TOKOLOGO LOCAL MUNICIPALITY

Medium Term Revenue and Expenditure Framework (MTREF)

2026/2027
FINAL BUDGET REPORT

Table of Contents

SECTION A: PART 1

MAYOR'S REPORT

Honourable Speaker of Council, Cllr Mathe Gaebee ,
Members of the Council Executive and Portfolio Committees,
Fellow Councilors,
Our stakeholders from various government and non-governmental organizations,
Officials from Tokologo Local Municipality led by the Municipal Manager, Mr Aaron Mpho Sehloho,
All pastors and religious groups,
Business people,
Ward Committee members from all our 7 wards,
Residents of Tokologo Local Municipality,
Distinguished guests,
Ladies and Gentlemen,

I greet you all.

Today, I am really honoured to stand before you to present the municipal budget for the 2025/2027 financial year. The budget that I am presenting reflects both the mammoth challenges we are confronted with, and the fortitude with which we are confronting them.

We acknowledge and do not shy away from the reality that this has been one of the most difficult budget preparation cycles in recent years. Over the years, our municipality has been under severe financial strain, leading to the Free State Provincial Executive Council invoking a mandatory intervention in terms of section 139(5)(a) and (c) of the Constitution, owing to the persistent financial crisis and service delivery challenges prevalent within the municipality. The intervention required a mandatory financial recovery plan (FRP) which we are steadily implementing to turn the situation around.

We have embarked on a tough turnaround strategy that prioritizes financial viability, good governance, institutional development, basic service delivery, and local economic development, in line with the aforementioned Finance Recovery Plan. The foundation of this budget is a return to getting the basics right so that we can once again deliver the quality services our residents deserve.

The recently held Organizational Strategic Planning session has played an instrumental role in crafting this budget. During this session, the municipality's vision was thoroughly examined, and strategic priorities, ensuring alignment between our financial planning and long-term development goals. The insights gained from this planning exercise have strengthened our resolve to focus on the key areas that will foster sustainable growth and improve the well-being of our municipality and the community at large.

IDP REVIEW AND ADOPTION

I have the pleasure to report to this house that our reviewed Integrated Development Plan (IDP) has been adopted by Council. The municipality operates in a constantly changing environment and the IDP is reviewed annually to make sure it stays caters for everyday needs. An IDP encompasses all our service delivery goals and objectives in the short, medium and long-term. This plan is 'integrated' because it requires coordination between local government, various stakeholders and the public in order to achieve the best results. We thank all the stakeholders and members of the public who participated in all our three cluster meetings to have their views incorporated in the reviewed IDP. We also thank those who submitted their inputs in writing and electronically.

EPWP AND CWP PROGRAMME

Director, the Expanded Public Works Programme (EPWP) and the Community Works Programme (CWP) are important instruments of reducing the levels of poverty and unemployment in our municipality. It is important to report to this house that in all the 7 wards during this financial year, through the EPWP, we have managed to create 44 jobs.

AUDIT OUTCOME

Hon Speaker, we always strive to achieve a good audit outcome year in and year out, as it helps us to maintain accurate records and to verify the accuracy of various accounts within our municipality. It also helps us to increase the effectiveness of our internal control measures, responsibility and accountability. The audit outcome for the 2024/2025 financial year is unqualified audit opinion.

ILLEGAL CONNECTIONS, VANDALISM AND THEFT OF INFRASTRUCTURE

Illegal connections, Hon Speaker, especially of electricity, is of grave concern to us as Tokologo Local Municipality. Besides losing huge income, illegal connections of electricity poses a serious risk as it threatens public safety and overloads the system, which often causes the power connection to trip or fail. I would like to commend our officers who continue to curb illegal connection of electricity in our municipality. Furthermore, vandalism and theft of infrastructure is rising within our municipal area. Hon Speaker, these unlawful acts have a huge bearing on the fiscal of the municipality. Hon Speaker, we have had to place security at our infrastructure areas to try and curb these undesired acts. Our communities are therefore beseeched to work with us to ensure that we protect our infrastructure and report any such acts to the municipality and the South African Police Service. We are currently on a drive to ensure that prepaid electricity and water meters are installed within Tokologo to ensure that we curb illegal connections, losses and to maximize collections.

INDIGENT SUBSIDY

Hon Speaker, the municipality is continuing to provide free basic services to more than two thousand (2 000) indigent beneficiaries at a cost of R 20 088 060 (Twenty million and eighty eight thousand and sixty rand). These are the people whose joint family monthly income is R6 000.00 (six thousand rand) or less. Each beneficiary of the municipality's indigent policy receives 6 kilolitres of water, 50 kilowatts of electricity and hundred percent free sewer and refuse removal services every month. We are continuously on a drive to encourage our people, and we urge those who qualify to register for these free services. This initiative goes a long way in fighting poverty and unemployment.

SERVICE DELIVERY REPORT

Hon Speaker, let me take this opportunity to reflect on some of the major projects we achieved, the ones we are currently working on, and those that we will be working on in the next financial year.

PROJECTS IMPLEMENTED IN THE CURRENT FINANCIAL YEAR (2025/2026)

Regional Bulk Infrastructure

Allocation: **R128 000 000,00**

Project Description	Status	Progress
Construction of 30km pipeline.	Construction	-25km Completed. -Contractors on site progressing: **80%**
Boshof WTW: Mechanical and Electrical	Construction	-Progress: **90%**
Riverton: Abstraction works (M&E)	Construction	-New appointment -Contractor establishing Site
Implementation of storm-water features to protect the abstraction point and WTW	Construction	Progress: **90%**

Water Service Infrastructure Grant

Allocation: **R23 780 000,00**

Project Description	Status	Progress
Boshof - Construction of Bulk sewer infrastructure - Phase 1	Construction	-Progress: 75%
The refurbishment and upgrading of Hertzogville WWTW	Construction	-Contractor took site in Feb 2026
Dealesville Emergency Water Supply: Phase 3	Construction	Progress: **98%** -Contractor testing boreholes

Municipal Infrastructure Grant

Allocation: **R19 263 000,00**

Project Description	Status	Progress
Dealesville Ext 4 and Tshwaraganang Ext 5: Installation of water network for 400 erven	Construction	-Progress: **90%** -Project to be connected and completed

Boshof/Seretse: Refurbishment of existing water elevated tank and construction of new elevated tank	Construction	-Progress: **85%** -Project to be connected to the live system and completed
Malebogo (Hertzogville): Refurbishment of water treatment works - Phase 1	Construction	-Progress: **55%**
Seretse (Boshof): Upgrading of 1,5km paved road and storm water channel Phase 3	Construction	-Progress: **50%**
Tshwaraganang (Dealesville): Construction of Multi-purpose court	Tender	-Project going to Tender in March 2026

2026 / 2027 BUDGET

Honourable Speaker, I now have the pleasure to present the 2026 / 2027 budget:

- Total operating expenditure budget of R 318 472 267,
- Operating Revenue budget of R 307 279 985 and
- Capital expenditure of R 145 222 250.

In conclusion, Hon Speaker, I would like to thank my organization, the African National Congress, the Council of Tokologo Local Municipality and the community at large for giving me the privilege and opportunity to lead this institution and the people of Tokologo. This is surely my last budget speech in the current term of Council and my gratitude also goes to all our councillors, community stakeholders, the Municipal Manager, the entire administration and our workforce for your support. The work you are doing to improve the lives of our people is appreciated.

I am confident that through our collective wisdom and unity, we will be able to make a significant progress towards improving service delivery and providing a better life for our people.

Thank you.

RESOLUTIONS

a) That the report on the Final Budget and related policies and IDP review for 2026/2027 financial year as presented to Council be noted.
b) That the Final Budget and Final IDP Review for the 2026/2027 financial year be adopted.
c) That the budget-related policies of Tokologo Municipality for the 2026/2027 financial year be adopted.

d) That the Municipal Manager makes public the Final 2026/2027 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 Final 2026/2027 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 Final 2026/2027 MTREF Budget Report on the municipal website and other official media platforms.

EXECUTIVE SUMMARY

Tokologo local Municipality budged process started in August 2025 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 Final Budget 2026/2027 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 Final 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 Final revenue and expenditure for the budget year under consideration and the two outer financial years.

The 2026/2027 MTREF Final 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 2026/2027 MTREF Final 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 2026/2027 budget amounts to **R 453 502 235**, represented by a Capital Budget of **R 145 222 250** and an Operating Budget of **R 307 279 985**.

The Capital Budget of **R 146 222 250** includes the following grants:

- MIG
- WSIG
- RBIG

The total operating expenditure of **R 318 472 267** includes substantial allocations for contracted services, bulk purchases and employee-related costs. Employee-related costs constitute approximately 21% of the total operating expenditure. The National Treasury norm for municipalities is a minimum of 25% and a maximum of 40%; therefore, the municipality remains within the acceptable range.

The municipality remains highly dependent on transfers and subsidies, particularly the Equitable Share. More than 50% of the municipality's total revenue is funded through the Equitable Share allocation, indicating a strong reliance on national government transfers to sustain operational activities and service delivery.

Revenue / tariff increases are as follows:

- The increase in Rates Tariffs will be 6%
- The increase of Water Tariffs will be 5.27%.
- The increase of Sanitation Tariffs will be 6.13%.
- The tariff increase for Refuse Removal will be 5.88%.
- The increase of Electricity Tariffs (Depending on NERSA approval 12%).
- 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) Final 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 A1 Budget Summary

FS182 Tokologo - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	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
Financial Performance										
Property rates	(4,937)	19,188	24,397	33,776	29,860	29,860	29,860	32,796	34,764	34,764
Service charges	57,769	52,506	64,481	84,434	80,334	80,334	80,334	82,805	90,263	90,263
Investment revenue	1,222	1,085	185	–	–	–	–	0	–	–
Transfer and subsidies - Operational	280,013	142,282	76,786	142,145	143,482	143,482	143,482	89,986	92,591	96,522
Other own revenue	42,689	54,928	15,645	46,924	52,541	52,541	52,541	55,693	59,035	59,035
Total Revenue (excluding capital transfers and contributions)	376,757	269,990	181,494	307,280	306,217	306,217	306,217	261,280	276,653	280,583
Employee costs	57,307	56,193	56,152	59,527	61,695	61,695	61,695	69,708	100,684	145,749
Remuneration of councillors	5,207	5,714	6,144	6,054	4,710	4,710	4,710	5,115	7,417	10,755
Depreciation, amortisation and impairment	37,685	42,092	323,082	25,967	25,967	25,967	25,967	17,127	38,386	55,434
Interest, Dividends and Rent on Land	27,667	32,794	49,895	21,589	25,557	25,557	25,557	21,090	39,281	56,957
Inventory consumed and bulk purchases	31,966	41,653	63,518	44,822	44,289	44,289	44,289	47,256	69,463	100,722
Transfers and subsidies	–	–	–	–	–	–	–	200	290	421
Other expenditure	56,007	179,185	215,771	160,512	172,261	172,261	172,261	169,704	270,919	340,945
Total Expenditure	215,839	357,632	714,562	318,472	334,479	334,479	334,479	330,200	526,441	710,983
Surplus/(Deficit)	160,919	(87,642)	(533,068)	(11,192)	(28,262)	(28,262)	(28,262)	(68,920)	(249,788)	(430,400)
Transfers and subsidies - capital (monetary allocations)	93,427	238,834	172,003	42,080	42,080	42,080	42,080	145,222	145,879	150,498
Transfers and subsidies - capital (in-kind)	–	–	–	–	1,600	1,600	1,600	1,696	1,798	1,798
Surplus/(Deficit) after capital transfers & contributions	254,346	151,192	(361,065)	30,888	15,418	15,418	15,418	77,998	(102,112)	(278,104)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	254,346	151,192	(361,065)	30,888	15,418	15,418	15,418	77,998	(102,112)	(278,104)
Capital expenditure & funds sources										
Capital expenditure	109,400	160,815	65,708	42,080	42,080	42,080	42,080	145,222	145,879	149,438
Transfers recognised - capital	109,400	160,815	65,708	42,080	42,080	42,080	42,080	145,222	145,879	149,438
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	0	0
Total sources of capital funds	109,400	160,815	65,708	42,080	42,080	42,080	42,080	145,222	145,879	149,438
Financial position										
Total current assets	26,528	18,775	53,442	36,195	36,195	36,195	36,195	200,068	67,935	(56,965)
Total non current assets	1,077,188	1,197,300	1,222,566	638,343	638,343	638,343	638,343	128,095	107,492	94,004
Total current liabilities	465,286	491,875	649,583	956,974	959,279	959,279	959,279	504,316	547,485	599,141
Total non current liabilities	40,146	46,450	112,103	0	0	0	0	–	0	0
Community wealth/Equity	678,647	700,147	742,234	(136,458)	(131,259)	(131,259)	(131,259)	(332,150)	(167,834)	(5,895)
Cash flows										
Net cash from (used) operating	(24,679)	(66,010)	147,917	87,584	87,584	87,584	87,584	136,713	35,389	(91,837)
Net cash from (used) investing	–	–	–	(48,392)	(48,392)	(48,392)	(48,392)	(183,706)	(184,537)	(189,039)
Net cash from (used) financing	–	–	–	(0)	(0)	(0)	(0)	–	(0)	(0)
Cash/cash equivalents at the year end	(39,657)	(63,017)	148,698	40,471	40,471	40,471	40,471	(15,320)	(164,468)	(445,344)
Cash backing/surplus reconciliation										
Cash and investments available	(39,657)	(63,017)	148,698	40,471	40,471	40,471	40,471	(15,320)	(164,468)	(445,344)
Application of cash and investments	464,748	491,077	647,258	941,423	942,137	942,137	942,137	393,621	438,757	470,164
Balance - surplus (shortfall)	(504,406)	(554,095)	(498,559)	(900,952)	(901,666)	(901,666)	(901,666)	(408,941)	(603,225)	(915,509)
Asset management										
Asset register summary (WDV)	590,051	1,036,680	996,431	596,263	596,263	596,263		82,873	65,307	52,915
Depreciation	37,685	34,464	32,495	25,967	25,967	25,967		17,127	38,386	55,434
Renewal and Upgrading of Existing Assets	85,494	143,215	56,167	18,300	18,300	18,300		118,482	123,802	128,430
Repairs and Maintenance	5,985	5,784	7,355	14,731	15,711	15,711		17,127	25,269	36,640
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		1,674	1,674	1,674
Revenue cost of free services provided	–	–	–	–	–	–		–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–		0	0	0
Sanitation/sewerage:	–	–	–	–	–	–		3	3	3
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		9	9	9

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

FS182 Tokologo - 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		
R thousand	1	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
Revenue - Functional										
Governance and administration		**292,087**	**168,449**	**73,677**	**82,742**	**84,941**	**84,941**	**91,001**	**95,016**	**96,652**
Executive and council		–	–	68,467	20,076	20,076	20,076	21,280	20,920	22,557
Finance and administration		292,087	168,449	5,210	59,638	61,837	61,837	66,511	70,693	70,693
Internal audit		–	–	–	3,028	3,028	3,028	3,210	3,402	3,402
Community and public safety		**2,025**	**9,004**	**176**	**6,389**	**6,389**	**6,389**	**6,772**	**7,179**	**7,179**
Community and social services		2,004	8,883	268	3,669	3,669	3,669	3,889	4,122	4,122
Sport and recreation		–	–	(166)	256	256	256	272	288	288
Public safety		21	121	75	2,464	2,464	2,464	2,612	2,768	2,768
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**24,910**	**16,344**	**13,881**	**30,356**	**30,356**	**30,356**	**39,052**	**40,957**	**42,957**
Planning and development		71	107	16	14,329	14,329	14,329	15,141	15,076	16,103
Road transport		24,839	16,237	13,865	16,027	16,027	16,027	23,912	25,881	26,854
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**156,099**	**315,028**	**265,763**	**229,873**	**228,210**	**228,210**	**271,373**	**281,178**	**286,091**
Energy sources		23,426	18,295	25,269	44,495	47,362	47,362	39,756	43,891	43,891
Water management		74,630	229,606	169,295	91,488	96,097	96,097	144,664	145,061	149,708
Waste water management		35,125	40,695	43,194	46,027	52,543	52,543	53,961	57,037	57,037
Waste management		22,918	26,431	28,005	47,863	32,208	32,208	32,992	35,189	35,455
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**475,121**	**508,824**	**353,497**	**349,360**	**349,897**	**349,897**	**408,199**	**424,329**	**432,879**
Expenditure - Functional										
Governance and administration		**101,551**	**266,064**	**505,968**	**112,720**	**122,694**	**122,694**	**141,333**	**206,247**	**276,913**
Executive and council		28,357	44,549	17,415	15,828	17,853	17,853	18,001	26,392	38,269
Finance and administration		69,068	214,203	486,701	95,822	103,708	103,708	121,012	176,491	233,768
Internal audit		4,126	7,311	1,852	1,070	1,132	1,132	2,319	3,363	4,876
Community and public safety		**1,440**	**2,470**	**4,324**	**4,192**	**4,312**	**4,312**	**6,844**	**9,924**	**14,389**
Community and social services		951	1,241	1,727	1,731	1,758	1,758	3,704	5,370	7,787
Sport and recreation		37	(195)	(15)	20	20	20	21	31	45
Public safety		452	1,423	2,612	2,441	2,534	2,534	3,119	4,523	6,558
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**12,970**	**49,159**	**49,530**	**26,247**	**27,942**	**27,942**	**22,502**	**37,914**	**54,750**
Planning and development		9,928	10,928	13,828	14,537	14,159	14,159	11,254	16,821	24,164
Road transport		3,042	38,230	35,702	11,711	13,783	13,783	11,247	21,093	30,585
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**86,779**	**65,015**	**166,156**	**194,483**	**198,701**	**198,701**	**159,522**	**272,356**	**364,931**
Energy sources		37,634	39,015	66,788	37,803	38,752	38,752	49,833	90,627	128,216
Water management		39,207	10,224	8,094	91,389	92,052	92,052	42,238	87,438	121,136
Waste water management		5,208	10,577	8,788	35,513	37,986	37,986	43,857	66,455	83,012
Waste management		4,730	5,198	82,486	29,779	29,911	29,911	23,594	27,837	32,567
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**202,740**	**382,707**	**725,977**	**337,643**	**353,649**	**353,649**	**330,200**	**526,441**	**710,983**
Surplus/(Deficit) for the year		**272,381**	**126,117**	**(372,480)**	**11,717**	**(3,753)**	**(3,753)**	**77,998**	**(102,112)**	**(278,104)**

FS182 Tokologo - 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		
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
Revenue by Vote	1									
Vote 1 - Office of the Mayor		1,162	2,842	6,752	5,490	5,490	5,490	5,819	6,168	6,168
Vote 2 - Office of the Municipal Manager		70	235	68,758	26,316	26,316	26,316	27,895	26,932	29,568
Vote 3 - Department Financial Services		290,943	165,563	(1,792)	46,911	49,111	49,111	53,021	56,393	56,393
Vote 4 - Department Corporate Sevices		–	–	–	11,775	11,775	11,775	12,481	13,230	13,230
Vote 5 - Department Community Services		2,025	9,004	176	6,389	6,389	6,389	6,772	7,179	7,179
Vote 6 - Department Infrastructure Services		180,922	331,181	279,604	252,479	250,816	250,816	302,210	314,427	320,340
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	**475,121**	**508,824**	**353,497**	**349,360**	**349,897**	**349,897**	**408,199**	**424,329**	**432,879**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Office of the Mayor		1,358	33,507	13,573	10,770	12,705	12,705	12,220	18,010	26,114
Vote 2 - Office of the Municipal Manager		18,990	36,288	7,844	16,616	16,351	16,351	15,422	22,863	32,926
Vote 3 - Department Financial Services		67,629	178,266	464,919	74,616	80,172	80,172	96,938	137,599	177,375
Vote 4 - Department Corporate Sevices		14,181	18,688	21,595	20,090	20,104	20,104	20,570	33,960	49,242
Vote 5 - Department Community Services		5,480	7,859	11,463	4,192	6,629	6,629	10,162	14,586	21,150
Vote 6 - Department Infrastructure Services		95,102	108,099	206,583	211,358	217,688	217,688	174,888	299,423	404,177
Vote 7 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	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	**202,740**	**382,707**	**725,977**	**337,643**	**353,649**	**353,649**	**330,200**	**526,441**	**710,983**
Surplus/(Deficit) for the year	2	**272,381**	**126,117**	**(372,480)**	**11,717**	**(3,753)**	**(3,753)**	**77,998**	**(102,112)**	**(278,104)**

FS182 Tokologo - 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		
R thousand	1	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
Revenue											
Exchange Revenue											
Service charges - Electricity	2	21,630	16,200	23,684	33,152	36,683	36,683	36,683	37,233	41,217	41,217
Service charges - Water	2	2,591	2,970	6,477	5,192	10,669	10,669	10,669	11,034	11,988	11,988
Service charges - Waste Water Management	2	20,346	20,250	20,850	17,020	21,098	21,098	21,098	22,091	23,706	23,706
Service charges - Waste Management	2	13,202	13,086	13,470	29,070	11,884	11,884	11,884	12,448	13,353	13,353
Sale of Goods and Rendering of Services	2	176	547	355	430	430	430	430	455	483	483
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	28,983	39,177	42,445	41,286	43,724	43,724	43,724	46,347	49,128	49,128
Interest earned from Current and Non Current Assets	2	1,222	1,085	185	-	-	-	-	0	-	-
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	12	68	159	123	123	123	123	130	138	138
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	(19)	(0)	766	44	44	44	44	46	49	49
Non-Exchange Revenue											
Property rates	2	(4,937)	19,188	24,397	33,776	29,860	29,860	29,860	32,796	34,764	34,764
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	21	121	75	54	54	54	54	57	60	60
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	280,013	142,282	76,786	142,145	143,482	143,482	143,482	89,986	92,591	96,522
Interest	2	13,515	14,523	7,385	4,989	8,168	8,168	8,168	8,658	9,177	9,177
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	139	(34,125)	-	-	-	-	-	-	-
Other Gains	2	-	355	(1,415)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**376,757**	**269,990**	**181,494**	**307,280**	**306,217**	**306,217**	**306,217**	**261,280**	**276,653**	**280,583**
Expenditure											
Employee related costs	2	57,307	56,193	56,152	59,527	61,695	61,695	61,695	69,708	100,684	145,749
Remuneration of councillors	2	5,207	5,714	6,144	6,054	4,710	4,710	4,710	5,115	7,417	10,755
Bulk purchases - electricity	2	30,176	34,314	59,625	30,782	30,782	30,782	30,782	33,501	48,576	70,435
Inventory consumed	2,8	1,789	7,339	3,893	14,040	13,507	13,507	13,507	13,755	20,887	30,287
Debt impairment	2,3	-	72,771	75,267	36,981	36,981	36,981	36,981	108,778	115,305	115,305
Depreciation, amortisation and impairment	2	37,685	42,092	323,082	25,967	25,967	25,967	25,967	17,127	38,386	55,434
Interest, Dividends and Rent on Land	2	27,667	32,794	49,895	21,589	25,557	25,557	25,557	21,090	39,281	56,957
Contracted services	2	39,635	83,195	52,147	89,889	95,171	95,171	95,171	26,602	50,173	72,751
Transfers and subsidies	2	-	-	-	-	-	-	-	200	290	421
Irrecoverable debts written off	2	-	-	-	17,807	17,807	17,807	17,807	12,915	69,142	100,256
Operational costs	2	16,372	19,860	15,757	15,836	22,302	22,302	22,302	21,408	36,299	52,634
Disposal of Fixed and Intangible Assets	2	-	1,116	9,464	-	-	-	-	-	-	-
Other Losses	2	-	2,242	63,136	-	-	-	-	-	-	-
Total Expenditure		**215,839**	**357,632**	**714,562**	**318,472**	**334,479**	**334,479**	**334,479**	**330,200**	**526,441**	**710,983**
Surplus/(Deficit)		**160,919**	**(87,642)**	**(533,068)**	**(11,192)**	**(28,262)**	**(28,262)**	**(28,262)**	**(68,920)**	**(249,788)**	**(430,400)**
Transfers and subsidies - capital (monetary allocations)	6	93,427	238,834	172,003	42,080	42,080	42,080	42,080	145,222	145,879	150,498
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	1,600	1,600	1,600	1,696	1,798	1,798
Surplus/(Deficit) after capital transfers & contributions		**254,346**	**151,192**	**(361,065)**	**30,888**	**15,418**	**15,418**	**15,418**	**77,998**	**(102,112)**	**(278,104)**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**254,346**	**151,192**	**(361,065)**	**30,888**	**15,418**	**15,418**	**15,418**	**77,998**	**(102,112)**	**(278,104)**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**254,346**	**151,192**	**(361,065)**	**30,888**	**15,418**	**15,418**	**15,418**	**77,998**	**(102,112)**	**(278,104)**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**254,346**	**151,192**	**(361,065)**	**30,888**	**15,418**	**15,418**	**15,418**	**77,998**	**(102,112)**	**(278,104)**

FS182 Tokologo - Table A5 Budgeted Capital Expenditure

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - Office of the Mayor		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Department Financial Services		–	–	–	–	–	–	–	–	0	0
Vote 4 - Department Corporate Sevices		–	–	–	–	–	–	–	–	–	–
Vote 5 - Department Community Services		911	–	–	–	–	–	–	–	0	0
Vote 6 - Department Infrastructure Services		35,620	14,149	6,182	23,780	23,780	23,780	23,780	126,740	125,770	129,357
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	**36,531**	**14,149**	**6,182**	**23,780**	**23,780**	**23,780**	**23,780**	**126,740**	**125,770**	**129,357**
Single-year expenditure ***to be appropriated***	2										
Vote 1 - Office of the Mayor		–	–	–	–	–	–	–	–	0	0
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Department Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 4 - Department Corporate Sevices		–	–	–	–	–	–	–	–	–	–
Vote 5 - Department Community Services		1,161	785	–	0	0	0	0	875	928	984
Vote 6 - Department Infrastructure Services		71,708	145,881	59,527	18,300	18,300	18,300	18,300	17,607	19,181	19,098
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		**72,869**	**146,666**	**59,527**	**18,300**	**18,300**	**18,300**	**18,300**	**18,482**	**20,109**	**20,081**
Total Capital Expenditure - Vote		**109,400**	**160,815**	**65,708**	**42,080**	**42,080**	**42,080**	**42,080**	**145,222**	**145,879**	**149,438**
Capital Expenditure - Functional											
Governance and administration		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0**	**0**
Executive and council		–	–	–	–	–	–	–	–	0	0
Finance and administration		–	–	–	–	–	–	–	–	0	0
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**2,072**	**785**	**–**	**0**	**0**	**0**	**0**	**875**	**928**	**984**
Community and social services		1,161	785	–	0	0	0	0	–	0	0
Sport and recreation		911	–	–	–	–	–	–	875	928	984
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**10,075**	**7,448**	**11,181**	**18,300**	**18,300**	**18,300**	**18,300**	**16,907**	**18,439**	**18,311**
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		10,075	7,448	11,181	18,300	18,300	18,300	18,300	16,907	18,439	18,311
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**97,254**	**152,582**	**54,527**	**23,780**	**23,780**	**23,780**	**23,780**	**127,440**	**126,512**	**130,143**
Energy sources		–	1,312	–	0	0	0	0	0	0	0
Water management		80,694	142,514	48,346	0	0	0	0	100,000	103,693	108,349
Waste water management		16,560	8,560	6,182	23,780	23,780	23,780	23,780	27,440	22,819	21,794
Waste management		–	195	–	0	0	0	0	–	0	0
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**109,400**	**160,815**	**65,708**	**42,080**	**42,080**	**42,080**	**42,080**	**145,222**	**145,879**	**149,438**
Funded by:											
National Government		109,400	160,815	65,708	42,080	42,080	42,080	42,080	145,222	145,879	149,438
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**109,400**	**160,815**	**65,708**	**42,080**	**42,080**	**42,080**	**42,080**	**145,222**	**145,879**	**149,438**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	0	0
Total Capital Funding	7	**109,400**	**160,815**	**65,708**	**42,080**	**42,080**	**42,080**	**42,080**	**145,222**	**145,879**	**149,438**

Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
ASSETS											
Current assets											
Cash and cash equivalents	1	6,964	781	24,572	6,440	6,440	6,440	6,440	1,354	(97,585)	(225,450)
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	18,442	7,976	12,598	13,951	13,951	13,951	13,951	190,056	156,342	159,308
Receivables from non-exchange transactions	3	–	4,342	11,020	15,803	15,803	15,803	15,803	8,658	9,177	9,177
Current portion of non-current receivables	4	6	6	28	0	0	0	0	–	0	0
Inventory	5	158	50	80	0	0	0	0	–	0	0
VAT Receivable	6	–	–	–	–	–	–	–	–	0	0
Other current assets	7	956	5,618	5,143	(0)	(0)	(0)	(0)	–	(0)	(0)
Total current assets		**26,528**	**18,775**	**53,442**	**36,195**	**36,195**	**36,195**	**36,195**	**200,068**	**67,935**	**(56,965)**
Non current assets											
Investments	8	–	–	–	0	0	0	0	–	0	0
Investment property	9	36,063	36,764	32,652	36,390	36,390	36,390	36,390	–	0	0
Property, plant and equipment	10	1,036,514	1,158,355	1,191,956	599,773	599,773	599,773	599,773	128,095	107,994	94,506
Biological assets	11	4,412	2,091	(2,133)	2,091	2,091	2,091	2,091	–	(502)	(502)
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	37	37	37	37	37	37	37	–	0	0
Intangible assets	14	161	53	53	53	53	53	53	–	0	0
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	0	0	0	0	–	0	0
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**1,077,188**	**1,197,300**	**1,222,566**	**638,343**	**638,343**	**638,343**	**638,343**	**128,095**	**107,492**	**94,004**
TOTAL ASSETS		**1,103,715**	**1,216,074**	**1,276,008**	**674,538**	**674,538**	**674,538**	**674,538**	**328,162**	**175,427**	**37,039**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	0	0	0	0	–	0	0
Financial liabilities	18	–	262	1,796	0	0	0	0	–	0	0
Consumer deposits	19	538	536	530	540	540	540	540	–	0	0
Trade and other payables from exchange transactions	20	436,988	484,146	607,861	956,434	958,739	958,739	958,739	502,536	544,172	593,960
Trade and other payables from non-exchange transactions	21	27,760	6,960	39,426	(0)	0	0	0	(9,430)	(9,995)	(9,995)
Provision	22	–	(29)	(29)	0	0	0	0	–	0	0
VAT Payable	23	–	–	–	–	–	–	–	11,209	13,308	15,177
Other current liabilities	24	–	–	–	–	–	–	–	–	0	0
Total current liabilities		**465,286**	**491,875**	**649,583**	**956,974**	**959,279**	**959,279**	**959,279**	**504,316**	**547,485**	**599,141**
Non current liabilities											
Financial liabilities	25	703	455	(3,594)	0	0	0	0	–	0	0
Provision	26	39,443	45,995	115,697	0	0	0	0	–	0	0
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	–	–	–	–	–	–	–	–	0	0
Total non current liabilities		**40,146**	**46,450**	**112,103**	**0**	**0**	**0**	**0**	**–**	**0**	**0**
TOTAL LIABILITIES		**505,431**	**538,326**	**761,686**	**956,974**	**959,279**	**959,279**	**959,279**	**504,316**	**547,485**	**599,141**
NET ASSETS		**598,284**	**677,749**	**514,322**	**(282,436)**	**(284,742)**	**(284,742)**	**(284,742)**	**(176,153)**	**(372,058)**	**(562,103)**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	678,647	700,147	742,234	(136,458)	(131,259)	(131,259)	(131,259)	(332,150)	(167,834)	(5,895)
Reserves and funds	30	–	–	–	–	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**678,647**	**700,147**	**742,234**	**(136,458)**	**(131,259)**	**(131,259)**	**(131,259)**	**(332,150)**	**(167,834)**	**(5,895)**

Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	28,137	28,137	28,137	28,137	10,369	10,991	10,991
Service charges		–	–	–	54,570	54,570	54,570	54,570	22,933	27,171	27,171
Other revenue		–	–	–	62,645	62,645	62,645	62,645	35,786	44,070	54,240
Transfers and Subsidies - Operational	1	–	–	–	128,614	128,614	128,614	128,614	89,456	92,030	95,960
Transfers and Subsidies - Capital	1	28	41	–	42,080	42,080	42,080	42,080	145,222	145,879	150,498
Interest		–	–	–	41,286	41,286	41,286	41,286	46,347	49,128	49,128
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(24,707)	(66,051)	147,917	(248,159)	(248,159)	(248,159)	(248,159)	(192,309)	(294,599)	(422,868)
Finance charges		–	–	–	(21,589)	(21,589)	(21,589)	(21,589)	(21,090)	(39,281)	(56,957)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(24,679)	(66,010)	147,917	87,584	87,584	87,584	87,584	136,713	35,389	(91,837)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	0	0	0	0	0	(0)	(0)
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(48,392)	(48,392)	(48,392)	(48,392)	(167,006)	(167,760)	(171,854)
Retention (Capital)		–	–	–	(0)	(0)	(0)	(0)	(16,701)	(16,776)	(17,185)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	(48,392)	(48,392)	(48,392)	(48,392)	(183,706)	(184,537)	(189,039)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	(0)	(0)	(0)	(0)	–	(0)	(0)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	(0)	(0)	(0)	(0)	–	(0)	(0)
NET INCREASE/ (DECREASE) IN CASH HELD		(24,679)	(66,010)	147,917	39,192	39,192	39,192	39,192	(46,993)	(149,148)	(280,876)
Cash/cash equivalents at the year begin:	2	(14,978)	2,992	781	1,279	1,279	1,279	1,279	31,673	(15,320)	(164,468)
Cash/cash equivalents at the year end:	2	(39,657)	(63,017)	148,698	40,471	40,471	40,471	40,471	(15,320)	(164,468)	(445,344)

SECTION B: PART 2

OVERVIEW OF THE ANNUAL BUDGET

Municipal financial Management Act (MFMA)mention six steps that the municipality must follow I 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 Finals 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 Final budget, which will be tabled on the 31st May 2026.

The annual Final budget of the municipality is aligned to the municipality integrated development plan. Section 22 of the MFMA stipulates that the budget must be send 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 2027 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 Final 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.

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 6.13%,
- Refuse by 5.88%,
- Water by 5.27%, and
- Electricity (Depending on NERSA approval 12%)

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 municipality’s approved rates policy and indigent threshold.

- An increase of approximately 4.75% has been provided for employee-related costs for the 2026/27 financial year, based on the collective agreement concluded in the South African Local Government Bargaining Council (SALGBC). The increase is determined in accordance with the agreed formula of the average CPI for the period 1 February 2025 to 31 January 2026 plus 0.75%.
- 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).

Operating Revenue Budget:

Tokologo Local Municipality operating budget totals to **R 453 502 235** and is funded from:

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

The municipality's current average collection rate is approximately 28%, and it is anticipated that the municipality will improve the collection rate to 32% during the 2026/27 financial year through enhanced revenue management and credit control measures.

Capital Budget:

The capital budget of the municipality amounts to **R 145 222 250** and is funded from:

- MIG
- WSIG
- RBIG

The municipality's own funding allocation will be utilised for the acquisition of fire Vehicles and disaster response equipment, as well as for the design phase of the construction of the Fire Station in Boshof under the Disaster Management programme.

The allocation for municipal grants are as follows:

- Equitable share is **R 83 224 000**

- Financial management grant (FMG) **R 3 000 000**

- Extended Public Works Programme (EPWP) **R 1 372 000**

- Regional Bulk **R 100 000 000**

- Municipal Infrastructure Grant (MIG) **R 19 455 000**

- Water Services Infrastructure Grant (WSIG) **R 26 740 000**

EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

Total Grants Allocated to Tokologo Local Municipality 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.
- Payment of SAIPA membership fees for employees who hold SAIPA qualifications.
- 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 funtioning 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 2026/2027 the municipality has been allocated R 1 372 000 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 2026/2027 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 2026/2027 financial year is **R 19 455 000,** and this money will be spent as follows:

Project Name (as it appears on MIG-MIS)	Total Planned Expenditure for 2026/2027	Total Planned Expenditure for 2027/2028	Total Planned Expenditure for 2028/2029
Project Management Unit (PMU)	972,750.00	1,058,350.00	1085550
Malebogo (Hertzogville): Refurbishment of water treatment works - Phase 1 (MIS:555208)	699,909.40	741,903.96	786,418.20
Seretse (Boshof): Upgrading of 1,5km paved road and storm water channel Phase 3 (MIS:555276)	3,603,383.50	3,819,586.51	4,048,761.70
Tshwaraganang (Dealesville): Construction of Multi-purpose court (MIS:469290)	827,679.03	877,339.77	929,980.16
Dealesville/Tshwaraganang: Construction of 2km Roand and Stormwater drainage	13,303,482.10	14,619,156.03	14,262,586.39
Tshwaraganang: Upgrading Sports Facility - Phase 1.	47,795.97	50,663.73	53,703.55
	19,455,000.00	**21,167,000**	**21,167,000**

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

Allocation to the municipality for 2026/2027 financial year is **R 26 740 000** and it will be spent as follows:

Project Name	2026/2027 Financial Year	2027/2028 Financial Year	2028/2029 Financial Year
Upgrade of Hertzogville WWTW	10,071,092	10,675,358	11,315,879
Boshof Bulk Sewer_WWTW	16,668,908	11,401,642	9,691,978
	26,740,000	**22,077,000**	**21,007,857**

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

Allocation for this grant amounts to **R 100 000 000**, the money will be spent on the following project:

Riverton Abstraction Point – Civil Works.	**-**	**10,000,000**	**25,104,000**
Boshof/kimberley: Construction of 10km (01) pumpimg main pipeline and associated works.	8,060,459	10,000,000	9,414,000
Boshof/kimberley: Construction of 10km (02) pumpimg main pipeline and associated works.	9,060,459	10,000,000	9,414,000
Boshof/kimberley: Construction of 5km (03) pumpimg main pipeline and associated works	13,845,703	-	-
Boshof/kimberley: Construction of 5km (04) pumpimg main pipeline and associated works.	8,060,459	10,000,000	9,414,000

Boshof/kimberley: Construction of 5km pumpimg main pipeline and associated works.	8,060,459	10,000,000	9,414,000
Stormwater implementation for Boshof bulk water scheme and asssociated components of the scheme-cuvil 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 83 224 000 and will be spent on the following:

- Salaries
- Indigents
- Contracted Services
- Operational Costs

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Keamogetse Baijang, Acting Municipal Manager of **Tokologo Local Municipality**, hereby certify that the 2026/2027 Final 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 Final budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Name:____

Name of Municipality:____________________________

Signature: __________________________

Date: _________________