



TOKOLOGO LOCAL MUNICIPALITY

Medium Term Revenue and Expenditure Framework
(MTREF)

2025/2026 – 2028/2029

DRAFT BUDGET REPORT

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SECTION A: PART 1

MAYOR'S REPORT

The Mayoral Budget speech will be presented during the final budget approval meeting and will be availed post the meeting.

RESOLUTIONS

- a) That the report on the Draft Budget and related policies and IDP review for 2025/2026 financial year as presented to Council be noted.
- b) That the Draft Budget and Draft IDP Review for the 2025/2026 financial year be adopted.
- c) That the budget-related policies of Tokologo Municipality for the 2025/2026 financial year be adopted.
- d) That the Municipal Manager makes public the Draft 2025/2026 MTREF Budget Report and invite the local community to submit representations in connection with the budget, as required by the Municipal Finance Management Act and the Municipal Systems Act;
- e) That the Municipal Manager submits the Draft 2025/2026 MTREF Budget Report to the National Treasury and the Free State Provincial Treasury, as required by the Municipal Finance Management Act; and
- f) That the Municipal Manager publishes the Draft 2025/2026 MTREF Budget Report on the municipal website and other official media platforms.

EXECUTIVE SUMMARY

Tokologo local Municipality budgeted process started in August 2021 when the council approved budget timelines as required by legislation. The budget process is governed by the Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act 32 of 2000. The objective process is to ensure good governance and accountability and enables the municipality to involve residents and other stakeholders in the budgeting process.

The Annual Draft Budget 2025/2026 Medium Term Revenue and Expenditure Framework (MTREF) Budget Report addresses the operating budget, tariff proposals as well as the capital budget and funding source proposals, to ensure that Tokologo Local Municipality renders services to the local community in a financially sustainable manner.

The process of developing the Municipality's annual draft budget is mainly guided by the strategic thrusts and operational priorities of Tokologo Local Municipality's Integrated Development Plan (IDP), as well as the MTREF that outlines the projected annual draft revenue and expenditure for the budget year under consideration and the two outer financial years.

The 2025/2026 MTREF draft budget report commences with a discussion on the legislative requirements to which the Municipality must comply with; the Budget Circulars containing directives published by the National and Provincial Treasury, as well as the key budget projections for the next three financial years.

The 2025/2026 MTREF draft budget report is based on these documents, as well as forecasted economic trends. A high level summary of the operating and capital budgets.

The Municipality's 2025/2026 budget amounts to **R 349 359 933**, represented by a Capital Budget of **R 97 227 870** and an Operating Budget of **R 252 132 063**.

The Capital Budget of **R 97 227 870** includes the following grants from national treasury:

- Regional Bulk
- MIG
- WSIG

The total operating expenditure of R 249 012 384 includes substantial allocations for bulk purchases and employee-related costs. The staff cost is at 33% of the total operating expenditure. The Treasury norm for municipalities is a minimum of 25% and a maximum of 40%, therefore the municipality is within the norm.

A significant portion, approximately 70%, of the total revenue is derived from service charges. Property rates contribute R 33 776 352 to our revenue stream.

Revenue / tariff increases are as follows:

- The increase in Rates Tariffs will be 6%
- The increase of Water Tariffs will be 6%.
- The increase of Sanitation Tariffs will be 6%.
- The tariff increase for Refuse Removal will be 6%.
- The increase of Electricity Tariffs has been set based on the previous year's tariff increase from NERSA (10.82%).
- The increase in Sundry Tariffs will be 6%.

LEGISLATION

Sections 15 to 24 of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA), read in conjunction with Regulations 9 to 20 of the Municipal Budget and Reporting Regulations (MBRR) legislates the processes for the compilation and approval of the municipal budget. The MFMA determines that:

15. Appropriation of funds for expenditure

A municipality may, except where otherwise provided in this Act, incur expenditure only –

- a) In terms of an approved budget; and
- b) Within the limits of the amounts appropriated for the different votes in an approved budget.

16. Annual budgets

- (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days [**31 March annually**] before the start of the budget year.
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

17. Contents of annual budgets and supporting documents

- (1) An annual budget of a municipality must be a schedule in the prescribed format –
 - a) Setting out realistically anticipated revenue for the budget year from each revenue source;
 - b) Appropriating expenditure for the budget year under the different votes of the municipality;
 - c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
 - d) Setting out –
 - i. Estimated revenue and expenditure by vote for the current year; and
 - ii. Actual revenue and expenditure by vote for the financial year preceding the current year; and
 - e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.
- (2) An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.

- (3) When an annual budget is tabled in terms of section 16(2), it must be accompanied by the following documents –
- a) Draft resolutions –
 - i. Approving the budget of the municipality;
 - ii. Imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and
 - iii. Approving any other matter that may be prescribed;
 - b) Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;
 - c) A projection of cash flow for the budget year by revenue source, broken down per month;
 - d) Any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act
 - e) Any proposed amendments to the budget-related policies of the municipality;
 - f) Particulars of the municipality's investments;
 - g) Any prescribed budget information on municipal entities under the sole or shared control of the municipality
 - h) Particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate
 - i) Particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements
 - j) Particulars of any proposed allocations or grants by the municipality to –
 - i. Other municipalities;
 - ii. Any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;
 - iii. Any other organs of state;
 - iv. Any organisations or bodies referred to in section 67(1);
 - k) The proposed cost to the municipality for the budget year of the salary, allowances and benefits of –
 - i. Each political office-bearer of the municipality;
 - ii. Councillors of the municipality; and
 - iii. The municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;
 - l) The proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of–
 - i. Each member of the entity's board of directors; and
 - ii. The chief executive officer and each senior manager of the entity; and
 - m) Any other supporting documentation as may be prescribed.

18. Funding of expenditure

- (1) An annual budget may only be funded from—
 - a) Realistically anticipated revenues to be collected;
 - b) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2). Revenue projections in the budget must be realistic, taking into account—
 - a) Projected revenue for the current year based on collection levels to date; and
 - b) Actual revenue collected in previous financial years.

22. Publication of annual budgets

Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must –

- a) In accordance with Chapter 4 of the Municipal Systems Act –
 - i. Make public the annual budget and the documents referred to in section 17(3); and
 - ii. Invite the local community to submit representations in connection with the budget; and
- b) Submit the annual budget [to be executed immediately following the tabling of the annual budget and within 10 working days following Council approval of the annual budget]–
 - i. In both printed and electronic formats to the National Treasury and the relevant provincial treasury; and
 - ii. In either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

24. Approval of annual budgets

- (1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.
- (2) An annual budget—
 - a) must be approved before the start of the budget year;
 - b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i);
 - c) and must be approved together with the adoption of resolutions as may be necessary—
 - i. Imposing any municipal tax for the budget year;
 - ii. Setting any municipal tariffs for the budget year;
 - iii. Approving measurable performance objectives for revenue from each source and for each vote in the budget;
 - iv. Approving any changes to the municipality's integrated development plan; and
 - v. Approving any changes to the municipality's budget-related policies.
- (3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

Regulations 9 to 20 of the MBRR in essence confirm the contents of Sections 15 to 24 of the MFMA in detail with regards to the Budget process.

The compilation of the annual budget, in terms of legislation, must also take into consideration the Budget Circulars released by both National and Provincial Treasury.

BUDGET TABLES

FS182 Tokologo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
Governance and administration		62,492	85,682	101,503	102,722	102,722	102,722	82,742	86,548	90,529
Executive and council		-	-	-	33,451	33,451	33,451	20,076	20,999	21,965
Finance and administration		62,492	85,682	101,503	67,589	67,589	67,589	59,638	62,381	65,251
Internal audit		-	-	-	1,682	1,682	1,682	3,028	3,167	3,313
Community and public safety		470	2,025	9,004	4,161	4,161	4,161	6,389	6,683	6,990
Community and social services		307	2,004	8,883	1,136	1,136	1,136	3,669	3,837	4,014
Sport and recreation		-	-	-	1,133	1,133	1,133	256	268	281
Public safety		164	21	121	1,892	1,892	1,892	2,464	2,577	2,696
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		17,286	24,910	16,344	26,741	26,741	26,741	38,656	40,434	42,294
Planning and development		24	71	107	13,739	13,739	13,739	14,329	14,988	15,678
Road transport		17,262	24,839	16,237	13,002	13,002	13,002	24,327	25,446	26,617
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		141,521	156,099	315,028	212,771	212,771	212,771	221,573	231,765	242,427
Energy sources		17,254	23,426	18,295	32,617	32,617	32,617	36,195	37,860	39,601
Water management		77,658	74,630	229,606	83,989	83,989	83,989	91,488	95,697	100,099
Waste water management		27,906	35,125	40,695	47,891	47,891	47,891	46,027	48,144	50,359
Waste management		18,703	22,918	26,431	48,273	48,273	48,273	47,863	50,065	52,368
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	221,769	268,716	441,878	346,395	346,395	346,395	349,360	365,430	382,240
Expenditure - Functional										
Governance and administration		135,547	172,852	266,059	104,404	113,061	113,061	99,989	119,758	125,267
Executive and council		21,550	28,357	44,549	24,555	26,418	26,418	17,674	18,487	19,338
Finance and administration		108,223	140,369	214,199	77,706	84,491	84,491	79,247	98,062	102,572
Internal audit		5,774	4,126	7,311	2,143	2,152	2,152	3,068	3,209	3,357
Community and public safety		3,454	1,440	2,470	4,433	4,454	4,454	6,412	6,707	7,015
Community and social services		2,138	951	1,241	1,492	1,493	1,493	3,283	3,435	3,593
Sport and recreation		192	37	(195)	305	305	305	256	268	281
Public safety		1,124	452	1,423	2,636	2,656	2,656	2,872	3,004	3,142
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6,032	12,970	49,159	22,686	18,909	18,909	26,842	27,706	28,980
Planning and development		2,894	9,928	10,928	12,075	12,963	12,963	18,081	18,541	19,394
Road transport		3,138	3,042	38,230	10,611	5,946	5,946	8,761	9,164	9,586
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		(10,148)	87,100	65,015	120,934	126,879	126,879	115,770	145,679	152,380
Energy sources		41,354	37,955	39,015	45,884	61,217	61,217	36,925	63,207	66,114
Water management		(62,497)	39,207	10,224	24,632	12,837	12,837	27,140	28,389	29,694
Waste water management		6,275	5,208	10,577	27,005	29,340	29,340	35,178	36,796	38,489
Waste management		4,721	4,730	5,198	23,414	23,485	23,485	16,527	17,287	18,083
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	134,885	274,362	382,702	252,457	263,302	263,302	249,012	299,849	313,642
Surplus/(Deficit) for the year		86,884	(5,645)	59,176	93,938	83,092	83,092	100,348	65,581	68,598

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

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Office of the Mayor		469	263	2,337	14,329	14,329	14,329	8,540	8,933	9,343
Vote 2 - Office of the Municipal Manager		(729)	70	212	37,906	37,906	37,906	25,411	26,580	27,803
Vote 3 - Department Financial Services		62,023	85,437	99,146	49,448	49,448	49,448	44,813	46,875	49,031
Vote 4 - Department Corporate Services		-	-	-	15,799	15,799	15,799	11,775	12,316	12,883
Vote 5 - Department Community Services		470	2,025	9,004	4,161	4,161	4,161	6,389	6,683	6,990
Vote 6 - Department Infrastructure Services		159,536	180,922	331,181	224,752	224,752	224,752	252,432	264,044	276,190
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	221,769	268,716	441,878	346,395	346,395	346,395	349,360	365,430	382,240
Expenditure by Vote to be appropriated	1									
Vote 1 - Office of the Mayor		9,147	69,573	33,507	18,622	20,012	20,012	10,231	10,702	11,194
Vote 2 - Office of the Municipal Manager		19,489	18,990	36,288	11,118	11,300	11,300	14,550	15,219	15,919
Vote 3 - Department Financial Services		97,225	67,629	178,262	48,238	53,099	53,099	54,144	71,804	75,107
Vote 4 - Department Corporate Services		11,222	17,267	18,688	26,870	29,093	29,093	24,087	25,195	26,354
Vote 5 - Department Community Services		7,661	5,480	7,859	8,742	8,815	8,815	14,695	15,000	15,690
Vote 6 - Department Infrastructure Services		(9,859)	95,423	108,099	138,867	140,983	140,983	131,305	161,928	169,377
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	0	0	0
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	134,885	274,362	382,702	252,457	263,302	263,302	249,012	299,849	313,642
Surplus/(Deficit) for the year	2	86,884	(5,645)	59,176	93,938	83,092	83,092	100,348	65,581	68,598

Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	15,542	21,630	16,200	27,169	27,169	27,169	29,605	33,152	34,677	36,272
Service charges - Water	2	2,170	2,591	2,970	5,660	5,660	5,660	6,460	5,192	5,431	5,681
Service charges - Waste Water Management	2	17,749	20,346	20,250	24,056	24,056	24,056	28,354	17,020	17,803	18,622
Service charges - Waste Management	2	12,045	13,202	13,086	32,437	32,437	32,437	35,228	29,070	30,407	31,806
Sale of Goods and Rendering of Services		484	176	547	543	543	543	543	430	449	470
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		21,557	28,983	39,177	46,371	46,371	46,371	46,371	41,286	43,185	45,171
Interest earned from Current and Non Current Assets		106	323	580	-	-	-	-	-	0	0
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		196	12	68	121	121	121	121	123	129	135
Licence and permits		-	-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		186	(19)	(0)	89	89	89	89	44	46	48
Non-Exchange Revenue											
Property rates	2	(4,905)	(4,937)	19,166	33,499	33,499	33,499	33,499	33,776	35,330	36,955
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		164	21	121	54	54	54	54	54	56	59
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		58,846	74,507	75,865	84,596	84,596	84,596	84,596	86,997	90,999	95,185
Interest		2,439	13,515	14,523	9,032	9,032	9,032	9,032	4,989	5,218	5,458
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		553	-	139	-	-	-	-	-	-	-
Other Gains		331	-	355	-	-	-	-	(0)	(0)	(0)
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		127,462	170,352	203,045	263,628	263,628	263,628	273,952	252,132	263,730	275,862
Expenditure											
Employee related costs	2	53,446	57,627	56,193	79,972	79,325	79,325	79,325	80,829	84,176	88,048
Remuneration of councillors		4,409	5,207	5,714	5,385	5,534	5,534	5,534	1,641	1,717	1,796
Bulk purchases - electricity	2	38,980	30,176	34,314	25,000	36,900	36,900	36,900	20,000	35,564	37,200
Inventory consumed	8	2,820	1,789	7,339	8,387	6,137	6,137	6,137	14,400	14,686	15,362
Debt impairment	3	-	56,871	81,077	49,924	49,924	49,924	49,924	40,000	61,719	64,558
Depreciation and amortisation		38,811	49,029	42,092	26,603	10,299	10,299	10,299	18,745	19,607	20,509
Interest		12,914	27,667	32,794	5,000	4,940	4,940	4,940	10,000	15,690	16,412
Contracted services		45,782	39,635	83,195	31,311	48,666	48,666	48,666	31,645	33,101	34,623
Transfers and subsidies		-	-	-	-	-	-	-	0	0	0
Irrecoverable debts written off		(72,197)	(13,099)	16,769	6,973	6,973	6,973	6,973	18,107	18,939	19,811
Operational costs		9,136	19,458	19,856	13,902	14,513	14,513	14,513	14,006	14,650	15,324
Losses on disposal of Assets		-	-	1,116	-	-	-	-	-	-	-
Other Losses		783	-	2,242	-	-	-	-	(0)	(0)	(0)
Total Expenditure		134,885	274,362	382,702	252,457	263,211	263,211	263,211	249,012	299,849	313,642
Surplus/(Deficit)		(7,423)	(104,009)	(179,658)	11,171	417	417	10,741	3,120	(36,119)	(37,780)
Transfers and subsidies - capital (monetary allocations)	6	89,403	93,427	238,834	82,767	82,767	82,767	82,767	97,228	101,700	106,379
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		81,979	(10,582)	59,176	93,938	83,183	83,183	93,507	100,348	65,581	68,598
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		81,979	(10,582)	59,176	93,938	83,183	83,183	93,507	100,348	65,581	68,598
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		81,979	(10,582)	59,176	93,938	83,183	83,183	93,507	100,348	65,581	68,598
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	81,979	(10,582)	59,176	93,938	83,183	83,183	93,507	100,348	65,581	68,598

Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure, to be appropriated											
Vote 1 - Office of the Mayor		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Department Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Department Corporate Services		-	(14,234)	-	-	-	-	-	-	-	-
Vote 5 - Department Community Services		-	911	-	-	-	-	0	0	0	0
Vote 6 - Department Infrastructure Services		21,114	35,620	14,149	22,109	22,109	22,109	22,109	23,780	24,874	26,018
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	21,114	22,298	14,149	22,109	22,109	22,109	22,109	23,780	24,874	26,018
Single-year expenditure, to be appropriated	2										
Vote 1 - Office of the Mayor		-	-	-	-	-	-	-	0	0	0
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Department Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Department Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Department Community Services		-	1,161	785	-	-	-	0	0	0	0
Vote 6 - Department Infrastructure Services		44,183	71,708	145,881	61,587	61,587	61,587	61,587	73,448	76,826	80,360
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		44,183	72,869	146,666	61,587	61,587	61,587	61,587	73,448	76,826	80,360
Total Capital Expenditure - Vote		65,297	95,167	160,815	83,696	83,696	83,696	83,696	97,228	101,700	106,379
Capital Expenditure - Functional											
Governance and administration		-	(14,234)	-	-	-	-	-	0	0	0
Executive and council		-	-	-	-	-	-	-	0	0	0
Finance and administration		-	(14,234)	-	-	-	-	-	0	0	0
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	2,072	785	-	-	-	-	0	0	0
Community and social services		-	1,161	785	-	-	-	-	0	0	0
Sport and recreation		-	911	-	-	-	-	-	0	0	0
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		10,650	10,075	7,448	18,587	18,587	18,587	18,587	18,300	19,142	20,022
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		10,650	10,075	7,448	18,587	18,587	18,587	18,587	18,300	19,142	20,022
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		54,647	97,234	152,582	65,109	65,109	65,109	65,109	78,928	82,559	86,356
Energy sources		-	-	1,312	-	-	-	-	0	0	0
Water management		54,647	80,694	142,514	43,000	43,000	43,000	43,000	55,148	57,685	60,338
Waste water management		-	16,560	8,560	22,109	22,109	22,109	22,109	23,780	24,874	26,018
Waste management		-	-	195	-	-	-	-	0	0	0
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	65,297	95,167	160,815	83,696	83,696	83,696	83,696	97,228	101,700	106,379
Funded by:											
National Government		65,297	95,167	160,815	83,696	83,696	83,696	83,696	97,228	101,700	106,379
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)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	65,297	95,167	160,815	83,696	83,696	83,696	83,696	97,228	101,700	106,379
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	0	0	0	0
Total Capital Funding	7	65,297	95,167	160,815	83,696	83,696	83,696	83,696	97,228	101,700	106,379

Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		(5,606)	6,964	781	15,113	15,113	15,113	15,113	182,779	191,187	199,981
Trade and other receivables from exchange transactions	1	225,052	18,173	7,976	42,516	42,516	42,516	42,516	83,458	87,298	91,313
Receivables from non-exchange transactions	1	164	-	4,342	15,682	15,682	15,682	15,682	28,424	29,731	31,099
Current portion of non-current receivables		-	6	6	-	-	-	-	0	0	0
Inventory	2	86	158	50	-	-	-	-	0	0	0
VAT		80,898	60,992	77,195	84,583	84,583	84,583	84,583	93,962	98,284	102,805
Other current assets		-	956	5,618	-	-	-	-	(0)	(0)	(0)
Total current assets		300,594	87,251	95,969	157,895	157,895	157,895	157,895	388,623	406,500	425,199
Non current assets											
Investments		136	-	-	-	-	-	-	0	0	0
Investment property		2,344	36,063	36,764,160.11	36,063	33,821	33,821	33,821	36,063	37,722	39,457
Property, plant and equipment	3	950,461	1,064,408	1,178,334	1,070,606	1,070,606	1,070,606	1,070,606	1,069,034	1,118,210	1,169,647
Biological assets		4,412	4,412	2,091	3,986	3,986	3,986	3,986	3,966	4,148	4,339
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		37	37	37	37	37	37	37	37	39	40
Intangible assets		53	161	53	53	53	53	53	53	55	58
Trade and other receivables from exchange transactions		1,370	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	0	0	0
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		958,814	1,105,082	1,217,278	1,110,745	1,108,503	1,108,503	1,108,503	1,109,153	1,160,174	1,213,542
TOTAL ASSETS		1,259,408	1,192,332	1,313,247	1,268,640	1,266,398	1,266,398	1,266,398	1,497,776	1,566,673	1,638,740
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	0	0	0
Financial liabilities		(2,038)	-	262	-	-	-	-	0	0	0
Consumer deposits		567	538	536	479	479	479	479	431	451	472
Trade and other payables from exchange transactions	4	333,389	436,487	484,146	417,312	417,312	417,312	417,312	555,897	581,468	608,216
Trade and other payables from non-exchange transactions	5	3,859	27,760	6,960	2,554	2,554	2,554	2,554	(0)	(0)	(0)
Provision		2,449	-	410	-	0	0	0	0	0	0
VAT		41,625	5,520	12,080	13,618	13,618	13,618	13,618	12,585	13,164	13,770
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		379,851	470,304	504,394	433,963	433,963	433,963	433,963	568,913	595,083	622,457
Non current liabilities											
Financial liabilities	6	3,438	703	455	-	-	-	-	0	0	0
Provision	7	26,997	42,043	48,542	-	-	-	-	0	0	0
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		247	533	533	-	-	-	-	0	0	0
Total non current liabilities		30,681	43,279	49,530	-	-	-	-	0	0	0
TOTAL LIABILITIES		410,532	513,583	553,924	433,963	433,963	433,963	433,963	568,913	595,083	622,457
NET ASSETS		848,876	678,750	759,323	834,676	832,435	832,435	832,435	928,862	971,590	1,016,283
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	859,278	668,065	759,323	93,938	835,003	835,003	835,003	928,862	971,590	1,016,283
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	859,278	668,065	759,323	93,938	835,003	835,003	835,003	928,862	971,590	1,016,283

Table A7 Budgeted Cash Flows

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	15,074	15,074	15,074	15,074	16,787	17,559	18,367
Service charges		-	-	-	26,325	26,325	26,325	26,325	22,457	23,490	24,570
Other revenue		10,557	-	-	400	400	400	400	454	475	497
Transfers and Subsidies - Operational	1	-	-	-	84,596	84,596	84,596	84,596	87,092	91,098	95,288
Transfers and Subsidies - Capital	1	-	28	41	82,767	82,767	82,767	82,767	264,462	276,627	289,352
Interest		-	-	-	-	-	-	-	36,859	38,555	40,328
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(88,178)	(50,459)	(66,051)	(143,337)	(143,337)	(143,337)	(143,337)	(166,020)	(173,657)	(181,646)
Interest		-	-	-	(2,500)	(2,500)	(2,500)	(2,500)	(2,620)	(2,741)	(2,867)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(77,621)	(50,431)	(66,010)	63,325	63,325	63,325	63,325	259,470	271,405	283,890
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		1,370	-	-	-	-	-	-	(0)	(0)	(0)
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	-	-	-	-	(100,148)	(104,754)	(109,573)
NET CASH FROM/(USED) INVESTING ACTIVITIES		1,370	-	-	-	-	-	-	(100,148)	(104,754)	(109,573)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(76,251)	(50,431)	(66,010)	63,325	63,325	63,325	63,325	159,322	166,651	174,317
Cash/cash equivalents at the year begin:	2	973	(14,978)	2,992	3,208	3,208	3,208	3,208	3,529	162,851	329,502
Cash/cash equivalents at the year end:	2	(75,277)	(65,409)	(63,017)	66,533	66,533	66,533	66,533	162,851	329,502	503,818

Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(75,277)	(65,409)	(63,017)	66,533	66,533	66,533	66,533	162,851	329,502	503,818
Other current investments > 90 days		69,671	72,373	63,799	(51,420)	(51,420)	(51,420)	(51,420)	19,928	(138,315)	(303,837)
Non current Investments	1	136	-	-	-	-	-	-	0	0	0
Cash and investments available:		(5,471)	6,964	781	15,113	15,113	15,113	15,113	182,779	191,187	199,981
Application of cash and investments											
Unspent conditional transfers		3,859	27,760	6,960	2,554	2,554	2,554	2,554	(0)	(0)	(0)
Unspent borrowing											
Statutory requirements	2	(39,274)	(55,472)	(65,115)	(70,965)	(70,965)	(70,965)	(70,965)	(81,377)	(85,120)	(89,036)
Other working capital requirements	3	217,592	436,487	484,146	408,973	408,973	408,973	409,258	518,491	542,341	567,290
Other provisions		2,449	-	410	-	0	0	0	0	0	0
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		184,626	408,775	426,401	340,563	340,562	340,562	340,847	437,114	457,221	478,254
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(190,097)	(401,811)	(425,620)	(325,449)	(325,449)	(325,449)	(325,734)	(254,336)	(266,035)	(278,273)
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(190,097)	(401,811)	(425,620)	(325,449)	(325,449)	(325,449)	(325,734)	(254,336)	(266,035)	(278,273)

Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE										
Total New Assets	1	13,003	9,672	17,600	30,529	30,529	30,529	23,780	24,874	26,018
<i>Roads Infrastructure</i>		877	3,917	-	-	-	-	0	0	0
<i>Storm water Infrastructure</i>		4,640	16,188	7,108	22,109	22,109	22,109	23,780	24,874	26,018
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		7,486	2,640	9,512	8,420	8,420	8,420	0	0	0
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	0	0	0
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		13,003	22,745	16,620	30,529	30,529	30,529	23,780	24,874	26,018
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	1,161	785	-	-	-	0	0	0
Community Assets		-	1,161	785	-	-	-	0	0	0
Machinery and Equipment		-	-	195	-	-	-	0	0	0
Transport Assets		-	-	-	-	-	-	0	0	0
Land		-	(14,234)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	48,580	81,306	164,117	53,167	53,167	53,167	73,448	76,826	80,360
<i>Roads Infrastructure</i>		5,133	5,351	7,448	18,587	18,587	18,587	18,300	19,142	20,022
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	1,312	-	-	-	0	0	0
<i>Water Supply Infrastructure</i>		43,448	75,044	155,357	34,580	34,580	34,580	55,148	57,685	60,338
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		48,580	80,395	164,117	53,167	53,167	53,167	73,448	76,826	80,360
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	911	-	-	-	-	0	0	0
Community Assets		-	911	-	-	-	-	0	0	0
Total Upgrading of Existing Assets	6	3,713	4,188	(20,902)	-	-	-	0	0	0
<i>Roads Infrastructure</i>		-	-	-	-	-	-	0	0	0
<i>Storm water Infrastructure</i>		3,713	1,179	1,452	-	-	-	0	0	0
<i>Electrical Infrastructure</i>		-	3,009	(22,354)	-	-	-	0	0	0
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		3,713	4,188	(20,902)	-	-	-	0	0	0
Machinery and Equipment		-	-	195	-	-	-	0	0	0
Transport Assets		-	-	-	-	-	-	0	0	0
Land		-	(14,234)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		65,297	95,167	160,815	83,696	83,696	83,696	97,228	101,700	106,379

Table A9 Asset Management (continues)

ASSET REGISTER SUMMARY - PPE (WDV)	5	558,471	575,818	1,036,680	1,033,183	1,030,941	1,030,941	1,019,363	1,066,253	1,115,301
<i>Roads Infrastructure</i>		8,238	8,238	100,351	246,219	246,219	246,219	239,308	250,316	261,830
<i>Storm water Infrastructure</i>		44,550	44,550	34,943	–	–	–	(0)	(0)	(0)
<i>Electrical Infrastructure</i>		48,224	31,743	3,489	133,140	133,140	133,140	129,403	135,356	141,582
<i>Water Supply Infrastructure</i>		319,132	285,755	723,972	466,815	466,815	466,815	468,230	489,768	512,298
<i>Sanitation Infrastructure</i>		44,683	51,293	53,034	130,319	130,319	130,319	126,661	132,487	138,581
<i>Solid Waste Infrastructure</i>		13,854	13,854	24,491	15,502	15,502	15,502	15,067	15,760	16,485
<i>Rail Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>		20,890	36,407	2,447	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>		–	–	–	–	–	–	–	–	–
Infrastructure		499,570	471,839	942,727	991,995	991,995	991,995	978,668	1,023,687	1,070,777
Community Assets		14,405	25,047	15,494	–	–	–	0	0	0
Heritage Assets		37	37	37	37	37	37	37	39	40
Investment properties		2,344	36,063	36,764	36,063	33,821	33,821	36,063	37,722	39,457
Other Assets		–	–	–	–	–	–	(0)	(0)	(0)
Biological or Cultivated Assets		4,412	4,412	2,091	3,986	3,986	3,986	3,966	4,148	4,339
Intangible Assets		53	161	53	53	53	53	53	55	58
Computer Equipment		1,489	1,052	107	99	99	99	80	83	87
Furniture and Office Equipment		1,194	597	1,795	100	100	100	94	98	102
Machinery and Equipment		28	25,125	386	90	90	90	95	99	104
Transport Assets		1,444	1,191	947	760	760	760	308	322	336
Land		33,494	10,293	36,280	–	–	–	(0)	(0)	(0)
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	558,471	575,818	1,036,680	1,033,183	1,030,941	1,030,941	1,019,363	1,066,253	1,115,301
EXPENDITURE OTHER ITEMS		40,554	43,670	40,248	36,292	20,739	20,739	32,220	33,702	35,252
Depreciation	7	37,029	37,685	34,464	26,603	10,299	10,299	18,745	19,607	20,509
Repairs and Maintenance by Asset Class	3	3,526	5,985	5,784	9,689	10,439	10,439	13,475	14,095	14,743
<i>Roads Infrastructure</i>		–	–	–	1,200	1,200	1,200	0	0	0
<i>Storm water Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>		263	2,535	246	1,200	3,350	3,350	850	889	930
<i>Water Supply Infrastructure</i>		1,360	–	–	–	–	–	0	0	0
<i>Sanitation Infrastructure</i>		4	33	–	80	80	80	100	105	109
<i>Solid Waste Infrastructure</i>		–	–	–	–	–	–	0	0	0
<i>Rail Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>		–	–	–	–	–	–	–	–	–
Infrastructure		1,628	2,568	246	2,480	4,630	4,630	950	994	1,039
Community Facilities		336	79	275	100	100	100	100	105	109
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		336	79	275	100	100	100	100	105	109
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		650	1,934	555	650	1,500	1,500	390	408	427
Housing		–	–	–	–	–	–	–	–	–
Other Assets		650	1,934	555	650	1,500	1,500	390	408	427
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		36	1,007	4,436	5,757	3,507	3,507	11,550	12,081	12,637
Transport Assets		876	396	272	702	702	702	485	507	530
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		40,554	43,670	40,248	36,292	20,739	20,739	32,220	33,702	35,252

Table A10 Basic service delivery measurement

Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		652	468	545	800	800	800	2,476	2,590	2,709
Sanitation (free sanitation service to indigent households)		3,584	2,796	3,823	4,298	4,298	4,298	8,233	8,612	9,008
Electricity/other energy (50kwh per indigent household per month)		-	-	-	2,436	2,436	2,436	0	-	-
Refuse (removed once a week for indigent households)		-	1,796	2,481	2,790	2,790	2,790	5,248	5,490	5,742
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
		-	-	-	-	-	-	-	-	-
Total cost of FBS provided	8	4,237	5,061	6,848	10,324	10,324	10,324	15,957	16,691	17,459
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)										
	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		4,905	4,937	23,295	295	295	295	1,079	1,129	1,181
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)		2,330	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		7,235	4,937	23,295	295	295	295	1,079	1,129	1,181

SECTION B: PART 2

OVERVIEW OF THE ANNUAL BUDGET

Municipal financial Management Act (MFMA) mention six steps that the municipality must follow in order to prepare the annual budget that is credible, the planning and strategizing process started with the preparation of the budget timelines as required by the Act. The council of the municipality approved the budget timelines during council meeting as stipulated in the MFMA.

All department heads were asked to give their inputs or any Drafts they may have in order to allow the budget office to prepare the budget. The budget office of the municipality under the leadership of the Chief Financial Officer prepared the annual draft budget, which will be tabled on the 31st March 2025.

The annual draft budget of the municipality is aligned to the municipality integrated development plan. Section 22 of the MFMA stipulates that the budget must be sent both to the National and Provincial Treasury both in hard and Electronic copy.

MFMA section 23(1) stipulates that after the annual budget of the municipality has been tabled in council the municipality must consider the views of the local community and relevant provincial treasury.

OVERVIEW OF THE ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

Municipalities in South Africa are required to utilise integrated development planning as an approach to plan future development in their respective municipal areas, and accordingly determine the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at establishing short, medium and long term strategic and budget priorities to create a developmental platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and capabilities of the Municipality to the overall development aims, which guide the municipal budget. The IDP further enables municipalities to make the best use of scarce resources to accelerate service delivery goals. An IDP is therefore a key instrument utilised by municipalities to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area.

The Integrated Development Plan must be reviewed each year as a legal obligation under section 34 of the Municipal Systems Act. This requires a Municipal Council to evaluate its integrated plan annually based on an assessment of its performance metrics according to section 41, and to make

amendments to its integrated development plan if changing circumstances necessitate it, following a prescribed process. The Annual Budget is closely tied to the IDP, a connection that was established with the enactment of the Municipal Finance Management Act in 2004.

The IDP objectives must guide and align the municipality's budget in accordance with the Municipal Structures Act and Municipal Finance Management Act. Both capital and operating expenditure budgetary allocations must be made in a way that will guarantee the achievement of the IDP outcomes and contribute to the realization of the municipality's vision. This guarantees that the IDP oversees the creation and execution of projects.

This budget is based on the following five key performance areas, however, the budget might be revised during the adjustment period in February 2026 to address changes where applicable.

Basic Services	Supporting the delivery of municipal services to the right quality and standard
Local Economic Development	Creating a conducive environment for economic development
Institutional Capacity Building	institutional resilience and administrative capability
Financial Management	Ensuring sound financial management and accounting
Good Governance and public participation	Transparency and Accountability Promoting good governance, transparency, and accountability

In order to guarantee adherence to the MSCOA regulations and stay current with the yearly changes of the mSCOA charts, the municipality is constantly working with the assistance of the system supplier (InzaloEMS). As mandated by the MFMA, necessary steps are also made to guarantee that the Annual Budget and Integrated Development Plan are in alignment.

OVERVIEW OF BUDGET RELATED POLICIES

The budget process is guided by and governed by relevant legislation and budget related policies. The main purpose of budget related policies is to guide and govern process and inform projection of the MTREF. Tokologo Local Municipality has the following budget related policies:

- Credit Control Policy

This policy provides direction in areas of credit control, collection of amounts billed to customers, procedures for recovery of arrear accounts, etc. Tokologo Local Municipality annually revises policy and approved the revised policy together with the annual budget approval.

- Investment and Cash Management Policy

Every municipal council is required in terms of Section 13(2) of the Municipal Finance Management Act (MFMA) no 56 of to approve a Cash and Investments Policy for the Council. The primary objective of the investment policy is to gain the highest possible return, without unnecessary risk, during periods when excess funds are not being used

- Budget Policy

The annual budget is the central financial planning document that entails all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The accounting officer confirms the municipality's priorities in the formulation of the draft and the final budget document. A budget, as per S71 of the MFMA, is subject to monthly control and reporting to Council with recommendations of action to be taken to achieve the budget's goals

- Tariff Policy

The purpose of this policy is to ensure that a uniform tariff is applied to the municipal area of jurisdiction. The policy is updated and sent for public comment annually.

- Indigent Policy

The criterion for benefits under this scheme is part of the credit control policy. An indigent register is maintained in order administer indigent support. The survey forms to qualify for the indigent support must be completed annually. The Municipality may annually, as part of its budgetary process, determine the

municipal services and levels thereof which will be subsidized in respect of indigent customers in accordance with the national policy, but subject to principles of sustainability and affordability.

- Property Rates Policy

This has been implemented with the Municipal Property Rates Act with effect from 1 July 2007. Policy has to be reviewed annually when the budget is submitted.

- Supply Chain management Policy

The policy reflects and represents the context of the Municipal Finance Management Act, Act no 56 of 2003

- Virement Policy

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

Policies which have been amended according to the recommendation below will be available on the website of the municipality. Herewith information regarding the amendment of policies:

<p>• INDIGENT POLICY</p> <hr/> <p>11.9 Process: 11.9.1 Validity period Validity period of assistance will be as indicated in 11.5</p>
<p>• PROPERTY RATES POLICY</p> <hr/> <p>7. CATEGORIES OF PROPERTY</p> <p>7.1 Different rates may be levied in respect of the following categories of ratable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-</p> <p>7.1.1 Public service infrastructure (PSI);</p> <p>7.1.2 Public Benefit Organisation (PBO);</p>

OVERVIEW OF BUDGET ASSUMPTIONS

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

The budget was developed using the incremental budgeting method, based on the expectation that the costs of goods and services previously budgeted will rise by a percentage higher than the current CPI, while a zero-based budgeting approach was applied specifically to Petrol.

The following tariffs have been raised:

Sewerage by 6.0%,

Refuse by 6.0%,

Water by 6.0%, and

Electricity by 10.82% (Based on previous year's tariff).

The Municipality will continue to give rebates to the Indigent household as per the Municipal Indigent policy as follows:

Water	6KL
Electricity	50kwh
Sanitation	100%
Refuse	100%
Property Rates	As per the approved threshold by NERSA.

An increase of 5.15% has been allocated for salaries, following the collective agreement on salaries set by the South African Local Bargaining Council. National Treasury MFMA circulars served as a reference for additional budget assumptions, and the following assumptions were established:

- The economic conditions and poverty rates in the municipality are expected to stay consistent throughout most of the financial year due to the lack of significant economic activities in the area.
- Operational expenses will either remain consistent with current figures or be decreased as part of cost-saving initiatives; if there is a significant drop in revenue collection rates, spending will need to be cut by the same percentage.

Municipal infrastructure and assets will be maintained as per maintenance plans and no provision has been made for major breakages but provision for unplanned maintenance has been made.

OVERVIEW OF BUDGET FUNDING

MFMA section 18(1) states that the expenditure of the budget may only be funded from:

- a) Realistically anticipated revenues to be collected;
- b) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- c) Borrowed funds, but only for the capital budget referred to in section 17(2).

Tokologo Local Municipality operating budget totals to **R 235 232 162** and is funded from:

- Grants (Equitable Share, EPWP and FMG)
- Service Charges (Electricity, Water, Sewer and Refuse)
- Other Revenue (Camp Rentals, Clearance certificate, Building Plans, etc.)

The capital budget of the municipality amounts to **R 99 447 000** and is funded from:

- Regional Bulk
- MIG
- WSIG

The municipality's average collection rate is standing at 36% and the municipality anticipate to collect 45% in the year 2025/2026

The allocation for municipal grants are as follows:

- Equitable share is **R 81 778 000**
- Financial management grant (FMG) **R 3 000 000**
- Extended Public Works Programme (EPWP) **R 1 256 000**
- Regional Bulk **R 55 148 000**
- Municipal Infrastructure Grant (MIG) **R 19 263 000**
- Water Services Infrastructure Grant (WSIG) **R 23 780 000**

EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

Total Grants Allocated to Tokologo Local Municipality are disclosed on table SA18 and they are as follows:

- **Financial Management Grant (FMG):**

Total allocation to Tokologo Local Municipality is R 3 000 000, the condition of the grant as per the support plan are as follows:

- Pay salaries of the 5 interns appointed and their MFMP training
- Pay SAIPA Membership fees for finance employees
- Acquisition, upgrade and maintenance of financial management systems (InzaloEMS)
- Support the preparation of the Assets Register.
- Support to strengthen financial governance and oversight as well as functioning of Internal audits and Audit Committees

- **Expanded Public Works Programme (EPWP):**

The Expanded Public Works Programme (EPWP) is a key government initiative aimed at providing temporary employment and skills development opportunities to marginalized communities. The program targets areas such as infrastructure development, community services, and environmental management, with a focus on poverty alleviation and the creation of job opportunities for those who are unemployed.

In the 2025-2026 the municipality has been allocated R 1 256 000 in an aim to alleviate poverty and unemployment by creating work opportunities and income support to the unemployed members of the community and the municipality aims to spend this grant fully in the 2025/2026 financial year on the following project:

EPWP PROJECTS	EPWP 2025/2026
Patching of potholes in Boshof.	840,000.00
Cleaning of all Towns	416,000

- **Municipal Infrastructure Grant (MIG):**

The total allocation for 2025/2026 financial year is **R 19 263 000**, and this money will be spent as follows:

MIG PROJECTS	MIG 2025/2026	MIG 2026/2027	MIG 2027/2028
5% PMU Operational Budget	963,150.00		
Boshof/Seretse: Upgrading of 1.5km paved road and storm water channel Phase 2.	7,473,078.08	-	-
Boshof/Seretse: Refurbishment of existing water elevated tank and construction of new elevated tank.	7,236,044.50	-	-
Tokologo Procurement of two specialized vehicles & equipment for waste management.	2,706,657.42	1,916,559.12	-
Construction of multi-purpose court in Tshwaraganang (Dealesville).	884,070.00	2,059,619.04	
Dealesville/Tshwaraganang: Construction of 2km Stormwater drainage.	-	13,922,912.17	20,735,352.50
Boshof/Seretse: The Construction of a new sewer network for 200 New sites.	-	2,682,909.67	611,647.50
Construction of multi-purpose court in Tshwaraganang (Dealesville).			
TOTAL MIG CAPITAL EXPENDITURE	19,263,000.00	20,582,000.00	21,347,000.00

- **Water Services Infrastructure Grant (WSIG):**

Allocation to the municipality for 2025/2026 financial year is R 23 780 000 and it will be spent as follows:

WSIG PROJECTS	WSIG 2025/2026	WSIG 2026/2027	WSIG 2027/2028
Upgrading of Dealesville/Tshwaraganang WWTW.	23,780,000	26,740,000	22,077,000

- **Regional Bulk Infrastructure Grant (RBIG):**

Allocation for this grant amounts to R 55 148 000, the money will be spent on the following projects:

RBIG PROJECTS	RBIG 2025/2026	RBIG 2026/2027	RBIG 2027/2028
Riverton Abstraction Point – Civil Works.	-	10,000,000	25,104,000
Boshof/kimberley: Construction of 10km (01) pumping main pipeline and associated works.	8,060,459	10,000,000	9,414,000
Boshof/kimberley: Construction of 10km (02) pumping main pipeline and associated works.	9,060,459	10,000,000	9,414,000
Boshof/kimberley: Construction of 5km (03) pumping main pipeline and associated works	13,845,703	-	-
Boshof/kimberley: Construction of 5km (04) pumping main pipeline and associated works.	8,060,459	10,000,000	9,414,000
Boshof/kimberley: Construction of 5km pumping main pipeline and associated works.	8,060,459	10,000,000	9,414,000
Stormwater implementation for Boshof bulk water scheme and associated components of the scheme-civil works.	8,060,459	12,760,000	3,138,000
TOTAL RBIG CAPITAL EXPENDITURE	55,148,000	62,760,000	65,898,000

- **The Equitable Share:**

EQS allocated to the municipality is R 81 778 000 and will be spent on the following:

- Salaries
- Indigents
- Contracted Services
- Operational Costs

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Mpho Aaron Sehloho, Municipal Manager of **Tokologo Local Municipality**, hereby certify that the 2025/2026 Draft Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the Drafts budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Name: _____

Name of Municipality: _____

Signature: _____

Date: _____