	<b>(2 139 059)</b>	<b>(2 798 835)</b>	<b>(2 273 622)</b>	<b>(3 523 038)</b>

- As per the assessment, The Municipality has populated the incorrect closing balance for the investments of R713.6 billion and the statutory requirements is incorrectly captured as a credit(revenue) of R57.5 million.
- Corrected on the final document.

ANNEXURE 5: (mSCOA DATA STRING ANALYSIS)

Municipality	Ngwathe	Final Doc
Transfers & Subsidies	SES only allocated to Fin & Admin (impacts tariff setting)	Corrected
Service Charges	•Function: Waste services - indicated as non-core function	Corrected

Contracted Services	'Funding: Mostly equitable share used	Not Corrected
Depreciation	'Fund: Incorrect funding source (interest / waste water serv charge) used for electricity depreciation 'Funding: electricity used for waste man 'Function: Waste man indicated as 'non-core function'	Corrected
Employee Related Cost	<ul style="list-style-type: none"> <li>•Item: Snr Man - only used 3 items (bas salary, travel allow &amp; unemployment)</li> <li>'Fund: Incorrect funding source (property rates) for trading serv (electricity</li> <li>'Function: Waste man indicated as non-core function</li> <li>•Item: no budgets for pension fund contribution, etc</li> </ul>	Correction to be made during the financial year
Travel & Subsistence	'Item: only used 4 line items (Accomodation, daily allowance, own transport, air transport)	Resolved
Council Remuneration	'Mayor: only basic sal & travelling allowance	Correction to be made during the financial year
Maintenance	•Funding: Mostly Property Rates used	
Capital Expenditure	'Funding: Own revenue R95m - credible?	Corrected
Grants Received (IL)	'Funding incorrect - non-funding transactions	Corrected
Grants Spent (IL)	'Fund: other transfers incorrect, linked to INEP	
Irrecoverable Debt Written Off	•Did not budget	Corrected
Impairment Loss	•Did not budget for debt impairment (impairment loss and reversal of impairment loss)	Corrected
Water Inventory (IA)	•Did not budget for opening balance, consumption, losses, etc.	Correction to be made in the adjustment budget
Costing	•Did not use segent (did not budget for internal charges & recoveries)	Correction to be made in the adjustment budget
Regional Identifier	•Most projects linked to 'whole of the municipality' / admin or head office	60 % of Capex corrected, 40% to be corrected during the financial year

Opening Balances	<ul style="list-style-type: none"> <li>•Not balancing</li> </ul>	Correction to be made during the financial year
cash Flows (SA30)	<ul style="list-style-type: none"> <li>•Monthly projections - budget divided by 12 (i.e transfers not received monthly, etc.)</li> <li>•Other revenue capture as credit (understating receipts)</li> <li>'Capital assets not aligned to Table A5 CAPEX</li> <li>•Closing balance not credible</li> </ul>	Partially Corrected, The SA 30 did not populate the distribution as expected.
Other	<ul style="list-style-type: none"> <li>•Excessive use of 'property rates' as funding source for payments Property rates budget = R129m</li> <li>Total exp to be funded through property rates = R361m</li> </ul>	Partially corrected

1<sup>st</sup>

## 2.6 Overview of Budget Funding

The 2026/27 MTREF has a deficit of R402 million and Capital budget of R26.8 million which is not funded.

The Municipality budgeted for a shortfall of R2.8 billion on table A8

### 2.6.1 Particular of Funding Measures to determine whether the Budget is funded according to MFMA s.18

Municipality developed a detailed funding plan with clear actions and timeframes to move towards a funded position.

The Senior Management will monitor the funding plan on a monthly basis and report to Council a quarterly basis.

The implementation of Revenue enhancement.

**Table 2.16: Budgeted Allocations and Grants**

Grant Description	Amount
Expanded Public Works (EPWP) Grant	R 2 622 000
Financial Management Grant (FMG)	R 3 000 000
Equitable Share Grant	R 296 619 000
Municipal Infrastructure Grant (MIG)	R 1 609 000
<b>Sub-Total Operating Grants</b>	<b>R 303 550 000</b>
Municipal Infrastructure Grant (MIG)	R30 563 000

Water Services Infrastructure Grant (WSIG)	R 12 000 000
Regional Bulk Infrastructure Grant (RBIG)	R 106 112 000
Integrated National Electrification Programme Grant (INEP)	7 633 000

## 2.7 Expenditure on Allocations and Grant Programmes

For 2026/27, our total operating and capital expenditure is planned to be R183.1 million. Included in this expenditure is an amount of R 26.7 million that will be driven through operational and R156 million capital grants allocations. The details of these grants allocation is outlined below as follows:

### Planned Expenditure against Capital Grants

Fund	Vote No	Vote Description	Orig Budget
INEP	2045643142073D36ZZ16	KOPPIES SUBSTATION DEVELOPMENT W16 & 17	3 816 500.00
INEP	2045643242073D07ZZ11	ELECTRIFICATION PROJECTS (INEP)	3 816 500.00
		<b>TOTAL INEP GRANT</b>	<b>7 633 000.00</b>
MIG	2010647242090C13ZZ11	PHIRITONA/SANDERVILLE: COSNTR OF LOW LEV	4 533 837.00
MIG	2010647242090C61ZZ11	TUMAHOLE: UPGRADING OF 1KM PAVING ROAD	7 288 197.00
MIG	2010647242090D44ZZWM	VREDEFORT 2KM PAVING ROADS	143 882.00
MIG	2010647242090D60ZZ01	CONSTRUCTION OF LOW LEVEL BRIDGE IN W1	3 041 091.00
MIG	2020644942090D63ZZWM	CONSTR 3KM WATERBORNE SANITATION NETWORK	3 647 640.00
MIG	2020644942090DA5ZZ07	TUMAHOLE PARYS REPLACE OF R59 SEWER LINE	221 900.00
MIG	2020644942090DA6ZZ14	MOKWALLO UPGRADE & REUR OUTFALL SEWER LI	899 667.00
MIG	2035644502090D65ZZWM	VREDEFORT: UPGRAD WATER TREATMENT WORKS	7 892 485.00
MIG	2035644502090W01ZZ11	PARYS/TUMA/S/VIL PUMPP/LINE EXIST RESER	394 701.00
MIG	2505647352090D43ZZ10	MOSEPEDI COMMUNITY HALL REFUR & UPGRADE	2 500 000.00
		<b>TOTAL MIG GRANT</b>	<b>30 563 400.00</b>
WSIG	2020644942094DA7ZZ01	REFUREXISTING CLAY LINES IN HEILBRON IND	1 007 130.00
WSIG	2035644442094A26ZZ11	CONSTR PUMP HOUSES&EQUIP BOREHOLES EDENV	6 368 327.00
WSIG	2040644502094D33ZZWM	CONS 3KM PIPELINE&ELEVATED TOWER HEI-PHI	4 624 543.00
		<b>TOTAL WSIG GRANT</b>	<b>12 000 000.00</b>
RBIG	2035644502096C57ZZ11	CONSTRUCT PIPELINE KOPPIES - EDENVILLE	2 137 641.00
RBIG	2035644802096C56ZZ11	REFURBISHMENT OF KOPPIES WTW	71 373 809.00
RBIG	2035644802096D55ZZWM	PARYS WTW UPGRADE AND REFURBISHMENT	32 161 910.00
RBIG	2045643142096DAAZZ07	CONTRU 5KM MV LINE SUB STATIO PARYS WTW	438 640.00
		<b>TOTAL RBIG GRANT</b>	<b>106 112 000.00</b>
		<b>TOTAL GRANT FUNDING excl. Internal</b>	<b>156 308 400.00</b>

**Table : Planned Expenditure against Operating Grants**

Grant Description	Project Description	Amount
EPWP	Stipends for Extended Public Works Projects	R 2 622 000
<b>Sub-total EPWP Grant</b>		<b>R 2 622 000</b>
Equitable Share	Water provision	R 15 691 145
Equitable Share	Electricity provision	R 22 187 100
Equitable Share	Sanitation provision	R 17 025 931
Equitable Share	Refuse removal	R 19 725 164
Equitable Share	Operations (Finance)	R 221 989 660
<b>Sub-total Equitable Share Grant</b>		<b>R 296 619 000</b>
FMG	Stipends for Finance Interns and their respective equipment	R 3 000 000
<b>Sub-total FMG</b>		<b>R 3 000 000</b>
MIG	Salaries for Project Management Unit (PMU) Staff	R 1 608 600
<b>Sub-total MIG</b>		<b>R 1 608 600</b>
<b>Grand-Total</b>		<b>R 303 849 600</b>

## 2.8 Allocations and grants made by the municipality

The Municipality has not made any allocations or grants to any institution.

## 2.9 Councillors and board member allowances and employee benefits

The table below provides details of Councillors Allowances and Remuneration of Employees as budgeted for. Remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

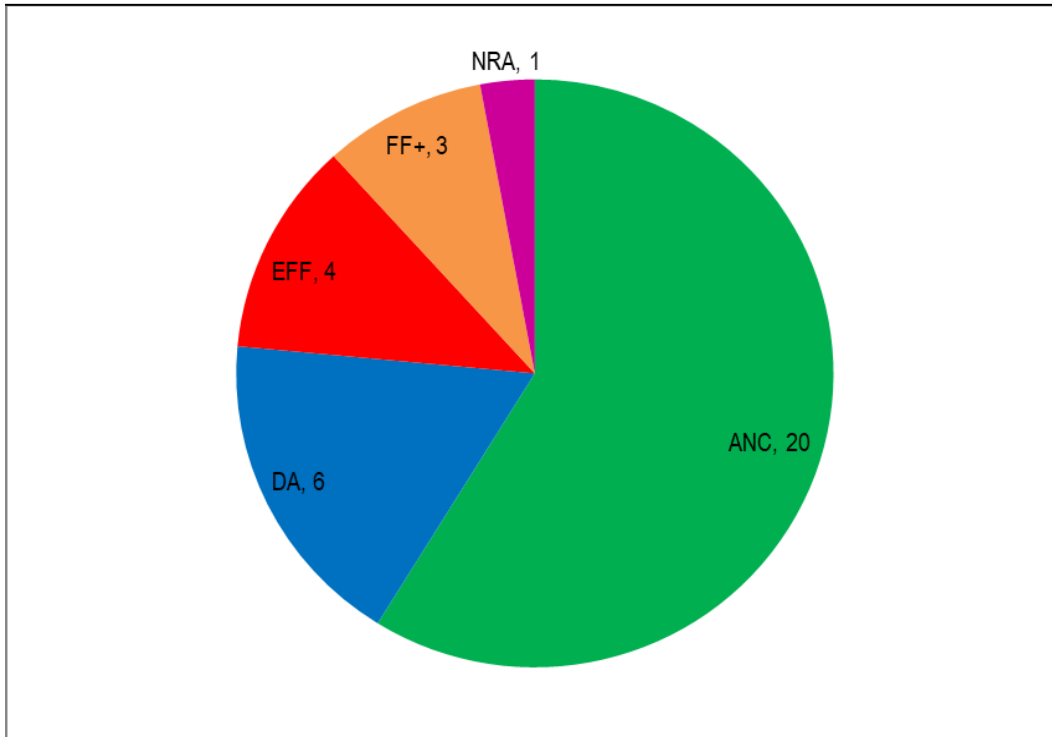
On the other hand, employee-related is budgeted for at CPI of 4,8 in line with the SALGBC Collective Agreement for all employees, including those who do not fall within the SALGBC.

## **FS203 Ngwathe - Supporting Table SA22 Summary councillor and staff benefits**

FS203 Ngwathe - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
<b>Allowances and Service Related Benefits</b>									
Basic Salary	—	—	12 241	13 843	13 809	13 809	14 320	14 849	15 399
Cell phone Allowance	1 523	1 583	1 684	1 754	1 686	1 686	1 749	1 813	1 880
Housing Allowance	—	—	—	—	—	—	—	—	—
In-kind Benefits	—	—	—	—	—	—	—	—	—
Market Related Non-pensionable Allowance	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	156	156	174	227	251	251	260	269	279
Office-bearer Allowance	11 020	12 149	168	176	507	507	526	545	565
Out of pocket Expenses	—	—	—	—	—	—	—	—	—
Travelling Allowance	3 914	3 894	4 081	4 117	3 933	3 933	4 079	4 230	4 386
Use of Personal Facilities	—	—	—	—	—	—	—	—	—
<b>Total Allowances and Service Related Benefits</b>	<b>16 612</b>	<b>17 782</b>	<b>18 347</b>	<b>20 117</b>	<b>20 186</b>	<b>20 186</b>	<b>20 933</b>	<b>21 707</b>	<b>22 510</b>
<b>Social Contributions</b>									
Medial Aid Benefits	—	—	—	—	—	—	—	—	—
Pension Fund Contributions	67	—	—	178	109	109	113	117	122
<b>Total Social Contributions</b>	<b>67</b>	<b>—</b>	<b>—</b>	<b>178</b>	<b>109</b>	<b>109</b>	<b>113</b>	<b>117</b>	<b>122</b>
<b>Total Councillors</b>	<b>16 679</b>	<b>17 782</b>	<b>18 347</b>	<b>20 295</b>	<b>20 295</b>	<b>20 295</b>	<b>21 046</b>	<b>21 825</b>	<b>22 632</b>
% increase		6.6%	3.2%	10.6%	0.0%	—	3.7%	3.7%	3.7%
<b>Senior Managers of the Municipality</b>									
<b>Salaries and Allowances</b>									
Basic Salary	80	771	122	6 298	4 710	4 710	4 662	4 816	4 970
Bonuses	—	—	—	—	—	—	—	—	—
<b>Allowance</b>									
Accommodation, Travel and Incidental	—	—	—	—	—	—	529	546	564
Cellular and Telephone	3	—	—	—	—	—	—	—	—
Housing Benefits	—	—	—	—	—	—	—	—	—
Non-pensionable	—	—	—	—	—	—	—	—	—
Travel or Motor Vehicle	750	355	77	1 181	3 098	3 098	3 213	3 319	3 425
Voluntary Work	—	—	—	—	—	—	—	—	—
<b>Total Allowance</b>	<b>754</b>	<b>355</b>	<b>77</b>	<b>1 181</b>	<b>3 098</b>	<b>3 098</b>	<b>3 741</b>	<b>3 865</b>	<b>3 988</b>
<b>Total Salaries and Allowances</b>	<b>834</b>	<b>1 127</b>	<b>199</b>	<b>7 479</b>	<b>7 808</b>	<b>7 808</b>	<b>8 403</b>	<b>8 681</b>	<b>8 959</b>
<b>Social Contributions</b>									
Bargaining Council	—	—	—	—	—	—	—	—	—
Group Life Insurance	—	—	—	—	—	—	—	—	—
Medical	(2 127)	(2 198)	(2 381)	28	—	—	70	72	74
Pension	—	—	—	—	—	—	—	—	—
Unemployment Insurance	5	2	0	1 295	9	9	10	10	10
<b>Total Social Contributions</b>	<b>(2 122)</b>	<b>(2 196)</b>	<b>(2 380)</b>	<b>1 323</b>	<b>9</b>	<b>9</b>	<b>79</b>	<b>82</b>	<b>84</b>
<b>Post-retirement Benefit</b>									
Medical	—	—	—	—	—	—	—	—	—
Other Benefits	—	—	—	—	—	—	—	—	—
Pension	—	—	—	—	—	—	—	—	—
<b>Total Post-retirement Benefit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Costs Capitalised to PPE</b>									
<b>Sub Total - Senior Managers of Municipality</b>	<b>(1 288)</b>	<b>(1 070)</b>	<b>(2 181)</b>	<b>8 803</b>	<b>7 817</b>	<b>7 817</b>	<b>8 482</b>	<b>8 762</b>	<b>9 043</b>
% increase		(16.9%)	103.9%	(503.7%)	(11.2%)	—	8.5%	3.3%	3.2%
<b>Other Municipal Staff</b>									
<b>Salaries and Allowances</b>									
Basic Salary	152 451	173 868	201 594	214 649	223 778	223 778	232 814	240 164	247 850
Bonuses	—	—	—	—	—	—	—	—	—
<b>Allowance</b>									
Accommodation, Travel and Incidental	—	—	—	—	—	—	—	—	—
Cellular and Telephone	—	—	—	—	—	—	—	—	—
Housing Benefits	587	597	731	763	663	663	731	755	780
Non-pensionable	—	—	—	—	—	—	—	—	—
Travel or Motor Vehicle	5 906	5 290	7 763	7 170	7 670	7 670	8 091	8 358	8 626
Voluntary Work	—	—	—	—	—	—	—	—	—
<b>Total Allowance</b>	<b>6 492</b>	<b>5 887</b>	<b>8 493</b>	<b>7 933</b>	<b>8 333</b>	<b>8 333</b>	<b>8 823</b>	<b>9 114</b>	<b>9 405</b>
<b>Service Related Benefits</b>									
Acting	—	—	—	—	—	—	—	—	—
Bonus	13 970	13 723	15 038	15 798	17 487	17 487	18 798	19 419	20 040
Danger Allowance	—	—	—	—	—	—	—	—	—
Entertainment	—	—	—	—	—	—	—	—	—
Fire Brigade	—	—	—	—	—	—	—	—	—
In-kind Benefits	—	—	—	—	—	—	—	—	—
Leave Pay	3 882	3 808	5 057	3 894	2 065	2 065	2 841	2 935	3 029
Lifeguard/Duty Squads	—	—	—	—	—	—	—	—	—
Long Service Award	—	—	—	31	—	—	1 280	1 322	1 364
Overtime	28 140	31 362	36 236	28 026	42 195	42 195	43 723	45 166	46 611
Scarcity	—	—	—	—	—	—	—	—	—
Standby Allowance	3 268	3 259	3 790	3 889	5 001	5 001	5 186	5 357	5 529
Tools Allowance	7 949	5 785	8 958	8 581	6 911	6 911	7 167	7 403	7 640
Uniform/Special/Protective Clothing	—	—	—	—	—	—	—	—	—
Leave gratuity	—	—	—	—	—	—	—	—	—
Long Term Service Award	—	—	—	—	—	—	—	—	—
<b>Total Service Related Benefits</b>	<b>57 208</b>	<b>57 956</b>	<b>69 077</b>	<b>60 218</b>	<b>73 659</b>	<b>73 659</b>	<b>78 995</b>	<b>81 602</b>	<b>84 213</b>
<b>Total Salaries and Allowances</b>	<b>216 152</b>	<b>237 712</b>	<b>279 164</b>	<b>282 800</b>	<b>305 770</b>	<b>305 770</b>	<b>320 637</b>	<b>330 880</b>	<b>341 468</b>
<b>Social Contributions</b>									
Bargaining Council	86	87	88	95	89	89	93	96	99
Group Life Insurance	2 383	2 461	2 654	2 774	3 036	3 036	3 177	3 282	3 387
Medical	14 978	15 369	16 776	16 831	18 104	18 104	18 906	19 530	20 154
Pension	26 091	26 402	27 763	29 118	31 604	31 604	33 090	34 182	35 275
Unemployment Insurance	1 377	1 535	1 708	1 791	1 735	1 735	1 809	1 868	1 927
<b>Total Social Contributions</b>	<b>44 916</b>	<b>45 855</b>	<b>48 991</b>	<b>50 609</b>	<b>54 568</b>	<b>54 568</b>	<b>57 075</b>	<b>58 957</b>	<b>60 844</b>
<b>Post-retirement Benefit</b>									
Medical	—	—	—	—	—	—	—	—	—
Other Benefits	—	—	—	—	—	—	—	—	—
Pension	—	—	—	—	—	—	—	—	—
<b>Total Post-retirement Benefit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Costs Capitalised to PPE</b>									
<b>Sub Total - Other Municipal Staff</b>	<b>261 068</b>	<b>283 567</b>	<b>328 155</b>	<b>333 409</b>	<b>360 338</b>	<b>360 338</b>	<b>377 706</b>	<b>389 837</b>	<b>402 312</b>
% increase		8.6%	15.7%	1.6%	8.1%	—	4.8%	3.2%	3.2%
<b>Total Parent Municipality</b>	<b>276 459</b>	<b>300 279</b>	<b>344 321</b>	<b>362 506</b>	<b>388 450</b>	<b>388 450</b>	<b>407 235</b>	<b>420 424</b>	<b>433 987</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>									
	276 459	300 279	344 321	362 506	388 450	388 450	407 235	420 424	433 987
% increase		8.6%	14.7%	5.3%	7.2%	—	4.8%	3.2%	3.2%
<b>TOTAL MANAGERS AND STAFF</b>	<b>259 780</b>	<b>282 497</b>	<b>325 974</b>	<b>342 212</b>	<b>368 155</b>	<b>368 155</b>	<b>386 189</b>	<b>398 600</b>	<b>411 355</b>

The above remuneration costs are based on the number councillors and employees

Number of Councillors within Ngwathe Local Municipality



As part of the bigger human resource management plan, the municipality’s human resource strategy focuses on filling of critical vacancies, skills audit, and capacity building intervention for councillors and officials, performance recognition and achieving our employment equity targets.

The primary focus is to ensure that departments are neither over- nor understaffed, and that employees with appropriate talents and skills are available to carry out tasks in the right jobs at the right time to support the municipality to achieve its strategic objectives.

**2.10 Monthly Target For revenue, expenditure and cash flow**

Maintaining a positive cash flow is crucial for the municipality’s stability and growth, allowing it to meet financial obligations, invest in infrastructure, improve service, and navigate unexpected challenges. The significance of maintaining positive cash flow is to ensure that the municipality generates more income that what it spend, and this must be sustained over time and normalised in order for the municipality to be financially stable and viable.

The anticipated monthly collection rate for 2026/27 is 75% and is expected to steadily increase to 85% by the end of the financial year

## **2.11 Annual budgets and service delivery and budget implementation plans-internal departments**

The SDBIP is a plan that converts the IDP and Annual Budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibility to a department to deliver the service in terms of the approved IDP and Annual Budget.

The SDBIP organisational SDBIP, from which departmental SDBIP are derived from for the 2026/27 period, shall be submitted to the Executive Mayor no later than the 20<sup>th</sup> June and will serve as an implementing and measuring tool for the budget.

## **2.12 Annual budgets and service delivery agreements-municipal entities and other external mechanism**

N/A

## **2.13 Contracts having future budgetary implications**

Section 33 of MFMA stipulates and outlines conditions, processes, compliance requirements and that a municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year.

The details provided below provides and overview of active contracts having future budgetary implications on the municipality as outline and were procured in line with the stipulations of section 33 of MFMA.

**Contracts having future budgetary implications**

**Table 2.14: Contracts having future budgetary implications**

End User/ User Department	Contract Number	Contract Description	Contract Commence ment Date	Contract Expiry Date	Contract Value	Commitment to Date
Finance	NLM: FIN: FAR- 004-2024	Panel of Consultants to Assist in Compilation of GRAP & MSCOA Compliant Fixed Asset Register and Asset Verification for the Period of Three Years (36 Months) on As and When Required	2022/01/18	2027/06/11	R 3 070 576.67	R 2 578 076.66
Corporate	NLM:STR/02/2025	Appointment for the Strategic Support Service for Ngwathe Local Municipality	2025/02/24	2028/02/24	R 2 967 512.23	R 2 116 662.91
Finance	NLM:FIN/INSURAN CE/02/2025	Provision of Short- Term Insurance Portfolio for 36 Months	2025/05/09	2028/05/09	R 3 562 023.99	R 1 562 023.99

**2.14 Capital expenditure details**

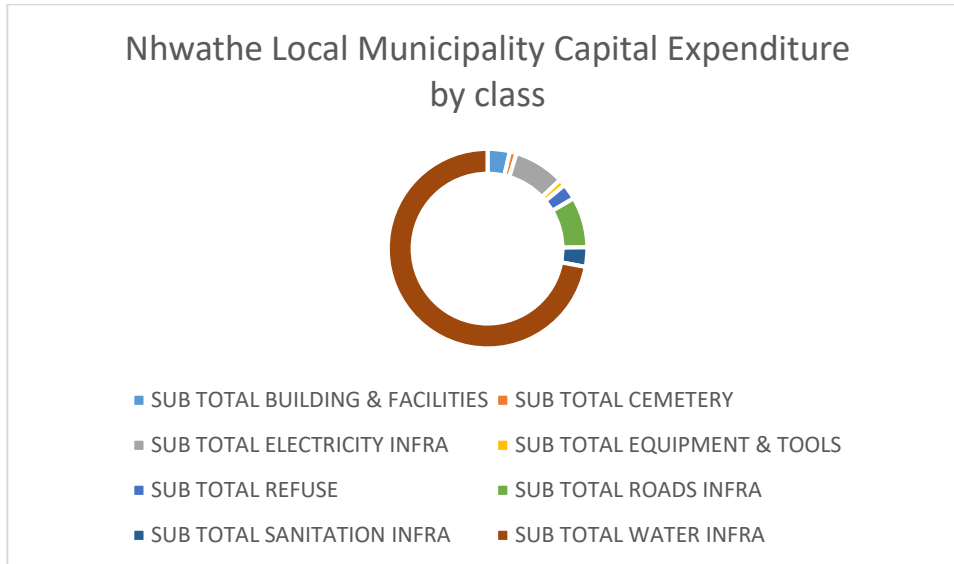
The following table provides an overview of planned capital expenditure by class. As it will be noticed from this table and the supporting chart that follows, the biggest amount of the capital budget will be channelled towards water infrastructure with 132 followed by Electricity infrastructure with R15.1 million and Roads with R15 million.

The future financial implications of these assets, particularly capital assets, will be assessed and quantified once the assets are completed and appropriate budgetary provision such as revenue potential, running and maintenance costs will be made.

**Detailed Capital Expenditure by Class**

<b>Expenditure Class/ Sub-cl</b>	<b>Source Of Funding</b>	<b>Project Description</b>	<b>Orig Budget</b>
BUILDING & FACILITIES	INTERNAL FUNDING	MUNICIPAL BUILDING EDENVILLE OFFICE	2 094 700.00
BUILDING & FACILITIES	INTERNAL FUNDING	UPGRADING OF THE SERVER (WAR ROOM)	2 000 000.00
BUILDING & FACILITIES	INTERNAL FUNDING	MOSEPEDI COMMUNITY HALL REFUR & UPGRADE	2 500 000.00
<b>SUB TOTAL BUILDING &amp; FACILITIES</b>			<b>6 594 700.00</b>
CEMETERY	INTERNAL FUNDING	DEVELOPMENT OF NEW CEMETERIES ALL TOWNS	2 000 000.00
<b>SUB TOTAL CEMETERY</b>			<b>2 000 000.00</b>
ELECTRICITY	INEP	KOPPIES SUBSTATION DEVELOPMENT W16 & 17	3 816 500.00
ELECTRICITY	RBIG	CONTRU 5KM MV LINE SUB STATIO PARYS WTW	438 640.00
ELECTRICITY	INEP	ELECTRIFICATION PROJECTS (INEP)	3 816 500.00
ELECTRICITY	INTERNAL FUNDING	PURCHASE OF ELECTRIC METERS	7 000 000.00
<b>SUB TOTAL ELECTRICITY INFRA</b>			<b>15 071 640.00</b>
EQUIPMENT AND TOOLS	INTERNAL FUNDING	TOOLS OF TRADE: COMPUTER EQU - PERSONNEL	1 000 000.00
EQUIPMENT AND TOOLS	INTERNAL FUNDING	FURNITURE & OFFICE EQUIPMENT	1 000 000.00
<b>SUB TOTAL EQUIPMENT &amp; TOOLS</b>			<b>2 000 000.00</b>
REFUSE	INTERNAL FUNDING	REHABILITATION -VREDEFORT LANDFILL SITE	900 000.00
REFUSE	INTERNAL FUNDING	REHABILITATION -EDENVILLE LANDFILL SITE	800 000.00
REFUSE	INTERNAL FUNDING	DEVELOPMENT OF EDENVILLE LANDFILL SITE	1 400 000.00
REFUSE	INTERNAL FUNDING	DEVELOPMENT OF VREDEFORT LANDFILL SITE	1 600 000.00
<b>SUB TOTAL REFUSE</b>			<b>4 700 000.00</b>
ROADS	MIG	PHIRITONA/SANDERVILLE: COSNTR OF LOW LEV	4 533 837.00
ROADS	MIG	TUMAHOLE: UPGRADING OF 1KM PAVING ROAD	7 288 197.00
ROADS	MIG	VREDEFORT 2KM PAVING ROADS	143 882.00
ROADS	MIG	CONSTRUCTION OF LOW LEVEL BRIDGE IN W1	3 041 091.00
<b>SUB TOTAL ROADS INFRA</b>			<b>15 007 007.00</b>
SANITATION	MIG	CONSTR 3KM WATERBORNE SANITATION NETWORK	3 647 640.00
SANITATION	MIG	TUMAHOLE PARYS REPLACE OF R59 SEWER LINE	221 900.00
SANITATION	MIG	MOKWALLO UPGRADE & REUR OUTFALL SEWER LI	899 667.00
SANITATION	WSIG	REFUREXISTING CLAY LINES IN HEILBRON IND	1 007 130.00
<b>SUB TOTAL SANITATION INFRA</b>			<b>5 776 337.00</b>
WATER	WSIG	CONSTR PUMP HOUSES&EQUIP BOREHOLES EDENV	6 368 327.00
WATER	MIG	VREDEFORT: UPGRAD WATER TREATMENT WORKS	7 892 485.00
WATER	MIG	PARYS/TUMA/S/VIL PUMPP/LINE EXIST RESER	394 701.00
WATER	RBIG	CONSTRUCT PIPELINE KOPPIES - EDENVILLE	2 137 641.00
WATER	RBIG	REFURBISHMENT OF KOPPIES WTW	71 373 809.00
WATER	RBIG	PARYS WTW UPGRADE AND REFURBISHMENT	32 161 910.00
WATER	INTERNAL FUNDING	PURCHASE OF WATER METERS	7 000 000.00
WATER	WSIG	CONS 3KM PIPELINE&ELEVATED TOWER HEI-PHI	4 624 543.00
<b>SUB TOTAL WATER INFRA</b>			<b>131 953 416.00</b>
<b>TOTAL CAPITAL EXPENDITURE</b>			<b>183 103 100.00</b>

The following chart provides a summarised overview of the total allocation per class of capital expenditure and must be read together with the above table.



<b>CAPITAL EXPENDITURE BY CLASS</b>	<b>%</b>
SUB TOTAL BUILDING & FACILITIES	4%
SUB TOTAL CEMETERY	1%
SUB TOTAL ELECTRICITY INFRA	8%
SUB TOTAL EQUIPMENT & TOOLS	1%
SUB TOTAL REFUSE	3%
SUB TOTAL ROADS INFRA	8%
SUB TOTAL SANITATION INFRA	3%
SUB TOTAL WATER INFRA	72%

## 2.15 Legislation compliance status

The budget is unfunded the municipality did not comply with S18 of the MFMA

The Municipality did not budget repairs and maintenance 8% of the property, plant and equipment.

The Mayor tabled the budget 90 days before the start of the financial year as per section 16 of the MFMA

Public participation were done and the table budget is advertised on the Municipal website.

Budget and supporting documents submitted within timeframe as regulated.

Data strings were submitted although there are some issues raised by Treasury that needs to be corrected before Council approval

In overall the Municipality complied with regulations related to Annual Budget except the one mention in line 1 and 2

## **2.16 Other supporting documents**

### **Annexure A-A1 - Supporting Table**

#### **FS203 Ngwathe - Table A1 Budget Summary**

Supporting Tables attached as Annexure

## **2.17 Annual budget of municipal entities attached to the municipalities annual budget**

N/A

2.18 Municipal manager's Quality Certificate



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Parys  
9585  
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OFFICE OF THE MUNICIPAL MANAGER

Municipal Manager's Quality certificate

I, Dr FP Mothamaha, the **Municipal Manager** of Ngwathe Local Municipality, hereby certify that the Final Annual Budget 01 July 2026 to 30 June 2027 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the annual budget and supporting documents are consistent with the integrated Development Plan of the Municipality.

Print Name Thabeni Mothamaha  
Municipal Manager Ngwathe Local Municipality (FS203)

Signature [Handwritten Signature]

Date 26/05/2026